LUFTHANSA GROUP

Annual Report

CONNECTING PEOPLE, CULTURES AND ECONOMIES IN A SUSTAINABLE WAY

2024

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COMPANY

- The Lufthansa Group is an aviation group with operations worldwide.
- It consists of the business segments Passenger Airlines, Logistics and MRO, as well as Additional Businesses and Group Functions.

Key performance indicators for 2024

37.6	1.6	4.4
Revenue in €bn	**Adjusted EBIT** in €bn	**Adjusted EBIT margin** in %
+6%	-39%	-3.2 pts

KEY FIGURES LUFTHANSA GROUP

T001 KEY FIGURES LUFTHANSA GROUP

		2024	2023	Change in %
Revenue and result				
Total revenue	in €m	37,581	35,442	6
of which traffic revenue	in €m	31,439	29,926	5
Operating income	in €m	40,542	38,429	5
Operating expenses	in €m	39,097	35,960	9
Adjusted EBITDA[1]	in €m	3,982	4,910	-19
Adjusted EBIT[1]	in €m	1,645	2,682	-39
EBIT	in €m	1,731	2,669	-35
Net profit/loss for the period	in €m	1,380	1,673	-18
Key balance sheet and cash flow statement figures				
Total assets	in €m	47,052	45,321	4
Shareholders' equity	in €m	11,594	9,709	19
Net indebtedness	in €m	5,744	5,682	1
Net pension obligations	in €m	2,566	2,676	-4
Cash flow from operating activities[3]	in €m	3,892	4,905	-21
Capital expenditure (gross)[2]	in €m	3,743	3,576	5
Net capital expenditure[3]	in €m	2,392	2,771	-14
Adjusted free cash flow[1]	in €m	840	1,846	-54
Key profitability and value creation figures				
Adjusted EBITDA margin[1]	%	10.6	13.9	-3.3 pts
Adjusted EBIT margin[1]	%	4.4	7.6	-3.2 pts
EBIT margin	%	4.6	7.5	-2.9 pts
Adjusted ROCE[1]	%	7.2	13.1	-5.9 pts

		2024	2023	Change in %
Lufthansa share				
Share price at year-end	€	6.18	8.05	-23
Earnings per share	€	1.15	1.40	-18
Suggested dividend per share	€	0.30	0.30	-
Traffic figures and environmental data				
Flights	Number	991,752	946,132	5
Passengers	thousands	131,300	122,535	7
Available seat-kilometres	millions	326,176	300,582	9
Revenue seat-kilometres	millions	271,038	249,269	9
Passenger load factor	%	83.1	82.9	0.2 pts
Available cargo tonne-kilometres	millions	17,119	15,497	10
Revenue cargo tonne-kilometres	millions	9,957	8,735	14
Cargo load factor	%	58.2	56.4	1.8 pts
Specific CO_2 emissions	grammes	87.5	88.7	-1
Employees				
Employees at end of period	Number	101,709	96,677	5
Average number of employees	Number	100,290	110,264	-9

[1] Derivation ↗ **Financial strategy and value-based management, Financial performance.**

[2] Without acquisition of equity investments.

[3] Previous year's figures adjusted

Date of publication: 6 March 2025.

KEY FIGURES BUSINESS SEGMENTS

PASSENGER AIRLINES

T002 KEY FIGURES PASSENGER AIRLINES

		2024	Change in %
Revenue	€m	29,690	5
of which traffic revenue	€m	27,869	4
Adjusted EBIT	€m	1,046	-49
Adjusted EBIT margin	%	3.5	-3.7 pts
Adjusted ROCE	%	8.5	-10.5 pts
Segment capital expenditure	€m	3,275	6
Employees as of 31 Dec	number	65,172	7

The Passenger Airlines segment comprises the network airlines Lufthansa Airlines, SWISS, Austrian Airlines and Brussels Airlines – which offer their customers a premium experience, with high-quality products and services – as well as Eurowings, which is positioned as a value carrier focusing exclusively on point-to-point traffic on short- and medium-haul routes.

LOGISTICS

T003 KEY FIGURES LOGISTICS

		2024	Change in %
Revenue	€m	3,263	10
of which traffic revenue	€m	3,054	10
Adjusted EBIT	€m	251	15
Adjusted EBIT margin	%	7.7	0.3 pts
Adjusted ROCE	%	8.2	0.9 pts
Segment capital expenditure	€m	149	-22
Employees as of 31 Dec	number	4,261	3

In addition to Lufthansa Cargo AG, the Logistics segment includes the airfreight container management specialist Jettainer group, the time:matters group, which specialises in particularly urgent shipments, the subsidiary Heyworld, which specialises in tailored solutions for the e-commerce sector, CB Customs Broker, the customs and customs clearance specialist, and the Lufthansa Group's 50% stake in the cargo airline AeroLogic.

MRO

T004 KEY FIGURES MRO

		2024	Change in %
Revenue	€m	7,441	14
of which external revenue	in €m	5,036	15
Adjusted EBIT	€m	635	1
Adjusted EBIT margin	%	8.5	-1.1 pts
Adjusted ROCE	%	10.9	-1.1 pts
Segment capital expenditure	€m	206	50
Employees as of 31 Dec	number	24,499	7

Lufthansa Technik is the world's leading manufacturer-independent provider of maintenance, repair and overhaul services (MRO) for civilian commercial aircraft. Lufthansa Technik AG serves more than 800 customers worldwide, including airlines as well as OEMs, aircraft leasing companies, operators of VIP jets, governments and armed forces.

29.7
Revenue
in €bn
+5%

1,046
Adjusted EBIT
in €m
-49%

3.5
Adjusted EBIT margin
in %
- 3,7 pts

3.3
Revenue
in €bn
+10%

251
Adjusted EBIT
in €m
+15%

7.7
Adjusted EBIT margin
in %
+ 0,3 pts

7.4
Revenue
in €bn
+14%

635
Adjusted EBIT
in €m
+1%

8.5
Adjusted EBIT margin
in %
- 1,1 pts

The Executive Board

DEUTSCHE LUFTHANSA AG

From left:
Dieter Vranckx
Chief Commercial Officer
Born in 1973, MBA,
Executive Board member since 2024,
with the Lufthansa Group since 1998

Grazia Vittadini
Chief Technology Officer
Born in 1969, aeronautics engineer,
Executive Board member since 2024,
with the Lufthansa Group since 2024

Carsten Spohr
Chief Executive Officer
Born in 1966, industrial engineer,
Chairman of the Executive Board since 2014,
Executive Board member since 2011,
with the Lufthansa Group since 1994

Till Streichert
Chief Financial Officer
Born in 1973, doctor of philosophy,
Executive Board member since 2024,
with the Lufthansa Group since 2024

Michael Niggemann
Chief Human Resources and Legal Officer, Labour Director
Born in 1974, lawyer,
Executive Board member since 2020,
with the Lufthansa Group since 2007

Letter from the Executive Board

Ladies and gentlemen, dear shareholders,

The fascination for flying is unabated, particularly among the younger generations. For the first time, the International Air Transport Association (IATA) predicts more than five billion passengers worldwide this year. In these positive conditions, the Lufthansa Group continued on its growth path in the 2024 financial year. Demand remained strong and had a positive impact on our expansion of capacity, our Passenger Airlines' traffic volumes and our Logistics business segment. At the same time, 2024 was characterised by enormous challenges and pressures which significantly affected our earnings position. We were therefore unable to match the previous year's good financial results.

At the start of the year, our Group's flight operations in particular were affected by strikes staged by various employee groups within the Lufthansa Group as well as employees of system partners. In the second quarter in particular, market-wide capacity growth increased price pressure for the passenger airlines, causing yields to fall. This was particularly so for our Asian traffic. In the third quarter persistently high cost inflation and the effect of irregularities in flight operations ultimately had a negative impact on earnings. In addition, the ongoing delays in the delivery of new aircraft adversely affected our result for the year as a whole – not only due to higher maintenance and fuel costs and the need for a larger number of reserve aircraft, but also because this deprived us of a potential source of revenue growth.

The Passenger Airlines' Adjusted EBIT was thus significantly lower than in the previous year. This was almost exclusively due to our core brand Lufthansa Airlines, whose result declined by far the most. Lufthansa Airlines therefore launched a comprehensive turnaround programme in the 2024 financial year to increase its level of efficiency and improve its product quality. This programme aims to make the airline once again fit for the future and profitable on a sustainable basis.

Performance in our Logistics business segment in the 2024 financial year was characterised by persistently high cargo rates and by strong Asian business. In the fourth quarter especially, Lufthansa Cargo registered a significant improvement in earnings. In our MRO business segment, the high level of global demand for flights and delays in the delivery of new aircraft prompted a further rise in the level of demand for maintenance and repair services. Lufthansa Technik benefited from this, as the world market leader in the MRO business, and once again achieved a record result.

In the 2024 financial year, the Lufthansa Group achieved Adjusted EBIT of EUR 1.6bn, which represents a decrease of 39% on the previous year's high level. Net profit fell by around 18% over the same period. Despite this fall in earnings, we wish to enable our shareholders to participate in our positive result. We will therefore again table a proposal at the Annual General Meeting to pay a dividend of EUR 0.30 per share.

Going forward, for the 2025 financial year we once again envisage capacity and revenue growth as well as Adjusted EBIT significantly higher than in the 2024 financial year.

We implemented important strategic measures to define the Company's future in 2024. Particularly notable is the progress made in the Lufthansa Group's transformation from an aviation group into a global airline group with significant synergies. In July 2024, we successfully completed our sale of AirPlus to SEB Kort Bank AG. In addition, in January 2025 we acquired an initial 41% stake in ITA Airways, which we will rapidly integrate into the Lufthansa Group as an additional network airline.

Moreover, in the 2024 financial year we continued to make progress with the modernisation of our fleet and with improvements to the products and services we offer our passengers. We incorporated a total of 18 modern and efficient aircraft in our fleets in the reporting year. In December 2024, we added to our aircraft orders five additional state-of-the-art A350-1000 long-haul aircraft. We thus now have a total of 242 aircraft on order. These new aircraft have up to 30% lower fuel consumption levels and carbon emissions by comparison with their predecessor models. They will make a significant contribution to our fleet's ongoing development by improving the travel experience for our customers, lowering our operating costs, offering revenue potential, reducing the range of aircraft in our fleet and enabling more sustainable flying.

In addition, in May 2024 the first scheduled flight of an Airbus A350 with Lufthansa's new Allegris cabin product took off from Munich to Vancouver. There are now nine A350s with our Allegris in-flight product in service. Through their gradual changeover to the seating of the new product generations Lufthansa Allegris and SWISS Senses, Lufthansa Airlines and SWISS are offering their passengers a new travel experience in every class on long-haul routes.

We further expanded our commitment to the environment in the reporting year. Since February 2023, the Lufthansa Group has been the first airline group in the world to offer green fares for more sustainable flying on short and medium-haul routes. This more sustainable fare includes offsetting of the passenger's individual flight-related carbon emissions. We extended this offering to our long-haul flights and thus to our global route network in the 2024 financial year. We also fitted additional aircraft with our airflow-optimising and thus fuel-saving surface technology AeroSHARK in the reporting year. As of the end of 2024, 21 long-haul aircraft, comprising Boeing 777s and Boeing 777Fs, had already been fitted with AeroSHARK.

Despite all of these challenges and changes, the core objective of our activities remains unchanged:

CONNECTING PEOPLE, CULTURES AND ECONOMIES IN A SUSTAINABLE WAY.

That is and will remain the Lufthansa Group's purpose – and also the title of our Annual Report 2024.

Our airlines operate some 3,000 flights every day to more than 300 destinations in around 100 countries. We connect families, friends and business partners, promote social interactions, prosperity and international understanding, and secure production and supply chains. Every day we bring the world a little closer together and create opportunities for dialogue and cross-border cooperation.

Together, we aim to lead our Company into a successful future – for the benefit of our shareholders, our passengers and our employees. We are pleased that you are accompanying us on our journey.

Frankfurt, February 2025

Carsten Spohr
Chief Executive Officer

Report of the Supervisory Board

Ladies and gentlemen, dear shareholders,

The Lufthansa Group can look back on another very challenging financial year. The tail-end effects of the coronavirus crisis are still making themselves felt throughout the airline industry. These include delays in aircraft deliveries and the need for newly hired staff to build up experience. The start of the 2024 financial year was shaped by strikes and thus placed great demands on passengers and employees. We revised our annual forecast twice: at the start of the second quarter due to the impacts of the strikes, and at the start of the third quarter on account of the market-related decline in yields in all our traffic regions, especially in Asia. We thus fell significantly short of our goal of an Adjusted EBIT margin of not less than 8% in the 2024 financial year. At the same time, however, the European Commission’s approval of our acquisition of a stake in ITA Airways and the closing of our sale of the payment provider Lufthansa AirPlus Servicekarten GmbH to Sweden’s SEB Kort were strategically important steps enabling the Lufthansa Group to more strongly focus on its core airline business segment.

In the 2024 financial year, the Supervisory Board oversaw the work of the Executive Board members and provided advice. It carried out the duties conferred on it by statute, the Company’s Articles of Association and its internal regulations. The Executive Board regularly provided the Supervisory Board with full and timely information on the course of business, the competitive environment, planned Company policy and significant strategic and operational decisions. Specifically, the Executive Board notified it of the Company’s economic situation and the challenging competitive environment in the current geopolitical context. Throughout the year, the Executive Board provided the Supervisory Board with regular reports, covering the current course of business in particular, including between meetings. As Chairman of the Supervisory Board, I read the minutes of the Executive Board meetings and discussed the current situation and the course of business with the Chairman of the Executive Board and other members of the Executive Board on an ongoing basis.

The Supervisory Board held a total of five meetings in the 2024 financial year; four ordinary meetings and one extraordinary meeting covering the Executive Board's restructuring. At its plenary sessions and committee meetings, the Supervisory Board had sufficient opportunity to discuss the reports and proposals for resolutions from the Executive Board. When doing so, the Supervisory Board and its committees also met without the members of the Executive Board. Where significant events occurred, the Executive Board offered information sessions providing a broader picture of current developments. A large number of Supervisory Board members attended these information sessions.

Key topics discussed by the Supervisory Board

Our meetings focused on the economic development of Deutsche Lufthansa AG and its equity investments. In particular, these meetings covered the improvement in flight operational procedures, the challenging competitive environment, with exceptionally demanding conditions in Germany and Europe, and the progress made in the acquisition of shares in ITA Airways. At the same time, regular information was provided on the measures implemented under the turnaround programme established in order to achieve an operational and financial improvement in our Lufthansa Airlines core brand: unlike in many previous years, our Lufthansa Airlines core brand is currently not contributing to the Lufthansa Group's financial success. The Supervisory Board also dealt with Lufthansa Technik AG's "Ambition 2030" growth programme.

At its meeting held on 6 May 2024, the Supervisory Board approved an increase in the volume of capital expenditure in order to refit the cabin equipment of 19 Boeing 747-8s and 17 Airbus A350-900s of Lufthansa Airlines as well as twelve SWISS Boeing 777-3s for the Lufthansa Group's new long-haul product. This increase was necessitated by significant price rises.

The meeting on 18 September 2024, which took place in Brussels, was dedicated to the Group's ongoing strategic development. The Supervisory Board discussed this in detail with the Executive Board. The corporate strategy was updated on this basis and approved at the Supervisory Board meeting on 5 December 2024. At its September meeting, the Supervisory Board also agreed to an adjustment of the internal regulations for the Executive Board as well as capital expenditure for the construction of a new Lufthansa Technik AG production facility in Portugal.

At its meeting of 5 December 2024, the Supervisory Board approved the core elements of the budget for the 2025 financial year as well as the medium-term financial planning for the period from 2026 to 2028. This meeting also adopted a political resolution "For a sovereign Europe – rethinking air traffic" which was sent to key European and German political decision-makers. At this meeting, the Supervisory Board also discussed reports on environmental, social and governance issues (ESG), risk management including internal control systems, cybersecurity and compliance. It also examined the progress review for (equity) investment transactions previously approved by the Supervisory Board.

Finally, at the end of the year, on 20 December 2024, the Supervisory Board approved by circular resolution the purchase of five additional Airbus A350-1000 long-haul aircraft.

Changes to the Executive Board

At an extraordinary meeting on 22 February 2024, the Supervisory Board followed a recommendation of its Steering Committee and voted to carry out a wide-ranging reorganisation of the Executive Board. In particular, this entails a reduction in the size of the Executive Board from six to five members and a reorganisation of the various members' areas of responsibility. The changes to the Executive Board's division of responsibilities which were approved at this meeting came into effect as of 1 July 2024.

As part of this reorganisation, Christina Foerster, Harry Hohmeister and Detlef Kayser left the Executive Board on 30 June 2024, while Remco Steenbergen did so at the close of 7 May 2024, the date of the 2024 Annual General Meeting. The Supervisory Board would like to the former Executive Board members for their commitment, their achievements and their outstanding loyalty, above all in leading the Company out of the coronavirus crisis.

At this meeting, on the recommendation of the Steering Committee, the Supervisory Board appointed Grazia Vittadini and Dieter Vranckx to the Executive Board with effect from 1 July 2024 for a three-year term ending 30 June 2027. As of 1 July 2024, Grazia Vittadini took charge of the MRO & IT function and Dieter Vranckx did so for Global Markets & Commercial Management Hubs.

On 5 May 2024, at the recommendation of the Steering Committee, the Supervisory Board appointed Till Streichert to the Executive Board with effect from 15 September 2024 for a three-year term ending 14 September 2027. He is responsible for Finance. Following the departure of Remco Steenbergen and up to the appointment of Till Streichert, Michael Niggemann took charge of Finance in addition to his other responsibilities.

Adjustment of Executive Board remuneration

At its meeting held on 5 December, on the recommendation of the Steering Committee the Supervisory Board resolved adjustments to the remuneration system for the members of the Executive Board which had been approved by the 2023 Annual General Meeting. These changes are based on a comprehensive review by the Supervisory Board of the existing remuneration system. They reflect proposals from investors regarding the Executive Board members' retirement benefits. ↗ **Remuneration report.**

In this context, the Supervisory Board also considered the appropriateness of the Executive Board's remuneration and confirmed this. The new system will be presented to the 2025 Annual General Meeting for approval.

Changes in the Supervisory Board

The Supervisory Board mandates of Britta Seeger and Michael Kerkloh expired at the close of the Annual General Meeting on 7 May 2024. To ensure that the members of the Supervisory Board continue to have terms of office of uniform duration and thus to maintain a "staggered board" system, Thomas Enders and Harald Krüger resigned their seats on the Supervisory Board with effect as of the close of the Annual General Meeting on 7 May 2024. Sara Hennicken was elected for the first time, while Thomas Enders, Harald Krüger and Britta Seeger were re-elected to the Supervisory Board, in each case for a period of three years. The Supervisory Board would like to thank Michael Kerkloh for assuming his responsibilities and for his constructive and dedicated service on the Board.

The membership of the Audit Committee remained unchanged in the period up to the close of the Annual General Meeting on 7 May 2024. Karl Gernandt was elected to serve on the Audit Committee following Michael Kerkloh's resignation from the Supervisory Board.

Attendance at meetings

Overall, the Supervisory Board members had an attendance rate of 99% for all of the meetings of the Supervisory Board and its committees in 2024. With the exception of Sara Hennicken, all Supervisory Board members were consistently present, either in person or virtually, at all Supervisory Board meetings and those of its committees on which the respective member serves. Following her election to the Supervisory Board in May 2024, Sara Hennicken was unable to attend December's meeting since Fresenius SE's supervisory board meeting took place at the same time.

The meetings of the Supervisory Board and its committees generally take place in-person, but in justified individual cases, video conferences may also be held. With the exception of the extraordinary Supervisory Board meeting of 22 February 2024, all the Supervisory Board meetings of Deutsche Lufthansa AG and its committees were held in-person.

T005 INDIVIDUAL ATTENDANCE RATES 2024

	Supervisory Board	Steering Committee	Audit Committee	Nomination Committee	ESG Committee	Attendance rate in % (all meetings)
Karl-Ludwig Kley, Chairman	5/5	4/4		2/2		100%
Christine Behle, Deputy Chairwoman	5/5	4/4				100%
Tim Busse	5/5					100%
Erich Clementi	5/5				2/2	100%
Thomas Enders	5/5	4/4		2/2		100%
Karl Gernandt	5/5		3/3			100%
Sara Grubisic	5/5				2/2	100%
Sara Hennicken (since 7 May 2024)	1/2					50%
Christian Hirsch	5/5	4/4				100%
Jamila Jadran	5/5					100%
Arne Christian Karstens	5/5		5/5			100%
Michael Kerkloh (until 7 May 2024)	3/3		2/2			100%
Carsten Knobel	5/5		5/5			100%
Holger Benjamin Koch	5/5		5/5			100%
Harald Krüger	5/5		5/5	2/2		100%
Marvin Reschinsky	5/5				2/2	100%
Birgit Rohleder	5/5					100%
Britta Seeger	5/5					100%
Astrid Stange	5/5					100%
Angela Titzrath	5/5				2/2	100%
Klaus Winkler	5/5		5/5			100%

Corporate governance

We once again carried out a self-assessment of our working practices on the Supervisory Board in the 2024 financial year, on the basis of a detailed questionnaire, and discussed this subject at our meeting on 5 March 2025. In addition, the members of the Supervisory Board – in particular, the members of the ESG and Audit Committees – attended several training events offered by the Company over the course of the 2024 financial year. The topics covered included, in particular, training on the European Corporate Sustainability Reporting Directive (CSRD Directive) and the Lufthansa Group's network and partner management. The Supervisory Board moreover received training in the fields of IT security, international aviation policy and the Lufthansa Group's HR planning. In addition, it visited Eurocontrol in Brussels. The Supervisory Board was also offered the opportunity to attend information events relating to current issues such as the level of progress made in the Company's acquisition of ITA Airways and its earnings performance in the second quarter of 2024.

In September 2024, the Supervisory Board and the Executive Board issued an updated declaration of compliance with the German Corporate Governance Code. The Supervisory Board also adopted an updated qualification matrix for its members at this meeting. At its March 2025 meeting, it then made further changes to this qualification matrix in line with the requirements of the CSRD Directive. **www.lufthansagroup.com/corporate_governance_declaration.** No conflicts of interest were disclosed in the 2024 financial year.

Work of the committees

In the 2024 financial year, the Supervisory Board established five committees. Reports were provided on each of these committees' activities at the start of the following Supervisory Board meeting. Further details on the composition of these committees can be found in the chart ↗ C01 **Supervisory Board Committees.**

C01 **SUPERVISORY BOARD COMMITTEES**
as of 31 Dec 2024

Steering Committee	**Audit Committee**	**Nomination Committee**	**ESG Committee**	**Arbitration Committee** in accordance with Section 27 Paragraph 3 Co-determination Act (MitbestG)
Karl-Ludwig Kley Chairman **Christine Behle** Deputy Chairwoman **Thomas Enders** **Christian Hirsch**	**Harald Krüger** Chairman **Karl Gernandt** (since 8 May 2024) **Arne Christian Karstens** **Michael Kerkloh** (until 7 May 2024) **Carsten Knobel** **Holger Benjamin Koch** **Klaus Winkler**	**Karl-Ludwig Kley** Chairman **Thomas Enders** **Harald Krüger**	**Erich Clementi** Chairman **Sara Grubisic** **Marvin Reschinsky** **Angela Titzrath**	**Karl-Ludwig Kley** Chairman **Christine Behle** Deputy Chairwoman **Thomas Enders** **Christian Hirsch**
Four meetings in 2024	Five meetings in 2024	Two meetings in 2024	Two meetings in 2024	No meetings in 2024

The Steering Committee met four times in 2024. As in previous financial years, the Steering Committee prepared the Supervisory Board meetings and considered the course of business in detail. The Steering Committee also considered all of the issues relating to the remuneration received by the Executive Board. Moreover, the Steering Committee made recommendations to the Supervisory Board on all personnel and remuneration decisions concerning the Executive Board.

The Nomination Committee met twice in 2024.

The Audit Committee met five times in 2024, always in the presence of the auditors. As an independent financial expert in line with the requirements of the German Stock Corporation Act and the German Corporate Governance Code, the Chair of the Audit Committee has particular knowledge and experience in the field of accounting, including international control procedures, and in relation to sustainability reporting. The Audit Committee discussed the annual financial statements for 2023 and the interim reports for 2024 with the CFO prior to their publication. This committee also dealt with the supervision of accounting processes and the effectiveness of the internal control, risk management and internal auditing systems. Furthermore, the members received regular reports on the compliance management system and capital market communications.

They discussed in detail the 2025 budget, the Group operational planning and the medium-term financial planning for the period from 2026 to 2028. They also regularly discussed the progress made in complying with the requirements of the CSRD Directive for the preparation of a sustainability report, including with the auditor. Even though the German parliament did not pass the bill for the implementation of the CSRD Directive by the end of 2024, the Lufthansa Group nonetheless voluntarily opted to prepare a combined non-financial declaration in compliance with the CSRD Directive, and to have EY conduct a limited assurance engagement for this.
↗ **Combined non-financial declaration.**

The ESG Committee advises the Supervisory Board, its committees and the Executive Board on issues relating to sustainable corporate governance and the Company's business activities in the ESG areas. It met twice in 2024. Its key areas of focus were the carbon emissions targets specified in the Lufthansa Group's ESG strategy as well as the key reduction and offsetting tools available in order to achieve these targets.

The Arbitration Committee was not convened in the reporting year.

Audit and adoption of the annual financial statements, approval of the consolidated financial statements as of 31 December 2024

The Supervisory Board appointed EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Stuttgart, who were elected as auditors for the parent company and the Group at the Annual General Meeting 2024, to audit the annual financial statements and the consolidated financial statements, the combined management report including the combined non-financial declaration and the system for the early identification of risks. The Audit Committee acknowledged the declaration of independence provided by EY and discussed the main topics of the audit. No potential grounds for disqualifying the auditors or doubting their impartiality came to light during the course of the audit.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as applicable in the European Union (EU). The auditors audited the annual financial statements and consolidated financial statements of Deutsche Lufthansa AG and the combined management report, including the combined non-financial declaration as of 31 December 2024, in accordance with the legal requirements, and issued an unqualified audit opinion. They further confirmed that the system for the early identification of risks established by the Executive Board is suitable for identifying developments which might jeopardise the Company's continued existence at an early stage. During their audit, the auditors did not come across any facts that would run contrary to the declaration of compliance with the German Corporate Governance Code.

On 27 February 2025, the Audit Committee discussed the audit reports in detail with the CFO in the presence of the two auditors who had signed the auditors' report. At the Supervisory Board accounts meeting on 5 March 2025, the auditors reported on their audit findings and answered questions. We examined the annual financial statements and the consolidated financial statements of Deutsche Lufthansa AG, as well as the combined management report, including the combined non-financial declaration, and the remuneration report pursuant to Section 162 AktG, and did not raise any objections. The annual financial statements and the consolidated financial statements were approved. The 2024 annual financial statements of Deutsche Lufthansa AG, prepared by the Executive Board, have thereby been adopted. We agree with the Executive Board's proposal for profit distribution. We are pleased to report we are once again able to distribute a dividend to our shareholders for the 2024 financial year.

Frankfurt, 5 March 2025

For the Supervisory Board
Karl-Ludwig Kley
Chairman

LUFTHANSA SHARE

T006 THE LUFTHANSA SHARE: KEY FIGURES

		2024	2023	2022	2021	2020
Year-end share price[1]	€	6.18	8.05	7.77	6.18	7.72
Highest share price[1]	€	8.05	10.95	8.23	9.12	11.90
Lowest share price[1]	€	5.53	6.57	5.51	5.36	5.03
Number of shares	millions	1,198.3	1,196.6	1,195.5	1,195.5	579.7
Market capitalisation (at year-end)	€bn	7.4	9.6	9.3	7.4	6.5
Earnings per share	€	1.15	1.40	0.66	-2.99	-12.51
Dividend per share	€	0.30	0.30	–	–	–
Dividend yield (gross)	%	4.9	3.7	–	–	–
Dividend	€m	359	359	–	–	–
Total shareholder return	%	-19.5	7.5	25.7	-20.0	-34.1

[1] Share prices 2020 adjusted for the effects of the issuance of new shares in connection with the capital increase in September 2021.

Lufthansa share loses 23% of its value over the course of the year

From a 2023 year-end closing price of EUR 8.05, the Lufthansa share lost ground over the course of the year and reached a low of EUR 5.53 in mid-August 2024. In general, the somewhat weak macroeconomic trend and the high location costs in Germany were seen as a disadvantage for the Lufthansa Group – and for its Lufthansa Airlines core brand in particular – by comparison with its direct competitors. However, in the first four months of the year the negative price trend also reflected the effects on earnings of a large number of strikes. In April 2024, these then led to a profit warning, including a reduction of the Company's targets for the year. This trend was also shaped by market concerns of a year-on-year drop in demand over the course of the year. Analysts saw the Company's strong capacity growth – on long-haul routes especially – as a risk for the development of the European network airlines' yields. This was indeed borne out – in the Asian market especially. On account of its declining yields, the Lufthansa Group was forced to issue a second profit warning in July 2024, while once again revising downwards its targets for the year.

The Lufthansa share price picked up again from mid-August 2024 onwards. On the one hand, the market considered that the Company's reduced annual targets were achievable and, as such, arrived at a more positive valuation of them. Further factors included, in particular, favourable changes in fuel prices and analysts' expectation that the fall in demand had now bottomed out.

On 31 December 2024, the Lufthansa share was trading at EUR 6.18. The share price thus suffered a loss of 23% over the course of the period under review. The shares of the European low-cost airlines Ryanair and easyjet performed better in the same period, as did the share of the Company's key competitor IAG. On the other hand, WIZZair and Air France-KLM shares performed less well. The share price of Air France-KLM especially suffered due to concerns of a continuing high level of cost inflation.

On 31 December 2024, the MDAX benchmark index was 6% lower than at the end of 2023.

Executive Board and Supervisory Board propose dividend of EUR 0.30 per share

At the Annual General Meeting for the financial year 2024, the Executive Board and Supervisory Board of Deutsche Lufthansa AG will propose the distribution of a dividend of EUR 0.30 per share, in line with the applicable dividend policy. This represents a dividend ratio of 26% of Group profits and a dividend yield of approx. 5%, based on the Lufthansa share's closing price for the year. ↗ **Financial strategy and value-based management, Earnings position.**

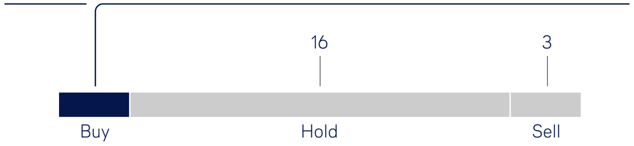
Analyst assessments more cautious than in the previous year

At year-end 2024, of the 22 equity analysts covering the Company (previous year: 21), three (previous year: eleven) recommended buying the share, 16 (previous year: seven) holding it, and three (previous year: three) selling it. Whereas the analysts viewed the ongoing recovery in the passenger business, the continued strength of Lufthansa Technik and the further strengthening of the balance sheet positively, there were concerns about the feasibility of the planned efficiency gains at Lufthansa Airlines, the state of future demand and the short-term outlook for the cargo business. The macroeconomic and geopolitical situation is also seen as a risk factor. The average target price at year-end 2024 was EUR 7.23, with a range of EUR 5.50 to EUR 12.00.

C02 **ANALYSTS' RECOMMENDATIONS**[1]

as of 31 Dec 2024

BUY
3



[1] Average target price: EUR 7.23.
Range: EUR 5.50 to EUR 12.00.

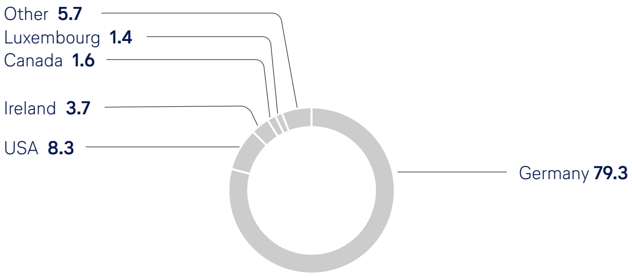
Share of German shareholders in the Company remains high

In order to protect international air traffic rights and its operating licence, the German Aviation Compliance Documentation Act (Luftverkehrsnachweissicherungsgesetz – LuftNaSiG) requires Lufthansa to provide evidence that a majority of its shares are held by German shareholders. For this reason, all Lufthansa shares are registered shares with transfer restrictions.

At the end of 2024, the shareholders' register showed that German shareholders held 79.3% of the shares (previous year: 73.4%). The second largest group, with 8.3%, was shareholders from the USA. Shareholders from Ireland accounted for 3.7% of the issued capital. They were followed by Canada, with 1.6%, and Luxembourg, with 1.4%. This ensured that the conditions of the German Aviation Compliance Documentation Act (LuftNaSiG) were met.

C03 **SHAREHOLDER STRUCTURE BY NATIONALITY**

as of 31 Dec 2024 in %



Free float: 85%

On the basis of the voting rights notifications received, Kühne Aviation GmbH remained the largest shareholder at year-end 2024 with 15.01%.

According to Deutsche Börse's definition, 85% of Lufthansa shares were in free float. As of the reporting date, 49% (previous year: 54%) of its shares were held by institutional investors and 51% by private individuals (previous year: 46%). The number of shareholders declined year-on-year to 590,000 (previous year: 604,000), but remained high by historical standards. The shareholder structure is updated quarterly and published on the website **www.lufthansagroup.com/investor-relations.** The notifications on voting rights received by the Company from shareholders and published during the 2024 financial year are also available there.

Lufthansa share is featured in the MDAX and other important indices

The Lufthansa share is part of the MDAX. At year-end, the share had an index weighting of 4.8%. With market capitalisation of EUR 6.5bn, adjusted for the free float, the Lufthansa Group came in at number 40 (previous year: 36) in the ranking of DAX companies (including the DAX 40) published by Deutsche Börse at year-end. The average daily trading volume of the share in 2024 was 6,048,725 shares (previous year: 5,424,345).

The Lufthansa share is also included in many classic international share indices. It is also represented in several sustainability indices, such as the MSCI EMU ESG, the MDAX ESG Screened and the FTSE4Good Europe Index.

T007 **THE LUFTHANSA SHARE: DATA**

ISIN International Security Identification Number	DE0008232125
Security identification number	823212
German stock exchange code	LHA
Stock market listing	Frankfurt
Prime sector	Transport & Logistics
Industry	Airlines
Indices (selection)	MDAX, EURO STOXX, STOXX Global 1800, EURO STOXX Travel & Leisure, Bloomberg EMEA Airlines Index, MDAX ESG Screened, MSCI EMU ESG, Vanguard ESG INTL STOCK ETF, FTSE4Good Europe

American Depositary Receipts (ADRs) offer an alternative to equity investment

In addition to its stock market listing in Germany, investors who are only allowed to invest in securities denominated in US dollars can also gain exposure to the Lufthansa Group via the Sponsored American Depositary Receipt Program (ADR). The programme is managed by Deutsche Bank Trust Company Americas. Lufthansa ADRs are also registered on the standardised trading and information platform OTCQX. At year-end 2024, 13,149,480 ADRs were in circulation (31 December 2023: 10,969,245). Based on the 1:1 ratio to the share, this corresponds to around 1% of the issued capital.

Lufthansa Group pursues intensive dialogue with investors

As in prior years, the Lufthansa Group once again provided its investors with timely and comprehensive information in the 2024 financial year. In addition to its quarterly conferences, the Executive Board and Investor Relations team held a large number of roadshows and investor conferences to discuss with institutional investors the current developments at the Group and its operating environment in 2024. The Chairman of the Supervisory Board also met investors in the context of a roadshow in early 2024, mainly to discuss corporate governance topics and the Company's steps to reduce its emissions. In-depth discussions were also held with debt investors.

In May 2024, the Group hosted with around 3,500 shareholders who attended the Annual General Meeting, which was held online. This was again significantly more than the number of visitors to the in-person Annual General Meetings in the years before the coronavirus pandemic.

An Investor Day in December 2024 provided participating analysts and institutional investors with information on Lufthansa Technik.

All of the publications, financial reports, presentations, the quarterly shareholder information letter and the latest news are available at **www.lufthansagroup.com/investor-relations.** The site also contains the financial calendar and the dates of all the conferences and shareholder events that the Lufthansa Group will be attending.

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PRINCIPLES OF THE GROUP

- The Lufthansa Group is a leading European airline group.
- The Lufthansa Group consists of the business segments Passenger Airlines, Logistics, MRO and Additional Businesses.
- The airlines form the core of the Lufthansa Group.
- The Group strategy focuses on consistent alignment with customer needs, innovation and digitalisation.
- Sustainability and corporate responsibility are an established part of the Group's strategy.
- The Group's financial strategy aims to achieve sustained value creation, generate strong free cash flows and ensure financial stability.
- The purchase of latest-generation aircraft drives fleet modernisation.
- The Lufthansa Group creates prospects for employees and promotes a strong corporate culture.
- Agreements with labour union and collective bargaining partners ensure stability and predictability.

BUSINESS ACTIVITIES AND GROUP STRUCTURE

Lufthansa Group is a leading European airline group

The Lufthansa Group is an aviation group with operations worldwide. It plays a leading role in its European home market.

The Lufthansa Group consists of the business segments Passenger Airlines, Logistics, MRO and Additional Businesses.

The Passenger Airlines business segment includes, on the one hand, the network airlines Lufthansa Airlines, SWISS, Austrian Airlines and Brussels Airlines. As part of a multi-hub strategy, they offer their passengers a broad range of flights from their hubs in Frankfurt, Munich, Zurich, Vienna and Brussels. Lufthansa Airlines also has close relationships with the regional airlines Lufthansa CityLine, Lufthansa City Airlines and Air Dolomiti as well as Discover Airlines, the Lufthansa Group's holiday airline. Edelweiss, the leading Swiss holiday airline, has a close relationship with SWISS.

Eurowings also belongs to the Passenger Airlines business segment. This airline provides a comprehensive range of point-to-point connections for short- and medium-haul destinations, in particular from German-speaking countries.

Additional Businesses include, in particular, Lufthansa Aviation Training and Lufthansa Systems. The Group Functions are also part of this business segment. AirPlus was sold to SEB Kort Bank AB in July 2024. ↗ **Significant events.**

The business segments and airlines of the Lufthansa Group are each under their own management. The Group strategy is defined and its implementation managed by the Executive Board of Deutsche Lufthansa AG or the Group Executive Committee, which largely consists of the members of the Executive Board of Deutsche Lufthansa AG and the CEOs of Lufthansa Airlines, SWISS, Austrian Airlines, Brussels Airlines, Eurowings, Lufthansa Cargo and Lufthansa Technik.

The Lufthansa Group has a new Executive Board

The Executive Board of Deutsche Lufthansa AG underwent significant restructuring in the 2024 financial year. The Executive Board was reduced from six to five members and responsibilities were redistributed. ↗ **Significant events.**

The Executive Board of Deutsche Lufthansa AG had the following members at the end of the 2024 financial year:

- Carsten Spohr, Chairman of the Executive Board
- Michael Niggemann, responsible for Human Resources & Legal, Labour Director
- Till Streichert, responsible for Finance
- Grazia Vittadini, responsible for MRO and IT
- Dieter Vranckx, responsible for Global Markets & Commercial Management Hubs

STRATEGIES AND GOALS

Group strategy

Positioning as leading European airline group

The Lufthansa Group is the leading European airline group and therefore one of the largest airline groups worldwide. In this role, the Lufthansa Group aims to play its part in actively shaping the global airline market. It strives to connect people, cultures and economies in a sustainable way. In doing so, it aspires to set standards in terms of customer-friendliness and sustainability. The Lufthansa Group uses the potential of innovation and digitalisation to develop customer-focused products and increase efficiency. Overarching functional processes that enable synergies and economies of scale are supported by corporate responsibility and identity, which are put into practice locally. Operational stability and reliability in all areas and a strict focus on costs are firmly established within the DNA of the Lufthansa Group. The safety of flight operations is always of the highest priority.

At the core of the Lufthansa Group are its airlines with their home markets of Germany, Austria, Switzerland, Belgium and Italy and their extensive European and intercontinental route networks. Through two production models – network airlines and point-to-point airlines – they serve the relevant customer and market segments with independent brands and differentiated service promises, connecting Europe with the world. The passenger airline business is supplemented by other business segments which each have synergies with the airlines. The long-term aim is to focus the portfolio more sharply on the airlines. ↗ **Business segments.**

Structural transformation of the Lufthansa Group designed to improve long-term economic success

The market and competitive environment move at a very quick pace in the aviation sector. Exogenous sources of uncertainty, resource bottlenecks, shifts in the value chain and evolving customer requirements necessitate permanent change, but also offer opportunities. For instance, this includes ongoing delays in the delivery of new aircraft and the related capacity bottlenecks, increased demand for sustainable products and personalised travel experiences as well as innovative technologies.

The Group's strategy envisages structural transformation and modernisation of the Lufthansa Group so as to be optimally positioned in a changing, fast-paced geopolitical environment with significant impacts on demand as well as supply and value chains. The goal is to consistently act upon opportunities arising from trends and market changes. Services, business models and organisational structures are to be continuously aligned with the complex and dynamic market environment. The aim is to safeguard the Lufthansa Group's leading market position and economic success by making it a more agile, flexible and competitive organisation. In particular, a further increase in its customer orientation, accelerating innovation and digitalisation, corporate responsibility and sustainability, modern forms of work organisation and value-based management will ensure that the Lufthansa Group is ready for the future. The development of the Lufthansa Group's corporate culture is driven by a Group-wide initiative in order to promote cooperation between all of its Group companies and business segments.

C04 PURPOSE OF LUFTHANSA GROUP

The Lufthansa Group is continuing to pursue the transformation begun in recent years. For example, this includes the widening of its route network through its equity investment in ITA Airways as well as the further expansion of the range of flights offered by Lufthansa City Airlines for competitive feeder services at its Frankfurt and Munich hubs. In addition, it is consistently realising economies of scale and scaling up flight operations with competitive structures and operational performance.

Within this long-term strategic framework, the Lufthansa Group defines tactical areas of focus in line with specific internal and external requirements.

In particular, structurally increasing profitability through higher income and cost-cutting is a high priority. For instance, Lufthansa Airlines has launched a turnaround programme with the goal of increasing efficiency, reducing complexity and improving quality. This plan includes shifting more short-haul traffic to more efficient flight operations that are better aligned with the respective market segment. The productivity of aircraft and crews will be enhanced by reducing the number of aircraft types in the long-haul fleet, for example, along with permanent optimisation of operational processes and the route network. Another aim is to reduce the fixed cost base and to make the cost structure as variable as possible in order to minimise the impact of seasonal and cyclical fluctuations in demand.

Customers are at the heart of things, maintaining our premium positioning is a core priority

In view of changes to demand structures, an even greater focus on the customer is a core element of the Group strategy. The Lufthansa Group aims to offer travel products with the highest quality standards as well as consistent solutions along the entire travel chain. This is achieved by means of new services on the ground as well as new products offered on board and via digital channels. At the same time, customer service is being expanded with innovative digital features and personal dialogue. Customer communication activities are to be adjusted in line with the Lufthansa Group's various customer segments and tailored to their individual requirements. Safe and reliable flight operations are a core focus at all times.

Passengers receive a holistic service which features product elements such as comfortable seating and lounges, attentive staff and innovative digital services, including the use of chatbots, the option to pre-order in-flight meals as well as automated processes to satisfy customer requirements in the case of flight irregularities. The Lufthansa Group strives to consistently achieve its premium positioning, to expand its product range in line with industry trends and customer feedback, and to continue refining its loyalty programme. Of key importance is the fulfilment of its promise as a premium provider at every point of contact throughout the travel chain, while at the same time simplifying the travel experience. The focus here is, in particular, on all aspects which are highly relevant for customers, which influence repeat purchase decisions and a willingness to pay, and which thus generate value for the Lufthansa Group and its customers.

The Lufthansa Group is continuing expanding its product and service range. Specifically, this means providing a wider choice of individually selectable product components and thus a travel experience that caters to passengers' individual requirements, on board and on the ground, and in the premium segment in particular. For instance, through their refit with the Lufthansa Allegris and SWISS Senses product generation seating, Lufthansa Airlines and SWISS offer a new travel experience in every class on long-haul routes. Austrian Airlines is also getting a new cabin layout for long-haul flights with the introduction of the Boeing 787 Dreamliner, which is designed to expand the airline's offering with high-quality service details. New digital customer services on the ground, such as information on walking times at airports and, at selected locations, new check-in areas for First Class and HON-Circle customers, are strengthening the hospitality profile of Lufthansa Group Passenger Airlines.

Progress is also being made on the automation of customer services. The digital customer portal enables customers to access all relevant information relating to their journey and resolve issues such as rebookings or refunds, or purchase additional products quickly and intuitively thanks to new, interactive self-service options. There will also be a new approach to customer loyalty and personal interaction. In this context, the Lufthansa Group is expanding its existing, somewhat transactional concept of customer loyalty and will in future demonstrate greater individual appreciation for every passenger. In addition, the continuous expansion of the Lufthansa Group Travel ID, which recognises customers at every point of contact, no matter which airline they are flying on, will make it possible to match services and offerings with the personal needs of Lufthansa Group Airlines passengers.

These measures aim to improve customer satisfaction together with the operational areas and other interfaces. The Net Promoter Score (NPS) is an indicator of customer satisfaction and measures the willingness of customers to recommend the services of Lufthansa Group Airlines. ↗ **Combined non-financial declaration.**

Multi-airline business model is the basis for the success of the Lufthansa Group

The airlines form the core of the Lufthansa Group. They are positioned as high-quality carriers in the relevant market segments. Their nationwide presence in their home markets enables them to offer an attractive range of flights and route networks. The Lufthansa Group aims to maintain the leading market position of its airlines going forward. To this end, the Lufthansa Group's traffic system is continuing to be developed into a multi-traffic system, consisting of hubs, point-to-point traffic and intermodal offerings.

With their wide range of destinations and frequent flights, Lufthansa Airlines and SWISS offer the greatest connectivity of all of the European airlines.

Austrian Airlines and Brussels Airlines combine a high-quality and attractive product which is primarily attuned to the needs of their local markets with a low cost base which can hold its own against low-cost carriers at their bases in Vienna and Brussels.

With Eurowings, the Lufthansa Group has an innovative and competitive offering in point-to-point traffic, which addresses both price-sensitive and service-oriented customers with low-cost basic fares and additional service options that can be booked flexibly.

Work is being continued on the systematic renewal of the Group fleet. Key targets are to cut fuel consumption, to reduce carbon emissions and costs for maintenance and operational irregularities, and to trim the number of aircraft models by retiring and phasing out older, less efficient models. Since 2022, additional state-of-the-art long-haul aircraft such as the Airbus A350 and Boeing 787 have strengthened the Lufthansa Group's fleet. ↗ **Fleet.**

In order to consistently exploit opportunities in the leisure travel market, the range of short-, medium- and long-haul routes from the hubs in Frankfurt and Munich targeting leisure travellers is being expanded. Discover Airlines supplements and strengthens the tourism portfolio of the Lufthansa Group. Passengers are thus able to benefit from the wide feeder network and the established ground processes of Lufthansa Group Network Airlines. The global distribution strength of Lufthansa Group Airlines is also being exploited.

Cooperation with partner airlines is becoming more important in order to strengthen market presence in key traffic regions and offer customers attractive connecting flights. The Lufthansa Group's successful joint ventures are therefore being developed and partnerships expanded in key markets. The range of intermodal transport solutions that are seamlessly integrated into the travel chain is likewise being extended.

The Lufthansa Group is also seeking to play an active role in the consolidation of the airline industry with a focus on safeguarding its existing market position and opening up new growth potential. Particular attention is paid to further regional diversification of the business model such as with the equity investment in ITA Airways. Potential additional equity investments in other companies are judged on the basis of their contribution to value creation.

Lufthansa Group to focus increasingly on sustainability and social responsibility

Responsibility is the foundation of business activities in the Lufthansa Group. The Lufthansa Group aspires to lead the aviation sector with high standards in this area as well. It is therefore continuously expanding its environmental commitment, is dedicated to social issues and treats its employees and partners in the value chain responsibly and fairly.
↗ **Combined non-financial declaration.**

In terms of environmental policy, the Lufthansa Group aims to cut its net carbon emissions in half by 2030 compared with 2019 and supports the objective of making aviation carbon neutral by 2050. By 2030, it aims to cut its carbon emissions per revenue tonne-kilometre by 30.6% in comparison with 2019. This target was validated by the SBTi in 2022. The Lufthansa Group thus became the first airline group in Europe and the second worldwide with a scientifically verified CO_2 reduction target in line with the goals of the Paris Climate Agreement of 2015.

In order to achieve these objectives, the Lufthansa Group is investing continuously in fuel-efficient aircraft alongside measures to boost its operational efficiency. The Lufthansa Group is also working with policymakers and partners in industry, technology and research to promote the increased use of sustainable aviation fuel (SAF). In addition, intermodal traffic is being systematically further expanded in all of its home markets.

Moreover, the Lufthansa Group includes sustainability aspects in the design of its products and services. It offers its customers tailored services enabling them to reduce the carbon emissions caused by their flight by purchasing SAF or to offset them through high-quality climate protection projects. The Group's Green Fares, which are already included in the SAF product bundle and include offsetting, are a particularly innovative service. Since 2019, the Lufthansa Group has also offset business trips made by its employees. In its product and service development, the Lufthansa Group follows the "R strategies" for its use of materials: "reduce – reuse – recycle – recover – replace". These strategies serve as a holistic guiding principle for the Lufthansa Group's activities in relation to resource conservation and the circular economy. The aim here is to replace disposable products with environmentally friendly alternatives wherever possible. The focus is also on avoiding food waste.

In terms of responsibility for its employees, the Lufthansa Group attaches great importance to offering its staff an attractive working environment with transparent structures, efficient processes and a wide range of social benefits. The Lufthansa Group is thus seeking to further improve its strong position as an employer within the aviation industry. At the same time, large German companies also serve as a benchmark. The Lufthansa Group offers its employees extensive opportunities for their ongoing development, thus contributing to employee satisfaction and safeguarding jobs. Diversity and equal opportunity are seen as a strength. In terms of social responsibility, the Company supports disadvantaged people worldwide with financial and personnel support for educational establishments and training provided by help alliance, the Group's own aid organisation.

Given the central importance of sustainability, this topic is represented at the Executive Board level. Moreover, implementation of the Group's sustainability strategy is accounted for in the remuneration of the Executive Board members and the management levels. The Lufthansa Group also actively supports its assessment by relevant international ESG ratings, such as MSCI, Sustainalytics, CDP and ecovadis, to ensure transparency regarding its activities and progress at all times.

Logistics and MRO business segments to be aligned with market needs

With its Logistics and MRO business segments, the Lufthansa Group has additional companies that are global leaders in their respective sectors. In order to secure and build on their successful positioning, these companies are permanently adapting their business models to changing market and competitive conditions. Lufthansa Technik is moving forward with the digitalisation and modularisation of its products in a targeted manner and continuing to expand its product portfolio in related business segments such as Defence and CleanTech Solutions (including AeroSHARK). Lufthansa Cargo is continuously adjusting its product portfolio in line with increasingly specialised demand and responding to the changing nature of globalisation with a broader geographical focus. This includes its entry into the transpacific market. The Company is moreover modernising and expanding its cargo centre in Frankfurt, in order to participate more strongly in the growth of the airfreight market.

Consistent alignment of the Group as an airline group

All Lufthansa Group companies are continuously reviewed with regard to the value they contribute within the Group. As well as assessing the attractiveness of individual market segments, the Lufthansa Group also analyses whether it is still the best owner for the respective company on the basis of existing or expected synergies. It may therefore make sense for certain companies to continue their development outside of the Lufthansa Group or together with partners.

In order to fully exploit potential synergies and minimise the need for coordination, the organisational structure and governance processes of the Lufthansa Group are being continuously developed and adjusted in line with current requirements. The aim is to achieve lean, flexible and efficient structures as well as quicker decision-making processes. These changes are being accompanied by an expansion of agile and cross-functional work methods. This expansion is also intended to support cultural change and promote a flexible and enterprise-based mentality.

C05 FINANCIAL STRATEGY

Sustainable increase of Company value

	Sustainable value creation	**Generation of strong free cash flows**	**Maintain financial stability**
Focus	— Improved return on capital — Improved profitability — Continuous reduction of environmental impacts	— Increase in operating result — Working capital management — Focused investing activities	— Adequate liquidity — Reduction in net indebtedness — Maintaining investment grade rating — Minimisation of financial risks
Targets	— Adjusted ROCE — Adjusted EBIT margin 1) — Specific CO_2 emissions	— Adjusted free cash flow 1)	— Adjusted net debt /Adjusted EBITDA

1) Derivation ↗ **Earnings position, Financial position**

Financial strategy and value-based management

Financial strategy builds on three pillars

The financial strategy of the Lufthansa Group seeks to increase its company value in a sustainable manner. Three dimensions form the pillars for this: sustainable value creation, generating strong free cash flows and maintaining financial stability. In successfully implementing its financial strategy, the Lufthansa Group aims to contribute to the further strengthening of its balance sheet and the Group's investment in profitable growth, enabling it to successfully overcome crises.

Finance Transformation Programme is intended to deliver improvements in the area of finance

The Lufthansa Group initiated a Finance Transformation Programme in the 2022 financial year to drive the structural development of the Group's finance function and to strengthen it. The aim of this programme is to enhance the Company's commercial performance and competitiveness. Its cornerstones are the review and improvement of financial steering, increased efficiency, the ongoing development of talent and other employees as well as the modernisation of the finance IT landscape.

Several measures have already been successfully implemented in the reporting year. They include the definition of structures for financial data, which is set to be standardised in the future. In addition, a joint, consolidated financial IT target architecture has been adopted for the optimal exploitation of Group-wide synergies. The launch of the Finance Academy has helped to advance professional training courses and targeted talent development measures. At the end of the reporting year, the Lufthansa Group began work on detailed planning for future standardised Group-wide financial processes. Comprehensive use of existing process, IT and industry standards form a central component of this Finance Transformation Programme. The aim behind this is to reduce the level of complexity, minimise implementation risks and accelerate the execution of projects.

Sustainable value creation

Sustainable value creation requires adequate profitability

The Lufthansa Group applies a value-based system of management. At its core is the return on capital, measured as the adjusted return on capital employed (Adjusted ROCE), whereby the underlying capital base is adjusted for the Group's cash and cash equivalents. If Adjusted ROCE exceeds the weighted average cost of capital (WACC), this means that the Company is creating value. The Company's value creation was negative in the 2024 financial year. Adjusted ROCE after tax was 7.2% (previous year: 13.1%), while WACC increased to 8.5% (previous year: 8.1%) in the 2024 financial year. The system of calculating the Adjusted ROCE and WACC will be adjusted in financial year 2025, with the aim of showing the Company's value creation before tax in future. In the years ahead the declared aim is to achieve an Adjusted ROCE that is at least equal to WACC.

T008 CALCULATION OF ADJUSTED ROCE

in €m	**2024**	2023	Change in %
Total revenue	37,581	35,442	6
Changes in inventories, other own work capitalised and other operating income	3,186	3,140	1
Operating income	**40,767**	**38,582**	**6**
Operating expenses	39,225	36,126	9
Result from equity investments	189	213	–11
EBIT	**1,731**	**2,669**	**–35**
Adjusted EBIT	**1,645**	**2,682**	**–39**
Taxes (flat rate of 25% of EBIT)	–433	–667	35
ROCE [1] in %	**7.6**	**13.1**	**–5.5 pts**
Adjusted ROCE [2] in %	**7.2**	**13.1**	**–5.9 pts**
Total assets	47,052	45,321	4
Non-interest bearing liabilities			
of which liabilities from unused flight documents	5,183	4,981	4
of which trade payables, other current financial liabilities, other current provisions	6,751	6,465	4
of which advance payments, deferred income, other non-financial liabilities	3,714	3,585	4
of which other non-interest bearing liabilities	5,079	5,826	–13
of which liquid funds	8,488	8,265	
Capital employed	17,837	16,199	10
Average capital employed	**17,018**	**15,334**	**11**
WACC in % [3]	8.5	8.1	0.4 pts

[1] (EBIT –25% taxes on EBIT)/Average capital employed.
[2] (Adjusted EBIT –25% taxes on Adjusted EBIT)/Average capital employed.
[3] Internal management metric. Last year's figures adjusted.

Sustainable value creation requires adequate profitability. This will in turn provide scope for entrepreneurial freedom and enable key stakeholders – investors in particular – to participate in the Company's success.

The Company's profitability is measured on the basis of its Adjusted EBIT margin, i.e. the ratio of Adjusted EBIT to revenue. Calculating the underlying Adjusted EBIT entails adjusting EBIT for write-downs and write-backs, earnings effects from disposals of non-current assets, effects of pension plan changes, restructuring expenses in the form of severance payments, significant costs of legal procedures and company transactions not arising in the normal course of business and other material non-recurring expenses caused directly by extraordinary external factors.

Adjustments were made in the reporting year, in particular due to book gains from the sale of the AirPlus group, sale-and-lease-back transactions and impairment losses on equity investments and loans in the MRO segment and aircraft held for sale. ↗ T022 **Reconciliation of results.**

Adjusted EBIT came to EUR 1,645m in the 2024 financial year (previous year: EUR 2,682m). The Adjusted EBIT margin was therefore 4.4% (previous year: 7.6%). ↗ **Earnings position.**

To increase future profitability the Group initiated comprehensive measures in 2024, such as a turnaround programme at Lufthansa Airlines and a Group-wide efficiency programme. In addition to the ongoing fleet renewal, the Lufthansa turnaround programme constitutes the main lever for improving profitability in future. The goal of safeguarding the Company's future value creation underpins all of its investment and strategic decisions. ↗ **Forecast.**

Furthermore, the Lufthansa Group incorporates the specific carbon emissions into its management system to lower the associated costs by reducing environmental impacts. This facilitates sustainable value creation, positively affects financing conditions and is also factored into management remuneration. Specific carbon emissions per passenger-kilometre were 87.5 grammes in 2024, 1% lower than in the previous year (previous year: 88.7 grammes). Information about the long-term goals for reducing carbon emissions can be found in the ↗ **Combined non-financial declaration.**

Cost and efficiency management

Over the next few years, the Lufthansa Group envisages significant cost increases, in particular due to sustainability-related expenses which will arise on regulatory grounds, such as the SAF quota and the loss of free emissions certificates. Other cost items such as taxes, fees and charges and staff costs are also expected to significantly increase. The Lufthansa Group therefore expects its unit costs to remain under pressure due to factors including ongoing cost inflation.

In response to unavoidable cost increases and in order to ensure the Company's value creation, it is focusing on increasing unit revenues through targeted revenue-increasing measures. The ongoing capacity restrictions in the market are expected to make an additional contribution to stabilising yields across the market.

It is therefore necessary to carefully weigh up the different options of increasing market shares, boosting yields or allocating production capacity to different flight operations. Ultimately, the goal is for flight operations with high productivity levels and low unit costs to increasingly deliver growth.

In order to preserve its competitiveness, the Company has also reviewed and implemented programmes to increase its cost-related efficiency and productivity as well as further cost-reduction measures. Operational units – from the Company's fleet to its staff – and administrative functions must both contribute to this.

In response to the immense cost pressure, efficiency improvement programmes were launched for the passenger airlines in 2024. These mainly target the efficient use of crews and the fleet and particularly include a turnaround programme at Lufthansa Airlines with measures planned to impact earnings by EUR 2.5bn in 2028. From 2025, the Group-wide efficiency and earnings improvement programmes will be combined under a central unit, which will report to the Executive Board directly on a regular basis.

Generation of strong free cash flows and effective capital allocation

Financial management aims for strong free cash flows

The generation of strong free cash flows is a clear focus of the Lufthansa Group's financial strategy, with the aim of creating value for its shareholders, further reducing its volume of debt in the long term and pursuing necessary capital expenditure. In addition to increasing the operating result, the key levers for this are strict cash and working capital management as well as focused investing activities.

Free cash flow also plays a major role for the variable remuneration of many employees, particularly of managers, and in the performance dialogues with the business entities. With this, the organisation is continuously made aware of its influence on company value and incentives are established to increase the level of free cash flows.

The Lufthansa Group achieved a positive Adjusted free cash flow of EUR 840m in the 2024 financial year (previous year: EUR 1,846m). The year-on-year decline stems mainly from the lower earnings volume, which has partly been offset by positive effects from the working capital trend. ↗ **Financial position.**

Improvements in working capital management support cash flow generation

Working capital management is to be further intensified. This includes targeted measures such as strict receivables management, optimising payment terms with suppliers, improvements to procurement processes and maintenance of inventories, in particular at Lufthansa Technik.

Focused investments are intended to increase return on capital employed

The strategic goals of the Group and its business segments, and the portfolio roles of the different Group companies provide the framework for the allocation of capital and for investment decisions. All investment projects should contribute to sustainable value creation, i.e. profitability above the weighted average cost of capital (WACC).

The Lufthansa Group is extensively investing in the modernisation of its fleet, on-board and ground products, digitalisation and infrastructure. It is largely replacing older, less efficient aircraft with new models and thereby sustainably increasing its profitability through increased fuel efficiency and reduced maintenance costs, for example. The allocation of new aircraft to the different airlines and bases follows value-based criteria and is continuously optimised.

Sale-and-lease-back transactions to finance the modernisation of the fleet were completed in the reporting year: a total of 15 short- and medium-haul aircraft were sold to lessors and then leased back.

The Lufthansa Group reduced the volume of its investments year-on-year in the reporting year. Compared with the previous year, net capital expenditure declined by 14% to EUR 2,392m (previous year: EUR 2,771m). Advance and final payments for aircraft and aircraft components along with aircraft and engine overhauls account for most of this. ↗ C12 **Primary, secondary and financial investments.**

Continuous dividend distribution aimed for

The Company plans for its shareholders to regularly participate directly in its success via an attractive dividend. This is intended to make the Company more attractive on the capital market, including for investors with a long-term investment horizon.

The Lufthansa Group's dividend policy is to distribute to its shareholders 20% to 40% of the Group's net profit, adjusted for non-recurring gains and losses. One condition for the payment of a dividend is that the net profit for the year as shown in the individual financial statements of Deutsche Lufthansa AG that are drawn up under German commercial law allows for a distribution of the relevant amount.

In line with the dividend policy, the Executive Board and Supervisory Board will table a proposal at the Annual General Meeting on 6 May 2025 to distribute a dividend of EUR 0.30 per share to shareholders for financial year 2024. This represents a total dividend payment of EUR 359m or 26% of net profit for 2024, which is a higher percentage than the previous year, when 21% of net profit was distributed. ↗ **Earnings position.**

Maintaining financial stability

Liquidity to amount to between EUR 8bn and EUR 10bn

The coronavirus pandemic demonstrated that a sufficient level of minimum liquidity is vital in the event of global crises, which generally have a particularly severe impact on airlines. To ensure the requisite volume of liquidity for an extreme crisis scenario, as well as to cover operational expenses, it is also necessary to safeguard capacity to repay working capital liabilities, in particular advance payments received from customers for flight documents not yet used. At present, the Lufthansa Group aims to hold minimum liquidity of between EUR 8bn and EUR 10bn to reduce liquidity risks and thus protect the Group against possible crises. For capital efficiency reasons, part of the strategic liquidity reserve is held in the form of a revolving line of credit. Including its freely available credit lines at year-end 2024, the Company's available liquidity amounted to EUR 11.0bn (31 December 2023: EUR 10.4bn). ↗ **Financial position.**

Gearing to be further reduced

The Lufthansa Group's long-term financial strategy continues to focus on reducing its level of gearing, primarily by achieving strong free cash flows, and on optimising net indebtedness.

Gearing is measured as Adjusted net debt/Adjusted EBITDA; the ratio takes into account both net indebtedness (including the financial obligations arising from lease agreements, primarily for property and aircraft) and net pension obligations. These are actively managed. To limit any further increase in its liabilities, the Lufthansa Group has largely switched over to a defined contribution pension system. For its largest remaining defined benefit pension plans, the allocation of the pension assets has been adjusted in the context of the introduction of a liability driven investment (LDI) system. This is intended to align the sensitivity of plan assets to interest rates more closely to that of pension obligations in order to permanently reduce the level of volatility of pension provisions.

Net indebtedness stood at EUR 5,744m at the end of the 2024 financial year. It was therefore 1% higher than in the previous year (previous year: EUR 5,682m) and lower than the pre-crisis level at year-end 2019 (EUR 6,662m). Due to the positive market trend for plan assets, net pension liabilities declined in the reporting year to EUR 2,566m (previous year: EUR 2,676m). At the end of 2024, the ratio of Adjusted net debt/Adjusted EBITDA was 2.0 (previous year: 1.7). ↗ **Assets.**

T009 ADJUSTED NET DEBT/ADJUSTED EBITDA

in €m	**2024**	2023	Change in %
Net indebtedness [1]	5,497	5,435	1
Net pension obligations	2,566	2,676	–4
Adjusted net debt	**8,063**	**8,111**	**–1**
Adjusted EBIT	1,645	2,682	–39
Depreciation, amortisation and impairment	2,337	2,228	5
Adjusted EBITDA	**3,982**	**4,910**	**–19**
Adjusted net debt/Adjusted EBITDA	**2.0x**	**1.7x**	**+0.3x**

[1] In order to calculate Adjusted net debt, 50% of the hybrid bond issued in 2015 (EUR 247m) has been discounted here. Calculation of net indebtedness ↗ **Financial position.**

Lufthansa Group benefits from good capital market access and utilises diversified funding sources

The Lufthansa Group successfully raised new funds on the capital market again in the 2024 financial year, benefiting from attractive conditions associated with its investment grade rating. Overall, a volume of EUR 1,734m was borrowed through the placement of three euro bonds. The Lufthansa Group also made use of various other financing instruments, such as sale-and-lease-back transactions and Japanese operating leases. ↗ **Financial position.**

Future financing activities will likewise be based on the need for capital expenditure and will aim to minimise financing costs. Financing activities are mainly determined by the Lufthansa Group's rating as well as market conditions. A broad financing mix, favourable financing costs, a balanced maturity profile and a diversified portfolio of lenders are achieved through the segmentation of financing instruments. ↗ C15 **Maturity profile of financial liabilities.**

New loans or bonds may pay interest at fixed or floating rates of interest. The Lufthansa Group pursues a net fix hedging strategy. This means the volume of floating-rate liabilities should not exceed the volume of funds invested at a floating interest rate. Net debt is thus subject to a fixed interest rate and market-wide interest-rate changes do not have any material impact on the Group's interest burden. This strategy is managed primarily by means of derivatives.

Securing the investment grade rating

Deutsche Lufthansa AG has received an investment grade rating from all the leading rating agencies.

Standard & Poor's and Fitch Ratings both still give Deutsche Lufthansa AG an investment grade rating of BBB-, outlook stable. In January 2024, Moody's raised its rating for Deutsche Lufthansa AG to Baa3, which is also investment grade, with a stable outlook. Scope Ratings still gives Deutsche Lufthansa AG an investment grade rating of BBB-, outlook positive.

T010 DEVELOPMENT OF RATINGS

Rating/outlook	**2024**	2023	2022	2021	2020
Standard & Poor's	BBB-/ stable	BBB-/ stable	BB/ positive	BB-/ stable	BB-/ negative
Moody's	Baa3/ stable	Ba1/ stable	Ba2/ stable	Ba2/ negative	Ba2/ negative
Scope Ratings	BBB-/ positive	BBB-/ positive	BBB-/ stable	BBB-/ negative	BBB-/ negative
Fitch Ratings	BBB-/ stable	BBB-/ stable			

The Group strives to be rated as investment grade on a lasting basis. Investment grade ratings for the Company's debt ensure good access to the capital markets and low funding costs and thus financial flexibility. Conditions for an investment grade rating are good profitability and adequate gearing, among other aspects.

Structured risk management minimises finance risks

The Group's financial stability is also ensured through integrated risk management. Hedging fuel, exchange rate and interest rate risks minimises the short-term financial risks for the Lufthansa Group. The hedges smooth price fluctuations by means of rule-based processes. Changes in fuel costs can therefore be taken into account in pricing at an early stage. ↗ **Opportunities and risk report; Notes to the consolidated financial statements, Note 45.**

FLEET AND ROUTE NETWORK

T011 GROUP FLEET – NUMBER OF COMMERCIAL AIRCRAFT

Lufthansa Airlines including regional airlines, Germanwings and Discover Airlines (LH), SWISS including Edelweiss (LX), Austrian Airlines (OS), Brussels Airlines (SN), Eurowings (EW) and Lufthansa Cargo (LCAG) as of 31 Dec 2024

Manufacturer/type	LH	LX	OS	SN	EW	LCAG	**Group fleet**	of which lease	Change vs. 31 Dec 2023
Airbus A220		30					30		
Airbus A319	40			15	31		86	17	
Airbus A320	63	25	29	16	50		183	24	-2
Airbus A320neo	35	8	5	5	8		61	17	+6
Airbus A321	54	6	6		6	4[1]	76	4	
Airbus A321neo	17	4			5		26	10	+1
Airbus A330	22	14		10			46	4	
Airbus A340	33	9					42		-1
Airbus A350	30	4					34	5	+8
Airbus A380	8						8		
Boeing 747	27						27		
Boeing 767			3				3		
Boeing 777		12	6				18	2	
Boeing 787	5		2				7	2	+2
Boeing 777F						18[2]	18	6	+1
Bombardier CRJ	27						27		-1
Embraer	26		17				43		
Total aircraft	**387**	**112**	**68**	**46**	**100**	**22**	**735**	**91**	**+14**

[1] A321P2F operated by Lufthansa CityLine.
[2] Partly operated by AeroLogic, of which two aircraft attributed pro rata.

Fleet

Lufthansa Group fleet expands to 735 aircraft

At the end of 2024, the Lufthansa Group fleet comprised 735 aircraft (previous year: 721 aircraft). The average age of the aircraft in the fleet was 14.0 years (previous year: 13.4 years).

The fleet expanded year-on-year by 14 aircraft. A total of 18 new aircraft were added to the fleet, compared with four retirements. The new additions comprised 15 new aircraft (seven Airbus A350-900s, one Airbus A321neo, six A320neos and one Boeing 777F) and three used aircraft (one A350-900 bought and two 787-9s leased). In contrast, in 2024 two aircraft were sold (one CR9 and one A340) and the leases for two aircraft expired.

In addition, 15 short- and medium-haul aircraft were sold and leased back in the reporting year. The aircraft are up to two years old and are operated by SWISS, Brussels Airlines and Eurowings.

On long-haul routes, the remaining A380s were reactivated from long-term parking mode in the reporting year. The Company was therefore responding to strong demand and countering delays in delivering ordered aircraft due to numerous problems at the manufacturers with production, supply chains and certification. At the end of 2024, of the total of eight A380s, seven were already in use for flight operations at Munich Airport, and one more followed in February 2025. All eight A380s are therefore now back in service.

The airlines in the Lufthansa Group operated 56 aircraft on the basis of wet leases in the reporting year. The reasons behind this were, in particular, to make up for delayed aircraft deliveries and to expand capacities in the busy summer months.

Ongoing fleet modernisation improves the offering for passengers as well as cost efficiency and reduces emissions

The Lufthansa Group has made important decisions in recent years in relation to the ongoing modernisation of its fleet. In particular, this entails the retirement of larger four-engine aircraft, which are less fuel-efficient, and their replacement with modern, more efficient aircraft types such as the Boeing 787 and the A350. At the same time, the Group is exploiting market opportunities to push ahead with fleet modernisation and to purchase modern aircraft at short notice and attractive conditions. The Lufthansa Group exploited corresponding short-term market opportunities in the reporting year by leasing two Boeing 787s. Both aircraft have since been added to the fleet, marking the start of Austrian Airlines' fleet modernisation.

In the 2023 financial year, the Lufthansa Group expanded its existing aircraft orders and ordered more than 100 state-of-the-art aircraft (22 long-haul aircraft: seven Boeing 787-9s, ten A350-1000s and five A350-900s as well as 80 short- and medium-haul aircraft: 40 Airbus A220-300s and 40 Boeing 737-8 MAXs). Purchase options were also agreed for another 20 A220-300s, 60 B737-8 MAXs and 40 aircraft from the A320neo family. These acquisitions will result in a further lasting improvement in the fleet's efficiency. The aircraft have up to 30% lower fuel consumption and carbon emissions compared with their direct predecessor models. They therefore make an important contribution to the ongoing development of the long-haul fleet, leading to lower operating costs, a reduced range of aircraft in the fleet and more sustainable flying.

The Lufthansa Group ordered five more Airbus A350-1000 long-haul aircraft in December 2024, increasing its fixed orders for aircraft of this type from ten to 15.

At year-end 2024, there were 242 aircraft on the Lufthansa Group's order list. There are also options to buy a further 182 aircraft. New aircraft are allocated centrally to the respective airline fleets shortly before delivery.

T012 FLEET ORDERS LUFTHANSA GROUP

	Fixed orders [1]	Delivery period	Options
Long-haul fleet			
Airbus A350-1000	15	2026 to 2030	25
Airbus A350-900	24	2025 to 2031	
Boeing 787-9	34	2025 to 2028	13
Boeing 777-9	20	2025 to 2028	24
Boeing 777-8F	7	2027 to 2030	
Short-haul fleet			
Airbus A220-300	40	2026 to 2031	20
Airbus A320neo	40	2025 to 2028	40
Airbus A321neo	22	2025 to 2028	
Boeing 737-8	40	2027 to 2032	60
Total aircraft	**242**	**2025 to 2032**	**182**

[1] Excluding contracted leases.

Flexible fleet planning permits adaptation to market developments

The Lufthansa Group is expecting the delivery of around 25 aircraft in the 2025 financial year, including short-haul aircraft from the A320neo family as well as long-haul A350 and Boeing 787 aircraft. SWISS is set to receive its first two Airbus A350 aircraft featuring, for the first time, the new SWISS Senses generation seats. The Boeing 787 aircraft ordered by Lufthansa Airlines will be the first to feature the new Allegris generation seats.

According to the current planning, around 20 aircraft are to be sold or their leases are due to expire in 2025. This planning is continuously reviewed. The Group can modify the capacity on offer by extending or shortening temporary decommissioning, delaying or bringing forward planned retirements and by taking out wet leases to match stronger or weaker than planned demand.

Potential material defects in components of the PW1100G engine family mean that the parts concerned will be inspected for safety reasons. An average of around 30 aircraft in the Lufthansa Group were therefore not available for service in the reporting year. The aircraft concerned were A320neo and A321neo models, as well as some replacement engines. A total of 64 Lufthansa Group aircraft and 136 engines are affected, around 100 of which have already undergone an initial inspection. The aim is to mitigate the effects on capacity by acquiring additional replacement engines, extending the useful life of existing aircraft and additional wet leases. The Lufthansa Group has significantly reduced the financial risks involved after successfully negotiating with Pratt & Whitney.

Long-term fleet strategy aims to standardise and reduce aircraft models

Aircraft from Airbus and Boeing make up the majority of the Lufthansa Group fleet. Aircraft from Bombardier and Embraer are also deployed on short-haul routes.

As part of the long-term fleet strategy, the number of aircraft models operated on long-haul routes is continuously being lowered to reduce the level of complexity throughout the Group. The orders placed in the years 2019 to 2024 for a total of 34 A350-900s (including four used aircraft), 15 new A350-1000s and 39 new 787-9s, along with leases for another six

A350-900s and two Boeing 787-9s, form the basis for the structural modernisation and optimisation of the long-haul fleet.

The complete retirement of the aircraft types 747-400, 777-200ER, A340-600, A340-300, A330-200 and 767-300ER is offset by the introduction of the new A350-1000s, 787-9s and 777-9s. Accordingly, in net terms the number of long-haul aircraft types is to be reduced by three, from the current 13 to ten. The Group expects significant cost savings from these measures, especially in the areas of crew training, maintenance and operations.

Group-wide engine management realises synergies

The Lufthansa Group has introduced engine management throughout the Group in order to also achieve synergies in the engine business. The aim behind this is to increase the number of usable flight hours per engine (green time) and to benefit from the joint use of replacement engines and the joint purchase of MRO services for all Group airlines.

The Lufthansa Group continues to own a significant share of its fleet

Overall, the Lufthansa Group owns 88% (previous year: 89%) of its total fleet and leases 12% (previous year: 11%). More than 85% (previous year: 85%) of the owned fleet is unencumbered, i.e. not used as collateral under financing arrangements.

The owned aircraft provide a high degree of operational flexibility. In order to respond flexibly to fluctuations in demand and to adjust capacity at short notice, depreciated aircraft can at short notice remain in service for longer or be retired before their planned phase-out. The aircraft can also be used as collateral in financing activities. In contrast, leases enable a faster response to market and technological changes. They also reduce the use of capital when compared with purchasing new aircraft. The Group intends to expand the proportion of its fleet which is leased in the medium to long term. ↗ **Financial strategy and value-based management.**

Route network

Route network of the Lufthansa Group significantly expanded

As part of the multi-hub strategy, Lufthansa Airlines, SWISS, Austrian Airlines and Brussels Airlines offer their passengers a broad range of flights from these airlines' hubs in Frankfurt, Munich, Zurich, Vienna and Brussels. The regional Group airlines Lufthansa Cityline, Lufthansa City Airlines and Air Dolomiti provide short-haul feeder services for the network airlines. The network airlines are supplemented on long-haul routes by the route networks of the alliance and joint venture partners, which offer extensive transfer connections. Eurowings offers a comprehensive range of direct connections for short- and medium-haul destinations. Discover Airlines and Edelweiss, the Lufthansa Group's holiday airlines, focus on tourist destinations for short-, medium- and long-haul flights and thus supplement the capacity of the hubs.

During the reporting year, the Lufthansa Group continued to expand its route network. In the summer season, the number of destinations on offer almost reached the pre-crisis level. Available capacity also steadily recovered in 2024. For the year as a whole, it already came to 91% of its pre-crisis level and was 9% higher than in the previous year.

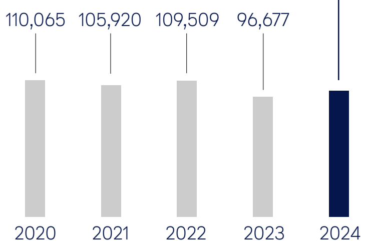
Available capacity on short- and medium-haul routes was 99% of that in 2019 on average. In the fourth quarter, it was at 102%. A recovery was also seen on intercontinental routes. Available capacity in the fourth quarter of 2024 was at 89%. Transatlantic traffic is already back at more than 96%, with Asian routes still at 79% of their pre-crisis level. This is primarily a reflection of the slower recovery in air traffic on routes to and from China and Japan.

Russian airspace remains closed to the airlines of the Lufthansa Group due to Russia's war of aggression against Ukraine. Flight routes to Japan, South Korea, China and Central Asia are still significantly longer in some cases as a result. Continental direct flights to Russia and Ukraine remain suspended. Due to the conflict in the Middle East, it was also necessary to temporarily suspend flights to Tel Aviv, Beirut, Amman, Erbil and Tehran in the reporting year.

C06 NUMBER OF EMPLOYEES

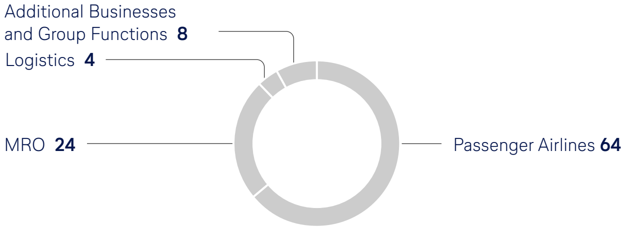
as of 31 Dec

2024
101,709



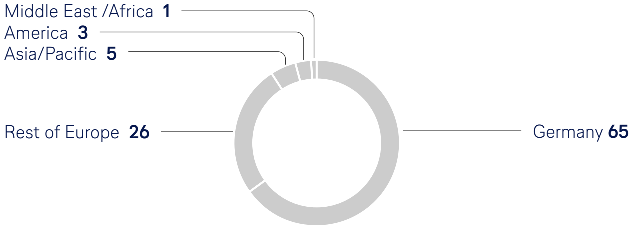
C07 EMPLOYEES BY BUSINESS SEGMENTS

in %



C08 EMPLOYEES BY REGION

in %



EMPLOYEES

Human resources management prepares the Company for the future and creates prospects for employees

The Lufthansa Group's employees play an indispensable role in its success. In the 2024 financial year, human resources management was once again a key pillar on which the future of the Lufthansa Group will be built. The Company's corporate culture remains of key significance. Alongside financial success, the commitment and well-being of the Company's workforce are main priorities in this regard. The Lufthansa Group aims to further enhance its corporate culture with its current Cultural Journey programme and to meet the changing requirements of society, its workforce and its shareholders. This cultural programme plays a key role here, by bringing together values such as diversity, respect and individual development opportunities.

The Company-wide employee survey "involve me!" helps to identify strategic areas of action in a targeted manner and to integrate these within the Group's HR strategy. The Lufthansa Group pursues a comprehensive approach which ensures equal opportunity, promotion of diversity, professional training and a work-life balance. The Company therefore not only supports flexible career paths but also strives to achieve a partnership-based and transparent corporate culture that supports its goal of being an attractive employer while promoting and retaining talent on a long-term basis. ↗ **Combined non-financial declaration.**

Number of employees back above 100,000 in the reporting year

At year-end 2024, the Lufthansa Group had 101,709 employees worldwide (previous year: 96,677). Accordingly, the number of employees rose by 5,032, or 5%, in the reporting year, despite the loss of around 1,250 employees due to the sale of the payment specialist AirPlus. This increase is mainly attributable to successful recruitment measures in operational areas in particular. The number of employees was 36,644 or 26% lower than before the crisis (31 December 2019: 138,353).

Translated into full-time positions, the Group had 84,215 employees at the end of 2024 (previous year: 80,583). This represents a year-on-year increase of 3,632 or 5%.

In Germany, the Group had 66,336 employees: 3,160, or 5%, more than in the previous year (previous year: 63,176). The increase was driven by extensive recruitment. The Group's employees in Germany account for 65% of its overall workforce (previous year: 65%). The number of employees outside Germany increased by 1,872 or 6% to 35,373 (previous year: 33,501).

As of the reporting date, the average age of the workforce was 42.1 years (previous year: 42.6 years). Average seniority was 13.7 years (previous year: 14.2 years). 35% of employees worked part-time in the reporting year (previous year: 35%). The fluctuation rate decreased to 6% (previous year: 7%).

At year-end, 1,860 apprentices were in training for around 30 occupations and various combined degree courses offered by the Lufthansa Group worldwide (previous year: 1,640).

Targeted recruitment measures are planned for the 2025 financial year to attract qualified and motivated employees with the right skills and abilities. Recruitment in administrative areas has been partially frozen, while the Group aims to continue to increase the number of personnel in operational and technical fields.

Important agreements signed with collective bargaining partners

In the 2024 financial year, the Lufthansa Group, represented by the relevant industry associations or its subsidiaries, reached a large number of new pay settlements with its collective bargaining partners. ↗ **Opportunities and risk report, Human resources.**

In March 2024, the Air Transport Employers' Federation (AGVL) and the trade union Vereinigte Dienstleistungsgewerkschaft (ver.di) signed a new wage agreement for around 20,000 ground staff in Germany, including employees at Deutsche Lufthansa AG, Lufthansa Technik AG and Lufthansa Cargo AG. The wage agreement involves an average wage increase of up to 12.5% in two phases. It also includes an inflation bonus and further holiday bonus benefits as well as a special package for apprentices.

In April 2024, AGVL and the cabin staff union Unabhängige Flugbegleiter Organisation e.V. (UFO) signed a wage agreement for the approximately 19,000 cabin crew at Lufthansa Airlines. The agreement includes a gradual increase in salaries of 16.5% in total and the payment of an inflation bonus. Alongside other aspects, such as an increase in allowances, increased holiday pay has also been agreed. This wage agreement has a minimum term of three years, thereby facilitating the strategic planning of staff costs. UFO terminated the applicable framework agreement as of the end of 2024. Negotiations on working conditions for cabin crew are therefore likely to take place from 2025 onwards.

In August 2024, Discover Airlines concluded a framework and wage agreement with ver.di for its entire cabin crew. These agreements cannot be terminated until 31 December 2027 at the earliest. As well as a substantial adjustment to salary structures, they also include a robust agreement on work and employment conditions for employees. An agreement on conflict resolution mechanisms such as mediation and arbitration formed another core aspect of this first wage agreement.

A new collective agreement was signed for the pilots at Edelweiss, which came into effect on 1 January 2025.

In April 2024, Austrian Airlines and the trade union vida signed a new collective agreement for around 2,400 flight attendants and roughly 1,000 pilots. The collective agreement envisages a gradual salary increase of around 19.4% in three phases and runs until December 2026. A wage settlement has also been reached for commercial and technical staff. As well as a gradual wage increase, the agreement also includes payment of an inflation bonus. Remuneration for apprentices will also be adjusted from January 2025.

A new wage agreement running until the end of 2026 was signed for the pilots at Brussels Airlines. The agreement provides for salary increases of 3.1% on average over its term. A new wage settlement was also reached for cabin crew until the end of 2026. The agreement provides for salary increases of 1.6% on average.

A new collective wage agreement was signed with the VC trade union for the pilots at Eurowings GmbH in July 2024. It runs for three years and provides for salary increases of 17% in total, an inflation bonus and new rules on the additional flying hours bonus. In exchange, the parties have agreed that the automatic inflation bonus will cease to apply. A new collective wage agreement was concluded with the trade union ver.di for cabin crew, which entered into force with retroactive effect as of 1 January 2024. It runs for 19 months and provides for salary adjustments of around 4%, as well as the payment of an inflation bonus. In July 2024, the cornerstones of a new framework agreement were agreed with the trade union ver.di for the ground staff of Eurowings Aviation GmbH. On 16 September 2024, a new collective wage agreement with a term of three years was signed with the trade union ver.di for the ground staff of Eurowings Technik GmbH. Besides a gradual increase in basic salaries of 15.7% in total, this agreement also includes the payment of an inflation bonus as well as higher monthly shift allowances.

Developing a sustainable relationship between collective bargaining partners

Within the scope of its social and collective bargaining policies, the Lufthansa Group aims to define good working conditions and fair salary arrangements which strike a balance between the interests of the companies and employees in every part of the Group. Longer-term agreements establish planning certainty for both parties. The agreements concluded in the reporting year achieved this in some contexts.

RESEARCH AND DEVELOPMENT

The Lufthansa Group and its companies continuously work on innovative services and products. Most of these activities are run separately in the individual segments since they focus on different areas. Internal measures are supported by a wide range of external cooperation arrangements. ↗ **Business segments.**

Passenger Airlines focus on improving the travel experience and sustainability activities

The Lufthansa Group Passenger Airlines are focusing on making further improvements to the customer’s travel experience along the entire travel chain and on expanding their sustainability activities.

For instance, through their refit with Lufthansa Allegris and SWISS Senses product generation seating, Lufthansa Airlines and SWISS offer their passengers a new travel experience in every class on long-haul routes. At the end of the reporting year, seven A350 aircraft fitted with the new Allegris interior were already in service at Lufthansa Airlines. A further improvement at Lufthansa Airlines is the availability of its Wi-Fi portal “FlyNet” free of charge, which enables passengers to access free magazines and podcasts. Digital service channels and automated customer services have also been expanded, in particular for justified compensation claims. In October 2024, the World Aviation Festival rated the Lufthansa Group's app the world's best airline app. This digital customer portal enables customers to access all relevant information and resolve issues quickly and easily thanks to new, interactive self-service options.

In addition, in the reporting year the Passenger Airlines expanded their more climate-friendly flight options. The introduction of Green Fares for European flights, which include carbon offsets in the price, was followed by a roll-out of this offering to all long-haul flights in the reporting year. ↗ **Passenger Airlines.**

The Lufthansa Group again collaborated with several companies and research institutes in the reporting year that research, promote and produce sustainable fuels. ↗ **Combined non-financial declaration.**

Lufthansa Cargo and Lufthansa Technik are continuing to expand their innovative and digital products and services and developing sustainable solutions for the airline industry

In the reporting year, Lufthansa Cargo reached a milestone in the digitalisation of the airfreight industry with the IATA initiative ONE Record. Since March 2024, shipment details have been exchanged with all of the parties involved in the airfreight transport chain in the open source solution ONE Record.

In addition, in July 2024 Lufthansa Cargo joined the Smart Freight Centre Community and is thus continuing to actively work towards reducing its greenhouse gases caused by aviation as well as processes on the ground.

In the reporting year, Lufthansa Cargo also participated in a 100-flight test aimed at improving the prediction of climate-relevant contrails. ↗ **Logistics business segment.**

The independent platform AVIATAR developed by Lufthansa Technik support customers worldwide in real time with the management of complex fleet operations and helps to diagnose errors in individual components, thus supporting the digital transformation of aviation. At the end of the reporting year, the data from some 4,400 aircraft were already connected to the AVIATAR platform. Within the scope of its Ambition 2030 programme, Lufthansa Technik aims to achieve its goal of becoming a fully digitalised MRO provider by 2030.

In addition, Lufthansa Technik has expanded its use of the fuel-saving surface technology “AeroSHARK” developed in partnership with BASF to additional Lufthansa Group aircraft types. At the end of the reporting year, 21 Boeing 777 aircraft at Lufthansa Cargo, SWISS and Austrian Airlines had already been equipped with this new type of surface.

In 2023, Lufthansa Technik started to prepare an Airbus A320 previously used by Lufthansa Airlines as a real-life laboratory for testing maintenance and ground processes for hydrogen-powered aircraft of the future. The “Hydrogen Aviation Lab” will enable early research into the safe use of a potential energy source for future aviation to be carried out under realistic conditions. Further progress was made with the gradual integration and operation of the necessary components in the reporting year. ↗ **MRO business segment.**

Together with ETH Zurich, Lufthansa Aviation Training launched a three-year research project in the reporting year to explore the use of virtual reality for future training content.

Innovation and digitalisation driven by various platforms

The Lufthansa Innovation Hub is also driving innovation and digitalisation. The hub is working on new digital business models, partnerships and strategic investments throughout the travel and mobility chain.

The Lufthansa Group Digital Hangar brings together the digital talents in the Lufthansa Group and pools expertise, innovation and processes in one agile structure. It aims to set new technological trends and standards, and to create genuine added value for customers. By delivering digital products faster and with a high level of quality, the aim is to significantly improve customer satisfaction and the digital user experience. The Lufthansa Group Digital Hangar is intended to position the Lufthansa Group as a digital trendsetter.

LEGAL AND REGULATORY FACTORS

The Lufthansa Group is subject to numerous national and European regulations. These regulations have an impact on costs and – if they do not also extend to non-European competitors – the Company's international competitiveness.

Future climate protection policy in Germany and Europe is particularly relevant in this respect. However, laws on data and consumer protection, air traffic taxes, aviation security fees, take-off and landing rights or night-flight bans likewise affect the Lufthansa Group and the aviation sector as a whole.

EU climate change mitigation regulations entail competitive disadvantages

In summer 2021, the European Commission presented its Fit for 55 legislative package, which contains regulatory proposals on how to achieve the European climate protection objectives of cutting carbon emissions by 55% compared with 1990. Out of a total of 13 legislative initiatives, three are particularly relevant for aviation: the reform of emissions trading (EU-ETS), the blending quota for sustainable aircraft fuel (ReFuelEU Aviation) and the proposal to introduce a kerosene tax (energy tax directive).

With regard to the EU-ETS, a decision was made to gradually reduce the total number of emissions certificates and to abolish the previous “free” allocations entirely from 2026. The costs of EU ETS certificates went up year-on-year by EUR 134m in 2024, primarily because the free allocations were discontinued. The regulations as a whole will make feeder traffic by European airlines more expensive and entail the risk of an increasing displacement of long-haul connections to hubs outside Europe, which will further distort competition between EU airlines and their competitors in the Middle East. To create an incentive to use sustainable fuels (SAF), which are significantly more expensive, a decision was made to provide a limited contingent of emissions certificates on a temporary basis to compensate for the additional costs of SAF. However, this does not sufficiently offset the additional expenses nor establish a level playing field with airlines from outside the EU.

The Lufthansa Group believes that the European blending quotas for sustainable aviation fuel (ReFuelEU Aviation) applicable since January 2025 will also result in significant competitive disadvantages in intercontinental traffic and lead to a steep increase in costs for European airlines, because airlines from outside Europe with transfer stops near Europe could then continue to use unblended fuel for part of the journey. The fact that SAF will not be available in sufficient quantities or at competitive prices for the foreseeable future remains has not been taken into account until now.

The Energy Tax Directive (ETD) is currently being revised at EU level. It makes sense to renew the tax exemption for kerosene throughout the EU, as the member states are currently considering. The introduction of a European minimum tax on kerosene would further exacerbate the problem of global competitiveness.

For the further legislative process, the Lufthansa Group therefore believes that improvements to climate protection regulations are urgently required in order to maintain the competitiveness of the airlines based in the EU and to avoid the transfer of traffic and emissions that is known as the carbon leakage effect. The increase in Germany’s air traffic tax which came into effect in May 2024 is further raising the aviation sector’s costs of doing business in the country, which are already high by European standards. This will thus also worsen Germany’s connections to European and global air traffic, with no benefit for the climate. ↗ **Combined non-financial declaration.**

More stringent consumer protection policies may have adverse impact

More stringent European and national consumer protection policies may lead to higher costs for the Lufthansa Group and its customers. These include, in particular, efforts to introduce insolvency protection for flights, automating refund and compensation payments, and banning advance payment for tickets and no-show clauses.

Potential of Single European Sky not achieved for now

In the spring of 2024, a compromise was reached on the revision of the legal framework for the Single European Sky. The goal of more efficient air traffic control in the EU has not been realised. By contrast, the rules merely reinforce the status quo. In the course of implementation the European Commission has already announced that it is working to leverage the remaining potential and thereby not only reduce carbon emissions and save fuel but also avoid flight delays. Whether these aims can be achieved in the short term remains uncertain.

Temporary rules for slot use have expired

The temporary changes to the EU Slot Regulation on the use of take-off and landing rights (slots) that were granted because of the coronavirus pandemic and Russia’s war of aggression against Ukraine have expired. The European Commission is now collectively evaluating whether the rules on slots, airport fees and the provision of ground services are still appropriate. This process is set to continue up to the end of 2025 and may result in revision proposals.

ECONOMIC REPORT

- Global economic growth slows, economic output in Germany falls again.
- Oil price trends lower.
- Global passenger and airfreight traffic report strong growth rates.
- Course of business of the Lufthansa Group impacted by delays to the delivery of new aircraft, strikes, inefficiencies at Lufthansa Airlines, decreasing yields and irregularities in flight operations.
- Lufthansa Group generates revenue of EUR 37.6bn.
- Adjusted EBIT of EUR 1.6bn down by 39% on the previous year, Adjusted EBIT margin at 4.4%.
- Adjusted free cash flow for Lufthansa Group at EUR 840m.
- Balance sheet further strengthened.

MACROECONOMIC SITUATION

T013 GDP DEVELOPMENT

in %	**2024**[1]	2023	2022	2021	2020
World	2.7	2.9	3.2	6.4	-2.9
Europe	1.0	0.7	3.8	6.7	-5.8
Germany	-0.2	-0.1	1.4	3.6	-4.5
North America	2.6	2.8	2.6	6.0	-2.4
South America[2]	2.1	2.3	4.1	7.3	-6.6
Asia/Pacific	4.1	4.5	3.3	6.7	-0.8
China	5.0	5.2	3.0	8.5	2.2
Middle East	1.4	0.9	6.4	5.0	-4.2
Africa	2.4	3.1	3.7	4.9	-2.3

Source: S&P Global as of 15 January 2025

[1] Forecast.

[2] Excluding Venezuela.

European economy weaker than the global economy once again

Global economic growth slowed in 2024 for the third year in a row. The growth rate was 2.7%, compared with 2.9% the previous year. Asia/Pacific is again the region with the fastest growth rate at 4.1% (previous year: 4.5%). In Europe, the economy grew by 1.0% (previous year: 0.7%). Economic output in Germany fell again by 0.2% (previous year: -0.1%).

Euro stable against most major currencies

The euro remained stable against the other major currencies over the course of the year. The average exchange rate against the US dollar was unchanged compared with the previous year. By contrast, the euro rose against the Chinese renminbi and the Canadian dollar, by 8% and 2% respectively. Against the pound sterling and Swiss franc the euro fell by an average of 3% and 2% respectively.

T014 CURRENCY DEVELOPMENT EUR 1 in foreign currency

	2024	2023	2022	2021	2020
USD	1.0819	1.0814	1.0510	1.1821	1.1402
JPY	163.77	151.68	137.86	129.84	121.77
CHF	0.9524	0.9714	1.0040	1.0807	1.0704
CNY	7.7848	7.6521	7.0754	7.6243	7.8688
GBP	0.8464	0.8695	0.8523	0.8595	0.8888
CAD	1.4818	1.4592	1.3684	1.4818	1.5288

Source: Bloomberg, annual average daily price.

Continuous drop in the inflation rate

The rate of inflation declined in the reporting year. At the end of 2024, it averaged 4.5% worldwide (previous year: 5.5%). The rate of inflation was 2.4% in Europe and 2.6% in Germany. As inflation declined, central banks ended their restrictive monetary policy and lowered interest rates. The US Fed lowered interest rates in three stages to 4.5% (previous year: 5.5%). The European Central Bank cut interest rates four times to 3.15% (previous year: 4.5%).

Short and long-term interest rates fall on average over the year

Short and long-term interest rates fell on average over the course of the year. The 6-month Euribor stood at an average of 3.48% in 2024 (previous year: 3.69%). The 10-year euro swap decreased year-on-year to 2.59% (previous year: 3.05%).

T015 INTEREST RATE DEVELOPMENT in %

Instrument	**2024**	2023	2022	2021	2020
6-month Euribor average rate	3.48	3.69	0.68	-0.52	-0.37
6-month Euribor year-end level	2.57	3.86	2.69	-0.55	-0.53
10-month euro swap average rate	2.59	3.05	1.93	0.05	-0.14
10-month euro swap year-end rate	2.36	2.49	3.20	0.30	-0.26

Source: Bloomberg

The discount rate applied for discounting the pension obligations of Deutsche Lufthansa AG, which is derived from the average return on a basket of investment-grade corporate bonds, stood at 3.6%, as in the previous year.

Oil price once again down on the previous year

The oil market remained calm in 2024. With prices between USD 69.19/barrel and USD 91.17/barrel, the average price for 2024 was USD 79.86/barrel, which is 3% lower than the previous year (previous year: USD 82.18/barrel). On 31 December 2024, a barrel of Brent Crude cost USD 74.64 (year-end 2023: USD 77.04/barrel).

The jet crack, the price difference between crude oil and kerosene, moved between USD 12.91/barrel and USD 38.30/barrel in 2024. On average over the year, it traded at USD 20.33/barrel and thus 31% lower than in the previous year. On 31 December 2024, the jet crack was USD 16.19/barrel (year-end 2023: USD 29.18/barrel).

C09 PRICE DEVELOPMENT OF CRUDE OIL AND KEROSENE

in USD/t

Source: Lufthansa, based on market data.

SECTOR DEVELOPMENTS

Continued significant growth in global passenger traffic

The global air transport industry saw significant increases in passenger traffic in 2024 and a resulting increase in sales once again. Greater demand for flights, especially to holiday destinations, prompted a further expansion of capacity in global passenger traffic.

Total sales worldwide (revenue passenger-kilometres) in the reporting year increased by 10% on the previous year according to figures published by the International Air Transport Association (IATA) (previous year: 37%). Airlines from the Asia/Pacific region registered the strongest growth of 17% (previous year: 96%), followed by airlines from Africa with 13% (previous year: 36%). In the same period, airlines from Europe posted a 9% increase (previous year: 20%).

Global revenue passenger-kilometres returned to its pre-crisis level in 2019 for the first time in the 2024 financial year, exceeding the figure from financial year 2019 by 4%. European airlines also reported an increase of 4% from the pre-crisis level.

Yields in global passenger traffic were down 5.6% in the 2024 financial year according to IATA (previous year: increase of 8.0%). In the 2024 financial year, yields thus exceeded the pre-crisis level by 6.6%.

T016 SALES PERFORMANCE IN THE AIRLINE INDUSTRY

in % compared with previous year	**Passenger-kilometres**	Cargo tonne-kilometres
Europe	9	11
North America	5	7
Central and South America	8	13
Asia/Pacific	17	14
Middle East	9	13
Africa	13	9
Global	**10**	**11**

Source: IATA Air Passenger/Air Freight Market Analysis (12/2024).

Global airfreight traffic reports positive growth rates again

The global market for airfreight grew significantly 2024 financial year. Strong growth was supported by flourishing online trade and capacity bottlenecks in global shipping. According to IATA, global airfreight volumes (measured in revenue cargo tonne-kilometres) were up 11% year-on-year in 2024 (previous year: decline of 2%). The global cargo business was therefore 8% up on its pre-crisis level. European providers saw an increase of 11% (previous year: decline of 3%).

Yields in global airfreight traffic decreased by 3.7% year-on-year according to estimates by IATA (previous year: decrease of 31.8%), due to greater belly capacities for freight in passenger aircraft and the weak global macroeconomic performance. Yields still exceeded the pre-crisis level by 36.9%, however.

Global airline industry expects profits to decline
The global airline industry expects a year-on-year drop in profits in 2024. IATA predicts that the industry will realise a net profit of USD 32bn for the 2024 financial year (previous year: USD 35bn). Prior to the coronavirus crisis, the airline industry generated net profit of USD 26bn in the 2019 financial year.

On a regional basis, the highest profits are expected in North America at USD 12bn (previous year: USD 14bn). European airlines are forecast to generate net profits of USD 10bn (previous year: USD 11bn).

T017 EARNINGS DEVELOPMENT IN THE AIRLINE INDUSTRY

in USD bn	**2024** [1]	2023
Europe	10	11
North America	12	14
Central and South America	1	1
Asia/Pacific	3	3
Middle East	5	6
Africa	0	0
Industry	**32**	**35**

[1] Forecast.
Source: IATA Industry Statistics (12/2024).

Continued significant growth in MRO market
The aircraft maintenance, repair and overhaul (MRO) business once again performed well in 2024. The strong level of demand for flights prompted a further rise in demand for MRO services. The advisory company ICF predicted that the market for MRO services (excluding embargo countries) will grow by 6% year-on-year in 2024 to USD 124bn (previous year: USD 117bn).

MRO demand of USD 41bn is attributable to the EMEA region (Europe, Middle East and Africa) (previous year: EUR 39bn), USD 35bn to the Americas region (previous year: EUR 36bn) and USD 47bn to the APAC region (Asia/Pacific) (previous year: USD 42bn). APAC is therefore established as the region of the world that will largely drive future market growth.

COURSE OF BUSINESS

Overview of business developments and comparison with original forecast

Course of business of the Lufthansa Group mainly influenced by delays to the delivery of aircraft, strikes, inefficiencies at Lufthansa Airlines, decreasing yields and irregularities in flight operations.
Although capacity expansion continued, the Lufthansa Group's earnings declined significantly in 2024 compared with a year ago. A number of reasons are behind this development. In the first quarter of 2024 a number of strikes by both different employee groups in the Lufthansa Group and employees at system partners had a negative impact. Market-wide capacity growth intensified price pressure for the passenger airlines, especially in the second quarter of 2024, causing yields to fall. The effect of irregularities in flight operations had a negative impact on earnings, especially from the third quarter of 2024 onwards. By contrast, the fourth quarter of 2024 was marked by the strong performance of Lufthansa Cargo, which had a positive effect on the results of the Lufthansa Group. Earnings for the year as a whole were also negatively affected by ongoing high cost inflation and ongoing delays in the delivery of new aircraft, as older and comparatively more inefficient aircraft remained in service for longer.

Capacity in the Lufthansa Group's passenger business increased 9% year-on-year in 2024. Relative to the pre-crisis level in 2019, capacity stood at 91%. However, it failed to meet the original target due to strikes and delayed aircraft deliveries.

Performance in the Logistics segment in 2024 was characterised by persistently high freight rates and strong Asian business as well as strikes in the first quarter of 2024.

In the MRO segment, high demand for flights prompted a further rise in demand for maintenance and repair services.

Adjusted EBIT of EUR 1,645m
Revenue at the Lufthansa Group increased by 6% year-on-year to EUR 37,581m (previous year: EUR 35,442m), primarily due to the further expansion of the flight programme at Passenger Airlines and strong growth in the Logistics and MRO business segments.

However, the Lufthansa Group's earnings were down year-on-year in 2024. Adjusted EBIT declined by 39% to EUR 1,645m (previous year: EUR 2,682m). The Adjusted EBIT margin amounted to 4.4% (previous year: 7.6%).

The decline in earnings was due largely to the effects of strikes, which reduced earnings by around EUR 450m, as well as operating difficulties and the decline in yields combined with rising costs, particularly as a result of inflation in material costs, higher fees and charges and staff costs, for example. The cancellation of flights due to the Middle East conflict depressed earnings at the Lufthansa Group by around EUR 100m.

In the reporting year, all the Lufthansa Group's business segments reported positive earnings. At Passenger Airlines the result was significantly lower than the previous year, however. The Logistics business segment improved its earnings significantly year-on-year, particularly due to its strong performance in the fourth quarter. The MRO business segment reported another record result in the 2024 financial year. ↗ **Business segments.**

The net result attributable to shareholders of Deutsche Lufthansa AG in the reporting year came to EUR 1,380m (previous year: EUR 1,673m).

Positive Adjusted free cash flow of EUR 840m generated

Cash flow from operating activities decreased year-on-year by 21% to EUR 3,892m (previous year: EUR 4,905m), due primarily to the decline in Adjusted EBITDA. Net capital expenditure was down 14% to EUR 2,392m (previous year: EUR 2,771m) in the 2024 financial year.

The Lufthansa Group therefore generated positive Adjusted free cash flow in the 2024 financial year. At EUR 840m, this figure is 54% lower than the level of the previous year (previous year: EUR 1,846m), however.

Balance sheet even stronger in the reporting year

The balance sheet was made even stronger in the 2024 financial year. Despite the positive free cash flow, at EUR 5,744m, net indebtedness was up slightly by EUR 62m on year-end 2023 (31 December 2023: EUR 5,682m) due to interest and dividend payments and lease financing. However, net pension obligations were down EUR 110m to EUR 2,566m (31 December 2023: EUR 2,676m) thanks to the positive performance of plan assets. Equity as of 31 December 2024 increased by EUR 1,885m over year-end 2023 to EUR 11,594m (31 December 2023: EUR 9,709m).

At the end of the 2024 financial year, the Group had available liquidity of EUR 11.0bn (previous year: EUR 10.4bn). ↗ **Financial position.**

Forecast for key figures adjusted during the year

The Lufthansa Group prepared and announced its outlook for the 2024 financial year with the publication of the Annual Report 2023 on 7 March 2024. At this point in time, the forecast for the 2024 financial year was for a significant increase in revenue and Adjusted EBIT at the same level recorded in the previous year. Revenue rose year on year by 6% to EUR 37,581m, which was less than expected. In view of the deteriorating earnings performance over the reporting year, the original forecast for Adjusted EBIT was revised in April 2024 and July 2024. The forecast for Adjusted EBIT between EUR 1.4 and EUR 1.8bn released in July 2024 was achieved with Adjusted EBIT reaching EUR 1,645m.

Net capital expenditure is expected to be on par with the previous year. At EUR 2,392m, it was ultimately 14% below the level recorded in the previous year, primarily because of delays in the delivery of new aircraft.

The forecast for Adjusted free cash flow was also revised over the course of the year. The expectation for Adjusted free cash flow, most recently revised in July 2024 to significantly below EUR 1bn, proved correct, with a reported Adjusted free cash flow of EUR 840m.

A slight decline in net indebtedness was predicted. Ultimately, the figure was 1% up on the previous year at EUR 5,744m.

Adjusted ROCE was forecast to be on par with the previous year. The figure of 7.2% was significantly lower than in the previous year due to the fall in earnings.

The forecast of slight reduction in specific carbon emissions in 2024 was met.

T018 DEVELOPMENT OF SIGNIFICANT KPIS

		Result 2023[1]	**Forecast for 2024[1]**	**Result 2024**
Revenue	in €m	35,442	significant increase	37,581
Adjusted EBIT	in €m	2,682	on par with the previous year	1,645
Net capital expenditure	in €m	2,811	on par with the previous year	2,392
Adjusted free cash flow	in €m	1,846	at least EUR 1.5bn	840
Net indebtedness	in €m	5,682	slight decline	5,744
Adjusted ROCE	%	13.1	on par with the previous year	7.2
Specific CO_2 emissions	grammes	88.4	slight decline	87.5

[1] As stated in the Annual Report 2023.

Significant events

Moody's raises rating for Deutsche Lufthansa AG to investment grade

The rating agency Moody's lifted its rating for Deutsche Lufthansa AG from Ba1 to the investment grade Baa3 on 18 January 2024. According to Moody's, the upgrade was based on the positive trend in operating profitability at the Lufthansa Group, which had improved significantly in 2023.

The upgrade by Moody's means that Deutsche Lufthansa AG is again rated investment grade by all the leading rating agencies. ↗ **Financial strategy and value-based management.**

Lufthansa Group again receives top scores in ESG ratings

The Lufthansa Group received positive ratings for its ESG performance from several rating agencies once more in 2024.

In the reporting year, the internationally recognised US rating agency MSCI once again analysed sustainability management at the Lufthansa Group, and the Group's MSCI ESG rating of AA is significantly above the average for the sector for the third year in a row.

In the ISS ESG Corporate Rating 2024 the Lufthansa Group was again given Prime Status with a C+, one of just two airlines to receive this accolade.

In addition, at the start of 2024, the 2023 global climate ranking compiled by the non-profit organisation CDP (previously known as the Carbon Disclosure Project) awarded the Lufthansa Group the top rating of A- for its carbon reduction strategy and its implementation of that strategy, matching the previous year's rating. ↗ **Combined non-financial declaration.**

Restructuring of the Executive Board of Deutsche Lufthansa AG

The Supervisory Board of Deutsche Lufthansa AG voted to carry out a wide-ranging reorganisation of the Executive Board at its meeting on 22 February 2024, which was implemented in the reporting year. The Executive Board was reduced from six to five members and responsibilities were redistributed.

Christina Foerster, Harry Hohmeister and Detlef Kayser left the Executive Board as of 30 June 2024, and Remco Steenbergen left the Executive Board at the close of 7 May 2024, the date of the Annual General Meeting.

New members Grazia Vittadini and Dieter Vranckx were appointed to the Executive Board as of 1 July 2024.

Grazia Vittadini was previously at Rolls-Royce Holdings plc, London, as Chief Technology Officer and Member of the Executive Team, most recently active as a special consultant. She has taken charge of the MRO & IT function as Chief Technology Officer, which also includes responsibility for sustainability; she has received a contract with a term of three years.

Dieter Vranckx, previously CEO of SWISS International Air Lines, was appointed Chief Commercial Officer and heads the new Global Markets & Commercial Management Hubs function, which comprises Commercial Customer Offer, Sales & Distribution, Customer Journey, Digital Customer Solutions and Group Brand Portfolio. His contract will also run for three years.

On 6 May 2024, the Supervisory Board of Deutsche Lufthansa AG appointed Till Streichert to the Executive Board of the Company. He took charge of Finance with effect as of 15 September 2024. Till Streichert, previously CFO of the Amadeus IT Group in Madrid, has been awarded a contract with a term of three years. ↗ **Business activities and Group structure.**

Deutsche Lufthansa AG signs significant pay settlements

Deutsche Lufthansa AG signed a number of significant new pay settlements in 2024.

On 28 March 2024, the Employers' Federation for Air Transport Companies (AGVL) and the trade union Vereinigte Dienstleistungsgewerkschaft e. V. (ver.di) reached a wage agreement for the approximately 20,000 ground staff of Deutsche Lufthansa AG, Lufthansa Technik, Lufthansa Cargo and other companies following successful arbitration. The wage agreement has a term of at least 24 months and offers, in particular, mean wage increases of up to 12.5% in two phases as well as the payment of inflation compensation bonuses totalling EUR 3,000 net. ver.di had previously called for multiple strikes.

On 11 April 2024, the Employers' Federation for Air Transport Companies (AGVL) and the cabin staff union Unabhängige Flugbegleiter Organisation e.V. (UFO) reached a long-term wage agreement for the approximately 19,000 cabin crew at Lufthansa Airlines. The wage agreement has a term of at least 36 months and includes a wage increase totalling 16.5% in several phases over this term. UFO had previously called for a two-day strike.

On 25 April 2024, Austrian Airlines, the trade union vida and the works council for cabin staff reached an agreement on the conclusion of a collective agreement for around 2,400 flight attendants and roughly 1,000 pilots. The collective agreement runs until December 2026 and offers, in particular, average salary increases of around 19.4% in three stages and a ban on strikes for the term of the agreement. ↗ **Employees.**

New Allegris cabin product introduced at Lufthansa Airlines

On 1 May 2024, the first scheduled flight of an Airbus A350 with the new Lufthansa cabin product Allegris took off from Munich to Vancouver. At the end of the 2024 financial year, there were already seven A350s with the Allegris in-flight product in service; since November 2024 some of these have featured the new Allegris First Class. ↗ **Lufthansa Airlines.**

Shareholders approve all Annual General Meeting agenda items

The virtual Annual General Meeting of Deutsche Lufthansa AG took place on 7 May 2024. The shareholders approved all of the items on the agenda by a large majority.

The agenda items included the use of distributable earnings, with the distribution of a dividend of EUR 0.30 per share envisaged, as well as the election of Supervisory Board members. Sara Hennicken, CFO of Fresenius Management SE, was elected to the Supervisory Board for the first time. Dr Thomas Enders, former CEO of Airbus SE, Harald Krüger, former Chairman of the Executive Board of Bayerische Motorenwerke Aktiengesellschaft, and Britta Seeger, member of the Executive Board of Mercedes-Benz Group AG, were re-elected to the Supervisory Board. The members were elected for a three-year term up to the 2027 Annual General Meeting.

Deutsche Lufthansa AG successfully places bond on the capital market

On 13 May 2024, Deutsche Lufthansa AG successfully issued an unsecured bond with a total volume of EUR 750m. The bond with a denomination of EUR 1,000 bears interest at a rate of 4.0% per year and matures on 21 May 2030.

Overall, Deutsche Lufthansa AG issued three bonds with a total volume of EUR 1,734m in financial year 2024.

These favourable financing conditions are based on the investment-grade rating which Deutsche Lufthansa AG now once again holds according to all of the leading rating agencies. ↗ **Financing.**

Lufthansa City Airlines starts flight operations

On 26 June 2024, Lufthansa City Airlines launched its flight operations. The airline offers competitive hub traffic and short-haul feeder services. At the end of the reporting year the airline operated four A319 aircraft out of Munich. ↗ **Lufthansa Airlines.**

European Commission approves the Lufthansa Group's stake in ITA Airways, subject to conditions

On 3 July 2024, the European Commission's competition authority approved Deutsche Lufthansa AG's planned acquisition of a 41% stake in ITA Airways, subject to conditions.

Once the concessions negotiated with the European Commission had been implemented, the transaction was finally approved by the European Commission on 29 November 2024.

The transaction was finally completed on 17 January 2025. The Lufthansa Group initially received 41% of ITA shares in return for a capital contribution of EUR 325m. ↗ **Events after the reporting date.**

The Lufthansa Group and the Italian Ministry of Economy and Finance (MEF) have agreed options for the acquisition of the remaining shares in ITA Airways and these may first be exercised over the course of 2025.

ITA Airways will be closely integrated into the Lufthansa Group as a fifth network airline while retaining its brand.

Lufthansa Group closes sale of AirPlus

On 31 July 2024, the Lufthansa Group completed the sale of AirPlus International GmbH (formerly Lufthansa AirPlus Servicekarten GmbH).

With the completion of the transaction, AirPlus, along with all international subsidiaries and branches, was transferred from Lufthansa Group to SEB Kort Bank AB, headquartered in Stockholm. The sale was contractually agreed in June 2023. The purchase price was approximately EUR 450m.

The sale of the payment expert forms part of the Lufthansa Group's strategy of focusing more on its core business.

Lufthansa Airlines launches turnaround programme

Lufthansa Airlines launched a turnaround programme in the third quarter of 2024 with the goal of increasing efficiency, reducing complexity and improving quality, and thereby making the airline stronger for the future.

The turnaround plan includes shifting more short-haul traffic to more efficient flight operations that are better aligned with each market segment. Further efficiency gains are set to be achieved through network optimisation and increasing flexibility and automation. ↗ **Lufthansa Airlines.**

Lufthansa Group purchases more latest-generation long-haul aircraft

The Lufthansa Group ordered five more Airbus A350-1000 long-haul aircraft on 20 December 2024. With this, the Lufthansa Group's confirmed orders for aircraft of this type have increased from ten to 15. The cutting-edge aircraft will be delivered between 2028 and 2030. ↗ **Passenger Airlines business segment.**

Events after the reporting period

Lufthansa Group successfully places hybrid bond on capital market and redeems existing bonds

On 8 January 2025, Deutsche Lufthansa AG successfully issued an unsecured euro hybrid bond with a total volume of EUR 500m. The bond bears interest at 5.25% per annum and has a term of 30 years, with a first issuer call date after six years, i.e. on 15 January 2031.

The transaction underlines the trust that the capital markets have in the Lufthansa Group. High demand enabled advantageous financing terms and the term until the first repayment date optimally complements the maturity profile.

Deutsche Lufthansa AG also repaid a EUR 750m bond from 2021 from the EMTM programme on 11 February 2025.

Lufthansa Group finalises 41% stake in ITA Airways

The acquisition of a 41% stake in ITA Airways by Deutsche Lufthansa AG was completed on 17 January 2025 by means of a EUR 325m capital contribution. As a result, the Italian airline is now part of the Lufthansa Group, where it becomes the fifth network airline. Jörg Eberhart, Head of Strategy & Organizational Development at the Lufthansa Group, and Lorenza Maggio, Vice President of Sales for EMEA at Lufthansa Group Airlines, were appointed to the five-member Board of Directors and the operational management of ITA Airways.

Lufthansa Group strengthens wet lease partnership with airBaltic

The Lufthansa Group signed a purchase agreement for convertible bonds on 29 January 2025 that represents a stake of ten per cent in the Latvian airline airBaltic. The transaction price was EUR 14m. The Lufthansa Group also gets a seat on the Supervisory Board of airBaltic. The transaction is planned to close in the second quarter of this year, subject to anti-trust approval.

The transaction builds on the existing wet lease contract between the Lufthansa Group and airBaltic and is intended to strengthen airBaltic as a strategic partner. The convertible bonds will be converted to common shares if airBaltic goes public. The Lufthansa Group will hold a stake of at least 5%.

FINANCIAL PERFORMANCE

Earnings position

Revenue and income

T019 REVENUE AND INCOME

	2024 in €m	2023 in €m	Change in %
Traffic revenue	31,439	29,926	5
Other revenue	6,142	5,516	11
Total revenue	**37,581**	**35,442**	**6**
Changes in inventories and other own work capitalised	954	727	31
Other operating income [1]	2,007	2,260	–11
Total operating income	**40,542**	**38,429**	**5**

[1] Without non-current asset write-backs, reversals of non-operational provisions and book gains.

Traffic increased, traffic revenue up 5%

Driven by ongoing strong demand for air travel, the Lufthansa Group Passenger Airlines expanded their capacity (available seat-kilometres) by 9% year on year in 2024. Capacity was up 12% on the previous year in the first quarter, up 11% in the second quarter, up 6% in the third quarter and up 5% in the fourth quarter. Over the reporting year as a whole, capacity was 91% of the pre-crisis level reported in 2019 (previous year: 84%).

The number of flights increased by 5% year-on-year in 2024. Sales (revenue seat-kilometres) grew by 9%. The airlines in the Lufthansa Group carried around 131 million passengers in total in the 2024 financial year, 7% more than in the previous year. The passenger load factor was up by 0.2 percentage points to 83.1%. Traffic revenue in the passenger business picked up by 4% to EUR 27,869m (previous year: EUR 26,701m). Lower yields had a negative impact, however.

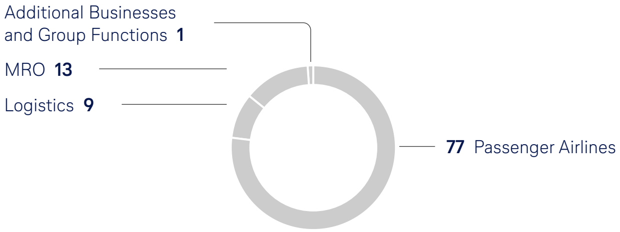
In the Lufthansa Group's cargo business, capacity (available cargo tonne-kilometres) was 10% higher than in the previous year due to the delivery of a B777F freighter and increased belly capacities in the Passenger Airlines segment. Sales (revenue cargo tonne-kilometres) climbed by 14% compared with the previous year. The cargo load factor was up 1.8 percentage points to 58.2%. Traffic revenue in the cargo business grew by 11% to EUR 3,569m due to higher sales despite lower yields (previous year: EUR 3,225m).

Overall traffic revenue for Lufthansa Group airlines increased in the reporting year by 5% to EUR 31,439m year-on-year (previous year: EUR 29,926m).

Further information on the regional breakdown of traffic revenue for the Passenger Airlines and Logistics segments can be found in the chapters ↗ **Business segments.**

C10 **BUSINESS SEGMENTS' SHARE OF GROUP EXTERNAL REVENUE**

in %



Other revenue up 11%

Other revenue improved by 11% year-on-year to EUR 6,142m (previous year: EUR 5,516m). This was mainly due to the increase in external business activities and the associated higher revenues in the MRO business segment.

Revenue up 6%

Revenue, which consists of traffic revenue plus other revenue, increased by 6% in the 2024 financial year to EUR 37,581m (previous year: EUR 35,442m).

Further information on the regional distribution of revenue can be found in the ↗ **Notes, Notes to the segment reporting.**

Changes in inventory and work performed by entity and capitalised went up by 31% to EUR 954m due to the higher volume of major engine maintenance events (previous year: EUR 727m).

Due in particular to lower foreign exchange gains and income from the reversal of provisions and accruals, other operating income went up by 11% to EUR 2,007m (previous year: EUR 2,260m).

Total operating income thus increased by 5% in the 2024 financial year to EUR 40,542m (previous year: EUR 38,429m).

Expenses

Cost of materials and services up 10% due to increased business activities and inflation-related cost increases

The cost of operating materials and services for the Lufthansa Group in the 2024 financial year was 10% higher than in the previous year at EUR 22,393m (previous year: EUR 20,363m). The increase was driven by additional business activities and cost inflation.

Within the cost of materials and services, fuel expenses decreased by 2% to EUR 7,785m (previous year: EUR 7,931m). This decline is based on lower prices for crude oil and jet crack (the price difference between crude oil and kerosene), which was partly offset by higher consumption. The result of price hedging was EUR –139m (previous year: EUR –172m).

Expenses for other raw materials, consumables and supplies, and purchased goods went up by 20% to EUR 3,260m (previous year: EUR 2,713m), particularly in the MRO business segment, due to increased business activity and higher purchasing prices as well as higher expenses for emissions certificates.

Fees and charges swelled by 12% to EUR 5,020m in the reporting period (previous year: EUR 4,487m), primarily due to business growth and fee increases at airports.

Expenses for external MRO services increased by 24% to EUR 2,600m (previous year: EUR 2,104m), primarily due to high capacity utilisation at Lufthansa Technik, which resulted in greater use of external MRO service providers.

As passenger business picked up, there was a 17% increase in expenses for in-flight services, which came to EUR 1,144m (previous year: EUR 980m).

Expenses for passenger assistance in connection with flight irregularities due to strikes and operational difficulties at German airports were up 34% at EUR 364m (previous year: EUR 271m). Direct compensation payments to passengers for flight delays and cancellations, which are recognised as revenue reductions, increased by 110% to EUR 479m (previous year: EUR 228m). In total, expenses and compensation payments went up by 69% year-on-year to EUR 843m (previous year: EUR 499m).

Operating staff costs up 8%

Operating staff costs of EUR 8,992m in the reporting year were 8% higher than in the previous year (previous year: EUR 8,310m). This upward step was due in particular to the 7% expansion in the headcount (adjusted for the effects of the sale of the catering business in 2023), wage and salary increases under collective agreements and one-off payments. By contrast, accrued variable remuneration components decreased.

Depreciation and amortisation up by 5%

Depreciation and amortisation amounted to EUR 2,337m in the reporting year and were thus 5% higher than in the previous year (previous year: EUR 2,228m). This mainly related to aircraft and reserve engines (EUR 1,867m, previous year: EUR 1,764m).

Other operating expenses up by 6%

Other operating expenses rose by 6% to EUR 5,375m (previous year: EUR 5,059m) in particular due to increased sales and marketing costs and higher travel expenses for crew following the expansion of flight operations, and higher other servicing and maintenance expenses.

Operating expenses up by 9% in total

Overall, operating expenses for the Lufthansa Group rose by 9% in the 2024 financial year to EUR 39,097m (previous year: EUR 35,960m).

T020 EXPENSES

	2024 in €m	2023 in €m	Change in %	Percentage of operating expenses in %
Cost of materials and services	22,393	20,363	10	57
of which fuel	7,785	7,931	–2	20
of which fees	5,020	4,487	12	13
of which external MRO services	2,600	2,104	24	7
of which charter expenses	1,073	878	22	3
Staff costs [1]	8,992	8,310	8	23
Depreciation and amortisation [2]	2,337	2,228	5	6
Other operating expenses [3]	5,375	5,059	6	14
of which staffrelated expenses	1,029	935	10	3
of which rental and maintenance expense	655	617	6	2
Total operating expenses	**39,097**	**35,960**	**9**	**100**

[1] Without past service cost/plan settlement. ↗ **T022.**
[2] Without impairment loss. ↗ **T022.**
[3] Without book losses and write-downs on assets held for sale. ↗ **T022.**

Earnings performance

Adjusted EBIT down to EUR 1.6bn

The operating result from equity investments fell in the reporting year by 6% to EUR 200m (previous year: EUR 213m). This development is due largely to lower earnings from the Sun Express joint venture and lower dividend payments within the Logistics business segment.

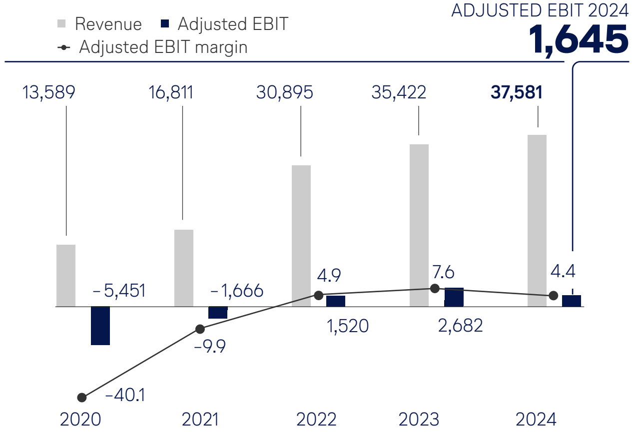
Adjusted EBIT for the Lufthansa Group fell by 39% in the 2024 financial year to EUR 1,645m (previous year: EUR 2,682m). The strikes at various Lufthansa Group companies and external system partners in the first quarter had a direct and indirect negative impact on earnings of around EUR 450m. The Adjusted EBIT margin, i.e. the ratio of Adjusted EBIT to revenue, contracted by 3.2 percentage points to 4.4% (previous year: 7.6%).

Adjusted EBIT in the Passenger Airlines business segment amounted to EUR 1,046m (previous year: EUR 2,033m), in particular due to a EUR 948m drop in earnings at Lufthansa Airlines. Adjusted EBIT in the Logistics segment increased to EUR 251m (previous year: EUR 219m). With an Adjusted EBIT of EUR 635m, the MRO segment achieved another record result (previous year: EUR 628m). The other Group companies, which under IFRS 8 do not require separate reporting, and the Group Functions reduced the Group's Adjusted EBIT by a total of EUR –173m (previous year: EUR –206m).

EBIT of EUR 1.7bn

Based on EBIT and as a key performance indicator, Adjusted EBIT is adjusted for clearly defined, non-plannable earnings components for the purpose of better comparability. ↗ **Financial strategy and value-based management.**

C11 **DEVELOPMENT OF REVENUE, ADJUSTED EBIT** in €m **AND ADJUSTED EBIT MARGIN** in %



EBIT amounted to EUR 1,731m in the 2024 financial year (previous year: EUR 2,669m). The difference relative to Adjusted EBIT was therefore EUR 86m (previous year: EUR –13m).

The adjustments consist mainly of book gains of EUR 212m, primarily from the sale of the AirPlus Group (EUR 92m), and sale-and-lease-back transactions for 15 Airbus A320/321s (EUR 99m). A further EUR 52m related to impairment losses on investments and loans in the MRO segment and aircraft held for sale, EUR 24m to staff-related restructuring expenses, EUR 20m to book losses and EUR 20m to earnings effects from changes to pension plans.

The result from operating activities came to EUR 1,542m in the 2024 financial year (previous year: EUR 2,456m).

Financial result comes to EUR 34m

The financial result came to EUR 34m in the 2024 financial year (previous year: EUR –139m). The result from equity investments included in this figure was EUR 189m (previous year: EUR 213m).

Net interest improved to EUR –149m (previous year: EUR –348m). Higher interest income, partly from interest accrued on income tax assets resulting from the audit and the disposal of current securities, was offset by interest expenses that were virtually unchanged.

Other financial items came to EUR –6m (previous year: EUR –4m). Positive effects from the recognition in profit or loss of the convertible bond and current securities were more than offset by ineffective components of the currency hedges and negative valuation effects from financial liabilities in foreign currencies.

Income taxes came to EUR –176m (previous year: EUR –380m). At 11%, the effective tax ratio for continuing operations was below the expected tax rate, due mainly to non-taxable income and tax credits for prior years, which were partly offset by the non-recognition of deferred taxes on tax loss carry-forwards.

The result from continuing operations therefore came to EUR 1,400m (previous year: EUR 1,937m).

The result from discontinued operations of EUR –7m (previous year: EUR –248m) relates to subsequent purchase price adjustments from the sale of the Catering business. In the previous year, the item included the disposal result of EUR –243m for the Catering business.

After taking minority interests of EUR –13m (previous year: EUR –16m) into account, the net profit for the period attributable to the shareholders of Deutsche Lufthansa AG amounted to EUR 1,380m (previous year: EUR 1,673m).

Earnings per share amounted to EUR 1.15 (previous year: EUR 1.40). ↗ **Notes to the consolidated financial statements, Note 16.**

T021 **PROFIT BREAKDOWN OF THE LUFTHANSA GROUP**

	2024 in €m	2023 in €m	Change in %
Operating income	40,767	38,582	6
Development of operating expenses	-39,225	-36,126	-9
Profit/loss from operating activities	**1,542**	**2,456**	**-37**
Financial result	34	-139	
Profit/loss before income taxes	**1,576**	**2,317**	**-32**
Income taxes	-176	-380	54
Profit/loss from continuing operations	**1,400**	**1,937**	**-28**
Profit/loss from discontinued operations	-7	-248	97
Profit/loss after income taxes	**1,393**	**1,689**	**-18**
Profit/loss attributable to minority interests	-13	-16	19
Net profit/loss attributable to shareholders of Deutsche Lufthansa AG	**1,380**	**1,673**	**-18**

Executive Board and Supervisory Board propose dividend of EUR 0.30 per share

In principle, the Lufthansa Group's dividend policy is to distribute to its shareholders 20% to 40% of net profit, adjusted for non-recurring gains and losses. One condition for the payment of a dividend is that the net profit for the year as shown in the individual financial statements of Deutsche Lufthansa AG that are drawn up under German commercial law allows for a distribution of the relevant amount. ↗ **Financial strategy and value-based management, Forecast.**

Deutsche Lufthansa AG reported net profit for the year of EUR 372m for the 2024 financial year. Following the transfer of EUR 13m to retained earnings, distributable profit comes to EUR 359m.

In line with the dividend policy, the Executive Board and Supervisory Board of Deutsche Lufthansa AG will table a proposal at the Annual General Meeting on 6 May 2025 to distribute a dividend of EUR 0.30 per share to shareholders for financial year 2024. This represents a total payout of EUR 359m or 26% of net profit for 2024.

T022 RECONCILIATION OF RESULTS

	2024		2023	
in €m	**Income statement**	**Reconciliation of Adjusted EBIT**	Income statement	Reconciliation of Adjusted EBIT
Total revenue	**37,581**		**35,442**	
Changes in inventories and other own work capitalised	954		727	
Other operating income	2,232		2,413	
of which book gains et al.		-212		–134
of which write-ups on non-current assets		-3		–4
of which reversal of provisions for restructuring/M&A projects and material legal disputes		-7		–12
of which extraordinary other income		-2		–3
Total operating income	**40,767**	**–224**	**38,582**	**–153**
Cost of materials and services	–22,399		–20,378	
of which extraordinary cost of materials and services		6		16
Staff costs	–9,036		–8,344	
of which past service costs/settlement		20		24
of which restructuring costs		24		10
Depreciation, amortisation and impairment	–2,378		–2,242	
of which impairment losses		41		14
Other operating expenses	–5,412		–5,162	
of which impairment losses on assets held for sale		–		32
of which expenses incurred from book losses		20		33
of which expenses for material legal disputes		–		–
of which expenses for M&A projects		15		39
of which extraordinary other operating expenses		1		–2
Total operating expenses	**–39,225**	**127**	**–36,126**	**166**
Profit/loss from operating activities	**1,542**		**2,456**	
Result from equity investments	189		213	
Impairment loss on investments accounted for using the equity method		11		–
EBIT	**1,731**		**2,669**	
Total amount of Adjusted EBIT reconciliation		–86		13
Adjusted EBIT		**1,645**		**2,682**
Depreciation and amortisation		2,337		2,228
Adjusted EBITDA		**3,982**		**4,910**

Financial position

Capital expenditure

Investment volume up on previous year
Compared with the previous year, the Lufthansa Group's gross capital expenditure (excluding the purchase of shares) increased by 5% to EUR 3,743m in the 2024 financial year (previous year: EUR 3,576m).

Primary investment in down payments and final payments for aircraft, aircraft components, and aircraft and engine overhauls were unchanged year on year at EUR 3,237m (previous year: EUR 3,200m). This accounts for 86% of gross capital expenditure. EUR 1,065m was attributable to advance payments for future deliveries, particularly for long-haul aircraft (previous year: EUR 1,536m).

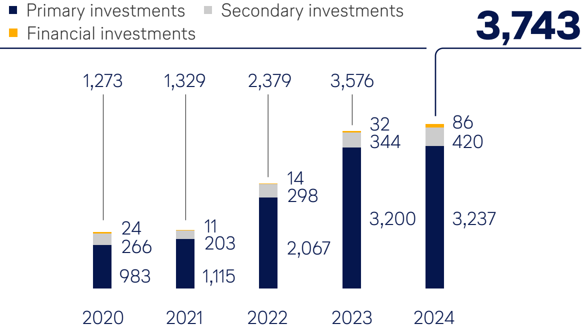
Capital expenditure for other items of property, plant and equipment and for intangible assets, known as secondary investment, increased by 22% to EUR 420m (previous year: EUR 344m). Property, plant and equipment, such as technical equipment and machinery, and operating and office equipment accounted for EUR 333m of the total (previous year: EUR 238m). EUR 87m (previous year: EUR 106m) was invested in intangible assets such as licences and software.

Financial investments (excluding share purchases) with a total volume of EUR 86m (previous year: EUR 32m) comprised mainly cash outflows from loans to joint ventures.

Passenger Airlines accounted for the bulk of capital expenditure with EUR 3,275m (+6% year-on-year). ↗ **Fleet.**

Capital expenditure of EUR 149m (–22% compared with the previous year) in the Logistics segment consisted mainly of advance payments for cargo aircraft, plus the renewal of the Frankfurt freight centre. Capital expenditure of EUR 206m in the MRO business segment (+50%) was mainly for technical operating equipment and financing joint ventures.

C12 **PRIMARY, SECONDARY AND FINANCIAL INVESTMENTS** in €m[1]



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[1] Excluding share purchases.

There were fewer additions to repairable spare parts in the 2024 financial year as large inventories were built up the previous year. The corresponding cash outflows fell year-on-year as a result by 48% to EUR 241m (previous year: EUR 466m). In the course of sale-and-leaseback transactions for 15 passenger aircraft, aircraft delivered in the 2024 financial year and advance payments were sold to external lessors and leased back for six year periods in the 2024 financial year. This resulted in inflows of EUR 761m (previous year: EUR 608m).

Including payments for replacement parts for aircraft, proceeds from the sale of assets, mainly the sale of AirPlus and sale-and-lease-back transactions for 15 Airbus A320/A321s, plus dividend and interest income, the Lufthansa Group's net capital expenditure came to EUR 2,392m (previous year: EUR 2,771m).

As of 31 December 2024, there were order commitments of EUR 21.6bn (previous year: EUR 20.5bn) for capital expenditure on property, plant and equipment, including repairable spare parts, and for intangible assets. Financing, particularly of capital expenditure on aircraft, is based on a mixture of unsecured corporate finance arrangements, specific aircraft financing models and leasing.

Cash flow

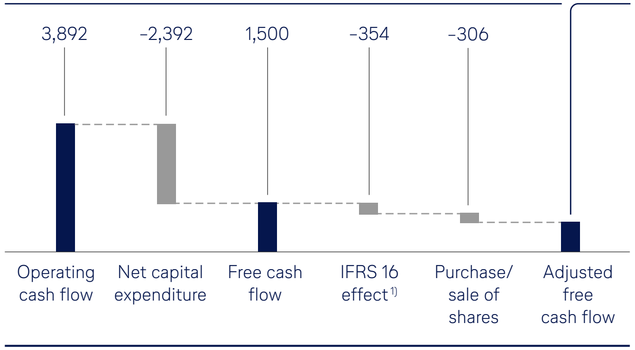
Cash flow from operating activities of EUR 3,892m
The cash flow from operating activities at the Lufthansa Group in the 2024 financial year was 21% lower than the previous year at EUR 3,892m (previous year: EUR 4,905m). The decline is primarily due to lower Adjusted EBITDA.

Inflows from the change in working capital (EUR 525m, previous year: EUR 207m) were related to higher liabilities from unused flight documents, which went up by EUR 202m in the reporting year (previous year, adjusted for reclassification effects: EUR 376m). Effects from higher receivables and contract assets came to EUR –197m (previous year, adjusted for reclassification effects: EUR –552m); higher liabilities and contract obligations came to EUR 676m (previous year: EUR 607m). Higher inventories resulted in an outflow of EUR –216m (previous year: EUR –213m). EUR 669m of the operating cash flow related to payments to former employees on the basis of pension obligations (previous year: EUR 662m). In addition, allocations were made to pension plans in the amount of EUR 417m (previous year: EUR 472m), while investment income from plan assets of EUR 549m (previous year: EUR 630m) was used in connection with pension payments. Cash flowing into or out of the plan assets was also reported in cash flow from operating activities, resulting in a net cash outflow of EUR 537m in connection with pensions (previous year: net outflow of EUR 505m).

C13 ADJUSTED FREE CASH FLOW

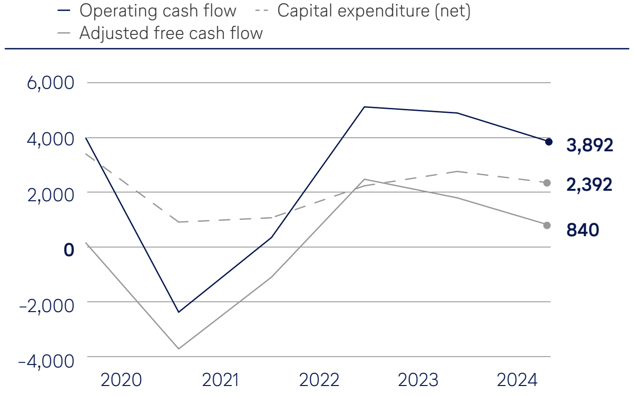
in €m

2024
840



[1] Repayment portion operating lease liabilities in the cash flow from financing activities.

C14 CASH FLOW AND CAPITAL EXPENDITURE in €m



Adjusted free cash flow of EUR 840m

Gross capital expenditure (without share purchases) by the Lufthansa Group came to EUR 3,743m in the reporting year (previous year: EUR 3,576m) and includes the primary, secondary and financial investments mentioned above. This was offset by the increase in repairable spare parts for aircraft of EUR 241m (previous year: increase of EUR 466m). Share purchases accounted for expenses of EUR 76m (previous year: EUR 33m).

Income from the disposal of non-current assets and assets held for sale of EUR 1,260m (previous year: EUR 1,031m) mainly related to the sale of a total of 16 aircraft. In addition to the revenue from sale-and-lease-back transactions (EUR 761m), the sale of the AirPlus group resulted in a net inflow of EUR 376 million (after deduction of cash and cash equivalents sold). Interest and dividend income went up by 49% to EUR 408m (previous year: EUR 273m), primarily due to higher interest income as a result of higher interest rates. This brought total net cash used for investing activities to EUR 2,392m, This was 14% below the previous year's figure (previous year: EUR 2,771m).

After deducting this net cash used for investing activities, free cash flow for the 2024 financial year was positive at EUR 1,500m (previous year: EUR 2,134m).

Adjusted free cash flow dropped by 54% to EUR 840m (previous year: EUR 1,846m). This figure includes cash outflows for leases (repayment portion) as shown in cash flow for financing activities, which came to EUR 354m in the reporting year (previous year: EUR 319m). Not included in this figure are cash flows from the purchase or sale of shares in companies, which amounted to a net figure of EUR 306m in the reporting year (previous year: EUR –31m).

Financing

Financing activities result in cash outflow of EUR 1,450m

Financing activities in the 2024 financial year led to a net cash outflow of EUR 1,450m (previous year: outflow of EUR 2,072m).

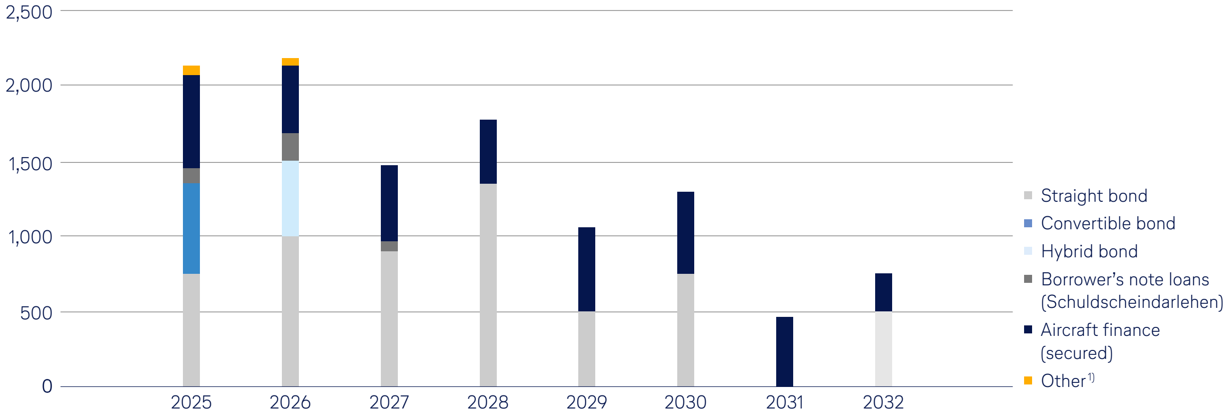
This arose from repayments in the overall amount of EUR 2,745m, mainly for two bonds (EUR 1,000m), borrower's note loans (EUR 746m), aircraft financing (EUR 527m) and lease liabilities (EUR 407m). Interest and dividend payments came to EUR 930m.

However, the cash inflow from new financing measures on the capital market amounted to EUR 2,225m. This mainly comprised three euro bonds (EUR 1,734m) and Japanese operating leases for three Boeing 787-9s (EUR 385m).

Furthermore, the Lufthansa Group has bilateral credit lines with banks. At the end of the 2024 financial year, the revolving credit line amounting to EUR 2.5bn was unused. On 31 December 2024, unused credit lines totalled EUR 2,549m (31 December 2023: EUR 2,097m).

C15 MATURITY PROFILE OF BORROWINGS

as of 31 Dec 2024 in €m



[1] Mainly bilateral loans; does not include operating lease payments.

Liquidity

Total available liquidity of EUR 11.0bn

Balance-sheet liquidity (total of cash, current securities and fixed-term deposits) came to EUR 8,488m at year-end 2024 (31 December 2023: EUR 8,265m). EUR 7,664m was available centrally to Deutsche Lufthansa AG at year-end 2024 (31 December 2023: EUR 7,709m).

Including its freely available credit lines at year-end 2024, the Company's available liquidity thus amounted to EUR 11.0bn (31 December 2023: EUR 10.4bn).

T023 ABBREVIATED CASH FLOW STATEMENT OF THE LUFTHANSA GROUP

	2024 in €m	2023 in €m	Change in %
Profit/loss before income taxes	1,569	2,055	–24
Depreciation and amortisation/reversals	2,494	2,424	3
Net proceeds from disposal of non-current assets	–182	144	
Net interest/result from equity investments	–40	133	
Income tax payments/reimbursements	–181	–92	97
Significant non-cash expenses/income	–244	–264	–8
Change in trade working capital	525	207	154
Change in other assets and liabilities	–49	298	
Cash flow from operating activities	**3,892**	**4,905**	**–21**
Investments and additions to repairable spare parts and cash outflows for acquisitions of equity investments	–4,060	–4,075	0
Proceeds from the purchase/disposal of shares/non-current assets	1,260	1,031	22
Dividends and interest received	408	273	49
Net cash from/used in investing activities	**–2,392**	**–2,771**	**14**
Free cash flow	**1,500**	**2,134**	**–30**
Purchase/disposal of securities/fund investments	**67**	**–170**	
Transactions through minority interests	–	–1	–100
Non-current borrowing and repayment of non-current borrowing	–520	–1,537	–66
Dividends paid	–372	–25	–1,388
Interest paid	–558	–509	–10
Net cash from/used in financing activities	**–1,450**	**–2,072**	**30**
Changes due to currency translation differences	5	–8	
Cash and cash equivalents as of 1 Jan	**1,668**	**1,784**	**–7**
Cash and cash equivalents as of 31 Dec	**1,790**	**1,668**	**7**
Less cash and cash equivalents of companies held for sale as of 31 Dec.	–	78	
Cash and cash equivalents of companies not held for sale as of 31 Dec.	**1,790**	**1,590**	**13**

[1] Previous year figures adjusted due to the reclassification of non-pool material from repairable spare parts to inventories.

Net assets

Total assets up by EUR 1.7bn

Total Group assets as of 31 December 2024 increased by EUR 1,731m over year-end 2023 to EUR 47,052m (31 December 2023: EUR 45,321m).

Non-current assets were up EUR 1,388m at EUR 30,736m (31 December 2023: EUR 29,348m). Unchanged from year-end 2023, this accounts for 65% of total assets. Current assets rose by EUR 343m to EUR 16,316m (31 December 2023: EUR 15,973m). Unchanged from year-end 2023, this accounts for 35% of total assets.

Shareholders' equity was up EUR 1,885m at EUR 11,594m (31 December 2023: EUR 9,709m). Altogether, non-current funding accounted for 58% of total assets (31 December 2023: 56%). Non-current financing covered 89% of non-current assets (31 December 2023: 87%). Current funding came to 42% of total assets (31 December 2023: 44%).

Assets

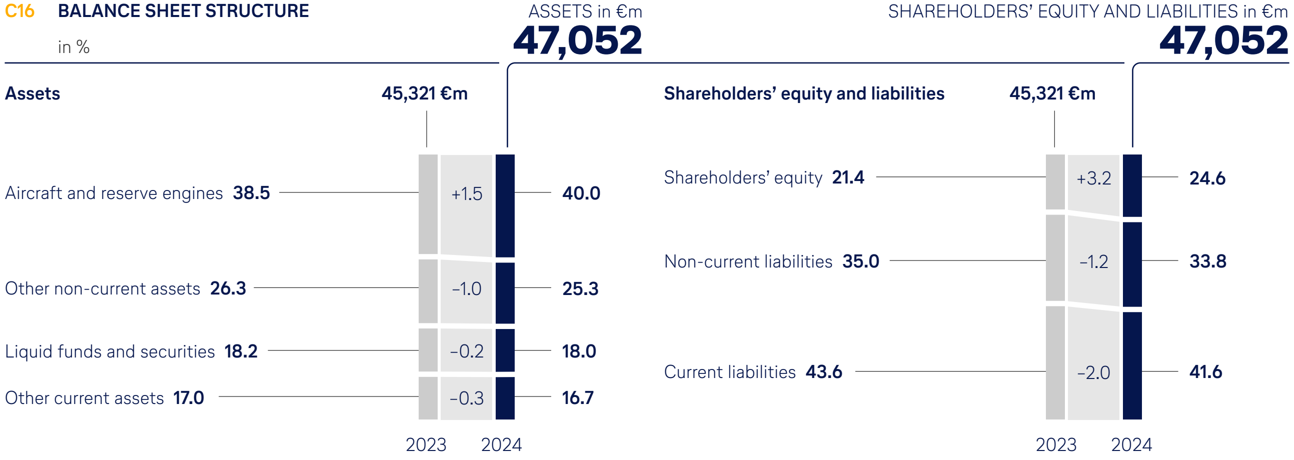
Non-current assets up by EUR 1.4bn

At year-end 2024, non-current assets of EUR 30,736m were EUR 1,388m higher than at year-end 2023 (31 December 2023: EUR 29,348m).

In particular, the items aircraft and reserve engines (EUR +1,364m), derivative financial instruments (EUR +162m), investments accounted for using the equity method (EUR +132m) and repairable spare parts for aircraft (EUR +130m) increased. This was offset by the decline in deferred taxes (EUR –377m) and loans and receivables (EUR –116m). Due to changes in the usage patterns identified in recent years, aircraft spare parts at Lufthansa Technik AG that are primarily used for engine maintenance (“non-pool material”) were reclassified from non-current assets to inventories. The figures for the previous year were adjusted accordingly. As of 31 December 2024, this affected parts with a carrying amount of EUR 482m (31 December 2023: EUR 424m).

The value of aircraft and reserve engines came to EUR 18,828m as of year-end 2024 (31 December 2023: EUR 17,464m). Depreciation and disposals were exceeded by capital expenditure on 16 new aircraft (eight Airbus A350s, one Boeing 777F, six Airbus A320s and one Airbus A321), major maintenance events, advance payments on existing orders and additions to rights of use for aircraft. 15 short and medium-haul aircraft were sold and leased back from external lessors in the course of sale-and-lease-back transactions. As of 31 December 2024, the Lufthansa Group fleet consisted of 735 aircraft (31 December 2023: 721 aircraft). ↗ **Fleet.**

C16 **BALANCE SHEET STRUCTURE**
in %



Current assets up by EUR 343m

Current assets as of 31 December 2024 were up EUR 343m at EUR 16,316m (31 December 2023: EUR 15,973m).

Derivative financial instruments increased (EUR +366m) due to higher market values of investment hedges, as did trade and other receivables (EUR +334m) and inventories (EUR +221m) due to increased business activity; cash and bank balances increased (EUR +200m), as did effective income tax receivables (EUR +194m) in connection with the results of tax audits in Germany.

The drop in assets held for sale (EUR –1,097m) resulted primarily from the sale of AirPlus.

Liabilities

Shareholders’ equity up by EUR 1.9bn, equity ratio grows to 24.6%

Shareholders’ equity as of 31 December 2024 increased by EUR 1,885m over year-end 2023 to EUR 11,594m (31 December 2023: EUR 9,709m). This was driven mainly by the profit earned in the 2024 financial year and positive changes in the market value of hedging transactions. It was partially offset by the dividend payment.

The equity ratio therefore increased by 3.2 percentage points compared with year-end 2023 to 24.6% (31 December 2023: 21.4%).

T024 DEVELOPMENT OF CONSOLIDATED EARNINGS, EQUITY, EQUITY RATIO AND RETURN ON EQUITY

		2024	2023	2022	2021	2020
Profit/loss after income taxes[1]	in €m	1,393	1,689	804	–2,193	–6,766
Equity[1]	in €m	11,594	9,709	8,474	4,490	1,387
Equity ratio[1]	%	24.6	21.4	19.6	10.6	3.5
Return on equity[1]	%	12.0	17.4	9.5	–48.8	–487.8

[1] Including minority interests.

Non-current provisions and liabilities on par with previous year

Non-current provisions and liabilities of EUR 15,877m as of 31 December 2024 were roughly the same as the previous year (31 December 2023: EUR 15,862m).

At EUR 11,413m, non-current borrowing was EUR 358m higher than at year-end 2023 (31 December 2023: EUR 11,055m). The increase stems largely from new borrowing, which exceeded reclassifications due to maturities.

Net pension obligations, i.e. pension provisions less asset surpluses at some pension plans, which are presented separately in non-current assets, decreased by EUR 110m to EUR 2,566m (31 December 2023: EUR 2,676m). Pension provisions were down by EUR 203m to EUR 2,692m (31 December 2023: EUR 2,895m). The interest rate used to discount the pension obligations in Germany and Austria remained at 3.6%, the level at the end of 2023; in Switzerland, the interest rate fell by 0.4 percentage points to 1.0%. The reduction of EUR 203m includes positive valuation effects of EUR 177m due to the positive performance of plan assets.

Current provisions and liabilities decline by EUR 169m

As of 31 December 2024, current provisions and liabilities were down by EUR 169m to EUR 19,581m (31 December 2023: EUR 19,750m).

Increases were reported particularly in liabilities from unused flight documents (EUR +202m) due to higher ticket sales, other contract liabilities (EUR +184m), particularly from customer loyalty programmes and compensation payments, and other provisions (EUR +180m), mostly for obligations to return emission certificates and maintenance obligations under aircraft leasing contracts. The increases were offset by the drop in liabilities in connection with assets held for sale (EUR –670m). This related to the sale of AirPlus.

EUR 62m year-on-year increase in net indebtedness

Despite the positive free cash flow, at EUR 5,744m, net indebtedness at year-end 2024 was up by EUR 62m on year-end 2023 (31 December 2023: EUR 5,682m) due to lease financing, interest and dividend payments.

Adjusted net debt, the sum of net indebtedness and net pension obligations less 50% of the hybrid bond issued in 2015, was down by EUR 48m compared with year-end 2023 to EUR 8,063m (31 December 2023: EUR 8,111m).

The ratio of Adjusted net debt/Adjusted EBITDA was thus 2.0 (previous year: 1.7).

T025 CALCULATION OF NET INDEBTEDNESS

in €m	**2024**	2023	Change in %
Bonds	–6,969	–6,224	–12
Borrower's note loans	–395	–1,143	65
Credit lines	–26	–21	–24
Aircraft financing	–3,798	–3,802	0
Lease liabilities	–2,887	–2,568	–12
Other financial debt	–148	–185	20
Financial liabilities	**–14,223**	**–13,943**	**–2**
Other bank borrowing	–9	–4	–125
Group indebtedness	**–14,232**	**–13,947**	**–2**
Bank balances, cash in hand and time deposits (4–12 months)	2,465	1,865	32
Securities	6,023	6,400	–6
Net indebtedness	**–5,744**	**–5,682**	**–1**
Pension provisions	–2,692	–2,895	7
Pension surpluses	126	219	–42
Net pension obligation	**–2,566**	**–2,676**	**4**
Net indebtedness and net pension obligations	**–8,310**	**–8,358**	**1**

OVERALL STATEMENT BY THE EXECUTIVE BOARD ON THE ECONOMIC POSITION

Financial year 2024 was defined by a further recovery in demand for passenger flights on the one hand, and posed enormous challenges for the Lufthansa Group on the other. Ongoing strong demand had a positive impact on capacity expansion and traffic at the Passenger Airlines and the Logistics segment. However, the financial result was impacted by delays to the delivery of aircraft, strikes, inefficiencies at Lufthansa Airlines, decreasing yields and irregularities in flight operations.

Revenue at the Lufthansa Group increased by 6% year-on-year to EUR 37,581m in the reporting year (previous year: EUR 35,442m), due primarily to the further expansion of the flight programme at Passenger Airlines and strong growth in the Logistics and MRO business segments. Adjusted EBIT declined by 39% to EUR 1,645m (previous year: EUR 2,682m).

In the reporting year, all the Lufthansa Group's business segments reported positive earnings. At Passenger Airlines the result was significantly lower than the previous year, however. The Logistics segment improved its earnings significantly year on year. And the MRO business segment reported another record result in the 2024 financial year.

Despite the fall in earnings, shareholders should participate in the Lufthansa Group's positive result. The Executive Board and Supervisory Board will therefore table a proposal at the Annual General Meeting to distribute a dividend of EUR 0.30 per share for financial year 2024.

The Lufthansa Group also further strengthened its balance sheet in the reporting year. Liquidity was higher than the previous year and thus still significantly up on its pre-crisis level. The Company has therefore built itself back stronger and has an even more stable base to cope with future crises.

The Executive Board is confident that the Lufthansa Group will improve its earnings again, despite the existing challenges, and continue to build on its position as Europe's leading airline group.

BUSINESS SEGMENTS

- Passenger Airlines drives fleet modernisation and expands product and service range.
- The focus is on sustainability activities.
- Adjusted EBIT at Passenger Airlines down to EUR 1.0bn
- Earnings impacted by delays in the delivery of new aircraft, strikes, inefficiencies at Lufthansa Airlines, decreasing yields and irregularities in flight operations.
- Lufthansa Airlines launches turnaround programme.
- Brussels Airlines reports record earnings in reporting year.
- SWISS, Austrian Airlines and Eurowings report earnings increase in second half-year.
- Lufthansa Cargo modernises freight centre and continues digitalisation.
- Adjusted EBIT at Lufthansa Cargo rises to EUR 251m after a strong fourth quarter.
- Lufthansa Technik benefits from the strong demand for maintenance and repair services and starts “Ambition 2030” growth programme.
- Adjusted EBIT at Lufthansa Technik reaches another record level at EUR 635m.
- Sale of AirPlus to SEB Kort Bank completed.

PASSENGER AIRLINES BUSINESS SEGMENT

T026 KEY FIGURES PASSENGER AIRLINES

		2024	2023	Change in %
Revenue	€m	29,690	28,337	5
of which traffic revenue	€m	27,869	26,701	4
Operating income	€m	30,682	29,643	4
Operating expenses	€m	29,722	27,730	7
Adjusted EBITDA	€m	2,882	3,758	-23
Adjusted EBIT	€m	1,046	2,033	-49
EBIT	€m	1,116	2,064	-46
Adjusted EBIT margin	%	3.5	7.2	-3.7 pts
Adjusted ROCE[1]	%	8.5	19.0	-10.5 pts
Segment capital expenditure	€m	3,275	3,095	6
Employees as of 31 Dec	number	65,172	60,924	7
Average number of employees	number	63,952	59,331	8

[1] Last year’s figure adjusted

Business activities

Passenger Airlines offers their customers a differentiated and high-quality product

The Passenger Airlines segment includes Lufthansa Airlines, SWISS, Austrian Airlines, Brussels Airlines and Eurowings, whose results are also reported individually.

The network carriers Lufthansa Airlines, SWISS, Austrian Airlines and Brussels Airlines offer their customers a premium experience, with high-quality products and services. The multi-hub strategy offers passengers a comprehensive route network along with the greatest possible flexibility for their journey.

Eurowings is positioned as a value carrier with an exclusive focus on point-to-point traffic on short- and medium-haul routes.

The Passenger Airlines segment also includes the regional airlines Lufthansa CityLine, Lufthansa City Airlines, Air Dolomiti, Edelweiss Air, Discover Airlines and the equity investment in SunExpress, the joint venture with Turkish Airlines.

Moreover, commercial joint ventures with leading international airlines extend the Passenger Airlines route network. Commercial joint ventures exist with United Airlines and Air Canada on routes between Europe and North America, and with All Nippon Airways (ANA), Singapore Airlines and Air China on routes between Europe and Japan as well as Singapore and China respectively. In addition, numerous code-share agreements are in place.

Course of business

Fleet modernisation continues

The Passenger Airlines are driving forward with modernising and unifying their fleets. Older aircraft models are being retired and new, efficient aircraft with lower fuel needs and less carbon emissions are joining the fleet. Investment in modern and particularly fuel-efficient aircraft and engine technologies is currently the most important lever for reducing carbon emissions in flight operations. ↗ **Combined non-financial declaration.**

Passenger Airlines added 17 new aircraft to its fleets in financial year 2024. Four older aircraft were retired from the fleets. At the end of the 2024 financial year, the Passenger Airlines fleet had a total of 713 aircraft (previous year: 700 aircraft). Fixed orders for 235 aircraft are due for delivery in the period up to 2032. In the reporting year, numerous problems at the manufacturers relating to production, supply chains and certification caused delays in the delivery of ordered aircraft.

In September 2024, the Lufthansa Group renewed its wet lease partnership with airBaltic for another three years. This partnership enables the flexible deployment of up to 21 additional fuel-efficient Airbus A220-300 aircraft during the summer and up to five aircraft in the winter at various hubs.

In December 2024, the Lufthansa Group ordered five more Airbus A350-1000 long-haul aircraft, increasing its fixed orders for aircraft of this type from ten to 15. The cutting-edge aircraft will be delivered between 2028 and 2030. The order represents another important step towards the modernisation of the fleet, product upgrade and carbon reduction. ↗ **Fleet.**

Further expansion of product and services

Lufthansa Group Passenger Airlines are continuing to expand their product range in line with customer expectations. Customers will thus be offered a wider choice of relevant individually selectable product components as well as an improved travel experience on board and on the ground, in the premium segment in particular. This includes fitting Lufthansa Airlines and SWISS aircraft with Allegris and SWISS Senses product generation seats which will offer a new travel experience in every class on long-haul routes. Austrian Airlines will also get a new long-haul cabin when the Boeing 787 Dreamliner is introduced.

The Lufthansa Group is also expanding and improving its digital services. The focus is on the Lufthansa Group app, which won a prize for the best airline app at the World Aviation Festival in 2024.

The culinary range will also be upgraded in the spirit of a premium service. There is also a focus on improvements to customer service, e.g. the enhanced accessibility of call centres, and expanded digital service channels.

Sustainability activities intensified

In February 2023, the Lufthansa Group became the first airline group in the world to introduce green fares for more sustainable flying on short and medium-haul routes. This offering has now been extended to the Lufthansa Group's long-haul flights and is thus available on the global route network. Green fares can be booked on more than 850,000 flights a year and in all travel classes as of December 2024. The more sustainable fare includes the offset of individual flight-related carbon emissions.

Green fares are available on flights from Lufthansa Airlines, SWISS, Austrian Airlines, Brussels Airlines, Edelweiss, Discover Airlines and Air Dolomiti. The only exceptions are flights from other Group airlines and individual route segments in certain traffic regions of joint venture partners. Eurowings also offers a fare for more sustainable flying under the name of PlanetBlu.

Details of additional Passenger Airlines sustainability activities can be found in the following chapters providing further information about the individual airlines and in the ↗ **Combined non-financial declaration.**

Operating performance

Operating performance defined by high demand and falling yields

Traffic in the Lufthansa Group's Passenger Airlines segment continued to increase in the 2024 financial year due to the continued high demand for air travel. The Passenger Airlines' available capacity was continuously expanded over the course of the reporting year. It was 9% up on the previous year, despite flight cancellations due to strikes in the 2024 financial year. Capacity was up by 12% on the previous year in the first quarter, by 11% in the second quarter, 6% in the third quarter and 5% in the fourth quarter. Available capacity in Passenger Airlines thus reached 91% of the pre-crisis level from 2019 in financial year 2024.

The number of flights increased by 5% year-on-year. Sales rose by 9%. The Passenger Airlines transported 131.3 million passengers in the 2024 financial year, 7% more than in the previous year (previous year: 122.5 million). The passenger load factor was 0.2 percentage points higher year-on-year, at 83.1% (previous year: 82.9%). Yields fell by 2.6% on the previous year, however.

Traffic revenue at the Passenger Airlines increased by 4% to EUR 27,869m year-on-year, chiefly due to higher traffic (previous year: EUR 26,701m).

T027 TRAFFIC FIGURES PASSENGER AIRLINES

		2024	2023	Change in %
Number of flights	number	980,423	936,079	5
Passengers	thousands	131,300	122,535	7
Available seat-kilometres	millions	326,176	300,582	9
Revenue seat-kilometres	millions	271,038	249,269	9
Passenger load factor	%	83.1	82.9	0.2 pts

T028 OPERATING FIGURES PASSENGER AIRLINES

	2024	2023	Change	Exchange-rate adjusted change
	in € cents	in € cents	in %	in %
Yields	9.3	9.6	-2.6	-2.6
Unit revenue (RASK)	9.2	9.7	-4.3	-4.1
Unit cost (CASK) without fuel and emissions trading expenses	6.6	6.4	1.9	2.1

T029 TRENDS IN TRAFFIC REGIONS PASSENGER AIRLINES

	Net traffic revenue external revenue		Passengers		Available seat-kilometres		Revenue seat-kilometres		Passenger load factor	
	2024 in €m	Change in %	**2024** in thousands	Change in %	**2024** in millions	Change in %	**2024** in millions	Change in %	**2024** in %	Change in pts
Europe	11,784	8	106,788	7	128,406	9	105,123	9	81.9	+0.4
Americas	7,719	7	12,269	9	108,619	9	91,992	9	84.7	+0.3
Asia/Pacific	3,538	6	5,647	18	54,035	19	44,952	17	83.2	-1.3
Middle East/ Africa	2,273	-6	6,596	-7	35,116	-5	28,971	-4	82.5	+0.9
Not assignable	2,555	-9								
Total	**27,869**	**4**	**131,300**	**7**	**326,176**	**9**	**271,038**	**9**	**83.1**	**+0.2**

Financial performance

Significant decline in earnings position of Passenger Airlines

The earnings position of Passenger Airlines deteriorated significantly overall in financial year 2024, despite ongoing capacity growth. This was particularly due to the poor performance at Lufthansa Airlines. This was mainly driven by the impact of strikes in the first quarter of 2024, lower yields as a result of capacity growth throughout the market in the second quarter of 2024 and high costs related to flight irregularities, especially in the second quarter of 2024, and ongoing high cost inflation throughout the 2024 financial year. Additionally, delays in the delivery of new aircraft led to considerable financial expenses due to the need to continue operating older aircraft models and lease aircraft from third parties.

Revenue up on previous year by 5%

Revenue in the Passenger Airlines business segment was up by 5% in the reporting year to EUR 29,690m due to higher traffic revenue compared with the previous year (previous year: EUR 28,337m). Operating income of EUR 30,682m was 4% up on the previous year (previous year: EUR 29,643m).

Unit revenues (RASK) dropped by 4.3% year on year, due in particular to lower yields, but also on account of increased compensation payments to passengers. Direct compensation payments for flight delays and cancellations are recognised as reductions in revenue and totalled EUR 479m (previous year: EUR 228m).

Expenses up by 7%

Operating expenses of EUR 29,722m were 7% higher than in the previous year (previous year: EUR 27,730m).

Unit costs (CASK) without fuel and emissions trading expenses increased by 1.9% compared with the previous year, partly due to inflation.

The cost of materials and services of EUR 17,761m was 6% up on the previous year (previous year: EUR 16,687m). Within the cost of materials and services, expenses for fees and charges rose due to volumes and prices by 11% (+EUR 477m), expenses for in-flight services by 17% (+EUR 164m) and charter expenses by 34% (+EUR 142m). Fuel expenses of EUR 7,422m were 2% lower than in the previous year (previous year: EUR 7,552m) despite increased flight operations.

Salary increases resulting from pay agreements, one-off payments and an 8% increase in the average number of employees, partially compensated for by lower variable remuneration components, drove up staff costs by 11% to EUR 5,997m (previous year: 5,426m).

Expenses for passenger assistance in connection with flight irregularities due to strikes and operational difficulties at German airports were up 34% at EUR 362m (previous year: EUR 271m).

Depreciation and amortisation increased by 6% to EUR 1,836m (previous year: EUR 1,725m).

Other operating expenses increased by 6% to EUR 4,128m (previous year: EUR 3,892m) due to the expansion of flight operations.

T030 OPERATING EXPENSES PASSENGER AIRLINES

	2024 in €m	2023 in €m	Change in %
Cost of materials and services	17,761	16,687	6
of which fuel	7,422	7,552	-2
of which fees	4,670	4,193	11
of which charter expenses	562	420	34
of which MRO services	2,213	2,134	4
Staff costs [1]	5,997	5,426	11
Depreciation and amortisation [2]	1,836	1,725	6
Other operating expenses [3]	4,128	3,892	6
Total operating expenses	**29,722**	**27,730**	**7**

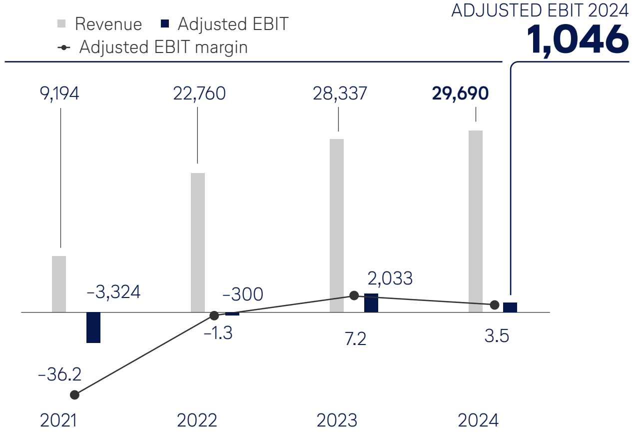
[1] Without past service expenses/plan settlement
[2] Without impairment loss
[3] Without book losses.

Adjusted EBIT at EUR 1.0bn

Overall, Adjusted EBIT at Passenger Airlines fell by 49% in financial year 2024 to EUR 1,046m (previous year: EUR 2,033m). This was largely due to the significant drop in earnings at Lufthansa Airlines. The Adjusted EBIT margin dropped by 3.7 percentage points to 3.5% (previous year: 7.2%).

EBIT decreased year-on-year by 46% to EUR 1,116m (previous year: EUR 2,064m). The difference relative to Adjusted EBIT in the reporting period is mainly attributable to book gains in connection with the sale-and-lease-back transactions for aircraft, book losses on aircraft and reserve engines and expenses from changes in pension plans. ↗ **Earnings position.**

C17 PASSENGER AIRLINES: DEVELOPMENT OF REVENUE, ADJUSTED EBIT in €m **AND ADJUSTED EBIT MARGIN** in %



Segment capital expenditure up 6% on the previous year

Segment capital expenditure increased by 6% to EUR 3,275m in the reporting year (previous year: EUR 3,095m) and primarily related to advance payments for aircraft orders, major maintenance events and final payments for new aircraft received.

Number of employees up by 7% year-on-year

The number of employees came to 65,172 on 31 December 2024 (previous year: 60,924). This is a 7% year-on-year increase on year-end 2023, above all due to new employee hires in the operational areas as a result of expanding business operations.

Lufthansa Airlines

T031 KEY FIGURES LUFTHANSA AIRLINES[1]

		2024	2023	Change in %
Revenue	€m	16,564	16,168	2
Operating income	€m	17,196	16,884	2
Operating expenses	€m	17,300	16,025	8
Adjusted EBITDA	€m	683	1,613	-58
Adjusted EBIT	€m	-94	854	
EBIT	€m	-116	866	
Adjusted EBIT margin	%	-0.6	5.3	-5.9 pts
Employees as of 31 Dec	number	39,323	36,707	7
Average number of employees	number	38,466	35,834	7
Number of flights	number	472,439	454,755	4
Passengers	thousands	64,483	60,268	7
Available seat-kilometres	millions	182,993	169,573	8
Revenue seat-kilometres	millions	151,487	139,763	8
Passenger load factor	%	82.8	82.4	0.4 pts

[1] Incl. regional partners and Discover Airlines.

Lufthansa Airlines is the largest airline in Germany. It has hubs at the two biggest German airports in Frankfurt and Munich and offers its customers a premium product with transfer connections to the entire world.

The regional airlines Lufthansa CityLine, Lufthansa City Airlines, Air Dolomiti and Discover Airlines are also part of Lufthansa Airlines. Furthermore, Miles & More and the equity investment in Terminal 2 Gesellschaft in Munich belong to Lufthansa Airlines.

Fleet renewal continues

Lufthansa Airlines is driving forward the modernisation of its fleet. In the 2024 financial year the Company took delivery of seven Airbus 350s at the hub in Munich. The cutting-edge new aircraft offer additional comfort, they are quieter, more economic, more efficient and emit less CO_2 than predecessor models.

To expand its capacity and in view of delays in the delivery of new long-haul aircraft, Lufthansa Airlines is reactivating its A380 fleet. Three more aircraft of this type entered service at the Munich hub in the reporting year, bringing the total number of A380s in flight operations at year-end 2024 to seven. Another followed in early 2025. This means all eight A380s are in service again.

At the end of the reporting year, the fleet of Lufthansa Airlines comprised 387 aircraft.

Leisure travel to be expanded

The leisure travel segment was strengthened further in the reporting year. Three more A320s went into service at Discover Airlines, the Lufthansa Group's holiday airline. The aircraft had previously been used by other Lufthansa Group airlines. The Discover Airlines fleet now consists of 13 A330s and 14 A320s.

Lufthansa City Airlines starts flight operations

On 26 June 2024, Lufthansa City Airlines launched its flight operations. The airline offers competitive hub traffic and short-haul feeder services. At the end of the reporting year the airline operated four A319s and one A320neo out of Munich. Flight operations at Frankfurt are due to be expanded in 2025. The Lufthansa City Airlines fleet is set to continue growing to eleven A320neo and four A319s by the end of 2025.

It is essential for the Lufthansa Group's market position and its planned growth on long-haul routes in the German market to a make a strong, competitive addition to its short-haul network.

Further expansion of product and services for passengers

Lufthansa Airlines is investing in the expansion of its premium positioning and adding more products and services for its passengers.

On 1 May 2024, the first scheduled flight of an Airbus A350 with the new Lufthansa cabin product Allegris took off from Munich to Vancouver. At the end of the 2024 financial year, there were already seven A350s with the Allegris in-flight product in service, some of which have featured the new Allegris First Class since November 2024. This is to be installed successively in spring 2025 in the remaining A350s that Lufthansa Airlines received in spring/summer 2024. Around 90% of Lufthansa Airlines' long-haul fleet will fly to destinations around the world with the new Allegris product by 2028.

Lufthansa Airlines has offered new entertainment options on short and medium-haul flights since summer 2024. Passengers now have unlimited free access to around 45 well-known German and English magazines to read on their own electronic device via the FlyNet® Wi-Fi network. This new service is also available on long-haul flights equipped with the new Allegris cabin, which offer a new in-flight entertainment system in all travel classes. Lufthansa Airlines passengers in all classes can also read digital magazines on the seat screen for the first time. Also new on European flights is a range of podcasts via the FlyNet® portal.

Lufthansa Airlines also continues to develop its range of culinary products in all classes. New catering highlights were added in Business Class on long-haul flights.

Lufthansa Airlines opened a new Premium Lounge at Newark Liberty International Airport in New Jersey in summer 2024. The new lounge is for First and Business Class passengers at all airlines in the Lufthansa Group, as well as HON Circle members and Senators, and has space for some 170 guests, 25% more than before. Lufthansa currently operates around 60 lounges at 17 locations worldwide.

Lufthansa Airlines starts turnaround measures

Lufthansa Airlines launched a turnaround programme in financial year 2024 with the goal of increasing efficiency, reducing complexity and improving quality, thereby making the airline stronger for the future. The turnaround plan includes carrying out more short-haul traffic with more efficient flight operations that are better aligned with each market segment. Further efficiency gains are set to be achieved through network optimisation as well as increasing flexibility and automation. The measures planned to impact earnings as part of the turnaround programme will add up to a volume of EUR 2.5bn in 2028.

Changes in the management of Lufthansa Airlines

In order to strengthen the role of HR at Lufthansa Airlines, Astrid Neben has been appointed as a full member of the Airline Board of Lufthansa Airlines with effect as of 1 July 2024. She was previously a member of the expanded Airline Board of Lufthansa Airlines and already had full responsibility for HR at Lufthansa Airlines.

Karl Brandes has been ill since July 2024 and will not be able to exercise his function as Chief Operating Officer on the Executive Board of Lufthansa Airlines and as Accountable Manager for Lufthansa Airlines for the foreseeable future. Klaus Froese, previously responsible for Safety and Compliance Monitoring Management, and Safety Pilot Lufthansa Group & Lufthansa Airlines, took over the position on an interim basis on 15 August 2024.

Collective agreements signed with UFO and ver.di

The Employers' Federation for Air Transport Companies (AGVL), the trade union Vereinigte Dienstleistungsgewerkschaft e.V. and the cabin staff union Unabhängige Flugbegleiter Organisation e.V. signed new wage agreements for ground and cabin staff at Lufthansa Airlines in the reporting year. ↗ **Employees.**

Environmental management system is confirmed

Lufthansa Airlines at the hubs in Frankfurt and Munich, and Lufthansa CityLine have again been successfully validated under the demanding European EMAS Regulation (Eco-Management and Audit Scheme). This enables Lufthansa Airlines to set an example for corporate environmental responsibility. ↗ **Combined non-financial declaration.**

Traffic expanded in the reporting year, yields contracted significantly

In the 2024 financial year, Lufthansa Airlines carried 64.5 million passengers and therefore 7% more than in the previous year (previous year: 60.3 million). Capacity increased by 8% year-on-year. It was thus at 86% of its 2019 pre-crisis level. Sales were up 8% on the previous year. At 82.8%, the passenger load factor was 0.4 percentage points higher than the previous year's level (previous year: 82.4%). Yields fell by 4.4%, however, primarily due to higher pricing pressure as a result of capacity growth throughout the market – especially in Asia – and strikes in the first quarter of 2024. Traffic revenue increased by 2% to EUR 15,308m year-on-year, due to higher traffic (previous year: EUR 15,011m).

Revenue up by 2% year-on-year, Adjusted EBIT down to EUR –94m

The expansion of flight operations drove up revenue year-on-year at Lufthansa Airlines by 2% to EUR 16,564m in the reporting period (previous year: EUR 16,168m). Operating income increased by 2% to EUR 17,196m (previous year: EUR 16,884m).

Operating expenses of EUR 17,300m were 8% higher than in the previous year (previous year: EUR 16,025m). The cost of materials and services went up by 8%. Higher fees and charges (+14%) and increased expenses for MRO services (+14%) were partly offset by lower fuel expenses (–2%) due to prices. Staff costs were 11% higher than in the previous year due to pay increases and new recruitment.

In the 2024 financial year, Adjusted EBIT at Lufthansa Airlines came to EUR –94m (previous year: EUR 854m). The Adjusted EBIT margin was –0.6% (previous year: 5.3%). EBIT came to EUR –116m (previous year: EUR 866m). The difference relative to Adjusted EBIT in the reporting year is mainly attributable to impairment losses recognised on aircraft held for sale, as well as adjustments in pension plans.

SWISS

T032 KEY FIGURES SWISS[1)]

		2024	2023	Change in %
Revenue	€m	6,472	5,905	10
Operating income	€m	6,724	6,222	8
Operating expenses	€m	5,923	5,413	9
Adjusted EBITDA	€m	1,225	1,227	0
Adjusted EBIT	€m	801	809	–1
EBIT	€m	815	797	2
Adjusted EBIT margin	%	12.4	13.7	–1.3 pts
Employees as of 31 Dec	number	10,870	9,909	10
Average number of employees	number	10,539	9,481	11
Number of flights	number	162,819	149,392	9
Passengers	thousands	21,071	19,295	9
Available seat-kilometres	millions	61,089	55,327	10
Revenue seat-kilometres	millions	51,290	46,719	10
Passenger load factor	%	84.0	84.4	–0.4 pts

[1)] Incl. Edelweiss Air.

SWISS is Switzerland's leading airline. With its sister company Edelweiss Air, which specialises in leisure flights, it offers its customers high-quality products and services, in combination with a global route network.

The Swiss WorldCargo division uses the belly capacities of SWISS aircraft to offer comprehensive airport-to-airport services for high-value and sensitive goods worldwide.

Modernisation of fleet continues apace

SWISS continued its fleet modernisation in the 2024 financial year, integrating two A320neos. As things currently stand, twelve (eight A320neos and four A321neos) of the planned total of 25 aircraft of the A320neo family are now in service at SWISS. These modern aircraft make a material contribution to improving environmental efficiency at SWISS.

The SWISS fleet, including Edelweiss Air, consisted of 112 aircraft at the end of the reporting year.

Travel experience for passengers to be further optimised

SWISS made further improvements to its passengers' travel experience in financial year 2024 and began the gradual introduction of broadband internet on its complete short-haul fleet. As on long-haul routes, SWISS will offer its passengers on European flights free internet access for the use of chat and messenger services.

SWISS has also expanded the options for preselecting Business Class meals on short-haul flights. This preselection option is free and covers hot or cold dishes depending on the destination, which change every three months. It gives passengers more choice while reducing food and packaging waste by more specific loading.

SWISS renews existing partnerships

SWISS and Swiss railways (SBB) have decided to continue the partnership they started in 2019 indefinitely. The aim is to further optimise links between rail and plane. The partners have also expanded the SWISS Air Rail network with attractive destinations in Chur, Davos, Klosters and St. Moritz in the canton of Grisons. The SWISS Air Rail network now includes 21 destinations.

The long-standing partnership between SWISS and Helvetic Airways was also renewed for another five years and expanded. Under a wet lease agreement, SWISS will use up to 15 aircraft from Helvetic Airways throughout its European route network. This cooperation enables SWISS to cover operating peaks and use the smaller Helvetic aircraft to fly to destinations for which its own aircraft would be too big.

Cooperation and more sustainable flying measures expanded

SWISS and the Lufthansa Group entered into a strategic partnership with the Swiss company Climeworks in March 2024. The aim is to jointly scale up innovative technology to remove CO_2 from the air. This partnership supplements the long-standing commitment of SWISS and the Lufthansa Group to innovative technologies to reduce carbon emissions from flight operations. The parties signed a supply agreement until 2030 to reduce flight-related carbon emissions and also agreed on additional purchasing rights.

Furthermore, SWISS fitted AeroSHARK to its last remaining Boeing 777 aircraft in May 2024. This means the entire Boeing 777 fleet of twelve aircraft is now in operation using this innovative surface technology. AeroSHARK reduces in-flight air resistance, which in turn results in lower kerosene consumption and carbon emissions. ↗ **Combined non-financial declaration.**

New appointments to SWISS Executive Board

SWISS restructured its Executive Board in the 2024 financial year.

Heike Birlenbach was appointed Chief Commercial Officer as of 1 January 2024. She had previously held the position of Senior Vice President Customer Experience at Lufthansa Group Airlines.

Oliver Buchholfer has been the airline's Chief Operating Officer since 1 May 2024. He previously led the operating division at SWISS. He continues to fly for the airline as an Airbus A330 captain.

Dennis Weber has also been the new Chief Financial Officer at SWISS since 1 May 2024. He was previously Head of Investor Relations for the Lufthansa Group.

Jens Fehlinger took over as Chief Executive Officer of SWISS on 1 October 2024. He was previously Co-Managing Director of Lufthansa CityLine and developed the new Lufthansa City Airlines concurrently as managing director. Jens Fehlinger follows Dieter Vranckx, who joined the Lufthansa Group's Executive Board and the SWISS administrative board on 1 July 2024.

Traffic significantly higher in financial year 2024

In the 2024 financial year, the number of passengers carried by SWISS rose by 9% to 21.1 million (previous year: 19.3 million). Capacity was expanded by 10% year-on-year and was thus at 96% of its 2019 pre-crisis level. The number of flights was 9% higher than the previous year. Sales increased by 10%. The passenger load factor was 0.4 percentage points lower than the previous year's level, at 84.0% (previous year: 84.4%). Yields fell by 1.3%. Traffic revenue of EUR 5,853m was 9% higher than in the previous year (previous year: EUR 5,376m).

Revenue up by 10%, Adjusted EBIT of EUR 801m almost matches the previous year's figure

In the reporting period, increased flight operations pushed revenue at SWISS up by 10% year-on-year to EUR 6,472m (previous year: EUR 5,905m). The cargo business contributed around 8% to SWISS' total revenue. Operating income of EUR 6,724m was 8% up on the previous year (previous year: EUR 6,222m).

Operating expenses increased by 9% to EUR 5,923m (previous year: EUR 5,413m). The cost of materials and services climbed by 11%, mainly as a result of higher fees and charges (+13%) and external MRO services (+20%). Staff costs were 10% higher than in the previous year.

In financial year 2024, SWISS' Adjusted EBIT was roughly stable year-on-year at EUR 801m (previous year: EUR 809m). SWISS increased earnings significantly year on year in the second half of 2024. The Adjusted EBIT margin declined by 1.3 percentage points to 12.4% (previous year: 13.7%) in the reporting year. EBIT improved by 2%, to EUR 815m (previous year: EUR 797m).

Austrian Airlines

T033 KEY FIGURES AUSTRIAN AIRLINES

		2024	2023	Change in %
Revenue	€m	2,457	2,346	5
Operating income	€m	2,542	2,406	6
Operating expenses	€m	2,467	2,279	8
Adjusted EBITDA	€m	186	232	-20
Adjusted EBIT	€m	76	127	-40
EBIT	€m	73	127	-43
Adjusted EBIT margin	%	3.1	5.4	-2.3 pts
Employees as of 31 Dec	number	6,105	6,121	0
Average number of employees	number	6,174	5,948	4
Number of flights	number	119,127	113,417	5
Passengers	thousands	14,589	13,857	5
Available seat-kilometres	millions	27,578	25,444	8
Revenue seat-kilometres	millions	22,424	20,835	8
Passenger load factor	%	81.3	81.9	-0.6 pts

Austrian Airlines is Austria's largest airline. It offers its customers a global route network and a high-quality product.

Austrian Airlines is investing in fleet expansion

Austrian Airlines started the modernisation and expansion of its long-haul fleet in financial year 2024. The airline integrated two Boeing 787-9 aircraft into its fleet. Additional aircraft of this type are set to follow in the years ahead and will successively replace the existing long-haul jets in the Boeing 777 and 767 families by 2029.

By integrating the Boeing 787-9, Austrian Airlines is focusing on one of the most innovative long-haul aircraft on the market. Thanks to its innovative technology, low weight, good aerodynamics and modern engines, the Dreamliners are significantly more efficient than their predecessors.

At the end of the reporting year, the Austrian Airlines fleet comprised 68 aircraft.

Austrian Airlines introduces innovative AeroSHARK technology

Austrian Airlines will equip four Boeing 777-200ER aircraft with the innovative AeroSHARK surface technology. The significantly reduced air resistance will lower the fuel consumption and carbon emissions of Austrian Airlines' long-haul fleet. The "sharkskin" technology is a key component of the carbon reduction pathway for Austrian Airlines. The first of the four aircraft was equipped with AeroSHARK in December 2024 and started flight operations in January 2025.

Renewed validation under the EMAS environmental management standard

Austrian Airlines was again successfully validated under the European EMAS Regulation, the world's most demanding environmental management standard, and certified in accordance with the international ISO 14001 norm for environmental management systems. This confirms the Company's ongoing commitment to the highest environmental standards.
↗ **Combined non-financial declaration.**

Austrian Airlines signs new wage agreements for cockpit and cabin crew and for commercial/technical personnel

In April 2024, Austrian Airlines and the trade union vida signed a new collective agreement for around 2,400 flight attendants and roughly 1,000 pilots. This was followed in June 2024 by an agreement with the GPA trade union for commercial/technical personnel. ↗ **Employees.**

Passenger numbers and load factor up in the reporting year

With 14.6 million passengers, Austrian Airlines carried 5% more customers in the reporting year than in the previous year (previous year: 13.9 million). Capacity was expanded by 8% year-on-year and was thus at 97% of its level prior to the outbreak of the coronavirus pandemic in 2019. Sales also rose year-on-year by 8%. The passenger load factor was 0.6 percentage points lower than the previous year's level, at 81.3% (previous year: 81.9%). Yields fell by 2.4%. Traffic revenue went up by 4% to EUR 2,360m (previous year: EUR 2,268m).

Revenue up by 5% year-on-year, Adjusted EBIT down to EUR 76m

Revenue at Austrian Airlines climbed by 5% to EUR 2,457m in the 2024 financial year due to higher traffic (previous year: EUR 2,346m). Operating income increased year on year by 6% to EUR 2,542m (previous year: EUR 2,406m).

In the 2024 financial year, operating expenses of EUR 2,467m were 8% higher than in the previous year (previous year: EUR 2,279m). The cost of materials and services climbed by 9%, mainly as a result of increased fees and charges (+7%) and higher expenses for MRO services (+28%). Staff costs were 2% higher than in the previous year.

Adjusted EBIT at Austrian Airlines dropped by 40% in financial year 2024 to EUR 76m (previous year: EUR 127m). Earnings were also adversely affected by strikes (EUR 35m) and the Middle East conflict (EUR 41m). Austrian Airlines improved its earnings significantly year on year in the second half of 2024, however. The Adjusted EBIT margin declined by 2.3 percentage points to 3.1% (previous year: 5.4%) in the reporting year. EBIT went down by 43% to EUR 73m (previous year: EUR 127m).

Brussels Airlines

T034 KEY FIGURES BRUSSELS AIRLINES

		2024	2023	Change in %
Revenue	€m	1,544	1,537	0
Operating income	€m	1,623	1,604	1
Operating expenses	€m	1,564	1,551	1
Adjusted EBITDA	€m	177	154	15
Adjusted EBIT	€m	59	53	11
EBIT	€m	84	53	58
Adjusted EBIT margin	%	3.8	3.4	0.4 pts
Employees as of 31 Dec	number	3,573	3,394	5
Average number of employees	number	3,549	3,366	5
Number of flights	number	61,564	62,786	-2
Passengers	thousands	8,360	8,317	1
Available seat-kilometres	millions	18,332	18,118	1
Revenue seat-kilometres	millions	15,155	14,947	1
Passenger load factor	%	82.7	82.5	0.2 pts

Brussels Airlines is Belgium's national airline. From its hub in Brussels, the airline offers flights to destinations worldwide, with a focus on the sub-Saharan Africa region.

Brussels Airlines continues fleet modernisation and expansion

In the 2024 financial year, Brussels Airlines continued to modernise its fleet. The airline integrated three more A320neos into its fleet in the reporting year. The A320neo fleet now consists of five aircraft.

Following the integration of the tenth long-haul aircraft from the Airbus A330 family, the airline added Nairobi to its route network for sub-Saharan Africa in June 2024, increasing its total number of destinations to 18.

In addition, Brussels Airlines plans to expand its long-haul fleet significantly in the years ahead, adding three more Airbus A330s for a total of 13 aircraft. The airline will use the additional long-haul capacity primarily to strengthen its route network in sub-Saharan Africa. The aim is to develop Brussels as a European hub for flights to and from Africa. The airline also plans to introduce a new cabin layout to further improve the travel experience on long-haul flights.

The Brussels Airlines fleet consisted of 46 aircraft at the end of the reporting year.

Traffic was on par with the previous year

With 8.4 million passengers, Brussels Airlines carried 1% more customers in the reporting year than in the previous year (previous year: 8.3 million). Capacity was expanded by 1% year on year and was thus at 83% of its 2019 pre-crisis level. Sales also rose year on year by 1%. At 82.7%, the passenger load factor was 0.2 percentage points higher year-on-year (previous year: 82.5%). Yields increased by 1.7%. Traffic revenue picked up by 1% to EUR 1,476m (previous year: EUR 1,466m).

Revenue stable year-on-year, Adjusted EBIT sets new record at EUR 59m

Revenue at Brussels Airlines came to EUR 1,544m in the 2024 financial year and was at the same level as the year before (previous year: EUR 1,537m). Operating income climbed by 1% to EUR 1,623m (previous year: EUR 1,604m).

Operating expenses increased by 1% to EUR 1,564m (previous year: EUR 1,551m). The cost of materials and services was 2% lower than in the previous year, mainly as a result of lower fuel expenses (–12%). Staff costs were 10% higher than in the previous year.

Brussels Airlines reported record earnings again in financial year 2024, supported by non-recurring effects. Adjusted EBIT increased by 11% to EUR 59m (previous year: EUR 53m). The Adjusted EBIT margin improved by 0.4 percentage points to 3.8% (previous year: 3.4%). EBIT was up by 58% on the previous year at EUR 84m (previous year: EUR 53m). The difference compared with Adjusted EBIT is due primarily to book gains from the sale and lease-back of three Airbus A320neos.

Eurowings

T035 KEY FIGURES EUROWINGS

		2024	2023	Change in %
Revenue	€m	2,872	2,592	11
Operating income	€m	2,983	2,711	10
Operating expenses	€m	2,855	2,631	9
Adjusted EBITDA	€m	333	339	–2
Adjusted EBIT	€m	203	205	–1
EBIT	€m	261	241	8
Adjusted EBIT margin	%	7.1	7.9	–0.8 pts
Employees as of 31 Dec	number	5,301	4,793	11
Average number of employees	number	5,224	4,702	11
Number of flights	number	164,474	155,729	6
Passengers	thousands	22,796	20,798	10
Available seat-kilometres	millions	36,184	32,121	13
Revenue seat-kilometres	millions	30,682	27,005	14
Passenger load factor	%	84.8	84.1	0.7 pts

Eurowings is the value airline for point-to-point traffic

With clear positioning as Europe's value airline for private and business travellers, Eurowings clearly sets itself apart from the segment of ultra-low-cost carriers. It enables its customers affordable flying with innovative and customer-friendly services. With its value concept the airline responds to the core demands of today's airline passengers, for whom flexibility, comfort and sustainability are decisive.

Eurowings' route network focuses on short- and medium-haul point-to-point traffic and addresses the structural growth in the private travel segment. Eurowings offers non-stop flights to more than 150 destinations in Europe and beyond. With an attractive route network and 13 international bases – including Mallorca, Europe's number one holiday island – Eurowings is one of Europe's largest holiday airlines. Eurowings currently has a fleet of 100 aircraft.

Eurowings consists of two different flight operations. While Eurowings Germany offers flights from Germany to European destinations, Eurowings Europe covers pan-European routes. Eurowings Europe operates from its international bases in Palma de Mallorca, Salzburg, Graz, Prague and Stockholm and offers travellers a growing selection of holiday destinations and attractive city connections in Europe.

Neo fleet completed at Eurowings

Eurowings added one A320neo and one A321neo to its fleet in the reporting year. All the A320/321neos on order for Eurowings have now been delivered. Eurowings' fleet of neos consists of eight A320neos and five A321neos.

Eurowings develops partnerships

Eurowings and SunExpress signed an interline agreement for selected flight segments in July 2024. This gives travellers from Europe to Türkiye and vice versa additional flight options. As part of this collaboration, both partners are working on a code-share agreement to bring additional benefits to passengers.

Eurowings signed a bilateral code-share agreement with Aegean Airlines in September 2024. Selected flights from the largest Greek airline can now also be booked under Eurowings flight numbers. Eurowings connections are also offered under flight numbers from Aegean Airlines and sold via the two partner airlines' distribution channels. Customers from both airlines benefit from an increasing range of direct connections to popular tourist regions in Greece and the Mediterranean, including Heraklion, Thessaloniki and Athens. The plan is to gradually expand the joint route network.

Eurowings expands its BIZclass capacity

Due to a significant increase in demand, Eurowings is expanding its BIZclass capacity. In future, on all Eurowings flights using the Airbus A319 and A320 aircraft types, the first four rows will be reserved for BIZclass travellers, instead of the first three rows as is currently the case. Passengers booking premium fare tickets will secure benefits such as a choice of seat, an empty middle seat, a larger free luggage allowance as well as catering à la carte and lounge access.

Eurowings Holidays tour operator brand is growing

The Eurowings Holidays tour operator brand continued to grow in the reporting year. At their peak, sales of its all-inclusive products already exceed 1,000 per day. Eurowings Holidays is cooperating with DERTOUR Deutschland as part of its growth strategy, thus creating new products in the dynamic package travel segment which is experiencing a high rate of growth. Both partners are now able to jointly offer attractive all-inclusive travel packages for popular city and holiday destinations. From 2025 onwards, Eurowings aims to use digital innovations to establish Eurowings Holidays as one of Germany's ten largest tour operator brands.

Eurowings enables on-board purchasing of sustainable kerosene (SAF)

Eurowings is the first airline worldwide to introduce an option to purchase sustainable kerosene during a flight. Passengers can offset the flight-related carbon emissions arising for an average Eurozone route distance by purchasing Eurowings' new organic fruit smoothie "SAFt". This offset consists of two different components: sustainable aviation fuels (SAF) reduce flight-related carbon emissions by 10%. The remaining 90% is offset by means of a contribution to a climate project portfolio featuring Eurowings' partners myclimate, Climate Partner and SQUAKE.

Eurowings signs collective bargaining agreements with trade unions

Eurowings and the trade union ver.di signed a new collective wage agreement for ground staff and a framework agreement for cabin crew in the reporting year. It concluded a framework agreement for cockpit crew with the Vereinigung Cockpit pilots' union. ↗ **Employees.**

Significant rise in capacity and passenger numbers

Eurowings registered a strong level of demand for tourist flights in particular in the 2024 financial year and expanded its capacity accordingly. The number of passengers carried by Eurowings grew by 10% to 22.8m in the reporting year (previous year: 20.8 million). Capacity increased by 13%. It thus reached 112% of its 2019 pre-crisis level. The number of flights rose by 6% year-on-year, while sales were up 14%. At 84.8%, the passenger load factor was 0.7 percentage points higher than the previous year's level (previous year: 84.1%). Yields fell by 1.9%. Traffic revenue of EUR 2,872m was 11% higher than in the previous year (previous year: EUR 2,580m).

Revenue up by 11% year-on-year, Adjusted EBIT of EUR 203m realised

Eurowings' revenue increased by 11% in the reporting year to EUR 2,872m (previous year: EUR 2,592m). This was due to higher volumes and prices. Operating income of EUR 2,983m was 10% up on the previous year (previous year: EUR 2,711m).

Operating expenses increased by 9% in the reporting year to EUR 2,855m (previous year: EUR 2,631m). The cost of materials and services was 5% higher than in the previous year, due mainly to volumes and prices as a result of higher fees and charges (+7%), higher expenses for external MRO services (+14%) and expenses for wet leases (+13%). Staff costs rose by 17% due to the recruitment activities pursued in the context of the ongoing expansion of the airline's flight programme.

At EUR 203m, Eurowings' Adjusted EBIT was close to the previous year's level (previous year: EUR 205m). This includes the result of the equity investment in SunExpress of EUR 75m (previous year: EUR 125m). Eurowings improved its earnings significantly year on year in the second half of 2024.

The Adjusted EBIT margin declined by 0.8 percentage points to 7.1% (previous year: 7.9%) in the reporting year. EBIT rose by 8%, to EUR 261m (previous year: EUR 241m). The difference compared with Adjusted EBIT is primarily due to book gains from the sale-and-lease-back of eight Airbus A320/A321s.

LOGISTICS BUSINESS SEGMENT

T036 KEY FIGURES LOGISTICS

		2024	2023	Change in %
Revenue	€m	3,263	2,977	10
of which traffic revenue	€m	3,054	2,775	10
Operating income	€m	3,356	3,090	9
Operating expenses	€m	3,147	2,933	7
Adjusted EBITDA	€m	449	401	12
Adjusted EBIT	€m	251	219	15
EBIT	€m	252	214	18
Adjusted EBIT margin	%	7.7	7.4	0.3 pts
Adjusted ROCE	%	8.2	7.3	0.9 pts
Segment capital expenditure	€m	149	191	-22
Employees as of 31 Dec	number	4,261	4,152	3
Average number of employees	number	4,223	4,122	2

Business activities

Lufthansa Cargo is one of Europe’s leading cargo airlines

Lufthansa Cargo is the Lufthansa Group’s logistics specialist. The Logistics business segment also includes the airfreight container management specialist Jettainer group, the time:matters group, which specialises in particularly urgent shipments, the subsidiary Heyworld, which specialises in tailored solutions for the e-commerce sector, and CB Customs Broker, the customs and customs clearance specialist. This business segment also encompasses the Lufthansa Group’s 50% stake in the cargo airline AeroLogic. Lufthansa Cargo also has equity investments in various handling companies and smaller companies involved in various aspects of the sector’s digitalisation.

The focus of Lufthansa Cargo’s operations lies in the airport-to-airport airfreight business. Its product portfolio encompasses standard and express freight as well as highly specialised products. Cross-border e-commerce shipments are the fastest-growing airfreight segment. Among the special products offered, such as the transport of live animals, valuable cargo, post and dangerous goods, it is primarily the demand for carriage of temperature-controlled goods that is continuously increasing. The company has specialised infrastructure at Frankfurt Airport to handle these goods, including the Animal Lounge and the Lufthansa Cargo Pharma Hub.

As well as its own twelve Boeing 777F cargo aircraft and four Airbus A321Fs, Lufthansa Cargo uses the belly capacities of Lufthansa Airlines, Austrian Airlines, Brussels Airlines, Discover Airlines and SunExpress to transport freight.

In addition, the AeroLogic joint venture in Leipzig operates 22 Boeing 777F cargo aircraft on behalf of its two shareholders, Lufthansa Cargo and DHL Express. Lufthansa Cargo is responsible for marketing the capacities of six of these aircraft.

Lufthansa Cargo also has successful international partnerships with the cargo divisions of Cathay Pacific and United Airlines. Cooperation with All Nippon Airways was suspended in October 2023.

Course of business

Lufthansa Cargo adds additional freighter to its global network

In June 2024, besides Monterrey, Mexico, Lufthansa Cargo also incorporated Brussels, Belgium, in its global cargo network. This means that, for the first time, it is not just from Germany that this airline is operating an intercontinental route. Moreover, it has adjusted its network in line with global economic trends and strengthened it in particular in Asia. In the summer, it added Shenzhen and Zhengzhou to its cargo network. This move allows the company to support important supply chains to and from China and, among other things, meet the continued strong demand for e-commerce shipments.

Since October 2024 Lufthansa Cargo has also, for the first time, directly linked Asia with North America. It flies a circular freight route from Frankfurt via Ho Chi Minh City to Los Angeles and then back to Frankfurt. Customers thus benefit from an even faster link between Vietnam and the USA.

In addition, the A321F fleet network has acquired a new hub in Munich. With its Frankfurt, Munich, Vienna and Brussels hubs, Lufthansa Cargo is able to flexibly manage its freighter network in line with its customers’ needs. With its winter flight plan, including the additional cargo capacities which are marketed within the Lufthansa Group, it offers up to 7,500 flights worldwide per week to over 350 destinations.

In August 2024, Lufthansa Cargo also expanded its network by adding to its fleet its 18th Boeing 777F, including the six freighters which it markets for AeroLogic. Lufthansa Cargo is thus continuing to use the most efficient aircraft type of its class. It has ordered a further seven Boeing 777-8Fs with upcoming technology and expects to receive these by 2030.

Investing in the Frankfurt hub as a commitment to doing business there

In September 2024, Lufthansa Cargo presented the future of its central cargo hub at Frankfurt Airport to guests from the fields of politics and business as well as its employees, customers and project partners. This project has a total investment volume of almost EUR 600m. The cargo airline intends to complete a comprehensive modernisation project by 2030 which will make its Lufthansa Cargo Center (LCC) Europe's cutting-edge airfreight hub. This clearly reflects Lufthansa Cargo's commitment to doing business in Frankfurt.

Lufthansa Cargo supports the digitalisation of the airfreight sector

Lufthansa Cargo's participation in the IATA ONE Record initiative represents a significant step forward in the airfreight industry's digital transformation. Since March 2024, companies involved in the airfreight transport chain have been able to exchange shipment details with one another through the open-source ONE Record solution and benefit from shipment tracking for their shipments.

The company also initiated a series of automation projects in the reporting year, with the goals of improving its customer service and increasing its level of efficiency. These include automated booking changes for shipments and the automated creation and dispatch of written reports in case of irregularities during transport as well as AI assistants in the fields of sales and handling.

Lufthansa Cargo is actively pursuing sustainability activities

In July 2024, Lufthansa Cargo joined the Smart Freight Centre (SFC) community and is thus continuing to work actively towards reducing its greenhouse gases caused by aviation as well as by processes on the ground. The SFC is an international non-profit organisation which focuses on reducing the greenhouse gas emissions arising through freight transport.

In August 2024, Lufthansa Cargo fitted its fleet's fifth Boeing 777F with the innovative surface technology AeroSHARK. This reduces aircraft air resistance and thus cuts kerosene consumption and carbon emissions.

Continuous fuel efficiency monitoring enables additional measures to be implemented such as a statistical method for the supply of tailored fuel volumes. This allowed the company to save up to 18,000 tonnes of CO_2 in 2024.

In addition, Lufthansa Cargo participates in an industry-wide testing programme which aims to predict areas where contrails which impact the climate may form. For a total of 100 assessed scheduled flights, this newly developed forecasting tool will predict areas where long-lasting contrails may form, so that these areas can be avoided in future.

Changes to the management of Lufthansa Cargo

Dietmar Focke, Chief Operating Officer of Lufthansa Cargo, took up the role of Managing Director of Lufthansa Industry Solutions on 31 October 2024. Ashwin Bhat, Chairman of the Executive Board, and Frank Bauer, Chief Financial Officer and Executive Board Member for Human Resources, are responsible for Dietmar Focke's responsibilities on an interim basis.

New wage agreement signed for ground staff

In March 2024, the Lufthansa Group and ver.di signed a new wage agreement for ground staff which includes the employees of Lufthansa Cargo. ↗ **Employees.**

Operating performance

Lufthansa Cargo registers positive course of business

Following the normalisation of its operating performance in the 2023 financial year, the revenue and earnings situation in the Logistics business segment developed positively in the 2024 financial year, in spite of the challenging airfreight market environment and the negative impact of the strikes in the first quarter. A turnaround materialised over the course of the 2024 financial year and Lufthansa Cargo performed very strongly in the fourth quarter. This positive trend was buoyed by a high level of e-commerce demand. Lufthansa Cargo responded to this by shifting capacities, in particular from North America to China.

In the 2024 financial year, capacity was 9% higher than in the previous year. This was due to Lufthansa Cargo's additional freighter capacities as well as the expansion of passenger flight operations and the related increase in belly capacities. Capacity stood at 94% relative to its pre-crisis level in 2019. Sales rose by 14% compared with the previous year. The cargo load factor increased by 2.7 percentage points to 61.9% (previous year: 59.2%). Yields in all of Lufthansa Cargo's traffic regions fell over the year as a whole and were down 3.2% on the previous year, mainly due to lower fuel surcharges, but nonetheless remained significantly higher than their pre-crisis level in 2019. In the previous year, the high level of demand as a result of global supply chain disruptions, combined with limited capacity, was a significant factor which supported the revenue trend, in the first quarter of the year in particular.

T037 TRAFFIC FIGURES AND OPERATING FIGURES LOGISTICS

		2024	2023	Change in %
Available cargo tonne-kilometres	millions	13,706	12,620	9
Revenue cargo tonne-kilometres	millions	8,482	7,471	14
Cargo load factor	%	61.9	59.2	2.7 pts
Yields	€ cent	36.0	37.2	–3.2[1]

[1] Exchange rate-adjusted change: –2.0%.

Despite the lower yields, traffic revenue increased by 10% to EUR 3,054m (previous year: EUR 2,775m). Traffic revenue rose in all traffic regions year-on-year, with the Asia/Pacific region registering the strongest increase.

The Americas and Asia/Pacific remain Lufthansa Cargo's main traffic regions. These two regions account for nearly 90% of capacity and sales.

Lufthansa Cargo significantly expanded its capacity in the Asia/Pacific traffic region in particular, increasing its sales and also its cargo load factor in all its traffic regions.

T038 TRENDS IN TRAFFIC REGIONS LUFTHANSA CARGO

	Net traffic revenue external revenue		Available cargo tonne-kilometres		Revenue cargo tonne-kilometres		Cargo load factor	
	2024 €m	Change in %	**2024** in millions	Change in %	**2024** in millions	Change in %	**2024** in %	Change in pts
Europe	231	5	727	-7	328	13	45.1	+8.0
Americas	1,227	4	6,359	3	3,637	6	57.2	+1.9
Asia/Pacific	1,354	19	5,603	22	3,917	22	69.9	+0.1
Middle East/ Africa	242	3	1,017	-2	600	11	59.0	+7.0
Total traffic	**3,054**	**10**	**13,706**	**9**	**8,482**	**14**	**61.9**	**+2.7**

Financial performance

Revenue up 10% year-on-year

Revenue in the Logistics business segment rose by 10% to EUR 3,263m in the 2024 financial year (previous year: EUR 2,977m). This increase was due, in particular, to the development of the e-commerce business, in the Asia/Pacific region especially. Operating income increased overall by 9% to EUR 3,356m (previous year: EUR 3,090m).

Expenses up by 7%

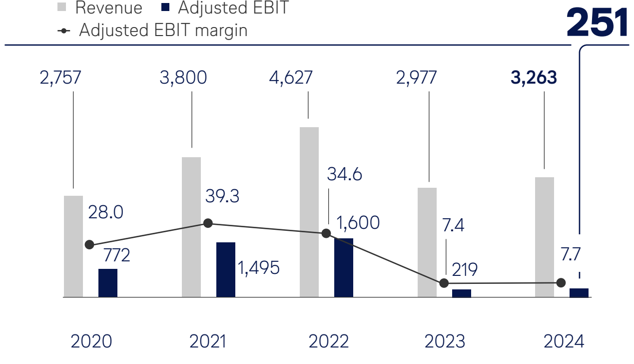
Operating expenses of EUR 3,147m were 7% up on the previous year (previous year: EUR 2,933m) in the reporting year.

T039 OPERATING EXPENSES LOGISTICS

	2024 in €m	2023 in €m	Change in %
Cost of materials and services	2,241	2,063	9
of which fuel	368	389	–5
of which fees and charges	361	302	20
of which charter expenses	1,232	1,100	12
of which MRO services	131	116	13
Staff costs [1]	443	419	6
Depreciation and amortisation [2]	198	182	9
Other operating expenses [3]	265	269	–1
Total operating expenses	**3,147**	**2,933**	**7**

[1] Without past service expenses/plan settlement.
[2] Without impairment loss.
[3] Without book losses.

C18 LOGISTICS: DEVELOPMENT OF REVENUE, ADJUSTED EBIT in €m AND ADJUSTED EBIT MARGIN in %



The cost of materials and services rose by 9% year-on-year to EUR 2,241m (previous year: EUR 2,063m). Fuel expenses decreased by 5% to EUR 368m (previous year: EUR 389m). This was largely price-related. Charter expenses rose by 12% to EUR 1,232m (previous year: EUR 1,100m), mainly due to increased belly expenses paid to Group companies.

Staff costs increased by 6% to EUR 443m in the 2024 financial year (previous year: EUR 419m), primarily on account of wage and salary increases as a result of wage settlements and pay rounds as well as a 2% increase in the average number of employees.

Depreciation and amortisation rose by 9% year-on-year to EUR 198m (previous year: EUR 182m) owing to the expansion of the freighter fleet.

Other operating expenses went down by 1% to EUR 265m, mainly due to lower currency effects (previous year: EUR 269m).

Adjusted EBIT of EUR 251m

Adjusted EBIT increased by 15% in the 2024 financial year to EUR 251m (previous year: EUR 219m). Of this amount, EUR 199m was attributable to the fourth quarter of 2024 alone (previous year: EUR 30m). The fourth quarter of 2024 was the best fourth quarter in the Company's history, with the exception of the years 2020 to 2022, which were marked by the coronavirus pandemic. The Adjusted EBIT margin improved by 0.3 percentage points to 7.7% (previous year: 7.4%).

EBIT of EUR 252m was 18% higher than in the previous year (previous year: EUR 214m).

Segment capital expenditure down 22% on the previous year

Capital expenditure in the Logistics business segment decreased by 22% in the reporting year to EUR 149m (previous year: EUR 191m). This mainly related to the addition of an 18th Boeing 777F cargo aircraft, while the previous year's figure had included advance payments for two Boeing 777Fs.

Number of employees up by 3%

The number of employees at year-end increased by 3% to 4,261 (previous year: 4,152).

MRO BUSINESS SEGMENT

T040 KEY FIGURES MRO

		2024	2023	Change in %
Revenue	€m	7,441	6,547	14
of which with companies of the Lufthansa Group	€m	2,405	2,158	11
Operating income	€m	7,918	7,028	13
Operating expenses	€m	7,292	6,383	14
Adjusted EBITDA	€m	790	785	1
Adjusted EBIT	€m	635	628	1
EBIT	€m	584	628	-7
Adjusted EBIT margin	%	8.5	9.6	–1.1 pts
Adjusted ROCE	%	10.9	12.0	–1.1 pts
Segment capital expenditure	€m	206	137	50
Employees as of 31 Dec	number	24,499	22,870	7
Average number of employees	number	23,789	21,925	9
Fully consolidated companies	number	26	25	4

Business activities

Lufthansa Technik is the world's leading MRO provider

Lufthansa Technik is the world's leading manufacturer-independent provider of maintenance, repair and overhaul services (MRO) for civilian commercial aircraft. This company is divided up into five different areas, three of which are traditional MRO areas (Engine Services, Aircraft Component Services, Aircraft Maintenance Services) and two of which represent fields of the future (Digital Fleet Services and Original Equipment & Special Aircraft Services).

The Lufthansa Technik group comprises 33 plants (previous year: 30 plants) offering technical aviation services worldwide. The company also holds direct and indirect stakes in 64 companies. Lufthansa Technik serves more than 800 customers worldwide, including OEMs, aircraft leasing companies, VIP jet operators, governments and armed forces as well as airlines. Around one third of its business comes from entities in the Lufthansa Group and two thirds from clients outside of the Lufthansa Group.

Lufthansa Technik is certified worldwide for maintenance, design and production services. The company holds a comprehensive range of approvals as a maintenance company which it has been issued by the EU authorities as well as the authorities in over 40 other countries. Its design organisation approvals (DOA) mean that Lufthansa Technik is able, for instance, to carry out aircraft modifications or repairs even if the company lacks the relevant type certificate. By virtue of its approvals in the field of production, Lufthansa Technik is able to manufacture components for aircraft, such as spare parts for use in repairs.

The MRO market is characterised by high entry barriers. They stem from the necessary technical know-how, because air safety and quality have top priority. Both official certifications and licences from OEMs are also needed. Then there is the significant capital spending and investment required to provide MRO services.

Clear strategic roles for MRO areas

Lufthansa Technik's five MRO areas have clear strategic roles and realise synergies.

Its Engine Services area offers a comprehensive range of engine services worldwide. Its product offering encompasses the entire range of services for modern engines, such as overhaul, repair, mobile and auxiliary power unit (APU) services for virtually all manufacturers. It contributes roughly one third of Lufthansa Technik's revenue and will be a strong growth driver over the next years, in particular for maintenance of the new generation of engines.

Lufthansa Technik's Aircraft Component Services area likewise contributes around one third of the revenue and serves as an integrator which bundels the repair of a wide range of components of OEMs and aircraft manufacturers at Lufthansa Technik's workshops. Its "Total Component Support" (TCS) product combines Lufthansa Technik's component pool (the world's largest) with integrated in-house logistics and AI-supported materials management in real time, in order to maximise the availability of components for all of its customers.

Lufthansa Technik's Aircraft Maintenance Services plays a leading role in the standardised and efficient overhaul of civilian, commercially operated aircraft (base maintenance). Support covers the entire life cycle, and comprises complex aircraft modifications as well as mobile services that are offered worldwide.

The Digital Fleet Services area develops the "Digital Tech Ops Ecosystem" and offers customers digital products to implement and optimise technical aircraft operations. The use of modern technologies, such as artificial intelligence, and the availability of the ever-growing data pool play a key role. The area relies on flexible, cloud-based IT solutions that are offered primarily under software-as-a-service (SaaS) contracts.

The Original Equipment & Special Aircraft Services area serves a broad range of customers that includes VIP customers, aircraft manufacturers and governments. Its portfolio ranges from specialised engineering services through to the mass production of products developed internally. This represents the nucleus of Lufthansa Technik's growing Defence business.

Course of business and operating performance

Strong demand for MRO services

Lufthansa Technik once again reported a positive course of business in the reporting year. Strong demand for flights led to rising demand for maintenance and repair services as well as other Lufthansa Technik products and services, which in turn had a positive impact on revenue and earnings. The ongoing shortage of materials and staff continues to constitute a burden. While the shortage of materials is mainly attributable to delays in deliveries by the manufacturers and suppliers of aircraft, engines and aircraft components, the staff shortage is the result of the multiple-year training and skill-building programmes in the MRO field. Despite this operational burden and strike-related work stoppages in the first quarter of 2024, Lufthansa Technik was again able to surpass its very strong result of the previous year and achieved record revenue and Adjusted EBIT volumes.

Lufthansa Technik working on Ambition 2030 growth programme

Lufthansa Technik is continuing to pursue its Ambition 2030 growth programme. This programme aims to expand Lufthansa Technik's leading global position in the technical servicing of aircraft fleets. In the engine business in particular, a permanently increased level of demand for repair and overhaul services is expected, since the number of older engines in global flight operations remains high due to delays in deliveries of the newly developed engine types, while these new engine types require a higher level of maintenance intensity. The Ambition 2030 programme therefore envisages wide-ranging capital expenditure over the next years for the expansion of core business, additional bases and a greater international presence (potentially also by means of acquisitions) as well as the expansion of digital business models. By 2030, Lufthansa Technik therefore aims to increase its revenue to beyond EUR 10bn and its Adjusted EBIT to in excess of EUR 1bn.

Measures initiated to boost profitability and cash flow

Despite Lufthansa Technik's leading global position, pressure on operating margins remains high due to cost inflation as well as the shortage of materials and staff. The company is pursuing clear strategic initiatives in order to achieve its Ambition 2030 target of an Adjusted EBIT margin of more than 10% by 2030. These consist of measures to optimise the cost of materials and services as well as the development of new repair procedures and the use of alternative spare parts, further optimisation of Lufthansa Technik's site and service portfolio, its Digitize the Core digital initiatives and ramped-up growth in individual areas such as Engine Parts Repair and Mobile Engine Services.

At the same time, it is stepping up measures to boost cash flow. These consist of a further improvement in the turnaround time (TAT) in its workshops, the launch of operational excellence initiatives, the commercial improvement of net working capital, improvements in its production network (make-or-buy decisions and the use of big data) as well as an improvement in the efficiency of its component pool (introduction of a new AI-based planning tool).

Investments in the future are started

The capital expenditure planned for Ambition 2030 exceeds EUR 1.8bn for the period up to 2030 and will be committed to all three world regions, the Americas, APAC (Asia/Pacific) and EMEA (Europe, the Middle East and Africa).

Lufthansa Technik is pursuing three new construction projects at its head office in Hamburg, including additional workshop buildings for its Aircraft Component Services and Special Aircraft Services and a hydraulics workshop for which the topping-out ceremony has already taken place. At its Alzey site, Lufthansa Technik has begun work on the construction of a new storage and logistics centre for aircraft engines and their spare parts at Lufthansa Technik AERO Alzey. It has established a new company in Portugal as part of its ”New-Star” project, which will develop an additional production site for Engine Services and Aircraft Component Services. This future plant for the repair of aircraft components and engine parts is expected to be completed by the end of 2027. It will be fitted out with the latest technologies in the MRO sector, in order to achieve a lasting increase in Lufthansa Technik's repair capacities in Europe.

In the APAC region, Lufthansa Technik intends to further expand its existing base maintenance capacity in the field of Aircraft Maintenance Services. It is also increasing its MRO capacity in the Americas region. In the reporting year, it founded the Canadian company Lufthansa Technik Canada Inc. in order to provide additional repair capacities for Engine Services in the North American MRO market for the new generation of engine types especially. Additional component repair capacity is being established at Lufthansa Technik Component Services LLC's site in Tulsa, USA.

Growth through company transactions

Lufthansa Technik increased its capacities in the heat exchanger field in the reporting year with its purchase of a majority stake in ETP Thermal Dynamics LLC, Tulsa, USA. Following this first acquisition since 2016, it is now examining additional acquisitions in order to increase its level of MRO value creation and vertical integration in the North America region in particular. The focus here is on areas of expertise in the repair of specific components. Company transactions are also an instrument for growth in the defence and digital businesses.

Focus on recruiting new professionals

The high level of demand for qualified professionals continued in the reporting year in both the operating and the administrative areas. Lufthansa Technik is responding to this need with various national and international recruiting activities.

It is increasingly focusing on groups which it has targeted less strongly to date with Lufthansa Technik stepping up its hiring activities outside Germany. It is also deliberately targeting people of retirement age through the "Senior Experts" programme which it launched in the previous year. The "women@ LHT" programme is intended to strengthen diversity in the working environment and attract a greater number of women to join Lufthansa Technik. Lufthansa Technik also has strategic partnerships, for example with universities. It is continuously working on improvements to its application and onboarding process. This approach includes low-threshold application procedures. In addition, welcome events offer guidance for new employees during their first few days at the company. Lufthansa Technik is also continuing to employ many apprentices and students on combined degree programmes once they finish their training and courses. More than 300 junior staff started work at its German sites alone in the reporting year.

Future business safeguarded by a large number of new contracts as well as fleet growth

Lufthansa Technik serviced some 4,800 aircraft under long-term component contracts at the end of the 2024 financial year (4% more than in the previous year). This increase is being driven by the growth of aircraft fleets for which Lufthansa Technik already has long-term contracts and by the signing of new contracts. Seventeen new customers were acquired over the course of the reporting year and 936 new contracts were signed with a volume of EUR 7.5bn, EUR 0.8bn of which was with companies in the Lufthansa Group. The slight year-on-year decrease in the volume of new business reflects Lufthansa Technik's currently still limited production capacities. For this reason, it is deliberately restricting its acquisition of new business to selected areas.

New long-term contracts for component supplies were signed with several airlines. For instance, Lufthansa Technik has signed an exclusive agreement to service a total of 193 aircraft in the A320 and A330 family with the emerging airline Vietjet from Vietnam. Lufthansa Technik is also set to handle the supply of components for Air India's entire B777 fleet. With this first long-term contract, these two companies have laid the foundation for their future cooperation in what is currently one of the world's largest growth markets for the aviation industry.

In the field of engine maintenance, Lufthansa Technik has also signed new contracts for various engine types, including with the Filipino low-cost carrier Cebu Pacific for the maintenance of a significant number of CFM56-5B engines for its A320ceo fleet and with LOT Polish Airlines for engine maintenance for its B737NG fleet's CFM56-7B engines.

Lufthansa Technik has also expanded its partnership with Boeing. Lufthansa Technik has thus now become the first Boeing-licensed service centre for cabin modifications to B787 Dreamliner aircrafts. Operators, lessors and other companies seeking to modify the cabins of their B787s are now able to cooperate with Lufthansa Technik in this area.

Digitalisation is progressing

In its MRO core business segment, Lufthansa Technik is moving forward with digitalisation and product modularisation as part of its Digitize the Core initiative, in order to achieve its Ambition 2030 goal of becoming a fully digitalised MRO provider by 2030. Lufthansa Technik is bringing together the operational and digital skills for technical aircraft operations in its Digital Tech Ops Ecosystem. This consists of AVIATAR as a platform for data-based analytics solutions, flydocs as a digital records and asset solution and AMOS, a product of Swiss Aviation Software AG, the world market leader in the field of maintenance and engineering/MRO software.

At the end of 2024, the data from around 4,400 aircraft (thus 33% more than in the previous year) was already connected to the AVIATAR platform with service contracts. Lufthansa Technik has also expanded its digital services. For instance, it has launched its Engineering Analytics Suite application as part of its AVIATAR Reliability Solutions. This enables customers to produce live data analyses for fleet performance indicators.

Defence business expanded

Alongside MRO services and digital services for civil and commercial aircraft operators, Lufthansa Technik is driving the expansion of its new Defence business. For instance, in the reporting year Lufthansa Technik signed a letter of intent on cooperation in the field of global maintenance and logistics services with Lockheed Martin, a global aviation and defence technology company.

Lufthansa Technik celebrated the Pegasus programme's maiden flight as part of its cooperation with the German Air Force. Here, Lufthansa Technik is handling system integration and aircraft certification for Germany's next-generation signals intelligence aircraft. Lufthansa Technik has also begun to provide skill-building courses for the technical staff of the German Navy, by way of preparation for the forthcoming addition to its fleet of the new maritime reconnaissance aircraft P-8A Poseidon. Lufthansa Technik has serviced the aircraft of the Special Air Mission Wing at the German Federal Ministry of Defence for more than 60 years. In the reporting year, it handed over the final government Airbus A350 aircraft, the "Kurt Schumacher", to the Special Air Mission Wing.

AeroSHARK surface technology reduces carbon emissions

Lufthansa Technik aims to use technology to make flying more sustainable in future. The AeroSHARK fuel-saving surface technology which it developed together with BASF was further rolled out in the reporting year. As of the end of 2024, 21 Boeing 777 and B777F aircraft have been fitted with AeroSHARK. Demand from non-Group customers has picked up significantly. In the reporting year, LATAM therefore decided to equip four more of its aircraft with this innovative film. Further contracts were signed with All Nippon Airways and EVA Air.

Lufthansa Technik's Cyclean Engine Wash solution is a further product which conserves resources. It is already available at over 60 locations worldwide. In the financial year, Lufthansa Technik added the key market of India here.

Financial performance

Revenue up by 14% on previous year

Revenue in the MRO business segment climbed by 14% in the 2024 financial year to EUR 7,441m (previous year: EUR 6,547m). Lufthansa Technik benefited from increased demand for maintenance and repair services due to the rising number of flights.

Performance was driven by the Engine Services and Aircraft Component Services MRO areas in particular. Both external revenue and revenue with companies of the Lufthansa Group increased year-on-year. Operating income rose by 13% to EUR 7,918m (previous year: EUR 7,028m).

Expenses 14% higher than in previous year

Operating expenses increased in the reporting year proportionately to revenue, by 14% to EUR 7,292m (previous year: EUR 6,383m).

The cost of materials and services rose by 18% to EUR 4,525m due to higher volumes and prices (previous year: EUR 3,844m). This reflected the positive course of business, which led to an increase in material consumption and the volume of external services, as well as significant increases in materials prices due to the shortage of materials.

Staff costs of EUR 1,700m were 9% higher than in the previous year (previous year: EUR 1,559m), due primarily to the higher average number of employees, as well as to pay scale and salary increases.

Depreciation and amortisation were stable year-on-year at EUR 155m (previous year: EUR 157m).

T041 OPERATING EXPENSES MRO

	2024 **in €m**	2023 in €m	Change in %
Cost of materials and services	4,525	3,844	18
of which raw materials, consumables and supplies	2,610	2,188	19
of which external services	1,915	1,656	16
Staff costs [1]	1,700	1,559	9
Depreciation and amortisation [2]	155	157	–1
Other operating expenses [3]	912	823	11
Total operating expenses	**7,292**	**6,383**	**14**

[1] Without past service expenses/plan settlement.
[2] Without impairment loss.
[3] Without book losses.

Adjusted EBIT reaches new record of EUR 635m

Adjusted EBIT improved by 1% in the reporting year to EUR 635m (previous year: EUR 628m), a new record. The Adjusted EBIT margin dropped by 1.1 percentage points to 8.5% (previous year: 9.6%).

EBIT came to EUR 584m (previous year: EUR 628m). The difference in relation to Adjusted EBIT stems mainly from write-downs on joint ventures as well as expenses for restructuring.

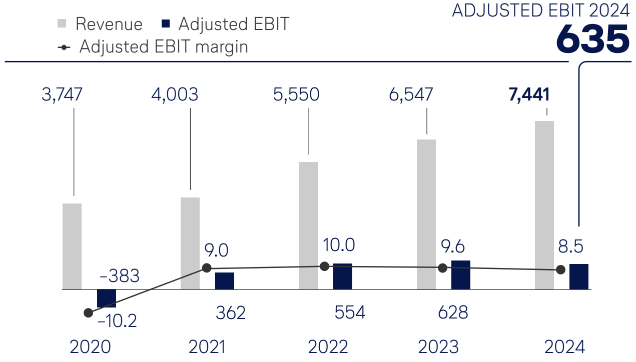
Segment capital expenditure up by 50%

Segment capital expenditure in the MRO business segment has risen by 50% to EUR 206m (previous year: EUR 137m). Capital expenditure mainly concentrated on property, plant and equipment and financial investments. Within property, plant and equipment, it focused particularly on ongoing new building projects, technical equipment, machinery and operating materials for MRO services for various next-generation aircraft and engine models. Capital expenditure on financial investments mainly went to affiliated (not consolidated) companies and joint ventures.

Number of employees rises by 7%

The number of employees at the end of 2024 was up by 7% year-on-year to 24,499 (previous year: 22,870). This growth in the workforce reflects recruitment activities as a result of the increased volume of business and occurred equally both in Germany and abroad.

C19 MRO:
DEVELOPMENT OF REVENUE, ADJUSTED EBIT in €m
AND ADJUSTED EBIT MARGIN in %



ADDITIONAL BUSINESSES AND GROUP FUNCTIONS

T042 KEY FIGURES ADDITIONAL BUSINESSES AND GROUP FUNCTIONS

		2024	2023	Change in %
Operating income	€m	3,230	3,245	0
Operating expenses	€m	3,465	3,499	–1
Adjusted EBITDA	€m	–69	–93	26
Adjusted EBIT	€m	–173	–206	16
EBIT	€m	–108	–252	57
Segment capital expenditure	€m	169	65	160
Employees as of 31 Dec	number	7,777	8,681	–10
Average number of employees	number	8,326	8,411	–1

Additional Businesses and Group Functions include the Group's service companies, above all Lufthansa Aviation Training and Lufthansa Systems, as well as the Group Functions for the Lufthansa Group. Lufthansa AirPlus Servicekarten GmbH was sold in July 2024.

Lufthansa Aviation Training benefits from high level of demand for training

Lufthansa Aviation Training GmbH (LAT) is one of the world's leading aviation training companies, providing vocational and professional training for cockpit and cabin crew at twelve international training centres. LAT's customer portfolio includes the companies of the Lufthansa Group as well as more than 250 German and international airlines.

The need to train cockpit and cabin crews remains high in the Lufthansa Group in particular, due to continuing demand for flights and planned acquisitions of new aircraft types. LAT was thus once again able to achieve a year-on-year increase in its training volume and the load factors for the simulators in its Pilot Training segment.

In the summer of 2024, LAT opened a new and innovative training centre in Brussels featuring a large number of modern training simulators where safety and service training courses can be provided in line with the latest standards. A virtual reality training area rounds off the modern equipment at this new training centre in Brussels.

LAT's European Flight Academy (EFA) once again registered growing numbers of students in the reporting year.

In order to also improve the level of sustainability in its pilot school, LAT conducted various test flights in 2024 with an electrical version of the DA-40 single-engine training aircraft, together with this aircraft's manufacturer Diamond. Participation in these tests enables the EFA to develop a deep understanding of electrotechnology early on and thus paves the way for it to continue to offer training courses to the latest standards.

LAT is also continuing to expand its business beyond the field of traditional airline training and offers simulators for helicopters and business aviation jets and in the field of spaceflight training.

LAT's Adjusted EBIT amounted to EUR 21m in the 2024 financial year (previous year: EUR 16m).

Lufthansa Systems demonstrates continuous strength in a dynamic environment

In the 2024 financial year, Lufthansa Systems continued its successful development as a leading provider of IT solutions for the airline industry.

Lufthansa Systems' IT solutions are and will remain a key factor in its successful relationships with around 350 customers who are increasingly focusing on digital transformation and efficiency gains. Via targeted capital expenditure in innovation, data analytics and automation, Lufthansa Systems was not only able to meet the needs of its existing customers but also establish new partnerships in strategic markets.

Within the Lufthansa Group, it strongly expanded its business for the third consecutive year and thus made a significant contribution to the Lufthansa Group's digitalisation. It has considerably expanded its business in the field of digital solutions and services in particular.

Including all its equity investments, Lufthansa Systems generated an Adjusted EBIT of EUR 2m in the reporting year (previous year: EUR 4m).

Sale of AirPlus completed

On 31 July 2024, the Lufthansa Group completed the sale of AirPlus International GmbH (formerly Lufthansa AirPlus Servicekarten GmbH). AirPlus is a leading international provider in the global market for payment and billing services.

With the completion of this transaction, AirPlus, along with all of its international subsidiaries and branches, was transferred from Lufthansa Group to SEB Kort Bank AB, headquartered in Stockholm. Its sale had been contractually agreed in June 2023. The purchase price was approximately EUR 450m.

The sale of this payment expert forms part of the Lufthansa Group's strategy of focusing even more strongly on its core business.

Adjusted EBIT of AirPlus in the reporting year came to EUR –34m (previous year: EUR –56m). The net result on disposal was EUR 92m.

Group Functions result is below previous year's level

The earnings for the Additional Businesses and Group Functions business segment are largely determined by the Group Functions, whose earnings reflect the currency hedging and financing activities carried out by Deutsche Lufthansa AG on behalf of the companies in the Group. The result is therefore generally heavily exposed to exchange rate movements.

The operating income of the Group Functions declined by 9% to EUR 1,581m (previous year: EUR 1,745m) in the reporting year. This reflected low exchange rate gains in particular. Operating expenses of EUR 1,831m were 6% lower than in the previous year (previous year: EUR 1,958m), due above all to reduced exchange rate losses and lower variable salary components as part of staff costs. Adjusted EBIT of EUR –250m was 17% down on the previous year (previous year: EUR –213m).

Result for Additional Businesses and Group Functions up on previous year

Operating income from Additional Businesses and Group Functions amounted to EUR 3,230m in the 2024 financial year and thus matched the previous year's level (previous year: EUR 3,245m).

At EUR 3,465m, operating expenses were likewise in line with the level for the previous year (previous year: EUR 3,499m).

Adjusted EBIT rose by 16% in the reporting year to EUR –173m (previous year: EUR –206m). In particular, this reflected improved earnings contributions from the service companies in the areas of general administration and IT innovations, supported by the lack of negative earnings contributions from AirPlus due to its sale in July 2024. EBIT amounted to EUR –108m (previous year: EUR –252m). The difference in relation to Adjusted EBIT in the reporting year mainly resulted from the disposal gain from the sale of the AirPlus companies.

OPPORTUNITIES AND RISK REPORT

- The management of opportunities and risks is integrated into all business processes.
- Risks are identified early and are managed and monitored proactively.
- Targeted use of opportunities.
- Continued recovery in demand for flights and stronger balance sheet combine to reduce risk.
- Geopolitical conflicts, resource and supply-chain bottlenecks and cyclical developments cause certain risks to increase.
- In view of its risk-mitigation measures and strong balance sheet, the Executive Board of the Lufthansa Group does not consider that the continued existence of the Lufthansa Group is at risk.

OPPORTUNITIES AND RISK MANAGEMENT

Opportunity management process

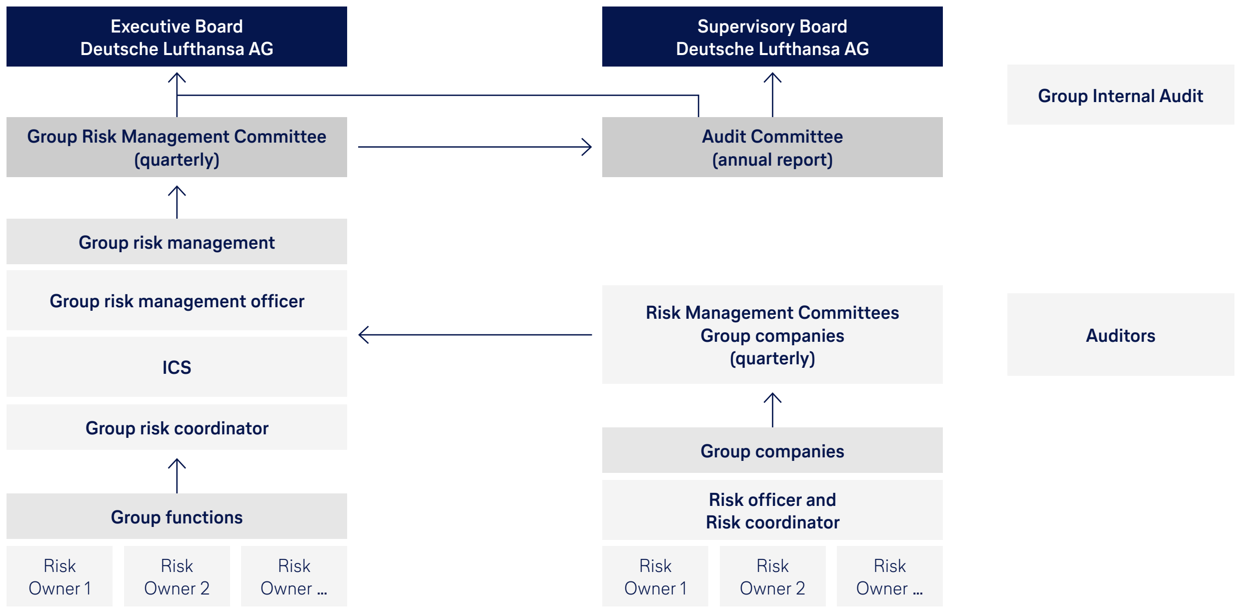
For the highly dynamic global airline industry, opportunities can arise both externally – from new customer requirements, market structures, ongoing consolidation or changes in the regulatory environment – and internally – from new products, innovations, quality improvements and further competitive differentiation.

Employees and managers in the Lufthansa Group identify opportunities by continuous market observation and in the course of ongoing reviews of existing products and processes. Opportunity management is also an integral part of the annual strategy and planning processes. Scenario analyses and accurate return calculations are used to examine opportunities in detail. Opportunities that, in an overall assessment, are considered advantageous for the development of the Lufthansa Group are pursued by means of defined steps. They are managed by established planning and forecasting processes as well as by projects. Opportunities relevant for the Group are incorporated into the Group strategy ↗ **Group strategy.** The individual business segments also identify and follow through on their own specific opportunities. ↗ **Business segments.**

Objectives and strategy of the risk management system

Risk management at the Lufthansa Group aims to fully identify material risks, to present and compare them transparently and to assess and manage them. Risk owners are obliged to monitor and manage risks proactively and to include relevant information in the planning, management and control

C20 RISK MANAGEMENT IN THE LUFTHANSA GROUP



processes. The Group guidelines on risk management adopted by the Executive Board define all the binding methodological and organisational standards for dealing with opportunities and risks.

Structure of the risk management system

The scope of the Lufthansa Group's risk management system comprises all the passenger airlines in the Lufthansa Group, including the Logistics and MRO business segments, as well as Lufthansa Aviation Training, Miles & More, Lufthansa Global Business Services, the IT companies and the Delvag Group. The company AirPlus International GmbH is no longer part of the Lufthansa Group following the sale.

The chart ↗ C20 **Risk management in the Lufthansa Group** shows the different functions involved.

The Supervisory Board's Audit Committee monitors the existence and effectiveness of the Lufthansa Group's risk management.

The Risk Management Committee ensures, on behalf of the Executive Board, that processes, structures and rules are established to identify, manage and assess business risks at an early stage across all functions and processes. It is also responsible for improving the effectiveness and efficiency of risk management. Appointments to and the responsibilities of the committee are defined in internal regulations.

The Corporate Controlling department has functional responsibility for ensuring that the risk management system is standardised across the Group. The responsible unit head reports directly to the CFO. Group risk management is responsible for implementing uniform standards and methods, for coordinating and continuously refining the risk management process and for all risk management reporting in the Lufthansa Group.

The managing directors or management boards of all the companies covered by the risk management system also appoint risk managers. They are responsible for implementing the Group guidelines within their own companies and are in close, regular dialogue with the Lufthansa Group's risk management function. In addition, they ensure that risk-relevant information is agreed with the planning and forecasting processes in their company (risk controlling).

Managers with budgetary and/or disciplinary responsibility are designated as risk owners. Their role is to implement risk management for their area. The identification, evaluation, monitoring and management of risks are therefore fundamental aspects of every management role. The "Principles of risk management" stipulate that the occurrence of material predictable risks that have not been reported in the past is considered to be a serious management error.

The Internal Audit department carries out internal, independent system audits focusing on the appropriateness and effectiveness of the risk management system practised in the Lufthansa Group.

During its audit of the financial statements, the auditor examines the system for the early identification of risks in place at Deutsche Lufthansa AG with regard to statutory requirements. In the 2024 financial year, the audit found that the statutory requirements of Section 91 Paragraph 2 AktG were met.

Stages of the risk management process

The closed and continuous risk management process, which is supported by IT, begins with the identification of current and future risks from all material internal and external areas.

The Lufthansa Group defines risks as possible negative deviations from a budget figure, a forecast or a defined objective. The risks identified are checked for plausibility by the companies' risk coordinators and gathered together in the Group's risk portfolio. The risk portfolio documents the systematic entirety of all individual risks and constitutes the quality-assured result of the identification phase. As the risk landscape is dynamic and subject to change, the identification of risks is a continuous task for the risk owners.

Risk owners are obliged at least once a quarter to verify that the risks for which they are responsible are complete and up to date. They also evaluate the extent to which circumstances involving risk have already been included in the forecast results and to what extent there are additional opportunities or risks of achieving a better or worse result than the one forecast. They actively manage opportunities and risks by means of risk mitigation instruments and measures.

On this basis, the Executive Board is regularly informed about the current risk situation of the Lufthansa Group and its operating segments.

The Executive Board reports annually to the Audit Committee on the performance of the risk management system, the current risk situation of the Lufthansa Group and on significant individual risks and their management. In the event of significant changes to previously or recently identified top risks, mandatory ad hoc reporting processes have been defined in addition to these standard reports.

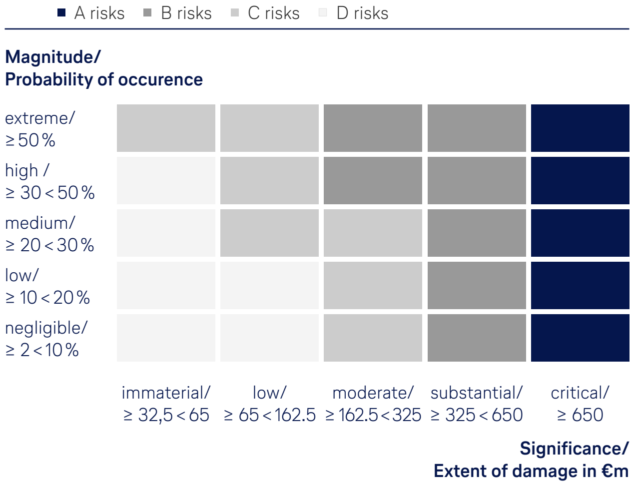
Evaluation methodology in the risk management process

Once the risks have been identified, all the individual risks are measured according to uniform measurement principles. Risks are generally evaluated on a net basis, i.e. taking implemented and effective management and monitoring instruments into account. A methodological distinction is made between qualitative and quantitative risks. Regardless of the risk type, objective criteria or figures derived from past experience are used for the evaluation wherever possible. Risk measurement thus forms the basis for aggregating similar individual risks into a consolidated risk. Suitable instruments for risk management are defined with the aim of proactively limiting the risk position. Continuous risk monitoring identifies changes in individual risks and any required adjustments to risk management at an early stage. Steps necessary to manage and monitor risks are initiated as required. Steps, in this sense, mean clearly defined activities with a fixed duration, responsibility and time frame, which serve to develop control instruments.

Qualitative risks are mostly long-term developments with potentially adverse consequences for the Lufthansa Group. As concrete information is often not available, these risks cannot or cannot yet be quantified. In the context of qualitative risks, the risk management process involves a strategic approach to uncertainty. In order to evaluate such risks as systematically as possible in spite of this, estimates are made about their significance and their magnitude. Significance describes the potential impact of the individual risk – for example, on the Group's reputation, business model or earnings. The estimate of magnitude assesses how pronounced or intense the signals are that indicate a potential risk to the Lufthansa Group or a specific company. Chart ↗ C21 **Lufthansa risk evaluation for qualitative and quantitative risks** shows the different categories used.

Quantitative risks are those whose potential effect on earnings can be estimated. A distinction is made between different probabilities of occurrence. The extent of loss is given as the potential monetary impact on adjusted EBIT. Depending on the type of risk, this may relate either to infrequent event risks, such as an IT failure following a cyberattack, or to risks arising from deviations from planned business developments, due to fuel price volatility, for instance. Quantitative risks therefore form the basis for the overarching verification of potential deviations from plans and forecasts. The thresholds for classifying the monetary Adjusted EBIT effect are defined centrally and validated annually for the Lufthansa Group and the Group companies according to standardised criteria.

C21 **LUFTHANSA RISK EVALUATION FOR QUALITATIVE AND QUANTITATIVE RISKS**



The individual qualitative and quantitative risks are divided into classes A, B, C, D and other risks to assess their materiality. In accordance with DRS 20, all quantitative A and B risks as well as all qualitative A and B risks that are at least of a "substantial" significance and a "high" magnitude count as material risks for the Lufthansa Group. ↗ C21 **Lufthansa risk evaluation for qualitative and quantitative risks.**

Risks for the Lufthansa Group that meet this materiality criterion are presented in a table in the order of their significance for the Lufthansa Group in the section ↗ **Risks at an individual level,** and are described in detail below. In some cases, similar risks are shown here in a more aggregated form than that used for internal management purposes. Unless stated otherwise, all the operating segments in the Lufthansa Group are exposed to a greater or lesser degree to the risks described.

Description of risk-bearing capacity

The Lufthansa Group's risk management system includes a concept for calculating its risk-bearing capacity. It entails comparing an indicator of risk-bearing capacity based on liquidity with the aggregated top risks per quarter in order to ensure that sufficient funds are available to cover the risk. The top quantitative risks are weighted and aggregated on the basis of the risk value. The top qualitative risks are also factored into the measurement model and assessed on an aggregate basis. This presentation is part of the quarterly reporting to the Executive Board. This procedure is based on the standard IDW 304 as amended.

Use of the European Sustainability Reporting Standards in risk management

The Lufthansa Group changed the framework for its sustainability reporting to the European Sustainability Reporting Standards (ESRS) in the 2024 financial year. By moving from the Global Reporting Initiative (GRI) to the ESRS, the Lufthansa Group meets the stricter regulatory requirements and complies with the new European standards. The ESRS framework requires detailed disclosures on how companies deal with sustainability risks and opportunities. By adopting these standards, the Lufthansa Group underlines its commitment to sustainable development and responsible corporate governance. The switch improves the measurement of sustainability-related business risks and opportunities and ensures a more comprehensive and far-sighted approach to risk management, as well as transparent communication with stakeholders. Details of the materiality assessment can be found in the ↗ **Combined non-financial declaration.**

Internal control system for monitoring the risk management process

The risk management process in the Lufthansa Group is monitored by an internal control system (ICS). This entails systematically reviewing the effectiveness of control measures for material risks as part of the Lufthansa Group's ICS. The relevant risks are selected annually. The review includes an assessment of the structure and its functionality. Reporting on the results of the review forms part of the report to the supervisory boards of the individual companies on the effectiveness of the ICS, and to the Audit Committee of the Deutsche Lufthansa AG Supervisory Board on an overall basis.

OPPORTUNITIES AT AN INDIVIDUAL LEVEL

For the highly dynamic global airline industry, opportunities can arise both externally – from new customer requirements, market structures, ongoing consolidation or changes in the regulatory environment – and internally – from new products, innovations, quality improvements and further competitive differentiation.

Employees and managers in the Lufthansa Group identify opportunities by continuous market observation and in the course of ongoing reviews of existing products and processes. Opportunity management is also an integral part of the annual strategy and planning processes. Scenario analyses and accurate return calculations are used to examine opportunities in detail. Opportunities that, in an overall assessment, are considered advantageous for the development of the Lufthansa Group are pursued by means of defined steps. They are managed by established planning and forecasting processes as well as by projects. Opportunities relevant for the Group as a whole are incorporated into the Group strategy. ↗ **Group strategy.** The individual business segments also identify and follow through on their own specific opportunities.

Macroeconomic opportunities

Economic environment

The Lufthansa Group's forecast for 2025 is based on the expectation that future macroeconomic conditions and sector developments will correspond to the description given in the ↗ **Forecast.** If the global economy performs better than forecast, this is expected to have a positive effect on the Lufthansa Group's business. Future revenue and earnings for the Lufthansa Group may, in this case, exceed the current forecast. As a global company, the Lufthansa Group can also benefit from positive developments outside its own home markets.

Opportunities beyond those specifically planned for by the Lufthansa Group for the years ahead could arise, particularly if the armed conflicts in Ukraine and the Middle East come to an end swiftly. This would probably lead to a lifting of the restrictions in international aviation, which could have a positive impact on the Lufthansa Group's costs and competitive position.

Ongoing stimulus measures and a faster-than-expected reduction in interest rates in the main global economies could also lead to a further upswing in demand and thus to higher revenue for the Lufthansa Group.

Sector-specific opportunities

Development of markets and competition

In line with the expectations of the International Air Transport Association (IATA), the Lufthansa Group's forecasts assume that the airline industry will continue to grow as a whole, despite global challenges such as ongoing resource bottlenecks and geopolitical uncertainties. Additional opportunities could arise for the Company, leading to an improvement in earnings, if procurement markets develop better than forecast and demand, especially for business travel, is stronger. The conditions for this include stable political conditions and capacity growth in the overall market aligned with changes in demand.

Market consolidation

The consolidation trend in the fragmented European airline sector is expected to continue.

The Lufthansa Group remains willing and able to play an active role in consolidating the market and seizing opportunities as they arise, in order to increase its market relevance.

Technical innovations

The entire aviation industry is particularly dependent on developments and innovations by aircraft and engine manufacturers as well as technology partners. In view of the increasing focus on climate protection and stricter climate legislation, the development of technologies with lower or no emissions could accelerate and be ready for the market earlier.

Company-specific opportunities

Initiatives to increase efficiency and promote cooperation throughout the Company

Current market developments and higher costs call for an economic realignment, especially at Lufthansa Airlines. Lufthansa Airlines has initiated a turnaround programme for this purpose. By means of cost-cutting and efficiency-enhancing measures, combined with capital expenditure in customer satisfaction, this programme opens up the opportunity to generate reasonable profits in the long term. Other efficiency and earnings-improvement programmes in the Group will be united under one overarching central project.

Additional opportunities for the Lufthansa Group would arise if the steps taken are more successful than planned and additional measures with a positive earnings impact are identified and implemented. Net profit for the period could develop better than forecast on the whole in both cases. ↗ **Risk of failure to achieve cost-cutting targets.**

In addition, the Lufthansa Group has a company-wide cultural initiative to promote cooperation across hierarchies and businesses, in order to act more efficiently and flexibly in future.

Fleet modernisation

The Lufthansa Group benefits from strategically renewing its fleet. Modernising the fleet structure helps to cut emissions, increase fuel efficiency and reduce maintenance and staff costs, thus directly improving earnings.

For the Lufthansa Group, additional opportunities would arise if the optimisation of the Group fleet and the positive earnings effect could be realised faster than expected as a result of favourable purchasing opportunities and the resolution of bottlenecks in the supply chain.

Partnerships and cooperation

Partnerships with other airlines are important to strengthen the market presence in key traffic regions. The Lufthansa Group's successful joint ventures are therefore being developed and the aim is to expand partnerships in all key markets.

The Lufthansa Group airlines based in economically strong regions are attractive as partners for other airlines and intermodal partners, such as railway companies, within Europe and elsewhere. Connecting new markets as part of existing and new cooperation agreements gives the Company the opportunity to reach additional customers and generate revenue.

Development of customised products and services

The further sharpening of the customer focus is a core element of the Lufthansa Group's strategy. The key aspects here are individualisation, digitalisation and sustainability. Developing new, innovative and sustainable products and services on the ground and on board, which are tailored to the individual needs of customers along the entire travel chain, creates opportunities for increasing income.

Innovation and digitalisation

It is vital to consistently exploit the potential for innovation and digitalisation in order to stay relevant in a market environment that is defined by higher customer expectations of digital services and competitive pressure to be efficient. Efficiency gains, cost savings and additional income that exceed planned amounts as a result of innovation and digitisation represent an opportunity for the Lufthansa Group.

Sustainability

Sustainability aspects play an increasingly important role for the Lufthansa Group. The Lufthansa Group therefore works continuously to improve its environmental efficiency. Technology partnerships across sectors, as in the field of sustainable aviation fuels for example, present opportunities for the Lufthansa Group to gain early economic benefits from new technologies. The Lufthansa Group's particular commitment to sustainability, which is reflected in its above-average performance in the main CSR ratings, also opens up more opportunities for the Company in several areas as sustainability aspects are playing an increasingly important role for customers and capital markets alike. The increasing relevance of sustainability could also result in the Lufthansa Group obtaining better financing terms than companies that are less committed.

Additional opportunities exist in terms of customers, as customers focused on sustainability could prefer the Lufthansa Group to other competitors on the basis of its commitment to sustainability and the possibility of offsetting carbon emissions. Meeting the demand for certified offsets is becoming increasingly important, especially in the business travel and airfreight segments. The Lufthansa Group's pioneering role here creates particular opportunities.

Opportunities from the legislative framework

Political decisions at national and European level continue to exert a strong impact on the international aviation sector and thus also on the Lufthansa Group. Opportunities from improvements in the regulatory framework could arise for the airlines in the Lufthansa Group from the faster implementation of the Single European Sky project to harmonise air traffic control across Europe. In addition to a potential reduction in the costs of air traffic control, the implementation of the project would result in significantly shorter flight routes in Europe and therefore to savings on fuel consumption and emissions. ↗ **Legal and regulatory factors.**

More competition-neutral national and EU legislation could have a positive impact on future developments by reducing the competitive disadvantages for the airlines in the Lufthansa Group compared with carriers from outside Europe.

Finally, greater government funding for the research and development of sustainable technologies, in particular sustainable fuels, could enable these technologies to get to the market faster, increase their availability and reduce their price. This could reduce emissions faster and deliver associated positive effects on costs and income.

Financial opportunities

Financial market developments also represent opportunities for the Lufthansa Group. Favourable changes in fuel prices, exchange rates, interest rates or a better credit rating than in the assumptions used for planning and forecasting may result in lower expenses, higher income, a reduction in liabilities and better financing terms.

Since changes in fuel prices, exchange rates and interest rates are also substantial risks as defined in the Lufthansa Group's risk management system, the relevant comments can be found in the chapter ↗ **Financial risks.**

RISKS AT AN INDIVIDUAL LEVEL

The following table shows the top risks for the Lufthansa Group. It encompasses all quantitative A and B risks, as well as qualitative risks with a rating of at least “substantial” and “high” in the order of their significance. Detailed explanations can be found in the following sections.

T043 TOP RISKS: LUFTHANSA GROUP[1]

	Significance	Magnitude	Change compared with previous year
Quantitative risks			
↗ **Fuel price movements**	critical	extreme	→
↗ **Revenue risks**	critical	extreme	→
↗ **Risk of failure to achieve cost savings targets**	critical	extreme	→
↗ **Human resources risks**[2]	critical	high	↑
↗ **Cyber and IT risks**	critical	medium	↓
↗ **Breaches of compliance requirements and data protection regulations**	critical	medium	→
↗ **Risks due to irregularities in flight operations (incl. reputation)**	substantial	extreme	→
↗ **Exchange rate movements**	substantial	extreme	→
↗ **Emissions trading risks**	moderate	extreme	↑
↗ **Additional tariffs on aircraft imports**	moderate	high	**new**
Qualitative risks			
↗ **Crises, wars, political unrest, terrorist attacks or natural disasters**[3]	critical	high	→
↗ **Pandemic diseases**	critical	medium	→
↗ **Flight operations risks (with information security risks)**	critical	low	→
↗ **Regulatory risks resulting from climate change**	substantial	extreme	→
↗ **Risks in the Lufthansa Technik business segment**[4]	substantial	extreme	↓
↗ **Human resources risks**[2]	substantial	high	→
↗ **Supplier risks**	substantial	high	→
↗ **Strategic fleet sizing**	substantial	high	→
↗ **Increased noise legislation**	substantial	high	→

[1] Unlike in 2023, the risk arising from problems with materials in Pratt & Whitney engines in the Airbus A320neo fleet is no longer listed among the top risks, since its significance is no longer rated critical or substantial.
[2] Different drivers led to measurement as a quantitative and qualitative risk.
[3] “Crises, wars, political unrest, terrorist attacks or natural disasters” was changed from quantitative to qualitative.
[4] Risk evaluation at business segment level

Macroeconomic risks

Uncertain economic environment

The Lufthansa Group's forecast for 2025 is based on the expectation that future macroeconomic conditions and sector developments will correspond to the description given in the ↗ **Forecast.** If the global economy performs worse than forecast, this is expected to have a negative effect on the Lufthansa Group's business.

Risks with potential effects on global economic growth, and thereby for the Lufthansa Group's sales, primarily arise from the further course of Russia's war of aggression against Ukraine, the Middle East conflict, the possible global spread of protectionist measures, higher inflation, and the energy transition towards renewable energies with the related government regulation.

Crises, wars, political unrest and natural disasters

The security situation, which is due partly to Russia's invasion of Ukraine and the Middle East conflict, as well as the latent risk of terrorist attacks on air traffic and the sabotage of aviation infrastructure, could have concrete effects on business operations and on the safety of the Lufthansa Group's flight operations, customers, employees and assets.

The Russian war of aggression against Ukraine and the sanctions this has caused, including potential countermeasures, continue to affect the development of the global economy and cause further increases in the prices of important energy sources such as oil and gas, and other resources. A destabilisation of the region and continued tensions between Russia and the member countries of NATO and the EU could also lead to pressures and operational restrictions in the medium and long term.

In order to analyse, track and manage these risks, the Lufthansa Group carries out comprehensive monitoring of the global security situation and current events that may affect the Lufthansa Group. These include natural events that may make high demands of our employees and the organisation of our flight operations. The Lufthansa Group prepares comprehensive security analyses on an ongoing basis and continuously refines them in order to assess developments in advance so as to draw up preventive scenarios in the event of any disruptions. It can draw on an extensive network of national and international security authorities and specialised security advisers to do so. The necessary security measures depend on the probability and consequences of the event.

Potential financial losses could result from primary effects, such as not being able to fly to certain destinations, but also from significant secondary effects, including a drop in passenger numbers, higher insurance premiums, additional fuel costs due to airspace closures, higher costs due to a shortage of energy and raw materials or more stringent statutory security requirements.

Any further deterioration in the security situation, due to a further escalation in Russia's war of aggression, for example, could affect the insurance coverage of airlines worldwide. In particular, there is a risk of insurance coverage being cancelled immediately in the event of direct military action between Russia, USA, China, the United Kingdom and France, and in the event of incidents constituting a casus foederis under Article 5 of the NATO treaty. To address this risk and ensure continuity of flight operations, the Lufthansa Group companies are engaged in discussions with governments and aviation authorities in their respective home markets.

Because of its strong symbolic effect, civil aviation is still a potential target of terrorist attacks. Geopolitical trends also mean there is an increasing risk of sabotage to traffic and other critical infrastructure (KRITIS) by actors commanded or supported by states. Military conflicts between states are a high risk, especially if they take place in the short term and outside clearly defined borders. The threat from air-defence systems and increasing military activities mean that flights over crisis areas continue to require comprehensive risk assessment and management. The demands made of the security functions of international companies are rising continuously in view of the political environment and the continuous development of new technology. In this context, particular mention should be given to the greater availability and use of unmanned, and in some cases armed aircraft (drones) and the various challenges they present. Increasing security regulations due to greater threats, as well as a tightening of entry requirements for passengers around the world, could lead to further restrictions in international air traffic and thereby to adverse effects for the air transport industry.

To evaluate security-relevant events in the context of the regional environment, the Lufthansa Group uses a quality management system, which helps with the continuous evaluation of local security procedures, both in existing operations and with new destinations. In order to guarantee compliance with national, European and international aviation security legislation and the Lufthansa Group's own security standards, these sites are inspected regularly in the course of risk audits for aviation security and country risks. If necessary, deficits are compensated for by additional measures that may affect all relevant functional areas. In addition, perceptions of Germany, and of Switzerland, Austria, Belgium or the EU in certain regions of the world and the profile of the Lufthansa Group compared with other, particularly exposed Western airlines are taken into account when choosing infrastructure and processes abroad.

Pandemics and epidemics

The risk of pandemics and epidemics is rising due to factors such as increasing urbanisation, climate change and migration. Epidemics, pandemics or other causes such as bioterrorism could cause high rates of disease in various countries, regions or continents. In the short, medium and long term, this could drastically reduce the number of passengers travelling by air due to a fear of contagion, as was dramatically demonstrated in 2020 by the spread of the coronavirus pandemic. Furthermore, it is possible that staff may not be willing to fly to the countries concerned for fear of infection and that local employees want to leave these countries. The potentially high prevalence of sickness among employees may put operations at risk. Official travel restrictions to prevent the transmission of pathogens may also result in operational constraints.

The Lufthansa Group's Medical Service reviews information from relevant sources unceasingly as part of its Epidemiological Intelligence Process. Own staff with infectiological and epidemiological training evaluate information from the different early warning systems to identify any potential relevance for the Lufthansa Group. Employees receive detailed information, risk groups are given personal protective equipment as needed and preventive vaccination campaigns against influenza are run throughout the Lufthansa Group every year. Passengers and employees receive optimal protection from infection by means of safety measures adapted to the situation and based on the Lufthansa Group's pandemic planning.

The coronavirus-related health risks to customers and employees of the Lufthansa Group have now declined significantly thanks to increasing immunity within the population. The ongoing evolution of the virus in the reporting year did not give any grounds for concern; its evolutionary changes have diminished since the emergence of the omicron variant. However, a general risk that new virus variants able to evade the immune system will arise remains. Generally speaking, the greatest risk for future pandemics comes from respiratory diseases caused by the influenza viruses or coronaviruses, for example.

Sector-specific risks

Development of markets and competition

The growth of the aviation sector is highly dependent on global political stability and correlates with the macroeconomic development. In the past, the airline industry was on a long-term growth path with above-average growth rates, especially in regions such as Asia/Pacific. Ongoing changes in demand, particularly in the aftermath of the coronavirus pandemic and as a result of the armed conflict in Ukraine, along with the influence of climate regulations, mean that long-term market growth, particularly in Europe, is expected to be lower than in the past. In addition, supply-side bottlenecks such as limited infrastructure and restrictions in supply chains act as further brakes on the development of air traffic. Cost competition, which is already prevalent in many segments of the airline market, will intensify further as a result of the changed market environment.

Revenue risks

The entire Lufthansa Group is exposed to revenue risks, and there is still a high level of uncertainty concerning future market developments. Ongoing inflation, forecast slower economic growth and ongoing geopolitical crises continue to affect how demand and bookings will develop in future and make it difficult to predict revenue. In addition to the factors mentioned above, risks can still result from price fluctuations, excess capacities, economic fluctuations, competitive developments, potential changes in customer behaviour for reasons of climate protection, geopolitical influences and unpredictable events with a global impact. They can be addressed in the short term by continuously monitoring bookings and adjusting capacities. Distribution, product and cost reduction measures can also be taken.

Risks due to irregularities in flight operations

On days with heavy traffic and unfavourable weather conditions, there may still be capacity bottlenecks on the ground and in the air that impact the ability to manage flight traffic and passenger numbers. In addition, bottlenecks in the delivery of aircraft, engines and spare parts remain a challenge. These bottlenecks represent risks for the airlines and may result in changes to flight timetables, delays and cancellations and lower customer satisfaction. Lost revenue and additional costs for compensating the passengers affected may result. Processes and flight plans are continuously optimised to minimise these risks and reduce the impact of flight irregularities. In addition, internal capacities are being increased by means of continuous recruitment and employee training.

Risks in the MRO segment

Lufthansa Technik is exposed to increasingly complex and demanding conditions in the maintenance, repair and overhaul (MRO) market. Global demand for maintenance and repair services has returned to its level before the outbreak of the coronavirus crisis due to the recovery in passenger air traffic. In the Americas and EMEA (Europe, Middle East and Africa) regions in particular, demand sometimes exceeds available capacities, which is exacerbated by shortages of staff and materials. The APAC (Asia-Pacific) region has also recovered, even though political crises, military conflicts and high inflation rates continue to impact market developments, making them volatile and hard to predict.

Supplies of materials for various latest-generation engine types remain scarce, and the resulting higher costs and increased throughput times lead to exceptionally high demand for MRO services. The expectation is that this situation will return to normal by the end of the decade. Significant risk factors, however, arise from macroeconomic and geopolitical conditions on the one hand and operational challenges within production and service delivery systems on the other.

The Lufthansa Group has significantly reduced the risks arising from problems with materials in components of Pratt & Whitney PW1000G engines after successfully negotiating compensation from Pratt & Whitney for the related financial losses.

Increasing use of digital platforms for planning and controlling MRO processes has a fundamental impact on contracts and customer relationships. Both established market participants and new competitors are trying to transform the MRO market with data-based services and digital competences. In this context, the increasing digitalisation and networking of MRO processes creates a significant cybersecurity risk for Lufthansa Technik. Vulnerability to cyberattacks and system manipulation is growing as sensitive data and business processes are increasingly digitised and processed across various platforms. These threats can have severe consequences, including operational disruptions, the loss of confidential data and financial losses, as well as negative impacts on Lufthansa Technik's reputation.

Company-specific risks

Risk of failure to achieve cost cutting targets

The Lufthansa Group strives to improve its cost base, productivity and efficiency in all business segments. The identified improvement goals are part of the plan for the business segments and are discussed in detail during the planning process. There is a risk that the expected improvements are not achieved in full, or are only achieved later than expected. This also applies to the agreements being negotiated with works councils, trade unions, system partners and suppliers, for instance. There is also a possibility that insufficient additional potential may be identified in the course of the year, resulting in the agreed cost targets not being achieved in full. The persistently high inflation rate and the resulting increase in staff and operating costs also create a risk of countervailing effects that counteract productivity and efficiency gains more than currently expected. Developments in total costs are reviewed regularly with every business entity and by the Executive Board to enable early countermeasures.

Additional tariffs on aircraft imports

The Lufthansa Group is exposed to a potential risk from the reintroduction of additional tariffs on aircraft imports. Tariffs of 15% on Boeing aircraft are currently suspended, but could be reintroduced as a result of changes in the political direction of the newly elected US administration. Any such move would increase the costs of purchasing aircraft and thus affect the Lufthansa Group's financial and investment planning. The Company monitors political developments and trade policies closely in order to respond promptly to any changes.

Staff

Labour disputes

There is a general risk of labour disputes as a result of pending collective bargaining agreements with various groups of employees within the Lufthansa Group.

Of particular note are the flight operations of Deutsche Lufthansa AG and Lufthansa Cargo AG. The no-strike period for the collective bargaining agreements on retirement benefits for cockpit staff and the framework agreement for cabin staff expired on 31 December 2024. There is also a strike risk for cockpit and cabin staff at the flight operations of Eurowings Germany, Lufthansa Cityline, City Airlines and Discover Airlines. The possibility of these wage disputes spreading to other companies also cannot be ruled out.

After difficult negotiations at Austrian Airlines, the strike risk has diminished significantly since the collective agreement for in-flight personnel was signed in 2024. It runs until 2026.

A collective agreement was reached with Airport Services Dresden and Airport Services Leipzig until the end of September 2025. This agreement includes an absolute no-strike obligation until 30 September 2025.

After agreement was reached on wage settlements for some 20,000 pay scale ground staff and apprentices in 20 companies, there is no longer any strike risk for these agreements. The wage settlement runs until at least 31 December 2025, plus a further no-strike period of six weeks.

If the trade unions are successful in their demands, this may result in higher staff costs. Strikes can also lead to reputational damage and tangible economic impacts for the Lufthansa Group. ↗ **Employees.**

Lack of cooperation between works councils and labour unions

Effective, trust-based collaboration with the labour union partners is the basis for the Company's long-term success. The labour market remains tight and, in combination with demographic developments, this requires a strategy that addresses both the increasing need for qualified staff and the implementation of efficiency measures. These parallel imperatives make high demands of people's flexibility and willingness to change at an organisational level, as well as of co-determination processes. A far-sighted, solutions-focused working relationship makes it possible not only to overcome challenges, but also to use them as an impetus for further growth.

Looking ahead to 2025, the focus is on measures to boost productivity and flexibility, including as part of the Lufthansa Airlines turnaround programme. Continuous dialogue with the labour union partners creates a stable foundation for developing creative, practicable solutions that support both economic success and employee satisfaction. The aim of continuously developing the working relationship is to create a common basis for taking decisions quickly and making change processes efficient.

This approach is intended to ensure that the Lufthansa Group remains successful in the long-term even in a challenging market environment.

Attractiveness as an employer

In order to become more attractive as an employer and boost employees' commitment, the working conditions for staff were revised in cooperation with the labour union partners. The Lufthansa Group deliberately uses its employer branding and HR marketing activities to support additional hiring, and is making improvements to its recruitment process and certain key elements of the employee experience, such as onboarding. Various apprenticeships, student and trainee programmes are offered to this end, and talents in a variety of professional groups were supported nationally and internationally and systematically networked. Furthermore, an assortment of professional development programmes is offered to enable employees to work on their personal and career development.

Staff structure

Discrepancies between strategic HR requirements, the existing skill sets of employees and how they are distributed across the companies in the Lufthansa Group constitute a structural HR risk. The Lufthansa Group will again recruit a large number of new employees in 2025. Both the recruitment activities and the professional integration of new employees pose great challenges for the organisation. There is a risk of frustration at long recruitment processes and inefficient onboarding. The Lufthansa Group addresses this risk with a Group-wide steering body for recruitment and talent support measures, strategic human resources planning and the continuation of increased employer branding and recruitment activities.

Supplier risks

The economic effects of the current geopolitical situation and disruptions in supply chains also affect suppliers to the Lufthansa Group. Factors such as the energy crisis, a lack of raw materials and staff shortages or the insolvency of an important supplier mean there is a risk of disruptions in the supply of goods and services, which in turn jeopardise business continuity. Another risk is that of significant price increases.

Purchasing at the Lufthansa Group regularly identifies providers that are critical for business continuity and assesses the relevant risk. In order to address the risk of interruptions to supplies or a price increase in time or to mitigate it, there is a regular process of dialogue with relevant suppliers. Identified risks are documented as part of the annual strategy process and supported by suitable actions to address them. Furthermore, suitable instruments are used, such as changing the terms of payment, reviewing contracts regularly, identifying alternative suppliers and implementing a system to visualise and manage the risks of any supply chain disruptions.

Risks from strategic fleet sizing

The strategic sizing of the Group fleet determines the available capacity and therefore also a large part of the fixed costs and future capital expenditure. Due to the demand, competition and cost risks mentioned above, as well as potential delays in the delivery of new aircraft – particularly for the Boeing 787 due to ongoing supply chain and certification problems – there is a risk that the size of the fleet does not develop as planned, resulting in a decline in earnings.

As part of the annual strategy and planning process, the Lufthansa Group regularly reviews the planned fleet development over the next ten years and takes decisions on the allocation of aircraft to the various airlines in the Group and capacity for the next four years.

Fleet planning is also reviewed and adjusted during the year as needed. The fleet may be reduced through the sale and parking of aircraft. Similarly, aircraft orders may be cancelled or delivery postponed in negotiations with aircraft manufacturers, and lease agreements may be terminated. If deliveries are delayed, it is possible to postpone planned retirements and take out additional leases at short notice.

Flight operations risks

The airlines in the Lufthansa Group are exposed to potential flight and technical operating risks. One of these is the risk of not being able to carry out regular flight operations for technical or external reasons. Another is the risk of an accident, with the possibility of personal injuries and damage to property. This is divided into environmental factors (for example, weather or bird strike), technical factors (such as engine failure), organisational factors (for instance, contradictory instructions) and the human factor.

The companies in the Lufthansa Group search for these dangers systematically and in a forward-looking manner in order to manage the resulting risk by means of suitable countermeasures and to increase the level of flight safety further. For example, every single flight made by an airline in the Lufthansa Group is routinely analysed using recorded telemetric data in order to identify any peculiarities at an early stage and to act on them, such as in the context of training courses. Other sources of information, for example, accidents and hazardous situations around the world that come to light, are also analysed and the results integrated into prevention measures where relevant. The established safety management systems are continuously improved and refined with the aim of reducing the risk exposure of companies in the Lufthansa Group.

Generally speaking, ongoing dialogue between the airlines in the Lufthansa Group provides an opportunity to consolidate the information gained in an operational setting and factor it into the development of the corresponding standards. A standardised platform for the analysis of flight data relevant to flight safety is currently being implemented.

Risks in connection with information security in flight operations are also taken into account. This concerns the IT systems on board and on the ground that are relevant to a flight event and the associated data exchange processes; it applies both to the Lufthansa Group's own systems and processes and to supplier processes and products. Information security requirements with a potential impact on the safety of civil aviation are described in new regulations (Part IS – Information Security). They take effect in the medium term and will be satisfied in full by the Lufthansa Group companies.

Cyber and IT risks

Cyber risks are all risks to which computer and information networks, ground and in-flight IT infrastructure as well as all IT-enabled commercial and production processes are exposed as a result of sabotage, espionage or other criminal acts. If established security measures fail, the Lufthansa Group may suffer reputational damage and be obliged to make payment on the basis of contractual and statutory claims by customers, contract partners and public authorities. A loss of income is also conceivable if operating systems should fail.

The business processes in the Lufthansa Group are supported by IT components in virtually all areas. The use of IT inevitably entails risks for the stability of business processes and for the availability, confidentiality and integrity of information and data. Such risks can ultimately not be fully eliminated.

The number of cyberattacks continues to increase worldwide and are becoming more professional. This is borne out by the Group's experience of security incidents and by information from other companies and public agencies. At the same time, the digitalisation of business processes in the Lufthansa Group is increasing, meaning that the potential effects of cyberattacks and the corresponding risk potential may also continue to escalate.

The Lufthansa Group monitors the IT security situation across the Group, the industry, and worldwide on an ongoing basis. On this basis, the Lufthansa Group takes various measures to strengthen its IT security. Technological tools are continuously refined to prevent and respond quickly to cyberattacks, processes are adapted to changing risk scenarios and the new hybrid working practices, and awareness training is carried out regularly to strengthen cyber resilience in the Lufthansa Group. This also includes the mitigation of new risks arising from the digitalisation of aircraft. In line with the current risk assessment, measures have been and are defined in various core areas of the Group that also include partners and providers of the Lufthansa Group when they are implemented in the IT systems and processes. The results of these actions are already making a positive contribution to reducing risks. The Lufthansa Group also monitors its own cybersecurity performance as well as that of the individual subsidiaries and key service providers using an external, neutral cybersecurity rating. This makes it possible to compare the Group's security level with that of other industry participants and sectors.

IT risk and IT security processes are organised across segments. The status of IT risks and IT security is compiled annually, consolidated at Group level and discussed by the Risk Management Committee of the Lufthansa Group. The Lufthansa Group's information security management system (ISMS) for core processes (including passenger check-in, frequent flyer programme, Logistics, MRO and IT) is certified in accordance with ISO 27001. The risk and security management systems and selected other measures are also reviewed regularly by the Internal Audit department.

The Lufthansa Group sources most of its IT infrastructure from external service providers. The operational and commercial risks involved in this kind of outsourcing by nature are assessed and managed on a continuous basis.

Risks of breaching data protection regulations

Protecting the privacy of its customers, employees, shareholders and suppliers is a subject that is important and self-evident for the Lufthansa Group. With a view to meeting the requirements of the General Data Protection Regulation (GDPR), all Group companies within the scope of the GDPR have put in place appropriate governance structures and processes in accordance with the requirements of the Group's Executive Board, based on recommendations from the Group's data protection unit to identify and manage potential risks from breaches of the extensive legal requirements. Customers regularly exercise their rights to access and erasure of data. Risks arising from international regulations are also taken into account.

Compliance risks

Compliance refers to the observance of legally binding requirements, and is intended to ensure that the Company, its executive bodies and its employees act in accordance with the law. The efficiency and effectiveness of the Compliance Management System (CMS) is therefore vital to the Lufthansa Group. **https://investor-relations.lufthansagroup.com/en/corporate-governance.html.**

The Lufthansa Group is active in many countries and is therefore subject to various legal norms and jurisdictions with different legal frameworks, including for criminal law on corruption. In addition, all activities not only have to be judged against relevant national criminal law, applicable regulations, cultural customs and social conventions, but also against international and extraterritorial regulations such as the US Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act. Any infringements are investigated rigorously and may result in criminal prosecution for the individuals involved. For the Lufthansa Group companies, any such infringements represent a substantial risk of financial penalties. There would also be significant reputational damage and the Company would be put at a distinct disadvantage when competing for public tenders. The Lufthansa Group has therefore put processes in place that are intended to identify specific compliance risks and, in particular, to prevent corruption. Specifically, these include rules on transparent, lawful dealings with business partners and office holders, as well as actions to avoid conflicts of interest.

The Lufthansa Group is also exposed to risks arising from competition and antitrust law. They stem in particular from the fact that the Lufthansa Group operates in oligopolistic markets and has a strong position in some of these markets. Furthermore, Deutsche Lufthansa AG cooperates with competitors by means of alliances. Some of these partnerships have to be approved by various competition authorities. In some business units in the Lufthansa Group, the same individuals are employees of suppliers and competitors as well as customers. The Lufthansa Group's Competition Compliance function addresses the risks of collusive behaviour and provides executive bodies and employees with extensive training.

As a listed company, the companies in the Lufthansa Group are subject to strict requirements under capital markets legislation, including a ban on insider trading and market manipulation, obligations to publish ad hoc information under the EU Market Abuse Regulation (MAR) and other national and European regulations. The Lufthansa Group takes many organisational precautions to comply with the provisions of the MAR. They include the use of special software to compile insider lists, to publish any ad hoc announcements, and to provide the corresponding policies, information letters and process descriptions. The Corporate Compliance Office also provides a web-based training course. It is intended for employees particularly affected by insider and market abuse legislation. Matters relating to the law on ad hoc announcements are also discussed with the Ad Hoc Committee in consultation with external experts.

The Corporate Compliance Office has implemented a Group-wide compliance risk analysis based on an IT tool developed in 2023. This digital solution helps the operating companies in the Lufthansa Group to identify compliance risks systematically by means of a self-assessment, to evaluate them and to document suitable risk-mitigation actions, including implementation if this is not already the case. The risk analysis is carried out once a year.

The CMS comprises risk-mitigation actions intended to rule out infringements as far as possible. Despite this, individual breaches and related investigations by public authorities and penalties cannot be ruled out completely, particularly in the fields of integrity, competition and capital market compliance.

Litigation, administrative proceedings and arbitration

The Lufthansa Group is exposed to risks from legal, administrative and arbitration proceedings in which it is currently involved or which may take place in the future. Due to the adverse effect this may have on the proceedings and in accordance with DRS 20 No. 154, these risks have not been quantified. It cannot be ruled out that the outcome of these proceedings may cause significant damage to the business of the Lufthansa Group or to its net assets, financial and earnings position. Appropriate provisions have been made for any financial losses that may be incurred as a result of legal disputes. More information on provisions for litigation risks and contingent liabilities can be found in ↗ **Notes 36 and 46 to the consolidated financial statements.**

Furthermore, the Lufthansa Group has taken out liability insurance for an amount that the management considers appropriate and reasonable for the industry in order to defend itself against unjustified private third-party claims and to settle such claims it considers justified. Even in such cases, however, this insurance cover does not protect the Lufthansa Group against possible damage to its reputation. Such legal disputes and proceedings may also give rise to expenses in excess of the insured amount, expenses not covered by the insurance or those which exceed any provisions previously recognised. Finally – and depending on the type and extent of future losses – it cannot be guaranteed that the Lufthansa Group will continue to obtain adequate insurance cover on commercially acceptable terms in the future.

Ryanair has appealed to the General Court (of the European Court of Justice) against the decision by the European Commission approving stabilisation measures for companies in the Lufthansa Group. Stabilisation measures of around EUR 7.6bn in total are affected for Deutsche Lufthansa AG, Austrian Airlines AG and Brussels Airlines SA/NV. The lawsuits relating to the state aid for Austrian Airlines AG and Brussels Airlines SA/NV were definitively dismissed. In May 2023, the European General Court upheld the action for annulment with regard to the stabilisation measure in the amount of EUR 6bn granted to Deutsche Lufthansa AG by the Economic Stabilisation Fund (ESF) of the Federal Republic of Germany and annulled the corresponding state aid decision of the European Commission on the grounds of substantive errors of law. Until a final judgement is made or a new state aid decision is issued, uncertainty remains as to the legal consequences of the annulment of the decision to grant state aid. There is no immediate repayment risk as the stabilisation measures have already been completed and Deutsche Lufthansa AG has repaid the stabilisation funds it received in full. Potential indirect consequences include the demand for clawback interest for the period between the allocation and the repayment of the stabilisation funds, as well as the imposition of conditions attached to a new state aid decision. Deutsche Lufthansa AG appealed to the European Court of Justice against the ruling of the court of first instance. The European Commission and the Federal Republic of Germany are intervening in the appeal. In July 2024, the European Commission initiated a formal examination procedure, as it has done in similar cases. At the time this report was prepared, it was not yet clear what the European Commission's response to the judgement of the European Union General Court would be.

The Lufthansa Group is subject to tax legislation in many countries. Changes in tax laws and case law, as well as different interpretations as part of tax audits/external wage tax audits can result in risks and opportunities affecting tax expenses, income, claims and liabilities. The Corporate Taxation department identifies, evaluates and monitors tax risks and opportunities systematically and at the earliest stage possible, and initiates steps to mitigate the risks as necessary.

Regulatory risks

Political decisions at national, European and international level continue to have a strong influence on the entire aviation sector. This applies in particular when rules in individual countries or regions (e.g. taxes, emissions trading, fees and charges, rules and subsidies) create an inconsistent legal framework, resulting in an uneven playing field.

Following the new appointments to the European Commission and the EU parliament after the European elections in 2024, and snap election for the German parliament in early 2025, there will be important political decisions with far-reaching consequences to be taken in the Lufthansa Group's home markets. The Lufthansa Group campaigns actively to influence these developments in cooperation with other companies, industry associations and trade unions.

Regulatory risks in connection with climate change

The European Fit for 55 package and additional national climate legislation impose wide-ranging obligations on the European aviation sector to reduce carbon emissions. This entails material risks for the competitiveness of the industry and contributes to higher costs of doing business in Europe. Air transport is particularly affected by the proposal to introduce a quota for blending sustainable aviation fuels (SAF), the revision of the Emissions Trading System (ETS), and the proposal to introduce a uniform minimum tax for aviation fuel (EU kerosene tax).

The ReFuelEU Aviation Regulation provides for a rising quota for sustainable aviation fuels (SAF) in all EU countries from 2025. A subquota for synthetic fuels (power-to-liquid – PtL) will apply from 2030. In Germany, there is also a national PtL quota that goes beyond the requirements of the ReFuelEU Regulation and will take effect from as early as 2026. SAF is more expensive than conventional aircraft fuel. In addition, PtL fuels are currently only available in small quantities. There is currently no sign that production will be ramped up quickly, which means there is a risk of shortages. Altogether, this will increase fuel costs for the Lufthansa Group, and result in a further distortion of competition in intercontinental traffic to the detriment of European network airlines. This is because airlines from outside Europe with transfer stops near Europe could then continue to use unblended fuel for part of the journey and ignore the quota. Traffic and emissions will move to hubs outside Europe as a result – an effect known as carbon leakage.

Air traffic within the EU is already part of the EU ETS. The revision of the ETS will entail additional stipulations, which will lead to higher costs for the Lufthansa Group in the financial years ahead, however. This applies particularly to the reduced cap on emissions and the abolition of the previously free distribution of emission allowances. Tightening the ETS severely distorts competition. In future, the regulation is also intended to address the "non-CO_2 climate impact of aviation", such as condensation trails and nitrogen emissions. Operational measures may also reduce climate impact. However, research in this area has only just begun. As a result, the focus of regulation will remain on carbon emissions for the time being.

As part of the revision of the Energy Taxation Directive, the European Commission is proposing to introduce a minimum tax on aviation fuel, which creates an additional cost risk. A minimum tax also creates the risk of different tax rates within Europe, which would also create a distortion of competition within Europe.

In addition to wide-ranging measures to limit carbon emissions, such as the continuous renewal of its fleet, the use of sustainable aircraft fuels and the expansion of voluntary carbon offset options for passengers, the Lufthansa Group participates in the public debate – also together with other European airlines, airports and industry associations – and campaigns actively in this context for competition-neutral regulations.

Furthermore, the Lufthansa Group is faced with ever-higher bureaucratic hurdles to meet environmental obligations. ↗ **Combined non-financial declaration.**

Increased noise legislation

Stricter noise standards may apply to airlines or airports. They may cause, for example, higher costs for retrofitting aircraft, bans on specific aircraft models, higher charges or higher monitoring expenses. The still outstanding revision of the directive on environmental noise at European level is primarily relevant here. The limits set in the Aircraft Noise Abatement Act were reviewed at the federal level as scheduled in 2017. The Act has not yet been amended. Although the results of noise research in Frankfurt do not show any significant changes in health risks, the perception of noise as a nuisance by those affected has dramatically increased, even when noise levels at airports are stable. The Lufthansa Group therefore anticipates increased lobbying aimed at tightening noise legislation by other stakeholder groups.

The Lufthansa Group develops coordinated strategies by means of targeted communications in collaboration with trade associations and other industry stakeholders. It is involved in research projects looking at active noise abatement measures and follows research into the effects of noise closely. ↗ **Combined non-financial declaration.**

Financial risks

Financial market developments represent opportunities and risks for the Lufthansa Group. Negative changes in fuel prices, exchange rates and interest rates can result in higher expenses and/or lower income compared with the assumptions used for planning and forecasting.

System of financial risk management for fuel prices, exchange rates and interest rates

Financial and commodity risks are systematically and centrally managed for the entire Group on the basis of internal guidelines. The derivative financial instruments used serve to hedge underlying transactions. In this respect, the Lufthansa Group works with partners that have at least an investment grade rating equal to Standard & Poor's BBB rating or a similar long-term rating. All hedged items and hedging transactions are tracked in treasury systems so that they can be valued and monitored at any time. The functions of trading, settlement and controlling of financial risk are strictly separated at an organisational level. The executive departments and Financial Risk Controlling ensure compliance with these guidelines. The current hedging policies are also discussed regularly in management bodies across the business areas. ↗ **Note 45 to the consolidated financial statements.**

Fuel price movements

In the 2024 financial year, the price of crude oil was on average 3% lower than in the previous year. In addition, the price difference between crude oil and kerosene, known as the jet crack, also fell compared with 2023. Whereas the jet crack was USD 29.58/barrel on average in 2023, it came to USD 20.33/barrel in 2024.

In the reporting year, the Lufthansa Group consumed 9.5 million tonnes of kerosene. At around EUR 7.8bn, fuel expenses constituted a major item of expense for the Lufthansa Group in 2024. Severe fluctuations in fuel prices can have a significant effect on earnings. A change in the year-end 2024 kerosene price of +10% (–10%) would probably increase (reduce) fuel costs for the Lufthansa Group by EUR 582m (EUR –485m) after hedging in the 2025 financial year.

The Lufthansa Group uses rules-based fuel hedging with a time horizon of up to 24 months. The target level for fuel hedging was 85% as of 31 December 2024 for the Passenger Airlines. The aim is to reduce fluctuations in fuel prices. The Lufthansa Group uses standard financial market instruments in fuel hedging. Hedges are mainly in gas oil and crude oil with option combinations for reasons of market liquidity. Incomplete protection against higher prices is accepted in exchange for maximising the benefits derived from any fall in prices. The increasing use of gas oil hedges instead of solely crude oil-based hedges addresses the price difference risk to kerosene to a greater extent than in the past. The instruments used will be settled by payments and will not result in physical deliveries. As of 31 December 2024, crude oil, gas oil and kerosene hedges covered around 76% of the forecast Group fuel requirement for 2025 in the form of futures and unconditional forward transactions. There were no separate crack hedges as of 31 December 2024 due to the long-term use of hedging instruments based on gasoil, which largely cover the jet fuel crack. Around 28% of the forecast fuel requirement for

2026 was hedged at that time. As fuel is priced in US dollars, fluctuations in the euro/US dollar exchange rate can also have an additional positive or a negative effect on reported fuel prices. US dollar exposure from planned fuel requirements is included in currency hedging.

Exchange rate changes

Foreign exchange risks for the Lufthansa Group arise in particular from international ticket sales and the purchasing of fuel, aircraft and spare parts. All subsidiaries report their planned currency exposure over a timeframe of at least 24 months. At Group level, a net position is aggregated for each currency to take advantage of "natural hedging". Eighteen foreign currencies are hedged against the euro because their exposure is particularly relevant to the Lufthansa Group. The US dollar is the only one of these currencies for which there is a net requirement. Of this net operating requirement for 2025 of USD 4.4bn, 46% was hedged as of 31 December 2024.

↗ **Note 45 to the consolidated financial statements.**

OVERALL STATEMENT ON OPPORTUNITIES AND RISKS

The Lufthansa Group reported a continued recovery in demand for air travel in financial year 2024. The Lufthansa Group Passenger Airlines was able to increase its capacity and revenue further as a result. Higher demand also meant a stabilisation of earnings risks.

Decreasing yields, strikes, irregularities in flight operations, delays to the delivery of new aircraft and inefficiencies at Lufthansa Airlines all had an adverse impact, however, resulting in the Lufthansa Group's earnings declining year-on-year.

Further capacity expansion and a significant improvement in earnings is expected for 2025. Performance will depend largely on the effectiveness of the initiated measures and earnings improvement programmes, especially at Lufthansa Airlines.

The Lufthansa Group continued to strengthen its balance sheet in 2024 and liquidity improved. An additional instrument for forward-looking identification and management of liquidity risks is the continuous reporting of risk-bearing capacity.

On the other hand, geopolitical conflicts, resource and supply-chain bottlenecks and economic developments have caused certain risks to increase.

In this challenging environment, the Lufthansa Group continues to rely on its ability to adjust its capacities and resources flexibly to changing market conditions and to use this flexibility to seize opportunities for the Company's long-term development.

The Executive Board of Deutsche Lufthansa AG is not aware of any material or systemic matters that are inconsistent with the suitability and effectiveness of risk management as a whole. However, it must be remembered that, irrespective of the design, risk management cannot provide absolute assurance. The Executive Board continues to strive for a balance between opportunities and risks.

DESCRIPTION OF THE INTERNAL CONTROL SYSTEM

The Lufthansa Group's internal control system (ICS) covers all the principles, procedures and steps intended to ensure effective, economical and accurate key processes and compliance with the relevant legal regulations. It is based on the COSO framework (Committee of the Sponsoring Organizations of the Treadway Commission). The framework defines the elements of a control system and sets the standards for measuring the appropriateness and effectiveness of the ICS. The ICS aims to ensure the reliability of operating information, compliance with internal and external requirements and the avoidance of financial losses.

The Lufthansa Group has an overarching, integrated ICS and risk management methodology with standardised processes to define the necessary controls, document them according to uniform rules and test them regularly to ensure that they are effective and appropriate.

Overall responsibility for the ICS required to manage risk lies with the Executive Board of the Lufthansa Group, which defines the scope and the format of the systems in place based on the specific requirements of the Lufthansa Group.

A central ICS unit is responsible for ongoing methodological development and implementation in the Lufthansa Group and so makes it possible to obtain a realistic opinion of the effectiveness of the internal control system at Group level. The central ICS unit is led by the Head of Corporate Controlling. It is also responsible for monitoring and coordinating the entire process so as to guarantee an appropriate and effective ICS within the Lufthansa Group. The results of the monitoring activities are reported annually in the Executive Board meetings to evaluate the Company's overall risk situation. The Head of Corporate Controlling supports the Executive Board with the operation and monitoring of the ICS and with reporting to the Audit Committee of the Supervisory Board.

The central ICS unit prepares a report on the effectiveness of the ICS in the first quarter of the following year to comply with the legal requirements of Section 107 Paragraph 3 AktG. The report provides information to the Supervisory Board's Audit Committee about the results of the effectiveness testing and the activities still to be completed from the previous reporting period. The company ICS officer is responsible for internal reporting within the respective companies. Ideally this takes place in the first quarter of the following year, but may vary from one company to another.

The ICS of the Lufthansa Group and its constitutive elements are covered by regular audits by the Internal Audit function. The Executive Board of Deutsche Lufthansa AG is not aware of any material or systemic matters that are inconsistent with the suitability and effectiveness of the ICS as a whole. However, it must be remembered that, irrespective of the design, an ICS cannot provide absolute assurance.

DESCRIPTION OF THE ACCOUNTING-RELATED INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM IN ACCORDANCE WITH SECTION 289 PARAGRAPH 4 AND SECTION 315 PARAGRAPH 4 HGB

The objective of the ICS for accounting processes is, by implementing checks, to provide a reasonable degree of certainty that the annual financial statements and the consolidated financial statements of Deutsche Lufthansa AG comply with the rules, despite the risks identified.

The following preventative and investigative checks are embedded in the accounting process:

- IT-supported and manual cross-checks,
- functional separation,
- dual signatures and
- monitoring checks.

Corporate Accounting is functionally responsible for preparing the consolidated financial statements and draws up binding regulations for the Group companies that pertain to form, content and deadlines. The Lufthansa Group's accounting guidelines are updated regularly and define uniform accounting policies for the domestic and foreign companies included in the consolidated financial statements of the Lufthansa Group in accordance with the International Financial Reporting Standards (IFRS) applicable in the European Union. For Deutsche Lufthansa AG and other German companies in the Group, a guideline defines rules for drawing up individual financial statements in line with the German Commercial Code (HGB). This ensures that standardised Group accounting practices are applied to the recognition, measurement and presentation of balance sheet items, with as little room for discretion as possible. The formal requirements relate to the mandatory use of a standardised and complete set of reporting forms and a uniform chart of accounts for the Group. When they submit the reporting package, the responsible managers at the Group companies must confirm to the Executive Board of Deutsche Lufthansa AG that they comply with these policies.

Individual financial statements that contain errors are selected and restated at company or Group level on the basis of control mechanisms already defined in the SAP SEM-BCS consolidation software and/or by system-based plausibility checks. The consolidation system dictates the different deadlines for various elements of the reporting package and verifies centrally that they are adhered to during the preparation process.

Operational accounting processes are carried out locally at the Group companies and also using the Group's own and external shared service centres. Expert opinions for determining the amount of pension provisions are prepared by external consultants.

The IT systems used for accounting are protected against unauthorised access by special security precautions.

The Group Internal Audit department of Deutsche Lufthansa AG is embedded in the internal monitoring system of the Lufthansa Group and acts independently of business processes when performing its audit activities. In addition, the effectiveness of those areas of the ICS relevant to financial reporting are reviewed by the auditors as part of a risk-oriented approach to their audit. The Audit Committee of the Deutsche Lufthansa AG Supervisory Board monitors the effectiveness of the internal control system and risk management system on the basis of Section 107 Paragraph 3 of the German Stock Corporation Act (AktG).

By means of the organisational, control and monitoring structures defined for the Lufthansa Group, the internal control system and risk management system as it relates to accounting ensures that all matters affecting the Company are captured, processed and evaluated, and are presented adequately in the Group's financial reporting. In particular, the use of individual discretion, faulty checks, criminal acts by those involved and other circumstances may compromise the effectiveness and reliability of the internal control system and risk management system in place. This means that even the Group-wide application of these systems cannot guarantee with complete certainty that facts are presented correctly, fully and promptly in the consolidated financial statements. These statements only relate to Deutsche Lufthansa AG and the major subsidiaries included in the consolidated financial statements of Deutsche Lufthansa AG.

FORECAST

- Only slight growth in the global economy forecast for 2025.
- Markets assume that interest rates will be cut to suppress inflation.
- Slight decline in oil price expected.
- Growth expected in all the market segments relevant to the Lufthansa Group.
- Passenger Airlines plan further capacity expansion and higher revenue in view of expected demand growth.
- Lufthansa Group forecasts significant increase in Adjusted EBIT.

MACROECONOMIC OUTLOOK

Economic and sector-specific developments can have a significant influence on the operating and financial performance of the Lufthansa Group. The following forecast for the course of business is therefore based on assumptions about the development of the wider economy and the sector. These assumptions are described below. The Lufthansa Group continually monitors the development of this operating environment so that it can respond as quickly and comprehensively as possible to any changes.

Subdued economic growth is still expected for 2025.
According to data from S&P Global, global economic growth of 2.5% is forecast for 2025, compared with growth of 2.7% in the prior year. The European economy is predicted to grow by 1.2% (previous year: 1.0%). The expected growth rate for Germany of 0.4% is lower, but still higher than in 2024 (previous year: –0.2%).

Further economic developments in 2025 will depend partly on partly on progressions in the Russian war of aggression against Ukraine and in the Middle East conflict, and which economic policy changes are initiated and implemented first by the new European Commission and the new governments in Germany and the United States of America.

T044 GDP DEVELOPMENT[1)]

	Forecast 2024 to 2028 compared with the previous year				
in %	2024	2025	2026	2027	2028
World	2.7	2.5	2.6	2.7	2.7
Europe	1.0	1.2	1.6	1.7	1.7
Germany	-0.2	0.4	1.1	1.2	1.3
North America	2.6	2.0	1.7	1.6	1.9
South America[2)]	2.1	2.1	2.5	2.7	3.0
Asia/Pacific	4.1	3.8	3.8	3.9	4.0
China	5.0	4.2	4.1	4.4	4.5
Middle East	1.4	3.1	3.4	3.4	2.9
Africa	2.4	3.9	3.9	4.0	4.1

Source: S&P Global as of 15 January 2025
[1)] Forecast.
[2)] Excluding Venezuela.

Central banks' goal remains to contain inflation and simultaneously enable economic growth
Fiscal policy in the USA and the euro area, higher tariffs and geopolitical uncertainty will affect foreign exchange rates in the euro area. The European Central Bank and the US Fed will again aim to suppress inflation by adjusting interest rates in 2025.

Analysts expect the euro to strengthen slightly against the US dollar and the pound sterling on average in 2025. A slight decline is predicted against the other main currencies.

The European Central Bank will continue to cut interest rates if inflation in the euro area nears the target rate of 2%. The market has priced in three interest rates cuts for 2025 There are signs in the market that the US central bank (Fed) will cut interest rates in the same period.

Futures markets indicate slight decline in oil prices

Oil prices are expected to fall again slightly on the futures market. As of 31 December 2024, futures contracts for delivery in December 2025 were trading at USD 71.21/barrel, and those for delivery in December 2026 at USD 69.32/barrel. However, market participants still expect volatility to remain high and have identified a high degree of forecast uncertainty due to the ongoing Russian war of aggression against Ukraine and the Middle East conflict.

SECTOR OUTLOOK

Passenger traffic expected to see further growth in financial year 2025

The International Air Transport Association (IATA) predicts that global passenger traffic – measured by global revenue passenger-kilometres – will grow year-on-year by 8% in 2025 (previous year: 11%) despite geopolitical crises and significant delivery bottlenecks for new aircraft. This would put passenger traffic 13% above its pre-crisis level in 2019.

In its forecast for 2025, IATA expects significant regional differences in growth. The fastest growth of 12% is expected for the Asia/Pacific region, followed by the Middle East at 10%. Growth of 8% is predicted for Africa and Latin America, respectively, and 7% for Europe. The slowest growth of 3% is expected for North America.

Financial analysts are anticipating robust demand for European airlines in 2025, driven by ongoing strong premium leisure travel and a slow but steady recovery in business travel. It seems that consumers' willingness to spend on travel will also remain remarkably high. Demand for travel should therefore perform better than the general state of the European economy would currently suggest.

In addition to solid developments in demand, the assumption is that supply will remain limited – for example, due to a lack of staff at airports, in air traffic control and at airlines, as well as delays in the delivery of new aircraft. Capacity growth will therefore again be limited by external factors, and is expected to be lower this year than in prior years. If the failures in the Pratt & Whitney GTF engine family are overcome, traffic within Europe will be able to grow slightly faster than transatlantic traffic, where capacity will probably be largely unchanged year on year. Moderate growth prospects in these two markets suggest that yields will be stable in 2025. The strong US dollar currently also promises positive revenue potential on North Atlantic routes for European network airlines.

The picture is less positive in Asia and particularly in China. There, financial analysts are more cautious and expect the environment for European airlines to remain difficult due to macroeconomic challenges and capacity growth well above the market average.

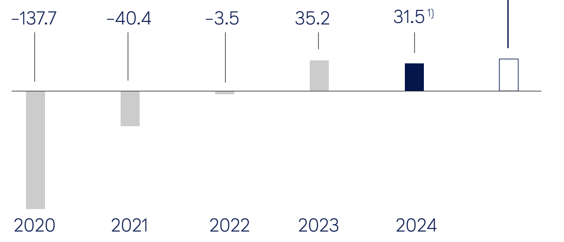
In terms of yields, IATA is expecting a year-on-year decline of 3.7% in 2025 (previous year: decline of 5.6%). The net profit for the industry is expected to come to USD 36.6bn (previous year: USD 31.5bn).

Airfreight set to increase again in 2025

For global airfreight traffic, IATA forecasts 6% growth in revenue cargo tonne-kilometres in 2025 (previous year: growth of 12%).

Yields in the cargo business are nevertheless forecast to decline slightly by 0.7% in 2025 (previous year: decline of 3.7%). However, this would still mean that yields are around 36% higher than before the crisis.

C22 DEVELOPMENT OF SECTOR NET RESULT
in USD billion



[1] Forecast.
Source: IATA Industry Statistics (12/2024).

Further recovery expected in MRO market

The aviation industry is in a period of transition from conventional aircraft models to new, more efficient technologies. However, supply chain problems are preventing the leading aircraft manufacturers from reaching their original plans for production rates, which particularly applies to the new aircraft types from Boeing.

The new engine technologies (such as the Pratt & Whitney GTF engine family and the LEAP family of engines from CFM International) also have to be retrofitted with upgrades and modifications at the request of the authorities. The consequence is that these next-generation engines have to be integrated into the still emergent repair networks earlier than expected. At the same time, demand remains high for maintenance services for last-generation engine models, because the airlines are obliged to use them for longer. Demand for maintenance and repair services is also growing due to the ongoing strong demand for air travel.

The consultancy firm ICF predicts average growth for the MRO market (without countries under sanctions) of 4% in 2025 compared with the previous year. Growth rates in the individual regions are forecast to be 4% for the Americas and 5% for APAC (Asia/Pacific) and EMEA (Europe, Middle East and Africa). However, this growth can still be affected massively by external influences such as geopolitical factors, inflation or supply chain instability.

CHANGES IN BUSINESS AND ORGANISATION

The Lufthansa Group regularly reviews its organisational structure and adapts it to any changes in the business environment. Opportunities to increase efficiency are seized in all of the Lufthansa Group's segments and are reflected in the planning.

A Group-wide programme aims to optimise the overarching matrix organisation and synchronise individual programmes to increase profits in the Lufthansa Group. This should boost profitability. The programmes include the turnaround programme at Lufthansa Airlines and the Ambition 2030 programme at Lufthansa Technik. ↗ **Business segments.**

Regarding the orientation of the Lufthansa Group as an airline group, the integration of ITA Airways into the Lufthansa Group following the acquisition of 41% of its shares will be driven forward in 2025. Options for acquiring the remaining shares in ITA Airways can be first exercised over the course of 2025.

As part of its portfolio management, the Group regularly reviews its non-airline activities for synergies with its core business and long-term growth prospects.

OUTLOOK FOR THE LUFTHANSA GROUP

Lufthansa Group assumes a positive course of business in the 2025 financial year

On the basis of the forecasts shown for the performance of the overall economy and the sectors in which the Group operates, the Lufthansa Group anticipates that the course of business in the 2025 financial year will be positive. This expectation is based in particular on the ongoing strong demand in the Passenger Airlines segment, which is reflected at the start of 2025 in the form of continued positive developments in new bookings. Orders in the MRO segment are also a sign that demand remains strong. At the same time, the Lufthansa Group expects that 2025 will be a year of transition: the turnaround programme at Lufthansa Airlines will not yet have achieved its full potential, although some initial successes are expected, and the majority of the next-generation aircraft on order will not have been delivered by year-end, although further deliveries are expected. The positive effects on earnings in 2025 will therefore be fairly slight.

Outlook subject to uncertainties

In view of the short booking cycles in the passenger business, the fact that freight business is driven mainly by the spot market, doubts about the exact delivery dates for new aircraft and uncertainties in the macroeconomic and geopolitical environment, the financial outlook for the Lufthansa Group is subject to a certain amount of uncertainty. The operating and financial performance is also subject to the further developments in Russia's war of aggression against Ukraine and the Middle East conflict. Uncertainty in the macroeconomic outlook, particularly the effects on the economy of the steps taken by the major central banks worldwide to combat inflation, may potentially have a material influence on customer demand.

Further capacity expansion planned

Notwithstanding these uncertainties, the Lufthansa Group assumes that demand for air travel will rise again year on year in 2025. Flight capacity will therefore be expanded. Overall, the Lufthansa Group anticipates that available capacity for Passenger Airlines in 2025 will be around 4% higher than the previous financial year.

Lufthansa Group revenue and earnings expected to rise

A clear year-on-year increase in revenue is forecast for the Lufthansa Group in 2025. The Lufthansa Group expects Adjusted EBIT in 2025 to be significantly higher than the previous financial year. The main drivers are expected to be further capacity growth in the Passenger Airlines segment, likely fuel price movements and expected growth in the Logistics and MRO business segments.

Positive earnings performance expected in all business segments

For the Passenger Airlines segment, the Lufthansa Group is expecting a clear increase in revenue, based on ongoing strong demand and planned capacity expansion in 2025. A significant year-on-year increase is expected for Adjusted EBIT.

The Lufthansa Group is expecting a significant increase in revenue and in Adjusted EBIT year on year in the Logistics business segment. This reflects increasing business activity in relevant growth markets, such as Asia.

A clear increase in revenue and Adjusted EBIT is expected for the MRO business segment, also allowing for the fact that Lufthansa Industry Solutions will no longer be part of the MRO business segment due to a reorganisation within the Group. The reason for the anticipated positive revenue and earnings performance is ongoing strong demand for maintenance and repair services, which is nevertheless still offset by high cost inflation.

Adjusted free cash flow roughly on par with last year

Net capital expenditure by the Lufthansa Group in the 2025 financial year is expected to be between EUR 2.7bn and EUR 3.3bn. This will mainly be for investments in aircraft. Cash inflows from sale-and-lease-back agreements will partly offset higher gross capital expenditure.

Based on the forecast earnings performance, Adjusted free cash flow in 2025 is expected to be roughly on par with the previous year.

Doubts about the exact delivery dates for new aircraft are one of the main factors causing uncertainty in this respect.

Slight reduction in carbon emissions per passenger-kilometre expected

The Lufthansa Group aims to make further progress in reducing its environmental impact in 2025. The ongoing modernisation of the fleet is expected to have a positive impact on specific carbon emissions per passenger-kilometre. The Lufthansa Group therefore envisages a slight decline in specific carbon emissions year-on-year.

T045 FORECAST FOR SIGNIFICANT KPIS[1]

		Result for 2024	Forecast for 2025
Revenue	in €m	37,581	clear increase
Adjusted EBIT	in €m	1,645	significantly above previous year
Net capital expenditure	in €m	2,392	between EUR 2.7bn and EUR 3.3bn
Adjusted free cash flow	in €m	840	roughly on par with previous year
Specific CO_2 emissions	grammes	87.5	slight decline

[1] Adjusted ROCE is a derived variable and so not explicitly part of the annual outlook.

OVERALL STATEMENT BY THE EXECUTIVE BOARD ON THE EXPECTED DEVELOPMENT OF THE LUFTHANSA GROUP

The macroeconomic environment will remain challenging in 2025. Global economic growth is expected only to be subdued, and inflation will remain above the levels targeted by the world's central banks.

Despite this, people still have a great desire to travel. We are therefore expecting continued high demand for flights in 2025, which will support our operating and financial performance.

We have adapted well to the structural changes in the market environment. Furthermore, we have initiated extensive measures to increase efficiency and profitability. 2025 will be a year of transition. The turnaround programme at Lufthansa Airlines will not yet have achieved its full potential and delays in the delivery of new aircraft will continue to have an impact. We nevertheless expect the course of business in 2025 to be positive and anticipate a significant year-on-year improvement in Adjusted EBIT.

The outlook for the Company nonetheless remains subject to uncertainty. The political and economic consequences of the Russian war of aggression in Ukraine and the Middle East conflict are a material risk for the Lufthansa Group's business. There is also uncertainty about the direction of the oil price, the steps that will be taken by central banks and their impact on inflation and the economic cycle.

Based on the forecast developments for 2025, the Executive Board is convinced that the Company's liquidity at year-end 2024 and the ongoing measures to boost efficiency and profitability will secure the Lufthansa Group's existence beyond the forecast period, even if its actual performance falls short of the forecast presented in this report.

CORPORATE GOVERNANCE

SUPERVISORY BOARD AND EXECUTIVE BOARD

Supervisory Board

Karl-Ludwig Kley
Former Chairman of the Executive
Board of Merck KGaA
Chairman

Christine Behle
Deputy Chairwoman
of the trade union ver.di
Employee representative[1]
Deputy Chairwoman

Tim Busse
Flight captain
Employee representative

Erich Clementi
Chairman of the
Supervisory Board of E.ON SE

Thomas Enders
Former CEO of Airbus SE

Karl Gernandt
President of the Board of Directors of
Kühne Holding AG

Sara Grubisic
Purser
Employee representative

Sara Hennicken (since 7 May 2024)
CFO of Fresenius Management SE

Christian Hirsch
Information management consultant/
Works Council member
on leave of absence
Employee representative

Jamila Jadran
Senior project manager/
Works Council member
on leave of absence
Employee representative

Arne Christian Karstens
First officer
Employee representative[1]

Michael Kerkloh (until 7 May 2024)
Former Chairman of the Executive
Board of Flughafen München GmbH

Carsten Knobel
Chairman of the Executive Board
Henkel AG & Co. KGaA

Holger Benjamin Koch
Senior Director Airport/
Industry Charges
Employee representative

Harald Krüger
Managing shareholder of KC&C GmbH
and former Chairman of the Executive
Board of BMW AG

Marvin Reschinsky
Trade union secretary of ver.di
Employee representative[1]

Birgit Rohleder
Teamlead IT Application Management
Airport Services/Works Council
member on leave of absence
Employee representative

Britta Seeger
Member of the Executive Board
of Mercedes-Benz Group AG

Astrid Stange
CEO/Chairwoman of
ELEMENT Insurance AG

Angela Titzrath
Chairwoman of the Executive Board
Hamburger Hafen und Logistik AG

Klaus Winkler
Engine technician
Employee representative

Honorary Chairman
Dipl.-Ing. Jürgen Weber
Former Chairman of the Supervisory
Board Deutsche Lufthansa AG

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[1] Trade union representative in accordance with Section 7 Paragraph 2 Co-determination Act (MitbestG.)

Executive Board

Carsten Spohr
Chairman of the Executive Board
Chief Executive Officer

Christina Foerster (until 30 June 2024)
Member of the Executive Board
Brand & Sustainability

Harry Hohmeister (until 30 June 2024)
Member of the Executive Board
Global Markets & Network Management

Detlef Kayser (until 30 June 2024)
Member of the Executive Board
Fleet & Technology

Michael Niggemann
Member of the Executive Board
Chief Human Resources and Legal Officer,
Labour Director
Human Resources & Legal,
CFO (provisionally from 8 May to
14 September 2024)

Remco Steenbergen (until 7 May 2024)
Member of the Executive Board
Chief Financial Officer

Till Streichert (since 15 September 2024)
Member of the Executive Board
Chief Financial Officer

Grazia Vittadini (since 1 July 2024)
Member of the Executive Board
Chief Technology Officer
MRO & IT

Dieter Vranckx (since 1 Juli 2024)
Member of the Executive Board
Chief Commercial Officer
Global Markets & Commercial Management Hubs

MANDATES

Other mandates of the Supervisory Board members of Deutsche Lufthansa AG

(As of 31 December 2024)

Christine Behle
a) BREMER LAGERHAUS GESELLSCHAFT – Aktiengesellschaft von 1877 –[3] (Deputy Chairman)

Erich Clementi
a) E.ON SE[3] (Chairman)

Thomas Enders
b) GE Aerospace[3], USA
Lilium NV[3], Netherlands (Chairman)
Linde plc[3], Republic of Ireland
Helsing GmbH (Advisory Committee, Co-Chairman)

Karl Gernandt
a) Hapag-Lloyd AG (Deputy Chairman)[3]
Kühne + Nagel AG & Co. KG (Chairman)[1] (until 1 April 2024)
b) Kühne + Nagel International AG, Switzerland (Deputy Chairman)[2, 3]
Kühne Holding AG, Switzerland (Chairman)[2]
Kühne & Nagel AG, Luxembourg (Chairman)[2] (until 1 April 2024)
Kühne Logistics University gGmbH[2]
Kühne Real Estate AG (Chairman)[2]
SIGNA Prime Selection AG, Austria (until 10 April 2024)
HGK Hochgebirgsklinik Davos AG, Switzerland

Sara Hennicken (since 7 May 2024)
a) Fresenius Kabi AG (Deputy Chairwoman)[1]
Fresenius Medical Care AG[3]
b) VAMED AG, Austria (Deputy Chairwoman)[2]

Michael Kerkloh (until 7 May 2024)
a) Flughafen Hannover-Langenhagen GmbH
b) NEOM Aviation Founding Board, Saudi Arabia

Carsten Knobel
b) Kühne Holding AG, Switzerland

Harald Krüger
a) Deutsche Telekom AG[3]

Marvin Reschinsky
a) Eurowings GmbH (Deputy Chairman)

Britta Seeger
a) Mercedes-AMG GmbH[1]
Mercedes-Benz Mobility AG[1]
b) Beijing Mercedes-Benz Sales Service Co., Ltd., China
Mercedes-Benz (China) Ltd.[2], China (Deputy Chairwoman)
smart Automobile Co. Ltd.[2], China
smart Mobility Pte. Ltd., Singapore
smart Mobility International Pte. Ltd., Singapore

Astrid Stange
b) Atos SE[3], France
Sampo plc[3], Finland (since 25 April 2024)
Moody's Investor Service Ltd., United Kingdom

Angela Titzrath
a) Evonik Industries AG[3]
Talanx AG[3]
HDI V.a.G.
b) Metrans a.s.[2], Czech Republic

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[a] Membership of supervisory boards required by German law.
[b] Membership of comparable supervisory bodies at companies in Germany and abroad.
[1] Group mandate in accordance with Section 100 Paragraph 2 Sentence 2 AktG.
[2] Other group mandate.
[3] Publicly listed company.

Mandates of the Executive Board members of Deutsche Lufthansa AG

(As of 31 December 2024)

Carsten Spohr
a) Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft [3]

Christina Foerster (until 30 June 2024)
b) Austrian Airlines AG [2], Austria
(Chairwoman until 30 June 2024)
SN Airholding SA/NV [2], Belgium
(Chairwoman until 30 June 2024)

Harry Hohmeister (until 30 June 2024)
a) Eurowings GmbH [1] (Chairman until 30 June 2024)
EW Discover GmbH [1] (Chairman until 30 June 2024)
Fraport AG [3]
b) Günes Ekspres Havacilik A.S. (SunExpress), Türkiye

Detlef Kayser (until 30 June 2024)
a) Lufthansa Technik AG [1]
(Chairman until 30 June 2024)

Michael Niggemann
a) Lufthansa Cargo AG [1] (Chairman)
Eurowings GmbH [1] (since 1 July 2024,
Chairman since 1 August 2024)

Remco Steenbergen (until 7 May 2024)
a) Lufthansa AirPlus Servicekarten GmbH [1]
(until 7 May 2024)
Lufthansa Technik AG [1] (until 7 May 2024)
b) Swiss International Air Lines AG [2],
Switzerland (until 7 May 2024)
Sandoz Group AG [3], Switzerland

Till Streichert (since 15 September 2024)
a) Lufthansa Technik AG [1] (since 15 September 2024)
b) Austrian Airlines AG [2], Austria
(since 15 September 2024,
Chairman since 20 September 2024)

Grazia Vittadini (since 1 July 2024)
a) Lufthansa Technik AG [1] (since 1 July 2024,
Chairwoman since 12 September 2024)
Siemens AG [3]
b) The Exploration Company GmbH

Dieter Vranckx (since 1 Juli 2024)
b) SN Airholding SA/NV [2], Belgium
(since 8 August 2024,Chairman)
Swiss International Air Lines AG [2],
Switzerland (since 1 July 2024, Dept. Chairman)

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[a] Membership of supervisory boards required by German law.
[b] Membership of comparable supervisory bodies at companies in Germany and abroad.
[1] Group mandate in accordance with Section 100 Paragraph 2 Sentence 2 AktG.
[2] Other group mandate.
[3] Publicly listed company.

DISCLOSURES IN ACCORDANCE WITH SECTION 289A PARAGRAPH 1 HGB AND SECTION 315A PARAGRAPH 1 HGB

Composition of issued capital, types of shares, rights and duties

Deutsche Lufthansa AG's issued capital amounts to EUR 3,067,690,682.88 and is divided into 1,198,316,673 registered shares. Each share corresponds to EUR 2.56 of the issued capital. The transfer of shares requires the Company's authorisation (restriction of transferability). The Company may only withhold authorisation if registering the new shareholder in the shareholders' register could jeopardise the maintenance of air traffic rights. This did not occur in the 2024 financial year. Shareholders exercise their rights and cast their votes at the Annual General Meeting in accordance with statutory regulations and the Company's Articles of Association. Each share is entitled to one vote.

Voting and share transfer restrictions

To preserve international air traffic rights and air traffic rights to fly to various international destinations, the proportion of German / European shareholders must be at least 50% of the Company's issued capital. If the proportion of foreign shareholders reaches 40%, Deutsche Lufthansa AG is granted special permission under Section 4 Paragraph 1 of the German Aviation Compliance Documentation Act (LuftNaSiG) together with Section 71 Paragraph 1 No. 1 of the German Stock Corporation Act (AktG) to buy back its treasury shares. If the proportion of foreign shareholders in the shareholders' register reaches 45%, the Company is authorised, subject to Supervisory Board approval, to increase issued capital by up to 10% by issuing new shares for payment in cash without subscription rights for existing shareholders (Section 4 Paragraphs 2 and 3 LuftNaSiG together with Section 4 Paragraph 3 of the Articles of Association). If the proportion of foreign shareholders approaches the 50% threshold, the Company is entitled to withhold authorisation to register new foreign shareholders in the shareholders' register (Section 5 Paragraph 1 of the Articles of Association). Furthermore, the Company is authorised, according to Section 5 Paragraph 2 LuftNaSiG and subject to the approval of the Supervisory Board, to require the most recently registered shareholders to sell their shares. From the fourth day after this requirement has been published, the shareholders concerned can no longer exercise the rights conferred by the shares concerned. If they do not comply with the requirement within four weeks, the Company is entitled after a further notice period of three weeks to declare the shares to be forfeited and to compensate the shareholders accordingly. On 31 December 2024, foreign shareholders held 20.7% of the shares in the shareholders' register of the Company. No steps were taken in financial year 2024 to limit the percentage of foreign shareholders. Detailed information on LuftNaSiG and the quarterly update on our shareholder structure can be found at **www.lufthansagroup.com/investor-relations.**

The annual share investment programmes for employees and managers have time-based restrictions on trading in shares, particularly lock-up periods of up to four years.

Direct or indirect shareholdings with more than 10% of voting rights

As of 31 December 2024, the Company had received the following notification of direct or indirect shareholdings with more than 10% of voting rights:

— Kühne Aviation GmbH, Hamburg, Germany: 15.01% (notified on 6 July 2022)

Holders of shares with special controlling rights

The Company has no shares that confer special controlling rights.

Control of voting rights for employee shares when control rights are exercised indirectly

Where the Company issues shares to its staff as part of its employee programmes, these shares are transferred to the employees directly. The staff beneficiaries can exercise the controlling rights that accrue to them from the employee shares directly in the same way as other shareholders, in accordance with statutory regulations and the provisions of the Articles of Association.

Statutory regulations and provisions of the Company's Articles of Association on the appointment and dismissal of members of the Executive Board and amendments to the Company's Articles of Association

The Supervisory Board appoints the members of the Executive Board and decides how many members there should be. The Supervisory Board can revoke appointments for membership and to the position of Chairman of the Executive Board for good reason. All amendments to the Articles of Association must be approved by resolution of an Annual General Meeting, with a simple majority of the issued capital present, unless the Articles of Association or binding provisions of the Stock Corporation Act determine otherwise (Section 18 Paragraph 1 of the Articles of Association). The Supervisory Board is authorised to adopt changes to the Articles of Association that only relate to wording (Section 11 Paragraph 4 of the Articles of Association). Furthermore, the Supervisory Board is entitled to amend Section 4 of the Articles of Association if authorised capital is exercised or expires.

Rights of the Executive Board to issue or repurchase shares

As of 31 December 2024, Deutsche Lufthansa AG had Authorised Capital A amounting to EUR 1,000,000,000.00 and Authorised Capital B amounting to EUR 92,752,565.76.

A resolution passed at the Annual General Meeting on 7 May 2024 authorised the Executive Board until 6 May 2029, subject to approval by the Supervisory Board, to increase the Company's issued capital by up to EUR 1,000,000,000.00 by issuing new registered shares on one or more occasions for payment in cash or in kind (Authorised Capital A). No use was made of this authorisation in the reporting period.

A resolution passed by the Annual General Meeting on 9 May 2023 authorised the Executive Board until 8 May 2028, subject to approval by the Supervisory Board, to increase the Company's issued capital on one or more occasions by up to EUR 100,000,000.00 by issuing new registered shares to employees (Authorised Capital B) for payment in cash. Existing shareholders' subscription rights are excluded. In the reporting period, the Company used EUR 4,347,712.00 of this authorised amount to issue 1,698,325 new shares to employees.

As of 31 December 2024, Deutsche Lufthansa AG had contingent capital from 2020 amounting to EUR 122,417,728.00 and contingent capital from 2022 amounting to EUR 306,044,326.40.

At the same time, the Annual General Meeting determined on 5 May 2020 to authorise the Executive Board, subject to approval by the Supervisory Board and until 4 May 2025, to issue bearer or registered convertible bonds, option bonds, profit-sharing rights and/or participating bonds (or combinations of these instruments), collectively referred to simply as bonds, for a total nominal value of up to EUR 1,500,000,000.00 and to grant conversion and/or option rights to new registered Company shares to the holders or creditors of the bonds mentioned above with a pro-rata amount of issued capital of up to EUR 122,417,728.00. The Company's issued capital was increased accordingly by up to EUR 122,417,728.00 by issuing up to 47,819,425.00 new registered shares.

The contingent capital increase will only take place to the extent that the holders or creditors of bonds issued by the Company or its Group companies pursuant to the authorisation given at the Annual General Meeting of 5 May 2020 exercise their conversion or option rights, or if the holders or creditors of convertible bonds meet their conversion obligations or, if the Company exercises its option, Company shares are granted in lieu of payment of all or part of the amount in cash due, to the extent that cash compensation is not granted or the Company's treasury shares are not used for settling the obligation. The new shares are entitled to share in profits from the beginning of the reporting year in which they are issued by the exercise of conversion or option rights, by meeting a conversion obligation, or by the exercise of rights to sell shares.

In November 2020, the Executive Board with the approval of the Supervisory Board made partial use of the authorisation granted on 5 May 2020 to issue bonds with a total nominal amount of up to EUR 1,500,000,000.00 by issuing convertible bonds with a total nominal amount of EUR 600,000,000.00. No conversion rights under the issued convertible bonds have yet been exercised; the contingent capital of EUR 122,417,728.00 adopted by the Annual General Meeting on 5 May 2020 therefore continues to exist unchanged. The authorisation of 5 May 2020 to issue further bonds was revoked on 4 May 2021.

At the same time, the Annual General Meeting determined on 10 May 2022 to authorise the Executive Board, subject to approval by the Supervisory Board and until 9 May 2027, to issue registered bonds for a total nominal value of up to EUR 1,750,000,000.00 and to grant conversion and/or option rights to new registered Company shares to the holders or creditors of the bonds mentioned above with a pro-rata amount of issued capital of up to EUR 306,044,326.40. Issued capital was increased accordingly by resolution of the Annual General Meeting on 10 May 2022 by up to EUR 306,044,326.40 by issuing up to 119,548,565 new registered shares.

The contingent capital increase serves to provide shares to the holders or creditors of conversion and / or option rights from convertible bonds that may be issued by the Company or its Group companies until 9 May 2027. The new shares are issued at the conversion or strike price set in each case. The contingent capital increase is only to be carried out to the extent that conversion rights or options are exercised or holders or creditors of bonds with a conversion obligation meet their conversion obligation, or to the extent that the Company exercises an option, to settle all or part of the amount due in Company shares instead of in cash, and to the extent that a cash compensation is not paid or the Company's treasury shares are not used for settling the obligation. To the extent that they are issued by the timeous exercise of the rights before the start of the Company's Annual General Meeting, the new shares are entitled to share in profits from the beginning of the previous financial year, otherwise from the beginning of the financial year in which they are issued by the exercise of conversion or option rights, by meeting a conversion obligation, or by the exercise of rights to sell shares. The Executive Board is authorised to determine the further details of the way in which the contingent capital increase is to be carried out.

No use was made of this authorisation in the reporting period.

Further information on authorised capital, contingent capital and share buy-backs ↗ **Consolidated financial statements, note 34.**

Important Company agreements subject to a change-of-control clause in the event of a takeover offer

The Euro Medium-Term Note (EMTN) programme operated by the Company to issue bonds includes a change-of-control clause, according to which holders of bonds issued thereunder can demand early redemption of the bond in the event of a change of control. The change of control is tied to the concepts of control, which are defined in detail in the EMTN programme, and of a rating downgrade resulting from the change of control within a change-of-control period. The following bonds are currently outstanding under this programme:

- EUR 750m bond maturing on 11 February 2025
- EUR 1,000m bond maturing on 29 May 2026
- EUR 900m bond maturing on 16 May 2027
- EUR 850m bond maturing on 11 February 2028
- EUR 500m bond maturing on 3 September 2028
- EUR 500m bond maturing on 14 July 2029
- EUR 750m bond maturing on 21 May 2030
- EUR 500m bond maturing on 3 September 2032

In August 2015, Deutsche Lufthansa AG issued a hybrid bond for EUR 500m, due on 12 August 2075, which also includes the change-of-control clause described above. Furthermore, Deutsche Lufthansa AG has signed a loan agreement for EUR 2.5bn and issued other borrower's note loans that include similar change-of-control clauses. As of 31 December 2024, a total of EUR 349m was still outstanding.

In November 2020, Deutsche Lufthansa AG issued a convertible bond for EUR 600m, due on 17 November 2025. The terms of the bond include a change-of-control clause that adjusts the conversion price and entitles the creditors to early repayment of the loan in the event of a change of control. A change of control occurs if one or more persons acquire control of Deutsche Lufthansa AG or if, in the event of a mandatory offer for ordinary shares, a situation occurs in which ordinary shares collectively hold more than 50% of the voting rights in Deutsche Lufthansa AG.

Compensation agreements with Executive Board members or employees in the event of a takeover offer

In the event of a change of control at Deutsche Lufthansa AG defined more precisely in the employment contract, the Executive Board members and the Company are entitled to terminate the contract within six months of this change of control. If the contract ends because the special termination right is exercised or the contract is revoked amicably within six months of and in connection with the change of control, the Executive Board member is entitled to compensation for remuneration outstanding for the remainder of the contract. The termination payment may not exceed 100% of the contractually agreed cap on severance pay of two years' remuneration. ↗ **Remuneration report.**

DECLARATION ON CORPORATE GOVERNANCE IN ACCORDANCE WITH SECTION 289F HGB AND SECTION 315D HGB

The declaration on corporate governance required for listed companies in accordance with Section 289f HGB and Section 315d HGB has been issued and made publicly available on the Company's website at **www.lufthansagroup.com/corporate_governance_declaration.**

COMBINED NON-FINANCIAL DECLARATION

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Sustainability is an integral part of the Lufthansa Group’s corporate strategy

Doing business sustainably and responsibly is embedded in the Lufthansa Group’s corporate strategy. The Lufthansa Group is convinced that it has an obligation to create value for customers, employees and investors in the long term, and to meet its responsibility towards the environment, people and society.

As one of the world’s largest and leading airline groups the Lufthansa Group strives to play an active role in shaping global aviation, also in terms of sustainability, and to set standards. In its mission statement, the Lufthansa Group states that it connects people, cultures and economies in a sustainable way. It uses the potential of innovation and digitalisation to strengthen its focus on sustainability. Dialogue with stakeholders and compliance with Company-wide standards play a key role in ensuring a balance between economic success and social responsibility.

The Lufthansa Group sets itself demanding sustainability targets

In order to implement its sustainability strategy holistically, the Lufthansa Group pursues environmental, social and governance targets, which are backed up by concrete, defined actions.

In the environmental area the focus is on reducing carbon emissions, developing innovative technical solutions and expanding lower-emission technologies and the use of circular, renewable materials, by replacing disposable with reusable materials, for example.

At the same time the Lufthansa Group fosters fair and safe working conditions, enhances diversity and equal opportunities and acts responsibly along its entire value chain. Strict sustainability standards for suppliers should ensure that environmental, social and governance criteria are met. They include compliance with human rights standards, promoting the use of sustainable materials and screening working conditions and environmental practices throughout the entire value chain.

In addition, by fostering an inclusive corporate culture and the highest corporate governance standards the Lufthansa Group aims to hardwire lawful behaviour and integrity into its corporate structures.

Responsible conduct is strengthened by strategic partnerships and sustainability initiatives

The Lufthansa Group has committed to the ten principles of the UN Global Compact for sustainable and responsible corporate governance since 2002, thus setting an example for long-term engagement, responsible corporate governance and sustainable development. The Lufthansa Group has also been committed to the implementation of the United Nations Agenda 2030 and its Sustainable Development Goals (SDGs) since 2015. As a contribution to achieving these goals, the Lufthansa Group concentrates on 10 SDGs, where it can mitigate its negative impact or increase its positive impact. A detailed overview of the specific contributions to the SDGs can be found in the annex to the management report.
↗ T222 **SDG Index.**

C23 RELEVANT SUSTAINABLE DEVELOPMENT GOALS (SDG) OF LUFTHANSA GROUP

SDG 3: Good Health and Well-Being

SDG 4: Quality Education

SDG 7: Affordable and Clean Energy

SDG 8: Decent Work and Economic Growth

SDG 9: Industry, Innovation and Infrastructure

SDG 10: Reduced Inequalities

SDG 12: Responsible Consumption and Production

SDG 13: Climate Action

SDG 16: Peace, Justice and strong Institutions

SDG 17: Partnerships for the Goals

The Lufthansa Group is also a long-standing member of the International Air Transport Association (IATA), the international airline industry association, and within this global organisation is actively involved in promoting safety, efficiency and sustainability in the aviation sector. It works closely with other members to develop and implement joint standards and methods, to drive innovation and actively shape the transition of the airline industry towards lower emissions.

External ratings

The Lufthansa Group's sustainability management is rated above-average

The Lufthansa Group's sustainability management again received a positive rating in the reporting year and is above the industry average in many categories:

C24 ESG RATINGS

as of 31 Dec 2024

ecovadis	BRONZE | Top 35% ecovadis Sustainability Rating JUL 2024	MSCI ESG RATINGS CCC B BB BBB A AA AAA	AA
SUSTAINALYTICS	26.0 Medium Risk (12/2024)	FTSE4Good	
CDP Discloser 2024	B	ECPI Sense in sustainability	
ISS ESG	C+ Prime Rating	S&P Global	44 CSAScore on 100

ABOUT THIS NON-FINANCIAL DECLARATION

Deutsche Lufthansa AG prepares and publishes the combined non-financial declaration in accordance with Sections 315 b and 315c German Civil Code (HGB) in conjunction with Sections 289c to 289e HGB and Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 on the establishment of a framework to facilitate sustainable investment and Art. 8 of Delegated Regulation (EU) 2020/852 (EU Taxonomy Regulation).

CSRD and ESRS are the new European framework for sustainability reporting

The Corporate Sustainability Reporting Directive (CSRD) represents a significant expansion of existing EU directives on non-financial reporting. It took effect at the EU level on 5 January 2023 and must be transposed into national law by the EU member states. Among other things, the intention is to oblige large, capital-market facing undertakings in the EU to report in their sustainability reporting on all the impacts of their business activities on sustainability matters and on how sustainability matters affect the undertaking's development, performance and position. To this end, the EU has adopted the European Sustainability Reporting Standards (ESRS) as a delegated regulation that applies directly in all EU member states.

The national CSRD Transposition Act (CSRD-UmsG) had not come into effect in Germany as of 31 December 2024, so the existing requirements of the current legal framework continue to apply for the Lufthansa Group.

Combined non-financial declaration of Deutsche Lufthansa AG prepared fully in line with ESRS for the first time

In the expectation that the CSRD would be transposed into German law on time, the Lufthansa Group has prepared itself thoroughly for first-time reporting in accordance with CSRD and ESRS. This being the case, the Company has decided to switch in 2024 from the internationally recognised GRI standard (Global Reporting Initiative) to the ESRS applicable in future as the European framework for the preparation of its report. The ESRS requirements are met in full for the 2024 financial year on a voluntary basis and applying transitional rules where available.

Structure and methodology of the combined non-financial declaration

Deutsche Lufthansa AG publishes a non-financial declaration at Company level and a non-financial Group declaration together as a combined non-financial declaration. The Lufthansa Group's combined non-financial declaration is an integral part of the management report and supplements the Management chapter. In line with the ESRS requirements, the material topics were selected on the basis of their impacts, relevance and assessment of their potential financial impacts. Material matters and facts relating to environmental concerns, customer concerns, employee concerns, social concerns, business ethics and compliance, including anti-corruption and bribery as well as respect for human rights and sustainability in the supply chain, are organised by subject matter and divided into four sections in accordance with ESRS: General Disclosures, Environment, Social and Governance.

The individual sections of the combined non-financial declaration are also based on the structure of ESRS standards. All ESRS requirements include direct references to the relevant sections and paragraphs of ESRS standards. No use was made of the option to put references outside the combined non-financial declaration.

The first section gives an overview of the basic procedure for sustainability reporting, including a presentation of the value chain, engagement with stakeholders and the materiality analysis and methodology applied. Disclosures about the Lufthansa Group strategy, its business model and corporate governance from the overarching standard ESRS 2 are also included in the general disclosures.

The Environment section provides comprehensive information about environmental actions and reflects the requirements of the reporting obligations within the meaning of the applicable EU Taxonomy regulations. This section also covers climate change mitigation, pollution, resource use and circular economy and the EU Taxonomy. In addition to the ESRS and EU Taxonomy requirements, the Lufthansa Group also provides further company-specific information on the topics of noise pollution and the replacement of disposable plastic and aluminium articles.

The Social section includes disclosures on the Lufthansa Group's own workforce, the working conditions within the value chain and actions affecting customers.

The Governance section is dedicated to actions relating to responsible corporate governance. They include the compliance and risk management systems, as well as actions to promote ethical business conduct.

Reconciliation of sustainability matters between HGB requirements and the ESRS framework and contextualisation of the matters

T046 SUSTAINABILITY MATTERS OF THE LUFTHANSA GROUP IN 2024 I SECTIONS 289C AND 315C HGB

HGB sustainability matters	Topic chapter in report
Environmental concerns	E1 Climate change
	E2 Pollution
	E5 Resource use and circular economy
	EU Taxonomy
Employee concerns	S1 Own workforce
Social concerns	S1 Own workforce
	S2 Workers in the value chain
	S4 Consumers and end-users
Respect for human rights	S1 Own workforce
	S2 Workers in the value chain
	S4 Consumers and end-users
Fighting corruption and bribery	G1 Business conduct

In addition to the statutory audit of the consolidated financial statements and the Group management report, which is combined with the management report, the Supervisory Board of Deutsche Lufthansa AG has voluntarily engaged an external firm of auditors to carry out an audit with limited assurance of the combined non-financial declaration.

Most significant non-financial performance indicators for Deutsche Lufthansa AG

Deutsche Lufthansa AG is the parent of the Lufthansa Group and is therefore obliged to make additional non-financial disclosures. This particularly concerns reporting on the most significant non-financial performance indicators, which also became mandatory for Deutsche Lufthansa AG as the parent when the German CSR Directive Transposition Act came into effect in 2017.

The integrated presentation in the management report was chosen for the non-financial declaration to be made in the reporting year in accordance with Section 289b to e HGB. For the above statements in the management report, all disclosures, rules, processes and performance indicators always apply to the Lufthansa Group, including Deutsche Lufthansa AG. No additional matters within the meaning of the German CSR Directive Transposition Act were identified that only apply to Deutsche Lufthansa AG.

T047 MOST SIGNIFICANT NON-FINANCIAL PERFORMANCE INDICATORS FOR DEUTSCHE LUFTHANSA AG IN 2024 I SECTIONS 289B TO E HGB

Non-financial performance indicators		2024
Total number of employees	Headcount	37,903
Ground	Headcount	13,439
Cabin	Headcount	19,590
Cockpit	Headcount	4,874
Employees by gender	–	–
Male	%	40.4%
Female	%	59.6%
Proportion of women in upper management ("leadership circle[1]")	%	26.3%
Recordable work-related accident rate	Per 1 million working hours	11.0
Engagement index	Index	3.7
Grammes CO_2 per revenue tonne-kilometre (RTK)	g CO_2 per RTK	861
Scope 1 Greenhouse gas emissions from flight operations	CO_2e in thousand tonnes	14,256

[1] "Leadership Circle" comprises the Group Executive Board and the three subordinate management levels.

ESRS2 – GENERAL DISCLOSURES

Basis for preparing this statement

BP-1 – General basis for the preparation of sustainability statements

The 2024 combined non-financial declaration for Deutsche Lufthansa AG has been prepared for all consolidated legal entities with operating activities. As such, the consolidated quantitative and qualitative data on the topics of environmental protection, social matters and corporate governance include the parent company Deutsche Lufthansa AG and the subsidiaries controlled by the Lufthansa Group. Associated companies and joint ventures are considered part of the value chain.

Generally speaking, the scope of reporting fulfils the same requirements as for financial reporting. However, there are two differences: firstly, the reporting scope of the EU's Corporate Sustainability Reporting Directive (CSRD) is limited to all subsidiaries with operating activities because these are the relevant legal entities for reporting on material impacts, risks and opportunities. Secondly, the Lufthansa Group has reviewed whether financially non-consolidated subsidiaries contribute to the material impacts, risks and opportunities. This was not the case for the 2024 financial year.

C25 **THE LUFTHANSA GROUP VALUE CHAIN**

Business segments: Passenger Airlines, Freight and Logistics, MRO – aircraft maintenance, repair and overhaul
Additional Businesses and Group Functions: IT services, Flight training, Administration

Business relationships: Private and business travellers, business partners, corporate customers, employees, trainees at flight schools, external airlines, suppliers, airport services/system partners, shipping companies, MRO service providers, waste disposal companies and resellers

Business activities:	Upstream	Own business activities	Downstream
	→ Procurement of aircraft/ aircraft parts, fuel → Materials and services at airports → Cargo delivery	Passenger and cargo flights short-, medium- and long-haul routes MRO – aircraft maintenance, repair and overhaul Administration IT services Flight Training	→ Additional travel services in the flight segment → Cargo delivery → Retirement, disposal and recycling of aircraft and other materials
Geography:	→ Global	→ Head office: Frankfurt am Main, Germany → Airport hubs: Frankfurt am Main, Munich, Zurich, Vienna, Brussels → Flights to Europe, North, Central and South America, Africa, Asia-Pacific and the Middle East; point-to-point traffic in Europe → Global cargo and logistics services → Aircraft overhaul and MRO workshops: Asia-Pacific, Europe, Middle East, Africa, North, Central and South America	→ Global

The operating segments of the Lufthansa Group conduct different business activities, which lead to differences in their value chains. The value chains for the three business segments of the Lufthansa Group are described below, as well as for additional businesses and Group Functions.

Passenger Airlines and Logistics business segments

Upstream value chain:

- Procurement and leasing of aircraft, fuel and other goods and services for ground and in-flight service, freight transport and logistics services

Downstream value chain:

Use of products and services
- Aircraft sales
- Disposal and contribution of materials, such as waste on board, to external recycling systems
- Transport, handling and delivery of products

Business segment MRO – aircraft maintenance, repair and overhaul

Upstream value chain:

- Procurement of components, engines, replacement parts, consumables and tools
- Procurement of used components, such as from the disassembly of aircraft, for obtaining replacement parts, unusable material for overhauls for reuse, procurement of MRO services (maintenance, repair and overhaul)

Downstream value chain:

- Use of other products and services, such as commercial, state and special operations, e.g. VIP aircraft
- Contribution of non-repairable aircraft components and materials, including rare-earth elements, to external recycling systems; disposal of hazardous substances, chemicals, industrial waste and wastewater

Additional Businesses and Group Functions

IT services

Upstream value chain:

- Procurement of hardware and supplies
- Purchase of computer programs and IT infrastructure services (e.g. servers, database management, data centres)

Downstream value chain:

- Use of different services
- Disposal or resale of decommissioned hardware, waste and water

Financial services

Upstream value chain:

- Procurement of hardware, utility services, computer programs and IT infrastructure services

Downstream value chain:

- Use of various payment solutions, such as corporate cards, virtual cards and debit account solutions
- Disposal or resale of decommissioned hardware, waste and water

Flight training

Upstream value chain:

- Procurement of hardware, simulators and supplies
- Purchase of computer programs and IT infrastructure services
- Procurement and leasing of aircraft, fuel and other goods and services for training purposes

Downstream value chain:

- Use of digital solutions and various devices and training
- Disposal or resale of decommissioned hardware, simulators, training aircraft, waste and water

Business relationships

Upstream value chain:

- Suppliers
- MRO service providers for aircraft maintenance, repair and overhaul; shipping companies
- Airport services/system partners

Downstream value chain:

- Private and business travellers
- Business partners and corporate customers
- External airlines
- Airport services/system partners
- Waste disposal services and resellers

The Lufthansa Group exercises the option to omit from its reports specific information that relates to intellectual property, expertise or the results of innovations. The Lufthansa Group also invokes the relevant exemption and exercises the option not to provide any information about upcoming developments or matters that are the subject of ongoing negotiations.

BP-2 – Disclosures in relation to specific circumstances

Time horizons are based on the Lufthansa Group's risk management

The time horizons for the management of material impacts, risks and opportunities are based on the Lufthansa Group's risk management. The short-term time horizon corresponds to the reporting period and thus one calendar year. The medium-term horizon deviates from the definition in the European Sustainability Reporting Standards (ESRS) and comprises more than one year, but less than four years. Time horizons beyond four years are defined as long-term horizons. The Lufthansa Group uses its own definitions of time horizons in order to ensure consistency across the Group in all risk assessments – regardless of the type of risk.

Estimates and sources relating to the value chain vary for some metrics

For some metrics, the Lufthansa Group uses indirect sources in order to estimate data relating to the value chain. A list of all data points where estimates are used to approximate information relating to the value chain can be found in the calculation methods. There are no data points with a high measurement or outcome uncertainty for the reporting year. The methods and corresponding degree of accuracy are described in the topic-specific chapters under the relevant calculation methods as are details about the sources of valuation and measurement uncertainty, as well as assumptions, approximations and discretionary decisions.

Changes in the preparation or presentation of sustainability information

Corporate Accounting is responsible for any changes to the financial data of the Lufthansa Group. Any changes to these figures are not described separately in the combined non-financial declaration. Whether or not figures relating to sustainability data need to be adjusted is decided on a case-by-case basis. The decisions are based on the cost/benefit analysis between low comparability with previous periods and higher accuracy with more information. If figures have been adjusted, this is stated in the report at the relevant point. Revised comparative figures and the relevant differences between earlier and current figures, or the explanation that the preparation of comparative figures is not feasible, are described in the topic-specific chapters.

Reporting errors in prior periods

Should the Lufthansa Group determine that there are measurement or calculation errors in its reporting, such cases are mentioned in the subsequent report. Corrections and/or the circumstances leading to the error are published within the relevant topic-specific chapter.

Corporate governance

GOV-1 – The role of the administrative, management and supervisory bodies

Tasks and responsibilities of the members of the management and supervisory bodies of Deutsche Lufthansa AG

Deutsche Lufthansa AG has the management and supervisory structures required for listed companies in Germany. The Executive Board is responsible for managing the Company and defining its strategic direction.

The Executive Board reports regularly to the Supervisory Board. The Executive Board regularly informs the Supervisory Board in both Supervisory Board meetings and between meetings regarding business developments in the Lufthansa Group, as well as on the topics of compliance, risk management, internal control systems and IT security.

The Supervisory Board appoints the Executive Board, advises it on the management of the Company and monitors its activities. Furthermore, it decides on the remuneration system and amounts for the Executive Board. The internal regulations for the Executive Board contain a catalogue of transactions for which the Executive Board requires the prior approval of the Supervisory Board. Every year, the Supervisory Board also approves the Company strategy, the key figures for the following year's budget and the Group's medium-term financial planning.

Executive Board and Supervisory Board are responsible for and monitor the sustainability performance of the Lufthansa Group

The Executive Board of Deutsche Lufthansa AG is responsible for preparing the sustainability report in accordance with CSRD and ensures the integration of sustainability-related topics with regard to the environmental, social and governance matters into the Company strategy and guarantees that sustainability-related targets are defined within the Company. This also includes impacts, risks and opportunities, as well as monitoring progress.

The Supervisory Board is responsible for monitoring governance, including sustainable corporate governance. The Executive Board informs the Supervisory Board in the Supervisory Board meetings at least four times a year on the business developments within the Lufthansa Group, including those associated with material impacts, risks and opportunities with regard to sustainability-related issues. The Sustainability division is represented by the Chief Technology Officer on the Executive Board.

The Corporate Responsibility department primarily handles the sustainability strategy, sustainability reporting and sustainability ratings, emissions management and sustainability communication in cooperation with the respective departments of the Lufthansa Group and reports directly to the Chief Technology Officer. In addition, the management of help alliance, the Lufthansa Group's aid organisation, reports functionally to the Corporate Responsibility department.

The Supervisory Board sets annual targets for the one-year variable remuneration (short-term incentive, STI) and the long-term variable remuneration (long-term incentive, LTI) of the Executive Board. When determining the goals for the STI and LTI, sustainability targets are set with a weighting of 20%. In the event of material changes to the remuneration system, but at least every four years, the remuneration system is presented at the Annual General Meeting for approval.

The Executive Board also provides regular updates to the Supervisory Board's Audit Committee regarding the reporting on sustainability matters. The Audit Committee monitors the efficacy of internal control and risk management systems, among other things. It is also informed about the content of the audit subject to mandatory reporting, including sustainability reporting.

ESG Committee advises Executive Board and Supervisory Board

Among other things, the Supervisory Board has set up an ESG Committee (Environmental, Social, Governance: ESG). This Committee advises the Supervisory Board, its committees and the Executive Board on environmental, social and governance issues that are essential to the sustainable economic development of the Company. This includes, in particular, risks and opportunities in the areas of ESG. The ESG Committee consists of four equal members: in the 2024 financial year, these were Supervisory Board members Erich Clementi (Chairman), Sara Grubisic, Marvin Reschinsky and Angela Titzrath.

Responsibilities for impacts, risks and opportunities are defined throughout the Group

The responsibilities for impacts, risks and opportunities at the Lufthansa Group are clearly defined in the Executive Board's division of duties plan, the internal regulations of the Supervisory Board and its committees and the relevant company guidelines. As such, the Chief Technology Officer is explicitly entrusted with monitoring environmental, climate and social impacts. The Corporate Controlling department reports directly to the Chief Financial Officer and is responsible for managing financial and sustainability risks. At the top management level, regulations to this effect are enshrined in the Executive Board's internal regulations.

The Supervisory Board regularly addresses sustainability-related topics, particularly in the corporate strategy and integrates ESG aspects into its decision-making. The ESG Committee that is rooted in the Supervisory Board advises on sustainable governance and sustainability-related risks and opportunities, reflecting these responsibilities in the Company's governance processes.

Specific controls and processes are used to manage impacts, risks and opportunities. Together with the Corporate Responsibility department and in consultation with the general risk management of the Company, the Executive Board is responsible for monitoring and managing sustainability matters. The Supervisory Board and, in particular the ESG Committee, advises and supervises the Executive Board. This interplay helps to ensure the consistent monitoring and management of both financial and non-financial risks and opportunities.

Sustainability-related risks are part of the Lufthansa Group's risk management

Group risk management is responsible for implementing uniform standards and methods, for coordinating and continuously refining the risk management process and for all risk management reporting in the Lufthansa Group. The Corporate Controlling department has functional responsibility for ensuring that the risk management system is standardised across the Group.

The Lufthansa Group Risk Management Committee is intended to ensure that processes, structures and rules are established to identify, manage and assess business risks at an early stage across all functions and processes. This includes risks related to sustainability issues. Sustainability-related risks are monitored through the Lufthansa Group's risk management system, which is coordinated by Group Risk Management. The risk assessment is carried out once a quarter. The risks are then reported to the Executive Board quarterly and discussed annually in the Supervisory Board's Audit Committee. The Risk Management Committee acts on behalf of the Executive Board and reports to it. Furthermore, the responsible Head of Corporate Controlling reports risks directly to the CFO.

The managing directors or management boards of all the companies covered by the risk management system also appoint risk managers. They are in regular dialogue with the Lufthansa Group's Group risk management function. In addition, as part of risk controlling, they ensure that risk-relevant information is agreed with the planning and forecasting processes in their company.

Managers with budgetary and/or disciplinary responsibility are designated as risk owners. The identification, evaluation, monitoring and management of risks are therefore fundamental aspects of every management role. The Group guidelines for risk management stipulate that the occurrence of material predictable risks that have not been reported in the past is considered to be a serious management error.

Composition and diversity of the members of the management and supervisory bodies

Appointment of Executive Board members is partly based on the diversity policy

The Executive Board of Deutsche Lufthansa AG had five members at the end of the 2024 financial year:

— Carsten Spohr, Chairman of the Executive Board
— Michael Niggemann, responsible for Human Resources & Legal, Labour Director
— Till Streichert, responsible for Finance
— Grazia Vittadini, responsible for MRO and IT
— Dieter Vranckx, responsible for Global Markets & Commercial Management Hubs

The Supervisory Board takes the view that the fundamental suitability criteria for Executive Board candidates are, in particular, good character, integrity, outstanding leadership qualities, professional qualifications relevant to the division concerned, and the ability to gear business models and processes towards the needs of a changing world. The Supervisory Board also takes diversity into consideration during the selection process. As a decision-making criterion, the Supervisory Board particularly considers diversity as being displayed by profiles and professional backgrounds that differ yet complement each other, including on an international level, an appropriate representation of both genders and a suitable mix of ages. According to legal requirements, at least one woman and one man should serve on the Executive Board. To this end, the Supervisory Board has adopted a diversity policy for the composition of the Executive Board. This policy is published on the Lufthansa Group website. Filling a particular position on the Executive Board is mainly dependent on the Company's interests, taking into account all the specific circumstances of the individual case.

As of 31 December 2024, the Supervisory Board is of the opinion that the composition of the five-person Executive Board fulfils the targets set out in the diversity policy. Alongside many years of experience within the Lufthansa Group, the members of the Executive Board contribute extensive knowledge and experience from various roles, including international roles outside the Lufthansa Group. The various career, educational and life experiences of the members of the Executive Board complement one another. The following information provides more details.

T048 ESRS2 GOV-1 I QUALIFICATION MATRIX FOR THE EXECUTIVE BOARD OF DEUTSCHE LUFTHANSA AG IN 2024

		Carsten Spohr	Michael Niggemann	Till Streichert	Grazia Vittadini	Dieter Vranckx	Implementation status of the diversity policy
Personal suitability	Divisional responsibility on the Executive Board	Chairman of the Executive Board	Corporate Human Resources and Legal Affairs	Finances	MRO and IT	Global Markets and Commercial Management Hubs	
	International experience	Europe, North America, Asia	Europe	Europe, Africa	Europe	Europe, North America, Asia	Many years of international leadership experience overall
Diversity	Date of birth	16.12.1966	2.4.1974	16.10.1973	23.9.1969	6.3.1973	Ø 53.6 years Range 50–58 years
	Gender	Male	Male	Male	Female	Male	20% F/80% M
	Nationality	German	German	German	Italian, German	Belgian, Swiss	
	Executive Board member since	1.1.2011, Chair since 1.5.2014	1.1.2020	15.9.2024	1.7.2024	1.7.2024	
Technical suitability	Aviation	√	√	√	√	√	
	Marketing/distribution clients/brand management	√				√	
	Politics/industry associations	√	√			√	
	Accounting/annual audit		√	√			
	Internal control processes/capital market	√	√	√	√		
	Digitalisation/IT			√	√	√	
	Human resources/organisation	√	√	√	√	√	
	Sustainability/ESG	√	√	√	√	√	
	Legal/compliance		√				

Composition of the Supervisory Board is based on an extensive profile of requirements

The Supervisory Board of Deutsche Lufthansa AG comprises 20 people and its members comprise ten shareholder representatives and ten employee representatives, as per the German Co-determination Act.

The Supervisory Board has adopted an extensive profile of requirements for its composition. This profile covers the skills required by the German Corporate Governance Code (GCGC) and the diversity policy set out in Section 289 f of the German Commercial Code (HGB). As of 31 December 2024, the Supervisory Board is of the opinion that the composition of the Supervisory Board fulfils the relevant targets. As a whole, the Supervisory Board is particularly knowledgeable about the aviation sector. As a whole, its members contribute a broad range of specialist knowledge to the Supervisory Board's work and possess international experience or specialist knowledge of one or more of the Company's key markets outside Germany. The status of the implementation of the profile of requirements can be found in detail in the qualification matrix below.

T049 ESRS2 GOV-1 | 23 QUALIFICATION MATRIX FOR THE SUPERVISORY BOARD OF DEUTSCHE LUFTHANSA AG IN 2024

		Karl-Ludwig Kley	Christine Behle[1]	Tim Busse[1]	Erich Clementi	Thomas Enders	Karl Gernandt	Sara Grubisic[1]
Personal suitability	Independence[2]	√	√	√	√	√	√	√
	No overboarding[3]	√	√	√	√	√	√	√
	International experience	Europe, North America, Asia	Europe		Europe, North America	Europe, North America	Europe	
Diversity	Date of birth	11.6.1951	12.7.1968	6.11.1973	5.12.1958	21.12.1958	21.7.1960	27.8.1971
	Gender	Male	Female	Male	Male	Male	Male	Female
	Nationality	German	German	German	Italian/US	German	German	German/Croatian
	Member since	7.5.2013	7.5.2013	29.7.2023	5.5.2020	5.5.2020	9.5.2023	29.7.2023
	Max. 72 years at last election	√	√	√	√	√	√	√
Technical suitability	Aviation	√	√	√		√		√
	Marketing/distribution/clients/brand management				√	√	√	√
	Politics/industry associations	√	√		√	√	√	√
	Leadership/CEO experience	√	√		√	√	√	
	Supervision of companies	√	√		√	√	√	
	Finance expert							
	Accounting	√					√	
	Annual audit	√					√	
	Internal control processes/capital market	√				√	√	
	Digitalisation/IT				√	√		
	Human resources/organisation	√	√	√	√	√	√	
	Sustainability/ESG				√	√		
	Legal/compliance	√					√	√

[1] Employee representatives

[2] It is the assessment of the Supervisory Board that none of the shareholder representatives or employee representatives currently show any indication of relevant circumstances or relationships that could give rise to a significant and lasting conflict of interest.

[3] As per Section 100 Para. 5 German Stock Corporation Act (AktG) and the recommendations of the German Corporate Governance Code (GCGC).

T049 ESRS2 GOV-1 | 23 QUALIFICATION MATRIX FOR THE SUPERVISORY BOARD OF DEUTSCHE LUFTHANSA AG IN 2024 (continued)

		Sara Hennicken	**Christian Hirsch**[1]	**Jamila Jadran**[1]	**Arne Christian Karstens**[1]	**Carsten Knobel**	**Holger Benjamin Koch**[1]	**Harald Krüger**
Personal suitability	Independence [2]	√	√	√	√	√	√	√
	No overboarding [3]	√	√	√	√	√	√	√
	International experience	Europe				Europe		Europe, North America
Diversity	Date of birth	15.7.1980	21.12.1959	19.6.1983	18.9.1983	11.1.1969	8.10.1976	13.10.1965
	Gender	Female	Male	Female	Male	Male	Male	Male
	Nationality	German	German	German	German	German	German	German
	Member since	7.5.2024	29.7.2023	29.7.2023	29.7.2023	9.1.2018	8.5.2018	5.5.2020
	Max. 72 years at last election	√	√	√	√	√	√	√
Technical suitability	Aviation		√	√	√		√	
	Marketing/distribution/clients/brand management			√		√		√
	Politics/industry associations		√		√	√		√
	Leadership/CEO experience	√				√		√
	Supervision of companies	√				√		√
	Finance expert							
	Accounting	√				√	√	√
	Annual audit	√				√		√
	Internal control processes/capital market	√				√	√	√
	Digitalisation/IT	√		√		√		√
	Human resources/organisation	√	√		√	√	√	√
	Sustainability/ESG	√				√		√
	Legal/compliance	√						

[1] Employee representatives

[2] It is the assessment of the Supervisory Board that none of the shareholder representatives or employee representatives currently show any indication of relevant circumstances or relationships that could give rise to a significant and lasting conflict of interest.

[3] As per Section 100 Para. 5 German Stock Corporation Act (AktG) and the recommendations of the German Corporate Governance Code (GCGC).

T049 ESRS2 GOV-1 | 23 QUALIFICATION MATRIX FOR THE SUPERVISORY BOARD OF DEUTSCHE LUFTHANSA AG IN 2024 (continued)

		Marvin Reschinsky[1]	Birgit Rohleder[1]	Britta Seeger	Astrid Stange	Angela Titzrath	Klaus Winkler[1]	Implementation status
Personal suitability	Independence [2]	√	√	√	√	√	√	100% shareholder representatives and 100% employee representatives
	No overboarding [3]	√	√	√	√	√	√	
	International experience			Europe, Asia	Europe	Europe, North America		
Diversity	Date of birth	27.10.1992	21.9.1960	25.9.1969	27.12.1965	30.4.1966	29.12.1973	Ave. 55 years Range 32–73 years
	Gender	Male	Female	Female	Female	Female	Male	40% F/60% M
	Nationality	German	German	German	German	German	German	
	Member since	29.7.2023	8.5.2018	4.5.2021	5.5.2020	2.9.2020	8.5.2018	√
	Max. 72 years at last election	√	√	√	√	√	√	√
Technical suitability	Aviation	√	√				√	Overall
	Marketing/distribution/clients/brand management			√	√	√		10
	Politics/industry associations	√	√		√	√	√	15
	Leadership/CEO experience			√	√	√		11
	Supervision of companies	√	√	√	√	√		13
	Finance expert							
	Accounting					√		7
	Annual audit							5
	Internal control processes/capital market				√	√		9
	Digitalisation/IT		√	√	√	√		10
	Human resources/organisation		√	√	√	√		16
	Sustainability/ESG				√	√		7
	Legal/compliance					√		4

[1] Employee representatives
[2] It is the assessment of the Supervisory Board that none of the shareholder representatives or employee representatives currently show any indication of relevant circumstances or relationships that could give rise to a significant and lasting conflict of interest.
[3] As per Section 100 Para. 5 German Stock Corporation Act (AktG) and the recommendations of the German Corporate Governance Code (GCGC).

Skills and expertise for overseeing sustainability matters are available

Sustainability is firmly entrenched in Lufthansa Group's strategic planning. The responsibility for sustainability matters is directly attributed to a member of the Executive Board in the division of duties plan. The Executive Board can consult external experts at any time and may engage in training.

The professional expertise of the Supervisory Board, which also includes sustainability-related expertise, is summarised in the qualification matrix for the Supervisory Board. As such, the members of the Supervisory Board's ESG Committee on the shareholder side, as well as the Chairman of the Audit Committee, have particular skills and expertise in those ESG topics relevant to the Lufthansa Group. Supervisory Board members have regular opportunities to take part in training. The Company offers Supervisory Board members the opportunity to take part in further education and training events, for example. Some of the further education and training events available in the 2024 financial year included a seminar on the CSRD and other topics, such as IT security.

The sustainability expertise in the Lufthansa Group's Executive Board and Supervisory Board committees is directly linked to the management of the Company's material impacts, risks and opportunities. The Executive Board regularly addresses sustainability matters and takes these into account in its strategic and operational decision-making. The Supervisory Board discusses the Lufthansa Group's sustainability strategy with the Executive Board as part of its strategy discussions. The Supervisory Board's ESG Committee advises the Executive Board on matters relating to sustainable corporate governance. Furthermore, ESG training for Supervisory Board members strengthens their expertise and helps to ensure that key sustainability matters are reconciled with the strategic goals and risk management strategy of the Lufthansa Group.

GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The company's administrative, management and supervisory bodies are regularly informed about sustainability aspects

The Lufthansa Group intends to ensure that the management and supervisory bodies, including the responsible committees, are regularly informed about material impacts, risks and opportunities relating to ESG topics. As such, since the 2023 financial year, the Executive Board has been regularly informed through sustainability reporting within the steering committee for the sustainability reporting project. The ESG Committee presented and discussed the latest status of the CSRD implementation in its two meetings in the 2024 financial year. The Chief Technology Officer also presented the results to the Executive Board members for their information. The basis for reporting was a double materiality analysis carried out in the reporting year, which summarises the results on the identified risks, opportunities and impacts. Over the course of the year, regular reports were issued on the implementation of sustainability-related due diligence requirements and as a review of the efficacy of the relevant directives, measures, key indicators and targets.

In monitoring the corporate strategy, the Lufthansa Group's administrative, management and supervisory bodies take into account key transactions, and systematically address the impacts, risks and opportunities related to ESG topics as part of the risk management process. Continual measurement of these factors is conducted through committee work in order to ensure that they are considered in the Company's strategic decision-making processes. In doing so, potential compromises between the risks, opportunities and expected impacts are carefully weighed up. These evaluations help to identify risks at an early stage, leverage opportunities and strengthen the long-term resilience of the Company.

As part of the strategic monitoring, the relevant committees regularly evaluate the impacts and risks relating to environment, social and governance issues and strive to integrate sustainability targets such as decarbonisation and compliance with regulatory requirements into the Company's strategy. The monitoring process for the individual topics is via risk assessments and information sharing by working groups, which then notify the committees if any impacts, risks or opportunities are identified. The committees then perform an evaluation based on the risk factors and empirical values in order to derive the relevant measures.

Material transactions involving the Lufthansa Group are submitted to an extensive evaluation to analyse the risks and opportunities with regard to sustainability-related aspects. In doing so, potential conflicts of objective between financial interests and ESG criteria are explicitly discussed to ensure that long-term value creation and sustainability requirements do not contradict one another.

The Lufthansa Group risk management system integrates ESG risks, including climate-related and compliance risks, into the overarching Group risk management. Regular risk assessments are carried out and the Supervisory Board committees informed in order to facilitate informed decision-making based on the risk assessments and derived recommendations for action.

Furthermore, conflicts of objective are specifically integrated into the consideration of impacts, risks and opportunities. One example of this is the introduction of sustainable aviation fuel (SAF) and the modernisation of the fleet, where higher costs over the short term are weighed up against long-term environmental benefits.

During the reporting year, the Lufthansa Group's administrative, management and supervisory bodies carefully analysed the material ESG risks, opportunities and impacts. These were presented in the meetings of the Executive Board and Group Executive Committee, in the Supervisory Board's ESG Committee and Audit Committee and to the Chief Financial Officer. In doing so, core topics with particular strategic relevance that were of key importance to the company's sustainable development were addressed. Some of these material topics addressed by the decision-making bodies and the relevant committees included climate change and its impact on business activities, compliance with social standards within the supply chain, and issues relating to good corporate governance and compliance. These areas of focus were systematically integrated into the Company's strategic decision-making processes in order to leverage long-term opportunities and promptly identify and manage potential risks.

GOV-3 – Integration of sustainability-related performance in incentive schemes

Sustainability targets are enshrined in Executive Board remuneration

The remuneration of Executive Board members is made up of a performance-related component and a fixed component. The fixed component takes the form of an annual basic salary. It reflects the responsibility assumed by the members of the Executive Board and the scope of their work. Additionally, the fixed component also includes benefits and an adequate, guaranteed pension. The performance-related remuneration comprises a one-year variable remuneration component and long-term variable remuneration component.

20% of the one-year variable remuneration is based on overall and individual business and sustainability targets, for which the Supervisory Board sets annual areas of focus. In prior years, the Supervisory Board defined targets in the areas of "Customers" and "Employees" as focal points for the business and sustainability targets and thus took the interests of key stakeholders into consideration. As of the 2023 financial year, the "Customers" and "Employees" targets each account for 10% of the one-year variable remuneration. For the sustainability parameter "Customers", the Net Promoter Score for Lufthansa Group Airlines, i.e. the proportion of customers recommending the Company, was again used in financial year 2024. The Engagement Index is used for the parameter "Employees". It measures the extent to which employees identify with the Company, as well as their commitment and willingness to recommend the Company to others.

↗ **S1-2 – Processes for engaging with own workers and workers' representatives about impacts.**

The long-term variable remuneration is designed to promote the long-term, sustainable development of the Company. It is subject to a four-year assessment period and is made up of 20% strategic targets and sustainability targets. The Supervisory Board specifies core areas of focus for these each year. Within the scope of the long-term variable remuneration of the Executive Board, the Supervisory Board regularly defines an environmental target as one of the strategic and sustainability targets. The reduction of specific carbon emissions has been regularly defined as a core focus for the long-term variable remuneration since 2022. This was derived from the current corporate strategy, according to which the reduction targets are based on the indicator grammes CO_2 per tonne-kilometre transported, in line with the target system for the validated SBTi targets. The indicator grammes of CO_2 per revenue tonne-kilometre shows the CO_2-intensity – i.e. the CO_2 emissions per transported tonne-kilometre.

The Supervisory Board as a whole is responsible for the structure of the remuneration system for Executive Board members and for defining the individual benefits. The Steering Committee of the Lufthansa Group Supervisory Board supports the Supervisory Board, monitors the appropriateness of the remuneration system and prepares the Supervisory Board's resolutions. If so required, the Steering Committee recommends any changes to the Supervisory Board. In the event of material changes to the remuneration system, but at least every four years, the remuneration system is presented at the Annual General Meeting for approval.

The remuneration of Supervisory Board members is designed as a fixed remuneration system, as per the regulation adopted by the Annual General Meeting on 9 May 2023. Members do not receive attendance fees or variable remuneration.

GOV-4 – Statement on due diligence

T050 ESRS 2 GOV-4 | 30 & 32 STATEMENT ON DUE DILIGENCE IN 2024

Core elements of due diligence	Reference within the sustainability report	Disclosure refers to people and/or the environment
a) Enshrining due diligence in corporate governance, strategy and business model	ESRS 2 GOV-2, ↗ **ESRS 2 – General disclosures – The Company's administrative, management and supervisory bodies are regularly informed about sustainability matters**	People and the environment
	ESRS 2 GOV-3, ↗ **ESRS 2 – General disclosures – Integration of sustainability-related performance in incentive schemes**	People and the environment
	ESRS 2 SBM-3, ↗ **ESRS 2 – General disclosures – Material impacts, risks and opportunities and their interaction with strategy and business model**	People and the environment
	ESRS 2 SBM-3 E1, ↗ **ESRS E1 – Climate change – Climate change resilience analysis has been initiated in order to analyse resistance to climate change**	Environment
	ESRS 2 SBM-3 S1, ↗ **ESRS S1 – Own workforce – Material impacts, risks and opportunities and their interaction with strategy and business model**	People
	ESRS 2 SBM-3 S2, ↗ **ESRS S2 – Workers in the value chain – Material impacts, risks and opportunities and their interaction with strategy and business model**	People
	ESRS 2 SBM-3 S4, ↗ **ESRS S4 – Consumers and end-users – Material impacts, risks and opportunities and their interaction with strategy and business model**	People
b) Integration of affected stakeholders	ESRS 2 GOV-2, ↗ **ESRS 2 – General disclosures – The Company's administrative, management and supervisory bodies are regularly informed about sustainability matters**	People and the environment
	ESRS 2 SBM-2, ↗ **ESRS 2 – General disclosures – Interests and views of stakeholders**	People and the environment
	ESRS 2 IRO-1, ↗ **ESRS 2 – General disclosures – The Lufthansa Group defined the material impacts, risks and opportunities as part of a double materiality analysis** and ↗ **ESRS 2 – General disclosures – the Company plans to integrate it into its risk management**	People and the environment
	E1-2, ↗ **ESRS E1 – Climate change – Policies related to climate change mitigation and adaptation**	Environment
	E2-1, ↗ **ESRS E2 – Pollution – Five-pillar strategy for active noise abatement aims to reduce noise pollution**	Environment
	E5-1 ↗ **ESRS E5 – Resource use and circular economy – Policies related to resource use and circular economy**	Environment
	S1-1 ↗ **ESRS S1 – Own workforce – Policies related to own workforce**	People
	S1-2 ↗ **ESRS S1 – Own workforce – Processes for engaging with own workforce and workers' representatives about impacts**	People
	S2-1, ↗ **ESRS S2 – Workers in the value chain – Policies related to value chain workers**	People
	S2-2, ↗ **ESRS S2 – Workers in the value chain – Processes for engaging with value chain workers about impacts**	People
	S4-1, ↗ **ESRS S4 – Consumers and end-users – Policies related to consumers and end-users**	People
	S4-2, ↗ **ESRS S4 – Consumers and end-users – Processes for engaging with consumers and end-users about impacts**	People
	G1-1 ↗ **ESRS G1 – Business conduct – Business conduct policies and corporate culture**	People and the environment
	G1-2 ↗ **ESRS G1 – Business conduct – Management of relationships with suppliers**	People and the environment
c) Identification and assessment of negative impacts	ESRS 2 IRO-1, ↗ **ESRS 2 – General disclosures – The Lufthansa Group defined the material impacts, risks and opportunities as part of a double materiality analysis** and ↗ **ESRS 2 – General disclosures – the Company plans to integrate it into its risk management**	People and the environment
	ESRS 2 SBM-3, ↗ **ESRS 2 – General disclosures – Material impacts, risks and opportunities and their interaction with strategy and business model**	People and the environment
	ESRS 2 SBM-3 E1, ↗ **ESRS E1 – Climate change – Climate change resilience analysis has been initiated in order to analyse resistance to climate change**	Environment
	ESRS 2 SBM-3 S1, ↗ **ESRS S1 – Own workforce – Material impacts, risks and opportunities and their interaction with strategy and business model**	People
	ESRS 2 SBM-3 S2, ↗ **ESRS S2 – Workers in the value chain – Material impacts, risks and opportunities and their interaction with strategy and business model**	People
	ESRS 2 SBM-3 S4, ↗ **ESRS S4 – Consumers and end-users – Material impacts, risks and opportunities and their interaction with strategy and business model**	People

T050 ESRS 2 GOV-4 | 30 & 32 STATEMENT ON DUE DILIGENCE IN 2024 (continued)

Core elements of due diligence	Reference within the sustainability report	Disclosure refers to people and/or the environment
d) Adopting measures to mitigate these negative impacts	E1-1, ↗ **ESRS E1 – Climate change – Transition plan for climate change mitigation**	Environment
	E1-3, ↗ **ESRS E1 – Climate change – Actions and resources in relation to climate policies**	Environment
	E2-2, ↗ **ESRS E2 – Pollution – Actions and resources related to pollution**	Environment
	E5-2, ↗ **ESRS E5 – Resource use and circular economy – Actions and resources related to resource use and circular economy**	Environment
	S1-4, ↗ **ESRS S1 – Own workforce – Comprehensive measures under the Human Resources strategy have been implemented**	People
	S2-4, ↗ **ESRS S2 – Workers in the value chain – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions**	People
	S4-4, ↗ **ESRS S4 – Consumers and end-users – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions**	People
	G1-1 ↗ **ESRS G1 – Business conduct – Business conduct policies and corporate culture**	People and the environment
	G1-2 ↗ **ESRS G1 – Business conduct – Management of relationships with suppliers**	People and the environment
	G1-3, ↗ **ESRS G1 – Business conduct – Prevention and detection of corruption and bribery**	People and the environment
	G1-4, ↗ **ESRS G1 – Business conduct – Incidents of corruption or bribery**	People and the environment
e) Tracking the efficacy of these efforts and reporting to	E1-4, ↗ **ESRS E1 – Climate change – Targets related to climate change mitigation and adaptation**	Environment
	E1-5, ↗ **ESRS E1 – Climate change – Energy consumption and mix**	Environment
	E1-6, ↗ **ESRS E1 – Climate change – Gross Scopes 1, 2, 3 and total GHG emissions**	Environment
	E1-7, ↗ **ESRS E1 – Climate change – GHG removals and GHG mitigation projects financed through carbon credits**	Environment
	E1-9, ↗ **ESRS E1 – Climate change – Anticipated financial effects**	Environment
	E2-3, ↗ **ESRS E2 Pollution – Targets related to pollution**	Environment
	E2-4, ↗ **ESRS E2 Pollution – Pollution of air, water and soil**	Environment
	E5-3, ↗ **ESRS E5 – Resource use and circular economy – Targets related to resource use and circular economy**	Environment
	E5-4, ↗ **ESRS E5 – Resource use and circular economy – Resource inflows**	Environment
	S1-5, ↗ **ESRS S1 – Own workforce – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**	People
	S1-9, ↗ **ESRS S1 – Own workforce – Diversity metrics**	People
	S1-10, ↗ **ESRS S1 – Own workforce – Adequate wages**	People
	S1-14, ↗ **ESRS S1 – Own workforce – Health and safety metrics**	People
	S1-16, ↗ **ESRS S1 – Own workforce – Compensation metrics**	People
	S1-17, ↗ **ESRS S1 – Own workforce – Incidents, complaints and severe human rights impacts**	People
	S4-5, ↗ **ESRS S4 – Consumers and end-users – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**	People
	G1-4, ↗ **ESRS G1 – Business conduct – Incidents of corruption or bribery**	People
	G1-5, ↗ **ESRS G1 – Business conduct – Political influence and lobbying activities**	People
	G1-6, ↗ **ESRS G1 – Business conduct – Payment practices**	People

GOV-5 – Risk management and internal controls over sustainability reporting

Risk management and internal control system regulate processes for sustainability reporting

The Lufthansa Group has an overarching, integrated, non-financial internal control system (N-ICS) and a risk management methodology with standardised processes to define the necessary controls, document them according to uniform rules and test them regularly to ensure that they are effective and appropriate.

The Lufthansa Group N-ICS includes all the principles and processes to ensure that sustainability reporting is conducted correctly, as well as to ensure compliance with the relevant legal requirements. It is based on the framework of the Committee of the Sponsoring Organizations of the Treadway Commission (COSO). The framework defines the elements of a control system and sets the standards for measuring the appropriateness and effectiveness of the N-ICS. In additional to organisational units that form part of the sustainability reporting, the N-ICS also includes IT systems relevant to sustainability reporting, relevant data collection and reporting processes, as well as disclosures relating to the collection of data and reporting for the EU taxonomy.

During the reporting year, the scope of the N-ICS was limited to data points, IT systems and organisational units with a high level of risk. From 2025, the scope of the N-ICS will be gradually expanded in order to attain a level of “reasonable assurance” by 2028.

Each organisational unit covered by the N-ICS is obliged to take part in the N-ICS lifecycle. It comprises the following steps, which are carried out either in sequence or in parallel: definition of scope and limits, determining the target requirements, planning phase, maintenance phase, efficacy review, quality assurance of self-assessments, activity monitoring and N-ICS reporting. The N-ICS lifecycle is fully depicted in a governance risk and compliance IT instrument.

Adapted methods for ESG risks applied in order to facilitate integration into risk management

As part of the double materiality analysis in 2024, ESG risks were identified and evaluated by the Corporate Responsibility department in accordance with ESRS requirements for the first time. The underlying risk methodology was adapted from the Group-wide risk management methodology, including the risk scales and risk types, for example. There were material differences to the existing Group risk management in terms of the dedicated ESRS categories, extended time horizons (short, medium and long term), and a consideration of risk before any remedial action.

An integration process was defined for the years 2024 to 2026 with the aim of integrating further ESG-risks into Group risk management as a whole and into the regular risk management process. The standard methodology and processes are adapted where necessary with CSRD-relevant specifics, as described below:

Impacts and opportunities are included in separate processes that are managed and coordinated by the Corporate Responsibility and Corporate Strategy departments. The Corporate Controlling department is responsible for the Group-wide harmonisation of the risk management system. The responsible unit head reports directly to the Chief Financial Officer. Group Risk Management implements consistent standards and methods, coordinates and continually develops the risk management process, and takes care of all risk management reporting within the Lufthansa Group. The Supervisory Board’s Audit Committee monitors the existence and effectiveness of the Lufthansa Group’s risk management. The Group Risk Management Committee ensures, on behalf of the Executive Board, that processes, structures and rules are established to identify, manage and assess business risks at an early stage across all functions and processes. It also aims to improve the effectiveness and efficiency of risk management. The composition and responsibilities of the committee are set out in the internal guidelines. The Internal Audit department carries out regular independent system audits focusing on the appropriateness and effectiveness of the risk management system practised in the Lufthansa Group.

The Lufthansa Group’s risk management addresses ESG risks at the Group level. For the non-ESG risks that have already been identified in the Company and that have been fully integrated into the ERM process, Group risk management includes all airlines, the Logistics and MRO segments, Lufthansa Aviation Training, Miles & More, Lufthansa Global Business Services, IT companies and the Delvag Group. The senior management or Board members of all companies falling under the risk management system appoint Risk Management Officers, as well as Risk Management Coordinators. They are responsible for implementing the Group guidelines within their own companies and are in regular dialogue with the Lufthansa Group’s risk management function. Furthermore, they ensure that risk-relevant information is coordinated with the planning and forecasting processes in their company through risk controlling.

Managers with budgetary and/or disciplinary responsibilities are named as risk managers. It is their task to implement risk management within their area. For ESG risks, this responsibility is initially assumed by interim topic managers and, from 2025 onwards, will be transferred to the risk managers.

The Lufthansa Group’s risk management process consists of continual risk identification, evaluation and management. These risks are recognised, monitored and evaluated either qualitatively or quantitatively on a net basis, using effective instruments. ESG risks in particular are subject to an adapted methodology, whereby their gross evaluation is also taken into account across short-term, medium-term and long-term time horizons.

For 2024, the risks were initially identified and evaluated within the relevant reporting and data collection processes, and new IT risks were integrated within the scope of the N-ICS.

The Lufthansa Group has established internal control processes in order to strive towards transparency and compliance in the recording and processing of relevant data as part of its sustainability reporting. The preparation of the content is done in an iterative process where the texts and accuracy of the disclosures are reviewed for accuracy. The control processes include agreements with the departments where topic-specific content is developed and coordinated. The results are then consolidated, evaluated and checked for accuracy and compliance in meetings between the committee heads. After various agreements between the committees, heads of corporate functions and iterative adjustment processes, the final sustainability report is accepted by the Executive Board and Supervisory Board. This multi-stage process aims to ensure that the report is complete and meets the Lufthansa Group's requirements when it is published.

Outlook: sustainability risks become part of the ERM
From 2025, further ESG-risks will become part of the regular ERM risk assessment process. Depending on the risk assessment, these risks will be transferred to the N-ICS and subjected to regular supervisory monitoring. The N-ICS is based on the existing financial ICS and generally follows a lifecycle as described below:

The Lufthansa Group N-ICS lifecycle involves an annual risk assessment to identify relevant risks of material misinformation in the sustainability reporting on the basis of materiality, process complexity and probability of error. The annual risk assessment process focuses in particular on risks within the data collection and reporting processes, as well as risks connected with IT systems relevant to reporting. The N-ICS is adapted based on the results of the annual risk assessment.

The N-ICS lifecycle is fully depicted in the relevant software solution. Material risks were identified through the data collection and reporting processes. Material risks in the reporting relate to incompleteness or inaccuracies in the report, as well as approvals that have not yet been obtained. In terms of data collection, the material risks relate to incomplete or erroneous collection or aggregation of data. In order to reduce these risks, appropriate review and approval control processes have been designed and implemented for the data collection and reporting process.

All components of the N-ICS framework will be subject to regular supervisory checks in the form of an ICS audit. An annual audit plan is established that takes into account the priority and critical nature of the processes or data points. Any instances of limited effectiveness are documented as to-dos with defined responsibilities and deadlines. The companies are responsible for putting this into practice. These activities are monitored at the level of the company and the Group.

For the 2024 reporting year, a report on the efficacy of the ICS was primarily issued for the financial ICS. From 2025, the Corporate Internal Control System department will issue a joint report for the financial ICS and N-ICS in the first quarter of the subsequent year. The report provides information to the Executive Board and the Supervisory Board's Audit Committee about the results of the effectiveness testing and the activities still to be completed from the previous reporting period. At a local level, the company's ICS Officer is responsible for internal reporting within the relevant company. The internal reporting provides information to the legal representatives and the local Supervisory Board about the effectiveness of the N-ICS and the activities still to be completed from the previous reporting period. Ideally, this is done in the first quarter of the subsequent year – but this may vary from company to company.

Strategy

SBM-1 – Strategy, business model and value chain

Core elements of the general corporate strategy have an impact on sustainability-related aspects
The Lufthansa Group offers its customers short-haul, medium-haul and long-haul flights worldwide. These are primarily provided by its five biggest passenger airlines, Lufthansa Airlines, SWISS, Austrian Airlines, Brussels Airlines and Eurowings. Customers can also use the services of Lufthansa Cargo to transport goods around the world. Finally, the Lufthansa Group portfolio includes the technical maintenance of aircraft by Lufthansa Technik and other industrial IT solutions. The Lufthansa Group expanded its product portfolio in 2023 with Green Fares, which enable customers to reduce their flight-related carbon emissions and offset the remaining carbon emissions – thus aiming to achieve higher efficiency in the use of energy and resources. It will also expand its portfolio of passenger airlines by acquiring a stake in ITA Airways.

The Lufthansa Group offers its products and services both to private customers and to corporate customers and is active around the globe. Its multi-hub strategy offers customers of its passenger airlines an extensive route network with the corresponding flexibility in travel. The Eurowings business, by contrast, is focused exclusively on point-to-point traffic on European short-haul and medium-haul routes.

Moreover, commercial joint ventures with leading international airlines extend the passenger airlines route network. Commercial joint ventures exist with United Airlines and Air Canada on routes between Europe and North America, and with All Nippon Airways (ANA), Singapore Airlines and Air China on routes between Europe and Japan as well as Singapore and China respectively. There are also numerous code-share arrangements, where several airlines share a scheduled flight. The Lufthansa Group is continuing to expand its offering in Asian growth markets, too.

The Lufthansa Group is a global company based in Europe, operating flights to Europe, North, Central and South America, the Asia/Pacific region, the Middle East and Africa from its five main hubs (Frankfurt, Munich, Zurich, Vienna, Brussels). Lufthansa Technik also provides aircraft overhauls and repair shops in the Asia/Pacific region, Europe, the Middle East, Africa and North, Central and South America.

T051 ESRS 2 SBM-1 | 40A DISTRIBUTION OF EMPLOYEES BY REGION[1] AS OF THE REPORTING DATE 31.12.2024

Region	Number of persons
Germany	66,290
North/Central America	2,616
South America	222
Europe, other	26,470
Asia/Pacific	5,061
Middle East/Africa	763
Total number	**101,422**

[1] Based on regions of deployment

In certain circumstances, such as armed conflicts, the Lufthansa Group may decide to temporarily halt flights to specific countries. This is due to security concerns, as was the case with Ukraine, for example. Flights to Ukraine were temporarily stopped as a result of the Russian invasion.

The ESRS make specific requirements of sustainability reporting that take into account not only sector-agnostic but also sector-specific characteristics. These sectors define industry-specific requirements and activities. In 2024, the Lufthansa Group was active in the following ESRS sectors and generated the following revenue:

T052 ESRS 2 SBM-1 I 40B REVENUE BY ESRS SECTOR IN 2024

Business segment	ESRS sector	Activity	Revenue in the ESRS sector in €m
MRO	Defence (MDE)	Activity C.33.16 Repair and maintenance of aircraft and spacecraft for Lufthansa Technik	5,036
Passenger Airlines	Other transport services (TTR)	Activity H.51.10 Passenger air traffic for the passenger airlines	28,905
Logistics	Other transport services (TTR)	Activity H.51.21 Air cargo for Lufthansa Cargo	3,213

The ESRS sectors listed were also taken into account in the Lufthansa Group's double materiality analysis. Guided by this materiality analysis, the Lufthansa Group identified the most important topics on which to base its strategy.

In the area of the environment, the Lufthansa Group pursues the aim of minimising greenhouse gas emissions and waste on board. By 2030, the Company aims to achieve a net reduction in carbon emissions of 50% in comparison with 2019. This target applies to air operations worldwide and includes both passengers and cargo clients. Furthermore, the Lufthansa Group also plans to phase out single-use plastic and aluminium on board – an aim that covers global air passenger operations.

With regard to social topics, the Lufthansa Group has set itself targets for boosting customer satisfaction and diversity. Customer satisfaction is a central aim for the Lufthansa Group and applies to all products and services globally, as well as to all customer groups for the Company's individual segments. In addition, the Lufthansa Group aims to increase its diversity. In specific terms, this means that 25% of management positions should be filled by women by the end of 2025. This target applies globally to the entire Lufthansa Group.

Finally, in terms of governance, the Lufthansa Group strives to ensure ethical conduct in all of its business relationships and compliance with all legal and regulatory requirements.

The companies in the Lufthansa Group carry on their business activities from Europe, in particular from Germany, Austria, Switzerland and Belgium. As a result, most of the site-specific impacts, risks and opportunities can be attributed to one of these countries. Because flights are the main source of greenhouse emissions in flight operations, the climate change impacts cannot be limited to a specific place or market.

The biggest challenge is achieving the climate target by 2050. The Lufthansa Group is therefore investing in aircraft with innovative technologies to boost fuel efficiency, and in other environmental projects, and is adapting to stricter environmental requirements.

Lufthansa Group business model extends across several value creation stages

The Lufthansa Group business model includes passenger and cargo flights, MRO services as well as IT and logistics services in particular.

Some of the biggest influencing factors are fuel, aircraft, replacement parts, infrastructure services from third parties (for example, airport services and air traffic control) and qualified staff. These advance expenses are guaranteed through long-term agreements with reliable suppliers and investments in training programmes for the Company’s own staff.

The core activities (outputs) extend across the following areas:

- Procurement and operation of aircraft: purchase or leasing of aircraft, goods and services for their maintenance and operation, as well as the operation of flights
- Flight services: passenger and cargo services, including distribution, logistics services, flight planning, airport handling, flight operations, customer support and catering
- Additional services: maintenance, repair and overhaul of aircraft, including defence, provision of IT and digital transformation solutions and consultancy services, flight training and advanced training for cockpit crews, cabin crew and customers

In 2024, the Lufthansa Group achieved results by providing passenger and cargo flight services, technical maintenance and IT and logistics solutions. The current and expected benefit to customers include improved travel experiences, better punctuality and reduced carbon emissions. Investors benefit from increased financial performance, other stakeholders benefit from the strong market position and sustainable business practices of the Lufthansa Group.

SBM-2 – Interests and views of stakeholders

The Lufthansa Group identified the following groups as their most important stakeholders:

C26 STAKEHOLDERS OF THE LUFTHANSA GROUP

Customers and end-users
Consumers including business customers

Capital market stakeholders
Investors, shareholders, lenders and other creditors

Politics, authorities, governments and legislation

Science, research and education

Society
General public, residents, vulnerable groups, social networks, NGOs/ associations

Nature

Analysts and rating agencies

Employees and representatives

Suppliers and contracting partners

The Lufthansa Group places great emphasis on open, continuous and trusting dialogue with its internal and external stakeholder groups and engages with them through a range of different formats. In 2023, a comprehensive stakeholder survey was conducted in order to obtain more in-depth findings. The Company communicates regularly with its investors via roadshows and investor conferences, as well as through direct dialogue. The integration of customers is supported via panels and customer surveys, while interaction with employees is conducted via established formats. These include “Offen gesagt” (“frankly speaking”), where the Chief Executive Officer and other members of the top management answer questions from employees, and the “involve me!” annual employee survey. Residents are integrated into the process through dialogue formats with local representatives at the Company’s key airports, as is the case with the ongoing dialogue in the Airport/Region forum in Frankfurt. Furthermore, the Lufthansa Group reports on its activities and progress in various formats, such as in the progress report on the UN Global Compact or the report on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), in order to ensure transparency and the ongoing involvement of stakeholders.

The Lufthansa Group organises its stakeholder involvement via a coordinated structure that combines both centralised and decentralised efforts. The centralised coordination is managed by the relevant departments, such as Investor Relations and Corporate Communications, while the HR department manages the employee involvement initiatives, including employee surveys. The decentralised involvement is organised by the relevant local sites in order to ensure that the communication is tailored to the requirements of the communities and other local stakeholder groups.

Responsible corporate governance benefits from dialogue with the Company’s stakeholders. This continuous exchange aims to help the Lufthansa Group better understand its different stakeholder groups’ needs, expectations and wishes, which permits their inclusion in business practices. Topics that can potentially impact long-term opportunities for creating value can thus be better identified. The materiality analysis conducted as part of the CSRD-compliant reporting also included the dialogue with various stakeholder groups and internal representatives.

The results of the stakeholder involvement were used in the Lufthansa Group's materiality analysis, which serves as the basis for the strategic development of its corporate responsibility management and the selection of the aspects and issues addressed in the combined non-financial declaration. Beyond the materiality analysis itself, these results are also used for product development in order to ensure that the Company’s offering meets the expectations and requirements of its stakeholders.

The Lufthansa Group regards the interests and perspectives of its stakeholders as a contribution towards helping to shape its strategy and business model. These findings are collected systematically via various dialogue formats and through the materiality analysis. The stakeholder survey covered all ESRS topics and other relevant sustainability-related topics, such as social commitment. All sustainability-related topics deemed material are integrated into the strategic initiatives and the Company’s business practices.

Some examples of how the business model is adapted to the interests and perspectives of stakeholders include the expansion of holiday routes as a response to customer demand and the introduction of carbon offsetting offers as a means of climate change mitigation. The Company is also improving intermodal travel options by reducing the dependence on short-haul flights by integrating train and bus connections, thus helping to achieve other sustainability targets. The route network is adapted while taking into account political and safety-relevant factors in order to guarantee passenger safety.

Furthermore, the positive acceptance of Green Fares has enabled the Lufthansa Group to expand its offering and offer these fares for long-haul flights, too. This is an ongoing, exploratory process that does not adhere to any particular timeline due to the innovative nature of the topic. Based on the option of being able to select a Green Fare in the booking process and rolling this out, the Lufthansa Group expects that this will increase passengers’ perception of the Company’s commitment to climate change mitigation and thus will help safeguard the business model.

The Lufthansa Group wants to ensure that the perspectives and interests of relevant stakeholders are communicated effectively to the relevant decision-making bodies with regard to sustainability-related impacts of the Company. The results of the materiality analysis, which is based on stakeholder assessments, are validated by the management and then presented to both the Executive Board and the Supervisory Board. Updates and more in-depth treatments of specific sustainability topics are also presented to the ESG Committee twice a year.

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

T053 ESRS2 SBM-3 | 48 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES IN 2024

Aggregated aspects	IRO	Allocation of value chain	Time horizon	Impacts on people and the environment/financial risks and opportunities	Impacts of material IROs on the business model, supply chain, strategy and decision-making of the Lufthansa Group	How the Company responded to this impact or intends to respond to it	Current financial effects
E1 – Climate change							
Extreme weather events	Negative impact	Upstream, own operations, downstream	Long-term	Adjusting to extreme weather events may require disruptive changes to processes or sites, which may have a negative impact on customers, suppliers, business partners or communities. Airport infrastructure and runways may also be affected, which could lead to flight cancellations and diversions, thus resulting in additional costs and lost productivity, particularly for business travellers and logistics partners. Adjustments to flight routes, increased fuel consumption and greenhouse gas emissions also lead to limited accessibility for customers due to higher prices.	Influences and expenses caused by climate change adaptation are considered by the climate risk analysis and, specifically, the vulnerability analysis. See also ↗ **ESRS E1 Climate change – Climate-related risks and opportunities for the Lufthansa Group have been identified** and ↗ **ESRS E1 Climate change – Climate change resilience analysis** has been initiated in order to analyse resistance to climate change.	Adaptation measures, particularly for heatwaves, are described in ↗ **ESRS E1 Climate change – Initial measures to mitigate climate-related physical and transition risks have been implemented.**	Costs resulting from the EU-ETS are already leading to financial effects being felt today, see ↗ **Legal and regulatory factors.**
	Risks	Upstream, own operations, downstream	Medium- to long-term	Extreme weather events may lead to delivery delays, require faster turnaround times and damage the brand image and operational stability, as well as affect employees. Furthermore, physical climate risks may limit the performance of aircraft, require diversions and airspace to be temporarily blocked, as well as cause damage to infrastructure and aircraft, which could have a negative impact on costs and income.			
	Opportunity	own operations, downstream	Medium-term	Use of the en-route weather display may improve climate and weather forecasts, and help to protect the Company against higher insurance premiums and gain reputational advantages.			
Regulatory and market risks	Risk	Upstream, own operations, downstream	Medium- to long-term	Political/regulatory climate change mitigation measures in aviation, such as a carbon tax, may require the Company to adjust its operational processes (increasing costs, refinancing costs). There may be rises in current costs, increased ticket prices and disruptions in the fuel market. On the one hand, this may occur due to rising prices for oil-based fuel and sustainable aviation fuel (SAF), which may exceed the costs for carbon emissions over the medium term. At the same time this may also occur due to greater regulatory monitoring, exposure to natural disasters and increasing geopolitical conflicts. Furthermore, customer preferences may change due to changes in average temperatures and seasons, which could lead to changes in air travel management and in destination planning, and higher current costs.	Transition risks are considered by the climate risk analysis and, specifically, the vulnerability analysis. See also ↗ **ESRS E1 Climate change – Climate-related risks and opportunities for the Lufthansa Group have been identified** and ↗ **ESRS E1 Climate change – Initial measures to mitigate climate-related physical and transition risks have been implemented.** Furthermore, costs from environmental regulations in Pillar 4 of the four-pillar strategy are addressed and managed by Financial Risk Controlling. See also ↗ **ESRS E1 Climate change – Four-pillar climate change mitigation strategy addresses four areas for action.**	The integration of environmental costs into ticket prices is currently being reviewed. The plan is to implement this for some flights from 2025 onwards. Further measures to manage transition risks are listed under ↗ **ESRS E1 Climate change – Market-based represent the fourth pillar of the climate change mitigation strategy.**	Costs resulting from the EU-ETS are already leading to financial effects being felt today, see ↗ **Legal and regulatory factors.**

T053 ESRS2 SBM-3 | 48 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES IN 2024 (continued)

Aggregated aspects	IRO	Allocation of value chain	Time horizon	Impacts on people and the environment/financial risks and opportunities	Impacts of material IROs on the business model, supply chain, strategy and decision-making of the Lufthansa Group	How the Company responded to this impact or intends to respond to it	Current financial effects
Impacts of carbon emissions on climate change	Negative impact	Upstream, own operations, downstream	Medium- to long-term	Direct carbon emissions from energy-intensive and polluting processes in ground and flight operations, as well as in the training of flight crews, have a negative impact on the climate. Emissions in the upstream and downstream value chain, such as those caused by airport services, the manufacture of kerosene, engine manufacturing and aircraft disposal, also contribute to climate change. The reduction of emissions certificates in emissions trading may also have a negative impact on customers in Europe as a result of a likely increase in ticket prices, and potentially global customers as a result of new trading systems.	The four-pillar strategy, which is described in chapter ↗ **ESRS E1 Climate change – Four-pillar climate change mitigation strategy addresses four areas for action,** explains how climate change mitigation is enshrined in the corporate strategy and decision-making process.	Various measures to reduce carbon emissions and fuel consumption are described in detail in chapter ↗ **ESRS E1 Climate change – Actions and resources in relation to climate policies.**	Costs resulting from the EU-ETS are already leading to financial effects being felt today, see ↗ **Legal and regulatory factors.** Fleet modernisations are also reflected in the financial key figures because of the high amounts of investment required ↗ **Financial position**
	Risk	Upstream, own operations, downstream	Medium- to long-term	New or amended government regulations may lead to limited availability of low-carbon alternatives, such as green aluminium, and thus require changes to operational processes. This could be associated with financial losses, penalties or reputational damage. Stricter EU climate change mitigation requirements may move long-haul connections to hubs outside the EU and thus distort the competition with airlines from the Middle East. This would result in emissions simply being relocated rather than reduced, and would result in financial losses. Limited accessibility and higher costs for customers, as well as reduced upper emissions limits and free certificates may also affect revenue and current costs.			
	Opportunity	Upstream, own operations, downstream	Medium- to long-term	Climate change mitigation measures, such as fleet modernisation, the use of SAF and AeroSHARK technology, may lead to more efficient use of resources, lower costs and higher business volume. This could boost revenue and the share price, help with tapping into new markets and expanding the customer base. Furthermore, the reduction of emissions is a focal topic within the Lufthansa Group. This could act as a catalyst in order to achieve climate targets, strengthen the brand value of the Lufthansa Group and facilitate access to the capital market. Investments in fuel-efficient aircraft, SAF and intermodal transport solutions may also offer customers and investors attractive solutions for greater climate change mitigation. Mitigation measures (Scope 1 and 2) and research projects, such as VOLAR and STAM, may also promote long-term resource savings and innovation. Government subsidies and initiatives, such as in the field of hydrogen, may also support the development of new technologies and accelerate business activities.			

T053 ESRS2 SBM-3 | 48 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES IN 2024 (continued)

Aggregated aspects	IRO	Allocation of value chain	Time horizon	Impacts on people and the environment/financial risks and opportunities	Impacts of material IROs on the business model, supply chain, strategy and decision-making of the Lufthansa Group	How the Company responded to this impact or intends to respond to it	Current financial effects
Impacts of contrails on climate change	Negative impact	own operations, downstream	Medium-term	Contrails from flights contribute to climate change by trapping the Earth’s heat, warming the air below, and reflecting incident sunlight back into space. This affects the local climate of communities and the global climate.	Various research projects are currently investigating what the impacts of contrails on climate change are. These are described in the resilience analysis. See ↗ **ESRS E1 Climate change – Climate resilience analysis has been initiated in order to analyse resistance to climate change.** The impact of contrails is not currently considered in the Lufthansa Group strategy or in its decision-making.	Initial measures relating to contrails are described in detail in chapter ↗ **ESRS E1 Climate change – Initial measures to mitigate climate-related physical and transition risks have been implemented.**	No current financial effects
	Risk	own operations, downstream	Long-term	Public criticism of the climate impact of contrails by communities, governments, academia and non-governmental organisation could lower the sales volume. Furthermore, new governmental regulations on contrails may require operational adjustments, such as changes to routes and fuel specifications, thus significantly increasing operating costs.			
	Opportunity	own operations, downstream	Medium-term	The optimisation of flight routes, altitudes, engine constructions and the use of SAF enable reductions in operating costs and improve the brand value and public perception, particularly among non-governmental organisations and stakeholders.			

T053 ESRS2 SBM-3 | 48 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES IN 2024 (continued)

Aggregated aspects	IRO	Allocation of value chain	Time horizon	Impacts on people and the environment/financial risks and opportunities	Impacts of material IROs on the business model, supply chain, strategy and decision-making of the Lufthansa Group	How the Company responded to this impact or intends to respond to it	Current financial effects
Energy efficiency	Negative impact	Upstream, own operations, downstream	Medium-term	In order to provide flights, operate offices, process raw materials, ensure product deliveries and other services all over the world, energy is required. The inefficient use of this energy leads to excessive extraction of natural resources and contributes towards climate change.	The four-pillar strategy, which is described in chapter ↗ **ESRS E1 Climate change – Energy strategy for ground operations focusses on energy efficiency and renewable energy sources**, addresses how climate change is enshrined in the corporate strategy and in its decision-making.	Various measures to increase energy efficiency are described in detail in chapter ↗ **ESRS E1 Climate change – Ground mobility and ground operations are to be carbon-neutral by 2045.**	Costs resulting from the EU-ETS are already leading to financial effects being felt today, see ↗ **Legal and regulatory factors.**
	Positive impact	Upstream, own operations, downstream	Medium-term	Enabling customers to reduce their energy consumption with energy-efficient fuels, alternative and sustainable fuels and adapting infrastructure, ground processes and offsetting measures may help to create a more diverse energy mix, improve energy supply security and reduce global emissions			
	Risk	Upstream, own operations, downstream	Medium- to long-term	New or changing government regulations on energy consumption may require the Company to adapt its operational processes, such as new routes or limiting the use of resources, which could significantly increase operating costs. Inefficient energy use, such as with poorly insulated buildings and poor operational planning, may also lead to additional costs. Furthermore, there is the risk of disruption to the supply chain, particularly in regions with energy bottlenecks, which may lead to negative impacts on the Lufthansa Group's operations.			
	Opportunity	Upstream, own operations, downstream	Medium-term	The ongoing modernisation of the fleet may improve efficiency by making transport performance independent from fuel consumption, which could result in lower costs. Investing in research and development in the field of innovative materials and alternative fuels may result in new technologies, processes and material use, which could facilitate energy savings and thus offer new sources of income and price advantages for procurement. Furthermore, revenue could be boosted via access to new markets and the expansion of the customer base, particularly with alternative fuels and digital solutions. Global government initiatives and subsidies may accelerate business activity in the areas of energy efficiency, the integration of renewable energies, as well as innovative technologies in up-and-coming industries such as hydrogen, while the active promotion of SAF by the Lufthansa Group is creating a competitive advantage.			

T053 ESRS2 SBM-3 | 48 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES IN 2024 (continued)

Aggregated aspects	IRO	Allocation of value chain	Time horizon	Impacts on people and the environment/financial risks and opportunities	Impacts of material IROs on the business model, supply chain, strategy and decision-making of the Lufthansa Group	How the Company responded to this impact or intends to respond to it	Current financial effects
E2 – Pollution							
Noise pollution	Negative impact	own operations	Medium-term	Lufthansa Group Airlines air traffic leads to noise pollution that affects habitats, ecosystems and biodiversity, as well as local communities.	The five-pillar strategy, which is described in chapter ↗ **ESRS E2 Pollution – Five-pillar strategy for active noise abatement aims to reduce noise pollution,** explains which impacts, risks and opportunities are associated with the topic of aircraft noise.	Various measures relating to noise abatement are described in detail in chapter ↗ **ESRS E2 Pollution – Actions and resources related to pollution.**	No current financial effects
	Risk	own operations	Medium-term	Amendments or new regulations on noise abatement and environmental requirements, such as restoring depleted resources in certain regions, may result in significant financial strain for the Lufthansa Group. In the event of non-compliance with noise pollution and other pollution guidelines, residents and nature conservation organisations may also threaten legal action, which could affect the Company financially, as well as jeopardise its reputation.			
	Opportunity	own operations	Medium-term	By investing in quieter aircraft, using noise-abatement technologies, taking part in noise research, optimising flight processes and routes, and engaging in dialogue with stakeholders, the Lufthansa Group may achieve a competitive and reputational advantage, and become more attractive for customers and investors.			

T053 ESRS2 SBM-3 | 48 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES IN 2024 (continued)

Aggregated aspects	IRO	Allocation of value chain	Time horizon	Impacts on people and the environment/financial risks and opportunities	Impacts of material IROs on the business model, supply chain, strategy and decision-making of the Lufthansa Group	How the Company responded to this impact or intends to respond to it	Current financial effects
E5 – Resource use and circular economy							
Resource inflows, including resource use	Negative impact	Upstream, own operations	Long-term	The use of non-renewable raw materials (such as metals and rare materials) by suppliers in aircraft manufacturing leads to the global depletion of natural resources and reduces their availability for local communities. The use of non-renewable resources in our own operations (such as fossil fuels, single-use plastic and packaging materials) also impacts global resource use and may affect local communities.	The policies outlined in chapter ↗ **ESRS E5 Resource use and circular economy – Policies related to resource use and circular economy** describe how the use of raw materials and other resources is addressed in the strategy and decision-making process of the airlines and Lufthansa Technik.	There are various measures for implementing the R strategies within the airlines and Lufthansa Technik. These are described in detail in chapter ↗ **ESRS E5 Resource use and circular economy – Actions and resources related to resource use and circular economy.**	No current financial effects
	Risks	Upstream, own operations, downstream	Medium-term	The procurement of recycled materials may lead to higher product costs, which are passed on to the Lufthansa Group and its customers, which could reduce sales volume. Alternatively, prices for customers could stay stable, which would narrow the profit margin. The use of non-renewable raw materials by Lufthansa Group suppliers may also jeopardise the Company's reputation as it contributes towards the global depletion of resources. New regulations that restrict the use of non-renewable resources (e.g. the EU directive on single-use plastic) may also lead to higher costs, for example, due to higher taxes on resource use.			
	Opportunity	Upstream, own operations	Medium-term	With reduced material use, the reuse of components and the use of recycled materials, the Lufthansa Group can become independent of rising costs for new raw materials and protect itself from procurement risks in conflict zones or regions subject to climate-related risks. Investments in research and development for innovative technologies, processes and the circular economy may also lead to new sources of income and price advantages. Actions such as the increased use of reused and recycled packaging materials and banning single-use plastic are viewed positively by customers. This improves the Company's market and brand potential, as well as its reputation, while lowering cost risks owing to new raw materials at the same time.			

T053 ESRS2 SBM-3 | 48 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES IN 2024 (continued)

Aggregated aspects	IRO	Allocation of value chain	Time horizon	Impacts on people and the environment/financial risks and opportunities	Impacts of material IROs on the business model, supply chain, strategy and decision-making of the Lufthansa Group	How the Company responded to this impact or intends to respond to it	Current financial effects
Resource outflows in connection with products and services	Negative impact	own operations, downstream	Medium-term	Business models that create stimuli for increased consumption in that they introduce new products or generations of products and services that are incompatible with previous versions can make a significant contribution towards the overuse and depletion of natural resources globally.	To date, no explicit impact on strategy and decision-making.	Currently, no further adaptation measures have been defined.	No current financial effects
	Risk	own operations, downstream	Medium-term	A significant rise in current and production costs may occur due to new or amended global government regulations. Non-compliance with these regulations by the Lufthansa Group, suppliers and business partners may result in additional costs in the form of liabilities, penalties, fees, reputational damage or the loss of licences and approvals.			
	Opportunity	own operations, downstream	Medium-term	Global demand for solutions based on a circular economy is increasing, which may boost market and brand potential, as well as the Company's reputation. Potential government initiatives and subsidies to reduce resource use or promote the circular economy, such as tax reforms, digital funding programmes and incentives for research and development may support activities within the circular economy.			
S1 – Own workforce							
Flexible working time models	Positive impact	own operations	Medium-term	A healthy work/life balance for employees is supported with flexible working hours, remote working, part-time hours, sabbaticals, parental leave, caregivers' leave and partial retirement. In addition, agreed working hours, various flexitime models and family benefits, such as childcare and caregiver consulting, also have a positive effect on employees' quality of life.	Flexible working arrangements are included in the Lufthansa Group HR strategy under the item "New forms of work". See chapter ↗ **ESRS S1 Own workforce – Policies related to own workforce**.	These flexible working arrangements include and address various models. This is covered under the item "New forms of work". See chapter ↗ **ESRS S1 Own workforce – Policies related to own workforce**.	No current financial effects
	Risk	own operations	Medium-term	Due to shortage of skilled workers and risk of losing out to more attractive competitors offering a better work / life balance, the Lufthansa Group could be affected by increased employee turnover, which may damage its reputation and brand value.			
	Opportunity	own operations	Medium-term	More flexible working conditions may lead to savings on current costs and energy costs thanks to remote working. It may also improve the Company's reputation and competitive edge as an employer. This helps to retain existing employees and attract new ones. Safeguarding appropriate working hours and measures to promote a healthy work/life balance help to avoid overtime, boost employee satisfaction and increase productivity. This reduces employee turnover and saves on future recruitment costs, which equates to a financial benefit.			

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Aggregated aspects	IRO	Allocation of value chain	Time horizon	Impacts on people and the environment/financial risks and opportunities	Impacts of material IROs on the business model, supply chain, strategy and decision-making of the Lufthansa Group	How the Company responded to this impact or intends to respond to it	Current financial effects
Overtime and non-regulated working hours	Negative impact	own operations	Medium-term	Unregulated working hours, incorrect categorisation and high workloads lead to stress, burnout and health problems, which restrict employees' satisfaction and their work/life balance.	Overtime and working hours models are included in the Lufthansa Group HR strategy under the item "New forms of work", where they are specified and described in detail. See chapter ↗ **ESRS S1 Own workforce – Policies related to own workforce in this regard.**	In order to address the topic from the perspective of demographic change and the skills shortage, it has been addressed under "New forms of work". For more information, see chapter ↗ **ESRS S1 Own workforce – Policies related to own workforce**.	No current financial effects
	Risk	own operations	Medium-term	Non-compliance with regulations on restricted overtime and a lack of flexible working solutions could result in reputational damage for the Lufthansa Group, along with lower employee retention and higher recruitment costs. Furthermore, costs may increase due to strikes, fines and legal disputes. High workloads can reduce the attractiveness of an employer, which may result in job vacancies and a higher number of sick days, which reduces efficiency.			
Adequate wages and collective bargaining agreements	Negative impact	own operations	Medium-term	Inadequate wages may cause unequal pay, poverty and social problems, as well as lower living standards, health problems, second jobs, lower levels of education and a reduced sense of social solidarity.	In order to pay competitive staff costs, adequate wages and collective bargaining agreements play a key role in the Company's remuneration policies. The Lufthansa Group is aware of this and it is also a core element of the HR strategy, as described in detail in chapter ↗ **ESRS S1 Own workforce – Material impacts, risks and opportunities and their interaction with strategy and business model**.	In order to address the topic of competitive staff costs, the Lufthansa Group has raised wages through collective bargaining, as described in more detail in chapter ↗ **ESRS S1 Own workforce – Material impacts, risks and opportunities and their interaction with strategy and business model.**	No current financial effects
	Positive impact	own operations	Medium-term	With its existing permanent employment contracts, collective bargaining agreements and a family-friendly HR policy that is bound by collective agreements, the Lufthansa Group provides fair working conditions and transparent pay for its employees.			
	Risk	own operations	Medium-term	Higher labour costs for the Lufthansa Group due to collective bargaining agreements, and non-compliance with these agreements, may result in additional costs in the form of liabilities, penalties, fines, reputational damage or the loss of licences and approvals.			
	Opportunity	own operations	Medium-term	Attractive collective bargaining agreements, a high proportion of trainees hired on a permanent basis and a family-friendly HR policy can make the Lufthansa Group an attractive employer and thus create a competitive advantage.			
Social dialogue and trade unions	Positive impact	own operations	Medium-term	Safeguarding the freedom of association at the Lufthansa Group leads to fairer working conditions in terms of pay and social benefits.	The social dialogue and free association of employees is one of the six pillars of the HR strategy as part of a trust-based social partnership. See chapter ↗ **ESRS S1 Own workforce – Policies related to own workforce in this regard.**	This pillar of the HR strategy, a trust-based social partnership, is based on a joint responsibility for the Company and its employees. As such, the Lufthansa Group intends to continue to develop the agreed regulations with trade unions and employee representatives. This is described in chapter ↗ **ESRS S1 Own workforce – Material impacts, risks and opportunities and their interaction with strategy and business model.**	No current financial effects
	Risk	own operations	Medium-term	A lack of platforms for addressing employee concerns and limited freedom of association can result in dissatisfaction, lower productivity, strikes and walkouts, legal sanctions, lower employee retention and reputational damage.			
	Opportunity	own operations	Medium-term	Employee involvement and platforms for raising issues, as well as unrestricted freedom of association can promote a cooperative working environment, boost employee satisfaction and morale, and lead to high employee retention and savings on recruitment costs.			

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Aggregated aspects	IRO	Allocation of value chain	Time horizon	Impacts on people and the environment/financial risks and opportunities	Impacts of material IROs on the business model, supply chain, strategy and decision-making of the Lufthansa Group	How the Company responded to this impact or intends to respond to it	Current financial effects
Health and safety at work	Negative impact	own operations	Medium-term	Psychosocial stressors and insufficiently ergonomic workplaces, as well as hazardous work processes, may increase the global risk of chronic diseases and serious accidents for employees. Handling hazardous substances may also result in acute and chronic health risks, such as respiratory disorders.	In order to ensure sustainable employability in the coming years, the Lufthansa Group has enshrined the topic of health and safety in both its HR strategy and in other Lufthansa Group policies. See chapter ↗ **ESRS S1 Own workforce – Policies related to own workforce**.	Sustainable employability involves the implementation of occupational safety policies, as well as the promotion of employee health, as described in chapter ↗ **ESRS S1 Own workforce – Policies related to own workforce**.	No current financial effects
	Risk	own operations	Medium-term	Health problems may result in higher costs due to absences, lower productivity, increasing insurance premiums and the payment of damages. Furthermore, there is a risk of reputational damage and financial impacts, such as penalties or the loss of licences, due to breaches of safety regulations.			
	Opportunity	own operations	Medium-term	Health services, preventive measures and sport programmes can strengthen employee retention and improve the Company's image as an employer, which is associated with long-term financial advantages, such as lower staff turnover and improved recruitment.			

T053 ESRS2 SBM-3 | 48 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES IN 2024 (continued)

Aggregated aspects	IRO	Allocation of value chain	Time horizon	Impacts on people and the environment/financial risks and opportunities	Impacts of material IROs on the business model, supply chain, strategy and decision-making of the Lufthansa Group	How the Company responded to this impact or intends to respond to it	Current financial effects
Diversity, equality and inclusion	Negative impact	own operations	Medium-term	Gender inequality in recruitment and pay, as well as insufficient protection against violence and harassment at work may have significant social and economic impacts. They may lead to pay inequality, reduced growth, social instability and negative consequences for families. Furthermore, mental health problems, untapped potential and increased strain for the healthcare and legal system may arise.	A modern leadership culture and active diversity policies at the Lufthansa Group encompass various strategic topics, and diversity, equality and inclusion are integral parts of this. The Lufthansa Group has set out specific targets for promoting diversity, which can be found in chapter ↗ **ESRS S1 Own workforce – Lufthansa Group staffing targets.**	The modern leadership culture and active diversity policies at the Lufthansa Group are reflected in the internationalisation of the workforce, the establishment of talent programmes for specific groups of employees and further-reaching targets. More information is provided in chapter ↗ **ESRS S1 Own workforce – Comprehensive measures under the Human Resources strategy have been implemented.**	No current financial effects
	Positive impact	own operations	Medium-term	The Lufthansa Group can promote the equal treatment of its employees through the institutionalisation and introduction of equality regulations. This could also lead to stronger economic parity. The inclusion of people with disabilities and equal opportunities for all may strengthen economic parity, improve access to essential services, promote strong social systems, reduce discrimination and boost individual potential, while improving employees' mental health.			
	Risk	own operations	Medium-term	Gender inequality and a lack of diversity in recruitment, promotions and training may harbour financial risks for the Lufthansa Group, such as legal penalties, reputational damage and difficulties in winning the war for talent. Missed opportunities for innovation and productivity, as well as the insufficient inclusion of people with disabilities amplify these risks.			
	Opportunity	own operations	Medium-term	The introduction of tried-and-tested practices for gender equality and equal pay, as well as family-friendly policies, can improve the image of the Lufthansa Group, expand the talent pool and boost innovation and productivity. The inclusion of people with disabilities may provide additional talent and regulatory advantages. A zero-tolerance policy to ensure a safe working environment can increase efficiency. Diversity can strengthen innovation and contribute towards business success by creating unique solutions, attracting new customers and increasing employee satisfaction.			
Training and development	Positive impact	own operations	Medium-term	By providing training and further education and training for all employees, the Lufthansa Group supports well-trained, more resilient employees. This enables them to manage changes effectively and to maintain their relevance on the labour market.	In the context of demographic change and the skills shortage, life-long learning is set to increase in importance. Continuous training and tailored qualifications are becoming a matter of course and they secure the employability of the workforce and the future viability of the Lufthansa Group. This is described in chapter ↗ **ESRS S1 Own workforce – Comprehensive measures under the human resources strategy have been implemented.**	In order to safeguard this employability, the Lufthansa Group offers its employees training and further education programmes. See chapter ↗ **ESRS S1 Own workforce – Comprehensive measures under the Human Resources strategy have been implemented.**	No current financial effects
	Opportunity	own operations	Medium-term	Employee support programmes, training and career development options offered by the Lufthansa Group can strengthen employee retention and efficiency, as well as the employer brand, while keeping staff turnover and recruitment costs low thanks to well-qualified, committed employees.			

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Aggregated aspects	IRO	Allocation of value chain	Time horizon	Impacts on people and the environment/financial risks and opportunities	Impacts of material IROs on the business model, supply chain, strategy and decision-making of the Lufthansa Group	How the Company responded to this impact or intends to respond to it	Current financial effects
H&S management (hazard and security management)	Negative impact	own operations	Medium-term	Security threats and terrorist attacks on airports and aircraft can have significant impacts on people and the environment. Employees may be particularly affected as such events may affect their mental well-being and, in extreme cases, may lead to injury or even the loss of life.	The security and safety of its workforce is also part of the Lufthansa Group's further-reaching policies. These aim to protect the workforce from external hazards in air transport, as well as in the other segments. This relates to the pillar of employability in the HR strategy. This is described in chapter ↗ **ESRS S1 Own workforce – Comprehensive measures under the Human Resources strategy have been implemented.**	This is actively managed by the Lufthansa Group with the area of security and safety as well as further-reaching policies relating to the management of security and hazard prevention. This is presented in chapter ↗ **ESRS S1 Own workforce – The corporate occupational safety policy protects health.**	No current financial effects
	Positive impact	own operations	Medium-term	By offering supplemental healthcare options, the Lufthansa Group makes a significant contribution to the health and safety of its crews and employees.			
	Risk	own operations	Medium-term	Delays and disruptions due to airport closures, aircraft damage or security measures increase operating costs and cash outflows for employee health and safety measures. This is associated with a significant financial risk.			
	Opportunity	own operations	Medium-term	Regular health check-ups can promote employee well-being, boost their loyalty to the Company and improve the Company's image. This can lead to work being completed with greater punctuality and increased operational efficiency, which can open up financial opportunities for business activities.			
Data security	Negative impact	own operations	Medium-term	Insufficient protection of privacy may breach the privacy rights of the Lufthansa Group's employees and constitute an intrusion into their private life.	Data security is enshrined in the Code of Conduct and thus in the Lufthansa Group's corporate governance. This also applies to data security regarding the Company's own employees. See chapter ↗ **ESRS S1 Own workforce – The Lufthansa Group's Code of Conduct supports ethical values.**	The Lufthansa Group has enshrined data security in its Code of Conduct, where it sets out clear guidelines that the Company's employees must also observe in terms of data security.	No current financial effects
	Risk	own operations	Medium-term	Data privacy violations may lead to legal sanctions, such as fines, reputational damage and potential industrial unrest.			
Social protection	Negative impact	own operations	Medium-term	Low job security and lack of social protection may lead to financial instability, mental health problems, unequal pay and social unrest. The basis for sustainable societies is undermined if there is low job security.	This topic was identified as being material within the Lufthansa Group's materiality analysis. The Lufthansa Group is addressing the topic and is attempting to work out the implications for its business model.	The Lufthansa Group is engaging with employee retention and employer attractiveness actions that are described in more detail in chapter ↗ **ESRS S1 Own workforce – Comprehensive measures under the Human Resources strategy have been implemented.**	No current financial effects
	Risk	own operations	Medium-term	A lack of social protection may lead to higher staff turnover, lower productivity and potential boycotts, which may result in financial risks due to lower business volume and reputational damage. Furthermore, it may weaken the Company's brand position as compared with its competitors and make it harder to access financing.			
	Opportunity	own operations	Medium-term	Measures relating to employee retention and employer attractiveness are being continuously optimised in order to boost satisfaction, security and loyalty, which can have a positive impact on reputation and recruitment costs.			

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Aggregated aspects	IRO	Allocation of value chain	Time horizon	Impacts on people and the environment/financial risks and opportunities	Impacts of material IROs on the business model, supply chain, strategy and decision-making of the Lufthansa Group	How the Company responded to this impact or intends to respond to it	Current financial effects
Pandemic	Negative impact	own operations	Medium-term	Epidemics, endemic diseases and pandemics triggered by changing environmental and socio-economic conditions may result in reduced working hours for employees. This may result in financial instability, lower salaries and job losses.	The coronavirus pandemic had a significant impact on the Lufthansa Group's business model, particularly due to the massive drop in air traffic. In this context, the risk of a national or international pandemic was identified and evaluated as a major influencing factor on business operations.	The Lufthansa Group addressed the topic intensively following the coronavirus pandemic and implemented the relevant remedial actions at the time. In view of the numerous unknown influencing factors, however, there is no further need for action in this area at the present time.	No current financial effects
	Risk	own operations	Medium-term	Travel demand may drop as a result of travel restrictions to certain destination regions and worldwide. This may reduce the Lufthansa Group's business volume and increase uncertainty regarding the industry's recovery.			
S2 – Workers in the value chain							
Human and labour rights in the value chain	Negative impact	Upstream, downstream	Medium-term	Suppliers and downstream business partners can have a negative impact on human rights in the value chain with regard to secure jobs, working hours, adequate wages, freedom of association, collective bargaining, health and safety, gender equality and equal pay for equal work, measures to combat violence and harassment at work, child labour and forced labour.	Compliance with human rights and labour laws in the value chain is a key component of the due diligence processes and the Lufthansa Group's supplier risk analysis and is described in more detail in chapter ↗ **ESRS S2 Workers in the value chain – Human rights and environmental risk analysis aims to protect the Lufthansa Group and its suppliers.**	Various measures relating to human rights and labour laws in the value chain are described in detail in chapter ↗ **ESRS S2 Workers in the value chain – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions**.	No current financial effects
	Risk	Upstream, own operations, downstream	Medium-term	Non-compliance with laws and regulations may result in legal consequences, reputational damage and sanctions against the Lufthansa Group, its suppliers and business partners, and may lead to the loss of business licences and a weaker financial situation. Social unrest (for example, strikes) due to human rights violations may lead to delays and disruption to the value chain, which can reduce productivity and increase current costs.			
	Opportunity	Upstream, own operations, downstream	Medium-term	Clear guidelines for suppliers and downstream business partners can strengthen the reputation of and customer confidence in the Lufthansa Group, create transparency and promote financial and operational stability for projects. Furthermore, they can facilitate access to regulated markets and open up new business opportunities, while promoting sustainability and human rights and having a positive impact on suppliers and business partners.			

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Aggregated aspects	IRO	Allocation of value chain	Time horizon	Impacts on people and the environment/financial risks and opportunities	Impacts of material IROs on the business model, supply chain, strategy and decision-making of the Lufthansa Group	How the Company responded to this impact or intends to respond to it	Current financial effects
Social dialogue in the value chain	Positive impact	Upstream, downstream	Medium-term	Through social dialogue with its suppliers and business partners, the Lufthansa Group can improve working conditions within its value chain, including more secure jobs, fairer wages, health and safety, gender equality and protect other labour laws and human rights.	Options for contacting suppliers and partners, as well as implementing social dialogue are discussed in particular in chapter ↗ **ESRS S2 Workers in the value chain – Policies related to value chain workers**.	Various measures relating to social dialogue in the value chain are described in detail in chapter ↗ **ESRS S2 Workers in the value chain – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions**.	No current financial effects
	Risk	Upstream, own operations, downstream	Medium-term	A failure to engage in social dialogue with suppliers and business partners may also lead to inefficiency in the strategic management of the value chain, which in turn can result in less resilient value chains and higher current costs.			
	Opportunity	Upstream, own operations, downstream	Medium-term	ESG-related social dialogues may aid the Lufthansa Group in establishing an effective due diligence process with suppliers and business partners with regard to human rights. The strategic management of the supply chain may boost business efficiency thanks to a resilient value chain.			
Training and development opportunities in the value chain	Positive impact	Upstream, downstream	Medium-term	By providing training and professional development options for suppliers and business partners, the Lufthansa Group can make a positive contribution to training workers in the value chain in health and safety matters. Human rights issues, further training, IT solutions and sustainability requirements can also be integrated more broadly in the value chain in order to improve health and safety standards.	The integration of training and professional development options for suppliers and partners within the due diligence processes of the Lufthansa Group is described in chapter ↗ **ESRS S2 Workers in the value chain – Policies related to value chain workers**.	With the aim of implementing training and professional development options within the value chain, the Lufthansa Group has already implemented initial measures, as described in more detail in chapter ↗ **ESRS S2 Workers in the value chain – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions**.	No current financial effects
	Opportunity	Upstream, own operations, downstream	Medium-term	Well-qualified employees of suppliers and business partners may lead to increased efficiency along the global value chain. This may save on current costs that could arise due to delays owing to workplace accidents or absences due to ill health.			

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Aggregated aspects	IRO	Allocation of value chain	Time horizon	Impacts on people and the environment/financial risks and opportunities	Impacts of material IROs on the business model, supply chain, strategy and decision-making of the Lufthansa Group	How the Company responded to this impact or intends to respond to it	Current financial effects
Diversity in the value chain	Positive impact	Upstream, downstream	Medium-term	Employees of suppliers and downstream business partners of the Lufthansa Group may contribute to diversity within the value chain, with the Lufthansa Group having an indirect influence through its guidelines, for example. Thus it is possible to help create a culture of fair, deliberate cooperation and also increase the visibility of people with different backgrounds within the general population.	Compliance with anti-discrimination guidelines within the value chain is a significant component of the due diligence processes described in chapter ↗ **ESRS S2 Workers in the value chain – Policies related to value chain workers**. The Lufthansa Group continues to address diversity in the value chain and work out the implications for its business model.	In order to promote diversity and prevent discrimination, the Lufthansa Group has already implemented initial measures, as described in chapter ↗ **ESRS S2 Workers in the value chain – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions**.	No current financial effects
	Risk	Upstream, own operations, downstream	Medium-term	Non-compliance with diversity regulations by the Lufthansa Group or its suppliers may lead to an increase in the number of discrimination cases (human rights violations) and disciplinary action throughout the Company as a result of poor prevention. This may result in additional costs in the form of liabilities, fines, reputational damage or the loss of licences and approvals around the world for the Lufthansa Group, its suppliers and business partners.			
	Opportunity	Upstream, own operations, downstream	Medium-term	The promotion of diversity among the employees of suppliers and business partners can expand their talent pool and lead to more qualified staff thanks to improved talent recruitment and retention. This can boost productivity and lower current costs, which may lead to a more robust and more efficient value chain for the Lufthansa Group.			
S4 – Consumers and end-users							
Privacy	Positive impact	Downstream	Medium-term	Comprehensive information about data privacy enables customers to make well-informed decisions and protect their personal data.	The privacy of customers and end users is reflected in the Lufthansa Group's Code of Conduct and is an integral part of its corporate governance. See also chapter ↗ **ESRS S4 Consumers and end-users – Policies related to consumers and end-users**.	At the Lufthansa Group, the protection of customer data complies with the Code of Conduct and/or the data privacy guidelines. See also chapter ↗ **ESRS S4 Consumers and end-users – Policies related to consumers and end-users**.	No current financial effects
	Risk	own operations, downstream	Medium-term	Non-compliance with data privacy legislation (such as the General Data Protection Regulation, GDPR) may result in fines, sanctions and reputational damage, which could have a negative impact on the Lufthansa Group's financial performance.			
	Opportunity	own operations, downstream	Medium-term	By opening up access to data protection practices, the Lufthansa Group maintains a trusting business relationship, which ensures satisfied customers, increased customer loyalty and cost savings in customer service.			

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Aggregated aspects	IRO	Allocation of value chain	Time horizon	Impacts on people and the environment/financial risks and opportunities	Impacts of material IROs on the business model, supply chain, strategy and decision-making of the Lufthansa Group	How the Company responded to this impact or intends to respond to it	Current financial effects
Access to high-quality information	Risk	own operations, downstream	Medium-term	Potential liability costs and regulatory fines for product and service-related accidents, as well as misleading information could reduce customer trust and loyalty, which could lead to loss of business and reputational damage.	The product design and associated customer safety is integrated into the Lufthansa Group business model. See also chapter ↗ **ESRS S4 Consumers and end-users – Opportunities and risks in thoughtful product design.**	Various Lufthansa Group products are currently being tested at the “co-creation hub” and adapted based on feedback. These are also brought to market in compliance with the relevant safety regulations and customer safety measures. For more details, see chapter ↗ **ESRS S4 Consumers and end-users – Customer satisfaction measurement through various tools.**	No current financial effects
Health and safety	Negative impact	own operations, downstream	Medium-term	The products and services of the Lufthansa Group may affect the health and safety of customers if their use and maintenance could potentially cause risk of injury or accident (e.g. food poisoning, malfunctions).	The health and safety of our customers and end users are the prime focus of the Lufthansa Group’s products. For more detailed information, please see chapter ↗ **ESRS S4 Consumers and end-users – Lufthansa Group commits to protecting customer health and safety.**	The Lufthansa Group has a comprehensive safety management system. It is addressed in chapter ↗ **ESRS S4 Consumers and end-users – The Lufthansa Group’s passenger airlines implement safety policies and communication measures**.	No current financial effects
	Opportunity	own operations, downstream	Medium-term				
Personal safety	Risk	own operations, downstream	Medium-term	Safety risks for customers may lead to reputational damage and negative media coverage.	The health and safety of people are at the heart of the Lufthansa Group’s products. For more detailed information, please see chapter ↗ **ESRS S4 Consumers and end-users – Lufthansa Group commits to protecting customer health and safety.**	The Lufthansa Group has a comprehensive safety management system, which is addressed in chapter ↗ **ESRS S4 Consumers and end-users – The Lufthansa Group’s passenger airlines implement safety policies and communication measures.**	No current financial effects
	Opportunity	own operations, downstream	Medium-term	By providing advanced passenger information to the Data Insight Lab, the Lufthansa Group is able to improve the customer experience, secure competitive advantages and gain loyal customers. The API data analysis provides insights into passenger behaviour, trends and patterns, which may lead to optimised processes and increased revenue from targeted services and personalised recommendations.			
Child safety	Positive impact	Downstream	Short-term	The Lufthansa Group offers unaccompanied minors and families special services, such as check-in, early boarding, special meals, pushchairs, cots, on-board activities, free luggage allowance and childcare before and after the flight, which helps to protect children.	At the Lufthansa Group, children’s safety is documented in detail in internal procedural guidelines. For more detailed information, please see chapter ↗ **ESRS S4 Consumers and end-users – The Lufthansa Group is committed to avoiding barriers for customers.**	Supporting families and protecting child safety is ingrained in the Lufthansa Group and is described in chapter ↗ **ESRS S4 Consumers and end-users – The Lufthansa Group is committed to avoiding barriers for customers.**	No current financial effects
	Risk	own operations, downstream	Medium-term	Increased current costs may result from new or amended global child protection regulations. Non-compliance with these regulations may lead to liability costs, penalties, the loss of licences and reputational damage for the Lufthansa Group if child protection is jeopardised as a result of incidents involving Lufthansa Group products or services.			

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Aggregated aspects	IRO	Allocation of value chain	Time horizon	Impacts on people and the environment/financial risks and opportunities	Impacts of material IROs on the business model, supply chain, strategy and decision-making of the Lufthansa Group	How the Company responded to this impact or intends to respond to it	Current financial effects
Anti-discrimination	Negative impact	own operations, downstream	Medium-term	Non-accessible products, services and solutions from the Lufthansa Group may unintentionally exclude certain social groups.	Non-accessible product design has been identified as material by the Lufthansa Group in the materiality analysis. A more in-depth review of the implications of this is currently underway.	As a result of this having been identified, there are currently no actions at the Lufthansa Group.	No current financial effects
	Risk	own operations, downstream	Medium-term	Inadequate design may lead to reputational damage and legal liability as a result of a lack of inclusiveness.			
Appropriate product design and accessibility	Negative impact	Downstream	Medium-term	High prices for Lufthansa Group flights and freight services may make them unaffordable for disadvantaged persons and therefore exclude them.	The Lufthansa Group is aware of the different needs of its travellers and strives to meet them, as described in chapter ↗ **ESRS S4 Consumers and end-users – Customer satisfaction measurement through various tools.**	At the same time, the Lufthansa Group offers different services to different travel classes. For more details, see chapter ↗ **ESRS S4 Consumers and end-users – Customer satisfaction measurement through various tools.**	No current financial effects
	Risk	own operations, downstream	Medium-term	Reduced accessibility and affordability for customers leads to decreased revenue, reputational damage and loss of customers.			
Responsible marketing	Risk	own operations, downstream	Medium-term	False claims (for example, about the sustainability of amenity kits) may lead to reputational damage and legal liability.	The Lufthansa Group endeavours to provide responsible marketing and truthful product statements, as described in detail in chapter ↗ **ESRS S4 Consumers and end-users – The Lufthansa Group adopts a responsible approach to marketing practices and product statements**.	The Lufthansa Group strives to provide truthful and non-misleading statements in its product promises and information. See chapter ↗ **ESRS S4 Consumers and end-users – Lufthansa Group pursues responsible marketing practices and product information**.	No current financial effects
G1 – Business conduct							
Corporate culture	Positive impact	own operations	Medium-term	By creating an ethical environment, the Lufthansa Group promotes a responsible, socially aware society to the benefit of employees and the local community.	Responsible conduct in compliance with legislation is a key element of the Lufthansa Group's corporate culture and is embedded in the Group strategy. See also chapter ↗ **ESRS G1 Business conduct – Business conduct policies and corporate culture.**	The Lufthansa Group has enshrined this corporate culture in its Code of Conduct and other policies, as described in detail in chapter ↗ **ESRS G1 Business conduct – Business conduct policies and corporate culture.**	No current financial effects
	Risk	own operations	Medium-term	Cooperation with defence companies and the provision of services for military missions may lead to divestment and weaker credit terms.			
	Opportunity	own operations	Medium-term	A positive ethical and compliance culture can improve employee loyalty and commitment, attract future talents and reduce the likelihood of misconduct, which can lead to positive financial and reputational results and make recruitment easier.			

T053 ESRS2 SBM-3 | 48 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES IN 2024 (continued)

Aggregated aspects	IRO	Allocation of value chain	Time horizon	Impacts on people and the environment/financial risks and opportunities	Impacts of material IROs on the business model, supply chain, strategy and decision-making of the Lufthansa Group	How the Company responded to this impact or intends to respond to it	Current financial effects
Protecting whistleblowers	Positive impact	Upstream, own operations, downstream	Medium-term	The protection of whistleblowers makes it possible for the Lufthansa Group to detect misconduct, protect people and the environment, promote transparency and strengthen employees' trust in the organisation.	The protection of whistleblowers is enshrined in the Lufthansa Group Code of Conduct and is addressed in chapter ↗ **ESRS G1 Business conduct – Lufthansa Group Code of Conduct defines the framework for moral and responsible behaviour**.	In order to protect whistleblowers, the Lufthansa Group has established special notification channels and a comprehensive range of protections. For more details, see chapter ↗ **ESRS G1 Business conduct – Lufthansa Group Code of Conduct defines the framework for moral and responsible behaviour**.	No current financial effects
	Risk	Upstream, own operations, downstream	Medium-term	Breaches of the German Whistleblower Protection Act and a lack of appropriate measures to protect whistleblowers may lead to fines, the publication of confidential information and significant reputational damage.			
	Opportunity	Upstream, own operations, downstream	Medium-term	The protection of whistleblowers may strengthen stakeholders' trust in the compliance system, strengthen the corporate culture and reduce unethical behaviour and associated remediation costs. A modern, transparent system may increase credibility, prioritise employee safety, boost trust and employee retention, improve the Company's reputation and save on recruitment costs.			
Animal welfare	Negative impact	Upstream, own operations, downstream	Short to medium term	The use of animal products, such as leather for aircraft interiors, or meat-based meals, can impair animal welfare if this disturbs the animals' biological function, causes them pain or restricts their natural behaviour. Facilitating and offering the transport of hunting trophies also makes a negative contribution to animal welfare. as hunting causes the animals fear and pain and may result in their death to permit their bodies (body parts) to be used as trophies.	The Lufthansa Group has integrated animal welfare in its business model and conducted an analysis of the associated risks. A more detailed analysis can be found in chapter ↗ **ESRS G1 Business conduct – Animal welfare requirements for Lufthansa Cargo for animals transported by air**.	The Lufthansa Cargo group fulfils its requirements for animal transportation and various initiatives have already been instituted in the Passenger Airlines segment, which are described in chapter ↗ **ESRS G1 Business conduct – Animal welfare requirements for Lufthansa Cargo for animals transported by air**.	No current financial effects
	Risk	own operations, downstream	Medium-term	New or amended global regulations and restrictions with regard to hunting practices and the transportation of hunting trophies may affect the Lufthansa Group and its customers. Non-compliance with these regulations may result in liability costs, penalties, reputational damage, the loss of licences and a decrease in business volume. Public mistrust and ethical concerns by local communities, non-governmental organisations and stakeholders with regard to the involvement of the Lufthansa Group in hunting practices may lead to lost revenue and reputational damage.			
	Opportunity	Upstream, own operations, downstream	Medium-term	Species-appropriate accommodation, feeding, examinations and well-qualified staff aim to help the pet policy of Lufthansa Cargo and of Passenger Airlines facilitate the best possible care of animals in transit, which could increase brand value and customer loyalty, as well as boost the Company's reputation. Partnerships with certified animal welfare bodies may improve the Company's brand value, increase customer loyalty and bring reputational advantage. Banning the transportation of hunting trophies may result in competitive and reputational advantages for the Lufthansa Group and make the Company more appealing for customers, employees, nature conservation organisations and investors.			

T053 ESRS2 SBM-3 | 48 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES IN 2024 (continued)

Aggregated aspects	IRO	Allocation of value chain	Time horizon	Impacts on people and the environment/financial risks and opportunities	Impacts of material IROs on the business model, supply chain, strategy and decision-making of the Lufthansa Group	How the Company responded to this impact or intends to respond to it	Current financial effects
Management of relationships with suppliers including payment practices	Positive impact	Upstream, own operations, downstream	Medium-term	A close partnership with suppliers or via initiatives (for example, in the field of research and development) may lead to more environmentally friendly or socially responsible products. Clear selection criteria in the Supplier Code of Conduct and the relevant service ratings, which require social and environmental standards to be met, aim to safeguard responsible practices and drive sustainability along the global supply chain by protecting communities and the environment. Transparent payment and business solutions may boost the trust of employees, customers and business partners.	The Lufthansa Group strives to ensure that its suppliers comply in full with the relevant laws, guidelines and regulations on fair competition, integrity and responsible business practices, as described in chapter ↗ **ESRS G1 Business conduct – Management of relationships with suppliers.**	This is implemented in the Lufthansa Group's procurement processes and is addressed in chapter ↗ **ESRS G1 Business conduct – Management of relationships with suppliers.**	No current financial effects
	Risk	Upstream, own operations, downstream	Medium-term	Non-compliance with the German Supply Chain Due Diligence Act (LkSG) and the European Corporate Sustainability Due Diligence Directive (CSDDD) by suppliers and the Lufthansa Group may lead to loss of business, delays and disruptions due to penalties, liabilities, reputational damage and exclusion from the procurement process.			
	Opportunity	Upstream, own operations, downstream	Medium-term	Clear selection processes and good supplier relationship management can boost the reputation of and trust in the Lufthansa Group, attract new customers and increase market share and the Company's financial performance. Partnerships in the area of research and development, as well as knowledge sharing with external suppliers, facilitate new business solutions and may improve the Company's financial performance. Secure, transparent and innovative payment systems can increase the trust and loyalty of customers, business partners and employees. Strategic management of the Company's own supply chain may boost efficiency and resilience, which may be associated with lower costs.			
Political engagement	Positive impact	own operations	Medium-term	By engaging with members of parliament and political decision-makers, the Lufthansa Group can contribute its industry expertise, which may lead to more effective sustainability policies and better conditions for fair competition.	The Lufthansa Group champions integrity, which is in keeping with the corporate culture and includes responsible political engagement. More details can be found in chapter ↗ **ESRS G1 Business conduct – Business conduct policies and corporate culture**.	The Lufthansa Group has enshrined these principles in its Code of Conduct and is committed to complying with them. More details can be found in chapter ↗ **ESRS G1 Business conduct – Business conduct policies and corporate culture.**	No current financial effects
	Risk	own operations	Medium-term	The ongoing political and social discussion about interest groups may lead to media reports that question the Lufthansa Group's lobbying practices and their influence and transparency in the shaping of policies and regulatory decision-making.			
	Opportunity	own operations	Medium-term	Participation in political dialogue enables the Lufthansa Group to represent its interests in national and international regulations, which helps it to protect its global competitiveness and profitability. It also aims to create favourable market conditions, which could expand potential markets and the need for the Lufthansa Group's products and services.			

T053 ESRS2 SBM-3 | 48 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES IN 2024 (continued)

Aggregated aspects	IRO	Allocation of value chain	Time horizon	Impacts on people and the environment/financial risks and opportunities	Impacts of material IROs on the business model, supply chain, strategy and decision-making of the Lufthansa Group	How the Company responded to this impact or intends to respond to it	Current financial effects
Prevention and detection of corruption and bribery, including training	Negative impact	own operations	Medium-term	A lack of guidelines on standards concerning corruption and bribery may increase the likelihood of unethical employee behaviour and reduce awareness of corruption, which could facilitate unfair competition and business practices.	Responsible and compliant behaviours form the basis for preventing and identifying corruption, which is something to which the Lufthansa Group is committed. The relevant details and guidelines can be found in chapter ↗ **ESRS G1 Business conduct – Business conduct policies and corporate culture.**	To aid the prevention and detection of corruption and bribery, the Lufthansa Group has established a comprehensive compliance management system. Supplementary measures and details of these are explained in chapter ↗ **ESRS G1 Business conduct – Business conduct policies and corporate culture.**	No current financial effects
	Opportunity	own operations	Medium-term	By clearly communicating its core values (for example, in the Code of Conduct) as well as through regular training on corruption prevention, the Lufthansa Group intends to raise its employees' awareness of their responsibility and prevent cases of corruption, which can damage the Company's reputation and may result in lost business. The prevention and identification of corruption may increase the appeal of the Company for employees, investors, customers and political actors, which could increase revenue, improve access to financing and strengthen long-term relationships that support continuous growth and success.			
Cases of corruption and bribery	Negative impact	own operations	Medium-term	The Lufthansa Group's global business activities may lead to frequent contact with public officials. A high level of direct contacts to public officials and high cash outflows for customer incentives may undermine fair market conditions, restrict development and innovation, slow economic growth, weaken democratic institutions, erode public trust and amplify inequality, poverty, social division, security concerns and the environmental crisis.	Responsible and compliant behaviours form the basis for preventing and identifying corruption, which is something to which the Lufthansa Group is committed. The relevant details and guidelines can be found in chapter ↗ **ESRS G1 Business conduct – Business conduct policies and corporate culture.**	To aid the prevention and detection of corruption and bribery, the Lufthansa Group has established a comprehensive compliance management system. Supplementary measures and details of these are explained in chapter ↗ **ESRS G1 Business conduct – Business conduct policies and corporate culture**.	No current financial effects

Resilience of the strategy and business model with regard to material impacts, risks and opportunities

The Lufthansa Group continually analyses the resilience of its strategy and business model within all areas with regard to material impacts, risks and opportunities. In doing so, various approaches are used to evaluate resilience across different periods of time. In the strategy analysis, short, medium and long-term time horizons are considered from the Lufthansa Group's perspective.

In the area of environment, the Lufthansa Group addresses key topics such as climate change (E1), pollution (E2) and the circular economy (E5).

E1 – Climate change:
The Lufthansa Group has conducted a climate risk analysis to evaluate the resilience of the corporate strategy and business model with regard to material impacts, risks and opportunities. The focus of the climate risk analysis is on the evaluation of physical risks, such as increasingly extreme weather and climate-related changes, as well as transitional risks with regard to the Lufthansa Group's activities. ↗ **E1 – ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities.**

E2 – Pollution:
No dedicated resilience analysis was carried out for E2. However, the impacts, risks and opportunities associated with the topic of noise pollution are continually analysed and measured. This includes regular dialogue with the relevant stakeholders concerned with reducing aircraft noise. In order to reduce the impacts on residents living near airports and to reduce possible future risks in advance, the Lufthansa Group is continually investing in new, quieter aircraft. Furthermore, the Lufthansa Group adheres strictly to the relevant noise regulations and monitors any potential regulatory developments. On this basis, the net risks are estimated as low, which is why no further analyses were conducted.

E5 – Circular economy and resources:
To date, the Lufthansa Group has not performed a dedicated analysis but the impacts, risks and opportunities associated with the topics of resource inflows and outflows are regularly analysed. Furthermore, the passenger airlines in particular are preparing for the introduction of the EU directive on single-use plastic, which is expected in 2030. In defining strategies and targets, as well as initiating various measures, the Lufthansa Group assumes that any net risks would not significantly impact the resilience of the Lufthansa Group and that a more in-depth resilience analysis is not required.

The Lufthansa Group is also strengthening its resilience in the area of social matters by focussing on employee rights (S1), human rights (S2) and customer satisfaction (S4).

S1 – Own workforce:
Ensuring employee safety and well-being is a top priority for the Lufthansa Group. Material impacts, risks and opportunities in this area were analysed as part of the HR strategy and evaluated in detail by committees and working groups. Building on these results, the Lufthansa Group has defined specific measures and targets, including increasing the proportion of women in executive positions to 25% by the end of 2025, as well as strengthening occupational safety and health improvement programmes. ↗ **S1 – ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model.**

S2 – Workers in the value chain:
Resilience to risks relating to human rights and labour laws is strengthened through the integration of the requirements under the German Supply Chain Due Diligence Act (LkSG) into business processes, as well as with various other established processes. In order to address human rights impacts, extensive analyses have been conducted that measure both the impacts and the potential risks and opportunities along the supply chain. These analyses include the systematic identification of human rights and labour impacts at various stages of the value chain, and weighting them by severity and likelihood of occurrence, as well as the Lufthansa Group's role in causing them. Based on these results, measures have been defined in order to minimise the risks identified and to proactively prevent any potentially negative impacts. ↗ **S2 – ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model.**

S4 – Consumers and end-users:
The Lufthansa Group places great importance on the safety and satisfaction of its customers. Measures to optimise the customer experience and the use of modern technologies strengthen the resilience of the business model in the face of changing customer requirements. Based on feedback and customer experiences, working groups and the departments conduct analyses of the material impacts, risks and opportunities. To do this, customer surveys, one-to-one conversations and other methods are used in order to garner relevant findings. ↗ **S4 – ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model.**

G1 – Business conduct:
In terms of corporate management, resilience is strengthened through responsible business conduct. The Lufthansa Group has established a governance system that aims to ensure ethical behaviour and compliance with regulatory requirements. This governance and compliance system analyses and evaluates the impacts, risks and opportunities of the Lufthansa Group. This evaluation and analysis results, for example, in measures for fighting corruption as well as data privacy poli-

cies. Regular audits help the Lufthansa Group to safeguard the long-term resilience of the Company. In terms of corporate management, policies have been implemented that address material topics and that are controlled via guidelines and management systems. Extensive information on the content of these policies and their significance for the resilience of the business model and strategy in terms of the material impacts, risks and opportunities identified can be found in detail in ↗ **ESRS G1 Business conduct – Business conduct policies and corporate culture.**

Company-specific reporting obligations

The material topics for the Lufthansa Group are addressed in detail in the sustainability report through the binding reporting requirements for ESRS. Furthermore, the Lufthansa Group also reports on two topics by means of additional company-specific figures. These figures refer to noise pollution and single-use plastic.

Impact, risk and opportunity management

IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities

The Lufthansa Group defined the material impacts, risks and opportunities as part of a double materiality analysis.
In order to identify, evaluate and monitor their material impacts, risks and opportunities (IROs for short), the Lufthansa Group conducted a four-stage process during the reporting year. This process is planned to be further monitored in future reporting years as part of the materiality analysis and adjusted if necessary.

1. Potential impacts of the core business have been reviewed

The materiality process started with an in-depth review of the core business activities of the Lufthansa Group. These were analysed with regard to potential environmental and social impacts, with a particular focus on the entire value chain, including direct and indirect business relationships. Geographically, the focus was on regions in which the Lufthansa Group is most active and could have potential impacts. In Europe, where the headquarters and main hubs for the Group are located, this included the management of impacts relating to the passenger airlines network. Activities in North, Central and South America, in the Asia/Pacific region, the Middle East and Africa were also analysed in order to take into account region-specific IROs.

In terms of the identification of IROs, the focus was on the Lufthansa Group value chain, including direct and indirect business relationships. This means that the analysis not only included risks that could arise from relationships with primary suppliers, for example, but also those that could arise from other upstream stages of the value chain, as far back as raw material extraction.

As part of this process, the material impacts were first identified. The relevant risks and opportunities were then attributed to these impacts. This meant that IRO pairs were created within the process, which enabled a comprehensive analysis of the topics. Individual risks and opportunities that were not directly linked with any identified impacts were labelled in order to highlight their separate significance in the overall context.

2. IRO inventory along the value chain is created

An initial IRO inventory was made for relevant sustainability aspects as per the CSRD and/or the corresponding ESRS directives. To do this, a description of the value chain was created for each of the core business activities. Using the value chains and taking into account the stakeholders affected, the actual and potential impacts, risks and opportunities were identified and recorded in the IRO inventory. This was based on the existing risk inventory for the Lufthansa Group, reports for the Lufthansa Group, industry input, public information, reports and databases – for example, ENCORE – as well as the results of the wide-ranging stakeholder survey from 2023 and the expertise of representatives of the subsidiaries for select IROs.

3. IROs are then evaluated

The identification and subsequent assessment of the risks and opportunities was done using the “outside in” principle. As such, external factors were considered that have an impact on the Company and opportunities and risks for the Lufthansa Group were derived from these factors. These risks and opportunities were assessed using a method agreed with Group Risk Management. The time horizons into which the risks and opportunities were categorised were selected to reflect the time horizons used in the risk management process. The short-term time horizon was defined as up to one year, the medium-term horizon was between one and four years, and the long-term time horizon was defined as four years or longer. The assessments were made on the basis of the time horizon within which the risk or opportunity was deemed most likely to be material.

The magnitude of each risk and opportunity was first assessed. The magnitude refers to potential impacts on the development, financial position, operating result, cash flow, access to financing or cost of capital of the Company and was assessed on a scale of 1 (insignificant) to 5 (critical). This assessment was carried out from an gross perspective, without taking into account any mitigating measures. It took into account factors such as potential financial losses, the degree of long-term damage to the Lufthansa Group, the type of financial impacts on the Group, the extent of operational breakdowns and the impacts on the reputation, business model, liquidity, assets or income of the Lufthansa Group, as well as the potential financial extent of the damage. For the opportunities, the extent was measured using the potential improvement of the Lufthansa Group's financial position, the impacts on business operations and the extent of operational improvements.

The likelihood of the risk or opportunity was then categorised using the expected frequency of occurrence: irrelevant: between once in 50 years and once in ten years; low: between once in ten years and once in five years; moderate: between once in five years and once in three years; high: between once in three years and once in two years; extremely high: at least once in two years. Any established processes, such as existing effective ICS processes, were generally included in the assessment, which contributed to the likelihood being downgraded.

If the magnitude and/or likelihood exceeded the defined thresholds, the relevant risk or opportunity was considered material. In order to categorise the magnitude and likelihood, a brief explanation was documented for each analysis.

The identification and subsequent assessment of the impacts was done using the “inside out” principle. The analysis addressed how the Lufthansa Group's business activities along the value chain affect people and nature. The assessment process closely reflects the methods used to measure risks and opportunities in order to create a coherent approach across all relevant areas. The defined short-term, medium-term and long-term time horizons are also applied. Here, too, the time horizon to be considered is based on the period from which the impact is the most likely to be considered material, with the time period of the highest severity being selected if several time horizons apply.

The severity of the impact was then measured. For positive impacts, the parameters of scale and scope are included, while for negative impacts, scale, scope and irremediability had to be assessed. These measurements were made on a scale of 1 (least severe) to 4 (most severe) from an gross perspective – any mitigating measures were therefore not taken into account in the measurement. For potential impacts, the likelihood was also assessed on a scale of 1 (irrelevant) to 5 (extreme). Any established assessment processes were also generally used here.

An explanation was also recorded here in order to explain the assessments, whereby the expected time horizon was specified in particular for long-term impacts. The materiality of an impact was determined by the classification under severity dimensions, while potential impacts were measured using a combination of severity and likelihood in order to determine thresholds for materiality. The Lufthansa Group applied a consistent approach to thresholds for all impacts, risks and opportunities. These are the same as the thresholds used for external reporting by the Lufthansa Group ERM system. When determining the materiality of potentially negative impacts in relation to human rights, the severity took precedence over the likelihood.

4. External preliminary evaluation results validated by internal experts

After the methods were established, the Lufthansa Group selected the approach of industry experts and subject matter experts pre-evaluating IROs by including desktop research and online publications. The results of the preliminary evaluation were then validated by internal subject matter experts at the Lufthansa Group. After the validation, internal representatives from the key stakeholder groups carried out a validation of the results from the perspective of the stakeholders. This involved validating the results with the Investor Relations and Customer Experience departments. In a second validation, the results were analysed from various management perspectives and presented to the management together with an overview of the evaluation process. The management reported back on the materiality of specific sub-topics, which were then sent back to the internal experts and stakeholder representatives in order to ensure agreement with the expertise of the internal experts and to make any necessary amendments. The final results of this extensive validation process were then shared with the employee representatives, the Executive Board and the Supervisory Board.

The results were sent to the Executive Board in August 2024 and presented to the Supervisory Board within the ESG Committee in September 2024. The results were also discussed, recorded and documented in an internal steering committee of the CSRD project in mid-July 2024 in order to create a comprehensive decision-making basis for the management.

The process of identifying and measuring material impacts, risks and opportunities was newly developed within the Lufthansa Group in order to comply with the requirements of the CSRD and ESRS. It builds on the existing materiality analysis. The ESRS contain specific requirements with regard to the intervals at which a materiality analysis must be conducted. For material changes to the Lufthansa Group business model, such as establishing a new business segment or in the event of major acquisitions, the topics in the materiality analysis will need to be re-evaluated. Furthermore, the materiality analysis must be reviewed annually for changes and to ensure that it is up to date.

The identification, measurement and management of opportunities have not yet been seamlessly integrated into the overall management system.

All material IROs have always been attributed to the relevant sub-topic in the ESRS framework. As soon as just one individual IRO was evaluated as material, the relevant sub-topic was defined as material.

Connection with risk management is planned

The CSRD-related risks for the Lufthansa Group were derived as part of the double materiality analysis described. The underlying risk methods were adapted to the Group risk management so that CSRD-relevant risks could be integrated into the Company's regular risk management process. In the coming years, CSRD risks will become an integral component and the standard methods and processes with CSRD-relevant features will be applied, where necessary.

The process for identifying, measuring and managing CSRD risks is tailored to the methods used in Group risk management. The risks are recorded and measured by probability and impacts (qualitative and quantitative). In 2024, CSRD risks were assessed qualitatively from a gross perspective and transferred into the central ERM platform.

In future, CSRD risks are to be integrated into the regular ERM process and to be considered part of the overall risk situation.

Other topic-specific disclosures regarding the materiality process

E2 – Pollution

In addition to the methods and frameworks described in the general approach, no other sites or assets were analysed with regard to pollution because the Lufthansa Group only operates a very limited number of production processes at its sites.

Furthermore, the impacts of noise pollution by aircraft were part of the stakeholder surveys carried out in 2018 and 2023, where stakeholders, including representatives from affected communities, were able to submit a quantitative assessment on the sustainability-related topic of noise pollution. Stakeholders were also able to submit qualitative feedback in the form of comments. In addition, the analysis conducted by the Lufthansa Group's internal experts also took into account insights from local dialogue forums involving residents near airports.

E3 – Water and marine resources

In addition to the methods and frameworks described in the general approach, no other sites or assets were analysed with regard to water and marine resources because the Lufthansa Group only operates a very limited number of production processes at its sites. In this context, a site-based analysis was not a suitable method for the Lufthansa Group to identify material impacts, opportunities and risks.

Furthermore, the potential impacts of the Lufthansa Group on water resources were part of the stakeholder surveys carried out in 2018 and 2023, in which participants were able to submit a quantitative assessment on the sustainability-related topic of water. Stakeholders were also able to submit qualitative feedback in the form of comments.

E4 – Biodiversity and ecosystems

In addition to the methods and frameworks described in the general approach, no other sites or assets were analysed with regard to biodiversity because the Lufthansa Group only operates a very limited number of production processes at its sites. For this reason, a site-based analysis was not a suitable method for the Lufthansa Group to identify material impacts, opportunities and risks.

Dependency on ecosystem outputs was addressed as part of the double materiality analysis described under IRO-1 and specific impacts, risks and opportunities were formulated. In doing so, the upstream and downstream value chain of the Lufthansa Group was taken into account. However, the defined impacts, risks and opportunities were not identified as being material. The materiality analysis also considered potential opportunities, as well as physical and transition risks, which were also not deemed material. A more comprehensive analysis was therefore not conducted. Systemic risks were not considered within the double materiality analysis.

No consultations were conducted with affected communities regarding shared biological resources or ecosystems because no material negative impacts were determined in this regard.

No actual or potential site-specific impacts, risks and opportunities were identified as part of the double materiality analysis. For this reason, a more detailed evaluation was not conducted to establish whether the Lufthansa Group sites are located near areas that are essential to maintaining biodiversity.

The double materiality analysis did not reveal any actual or potential material impacts that would require the implementation of additional remedial measures.

E5 – Resource use and circular economy
In addition to the methods and frameworks described in the general approach, no other sites or equipment were analysed with regard to resource use and the circular economy because the Lufthansa Group only operates a very limited number of production processes at its sites. For this reason, a site-based analysis was not a suitable method for the Lufthansa Group to identify material impacts, opportunities and risks.

Furthermore, the potential impacts of the Lufthansa Group on resource use and the circular economy were part of the stakeholder surveys carried out in 2018 and 2023 where participants were able to submit a quantitative assessment on the sustainability-related topic of resource use and the circular economy. Stakeholders were also able to submit qualitative feedback in the form of comments.

IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement

T054 ESRS 2 IRO-2 | 56 DISCLOSURE REQUIREMENTS (DRS) IN ESRS COVERED BY THE LUFTHANSA GROUP'S SUSTAINABILITY STATEMENT IN 2024

Standard	Disclosure requirement	Chapter/sub-chapter
ESRS 2	BP-1	↗ **ESRS 2 General disclosures – General basis for preparation of the sustainability statement**
ESRS 2	BP-2	↗ **ESRS 2 General disclosures – Disclosures in relation to specific circumstances**
ESRS 2	GOV-1	↗ **ESRS 2 General disclosures – The role of the administrative, management and supervisory bodies**
ESRS 2	GOV-2	↗ **ESRS 2 General disclosures – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies**
ESRS 2	GOV-3	↗ **ESRS 2 General disclosures – Integration of sustainability-related performance in incentive schemes**
ESRS 2	GOV-4	↗ **ESRS 2 General disclosures – Statement on due diligence**
ESRS 2	GOV-5	↗ **ESRS 2 General disclosures – Risk management and internal controls over sustainability reporting**
ESRS 2	SBM-1	↗ **ESRS 2 General disclosures – Strategy, business model and value chain**
ESRS 2	SBM-2	↗ **ESRS 2 General disclosures – Interests and views of stakeholders**
ESRS 2	SBM-3	↗ **ESRS 2 General disclosures – Material impacts, risks and opportunities and their interaction with strategy and business model**
ESRS 2	IRO-1	↗ **ESRS 2 General disclosures – Description of the processes to identify and assess material impacts, risks and opportunities**
ESRS 2	IRO-2	↗ **ESRS 2 General disclosures – Disclosure requirements in ESRS covered by the undertaking's sustainability statement**
ESRS E1	ESRS 2 GOV-3	↗ **ESRS E1 Climate change – Integration of sustainability-related performance in incentive schemes**
ESRS E1	E1-1	↗ **ESRS E1 Climate change – Transition plan for climate change mitigation**
ESRS E1	ESRS 2 SBM-3	↗ **ESRS E1 Climate change – Material impacts, risks and opportunities and their interaction with strategy and business model**
ESRS E1	ESRS 2 IRO-1	↗ **ESRS E1 Climate change – Description of the processes to identify and assess material climate-related impacts, risks and opportunities**
ESRS E1	E1-2	↗ **ESRS E1 Climate change – Policies related to climate change mitigation and adaptation**
ESRS E1	E1-3	↗ **ESRS E1 Climate change – Actions and resources in relation to climate policies**
ESRS E1	E1-4	↗ **ESRS E1 Climate change – Targets related to climate change mitigation and adaptation**
ESRS E1	E1-5	↗ **ESRS E1 Climate change – Energy consumption and mix**
ESRS E1	E1-6	↗ **ESRS E1 Climate change – Gross Scopes 1, 2, 3 and total GHG emissions**
ESRS E1	E1-7	↗ **ESRS E1 Climate change – GHG removals and GHG mitigation projects financed through carbon credits**
ESRS E1	E1-9	↗ **ESRS E1 Climate change – Anticipated financial effects**

T054 ESRS 2 IRO-2 | 56 DISCLOSURE REQUIREMENTS (DRS) IN ESRS COVERED BY THE LUFTHANSA GROUP'S SUSTAINABILITY STATEMENT IN 2024 (continued)

Standard	Disclosure requirement	Chapter/sub-chapter
ESRS E2	ESRS 2 IRO-1	↗ **ESRS E2 Pollution – Description of the processes to identify and assess material impacts, risks and opportunities**
ESRS E2	E2-1	↗ **ESRS E2 Pollution – Policies related to pollution**
ESRS E2	E2-2	↗ **ESRS E2 Pollution – Actions and resources related to pollution**
ESRS E2	E2-3	↗ **ESRS E2 Pollution – Targets related to pollution**
ESRS E2	E2-4	↗ **ESRS E2 Pollution – Pollution of air, water and soil**
ESRS E2	E2-6	↗ **ESRS E2 Pollution – Anticipated financial effects**
ESRS E5	ESRS 2 IRO-1	↗ **ESRS E5 Resource use and circular economy – Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities**
ESRS E5	E5-1	↗ **ESRS E5 Resource use and circular economy – Policies related to resource use and circular economy**
ESRS E5	E5-2	↗ **ESRS E5 Resource use and circular economy – Actions and resources related to resource use and circular economy**
ESRS E5	E5-3	↗ **ESRS E5 Resource use and circular economy – Targets related to resource use and circular economy**
ESRS E5	E5-4	↗ **ESRS E5 Resource use and circular economy – Resource inflows**
ESRS E5	E5-6	↗ **ESRS E5 Resource use and circular economy – Anticipated financial effects**
ESRS S1	ESRS 2 SBM-2	↗ **ESRS S1 Own workforce – Interests and views of stakeholders**
ESRS S1	ESRS 2 SBM-3	↗ **ESRS S1 Own workforce – Material impacts, risks and opportunities and their interaction with strategy and business model**
ESRS S1	S1-1	↗ **ESRS S1 Own workforce – Policies related to own workforce**
ESRS S1	S1-2	↗ **ESRS S1 Own workforce – Processes for engaging with own workforce and workers' representatives about impacts**
ESRS S1	S1-3	↗ **ESRS S1 Own workforce – Processes to remediate negative impacts and channels for own workforce to raise concerns**
ESRS S1	S1-4	↗ **ESRS S1 Own workforce – Taking action on material impacts and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions and approaches**
ESRS S1	S1-5	↗ **ESRS S1 Own workforce – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**
ESRS S1	S1-6	↗ **ESRS S1 Own workforce – Characteristics of the undertaking's employees**
ESRS S1	S1-8	↗ **ESRS S1 Own workforce – Collective bargaining coverage and social dialogue**
ESRS S1	S1-9	↗ **ESRS S1 Own workforce – Diversity metrics**
ESRS S1	S1-10	↗ **ESRS S1 Own workforce – Adequate wages**
ESRS S1	S1-14	↗ **ESRS S1 Own workforce – Health and safety metrics**
ESRS S1	S1-16	↗ **ESRS S1 Own workforce – Compensation metrics**
ESRS S1	S1-17	↗ **ESRS S1 Own workforce – Incidents, complaints and severe human rights impacts**
ESRS S2	ESRS 2 SBM-2	↗ **ESRS S2 Workers in the value chain – Interests and views of stakeholders**
ESRS S2	ESRS 2 SBM-3	↗ **ESRS S2 Workers in the value chain – Material impacts, risks and opportunities and their interaction with strategy and business model**
ESRS S2	S2-1	↗ **ESRS S2 Workers in the value chain – Policies related to value chain workers**
ESRS S2	S2-2	↗ **ESRS S2 Workers in the value chain – Processes for engaging with value chain workers about impacts**
ESRS S2	S2-3	↗ **ESRS S2 Workers in the value chain – Processes to remediate negative impacts and channels for value chain workers to raise concerns**

T054 ESRS 2 IRO-2 | 56 DISCLOSURE REQUIREMENTS (DRS) IN ESRS COVERED BY THE LUFTHANSA GROUP'S SUSTAINABILITY STATEMENT IN 2024 (continued)

Standard	Disclosure requirement	Chapter/sub-chapter
ESRS S2	S2-4	↗ **ESRS S2 Workers in the value chain – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions**
ESRS S2	S2-5	↗ **ESRS S2 Workers in the value chain – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**
ESRS S4	ESRS 2 SBM-2	↗ **ESRS S4 Consumers and end-users – Interests and views of stakeholders**
ESRS S4	ESRS 2 SBM-3	↗ **ESRS S4 Consumers and end-users – Material impacts, risks and opportunities and their interaction with strategy and business model**
ESRS S4	S4-1	↗ **ESRS S4 Consumers and end-users – Policies related to consumers and end-users**
ESRS S4	S4-2	↗ **ESRS S4 Consumers and end-users – Processes for engaging with consumers and end-users about impacts**
ESRS S4	S4-3	↗ **ESRS S4 Consumers and end-users – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns**
ESRS S4	S4-4	↗ **ESRS S4 Consumers and end-users – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions**
ESRS S4	S4-5	↗ **ESRS S4 Consumers and end-users – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**
ESRS G1	ESRS 2 GOV-1	↗ **ESRS G1 Business conduct – The role of the administrative, supervisory and management bodies**
ESRS G1	ESRS 2 IRO-1	↗ **ESRS G1 Business conduct – Description of the processes to identify and assess material impacts, risks and opportunities**
ESRS G1	G1-1	↗ **ESRS G1 Business conduct – Business conduct policies and corporate culture**
ESRS G1	G1-2	↗ **ESRS G1 Business conduct – Management of relationships with suppliers**
ESRS G1	G1-3	↗ **ESRS G1 Business conduct – Prevention and detection of corruption and bribery**
ESRS G1	G1-4	↗ **ESRS G1 Business conduct – Incidents of corruption or bribery**
ESRS G1	G1-5	↗ **ESRS G1 Business conduct – Political influence and lobbying activities**
ESRS G1	G1-6	↗ **ESRS G1 Business conduct – Payment practices**

T055 ESRS 2 IRO-2 I LIST OF DATA POINTS IN GENERAL AND TOPIC-RELATED STANDARDS RESULTING FROM OTHER EU LEGISLATION IN 2024

Disclosure requirement and relevant data point	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Act reference	Chapter/sub-chapter or not material
ESRS 2 GOV-1 Board’s gender diversity, Paragraph 21 (d)	Indicator no. 13 in Annex 1, Table 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		↗ **ESRS 2 General disclosures – Skills and expertise to oversee sustainability matters are available**
ESRS 2 GOV-1 Percentage of board members who are independent, Paragraph 21 (e)			Commission Delegated Regulation (EU) 2020/1816, Annex I		↗ **ESRS 2 General disclosures – Skills and expertise to oversee sustainability matters are available**
ESRS 2 GOV-4 Statement on due diligence, Paragraph 30	Indicator no. 10 in Annex 1, Table 3				↗ **ESRS 2 General disclosures – Statement on due diligence**
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities, Paragraph 40 (d) (i)	Indicator no. 4 in Annex 1, Table 3	Article 449a of Directive (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453 (6), Table 1: Qualitative information on environmental risk, and Table 2: Qualitative information on social risk	Commission Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS 2 SBM-1 Involvement in activities related to chemical production, Paragraph 40 (d) (ii)	Indicator no. 9 in Annex 1, Table 2		Commission Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS 2 SBM-1 Involvement in activities related to controversial weapons, Paragraph 40 (d) (i)	Indicator no. 14 in Annex 1, Table 1		Delegated Regulation (EU) 2020/1818 (7), Article 12, Paragraph 1 Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco, Paragraph 40 (d) (i)			Delegated Regulation (EU) 2020/1818, Article 12, Paragraph 1 Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS E1-1 Transition plan to reach climate neutrality by 2050, Paragraph 14				Regulation (EU) 2021/1119, Article 2, Paragraph 1	↗ **ESRS E1 Climate change – Transition plan for climate change mitigation**
ESRS E1-1 Undertakings excluded from Paris-aligned benchmarks, Paragraph 16 (g)		Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12, Paragraph 1 (d) to (g) and Article 12, Paragraph 2		↗ **ESRS E1 Climate change – Transition plan for climate change mitigation**
ESRS E1-4 GHG emission reduction targets, Paragraph 34	Indicator no. 4 in Annex 1, Table 2	Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		↗ **ESRS E1 Climate change – Science-based carbon reduction targets underpin climate ambitions**
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors), Paragraph 38	Indicator no. 5 in Annex 1, Table 1 and indicator no. 5 in Annex 1, Table 2				↗ **ESRS E1 Climate change – Energy consumption and mix**
E1-5 Energy consumption and mix, Paragraph 37	Indicator no. 5 in Annex 1, Table 1				↗ **ESRS E1 Climate change – Energy consumption and mix**

T055 ESRS 2 IRO-2 I LIST OF DATA POINTS IN GENERAL AND TOPIC-RELATED STANDARDS RESULTING FROM OTHER EU LEGISLATION IN 2024 (continued)

Disclosure requirement and relevant data point	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Act reference	Chapter/sub-chapter or not material
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors, Paragraphs 40 to 43	Indicator no. 6 in Annex 1, Table 1				↗ **ESRS E1 Climate change – Energy consumption and mix**
ESRS E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions, Paragraph 44	Indicator nos. 1 and 2 in Annex 1, Table 1	Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5, Paragraph 1, Article 6 and Article 8, Paragraph 1		↗ **ESRS E1 Climate change – The carbon footprint in accordance with the Greenhouse Gas Protocol is determined annually**
ESRS E1-6 Gross GHG emissions intensity, Paragraphs 53 to 55	Indicator no. 3 in Annex 1, Table 3	Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book – Climate change transition risk: alignment metrics	Regulation (EU) 2020/1818, Article 8, Paragraph 1		↗ **ESRS E1 Climate change – The carbon footprint in accordance with the Greenhouse Gas Protocol is determined annually**
ESRS E1-7 GHG removals and carbon credits, Paragraph 56				Regulation (EU) 2021/1119, Article 2, Paragraph 1	↗ **ESRS E1 Climate change – The Lufthansa Group incorporates carbon offset contributions to achieve its voluntary climate change mitigation target**
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks, Paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II, Delegated Regulation (EU) 2020/1816, Annex II		↗ **ESRS E1 Climate change – Anticipated financial effects (first year of application of the phase-in option)**
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk, Paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk, Paragraph 66 (c)		Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Paragraphs 46 and 47; Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk			↗ **ESRS E1 Climate change – Anticipated financial effects (first year of application of the phase-in option)**
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes, Paragraph 67 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Paragraph 34; Template 2: Banking book – Climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral			↗ **ESRS E1 Climate change – Anticipated financial effects (first year of application of the phase-in option)**
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities, Paragraph 69			Commission Delegated Regulation (EU) 2020/1818, Annex II		↗ **ESRS E1 Climate change – Anticipated financial effects (first year of application of the phase-in option)**
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, Paragraph 28	Indicator no. 8 in Annex 1, Table 1; indicator no. 2 in Annex 1, Table 2 Indicator no. 1 in Annex 1, Table 2; indicator no. 3 in Annex 1, Table 2				↗ **ESRS E2 Pollution – Pollution of air, water and soil**

T055 ESRS 2 IRO-2 I LIST OF DATA POINTS IN GENERAL AND TOPIC-RELATED STANDARDS RESULTING FROM OTHER EU LEGISLATION IN 2024 (continued)

Disclosure requirement and relevant data point	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Act reference	Chapter/sub-chapter or not material
ESRS E3-1 Water and marine resources, Paragraph 9	Indicator no. 7 in Annex 1, Table 2				Not material
ESRS E3-1 Dedicated policy, Paragraph 13	Indicator no. 8 in Annex 1, Table 2				Not material
ESRS E3-1 Sustainable oceans and seas, Paragraph 14	Indicator no. 12 in Annex 1, Table 2				Not material
ESRS E3-4 Total water recycled and reused, Paragraph 28 (c)	Indicator no. 6.2 in Annex 1, Table 2				Not material
ESRS E3-4 Total water consumption in m^3 per net revenue on own operations, Paragraph 29	Indicator no. 6.1 in Annex 1, Table 2				Not material
ESRS 2 – SBM-3 – E4, Paragraph 16 (a) (i)	Indicator no. 7 in Annex 1, Table 1				Not material
ESRS 2 – SBM-3 – E4, Paragraph 16 (b)	Indicator no. 10 in Annex 1, Table 2				Not material
ESRS 2 – SBM-3 – E4, Paragraph 16 (c)	Indicator no. 14 in Annex 1, Table 2				Not material
ESRS E4-2 Sustainable land/agriculture practices or policies, Paragraph 24 (b)	Indicator no. 11 in Annex 1, Table 2				Not material
ESRS E4-2 Sustainable oceans/seas practices or policies, Paragraph 24 (c)	Indicator no. 12 in Annex 1, Table 2				Not material
ESRS E4-2 Policies to address deforestation, Paragraph 24 (d)	Indicator no. 15 in Annex 1, Table 2				Not material
ESRS E5-5 Non-recycled waste, Paragraph 37 (d)	Indicator no. 13 in Annex 1, Table 2				Not material
ESRS E5-5 Hazardous waste and radioactive waste, Paragraph 39	Indicator no. 9 in Annex 1, Table 1				Not material
ESRS 2- SBM3 – S1 Risk of incidents of forced labour, Paragraph 14 (f)	Indicator no. 13 in Annex 1, Table 3				Not material
ESRS 2- SBM3 – S1 Risk of incidents of child labour, Paragraph 14 (g)	Indicator no. 12 in Annex 1, Table 3				Not material
ESRS S1-1 Human rights policy commitments, Paragraph 20	Indicator no. 9 in Annex 1, Table 3 and indicator no. 11 in Annex 1, Table 1				↗ **ESRS S1 Own workforce – Policy statement sets out the Lufthansa Group's human rights strategy**
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, Paragraph 21			Commission Delegated Regulation (EU) 2020/1816, Annex II		↗ **ESRS S1 Own workforce – Policy statement sets out the Lufthansa Group's human rights strategy**
ESRS S1-1 Processes and measures for preventing trafficking in human beings, Paragraph 22	Indicator no. 11 in Annex 1, Table 3				Not material

T055 ESRS 2 IRO-2 I LIST OF DATA POINTS IN GENERAL AND TOPIC-RELATED STANDARDS RESULTING FROM OTHER EU LEGISLATION IN 2024 (continued)

Disclosure requirement and relevant data point	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Act reference	Chapter/sub-chapter or not material
ESRS S1-1 Workplace accident prevention policy or management system, Paragraph 23	Indicator no. 1 in Annex 1, Table 3				↗ **ESRS S1 Own workforce – The corporate occupational safety policy protects health**
ESRS S1-3 Grievance/complaints handling mechanisms, Paragraph 32 (c)	Indicator no. 5 in Annex 1, Table 3				↗ **ESRS S1 Own workforce – Processes to remediate negative impacts and channels for own workers to raise concerns**
ESRS S1-14 Number of fatalities and number and rate of work-related accidents, Paragraph 88 (b) and (c)	Indicator no. 2 in Annex 1, Table 3		Commission Delegated Regulation (EU) 2020/1816, Annex II		↗ **ESRS S1 Own workforce – Health and safety metrics**
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness, Paragraph 88 (e)	Indicator no. 3 in Annex 1, Table 3				↗ **ESRS S1 Own workforce – Health and safety metrics**
ESRS S1-16 Unadjusted gender pay gap, Paragraph 97 (a)	Indicator no. 12 in Annex 1, Table 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		↗ **ESRS S1 Own workforce – Compensation metrics**
ESRS S1-16 Excessive CEO pay ratio, Paragraph 97 (b)	Indicator no. 8 in Annex 1, Table 3				↗ **ESRS S1 Own workforce – Compensation metrics**
ESRS S1-17 Incidents of discrimination, Paragraph 103 (a)	Indicator no. 7 in Annex 1, Table 3				↗ **ESRS S1 Own workforce – Incidents, complaints and severe human rights impacts**
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines, Paragraph 104 (a)	Indicator no. 10 in Annex 1, Table 1 and indicator no. 14 in Annex 1, Table 3		Delegated Regulation (EU) 2020/1816, Annex II, Delegated Regulation (EU) 2020/1818, Article 12, Paragraph 1		↗ **ESRS S1 Own workforce – Incidents, complaints and severe human rights impacts**
ESRS 2 SBM3 – S2 Significant risk of child labour or forced labour in the value chain, Paragraph 11 (b)	Indicator nos. 12 and 13 in Annex 1, Table 3				↗ **ESRS S2 Workers in the value chain – Material impacts, risks and opportunities and their interaction with strategy and business model**
ESRS S2-1 Human rights policy commitments, Paragraph 17	Indicator no. 9 in Annex 1, Table 3 and indicator no. 11 in Annex 1, Table 1				↗ **ESRS S2 Workers in the value chain – Group procurement policy obligates suppliers to assume social and environmental responsibility**
ESRS S2-1 – Policies related to value chain workers, Paragraph 18	Indicator nos. 11 and 4 in Annex 1, Table 3				↗ **ESRS S2 Workers in the value chain – Supplier Code of Conduct describes the basic rules of cooperation for suppliers**
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD Guidelines, Paragraph 1	Indicator no. 10 in Annex 1, Table 1		Delegated Regulation (EU) 2020/1816, Annex II, Delegated Regulation (EU) 2020/1818, Article 12, Paragraph		↗ **ESRS S2 Workers in the value chain – Lufthansa Group policies take international frameworks into account**
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, Paragraph 19			Commission Delegated Regulation (EU) 2020/1816, Annex II		↗ **ESRS S2 Workers in the value chain – Lufthansa Group policies take international frameworks and grievance mechanisms into account**

T055 **ESRS 2 IRO-2 I LIST OF DATA POINTS IN GENERAL AND TOPIC-RELATED STANDARDS RESULTING FROM OTHER EU LEGISLATION IN 2024** (continued)

Disclosure requirement and relevant data point	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Act reference	Chapter/sub-chapter or not material
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain, Paragraph 36	Indicator no. 14 in Annex 1, Table 3				↗ **ESRS S2 Workers in the value chain – Grievance mechanisms**
ESRS S3-1 Human rights policy commitments, Paragraph 16	Indicator no. 9 in Annex 1, Table 3 and indicator no. 11 in Annex 1, Table 1				Not material
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or OECD Guidelines, Paragraph 17	Indicator no. 10 in Annex 1, Table 1		Delegated Regulation (EU) 2020/1816, Annex II, Delegated Regulation (EU) 2020/1818, Article 12, Paragraph 1		Not material
ESRS S3-4 Human rights issues and incidents, Paragraph 36	Indicator no. 14 in Annex 1, Table 3				Not material
ESRS S4-1 Policies related to consumers and end-users, Paragraph 16	Indicator no. 9 in Annex 1, Table 3 and indicator no. 11 in Annex 1, Table 1				↗ **ESRS S4 Consumers and end-users – Policies related to consumers and end-users**
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines, Paragraph 17	Indicator no. 10 in Annex 1, Table 1		Delegated Regulation (EU) 2020/1816, Annex II, Delegated Regulation (EU) 2020/1818, Article 12, Paragraph 1		↗ **ESRS S4 Consumers and end-users – Policies related to consumers and end-users**
ESRS S4-4 Human rights issues and incidents, Paragraph 35	Indicator no. 14 in Annex 1, Table 3				↗ **ESRS S4 Consumers and end-users – Incidents related to human rights should be resolved amicably**
ESRS G1-1 United Nations Convention against Corruption, Paragraph 10 (b)	Indicator no. 15 in Annex 1, Table 3				↗ **ESRS G1 Business conduct – Business conduct policies and corporate culture**
ESRS G1-1 Protection of whistle-blowers, Paragraph 10 (d)	Indicator no. 6 in Annex 1, Table 3				↗ **ESRS G1 Business conduct – Lufthansa Group Code of Conduct defines the framework for moral and responsible behaviour**
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws, Paragraph 24 (a)	Indicator no. 17 in Annex 1, Table 3		Commission Delegated Regulation (EU) 2020/1816, Annex II		↗ **ESRS G1 Business conduct – Incidents of corruption or bribery**
ESRS G1-4 Standards of anti-corruption and anti-bribery, Paragraph 24 (b)	Indicator no. 16 in Annex 1, Table 3				↗ **ESRS G1 Business conduct – Incidents of corruption or bribery**

T056 CALCULATION METHODS IN 2024 – GENERAL DISCLOSURES

ESRS disclosure requirement	Paragraph	Data point/ metric	Basis for preparing and describing the parameters used, description of the assumptions and methodology	Sources of measurement uncertainty, if applicable	Resulting level of accuracy	External validation	Planned measures for accuracy improvement
GOV-1 – The role of the administrative, management and supervisory bodies	21a	Number of executive and non-executive members	The database used is the list of Executive Board and Supervisory Board members, which is presented in the Qualification Matrix.	Low uncertainty, as the data for the Executive Board and Supervisory Board is stored centrally and HR data is shown in the system.	High	None	No further action needed
GOV-1 – The role of the administrative, management and supervisory bodies	21d	Percentage by gender and other diversity aspects	The database used is the list of Executive Board and Supervisory Board members, along with further personal information.	Low uncertainty, as the data for the Executive Board and Supervisory Board is stored centrally and HR data is shown in the system.	High	None	No further action needed
GOV-1 – The role of the administrative, management and supervisory bodies	21e	Percentage of independent Board members	The database used is the list of Executive Board and Supervisory Board members, which is presented in the Qualification Matrix.	Low uncertainty, as the data for the Executive Board and Supervisory Board is stored centrally and HR data is shown in the system.	High	None	No further action needed
GOV-3 – Integration of sustainability-related performance in incentive schemes	29d	Proportion of variable remuneration dependent on sustainability-related targets and/or impacts	The database used is the approved remuneration agreement with regard to sustainability-related targets.	Low uncertainty, as the contract data is stored centrally and is shown in the systems.	High	None	No further action needed
SBM-1 – Strategy, business model and value chain	40a iii)	Number of employees by geographical region	Employee data collection for the Lufthansa Group, assigned to deployment region for the individual legal entities and/or business units. These figures relate to the number of people. These figures relate to the end of the year in each case (as of 31/12/2024).	Low uncertainty, as HR data is recorded at the individual company level	High	None	No further action needed
SBM-1 – Strategy, business model and value chain	40b	Breakdown of total revenue by ESRS sector	This data is based on the Lufthansa Group's financial statements. Based on this data, this revenue is broken down by ESRS sector/operating segment under IFRS 8.	Low uncertainty, as financial data for the individual companies is integrated into the system and evaluated centrally for the annual financial statements	High	Data from the annual financial statements reviewed by EY as part of the audit of the annual financial statements.	No further action needed

E1 – CLIMATE CHANGE

The Lufthansa Group is committed to advancing climate change mitigation in the aviation industry. The Company aims to halve its net CO_2 emissions by 2030 compared with 2019 through reduction and offsetting measures. The aim is to achieve carbon neutrality by 2050. To reach these goals, it is pursuing multiple strategies, from fleet modernisation and sustainable fuel alternatives to innovative technologies for better energy efficiency.

Overview of material impacts, risks and opportunities

The Lufthansa Group faces climate-related risks from both physical and transition effects of climate change. Physical risks include extreme weather events that could disrupt airport infrastructure and runways, leading to flight cancellations and diversions, resulting in additional costs and lost productivity. Climate change can also bring regulatory and market risks. Political and regulatory climate change mitigation measures in aviation, such as a carbon tax, may require the Company to adjust its operational processes, which could lead to increased costs. At the same time, reducing carbon emissions is a core focus for the Lufthansa Group and can support its climate goals while enhancing brand value. For example, fleet and ground vehicle modernisation, the use of sustainable aviation fuels (SAF), and the implementation of AeroSHARK technology can help improve resource efficiency and reduce carbon emissions. A complete overview of the Lufthansa Group's material impacts, risks and opportunities can be found under ↗ **ESRS 2 General disclosures – Material impacts, risks and opportunities and their interaction with strategy and business model.**

Strategies and governance

E1-1 – Transition plan for climate change mitigation

The Lufthansa Group has set itself ambitious climate change mitigation targets. The SBTi validation in 2022 made the Lufthansa Group the first airline group in Europe and the second worldwide with a scientifically verified CO_2 reduction target in line with the goals of the Paris Climate Agreement of 2015. The measures planned by the Lufthansa Group to achieve these targets are detailed in Section E1-3.

The Lufthansa Group is investing in various technologies to support its transition to a sustainable economy. This includes investments primarily in fleet renewal, in sustainable aviation fuels (SAF), and in operational efficiency. For example, the AeroSHARK retrofit applies an innovative surface technology that improves aircraft fuel efficiency. The Lufthansa Group is committed to expanding the range of intermodal transport by working with other transport companies to include more train and bus connections as alternatives to short-haul flights. Inpayments, own payments and final payments for aircraft, aircraft components, and aircraft and engine overhauls were up by 4% to EUR 3,923m (previous year: EUR 3,789m) in the reporting year. This represents 86% of total capital expenditures. These fleet renewal investments are also part of the reporting under the EU Taxonomy.

The Lufthansa Group is required to report on its taxonomy-eligible and taxonomy-aligned economic activities. Its carbon reduction pathway highlights that acquiring next-generation aircraft leads to an increase in taxonomy-eligible and potentially taxonomy-aligned capital expenditures (CapEx). Accordingly, its fleet renewal plans, described under the four-pillar strategy and the measures planned in this regard, can have a direct impact on taxonomy metrics. For Activity 6.19 Passenger and Freight Air Transport under Environmental Objective 1 – Climate change mitigation, the Lufthansa Group reports EUR 3,912m in taxonomy-eligible capital expenditure, representing 86% of total capital expenditure. Of the Lufthansa Group's total capital expenditure, 0% is taxonomy-aligned within Activity 6.19. This is because the EU Taxonomy requirements go beyond those of the European regulation referenced in Annex C. Assuming that the requirements of the EU Taxonomy are equivalent to those of the European regulation referenced in Annex C, the Lufthansa Group considers that 62% of its capital expenditure is taxonomy-aligned. A CapEx plan relating to this capital expenditure is not disclosed in the taxonomy report, but full details on CapEx, OpEx and revenue are provided ↗ **Applicability and disclosures in accordance with EU Taxonomy Regulation (EU) 2020/852 – 6.19 Passenger and Freight Air Transport.**

The Lufthansa Group is an aviation company that generates revenue primarily from passenger and freight transport. For this reason aircraft are its most valuable assets. Currently, its transport services rely on fossil-based fuel, which results in greenhouse gas (GHG) emissions. This means that both the purchase and operation of the aircraft contribute to GHG emissions. Measures such as fleet renewal, however, lead to an overall reduction in GHG emissions from operations. Additionally, the use of SAF, for example from biogenic residuals, further lowers embedded GHG emissions. GHG emissions in transport services will also be significantly reduced by new conventional propulsion technologies, which offer substantially improved fuel efficiency over previous generations. The Lufthansa Group is closely monitoring developments in alternative propulsion technologies, including electric, hybrid-electric, and hydrogen-powered solutions for short-haul flights through its Aircraft Evaluation and Market Intelligence teams. These technologies are not yet market-ready.

The Lufthansa Group is not exempt from the EU's Paris aligned benchmarks.

The Lufthansa Group's Climate Transition Plan is closely linked to financial planning. Fleet renewal plays a critical role in the Lufthansa Group's climate strategy and requires substantial capital expenditure every year. The level of fuel efficiency gains and GHG emission reductions depends on investment levels and the availability of new aircraft. A continuous exchange takes place between the Corporate Responsibility team and the Fleet Renewal department to coordinate these efforts.

The Transition Plan was developed alongside the corporate strategy and was presented and approved in a special meeting of the Executive Board.

Measures aimed at improving fuel efficiency, and thereby reducing specific GHG emissions, are being implemented on an ongoing basis. Their progress and effectiveness are monitored by a designated contact from flight operations, who directly informs the Corporate Responsibility department responsible for the Transition Plan. Carbon intensity (SBTi KPI) is tracked annually and is discussed later in this section. While the current Transition Plan primarily focuses on flight operations, efforts are also being made to decarbonise ground operations. Implementation, such as strategic planning for vehicle fleet electrification, is overseen by the Infrastructure department.

ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes

The emission reduction targets of the Lufthansa Group are an integral part of the corporate strategy and are regularly taken into account as part of the multi-year variable remuneration ("Long Term Incentive", LTI) for the members of the Executive Board of Deutsche Lufthansa AG.

The Supervisory Board has set the reduction of specific CO_2 emissions as a core focus for the strategic goals and sustainability targets within the long-term variable remuneration for the 2024 financial year (LTI 2024). This was derived from the current corporate strategy, according to which the reduction targets for GHG emissions are based on the indicator grammes of CO_2 per revenue tonne-kilometre transported, in line with the target system for the validated SBTi targets. This environmental objective has a weighting of 20% in the assessment of the level of target achievement for the LTI 2024.

Impact, risk and opportunity management

ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities

The Lufthansa Group's climate-related risks and opportunities have been identified
Within the framework of its climate risk analysis presented below, the Lufthansa Group has identified the following key climate-related risks and opportunities:

Risks:

- Higher operating costs due to an increasing CO_2 price within the European and international CO_2 trading systems such as the EU Emissions Trading System (ETS) and the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)
- Higher operating costs due to rising kerosene prices as a result of upcoming legislation on the use of fuels for aviation
- Lack of availability and high prices for SAF, accompanied by mandatory, continuously rising blending quota from 2025 onwards for flights taking off from European airports
- Price fluctuations for conventional fuels as a result of stricter regulations and market trends to promote a low-carbon economy

In addition, the following climate-related physical risk has been identified:

- Disruptions in operations and consequently higher operating costs as a result of heatwaves

Opportunities:

- Increase and acceleration of the development of new sustainable aircraft technologies

Methodology for the identification and assessment of climate-related risks and opportunities is defined
The Lufthansa Group has evaluated the impacts on its business by means of a qualitative scenario analysis for the identification and assessment of climate-related risks and opportunities. The analysis was carried out both on the basis of its own operations and along the upstream and downstream value chain and took into account physical and transition risks. The climate risk analysis, which was prepared in accordance with the requirements of the CSRD, differs significantly in terms of time horizons from the analysis of climate risks in the financial section of the management report. In the financial reporting, time horizons of up to five years are considered whereas the subsequent climate risk analysis considers time horizons up to 2050. In addition, physical climate risks are not considered in the financial reporting as they do not lead to significant financial effects in the underlying periods. The climate transition risks identified as material are consistent with those considered in the financial reporting. The impacts of the Lufthansa Group on the climate have been assessed and described as part of the double materiality analysis and

are detailed here: ↗ **ESRS 2 General disclosures – Material impacts, risks and opportunities and their interaction with strategy and business model.** In addition, the approach to the double materiality analysis is presented under ↗ **ESRS 2 General disclosures – Description of the processes to identify and assess material impacts, risks and opportunities.**

Physical scenario analysis considers two emissions scenarios

In working meetings with internal and external experts, a list of possible climate scenarios was analysed in terms of their suitability for assessing climate impacts on processes, revenue development and assets. Based on the results, two climate scenarios from the Intergovernmental Panel on Climate Change (IPCC) were selected: one pathway with low emissions (SSP1-2.6, sustainable development scenario) and one pathway with high emissions (SSP5-8.5, fossil-fuelled development scenario). By using these two climate scenarios, the Lufthansa Group seeks to ensure that all relevant physical risks and opportunities are covered in the analysis. In addition, in both scenarios for flight operations, important drivers with regional and/or local impact such as heatwaves, storms, changes in the jet stream, an increase in turbulence and severe thunderstorms were taken into account. At the same time, detailed input data was used to assess climate impacts. Nevertheless, uncertainties remain, particularly in the evaluation of flight routes as detailed data was not available for all route segments.

In the next step, climate-related risks and opportunities that the Lufthansa Group's value chain could potentially be exposed to were identified. An interdisciplinary team from various central departments (including risk and sustainability management) as well as from several business areas of the Lufthansa Group then collaborated with an external consulting firm to develop a more focused selection of the relevant risks and opportunities to be analysed in greater detail in the qualitative scenario analysis.

In the next step, the value chain was mapped to clearly identify upstream and downstream activities as well as activities that are part of the Lufthansa Group's own operations. It was assumed that physical climate risks affect the business areas in different ways. The value chain was therefore divided into the business segments Passenger Airlines, Lufthansa Cargo and Lufthansa Technik. In line with the EU Taxonomy, a list of 28 climate risks was evaluated, of which 15 were selected for the scenario analysis. In total, 25 sites were identified for the scenario analysis: 20 local, physical sites, including airports, hubs, supplier and maintenance facilities and five regions that covered important flight routes. In the scenario analysis, data from a climate scenario with low emissions (SSP1-2.6) and from a climate scenario with high emissions (SSP5-8.5) were used to assess the potential changes in physical risks over time, namely for the time horizons 2024, 2030 for a medium-term and 2050 for a long-term view. In addition, exposure assessments for each facility type were assigned at the site level to reflect the exposure of the individual facilities. Finally, the exposure assessments and the normalised climate data were combined to calculate the risk values for each individual hazard and each site. The risk values were categorised on a multi-level scale, which enabled a comparison between different hazards and facility locations to determine relative risk levels.

Transition scenario analysis considers two climate scenarios

The qualitative scenario analysis for transition risks and opportunities aimed to evaluate the performance of the Lufthansa Group's business strategy under different climate scenarios and to determine the materiality of the identified risks and opportunities. By incorporating various scenarios and risk factors, the Lufthansa Group seeks to strengthen its resilience to climate-related challenges and to identify opportunities for sustainable business development.

For the analysis of transition climate-related risks and opportunities, various scenarios were evaluated for their suitability in working meetings. The "Stated Policies Scenario" and the "Net Zero Scenario 1.5°C" of the International Energy Agency (IEA) were selected. From the perspective of the Lufthansa Group, these scenarios are suitable for identifying and analysing all relevant transition risks and opportunities, particularly in connection with climate policy and technological developments in the energy sector. As with the physical scenario analysis, important drivers for the aviation industry were taken into account in the transition scenario analysis, such as the development of the CO_2 price, passenger-kilometres flown, fuel prices and other energy and CO_2 intensity indicators.

In the next step, the value chain was mapped to clearly identify upstream and downstream activities as well as activities that are part of the Lufthansa Group's own operations. Since it was assumed that the risks and opportunities of climate change may affect different business areas in various ways, a distinction was made between the business areas Lufthansa Airlines, Lufthansa Cargo and Lufthansa Technik. In collaboration with various stakeholders of the business, a list of potential transition risks and opportunities was created. The list was then evaluated for its relevance. In total, nine transition risks and opportunities were shortlisted for the scenario analysis. Each risk and each opportunity were evaluated for a separate business area and the risks were weighted accordingly. Finally, the results of the scenario analysis were aggregated at group level and the impacts on the value chain were described. For the evaluation of transition risks, the year 2030 was defined as the short-term, 2040 as the medium-term and 2050 as the long-term time horizon.

ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

Climate resilience analysis has been initiated in order to analyse resistance to climate change

The climate resilience analysis was initiated by the Lufthansa Group in collaboration with an external consulting firm during financial year 2024. The aim was to analyse the resilience of the Lufthansa Group's strategy, including its business model, to climate change while taking into account the related uncertainties.

The scope of the climate resilience analysis relates to activities that are part of the Lufthansa Group's own operations as well as upstream and downstream activities in the value chain. It covers passenger and freight air transport, as well as maintenance and repair. All risk-bearing assets and business activities that are used in the Company's strategic decision-making, investment decisions, and the Lufthansa Group's ongoing and planned climate change mitigation measures were considered. Furthermore, different sites that are significant for the Lufthansa Group's operations were identified. These include the Lufthansa Group's hub airports, production, maintenance, storage and office facilities, as well as facilities involved in the value chain.

The climate scenarios studied and associated analyses were carried out using recognised climate projections (IEA & IPCC) as well as both internal and external data to illustrate possible pathways and outcomes that are tailored to the Lufthansa Group's operations and value chain. For the Lufthansa Group, the identified risks and opportunities were specifically applied to its operations, infrastructure, and geographical markets to assess vulnerability and exposure. Key stakeholders were included, such as affected sites, employees and suppliers, in order to compile and assess existing measures and resilience strategies. The climate resilience analysis is based on various critical assumptions. It is assumed that demand for air travel will continue to increase in the future, especially in the leisure travel segment, and that the global economy and macroeconomic trends will remain stable. Further assumptions considered include the development of emissions and fuel prices, as well as transport performance and carbon intensity. To further reduce any uncertainties regarding the climate resilience analysis that may still exist, such as whether political actions will have as much impact as assumed, a financial evaluation of the identified qualitative climate risks will be carried out in the next step.

Initial measures to mitigate climate-related physical and transition risks have been implemented

The climate resilience analysis is crucial for managing the growing risks posed by climate change. Among the identified physical climate risks, heatwaves in particular, could represent a challenge for the Lufthansa Group's business operations. In response to the challenges posed by heatwaves, central strategies have been developed to minimise exposure to adverse conditions while maintaining productivity at affected sites. These strategies include, among others, improved climate control for infrastructure and buildings, prioritising the maintenance of cooling systems, and training employees to prepare them for potential risks and to promote a high level of safety. These measures are currently considered sufficient to address the impacts of heatwaves in the short, medium and long term.

Several key mitigation measures have been identified for the identified transition risks. These risks, resulting from evolving regulatory frameworks and market dynamics, require proactive strategies to achieve the sustainability goals. These include the continuous renewal of the fleet and the optimised use of SAF in order both to benefit from incentives under the emissions trading systems and to meet the Company's self-imposed sustainability targets, which also improve operational efficiency. The research and development of innovative, more climate-friendly technologies also form part of the measures that the Lufthansa Group is driving forward. For example, Lufthansa Technik initiated the Hydrogen Aviation Lab in 2021, a project funded by the City of Hamburg that focuses on technologies and extensive maintenance and ground processes for future aircraft generations using liquid hydrogen as a primary energy source. The fully functional stationary field laboratory has been in operation since the end of 2024. Based on this research, Lufthansa Technik's main contribution to this project will be its operational expertise in maintaining and modifying commercial aircraft and gaining insights by testing the real-world operation of these emerging technologies. The Company is also able to incorporate the perspective of airlines to a significant extent thanks to its close relationships with airlines around the world. In this context, the Lufthansa Group also strengthens its interaction with industry associations to develop effective policy proposals that support a sustainable and climate-friendly aviation industry.

Since 1994, the Lufthansa Group has actively supported various national and international atmospheric and climate research projects. This helps scientists better understand atmospheric processes and improve the reliability of climate models. Through this collaboration, the Lufthansa Group can detect potential physical impacts of climate change early and enhance climate resilience. As part of the European research infrastructure IAGOS (In-service Aircraft for a Global Observing System), the Lufthansa Group works with its research partners from the Karlsruhe Institute of Technology and the Jülich Research Centre to equip selected passenger aircraft with measuring instruments that collect data about the condition of the atmosphere on scheduled flights. This data is freely accessible and is used by around 300 organisations worldwide. For the flights conducted by mid-2024, the Lufthansa Group contributed about half of the more than 70,000 measurement flights. In addition, in its research on the non-CO_2 effects of aviation, the Lufthansa Group works closely with various scientific partners and system partners, such as in the research projects D-KULT and CICONIA. Both aim to better understand why and when climate-damaging contrails occur and how they can be avoided. During the reporting year, Lufthansa Airlines and Lufthansa Cargo conducted test flights to avoid climate-relevant contrails (D-KULT), while SWISS analysed the non-CO_2 effects of various optimised flight schedule variants for individual long-haul flights (CICONIA).

With this bundle of implemented and planned resilience measures to minimise climate transition risks, the Lufthansa Group currently considers itself sufficiently capable of adapting to transition risks in the short-, medium- and long-term and of counteracting evolving regulatory frameworks and market dynamics.

E1-2 – Policies related to climate change mitigation and adaptation

At present, the Lufthansa Group is focused on limiting the negative impacts of climate change. Whether climate change adaptation measures are necessary will be shown by the evaluation of the climate risk analysis results.

Four-pillar climate change mitigation strategy addresses four areas for action

Progress in climate change mitigation in the aviation sector can only be made through cooperation and by combining various competencies of different players, such as manufacturers, airports, air traffic control, airlines and policymakers. In 2007, the International Air Transport Association (IATA) defined emission reduction measures in four areas of action as part of the four-pillar climate change mitigation strategy of the aviation industry, to which the Lufthansa Group's climate change mitigation strategy is aligned:

— technological progress,
— improved infrastructure,
— operational measures and
— market-based measures.

Within the four-pillar strategy, the lever of energy efficiency – particularly in the areas of technological progress and operational measures – as well as the use of renewable energy are also taken into account. These strategies also form the basis for the Lufthansa Group's conceptual approach and activities to improve fuel efficiency and reduce carbon emissions from aircraft operations.

The strategy applies to all the airlines in the Lufthansa Group. It is communicated to all relevant stakeholders both internally and externally. The monitoring to assess the success of the strategy consists of an annual measurement of GHG emissions compared to the reduction target by comparing the emissions model with the actual performance based on fuel consumption and revenue tonne-kilometres (RTK), the sale of climate change mitigation projects through CO_2 credits (offsetting) and the use of SAF. In addition to further climate-relevant effects beyond CO_2, an annual report on a per-flight basis regarding climate impacts is legally mandated from 2025. The Executive Board of the Lufthansa Group bears ultimate responsibility for implementing the strategy within the Company.

Ground operations energy strategy focuses on energy efficiency and renewable energy

In the first quarter of 2024, the Lufthansa Group adopted its new energy strategy for ground energy consumption. It is based on four pillars with which the Lufthansa Group will change its approach to energy procurement and energy consumption, comply with current legislation, adjust its energy mix and decarbonise its vehicle fleet in the long term. The main focus is on energy efficiency and renewable energy. In the initial years, the new energy strategy will primarily apply to the sites in Germany.

The interests of the Lufthansa Group's stakeholders are taken into account through working groups in the definition and implementation of measures. The measures include increased transparency through annual reports and other communication initiatives, the reduction of environmental impacts through the introduction of an EMAS-certified environmental management system and a reduction in energy consumption in the properties. In addition to lower energy consumption, these measures also lead to a saving in GHG emissions in Scopes 1 and 2. In developing this commitment, the external standards EMAS (environment in general) and ISO 50001 (energy) as well as relevant German and EU-wide regulations are taken into account. A monitoring process was still under development at the end of the reporting year.

Cooperations in collaboration, research and development initiatives expand climate change mitigation efforts

More targeted political support and financial support mechanisms are needed to develop new technologies and speed up the market introduction of SAF if the targets set as part of the Lufthansa Group's climate change mitigation commitment are to be attained in a sector that is difficult to decarbonise. This is why the Lufthansa Group is involved in a wide range of private and government-funded collaboration, research and development initiatives. Working with the scientific community, it has also funded atmospheric research to contribute to a better understanding of the global climate.

E1-3 – Actions and resources in relation to climate change policies

As part of its four-pillar climate change mitigation strategy, the Lufthansa Group implements a broad range of measures across the four action areas to contribute to advancing climate change mitigation in the aviation industry.

Driving continuous investment in technological advancement

The Lufthansa Group invests continuously in modern, fuel-efficient aircraft and engine technologies, which represent the most important element in reducing carbon emissions from flight operations in the first action area of its climate change mitigation strategy. Measures to technically modify the existing fleet are also examined on an ongoing basis and implemented in cooperation with partners from research and industry. In the past decade, the Lufthansa Group has paid close attention to research into SAF and its testing and use. Since this time, the Lufthansa Group has worked in partnerships to drive key technologies for SAF production. It does this to secure access to the SAF quantities which it requires.

Even though many projects are still far from being ready for large-scale production, there has been a lot of momentum driving research into new, sustainable technologies in the aviation sector and their development for several years now from the perspective of the Lufthansa Group. Established manufacturers such as Airbus and Boeing and many young companies are seeking to bring new ideas and concepts to the aviation market. Alternative fuels, new propulsion systems based on hydrogen and electricity, and new aircraft designs associated with these all play a role in these developments from the perspective of the Lufthansa Group. The Lufthansa Group is monitoring these closely and analysing them on an ongoing basis with respect to their future viability and relevance.

C27 THE FOUR PILLARS FOR CLIMATE PROTECTION

Technological progress	Improved infrastructure	Operational measures	Economic instruments
– Innovation in aircraft and engine technology – Alternative fuels	– Better use of airspace – Needs-based airport infrastructure – Expansion of intermodality	– Efficient aircraft sizes – Optimum flight routes and speeds	– Global market-based system of emissions reduction (CORSIA) – Voluntary compensation option

Fleet renewal is the most important lever for reducing CO_2 emissions

Fleet renewal remains the key driver for reducing CO_2 in the short and medium term. The Lufthansa Group fleet was expanded by 18 new aircraft in 2024, including Airbus A320neos, A321neos, A350-900s and Boeing 787-9s, which are powered by modern engines. The A320neo is one of the world's newest and most environmentally friendly aircraft. A total of four aircraft have been removed from the Group fleet in exchange.

Since 2019, the Lufthansa Group has more than doubled the proportion of its fleet fitted with the latest technology to 22% (158 aircraft). In 2025, the Lufthansa Group expects the delivery of approximately 30 state-of-the-art aircraft, including the Airbus A320neo, A321neo and A350-900 and the Boeing 787-9 models. The order backlog comprises around 240 aircraft featuring the latest technology.

In total, EUR 3,912m was invested in fleet renewal in 2024. This capital expenditure is taxonomy-eligible and is reported under Activity 6.19 Passenger and freight air transport within Environmental Objective 1 – Climate change mitigation. See also ↗ **Applicability and disclosures in accordance with EU Taxonomy Regulation (EU) 2020/852 – 6.19 Passenger and Freight Air Transport.**

Technical measures for the existing fleet complement the commitment to greater fuel efficiency

Measures to retrofit the existing fleet are also constantly being examined and implemented where appropriate. The AeroSHARK functional surface coating developed by Lufthansa Technik together with BASF is one example of the successful implementation of a technical measure. Their so-called "riblet films", named after their microscopically small ribs modelled on shark skin, are currently already capable of reducing the air resistance of large commercial aircraft, and thus their kerosene consumption by around 0.8%.

At the end of 2024, the Lufthansa Group fleet had a total of 17 Boeing 777s fitted with AeroSHARK in service, including twelve Boeing 777-300ERs at SWISS and five Boeing 777Fs at Lufthansa Cargo.

Expansion of sustainable aviation fuels to support climate-friendly air travel of the future

The expansion of SAF is a key measure for making air travel more climate-friendly in the future. Global SAF production capacity, and therefore availability, has so far been very limited. Overall global production capacity would only be sufficient for a small fraction of worldwide aviation fuel consumption. In order to continually safeguard its own supply of SAF, the Lufthansa Group follows a three-part strategy: to enable continuous procurement on the spot market, up to USD 250m has been released for the period by the Executive Board of Deutsche Lufthansa AG. The use of SAF also enables compliance with additional technical assessment criteria for economic activity 6.19 Passenger and Freight Air Transport ↗ **Applicability and disclosures in accordance with EU Taxonomy Regulation (EU) 2020/852 – 6.19 Passenger and Freight Air Transport.**

At the political level, the Lufthansa Group supports a global strategy for the supply of SAF. As well as a competition-neutral approach to blending quotas in Europe, this includes, for instance, defining quantifiable goals and ambitious sustainability criteria for the use of SAF at the level of the International Civil Aviation Organization (ICAO). The Lufthansa Group has supported this process since 2023 through its membership of the ICAO Fuel Task Group. In the European Union, the Lufthansa Group advocates a simplification of the compliance processes for SAF-related regulation and has put forward widely noted proposals. In the reporting year, the Lufthansa Group joined the Aviation Initiative for Renewable Energy in Germany (aireg), the eFuel Alliance and certification organisation ISCC.

The Lufthansa Group is committed to the harmonisation of European airspace

The fundamental modernisation and harmonisation of technologies, processes and standards are necessary to realise the potential for greater efficiency in the use of the European airspace. Irrespective of the form in which the European Commission's legislative proposal on the development of the European airspace (Single European Sky, SES2+) is adopted, the Lufthansa Group supports the harmonisation of the EU airspace. The Lufthansa Group and other European airlines, such as those in the Airlines for Europe (A4E) alliance, have the necessary expertise in this area and have been actively promoting the creation of an efficient EU airspace for many years through their participation in committees and projects. Furthermore, the Lufthansa Group tries to encourage as many passengers who travel via its hubs as possible to use intermodal modes of feeder transportation to open up additional potential for further reducing the number of particularly short flights. By offering expanded intermodal services, arriving and departing by train or long-distance bus should become just as natural as using connecting flights.

Efficiency gains through a unified European airspace expected to reduce emissions

The European Commission's legislative proposal for the further development of the European airspace (SES2+) is intended to help further harmonise and optimise European air traffic management. The technological basis for this is the results of Europe's SESAR programme. The European Commission's target of increasing efficiency by up to 10% through shorter flight paths, improved capacity management and fewer delays is to be achieved through the SESAR programme in terms of research and implementation. Capacity-boosting measures in the airspace play a significant role in efficient flight operations and are of vital importance for ensuring a stable flight plan and fewer delays. The Lufthansa Group provided various support measures in this area, including investing in modern communication technologies. Due to the major relevance of the development of the European airspace for the Lufthansa Group, it also continues to participate in the SESAR Deployment Manager (SDM) industry consortium as a member and with the active support of experts. The Lufthansa Group received funding from the European Union for research and development projects and for its active participation in the SDM.

The implementation of these technologies, processes and standards in daily operations is coordinated within the scope of the SDM's activities. Across Europe, the SDM coordinated 356 projects in 2024. The Lufthansa Group participated in two of these implementation projects and was also actively involved in SESAR research and demonstration projects (SESAR 3) with various airlines in the Lufthansa Group and Lufthansa Systems as an IT provider. The goal is to be able to implement even short-term efficiency gains at pace. In addition to the two projects listed above, during the reporting year SWISS participated in three projects launched in 2023 which relate to optimised flight management and arrival time management in Zurich, as part of the Horizon Europe funding programme.

Operational measures aligned with the Lufthansa Group's climate change mitigation strategy are in place

The Lufthansa Group's operational measures for climate change mitigation comprise the more fuel-efficient use of aircraft and the optimisation of load factors, as well as reviewing and introducing new flight procedures and navigation technologies, determining optimal routes and speeds, and developing many activities to save fuel in flight operations management.

These measures and their effects are considered together with technical measures, such as AeroSHARK, and infrastructure measures within the framework of the OPS Sustainability Program. The programme presented below integrates measures from the first three areas of action of the climate change mitigation strategy.

The OPS Sustainability Program is an integral approach for the areas of action of the climate change mitigation strategy

The OPS Sustainability Program integrates measures from the three areas of action (technological progress, improved infrastructure and operational measures) of the Lufthansa Group's climate change mitigation strategy and is intended to ensure uniform reporting of the emissions reductions achieved. In addition, the programme implements accompanying communication and training measures to foster a culture of efficient resource use.

In the reporting year, 91 fuel-saving projects were under way across the Group. These projects comprise activities relating to performance and procedures, weight reduction, flight route optimisation and technical developments. In addition to the reductions achieved in recent years, they made it possible to permanently avoid another 37 thousand tonnes of carbon emissions. The quantity of kerosene saved amounted to around 12 thousand tonnes – this is equivalent to approximately 142 return flights between Munich and New York with an Airbus A350-900 aircraft.

Emission reductions are to be achieved through process and weight optimisations

Pilots use “Green Procedures” to promote the use of fuel-saving processes in aircraft operations. Equally important is the optimised use of airspace through new, more efficient arrival and departure procedures with satellite-based navigation as well as structural adjustments to airspace boundaries and flight planning. Last but not least, significant weight savings on aircraft are targeted through the use of innovative materials and by reducing the material requirements in service and handling processes.

Market-based represent the fourth pillar of the climate change mitigation strategy

The European Emissions Trading System (EU ETS), the mandatory CORSIA scheme and voluntary offsetting of CO_2 play an important role. In addition to voluntary carbon offsets by the Company, the Lufthansa Group is therefore continuously expanding the possibilities for customers to offset carbon emissions. In addition, following the revision of the Emissions Trading Directive from 1 January 2025, data on non-CO_2 effects emitted on flights of the Lufthansa Group have been collected. In the first step, the non-CO_2 data were recorded and reported per flight without these data being included in the pricing mechanism.

Mandatory carbon offsets

The CORSIA, which was agreed with the ICAO in October 2016, has been offsetting growth-related carbon emissions in international aviation through the purchase of certificates since 2021. CORSIA is designed to compensate for all emissions from the aviation sector that exceed the baseline carbon emissions defined by the ICAO. This is based on the 2019 emissions for the pilot phase (2021 to 2023) and, for the years 2024 to 2035, on 85% of the emissions from 2019.

Trading with market-based climate change mitigation instruments

Under the EU ETS, carbon emissions have been recorded and reduced across industries through certificate trading since 2012. All flights carried out by the Lufthansa Group within the European Economic Area (EEA) are subject to this system. The emissions trading schemes of Switzerland (CH ETS) and the United Kingdom (UK ETS) for flights between the EEA, Switzerland and the United Kingdom impose additional obligations to surrender emissions certificates. The Lufthansa Group is following the revision process of the European Emissions Trading Directive at the political level together with the relevant associations. The project aims to harmonise CORSIA and the EU ETS in order to avoid double regulation.

Carbon emissions from employee business travels are offset

Since 2019, the Lufthansa Group has been voluntarily offsetting the carbon emissions from all of its employees’ business flights globally. In financial year 2024, 84 thousand tonnes of CO_2 were offset through the climate protection organisations myclimate, Climate Partner, Squake and Climate Austria.

More sustainable flight offerings being expanded

The Lufthansa Group is expanding its services and offerings for more sustainable flight options. Its Green Fares product is worth highlighting in particular with regard to the reporting year. These fares are offered on intra-European routes and, since December 2024, on intercontinental routes of the Lufthansa Group as well. When choosing this fare, 20% of the flight-related carbon emissions are reduced on European routes and 10% on long haul flights. The remaining share of the carbon emissions is to be offset through contributions to the Lufthansa Group’s climate change mitigation portfolio. For more information on Green Fares, please see ↗ **ESRS S4 Consumers and end-users – Lufthansa Group offers sustainability initiatives and services for its customers.**

Ground mobility and ground operations to be carbon neutral by 2045

Climate change mitigation on the ground is also a key position for the Lufthansa Group. The measures implemented in the reporting year focus on reducing energy consumption in buildings and the vehicle fleet.

Current measures include the continued implementation of the mandatory increase in energy efficiency, the start of implementing an energy management certification in accordance with ISO 50001 (by July 2025) and the beginning of the implementation and collection of the first energy data with a Group-wide energy database.

These measures are intended to achieve an increase in energy efficiency, a higher share of renewable energy and a reduction in Scope 1 and Scope 2 GHG emissions attributable to ground-based activities. The time horizon for these measures is long term: for ground mobility by 2030 and for all other measures by 2045. The affected stakeholders are primarily the airlines at the German hubs, although a Group-wide implementation of the measures is planned in the coming years to achieve the defined targets.

Metrics and targets

E1-4 – Targets related to climate change mitigation and adaptation

Scientifically proven carbon reduction targets underpin climate protection ambitions

The Lufthansa Group has set itself ambitious climate change mitigation targets. The SBTi validation in 2022 made the Lufthansa Group the first airline group in Europe and the second worldwide with a scientifically verified CO_2 reduction target in line with the goals of the Paris Climate Agreement of 2015. In terms of the SBTi criteria the Lufthansa Group has set itself a target of reducing its carbon intensity, i.e. its CO_2 emissions in grammes of CO_2 per revenue tonne-kilometre (passenger and freight) – by 30.6% from 2019 to 2030. The Lufthansa Group aligns its targets for reducing GHG emissions through the SBTi target with the political goal of limiting global warming to well below two degrees as set out in the Paris Agreement.

The Lufthansa Group's SBTi target is supplemented by a net-zero target for 2050 and a net-emissions target of –50% for 2030 compared with 2019 to help limit global warming to only 1.5°C as set out by the IPCC. The Lufthansa Group used 2019 as its base year because that was the last operating year unaffected by the coronavirus crisis in terms of emissions when the targets were set. The targets for reducing carbon emissions also account for future developments, such as the growth in the number of flights based on the current company-wide growth scenarios. In addition, the Company has set a target for ground operations in Germany, Austria and Switzerland to source electricity exclusively from renewable energies. The Lufthansa Group has consolidated its carbon emissions reductions. The validated SBTi target for aircraft operations covers Scope 1 as well as Scope 3, Category 3. The targets defined for climate change mitigation with regard to ground operations cover market-based Scope 2 emissions.

The Lufthansa Group's mitigation pathway incorporates business development and forecasts the mitigation amounts of individual measures. It defines the key levers by which the Lufthansa Group will decarbonise aircraft operations and achieve its targets. Numerous investments and partnerships support the pathway, driving emissions reductions in the short to medium term and advancing the development of the technologies needed over the long term.

Management of SBTi targets is embedded within the Company

The Corporate Responsibility department, in close collaboration with the relevant business areas and specialist departments, develops the strategy and designs the reduction targets for the Lufthansa Group's airlines. The Executive Board has ultimate oversight of the climate change mitigation and environmental strategy, as well as the organisation, management and implementation of these targets. The Group's ESG reporting team coordinates the targets to ensure consistency with the GHG inventory.

The contribution of individual decarbonisation levers has been quantified

The Lufthansa Group has identified a number of decarbonisation levers, which are described within its four-pillar strategy and the measures taken. The Lufthansa Group quantifies the following contributions of its individual decarbonisation levers to achieving the SBTi target in 2030:

- Fleet renewal reduces GHG emissions per revenue tonne-kilometre (RTK) by a projected 15% based on current framework conditions such as the supply reliability of aircraft manufacturers
- Operational efficiency measures reduce GHG emissions per RTK by a projected 3.8% based on current framework conditions such as the networked utilisation of European airspace
- The use of SAF additionally reduces GHG emissions per RTK by a projected 3.4% based on current framework conditions such as the availability and economic viability of SAF.

To achieve its net climate change mitigation targets, the Lufthansa Group relies not only on decarbonisation measures but also on compensation initiatives, such as supporting certified climate change mitigation projects.

Progress on target achievement measured annually

Overall, the combined reduction in carbon emissions per RTK compared with the base year 2019 (SBTi KPI) across all measures amounted to 3.8% in the reporting year.

The main influencing factors were delays in the delivery of modern aircraft, which prevented the planned fleet renewal from being implemented as originally scheduled. Additionally, current geopolitical situations, such as Russia's war of aggression against Ukraine and the Middle East crisis, have required flights to detour around large-scale airspace restrictions, leading to increased fuel consumption on the affected routes in recent years.

The Lufthansa Group is continuously working on modernising its fleet, increasing the use of sustainable aviation fuels (SAF) and implementing further efficiency measures. The Lufthansa Group is also expanding its services and offerings for more sustainable flight options, enabling further reductions in carbon emissions.

The handling of other gases with an impact on climate remains unresolved

The Lufthansa Group has not yet defined targets for other climate-relevant non-CO_2 gases. It is currently conducting research to develop a uniform standard for converting these into CO_2 equivalents (CO2eq) or another appropriate metric. Once established, the Lufthansa Group will define and set targets. To date, neither researchers nor legislators have made a clear determination regarding the parameters to be used or the time period over which the effects are to be considered.

Energy-related targets for ground mobility have been adopted

In addition to the certified climate change mitigation targets for aircraft operations, the Lufthansa Group also aims to become carbon-neutral in ground mobility in the DACH region by 2030. However, it does not follow a defined sector-specific pathway, and these targets are not verified as compatible with the target of 1.5 degrees.

E1-5 – Energy consumption and mix

The Lufthansa Group records and analyses its global energy consumption annually. The energy consumption figures are of high significance for the Lufthansa Group, serving both as the basis for calculating its carbon footprint and for verifying the effectiveness of implemented energy reduction measures, and because the Lufthansa Group operates in sectors classified as climate-intensive. These climate-intensive sectors include both passenger and freight air transport as well as activities of Lufthansa Technik in the Maintenance, Repair and Overhaul (MRO) segment. An overview of the ESRS sectors is provided in ↗ **ESRS 2 General disclosures – Strategy, business model and value chain.**

The following table provides a detailed overview of the energy sources and their consumption across all the business areas of the Company:

T057 ESRS E1-5 | AR34 ENERGY CONSUMPTION AND MIX IN 2024

(1)	Fuel consumption from crude oil and petroleum products	MWh	109,875,298
(2)	Fuel consumption from natural gas	MWh	122,282
(3)	Fuel consumption from other fossil sources	MWh	0
(4)	Consumption from purchased or acquired electricity, heat, steam and cooling from fossil sources	MWh	213,602
(5)	**Total fossil energy consumption**	**MWh**	**110,211,182**
	Percentage of fossil sources in total energy consumption	**%**	**99.6%**
(6)	**Consumption from nuclear sources**	**MWh**	**0**
	Percentage of consumption from nuclear sources in total energy consumption	**%**	**0.0%**
(7)	Fuel consumption from renewable sources, including biomass (also industrial and municipal waste of biological origin, biogas, hydrogen from renewable sources, etc.)	MWh	247,319
(8)	Consumption from purchased or acquired electricity, heat, steam and cooling from renewable sources	MWh	220,819
(9)	**Total renewable energy consumption**	**MWh**	**468,137**
	Percentage of renewable sources in total energy consumption	**%**	**0.4%**
Total energy consumption		**MWh**	**110,679,319**

In addition to the absolute energy consumption figures, the Lufthansa Group has, for the first time this reporting year, calculated the energy intensity for the climate-intensive sectors. This amounted to 2.7 KWh per euro of revenue for 2024.

A detailed description of the calculation methodologies for energy use and energy intensity can be found under ↗ **Calculation methods in 2024 – Environment.**

E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions

The carbon footprint in accordance with the GHG Protocol is determined annually

The Lufthansa Group calculates its carbon footprint each year. The carbon footprint of the Lufthansa Group represents the total of all carbon dioxide and other GHG emissions generated by its operations as defined by the internationally recognised GHG Protocol standards – including significant emissions from the supply chain. To establish the greatest possible level of transparency and comparability, the Lufthansa Group's carbon footprint is verified annually by an independent external audit organisation and detailed information is provided, including by means of the Group's participation in the recognised CDP rating scheme. However, because ESRS has been applied for the first time, there are some isolated changes in the data collection and calculation methodology. A detailed description of these changes, as well as their impact on the carbon footprint, is provided under ↗ **Calculation methods in 2024 – Environment.**

The carbon emissions for 2024 are presented in the following table.

T058 ESRS E1-6 | AR48 GHG EMISSIONS IN 2024

			Retrospective			Milestones and target years		
		Base year (2019)	2023	2024	Change in %	2025	2030	Annual % of target/ Base year
Scope 1 GHG emissions								
Gross Scope 1 GHG emissions	in 1,000 tonnes CO_2e	33,349	26,822	29,159	9%	n/a	see E1-4 targets	n/a
Percentage of Scope 1 emissions from regulated emissions trading systems	%	26%	32%	33%	3%	n/a	n/a	n/a
Scope 2 GHG emissions								
Gross location-based Scope 2 GHG emissions	in 1,000 tonnes CO_2e	260	161	124	-23%	n/a	n/a	n/a
Gross market-based Scope 2 GHG emissions	in 1,000 tonnes CO_2e	200	91	49	-46%	n/a	see E1-4 targets	n/a
Significant Scope 3 GHG emissions								
Total indirect (Scope 3) gross GHG emissions	in 1,000 tonnes CO_2e	10,589	10,063	13,734	36%	n/a	n/a	n/a
(1) Purchased goods and services	in 1,000 tonnes CO_2e	12	9	3,326	36,856%	n/a	n/a	n/a
(2) Assets	in 1,000 tonnes CO_2e	806	369	301	-18%	n/a	n/a	n/a
(3) Activities related to fuels and energy (not in Scope 1 or Scope 2)	in 1,000 tonnes CO_2e	7,893	5,995	6,313	5%	n/a	see E1-4 targets	n/a
(4) Upstream transport and distribution	in 1,000 tonnes CO_2e	1,441	1,123	1,821	62%	n/a	n/a	n/a
(5) Waste generated in operations	in 1,000 tonnes CO_2e	271	3	12	300%	n/a	n/a	n/a
(6) Business travel	in 1,000 tonnes CO_2e	63	41	46	12%	n/a	n/a	n/a
(7) Commuting own workforce	in 1,000 tonnes CO_2e	38	55	58	5%	n/a	n/a	n/a
(8) Upstream leased assets	in 1,000 tonnes CO_2e	n/a	1	0	-100%	n/a	n/a	n/a
(9) Downstream transport	in 1,000 tonnes CO_2e	n/a	1	1	0%	n/a	n/a	n/a
(10) Processing of sold products	in 1,000 tonnes CO_2e	n/a	n/a	n/a	n/a	n/a	n/a	n/a
(11) Use of sold products	in 1,000 tonnes CO_2e	n/a	n/a	n/a	n/a	n/a	n/a	n/a
(12) End-of-life treatment of products	in 1,000 tonnes CO_2e	n/a	n/a	n/a	n/a	n/a	n/a	n/a
(13) Downstream leased assets	in 1,000 tonnes CO_2e	65	502	631	26%	n/a	n/a	n/a
(14) Franchises	in 1,000 tonnes CO_2e	n/a	n/a	n/a	n/a	n/a	n/a	n/a
(15) Capital expenditure	in 1,000 tonnes CO_2e	not available	1,964	1,225	-38%	n/a	n/a	n/a
Total GHG emissions								
Total GHG emissions (location-based)	in 1,000 tonnes CO_2e	44,198	37,046	43,017	16%	n/a	see E1-4 targets	14%[1]
Total GHG emissions (market-based)	in 1,000 tonnes CO_2e	44,138	36,976	42,942	16%	n/a	see E1-4 targets	14%[1]

[1] Relates to Scope 1 and Scope 3, Category 3 and is variable depending on the assumed RTK growth until 2030.

For Scope 3 Category 1 and Category 5, there are significant deviations compared with the previous year. These are due to an expanded data collection methodology. Further details can be found under ↗ **Calculation methods in 2024 – Environment.**

In addition to the GHG emissions from fossil fuel sources, the Lufthansa Group also calculates the emissions resulting from the combustion of biogenic energy sources, particularly SAF. For 2024, these amount to 63,741 t CO2e in Scope 1. There were no biogenic emissions in Scope 2 or Scope 3.

Similar to energy intensity, this is the first year that the Lufthansa Group is reporting on carbon intensity. The amount of carbon dioxide equivalents emitted per million euros of net revenue is detailed in the following table.

T059 ESRS E1-6 | 54 GHG INTENSITY BY NET REVENUE IN 2024

		2023	**2024**	Change in %
GHG emissions intensity by net revenue (location-based)	t CO_2e/ EUR m	n/a	1,145	n/a
GHG emissions intensity by net revenue (market-based)	t CO_2e/ EUR m	n/a	1,143	n/a

E1-7 – GHG removals and GHG mitigation projects financed through carbon credits

The Lufthansa Group incorporates carbon offset contributions to achieve its voluntary climate change mitigation target

Beyond the reduction defined by the SBTi targets, the Lufthansa Group aims to meet its self-imposed goal – to halve its net carbon emissions by 2030 compared with 2019. This includes voluntary carbon offsets. These offsets contribute significantly to the climate change mitigation target. The carbon offset contributions flow into a portfolio of climate change mitigation projects, which includes initiatives in various countries around the world, such as Germany, Austria and Switzerland. Currently, the Lufthansa Group is supported in this endeavour by the organisations myclimate, Climate Austria, SQUAKE and ClimatePartner. The project portfolio includes modern, technology-based projects such as CarbonCure's sustainable concrete (which captures carbon and stores it long term in concrete) and Biochar (carbon removal through plant-based biomass). In doing so, the Lufthansa Group fosters the development of the carbon offset market towards new technologies and offerings that deliver long-term carbon sequestration. This standard is recommended by the German Environment Agency. Passengers contribute through offerings for more sustainable flying, such as the Green Fares flight tariff offered by the Lufthansa Group's airlines Lufthansa Airlines, Austrian Airlines, Brussels Airlines, SWISS, Edelweiss, Discover Airlines and Air Dolomiti. In addition to the voluntary offsetting activities described in this report, the Lufthansa Group also participates in CORSIA as a mandatory offsetting scheme in the aviation sector. In the long term, the Lufthansa Group aims to become carbon neutral by 2050 through measures such as these.

Reducing emissions through measures such as fleet modernisation, improvements in operational efficiency and the use of SAF is associated with high costs. As a sector that is difficult to decarbonise, aviation will be reliant on the use of carbon certificates in the long term.

By using carbon credits, the Lufthansa Group ensures that measures which help to prevent the generation of GHG in the first place, such as fleet modernisation, are not hindered. Investments in operational measures are prioritised over carbon credits as a reduction measure. However, based on the current state-of-the-art, further reduction measures beyond those already implemented are not economically viable for the Lufthansa Group at this time. For this reason, carbon credits are indispensable as a means of carbon offsetting. In addition, customers purchase and finance carbon credits. This means no investment funds become permanently tied up that could otherwise be allocated to other reduction measures.

All current projects in the Lufthansa Group climate change mitigation portfolio are certified to a high standard. Over 90% of these projects are verified against the Gold Standard, which is recommended by the German Environment Agency. In addition, two technology-based projects (CarbonCure's sustainable concrete and biochar) are certified under the Puro Earth Standard and the Verified Carbon Standard (VCS). Projects by Climate Austria are certified in accordance with local Austrian standards and national environmental funding regulations. Another local project within Europe is certified under the MoorFutures Standard.

The amount of retired carbon certificates, as well as the planned amount of carbon certificates to be retired in the future, is listed in the following table. The total amount of carbon credits planned for retirement is exclusively based on contracts concluded with carbon credit providers. However, deviations between the planned values and the actual values may occur for 2025. A detailed description of the calculation methodologies can be found under ↗ **Calculation methods in 2024 – Environment.**

T060 ESRS E1-7 | 59A & B CARBON CERTIFICATES RETIRED IN REPORTING YEAR 2024

Total	t CO_2e	606,007
Percentage of reduction projects	t CO_2e	545,580
Percentage of removal projects	t CO_2e	60,427
of which on a technological basis	%	5%
of which on a biogenic basis	%	95%
Percentage by primary standards used		
Percentage Plan Vivo	%	6%
Percentage Gold Standard	%	90%
Percentage MoorFutures	%	1%
Percentage Puro Earth Standard	%	1%
Carbon certificates to be retired in future reporting years		
Carbon certificates to be retired in future based on the volume sold by the Lufthansa Group in 2024	t CO_2e	657,235

Based on the absolute amounts of retired carbon certificates presented in the above table, 10% relate to removal projects and 90% to reduction projects. 3% of the retired certificates relate to projects carried out in Europe. Moreover, the Lufthansa Group has not retired any carbon certificates that fall under Article 6 of the Paris Climate Agreement.

E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

The Lufthansa Group is making use of the option available under ESRS 1 Paragraph 137 to omit the disclosures required under ESRS E1-9 in the first year of preparation of its consolidated non-financial statement.

E2 – POLLUTION

The Lufthansa Group aims to reduce negative effects on the environment. Its focus centres on energy efficiency and emissions reduction, although other environmental impacts also play an important role. On the broad topic of pollution, the Group primarily targets active noise abatement. In this context it seeks to balance the Company's objectives with those of the local communities living near airports.

Overview of material impacts, risks and opportunities

Amendments or new regulations on noise abatement and environmental requirements may result in significant financial strain for the Lufthansa Group. In the event of non-compliance with noise pollution guidelines, the Company may face payments that could affect it financially as well as jeopardise its reputation. By investing in quieter aircraft, using noise-abatement technologies, taking part in noise research, optimising flight processes and routes, and engaging in dialogue with stakeholders, the Lufthansa Group may achieve a competitive and reputational advantage. A complete overview of the Lufthansa Group's material impacts, risks and opportunities can be found under ↗ **ESRS 2 General disclosures – Material impacts, risks and opportunities and their interaction with strategy and business model.**

Impact, risk and opportunity management

ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities

The general methodology for identifying impacts, risks and opportunities is described under ↗ **ESRS 2 General disclosures – Description of the process to identify and assess material impacts, risks and opportunities**

E2-1 – Policies related to pollution

Five-pillar strategy for active noise abatement aims to reduce noise pollution

Since 2001, the Lufthansa Group has participated in research projects and implements noise abatement measures which are coordinated with relevant stakeholders. This research and development work is the basis for the Lufthansa Group's active noise abatement. It contributes significantly to optimising both fleet and flight operations. Such measures reduce noise emissions at the source and help relieve local residents in airport regions by better distributing the remaining noise. Active noise abatement measures at the Lufthansa Group cover the following five pillars:

C28 ACTIVE NOISE ABATEMENT

Investments in quieter aircraft	**Noise-reducing technologies for the existing fleet**	**Participation in noise research**	**Development of optimised flight procedures and flight routes**	**Dialogue with residents near airports and other stakeholders**
– Introduction of the latest aircraft, such as the Airbus A320neo and B787-900 – Retirement of older models	– Retrofitting of noise-reducing vortex generators to the existing fleet	– Continuous collaboration and exchange with partners from research and industry – Development and analysis of new noise-reduction measures	– Cooperation with system partners – Development and testing of new methods – Use of new navigation technology	– Continuous exchange with residents, as in the Airport and Regional Forum in Frankfurt – Active participation to aircraft noise commissions

- Investments in quieter aircraft
- Noise abatement technologies for the existing fleet
- Participation in noise research
- Development of optimised flight procedures and routes
- Dialogue with local residents and other stakeholders

With this five-pillar strategy, the Lufthansa Group focuses on reducing the negative impacts of noise on local communities and other stakeholders. Incidents and emergency situations are not considered relevant for active noise abatement. Con-sequently, the Lufthansa Group's policies do not cover the prevention of such events.

The five-pillar strategy includes both generally effective and local activities – such as maintaining dialogue with stakeholders at key airports. Affected stakeholders include system partners such as airports, air traffic control organisations, local municipalities, dialogue platforms, noise committees, other airlines, and researchers in this field. Participation in various local committees, dialogue platforms, and expert working groups forms an integral part of the five-pillar strategy. This concept aligns with the international framework of the so-called Balanced Approach of the International Civil Aviation Organization (ICAO), which is applied at selected airports and is part of EU Regulation 598/2014 on the establishment of rules and procedures with regard to the introduction of noise-related operating restrictions at EU airports within a balanced approach.

The Lufthansa Group has a multi-airline expert committee under the direction of the Regulatory Affairs Infrastructure department, which meets regularly to discuss current operational and technical developments on the topic of active noise abatement. This committee works for the Infrastructure & System Partnerships department, which has central responsibility for managing infrastructure and system partnerships. The department is the central point of contact and representative for the Human Resources & Infrastructure Executive Board function in relation to airports, air traffic control, handling agents, regulatory and political institutions (e.g. ministries) and industry associations. As the central coordinating unit within the Group on the issue of aircraft noise, it represents the Lufthansa Group in the committees of the "Forum Flughafen und Region" in Frankfurt and supports the Lufthansa Group's participation in various aircraft noise committees.

E2-2 – Actions and resources related to pollution

Measures to reduce aircraft noise aim to reduce the noise generated directly by the aircraft. Additionally, the Lufthansa Group seeks to better understand which activities can contribute to reducing noise pollution. Some measures affect every flight globally, while others are specifically tailored to individual sites. Dialogues with stakeholders occur particularly at the Lufthansa Group's hubs. The measures described below are implemented continuously. Accordingly, no fixed time horizons have been set for them, except for research and development projects. Here the time horizons typically span between one and five years.

The Lufthansa Group invests in modern and thus quieter aircraft

The highest priority measure for reducing aircraft noise at source is fleet modernisation. The Lufthansa Group updates its fleet continuously. Aircraft that went into service in 2024, including Airbus A320neos, A321neos, A350-900s and Boeing 787-9s, have modern engines and are much quieter than comparable older aircraft types. The Lufthansa Group's newly commissioned aircraft meet the noise requirements stipulated by the ICAO. For more details on fleet modernisation, please see ↗ **ESRS E1 Climate change – Driving continuous investment in technological advancement.**

The existing fleet is being retrofitted with noise-reducing technologies

In addition to modernising the fleet, retrofitting existing aircraft also results in measurable noise reduction. At the beginning of 2014, Lufthansa Airlines became the first airline worldwide to start operations with a new Airbus A320 equipped with noise-reducing vortex generators, thus setting an industry standard. Aircraft with vortex generators are up to four decibels quieter on their approach and so the Company pays lower noise fees in Frankfurt than for comparable aircraft without these components. All aircraft in the A320 family of Lufthansa Airlines and SWISS have now been fitted with these modifications. The retrofitting of the expanded fleet of six A320 aircraft at Austrian Airlines began at the end of 2023 and has been completed by the end of 2024. Since the end of 2023, Eurowings has equipped all its A320-family aircraft with vortex generators, which means that the entire fleet will, for the first time, be consistently fitted with this noise reduction measure in 2024. The modification is carried out in the course of routine technical maintenance cycles.

The Lufthansa Group participates in noise research to optimise approaches and take-offs

In the reporting year, the Lufthansa Group once again supported the German Aerospace Center in the ongoing development of its Low Noise Augmentation System (LNAS) for optimising approaches and take-offs. The LNAS uses aircraft data to recommend optimal configuration and speed. The German Aerospace Center is examining how approaches and take-offs can be made quieter and more efficient while observing safety regulations. Lufthansa Airlines supported the German Aerospace Center in developing the new LNAS departure functionality. The Company provided the German Aerospace Center with a large amount of flight data and additional information to improve the LNAS' approach capabilities in the reporting year. Practical testing of the new functionality is planned to take place on the Lufthansa Airlines A330 fleet. Preparations for this began in the reporting year.

Optimised flight procedures and flight routes are developed in cooperation with system partners
Optimising the vertical flight profile (flight procedures) and horizontal flight management (flight routes) contributes to reducing noise. The Lufthansa Group is active in this area, for instance with German air traffic control (DFS) and international partners. The following example also tends to affect fuel consumption and is therefore relevant for climate change mitigation purposes.

The modern, satellite-based Required Navigation Performance (RNP) technology, which the ICAO has used to define the navigation performance required of an aircraft, plays an important role in the introduction of new flight procedures at European airports. In summer 2024, the Noise and Fuel Analyses from the first operational year of the new RNP departure route were discussed in the Aircraft Noise Commission in Stuttgart. These analyses were prepared with input from Lufthansa Airlines and Eurowings. Consequently, the Federal Supervisory Authority for Air Navigation Services decided to continue operations on the new departure route. The route is available to all airlines.

The Lufthansa Group engages in dialogue with residents near airports and other stakeholders on noise reduction measures
In addition to technical and operational improvements, the Lufthansa Group has for many years been involved in various dialogue forums with residents near airports, including in Frankfurt, Hamburg and Vienna. The experts from the Lufthansa Group contribute to the development of active noise abatement measures in these multilateral working groups. At Frankfurt Airport, Lufthansa Airlines (representing the Lufthansa Group) participates in the Noise Abatement Alliance together with the Hesse state government, Fraport AG, the Airport and Region Forum, German air traffic control (DFS) and the airline association BARIG. The airline is an influential member of the Active Noise Abatement expert panel and its sub-working groups. The focus of these activities is on optimising flight procedures and reducing noise at source. In this context, the “Forum Flughafen und Region” published the results of its study on take-off procedures in September 2024, with Lufthansa Airlines as a participant. The study found that the procedure Lufthansa Airlines uses for Frankfurt, for example, generates less noise than other methods.

The Lufthansa Group was also involved in the Alliance for Aircraft Noise Protection at the Hamburg location again in 2024. Furthermore, through its cooperation with stakeholders such as airport operators, authorities and municipalities, the Lufthansa Group participates in several flight noise committees required for major airports under the German Air Traffic Control Act and in the working group of German flight noise committees.

At many airports, the Lufthansa Group pays noise charges based on either aircraft noise certification data or its own noise measurements of individual flight movements.

Metrics and targets

E2-3 – Targets related to pollution

The Lufthansa Group is committed to continuously reducing aircraft noise. The primary goal is to lower aircraft noise at source and to develop optimised flight procedures together with system partners. Since 2012, the Lufthansa Group has played an active role in the Alliance for Active Noise Abatement at its Frankfurt location. Since then, the Lufthansa Group, together with stakeholders in the “Forum Flughafen und Region”, has been monitoring the effectiveness of active noise abatement measures. The impact of noise-reducing aircraft modifications, such as vortex generators, can be measured, where possible, using data from the airport’s noise monitoring stations. Improvements resulting from fleet modernisation can be verified, for example, by the changes in the three noise levels recorded in the noise abatement certificate. The effectiveness review is conducted annually with no defined end date. In addition, the Company is currently evaluating whether setting a target based on its existing active noise abatement indicator would serve as an effective management tool for noise reduction. This metric is directly linked to the status of fleet modernisation.

E2-4 – Pollution of air, water and soil

99.6% of the operational Group fleet meet aircraft noise standard in 2024
Noise reduction improvements resulting from fleet modernisation are measured using a company-specific performance indicator. This active noise abatement indicator reflects the proportion of the fleet that falls below specified noise limits, depending on both the composition of the Lufthansa Group fleet and ongoing modernisation efforts. Since fleet renewal is a long-term process, annual changes remain minimal. As of 28 October 2024, 99.6% of the aircraft – virtually the Group’s entire operating fleet – met this criterion. A detailed description of the calculation methodologies can be found under ↗ **Calculation methods in 2024 – Environment.**

E2-6 – Anticipated financial effects from pollution-related risks and opportunities

The Lufthansa Group is making use of the option available under ESRS 1 Paragraph 137 to omit the disclosures required under ESRS E2-6 in the first year of preparation of its non-financial statement.

E5 – RESOURCE USE AND CIRCULAR ECONOMY

Varying requirements around the world in respect of products and their disposal, increasing environmental awareness among customers and limited on-board space for stowing and sorting materials in the Passenger Airlines segment require a need for action. For these reasons, the Lufthansa Group continuously develops its resource and waste management systems with a view to minimising the environmental impacts of its business activities and improving the efficiency of its use of raw materials.

Overview of material impacts, risks and opportunities

The use of non-renewable resources in aircraft manufacturing and in operations contributes to the depletion of natural resources and may affect local communities. At the same time, sourcing recycled materials can lead to higher product costs, which either erode profit margins or are passed on to customers. The Lufthansa Group can reduce cost risks and strengthen its reputation by conserving and reusing materials and by using recycled materials. Capital expenditure in new technologies and the circular economy may open up new sources of income, as rising demand for circular solutions may boost market and brand potential. A complete overview of the Lufthansa Group's material impacts, risks and opportunities can be found under ↗ **ESRS 2 General disclosures – Material impacts, risks and opportunities and their interaction with strategy and business model.**

Impact, risk and opportunity management

ESRS 2 IRO-1 – Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

The general methodology for identifying impacts, risks and opportunities is described under ↗ **ESRS 2 General disclosures – Description of the process to identify and assess material impacts, risks and opportunities.**

E5-1 – Policies related to resource use and circular economy

The Lufthansa Group regards the R-strategies that systematically prioritise efforts to reduce, reuse, recycle, recover and replace materials as the model for its resource use and circular economy activities. These are introduced by the individual business segments in various ways.

Lufthansa Group Passenger Airlines approaches to resource use and circular economy
Based on the R-strategies and the EU's waste hierarchy (2008/98/EC), the Lufthansa Group Passenger Airlines segment has introduced specific guidelines under the framework of its global waste policies with the aim of promoting the shift away from the use of primary resources and towards renewable, recycled or recyclable materials. In respect of single-use plastic packaging in particular, the airlines are increasingly using materials from renewable and recyclable resources for items such as single-use cutlery and headphone and blanket packaging. Steps are being taken to ensure that products that are made from a single material and can be recycled are used where possible going forward. Lufthansa Airlines, SWISS, Austrian Airlines and Air Dolomiti are also revising their tenders to state that they only intend to source materials that do not contain any single-use plastic or single-use aluminium, that are renewable or recyclable and that comply with regulations such as the EU's Packaging and Packaging Waste Directive (PPWR) and Deforestation Initiative. Some of the airlines are also ensuring that single-use plastic packaging is sent directly for recycling. For example, SWISS introduced recycling of composite packaging made of cardboard and plastic in the reporting year.

The Lufthansa Group's waste targets policy relates to single-use waste, food waste and reusable waste in the Lufthansa Group Passenger Airlines segment and the lounges that come under this. Its aim is to end the use of single-use plastic and single-use aluminium on board, to halve the amount of food wasted on short-haul routes by 2025 compared with the 2019 base year and to introduce circular principles in respect of reusable waste for more sustainable resource use.

The passenger airlines of the Lufthansa Group have jointly defined a framework for dealing responsibly with in-flight waste, covering every aspect of it. In-flight waste is divided into three categories: single-use waste, food waste and reusable waste. Single-use waste refers to materials that become waste after being used once in-flight or after a flight event, without any defined recycling processes. Food waste may arise both during and after flights. Reusable waste includes materials that are already part of a circular system, but later become waste without any downstream recycling processes.

In an effort to reduce resource consumption, Lufthansa Group Passenger Airlines are focusing on keeping finite resources within a closed loop for as long as possible. This includes endeavouring to return all in-flight plastic and aluminium items to the circular economy or dispense with them entirely in favour of renewable raw materials.

In the area of reusable waste and in respect of damaged but reusable materials, such as blankets, pillows, tablets and trays, Lufthansa Group's Passenger Airlines are aiming to reducing waste by returning it to the resource cycle.

Measures are also being taken to minimise food waste while improving the level of data transparency regarding customer wishes and flight-specific eating patterns in collaboration with catering companies. The airlines in the Lufthansa Group are striving to improve data quality and optimise the management of food resources by fostering collaboration with the catering companies.

The Lufthansa Group Corporate Responsibility and product management departments are jointly responsible for management and coordination, conceptual work, target setting and monitoring at Group level in respect of in-flight waste. To ensure Group-wide integration, a working group made up of Lufthansa Group's Passenger Airlines representatives has been established to regularly discuss the progress made and challenges faced and to draw up joint standards. Since 2023, the Lufthansa Group Passenger Airlines have implemented the R-strategies, as shown in the following examples:

- Reduce: services, such as providing headphones on request to reduce single-use plastic
- Reuse: use of reusable products, such as reusable cups
- Recycle: use and collection of certain plastics for recycling
- Recover: implementation of a process for transferring beverage residue to a biogas plant
- Replace: switch from plastic to paper packaging

Lufthansa Technik approaches to resource use and circular economy

Within its main business activity – the maintenance of aircraft and aircraft parts, such as components, engines and landing gear – Lufthansa Technik is guided by the requirements of original equipment manufacturers (OEMs), which set out in detail the permitted parts and repair procedures.

As a maintenance organisation, Lufthansa Technik is obliged to operate in compliance with the requirements of European Union Aviation Safety Agency (EASA) Part-145 governing aircraft maintenance and other safety regulations. Lufthansa Technik is therefore not responsible for decisions on the use of recycled materials. In addition, the Company sources its materials and parts exclusively from certified suppliers that guarantee the required quality standards. Segment and site management are responsible for the implementation. Nevertheless, individual Lufthansa Technik sites do implement concepts aimed at increasing the recycling rate. As Lufthansa Technik sites differ in terms of size, activities and country-specific standards, It is up to each site to develop its own approaches and define measures to ensure Lufthansa Technik achieves its group-wide aim of increasing the recycling rate to 75%.

Lufthansa Technik has also been offering leasing-based repair services for years, whereby airlines in the Lufthansa Group and external airlines can have spare parts installed in their aircraft. The spare parts remain the property of Lufthansa Technik and may be used elsewhere as soon as an aircraft leaves the fleet. This ensures these parts are kept within the material cycle. The contractually agreed leasing models are intended to allow for more efficient use of spare parts. This model currently covers several thousand aircraft.

Lufthansa Technik also applies the circular economy R-strategies in a slightly different form in various processes within its repair and maintenance services. The leasing of spare parts and other replaceable aircraft components to airlines helps to keep inventories low and materials in economic circulation for longer. The use of parts from retired aircraft following maintenance and certification supports the principle of reuse. Materials such as steel from retired aircraft are also sent for recycling.

Lufthansa Cargo approaches to resource use and circular economy

Lufthansa Cargo pursues a circular economy concept aimed at avoiding and reducing the use of resources as well as conserving resources. This includes loading aids and equipment that are indispensable in the airfreight transport sector. These are mainly items designed for multiple use that only become waste once they are no longer repairable or reach their date of expiry according to international airfreight regulations. Some loading equipment is disposable by nature or on account of product-specific requirements.

For both material categories – reusable items such as straps, nets and boards and single-use items such as plastic film – Lufthansa Cargo has developed strategies for keeping items in economic circulation for longer. These are based on the following principles: increasing recycling rates by substituting materials, introducing closed-loop systems and conserving resources, increasing resource efficiency by reducing the materials used, maximising reusability within the framework of existing regulations and implementing upcycling projects with individual materials.

Lufthansa Cargo, too, therefore puts into practice the circular economy R-strategies in multiple processes within its Group-wide air transport services on the basis of the described approaches. One example is the reduced use of virgin resources, for instance through the introduction of plastic film with a higher share of recycled material. The plastic film used worldwide by the Company has a 10% share of recycled material. Since January 2023, the Company has also been using a new net to secure loads on smaller pallets. It is around ten kilogrammes lighter than the previously used nets. Given the successful introduction of this net for use with small pallets, the feasibility of using it with larger pallets as well will be examined in 2025. All containers, pallets, nets, boards and straps are also used until they reach their date of expiry or are no longer fit for use. Boards that may not or cannot be used any longer are utilised as an energy source at the Frankfurt site.

At Lufthansa Cargo, loading aids and equipment are continuously reviewed to determine the feasibility of replacing them with new materials offering improvements in respect of weight savings, durability, reparability and other circular aspects.

The primary aim of using lightweight containers made of fibre-reinforced composites instead of aluminium containers is to save on kerosene and, with that, reduce carbon emissions. Lufthansa Cargo and its subsidiaries are also committed to using loading aids for as long as possible. To this end, they focus on optimising the useful life of lightweight containers, taking into consideration International Air Transport Association (IATA) regulations as well as programmes for the construction and careful use of certified containers and pallets. There is a trade-off between the savings in kerosene achieved through the use of lightweight containers and the disposal of these containers at the end of their useful life. More nuanced analysis is needed for greater consideration of the circular economy in future decision-making processes as well. Therefore, Lufthansa Cargo and its subsidiaries recognise the efforts of IATA to conduct product life cycle assessments for lightweight containers together with the industry.

The principles set out here are implemented either through contractual agreements worldwide or internal initiatives, particularly at the largest cargo hubs in Frankfurt and Munich. These also involve various stakeholders such as manufacturers, suppliers, waste disposal companies and own employees. Furthermore, Lufthansa Cargo partners with local vocational and training centres. They are also active in the industry association IATA, which has established sustainable working groups, i.e. working groups dealing with the topic of circular economy, in which Lufthansa Cargo representatives engage with other industry players.

Lufthansa Cargo sets out circular economy requirements in its contracts with suppliers. In addition, there is a constant exchange of information between Lufthansa Cargo – particularly its subsidiary Jettainer GmbH, which is responsible for loading aid management services – and manufacturers with a view to trialling new materials and then using those instead of current materials if they prove more resource-efficient.

Lufthansa Cargo aims to ensure compliance with and implementation of the circular economy policy by examining the technical specifications for materials and by ensuring that suppliers adhere to its purchasing requirements. Experts in the Environmental Management and Corporate Responsibility, Logistics Procurement and Global Fulfilment Management departments are responsible for the circular economy policy.

More details on the circular economy policy are available on the Lufthansa Cargo website.

E5-2 – Actions and resources related to resource use and circular economy

Lufthansa Group Passenger Airlines take action based on the R-strategies

Lufthansa Group Passenger Airlines has defined various actions along the procurement process and operating processes during and after flights.

Replace: expedite the replacement of single-use materials

In the procurement process, the focus is on replacing single-use plastic and single-use aluminium. The Procurement department sources renewable and recyclable materials wherever possible.

In the reporting year, Lufthansa Airlines and Edelweiss Air successfully trialled replacing single-use aluminium trays with bagasse trays in Economy Class. Bagasse, a byproduct of sugarcane processing, is an environmentally-friendly alternative to aluminium in food service. Other opportunities for using this material will be explored in 2025.

Since June 2024, SWISS has been using paper rather than plastic packaging for cutlery in Economy Class. Austrian Airlines and Brussels Airlines have replaced their blanket packaging with paper sleeves, which Lufthansa Airlines and Discover Airlines are also already using. SWISS trialled the use of reusable cups rather than single-use plastic cups on various flight segments in the reporting year. It aims to introduce reusable cups across the board from 2025.

In the reporting year, Air Dolomiti replaced single-use plastic cutlery for crews with steel cutlery, which has reduced unsorted waste. Discover Airlines is now using trays and other items that enable it to serve meals on the meal tray without any single-use plastic or aluminium. Lufthansa Airlines has introduced new, higher-quality headphones in Economy Class intended to encourage customers to take them with them and re-use them, thereby reducing the number of headphones distributed. Austrian Airlines, SWISS and Brussels Airlines are now using paper rather than plastic packaging for their headphones.

Reduce: cut resource use and analyse waste streams
Various on-demand services were introduced in 2024. For example, amenity kit items are offered solely through service staff in SWISS First Class. Lufthansa Airlines only distributes headphones to customers that request them. In the area of catering, butter and salad dressings are provided to passengers as necessary on various flight segments and airlines. Austrian Airlines has reduced the load of milk, cream and bread (by 20% for milk, 30% for cream and 45% for bread) on long-haul flights. Brussels Airlines is using less packaging for dry ice refrigeration on short-haul flights as well as reusable packing boxes, which adds up to a significant saving in packaging materials. It has also been able to reduce the level of dry ice refrigeration on certain routes. SWISS and Brussels Airlines are now using paper sleeves rather than plastic for their menu cards. In the reporting year, Brussels Airlines began re-loading half-full wine bottles for the next rotation rather than discarding them. This is already established practice at SWISS.

In relation to post-flight operating processes, the focus is on analysing waste stream data to improve transparency. For example, Passenger Airlines analysed food consumption with a view to increasing resource efficiency – particularly in respect of food waste. With the Lufthansa Group's mobile "Tray Tracker", technology supported by artificial intelligence was developed to analyse food consumption on incoming flights. The level of food waste is also determined by categorising meal trays and detecting untouched meals. The aim is to facilitate loading decisions that reduce waste through data analysis, visualisation and pattern recognition.

Recyle: recycle materials
The Lufthansa Group has introduced airline-specific recycling policies for crews for application on all of its passenger airlines. SWISS launched several initiatives for recycling in-flight materials in the reporting year and is now able to recycle greater volumes of materials in the United States, for example. In addition to recycling packaging made from composite materials at its Zurich hub, SWISS has also expanded in-flight recycling of textiles to include First Class pyjamas. Eurowings conducted successful recycling trials at Dusseldorf Airport in collaboration with partners and the local cleaning company, resulting in 420 kilograms of recyclable materials being sent for recycling. In the reporting year, Austrian Airlines recycled 1,620 kilograms of textiles and introduced a new textile recycling process that is already in use at SWISS.

Lufthansa Technik puts an emphasis on recycling

The individual Lufthansa Technik sites not only pursue measures adapted to the specifics of their own locations but also Group-wide approaches for achieving the target of increasing the recycling rate to 75% by 2025. With this in mind and taking applicable regulations into consideration, recyclable metal materials such as steel from across the Group are sold specifically to specialised recycling companies. This helps to improve resource use and supports the achievement of the sustainability target of increasing the recycling rate, while also generating economic benefits through the sale of metal waste to recycling companies and reducing disposal costs.

Lufthansa Technik also actively recycles components from aircraft that are no longer in service – and puts these back into circulation as certified spare parts following maintenance.

Lufthansa Cargo is committed to conserving resources with regard to its cargo capacity

Measures taken by Lufthansa Cargo and its subsidiaries to conserve resources cover all cargo capacity on both cargo and passenger airlines of Lufthansa Airlines, Austrian Airlines, Brussels Airlines, Discover Airlines and SunExpress as well as onward ground transport by truck. Where service providers take care of cargo handling operations, compliance with requirements for the promotion of the circular economy is maintained through contractual agreements. Internal employees are involved in this, along with manufacturers, suppliers, handling partners and local institutions such as vocational and training centres.

Two new measures were introduced during the reporting year: a biodegradable film for securing loads is being trialled, and straps collected by Lufthansa Cargo and its subsidiaries are being sent back to the manufacturer, who then checks them and returns usable straps to Lufthansa Cargo and its subsidiaries. Straps that have expired or can no longer be used are passed on to sheltered workshops, where the materials are separated and recycled.

Metrics and targets

E5-3 – Targets related to resource use and circular economy

Lufthansa Group Passenger Airlines have put in place targets for sustainable in-flight resource use
Lufthansa Group Passenger Airlines are committed to fostering the sustainable use of in-flight resources in order to, for example, increase product recyclability. The targets are based on the new Circular Economy Action Plan, which is part of the European Green Deal. Specific objectives have thus been defined for 2025 in the categories of single-use waste and food waste. The Lufthansa Group Passenger Airlines were particularly involved in the goal-setting process, which was launched in 2022.

The Lufthansa Group Passenger Airlines therefore plan to return customer-related plastic and aluminium items to the circular economy and no longer have any single-use plastic or single-use aluminium items on flights from 2025 onwards. The targets cover all single-use in-flight items that are used directly by customers, and not items such as rubbish bags.

By 2025, Lufthansa Group Passenger Airlines intend to reduce the volume of food waste (calculated by weight) on short-haul flights by 50% compared with 2019. Food waste will also be minimised on long-haul flights. Since the data for this is not yet of adequate quality for long-haul flights, the passenger airlines are working with their catering partners to improve the level of data transparency regarding food waste on board with the aim of adopting corresponding targets for long-haul flights from 2026. There are also plans to define a further target for reusable waste for 2026 onwards and to conduct eight beacon projects in this area in the meantime.

Lufthansa Group Passenger Airlines will endeavour to repurpose recyclable waste in the future. For example, they will trial the replacement of disposable cups with reusable cups that can be returned to the supplier at the end of their useful life to make new cups. Quantitative targets in this area will become part of a planned goal-setting process in 2025, which is set to take effect from 2026 onwards.

As per European Union regulations, the targets set are voluntary targets. This is expected to change in 2030, when the EU’s Packaging and Packaging Waste Directive (PPWR) and Single-Use Plastics Directive (SUP) are due to come into effect.

Lufthansa Technik targets are focused on increasing the recycling rate at its sites
Lufthansa Technik has set itself the target of increasing the recycling rate to 75% by 2025. The targets were adopted together with segment management, the Executive Board and Lufthansa Technik’s environmental department in 2017. The recycling rate was 51% in the 2018 base year. It was 57% in 2024, a 6% year-on-year increase. Lufthansa Technik plans to reevaluate the targets and corresponding time horizons in 2025. The recycling rate target pursued by Lufthansa Technik and its subsidiaries is a voluntary target and is not based on legal obligations.

In the opinion of Lufthansa Technik there is very limited further scope for the development and introduction of a circular product design. Lufthansa Technik is required to comply with the EASA Part-145 regulations, which state that materials and components used in maintenance may only be sourced from certified suppliers. This means that Lufthansa Technik has no direct influence over whether and to what extent circular product design principles are applied when aircraft materials and components are constructed. For these reasons, Lufthansa Technik has not defined any circular product design targets. Likewise, it has not defined any targets for measuring the impact of leasing-based repair services on resource use and consumption nor are there plans to implement such targets at this time. However, suppliers are selected based on the Lufthansa Group’s defined sustainability criteria, among other things. ↗ **ESRS S2 Workers in the value chain – Policies related to value chain workers.**

The same applies to possible Lufthansa Technik targets in respect of resource inflows and outflows. These are also shaped by regulatory requirements, especially those for maintenance under EASA Part-145. The Company’s influence over material use is restricted in this area to compliance with the specified quality and safety standards. Also in respect of minimising the use of virgin resources, Lufthansa Technik does not have any targets of its own in relation to EASA Part-145 maintenance operations as the materials are chosen by suppliers.

Lufthansa Cargo is focused on increasing the share of recycled materials
Lufthansa Cargo and its subsidiaries have set themselves a target of increasing the share of recycled materials to 40% by the end of 2025. This relates to all materials disposed of at Lufthansa Cargo’s Frankfurt hub. The target was defined in 2020, when the share of recycled materials was 35%. Progress is reviewed annually based on the local waste balance from the waste disposal company. The figure was 38% in 2023. Theexact values for Lufthansa Cargo in 2024 were not yet available at the time of the Annual Report’s release.

Milestones have been defined to monitor progress towards this target. Besides the responsible departments, local waste disposal companies are also involved. The Lufthansa Group has signed a framework agreement with the waste disposal company in Frankfurt and Munich.

The goal of Lufthansa Cargo and its subsidiaries to achieve a circular economy is a voluntary target and is not based on legal obligations.

E5-4 – Resource inflows

Key resource use in the Lufthansa Group's business segments is dependent on the respective business model

The Lufthansa Group Passenger Airlines segment uses various resources and items in flight operations, including food and beverages, single-use items (such as plastic packaging, aluminium trays, film, lids, serviettes, moist towelettes, paper packaging, PET items, beverage cartons, aluminium cans, glass and cardboard) and reusable items (such as cutlery, crockery, glasses, textiles such as pillows and bedding, comfort amenities and headphones).

Lufthansa Technik uses various resources in its production operations and along its supply chain, including finished parts (mechanical and electrical components, engine parts and fibre-reinforced composites), semi-finished products, hazardous substances as per the Globally Harmonised System for the labelling and classification of chemicals and hazardous substances, and non-harmful operating materials. Also among the resources used are small parts, such as screws and wires, IT equipment and furniture, as well as infrastructure elements, such as solar panels and construction materials. Limited quantities of tin, tungsten, tantalum and gold are sourced from audited suppliers.

The key resource inflows for Lufthansa Cargo and its subsidiaries can be divided into three streams:

In flight operations, the most important resource inflow is the fuel used, namely kerosene for aircraft.

In cargo handling, materials for securing loads in particular are used, including containers, pallets, boards, film, straps and nets. Operating materials for the maintenance and upkeep of conveyor systems and cargo terminals are also used, such as diesel, oil, cleaning agents, lighting and water. Electricity, natural gas and district heating is used for heating and cooling.

Typical office materials are used in the administration buildings of Lufthansa Cargo and its subsidiaries. In addition, water for sanitary facilities and district heating, natural gas and electricity are relevant resource inflows there.

263 of 731 single-use plastic and single-use aluminium items have been replaced to date

In order to measure its progress in replacing single-use plastic and single-use aluminium items, the Lufthansa Group has defined a company-specific performance indicator based on the Beginners Guide to Airline Sustainability Reporting, an IATA handbook. This indicator measures how many single-use plastic and single-use aluminium items in total are used by Lufthansa Group Passenger Airlines and Lufthansa Cargo and how many have been replaced by more sustainable alternatives, such as reusable instead of disposable cups. In 2024, a total of 721 items made from single-use plastic or single-use aluminium were in use on board in the Passenger Airlines segment. In addition, 263 items were replaced during the reporting year. In Lufthansa Cargo, there are only ten single-use plastic or single-use aluminium items in use, because most of the loading aids and equipment are reusable. None of the single-use items could be replaced during the reporting year, because there were no suitable alternatives given the high procedural, qualitative and safety requirements.

A detailed description of the calculation methodologies can be found under ↗ **Calculation methods in 2024 – Environment.**

E5-6 – Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities

The Lufthansa Group is making use of the option available under ESRS 1 Paragraph 137 to omit the disclosures required under ESRS E5-6 in the first year of preparation of its non-financial statement.

T061 CALCULATION METHODS IN 2024 – ENVIRONMENT

ESRS disclosure requirement	Paragraph	Data point/metric	Basis for preparing and describing the parameters used, description of the assumptions and methodology	Sources of measurement uncertainty, if applicable	Resulting accuracy level	External validation	Planned measures for accuracy improvement, if applicable
E1-5 Energy consumption and mix	37–38	Energy consumption from flight activities – kerosene	Direct measurement of kerosene consumption at flight level for all Passenger Airlines and Cargo flights. Tonnes converted to MWh based on the lower heating value factors contained in the ISO 14083 standard.	Low uncertainty due to accurate interim validation in late Q3 and review of Q4 data in January	High	Energy data validated by audit company Müller-BBM	No further action needed
E1-5 Energy consumption and mix	37	Energy consumption from flight activities – sustainable aviation fuel	The volume of sustainable aviation fuel sold from B2B and B2C business (multiple sales channels) is reported to a central point of contact within Corporate Responsibility. This information is used as the basis for calculating the total volume (kg) of sustainable aviation fuel used, which is then converted into MWh using the lower heating value factors contained in the ISO 14083 standard.	Low uncertainty, as based on primary data	High	Energy data validated by audit company Müller-BBM	No further action needed
E1-5 Energy consumption and mix	37–38	Energy consumption from engine inspections	Direct reading of kerosene consumption at the relevant Lufthansa Technik sites. Tonnes converted to MWh based on the lower heating value factors contained in the ISO 14083 standard.	Low uncertainty, as direct and complete measurement is possible	High	Energy data validated by audit company Müller-BBM	No further action needed
E1-5 Energy consumption and mix	37–38	Energy consumption of Lufthansa Aviation Training	Determination of kerosene consumption during training flights based on invoices. Tonnes of kerosene converted to MWh based on the lower heating value factors contained in the ISO 14083 standard.	Low uncertainty, as the data collected is based on invoicing	High	Energy data validated by audit company Müller-BBM	No further action needed
E1-5 Energy consumption and mix	37–38	Energy consumption – buildings	Calculation of energy consumption related to buildings based on Lufthansa Group energy costs and the current energy price (actual values: January to September, forecast values: October to December). This process accounts for over 61% of electricity, 84% of gas, 59% of district heating/cooling and 68% of heating oil consumption in the Lufthansa Group. The figures for the previous year are used for the remaining percentages. Gas and heating oil consumption is converted to MWh based on the lower heating value factors contained in the ISO 14083 standard.	Low uncertainty as consumption is determined with the help of primary data. A high degree of accuracy has been proven in multiple validations	High	Energy data validated by audit company Müller-BBM	Actions planned for all Lufthansa Group buildings
E1-5 Energy consumption and mix	37–38	Energy consumption – vehicle fleet	Estimated energy consumption by the vehicle fleet, guided by assumptions, for the key Lufthansa Group sites based on average kilometres travelled, consumption and drive types. This covers most vehicles in the Passenger Airlines segment and a large part of the apron vehicles at hubs. This method covers 65% of the diesel, 85% of the petrol and 100% of the gas and electricity consumption. Figures from the previous year, including a risk premium, were used for the rest of the vehicles that were not covered by this methodology. Diesel and petrol consumption is converted to MWh based on the lower heating value factors contained in the ISO 14083 standard.	Calculation heavily based on assumptions. However, the vehicle fleet only accounts for a very small share of total energy consumption	Medium	Energy data validated by audit company Müller-BBM	Actions planned to include further sites in the estimates and more accurately determine average consumption
E1-5 Energy consumption and mix	37–38	Total energy consumption	All Group-wide energy consumption is reported as the total of energy consumption from flight operations, engine test rigs, Lufthansa Aviation Training, buildings and the vehicle fleet. These figures are listed in Table AR 34, which details energy consumption.	Low uncertainty, as most of the data used has a high level of accuracy	High	Energy data validated by audit company Müller-BBM	Actions planned to improve data quality in respect of the vehicle fleet and buildings

T061 CALCULATION METHODS IN 2024 – ENVIRONMENT (continued)

ESRS disclosure requirement	Paragraph	Data point/metric	Basis for preparing and describing the parameters used, description of the assumptions and methodology	Sources of measurement uncertainty, if applicable	Resulting accuracy level	External validation	Planned measures for accuracy improvement, if applicable
E1-5 Energy consumption and mix	40	Energy intensity	Passenger Airlines (Sector H 51.10), Logistics (Sector H 51.20) and MRO (Sector C 33.16) are considered high climate impact sectors. Therefore, the energy intensity for these segments was determined, in line with CSRD requirements. The formula is as follows: Energy intensity = energy consumption from high climate impact sectors/segment revenue in high climate impact sectors Energy consumption from the high climate impact sectors was considered for the numerator (for the precise calculation methodology, please see the information for E1-5 37–38). The denominator includes the segment revenue (IFRS 8) from the financial statements for Passenger Airlines, Logistics and MRO, as the high climate impact sectors are precisely those segments in the financial report. The Additional Businesses and Group Functions segment does not contain any activities classified as having a high climate impact and is therefore not included in the intensity metric.	Calculated KPI. Uncertainties from data sources described in this energy consumption table and in the financial report	High	Energy data validated by audit company Müller-BBM	No further action needed
E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	48a	Scope 1 emissions	Scope 1 incorporates GHG emissions from flight and ground operations, especially those produced from burning kerosene in flight operations and engine test rigs, from heating oil and gas consumption in buildings and from diesel and petrol consumption in the vehicle fleet. All companies identified as relevant for the CSRD report were included in the calculation. In addition, in keeping with Paragraph 46 under ESRS E1, a review was performed to determine the existence of operational control for companies not included, for example in the case of joint ventures and joint operations. The review found no such operational control. Key input factors are energy consumption (except for purchased electricity, district heating and district cooling, which fall under Scope 2) and the relevant carbon emissions factors of the energy sources. Important assumptions made in respect of energy consumption are presented in this table under the Paragraph 37 and Paragraph 38 data points. The emissions factors for kerosene as well as liquid and gaseous fuel and combustibles are taken from the ISO 14083 standard. The ISO 14083 standard was selected based on the fact that it is a general, internationally recognised standard for calculating GHG emissions in the transport sector. As ISO 14083 does not include the energy sources heating oil and natural gas, the BAFA carbon emissions factors have been used for these (information sheet on carbon emissions factors produced by the Federal Office for Economic Affairs and Export Control).	In principle, a potential measurement uncertainty arises from the collection of the energy data. It should be noted that energy consumption for the vehicle fleet and property in particular is based on estimation methods and extrapolations, which give rise to measurement uncertainty. However, the vehicle fleets and property only account for a minimal share of the Scope 1 emissions, with the result that this uncertainty does not have a major impact on the quality of the data. Therefore, the measurement uncertainty is considered low	High	Carbon data validated by audit company Müller-BBM	No further action needed

T061 CALCULATION METHODS IN 2024 – ENVIRONMENT (continued)

ESRS disclosure requirement	Paragraph	Data point/metric	Basis for preparing and describing the parameters used, description of the assumptions and methodology	Sources of measurement uncertainty, if applicable	Resulting accuracy level	External validation	Planned measures for accuracy improvement, if applicable
E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	AR 43	Biogenic Scope 1 emissions	The combustion of sustainable aviation fuel in flight operations gives rise to biogenic emissions. The method for calculating the volume of sustainable aviation fuel is described in Sections 37 and 38 of this table. The volume of biogenic emissions is the product of the amount of sustainable aviation fuel consumed, multiplied by the corresponding emissions factors. For more information on emissions factors in Scope 1, see Section 48a.	Low uncertainty, as based on primary data	High	Carbon data validated by audit company Müller-BBM	No further action needed
E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	48b	Percentage of Scope 1 GHG emissions covered by the EU ETS	Based on the data collected regarding Scope 1 GHG emissions, the Lufthansa Group calculates the percentage of emissions covered by the EU ETS as follows: Percentage of Scope 1 GHG emissions from regulated emissions trading schemes = (Scope 1 GHG emissions from regulated emissions trading schemes in tonnes * 100) / Total Scope 1 GHG emissions in tonnes The amount of Scope 1 GHG emissions that fall under the EU ETS is recorded monthly by Risk Controlling and covers all of the Lufthansa Group's consolidated companies for CSRD purposes.	For all Scope 1 emissions, please see the description from Paragraph 47, ESRS E1. The percentage of Scope 1 GHG emissions from regulated emissions trading schemes is based on primary data collected by Risk Controlling. Therefore, the measurement uncertainty is considered low	High	Carbon data validated by audit company Müller-BBM	No further action needed
E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	49	Scope 2 emissions (location-based and market-based)	Scope 2 includes all GHG emissions resulting from purchased electricity, heating and cooling, especially from their use in buildings. As with Scope 1, all companies identified as relevant for the CSRD report were included in the calculation. In addition, in keeping with Paragraph 46 under ESRS E1, there was a review of the existence of operational control for companies not included, for example in the case of joint ventures and joint operations. The review found no such operational control. The Scope 2 GHG emissions were calculated using both the location-based and market-based method. The emissions factors published by the International Energy Agency (IEA) were used as a standard source for the location-based Scope 2 emissions. Emissions factors provided by the Department for Environment, Food and Rural Affairs (DEFRA) were used for district heating and cooling. In principle, the market-based Scope 2 emissions are determined with the help of the guarantees of origin for green electricity. However, the retired credits are not yet available at the time of reporting. Therefore, the share of purchased electricity covered by guarantees of origin is estimated on the basis of contractual agreements. Based on the agreements, the Lufthansa Group currently assumes a share of approx. 60%. For all market-based Scope 2 emissions without guarantees of origin for green power, the Lufthansa Group uses the emissions factors from the International Energy Agency (IEA), as for the location-based method.	In principle, there is also the potential for measurement uncertainty for Scope 2 given how the energy data is collected. In addition, the share of guarantees of origin is estimated based on contractual data at the time of reporting for the market-based Scope 2 emissions. This means there is measurement uncertainty	Location-based: high; market-based given estimations of two input factors: medium	Carbon data validated by audit company Müller-BBM	No further action needed

T061 CALCULATION METHODS IN 2024 – ENVIRONMENT (continued)

ESRS disclosure requirement	Paragraph	Data point/metric	Basis for preparing and describing the parameters used, description of the assumptions and methodology	Sources of measurement uncertainty, if applicable	Resulting accuracy level	External validation	Planned measures for accuracy improvement, if applicable
E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	51	Scope 3 Category 1 – Emissions from the production of purchased goods and services	GHG emissions attributable to purchased products and services are calculated using the expenditure on a product multiplied by a product-specific emissions factor. The spend-based method is used: an internal Lufthansa Group procurement database is used to calculate the emissions for this category. Specific emissions factors are linked with the corresponding product categories for each relevant category in the procurement database. The emissions factors are derived from suitable databases (CDP, EEIO, S&P Trucost).	A high proportion of the calculation is based on primary data. Specific emissions factors for individual purchasing categories are used, however, which are based on conservative assumptions. In view of the high proportion of primary data used, it is assumed that the emissions calculated in this way have a medium level of accuracy	Medium	Carbon data validated by audit company Müller-BBM	No further action needed
E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	51	Scope 3 Category 2 Emissions from the production of capital goods (Capital goods)	Multi-stage calculation method based on aircraft manufacturer information. The emissions factors (CO_2 per aircraft kg) are determined based on the relevant reports from aircraft manufacturers. The carbon emissions per newly acquired aircraft are calculated by multiplying the emissions factor by the manufacturer's empty weight (MEW) for the type of aircraft that has been newly acquired.	Manufacturers do not detail how much GHG emissions are produced per aircraft type. Therefore, the estimation method used here is dependent on the accuracy and completeness of the GHG emissions reported and the number of aircraft produced by the manufacturers	Medium	Carbon data validated by audit company Müller-BBM	No further action needed
E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	51	Scope 3 Category 3 Emissions from fuel- and energy-related activities (Fuel- and energy-related activities)	The energy consumption is multiplied by the corresponding emissions factors covering upstream energy generation and transportation processes. Similar to the methodologies for the Scope 1 and Scope 2 calculations. However, the emissions factors used here in relation to the upstream value chain are derived from the following sources: ISO 14083, EN DIN 16258, IEA, DEFRA, BAFA.	In principle, a potential measurement uncertainty arises from the collection of the energy data. It should be noted that energy consumption for the vehicle fleet in particular is based on an estimation method, which gives rise to measurement uncertainty. However, the vehicle fleet only accounts for a minimal share of the Scope 3 Category 3 emissions; this uncertainty therefore does not have a major impact on the quality of the data. Therefore, the measurement uncertainty is considered low	High	Carbon data validated by audit company Müller-BBM	No further action needed

T061 CALCULATION METHODS IN 2024 – ENVIRONMENT (continued)

ESRS disclosure requirement	Paragraph	Data point/metric	Basis for preparing and describing the parameters used, description of the assumptions and methodology	Sources of measurement uncertainty, if applicable	Resulting accuracy level	External validation	Planned measures for accuracy improvement, if applicable
E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	51	Scope 3 Category 4 Emissions from the transportation and distribution of products and services (Upstream transportation and distribution)	Total GHG emissions from A) flights operated by external airlines for the Lufthansa Group, B) Lufthansa Express services, C) proportional Scope 1 and Scope 2 emissions at airports and D) upstream transportation services for Lufthansa Cargo. The individual items are calculated as follows: A) GHG emissions from flights operated by external airlines for the Lufthansa Group are determined using internal flight operations data, similar to the approach for Scope 1 emissions. B) Emissions resulting from Lufthansa Express services are determined using the parameters: number of passengers carried, length of flight segment, mode of transport and relevant carbon emissions factors (German Environment Agency, UBA). C) Scope 1 and Scope 2 emissions for airports are included proportionately in Scope 3 according to the traffic volumes of the Lufthansa Group airlines. D) Emissions from transportation services are calculated using transported cargo tonne-kilometres as well as the average fuel consumption and the emissions factor for diesel contained in the ISO 14083 standard.	Emissions for flights operated by external airlines for the Lufthansa Group (A) are calculated in a similar way to the Scope 1 method. This means that the measurement uncertainty is low here. For the other emissions data in this category (B, C and D), data is retrieved from third parties and estimation methods are used, which means there may be measurement uncertainty	A) High, B to D) Medium	Carbon data validated by audit company Müller-BBM	No further action needed
E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	51	Scope 3 Category 5 Third-party emissions from the disposal and treatment of waste and wastewater (Waste generated in operations)	The amount of waste generated is multiplied by the relevant emissions factor per method of disposal / recycling. The various emissions factors are derived from DEFRA. The average-data method used is in line with the GHG Protocol's Technical Guidance.	In terms of in-flight waste in particular, data availability depends on external service providers, such as catering firms. Therefore, estimation methods have to be used in some cases. This means there is measurement uncertainty	Medium	Carbon data validated by audit company Müller-BBM	No further action needed
E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	51	Scope 3 Category 6 Emissions from employees travelling for business activities using vehicles that are owned or operated by third parties (Business travel)	Total emissions from A) business flights and B) hotel stays for own employees. The individual items are calculated as follows: A) All business travel by employees on flights not operated by Lufthansa Group airlines are considered, to the extent that the tracking systems used enable this, as the Lufthansa Group's own flights are already included in Scope 1. These flights are identified based on invoices. A conservative risk premium is also applied to reflect any flights that are not covered. B) Collection of information on hotel stays based on reported hotel invoices. Some of the emissions factors come from service providers and others through the Lufthansa Group's own data collection based on directly querying the hotels concerned.	A) It is not currently possible to capture all of the details of flights taken by employees on external airlines. This means there is measurement uncertainty. A risk premium is used to take this into account. B) Hotel stays can be precisely recorded and low measurement uncertainty is assumed given the specific emissions factors	A) Medium, B) High	Carbon data validated by audit company Müller-BBM	No further action needed

T061 CALCULATION METHODS IN 2024 – ENVIRONMENT (continued)

ESRS disclosure requirement	Paragraph	Data point/metric	Basis for preparing and describing the parameters used, description of the assumptions and methodology	Sources of measurement uncertainty, if applicable	Resulting accuracy level	External validation	Planned measures for accuracy improvement, if applicable
E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	51	Scope 3 Category 7 Emissions from employees commuting in vehicles that are owned or operated by other companies (Employee commuting)	Emissions from employee commuting are calculated with the help of statistical assumptions on the modes of transport used, the average distances from the place of work, the average number of working days and employees and the corresponding emissions factors for the different modes of transport. The extent of remote working is also taken into account. The calculation is based on the Lufthansa Group's own employee data, microcensus data from the Federal Statistical Office of Germany and emissions factors provided by the German Environment Agency.	Emissions resulting from commuting by Lufthansa Group employees are based on an estimation method. There may be measurement uncertainties, especially due to assumptions regarding the extent of remote working, the distances travelled and the modes of transport used	Medium	Carbon data validated by audit company Müller-BBM	No further action needed
E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	51	Scope 3 Category 8 Emissions from operating fixed assets that the reporting company leases (Upstream leased assets)	Since the Lufthansa Group did not have any upstream leased assets that made a material contribution to the Scope 3 emissions in the reporting year, no emissions have been calculated or shown in this category. Emissions from flights carried out by external airlines on behalf of the Lufthansa Group airlines are calculated and reported in Category 4.	n/a	n/a	n/a	n/a
E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	51	Scope 3 Category 9 Emissions from the transportation and distribution of products to end consumers using vehicles and equipment (Downstream transportation and distribution)	Total emissions calculated from the number of inspection and ferry flights conducted on serviced aircraft (CAMO flights), the average amount of kerosene consumed per flight and the corresponding emissions factor for kerosene. GHG emissions / emissions factors from the CAMO flights are derived from the Small Emitters Tool provided by Eurocontrol and are calculated in this way.	As the emissions are calculated using the Eurocontrol Small Emitters Tool, low measurement uncertainty can be assumed	High	Carbon data validated by audit company Müller-BBM	No further action needed
E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	51	Scope 3 Category 10 Emissions from third-party processing of sold products that are further processed, transformed or integrated into another product before being used by the end consumer (Processing of sold products)	Transport services are the core business activity of the Lufthansa Group. The Lufthansa Group does not sell products that are processed or converted by third parties before reaching the end consumer. This category is therefore not material for the Lufthansa Group and the emissions are not calculated.	n/a	n/a	n/a	n/a
E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	51	Scope 3 Category 11 Emissions from the use of sold products (Use of sold products)	Transport services are the core business activity of the Lufthansa Group. The Lufthansa Group does not sell any products that cause emissions in use that would make a material contribution to the Scope 3 emissions. This category is therefore not material for the Lufthansa Group and the emissions are not calculated.	n/a	n/a	n/a	n/a

T061 CALCULATION METHODS IN 2024 – ENVIRONMENT (continued)

ESRS disclosure requirement	Paragraph	Data point/metric	Basis for preparing and describing the parameters used, description of the assumptions and methodology	Sources of measurement uncertainty, if applicable	Resulting accuracy level	External validation	Planned measures for accuracy improvement, if applicable
E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	51	Scope 3 Category 12 Emissions from the disposal and treatment of sold products using different methods of waste disposal and treatment (End-of-life treatment of sold products)	Transport services are the core business activity of the Lufthansa Group. The Lufthansa Group does not sell any products that cause emissions after use that would make a material contribution to the Scope 3 emissions. This category is therefore not material for the Lufthansa Group and the emissions are not calculated.	n/a	n/a	n/a	n/a
E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	51	Scope 3 Category 13 Emissions from the operation of assets that the company leases to others (Downstream leased assets)	Total emissions calculated from the number of flights leased by Lufthansa Group airlines to external airlines, the amount of kerosene consumed and the corresponding emissions factor for kerosene Information on GHG emissions from aircraft leased by Lufthansa Group airlines is collected from internal flight operations data, similar to Scope 1 emissions.	As information on emissions resulting from leased aircraft is collected in a similar way to Scope 1 emissions, there is only low measurement uncertainty here	High	Carbon data validated by audit company Müller-BBM	No further action needed
E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	51	Scope 3 Category 14 Emissions from franchise operations (Franchises)	This category is not material for the Lufthansa Group; the emissions are therefore not calculated.	n/a	n/a	n/a	n/a
E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	51	Scope 3 Category 15 Emissions from capital expenditure, including equity investments, loans, project finance, managed investments and customer services (Investments)	Total emissions calculated from the proportional Scope 1 and Scope 2 emissions of the joint ventures and other non-consolidated Lufthansa Group equity investments. To calculate the emissions attributable to Lufthansa Group investments, the Lufthansa Group's extent of operational control (in percentage terms) of the joint ventures and other non-consolidated equity investments is used. The energy consumption is calculated in a similar way to the methodologies described under Paragraphs 37 and 38.	In principle, a potential measurement uncertainty arises from the collection of the energy data. See also Paragraphs 37 and 38	High	Carbon data validated by audit company Müller-BBM	No further action needed
E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	51	Total Scope 3 emissions	Total emissions from the following categories: 1. Purchased goods and services 2. Capital goods 3. Fuel- and energy-related activities 4. Upstream transportation and distribution 5. Waste generated in operations 6. Business travel 7. Employee commuting 9. Downstream transportation and distribution 13. Downstream leased assets 15. Investments The percentage of primary data used for all Scope 3 emissions is 89.47%. The detailed methodology is also described under the individual categories.	See individual categories	See individual categories.	Carbon data validated by audit company Müller-BBM	No further action needed

T061 CALCULATION METHODS IN 2024 – ENVIRONMENT (continued)

ESRS disclosure requirement	Paragraph	Data point/metric	Basis for preparing and describing the parameters used, description of the assumptions and methodology	Sources of measurement uncertainty, if applicable	Resulting accuracy level	External validation	Planned measures for accuracy improvement, if applicable
E1-7 GHG removals and GHG mitigation projects financed through carbon credits	59	Carbon credits retired in the current period and carbon credits planned to be retired in future periods	The Lufthansa Group surveys its providers that retire carbon credits on behalf of Lufthansa Group airlines on an annual basis to find out the number of carbon credits retired in the reporting year. The amount of retired credits must match the contributions of Lufthansa Group customers for a particular period. The Lufthansa Group receives confirmation of the retired credits from the providers as proof. In respect of carbon credits to be retired in the future, the reported forecast figure is based on the contributions already made by customers and the respective volume.	The number of credits retired in this reporting period is based on primary data from service providers. Accordingly, there is no measurement uncertainty in this respect. As the amount of credits to be retired in the next reporting period will be determined very early on in the new year, the forecast figure may still deviate to a small extent from the later actual figure	For carbon credits retired in the reporting year: High For carbon credits planned to be retired in the future: Medium	No external validation	No further action needed
E2-4 Pollution of air, water and soil	Company-specific	Active noise abatement metric	With respect to noise abatement, the Lufthansa Group determines the impact from modernising the operational Group fleet using as a performance indicator the number of aircraft that meet or exceed what is known as the “minus-ten-decibel criterion” set by the ICAO Chapter 4 standard. This standard requires that all aircraft cumulatively fall below the ICAO Chapter 3 noise limits by a margin of ten decibels or more. The Corporate Responsibility – Emissions Management department requests noise certificates from the maintenance organisations, compares the noise data for the aircraft with the noise limits defined by the ICAO in Chapter 4 of the Chicago Convention and determines the active noise abatement metric on this basis.	Precise calculation. Low measurement uncertainty	High	No external validation	No further action needed
E5-4 Resource inflows	Company-specific	Replacement of single-use plastic and single-use aluminium at Passenger Airlines	As a first step, all items used in the customer experience during passenger flights were identified. These were then classified to determine whether an item was made from single-use plastic or single-use aluminium. The totals from all the items classified as single-use plastic or single-use aluminium form the first part of the performance indicator. As a second step, the passenger airlines are surveyed quarterly to determine how many of the items classified as single-use plastic or single-use aluminium have been replaced with more sustainable alternatives that do not contain single-use plastic or single-use aluminium.	Precise calculation. Low measurement uncertainty	High	No external validation	No further action needed

T061 CALCULATION METHODS IN 2024 – ENVIRONMENT (continued)

ESRS disclosure requirement	Paragraph	Data point/metric	Basis for preparing and describing the parameters used, description of the assumptions and methodology	Sources of measurement uncertainty, if applicable	Resulting accuracy level	External validation	Planned measures for accuracy improvement, if applicable
E5-4 Resource inflows	Company-specific	Replacement of single-use plastic and single-use aluminium at Cargo	All loading aids that may be used to secure cargo for transport on freighters, passenger aircraft and road feeder services are among those listed in the Lufthansa Cargo Ground Handling Manual. All loading aids that were actually used can be found in the inventory list used to record the daily inventory information. This list dated 31 December 2024 was used as the basis as a first step. The Global Handling Performance, Environmental Management, Corporate Responsibility, Procurement, Cargo Sales Services and Loading Equipment departments then used the technical specifications for each loading aid to identify whether it was made from single-use plastic or single-use aluminium. The totals from all the items classified as single-use plastic or single-use aluminium form the first part of the performance indicator. As a second step, each item classified as single-use plastic or single-use aluminium was reviewed to determine whether it was even possible to replace it with more sustainable alternatives given safety or procedural requirements and to find out which tests were conducted and which items replaced in 2024.	Precise calculation. Low measurement uncertainty	High	No external validation	No further action needed

APPLICABILITY AND DISCLOSURES IN ACCORDANCE WITH THE EU TAXONOMY REGULATION (EU) 2020/852

The EU Taxonomy Regulation is a standardised classification system for green economic activities within the scope of the EU action plan on "financing sustainable growth" and defines activities for the EU's six environmental objectives:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

According to the definitions provided in the EU Taxonomy, economic activities are "environmentally sustainable" if they "contribute substantially" to the achievement of one or more of the six above-mentioned environmental objectives, "do no significant harm" to the achievement of the EU's five other environmental objectives and comply with the "minimum safeguards" for occupational health and safety and human rights.

Technical screening criteria are applied in the analysis of whether an economic activity contributes substantially to one of the objectives and does no significant harm to the achievement of the other five objectives. Potential overlaps were identified and analysed to avoid any double counting of economic activities.

Reporting on the type of taxonomy-eligible and taxonomy-aligned economic activities is in line with the following delegated regulations:

- Delegated Regulation (EU) 2021/2139
- Delegated Regulation (EU) 2021/2178
- Delegated Regulation (EU) 2023/2485
- Delegated Regulation (EU) 2023/2486

Economic activities are "taxonomy-eligible" if they can be allocated to an economic activity described in the EU Taxonomy Regulation, while they are "taxonomy-aligned" if they meet the technical screening criteria and comply with minimum social safeguards.

In accordance with Delegated Regulation (EU) 2023/2485, detailed information on the taxonomy alignment of the economic activities in the aviation sector which are relevant to the Lufthansa Group has to be disclosed for the first time for the 2024 financial year. Including these economic activities the Lufthansa Group has carried out an assessment of its taxonomy-aligned revenues, capital expenditure (CapEx) and operating expenditure (OpEx) for the first time.

In accordance with the EU Taxonomy Regulation and relevant delegated acts, the Lufthansa Group reports below on the proportion of its revenue, capital expenditure (CapEx) and operating expenditure (OpEx) resulting from its taxonomy-eligible, taxonomy-aligned or taxonomy-non-eligible economic activities and provides additional qualitative and quantitative information.

The EU Taxonomy Regulation and the delegated acts enacted for the purpose of this regulation include phrases and terms whose interpretation remains subject to considerable uncertainty. Clarifications have not yet been published in every instance.

Implementation of the EU Taxonomy Regulation

Analysis of taxonomy eligibility

The Lufthansa Group's economic activities were initially allocated to the activities as described in the EU Taxonomy Regulation. The taxonomy-eligible activities were identified according to the descriptions provided in the Regulation.

The taxonomy-eligible economic activities of the Lufthansa Group were then analysed, and the activities material to the Group were identified. As in the previous year, the reportable economic activities of the Lufthansa Group relate to Environmental Objective 1 (climate change mitigation). There are no significant economic activities for any of the other environmental objectives.

In line with German Accounting Standard (DRS) 20.32, the following relevant taxonomy-eligible economic activities of the Lufthansa Group have been identified:

- 3.21 Manufacturing of aircraft
- 6.19 Passenger and freight air transport
- 7.7 Acquisition and ownership of buildings

The share of revenue, CapEx and OpEx accounted for by the identified economic activities in relation to the overall activities of the Group was determined in accordance with the requirements of the EU Taxonomy Regulation. Revenue is defined as net sales in accordance with IFRS (International Financial Reporting Standards), as shown in the consolidated income statement, and therefore only relates to fully consolidated entities. Accordingly, companies accounted for using the equity method and other equity investments have not been included. Further information on revenue can be found in the ↗ **Notes to the consolidated financial statements, Notes to the consolidated income statement.**

CapEx is calculated on a gross basis, i.e. without including revaluations or depreciation, amortisation or impairment. CapEx comprises capital expenditure in non-current intangible or tangible assets, including goods purchased through asset or share deals, as presented in the consolidated statement of financial position. Taxonomy-eligible CapEx has been calculated while taking the underlying accounts into consideration and in combination with the asset classes.

OpEx includes non-capitalisable expenses recognised in the consolidated income statement, such as research and development, building renovation work, short-term leasing, maintenance and repairs and all other direct expenses resulting from the maintenance of property, plant and equipment to ensure the operational readiness of the taxonomy-eligible and taxonomy-aligned assets.

Analysis of taxonomy alignment

As a first step, the reportable economic activities were reviewed based on the respective technical screening criteria to determine whether they make a substantial contribution to climate change mitigation. This is true for economic activities 3.21 Manufacturing of aircraft and 6.19 Passenger and freight air transport.

The extent to which economic activity 6.19 Passenger and freight air transport makes a substantial contribution to climate change mitigation also depends on the use of sustainable aviation fuel (SAF). The Group fleet is used when determining the aircraft that meet the technical screening criteria for making a substantial contribution to climate change mitigation solely through the use of SAF. The amount of aviation fuel with a 9% SAF blend is determined based on the SAF acquired by the Lufthansa Group in the reporting year for its own use. The actual fuel consumption per aircraft in the financial year was used to identify the aircraft that could have been operated with the SAF blend and thereby meet the technical screening criteria for a substantial contribution to climate change mitigation.

For economic activity 7.7 Acquisition and ownership of buildings, there is no substantial contribution to climate change mitigation based on the technical screening criteria.

As an additional step, compliance with the “do no significant harm” (DNSH) criteria in respect of the other environmental objectives was analysed for economic activities 3.21 Manufacturing of aircraft and 6.19 Passenger and freight air transport. For economic activity 3.21, fulfilment of these criteria was primarily reviewed at the level of the consolidated Lufthansa Technik production locations at which maintenance, repair or overhaul activities are conducted on aircraft or parts thereof that make a substantial contribution. For economic activity 6.19, the DNSH criteria were mainly reviewed by the Lufthansa Group airlines and at Group level. Economic activities 3.21 and 6.19 were found not to cause significant harm with regard to environmental objectives 2 to 4 and environmental objective 6.

The generic DNSH Criterion 5 (Appendix C) stipulates that in order to qualify as taxonomy-aligned, an economic activity may not lead to the production, marketing or use of certain chemical substances. These also include chemical substances that are used in aviation for safety reasons. The Lufthansa Group has made all efforts to analyse whether the requirements have been met, and came to the conclusion that the substances are used within the framework of national or European exemptions and under strictly controlled conditions.

The Lufthansa Group points out that, in its opinion and that of other companies concerned, some interpretations of the requirements are disputed, which results in uncertainty when determining whether economic activities are taxonomy-aligned. The current opinion is that the requirements of the EU Taxonomy Regulation go beyond the requirements of the European regulations mentioned in Appendix C and therefore make it practically impossible to carry out the economic activities in a taxonomy-aligned way. Against this background, the official reporting template does not show any taxonomy-aligned activities for the aviation criteria.

However, alternative figures which point to the potential for taxonomy-alignment are shown, assuming that the requirements of the EU Taxonomy Regulation are equivalent to those of the European regulations referenced in Appendix C.

There was no review of the DNSH criteria in respect of economic activity 7.7, as the criteria for a substantial contribution were not met.

The Lufthansa Group uses established processes and documentation at Group level to verify compliance with minimum safeguards, which is also required as part of the implementation of the EU Taxonomy Regulation. Through policies and related processes and monitoring measures, the Lufthansa Group ensures that the EU Taxonomy Regulation’s requirements relating to respect for human rights (including labour rights), avoidance of bribery and corruption, taxation and fair competition are met in full. The companies are obliged to implement processes and monitoring measures. Responsibility for compliance lies with the respective companies.

Calculating the key performance indicators (KPIs)

3.21 Manufacturing of aircraft

Lufthansa Technik AG and the Lufthansa Technik group’s equity investments provide technical aviation services relating to the manufacture, maintenance, repair and overhaul of aviation components. ↗ **MRO business segment.**

Taxonomy-eligible revenue from this economic activity is generated in connection with maintenance, repair and overhaul services and the sale of spare parts. The resulting revenue of EUR 4,898m represents 13% of the Group’s overall revenue. ↗ T001 **Key figures Lufthansa Group.**

Taxonomy-eligible revenue increased year-on-year by EUR 648m due to higher demand for maintenance and repair services and other products and services from Lufthansa Technik. The proportion of potentially taxonomy-aligned revenue amounted to EUR 273m and thus 1% of the Group's overall revenue in the reporting year.

Segment capital expenditure attributable to this economic activity in the MRO business segment has been recognised as CapEx. It consists primarily of intangible assets, technical equipment and other operating and office equipment. CapEx consists exclusively of CapEx (a) and at EUR 97m accounts for 2% of the Lufthansa Group's capital expenditure in the reporting year. Taxonomy-eligible CapEx thus increased by EUR 20m, primarily because of increasing investing activity. Taxonomy-aligned capital expenditure accounts for EUR 13m or 0.3% of the Lufthansa Group's capital expenditure.

OpEx as defined by the EU Taxonomy Regulation comprise the direct expenses incurred in order to ensure the operational readiness of the taxonomy-eligible assets. This economic activity accounts for EUR 53m (previous year: EUR 51m) and thus 1% of the Group's total maintenance expenses. Potentially taxonomy-aligned OpEx for this economic activity came to EUR 4m, a share of under 1% of the Group's total OpEx.

To determine the potentially taxonomy-aligned OpEx, total OpEx expenses are weighted according to the share of potentially taxonomy-aligned revenue before the global replacement ratio is applied.

This economic activity was not assessed for taxonomy alignment in the previous year.

6.19 Passenger and freight air transport

This economic activity comprises the key business activities of the Lufthansa Group which relate to the Passenger Airlines ↗ **Passenger Airlines business segment** and Logistics ↗ **Logistics business segment** business segments.

The revenue recognised as taxonomy-eligible for this economic activity corresponds to the traffic revenue shown in the financial reporting. At EUR 31,439m, this represents 84% of the total revenue of the Lufthansa Group. ↗ **T001 Key figures Lufthansa Group.**

Compared with the previous year, taxonomy-eligible revenue increased by EUR 1,513m, primarily due to higher passenger numbers and freight volumes. The potentially taxonomy-aligned revenue amounted to EUR 3,154m and thus 8% of the Group's overall revenue.

The CapEx for this economic activity consists solely of CapEx (a) and includes spending on aircraft and reserve engines, rights-of-use to aircraft and reserve engines, aircraft under construction and advance payments for aircraft and reserve engine orders. At EUR 3,912m, this accounts for 86% of the Lufthansa Group's total capital expenditure. ↗ **T115 Aircraft and reserve engines.**

The increase of EUR 123m stems from the larger number of new aircraft put into service by the Lufthansa Group airlines. Potentially taxonomy-aligned capital expenditure accounts for EUR 2,822m or 62% of total capital expenditure.

In connection with this economic activity, OpEx comprises the direct expenses incurred to ensure the operational readiness of aircraft and engines of the Lufthansa Group airlines as well as the charter costs paid in the context of wet lease agreements. Where these services were provided by Group companies rather than by the airlines themselves, consolidation effects are taken into account in the OpEx calculation. At EUR 3,366m, 93% of the Lufthansa Group's total OpEx relates to this economic activity.

The increase in taxonomy-eligible OpEx of EUR 765m stems not only from higher staff and material costs but also the first-time recognition of wet lease costs for the use of third-party aircraft.

Potentially taxonomy-aligned OpEx for this economic activity came to EUR 670m, a share of 18% of the Group's total OpEx.

This economic activity was not assessed for taxonomy alignment in the previous year.

7.7 Acquisition and ownership of buildings

No reportable revenue is realised through the acquisition and ownership of buildings. The scope of this economic activity exclusively relates to internal requirements.

All the buildings and rights of use to buildings and installations covered by this economic activity were included in the calculation of the taxonomy-eligible CapEx. This CapEx is classified exclusively as category (c) according to the definition in the EU Taxonomy Regulation. CapEx was assessed to determine whether it meets the technical screening criteria (alignment check). On balance it was found not to be taxonomy-aligned.

Taxonomy-eligible CapEx came to EUR 202m in the reporting year, a decline of EUR 34m on the previous year. It represents 4% of the Lufthansa Group's total capital expenditure.

Taxonomy-eligible property maintenance work included in OpEx went up year-on-year by EUR 22m to EUR 180m. It therefore represents 5% of the Group's total OpEx.

T062 PROPORTIONS OF TAXONOMY-ELIGIBLE, TAXONOMY-NON-ELIGIBLE AND POTENTIALLY TAXONOMY-ALIGNED REVENUE, CAPEX AND OPEX

	Revenue					CapEx					OpEx				
in €m	**2024**	**in %**	2023	in %	Change in %	**2024**	**in %**	2023	in %	Change in %	**2024**	**in %**	2023	in %	Change in %
Taxonomy-eligible and taxonomy-non-eligible economic activities															
3.21 Manufacturing of aircraft	4,898	13%	4,250	12%	15%	97	2%	77	2%	26%	53	1%	51	2%	4%
6.19 Passenger and freight air transport	31,439	84%	29,926	84%	5%	3,912	86%	3,789	88%	3%	3,366	93%	2,601	91%	29%
7.7 Acquisition and ownership of buildings						202	4%	236	5%	-14%	180	5%	158	6%	14%
Taxonomy-non-eligible economic activities	1,244	3%				347	8%				38	1%			
Total	**37,581**	**100%**				**4,558**	**100%**				**3,637**	**100%**			
Of which potentially taxonomy-aligned economic activities															
3.21 Manufacturing of aircraft	273	1%				13	0.3%				4	0%			
6.19 Passenger and freight air transport	3,154	8%				2,822	62%				670	18%			
Total	**3,427**	**9%**				**2,835**	**62%**				**674**	**19%**			

Note: the potentially taxonomy-aligned figures are expressed as a percentage of total taxonomy-eligible and taxonomy-non-eligible economic activities.

The Lufthansa Group does not conduct any business activities within the meaning of Delegated Regulation (EU) 2022/1214 in the gas and nuclear energy sectors and has therefore not disclosed the specific reporting template.

T063 EU TAXONOMY – PROPORTION OF REVENUES FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES

				Substantial contribution criteria						DNSH criteria ("Do No Significant Harm")						MS			
Economic activities	Code(s)	Absolute revenue	Revenue	Climate change mitigation	Climate change adaptation	Water & marine resources	Circular economy	Pollution	Biodiversity & ecosystems	Climate change mitigation	Climate change adaptation	Water & marine resources	Circular economy	Pollution	Biodiversity & ecosystems	Minimum safeguards	Taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) proportion of revenue, 2023	Category "enabling activity"	Category "transitional activity"
		in EUR m	in %	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	in %	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES			97%																
A.1 Taxonomy-aligned economic activities																			
n/a		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Revenues (A.1)		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
A.2 Taxonomy-eligible but not taxonomy-aligned economic activities																			
Manufacturing of aircraft	CCM 3.21	4,898	13%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								–		
Passenger and freight air transport	CCM 6.19	31,439	84%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								–		
Revenue (A.2)		**36,337**	**97%**	**–**	**–**	**–**	**–**	**–**	**–**								**–**		
Total (A.1 + A.2)		**36,337**	**97%**	**–**	**–**	**–**	**–**	**–**	**–**								**–**		
B. TAXONOMY-NON-ELIGIBLE ECONOMIC ACTIVITIES																			
Revenue of taxonomy-non-eligible economic activities (B)		1,244	3%																
Total (A. + B.)		**37,581**	**100%**																

T064 EU TAXONOMY – PROPORTION OF CAPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES

				Substantial contribution criteria						DNSH criteria ("Do No Significant Harm")						MS			
Economic activities	Code(s)	Absolute CapEx	Proportion of CapEx	Climate change mitigation	Climate change adaptation	Water & marine resources	Circular economy	Pollution	Biodiversity & ecosystems	Climate change mitigation	Climate change adaptation	Water & marine resources	Circular economy	Pollution	Biodiversity & ecosystems	Minimum safeguards	Taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) proportion of CapEx, 2023	Category "enabling activity"	Category "transitional activity"
		in EUR m	in %	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	in %	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES			92%														5%		
A.1 Taxonomy-aligned economic activities																			
n/a		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
CapEx (A.1)		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
A.2 Taxonomy-eligible but not taxonomy-aligned economic activities																			
Manufacturing of aircraft	CCM 3.21	97	2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								–		
Passenger and freight air transport	CCM 6.19	3,912	86%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								–		
Acquisition and ownership of buildings	CCM 7.7	202	4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								5%		
CapEx (A.2)		**4,211**	**92%**	**–**	**–**	**–**	**–**	**–**	**–**								**5%**		
Total (A.1 + A.2)		**4,211**	**92%**	**–**	**–**	**–**	**–**	**–**	**–**								**5%**		
B. TAXONOMY-NON-ELIGIBLE ECONOMIC ACTIVITIES																			
CapEx of taxonomy-non-eligible economic activities (B)		347	8%																
Total (A. + B.)		**4,558**	**100%**																

T065 EU TAXONOMY – PROPORTION OF OPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES

				Substantial contribution criteria						DNSH criteria ("Do No Significant Harm")						MS			
Economic activities	Code(s)	Absolute OpEx	Proportion of OpEx	Climate change mitigation	Climate change adaptation	Water & marine resources	Circular economy	Pollution	Biodiversity & ecosystems	Climate change mitigation	Climate change adaptation	Water & marine resources	Circular economy	Pollution	Biodiversity & ecosystems	Minimum safeguards	Taxonomy-aligned (A.1) or taxonomy-eligible (A.2) proportion of OpEx, 2023	Category "enabling activity"	Category "transitional activity"
		in EUR m	in %	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	in %	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES			99%														6%		
A.1 Taxonomy-aligned economic activities																			
n/a		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
OpEx (A.1)		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
A.2 Taxonomy-eligible but not taxonomy-aligned economic activities																			
Manufacturing of aircraft	CCM 3.21	53	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								–		
Passenger and freight air transport	CCM 6.19	3,366	93%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								–		
Acquisition and ownership of buildings	CCM 7.7	180	5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								6%		
OpEx (A.2)		**3,599**	**99%**	**–**	**–**	**–**	**–**	**–**	**–**								**6%**		
Total (A.1 + A.2)		**3,599**	**99%**	**–**	**–**	**–**	**–**	**–**	**–**								**6%**		
B. TAXONOMY-NON-ELIGIBLE ECONOMIC ACTIVITIES																			
OpEx of taxonomy-non-eligible economic activities (B)		38	1%																
Total (A. + B.)		**3,637**	**100%**																

S1 – OWN WORKFORCE

Employees are one of the key factors driving the Lufthansa Group's success. The Company positions itself as an attractive and modern employer in order to strengthen the loyalty of existing employees, and also to attract talent from outside the Company to help meet the challenges of the future. These include, for example, changes within the aviation sector and the structural transformation of the working world that have a direct impact on employees. Key topics in human resources include training and development opportunities, employee health and safety at work, diversity and equal opportunities.

Overview of material impacts, risks and opportunities

In view of the skills shortage and competing rivals, the Lufthansa Group could be affected by increased employee turnover, which may damage its reputation and brand value. The Lufthansa Group can counteract this with a strong culture, but also by introducing work-life balance measures and flexible working conditions. Adopting corresponding policies can enhance the Company's competitiveness as an employer and its ability to retain and attract employees. Reasonable working hours and work-life balance measures have the power to improve overall employee satisfaction and productivity, reduce overtime and turnover, and bring down recruitment costs.

Measures on diversity, equality and inclusion help prevent risks such as gender inequality in recruitment and pay, as well as insufficient protection against violence and harassment at work. The inclusion of people with disabilities and ensuring equal opportunities for all employees counteracts discrimination and strengthens the psychological well-being of the Company's workforce. Factors such as a lack of job security and social protection can negatively affect both financial stability and employee health. The Lufthansa Group is optimising measures on employee retention and employer attractiveness to improve satisfaction, safety and loyalty, which in turn can have a positive impact on the Company's reputation and recruitment costs.

A complete overview of the Lufthansa Group's material impacts, risks and opportunities can be found under ↗ **ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model.**

Strategy

ESRS 2 SBM-2 – Interests and views of stakeholders

The Lufthansa Group places great emphasis on an open, continuous and trusting dialogue with its internal and external stakeholder groups, and actively seeks exchanges with them through a range of different dialogue formats. A cornerstone for the dialogue with its own workforce is the Group-wide employee survey "involve me!", which regularly provides important insights on key topics.

Based on this annual survey, a wide range of measures are initiated across the Group. The perspectives of employees from the survey are evaluated and subsequently integrated into the human resources strategy. In addition, a continuous exchange is maintained with the co-determination bodies, whose views are also taken into account.

ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

The human resources strategy forms an important component of the Lufthansa Group's corporate strategy. It sets the priorities for the coming years in order to best prepare the workforce for the future. The Lufthansa Group reviews both its corporate strategy and its human resources strategy annually in view of current events and continuously develops them further.

Materiality assessment identifies impacts on a variety of topics

Employees and temporary workers of the Lufthansa Group are the primary focus of the impacts discussed in the materiality assessment. Under the German Law on Labour Leasing (Arbeitnehmerüberlassungsgesetz) and EU Directive 2008/104/EC, temporary workers receive "equal pay for equal work", meaning they are treated on par with permanent employees. The material impacts, risks and opportunities mainly concern the following topics:

- Flexible work organisation and working time models
- Adequate wages and collective bargaining agreements
- Social dialogue and trade unions
- Health and safety at work
- Diversity, equality and inclusion
- Training and development
- H&S management (hazard and security management)
- Pandemic
- Data security
- Social protection

With the ongoing transformation and modernisation of the Lufthansa Group, sustainable employability remains a key focus of the human resources strategy. The Lufthansa Group promotes lifelong learning and long-term employability through training and development. Since 2022, the Company has launched additional training and support programmes, in particular in relation to the environment. For example, the Green Mobility Trainee programme enables participants to each work on three sustainability projects at different companies within the Lufthansa Group over an 18-month period. This programme took place for the second time in the reporting year. The Green Explorer learning and engagement programme also took place once again during the reporting year. 150 selected above-average performers took part and qualified as multipliers and driving forces for the promotion of sustainability in everyday business operations. Topics such as sustainable product development, customer engagement and the use of sustainable materials were covered. The Lufthansa Group observed no negative impacts on its own workforce from these initiatives.

Additional impacts on employees relate to human rights. The Lufthansa Group Human Rights Office conducts an analysis of potential negative impacts affecting more than 280 Lufthansa Group companies and operational sites within its business area on an ad hoc basis and at least once annually. The analysis employs specialist software that enables sufficient identification, assessment and prioritisation of risks across a large number of entities. In line with the German Corporate Due Diligence in Supply Chains Act (Lieferkettensorgfaltspflichtengesetz – LkSG), the negative impact of forced labour pursuant to Section 2 was explicitly accounted for in the analysis. In addition, Deutsche Lufthansa AG is subject to the reporting obligations under Section 54 of the UK Modern Slavery Act 2015 (UK Modern Slavery Statement) and under Section 13 of the Canadian Forced Labour and Child Labour in Supply Chains Act.

Material impacts from business operations solely affect employees and temporary workers of the Lufthansa Group in the first instance. German contract law distinguishes between employees and suppliers with service or work contracts. Suppliers operate under different conditions and are consequently less protected than Lufthansa's own workforce. The Lufthansa Group recognises that employees and temporary workers face different risks than the external workforce. The Lufthansa Group is aware of these risks and takes them into account.

↗ **S2 – Workers in the value chain.**

If crises or conflicts, such as wars, pandemics or civil unrest, occur in third countries outside Germany, cockpit and cabin crew in particular may be affected. Based on its risk assessment, the Lufthansa Group takes specific security measures in response that may lead to the suspension of flights. To date, no negative impacts associated with such incidents have been observed.

The Lufthansa Group has defined measures for cooperation and efficiency improvements

The Lufthansa Group employs a Group-wide cultural initiative to promote cooperation across hierarchies and companies for more efficient and flexible business operations. Furthermore, cost-cutting and efficiency-enhancing measures are taken to create the conditions for generating reasonable profits on a long-term basis.

Risks were identified mainly in relation to collective agreements and employer attractiveness

Labour disputes: There is a general risk of labour disputes as a result of pending collective bargaining agreements with various groups of employees within the Lufthansa Group. Notably, this risk affects flight operations of Deutsche Lufthansa AG and Lufthansa Cargo AG as the no-strike period for the collective bargaining agreements on retirement benefits for cockpit staff expired on 31 December 2024. From that point on, the framework agreement for cabin staff at Deutsche Lufthansa AG has been open again. Both the collective wage and framework agreements for Lufthansa Cityline's cockpit personnel are now open too.

Lack of cooperation from works and collective bargaining partners: Trust and effective collaboration with employee representatives are crucial to the Lufthansa Group's success. Numerous measures once again contributed to this goal in 2024. Market changes made further reorganisation necessary at Deutsche Lufthansa AG and shone a spotlight on the economic performance of the Lufthansa Group and on retaining and recruiting employees in the relevant home markets in 2024, with hiring needs expected to remain. This means the Group has to be attractive as an employer, which is another focus for the 2024 financial year and a key focus of our human resource work. The challenge lay in implementing organisational changes at the speed necessitated by the economic environment and the labour market in order to remain adaptable. A trusting relationship between the works council and the executive board has a vital influence on decision-making on operating matters. A lack of trust can result in delayed decisions and tougher negotiations. To counteract this and improve collaboration with labour union partners, numerous measures were implemented across the individual companies. Adopted measures included full-day exchange formats (for example, labour union partner dialogues) and regular meetings between management and the works council.

Focus on employees: In order to drive commitment and become more attractive as an employer, the employment conditions for staff were revised in cooperation with the collective bargaining partners. The Lufthansa Group deliberately uses its employer branding and human resources marketing activities to support additional hiring and is making improvements to its recruitment process and certain key elements of its employees' experience, for example, their onboarding. Various apprenticeships, student and trainee programmes are offered to this end, and talents in a variety of groups were supported and systematically cross-linked. Furthermore, an assortment of professional development programmes is offered to enable employees to work on their personal and career development.

Staff structure: Differences between strategic human resource requirements, the existing skill sets of employees and how they are distributed across the companies in the Lufthansa Group constitute a structural personnel risk. Both the administration of recruitment activities and the professional integration of new employees posed great challenges for the organisation. There was a risk of frustration at long recruitment processes and inefficient onboarding. The Lufthansa Group addressed this risk across the Group with a recruitment working group, strategic human resource planning, the development of a skills model and by strengthening employer branding and recruitment.

Impact, risk and opportunity management

S1-1 – Policies related to own workforce

The Lufthansa Group sets new priorities with its HR strategy
The Lufthansa Group HR strategy focuses on the following six pillars:

- Modern and flexible career paths
- New forms of work
- A contemporary leadership culture and diversity
- Sustainable employability
- Trust-based collective bargaining partnerships
- Competitive staff costs

The Lufthansa Group reviews its human resource strategy every year on the basis of the prevailing framework conditions. New priorities are set as required by incorporating them into operations through targeted actions. The strategy applies worldwide to all employees of the Lufthansa Group. Annual employee surveys engage the workforce in further developing the strategy. Continuous monitoring tracks the actions and performance indicators derived from the strategy. The Executive Board of Deutsche Lufthansa AG bears ultimate responsibility for implementation of the strategy.

Policy statement sets out the Lufthansa Group's human rights strategy
The Lufthansa Group's policy statement on the German LkSG outlines the Company's human rights strategy. It also reports how the Lufthansa Group fulfils its due diligence requirements, which high-priority human rights- and environment-related impacts have been identified as high priorities on the basis of the risk assessment and which human rights- and environment-related expectations apply to the employees of the Lufthansa Group and its suppliers. ↗ **S2-1 – Policies related to workers in the value chain.**

The policy statement is updated and published annually in line with the impact assessment conducted during the reporting year. To prevent negative impacts on human rights or the environment, the Lufthansa Group reviews the effectiveness of its prevention and remedial measures on an ad hoc basis – at least annually – and makes adjustments as necessary. This process includes evaluating feedback from affected parties, gathering input from target groups and conducting audits. In addition, an active exchange is sought with internal stakeholder groups such as employee initiatives and staff representative bodies, as well as with external stakeholders.

The Lufthansa Group pursues a two-pronged strategy to protect human and environmental rights. On the one hand, it aims to prevent impacts from occurring in the first place. On the other hand, it tries to respond to structural impacts identified in the analysis with appropriate actions to prevent or at least minimise adverse consequences for human rights and the environment. If the Lufthansa Group becomes aware of an actual or imminent breach of human rights or environmental obligations, it immediately strives to take appropriate remedial action. If a supplier is unable to immediately cease, prevent or minimise a breach, the Lufthansa Group will develop and implement a corresponding remedial and/or prevention plan. When developing and implementing the plan, the joint development and execution of a corresponding plan with the responsible company to eliminate or reduce the breach is considered, as is collaborating with other companies through industry initiatives and standards to increase influence over the company behind the breach, and the temporary suspension of the business relationship for the duration of risk mitigation efforts. As a last resort, the Lufthansa Group reserves the right to terminate the business relationship.

The international conventions and declarations listed below form the framework for the Lufthansa Group's actions in connection with the requirements of the German Corporate Due Diligence in Supply Chains Act and apply to the relevant Lufthansa Group guidelines:

- United Nations' Universal Declaration of Human Rights,
- the International Covenant on Civil and Political Rights (ICCPR), the International Covenant on Economic, Social and Cultural Rights,
- the four core work standards of the International Labor Organization (ILO),
- the UN Guiding Principles on Business and Human Rights,
- the ten principles of the UN Global Compact,
- the OECD Guidelines for Multinational Enterprises,
- the IATA Resolution against Human Trafficking, and
- environmental agreements such as the Minamata Convention on Mercury, the Stockholm Convention on Persistent Organic Pollutants and the Basel Convention on the Transboundary Movement of Hazardous Wastes and their Disposal.

The Lufthansa Group's Code of Conduct is founded on ethical values

The Lufthansa Group's Code of Conduct supports employees in making decisions that align with the Company's principles and values. For customers, business partners and shareholders, the Code of Conduct describes what the Lufthansa Group stands for as one of the leading aviation groups. It is binding for all employees of the Lufthansa Group worldwide, regardless of their role or level. Violations of the Code of Conduct can lead to severe penalties for the Company and for individual employees. The Code of Conduct is updated by the Chief Compliance Officer of the Lufthansa Group and approved by the Group Executive Board. It is available on the Lufthansa Group website.

The Code of Conduct covers topics such as fair competition as the foundation of business success, respect for human rights, occupational safety and health, anti-corruption measures, handling conflicts of interest, digitalisation and data protection, and external communication on social networks.

In accordance with the Code of Conduct, the Lufthansa Group treats employees and other stakeholders with respect and rejects all forms of discrimination, harassment and violence. Conduct within the Lufthansa Group is based on valuing and including people regardless of their national or ethnic background, gender, religion, beliefs, disability, age or sexual identity. The Company therefore opposes discrimination of any kind.

The Code of Conduct also includes information for anonymous whistleblowers and ensures their protection. A central complaints procedure has been set up to allow individuals to inform the Lufthansa Group about human rights and environmental risks – whether within a Lufthansa Group company or concerning one of its suppliers – on the basis of the publicly available rules of procedure. In these rules of procedure, the Lufthansa Group sets out clear guidelines to ensure the careful and transparent handling of every complaint. The aim of the complaints procedure is to receive information on human rights or environmental risks within the Lufthansa Group and its suppliers at the earliest possible stage to ensure measures can be introduced to avoid any corresponding violations. The complaints procedure also ensures that affected parties have access to appropriate remedial measures as far as this is possible for the Lufthansa Group.

The Lufthansa Group's occupational safety guideline protects health

The globally applicable Lufthansa Group occupational safety guideline provides the central framework for safety and health at work in the Lufthansa Group. It requires that board members, managers and employees fully comply with the applicable occupational health and safety rules worldwide. The objective is to protect employees, contractors, and third parties from health risks. This includes work-related accidents and occupational hazards, as well as ensuring humane working conditions. The guideline covers all relevant regulatory content, outlines responsibilities, describes the organisational structure of the occupational safety function, and defines escalation levels and approval requirements.

The effectiveness of the guideline is monitored by the Occupational Safety Committee (OSC), the central steering committee for all issues concerning health and safety at the Lufthansa Group. The OSC includes, in addition to the Lead Safety Engineer, safety experts responsible for flight operations, MRO, logistics, ground operations, administration (office tasks), hazardous substances management and select safety coordinators from subsidiaries. The Lead Safety Engineer (Vice President Occupational Safety) bears ultimate responsibility for implementation of the guideline.

Group works agreement "Lufthansa and Family" governs work-life balance

The Group works agreement "Lufthansa and Family" governs work-life balance at the Lufthansa Group. The agreement seeks to align business requirements with family needs. In addition to counselling services, statutory parental leave, and options for reduced working hours, the agreement grants employees dedicated family time to focus solely on caring for relatives or partners. This family time leave entitlement may be taken for up to 364 days.

S1-2 – Processes for engaging with own workforce and workers' representatives about impacts

Since 2015, the Lufthansa Group has conducted the annual employee survey "involve me!", alternating between a full survey and a shortened version every two years. The survey is sent directly to employees and can be answered anonymously and voluntarily. The resulting engagement index provides insight into employer attractiveness and measures employee satisfaction and motivation. It also enables a cross-industry comparison with other employers. In addition, the survey measures the extent to which employees identify with the Company, as well as their level of commitment and their willingness to recommend the Company to others. The survey was carried out again in 2024. The results of the engagement index are measured on a scale from 5 (best) to 1 (worst). In 2024 the Company reached its target once again – the 2023 value of 3.8. In 2024, the evaluation methodology was adjusted to permit comparisons with other companies. Until 2023, the best possible score was 1 and the worst was 5; according to this methodology, the 2024 engagement index was 2.2.

The results of the employee survey are presented to the Executive Board and Supervisory Board of the Lufthansa Group. The management teams of the companies then discuss and analyse them. Based on the survey results, the managers of the Lufthansa Group, together with their teams, derive measures to improve the engagement index. The results are further analysed by management levels, functions and occupational groups to develop targeted measures.

As a result of the 2023 employee survey, for example, the Lufthansa Group defined core areas of action as a starting point for the follow-up process in the Group companies. The Group-wide cultural initiative, the Cultural Journey, was established as a shared area of action on this basis. The initiative promotes the individual identity of the Lufthansa Group companies with their diverse corporate cultures and simultaneously strengthens cultural understanding across the Group – with diversity forming a central pillar of our cultural identity.

Employee retention is encouraged through various initiatives, including the global Culture Community, which boasts over 2,000 voluntary members, or Culture Labs, where employees work in small groups to develop and implement culture-focused measures. Co-determination bodies are kept informed about the progress and outcomes of the Cultural Journey.

With regard to human rights compliance, employees of the Lufthansa Group Human Rights Office hold discussions with both their own employees and with employee representatives and networks. The Human Rights Office reports directly to the Head of Labor Relations Ground, Human Rights and Discrimination Prevention. They in turn report to the Chief Human Resources Officer of the Lufthansa Group. At least once a year, employees from the Human Rights Office and the works council enter into discussions. In addition, the Lufthansa Group Human Rights Office gains insights into the perspectives of the workforce through findings from human rights audits – especially when direct discussions take place with employees and the corresponding findings are then included in the audit report. Two audits were carried out in 2024. The focus was on South Africa and the DACH-B region (Germany, Austria, Switzerland and Belgium).

The Lufthansa Group evaluates the effectiveness of employee involvement by distributing a self-assessment questionnaire both before and after the launch of an engagement measure. If awareness of the human rights topics discussed increases, the engagement is considered effective. Such insights, together with the audit findings, are used in the risk analysis to further improve processes.

Employee retention is also reflected in exchanges between local employee representatives, the Human Resources department, and the central Human Rights Office responsible for the locations identified in the analysis. For example, these exchanges take place before the introduction of prevention measures or in order to assess the effectiveness of measures. It is the responsibility of the human rights coordinators at the Lufthansa Group to ensure that the described engagement takes place and that the results are incorporated into the Company's risk management.

S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns

The Lufthansa Group has established multiple whistleblowing channels for reporting concerns and potential violations.

Employees can raise issues regarding specific topics with their immediate supervisors or designated contacts. In addition, the Lufthansa Group has set up an electronic whistleblower system and an ombudsperson. Both are also publicly accessible to internal and external whistleblowers. The electronic Business Keeper Management System (BKMS) allows whistleblowers to submit reports in writing at any time, with the option to remain anonymous. The ombudsperson is an independent lawyer who is not employed by the Lufthansa Group. Reports can be submitted to the ombudsperson by phone, in writing or in person. Concerns related to discrimination, sexual harassment, human rights violations, or breaches of environmental laws can also be reported directly to the Human Rights Office.

Online and local communication campaigns further aim to improve the visibility of these whistleblowing channels. Networks of local contact persons further facilitate access for employees who prefer raising concerns through personal interaction.

Reports submitted to the Corporate Compliance Office or the Human Rights Office through these channels are first checked for plausibility and then classified into categories such as criminal offences or human rights violations. Depending on the topic, the reports are then forwarded to the designated Human Resources departments for further action. The processes for handling, monitoring and providing feedback to whistleblowers are defined in the respective process descriptions.

Employees who report unlawful or non-compliant behaviour, or who assist in investigations, are fully protected against any related personal disadvantage in accordance with applicable legal requirements.

S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Comprehensive measures implemented under the Human Resources strategy

The Lufthansa Group develops and sets targets for its personnel measures in line with its Human Resources strategy, focusing on topics such as health and safety, adequate wages, work-life balance, occupational safety, a diverse workforce and human rights impacts.

Subsidiaries are largely free when it comes to incorporating the Group's Human Resources strategy into operations and may tailor it individually based on their own strategies. Actions are developed at the Group level to achieve strategic objectives. Corresponding working groups are formed for this purpose. In Germany, measures affecting the Company's own workforce are subject to co-determination requirements and must be presented to the relevant committees. The Human Resources Committee, which is made up of top-level personnel executives, labour directors and Human Resources managers from the individual subsidiaries, serves as the steering, decision-making and control body. The Lufthansa Group implements these measures using resources from the respective departments. Additional full-time capacity is provided when staffing needs increase.

The Lufthansa Group has developed measures derived from its Human Resources strategy to address the impacts, risks and opportunities of its business activities on its own workforce. These measures apply to all segments of the Lufthansa Group, although their geographic scope varies:

- Occupational medical care: The Lufthansa Group's Medical Services offer employees the full range of occupational health care, adapted to their individual needs and taking their workplace and individual health conditions into account. The Medical Services also have outstanding expertise in aviation medicine and offer psychosocial advisory services.
  Geographic scope: Germany, Austria, Switzerland and Belgium

- Flu vaccinations: In October 2024, the Lufthansa Group offered flu vaccinations to employees in select countries.
  Geographic scope: Lufthansa Group locations in Germany, Austria and Switzerland

- Group-wide health management: Group-wide health management supports health managers in the individual companies. The Medical Operations Center (MOC) also offers wide-ranging support to Lufthansa Group passengers with pre-existing medical conditions or disabilities.
  Geographic scope: Worldwide

- Partnership with a health insurer: In order to improve employee health, the Lufthansa Group's health management in Germany entered into a partnership with a statutory health insurer during the reporting year, offering a wide range of workplace health management measures.
  Geographic scope: Lufthansa Group business entities in Europe

- Online training: In June 2024, the Group's Occupational Safety department updated and modernised the mandatory online training for administrative roles.
  Geographic scope: Lufthansa Group in Germany

- Occupational safety survey: The Occupational Safety Department also launched a pilot project involving a self-assessment questionnaire on the topic of occupational safety in various areas of responsibility in 2024.
  Geographic scope: 13 subsidiaries during the pilot phase; subsequently worldwide

- New agreement on mobile working abroad within Europe: In 2024, the Cross-Border Work agreement was revised, allowing administrative employees to work remotely from abroad for up to 15 consecutive working days instead of the previous ten, with a number of limited exceptions.
  Geographic scope: Lufthansa Group in the European Union and Switzerland

- Female Leadership Programme: A programme for women in management roles was launched in 2022 to increase the proportion of female managers on the two hierarchical levels beneath the Executive Board.
  Geographic scope: Worldwide – Additional measures for female leadership: In order to increase the number of female international employees in the home markets (Germany, Austria, Switzerland, Belgium), a development programme and further initiatives were introduced in 2021.
  Geographic scope: Worldwide

- International Talent Programme: The Lufthansa Group aims to foster an inclusive culture based on intercultural understanding and appreciation while positioning the Company as an attractive destination for international talent. Since 2023, this includes a programme available to international talent who have not yet worked in one of the Company's home markets (Germany, Austria, Switzerland, Belgium) but are interested in doing so. The programme prepares these individuals for the rotation and supports them throughout the entire process.
  Geographic scope: Worldwide

- Initiatives for Internationals: Since 2023, the Lufthansa Group has supported the integration of new international employees by offering networking events and an initiative

in which colleagues in the home markets assist new foreign employees.
Geographic scope: Worldwide

- Collective bargaining agreements: In 2024, the Lufthansa Group reached new collective bargaining agreements with the unions representing cockpit, cabin and ground staff. The agreements concluded guarantee a no-strike period of at least two years. Additions were also made to the existing collective agreements at Austrian Airlines, and collective pay increases were agreed for cockpit, cabin and ground staff. In Belgium too, collective agreements on pay increases were signed for all three professional groups at Brussels Airlines. A new collective agreement was signed with the trade union for cabin staff at SWISS in Switzerland.
  Geographic scope: Lufthansa Group in Germany; Passenger airlines in Austria, Belgium and Switzerland

- Expansion of the Code of Conduct: In February 2024, the Code of Conduct was updated to include a section on respectful behaviour. This is intended to emphasise the importance of combating discrimination and embed this principle across the Lufthansa Group.
  Geographic scope: Worldwide

- “Respect” – Anti-discrimination campaign: In 2024, the Lufthansa Group ran a Group-wide campaign against discrimination. The campaign aimed to raise awareness of various forms of discrimination, publicise reporting channels and complaint mechanisms and strengthen solidarity against discrimination.
  Geographic scope: Worldwide

- Complaint mechanisms: The Lufthansa Group also published additional information materials – including fact sheets and QR codes on business cards – to increase the visibility of existing complaint mechanisms.
  Geographic scope: Worldwide

- Training on human rights: In 2024, the Lufthansa Group has introduced new in-person and online training sessions to heighten workforce awareness of human rights and the handling of violations.
  Geographic scope: Worldwide

The Lufthansa Group intends to continue these measures into the near future. The Company aims to improve employee health and safety, enhance work-life balance, increase workforce diversity and improve working conditions and occupational safety. The measures are financed by the Lufthansa Group and are incorporated into the annual planning. The collective bargaining agreements have led to an approximate 7% increase in personnel costs.

Each measure is overseen by the relevant organisational units or divisional heads, who are responsible for implementation, monitoring and evaluating effectiveness. This includes ongoing reviews of existing measures to ensure continued impact. Key measures are approved and monitored by management. The strategy department tracks and assesses their effectiveness using performance indicators. In most cases, the Lufthansa Group has established qualitative targets for these measures. However, a specific quantitative target has been set for female leadership, with a goal to be achieved by 2025.

Metrics and targets

S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The Lufthansa Group derives its targets from both the Group strategy and its Human Resources strategy. In Germany, the targets set are presented to the co-determination bodies. Key performance indicators are iteratively developed and defined at the Group level by the responsible specialist departments, the strategy departments, and the Lufthansa Group Executive Board. The Group strategy department monitors these targets and reports on them to the Group Executive Board at regular intervals.

In the employee survey, employees may submit suggestions for improvement, which are then evaluated for feasibility.

The Lufthansa Group has defined the following targets:

T066 ESRS S1-5 | 46 LUFTHANSA GROUP HUMAN RESOURCES TARGETS

Category	Value in 2024	Target
Women in management positions (%)[1]	25.3	25 by 2025
Value for engagement index	3.8[2]	According to the benchmark

[1] Women in management positions comprises the proportion of female managers in the Group Executive Board and the three subordinate management levels.
[2] This figure would be 2.2 according to the calculation method applied in the previous year.

S1-6 – Characteristics of the undertaking's employees

T067 ESRS S1-6 I 50A – CHARACTERISTICS OF THE UNDERTAKING'S EMPLOYEES AS OF THE REPORTING DATE 31.12.2024

Gender	Headcount
Male	55,193
Female	46,229
Non-binary	0
Not specified	0
Total number of employees	**101,422**

T068 ESRS S1-6 | 50A EMPLOYEES BY COUNTRY [1] AS OF THE REPORTING DATE 31.12.2024

Country	Headcount
Germany	69,971
Switzerland	11,545
Austria	6,105
Philippines	3,495
Belgium	3,413
Malta	1,652
Other [2]	5,241
Total number	**101,422**

[1] According to company headquarters for each country
[2] Other includes the further employees in other countries

T069 ESRS S1-6 & S1-9 I 50A & 66A EMPLOYMENT CATEGORIES BY GENDER AS OF THE REPORTING DATE 31.12.2024

	Employee headcount	Employee headcount in top management [1]	% of employees in top management [1]
Male	55,193	547	1.0%
Female	46,229	185	0.4%
Non-binary	0	0	0%
Not specified	0	0	0%
Total number of employees	**101,422**	**732**	**0.7%**

[1] Top management comprises the Group Executive Board and the three subordinate management levels.

The total number of employees who left subsidiaries or the parent company during the reporting period was 6,826, and the staff turnover rate for the reporting period was 6.4%.

T070 ESRS S1-6 | 50B TYPE OF EMPLOYMENT CONTRACT BY GENDER AS OF THE REPORTING DATE 31.12.2024

	Male	Female	Non-binary	Not reported	**Total**
Number of employees	55,193	46,229	0	0	101,422
Number of employees with permanent contracts	53,960	45,110	0	0	99,070
Number of employees with fixed-term contracts	1,233	1,119	0	0	2,352
Number of on-call employees	339	713	0	0	1,052
Number of full-time employees	43,572	22,793	0	0	66,365
Number of part-time employees	11,621	23,436	0	0	35,057

S1-8 – Collective bargaining coverage and social dialogue

The collective bargaining agreements employees in countries in the European Economic Area (EEA) make up 64% of the Lufthansa Group's total worldwide employees. Below is an additional presentation of coverage by collective bargaining agreements and workers' representatives for EEA countries with significant employment (i.e. >10% of the total workforce).

T071 ESRS S1-8 | 60B & 63A COLLECTIVE BARGAINING COVERAGE & EMPLOYEE REPRESENTATION AS OF THE REPORTING DATE 31.12.2024

	Collective bargaining agreements	Social dialogue – workers' representatives
Coverage rate for Lufthansa Group employees worldwide [1]	Employees – EEA countries (for EEA countries with >50 employees constituting >10% of the total workforce)	Workplace representation – EEA countries (for EEA countries with >50 employees constituting >10% of the total workforce)
0–19%		
20–39%		
40–59%	Germany	
60–79%		Germany
80-100%		

[1] This table relates the information to the total number of employees worldwide at the Lufthansa Group.

The Lufthansa Group is subject to the Euro Info Agreement. The agreement involves employee representatives from the various European companies and locations of the Group who are informed by management on structural, economic and financial matters.

S1-9 – Diversity metrics

T072 ESRS S1-9 | 66A GENDER DISTRIBUTION AT TOP MANAGEMENT LEVEL [1] AS OF THE REPORTING DATE 31.12.2024

Gender	Headcount	in %
Male	547	75%
Female	185	25%
Non-binary	0	0%
Not reported	0	0%
Total number	**732**	**100%**

[1] Top management comprises the highest management level in the form of the Group Executive Board and the three subordinate management levels.

T073 ESRS S1-9 | 66B – DISTRIBUTION OF EMPLOYEES BY AGE GROUP AS OF THE REPORTING DATE 31.12.2024

Age group	Headcount	in %
Over 60	7,945	8%
55-59	12,863	13%
50-54	11,673	12%
45-49	12,899	13%
40-44	12,104	12%
35-39	12,325	12%
30-34	11,946	12%
25-29	11,052	11%
20-24	7,380	7%
18-19	1,050	1%
15-17	185	0%

S1-10 – Adequate wages

The Lufthansa Group and its companies strive to ensure that employees receive adequate remuneration. This applies to all employee groups regardless of location. The remuneration for the majority of employees is negotiated and set through collective agreements with labour union partners. The Lufthansa Group regularly reviews country-specific average market salaries and the economic and legal frameworks, such as inflation trends or statutory minimum wage requirements. This not only reflects the Lufthansa Group's commitment as a socially responsible employer but is also an essential prerequisite for positioning the Company as an attractive employer that recognises the contribution of its employees to its success.

S1-14 – Health and safety metrics

The Lufthansa Group has introduced an occupational safety management system that covers all companies and is based on the Group policy approved by the Group Executive Board. All of the Company's own workforce are covered by a management system.

During the reporting year, an incident occurred on a SWISS flight in which two employees were hospitalised with injuries, one of which subsequently died in the hospital. In addition, one Lufthansa Group employee died on a business trip from the consequences of an illness. To prevent infections and illnesses in general, the Medical Services have implemented preventive measures. These measures are regularly reviewed for effectiveness and adjusted if necessary.

Across all companies, a total of 1,357 workplace accidents occurred that resulted in at least one calendar day of absence. This corresponds to a rate of 9.4 workplace accidents per 1 million working hours.

S1-16 – Remuneration metrics

The Lufthansa Group is committed to ensuring comparable pay for comparable work and intends to keep emphasising this topic. The fact that this report still presents a gender pay gap is primarily due to structural differences among groups of employees, which largely result in a difference in average total pay for female and male employees across the workforce.

The gender pay gap shown here represents the difference between the average total remuneration of female and male employees. It is calculated by deducting the gross hourly wage of female employees from the average gross hourly wage of male employees and dividing this figure by the average gross hourly wage of male employees.

The gender pay gap calculation is based on a comparison of total remuneration, accounting for all components such as fixed and variable payments and benefits. It is based on the overall comparison of all remuneration figures regardless of employee group, position, subsidiary or country. In the reporting year, the gender pay gap was 27% in the favour of male employees. This is an unadjusted figure, in line with the calculation requirements of ESRS S1 – 16, and therefore does not reflect structural differences. The characteristics of large groups of employees in the Lufthansa Group mean that the figure is of minimal informative. At the end of 2024, for example, out of around 34,200 flight assistants at the Lufthansa Group, including pursers, approximately 80% were female and 20% male. Among the 11,300 pilots at the Lufthansa Group, by contrast, 7% were female and 93% male. This shows that the above figure does not necessarily indicate a lack of fairness in remuneration.

The annual total remuneration ratio expresses the ratio of the highest paid individual's annual total remuneration to the median annual total remuneration of all employees. To reach this figure, the annual total remuneration of the highest paid individual is divided by the median annual total remuneration for all employees (excluding the highest-paid individual). In the reporting year, the highest paid individual was the Chairman of the Executive Board of Deutsche Lufthansa AG. The annual total remuneration ratio at the Lufthansa Group in 2024 came to 1:86. All components of remuneration – fixed and variable payments as well as benefits received during the 2024 financial year – were included in the calculation.

S1-17 – Incidents, complaints and severe human rights impacts

The Lufthansa Group's Human Rights and Non-Discrimination team received complaints from internal and/or external stakeholders across all operations on the following grounds:

T074 ESRS S1-17 | 103 INCIDENTS AND COMPLAINTS RELATED TO HUMAN RIGHTS IN 2024

Number of reported incidents of discrimination, including harassment	45
Number of complaints submitted using the channels for own workforce	10
Number of complaints submitted to the national contact points for multinational companies of the OECD	0
Total amount of fines, penalties and compensation payments	EUR 0,000

T075 ESRS S1-17 | 104 CASES OF SEVERE HUMAN RIGHTS VIOLATIONS AND INCIDENTS IN 2024

Number of severe human rights violations and incidents related to the Company's own workforce	0
Number of severe human rights violations and incidents related to the Company's own workforce (violations of the UN Guiding Principles, OECD Guidelines and/or ILO Declaration)	0
Total amount of fines, penalties and compensation payments	EUR 0,000

S2 – WORKERS IN THE VALUE CHAIN

Accounting for sustainability in the supply chain is an important aspect of acting responsibly for the Lufthansa Group. In addition to economic factors, the purchasing process considers the impact of business activities on the environment and on workers in the value chain. To meet the standards the Lufthansa Group sets for the sustainability of its own products and services, the Lufthansa Group relies on close collaboration with suppliers who share and implement these standards.

Overview of material impacts, risks and opportunities

Suppliers and business partners in the Lufthansa Group's value chain may negatively affect human rights, for example, through unsafe working conditions, inadequate wages or the absence of freedom of association. Failure to comply with laws may result in legal repercussions, reputational damage and penalties for the Lufthansa Group and its partners, which can lead to business losses and financial difficulties. In contrast, clear guidelines for suppliers and partners can strengthen customer confidence in the Lufthansa Group, create transparency and promote financial and operational stability. Through social dialogue and training, the Lufthansa Group can contribute to improving working conditions in the value chain. Joint awareness-raising and development measures with suppliers and partners can help ensure that workers in the value chain receive training on health and safety issues and that human rights and sustainability requirements are further integrated.

A complete overview of the Lufthansa Group's material impacts, risks and opportunities can be found under ↗ **ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model.**

Strategy

ESRS 2 SBM-2 – Interests and views of stakeholders

Protecting the interests of all workers in the value chain is of central importance to the Lufthansa Group. The Company is aware of the considerable impact it has on the adherence to human rights and environmental standards together with its suppliers and business partners, as well as in the selection and management of its suppliers and business partners. Although the Lufthansa Group cannot influence the political situation in the countries where its suppliers operate and cannot rule out violations, it actively contributes to the observance of human rights among its suppliers through various measures.

The Lufthansa Group aims to identify potential negative human rights and environmental impacts early and to prevent violations. For this reason, the Company carefully selects its suppliers and contractually obliges them to comply with human rights as well as with occupational, safety and environmental protection requirements.

Since workers in the value chain represent a key affected stakeholder group, the Lufthansa Group takes their views into account and considers their rights when making certain decisions to the best possible extent. Several procedures have been established to capture the perspectives of workers in the value chain and integrate these into the purchasing strategy and supplier selection process. In addition, the Lufthansa Group maintains a close cooperation with its suppliers to promote compliance with rights and standards.

ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

The potential impacts, risks and opportunities identified during the materiality assessment with respect to workers in the value chain primarily relate to the following topics: ↗ **ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model.**

— Human and labour rights
— Social dialogue
— Training and development opportunities
— Diversity and inclusion

Impacts on suppliers and downstream business partners identified

As a globally operating aviation group, the Lufthansa Group is aware of the influence it has together with its suppliers and downstream business partners on upholding human and labour rights in the value chain. In this context, the following rights and obligations are particularly relevant. In addition to fair working conditions, safe employment, appropriate wages, freedom of association, and health and safety standards, aspects such as equality of opportunity and inclusion, equal pay for equal work, measures against violence and harassment in the workplace, and the prevention of child and forced labour play an essential role. Suppliers and business partners can also make a significant contribution to diversity within the value chain. The Lufthansa Group can indirectly influence its suppliers in this regard by fostering a culture of diversity. In addition, potential positive impacts on workers in the value chain include an improved social dialogue as well as the provision of training and development programmes for suppliers and business partners.

Opportunities focus on policies and more transparency

Based on the potential impacts described above, the material opportunities for the Lufthansa Group lie in its ability to introduce policies on human rights and gain more transparency in particular. This can enhance the Company's reputation, ensure financial and operational stability and enable access to regulated markets while simultaneously promoting human rights among its business partners. Promoting diversity among suppliers may improve the Company's ability to attract and retain qualified employees and thereby increase productivity and resilience throughout the value chain. Opportunities also arise from sustainability-related social dialogue and training programmes for suppliers. For example, workplace accidents and associated lost time as well as breaches of policies can be reduced while increasing efficiency in the supply chain.

Identified risks may affect both the value chain and the Lufthansa Group itself

In addition to the opportunities described, disregarding human and labour rights standards and diversity policies can pose risks. These risks may affect workers in the value chain as well as the companies of the Lufthansa Group. Possible repercussions include reputational damage and penalties for the Lufthansa Group, its suppliers and business partners. Social unrest such as strikes resulting from human rights violations may further lead to inefficiencies, reduced productivity and higher operating costs in the value chain. A failure to engage in social dialogue may also lead to inadequate consideration of the views of suppliers and business partners, which in turn can result in less resilient value chains and higher operating costs.

The Lufthansa Group's commitment to upholding human and labour rights and the resulting strategic implications are set out in its policy statement on human rights, the Supplier Code of Conduct and the procedure descriptions for the due diligence process. In this context, the Company aims to continue taking into account the identified potential impacts, risks and opportunities of its actions when developing sustainability-related strategies for the Lufthansa Group and in its supply chain operations. In order to take advantage of opportunities and mitigate risks as effectively as possible, the Lufthansa Group has implemented policies and due diligence processes in its business activities. These include the Supplier Code of Conduct and procedures for human rights and environmental supplier risk assessments. In particular, the risk assessment is intended to identify potential human rights violations in the supply chain at an early stage and mitigate them to the greatest extent possible. Another element of the due diligence processes is the implementation of development and corrective measures among suppliers. In this context, training and further education for business partners on the topics of environment, occupational safety and human rights provided by business partners represent a central opportunity for supplier development. As a signatory of the Diversity Charter the Lufthansa Group sees itself as a driver for diversity and places great value on respecting diversity among suppliers and business partners. Established channels such as the complaints procedure also enable the Lufthansa Group to engage with suppliers and business partners, solicit their views and enter into a dialogue on social and environmental topics.

The Lufthansa Group aims to uphold the rights of its employees and of those working through service providers at its sites and in the upstream and downstream supply chain while promoting their safety. The basis for respecting these rights includes, among other things, the Lufthansa Group Code of Conduct, occupational safety regulations and complaints management procedures.

In the upstream supply chain, the Lufthansa Group examines potential negative impacts and financial risks along the supply chain. The relevant employee types in the value chain include those working for business partners in the upstream value chain – in particular workers who provide various services or contribute to the production of technical components or goods as well as workers employed at the Lufthansa Group's sites by service providers. ↗ **S1 – Own workforce.**

Employees of suppliers in the downstream supply chain are considered primarily in the areas of logistics and in the procurement and distribution of services, as well as employees working in fully consolidated joint ventures within the Lufthansa Group. All affected groups are subject to the Lufthansa Group's regulations, including access to the complaints procedure.

Human rights and environmental risk analysis to protect the Lufthansa Group and its suppliers
The Lufthansa Group has established a risk management system with the goal of identifying, preventing and eliminating potential negative human rights and environmental impacts and legal rights infringements within its own business operations and along the supply chain. Within this framework, the Company conducts annual and ad hoc human rights and environmental risk analyses for all existing suppliers of the Lufthansa Group. At the core of the analyses are the protected rights under the German Supply Chain Due Diligence Act (LkSG) – including the prohibition of child labour and forced labour, the ban on all forms of slavery, compliance with occupational safety and freedom of association, adequate wages, the prohibition of discrimination and the promotion of equal opportunities.

Failure to comply with laws and frameworks relating to human and labour rights can lead to fines and potentially negative financial consequences for the Lufthansa Group as well as less resilient supply chains. Based on the 2024 human rights and environmental risk analysis, the Lufthansa Group considers freedom of association and occupational safety among its suppliers to be of particular relevance. In addition, potential negative impacts of the Lufthansa Group in relation to working conditions, equal treatment and other labour and human rights are taken into account. To adequately assess, weight and prioritise the potential negative impacts, suppliers are subjected to country, industry and media-based screening. The identified potential negative impacts are weighted and prioritised based on the adequacy criteria of the LkSG. The most recent analysis conducted during the reporting year indicated that potential negative impacts occur primarily in the transport and logistics sectors and in the hospitality industry. All direct suppliers are included in the risk analysis, in which they are weighted according to their priority for action.

The identified potential financial risks and opportunities relate to all workers in the value chain and are not limited to specific groups. Indirect suppliers are also subject to an ad hoc risk analysis if substantiated information is obtained.

Suppliers with potential negative impacts regarding child labour are located in Senegal and Sierra Leone, for example. Potential negative impacts in relation to forced labour and modern slavery have been identified in the United Kingdom and India, among other countries. The potential negative impacts identified in relation to working conditions, equal treatment and equal opportunities as well as other labour-related rights do not indicate a systemic effect and are not based on individual incidents but on the potential negative impacts determined in the risk analysis.

The Human Rights Officer informs the Lufthansa Group Executive Board annually about the results of the risk analysis. These results are also communicated to other key decision-makers, including the Group Works Council and the Group Economic Committee.

Impact, risk and opportunity management

S2-1 – Policies related to value chain workers

The Lufthansa Group's risk management is described in its LkSG policy statement
The Lufthansa Group expects its employees and suppliers to respect human and environmental rights, to prevent related impacts and risks and to avoid, mitigate or eliminate violations. The Lufthansa Group has established a risk management system to promote compliance with these due diligence obligations, which is described in the annual policy statement on the LkSG approved by the Executive Board. Alongside the Code of Conduct, the Group procurement policy and the Supplier Code of Conduct, the policy statement forms the basis for implementing the due diligence obligations under the LkSG and reflects the Lufthansa Group's expectations of its managers, employees and suppliers. It is publicly available on the Lufthansa Group website.

The policy statement applies worldwide to all consolidated companies of the Lufthansa Group unless they are legally required to publish their own statement. To monitor LkSG-related risk management, the Lufthansa Group has created the role of Human Rights Officer within the Human Resources and Infrastructure division. The Human Rights Officer reports directly to the responsible Executive Board member and the Group Executive Board. The Corporate Audit function regularly verifies that implementation is appropriate and effective. In addition, the Group Human Rights Steering Board has been established as a steering committee, which is capable of making recommendations on risk management. The policy statement addresses the following impacts, risks and opportunities identified in the materiality assessment: human and labour rights in the value chain, training and development opportunities in the value chain, and social dialogue in the value chain.

Group procurement guideline obligates suppliers to assume social and environmental responsibility

The Lufthansa Group expects its suppliers to respect human and environmental rights and to support the Lufthansa Group in preventing, minimising or eliminating related impacts and risks. The obligation to assume social and environmental responsibility is an element of the Group procurement guideline. This guideline is a mandatory requirement for all purchasing units of Group companies and their employees involved in the procurement process, and is centrally approved by the Group Executive Board. It is accessible to all employees on the intranet. By including obligations in contracts with suppliers, the Lufthansa Group endeavours to ensure responsible practices by its direct suppliers in order to meet its own standards for corporate responsibility and prevent negative impacts. The suppliers’ obligations include adherence to the ten principles of the UN Global Compact, the four core labour standards of the International Labour Organization and contractual requirements under the German Corporate Due Diligence in Supply Chains Act (LkSG). The Group procurement guideline addresses the following IROs identified in the materiality assessment: human and labour rights in the value chain.

Supplier Code of Conduct describes the basic rules of cooperation for suppliers

The Supplier Code of Conduct applies to all suppliers of the Lufthansa Group. It primarily addresses three core sustainability areas: environmental protection, social aspects and responsible corporate governance. It sets the minimum standards for suppliers, their employees and subcontractors. The focus is on respecting human rights, complying with labour and health standards, protecting the environment and conducting business with integrity. The Lufthansa Group expects its suppliers to comply with the applicable laws and regulations of the countries in which they procure, manufacture, offer or supply products or services. The Lufthansa Group does not tolerate any unethical business conduct such as corruption, bribery, forced labour, child labour or violations of environmental, labour and social standards, and expressly prohibits such practices. The Supplier Code of Conduct is approved by the Senior Vice President Procurement Group and is publicly available on the Lufthansa Group website. In addition, supplier contracts refer to it. The Supplier Code of Conduct takes into account the following IROs identified in the materiality assessment: human and labour rights in the value chain and diversity and inclusion in the value chain.

Lufthansa Group policies take international frameworks into account

Integrating human rights and sustainability into the business processes, policies and global supply chains of the Lufthansa Group is an ongoing task. In doing so, the Company aligns itself with key international conventions and declarations such as:

- the United Nations’ Universal Declaration of Human Rights,
- the International Covenant on Civil and Political Rights (ICCPR),
- the International Covenant on Economic, Social and Cultural Rights (ICESCR),
- the four core labour standards of the International Labor Organization (ILO),
- the UN Guiding Principles on Business and Human Rights,
- the ten principles of the UN Global Compact,
- the OECD Guidelines for Multinational Enterprises,
- the International Air Transport Association (IATA) Resolution against Trafficking in Persons and
- environmental agreements such as the Minamata Convention on Mercury, the Stockholm Convention on Persistent Organic Pollutants and the Basel Convention on the Transboundary Movement of Hazardous Wastes.

S2-2 – Processes for engaging with value chain workers about impacts

Engaging with workers in the value chain on relevant decisions

The Lufthansa Group pursues a needs-based approach to the inclusion of workers in the value chain. In this context, the Lufthansa Group takes into account the perspectives of workers in the value chain through processes such as human rights and environmental risk analysis as part of due diligence procedures and the targeted inclusion of suppliers. This ensures that potential material impacts are addressed proactively. The views of workers in the supply chain may also be obtained through on-site audits and supplier questionnaires as part of preventive and remedial measures. In addition, procurement officers may directly contact suppliers and their employees.

Involving stakeholder representatives, such as works councils and trade unions, offers another way to capture the interests of workers in the value chain, mitigate potential impacts and introduce remedial measures in the event of violations. Such involvement occurs as needed and is triggered, for example, by a complaint, a detected potential impact or a rule violation that leads to appropriate remedial action.

In light of the introduction of the LkSG in the reporting year, cross-sector dialogues and discussions with the business community were used to share initial knowledge and experiences. For example, the Lufthansa Group Human Rights and Non-Discrimination Team and Group Procurement regularly take part in events such as the Peer Learning Group Human Rights of the UN Global Compact's German network and the econsense Forum for Sustainable Development of German Business. In addition, the Lufthansa Group Human Rights Officer, together with econsense, has established a Human Rights Officer Roundtable to share experiences on effective risk management.

The Human Rights and Non-Discrimination Team coordinates the Lufthansa Group's activities regarding its human rights responsibility as defined by the LkSG. The Group Procurement Team manages risk with regard to the Lufthansa Group's suppliers. Both teams are supported by contact persons from specialist departments such as Occupational Health and Safety, Human Resources, Compliance and Procurement, as well as by Key Accounts from priority Lufthansa Group companies.

S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns

Complaints procedures

Complaints and reports regarding potential negative human rights and environmental impacts or compliance violations by suppliers can be submitted confidentially using an electronic whistleblower system or the external ombudsperson for the Lufthansa Group. Moreover, in their contracts, suppliers are prompted to notify their suppliers and their suppliers' employees of the Lufthansa Group's reporting channels. The Lufthansa Group's rules of procedure on handling reports are available on the Company's website. The Human Rights and Non-Discrimination Team consolidates all complaints and forwards them to the Group Procurement Team. If necessary, the Human Rights and Non-Discrimination Team also provides technical support to the Group Procurement Team. In cases of specific negative impacts or assigned measures, the Group Procurement Team contacts suppliers directly. The Human Rights and Non-Discrimination Team may also initiate contact with workers in the value chain as part of the complaints procedure. Interaction may be initiated either by a central expert team in Procurement, by the responsible procurement officers or by the Human Rights Officer.

The complaints procedure is designed to be transparent for the reporting party while ensuring confidentiality, data protection and respect for legally protected interests. If the Lufthansa Group Human Rights Team deems a complaint credible, it is forwarded to the responsible department, which then investigates the matter and contacts the whistleblower to discuss the complaint and obtain a detailed account of the incident. For this purpose, the whistleblower must either provide contact details when submitting the complaint or, in the case of an anonymous complaint submitted using the electronic whistleblowing system, have a designated mailbox that permits communication. The main investigation may include, depending on the case, interviews with suppliers, witnesses or other parties with knowledge of the matter. Based on the outcome of the investigation a decision is made on which remedial or preventive measures are necessary to end the identified negative impacts or violations, mitigate their extent or prevent a recurrence. Such measures may include repercussions under labour law for employees or the termination of business relationships. The whistleblower is informed of the conclusion and outcome of the complaints procedure. After the complaints procedure concludes the Lufthansa Group monitors the implementation of remedial measures. The results of the implementation are evaluated. This may, depending on the case, involve further correspondence with the whistleblower.

Within the framework of the complaints procedure, the Lufthansa Group has established various reporting channels. Complaints may be submitted in writing using the Lufthansa Group's electronic whistleblowing system (including anonymously), or in writing, by telephone or in-person to the Lufthansa Group's ombudsperson, by email to the Lufthansa Group Human Rights Office or by post to the registered office of Deutsche Lufthansa AG.

Information on how to reach these reporting channels – including telephone numbers, website links, email addresses, registered addresses and details about the ombudsman – is provided in the complaints procedure document available on the Lufthansa Group website. The Lufthansa Group's electronic whistleblowing system and the ombudsperson are available in several languages. Employees of the Lufthansa Group may also submit complaints using any of the channels agreed for this purpose between employee representatives and the respective Lufthansa Group company.

The effectiveness of the complaints procedure is reviewed at least once a year and on an ad hoc basis. A review occurs on an ad hoc basis when the Lufthansa Group anticipates a significantly changed or expanded risk situation in its own business area or among its direct suppliers – for example, due to the introduction of new products, projects or a new business segment. The review covers, among other things, the actual utilisation of the complaints procedure by whistleblowers, compliance with the rules of procedure, monitoring of any remedial measures taken, and, if necessary, adjustments to the risk analyses required under the LkSG. The Human Rights Officer and Corporate Audit department of the Lufthansa Group conduct the review of the complaints procedure's effectiveness. To promote the inclusion of end users and stakeholders, the Lufthansa Group instructs its suppliers in their contractual documents to inform their employees, including their own suppliers and their employees, that the Lufthansa Group has provided complaint channels for them to use.

In 2024, six incidents were reported via the Lufthansa Group's complaints channel in relation to sexual harassment (2), withholding of adequate wages (2) and unequal treatment (2). These complaints were thoroughly examined and feedback was obtained from the relevant suppliers. Following a detailed review, none of the complaints could be substantiated at the time of reporting, so no further remedial action was taken. Consequently, no substantiated cases of non-compliance with the referenced international frameworks concerning workers in the value chain were identified during the reporting year.

Protection against retaliatory measures for whistleblowers established

The Lufthansa Group follows a zero-tolerance policy regarding retaliation against whistleblowers and, as far as legally possible, protects those reporting concerns from any disadvantage arising from their complaints. In principle, every complaints procedure is conducted confidentially and no one outside the procedure is informed of the whistleblower's identity. Exceptions to this rule exist only where legally permitted under the German Whistleblower Protection Act. Employees of the Lufthansa Group are protected in all Group companies against disadvantages, disciplinary measures and discrimination because of a complaint.
Retaliation against whistleblowers is not tolerated. Such measures are investigated if reported to the Lufthansa Group through the designated complaint channels. Disciplinary measures may be taken against those against whom a complaint is lodged. If a report of retaliation against a whistleblower is received, the complaints office must be informed immediately. Whistleblowers who are not employees of the Lufthansa Group also receive corresponding protection. The Lufthansa Group intends to ensure with its suppliers that no investigations are conducted to determine a whistleblower's identity and that whistleblowers are neither disadvantaged nor penalised. Personal data is collected, processed, transmitted and stored during the complaints procedure in compliance with data protection requirements. Section 10 (1) LkSG applies. Whistleblowers are informed on the website through which the electronic whistleblowing system is accessed about how they will be protected and can choose to remain anonymous. The Lufthansa Group further emphasises on the website that it protects whistleblowers from retaliation. These provisions are described in the publicly available Rules of Procedure for Complaints.

S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

Sustainability criteria are considered in supplier selection

The Lufthansa Group has adapted its procurement processes so that sustainability criteria play a key role in supplier selection. For example, human rights and environmental requirements are included in the specification during the tender process. They are to be included in the evaluation matrix for supplier selection.

Before concluding contracts, suppliers are generally assessed for compliance with human rights, labour and environmental standards and integrity. A supplier review process is conducted to detect potential risks and negative impacts. If a supplier falls within a risk category, an in-depth review will be carried out, including external sources, if necessary. By incorporating obligations into contracts with suppliers, the Lufthansa Group aims to achieve responsible conduct among its direct suppliers so that risks of negative impacts are prevented from arising in the first place. In its review, the Company considers both external data sources and internal insights such as information received through complaints channels including the anonymous whistleblowing system. Through the inclusion of human rights and environmental aspects in the procurement process, the Lufthansa Group aims to ensure that business relationships are only established with companies that share and implement its requirements. In addition, suppliers are informed about the expectations the Lufthansa Group places on its suppliers in the tender documents referencing the Supplier Code of Conduct.

Freedom of association for workers in the value chain has been deemed particularly relevant by the Lufthansa Group. As part of the risk analysis, freedom of association is continuously monitored and evaluated. Global framework agreements are yet to be concluded with international trade union federations in this context.

Remedial measures jointly developed with affected companies as required

A weekly exchange takes place between the experts from the Human Rights Department and Group Procurement. In these meetings, any complaints and material negative impacts are discussed along with possible measures and further action. The central expert team from Group Procurement monitors the implementation of measures.

If the Lufthansa Group detects an actual or imminent violation of human rights or environmental obligations, it introduces appropriate remedial and preventive measures. In cases when it is not possible to eliminate, prevent or minimise a violation in relation to a supplier, the Lufthansa Group develops and implements an appropriate remedial and/or preventive policy. Various measures are considered when developing and implementing a remedial policy. The first step is to develop and implement a plan to eliminate or minimise the violation together with the responsible company. To reduce risk, the business relationship may be temporarily suspended. As a last resort, the Lufthansa Group reserves the right to terminate the business relationship.

The Lufthansa Group then monitors the implementation of the remedial measures. The results of the implementation are evaluated. Depending on the case, this may also involve correspondence with the whistleblower.

If potential negative impacts are detected in relation to a supplier, the Lufthansa Group selects appropriate measures according to a defined logic based on risk categories. A central team of experts from Procurement take care if this for suppliers. Measures will subsequently be agreed with the supplier in consultation with the responsible purchasers with related discussions and follow-up. Potential measures may involve, for example, awareness training, statements or contract reviews with possible adjustments.

If a specific negative impact is identified in relation to a supplier, the Lufthansa Group also reviews whether it contributes to the issue. This involves reviewing delivery times, purchase prices and the duration of the contractual relationship. Based on this review, appropriate remedial measures are either implemented immediately or targeted action plans are developed.

Regarding business partners in the upstream and downstream value chain, the following prevention measures were carried out, planned or implemented in 2024: Over 200 internal and external investigations of critical suppliers and external incidents were concluded, with more than 50 further investigations initiated. Furthermore, over 25 self-assessment questionnaires were collected from business partners, and, in ten cases, further information was requested in the form of individual statements and direct correspondence with suppliers. A supplier training programme was also conducted, and, in ten cases, additional documents were requested from suppliers, seven of which have already been reviewed. These documents include certificates, codes of conduct, anti-discrimination and human rights procedures, as well as rules of procedure for supplier grievance mechanisms. Additionally, contracts concluded by the Lufthansa Group with seven suppliers were reviewed, including their terms and conditions, and were revised or supplemented to include ESG criteria where necessary. The implementation and monitoring of these measures are carried out by a central expert team from Group Procurement, who work in collaboration with the responsible purchasers. Measures taken are intended to continuously improve the Lufthansa Group's supplier base, particularly with regard to human rights aspects. So far, the Lufthansa Group has not specifically examined direct opportunities in relation to workers in the value chain and has therefore not defined any further measures in this regard.

Human Rights Officer ensures integration within the Company

To oversee risk management, the role of human rights officer was established within Human Rights and Infrastructure, reporting directly to the Executive Board member. This role is exercised by the Vice President of Labor Relations Ground. The Human Rights Officer reports to the Group Executive Board on the work of the responsible employees on a regular and ad hoc basis. Corporate Audit is deployed to support the Human Rights Officer and to conduct implementation-level audits. The Corporate Audit department regularly verifies that implementation is appropriate and effective. In addition, the Group Human Rights Steering Board was established as a governance body to provide recommendations and guide decisions on risk management. The board is chaired by the Human Rights Officer and comprises the heads of the Sustainability, Compliance, Audit, Procurement and Occupational Safety departments.

Audits help to ensure compliance with human rights and environmental due diligence

Audits are conducted within the Lufthansa Group to verify whether human rights and environmental due diligence obligations are being upheld and whether the Lufthansa Group's risk management system is adequate. These audits are primarily conducted by Corporate Audit. For direct suppliers, and, where necessary, for indirect suppliers, audits may be carried out by external auditors in individual cases. Additionally, audit findings contribute to the sustainability-focused design of procurement processes and purchasing strategies.

The allocation and follow-up of preventive, mitigating and remedial action in relation to direct suppliers and the implementation of due diligence requirements in relation to indirect suppliers are also electronically tracked and evaluated. As a result, measures are tracked on a continuous basis. A measure with a positive outcome can contribute to improving the risk assessment, whereas a measure with a negative outcome, such as an audit with critical findings, can contribute to a deterioration in the risk assessment. Media monitoring is also conducted for high-risk suppliers. Violations identified through media observation, grievance mechanisms or other findings also contribute to a deterioration in the risk assessment. The assessment continuously reflects the current risk situation and assists with evaluating the effectiveness of measures taken.

Lufthansa Group is committed to promoting occupational safety for workers in the value chain
The Lufthansa Group is committed to occupational safety for employees in joint ventures and at supplier companies. In addition to regular employees, the Lufthansa Group also seeks to focus on particularly vulnerable groups. This commitment is supported through various initiatives outlined in the Lufthansa Group's Code of Conduct, Supplier Code of Conduct and policy statement on respecting human and environmental rights. Among other conditions, the Supplier Code of Conduct set forth requirements for ensuring occupational safety and health protection, as well as compliance with applicable rights at the place of employment for workers in the value chain.

Metrics and targets

S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Group Procurement at Lufthansa Group is committed to accounting for material impacts, risks and opportunities related to workers in the value chain when developing relevant procurement processes. The purpose behind this is to identify potential human rights, environment-related and compliance risks and violations in the supply chain in order to prevent, minimise or eliminate these risks and violations through appropriate measures. Targets are defined on the basis of results from previous risk assessments and complaints received through the complaints procedure. Depending on the case, insights gained from this process feed into the continuous development of the risk management system.

The overarching targets have been broken down and specified for relevant areas. These include, for example, the implementation of a risk assessment for existing suppliers using a previously implemented risk assessment system, as well as continuously updating supplier questionnaires based on regulatory requirements and insights, such as those obtained from risk assessments. Another target is to continuously update relevant clauses in contract templates, along with ongoing efforts to improve and further develop sustainability performance among suppliers. If an action is deemed necessary, specified measures are to be agreed upon with suppliers.

S4 – CONSUMERS AND END-USERS

A clear focus on customers, operational stability, innovative products and services and an emphasis on quality are essential for the Lufthansa Group. The Lufthansa Group places reliable travel solutions, customer services, personalised experiences and simple, flexible processes at the core of its operations. They are essential for long-term customer relationships.

The Lufthansa Group's customer base ranges from private and business travellers to corporate customers such as logistics and freight companies, as well as airlines and MRO service providers. The Company's portfolio is further complemented by flight schools and aviation organisations that use the Lufthansa Group's training solutions.

Overview of material impacts, risks and opportunities

The Lufthansa Group places great importance on data protection to ensure that customers can make informed decisions while keeping their personal data secure. This strengthens customer trust, enhances customer loyalty and brings down customer service costs. High-quality information is critical, as liability costs and regulatory penalties due to accidents or misleading information can erode customer trust and loyalty. Customer health and safety are also of paramount importance, as improper handling and maintenance of Lufthansa Group products and services could pose risks of injuries or accidents. Effective safety management increases customer satisfaction and provides competitive advantages. A complete overview of the Lufthansa Group's material impacts, risks and opportunities can be found under ↗ **ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model.**

Strategy

ESRS 2 SBM-2 – Interests and views of stakeholders

Customer perspectives, interests and rights are integrated into the development of the Lufthansa Group's business model through feedback on its products and services. Based on this input, the product portfolio is continuously adapted in close consultation with customers. Adjustments are tested and reviewed in the designated Co-Creation Hub. This allows customers to play an active role in shaping and refining products. Decisions made on this basis also influence the development of Lufthansa Group's strategy and the setting of key priorities. Accordingly, the Lufthansa Group aligns its strategy and business model with customer feedback, customer behaviour and technological advancements. ↗ **ESRS 2 SBM-2 – Interests and views of stakeholders.**

ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

The Lufthansa Group aims to uphold personality rights, security and the protection of personal data for all customers, while also taking individual needs into account, such as those of children, individuals with reduced mobility or leisure travellers.

The Lufthansa Group has identified potential negative impacts associated with certain products and services that could affect health and safety. These include catering services and potential malfunctions of products or services.

To mitigate safety risks related to products or services, the Lufthansa Group provides an internal procedures manual. This manual specifically addresses compliance with internal codes of conduct and procedures related to health and safety, personal security and child protection. Through these measures, the Lufthansa Group aims to ensure the responsible use of its products and services while establishing standards for all employees.

The Lufthansa Group sees significant opportunities in aligning its business model with customer preferences to gain competitive advantages. These include incorporating customer feedback into improvements, establishing loyalty programmes and generating demand for business-class travel among leisure travellers.

Through the introduction and sale of Green Fares and Sustainable Choice offerings at Lufthansa Cargo, the Lufthansa Group also sees an opportunity to gain an edge over competitors that do not offer comparable ticket options or additional purchasable product add-ons. Green Fares and Sustainable Choice enable Lufthansa Group customers to offset the calculated carbon emissions of their flights.

Data protection, privacy and security are customer benefits

As the foundation of a trusted business relationship, the Lufthansa Group is committed to protecting the personal data of its customers. Failure to comply with data protection laws, such as the General Data Protection Regulation (GDPR), and endangering customer security are considered potential risks, as they could lead to fines, penalties and reputational damage. The Lufthansa Group also acknowledges a growing risk of cyberattacks due to increasing digitalisation.

Opportunities arise from trust-based business relationships built on strong data protection practices, leading to enhanced customer satisfaction. Through its information security management system, which operates within the framework of the Group’s data protection policy, the Lufthansa Group aims to ensure the systematic and sustainable protection of information while balancing operational and economic considerations. The goal is to safeguard information against manipulation, unauthorised access and loss while maintaining a robust level of security. The required degree of information security depends on the sensitivity of the data being processed and, while taking economic efficiency into account, on the availability of future-proof technologies.

Lufthansa Group committed to protecting customer health and safety

The Lufthansa Group recognises that its products and services may pose risks to the health and safety of its customers across all customer groups. Identified risks could arise from inadequate maintenance, in-flight catering or hygiene standards. The Lufthansa Group considers global pandemics and disease outbreaks to be potential risks, as these can affect passenger numbers and require enhanced health protocols on aircraft. The Company considers the introduction and enforcement of stringent health and safety standards, coupled with clear communication, as an opportunity and a means of improving trust among passengers. These measures contribute to customer loyalty by ensuring that passengers feel safe and well-informed.

Lufthansa Group pursues responsible marketing practices and product information

Marketing activities present risks for the Lufthansa Group when misleading advertisements or inaccessible product information undermine customer trust or lead to legal liability and compensation claims. The Company is therefore committed to ensuring that its product claims and product information are truthful and not misleading, minimising the risk of lawsuits and associated reputational damage.

Lufthansa Group supports families and people with disabilities

The Lufthansa Group acknowledges both risks and opportunities related to serving families and people with disabilities. While rising operational costs due to evolving global regulations governing the protection of these groups present a risk, opportunities exist in the positive societal impact of offering tailored services.

The Lufthansa Group recognises that families travelling with infants and young children face unique challenges. To address this, the Lufthansa Group provides special safety measures on board, such as specialised seat belts and seats equipped with additional oxygen masks. For unaccompanied minors, the Lufthansa Group offers additional care services to support their safety and well-being during flights.

To further support families, particularly those with young children, Lufthansa Passenger Airlines provides family-friendly services, such as priority boarding for families, in-flight entertainment for children and special meal options. These services enhance child safety while also improving the overall travel experience for families with small children, increasing customer satisfaction.

To improve accessibility for people with disabilities, the Lufthansa Group offers additional assistance beyond the standard passenger processes. This includes special support during boarding and enhanced access to digital information on websites and mobile apps. The introduction of accessible user interfaces, larger font sizes, higher screen contrast and simplified navigation makes the apps easier to use.

Opportunities and risks in thoughtful product design

The Lufthansa Group recognises that the design of its products and services can have both negative impacts and associated risks, as well as opportunities. In the premium segment, for example, high prices for flights and services of the Lufthansa Group may be unaffordable for disadvantaged individuals, potentially excluding them, which has a negative impact. At the same time, premium offerings and the associated limited accessibility and affordability for certain customer groups present financial risks, such as revenue loss and reputational damage. Passengers with limited mobility or special needs may also be affected by negative impacts. Significant impacts arise from potential service gaps for these passengers, such as difficulties faced with regard to airport accessibility or boarding and disembarking. The Lufthansa Group offers a variety of travel classes and service packages to accommodate different needs. For passengers affected by delays, the Lufthansa Group provides services such as rebooking options and hotel accommodation. Any shortcomings along the customer journey are identified through Passenger Satisfaction Tracking (PST).

When designing its products, the Lufthansa Group acknowledges that environmentally conscious consumers are increasingly concerned about climate change and expect more sustainable business travel options. These customers are highly sensitive to companies' environmental footprints and prioritise sustainable alternatives when choosing their means of transport. For the Lufthansa Group, it is therefore of relevance to understand how strongly these consumers are influenced by environmental concerns and how climate change affects their decision-making patterns. This includes concerns about carbon emissions and the overall environmental impact of air travel. In response, the Lufthansa Group provides customers with information on the carbon emissions of individual flights. The Company is working to better understand these needs and concerns in order to derive targeted measures to reduce its own environmental impact. This includes offerings such as Green Fare tickets and the Sustainable Choice product add-on option from Lufthansa Cargo.

Capital expenditure in digital products and services also presents opportunities for improving the customer experience and product design. Examples include AI-powered customer service, automatic flight rebooking and data-driven personalisation.

Impact, risk and opportunity management

S4-1 Policies related to consumers and end-users

The Lufthansa Group places great importance on valuing and including people regardless of their national or ethnic background, gender, religion, beliefs, disability, age or sexual identity. The Company is firmly opposed to all forms of discrimination and has anchored this principle in a policy statement. ↗ **S2-1 – Policies related to workers in the value chain.**

The Lufthansa Group's goals include ensuring the health and safety of its customers and guaranteeing the comprehensive protection of personal data. Both aspects are firmly embedded in the Company's Code of Conduct. ↗ **G1-1 – Corporate culture and business conduct policies.**

By strictly adhering to global data protection regulations and fostering integrity across the entire Lufthansa Group, the Company works to uphold these standards. Relevant information is freely available on the Lufthansa Group's website. The effectiveness of these measures is continuously monitored and actively promoted by the Executive Board of the Lufthansa Group. ↗ **G1-1 – Corporate culture and business conduct policies.**

Data guideline serves data protection at the Lufthansa Group

The Lufthansa Group aims to use digital technologies responsibly for all customers and ensure the protection of personal customer data in accordance with its corporate data protection guideline. This guideline is designed to safeguard customer privacy and ensure the security of their data. In addition to compliance with applicable data protection regulations, the guideline also incorporates additional regulatory requirements. Approved by the Lufthansa Group's Executive Board, the guideline applies across all areas of the Lufthansa Group and is accessible to all employees.

Lufthansa Passenger Airlines implement safety policies and communication measures

Within its Passenger Airlines division, the Lufthansa Group prioritises the safety of its passengers. The Company seeks to minimise flight-related risks for customers when flying with Lufthansa Group airlines. Furthermore, Passenger Airlines aims to protect its passengers against external threats. For example, aircraft are secured in accordance with applicable regulations when no crew is on board. This includes extensive access controls through electronic security systems, aircraft being parked in secured areas and the installation of security locks and seals in sensitive areas, which are subject to regular inspections.

The Company has implemented comprehensive policies to address the needs of specific passenger groups. In this way the Lufthansa Group aims to ensure their safety. The focus is on children and people with disabilities. The Lufthansa Group offers dedicated services for these groups, including designated seating areas. Unaccompanied minors are accompanied by trained personnel for the entire duration of their flight. Detailed procedures for handling unaccompanied minors and passengers with limited mobility are integrated into the Company's booking systems and implemented by the Lufthansa Group's ground staff and flight crews.

Lufthansa Passenger Airlines also works to personalise customer communications based on preferences and travel history. This includes tailored offers, travel recommendations and loyalty rewards communicated across multiple channels. The use of customer data to tailor services is carried out in compliance with data protection regulations and with consent from customers.

Additionally, the Lufthansa Group follows international frameworks that apply to its customers, such as the International Air Transport Association (IATA) resolution against human trafficking and the International Covenant on Economic, Social and Cultural Rights. ↗ **S2-1 – Policies related to workers in the value chain.**

Lufthansa Technik applies structured management approaches for corporate customers

Lufthansa Technik has established management processes for addressing material impacts, risks and opportunities related to its customers. Its services are specifically tailored to the needs of corporate customers. The intention is ensuring full compliance with legal and aviation regulations at the same time. This guarantees consistent and high-quality customer service across all business areas. The Integrated Management Manual provides an overview of Lufthansa Technik's process-oriented, integrated management system. It serves as a reference for all employees, managers, regulatory authorities and corporate customers. The manual defines key processes designed to ensure that Lufthansa Technik's sales department operates in line with customer requirements and quality standards. Additionally, core procedures are incorporated in supplements from the aviation authority and the corresponding documentation system. These systems and policies apply to all Lufthansa Technik employees, as well as the affiliated companies listed in the Integrated Management Manual, including worldwide branches, subsidiaries and equity investments of Lufthansa Technik AG in companies in Germany and abroad. The aim is to ensure consistent service quality and provide corporate customers with the necessary information on the reliability and safety of Lufthansa Technik's services. This approach is intended to mitigate risks and ensure that all end users have the information required for the safe and effective use of Lufthansa Technik products and services. Measures in all business areas are based on clearly defined processes, policies, guidelines and manuals. They include regular training, adherence to established standards and the consistent use of checklists, which are continuously reviewed and updated. Measures are implemented according to department-specific requirements and adapted to individual operational needs.

S4-2 – Processes for engaging with consumers and end-users about impacts

The Lufthansa Group actively engages in dialogue with customers, suppliers, authorities and the public, incorporating both internal and external feedback. This can help to improve safety and quality standards. Within the Lufthansa Group, the Customer Journey division oversees customer experience initiatives. The highest authority responsible for the operational execution of these initiatives is the Chief Commercial Officer of Passenger Airlines.

The Lufthansa Group strengthens customer engagement through a range of communication channels

The Lufthansa Group maintains contact with its customers through various channels, including call centres, email, live chat, social media, its website and in-person interactions at airports for Passenger Airlines. For compliance-related concerns, the Company also offers a direct reporting option with the Speak-up web portal. An internal, cross-functional panel of experts at the Lufthansa Group, dedicated to enhancing customer focus, discusses customer feedback and evaluates potential measures. To support proactive communication, employees of Passenger Airlines may contact customers after a flight to request feedback. This initiative aims to improve service quality and customer satisfaction. Participation in these surveys is voluntary. Customers can opt out of receiving survey requests. This process is included in the Lufthansa Group's Code of Conduct.

Lufthansa Technik also engages with customers through competitive tenders, regular meetings, consultations, conferences, trade fairs and on-site visits with corporate customers to gain insight into their needs. When necessary, the relevant sales teams also initiate direct customer outreach. Depending on the product, multiple points of customer contact can be utilised.

Lufthansa Technik continuously assesses the effectiveness of its collaboration with corporate customers. This aims to ensure that their needs and expectations are met. In tender processes, sales managers are responsible for incorporating as many customer requests as possible. At the same time, they adhere to the guidelines outlined in the Integrated Management Manual and other relevant documents, while also considering current economic conditions.

At Lufthansa Cargo, most customer interactions occur with forwarders. Business-critical information is shared between Lufthansa Cargo's corporate customers on a regular basis in sales and advisory meetings. These interactions primarily take place through sales and service employees, digital channels such as company websites or platforms, partnerships, and industry trade fairs. Lufthansa Cargo also provides continuous updates on company developments in newsletters distributed by its Executive Board.

At Lufthansa Aviation Training, the sales department serves as the link between the company and its customers. Collaboration is conducted by employees who manage a designated customer base through written correspondence or personal interactions. This takes place at regular intervals, at least quarterly. In the case of ad hoc requests, the requests are discussed directly with the responsible sales representatives. The objective is to build long-term, trust-based customer relationships and ensure customer satisfaction. This results in the conclusion of framework agreements that provide a flexible foundation for long-term business partnerships.

Lufthansa Systems does not have direct contact with consumers. It nevertheless takes their interests and concerns into consideration. The company provides customer contact options through its service management process. The focus in this regard is on product-related services such as change requests or technical support. Corporate customers also have the opportunity to raise issues on behalf of their end users. These concerns can be addressed in regular meetings or directly with a designated contact person. All topics are reviewed between service management and product organisation to determine potential actions.

Customer satisfaction measured through various tools

Lufthansa Passenger Airlines utilises various tools to analyse the customer experience and customer requirements. All customer data collected in this way is analysed anonymously. In addition to monthly social media analysis and continuous engagement with premium customers, a Passenger Satisfaction Tracking programme is also in place. It receives over 30,000 customer responses each month, which provide insights into the travel experience across the entire travel chain. The survey used to obtain feedback was developed in collaboration with multiple departments and is generally updated once a year. It is used to identify specific customer trends and derive targeted actions as needed.

Additionally, the Passenger Airlines segment operates a dedicated online platform, the Co-Creation Hub. The platform is intended to promote the sharing of ideas and development of forward-looking solutions, and to enable collaboration between internal and external stakeholders. This platform facilitates collaboration between internal and external stakeholders to develop and test products and services that meet customer expectations. Customers are involved in product development through surveys, workshops and interviews. During the reporting period, the Co-Creation Hub was used for projects covering both digital and operational innovations. These initiatives aimed to optimise internal processes and enhance customer experience. Notably, the involvement of partner companies, start-ups and academic institutions contributed to a dynamic and diverse ideation process. In addition, Lufthansa Passenger Airlines customers who consent to follow-up contact receive a request for feedback on their travel experience three days after their flight.

Beyond direct feedback after a flight, the Lufthansa Group has also implemented a formal feedback process using the Net Promoter Score (NPS). This metric assesses the customer recommendation rate and is used by Passenger Airlines, Lufthansa Technik and Lufthansa Cargo to identify suitable opportunities for improving customer satisfaction. Insights from NPS surveys are used to increase transparency on customer satisfaction and initiate improvement measures. The NPS or customer satisfaction (CSAT) score is also derived from the PST survey described above.

The Lufthansa Group's product management team for corporate customers conducts global surveys on product preferences and areas for improvement. The surveys are conducted in phone calls with corporate customers throughout the year. After evaluating the survey results, the Lufthansa Group works on adjusting its products based on customer feedback. The Chief Commercial Officer of Lufthansa Passenger Airlines has the highest level of responsibility in this process. To make effective use of survey findings, the Company tracks product sales and engages in discussions with purchasing managers, drawing on their experiences with customers.

The Lufthansa Cargo Customer Experience Team also conducts periodic surveys. These aim to gather feedback on customer satisfaction and other relevant topics. Additionally, every two years, Lufthansa Cargo carries out a more extensive survey focusing on service quality, customer satisfaction, improvement suggestions, efficiency and complaints management. For this survey, corporate customers are contacted by an external agency by telephone or email and asked to provide detailed opinions and feedback. In addition, account managers at Lufthansa Cargo regularly hold personal phone conversations with corporate customers to discuss experiences, current concerns and potential areas for improvement. These customer interactions are overseen by the Customer Experience Council, account managers and Lufthansa Cargo department heads. Additional feedback is collected on a case-by-case basis following customer service interactions related to transport irregularities, services and claims & complaints. This process ensures comprehensive support and coordination are provided across all relevant areas. Based on these surveys, structural issues are identified, and concrete actions and measures are developed. These insights feed into quality management, customer service and product adaptations at Lufthansa Cargo.

At Lufthansa Aviation Training, participants are asked to provide feedback at the end of their training sessions by completing a survey. The results are evaluated monthly by training supervisors, who then define, implement, and monitor individual improvement measures. After implementation, a follow-up survey is conducted to assess the effectiveness of these measures.

The Lufthansa Group ensures transparency with regard to environmental impacts

The Lufthansa Group sales team conducted numerous interviews and surveys during the reporting year to assess desire among corporate customers to reduce carbon emissions in air travel and their willingness to pay for this. According to the findings, willingness to pay to reduce carbon emissions is higher in Europe than in other regions. This is partly due to the introduction of the EU Taxonomy and the Corporate Sustainability Reporting Directive. Insights into the impact of carbon emissions were gathered through customer feedback, market analyses and direct discussions.

During the booking process for Green Fares, consumers receive clear information about the environmental impact of these tickets. This ensures customers obtain full transparency regarding the related impacts. The Lufthansa Group aims to increase the acceptance and uptake of Green Fares. Additionally, the Lufthansa Group seeks to ensure that corporate customers include Green Fares in their corporate travel policies by providing transparency on environmental impacts during the booking process. The Chief Commercial Officer is ultimately responsible for this initiative. It may be possible to sell more of these fares for business travel in this way. When corporate customers adopt a Green Fares travel policy, it is integrated into their corporate agreement with the Lufthansa Group. This approach is intended to encourage more corporate customers to establish agreements with the Lufthansa Group for the use of Green Fares. At Lufthansa Cargo, carbon transparency is also provided in the booking process, and customers can request an emissions report.

The Lufthansa Group aims to avoid barriers for customers

The companies of the Lufthansa Group dedicated to corporate customers – including Lufthansa Systems, Lufthansa Cargo, and Lufthansa Technik – have not identified any particularly vulnerable or marginalised customer groups within their business segments. Nonetheless, the Lufthansa Group aims to ensure that no barriers are encountered by marginalised groups, including individuals with disabilities and children, when using air travel. This commitment also extends to training programmes offered by Lufthansa Aviation Training, provided that the relevant aviation authorities confirm the individual's fitness to fly. The overarching objective is to promote accessibility and inclusion across all Lufthansa Group products and services.

S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

Complaints procedures to inform the Lufthansa Group of potential human rights or environmental violations

A central complaints procedure has been introduced to enable the Lufthansa Group to receive reports of human rights and environmental impacts or violations of standards within the Lufthansa Group or by its suppliers in the event of a dispute. The Lufthansa Group Rules of Procedure are designed to ensure that every complaint is handled with care, maintaining confidentiality, data protection and legally protected interests. Anyone can report human rights or environmental impacts or violations by the Lufthansa Group or its direct suppliers. Whistleblowers may also include Lufthansa Group customers.

Reports can be made by email, via an electronic whistleblowing system or to an external ombudsperson.
↗ **S2-3 – Processes to remediate negative impacts and channels for workers in the value chain to raise concerns.**

Beyond human rights and environmental impacts or the complaint channels mentioned above, Lufthansa Group customers may also raise concerns regarding the Lufthansa Group's products and services. Reports may be submitted in writing, for example by email, on the website, or by calling the call centres. Customers receive a ticket number, which Lufthansa Group employees use to process the complaint. Additionally, complaints can be submitted on the website by completing a form provided on the website. The Lufthansa Group regularly reviews the effectiveness and accessibility of consumer channels. Customers can also send messages to the Lufthansa Group at any time during the booking process. The corresponding channels are available online. Corporate customers can also file complaints through their Lufthansa Group sales contacts. In this case, the process follows the specific structure of the respective company and contact person.

All complaints received by the Lufthansa Group are treated confidentially. They are tracked and monitored in terms of quantity and content with the creation of a case file. Specific measures are then taken in response. Individuals who have submitted complaints receive a response regarding their complaints.

Beyond the Lufthansa Group's general complaint channels, Lufthansa Technik has established additional specific channels for corporate customers to communicate their concerns and needs. This is intended to ensure that customer concerns are handled quickly, reliably, and transparently. Each product-related concern, such as inquiries regarding delivery periods or quality deviations, including design or production defects, is first received by a designated contact person and manually entered into a system that categorizes the concern and forwards it to the responsible department. This process aims to ensure that responses are timely and thorough. Lufthansa Technik aims to support the availability of these channels in its business relationships through open communication and transparent processes. Policies and programmes, such as the Integrated Management Manual, are communicated to all employees and relevant stakeholders. The manual is published by the Quality Management department. Implementation of the manual is the responsibility of the Lufthansa Technik Executive Board, which is operationally represented by the Vice President Quality Management. The manual sets forth clear standards for conduct and describes processes designed to promote integrity and compliance. These processes are intended to foster a safety culture and ensure that all stakeholders understand and uphold ethical standards.

Lufthansa Technik tracks and monitors reported and resolved issues through its internal reporting system and with safety investigations. Work-related errors, observed incidents, and hazards are viewed as opportunities to enhance systems and processes. In this context, Lufthansa Technik applies the principles of "Just Culture". This means all reports – including anonymous ones – are treated confidentially and are used solely to improve safety performance. Errors made due to following safety and regulatory guidelines are not penalised and are reported without assigning blame. However, gross disregard for risks or professional responsibilities is not tolerated and leads to corresponding individual measures. Lufthansa Technik ensures that reported incidents are properly investigated and that findings are incorporated into decision-making.

Lufthansa Cargo customers can submit complaints to the complaints management team on the website, by telephone or email. Enquiries made to designated regional sales contacts by phone or email are forwarded to the complaints management team unless they involve complex issues requiring structural solutions or in-depth research that cannot be addressed by the sales team alone. The Lufthansa Group strives to treat all enquires in line with the applicable data protection policy in order to protect the people concerned from any reprisals.

Lufthansa Cargo customers with repeated compliance violations are flagged accordingly and excluded from further business activities.

At Lufthansa Aviation Training, training participants can submit reports in the IQSMS safety, quality and risk management system. Reports may also be submitted anonymously. A distinction is made between "General Reports" and "Flight Safety Related Reports." General Reports cover issues such as communication problems, data protection concerns, medical emergencies or harassment. In the Flight Safety Related Report, incidents that could impact aviation safety during flights, such as incorrectly trained procedures and non-compliant training documentation or training equipment are reported. Reports are processed through a system workflow. General Reports are forwarded to quality managers, while Flight Safety Related Reports are sent to safety officers for further processing. Reports are evaluated on a monthly basis by the training department heads. Implemented measures are documented in the system and assigned to the relevant individuals. This process ensures the full traceability of actions taken.

S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effec-tiveness of those actions

Sustainable and responsible corporate conduct is an integral part of the Lufthansa Group's corporate strategy. The Lufthansa Group is convinced that it has an obligation to create added value for customers, employees and investors, and to meet its responsibility towards the environment, people and society.

Risk management at the Lufthansa Group considers risks related to consumers

The Lufthansa Group employs a structured risk management process to determine necessary and appropriate measures in response to actual or potential negative impacts on consumers. This process includes identifying risks, assessing their severity and implementing suitable measures to mitigate or eliminate them. Key elements include direct communication to address concerns without delay, regular meetings to review emerging issues and engagement with the industry to gather feedback.

The Lufthansa Group has allocated resources to manage material risks associated with consumers. Addressing reputational risks is a material matter. This involves continuous risk monitoring through daily reviews of press reports and of social media content in close coordination with Corporate Communication. Care is also taken when reviewing and responding to press and media inquiries. To manage these risks, the Lufthansa Group follows clear communication guidelines and maintains a social media policy. Addressing liability risks is another material matter. Here the Company establishes clear and stringent liability limitations, also in its standard contracts. Any deviations from these limitations are regulated in the Pricing and Authorisation Policy. This serves to minimise potential risks for the Company.

The Lufthansa Group tracks and evaluates the effectiveness of its measures and initiatives by monitoring performance indicators such as revenue, gathering consumer feedback and conducting regular reviews. This ensures that the intended outcomes for customers are achieved.

The Lufthansa Group takes measures to prevent negative impacts

The Lufthansa Group allocates specific resources for the management of material impacts, including personnel and technological resources. With regard to health and safety, this responsibility lies with the Safety Department. Additionally, the Lufthansa Group aims to reduce potential negative impacts in product development by promoting various technologies and developing Sustainable Aviation Fuel (SAF). The Company's approach to remedying or mitigating material negative impacts is guided by the principles set out in the Lufthansa Group's Code of Conduct and Compliance Policy. These documents outline the Company's commitments to ethical business practices, adherence to legal standards and protecting the interests of all stakeholders. This is reflected in the active management of consumer and end-user health and safety, which is further detailed in the safety and security policy. ↗ **G1-1 – Corporate culture and business conduct policies.**

The Lufthansa Group takes proactive measures to prevent material negative impacts on consumers through responsible practices in marketing, sales and data usage. Where trade-offs between mitigating negative impacts and business pressure need to be made, consumer well-being and compliance with legal requirements take precedence.

The Lufthansa Group strives to ensure that procedures for providing remediation in cases of material negative impacts are accessible and effective. Stakeholders can express their grievances via various channels. ↗ **S2-3 – Processes to remediate negative impacts and channels for workers in the value chain to raise concerns.**

Lufthansa Technik has introduced mandatory training programmes for all employees as part of its comprehensive quality management system. These programmes are designed to ensure employees are well-equipped to identify, prevent and address potential negative impacts in product design.

Lufthansa Aviation Training has defined specific procedures and measures to address negative impacts during training processes, such as training equipment failures, instructor unavailability or participant absence. Participants can report issues directly on the training equipment if the training is disrupted in any way. Reports are logged, and an individual solution is developed. Additionally, personnel are available on-site to support operational training preparation and follow-up. Together with central contact persons, appropriate measures are evaluated and implemented in coordination with customers. The designated contact person ensures that procedures are executed correctly and that collaboration remains unaffected despite the negative impact.

Improving customer service, data protection and safety standards to reduce risks

The Lufthansa Group aims to mitigate material risks related to consumers by enhancing customer service and data protection, and maintaining safety standards. Effectiveness is monitored through audits, feedback and ongoing evaluations to ensure continuous improvement.

Depending on the business model employed by companies within the Lufthansa Group, measures are planned and implemented to leverage material opportunities related to consumers. These include enhancing the customer experience, expanding digital services and promoting sustainability initiatives. These efforts are intended to drive long-term growth and customer satisfaction.

In the reporting year, the Lufthansa Group addressed material impacts, risks and opportunities through the following measures:

Data protection and training measures are intended to ensure the security of customer data

The Lufthansa Group aims to ensure compliance with data protection regulations and uphold the security of customer data in accordance with the General Data Protection Regulation (GDPR). As part of Group-wide training initiatives covering both customer data and general data protection topics, all employees are made aware of the importance of responsible data handling. These mandatory training sessions are web-based and available throughout the year to foster continuous awareness of secure data management. They must be completed by employees every year. The training programme will be maintained over the coming years as part of ongoing awareness efforts. A monitoring system aims to ensure full participation and successful completion of the training by all employees. Lufthansa Group employees are among the key stakeholders trained through these measures to handle sensitive data responsibly.

Lufthansa Passenger Airlines and Lufthansa Cargo are committed to protecting personal and customer-related data to ensure customer security while improving the customer experience. Since 2004, the Lufthansa Group has used Advanced Passenger Information (API) data, which is transmitted to security and immigration authorities in advance. This improves the efficiency of passenger screening and enhances passenger safety. To assess effectiveness, the Passenger Satisfaction Tracking survey can be used to evaluate the boarding process. API data includes key information such as name, date of birth, nationality and passport details, which are used exclusively for legally mandated purposes. The companies ensure compliance with GDPR requirements in relation hereto.

Medical training enhances in-flight safety

As part of its comprehensive safety management system, Lufthansa Group cabin crew receive first aid training to assist passengers who experience medical issues onboard. Since 2006, the Lufthansa Group has also offered the “Doctor on Board” programme. It is specifically aimed at doctors who can provide medical support during in-flight emergencies. The programme’s objective is to improve on-board medical care and safeguard passenger health. Doctors participating in the programme can voluntarily register and are recorded in the Lufthansa Group system. In the event of a medical emergency onboard, flight attendants can directly request assistance from these registered doctors. The effectiveness of the programme is measured through customer satisfaction surveys conducted after flights.

Certified simulators at Lufthansa Aviation Training meet regulatory requirements

Lufthansa Aviation Training employs qualified personnel and certified simulators. This is intended to ensure that licensing and safety-related training meets all legal requirements set by the German Federal Aviation Authority and the European Union Aviation Safety Agency (EASA) and that onboard personnel are optimally prepared for flight operations. It also mitigates operational risks and enhances both passenger health protection and flight safety. The goal is to ensure that trained personnel uphold the Lufthansa Group’s standards and maintain passenger safety. The company defines liability provisions in its framework agreements to regulate responsibilities in the event of damages.

Lufthansa Group offers sustainability initiatives and -services for its customers

The Lufthansa Group is committed to reducing its carbon footprint and provides environmentally conscious passengers with more sustainable travel options. The aim is to balance customer needs regarding product design and product marketing with sustainability targets. As part of the Compensaid programme, which was launched in August 2019 by the Lufthansa Innovation Hub, all passengers can voluntarily offset their individual carbon emissions by investing in Sustainable Aviation Fuel or global climate projects. This programme allows passengers to contribute to climate change mitigation.

The Lufthansa Group has also introduced options for corporate customers to reduce their carbon footprint. With a combination of 20% SAF and 80% carbon offsetting, the Company offers Green Fares and an associated incentive programme. Corporate customers can also invest in SAF to offset carbon emissions from their business travel with the Lufthansa Group. Access to these products is provided through corporate sales teams and a dedicated customer platform. Investment details are kept confidential and are only accessible to the corporate customer and the Lufthansa Group.

The Lufthansa Group uses a reporting system to measure the use of Green Fares among corporate customers. Corporate customers receive a monthly report detailing their carbon emission savings. The Lufthansa Group also issues official carbon certificates. Performance is reviewed with Lufthansa Group sales representatives and the corporate customer's procurement department. If individual targets for Green Fares usage are not met, further measures are discussed to increase adoption. Additionally, any negative effects reported by corporate customers to Lufthansa Group sales teams are addressed through tailored corrective actions.

Lufthansa Cargo also provides sustainability options through its Sustainable Choice programme. Customers can offset airfreight-related carbon emissions by investing in SAF or carbon offsetting projects. Five different options are available for individual airfreight transports, ranging from 100% offsetting to combinations of 20% SAF/80% offsetting or 80% SAF/20% offsetting. Additionally, Lufthansa Cargo offers corporate customer bulk contracts for SAF and carbon offsetting projects.

The Lufthansa Group is committed to keeping additional costs for SAF as low as possible to increase customer adoption of Green Fares and Sustainable Choice. Some NGOs have labelled these kinds of initiatives as greenwashing. Deutsche Umwelthilfe (DUH) brought two lawsuits against Deutsche Lufthansa AG and the Lufthansa Group airline Eurowings in the reporting year, alleging that their advertising was misleading. In both cases, DUH claimed that in certain statements on their websites the airlines had provided customers with misleading information about the impact of climate change mitigation projects in offsetting carbon emissions. DUH's lawsuit against Deutsche Lufthansa AG is still pending; the Lufthansa Group is convinced that carbon emissions certainly are offset by supporting suitable climate change mitigation projects. In the Eurowings proceedings the Cologne Regional Court upheld the claim. The Cologne Higher Regional Court dismissed Eurowings' attempted appeal and made reference to certain statements on the Eurowings website. Eurowings took this opportunity to revise the specific statements on its website. The Lufthansa Group is convinced that all climate change mitigation projects, which form the basis of the offset portfolio, bring an effective environmental benefit and can offset the carbon emissions caused by air travel, which the respective project standards are intended to guarantee. The Company strives for comprehensive and informative communications to explain the advantages of the sponsored climate change mitigation projects to the customers of the Lufthansa Group airlines. Corporate customers who do not purchase sustainable products face negative impacts in the form of higher carbon footprints and reputational consequences for not adopting environmentally friendly travel practices.

A dialogue with corporate customers aims to enhance transparency about both the positive environmental impacts of SAF and the negative environmental impacts of fossil fuel-based kerosene. These impacts are detailed in sales presentations. The Lufthansa Group provides corporate customers with carbon savings calculations. Products are marketed through digital advertisements, sales presentations, webcasts and other digital media. Additionally, the Lufthansa Group engages with companies in other industries to explore opportunities for increasing SAF usage. ↗ **E1-3 – Actions and resources in relation to climate change policies.**

A central team within the Lufthansa Group's sales organisation is responsible for managing all processes required to increase the use of SAF and reduce reliance on fossil fuel-based kerosene. The Lufthansa Group fuel procurement team works closely with SAF suppliers to ensure availability meets increasing demand. In the reporting year, demand for SAF exceeded supply.

The Lufthansa Group aims to offer Green Fares across all customer segments and sales channels. The current adoption rate for Green Fares is approximately 4%. The Lufthansa Group is implementing strategies to increase this percentage. In the reporting year, Green Fares were expanded by the Lufthansa Group to long-haul intercontinental flights. The aim is to make them available for all routes.

Incidents related to human rights should be resolved amicably

Currently, the Lufthansa Group has not identified any severe human rights violations concerning its customers.

Regarding an incident in 2022, which did not constitute a severe human rights violation but involved allegations of discrimination against Jewish passengers on Lufthansa Airlines, a case before the U.S. Department of Transportation was resolved during the reporting year through a consent order (an agreement settling a dispute between two parties without an admission of guilt or liability). Deutsche Lufthansa AG and the American Jewish Committee (AJC) signed a Memorandum of Understanding back in 2022, which was amended in 2024. In the memorandum, both parties committed to jointly opposing all forms of antisemitism, racism and xenophobia. The AJC advocates for Jewish communities worldwide. As part of their ongoing collaboration, a training programme was developed for managers and employees to address antisemitism and discrimination. This programme was implemented within the Lufthansa Group in 2024. In addition, the Lufthansa Group became the first airline to sign the International Holocaust Remembrance Alliance (IHRA) Declaration against antisemitic behaviour.

Metrics and targets

S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

In the reporting year, the Lufthansa Group did not set any specific targets regarding its material impacts, risks and opportunities. In addition, no formal processes have been established for setting targets in relation to material impacts, risks and opportunities.

While the Lufthansa Group has not set measurable targets in this specific area, the effectiveness of existing policies and measures, as outlined in the respective descriptions of individual regulations, is regularly reviewed.

T076 CALCULATION METHODS IN 2024 – SOCIAL

ESRS disclosure requirement	Para-graph	Data point/metric	Basis for preparing and describing the parameters used, description of the assumptions and methodology	Sources of measurement uncertainty, if applicable	Resulting accuracy level	External validation	Planned actions to improve accuracy, if applicable
S1-6 – Characteristics of the undertaking's employees	50a	Total number of employees, breakdown by gender	Employee data collection for the Lufthansa Group, assigned at country level based on corporate headquarters. These figures relate to the end of the year in each case (as of 31/12/2024). These figures relate to the number of people.	Low uncertainty, as HR data is recorded at the individual companies	High	None	Measures planned to disaggregate personnel data by country of deployment
S1-6 – Characteristics of the undertaking's employees	50a	Total number of employees, breakdown by country	Employee data collection for the Lufthansa Group, assigned at country level based on corporate headquarters. These figures relate to the end of the year in each case (as of 31/12/2024). These figures relate to the number of people.	Low uncertainty, as HR data is recorded at the individual companies	High	None	Measures planned to disaggregate personnel data by country of deployment
S1-6 – Characteristics of the undertaking's employees	50b	Total number of employees by contract type	Employee data collection for the Lufthansa Group, assigned at country level based on corporate headquarters. These figures relate to the end of the year in each case (as of 31/12/2024). These figures relate to the number of people.	Low uncertainty, as HR data is recorded at the individual companies	High	None	No further action needed
S1-6 – Characteristics of the undertaking's employees	50c	The total number of employees who left the Company and staff turnover rate	Employee data collection for the Lufthansa Group, including records of employees who have left the Company. These figures relate to the end of the year in each case (as of 31/12/2024). These figures relate to the number of people.	Low uncertainty, as HR data is recorded at the individual companies	High	None	No further action needed
S1-8 – Collective bargaining coverage and social dialogue	60a	Percentage of employees covered by collective bargaining agreements	Collection of data on collective bargaining agreement for EEA countries in the first year of reporting based on the phase-in approach. Allocation of employees at the country level based on corporate headquarters. These figures relate to the end of the year in each case (as of 31/12/2024).	Low uncertainty, as collective bargaining agreement data is recorded at the individual companies	High	None	No further action needed
S1-8 – Collective bargaining coverage and social dialogue	60b	Percentage of employees covered by collective bargaining agreements on a country basis (EEA countries)	Collection of data for EEA countries in the first year of reporting based on the phase-in approach. Allocation of employees at the country level based on corporate headquarters. These figures relate to the end of the year in each case (as of 31/12/2024).	Low uncertainty, as collective bargaining agreement data is recorded at the individual companies	High	None	No further action needed
S1-8 – Collective bargaining coverage and social dialogue	63a	Percentage of employees covered by workers' representatives on a country basis.	Collection of employee coverage by workers' representatives for EEA countries. Allocation of employees at the country level based on corporate headquarters. These figures relate to the end of the year in each case (as of 31/12/2024).	Low uncertainty, as a record of employees covered by workers' representatives exists at the individual companies	High	None	No further action needed
S1-9 – Diversity metrics	66a	Gender distribution at top management level by number and percentage	Collection of employee data for the Lufthansa Group. Top management is defined as LC 1 – LC 3 and the Executive Board. These figures relate to the end of the year in each case (as of 31/12/2024). These figures relate to the number of people.	Low uncertainty, as HR data is recorded at the individual companies	High	None	No further action needed

T076 CALCULATION METHODS IN 2024 – SOCIAL (continued)

ESRS disclosure requirement	Paragraph	Data point/metric	Basis for preparing and describing the parameters used, description of the assumptions and methodology	Sources of measurement uncertainty, if applicable	Resulting accuracy level	External validation	Planned actions to improve accuracy, if applicable
S1-9 – Diversity metrics	66b	Distribution of employees by age group	Collection of employee data for the Lufthansa Group. Age brackets have been redefined to include more detail within the Lufthansa Group compared to ESRS requirements. See the table “Employee distribution by age group”. These figures relate to the end of the year in each case (as of 31/12/2024). These figures relate to the number of people.	Low uncertainty, as HR data is recorded at the individual companies	High	None	No further action needed
S1-14 – Health and safety metrics	88a	Percentage of employees covered by the health and safety management system	Based on a Group-wide guideline, 100% of Lufthansa Group employees are covered by a corresponding management system. Consequently, no further data collection is required.	Low uncertainty, as a guideline exists at the Group level	High	None	No further action needed
S1-14 – Health and safety metrics	88b	Number of fatalities as a result of work-related injuries and work-related ill health.	Data collection from individual legal entities within the scope of non-financial reporting. Terminology has been clearly defined and rolled out across the Group in this format. These figures relate to the end of the year in each case (as of 31/12/2024).	Low uncertainty due to variations in national health and safety laws and their interpretation	High	None	No further action needed
S1-14 – Health and safety metrics	88c	Number and rate of recordable work-related accidents	Data collection from individual legal entities within the scope of non-financial reporting. Terminology has been clearly defined and rolled out across the Group in this format. These figures relate to the end of the year in each case (as of 31/12/2024).	Low uncertainty due to variations in national health and safety laws and their interpretation	High	None	No further action needed
S1-16 – Remuneration metrics	97a	Gender pay gap	Data analysis based on data from various legal entities. Data is assigned to different employee categories and individual countries. The term “remuneration” has been centrally defined and rolled out across all legal entities. These figures relate to the end of the year in each case (as of 31/12/2024).	Medium level of uncertainty due to differences in data collection across the legal entities Additionally, a standardised definition of the concept of remuneration has been introduced; however, manual data entry may introduce errors	High	None	System integrations and IT implementations for automated data provision through interfaces are being comprehensively evaluated.
S1-16 – Remuneration metrics	97b	Annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees	Data analysis based on data from various legal entities. Data on the highest-paid individual is excluded from the calculation. The term “remuneration” has been centrally defined and rolled out across all legal entities. These figures relate to the end of the year in each case (as of 31/12/2024).	Medium level of uncertainty due to differences in data collection across the legal entities Additionally, a standardised definition of the concept of remuneration has been introduced; however, manual data entry may introduce errors	High	None	System integrations and IT implementations for automated data provision through interfaces are being comprehensively evaluated.

T076 CALCULATION METHODS IN 2024 – SOCIAL (continued)

ESRS disclosure requirement	Paragraph	Data point/metric	Basis for preparing and describing the parameters used, description of the assumptions and methodology	Sources of measurement uncertainty, if applicable	Resulting accuracy level	External validation	Planned actions to improve accuracy, if applicable
S1-17 – Incidents, complaints and severe human rights impacts	103a	Total number of incidents of discrimination, including harassment, reported in the reporting period	The Human Rights Department collects and evaluates relevant data across the Group using various communication and reporting systems. These figures relate to the number of incidents as of the reporting date (31.12.2024).	Low uncertainty, as data is directly captured through system integration	High	None	No further action needed
S1-17 – Incidents, complaints and severe human rights impacts	103b	Number of complaints submitted through channels for employees (including grievance mechanisms)	The Human Rights Department collects and evaluates relevant data across the Group using various communication and reporting systems. These figures relate to the number of incidents as of the reporting date (31.12.2024).	Low uncertainty, as data is directly captured through system integration	High	None	No further action needed
S1-17 – Incidents, complaints and severe human rights impacts	103c	Total amount of material fines, penalties and compensation for damages as a result of the incidents and complaints disclosed above	Data collection based on information provided by individual legal entities. Relevant terms have been centrally defined and standardised across the Group to ensure consistent collection. Data collection includes both legal disputes and other relevant matters assigned to specific legal entities.	Low uncertainty, as legal notices are addressed directly to individual legal entities and collected accordingly	High	None	No further action needed
S1-17 – Incidents, complaints and severe human rights impacts	104a	Total number of severe human rights incidents related to the workforce	The Human Rights Department collects and evaluates relevant data across the Group using various communication and reporting systems. These figures relate to the number of incidents as of the reporting date (31.12.2024).	Low uncertainty, as data is directly captured through system integration	High	None	No further action needed
S1-17 – Incidents, complaints and severe human rights impacts	104b	Total amount of fines, penalties and compensation for damages as a result of severe human rights incidents related to the workforce	Data collection based on information provided by individual legal entities. Relevant terms have been centrally defined and standardised across the Group to ensure consistent collection. Data collection includes both legal disputes and other relevant matters assigned to specific legal entities.	Low uncertainty, as legal notices are addressed directly to individual legal entities and collected accordingly	High	None	No further action needed

G1 – BUSINESS CONDUCT

Responsible conduct in accordance with applicable laws and internationally recognised standards, while respecting human rights, is a core aspect of the corporate culture of the Lufthansa Group. The Lufthansa Group is convinced that economic success can only be achieved through business practices that are value-oriented and based on integrity. The aim of business management based on values, integrity and a sense of responsibility is to strengthen the confidence of employees, customers, investors and business partners in the companies of the Lufthansa Group in the long term.

Overview of material impacts, risks and opportunities

The Lufthansa Group seeks to reduce the risk of misconduct and to positively influence employee retention through a responsible corporate culture. By clearly communicating its core values and providing regular training on anti-corruption, the Group aims to strengthen employees' sense of responsibility and prevent cases of corruption. This approach can increase the attractiveness of the Lufthansa Group for employees, investors, customers and policymakers. The protection of whistleblowers makes it possible to detect misconduct, promote transparency and strengthen employees' trust. Breaches of the Whistleblower Protection Act may lead to financial penalties, the publication of confidential information and reputational damage.

Clear selection criteria and performance evaluations within the Lufthansa Group are intended to secure responsible practices along global supply chains. Transparent payment and business solutions may strengthen the trust of employees, customers and business partners. Good supplier relationship management can boost the reputation of and trust in the Lufthansa Group, attract new customers and increase the Company's financial performance. The strategic management of the Company's supply chain may increase efficiency and resilience, which may be associated with lower costs.

A complete overview of the Lufthansa Group's material impacts, risks and opportunities can be found under ↗ **ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model.**

Governance

GOV-1 – The role of the administrative, supervisory and management bodies

At the Lufthansa Group, the Executive Board is responsible for the strategic direction and operational management of the Company. The Supervisory Board monitors and advises the Executive Board on the implementation of corporate strategy and ensures that the interests of shareholders and other stakeholders are protected. Together, these bodies aim to manage the Company sustainably and responsibly, thereby ensuring long-term business success and innovative capability.

The administrative, management and supervisory bodies of the Lufthansa Group possess relevant expertise regarding corporate policy. This encompasses both strategic planning and operational management to ensure the Company's long-term competitiveness and sustainable orientation. The expertise of these bodies extends across various areas, including corporate governance, risk management, legal and human rights compliance, as well as market and industry knowledge. Through continuous professional development and the inclusion of external expert knowledge, they keep themselves up-to-date so as to make well-informed decisions and effectively shape corporate policy. The goal is to secure the future viability of the Lufthansa Group in a dynamic and challenging environment.

More information on the Supervisory Board and Executive Board of the Lufthansa Group can be found in the following section: ↗ **ESRS 2 GOV-1 – The role of the administrative, supervisory and management bodies.**

Impact, risk and opportunity management

ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities

The general methodology for identifying impacts, risks and opportunities is described under ↗ **ESRS 2 – General disclosures.**

G1-1 – Business conduct policies and corporate culture

Responsible and lawful behaviour is a key element of the Lufthansa Group's corporate culture and is anchored in the Group strategy. This is reflected in the vision statement of the Lufthansa Group: “Connecting people, cultures and economies in a sustainable way”. For the Lufthansa Group, sustainable economic success can only be achieved through business practices that are value-oriented and based on integrity. This requires that all board members, managers and employees comply with applicable laws, internal regulations and voluntary commitments at all times.

As a signatory of the UN Global Compact (UNGC), it is important for the Lufthansa Group to align its business activities with the internationally recognized principles laid down in the Compact. That is part of the Company's annual progress report to the UNGC. The Lufthansa Group's anti-corruption and anti-bribery guidelines are also aligned with the UNGC, whose anti-corruption principle is derived from the United Nations Convention against Corruption.

Lufthansa Group Code of Conduct defines the framework for ethical and responsible behaviour

The Code of Conduct of the Lufthansa Group provides the framework for acting with integrity and responsibility, within which all business decisions must be made. The principles contained therein include, in particular, corporate responsibility for society and the environment, business integrity and responsibility for the Company and its resources. As such, the Code of Conduct forms the foundation of the Lufthansa Group's value system. It also establishes guidelines that are intended to guide the actions of its decision-making bodies, managers and employees. The Code of Conduct is available on the Lufthansa Group website.

The Code of Conduct addresses, among other things, anti-corruption, handling of conflicts of interest, fair competition, foreign trade regulations, anti-money laundering, insider information and prohibition of insider trading. Through these topics, the following material impacts, risks and opportunities of the Lufthansa Group are particularly covered: ethical business conduct, protection of whistleblowers when reporting insider information, active management of suppliers for foreign trade regulations, securing supply chains, safeguarding business operations and combating corruption and bribery.

The Code of Conduct is binding for all employees of the Lufthansa Group worldwide, regardless of their role or hierarchy. As such, it forms the basis for the corporate culture of the Lufthansa Group. In addition, it also defines the expectations of the Company's business partners, including suppliers. Based on this Code of Conduct, the Lufthansa Group's Supplier Code of Conduct additionally applies to suppliers. The Corporate Compliance Office is responsible for the editorial coordination of the Code of Conduct, while the Executive Board of Deutsche Lufthansa AG is responsible for its implementation. Other governance functions, such as Group Data Protection, are responsible not only for monitoring but also for developing topic-specific governance structures – including guidelines, specifications and reporting. The Code of Conduct is communicated to all employees of the Lufthansa Group. Additionally, regular training on its contents takes place. The contents of the Code of Conduct are based, among other things, on internationally recognised frameworks such as the UNGC and the International Air Transport Association (IATA) resolution against human trafficking.

Internal and external whistleblowers can report potential violations of the Code of Conduct to the Corporate Compliance Office through various channels. Reports concerning human rights issues and discrimination are received directly by the Human Rights Officer and their team. If a report is compliance-relevant, it is further investigated by the Corporate Compliance Office with the support of Corporate Security.

Lufthansa Group implements German Supply Chain Due Diligence Act (LkSG) across the Company

To ensure and maintain various supplier requirements in the Lufthansa Group, two teams primarily carry out the implementation of the LkSG. The Human Rights & Non-Discrimination Team coordinates the Lufthansa Group's activities regarding its human rights responsibility. The Group Procurement Team manages risk with regard to the supply chain. Both teams are supported by contact persons from specialist departments such as Occupational Health and Safety, Human Resources, Compliance and Procurement, as well as by Key Accounts from priority Lufthansa Group companies. To oversee risk management, the role of Human Rights Officer was established within Human Rights and Infrastructure Executive Board area, reporting directly to the Executive Board. The Human Rights Officer reports to the Group Executive Board on the work of the responsible persons on a regular and ad-hoc basis. Corporate Internal Audit is deployed to support the Human Rights Officer and to conduct implementation-level audits. The Corporate Internal Audit function regularly verifies that implementation is appropriate and effective. In addition, the Group Human Rights Steering Board was established as a governance body to provide recommendations on risk management. It is chaired by the Human Rights Officer and consists of the heads of Corporate Responsibility, Corporate Compliance, Group Procurement and Occupational Safety departments.

Binding compliance guidelines apply to all Lufthansa Group employees

The structure of the Lufthansa Group's Compliance Management System and specific regulations and guidelines for the prevention of corruption and bribery are set out in several compliance guidelines for Lufthansa Group employees, including:

- The Group Compliance Guideline regulates, among other things, the structure of the Lufthansa Group's Compliance Management System based on the generally recognised IDW PS980 standard. Components also include the of individual compliance modules such as anti-corruption as well as the description of organisational structure, roles and responsibilities, competencies and minimum requirements for the relevant compliance bodies and functions.

- The Integrity Compliance Guideline contains requirements for the prevention of corruption and bribery, including conflicts of interest. Three guidelines here provide clear rules for invitations and gifts, particularly in relation to public officials, as well as requirements regarding potential conflicts of interest. The guidelines aim to mitigate corruption and bribery risks, ensure compliance with regulatory standards and maintain and improve the Group's reputation.

The guidelines are binding for all decision-making bodies, managers and employees of the Lufthansa Group. Group Internal Audit, the Group Compliance Committee, the Executive Board and the Audit Committee of the Supervisory Board monitor the Compliance Management System, including the guidelines.

The Lufthansa Group Code of Conduct and the Group Compliance Guideline each contain provisions on preventing retaliation. The aim is to protect employees from disadvantages and retaliation when they report justified concerns. The Lufthansa Group is committed to comprehensive protection of whistleblowers within the framework of the established whistleblower system. The identity of whistleblowers is treated as strictly confidential and is only disclosed if required by law. The Company has a zero-tolerance policy towards any form of reprisal. Employees who report violations are explicitly protected from disadvantages, disciplinary measures and discrimination. Violations of this non-retaliation policy are classified as compliance violations and consistently sanctioned. Furthermore, reports can be submitted anonymously, with the Lufthansa Group taking no steps to determine the identity of whistleblowers.

Group Guideline on Competition Compliance strengthens competition-related topics

The Lufthansa Group's Competition Compliance Guideline was developed to efficiently implement competition law requirements throughout the Group and ensure lawful conduct in competition. The Guideline includes clear rules of conduct on competition-related topics. Its objectives are to promote compliance with legal standards, protect and strengthen the Lufthansa Group's reputation and support the long-term success of the Lufthansa Group.

The rules of conduct include requirements for:

- behaviour towards competitors and non-competitors,
- participation in purchasing groups and
- behaviour in cases of market-dominant positions.

The Guideline is valid for all regions and countries in which Deutsche Lufthansa AG and its direct and indirect majority shareholdings operate. It is aimed at key decision-making bodies and stakeholders such as employees, customers, business partners, investors and the general public. The Guideline is available to all employees via the intranet.

A monitoring process is intended to ensure compliance with the Guideline. The Lufthansa Group Internal Audit and an external auditor review the entire Compliance Management System, including the guidelines. The Guideline was approved by the Executive Board of Deutsche Lufthansa AG and is an integral part of the Lufthansa Group's commitment to compliance and integrity in daily business operations.

The Lufthansa Group's Anti-Money Laundering Compliance Guideline serves to implement applicable anti-money laundering obligations

The Lufthansa Group's Anti-Money Laundering Compliance Guideline establishes binding requirements for identifying and preventing money laundering risks. It serves to implement applicable anti-money laundering obligations and aims to ensure that all relevant laws and regulations are complied with throughout the Group.

The Guideline further aims to mitigate potential money laundering risks, ensure compliance with regulatory standards and protect the Lufthansa Group's reputation. By promoting transparent and ethical business conduct, the Guideline is intended to contribute to the sustainable, long-term success of the Lufthansa Group. Core activities include:

- Principles for identifying circumstances that indicate money laundering risks,
- Requirements for reporting suspicious cases for companies subject to specific anti-money laundering laws, and
- Guidelines for executing payments.

The Guideline is valid for all countries and regions in which Deutsche Lufthansa AG and its direct and indirect majority shareholdings operate. Exceptions may exist for regulated companies subject to specific anti-money laundering provisions.

Essential decision-making bodies and stakeholders include employees, customers, business partners, investors and the general public. The Guideline is available to employees via the intranet. Compliance with the Guideline is regularly reviewed by the Lufthansa Group's Internal Audit and an external auditor to ensure the effectiveness of the Compliance Management System. The Guideline is approved by the Executive Board of Deutsche Lufthansa AG and underlines the importance of responsible and lawful conduct throughout the Group.

Group Guideline Security defines security functions in the Company

The Group Guideline Security of the Lufthansa Group serves to comprehensively protect employees, customers, operational processes, assets and the brand. The Guideline is based on the use of proven practices and synergies within the companies of the Group, with risk-based and results-oriented security measures always aligned with legal requirements and security regulations. A key component of the Guideline is supporting business processes through a balanced relationship between proactive protective measures and an efficient response to security incidents.

The Guideline is integrated into the Code of Conduct and defines the roles and responsibilities of security functions within the Lufthansa Group. It also includes the mandate to establish and further develop a comprehensive Security Management System (SeMS) that sets Group-wide security standards and recommended practices. This is intended to create a uniform structure that ensures a high and consistent level of security throughout the Lufthansa Group's business operations. The Guideline provides strategic direction and promotes the harmonisation of security practices within the Company.

The Guideline applies worldwide to all consolidated Group companies of the Lufthansa Group and particularly affects employees. The complete text is available to Lufthansa Group employees on the intranet. The highest authority taking responsibility for this Guideline is the Group Security Officer, who reports directly to the Executive Board.

The Security Management System aims to ensure high security standards in all areas of the Lufthansa Group

The Security Management System (SeMS) of the Lufthansa Group is an integral part of the Code of Conduct and serves to ensure compliance with legal regulations, the adoption of best practices and the continuous development of the management system and security culture. Its goal is to ensure high security standards in all areas of the Company.

The SeMS aims to protect customers, passengers, employees, and the premises and assets of the Lufthansa Group from unlawful interference. It serves to secure flight and facility operations, enable optimal handling of security-relevant situations, and limit the negative consequences of such incidents. Furthermore, the system contains clear instructions on the required security measures to ensure smooth implementation. This management system applies worldwide to all operational areas of the Lufthansa Group and particularly affects all employees of the Group. The SeMS is accessible to them via the intranet. External standards, such as the IATA Operational Safety Audit for air transport operators, are integrated into the SeMS.

The monitoring system includes quality management and maturity assessments intended to ensure ongoing progress and compliance with security standards. The highest level of approval and supervision is the Group Security Officer, who has a direct reporting line to the Lufthansa Group Executive Board.

The Group Resilience Guideline aims to increase resilience to external influences and their potential impacts

The Group Resilience Guideline of the Lufthansa Group was developed to strengthen the Company's resilience against increasingly complex operational disruptions and sudden changes. Through coordinated and harmonised action, the aim is to increase efficiency throughout the Group while taking advantage of synergies and improving the quality of work results. The Guideline is an essential component of the Code of Conduct and serves as a protective shield to withstand external influences and minimise their potential impacts.

The Guideline provides a foundation for the uniform implementation of international legislation (for example, Network and Information Security – NIS), the Partner Information System (PartIS) in the form of ensuring IT security and the protection of sensitive data within partner collaborations, industry standards (for example, IATA) and national requirements, such as the German Act on the Federal Office for Information Security, and the Family Assistance Act of the National Transportation Safety Board, USA. This aims to ensure coordinated action in potential crises and guarantee the introduction of uniform structures, processes and methods that are essential for managing and mitigating crisis impacts.

The Guideline applies worldwide to the Lufthansa Group and is viewable and accessible to all Lufthansa Group employees on the intranet. The affected stakeholders are primarily Lufthansa Group employees. Third-party standards and initiatives for passenger airlines, such as IOSA, are taken into account in the Guideline, and the monitoring process is carried out through quality management. The highest authority for implementing the guideline in operational crisis management is the Group Emergency Director, who reports directly to the Lufthansa Group Executive Board.

The Safety Guideline serves to ensure regulatory compliance and improve the safety culture at the Lufthansa Group

The Safety Guideline of the Lufthansa Group underscores the Group's commitment to the highest safety standards and always places safety above operational or financial objectives. Clear targets, the assignment of responsibilities at all levels, and the integration of effective risk management into daily operations are central elements of this Guideline.

The Safety Guideline serves to ensure regulatory compliance and improve the safety culture through hazard identification and incident analysis. The aim is to strengthen operational reliability and stakeholder trust, and in so doing, create a safe environment for passengers, crew members and all operational staff.

To enable each responsible Safety Manager to fulfil their responsibilities, the Lufthansa Group commits to the following:

- Development, implementation and continuous improvement of safety standards, strategies and processes
- Provision of tailored safety training for all employees according to their role
- Ensuring appropriate and timely provision of information within the Group
- Development and promotion of a safety culture characterised by safe practices and effective communication
- Use of risk management and hazard identification tools for sound management decisions
- Meeting and – where necessary – exceeding legal and regulatory requirements
- Ensuring the availability of trained and qualified specialists for implementing safety strategies
- Measuring and continuously improving safety performance through the adaptation of safety objectives and standards
- Ensuring that external systems and services meet the Lufthansa Group's safety standards

The Safety Guideline is intended to cover all safety-relevant activities covered by the operating permits under aviation law for the Lufthansa Group's passenger airlines. It applies worldwide. The perspectives of stakeholders were integrated in close coordination with the Group Safety Committee, Safety Manager Committee and Compliance Monitoring Management Committee.

The Guideline and associated processes are available to Lufthansa Group employees through internal communication platforms and through virtual or in-person participation in committees. Monitoring is carried out through the Lufthansa Group's safety monitoring and is anchored with the Lufthansa Group Executive Board, including the Group Safety Committee and the Group Safety Pilot.

The Safety Guideline forms the basis for the continuous development of safety standards at the Lufthansa Group.

The Lufthansa Group Safety Management System aims for uniform standards across Lufthansa Group Airlines

As part of its Safety Guideline, the Lufthansa Group commits to transparent and efficient management of its safety processes. A central element is the Lufthansa Group Safety Management System (SMS), which aims for uniform standards and close cooperation within the Lufthansa Group airlines as well as with central functions of the Lufthansa Group.

The Lufthansa Group Safety Management System is based on binding corporate guidelines, established cost allocation processes and the responsibility of individual airlines for risk management and conducting safety management processes. Safety and compliance-relevant information is shared proactively and transparently. Support in the form of resources or expertise is provided upon request.

Annually, the Lufthansa Group Safety Manager and the Group Safety Pilot jointly set safety objectives, which are presented and approved in the Flight Safety Committee. These objectives are broken down into:

- Priority 1: High-urgency objectives to be achieved in the current year
- Priority 2: Additional optional objectives for the current year
- Priority 3: Long-term objectives without time limitation, extending beyond the current year

The Group's safety targets are monitored through the Lufthansa Group's safety monitoring.

The Lufthansa Group Safety Management System covers numerous safety-relevant topics, including:

- Safety Policy and mission statement
- Identification and management of significant risks
- Linking of Group safety processes and individual passenger airline processes
- Audits and compliance-monitoring
- Safety research and development
- Risk management, including fatigue risk management and operational risk evaluation
- Safety promotion through training, communication and stakeholder management

Responsibility for safety management processes lies with the Group Safety Committee, supported by the Group Safety Pilot, the Group Officer for Safety and Compliance Monitoring Management / Security and Crisis Management, and the Flight Safety Committees of the passenger airlines. Compliance with safety standards is continuously monitored through Lufthansa Group safety monitoring. The development and implementation of safety policies takes place with the involvement of relevant stakeholders and committees, such as the Group Safety Committee, the Safety Manager Committee and the Compliance Monitoring Management Committee. Information and documentation are accessible to Lufthansa Group employees via internal communication platforms and physical or virtual participation in the respective committees.

The Lufthansa Group Safety Management System is guided by the Minimum Group Safety Standards and the Group Safety References, which represent binding requirements for safety management, compliance monitoring and risk management within the Lufthansa Group airlines.

The Policy is implemented Group-wide and is continuously developed to meet the Lufthansa Group's high standards regarding safety and compliance.

The Lufthansa Group's Group Safety Pilot strives to strengthen safety beyond legal requirements

The Group Safety Pilot is a central component of the Lufthansa Group's internal monitoring and risk management system. The concept is based on the Group Flight Safety Policy and is fully implemented in the relevant corporate processes. The aim is to sustainably ensure and improve flight safety beyond the legal and regulatory requirements.

The concept governs the Group-wide task definition, authorities and responsibility of the role of the Group Safety Pilot. They are authorised to conduct flight safety audits and commissioned audits at all direct or indirect majority-held companies of the Lufthansa Group. For minority shareholdings and partner companies, access is coordinated with the respective supervisory and corporate bodies.

To maintain maximum independence, the Group Safety Pilot reports directly to the Chief Executive Officer of the Lufthansa Group. Their activity exclusively covers flight safety-relevant aspects, with responsibility and governance regulated through the Lufthansa Group Safety Guideline.

The concept of the Group Safety Pilot was developed with the involvement of all relevant stakeholders, including the Group Safety Committee, the Safety Manager Committee and the Compliance Monitoring Management Committee. The concept is valid Group-wide in all Lufthansa Group passenger airlines and is accessible via internal communication platforms.

Ultimate responsibility for compliance with and further development of the concept lies with the Group Safety Committee and the Group Safety Pilot, which acts as a central monitoring instrument of the Lufthansa Group Executive Board. The activities of the Group Safety Pilot are subject to regular quality audits by Group Internal Audit.

Data protection is regulated Group-wide at the Lufthansa Group

The Lufthansa Group pursues clear objectives in the area of data protection to protect the personal rights of customers, employees, shareholders and business partners. A key concern is to avoid personal references in data processing as far as possible while always complying with legal requirements. The establishment of global data protection standards, such as guidelines, contract templates and forms, provides the foundation for Group-wide data protection. These measures support the Lufthansa Group in establishing a stable data protection organisation and necessary data protection processes.

Another objective is to comprehensively train employees in data protection principles and enable them to apply these in their daily work. By establishing a data protection management culture characterised by data protection-compliant solutions, the aim is to foster economic, innovative and sustainable actions by the Lufthansa Group.

The data protection organisation is comprehensive and extends from the Executive Board to individual employees, with Group Data Protection Officers playing a central role. Within this structure, clear processing principles have been established: processing of personal data is lawful, transparent and purpose-bound, and complies with the tenets of data minimisation, accuracy and confidentiality. Clearly defined roles and responsibilities, such as those of local data protection officers and data protection coordinators, aim to ensure the implementation of data protection measures.

The formal implementation of data protection requirements is governed by a Group guideline that applies to all Lufthansa Group companies in the European Union and to companies in which the Lufthansa Group holds at least a 50% stake. This guideline and the associated processes are accessible to all employees and serve the continuous improvement of data protection practices in the Group. Regular internal audits and risk assessments ensure that potential vulnerabilities are identified early and corrective measures are initiated promptly. A monitoring process ensures that feedback is integrated and data protection measures are continuously developed.

Animal welfare requirements for Lufthansa Cargo for animals transported by air

Lufthansa Cargo has to ensure the implementation of all the animal transport regulations specified by national governments and the industry association IATA. The aim is to ensure the protection and welfare of animals during air transport throughout the entire transport chain.

The IATA guidelines and national legislation include requirements in particular regarding:

- Size and equipment of transport boxes
- Temperature and oxygen during transport
- Employee training on animal care and stress reduction
- Disease prevention and
- Compliance with species protection agreements such as CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora)

Furthermore, Lufthansa Cargo has defined its own restrictions for the transport of certain animal species for ethical and nature conservation reasons.

Lufthansa Cargo has appointed an Animal Welfare Officer who is primarily responsible for animal protection while considering the interests of all affected stakeholders. They ensure that regulatory requirements and internationally relevant standards are known to and complied with by employees and service providers involved in animal transport. Lufthansa Cargo also maintains a continuous dialogue with IATA working groups and various stakeholders such as animal and zoo associations. International and national customs and border protection authorities and governments are another important stakeholder group involved in animal transport. The CITES regulations also apply to products of animal origin. The more protected an animal is, the more extensive the prohibition on trade in products of animal origin and the stricter the transport regulations become.

The Lufthansa Group passenger airlines are addressing the issue of animal welfare and are therefore currently working on a comprehensive strategy in this area. In addition, the aim is to develop a Group-wide position on this topic. The airlines are already committed to this matter through various initiatives. For example, Discover Airlines offers a vegan menu selection in Business Class, and all passenger airlines offer a vegetarian menu selection in all travel classes.

G1-2 – Management of relationships with suppliers

The Lufthansa Group places great importance on ensuring that its suppliers comply in full with the relevant laws, policies and requirements on fair competition, integrity and responsible business practices. This includes the protection of fundamental human rights and environmental concerns. In this way, the Lufthansa Group seeks to fulfil its due diligence requirements and to avoid entering into business relationships with persons or companies that do not meet these standards. The aim of the Lufthansa Group's risk management system for procurement processes is to identify human rights, environmental and compliance risks or violations of Group standards in the supply chain and to prevent, minimise or, if necessary, terminate them through effective action. If the risk management system identifies such a risk in relation to a supplier, appropriate measures are initiated. This will be implemented by a central team of experts in the procurement function. The actions are then agreed with the supplier. ↗ **S2 – ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model.**

Furthermore, through the continuous inclusion of obligations in contracts with suppliers, the Lufthansa Group strives to ensure responsible conduct by its direct suppliers, thereby meeting its own standards of corporate responsibility and avoiding risks.

Third parties can confidentially lodge complaints and reports on human rights- and environment-related risks or violations and compliance breaches by suppliers via an electronic whistleblower system or the external ombudsperson for the Lufthansa Group. ↗ **S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns.** Additionally, Lufthansa Group suppliers are required in their contracts to inform their own suppliers and their suppliers' employees about the Lufthansa Group's reporting channels. The Lufthansa Group's rules of procedure for handling reports are available on the Lufthansa Group website. For other matters within the scope of application of Section 2 of the German Whistleblower Protection Act (HinSchG) ↗ **S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns.**

Human rights and environmental requirements are included in the specification of the tender procedure. Furthermore, these requirements must be included in the evaluation matrix that forms the basis for supplier selection. In addition, suppliers are informed about the Supplier Code of Conduct with the tender documents, which formulates the Lufthansa Group's expectations regarding social, environmental and ethical responsibility to its suppliers.

G1-3 – Prevention and detection of corruption and bribery

The Lufthansa Group has established a comprehensive Compliance Management System to ensure lawful and transparent conduct in all business activities. The Compliance Management System follows the audit standard IDW PS 980 and consists of seven pillars: compliance culture, compliance objectives, identification of compliance risks, compliance programme, compliance organisation, compliance communication and compliance monitoring. It comprises the following modules: Integrity (Anti-Corruption), Capital Market Compliance, Competition Compliance, Embargo and Export Compliance, External Workforce Compliance and Anti-Money Laundering Compliance.

A central measure to prevent allegations or incidents of non-compliance, including corruption and bribery, is the development of a strong compliance culture. The Code of Conduct forms the foundation of the Lufthansa Group's value system and compliance culture. The compliance culture is fostered by the Executive Board members and managers of the Lufthansa Group, living up to their role model function as decision-makers of integrity, by expressing to their teams their expectation that all business decisions and activities must be based on lawfulness, integrity and the values set out in the Lufthansa Group Code of Conduct. Furthermore, the Lufthansa Group has established specific rules and processes to prevent corruption and bribery. The Lufthansa Group's compliance guidelines define, among other things, requirements for handling gifts, invitations and other benefits as well as donations, memberships and sponsorship. The compliance guidelines are binding for all decision-making bodies, managers and employees of the Lufthansa Group.

The Corporate Compliance Office and compliance managers in Lufthansa Group companies have the task of supporting decision-making in accordance with the compliance guidelines by providing consultation. Management and employees are encouraged to seek advice on compliance matters at any time. Additionally, the Lufthansa Group maintains an app that enables compliance checks based on its compliance rules around the clock.

Once a year, the compliance managers of all Lufthansa Group companies with operational activities must assess their exposure to relevant compliance risks and the status of their risk mitigation measures. The Corporate Compliance Office validates and consolidates the results. From this, recommendations are derived to mitigate identified risks through specific measures. The results of the risk assessments and the implementation status of the recommended instruments and measures are reported to the Executive Board, the Audit Committee and the Supervisory Board of the Lufthansa Group as part of the Group compliance report.

To investigate allegations or incidents of corruption and bribery, the Lufthansa Group maintains various whistleblower channels. All employees can also contact their direct supervisors, the compliance managers in their Group company or the Corporate Compliance Office. If whistleblowers wish to remain anonymous, concerns and potential violations can be addressed via the electronic whistleblower system or the ombudsperson, which are also publicly accessible to external whistleblowers. The reporting of grievances or violations is also part of the Lufthansa Group's web-based integrity compliance training.

Investigations of potential compliance violations, including corruption and bribery allegations, are conducted by the Corporate Compliance Office and the Intelligence & Investigations Team of Corporate Security. Depending on the severity of the allegations, the investigations are reported either to the Group Compliance Committee or the responsible Central Compliance Committee. These committees are independent of the management chain involved in the matter. They exercise their steering function and make the key decisions to pursue a neutral and thorough investigation. The investigation procedure for potential compliance violations is outlined in a process description.

At least quarterly, the Corporate Compliance Office reports to the Group Compliance Committee summarizing all compliance-relevant allegations and incidents, including those of corruption and bribery, as well as the Lufthansa Group's relevant compliance investigations. Twice a year, the Corporate Compliance Office reports relevant incidents, allegations and investigations to the Executive Board and the Audit Committee of the Supervisory Board, and once a year to the Supervisory Board of the Lufthansa Group. Compliance investigations that are only relevant for one Lufthansa Group company are reported by the Corporate Compliance Office to the responsible Central Compliance Committee of the Group company concerned.

The Corporate Compliance Office, the Chief Compliance Officer and management regularly communicate the Lufthansa Group's expectations regarding business conduct with integrity, free from corruption, bribery and conflicts of interest. The Corporate Compliance Office and the Lufthansa Group companies publish the relevant compliance guidelines, including those on anti-corruption and anti-bribery, on their respective intranets. When guidelines are updated, the Corporate Compliance Office and compliance managers in the Group companies ensure that they are communicated throughout the Group. Additional communication measures include information stands at welcome events and the distribution of compliance guidelines as part of onboarding for new employees.

Compliance trainings aim to raise employee risk awareness
Compliance trainings are intended to support Lufthansa Group employees in understanding all the relevant legal requirements and internal guidelines of the Lufthansa Group. It should serve to raise awareness of risks, provide guidance on handling risk situations and show where employees can obtain support. Web-based trainings should raise awareness of these topics; in-person training should convey department or function-specific knowledge. The mentioned web-based or in-person trainings are accessible to all employees.

Generally, all management levels are required to participate in anti-corruption web-based compliance training. In addition, the Corporate Compliance Office offers introductory training for newly appointed Board members of all Lufthansa Group companies. Depending on the risk exposure of the respective role within the Lufthansa Group to specific compliance risks, employees are required to participate in compliance training. This applies in particular to managers and employees who could be exposed to conflicts of interest. Reasons for this could include, for example, invitations, gifts or other benefits obtained from persons outside the Lufthansa Group. Potentially controlling functions working in areas such as human resources, controlling or accounting are particularly affected. Other sensitive areas include procurement, sales, account management, marketing, event management, business development, communication, international relations/governmental affairs, ground operations, finance, accounting and legal. Based on available personnel master data, 100% of the functions exposed to risk are covered by at least one training format. These target groups are regularly reviewed and adjusted by Group companies with support from the Corporate Compliance Office, for example during organisational restructuring or developments.

Metrics and targets

G1-4 – Incidents of corruption or bribery

In 2024, there were zero convictions and EUR 0 in fines imposed on the Lufthansa Group for violations of anti-corruption or anti-bribery regulations.

The Lufthansa Group does not tolerate any violations of its anti-corruption and anti-bribery regulations. Should an investigation confirm a violation of applicable anti-corruption or anti-bribery regulations, the Lufthansa Group will take appropriate measures, taking into account the individual circumstances of each case. This may include disciplinary measures, claims for damages, increased training and awareness-raising activities, extraordinary internal audits, improvements to the standards concerned and processes to prevent future violations.

G1-5 – Political influence and lobbying activities

The following are representatives of the Lufthansa Group who are active in connection with political influence or lobbying activities of the Group:

T077 ESRS G1-5 | 29A REPRESENTATION OF THE LUFTHANSA GROUP IN CONNECTION WITH POLITICAL INFLUENCE OR LOBBYING ACTIVITIES IN 2024

Company	Representation
Deutsche Lufthansa AG	Bartels, Andreas
	Benedict, Tom
	Benz, Tabea
	Brückmann, Axel
	Bulling, Andreas
	Courant, Sandra
	Faust, Jürgen
	Dr Göbel, Matthias
	Heinecke, Anton
	Holzrichter, Alexander
	Hug, Marcel
	Karassek, Markus
	Kiewel, Maximilian
	Kindler, Holger
	Körner, Jan
	Dr Kreuzpaintner, Stefan
	Leutke, Martin
	Dr Lindemann, Kay
	Linke, Markus
	Lumnitzer, Frank
	Malliaras, Thrasivoulos
	Dr Muhle, Christoph
	Müller, Robert Karl
	Dr Niggemann, Michael
	Pechstein, Jan
	Pordomm, Marcel
	Raepple, Christian
	Sauerwein, Albert
	Schmid, Michael
	Schulz, Kerstin
	Schuster, Ruben
	Sellmaier, Stephan
	Singh, Karan
	Spohr, Carsten
	Dr Streichert, Till
	Tubes, Yannick
	von Angern, Wolf-Hagen
	von Eicke und Polwitz, Steffen
	Vittadini, Grazia
	Vranckx, Dieter
	Wallisch, Astrid
	Zill, Alexandra
	Dr Zilles, Stephan
Lufthansa Cargo AG	Archer, Julia
	Bauer, Frank
	Bhat, Ashwin
	Braun, Annette
	Dr Breithaupt, Jan-Wilhelm
	Engelbart, Grit
	Focke, Dietmar
	Grychta, Oliver
	Jansen, Bettina
	Dr Menges, Volker
	Mies, Nicole
	Pacher, Sonja
	Rauchhaus, Marc-Philip
Lufthansa Technik AG	Aringhoff, Hans-Bernd
	Gloy, Harald
	Dr Krüger, Jens
	Maaßen, Anna
	Stark, Sören
	von Puttkamer, Michael
	Dr Willms, William
Eurowings	Bischof, Jens
Austrian Airlines	Reimann, Walter
Brussels Airlines	von Boxberg, Dorothea
	Öwerdieck, Nina
	Reinshagen, Tilman
	Saeys-Desmedt, Philippe
	Van Der Kamp, Menno

T078 ESRS G1-5 | 29B) I) REALISED (WHERE APPLICABLE, PROVIDED) FINANCIAL CONTRIBUTIONS AND POLITICAL BENEFITS IN KIND IN 2024

Category	Amount in € thousands
Financial	334
Political benefits in kind	0

No estimation was necessary for collecting the data in Table G1-5 29b) i).

The following are the main topics of the Lufthansa Group that are subject to its lobbying activities:

Reform of EU Air Passenger Rights Regulation 261/2004 according to the 2013 Commission proposal

The Lufthansa Group advocates implementing the Commission's 2013 proposal to reform EU Regulation 261/2004 in its current form. This particularly includes the definition of extraordinary circumstances and the adjustment of delay threshold values.

Finance SAF quota through uniform levy

From 2025, the quota for sustainable aviation fuel (SAF) applies to flights to and from European airports. The Lufthansa Group is lobbying for the equal financing of the SAF quota by European and non-European aviation companies, for example through a uniform European SAF levy calculated based on total travel distance.

Expand free SAF certificates

The Lufthansa Group advocates expanding the period and number of free SAF certificates for aviation in European emissions trading.

Use aviation tax for SAF promotion

The Lufthansa Group advocates that aviation tax revenues in the 2025 Budget Act should be used to promote SAF.

Introduce European support strategy for SAF

The Lufthansa Group advocates introducing a support strategy for the production and use of SAF at the European level.

Introduce Book & Claim mechanism for SAF use

The Lufthansa Group advocates introducing a Book & Claim mechanism to meet SAF quotas. This involves trading SAF certificates to bring sufficient SAF into circulation regardless of location.

Introduce single European airspace

The Lufthansa Group advocates introducing a single European airspace with politically independent European regulatory authorities and independent national supervisory authorities.

Maintain advance payment practice

The Lufthansa Group advocates maintaining the advance payment practice for flight ticket purchases.

Make provision of aircraft data to airlines mandatory

The Lufthansa Group advocates that aircraft manufacturers must enable airlines to access, control and use data generated during flight operations.

Maintain European regulation on common rules for slot allocation at airports

The Lufthansa Group advocates that the European regulation on slot allocation at airports should be maintained in its current form and, if at all, only be adjusted uniformly based on recommendations from international organisations.

Create legal basis for modernising aviation security controls

The Lufthansa Group advocates creating a regulatory basis at the European level for automatic detection of dangerous objects during security screening and advancing certification.

Revise EU Regulation 1069/2009 (health rules for animal by-products not intended for human consumption)

The Lufthansa Group advocates revising EU Regulation (1069/2009) to the effect that waste on international flights containing animal (by-)products does not have to be incinerated or landfilled.

Maintain flight route technology ADS-C EPP obligation

The Lufthansa Group advocates maintaining the obligation to use Automatic Dependent Surveillance – Contract Extended Projected Profile (ADS-C EPP) flight route technology as mandatory across Europe.

Connect German airports to high-speed rail routes

The Lufthansa Group advocates connecting German airports to Deutsche Bahn AG’s high-speed routes and long-distance network.

Examine application of Carbon Border Adjustment Mechanism (CBAM) in aviation

The Lufthansa Group advocates examining the application of this CO_2 border adjustment system in aviation as part of EU climate policy.

Introduce prioritised air traffic control clearances

The Lufthansa Group advocates inserting a legal basis for granting prioritised air traffic control clearances according to the “Best Equipped Best Served” (BEBS) traffic control principle into the air traffic control implementation regulation. BEBS provides incentives for aviation companies to convert their fleet to innovative technologies more quickly. In return, airlines are offered preferential treatment to avoid losing the climate-friendly effect in a lengthy landing procedure.

Limit non-CO_2 effects in EU Emissions Trading System (ETS)

The Lufthansa Group advocates limiting the scope of EU ETS for non-CO_2 effects to intra-European flights.

Delete national quota for Power-to-Liquid fuels in Federal Immission Control Act (BImSchG)

The Lufthansa Group advocates abolishing the national Power-to-Liquid (PtL) fuel quota for aviation in Section 37a Paragraph 4a BImSchG as part of the national implementation of the Renewable Energy Directive.

No introduction of a kerosene tax

The Lufthansa Group advocates not introducing a kerosene tax under the Energy Tax Directive.

Consider including aviation in German and European carbon management strategy

The Lufthansa Group advocates including aviation in Germany’s and the EU’s carbon management strategy.

Close EU legislative gaps in working conditions

The Lufthansa Group advocates closing legislative gaps that enable fictitious home bases, false self-employment and the abusive posting of employees.

Reform strike law

The Lufthansa Group advocates reforming strike law regarding announcement periods, emergency service agreements and mandatory conciliation procedures.

Make employment references transmittable via text form
The Lufthansa Group advocates adapting the German Trade regulation Act to allow employment references to be transmitted via text form (instead of exclusively in written form).

Make essential contractual terms transmittable in text form
The Lufthansa Group advocates that essential contractual terms of employment relationships can be transmitted in text form – for example via email – instead of written form.

Introduce weekly working hours
The Lufthansa Group advocates changing the consideration of working time from a daily to a weekly perspective.

Design reporting obligations in the implementation of the EU Pay Transparency Directive with minimal bureaucracy
The Lufthansa Group advocates for reporting obligations in implementing the EU Pay Transparency Directive to be implemented unbureaucratically and privileges created for collective bargaining parties.

Do not transfer costs for document changes related to the German Self-Determination Act to employers
The German Self-Determination Act is intended to make it easier to change gender entries and first names. The Lufthansa Group advocates for the financial costs for changing documents to no longer be borne by the employer in the future.

Privilege collective bargaining parties in implementing the EU Corporate Sustainability Due Diligence Directive (CSDDD)
The Lufthansa Group advocates for collective bargaining parties to receive privileged status in the national implementation of the CSDDD.

Transpose EU Corporate Sustainability Reporting Directive (CSRD) unchanged into German law
The Lufthansa Group advocates for the national implementation of the CSRD to be transposed one-to-one into German law.

No further increase in location costs through state fees
The Lufthansa Group calls for a moratorium on charges for air traffic. Specifically, there should be no foreseeable fee increases. Additionally, the costs for hazard prevention should be borne by the state.

Allow import of ungulate species by air freight into the EU
The Lufthansa Group advocates allowing temporal separation of different ungulate species in animal border control posts and other EU import facilities as effective protection against cross-infection in addition to spatial separation according to Commission Implementing Regulation (EU) 2019/1014 and Regulation (EU) 2017/625.

Maintain proportionality in German requirements for aviation security training
The Lufthansa Group advocates maintaining proportionality in German requirements for aviation security training according to the Aviation Security Training Ordinance of 6 July 2023 (Federal Law Gazette 2023 I No. 193) in the course of Commission Implementing Regulation (EU) 2015/1998, Point 11.4.3 as in EU neighbour countries.

Introduction of an offsetting model for import VAT collection in Germany
The Lufthansa Group advocates introducing an offsetting model for import VAT collection according to EU VAT System Directive 2006/112/EC Article 211 – as in most EU neighbour countries – for fairer competition conditions within the EU, cost reduction for the economy, strengthening logistics and avoiding unnecessarily long transport routes for goods imports.

Digitalisation of data exchange including with authorities along the air cargo transport chain
Along the air cargo transport chain, data exchange, for example with authorities, should be fully digitalised and preferably according to an international data standard. This can ensure more transparency, efficiency and security in the transport chain. The Digital Test Field Air Cargo project, with Lufthansa Cargo's participation, supported by the German Federal Ministry for Digital and Transport, contributes to this.

Maintenance and application of Aviation Act regulations
The Lufthansa Group advocates maintaining the approval procedures for occasional traffic or ad-hoc charter flights in air cargo for third-country airlines according to regulations, particularly in the German Aviation Control Act.

Promotion of aviation research especially for a more sustainable aviation industry
Lufthansa Technik advocates for aircraft maintenance, repair and overhaul areas to receive greater emphasis in the context of aviation research, to achieve and pursue more sustainable aviation earlier with short- and medium-term technologies alongside long-term innovations.

Establish Lufthansa Group as strategic partner for security policy “turning point”
A central element of the so-called “turning point” is the search for industrial partners to secure German defence capabilities in the long term. For the Lufthansa Group, value-oriented and responsible action is not just an aspiration but an integral part of its self-understanding. As a company rooted in Germany, it sees itself in a key role of strengthening the political and economic sovereignty and resilience of the Federal Republic and its armed forces in the long term.

Registration of the Lufthansa Group in the transparency register

The Lufthansa Group is registered in the following transparency registers:

European Union

- Lufthansa Group, EU Transparency Register 0714344663-32
- Brussels Airlines, EU Transparency Register 755555322381-50

Germany

- Deutsche Lufthansa AG, Lobby Register of the German Bundestag, Register number R001474
- Eurowings GmbH, Lobby Register of the German Bundestag, Register number R001213
- Lufthansa Cargo AG, Lobby Register of the German Bundestag, Register number R000854
- Lufthansa Technik AG, Lobby Register of the German Bundestag, Register number R003164

Austria

- Austrian Airlines, Lobbying and Interest Representation Register, LIVR-00193

Former public administration employees in administrative, management and supervisory bodies of the Lufthansa Group

The following employees in administrative, management and supervisory bodies of the Lufthansa Group held a comparable position in public administration, including regulatory authorities, in the two years before their appointment during the current reporting period:

- Tom Benedict
- Alexander Holzrichter
- Anna Maaßen

G1-6 – Payment practices

The Lufthansa Group aims to implement payments to all suppliers within the contractually agreed payment framework and in accordance with the Lufthansa Group's payment terms. The Lufthansa Group does not differentiate between different suppliers in this regard.

The Lufthansa Group's standard payment term is 30 days if not specified in the contract or on the invoice. The other two standard payment terms are 60 and 90 days. Generally, there is no further categorisation of suppliers regarding payment terms at the Lufthansa Group. The average payment period at the Lufthansa Group is 41 days.

For standard contract payment terms, payments are calculated from the date of invoice receipt. In the standard portfolio, payment terms can also be chosen that are calculated from the date of invoice issuance. Furthermore, timely payment is a control indicator with a target of 92%, based on the number of invoices. For all suppliers within scope, the Lufthansa Group additionally grants a grace period of seven days, which still counts as timely payment. Payment terms of more than 30 days require individual agreements in some countries.

T079 ESRS G1-6 | 33B STANDARD PAYMENT TERMS AND PAYMENTS[1] ALIGNED WITH THESE STANDARD TERMS IN 2024

Standard payment terms	Compliant payments in %
30 days	24.32%
60 days	5.38%
90 days	0.54%

[1] Other payments are made on the basis of individual contract terms and are settled by the Lufthansa Group accordingly, so these are not covered by the table.

The Lufthansa Group monitors payment outflows and thus the time until settlement of an invoice Group-wide through system reports on a monthly basis. The results are exchanged with the Lufthansa Group's business units in monthly coordination meetings for continuous improvement, and any need for action is discussed. Additionally, payment runs are set up to enable regular payment transactions through the existing banking systems.

The current number of pending legal proceedings for late payment is zero for the year 2024 at the Lufthansa Group.

Suppliers have several options for contacting the Lufthansa Group regarding payment queries – for example, by contacting the accounting team or by checking the status in a supplier system where data can be self-managed and viewed.

T080 CALCULATION METHODS IN 2024 – GOVERNANCE

ESRS disclosure requirement	Paragraph	Data point/metric	Basis for preparing and describing the parameters used, description of the assumptions and methodology	Sources of measurement uncertainty, if applicable	Resulting accuracy level	External validation	Planned measures for accuracy improvement, if applicable
G1-3 – Prevention and detection of corruption and bribery	21b	Percentage of risk-prone functions covered by training programmes	Collection of Lufthansa Group data based on evaluations from the central learning tool and previous risk analysis of which functions could be particularly affected.	Low uncertainty, as data is directly captured through system integration	High	None	No further action needed
G1-4 – Incidents of corruption or bribery	24a	Number of convictions and amount of fines for violations of corruption and bribery regulations	Data collection by the Lufthansa Compliance department, based on convictions and fines imposed on Lufthansa Group companies.	Low uncertainty, as legal notices are addressed directly to individual legal entities and collected accordingly	High	None	No further action needed
G1-5 – Political influence and lobbying activities	29b	Total monetary value of financial contributions and benefits in kind made directly and indirectly by the Company	The data collection is based on individual monetary values of indi-vidual legal entities. Due to the implementation of a Group-wide guideline whereby direct monetary values are excluded, there is no further consideration of this matter.	Low uncertainty due to the existing guideline regarding direct monetary values and the central function within the Lufthansa Group that directly deals with political influence	High	None	No further action needed
G1-6 – Payment practices	33a	Average time (in days) that the Company needs to settle an invoice from the start of the contractual or statutory payment period	The data collection is based on the invoice and payment data of the Lufthansa Group, which is consolidated and managed in a central database. The analyses are accordingly based on this centrally provided and maintained information.	Low uncertainty, as data is directly captured through system integration	High	None	No further action needed
G1-6 – Payment practices	33b	Percentage of payments where standard terms are applied.	The data collection is based on the standard payment terms and individual payment data of the Lufthansa Group, which is consolidated and managed in a central database. The analyses are accordingly based on this centrally provided and maintained information.	Low uncertainty, as data is directly captured through system integration	High	None	No further action needed
G1-6 – Payment practices	33c	Number of currently pending legal proceedings for late payment	The data collection is based on data from the individual legal departments of the legal entities of the Lufthansa Group.	Low uncertainty, as legal notices are addressed directly to individual legal entities and collected accordingly	High	None	No further action needed

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS OF LUFTHANSA AG (HGB)

- Revenue up to EUR 15.8bn.
- Loss from operating activities more than offset by positive result from equity investments.
- Total assets up to EUR 46.3bn.

The financial statements of Deutsche Lufthansa AG have been prepared in accordance with the German Commercial Code (HGB), the supplementary provisions of the German Stock Corporation Act (AktG) and the Articles of Association, and have been audited by EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Eschborn/Frankfurt am Main. They will be published in the Company Register. The financial statements are permanently available online at **https://investor-relations.lufthansagroup.com/en/publications/financial-reports.html.**

This annual report combines the management report for Deutsche Lufthansa AG with the management report for the Lufthansa Group. Deutsche Lufthansa AG and its results comprise the flight operations of Lufthansa Airlines as well as the expenses incurred by the central functions for Corporate Development, Finance and Controlling, Communications, Public Affairs, Human Resources, Legal and Compliance, as well as Data Security, Safety and Procurement. The economic environment of Deutsche Lufthansa AG is essentially the same as for the Group. However, accounting disparities have resulted in a significant difference between the net result for the year for Deutsche Lufthansa AG and the net profit for the period. This is mainly due to the different accounting treatment of fair value changes in retirement benefit-related plan assets. ↗ **Macroeconomic situation; Sector developments; Course of business.**

EARNINGS POSITION

Deutsche Lufthansa AG reported a net profit of EUR 372m for the 2024 financial year (previous year: net profit of EUR 6,765m). The negative operating result of Deutsche Lufthansa AG was outweighed by positive earnings from direct and indirect equity investments. Earnings in the previous year were largely due to book gains from capital contributions in connection with Lufthansa Cargo AG and Lufthansa Technik AG, which resulted in the recognition of previously unrealised gains on the shares of both companies.

Revenue and income

57 million passengers transported

Deutsche Lufthansa AG carried 57 million passengers in 2024, 3% more than in the previous year (55 million). Capacity was up by 7% and sales increased by 7%. The passenger load factor went up by 0.4 percentage points to 82.8%. Traffic revenue rose by 1% to EUR 14,330m (previous year: EUR 14,180m).

Operating income down 27%

Revenue went up by 1% to EUR 15,812m in 2024 (previous year: EUR 15,634m). The increase was mainly due to higher volume-driven traffic revenue. Other operating income fell by 83% to EUR 1,277m (previous year: EUR 7,632m), mainly due to the recognition in the previous year of book gains from two capital contributions in connection with Lufthansa Cargo AG and Lufthansa Technik AG. Overall, operating income declined by 27% to EUR 17,089m (previous year: EUR 23,266m).

Expenses

Operating expenses up 7%

Operating expenses came to EUR 18,534m in the reporting year, 7% higher than in the previous year (EUR 17,368m). They were mainly driven by the significant rise in the cost of materials and services, especially expenses for MRO services and compensation payments to passengers as a result of flight irregularities. Staff costs were also higher due to wage rises and a year-on-year increase in the headcount. Expenses for depreciation and amortisation were lower, whereas other operating expenses were unchanged year-on-year.

T081 TRENDS IN TRAFFIC REGIONS OF DEUTSCHE LUFTHANSA AG

	Traffic revenue		Passengers		Available seat-kilometres		Revenue seat-kilometres		Passenger load factor	
	2024 in €m	Change in %	**2024** in thousands	Change in %	**2024** in millions	Change in %	**2024** in millions	Change in %	**2024** in %	Change in %-pts
Europe	5,470	3	43,303	3	45,922	3	37,321	4	81.3	0.4
Americas	5,187	3	7,480	9	67,291	8	56,975	8	84.7	0.6
Asia/Pacific	2,606	1	3,856	20	36,356	20	29,879	19	82.2	–0.6
Middle East / Africa	1,067	–16	2,408	–19	12,821	–15	10,286	–14	80.2	0.5
Total traffic	**14,330**	**1**	**57,047**	**3**	**162,390**	**7**	**134,461**	**7**	**82.8**	**0.3**

The cost of materials and services rose year-on-year by 10% to EUR 11,288m (previous year: EUR 10,294m). Almost one third of the cost of materials and services consisted of fuel expenses, which fell by 3% to EUR 3,834m (previous year: EUR 3,963m), however. Fuel consumption went up year-on-year due to the larger number of flights. At the same time, however, lower prices, additional hedging and a positive exchange rate effect caused fuel expenses to go down.

Expenses for external services increased by 17% to EUR 7,241m (previous year: EUR 6,166m). Expenses for external MRO services increased by 29% to EUR 2,034m (previous year: EUR 1,578m) as a result of additional and more expensive maintenance events. Expenses for fees and charges increased by 8% to EUR 1,907m (previous year: EUR 1,766m), principally due to volumes and pricing. Expenses to compensate passengers for flight irregularities were up by 75% to EUR 525m (previous year: EUR 300m). This figure includes expenses for payments already made in connection with flight irregularities in financial year 2024, compensation payments already made for flight irregularities in prior years and additions to provisions for passenger claims that are still expected. Whereas expenses for operating leases increased year-on-year by 6% to EUR 707m (previous year: EUR 670m), largely due to prices, charter expenses rose year-on-year by 11% to EUR 565m (previous year: EUR 507m). Discover Airlines took over fewer routes from Lufthansa Airlines than in the previous year, while charter expenses for external airlines such as AirBaltic or CityJet increased significantly.

Staff costs went up by 5% to EUR 3,858m (previous year: EUR 3,661m). This increase was primarily due to higher expenses for basic pay, plus the corresponding social security contributions. Higher expenses due to the year-on-year increase in the headcount were almost completely offset by lower expenses for variable remuneration.

Depreciation and amortisation fell by 8%, to EUR 393m (previous year: EUR 426m). The decline is chiefly due to the addition of several aircraft to Austrian aircraft leasing companies.

Other operating expenses were around the previous year’s level at EUR 2,995m (previous year: EUR 2,987m). The fall in expenses for foreign exchange measurement was offset by higher expenses for items indirectly related to operating activities, such as travel and training expenses for crews, and expenses for advertising and rent.

Certain economic hedging relationships are presented in the financial statements as balance sheet hedging relationships in accordance with Section 254 HGB. Instruments to hedge the price of future fuel requirements, foreign currency hedging transactions to hedge exchange rates and interest rate hedges for interest-bearing financial liabilities are combined with corresponding hedged items within valuation units in accordance with Section 254 HGB.

Earnings performance

Result from operating activities of EUR –1,445m

The result from operating activities came to EUR –1,445m in the 2024 financial year (previous year: EUR 5,898m). The main reasons for this earnings performance were the significantly higher costs of materials and services and staff costs in 2024, along with the significant decline in other operating income. Earnings in the previous year stemmed largely from the book gains recognised on previously unrealised gains in the shares of Lufthansa Cargo AG and Lufthansa Technik AG.

Positive financial result of EUR 1,816m

The financial result amounted to EUR 1,816m (previous year: EUR 1,003m). The main driver was the result from equity investments of EUR 1,826m (previous year: EUR 812m), whereas positive interest income of EUR 87m (previous year: EUR 196m) was offset by other financial items of EUR –97m (previous year: EUR –5m).

T082 INCOME STATEMENT FOR DEUTSCHE LUFTHANSA AG IN ACCORDANCE WITH HGB

in €m	2024	2023
Traffic revenue	14,330	14,180
Other revenue	1,482	1,454
Total revenue	**15,812**	**15,634**
Other operating income	1,277	7,632
Cost of materials and services	-11,288	-10,294
Staff costs	-3,858	-3,661
Depreciation, amortisation and impairment	-393	-426
Other operating expenses	-2,995	-2,987
Profit/loss from operating activities	**-1,445**	**5,898**
Result from equity investments	1,826	812
Net interest	87	196
Impairment of investments and current securities	-97	-5
Financial result	**1,816**	**1,003**
Current income taxes	109	-46
Deferred income taxes	-73	-60
Earnings after taxes	**407**	**6,795**
Other taxes	-35	-30
Net profit	**372**	**6,765**
Transfer to other retained earnings	-13	-3,382
Distributable earnings	**359**	**3,383**

The result from equity investments includes profit and loss transfers of EUR 1,503m (previous year: EUR 528m) and other income from investments of EUR 323m (previous year: EUR 284m).

The positive performance of the result from equity investments is mainly due to Lufthansa Commercial Holding GmbH, which transferred earnings of EUR 1,369m (previous year: EUR 32m). For the first time, this result included earnings from Lufthansa Technik AG (EUR 362m; previous year: EUR 523m) and Lufthansa Cargo AG (EUR 143m; previous year: EUR 127m). In the previous year, earnings at Lufthansa Commercial Holding GmbH were reduced by an impairment loss of EUR 600m on its investment in Lufthansa Cargo AG. Positive earnings contributions came from Miles & More GmbH (EUR 185m; previous year: EUR 137m), Delvag AG (EUR 24m; previous year: EUR 17m), Truffle Holding AG (formerly LSG Lufthansa Service Holding AG: EUR 7m; previous year: EUR -97m) and above all Eurowings GmbH, which reduced its loss by EUR 174m to EUR -27m (previous year: EUR -201m). Losses transferred from Lufthansa Cityline GmbH came to EUR -55m (previous year: EUR -8m). Other income from investments mainly comprised dividends from Austrian leasing companies of EUR 260m (previous year: EUR 280m).

Net interest in the financial year 2024 was positive again at EUR 87m (previous year: EUR 196m). The decline compared with the previous year is due to the lower market performance of plan assets for retirement benefits (EUR -88m) and additional interest expenses towards affiliated companies (EUR -106m). This was offset by a one-off effect from settling a dispute with the tax authorities resulting from a tax inspection (EUR 144m).

Impairment losses of EUR 97m on investments and current securities recognised in the financial result were significantly higher than in the previous year (EUR 5m). They were due in full to impairments on two securities held in the portfolio because of lower market values.

Net profit for the year of EUR 372m

The operating result and financial result add up to EUR 371m (previous year: EUR 6,901m). The positive effect of EUR 36m from income tax expenses (previous year: EUR -106m) was offset by expenses for other tax expenses of EUR 35m (previous year: EUR 30m), resulting in a positive net amount of EUR 1m. Also included in net taxes is the settlement of a dispute with the tax authorities concerning the tax treatment of intra-Group loans, which resulted in a positive income tax effect of EUR 158m. Deferred tax expenses of EUR 73m were also recognised in the financial year. Altogether, net profit of EUR 372m was recognised for the financial year 2024 (previous year: EUR 6,765m).

FINANCIAL POSITION

Cash flow

Liquidity of EUR 3,352m

Operating cash flow of EUR -200m in financial year 2024 was EUR 518m lower than the previous year's figure of EUR 318m. The decline was largely due to the lower operating profit adjusted for non-cash effects, which was partly offset by the increase in the inflow from changes in working capital compared with the previous year.

Cash flow from investing activities climbed by EUR 1,994m in the reporting year to EUR 1,155m (previous year: EUR -839m). The result from equity investments (EUR 1,826m) and loan and capital repayments by affiliated companies (EUR 3,715m) was offset in particular by capital expenditure in physical and long-term financial assets (EUR -5,025m).

Cash flow from financing activities fell by EUR 549m to EUR -352m in financial year 2024 (previous year: EUR 197m). This resulted mainly from net increases in loans, borrower's note loans and aircraft lease liabilities (EUR -119m), as well as interest (EUR -740m) and dividend payments (EUR -359m). It was offset by net additions to loans from affiliated companies (EUR 865m).

In total, the value of cash and cash equivalents increased by EUR 603m to EUR –2,092m (previous year: EUR –2,695m). Current securities fell by EUR 821m to EUR 5,444m (previous year: EUR 6,265m). Liquidity thereby fell overall by EUR 217m to EUR 3,352m (previous year: EUR 3,569m).

NET ASSETS

Total assets up EUR 622m

Total assets as of 31 December 2024 climbed by EUR 622m to EUR 46,301m (31 December 2023: EUR 45,679m). Non-current assets accounted for 68% of total assets at year-end (31 December 2023: 66%).

Assets

Non-current assets up EUR 878m

Non-current assets as of 31 December 2024 climbed by EUR 878m to EUR 31,280m (31 December 2023: EUR 30,402m). The balance sheet item “Aircraft” increased by EUR 148m. Aircraft disposals were more than offset by advance payments for new aircraft. Non-current financial assets increased by EUR 707m compared with 31 December 2023. Capital increases at Lufthansa Commercial Holding GmbH were the main reason for this development. New and increased loans to affiliated companies (EUR 884m) were offset by repayments of EUR 753m.

Current assets down EUR 140m

Current assets were down by EUR 140m to EUR 10,809m (31 December 2023: EUR 10,949m). Higher inventories, trade receivables and cash and cash equivalents were more than offset by lower other receivables and other assets and securities.

T083 BALANCE SHEET FOR DEUTSCHE LUFTHANSA AG IN ACCORDANCE WITH HGB

in €m	31 Dec 2024	31 Dec 2023
Assets		
Intangible assets	329	335
Aircraft	7,371	7,223
Other property, plant and equipment	113	84
Financial investments	23,467	22,760
Non-current assets	**31,280**	**30,402**
Inventories	371	285
Trade receivables	638	584
Other receivables and other assets	2,223	2,235
Securities	5,444	6,265
Cash and cash equivalents	2,133	1,580
Current assets	**10,809**	**10,949**
Prepaid expenses	**183**	**183**
Deferred tax assets	**4,019**	**4,091**
Excess of plan assets over provisions for pensions	**10**	**54**
Total assets	**46,301**	**45,679**
Liabilities		
Issued capital	3,068	3,063
Capital reserve	318	312
Retained earnings	7,867	4,830
Distributable earnings	359	3,383
Shareholders’ equity	**11,612**	**11,588**
Provisions	**8,471**	**8,377**
Bonds	6,992	6,216
Liabilities to banks	498	1,272
Advance payments received for flight documents	3,145	3,020
Payables to affiliated companies	10,062	9,707
Other liabilities	5,487	5,459
Liabilities	**26,184**	**25,674**
Prepaid expenses	**34**	**40**
Total assets	**46,301**	**45,679**

Liabilities

Equity up EUR 24m

Shareholders’ equity came to EUR 11,612m as of 31 December 2024, which was roughly the same as the previous year (31 December 2023: EUR 11,588m). The dividend distribution of EUR 359m in financial year 2023 was more than offset by the net profit of EUR 372m.

The equity ratio declined by 0.3 percentage points to 25.1% (31 December 2023: 25.4%). The information required on the portfolio development of treasury shares in accordance with Section 160 Paragraph 1 No. 2 AktG is provided in the Notes ↗ **Note 34.**

Non-current liabilities down by EUR 271m

The Company’s non-current liabilities fell by EUR 271m to EUR 13,489m (31 December 2023: EUR 13,760m). This is mainly due to lower pension provisions linked to the positive market performance of the plan assets available to meet retirement benefit obligations.

Lower equity and non-current liabilities were more than offset by the rise in current liabilities. The composition of the balance sheet did not change significantly year-on-year. Total assets increased and long-term funding (equity and non-current liabilities) accounted for 54% of total assets as of 31 December 2024, only slightly less than the previous year (31 December 2023: 55%). Non-current funds covered 80% of non-current assets as of 31 December 2024 (31 December 2023: 83%).

Current liabilities up EUR 869m
At EUR 21,200m as of 31 December 2024, current liabilities were EUR 869m higher than at year-end 2023 (31 December 2023: EUR 20,331m). This was due to the increase in other provisions (mainly provisions for maintenance) and other liabilities.

Net debt up EUR 185m
Net balance sheet debt was up by EUR 185m to EUR 3,125m (31 December 2023: EUR 2,940m). Higher cash and cash equivalents (EUR +553m) were more than offset by the decline of EUR 821m in securities, whereas changes in bonds (EUR 776m) virtually equalled those in liabilities to banks (EUR –774m).

OTHER DISCLOSURES

Risk report

Business at Deutsche Lufthansa AG is subject to essentially the same risks and opportunities as business in the Passenger Airlines segment as presented in the consolidated financial statements. Deutsche Lufthansa AG is exposed to the risks of its equity investments and subsidiaries in proportion to its respective equity stakes. ↗ **Passenger Airlines business segment.**

Supplementary report

The main events taking place after the reporting date are those pertaining to the Passenger Airlines segment as described in the consolidated financial statements. ↗ **Events after the reporting date.**

Forecast

Future business performance at Deutsche Lufthansa AG is subject to essentially the same influencing factors as Lufthansa Airlines, as presented in the consolidated financial statements. Deutsche Lufthansa AG is exposed to the performance of its equity investments and subsidiaries in proportion to its respective equity stakes.

Further information on anticipated macroeconomic developments and the performance of the business segments, as well as the assumptions on which the Group forecast is based, can be found in ↗ **Forecast.**

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CONSOLIDATED INCOME STATEMENT

for the 2024 financial year

T084 CONSOLIDATED INCOME STATEMENT

in €m	Notes	2024	2023
Traffic revenue	3	31,439	29,926
Other revenue	4	6,142	5,516
Total revenue		**37,581**	**35,442**
Changes in inventories and other own work capitalised	5	954	727
Other operating income [1]	6	2,232	2,413
Cost of materials and services	7	-22,399	-20,378
Staff costs	8	-9,036	-8,344
Depreciation, amortisation and impairments [2]	9	-2,378	-2,242
Other operating expenses [3]	10	-5,412	-5,162
Profit/loss from operating activities		**1,542**	**2,456**
Result of equity investments accounted for using the equity method	11	86	121
Result of other equity investments	11	103	92
Interest income	12	441	245
Interest expenses	12	-590	-593
Other financial items	13	-6	-4
Financial result		**34**	**-139**
Profit/loss before income taxes from continuing operations		**1,576**	**2,317**
Income taxes	14	-176	-380
Profit/loss from continuing operations		**1,400**	**1,937**
Profit/loss from discontinued operations	15	-7	-248
Profit/loss after income taxes		**1,393**	**1,689**
Profit/loss attributable to non-controlling interests		13	16
Net profit/loss attributable to shareholders of Deutsche Lufthansa AG		**1,380**	**1,673**
“Basic”/“diluted” earnings per share in €	16	**1.15**	**1.40**

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[1] This includes EUR 40m (previous year: EUR 81m) from write-backs on non-current receivables and the reversal of impairments on current receivables.

[2] This includes EUR 27m (previous year: EUR 9m) for the recognition of write-downs on non-current receivables.

[3] This includes EUR 61m (previous year: EUR 61m) for the recognition of loss allowances on current receivables.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the 2024 financial year

T085 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in €m	Notes	2024	2023
Profit/loss after income taxes		**1,393**	**1,689**
Other comprehensive income			
Other comprehensive income with subsequent reclassification to the income statement			
Differences from currency translation	35	35	270
Subsequent measurement of financial assets and liabilities at fair value without effect on profit and loss	35, 46	19	18
Subsequent measurement of hedges – cash flow hedge reserve	35	1,048	-234
Subsequent measurement of hedges – costs of hedging	35	-79	-131
Other comprehensive income from equity investments accounted for using the equity method	24	13	-7
Other expenses and income recognised directly in equity		3	–
Income taxes on items in other comprehensive income	35	-243	79
		796	**-5**
Other comprehensive income without subsequent reclassification to the income statement			
Revaluation of defined-benefit pension plans	36	177	-665
Subsequent measurement of financial assets at fair value		1	5
Other expenses and income recognised directly in equity	35	-4	8
Income taxes on items in other comprehensive income	35	73	310
		247	**-342**
Other comprehensive income after income taxes		**1,043**	**-347**
Total comprehensive income		**2,436**	**1,342**
of which attributable to non-controlling interests		15	13
of which attributable to shareholders of Deutsche Lufthansa AG		**2,421**	**1,329**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of 31 December 2024

T086 CONSOLIDATED STATEMENT OF FINANCIAL POSITION – ASSETS

in €m	Notes	31 Dec 2024	31 Dec 2023
Intangible assets with an indefinite useful life[1]	17	1,016	1,022
Other intangible assets	18	321	333
Aircraft and reserve engines	19, 22	18,828	17,464
Repairable spare parts for aircraft[2]	20	2,154	2,024
Other property, plant and other equipment[3]	21, 22	2,958	2,913
Equity investments accounted for using the equity method	23	597	465
Other equity investments	24, 45	266	233
Non-current securities	24, 45	21	20
Loans, receivables and other assets	25, 45	852	968
Derivative financial instruments	45	821	659
Prepaid expenses	29	55	79
Income tax receivables		165	109
Deferred tax assets	14	2,682	3,059
Non-current assets[2]		**30,736**	**29,348**
Inventories[2]	26	1,606	1,385
Contract assets	27	395	312
Trade receivables and other receivables	28, 45	4,257	3,923
Derivative financial instruments	45	803	437
Prepaid expenses	29	254	235
Income tax receivables		501	307
Interest-bearing securities and similar investments	30, 45	6,698	6,675
Cash and cash equivalents	31, 45	1,790	1,590
Assets held for sale	32	12	1,109
Current assets[2]		**16,316**	**15,973**
Total assets		**47,052**	**45,321**

T087 CONSOLIDATED STATEMENT OF FINANCIAL POSITION – SHAREHOLDERS' EQUITY AND LIABILITIES

in €m	Notes	31 Dec 2024	31 Dec 2023
Issued capital	33	3,068	3,063
Capital reserve	34	265	258
Retained earnings	34	5,477	4,187
Other neutral reserves	34	2,732	2,151
Equity attributable to shareholders of Deutsche Lufthansa AG		**11,542**	**9,659**
Non-controlling interests		52	50
Shareholders' equity		**11,594**	**9,709**
Pension provisions	35	2,692	2,895
Other provisions	36	791	764
Financial liabilities	37, 45	11,413	11,055
Contract liabilities	38	8	26
Other financial liabilities		39	55
Advance payments received, deferred income and other non-financial liabilities	39	43	67
Derivative financial instruments	45	332	495
Deferred income tax liabilities	14	559	505
Non-current provisions and liabilities		**15,877**	**15,862**
Other provisions	36	1,056	876
Financial liabilities	37, 45	2,810	2,888
Trade payables and other financial liabilities	41, 45	6,003	5,905
Contract liabilities from unused flight documents	40	5,183	4,981
Miscellaneous contract liabilities	40	2,954	2,770
Advance payments received, deferred income and other non-financial liabilities	42	709	722
Derivative financial instruments	45	272	263
Income tax liabilities		594	675
Liabilities in connection with assets held for sale	32	–	670
Current provisions and liabilities		**19,581**	**19,750**
Total equity and liabilities		**47,052**	**45,321**

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[1] Including goodwill.

[2] Previous year figures adjusted due to the reclassification of non-pool material from repairable spare parts to inventories. See Note 20, Repairable spare parts.

[3] This includes financial investments valued at EUR 30m (as of 31 December 2023: EUR 30m).

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

as of 31 December 2024

T088 CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

			Neutral reserves								
in €m	Issued capital	Capital reserve	Market valuations of financial instruments	Currency differences	Revaluation reserve (due to business combinations)	Other neutral reserves	**Total neutral reserves**	Retained earnings	**Equity attributable to shareholders of Deutsche Lufthansa AG**	Minority interests	**Total shareholders' equity**
As of 31 Dec 2022	**3,060**	**252**	**913**	**739**	**236**	**346**	**2,234**	**2,859**	**8,405**	**69**	**8,474**
Consolidated net profit/loss/net profit/loss attributable to minority interests	–	–	–	–	–	–	–	1,673	1,673	16	1,689
Other comprehensive income	–	–	–263	270	–	–6	1	–345	–344	–3	–347
Total comprehensive income for the period	**–**	**–**	**–263**	**270**	**–**	**–6**	**1**	**1,328**	**1,329**	**13**	**1,342**
Share based payment schemes	–	–	–	–	–	6	6	–	6	–	6
Hedging results reclassified to acquisition costs of non-financial assets	–	–	–90	–	–	–	–90	–	–90	–	–90
Capital increases/reductions	3	6	–	–	–	–	–	–	9	–	9
Dividends to Lufthansa shareholders/minority interests	–	–	–	–	–	–	–	–	–	–25	–25
Transactions with minority interests	–	–	–	–	–	–	–	–	–	–7	–7
As of 31 Dec 2023	**3,063**	**258**	**560**	**1,009**	**236**	**346**	**2,151**	**4,187**	**9,659**	**50**	**9,709**
Consolidated net profit/loss/net profit/loss attributable to minority interests	–	–	–	–	–	–	–	1,380	1,380	13	1,393
Other comprehensive income	–	–	746	35	–	14	795	246	1,041	2	1,043
Total comprehensive income for the period	**–**	**–**	**746**	**35**	**–**	**14**	**795**	**1,626**	**2,421**	**15**	**2,436**
Share based payment schemes	–	–	–	–	–	8	8	–	8	–	8
Reclassification of cumulative gains/losses resulting from the disposal of equity instruments measured at fair value through other comprehensive income	–	–	–23	–	–	–	–23	23	–	–	–
Hedging results reclassified to acquisition costs of non-financial assets	–	–	–199	–	–	–	–199	–	–199	–	–199
Capital increases/reductions	5	7	–	–	–	–	–	–	12	–	12
Dividends to Lufthansa shareholders/minority interests	–	–	–	–	–	–	–	–359	–359	–13	–372
As of 31 Dec 2024	**3,068**	**265**	**1,084**	**1,044**	**236**	**368**	**2,732**	**5,477**	**11,542**	**52**	**11,594**

CONSOLIDATED CASH FLOW STATEMENT

for the 2024 financial year

T089 CONSOLIDATED CASH FLOW STATEMENT

in €m	Notes	2024	2023
Cash and cash equivalents as of 1 Jan		**1,668**	**1,784**
Profit/loss before income taxes		1,569	2,055
Depreciation, amortisation and impairment losses on non-current assets (net of reversals)	6, 9	2,383	2,312
Depreciation, amortisation and impairment losses on current assets (net of reversals)[1]		111	112
Net proceeds from disposal of non-current assets	6, 10	–182	144
Result from equity investments	11	–189	–223
Net interest	12	149	356
Income tax payments/reimbursements	14	–181	–92
Significant non-cash expenses/income	44	–244	–264
Change in trade working capital[1]		525	207
Change in other assets and liabilities		–49	298
Net cash from/used in operating activities[1]		**3,892**	**4,905**
Capital expenditure for property, plant and equipment and intangible assets	17, 18, 19, 21	–3,657	–3,544
Capital expenditure for financial investments	23, 24	–86	–32
Additions to/disposals of repairable spare parts for aircraft[1]	20	–241	–466
Proceeds from disposal of non-consolidated equity investments		6	16
Cash inflows/outflows for disposal of consolidated equity investments	49	376	–14
Cash outflows for acquisitions/capital increases of/at non-consolidated equity investments	23, 24, 44	–76	–33
Cash outflows for acquisitions of consolidated equity investments		–	–
Proceeds from disposal of intangible assets, property, plant and equipment and other financial investments		878	1,029
Interest income	12	294	166
Dividends received		114	107
Net cash from/used for investing activities[1]		**–2,392**	**–2,771**
Purchase of securities/fund investments		–15,470	–11,591
Disposal of securities/fund investments		15,537	11,421
Net cash from/used for investing and cash management activities[1]		**–2,325**	**–2,941**
Transactions by non-controlling interests		–	–1
Borrowing of financial liabilities	44	2,225	230
Repayment of financial liabilities	44	–2,745	–1,767
Dividends paid		–372	–25
Interest paid	24	–558	–509
Net cash from/used in financing activities		**–1,450**	**–2,072**
Net increase/decrease in cash and cash equivalents		**117**	**–108**
Changes due to currency translation differences		5	–8
Cash and cash equivalents as of 31 Dec	31	**1,790**	**1,668**
Less cash and cash equivalents of companies held for sale as of 31 Dec.		**–**	**78**
Cash and cash equivalents of companies not held for sale as of 31 Dec		**1,790**	**1,590**
Interest-bearing securities and similar investments	30	6,698	6,675
Liquidity		**8,488**	**8,265**
Net increase/decrease in liquidity		223	–36

[1] Previous year figures adjusted due to the reclassification of non-pool material from repairable spare parts to inventories. For details, see Note 44 Notes to cash flow from operating, investing and financing activities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DEUTSCHE LUFTHANSA AG 2024

GENERAL DISCLOSURES

1. Company information

The Lufthansa Group is a global aviation group. In the 2024 financial year, its subsidiaries and investees were organised into three business segments: Passenger Airlines, Logistics and MRO.

Deutsche Lufthansa AG has its head office in Cologne, Germany, and is filed in the Commercial Register of Cologne District Court under HRB 2168.

The declaration on the German Corporate Governance Code required by Section 161 of the German Stock Corporation Act (AktG) was issued and made available to shareholders online at **www.lufthansagroup.com/declaration-of-compliance.**

The consolidated financial statements of Deutsche Lufthansa AG, Cologne, and its subsidiaries were prepared in accordance with the IFRS accounting standards (IFRS) issued by the International Accounting Standards Board (IASB) which are applicable in the European Union (EU).

The commercial law provisions of Section 315e Paragraph 1 of the German Commercial Code (HGB) have also been applied. All IFRS accounting standards issued by the IASB and in effect at the time these consolidated financial statements were prepared and applied by Deutsche Lufthansa AG have been endorsed by the European Commission for application in the EU. The consolidated financial statements of Deutsche Lufthansa AG are prepared in millions of euros. The financial year is the calendar year.

Due to the tendency observed over recent years of a change in the usage pattern of non-pool material from a durable good to a consumable good, the accounting method for these materials was adjusted as of 31 December 2024. As a result, these materials have been reclassified from non-current assets to current inventories. The continual expansion of business with non-Group customers which is currently underway and expected to continue over the next few years, the related increase in trade in non-pool materials and changes to technical requirements mean that the Group generally no longer retains most of these materials on a long-term basis; it is therefore more appropriate to report them under inventories. Repairs are still carried out as before where they make economic sense. This adjustment has only affected the presentation in the primary financial statements. (↗ **Notes 20, 26** and **44**). Since the valuation method is unchanged, this has not had any impact on earnings. The figures for the previous year for the affected items have been adjusted accordingly. Otherwise, the accounting policies applied in the previous year have been retained. The first-time application from 1 January 2024 of the mandatory accounting standards, clarifications and interpretations either had no effect or no material effect on the presentation of net assets, financial and earnings position, or on earnings per share.

During the reporting period, the companies of the AirPlus group were deconsolidated following their sale to SEB Kort Bank AB. No further significant changes to the group of consolidated companies occurred.

Taking into account corporate planning and the resultant liquidity planning, the Company's Executive Board considers the Group's liquidity to be secure for the next 18 months. In the opinion of the management, the uncertainties in connection with the public and political debate on climate protection pose no threat to this forecast either. The consolidated financial statements have therefore been prepared on a going concern basis.

On 24 February 2025, the Executive Board of Deutsche Lufthansa AG prepared the 2024 consolidated financial statements, presented them to the Supervisory Board for review and approval and released them for publication.

2. New IFRS accounting standards and summary of significant accounting policies

IFRS accounting standards and interpretations (IFRIC) to be applied for the first time in the financial year and amendments to standards and interpretations

T090 IFRS PRONOUNCEMENT (APPLICABLE FROM 2024 FINANCIAL YEAR)

Amendments to IFRS 16, Lease Liability in a Sale and Leaseback
Amendments to IAS 1, Classification of Liabilities as Current or Non-current
Amendments to IAS 7 and IFRS 7, Supplier Finance Arrangements

Amendments to IFRS 16, Lease Liability in a Sale and Leaseback
The IASB published amendments to IFRS 16 in September 2022. The amendments mean that the seller/lessee recognises a lease liability from the leaseback obligation under IFRS 16 on the sale date, even if all the lease payments are variable and do not depend on an index or rate. No gain or loss is recognised on subsequent measurement of the right-of-use asset retained by the seller/lessee. Subsequent measurement of the right-of-use asset from the leaseback obligation is carried out according to the general rules of IFRS 16.29–35. The amendments are applicable retrospectively for financial years beginning on or after 1 January 2024.

Amendments to IAS 1, Classification of Liabilities as Current or Non-current
In October 2022, the IASB published amendments to IAS 1, Presentation of Financial Statements, to clarify the guidance for classifying liabilities as current or non-current. The amendments clarify that liabilities are to be classified as non-current if, on the reporting date, the reporting entity has the right to defer settlement of the liability for at least twelve months. The assessment of this right depends on the circumstances at the end of the reporting period. Covenants to be met in future are not considered. The amendments are applicable retrospectively for financial years beginning on or after 1 January 2024.

Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements
In May 2023, the IASB published amendments to IAS 7 and IFRS 7 to clarify the features of supplier finance arrangements and require additional disclosures on such arrangements. The disclosure requirements in the amendments are intended to help the users of financial statements understand the effects of supplier finance arrangements on the entity’s liabilities, cash flows and liquidity risk.

The first-time application from 1 January 2024 of the mandatory accounting standards, clarifications and interpretations either had no effect or no material effect on the presentation of net assets, financial and earnings position, or on earnings per share.

Published, but not yet mandatorily applicable IFRS accounting standards and interpretations (IFRIC) and amendments to standards and interpretations

The following standards and amendments have already been endorsed by the European Union but are only mandatory in respect of financial statements after 31 December 2024:

T091 IFRS PRONOUNCEMENT (ADOPTED BY THE EU)

	Mandatory application for financial years beginning on or after
Amendments to IAS 21, Lack of Exchangeability	1 Jan 2025

Amendment to IAS 21, Lack of Exchangeability
The Lufthansa Group does not expect this amendment to have any material effect on its consolidated financial statements.

The IASB has issued the following additional amendments to IFRS accounting standards which are not yet mandatorily applicable for the 2024 financial year and which have not yet been endorsed by the EU:

T092 IFRS PRONOUNCEMENT (NOT YET ENDORSED BY THE EU)

	Mandatory application for financial years beginning on or after
Amendments to IFRS 9 and IFRS 7, Classification and Measurement of Financial Instruments	1 Jan 2026
Annual Improvements to IFRS, Volume 11	1 Jan 2026
Amendments to IFRS 9 and IFRS 7, Contracts Referencing Nature-dependent Electricity	1 Jan 2026
IFRS 18, Presentation and Disclosure in Financial Statements	1 Jan 2027
IFRS 19, Subsidiaries without Public Accountability: Disclosures	1 Jan 2027

IFRS 18, Presentation and Disclosure in Financial Statements
On 9 April 2024, the IASB published its new IFRS 18 accounting standard on the presentation of financial statements and related disclosures. The key changes relate to:

- the structure of the income statement,
- required disclosures within the financial statements for certain profit or loss performance measures that are also reported outside an entity's financial statements ("management-defined performance measures", MPMs),
- the use of operating profit or loss as the starting point for the calculation of cash flows from operating activities in the cash flow statement and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and the notes in general.

While IFRS 18 will replace IAS 1, many of the other existing principles in IAS 1 are retained in IFRS 18. IFRS 18 will not affect the recognition or measurement of items in the financial statements. However, due to a new income statement structure, it could change what an entity reports as its operating profit or loss.

The Group is currently evaluating the potential impacts of the new IFRS 18 standard, particularly in relation to the structure of its consolidated income statement, its cash flow statement and the additional disclosure requirements for MPMs.

Currently, the additional new or amended IFRS accounting standards outlined above are not considered to have any effect at all, or any material effect, on the presentation of the net assets, financial and earnings position.

The Lufthansa Group has not voluntarily applied any of the new or amended regulations mentioned above before their binding date of application. Amendments to accounting policies as a result of revised and new standards will be applied retrospectively, unless provided otherwise for a specific standard. In this case, the income statement for the previous year and the opening statement of financial position for the comparable period will be adjusted as if the new accounting policies had always been applied. This is subject to the adoption of these standards by the EU.

Summary of significant accounting policies

The companies included in the consolidated financial statements apply uniform accounting policies to prepare their financial statements.

The application of the accounting policies prescribed by the IFRS accounting standards requires making a large number of estimates and assumptions with regard to the future. Naturally, these may not coincide with actual future conditions. However, all of these estimates and assumptions are reviewed continually and based on either past experience and/or expectations of future events that seem reasonable in the circumstances on the basis of sound business judgement. Estimates and assumptions of material importance in determining the carrying amounts for assets and liabilities are explained in the following description of the accounting policies applied to material items of the statement of financial position.

The uncertainties resulting from the crises are vital for the general assessment of the Company's status as a going concern, but also for specific accounting judgements and estimates. Current global developments in the area of security policy, including the Russian war of aggression against Ukraine, the conflict between Israel, Hamas and Hezbollah, various conflicts in Africa, continuing tensions between China and Taiwan and international trade conflicts as well as resulting effects on international economic relations represent risks to future business development. The same applies to activities and developments related to climate change mitigation. Such geopolitical uncertainties and the economic consequences therefore present a material risk to the performance of the world economy, the entire aviation industry and the Lufthansa Group. This may be reflected in unfavourable supply scenarios on the procurement side and/or changes in demand on the sales side, along with associated adverse price trends. The main assumptions and estimates were therefore based on the Group's liquidity and profit forecasts. Critical accounting areas that may be affected most severely by the ongoing uncertainty stemming from the crises mentioned above are:

- carrying amounts of goodwill (↗ **Note 17**) and equity investments (↗ **Note 23**), which depend to a large degree on achieving the planned earnings,

- carrying amounts for the aircraft (↗ **Note 19**), which particularly depend on profitable fleet operations.

- In view of the current uncertainties, measurement of the carrying amount for deferred tax assets (↗ **Note 14**), particularly on the carryforward of unused tax losses and unused tax credits, took the longer-term opportunities for using them into account.

- Accounting for obligations under customer loyalty schemes and unused flight documents (↗ **Note 40**) also depends on how customers redeem miles or use tickets. Related estimates are subject to uncertainty and significant in terms of the measurement of miles accounts and the estimate of amounts expected from unused flight documents and miles.

The aforementioned accounting areas could also be affected by declines in demand for air travel or higher costs due to climate-related factors. In particular, there is uncertainty about the extent to which regulatory efforts in connection with discussions about climate protection could lead to higher costs for the Lufthansa Group or the extent to which the Group can pass on higher costs to the customer. Public debate is currently focused on carbon emissions. In this context, corporate planning has factored in binding costs for emissions trading and sustainable aviation fuel, which were thus included when applying IAS 36 and in the impairment considerations in relation to deferred tax assets. Other core elements of the drive to reduce carbon emissions include the planned modernisation of the fleet and opportunities to buy carbon offsets when booking tickets. In connection with the planning mentioned above, the assumption is that sufficient quantities of sustainable aviation fuel will be available and that a certain proportion of customers will make use of carbon offsets. The Lufthansa Group does not currently see any climate-related indications of material changes in the expected useful lives of aircraft and reserve engines. However, the debate about the influence of aviation on climate change could have a negative long-term impact on air travel and thus on planned revenue. To reflect these uncertainties, no explicit assumptions have been made in the corporate planning. Over the medium to long term, however, impairment testing did not consider further market growth assumed by the industry association IATA (forecast up to 2034; as of September 2024); only the effects of inflation were included.

The measurement method applied to the consolidated financial statements is based on historical cost. Where IFRS accounting standards stipulate that other methods of measurement should be applied, these are used instead and referred to specifically in the following comments on measuring assets and liabilities.

Recognition of income and expenses

Revenue and other operating income are recognised when the service has been provided.

Passenger transport and ancillary services

The Lufthansa Group sells flight tickets and related ancillary services primarily via agents, its own websites or other airlines in the case of interlining. Payments are received by the Lufthansa Group via credit card billing companies, agents or other airlines, generally before the corresponding service is provided. Receivables from the sale of flight tickets and related ancillary services are exclusively amounts payable by the business partners mentioned above.

The Lufthansa Group initially recognises all ticket sales as liabilities from unused flight documents. These are presented as contract liabilities in accordance with IFRS 15. Depending on the terms of the selected fare, the contract liabilities reflect a range of possibilities for refunding services that have not yet been provided. Liabilities include both deferred income for future flights and ancillary services recognised as revenue when the flight documents are used, plus the liabilities for award miles credited to the passenger when the flight documents are used. The Lufthansa Group allocates the transaction price to all of the performance obligations identified on the flight ticket on the basis of individual transaction prices. The individual transaction prices for flight segments are determined under IATA rules, which allocate the total price payable to individual flight segments using what is known as a prorate calculation. The amounts determined in this way correspond to the relative standalone selling price within the meaning of IFRS 15. The standalone selling prices for ancillary services not included in the fare are directly observable prices within the meaning of IFRS 15. It takes 2.5 months on average (previous year: 2.3 months) for a flight coupon to be realised. Two years after the date of a flight at the latest, flight tickets lose their validity.

The Lufthansa Group reduces liabilities from unused flight documents and recognises revenue for each flight segment (including related ancillary revenue) when the respective document is used. In the case of tickets covering more than one flight segment, each flight segment is classified as a distinct performance obligation: each one is independent and can be distinguished in the context of the contract.

Interlining means that the passenger is carried by another airline for one (or more) flight segment(s). Only the commission paid by the other airline is recognised as revenue for these flight segments, since the Lufthansa Group acts solely as an agent under these performance obligations. If passengers with tickets sold by other airlines are carried partly or fully by the Lufthansa Group, the Lufthansa Group shows the pro rata ticket income received from the other airlines less the commission retained by the ticketing airline as revenue.

Generally speaking, the Lufthansa Group does not expect to receive any amount if a flight document is not used (or does not expect the amount to be material). For this reason, it does not anticipate the possibility that documents for a flight segment will not be used. If flight documents are not used, the expected amount is only recognised as revenue where the probability that the passengers will exercise their remaining rights is low, and no later than when the expiry of flight documents is certain and known. This is done on the basis of defined passenger groups.

Revenue for award miles is recognised at the point at which the goods and services purchased with the award miles are transferred. IFRS 15 requires that income from the expiry of miles is recognised in parallel with revenue from performance obligations that do not expire. A period of three years is therefore assumed for revenue recognition; as a rule, the revenue from miles expected to expire is recognised on a straight-line basis over this time. In the period between 2020 and 2022, changes in how passengers redeemed their miles in prior years and the restricted opportunities to use them for flights during the coronavirus pandemic meant that the realisation rate was adjusted accordingly.

Logistics

Lufthansa Cargo markets the freight capacities of passenger aircraft at Lufthansa Airlines, Austrian Airlines, Eurowings and Brussels Airlines, and operates a fleet of cargo aircraft. In addition to income from standard cargo services, Lufthansa Cargo generates part of its revenue from ancillary services that are closely connected to the freight service.

In its cargo business, the Lufthansa Group has identified the entire freight service as a distinct performance obligation. The contracting party receives the benefit of the transport service with each transport segment that is completed by the airline. In this case, the customer takes control of the Company's output while the carrier provides its service. The corresponding cargo revenue is therefore recognised at the prorated value when the documents for each individual freight segment are used.

Lufthansa Cargo typically receives the consideration for performing its service once the transport has been carried out.

MRO

The main distinct performance obligations in the MRO business segment are the provision of maintenance and aircraft and engine overhaul services, for which revenue is recognised over time since the condition of IFRS 15.35 (b) is generally met. Profit for these performance obligations is recognised on the basis of an input-oriented percentage of completion method, based on the services rendered as a proportion of the total volume of the customer order. Contract assets and contract liabilities are therefore both recognised. In general, the revenue is realised taking into consideration the margin shown in the business plans, which are updated annually.

In some cases, contracts in the MRO segment make it necessary not to recognise distinct services as individual performance obligations but rather as a series, as described in IFRS 15.22 (b).

Access to Lufthansa Technik's pool of spare parts and components is another key performance obligation, which is satisfied either over time or at a specific point in time, depending on the contract model agreed. Furthermore, some of the contracts include standby obligations that require the recognition of revenue over time. This is particularly the case with component contracts in which remuneration is paid in the form of a fixed rate per hour of flying time. For such contracts, the percentage of completion is primarily measured on the basis of hours invoiced to the customer each month.

A significant portion of the contracts in the MRO business segment run for several years and therefore have price adjustment clauses. These are only considered in the transaction price where an event (such as a wage increase) triggers a price adjustment.

Incremental costs of obtaining a customer contract will only be capitalised if the contract has a term of more than one year.

Further disclosures on the Lufthansa Group's revenue from contracts with customers can be found in ↗ **Notes 3 and 4.**

Operating expenses are recognised when the product or service is used or the expense arises. Provisions for warranties are generally accounted for when the corresponding revenue is recognised, while provisions for onerous contracts are generally set up when they are identified.

Interest income and expenses are accrued in the appropriate period. Dividends from shareholdings not accounted for using the equity method are recognised when a legal claim to them arises.

Initial consolidation and goodwill

The initial consolidation of Group companies takes place using the purchase method. This involves allocating the acquisition costs to the acquired company's assets, liabilities and contingent liabilities, identified and measured according to IFRS 3 rules as of the date of acquisition (purchase price allocation). The proportion of fair value of assets and liabilities not acquired is shown under non-controlling interests. Acquisition costs are recognised as expenses in the periods in which they occur.

Any excess of cost over the value of equity acquired is capitalised as goodwill. If the value of the acquirer's interest in the shareholders' equity exceeds the purchase price paid by the acquiring company, the difference is recognised immediately in profit or loss.

Differences from non-controlling interests acquired after control has been gained are set off directly against equity.

Goodwill is not amortised, and tested at least annually for impairment. Impairment testing of goodwill is carried out using recognised discounted cash flow methods. This is done on the basis of expected future cash flows from the latest business plan, which are extrapolated on the basis of long-term revenue growth rates and assumptions with regard to margin development, and are discounted for the capital costs of the business unit. Tests are performed at the level of the cash-generating unit (CGU). For the individual assumptions on which impairment tests were based in the 2024 financial year, see ↗ **Note 17.**

Additional impairment tests are also applied during the course of the year if events give reason to believe that goodwill could be permanently impaired.

Once an impairment loss has been recognised on goodwill, it will not be reversed in subsequent periods.

Notwithstanding the principles described above, Group companies with no material impact on the Lufthansa Group's net assets, financial and earnings position are not consolidated, but rather recognised in the consolidated financial statements at cost less any impairments.

Currency translation and consolidation methods

The financial statements of the foreign Group companies are prepared in the relevant functional currency and translated into euros before consolidation. The functional currency is usually the currency of the country in which the company concerned is located. Occasionally, the functional currency will differ from the national currency. Assets and liabilities are translated at the middle rates on the reporting date. The expense and income recognised in the consolidated income statement and the consolidated statement of comprehensive income are translated at the average exchange rates for the year. Any translation differences are recognised directly in equity without effect on profit and loss, and are only recognised in profit or loss where control is lost or the equity investment is disposed of.

Goodwill arising for foreign subsidiaries as a result of the capital consolidation is held in the functional currency of the acquired company and translated at the middle rates on the reporting date.

The flows in the consolidated cash flow statement are translated at average exchange rates for the year, while cash and cash equivalents are translated at the middle rate on the reporting date.

However, transaction differences are recognised in profit or loss. These differences arise in the financial statements of consolidated companies from the measurement of assets and liabilities denominated in a currency other than the company's functional currency. Exchange rate differences here are included in revenue (exchange rate gains and losses on trade receivables) and in other operating income (other exchange rate gains) or other operating expenses (other exchange rate losses). Exchange rate effects resulting from the measurement of non-current foreign-currency receivables and financial liabilities are recognised in the financial result.

Translation differences relating to items whose fair value changes are recognised in equity are also recognised in equity without effect on profit and loss.

The most important exchange rates used in the consolidated financial statements have developed in relation to the euro as follows:

T093 EXCHANGE RATES

	2024		2023	
	Balance sheet exchange rate	**Income statement average rate**	Balance sheet exchange rate	Income statement average rate
AUD	0.59900	0.61056	0.61779	0.61193
CAD	0.67003	0.67558	0.68433	0.68364
CHF	1.06291	1.04702	1.07697	1.02664
CNY	0.13181	0.12815	0.12727	0.13023
GBP	1.20690	1.18181	1.15351	1.14855
HKD	0.12391	0.11814	0.11571	0.11799
INR	0.01125	0.01103	0.01086	0.01120
JPY	0.00612	0.00608	0.00642	0.00656
KRW	0.00065	0.00068	0.00070	0.00071
NOK	0.08481	0.08603	0.08935	0.08733
PLN	0.23384	0.23238	0.23014	0.21999
SEK	0.08727	0.08746	0.09004	0.08701
USD	0.96209	0.92201	0.90379	0.92380

The effects of intra-Group transactions are completely eliminated in the course of consolidation. Receivables and liabilities between consolidated companies are offset against one another, with intra-Group provisions reversed through profit or loss. Intra-Group profits and losses in non-current assets and inventories are eliminated – generally in connection with the internal resale of aircraft and maintenance inspections. Intra-Group income is set off against the corresponding expenses. Tax accruals and deferrals are made as required by IAS 12 for temporary differences arising from consolidation.

Other intangible assets (except goodwill)

Acquired intangible assets are shown at cost, while internally generated intangible assets from which the Lufthansa Group expects to derive future benefit and which can be measured reliably are capitalised at cost of production and amortised regularly using the straight-line method over an estimated useful life. The cost of production includes all costs directly attributable to the production process, including borrowing costs as required under IAS 23, as well as appropriate portions of production-related overheads.

Intangible assets with an indefinite useful life are not amortised but, like goodwill, are subjected to regular annual impairment tests. These essentially include brands and resellable take-off and landing rights (slots) acquired individually or as part of company acquisitions. The latter are generally allotted for an indefinite period, provided they are used regularly.

Property, plant and equipment

Tangible assets used in business operations for longer than one year are valued at their acquisition or production cost less regular straight-line depreciation. The cost of production includes all costs directly attributable to the manufacturing process as well as appropriate portions of production-related overheads. Borrowing costs closely linked to the financing of the purchase or production of a qualifying asset are also capitalised.

Key components of property, plant and equipment that have different useful lives are recognised and depreciated separately. Seats and in-flight entertainment systems installed in commercial aircraft are recognised separately. If costs are incurred in connection with regular extensive maintenance work (e.g. overhauling aircraft and major engine overhauls), these costs are recognised as a separate component provided they meet the criteria for recognition. The useful lives and remaining carrying amounts of assets are reviewed regularly and adjusted as necessary in line with the forecast.

The following useful lives and residual carrying amounts are applied throughout the Group:

T094 USEFUL LIVES OF PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment	Useful life
Buildings	45 years
New commercial aircraft and reserve engines	20 years to a residual value of 5%
Separable aircraft components and major maintenance events	3 to 8 years
Technical equipment and machinery	8 to 20 years
Other equipment, operating and office equipment	3 to 20 years

Buildings, fixtures and fittings on rented premises depreciate according to the terms of the leases or over a shorter useful life.

Assets acquired second-hand are depreciated over their expected remaining useful life.

When assets are sold or scrapped, the difference between the net proceeds and the net carrying amount of the assets is recognised as a gain or loss in other operating income or expenses, respectively.

In addition to the impairment tests for goodwill, slots and brands, individual items of property, plant and equipment and intangible assets are also tested for impairment if they are no longer intended for future use, either because they are damaged, retired or earmarked for sale. In this case, the assets are measured individually in line with the applicable standard (impairment to scrap value, or disposal proceeds less costs to sell). When commercial aircraft are held for service in the Lufthansa Group fleet and there is no immediate intention to sell them, they are combined with the assets of the respective operating unit for the purposes of impairment testing. The smallest separable CGU in the passenger business is the airlines' flight operations (e.g. Lufthansa Airlines, SWISS). For the MRO segment, it is the entire MRO operation because of the alliance effects between the MRO business units. The Logistics segment also comprises a single CGU.

Impairment losses on intangible assets and property, plant and equipment

The Lufthansa Group tests intangible assets and property, plant and equipment for impairment where events or changes in circumstances indicate that their carrying amounts exceed their "recoverable amount". The recoverable amount is defined as the higher of an asset's fair value less costs to sell and the present value of the estimated net future cash flows from continued use of the asset (value in use). Fair value less costs to sell is derived from recently observed market transactions (insofar as they are available) or, in the case of aircraft, from general external information on current market prices. If the recoverable amount for an asset is less than its carrying amount, impairment losses are recognised on the reporting date in addition to depreciation and amortisation.

If it is impossible to forecast an expected cash inflow for an individual asset, the cash inflow will be estimated for the next larger group of assets to which cash inflows largely independent of the cash inflows of other assets or groups of assets can be attributed. The calculated stream of cash flows is discounted at an interest rate reflecting the risk involved, with the recoverable amount allocated to the individual assets in proportion to their respective carrying amounts.

If the reason for an impairment loss recognised in previous years should cease to exist wholly or in part in subsequent periods, the impairment loss is reversed up to the carried forward acquisition or production costs.

Repairable spare parts for aircraft

Spare parts for aircraft which can be regularly repaired on a cost-effective basis are allocated to non-current assets as repairable spare parts.

The MRO business segment accounts for most of the Group's repairable spare parts. They are replaced and repaired on an ongoing basis to carry out customer orders and for the Group's own purposes, and are held in stock to support the Group's long-term business. The Group's airlines directly stockpile additional repairable spare parts.

MRO spare parts and spare parts held by the airlines are both measured at cost less depreciation. Material in the MRO business segment is depreciated over five to 20 years, depending on the expected useful life of the corresponding aircraft model. Material directly stockpiled by the airlines is depreciated in line with the expected end of the useful life of the respective fleet model and thus their expected remaining useful lives. The rolling average prices of materials are the starting point for the depreciated carrying amounts.

Leases

The Lufthansa Group is a lessee for certain assets, and property and aircraft in particular. In terms of property, the Group mainly leases airport infrastructure, including hangars, parking and handling spaces, lounges and offices. It also leases other office buildings as well as production and warehouse spaces. In addition, the Group uses aircraft and other operating and office equipment on the basis of leases. To the extent that these contracts include payments for non-leased components, they are not included when accounting for the right-of-use asset. The Lufthansa Group assesses whether the contract contains a lease at the start of the contract in accordance with IFRS 16, i.e. if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Right-of-use assets are measured at cost less accumulated depreciation and adjusted for any change in the remeasurement of the lease liability. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received.

The Lufthansa Group has opted not to apply IFRS 16 to intangible assets. Payments under leases with a term of no more than twelve months and leases for assets of low value are recognised as expenses on a straight-line basis over the term of the lease.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms or the estimated useful life of the right-of-use asset in question. The lease term consists of the basic fixed term plus the term of any renewal options (to the extent that it is sufficiently probable that the lessee will exercise this option) or the term of a cancellation option where it is sufficiently probable that the lessee will not exercise the option.

If ownership of the leased asset passes to the Lufthansa Group at the end of the lease term or is included in the costs of exercising a purchase option, the right-of-use asset is depreciated on a straight-line basis over the expected useful life of the leased asset.

Impairment testing for right-of-use assets is carried out as described above for intangible assets and property, plant and equipment subject to depreciation.

At the commencement date of the lease, the Lufthansa Group recognises **lease liabilities** measured at the present value of the lease payments to be made over the term of the lease. The lease payments include fixed payments less any lease incentives owed, variable lease payments that depend on an index or a rate and any amounts expected to be paid in the context of residual value guarantees. Lease payments also include the exercise price of a purchase option or penalties for early termination if the exercise of the purchase or termination option by the lessee is reasonably certain.

The Lufthansa Group has leases that include renewal and termination options, particularly for properties. Judgement is applied when assessing the reasonable probability that the option to renew or terminate the lease will be exercised. When determining lease terms, all the facts and circumstances that offer an economic incentive to exercise renewal options or not to exercise termination options are taken into account. After the commencement date of the lease, the Lufthansa Group remeasures the lease liability if a significant event occurs or circumstances change.

Variable lease payments that do not depend on an index or a reference rate are recognised as expenses in the period in which the event or condition triggering the payment occurs.

Lease payments are generally discounted at the incremental borrowing rate. Reference interest rates based on congruent, risk-free rates in major countries and currencies were used to calculate the incremental borrowing rate. A credit risk premium was added to the respective reference rates.

When the Lufthansa Group acts as a lessor, it classifies leases as operating leases or finance leases. A lease is classified as a finance lease if it transfers essentially all the risks and rewards associated with ownership of the leased asset. If this is not the case, the lease is classified as an operating lease.

As the lessor in an operating lease, the Lufthansa Group presents the leased item as an asset at amortised cost in property, plant and equipment. Lease payments received in the period are shown as other operating income. The Lufthansa Group leases some of its properties and engines to other entities. There are currently no finance leases at the Lufthansa Group.

Accounting for sale-and-lease-back transactions depends on whether a sale has taken place or not. To assess whether this is the case, the criteria of IFRS 15 are used to determine if a performance obligation has been satisfied. If a sale has taken place, the lessee derecognises the leased item and replaces it with a right-of-use asset. A disposal gain or loss may only be recognised for the amount that relates to the rights transferred to the lessee. The remaining amount reduces the carrying amount of the recognised right-of-use asset. If the sales price does not represent the fair value of the leased item or the subsequent payments are not on market terms, corrections must be made. If the terms are below market, the difference is treated as an early lease payment; if they are above market, the difference is accounted for as a loan from the lessor. If there has been no sale according to the IFRS 15 criteria, the lessee continues to carry the asset unchanged and recognises a financial liability in the amount of the transfer price, which is accounted for in line with IFRS 9.

Equity investments accounted for using the equity method
Equity investments accounted for using the equity method are capitalised at cost at the time of acquisition.

In subsequent periods, the carrying amounts are either increased or reduced annually by changes in the shareholders' equity of the associated company or joint venture held by the Lufthansa Group. The principles of purchase price allocation that apply to full consolidation are applied accordingly to the initial measurement of any difference between the acquisition cost of the investment and the pro rata share of shareholders' equity of the company in question. An impairment test is only carried out in subsequent periods if there are indications of a potential impairment in the entire investment valuation.

Financial instruments
Within the Lufthansa Group, **financial assets** are classified in accordance with IFRS 9 as "at amortised cost", "at fair value through profit or loss", "at fair value through other comprehensive income (with and without recycling)" and "derivative financial instruments as an effective part of a hedging relationship".

The category **"at amortised cost"** consists of financial assets that are debt instruments and intended to be held to maturity in line with the company's business model. Furthermore, these instruments have fixed payment terms and meet the criteria for cash flow characteristics, i.e. contractual payments of principal and interest. For the Lufthansa Group, this item includes loans and receivables, cash in hand and bank balances in particular. They are classified as non-current or current assets according to their remaining maturity.

The category **"at fair value through profit or loss"** comprises debt instruments for which the business model envisages neither holding nor selling, or which do not pass the cash flow characteristics test. This is generally not the case for the Lufthansa Group. Equity instruments are also allocated to this category as a rule. The Lufthansa Group generally recognises shares and equity investments that are financial instruments in this category. Derivatives that do not meet the criteria for hedge accounting are also classified in this category.

Debt instruments are classified as **"at fair value through other comprehensive income (with recycling)"** when the business model envisages both holding and selling these instruments and they pass the cash flow characteristics test. For the Lufthansa Group, this applies in particular to securities held as strategic liquidity.

An option can be exercised to classify specific equity instruments as **"at fair value through other comprehensive income (without recycling)"**. The Lufthansa Group does not currently exercise this option.

In both cases, the relevant deferred taxes are recognised directly in equity.

The Lufthansa Group uses derivatives for hedging, which are classified as **"derivative financial instruments as an effective part of a hedging relationship"** provided all requirements for hedge accounting are satisfied.

Financial instruments are recognised at fair value on the settlement date, i.e. on the date that they are created or transferred. With the exception of trade receivables and financial assets at fair value through profit or loss, financial assets are capitalised at fair value plus transaction costs. Trade receivables are measured at the transaction price. The transaction costs of financial assets at fair value through profit or loss are recognised through profit or loss.

Long-term low or non-interest-bearing loans are recognised at net present value using the effective interest method. Subsequent measurement of the financial instrument depends on the classification, either at amortised cost using the effective interest method, or at fair value, through profit or loss or in equity without effect on profit and loss.

A financial asset is derecognised where the rights to payment expire or become irrecoverable, or the financial asset is transferred to a third party. A significant change in the contractual conditions for a financial instrument at amortised cost results in its derecognition and the recognition of a new financial asset. Insignificant changes result in an adjustment to the carrying amount and the financial asset is not derecognised.

Receivables denominated in foreign currencies are measured at the closing rate.

The fair value of securities is determined by the price quoted on an active market. For unlisted fixed-interest securities, the fair value is determined from the difference between the effective and the market interest rate on the measurement date.

If there are doubts as to the recoverability of receivables, then impairment losses are recognised and these receivables are recognised at the lower recoverable amount. Subsequent reversals (write-backs) are recognised in profit or loss. IFRS 9 requires that when a receivable is recognised for the first time, an expected credit loss is provided for, reflecting the credit risk of the receivable before a default event occurs. An external credit risk exists for the Lufthansa Group, especially in its portfolio of trade receivables, for which an expected credit loss is recognised.

Derivative financial instruments are measured at fair value on the basis of published market prices. If there is no quoted price on an active market, other appropriate valuation methods will be applied. Appropriate valuation methods take account of all factors that independent, knowledgeable market participants would consider in arriving at a price and that constitute recognised, established economic models for calculating the price of financial instruments.

In accordance with its internal guidelines, the Lufthansa Group uses derivative financial instruments to hedge interest rate and exchange rate risks, and to hedge fuel price risks. This is based on the hedging policy defined by the Executive Board and monitored by a committee. ↗ **Note 45.**

Forward transactions are entered into to hedge the foreign currency fluctuation risk. Interest rate swaps and interest rate/currency swaps are used to manage interest rate risks. Interest rate/currency swaps also hedge exchange rate risks linked to borrowing in foreign currencies.

Fuel price hedging takes the form of option combinations for crude oil and gas oil. To a limited extent, hedging is also undertaken for other products, such as jet fuel futures contracts.

Hedging transactions are used to secure either fair values (fair value hedge) or future cash flows (cash flow hedge).

To the extent that the financial instruments used qualify as effective cash flow hedging instruments within the scope of a hedging relationship in accordance with the provisions of IFRS 9, fluctuations in market value will not affect the result for the period during the term of the derivative. They are recognised without effect on profit and loss in the corresponding reserves. If the hedged cash flow is an investment, the result of the hedging transaction that has previously been recognised in equity is set off against the cost of the capital expenditure at the time the underlying transaction matures. In all other cases, the cumulative gain or loss previously stated in equity is included in net profit or loss for the period on maturity of the hedged cash flow.

In the case of effective hedging of fair values that are designated as a fair value hedge, the changes in the market value of the hedged asset or hedged debt and those of the financial instrument will balance out almost completely in the income statement.

Derivatives that do not meet the criteria for hedge accounting are presented in the category “at fair value through profit or loss”. Changes in fair value are then recognised directly in the income statement. For the Lufthansa Group, this generally occurs when the exposure or item being hedged cannot be measured reliably or the exposure ceases to exist prematurely over the course of the hedge.

Embedded derivatives – to the extent that they should, but cannot, be separated from the financial host contract – are also considered together with these as trading transactions for measurement purposes. Changes in market value are also recognised directly as profit or loss in the income statement. Both types must be classified as financial assets stated at fair value through profit or loss.

It is the Lufthansa Group’s hedging policy (↗ **Note 45**) only to acquire effective derivatives for the purpose of hedging interest rate, exchange rate and fuel price risks.

Initial recognition of **financial guarantees** to third parties is at fair value. Thereafter, financial guarantees are either measured in the category “at fair value through profit or loss” or at the higher of the originally recognised amount, less any cumulative amortisation through profit or loss in line with IFRS 15 or value of the contractual obligation measured in line with IAS 37.

Emissions certificates
CO_2 emissions certificates are recognised as intangible assets and stated under other receivables. Rights, both those purchased and those allocated free of charge, are measured at cost and not amortised.

Contract assets and receivables
Contract assets represent contractual claims to receive payments from customers where the contractual performance obligations have already been fulfilled but an unconditional right to payment has not yet arisen. Receivables are recognised where the right to receive consideration is no longer subject to conditions. This is generally the case when the Group is contractually entitled to send the customer an invoice. Contract assets mainly relate to production or service contracts for MRO and IT services. Impairments are made on the respective gross amounts of expected payment defaults.

Inventories
The “Inventories” item comprises assets used in production or the provision of services (raw materials, consumables and supplies), purchased merchandise, finished and unfinished goods and related advance payments. In particular, this item shows spare parts for aircraft earmarked for resale or which will be used within the scope of the provision of services. They are measured at cost, determined on the basis of average prices, or at production costs. The cost of production includes all costs directly attributable to the production process, and includes borrowing costs as required under IAS 23 as well as appropriate portions of production-related overheads at normal productivity rates. Measurement on the reporting date is at the lower of acquisition/production cost and net realisable value. Net realisable value is defined as the estimated selling price less the estimated cost until completion and the estimated costs necessary to make the sale. If there are indicators of future inability to pay, corresponding impairments are made.

Assets classified as held for sale and discontinued operations
Individual, formerly non-current assets or groups of assets whose sale within the next twelve months is highly probable are measured at the lower of their carrying amount at the time they are reclassified or at fair value less costs to sell. Fair value less costs to sell is derived from recent market transactions, if available.

Property, plant and equipment and intangible assets are no longer depreciated or amortised and measurement of the carrying amount of investees accounted for using the equity method is suspended once they are classified as held for sale or distribution. While the impairment charge from the last measurement before reclassification is recognised as an impairment loss, all subsequent changes in the measurement of current assets held for sale, for instance due to exchange rate movements, are shown in other operating expenses or income.

Discontinued operations are not included in the result of continuing operations, but are presented in the income statement in a separate item as the result from discontinued operations after taxes.

Cash and cash equivalents
Cash and cash equivalents comprise cash in hand, cheques received and credit balances at banks. Cash equivalents are financial investments that can be liquidated at short notice. At the time of purchase or investment, they have a maturity of three months or less.

Pension provisions
The pension provisions for defined benefit plans correspond to the present value of the defined benefit obligations (DBO) on the reporting date less the fair value of plan assets, if necessary taking into account the rules on the maximum surplus of plan assets over the obligation (asset ceiling).

The DBO is calculated annually by independent actuaries using the projected unit credit method prescribed in IAS 19 for defined benefit pension plans. The measurement of pension provisions within the statement of financial position is based on a number of actuarial assumptions.

Capital account plans are measured using the market value of the assets assigned to the individual capital accounts as of the reporting date. The present value of the minimum benefit payable when the beneficiary becomes entitled to the benefit is compared with the amount of contributions already paid in, measured using the assumptions for the benefit plans. Additional risk premiums that the employer contributes to insure against early entitlements are included in the current service cost.

In particular, the measurement of these requires assumptions about long-term salary and pension trends as well as average life expectancy. The assumptions about salary and pension trends are based on developments observed in the past and take into account national interest and inflation rates as well as labour market trends. The estimate of average life expectancy is based on recognised biometric calculation formulas.

The interest rate used to discount individual future payment obligations is based on the return from investment grade corporate bonds in the same currency. The discount rate for the euro zone is determined by reference to bonds with an issue volume of at least EUR 100m and an AA rating from at least one of the rating agencies of Moody's Investors Service, Fitch Ratings or Standard & Poor's Rating Services. Due to the tight market conditions for long-term corporate bonds, the yields of bonds from public issuers in the euro zone are also included in an extrapolation for long maturities to improve the estimation method.

Actuarial gains and losses arising from the regular adjustment of actuarial assumptions are recognised directly in equity in the period in which they arise, taking deferred taxes into account. Differences between the interest income at the beginning of the period calculated on plan assets based on the interest rate used to discount the pension obligations and the earnings from plan assets actually recorded at the end of the period are also presented without effect on profit and loss. The actuarial gains and losses and any difference between the forecast result and the actual result from plan assets form part of the remeasurement.

Past service cost and effects of plan settlements are recognised immediately in profit and loss.

Payments to pension providers for defined contribution retirement commitments for which the pension provider or the beneficiary assumes the financial risks are recognised in staff costs as they fall due.

Other provisions

Other provisions are recognised for present legal and constructive obligations to third parties arising from past events that will probably give rise to a future outflow of resources provided that a reliable estimate can be made of the amount of the obligations as of the reporting date.

The amount of the provision is determined using the best estimate. Past experience, current cost and price information as well as estimates from internal and external experts are used to determine the amount of provisions.

Provisions for maintenance obligations under leases are recognised on the basis of the contractual maintenance or compensation obligations, comparing the current maintenance condition with the agreed condition on return.

Provisions for obligations to submit emissions certificates are measured on the basis of the average acquisition costs of the certificates intended for submission to the respective register. If forward contracts for emission rights are entered into to cover the submission obligation, they are included in the measurement of the provision at the agreed forward rates. Any additional shortfalls are included in the provision at the market rate on the reporting date.

The management regularly analyses the current information on legal risks and recognises provisions for probable obligations. These provisions cover estimated payments to the claimant, court and procedural costs as well as the costs of lawyers and any out-of-court settlements. Internal and external lawyers assist with the estimate. When deciding on the necessity of a provision for litigation, the management takes into account the probability of an unfavourable outcome and the chance of making a sufficiently accurate estimate of the amount of the obligation. The commencement of legal proceedings, the formal assertion of a claim against the Group or the disclosure of certain litigation in the Notes does not automatically mean that a provision was created for the risk concerned. A ruling in court proceedings, a decision by a public authority or an out-of-court settlement may cause the Group to incur expenses for which no provision has been made because the amount could not be reliably determined, or for which the provision created and the insurance coverage is insufficient.

Provisions for restructuring and severance payments are recognised when at least a constructive obligation applies for corresponding measures. The prerequisites for this are an adopted formal restructuring plan that includes the affected business unit or the affected part of a business unit, the location and number of employees affected, the detailed estimate of associated costs and the time schedule. In addition, the key points of the plan must have been communicated to the employees concerned. The restructuring provisions only include expenses directly attributable to the restructuring measures that are necessary for the restructuring and are not related to the future operating business. This includes, for example, expenses for severance payments to employees.

Provisions for onerous contracts are recognised on the basis of directly attributable costs and income expected, as well as any opportunities to terminate the relevant contracts early.

Provisions for obligations that are not expected to lead to an outflow of resources in the following year are recognised in the amount of the present value of the expected outflow, taking foreseeable price rises into account.

The assigned value of provisions is reviewed on each reporting date. Provisions in foreign currencies are translated at the closing rate.

If no provision could be recognised because one of the stated criteria was not fulfilled, the corresponding obligations are shown as contingent liabilities and discussed in the relevant section.

Liabilities

Trade payables and other financial liabilities are initially recognised at fair value, which is approximately equivalent to the carrying amount.

Measurement in subsequent periods is at amortised cost using the effective interest method.

Liabilities denominated in foreign currencies are measured at the closing rate.

Obligations from **cash-settled share-based payment transactions** are measured at fair value in accordance with IFRS 2. Fair value is measured on initial recognition, at every reporting date and on the settlement date. Fair value is derived using a Monte Carlo simulation. The liability is recognised on the basis of the resulting fair value, taking the remaining term of the programme into account. Changes are recognised as staff costs in profit or loss.

The costs of **equity-settled transactions** are measured at fair value, applying a suitable valuation model at the time of the award. These costs, together with a corresponding increase in equity (other neutral reserves) are recognised in expenses for employee benefits over the period in which the service conditions and the performance conditions, if any, are satisfied (vesting period). The diluting effect of the outstanding share options is taken into account when calculating (diluted) earnings per share. Details of the assumptions used for the model and the structure of the share programmes can be found in ↗ **Note 39.**

Contract liabilities

A contract liability is an obligation on the part of the Group towards a customer to provide goods or services for which the customer has already performed an obligation (such as making an advance payment). Contractual liabilities are recognised as revenue when the Group fulfils its contractual obligations. The Group's contract liabilities consist of liabilities from unused flight documents, unredeemed miles from customer loyalty programmes, construction contracts and other contract liabilities.

Until they are used, sold flight documents are recognised as an **obligation from unused flight documents**. Coupons that are unlikely to be used any more are recognised as traffic revenue in the income statement at their estimated value. The estimate is based on past statistical data.

The Lufthansa Group uses various bonus miles programmes with the aim of ensuring long-term **customer loyalty**. Participants in the Miles & More programme can collect and redeem bonus miles for flights with airlines in the Lufthansa Group, and with numerous partners (including other airlines, hotels, global car hire companies, financial and insurance providers, telecommunications companies, retailers, automobile clubs, etc.). Miles expire three years after they are collected in accordance with the terms of membership, unless they are protected by frequent flyer status or credit card use.

Observable past redemption patterns are used to measure the premium claims that are collected on flights with airlines in the Lufthansa Group. Miles that are expected to be used for flights with airlines of the Lufthansa Group are measured according to the average price of the premium flight or upgrade for the average number of miles used. The price is calculated on the basis of past redemption patterns, weighted for the various geographic regions and booking classes. In addition, corrections are made to account for the reduced flexibility of premium flights and the fact that miles are not granted in this case, by comparison with non-award tickets. Miles that are expected to be redeemed for other bonuses are measured at the average price for these bonuses and the average number of miles redeemed. The prices for additional miles are recalculated every year and applied to all additions in that year. Consumption of miles is measured using the average rate for total miles at the beginning of the year (same as the previous year).

Premium points collected from other partners are measured at the amounts paid by these partners in relation to the average number of miles collected and redeemed.

The calculation method for the legal and economic expiry rate entails calculating the expiry rate from the values observed in prior years, increased or decreased as necessary by reference to past trends or future enhancements to the programme.

Government grants

Government grants are recognised at fair value when there is reasonable assurance that the grant will be received and that the Group will fulfil all conditions attached to such grants.

Government grants for the acquisition of property, plant and equipment are included in other liabilities as deferred income and recognised in other operating income on a straight-line basis over the estimated useful life of the corresponding asset. Non-monetary assets are only recognised in the income statement when the necessary eligibility criteria have been fulfilled. Until then, the corresponding amounts are also shown under deferred income.

Tax assets/liabilities

Claims and obligations in respect of tax authorities that are uncertain with regard to their probability of occurrence and/or amount are recorded as tax assets or liabilities on the basis of the most likely or expected value. Any contingent liabilities or assets existing in this context are addressed separately as needed.

Deferred tax items

In accordance with IAS 12, deferred taxes are recognised for all temporary differences between the statements of financial position with regard to the tax of individual companies and the consolidated financial statements. Tax loss carry-forwards are recognised to the extent that the deferred tax assets are likely to be used in the future. Company earnings forecasts and specific, realisable tax strategies are used to determine whether deferred tax assets are usable, i.e. whether they have a value that can be realised. The planning period used to assess this probability is determined by the individual Group company according to the specific circumstances; it is generally four years unless there is convincing evidence of possible prolonged use beyond the general horizon of the official Group planning. Impairment testing for deferred tax assets resulting from tax loss carryforwards in Germany and Austria has been conducted while considering qualitative indicators for longer periods of use. Other factors in the assessment include the reason for losses, the existence of a history of losses and prudence in considering future risks in the respective plans. In general, for entities with a history of operating losses not due to singular, external factors, no deferred taxes were recognised for tax loss carry-forwards ↗ **Note 14**.

Current income taxes

The Lufthansa Group is liable for income tax in various countries. Material assumptions are necessary to calculate the income tax liabilities. For certain transactions and calculations, the final taxation cannot be assessed definitively in the course of normal business. The amount of the liability that may arise from the findings of expected future tax audits is based on estimates of whether additional income taxes will be owed, and if so, at which amount. The assumptions underlying the estimates are continually reviewed and adjusted as necessary. Nevertheless, different tax payments may occur in the period in which the final tax determination is made.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

3. Traffic revenue

In the consolidated income statement, the Lufthansa Group attributes revenue to the segments of Passenger Airlines, Logistics, MRO and Additional Businesses and Group Functions.

Table T095 provides a breakdown of traffic revenue according to the different business models.

T095 TRAFFIC REVENUE BY SECTOR 2024

in €m	**Total**	Europe [1]	North America [1]	Central and South America [1]	Asia and Pacific [1]	Middle East [1]	Africa [1]
Passenger Airlines [2]	28,385	19,612	5,445	523	1,963	394	448
Lufthansa Airlines	15,309						
SWISS [3]	6,367						
Austrian Airlines	2,360						
Brussels Airlines	1,476						
Eurowings	2,873						
Logistics	3,054	1,272	298	93	1,253	39	99
Total	**31,439**	**20,884**	**5,743**	**616**	**3,216**	**433**	**547**

[1] Traffic revenue is allocated according to the original location of sale.
[2] Traffic revenue includes cargo revenue of SWISS; this is shown in the reconciliation column in the segment reporting.
[3] Item includes both passenger revenue and cargo revenue.

T095 TRAFFIC REVENUE BY SECTOR 2023

in €m	**Total**	Europe [1]	North America [1]	Central and South America [1]	Asia and Pacific [1]	Middle East [1]	Africa [1]
Passenger Airlines [2]	27,151	18,778	5,165	519	1,827	420	442
Lufthansa Airlines	15,011						
SWISS [3]	5,820						
Austrian Airlines	2,268						
Brussels Airlines	1,466						
Eurowings	2,586						
Logistics	2,775	1,395	317	93	867	30	73
Total	**29,926**	**20,173**	**5,482**	**612**	**2,694**	**450**	**515**

[1] Traffic revenue is allocated according to the original location of sale.
[2] Traffic revenue includes cargo revenue of SWISS; this is shown in the reconciliation column in the segment reporting.
[3] Item includes both passenger revenue and cargo revenue.

The increase in traffic revenue was due to higher sales. Lower yields for certain routes have had a negative impact.

Traffic revenue of EUR 31,439m (previous year: EUR 29,926m) includes cargo and mail revenue of EUR 3,569m (previous year: EUR 3,225m). The Logistics business segment accounted for EUR 3,054m (previous year: EUR 2,775m) of this amount. Other cargo and mail revenue of EUR 515m (previous year: EUR 450m) stems mainly from marketing belly capacities on passenger flights by SWISS.

4. Other revenue

Table T096 provides a breakdown of other revenue by category (type of service) and geographical distribution.

T096 OTHER REVENUE BY AREA OF OPERATIONS 2024

in €m	**Total**	Europe [1]	North America [1]	Central and South America [1]	Asia and Pacific [1]	Middle East [1]	Africa [1]
MRO	5,036	1,535	1,682	201	1,108	332	178
MRO services	4,281						
Other revenue	755						
Passenger Airlines	521	463	27	2	23	2	4
Logistics	159	92	48	1	11	7	–
Additional Businesses and Group Functions	426	277	45	18	54	22	10
IT services	196						
Travel management	152						
Other	78						
Total	**6,142**	**2,367**	**1,802**	**222**	**1,196**	**363**	**192**

[1] Other revenue is allocated according to the original location of sale.

T096 OTHER REVENUE BY AREA OF OPERATIONS 2023

in €m	**Total**	Europe [1]	North America [1]	Central and South America [1]	Asia and Pacific [1]	Middle East [1]	Africa [1]
MRO	4,389	1,552	1,393	202	887	244	111
MRO services	3,710						
Other revenue	679						
Passenger Airlines	490	433	29	2	21	1	4
Logistics	152	88	47	–	10	7	–
Additional Businesses and Group Functions	485	330	42	19	66	18	10
IT services	175						
Travel management	243						
Other	67						
Total	**5,516**	**2,403**	**1,511**	**223**	**984**	**270**	**125**

[1] Other revenue is allocated according to the original location of sale.

MRO services make up the majority of external revenue in the MRO business segment. Other revenue in the MRO business segment – from the sale of material and hiring out material and engines, as well as logistics services – classified as other services.

Other revenue also includes revenue from customer contracts that are fulfilled over a given period. These are mainly MRO and IT services.

5. Changes in inventories and work performed by entity and capitalised

T097 CHANGES IN INVENTORIES AND OTHER OWN WORK CAPITALISED

in €m	**2024**	2023
Increase/decrease in finished goods and work in progress	49	42
Other own work capitalised	905	685
	954	**727**

Other own work capitalised relates to aircraft and engine overhauls carried out within the Group. The year-on-year upward trend stems from an increase in the number of capitalisable maintenance events in conjunction with mainly inflation-related price rises.

6. Other operating income

T098 OTHER OPERATING INCOME

in €m	**2024**	2023
Foreign exchange gains	918	1,041
Income from the reversal of provisions and accruals	296	357
Income from the disposal of non-current assets	212	134
Compensation received for damages	161	201
Services provided by the Group	43	33
Reversal of impairment on receivables	37	77
Rental income	36	36
Staff secondment	16	18
Commission income	11	10
Subsidies	5	9
Income from the reversal of impairment losses on non-current assets	3	4
Other operating income	494	493
	2,232	**2,413**

Foreign exchange gains (excluding financial liabilities) mainly include gains from differences between the average rate for the month as of the transaction date and the payment date, along with foreign exchange gains from measurement at the closing rate. Income from exchange rate hedging is also recognised here. Correspondingly, foreign exchange losses from these transactions are reported under other operating expenses. ↗ **Note 10.** The foreign currency effects of financial liabilities are recognised in other financial items, in the context of the net results from exchange rate hedging relationships for financial liabilities.

Income from the reversal of provisions and accruals relates to a number of provisions and accruals recognised in previous years that have not been fully used. In the reporting year and in the previous year, the main reversals related to accruals for products and services, and to provisions for onerous contracts, bonus payments, legal disputes and warranties. Expenses from insufficient provisions recognised in prior years are presented together with the primary expense type to which they relate.

Income from compensation for damages stems mainly from compensation from suppliers for exceeding contractually agreed maintenance costs and insurance payments for damage to aircraft.

Income from the disposal of non-current assets includes EUR 102m in book gains on aircraft sold (previous year: EUR 108m). This income was primarily generated in connection with the sale and lease-back of 15 aircraft from the Airbus A320 family. ↗ **Note 22.** This item also includes the gain on the disposal of the AirPlus group in the amount of EUR 92m.

Income from the reversal of impairments on receivables mainly related to the MRO and Passenger Airlines business segments. In contrast to earlier expectations, receivables from customers for which defaults were considered to be highly probable as of the last reporting date did turn out to be recoverable.

The Lufthansa Group recognised rental and lease income of EUR 36m in 2024 (previous year: EUR 36m). Table **T099** shows the contractual lease payments for future periods.

T099 CONTRACTUAL LEASE PAYMENTS (LESSOR)

in €m	**31 Dec 2024**	31 Dec 2023
to 1 year	**21**	17
more than 1 year to 2 years	**13**	12
more than 2 years to 3 years	**13**	10
more than 3 years to 4 years	**8**	8
more than 4 years to 5 years	**5**	6
more than 5 years	**41**	46

Miscellaneous other operating income includes items not attributable to any of the aforementioned categories.

7. Cost of materials and services

T100 COST OF MATERIALS AND SERVICES

in €m	**2024**	2023
Aircraft fuel and lubricants	7,785	7,931
Other raw materials, consumables and supplies	3,189	2,662
Purchased goods	77	67
Total cost of raw materials, consumables and supplies and of purchased goods	**11,051**	**10,660**
Fees and charges	5,020	4,487
External MRO services	2,600	2,104
In-flight services	1,144	980
Charter expenses	1,073	878
External IT services	427	415
Flight irregularities	364	271
Other purchased services	720	583
Total cost of purchased services	**11,348**	**9,718**
	22,399	**20,378**

The increase in the cost of materials and services is largely due to the growth in business volume as well as price increases linked to inflation. This was offset by lower prices for fuel expenses.

Depreciation and impairment on repairable spare parts are also reported within expenses for other raw materials, consumables and supplies. In the 2024 financial year, as in the previous year, there were no impairment losses or valuation allowances.

Expenses for flight irregularities includes accommodation and meals in the case of delays, for instance, or payments for damaged luggage. Direct compensation payments to customers are recognised as a reduction in traffic revenue in accordance with IFRS 15.

Other purchased services include costs for lounge operations and costs in connection with the miles programme.

8. Staff costs

T101 STAFF COSTS

in €m	**2024**	2023
Wages and salaries	7,289	6,770
Social security contributions	1,092	996
Expenses for retirement benefits and other employee benefits	655	578
	9,036	**8,344**

The increase in staff costs has mainly resulted from the almost 7% rise in the number of employees (adjusted for the sale of the catering business), salary increases under collective bargaining agreements and one-off payments. This was offset by the decrease in variable remuneration components.

T102 EMPLOYEES

	Average for the year 2024	Average for the year 2023	**As of 31 Dec 2024**	As of 31 Dec 2023
Ground staff	53,909	67,089	54,363	52,426
Flight staff	44,668	41,760	45,486	42,611
Staff	**98,577**	**108,849**	**99,849**	**95,037**
Trainees	1,713	1,415	1,860	1,640
	100,290	**110,264**	**101,709**	**96,677**

The annual average is calculated pro rata temporis from the time companies are first consolidated or deconsolidated. The figures for the previous year include 16,475 employees as an average figure over the course of the year, and, on the reporting date, 50 employees in the Catering business segment.

9. Depreciation, amortisation and impairment

Total depreciation, amortisation and impairment came to EUR 2,378m (previous year: EUR 2,242m).

T103 DEPRECIATION, AMORTISATION AND IMPAIRMENT

in €m	**2024**	2023
Amortisation of other intangible assets	86	88
Depreciation of aircraft	1,867	1,764
Depreciation of other property, plant and equipment	384	376
Total amortisation/depreciation	**2,337**	**2,228**
Impairment of goodwill	–	–
Impairment of other intangible assets	–	5
Impairment of aircraft and reserve engines	13	–
Impairment of other property, plant and equipment	1	–
Impairment of right-of-use assets	–	–
Impairment of financial investments	27	9
Total impairment	**41**	**14**
Total depreciation, amortisation and impairment	**2,378**	**2,242**

The slight increase in depreciation and amortisation reflects the aircraft and reserve engines received as well as right-of-use assets for aircraft and reserve engines.

In the 2024 financial year, impairment losses of EUR 41m related to Passenger Airlines (EUR 13m) and the MRO business segment (EUR 28m). Additional impairment losses with a volume of EUR 11m (previous year: EUR 0m) related to investments accounted for using the equity method. These are shown in the result from equity investments. ↗ **Note 11**

No impairment losses were recognised within the scope of other operating expenses (previous year: EUR 32m).

10. Other operating expenses

T104 OTHER OPERATING EXPENSES

in €m	**2024**	2023
Foreign exchange losses	1,030	993
Staff-related expenses	1,029	935
Rental and maintenance expenses	655	617
Sales commission paid to agencies	364	356
Expenses for computerised distribution systems	342	341
Commissions for credit cards	327	281
Advertising and sales promotions	324	281
Auditing, consulting and legal expenses	296	312
Other services	236	206
Insurance premiums for flight operations	68	63
Impairment on receivables	61	61
Communications costs	60	48
Other taxes	54	62
Losses on disposal of non-current assets	20	33
Other operating expenses	546	573
	5,412	**5,162**

In particular, the increase in other operating expenses results from higher sales and marketing costs, as well as a rise in crew travel expenses as flight operations escalated. Higher foreign currency losses have also increased other operating expenses.

Foreign exchange losses (excluding financial liabilities) mainly consist of losses from exchange rate differences between monthly average rates on the transaction date and on the payment date, expenses from exchange rate hedges and foreign exchange losses from measurement at the exchange rate on the closing date. ↗ **Note 6.** The foreign currency effects of financial liabilities are recognised in other financial items in the context of the net results of exchange rate hedging relationships for financial liabilities.

Staff-related expenses also include travel and training costs for Group employees and the costs of outside staff.

Rental and maintenance expenses include, in particular, rent payments for non-capitalised IT equipment and the maintenance thereof in the amount of EUR 337m (previous year: EUR 328m) along with other maintenance expenses for properties of EUR 180m (previous year: EUR 158m).

The impairment on receivables of EUR 43m (previous year: EUR 32m) mainly related to customer receivables at direct risk of default. Impairments of EUR 8m (previous year: EUR 1m) were also recognised for general default risks applying the expected credit loss model defined in IFRS 9.

Of consulting and legal expenses, a total of EUR 15m (previous year: EUR 39m) relates to costs in connection with merger and aquisition transactions.

11. Result from equity investments

T105 RESULT FROM EQUITY INVESTMENTS

in €m	**2024**	2023
Result of joint ventures accounted for using the equity method	63	103
Result of associated companies accounted for using the equity method	23	18
Result of equity investments accounted for using the equity method	**86**	**121**
Dividends from other joint ventures	7	8
Dividends from other associated companies	2	2
Income from profit transfer agreements	58	54
Expenses from loss transfer agreements	-13	-16
Dividends from other equity investments	49	44
Result of other equity investments	**103**	**92**
	189	**213**

The result from equity investments accounted for using the equity method mainly stems from Günes Ekspres Havacilik Anonim Sirketi (Sunexpress) and Terminal 2 Gesellschaft mbH & Co oHG. The year-on-year decrease resulted, in particular, from a fall in Sunexpress' earnings. In the previous year, its earnings figure had been significantly influenced by one-off tax income from the introduction of an inflation accounting in the tax balance sheet. The other entities accounted for using the equity method reported a net result of zero overall.

Of the net income from joint ventures accounted for using the equity method, EUR 11m (previous year: EUR 0m) related to impairment losses on shares in the MRO business segment.

Income and expenses from profit and loss transfer agreements include apportionments of taxes.

12. Net interest

T106 NET INTEREST

in €m	**2024**	2023
Income from other securities and non-current financial loans	7	7
Other interest and similar income	434	238
Interest income	**441**	**245**
Interest expenses on pensions obligations	–94	–77
Interest expenses on other provisions	–20	–9
Interest and similar expenses	–476	–507
Interest expenses	**–590**	**–593**
	–149	**–348**

Net interest comprises interest income and interest expenses – calculated using the effective interest method in accordance with IFRS 9 – from financial assets and liabilities not classified as at fair value through profit or loss.

Net interest improved year-on-year by EUR 199m. This was attributable, in particular, to decisions made by fiscal courts in favour of the Lufthansa Group in connection with tax audits, resulting from the reimbursement of interest-bearing past tax payments and the reversal of provisions for interest risks.

13. Other financial items

T107 OTHER FINANCIAL ITEMS

in €m	**2024**	2023
Result of fair value hedges – change in fair value of hedged transactions	–108	41
Result of fair value hedges – change in time value of hedging instruments	106	–42
Ineffective portion of derivatives used as cash flow hedges	–65	–127
Result of derivatives classified as "at fair value through profit or loss"	–3	–5
Result of measuring securities classified as at fair value through profit or loss	124	91
Exchange rates effects from financial liabilities	–60	38
	–6	**–4**

In 2024, as in the previous year, contrary changes in the time value of hedged items and hedge instruments in fair value hedges resulted in what was almost a break-even result.

For US dollars, the Lufthansa Group is in a net payer position as regards currency risks from planned aircraft purchases. This is because purchase price payments are dollar-denominated. Changes to the timing of planned aircraft purchases make the investment hedges partially ineffective. Changes in USD exchange rates in the 2024 financial year resulted in expenses of EUR 56m (previous year: EUR 105m) in the item "Ineffective portion of derivatives used as cash flow hedges".

The increase in the item for securities measured "at fair value through profit or loss" is attributable, in particular, to higher income from the market measurement of the issued convertible bond (EUR 49m; previous year: EUR 20m).

14. Income taxes

Tax expenses of EUR 176m (previous year: EUR 380m) were incurred in the 2024 financial year. These are made up as follows:

T108 INCOME TAXES

in €m	**2024**	2023
Current income taxes	–147	109
of which attributable to 2024	213	274
of which attributable to previous years	–360	–165
Deferred taxes	323	271
of which from temporary differences	106	149
of which from loss carry-forwards	217	122
	176	**380**

Current income taxes include corporation tax, the solidarity surcharge, trade tax, the minimum tax and other income taxes paid outside Germany.

The tax rates used to calculate deferred taxes abroad in the 2024 financial year were unchanged from the previous year at 3.5% to 35.0%. For measuring deferred taxes, the relevant taxation rules in force or adopted as of the balance sheet date are used.

The Act to Ensure a Global Minimum Tax for Corporate Groups was passed in Germany with effect from 1 January 2024. Deutsche Lufthansa AG, as the ultimate parent company, is domiciled for tax purposes in Germany and exceeds the applicable limits. It therefore falls within the scope of the Act. Affected foreign business entities (subsidiaries, permanent establishments and joint ventures) are subject to local minimum tax laws insofar as national legislation has been implemented in the countries in question. Foreign business entities without national minimum tax legislation fall within the scope of the German Minimum Tax Act at the level of the ultimate parent company via the “income inclusion rule” (IIR). On the basis of the available tax information for specific countries, the Lufthansa Group has recognised a tax provision of EUR 30m for the 2024 financial year in profit or loss. Tax effects that could result from the application of global minimum taxation rules are not taken into account when measuring the amount of deferred tax assets and liabilities to be recognised.

Table T109 shows the reconciliation from the expected to the effective, recognised tax expense. The expected tax expense is calculated by multiplying profit before income taxes by a tax rate of 25% (previous year: 25%). This rate is calculated as the average estimated value for the tax group of the Group parent company, made up of a tax rate of 15.825% (previous year: 15.825%) for corporation tax/solidarity surcharge and 9.175% for trade tax (previous year: 9.175%). The portion of trade tax related to foreign air transport operations is deducted when calculating the trade tax rate, particularly in the case of the Group parent company with its head office in Germany.

T109 TAX RECONCILIATION

	2024		2023	
in €m	**Basis of assessment**	**Tax expenses**	Basis of assessment	Tax expenses
Expected income tax expenses	1,569	392	2,055	514
Non-taxable profits/losses on disposal	67	–17	–141	35
Non-deductible costs	134	34	262	66
Non-taxable income	431	–108	353	–88
Non-taxable income and effects from equity investments	139	–35	183	–46
Difference between local taxes and the deferred tax rates of the Group parent company as well as effects of changes in tax rates	–	50	–	8
Taxes from other periods	–	–316	–	–80
of which current taxes	–	–360	–	–165
of which deferred taxes	–	44	–	85
Effects from recognised/unrecognised deferred tax assets	–	176	–	–43
Recognised income tax expenses	**–**	**176**	**–**	**366**

The assessment base for the expected income tax expenses comprises profit before tax from continuing operations of EUR 1,576m (previous year: EUR 2,317m) and the loss before tax from discontinued operations of EUR 7m (previous year: loss of EUR 261m). Of the income tax expenses shown, EUR 176m (previous year: EUR 380m) is entirely attributable to taxes on continuing operations. In the previous year, tax income of EUR 13m was attributable to discontinued operations.

Including both continuing and discontinued operations, the effective tax rate in 2024 was 11% (previous year: 18%). The lower effective tax rate has mainly resulted from tax-free income from investments and foreign income, results of tax audits and the sale of shares and, on the other hand, the non-capitalisation of deferred tax assets on loss carry-forwards.

Deferred tax liabilities were not recognised on temporary differences in connection with shares in subsidiaries in the amount of EUR 328m (previous year: EUR 153m). This is because these temporary differences are not expected to reverse in the foreseeable future.

Deferred tax assets and liabilities in 2024 and 2023 were allocable to the following items:

T110 DEFERRED TAX ASSETS AND LIABILITIES

	31 Dec 2024		31 Dec 2023	
in €m	**Assets**	**Liabilities**	Assets	Liabilities
Tax loss carry-forwards and tax credits	2,126	–	2,343	–
Pension provisions	1,404	–	1,335	–
Intangible assets, property, plant and equipment	–	1,320	–	1,194
Non-current financial assets	16	–	–	2
Fair value measurement of financial instruments	–	238	–	62
Provisions for onerous contracts	29	–	49	–
Receivables/liabilities/other provisions	–	103	–	87
Inventories and spare parts for aircraft	213	–	172	–
Assets held for sale	–	4	–	–
Other	–	–	–	–
Offsetting	-1,106	-1,106	-840	-840
	2,682	**559**	**3,059**	**505**

For companies reporting a tax loss in the reporting year or the prior year, a net surplus of deferrred tax assets over deferred tax liabilities of EUR 2,349m (previous year: EUR 3,011m) was recognised as of 31 December 2024. This surplus is made up of EUR 699m (previous year: EUR 1,068m) in deferred tax assets on deductible temporary differences and of EUR 1,650m (previous year: EUR 1,943m) in deferred tax assets on tax loss carryforwards. Where there is a history of losses, an assessment of whether there would be sufficient taxable income in future was made on the basis of forecasts for taxable income. Deferred tax assets were only recognised to the extent that sufficient future taxable income was deemed probable.

EUR 2,348m (previous year: EUR 2,956m) of the deferred tax assets related to the tax group of Deutsche Lufthansa AG. The basis for this approach was long-term tax planning based on current corporate planning which also reflects external forecasts, e.g. from the industry association IATA. The planning assumes that the losses incurred in recent years were due to an accumulation of external factors (pandemic, supply and system partner bottlenecks, wars in Ukraine and the Middle East) whose simultaneous incidence is exceptional and will not be repeated over the next few years. This does not call into question the basic long-term profitability of the industry and in particular the Deutsche Lufthansa AG tax group. Deutsche Lufthansa AG has shown in the past that positive tax results could be achieved over long-term periods. A return to positive tax results is therefore expected from 2026 and in subsequent years. The potential use of this net surplus was assessed on the basis of these external and internal indicators and using various risk scenarios for future tax results. For the significant deferred tax assets on loss carry-forwards the analysis reflects the fact that tax loss carry-fowards do not expire under current tax law, but their use for tax purposes may still be ruled out for other reasons and that uncertainty in this respect increases with the length of the planning period. Deferred tax assets on loss carry-forwards are therefore only recognised to the extent that they are actually expected to be used within ten years of the reporting date.

A further EUR 217m (previous year: EUR 82m) related to Austrian Airlines companies. For the analysis of the Austrian tax group as well, an individual analysis of the risk situation was implemented, thereby taking into consideration historical tax results and further corporate plans. Since Austrian Airlines has reported stable positive tax results over the past few years and the reversal of all deferred tax assets would take an extraordinarily long time, the Lufthansa Group continues to assume only partial recoverability in this case also. Here too, a usage period of ten years was assumed for the capitalisation of deferred tax assets after offsetting against existing tax liabilities.

In addition to recognised deferred tax assets, Group companies have tax loss carry-forwards and temporary differences totalling EUR 5,014m (previous year: EUR 3,746m) for which it has not been possible to recognise any deferred tax assets. Among other things, these amounts include a notional interest deduction on equity for Maltese entities whose use is not considered to be sufficiently certain.

The majority of the loss carry-forwards and tax credits of EUR 5,008m (previous year: EUR 3,715m) for which no deferred tax assets have been recognised can be used for an indefinite period, while a small portion will expire after 2034.

15. Profit/loss from discontinued operations

As in the previous year, the profit/loss from discontinued operations resulted from the sale as of 31 October 2023 of the Lufthansa Group's business activities in its Catering segment to an acquisition entity of the private equity company Aurelius Investments Limited. In the reporting period, this resulted from a subsequent purchase price adjustment for the transaction. As of the date of preparation for the financial statements, the parties had not yet completed their negotiations on possible further purchase price adjustments.

16. Earnings per share

Basic/diluted earnings per share are calculated by dividing consolidated net profit by the weighted average number of shares in circulation during the financial year. When determining the average number of shares, the shares bought back and reissued for employee share programmes are included in the calculation on a pro rata basis.

The convertible bond issued in 2020 has not yet had any effect on earnings per share, since the strike price for the options was higher than the average price of Deutsche Lufthansa AG's shares during the reporting period.

In view of their relatively small amount, the shares potentially created by the share-based remuneration introduced in 2023 do not have any effect on earnings per share either.

T111 **EARNINGS PER SHARE**

in €		**2024**	2023
Basic/diluted earnings per share		**1.15**	**1.40**
of which from continuing operations		1.16	1.61
of which from discontinued operations		–0.01	–0.21
Net profit/loss for the period	in € million	1,380	1,673
of which from continuing operations	in € million	1,388	1,925
of which from discontinued operations	in € million	-8	–252
Weighted average number of shares	Number	1,196,675,111	1,195,534,545

As the parent company of the Group, Deutsche Lufthansa AG reported a distributable profit of EUR 359m for the 2024 financial year (previous year: EUR 3,383m) according to German GAAP (HGB). At the Annual General Meeting to be held on 6 May 2025, the Executive Board and Supervisory Board will table a proposal to pay a dividend of EUR 0.30 per share. This represents a total dividend of EUR 359m (previous year: EUR 359m) or 26% (previous year: 21%) of the net profit for 2024 attributable to the Company shareholders.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

17. Goodwill and intangible assets with an indefinite useful life

T112 GOODWILL AND INTANGIBLE ASSETS WITH AN INDEFINITE USEFUL LIFE

in €m	Goodwill from consolidation	Intangible assets with an indefinite useful life	**Total**
Acquisition costs as of 1 Jan 2023	1,039	702	1,741
Accumulated impairment losses	–683	–3	–686
Carrying amount 1 Jan 2023	**356**	**699**	**1,055**
Currency translation differences	–	27	27
Additions due to changes in consolidation	–	–	–
Additions	–	–	–
Reclassifications	–	–	–
Disposals due to changes in consolidation	–	–	–
Disposals	–	–	–
Reclassifications to assets held for sale	–18	–2	–20
Impairment	–40	–	–40
Carrying amount 31 Dec 2023	**298**	**724**	**1,022**
Acquisitions costs as of 1 Jan 2024	378	726	1,104
Accumulated impairment losses	–80	–2	–82
Carrying amount 1 Jan 2024	**298**	**724**	**1,022**
Currency translation differences	–	–6	–6
Additions due to changes in consolidation	–	–	–
Additions	–	–	–
Reclassifications	–	–	–
Disposals due to changes in consolidation	–	–	–
Disposals	–	–	–
Reclassifications to assets held for sale	–	–	–
Impairment	–	–	–
Carrying amount 31 Dec 2024	**298**	**718**	**1,016**
Acquisition costs as of 31 Dec 2024	378	720	1,098
Accumulated impairment losses	–80	–2	–82

All goodwill and intangible assets with an indefinite useful life were subjected to a regular impairment test in the 2024 financial year as required by IAS 36. Furthermore, there is an obligation to perform an impairment test where there is an indication of impairment. During 2024, due to negative variances from planned figures in the Lufthansa Airlines business segment and its low market capitalisation, ad hoc impairment tests were carried out for this unit. These tests did not indicate any impairment.

The tests were performed at the level of the smallest cash-generating unit (CGU) on the basis of fair value less costs to sell.

All impairment testing is based on approved four-year corporate planning. The assumptions on revenue growth applied are based on this planning as well as external industry-specific sources (for example IATA). On the basis of financial planning by the individual business units, discounts were made at Group level to reflect uncertainties in the planning. In the course of Group planning, the discounts were set at approximately 9% (previous year: 10%) of Adjusted EBIT on a long-term basis and were allocated to the units on a pro rata basis during the impairment tests.

Demand for air travel has increased significantly since the pandemic, although this catch-up effect has been much slower in Germany than the rest of Europe and globally, where passenger air traffic had already exceeded pre-crisis levels by 2024. Current plans anticipate that the seat-kilometre capacity available to Lufthansa Passenger Airlines companies will not return to pre-crisis levels until 2026. The assumption is that markets will continue to grow until the end of the detailed planning period; some customer segments, particularly the business travel market, will initially remain below their historic capacities, whereas others, such as leisure travel, will perform better. Average yields are forecast to rise only slightly. Further pricing developments, both in sales and purchasing markets, and the ability to pass on rising costs (due to geopolitical effects, macroeconomic challenges or regulatory measures, for example) are considered key success factors. A comprehensive package of measures has been initiated specifically for Lufthansa Airlines. This is expected to contribute more than EUR 2.5bn to earnings. In addition to the delayed introduction of more efficient aircraft, operational stabilisation and the resolution of spare parts issues, the package includes improved customer satisfaction, higher productivity and efficiency gains through process streamlining and automation. Full implementation is expected by the end of the planning period. Generally, the margins applied are based on past experience or developed on the basis of expected unit revenues and cost-cutting measures. Fuel cost planning assumes a price of USD 100/bbl, based on average prices in 2024. Expenditure on CO_2 emissions was calculated using an assumed certificate market price of EUR 72/t, taking into account existing ETS holdings and the free allocations still available until 2026. Current market prices were used for the future cost of acquiring CORSIA certificates, with an additional risk premium applied to account for potential future price risks. The statutory blending quotas up to 2028 and conservatively estimated prices based on current market premiums were used for SAF blends. The assumption is that any additional costs in future periods will not result in a lasting margin reduction. Long-term investment rates are based on past experience and take account of the procurement of production resources and their financing as envisaged in fleet planning. Costs of the central functions were charged to individual units based on their use of these functions.

The weighted average cost of capital is calculated using market data to derive leverage ratios, beta factors and borrowing costs from a peer group that is reviewed annually. A market risk premium of 7.5% was applied as a basis (previous year: 7.5%). Regional risks are taken into account by applying appropriate risk premiums.

Intangible assets with indefinite useful lives consist of slots purchased as part of company acquisitions (where tradeable) and acquired brand names. Acquired slots have an indefinite useful life due to their lasting legal and economic significance. The carrying amounts for the slots and the brands were included in the impairment test for the smallest cash-generating unit (CGU) to which they are allocated. As described above for goodwill, the impairment tests were then performed on the basis of corporate planning for all assets, including slots and/or brands, of the respective units.

Even if the assumptions for revenue growth are reduced and the discount rates used are increased by one percentage point compared with the figures in table ↗ T113 **Impairment Testing,** the recoverable amounts for the units are still higher than the carrying amounts. Similarly, worsening the scenarios by one percentage point in each case in terms of planned Adjusted EBIDA margins for the impairment tests would not reduce the recoverable amounts below the respective carrying amounts for these CGUs, with the exception of Lufthansa Cargo. In the case of the Lufthansa Cargo CGU, a reduction in the Adjusted EBIDA margin of more than 0.9 percentage points leads to a deficit. The sensitivity analysis takes account of changes in one assumption at a time, with the other assumptions from the original calculation remaining unchanged.

Table T113 summarises the carrying amounts and the assumptions for the tests described above:

T113 IMPAIRMENT TESTS 2024

Name of the CGU	**Lufthansa Airlines**	**SWISS**	**Austrian Airlines**	**Brussels Airlines**	**Eurowings**	**Other**	**Total**
Segment	Passenger Airlines	Passenger Airlines	Passenger Airlines	Passenger Airlines	Passenger Airlines		
Carrying amount of goodwill (31 Dec)	€ 253m	–	–	€ 45m	–	–	€ 298m
Impairment losses during reporting period	–	–	–	–	–	–	–
Carrying amount for slots (31 Dec)	€ 76m	€ 159m	€ 23m	–	€ 36m	–	€ 294m
Impairment losses during reporting period	–	–	–	–	–	–	–
Carrying amount for brand (31 Dec)	–	€ 275m	€ 107m	€ 37m	–	€ 5m	€ 424m
Impairment losses during reporting period	–	–	–	–	–	–	–
Key planning assumptions							
Revenue growth p.a. during planning period	4.5% to 9.6%	0.5% to 3.3%	1.9% to 10.4%	3.8% to 15.4%	8.1% to 9.8%	1.2% to 14.6%	
Revenue growth p.a. after end of planning period	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	
Adjusted EBIDA margin during planning period[1]	3.9% to 12.2%	15.7% to 17.8%	6.6% to 11.0%	9.1% to 12.8%	5.3% to 6.3%	9.4% to 12.6%	
Adjusted EBIDA margin after end of planning period[1]	12.2%	17.3%	11.0%	12.8%	6.3%	10.4% to 12.6%	
Discount rate (after taxes)	7.7%	7.8%	7.8%	7.8%	7.7%	7.7% to 7.8%	

[1] Adjusted EBIDA margin after reallocation of corporate costs and contingencies.

T113 IMPAIRMENT TESTS 2023

Name of the CGU	**Lufthansa Airlines**	**SWISS**	**Austrian Airlines**	**Brussels Airlines**	**Eurowings**	**Other**	**Total**
Segment	Passenger Airlines	Passenger Airlines	Passenger Airlines	Passenger Airlines	Passenger Airlines		
Carrying amount of goodwill (31 Dec)	€ 253m	–	–	€ 45m	–	–	€ 298m
Impairment losses during reporting period	–	–	–	–	–	–	–
Carrying amount for slots (31 Dec)	€ 76m	€ 161m	€ 23m	–	€ 36m	–	€ 296m
Impairment losses during reporting period	–	–	–	–	–	–	–
Carrying amount for brand (31 Dec)	–	€ 279m	€ 107m	€ 37m	–	€ 5m	€ 428m
Impairment losses during reporting period	–	–	–	–	–	–	–
Key planning assumptions							
Revenue growth p.a. during planning period	4.1% to 18.5%	1.0% to 9.6%	2.9% to 11.3%	7.6% to 13.4%	3.3% to 16.3%	1.2% to 17.1%	
Revenue growth p.a. after end of planning period	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	
Adjusted EBIDA margin during planning period[1]	9.1% to 11.5%	17.8% to 18.7%	8.0% to 9.7%	10.6% to 12.7%	5.7% to 6.8%	9.7% to 16.7%	
Adjusted EBIDA margin after end of planning period[1]	11.5%	18.6%	9.7%	12.7%	6.8%	10.1% to 16.7%	
Discount rate (after taxes)	7.8%	7.9%	7.9%	7.8%	7.8%	7.8% to 7.9%	

[1] Adjusted EBIDA margin after reallocation of corporate costs and contingencies.

18. Other intangible assets

T114 OTHER INTANGIBLE ASSETS

in €m	Concessions, industrial property rights and similarrights and licences to such rights and assets	Internally developed software	Advance payments and plant under construction	**Total**
Acquisition costs as of 1 Jan 2023	1,522	212	123	1,857
Accumulated amortisation and impairment	–1,271	–196	–17	–1,484
Carrying amount 1 Jan 2023	**251**	**16**	**106**	**373**
Currency translation differences	4	–	–	4
Additions due to changes in consolidation	–	–	–	–
Additions	49	–	56	105
Reclassifications	52	3	–57	–2
Disposals due to changes in consolidation	–	–	–	–
Disposals	–	–	–	–
Reclassifications to assets held for sale	–37	–6	–3	–46
Amortisation and impairment	–85	–9	–7	–101
Reversals of impairment losses	–	–	–	–
Carrying amount 31 Dec 2023	**234**	**4**	**95**	**333**
Acquisitions costs as of 1 Jan 2024	1,430	184	105	1,719
Accumulated amortisation and impairment	–1,196	–180	–10	–1,386
Carrying amount 1 Jan 2024	**234**	**4**	**95**	**333**
Currency translation differences	–1	–	–	–1
Additions due to changes in consolidation	–	–	–	–
Additions	18	3	65	86
Reclassifications	12	7	–18	1
Disposals due to changes in consolidation	–	–	–	–
Disposals	–1	–	–9	–10
Reclassifications to assets held for sale	–2	–	–	–2
Amortisation and impairment	–80	–6	–	–86
Reversals of impairment losses	–	–	–	–
Carrying amount 31 Dec 2024	**180**	**8**	**133**	**321**
Acquisition costs as of 31 Dec 2024	1,448	193	143	1,784
Accumulated amortisation and impairment	–1,268	–185	–10	–1,463

Non-capitalised research and development costs for intangible assets of EUR 54m (previous year: EUR 56m) were incurred in the period. Firm orders have been placed for intangible assets worth EUR 3m (previous year: EUR 1m), but these are not yet at the economic disposal of the Lufthansa Group.

19. Aircraft and reserve engines including right-of-use assets

T115 AIRCRAFT AND RESERVE ENGINES INCLUDING RIGHT-OF-USE ASSETS

in €m	Aircraft and reserve engines	Advance payments for aircraft and reserve engines	**Total**
Acquisition costs as of 1 Jan 2023	32,791	2,815	35,606
Accumulated depreciation and impairment	–19,712	–4	–19,716
Carrying amount 1 Jan 2023	**13,079**	**2,811**	**15,890**
Currency translation differences	132	13	145
Additions due to changes in consolidation	–	–	–
Additions	2,128	1,661	3,789
Reclassifications	265	–272	–7
Disposals due to changes in consolidation	–	–	–
Disposals	–494	–95	–589
Reclassifications to assets held for sale	–	–	–
Depreciation and impairment	–1,764	–	–1,764
Reversals of impairment losses	–	–	–
Carrying amount 31 Dec 2023	**13,346**	**4,118**	**17,464**
Acquisitions costs as of 1 Jan 2024	34,249	4,122	38,371
Accumulated depreciation and impairment	–20,903	–4	–20,907
Carrying amount 1 Jan 2024	**13,346**	**4,118**	**17,464**
Currency translation differences	–13	–2	–15
Additions due to changes in consolidation	–	–	–
Additions	2,723	1,200	3,923
Reclassifications	645	–645	–
Disposals due to changes in consolidation	–	–	–
Disposals	–78	–1	–79
Reclassifications to assets held for sale	–584	–1	–585
Depreciation and impairment	–1,880	–	–1,880
Reversals of impairment losses	–	–	–
Carrying amount 31 Dec 2024	**14,159**	**4,669**	**18,828**
Acquisition costs as of 31 Dec 2024	36,225	4,672	40,897
Accumulated depreciation and impairment	–22,066	–3	–22,069

This item includes 90 aircraft with a carrying amount of EUR 2,651m (previous year: 97 aircraft with a carrying amount of EUR 2,716m), which have mostly been sold to and leased back from foreign leasing companies with the aim of obtaining favourable financing conditions. The leasing companies are fully consolidated as structured entities. The Lufthansa Group is entitled to buy the aircraft back at a fixed price and at a given point in time. Another four aircraft (previous year: four) with a carrying amount of EUR 309m (previous year: EUR 332m) were pledged as collateral under loan agreements.

In the reporting year, borrowing costs of EUR 135m (previous year: EUR 95m) were capitalised. The financing rate applied was 3.4% (previous year: 3.0%).

Additions relate to 17 new aircraft (previous year: 26) and rights of use for 17 aircraft (previous year: 15). Further additions include reserve engines and rights of use for reserve engines as well as the capitalisation of engine maintenance and aircraft overhaul events.

Reclassifications to aircraft held for sale include EUR 560m for 15 aircraft sold during the financial year that were leased back from the buyer immediately after the sale ↗ **Note 22.** Of these 15 aircraft, five were added during the reporting year.

Order commitments for aircraft and reserve engines amount to EUR 20.9bn (previous year: EUR 20.0bn). The order commitment increased due to orders for five Airbus A350 aircraft and 19 reserve engines being placed during the reporting period, as well as price increases for existing orders linked to price adjustment clauses and exchange rate effects. This was compensated for by down payments and final payments for current orders.

20. Repairable spare parts for aircraft

T116 **REPAIRABLE SPARE PARTS FOR AIRCRAFT**

	2024			2023		
in €m	**Gross acquisition cost**	**Accumu-lated impairment**	**Net carrying amount**	Gross acquisition cost[1]	Accumulated impairment losses[1]	Net carrying amount[1]
Repairable spare parts for aircraft	**3,390**	**1,236**	**2,154**	3,180	1,156	2,024

[1] Value adjusted due to the reclassification of non-pool material

Additions in the financial year (netted against disposals) amounted to EUR 210m (previous year: EUR 364m); the net change in depreciation recognised in profit or loss was EUR 80m (previous year: EUR –50m).

The tabular presentation of repairable aircraft spare parts previously shown in table **T116**, which distinguished between pool material and non-pool material, has been discontinued. This change reflects a shift in the predominant usage pattern of non-pool material over the years from a durable good to a consumable good, leading to a reclassification from non-current assets to current inventories. The accounting method has been altered to provide a more appropriate presentation of the situation. This was prompted by the continual expansion of business with non-Group customers which is currently under way and expected to continue over the next few years, the related increase in trade in non-pool materials and changes to technical requirements, which mean that the Group generally no longer retains most of these materials on a long-term basis; it is therefore more appropriate to report them under inventories. This change was implemented as of 31 December 2024. In this context, EUR 482m was reclassified to inventories. The prior-year closing balance and the opening balance of the previous year were adjusted by EUR 424m (acquisition cost of EUR 602m less cumulative depreciation of EUR 178m) and EUR 353m (acquisition cost of EUR 562m less cumulative depreciation of EUR 209m), respectively. The remaining stocks of non-pool material that were presented here separately in the previous year and are not affected by the reclassification were combined with stocks of pool material, because these will stay in the Group and be used on a long-term basis.

21. Other property, plant and equipment including right-of-use assets

T117 PROPERTY, PLANT AND OTHER EQUIPMENT INCLUDING RIGHT-OF-USE ASSETS

in €m	Land and buildings	Technical equipment and machinery	Other equipment, operating and office equipment	Advance payments and plant under construction	**Total**
Acquisition costs as of 1 Jan 2023	4,814	1,305	1,395	125	7,639
Accumulated depreciation and impairment	-2,274	-1,002	-1,029	-3	-4,308
Carrying amount 1 Jan 2023	**2,540**	**303**	**366**	**122**	**3,331**
Currency translation differences	15	2	1	–	18
Additions due to changes in consolidation	14	–	–	–	14
Additions	240	28	117	91	476
Reclassifications	9	10	10	-27	2
Disposals due to changes in consolidation	–	–	–	–	–
Disposals	-53	-1	-5	-1	-60
Reclassifications to assets held for sale	-284	-55	-104	-31	-474
Depreciation and impairment	-262	-45	-87	–	-394
Reversals of impairment losses	–	–	–	–	–
Carrying amount 31 Dec 2023	**2,219**	**242**	**298**	**154**	**2,913**
Acquisitions costs as of 1 Jan 2024	4,220	1,097	1,123	155	6,595
Accumulated depreciation and impairment	-2,001	-855	-825	-1	-3,682
Carrying amount 1 Jan 2024	**2,219**	**242**	**298**	**154**	**2,913**
Currency translation differences	1	2	–	–	3
Additions due to changes in consolidation	–	–	–	–	–
Additions	234	42	120	160	556
Reclassifications	23	31	11	-66	-1
Disposals due to changes in consolidation	-3	–	-3	–	-6
Disposals	-114	-1	-5	-2	-122
Reclassifications to assets held for sale	-1	–	2	–	1
Depreciation and impairment	-251	-47	-89	–	-387
Reversals of impairment losses	1	–	–	–	1
Carrying amount 31 Dec 2024	**2,109**	**269**	**334**	**246**	**2,958**
Acquisition costs as of 31 Dec 2024	4,302	1,131	1,181	247	6,861
Accumulated depreciation and impairment	-2,193	-862	-847	-1	-3,903

Land at Frankfurt Airport with a carrying amount at amortised cost of EUR 30m is not used for the Group's operations and is therefore classified as an investment property.

As in the previous year, there are no charges over land and property. A third-party pre-emption right is registered for land held at EUR 174m (previous year: EUR 161m).

Other property, plant and equipment owned by the Group that did not consist of right-of-use assets was not used as collateral for existing financing arrangements, as in the previous year.

The following items of property, plant and equipment have been ordered, but are not yet at the economic disposal of the Lufthansa Group:

T118 ORDERS OF PROPERTY, PLANT AND EQUIPMENT AS OF THE REPORTING DATE

in €m	**31 Dec 2024**	31 Dec 2023
Land and buildings	93	62
Technical equipment and vehicles	46	56
Operating and office equipment	252	108
	391	**226**

22. Leases

Table T119 shows the carrying amounts of the recognised right-of-use assets and the changes during the reporting period:

T119 RIGHT-OF-USE ASSETS

in €m	Aircraft and reserve engines	Land and buildings	Other equipment, operating and office equipment	**Total**
Acquisition costs as of 1 Jan 2023	1,567	2,345	30	3,942
Accumulated depreciation and impairment	–804	–780	–19	–1,603
Carrying amount 1 Jan 2023	**763**	**1,565**	**11**	**2,339**
Currency translation differences	2	10	–	12
Additions due to changes in consolidation	–	–	–	–
Additions	494	223	14	731
Reclassifications	–	–	–	–
Disposals due to changes in consolidation	–	–	–	–
Disposals	–26	–51	–	–77
Reclassifications to assets held for sale	–	–163	–3	–166
Depreciation and impairment	–191	–205	–7	–403
Reversals of impairment losses	–	–	–	–
Carrying amount 31 Dec 2023	**1,042**	**1,379**	**15**	**2,436**
Acquisitions costs as of 1 Jan 2024	1,920	2,196	29	4,145
Accumulated depreciation and impairment	–878	–817	–14	–1,709
Carrying amount 1 Jan 2024	**1,042**	**1,379**	**15**	**2,436**
Currency translation differences	–	–	–	–
Additions due to changes in consolidation	–	–	–	–
Additions	455	209	12	676
Reclassifications	–	–	–	–
Disposals due to changes in consolidation	–	–2	–1	–3
Disposals	–10	–93	–1	–104
Reclassifications to assets held for sale	–	–1	–	–1
Depreciation and impairment	–221	–197	–8	–426
Reversals of impairment losses	–	–	–	–
Carrying amount 31 Dec 2024	**1,266**	**1,295**	**17**	**2,578**
Acquisition costs as of 31 Dec 2024	2,281	2,245	35	4,561
Accumulated depreciation and impairment	–1,015	–950	–18	–1,983

The Lufthansa Group mainly leases aircraft and property, particularly at airports. Leases may include renewal and termination options. The terms of leases are negotiated individually and cover a wide range of different areas. Longer-term leases relate to property in particular. There is a remaining lease term of up to 31 years for land and buildings (previous year: up to 32 years) as of the reporting date. The average remaining term of building leases as of 31 December 2024 was three years (previous year: four years).

The average remaining term of aircraft leases as of 31 December 2024 was four years (previous year: four years). Right-of-use assets for 17 aircraft were recognised in 2024. This includes the aircraft added in the course of sale-and-lease-back transactions.

The Lufthansa Group concluded the sale and lease-back of 15 short-haul aircraft from the Airbus A320 family in the second half of 2024. The aircraft will be leased back for a period of 72 months, with no extension option. The aircraft were between two and 28 months old at the time of the transaction and are currently operated by Eurowings, SWISS and Brussels Airlines. The transactions reflect the Group's strategy of financing capital expenditure in new aircraft with a mix of cash, Japanese operating leases (JOLCOs) and other leases. The transactions were concluded with companies managed by BANC OF AMERICA LEASING IRELAND, Dublin, Ireland, NBB-11594 LEASE PARTNERSHIP NBB Ibis Co., Ltd., Tokyo, Japan, and Gratedell Limited, Dublin, Ireland. Proceeds of EUR 761m were generated by the sale, which are shown in the cash flow statement as cash inflows from investing activities. The right-of-use assets added amounted to EUR 220m as of the transaction date and the resulting lease obligation came to EUR 283m. The book gain of EUR 99m resulting from the sale is presented in EBIT. This book gain is not included in Adjusted EBIT.

In the reporting period, the amounts shown in the income statement were as follows:

T120 LEASE EXPENSES RECOGNISED IN PROFIT OR LOSS

in €m	**2024**	2023
Depreciation of right-of-use assets	426	403
Interest expenses for lease liabilities	112	90
Expenses for short-term leases	16	116
Expenses for low-value leases	68	79
Variable lease payments	5	58

The Lufthansa Group's leases for properties and aircraft include renewal options and variable lease payments. They are used to achieve the greatest possible flexibility in terms of capacities. Variable lease payments and options that are not sufficiently certain to be exercised are not included in the measurement of lease liabilities. Potential future lease payments for periods after the exercise date of the renewal options are summarised in table T121.

T121 DISCLOSURES ON RENEWAL OPTIONS AND VARIABLE LEASE PAYMENTS

	Recognised lease liability (discounted)	**Potential future lease payments not included in lease liabilities (undiscounted payments)**			Recognised lease liability (discounted)	Potential future lease payments not included in lease liabilities (undiscounted payments)		
in €m	**31 Dec 2024**	**Payable 2025–2029**	**Payable after 2029**	**Total**	31 Dec 2023	Payable 2024–2028	Payable after 2028	Total
Aircraft	1,517	43	34	77	1,136	73	54	127
Property/operating and office equipment	1,370	66	544	610	1,432	95	483	578
Total	**2,887**	**109**	**578**	**687**	**2,568**	**168**	**537**	**705**

Where termination options were in place for individual leases, their exercise was considered unlikely. As a result, additional lease payments were already taken into account in the corresponding lease liability.

Amounts included in the cash flow statement are shown in table T122:

T122 CASH OUTFLOWS FOR LEASES

in €m	**2024**	2023
Lease expenses from short-term and low-value leases and variable lease payments not included in the measurement of lease liabilities	89	253
Repayment of the redemption portion of the lease liability	405	371
Interest payments	112	90
Total	**606**	**714**

Lease payments are shown as cash flows from financing activities unless they are lease payments not included in the measurement of lease liabilities, which are shown as operating cash flow.

The maturity analysis of lease liabilities is shown under financial liabilities, ↗ **Note 37.**

Information about operating leases in which the Lufthansa Group is the lessor can be found in ↗ **Note 6.**

23. Equity investments accounted for using the equity method

T123 EQUITY INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

in €m	Investments in joint ventures	Investments in associated companies	**Total**
Acquisition costs as of 1 Jan 2023	396	123	519
Accumulated impairment	-105	-22	-127
Carrying amount 1 Jan 2023	**291**	**101**	**392**
Currency translation differences	-9	-2	-11
Additions	19	–	19
Changes with and without an effect on profit and loss	102	27	129
Disposals due to changes in consolidation	–	–	–
Dividends paid	-9	-5	-14
Reclassifications to assets held for sale	–	-50	-50
Carrying amount 31 Dec 2023	**394**	**71**	**465**
Acquisitions costs as of 1 Jan 2024	499	71	570
Accumulated impairment	-105	–	-105
Carrying amount 1 Jan 2024	**394**	**71**	**465**
Currency translation differences	9	4	13
Additions	22	–	22
Changes with and without an effect on profit and loss	103	23	126
Reclassifications	-6	–	-6
Dividends paid	-12	–	-12
Impairment	-11	–	-11
Carrying amount 31 Dec 2024	**499**	**98**	**597**
Acquisition costs as of 31 Dec 2024	604	98	702
Accumulated impairment	-105	–	-105

Individual interests in companies accounted for using the equity method

Tables T124 to T127 contain summarised aggregated data from the income statement and statement of financial position for the individual material joint ventures accounted for using the equity method.

T124 BALANCE SHEET DATA GÜNES EKSPRES HAVACILIK ANONIM SIRKETI (SUNEXPRESS), ANTALYA, TURKEY

in €m	**31 Dec 2024**	31 Dec 2023
Current assets	553	614
of which cash and cash equivalents	188	272
Non-current assets	1,872	1,409
Current liabilities	742	758
Non-current liabilities	1,064	831
Current financial liabilities (except trade and other payables and provisions)	278	265
Non-current financial liabilities (except trade and other payables and provisions)	896	713
Shareholders' equity	**619**	**434**
Pro rata equity	310	217
Other	25	26
Carrying amount	**335**	**243**

T125 INCOME STATEMENT DATA GÜNES EKSPRES HAVACILIK ANONIM SIRKETI (SUNEXPRESS), ANTALYA, TURKEY

in €m	**2024**	2023
Revenue	2,009	1,641
Depreciation, amortisation and impairment	165	131
Interest income	16	15
Interest expenses	40	34
Income tax expense or income	34	100
Profit or loss from continuing operations	**149**	**250**
Profit or loss after tax from discontinued operations	–	–
Other comprehensive income	35	-15
Total comprehensive income	**184**	**235**
Pro rata profit or loss from continuing operations	75	125
Pro rata comprehensive income	92	118
Dividends received	–	–

The functional currency of SunExpress is the euro.

The item "Other" in the reconciliation with the carrying amount for SunExpress primarily includes the difference from the first-time consolidation of the company.

T126 BALANCE SHEET DATA TERMINAL 2 GESELLSCHAFT MBH & CO OHG, MUNICH AIRPORT, GERMANY

in €m	**31 Dec 2024**	31 Dec 2023
Current assets	47	22
of which cash and cash equivalents	–	–
Non-current assets	1,005	1,060
Current liabilities	142	454
Non-current liabilities	876	637
Current financial liabilities (except trade and other payables and provisions)	97	412
Non-current financial liabilities (except trade and other payables and provisions)	850	613
Shareholders' equity	**33**	**–9**
Pro rata equity	13	–4
Other	–	–
Carrying amount	**13**	**–**

T127 INCOME STATEMENT DATA TERMINAL 2 GESELLSCHAFT MBH & CO OHG, MUNICH AIRPORT, GERMANY

in €m	**2024**	2023
Revenue	331	286
Depreciation, amortisation and impairment	70	76
Interest income	–	1
Interest expenses	25	22
Income tax expense or income	7	4
Profit or loss from continuing operations	**43**	**18**
Profit or loss after tax from discontinued operations	–	–
Other comprehensive income	–1	–3
Total comprehensive income	**42**	**15**
Pro rata profit or loss from continuing operations	17	7
Pro rata comprehensive income	17	6
Dividends received	–	–

EUR 4m (previous year: EUR 6m) of the earnings of Terminal 2 Gesellschaft mbH & CO. OHG was not recognised through profit or loss in the financial year as previously unrecognised losses from prior years existed in this amount. As of 31 December 2024, there were no longer any losses not previously recognised in the carrying amount (previous year: EUR 4m).

Table T128 contains summarised aggregated data from the income statement and the carrying amounts for the individual immaterial joint ventures accounted for using the equity method.

T128 INCOME STATEMENTS DATA AND CARRYING AMOUNTS OF JOINT VENTURES ACCOUNTED FOR USING THE EQUITY METHOD

in €m	**2024**	2023
Profit or loss from continuing operations	–14	–23
Profit or loss after tax from discontinued operations	–	–
Other comprehensive income	–	7
Total comprehensive income	**–14**	**–16**
Depreciation, amortisation and impairment	11	–
Carrying amount	**151**	**152**

The depreciation, amortisation and impairment relate to the remaining carrying amounts of LG-LHT Aircraft Solutions GmbH and LG-LHT Passenger Solutions GmbH, whose liquidation was decided during the financial year.

Cumulative losses of EUR 11m (previous year: EUR 11m) for the immaterial joint ventures were not recognised through profit or loss previously, as the carrying amounts of the equity interests were too low. Total losses of EUR 10m were not recognised through profit or loss in the financial year because the carrying amounts of the equity interests were too low.

Table T129 contains summarised aggregated data from the income statement and the carrying amounts for the individual immaterial associated companies accounted for using the equity method.

T129 INCOME STATEMENTS DATA AND CARRYING AMOUNTS OF ASSOCIATED COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

in €m	**2024**	2023
Profit or loss from continuing operations	23	18
Profit or loss after tax from discontinued operations	–	–
Other comprehensive income	–	–
Total comprehensive income	**23**	**18**
Depreciation, amortisation and impairment	–	–
Carrying amount	**98**	**71**

24. Other equity investments and non-current securities

T130 OTHER EQUITY INVESTMENTS AND NON-CURRENT SECURITIES

in €m	31 Dec 2024	31 Dec 2023
Investments in related parties	241	209
Equity investments	25	24
Other equity investments	**266**	**233**
Non-current securities	21	20

Shares in related parties include shares in affiliated companies, joint ventures and associates that are not consolidated for reasons of materiality. These shares are carried at amortised cost. Disclosures on the equity investments and non-current securities can be found in ↗ **Note 45.**

25. Non-current loans and receivables

T131 NON-CURRENT LOANS, RECEIVABLES AND OTHER ASSETS

in €m	31 Dec 2024	31 Dec 2023
Loans to and receivables from related parties	82	55
Other loans and receivables	270	268
Pension assets	126	219
Emissions certificates	374	426
	852	**968**

Non-current loans and receivables are carried at amortised cost.

EUR 157m (previous year: EUR 142m) of the other loans and receivables are owed by the AURELIUS group. These relate to the disposal of the LSG group and represent deferred purchase price receivables. The resulting interest income is recognised in net interest. The term of the loans expires in October 2025 and can be extended by Aurelius until October 2028, as assumed in the statement of financial position as at 31 December 2024. The interest rate is 10% p.a. and 12% p.a. from November 2025.

No CO_2 emissions certificates (previous year: EUR 201m) were sold and simultaneously repurchased on the market on a forward basis in what are known as repo agreements as of the reporting date. For the impairment test for emissions certificates, please refer to the disclosures on the cash-generating units (CGU) in ↗ **Note 17.**

As in the previous year, no non-current receivables were used as collateral for liabilities.

26. Inventories

T132 INVENTORIES

in €m	31 Dec 2024	31 Dec 2023
Spare parts for aircraft	1,390	1,176[1]
Other raw materials, consumables and supplies	56	85
Finished goods and work in progress	159	121
Advance payments	1	3
	1,606	**1,385[1]**

[1] Last year's figure adjusted.

Due to the accounting policy change for Non-Pool-material inventories increased by EUR 482m compared with 31 December 2024. This amount was reclassified from repairable spare parts for aircraft to inventories. The prior-year value was adjusted by EUR 424m ↗ **Note 20.**

The gross value of value-adjusted inventories as of 31 December 2024 was EUR 1,936m (previous year: EUR 1,254m). Inventories with a carrying amount of EUR 1,268m (previous year: EUR 725m) are held at their net realisable value. Write-downs to net realisable value of EUR 716m were made at the beginning of the financial year (previous year: EUR 449m). In the reporting year, new impairments of EUR 15m were recorded (previous year: EUR 95m), mostly related to the MRO segment. Impairment of EUR 64m from previous years were reversed (previous year: EUR 15m).

No inventories have been pledged as collateral for loans.

27. Contract assets

The Lufthansa Group recognised the following contract assets in 2024:

T133 CONTRACT ASSETS

in €m	31 Dec 2024	31 Dec 2023
Contract assets from MRO and IT services	399	316
Impairment of contract assets	–4	–4
Total contract assets	**395**	**312**

28. Trade receivables and other receivables

T134 TRADE RECEIVABLES AND OTHER RECEIVABLES

in €m	31 Dec 2024	31 Dec 2023
Trade receivables		
Trade receivables from related parties	40	56
Trade receivables from third parties	2,397	2,253
	2,437	**2,309**
Other receivables		
Receivables from related parties	95	139
Receivables from other equity investments	1	1
Other receivables	1,367	1,243
Emissions certificates	357	231
	1,820	**1,614**
Total	**4,257**	**3,923**

As in the previous year, no receivables were used as collateral for loans.

There are factoring agreements for some of the trade receivables. Since the risk of late payment and default was almost completely transferred to the factor, the EUR 55m in assets transferred (previous year: EUR 47m) was fully derecognised except for the amount of the continuing engagement of EUR 1m (previous year: EUR 1m).

Impairment testing for the emissions certificates took place in the course of impairment testing for the cash-generating units (CGU) that hold them ↗ **Note 17.**

As in the previous year, there is no collateral for trade receivables and no reimbursements are expected for obligations for which provisions have been recognised.

For disclosures on impairment losses, credit risks and term structures, we refer to ↗ **Note 45.**

Other receivables of EUR 111m (previous year: EUR 164m serve to secure the negative market values of derivatives.

29. Prepaid expenses

Prepaid expenses consist of various services paid for in advance for subsequent periods.

30. Interest-bearing securities and similar investments

Current securities are fixed income securities, participation certificates, shares and investments in money market funds. This position also includes term deposits with maturities of more than three to twelve months.

31. Cash and cash equivalents

This item includes cash and cash equivalents and fixed-term deposits with a term of up to three months. Bank balances in foreign currencies are translated at the exchange rate on the balance sheet date.

32. Assets held for sale

Assets and liabilities held for sale as of 31 December 2024 are made up as follows:

T135 **ASSETS HELD FOR SALE AND ASSOCIATED LIABILITIES**

in €m	**31 Dec 2024**	31 Dec 2023
Assets		
Other intangible assets	**–**	27
Aircraft and reserve engines	12	–
Land and buildings	–	7
Other property, plant and other equipment	–	6
Financial investments	–	31
Trade receivables	–	931
Other assets	–	107
Total	**12**	**1,109**
Liabilities		
Pension provisions	–	8
Other provisions	–	36
Financial liabilities	–	279
Other liabilities	–	347
Total	**–**	**670**

Four CRJ900-series aircraft with a carrying amount of EUR 12m were held for sale as of 31 December 2024 and are allocated to the Passenger Airlines segment.

In the previous year, all the assets and liabilities held for sale stemmed from the contract signed on 20 June 2023 and finally closed on 31 July 2024 with SEB Kort Bank AB of Stockholm for the sale of the AirPlus Group.

Shareholders’ equity and liabilities

33. Issued capital

SHARE CAPITAL

Deutsche Lufthansa AG’s share capital totals EUR 3,067,690,682.88. It is divided into 1,198,316,673 registered shares with transfer restrictions, with each share representing EUR 2.56 of the share capital.

AUTHORISED CAPITAL

A resolution passed at the Annual General Meeting on 7 May 2024 authorised the Executive Board until 6 May 2029, subject to approval by the Supervisory Board, to increase the Company’s share capital by up to EUR 1,000,000,000 by issuing new registered shares on one or more occasions for payment in cash or in kind (Authorised Capital A). In certain cases, the shareholders’ subscription rights can be excluded with the approval of the Supervisory Board.

A resolution passed at the Annual General Meeting on 9 May 2023 authorised the Executive Board until 8 May 2028, subject to approval by the Supervisory Board, to increase the share capital by EUR 100,000,000 by issuing new registered shares to employees (Authorised Capital B) for payment in cash. Existing shareholders’ subscription rights are excluded. As of 31 December 2024, the issued capital was increased under this authorisation by a total of EUR 7,247,434.24, with the result that Authorised Capital B still amounted to EUR 92,752,565.76 as of the reporting date.

The Executive Board is authorised, in the event of the fulfilment of the requirements stipulated in Section 4 Paragraph 3 of the German Aviation Compliance Documentation Act (LuftNaSiG) and with the consent of the Supervisory Board, to increase the issued capital by up to 10% by issuing new shares in return for payment in cash and without subscription rights for existing shareholders. The issue price for the new shares must be determined subject to the agreement of the Supervisory Board and may not be significantly lower than the market price. The authorisation may only be made use of insofar as this is necessary in order to achieve the non-applicability of the conditions stipulated in Section 4 Paragraph 3 LuftNaSiG.

The Executive Board is authorised, according to Section 5 Paragraph 2 LuftNaSiG and subject to the approval of the Supervisory Board, to require shareholders to sell some or all of their shares and to provide the Company with proof of this sale without delay insofar as this is necessary for compliance with the requirements for the maintenance of air traffic rights and in the sequence prescribed in Section 5 Paragraph 3 LuftNaSiG, subject to an appropriate time limit and while indicating the otherwise possible legal consequence of the loss of their shares in accordance with Section 5 Paragraph 7 LuftNaSiG.

CONTINGENT CAPITAL

A resolution of the Annual General Meeting on 5 May 2020 contingently increased the Company’s issued capital by up to EUR 122,417,728. The contingent capital increase serves to provide shares to the holders or creditors of conversion and/or option rights from convertible bonds that may be issued by the Company or its Group companies until 4 May 2025. In certain cases, the shareholders’ subscription rights can be excluded with the approval of the Supervisory Board.

On 10 May 2022, the Annual General Meeting contingently increased the Company’s issued capital by up to EUR 306,044,326.40. The contingent capital increase serves to provide shares to the holders or creditors of conversion and/or option rights from convertible bonds that may be issued by the Company or its Group companies until 9 May 2027. In certain cases, the shareholders’ subscription rights can be excluded with the approval of the Supervisory Board.

AUTHORISATION TO PURCHASE TREASURY SHARES

A resolution passed at the Annual General Meeting held on 9 May 2023 authorised the Executive Board pursuant to Section 71 Paragraph 1 No. 8 of the German Stock Corporation Act (AktG) to purchase treasury shares until 8 May 2028. The acquisition is limited to 10% of current issued capital and can be purchased on the stock exchange or by a public purchase offer to all shareholders. The authorisation states that the Executive Board can use the shares in particular for the purposes defined in the resolution passed at the Annual General Meeting. According to the resolution of the Annual General Meeting held on 9 May 2023, the Executive Board is also authorised to purchase treasury shares by means of derivatives and to conclude corresponding derivative transactions.

In the 2024 financial year, Deutsche Lufthansa AG issued 1,698,325 shares from Authorised Capital B at a price of EUR 6.18 in order to distribute them to employees as part of the profit-sharing scheme for 2023. As of 31 December 2024, Deutsche Lufthansa AG held 23,700 treasury shares, which originated from capital increases from Authorised Capital B over the past two years. These shares are reserved exclusively for issuance to employees.

CAPITAL MANAGEMENT

The aim of capital management is to cover future funding requirements at low cost and to ensure that financial liabilities can be repaid, by ensuring good access to the capital markets. This is to be achieved in particular by maintaining a long-term investment-grade credit rating. Gearing, measured by the ratio of Adjusted net debt to Adjusted EBITDA, is a key criterion in this regard. As of 31 December 2024, this ratio stood at 2.0 (previous year: 1.7). The Adjusted Net Debt metric includes net financial debt as well as net pension obligations, with the hybrid bond issued in 2015 only being included at 50% in the calculation of net indebtedness.

The balance sheet ratios for equity and debt were as follows as of 31 December 2024 and 2023:

T136 SHAREHOLDERS' EQUITY AND LIABILITIES

	31 Dec 2024		31 Dec 2023	
	in €m	**in % of total assets**	in €m	in % of total assets
Shareholders' equity	11,594	24.64	9,709	21.42
Liabilities	35,458	75.36	35,612	78.58
Total capital	**47,052**	**100.0**	**45,321**	**100.0**

In the 2024 financial year, the equity ratio went up by 3.22 percentage points to 24.64%, particularly due to the positive consolidated net income.

Deutsche Lufthansa AG's Articles of Association do not stipulate any capital requirements.

34. Reserves

Capital reserves only include the share premium paid on capital increases and a convertible bond that was redeemed in full in previous years. The other reserves consist of other retained earnings.

The following table shows changes in other neutral reserves in the 2024 financial year:

T137 NOTES ON OTHER COMPREHENSIVE INCOME

in €m	**2024**	2023
Differences from currency translation	35	270
Profit/loss for the period	32	92
Less reclassification adjustments recognised in profit or loss	3	178
Subsequent measurement of financial assets and liabilities at fair value (with recycling)	19	18
Subsequent measurement of financial assets at fair value (without recycling)	1	5
Profit/loss for the period	20	23
Less reclassification adjustments recognised in profit or loss	–	–
Subsequent measurement of hedges – cash flow hedge reserve	1,048	–234
Subsequent measurement of hedges – costs of hedging	–79	–131
Profit/loss for the period	975	–300
Less reclassification adjustments recognised in profit or loss	–6	–65
Other comprehensive income from financial investments accounted for using the equity method	13	–7
Profit/loss for the period – reclassifiable	13	–7
Profit/loss for the period – non-reclassifiable	–	–
Revaluation of defined-benefit pension plans	177	–665
Other expenses and income recognised directly in equity (with recycling)	3	–
Other expenses and income recognised directly in equity (without recycling)	–4	8
Income taxes on items in other comprehensive income	–170	389
Other comprehensive income after income taxes	**1,043**	**–347**

T138 NOTE ON INCOME TAXES RECOGNISED FOR OTHER COMPREHENSIVE INCOME

	2024			2023		
in €m	**Amount before income taxes**	**Tax expenses/ Tax income**	**Amount after income taxes**	Amount before income taxes	Tax expenses/ Tax income	Amount after income taxes
Differences from currency translation	35	–	35	270	–	270
Subsequent measurement of financial assets and liabilities at fair value (with recycling)	19	-3	16	18	-10	8
Subsequent measurement of financial assets at fair value (without recycling)	1	–	1	5	–	5
Subsequent measurement of hedges – cash flow hedge reserve	1,048	-259	789	-234	58	-176
Subsequent measurement of hedges – costs of hedging	-79	19	-60	-131	31	-100
Other comprehensive income from equity investments accounted for using the equity method – reclassifiable	13	–	13	-7	–	-7
Revaluation of defined-benefit pension plans	177	67	244	-665	310	-355
Other expenses and income recognised directly in equity (with recycling)	3	–	3	–	–	–
Other expenses and income recognised directly in equity (without recycling)	-4	6	2	8	–	8
Other comprehensive income	**1,213**	**-170**	**1,043**	**-736**	**389**	**-347**

The overall change in shareholders' equity is shown in table ↗ T088 **Consolidated statement of changes in shareholders’ equity**.

35. Pension provisions

The Lufthansa Group’s pension obligations comprise both defined benefit and defined contribution plans and include both obligations to make current payments and entitlements to future pension payments.

In addition to various actuarial risks such as interest rate risk, life-expectancy risk and the risk of salary increases, the pension plans expose the Group primarily to financial risks in connection with plan assets.

Obligations under defined benefit pension plans for employees of the Lufthansa Group related mostly to pension obligations in Germany, Switzerland, Austria and the USA. Various commitments have been made to different groups of employees.

Germany

Between 2015 and 2017, all employee groups transitioned from defined benefit plans to defined contribution plans with a capital guarantee during the vesting period. Specific regulations and transition dates differ for the various employee groups (ground staff, cockpit and cabin crew), but pension entitlements accrued under the previous schemes up to the respective transition dates have been retained unchanged. Under the new system, each employee has an individual contribution account, to which the employing company regularly credits contributions based on salary levels. The value of the contribution account depends on the performance of specially designated age-group funds, in which contributions are generally fully funded. The Company guarantees the preservation of contributions for ground and cabin crew employees, while cockpit crew members receive a minimum return equal to the guaranteed interest rate of life insurers (currently 1% per year). Employees may also make voluntary contributions to their accounts. When an employee reaches retirement age, the accumulated balance is converted into an annuity on the basis of the applicable BilMoG interest rate in accordance with Section 253 Paragraph 2 HGB, subject to a pension adjustment of 1% per annum. Employees in all three professional groups also have the option to receive their pension assets as a lump sum or in instalments.

In addition to their retirement benefits, cockpit crew members are additionally entitled to a transitional pension arrangement covering the period from the end of their active in-flight service until the beginning of their statutory/Company pension plans. Transitional benefits depend on the number of years of service and the final salary before retirement (final salary plan). Contributions to the individual pension accounts continue to be credited while transitional benefits are being received. Since 2021, the projected average retirement age for pilots has been 60.

In the Company retirement benefit scheme for ground, cabin and cockpit staff, the obligations from the capital market-oriented components are recognised at the fair value of the corresponding assets, insofar as the assets exceed the minimum guaranteed amount. Otherwise, they are measured at the accumulated guaranteed contributions, discounted from the retirement date to the valuation date. Plan assets and benefit obligations are presented on a net basis. The service cost corresponds to the employer contributions credited to the contribution accounts.

Defined-benefit Company pension schemes and transitional pension arrangements for Germany are funded by plan assets, while amounts that have not yet been funded are covered by pension provisions.

To fund and secure future pension payments and fully finance pension obligations, the Company employs trust arrangements in the form of a two-tiered bilateral contractual trust arrangement (CTA).

Lufthansa Pension Trust e.V. is the primary asset trustee securing the remaining traditional defined benefit plan components. It is a separate legal entity and is subject to German regulatory requirements. Deutsche Lufthansa AG and the trustees/other trustors agree on contributions and, if such a contribution is determined, make a payment to Lufthansa Pension Trust e.V. Deutsche Lufthansa AG and its subsidiaries Lufthansa Technik AG and Lufthansa Cargo AG are parties to the contractual trust arrangement. The trust assets are largely held by a Maltese corporate vehicle. The Investment Board of Lufthansa Malta Pension Holding decides on the fund's asset allocation. The asset management itself is delegated to fund management companies, who invest the assets in accordance with the general investment principles defined by the Investment Board.

Assets to defined contribution fund pension obligations for other German subsidiaries have been invested with Deutsche Treuinvest Stiftung with the same investment strategy.

The assets covering pension obligations under the defined contribution plans with guaranteed contributions are also managed under a contractual trust arrangement by Deutsche Treuinvest Stiftung as trustee. Capital is invested in what are known as age group funds, whose investment strategy is based on a life cycle model. As employees get older, less and less is invested in asset classes with a higher risk-return profile and a greater percentage in more conservative asset classes. The Company has set up an Investment Committee that is responsible for defining and monitoring the investment strategy, e.g. how the age group funds are composed and how the asset allocation changes over time.

There are no minimum funding requirements in Germany. The pension contributions for employees calculated in the financial year were transferred in full to the plan assets. A total of EUR 325m (previous year: EUR 420m) was withdrawn from the plan assets for German pension obligations to cover pension payments made during the current financial year.

Switzerland

Pension obligations in Switzerland are largely based on statutory obligations. The retirement benefits are funded via pension funds. In addition to retirement benefits, the plans cover disability and surviving dependant persons' benefits. Beneficiaries can choose between an annuity and a lump sum payment. The retirement age for the plans generally lies between 58 and 65 years. Contributions to the pension funds are made by employers and employees; the Company contributions must be at least equal to the employee contributions defined in the terms of the plan. Contributions are deducted from the qualifying salary according to a sliding scale. If there is a deficit of plan assets, employer and employee contributions can be increased, a lower return can be determined or other steps permissible by law can be taken. The decision is taken by the trustees of the pension fund concerned. The trustees' strategies for making good a deficit are based on the report by a pension fund expert and must be presented to the regulatory authority. The approval of the authority is not required, however.

Austria

The pension obligations for employees of Austrian Airlines AG are mostly on a defined contribution basis and have been outsourced to a pension fund. They consist of retirement, occupational disability and surviving dependant persons' benefits.

Obligations under defined benefit plans at Austrian Airlines AG relate to former directors and Executive Board members and others already receiving their pensions. Obligations under defined benefit plans for ground staff are now contribution-free and are determined by converting plan assets into an annuity. As a result of a collective agreement and a legislative change in 2023, the benefits provided by the pension fund will in future depend solely on the pension fund's investment performance. In this context, Austrian Airlines AG has committed to a final contribution to the pension fund, which will be paid in instalments until 2033. As of the reporting date, outstanding payments had a present value of EUR 32m. The pension obligation and the associated plan assets will be derecognised when the final instalment is paid.

There are also entitlements to severance payments when employment comes to an end.

USA and other countries

There is also a small number of retirement benefit commitments for other staff abroad, based mainly on length of service and salary earned. As a rule, benefits are financed by means of external funds. No new entitlements can be acquired in the US and UK pension plans, which are the largest by volume.

Amounts shown in the statement of financial position for defined benefit commitments are made up as follows:

T139 DEFINED-BENEFIT RETIREMENT COMMITMENTS

	31 Dec 2024				31 Dec 2023			
in €m	**Defined-benefit obligations (DBO)**	**Fair value of plan assets**	**Effect of asset ceiling**	**Net carrying amount for defined-benefit obligations**	Defined-benefit obligations (DBO)	Fair value of plan assets	Effect of asset ceiling	Net carrying amount for defined-benefit obligations
Retirement benefits Germany	14,184	-13,269	–	915	13,445	-12,333	–	1,112
Transitional benefits Germany	1,588	-14	–	1,574	1,491	-20	–	1,471
Switzerland	4,354	-4,510	110	-46	4,064	-4,217	105	-48
Austria	292	-184	–	108	286	-170	–	116
USA	104	-117	–	-13	106	-116	–	-10
Other countries	340	-302	–	38	345	-303	–	42
Carrying amounts	**20,862**	**-18,396**	**110**	**2,576**	**19,737**	**-17,159**	**105**	**2,683**
of which pension provisions	–	–	–	2,692	–	–	–	2,895
of which shown under liabilities for disposal	–	–	–	–	12	-4	–	8
of which other assets	–	–	–	116	–	–	–	220

The asset ceiling arises for plans in Switzerland where the fair value of plan assets exceeds the defined benefit obligation. However, this surplus cannot be withdrawn from the plan through payouts or future contributions to the plan assets that are less than the service cost.

The total amount of defined benefit obligations is distributed among the beneficiaries as follows:

T140 ALLOCATION OF DEFINED-BENEFIT COMMITMENTS

in €m	**2024**	2023
Active employees	12,074	11,237
Vested employees who have left the company	2,082	2,027
Retired employees	6,706	6,473
	20,862	**19,737**

The weighted duration of pension obligations was 16 years as of 31 December 2024 (previous year: 16 years).

The changes between the opening balance and the closing balance of the pension obligation, the plan assets and the pension provision are as follows:

T141 PERFORMANCE OBLIGATIONS TO EMPLOYEES

	2024					2023				
in €m	**Defined-benefit obligations (DBO)**	**Fair value of plan assets**	**Total**	**Effect of asset ceiling**	**Net carrying amount for defined-benefit obligations**	Defined-benefit obligations (DBO)	Fair value of plan assets	Total	Effect of asset ceiling	Net carrying amount for defined-benefit obligations
Opening balance as of 1 Jan	**19,737**	**–17,159**	**2,578**	**105**	**2,683**	**17,390**	**–15,957**	**1,433**	**560**	**1,993**
Current service costs	535	–	535	–	535	452	–	452	–	452
Past service cost/effects of curtailments	22	–	22	–	22	24	–	24	–	24
Interest expenses/interest income	619	–525	94	1	95	665	–599	66	12	78
Total amount recognised in profit and loss	**1,176**	**–525**	**651**	**1**	**652**	**1,141**	**–599**	**542**	**12**	**554**
Actuarial gains/losses from changes in financial assumptions	198	–	198	–	198	1,431	–	1,431	–	1,431
Actuarial gains/losses from changes in demographic assumptions	4	–	4	–	4	–12	–	–12	–	–12
Gains/losses from experience adjustments	296	–	296	–	296	231	–	231	–	231
Performance of plan assets, without amounts included in interest	–	–680	–680	5	–675	–	–509	–509	–479	–988
Total amount recognised in other comprehensive income	**498**	**–680**	**–182**	**5**	**–177**	**1,650**	**–509**	**1,141**	**–479**	**662**
Plan contributions – employees	168	–168	–	–	–	160	–157	3	–	3
Plan contributions – employers	–	–417	–417	–	–417	–	–476	–476	–	–476
Pension payments	–669	518	–151	–	–151	–662	630	–32	–	–32
Settlement payments	–3	1	–2	–	–2	–	–	–	–	–
Total amount recognised in the Group cash flow statement	**–504**	**–66**	**–570**	**–**	**–570**	**–502**	**–3**	**–505**	**–**	**–505**
Currency translation differences	–34	32	–2	–1	–3	226	–240	–14	12	–2
Changes in the group of consolidated companies	–12	4	–8	–	–8	–169	147	–22	–	–22
Other/reclassifications	1	–2	–1	–	–1	1	2	3	–	3
Closing balance as of 31 Dec	**20,862**	**–18,396**	**2,466**	**110**	**2,576**	**19,737**	**–17,159**	**2,578**	**105**	**2,683**
of which pension provisions	–	–	–	–	**2,692**	–	–	–	–	**2,895**
of which present value of non-funded pension obligations	–	–	–	–	292	–	–	–	–	263
of which shown under liabilities for disposal	–	–	–	–	–	12	–4	8	–	8
of which pension assets	–	–	–	–	116	–	–	–	–	220

Interest expenses on pension provisions and interest income on plan assets are shown in the financial result. The current service cost and past service cost are recognised in staff costs.

The past service cost incurred in the reporting year is mainly due to retrospective benefit increases in connection with termination agreements in Germany.

Actuarial gains/losses from changes in financial assumptions primarily include losses in Switzerland due to the reduction in the discount rate compared with the previous year. Market-driven adjustments to capital-market-linked pension plans, as well as deviations from assumptions regarding remuneration and workforce developments relating to the cockpit staff, led to losses based on past experience on the obligation side.

The plan assets generated a gain of EUR 1,205m in the 2024 financial year (previous year: gain in value of EUR 1,108m). This amount is made up of the interest income recognised in the income statement and the revaluation component for plan assets.

Information on tax assets related to pension obligations can be found in table ↗ T110 **Deferred tax assets and liabilities.**

The main actuarial assumptions used to calculate pension obligations and the corresponding plan assets are shown below:

T142 MAIN ACTUARIAL ASSUMPTIONS FOR GERMAN COMPANIES

in %	**31 Dec 2024**	31 Dec 2023
Interest rate		
Retirement benefits	3.6	3.6
Transitional benefits	3.6	3.6
Salary increase		
Retirement benefits	2.5	2.5
Transitional benefits	2.5	2.5
Pension increase		
Retirement benefits	1.0	1.0
Transitional benefits	1.0	1.0

The Heubeck 2018 G actuarial tables were used in the biometric calculations for the German companies in the Group.

T143 MAIN ACTUARIAL ASSUMPTIONS FOR FOREIGN COMPANIES

in %	**31 Dec 2024**	31 Dec 2023
Interest rate		
Austria	3.6	3.6
Switzerland	1.0	1.4
USA	5.5	5.0
Salary increase		
Austria [1]	2.0	1.8
Switzerland	1.8	1.9
USA	–	–
Pension increase		
Austria	1.8	–
Switzerland	–	–
USA	–	–

[1] Comprises only severance payments in 2024.

The BVG 2020 actuarial tables are used as a basis for the biometric calculations for Switzerland.

The following table shows how the present value of the defined benefit obligations would have been affected by changes in the relevant actuarial assumptions for the main pension plans described above.

T144 CHANGE IN ACTUARIAL ASSUMPTIONS

	Effect on the defined-benefit contribution obligation as of 31 Dec 2024 in €m	Change in %	**Effect on the defined-benefit contribution obligation as of 31 Dec 2023 in €m**	Change in %
Present value of the obligation[1]	20,862	–	19,737	–
Interest rate				
Increase by 0.5 percentage points	19,650	-5.8	18,451	-6.5
Decrease by 0.5 percentage points	21,933	+5.1	20,759	+5.2
Salary trend				
Increase by 0.5 percentage points	20,910	+0.2	19,767	+0.2
Decrease by 0.5 percentage points	20,817	-0.2	19,684	-0.2
Pension trend				
Increase by 0.5 percentage points	21,086	+1.1	19,929	+1.0
Decrease by 0.5 percentage points	20,851	-0.1	19,714	-0.1

[1] Present value of the obligation using the assumptions shown in the “Actuarial assumptions” tables.

A reduction of 10% in the mortality rates used to calculate the pension obligations increases the life expectancy of the beneficiaries by a given amount depending on their individual ages. It roughly corresponds to an increase of one year in the life expectancy of a male employee who is 55 years old today. A 10% reduction in the mortality rates would therefore increase the present value of the main benefit obligations in Germany and Switzerland by EUR 343m as of 31 December 2024 (previous year: EUR 353m).

The sensitivity analysis examines changes in one assumption and leaves the other assumptions unchanged compared with the original calculation. The effects of any interaction between the individual assumptions are therefore not taken into account.

The plan assets are made up as follows:

T145 COMPOSITION OF PLAN ASSETS

	31 Dec 2024				31 Dec 2023			
	Listed price in an active market		**Total**		Listed price in an active market		**Total**	
	available in €m	not available in €m	**in €m**	**in %**	available in €m	not available in €m	**in €m**	**in %**
Shares			**4,535**	**24.7**			**5,919**	**34.5**
Europe	2,529	–			3,377	–		
Other	2,006	–			2,542	–		
Fixed-income securities			**9,143**	**49.7**			**6,454**	**37.6**
Government bonds	2,158	–			1,940	–		
Corporate bonds	6,985	–			4,514	–		
Share funds	203	–	**203**	**1.1**	202	–	**202**	**1.2**
Fixed-income funds	223	–	**223**	**1.2**	207	–	**207**	**1.2**
Money market investments	738	–	**738**	**4.0**	984	–	**984**	**5.7**
Property			**1,421**	**7.7**			**1,509**	**8.8**
Direct investments	–	–			1,059	10		
Indirect investments	1,096	325			46	394		
Insurance contracts	–	130	**130**	**0.7**	–	120	**120**	**0.7**
Bank balances	184	-12	**172**	**0.9**	56	60	**116**	**0.7**
Other investments[1]	491	1,340	**1,831**	**10.0**	561	1,087	**1,648**	**9.6**
Total	**16,613**	**1,783**	**18,396**	**100.0**	**15,488**	**1,671**	**17,159**	**100.0**

[1] Other investments include, in particular, alternative investments such as commodities, infrastructure and private equity funds as well as hedging instruments in connection with the LDI strategy.

The plan assets for defined benefit pension obligations consist mainly of fixed-income securities, shares, property and cash and cash equivalents. They do not include financial instruments issued by companies in the Group nor properties used by Group companies.

Plan assets serve solely to meet the defined benefit obligations. Funding these benefit obligations with assets provides security for future payments. In some countries, this takes place on the basis of statutory regulations, while in others (Germany, for example), this takes place on a voluntary basis.

The responsible decision-making bodies within the Lufthansa Group manage and monitor the financial risks that arise from funding the defined benefit pension obligations.

Within the Lufthansa Group, the pension plans aim to cover the German and Swiss pension obligations by means of plan assets and positive capital market returns in the medium to long term. The key factors for achieving this are the performance of the investments and, for the Swiss plans, the structure of the contribution system and the interest rate policy.

The allocation of the funds to asset classes (e.g. shares) for the defined-benefit plans is carried out on the basis of asset-liability matching (ALM) studies. The ALM study is conducted periodically, generally every three years, with an external adviser in order to review the funding strategy on a regular basis and to make adjustments as necessary. The results of the study should indicate what combination of investments (annuities, shares, etc.) can be used to cover the long-term pension obligations. Step one of this process is for the actuary to draft a long-term forecast charting how the pension obligations will develop.

In addition to this, target figures are needed for the relative return and relative risk as regards coverage of the obligations. Last but not least, a risk budget must also be defined. A simulation is used to test all permissible investment allocations for their future compliance with these objectives. Those which do not fulfil the criteria are eliminated. Preference is given to allocations that are return-oriented yet conservative and that have a high probability of achieving the investment target. The results of the ALM study show whether there will be strategic shifts in the existing allocation.

Higher interest rates in place since 2022 meant that the funding ratio for the defined-benefit pension obligations at Deutsche Lufthansa AG, Lufthansa Cargo AG and Lufthansa Technik AG went up to nearly 100% (previous year: nearly 100%). To stabilise the funding ratio, 75% of the investment portfolio (previous year: 50%) is now allocated in accordance with a liability-driven investment (LDI) strategy.

The LDI strategy requires capital to be invested in such a way that the assets replicate the interest rate risk for the pension obligations. This reduces fluctuations due to interest rate changes in the net pension obligations presented in the consolidated statement of financial position. It entails capital investments largely in fixed-income corporate bonds and in derivative interest rate swaps that establish the same sensitivity to interest rates for both assets and liabilities. As of 31 December 2024, around 75% (previous year: around 50%) of these pension obligations were hedged against a target interest rate risk. Derivative financial instruments are also used to manage foreign exchange risks.

The capital investments for the other defined benefit plans at the other entities in Germany and Switzerland are not affected by this change.

The investment strategy for the capital-market-based pension plans was also initially defined by the Company and is regularly reviewed in the course of an ALM study. Where necessary, it is adjusted by the Investment Committee to reflect changes in capital market requirements. This may result in changes to the investment strategy for amounts that have already been invested.

Based on current knowledge, an estimated EUR 493m is expected to be transferred to pension plans in the 2025 financial year (previous year: EUR 584m). In Germany, they only relate to capital market-oriented schemes.

Over the next ten years, the following pension payments are forecast for the defined benefit commitments in existence as of the reporting date:

T146 FORECAST MATURITIES OF UNDISCOUNTED PENSION PAYMENTS

in €m	**Forecast pension payments 31 Dec 2024**	Forecast pension payments 31 Dec 2023
2025 (previous year: 2024)	769	715
2026 (previous year: 2025)	813	738
2027 (previous year: 2026)	831	778
2028 (previous year: 2027)	876	808
2029 (previous year: 2028)	911	822
2030–2034 (previous year: 2029–2033)	4,324	4,214

The projected maturities for pension payments do not include possible allocations to or funding from plan assets. As a result, the cash flow effects from payments in respect of pension plans may be higher or lower than the projected pension payments, primarily depending on the Company's ability to continue its past funding policy in the future.

Contributions for defined-contribution retirement commitments came to EUR 507m in 2024 (previous year: EUR 481m). These mainly relate to contributions to statutory pension schemes, but also include collective bargaining contributions or voluntary contributions to other pension schemes. The increase stemmed mainly from higher statutory pension contributions, particularly due to less short-time work and higher salaries.

36. Other provisions

Other provisions disclosed in the statement of financial position as non-current and current other provisions are made up as follows:

T147 NON-CURRENT AND CURRENT OTHER PROVISIONS

	31 Dec 2024			31 Dec 2023		
in €m	Total	Non-current	Current	Total	Non-current	Current
Obligations under partial retirement contracts	**44**	19	25	**62**	47	15
Other staff costs	**187**	153	34	**199**	166	33
Obligation to return emissions certificates	**378**	17	361	**225**	–	225
Onerous contracts	**96**	77	19	**150**	95	55
Environmental restoration	**33**	29	4	**32**	28	4
Litigation	**222**	30	192	**218**	35	183
Restructuring/severance payments	**22**	3	19	**49**	7	42
Maintenance obligation for leased aircraft	**552**	412	140	**401**	318	83
Warranties	**62**	–	62	**72**	–	72
Other provisions	**251**	51	200	**232**	68	164
Total	**1,847**	**791**	**1,056**	**1,640**	**764**	**876**

The obligations from partial retirement contracts result from collective bargaining agreements in Germany. In 2024, the obligations were measured using an interest rate of 3.00% (previous year: 3.72%).

To protect outstanding obligations under partial retirement agreements in the event of insolvency, funds were transferred to an external trust and reinsurance policies were taken out. These assets, which fulfil the requirements for plan assets and therefore reduce the gross amount of obligations accordingly, are measured at fair value on the balance sheet date.

The funding status for provisions for obligations to employees under partial retirement contracts is as follows:

T148 FUNDING STATUS

in €m	31 Dec 2024	31 Dec 2023
Present value of funded obligations under partial retirement contracts	242	251
External plan assets	-205	-193
	37	**58**
of which other provisions	44	62
of which other assets	7	4

The obligation no longer went up in the financial year because the option in the collective agreement enabling new partial retirement contracts expired. Contributions to plan assets reduced the amount of provisions.

Provisions for other staff costs mainly relate to staff anniversary bonus obligations and other current obligations.

The provisions for the obligation to return emissions certificates cover the obligations to submit certificates under the emissions trading schemes applicable to the Lufthansa Group. The obligations are offset by certificates that are presented under other receivables ↗ **Note 25** and ↗ **Note 28**. The increase in the financial year was due to both a reduced number of certificates allocated free of charge and higher emissions relevant to the system. Additionally, obligations arising from the international Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) had to be recognised for the first time.

The provisions for expected losses from onerous contracts relate in particular to maintenance contracts at Lufthansa Technik AG, where agreed revenues will not cover the attributable expenses.

Provisions for environmental restoration are based on surveyors' findings and the assumption that all contamination is removed within ten years without any further legal requirements.

Provisions for pending litigation were based on an assessment of the likely outcome of the proceedings.

The provisions for restructuring and severance payments are based on concluded termination agreements or proposed contract terminations which the Lufthansa Group can no longer avoid.

The provisions for the overhaul of leased aircraft mainly relate to obligations for the maintenance, overhaul and repair of these aircraft. The increase was mainly due to the rise in the number of leased aircraft.

Changes in individual provisions in 2024 were as follows:

T149 CHANGES IN OTHER PROVISIONS 2024

in €m	Obligations under partial retirement contracts	Other staff costs	Obligation to return emissions certificates	Expected losses from onerous contracts	Environmental restoration	Litigation	Restructuring / severance payments	Maintenance obligation for leased aircraft	Warranties	Other provisions	**Total**
As of 01.01.2024	62	199	225	150	32	218	49	401	72	232	**1,640**
Changes in the group of consolidated companies	–	8	–	–	–	–	–	–	–	–	**8**
Currency translation differences	–	–	1	–	–	–1	–	8	–	–	**8**
Utilisation	–93	–30	–196	–34	–1	–16	–32	–74	–18	–26	**–520**
Increase/additional provisions	82	39	348	13	1	37	8	209	24	62	**823**
Interest added back	1	4	–	3	1	–	–	9	–	2	**20**
Reversal	–	–6	–1	–35	–	–16	–3	–1	–16	–26	**–104**
Transfers	–8	–27	1	–1	–	–	–	–	–	7	**–28**
As of 31.12.2024	**44**	**187**	**378**	**96**	**33**	**222**	**552**	62	251		**1,847**

Changes in individual provisions in the previous year were as follows:

T149 CHANGES IN OTHER PROVISIONS 2023

in €m	Obligations under partial retirement contracts	Other staff costs	Obligation to return emissions certificates	Expected losses from onerous contracts	Environmental restoration	Litigation	Restructuring / severance payments	Maintenance obligation for leased aircraft	Warranties	Other provisions	**Total**
As of 1 Jan 2023	103	196	125	161	39	243	125	310	81	246	**1,629**
Changes in the group of consolidated companies	–	–	–	–	–	–	–	–	–	–	**–**
Currency translation differences	–	1	1	–	–	–	–	–2	–	1	**1**
Utilisation	–84	–26	–116	–32	–1	–22	–51	–38	–19	–28	**–417**
Increase/additional provisions	88	44	216	67	–	31	3	144	22	64	**679**
Interest added back	–	2	–	2	–	–	1	2	–	1	**8**
Reversal	–1	–5	–1	–47	–6	–31	–10	–15	–12	–18	**–146**
Transfers	–44	–13	–	–1	–	–3	–19	–	–	–34	**–114**
As of 31 Dec 2023	**62**	**199**	**225**	**150**	**32**	**218**	**49**	**401**	**72**	**232**	**1,640**

The following cash outflows are estimated for the non-current portion of the groups of other provisions:

T150 CASH OUTFLOWS FOR NON-CURRENT PROVISIONS

	As of 2024				As of 2023			
in €m	2026	2027	2028	2029 and thereafter	2025	2026	2027	2028 and thereafter
Onerous contracts	16	16	13	41	19	20	17	53
Environmental restoration	3	3	3	20	3	3	3	19
Restructuring/severance payments	2	1	–	–	4	2	1	–
Maintenance obligation for leased aircraft	148	43	38	206	93	122	24	91
Other provisions	22	27	27	28	35	17	18	36

37. Financial liabilities

Financial liabilities consist of a non-current portion with a residual term of more than one year and a current portion of less than one year, which is shown under current liabilities. Table T151 **Financial liabilities** shows the total amount of financial liabilities.

T151 FINANCIAL LIABILITIES

	31 Dec 2024			31 Dec 2023		
in €m	**Total**	Non-current	Current	**Total**	Non-current	Current
Bonds	**6,969**	5,450	1,519	6,224	5,084	1,140
Liabilities to banks	**421**	298	123	1,164	404	760
Lease liabilities	**2,887**	2,376	511	2,568	2,149	419
Other loans	**3,946**	3,289	657	3,987	3,418	569
	14,223	**11,413**	**2,810**	**13,943**	**11,055**	**2,888**

The Lufthansa Group pursues the strategy of converting financial liabilities in all currencies into financial liabilities in euros by means of interest rate derivatives.

The outstanding bonds comprise eight bonds with fixed redemption amounts issued under the Euro Medium Term Notes programme. As of the reporting date, bonds with a nominal volume of EUR 5.75bn, interest rates between 2.875% and 4.125% and maturities between February 2025 and September 2032 had been issued under the programme. The programme enables bonds to be issued up to a total volume of EUR 10bn. One convertible bond and one hybrid bond are also reported under this item. The convertible bond was issued with a nominal volume of EUR 600m and can be converted into new and/or existing registered shares of Deutsche Lufthansa AG at a conversion price of EUR 8.82. The unconverted portion of the bond is due for repayment at nominal value on 17 November 2025. The hybrid bond has a volume of EUR 500m, a term until August 2075 and an interest rate of 4.382%. It can be cancelled in a five-year cycle, the next time on 12 February 2026.

Of the liabilities to banks, borrower's note loans account for EUR 395m. One borrower's note loan with a carrying amount of EUR 53m was secured by an aircraft.

The lease liabilities correspond to the present value of the remaining payment obligations from contracted leases. Further details on the contracts concluded can be found in ↗ **Note 22.**

The Lufthansa Group's lease liabilities have the term structure set out below. The disclosures are based on contractual, undiscounted payments.

T152 MATURITY ANALYSIS OF LEASE LIABILITIES

in €m	**31 Dec 2024**	31 Dec 2023
1st quarter	**143**	122
Up to 1 year[1]	**396**	333
1 – 5 years	**1,662**	1,374
Later	**1,264**	1,345

[1] Without payments in 1st quarter.

Under other loans, EUR 3,798m (previous year: EUR 3,802m) were attributable to structured leasing companies and other aircraft financing models (↗ **Note 19**). This amount was secured by the respectively financed aircraft. Another three aircraft was refinanced in this way in 2024.

In both the 2024 and 2023 financial years, all payment obligations and requirements from the loan agreements described have been fulfilled. No financial covenant requirements are in place.

38. Non-current contract liabilities

T153 NON-CURRENT CONTRACT LIABILITIES

in €m	**31 Dec 2024**	31 Dec 2023
Non-current contract liabilities	8	26
	8	**26**

Non-current contract liabilities consist of long-term deferrals for construction contracts where the payments received exceed the performance to date.

39. Non-current advance payments received, deferred income and other non-financial liabilities

T154 NON-CURRENT ADVANCE PAYMENTS RECEIVED, DEFERRED INCOME AND OTHER NON-FINANCIAL LIABILITIES

in €m	**31 Dec 2024**	31 Dec 2023
Advance payments received	2	2
Deferred income	19	26
Other non-financial liabilities	22	39
	43	**67**

Deferred income includes EUR 2m (previous year: EUR 2m) for government grants and subsidies for capital expenditure, which are realised over the useful life of the assets in the following years.

Other non-financial liabilities include obligations under share-based remuneration agreements for Executive Board members, managers and non-payscale employees.

A variable remuneration system has been in place since 2020 for the Executive Board, in which 85% of performance is now measured by financial parameters and 15% by sustainability parameters. The financial targets are the relative total shareholder return (TSR) of the Lufthansa share compared with the DAX and the average adjusted return on capital employed (adjusted ROCE) or Adjusted EBIT during the performance period, both in equal parts (42.5% each). The performance period is four years. For the TSR component, the 60 trading days immediately preceding the beginning of the performance period and the 60 trading days immediately preceding the end of the performance period are used in the performance period. The performance of all the companies in the DAX index at the beginning and end of the period is ranked and the relative position of Deutsche Lufthansa AG is determined by its achieved percentile. Performance against the target for average Adjusted ROCE is based on a comparison of the average Adjusted ROCE for the four-year performance period against a strategic target set in the grant year, which serves as a lower threshold for covering the weighted average cost of capital (WACC). The sustainability parameters are set by the Supervisory Board for each performance period. The TSR performance target was replaced by the target “Repayment of stabilisation measures” in 2021. The performance weighting has been redistributed since the 2023 programme. It is now 30% for the relative TSR of the Lufthansa share compared with the peer group NYSE Arca Global Airline Index, 50% for Adjusted ROCE and 20% for sustainability parameters.

For the performance targets not dependent on the market, an expected target achievement of 200% for Adjusted ROCE and 0% for the sustainability parameter was assumed as part of the measurement for 2022; for 2023, an expected target achievement of 63.55% was assumed for Adjusted ROCE and 0% for the sustainability parameter, and for 2024 an expected target achievement of 27.93% was assumed for Adjusted ROCE and 200% for the sustainability parameter. At the beginning of each performance period, a number of virtual shares are awarded, which are calculated by dividing the individual target amount of the long-term variable remuneration by the average price of Deutsche Lufthansa AG shares during the 60 trading days immediately following the beginning of each performance period. The payment is calculated by multiplying the degree of target achievement for this performance target by the number of virtual shares at the beginning of the performance period and the average price of Deutsche Lufthansa AG shares during the 60 trading days immediately preceding the end of the last year of each performance period.

As part of the share-based remuneration agreements, Deutsche Lufthansa AG and other Group companies participating in the programme offer a 50% discount on employee investment in Lufthansa shares to managers. The option packages granted in 2021 include an outperformance option and a performance option. At the end of the programme, the participants receive a cash payment if the conditions are met. For the group of managers, the 2021 programme was launched retrospectively for the last time in 2022.

The outperformance option is linked to the performance of the Lufthansa share compared with a notional index of shares in European competitors. When the beneficiary exercises the outperformance option, they receive a cash payment for every percentage point of outperformance, with a hurdle rate of 1%. The cash payment is capped at an outperformance of more than 20%.

The performance option is linked to the absolute performance of the Lufthansa share. The payout begins at an absolute performance of 20% and the maximum payout amount is reached at a performance of 35%.

The performance and the outperformance are calculated on the principle of total shareholder return.

The programmes are normally scheduled to run for four years. By contrast, the duration of the 2021 programme for managers was reduced slightly to three-and-a-half years. The shares invested in personally may not be sold until the option is exercised.

As a result of the regulations in the stabilisation agreement with the ESF, the 2021 management programme was only offered with a contribution of shares. The discounts were paid to employees at year-end 2022 after the ESF-shareholding had come to an end.

No payment was made from the expired 2020 share programme (previous year: EUR 20.4m). Participants in the 2021 programmes hold 1,119,055 shares in total as of the reporting date (previous year: 1,814,713 shares).

A new multi-year incentive programme in the form of share-based remuneration, which replaces the previous programme, has been awarded to the managers from the 2023 financial year and to non-payscale employees of Deutsche Lufthansa AG and other consolidated and non-consolidated Group companies from 2024. Adjusted ROCE accounts for 50% of target achievement. Another 30% depends on the relative performance of the Deutsche Lufthansa AG share against the performance of the shares in the NYSE Arca Global Airline Index (TSR target). The remaining 20% of the target amount is tied to sustainability targets relating to reductions in carbon emissions. The range of target achievement for the individual performance criteria is from 0% to 200%. The vesting period begins on 1 January of each programme year and lasts for three years. A personal investment in Lufthansa shares is no longer required for participation in this programme. Entitled participants are included automatically. The plan is to pay a potential bonus, half in cash and half in Lufthansa shares. The fair value of the share component is therefore shown in shareholders' equity and initially measured at fair value at the time of the award. The cash component, which amounts to EUR 7.5m (previous year: EUR 6.2m) and is also part of the other non-financial obligations, was measured at fair value on the reporting date and increases staff costs accordingly by EUR 1.3m (previous year: EUR 6.2m).

During financial years 2024 and 2023, the number of options changed as follows:

T155 CHANGE IN NUMBER OF OPTIONS AND VIRTUAL SHARES

	2024			2023		
	Number of options	**Number of virtual shares/ Option rights**	**Cash settlement in € thousands**	Number of options	Number of virtual shares	Cash settlement in € thousands
Outstanding on 1 Jan	3,947	5,639,521	–	10,796	2,612,518	–
Issued	–	2,743,840	–	–	3,027,003	–
Expired or forfeited	2,214	1,581,593	–	988	–	–
Exercised	–	571,106	1,054	5,861	–	20,401
Outstanding on 31 Dec	1,733	6,230,662	–	3,947	5,639,521	–

The fair values of the options or virtual shares/option rights in the ongoing share programmes were calculated using Monte Carlo simulations. This involves simulating the future returns of the shares in the comparative index and of Deutsche Lufthansa AG and calculating the value of the options or virtual shares/option rights as the forecast amount of a dividend.

The following fair values were measured in total:

T156 FAIR VALUE OF OPTION RIGHTS AND VIRTUAL SHARES AS OF 31 DEC 2024

	Number of options/virtual shares	**Fair value per option/virtual share in €**	**Proportional vested benefit**	**Total fair value in €**
Executive Board				
Virtual shares 2021	818,412	11.50	100%	9,388,691
Virtual shares 2022	927,143	8.39	100%	7,778,730
Virtual shares 2023	714,135	3.20	100%	2,285,232
Virtual shares 2024	908,570	4.38	100%	3,979,537
Managers				
Options 2021	1,733	1,292	79%	1,770,401
Option rights 2023	1,027,132	8.18	67%	5,601,295
Option rights 2024	1,375,739	6.71	33%	6,205,700
Non-pay scale staff				
Option rights 2024	459,531	6.71	33%	2,076,739
Total options and virtual shares	**6,232,395**			**39,086,325**
of which options	1,733			
of which virtual shares	3,368,260			
of which option rights	2,862,402			

T156 FAIR VALUE OF OPTION RIGHTS AND VIRTUAL SHARES AS OF 31 DEC 2023

	Number of options/virtual shares	Fair value per option/virtual share in €	Proportional vested benefit	Total fair value in €
Executive Board				
Virtual shares 2020	571,106	5.11	90%	2,636,592
Virtual shares 2021	957,126	12.00	100%	11,485,512
Virtual shares 2022	1,084,286	8.78	100%	9,520,031
Virtual shares 2023	863,873	8.92	100%	7,705,747
Managers				
Options 2020	2,140	4,422	77%	7,286,572
Options 2021	1,807	4,692	51%	4,324,006
Option rights 2023	2,163,130	7.77	33%	5,602,507
Total options and virtual shares	**5,643,468**			**48,560,967**
of which options	3,947			
of which virtual shares	3,476,391			
of which option rights	2,163,130			

The fair value of equity-settled share commitments for the 2023 and 2024 programmes was EUR 13.9m (previous year: EUR 5.6m) and was measured based on a valuation model. At the time of the award the model used an expected weighted volatility of 43% for 2023 and 37% for 2024 and a price of EUR 8.94 for 2023 and EUR 7.23 for 2024 for the Lufthansa share. The expected volatility was derived from historic volatilities. A risk-free interest rate of 2.96% for 2023 and 2.60% for 2024 was applied for the model. Assumptions for correlations between the Lufthansa share price and the performance of the NYSE Arca Global Airline Index were based on historical share and index performance.

Staff turnover of 6.69% is assumed when accounting for the liability resulting from the valuation of options, with the result that the recognised liability is less than the calculated fair value. The measurement of option rights and virtual shares therefore results in an obligation of EUR 26.3m as of the reporting date (previous year: EUR 41.5m), of which EUR 14.1m (previous year: EUR 33.1m) is shown under non-current liabilities. The payout for expired virtual share options of EUR 1.1m in the reporting year reduced the liability. The proportion of commitments intended to be settled by equity instruments increases shareholders' equity by EUR 8.3m (previous year: EUR 5.6m) to a total of EUR 13.9m. Changes in the value of options or virtual shares/option rights and the granting of additional virtual shares/option rights during the financial year resulted in a total reduction in staff costs of EUR 6.2m.

The weighted average share prices at the calculation date (except in the TSR programme for the Executive Board) were used in the Monte Carlo simulation. As stated in the terms of the programme, these are 50-day averages for Deutsche Lufthansa AG shares and the shares of competitors included in the peer group basket. The volatilities and correlations used are forecasts for a specific date and maturity on the basis of current market estimates.

The parameters used by the external service provider for the notional airline peer group basket for the 2021 option package are shown in the following table:

T157 REFERENCE PRICE

		Options 2021
Lufthansa	EUR	6.99
Air France-KLM	EUR	4.10
IAG	GBP	157.32
Ryanair	EUR	16.40
easyJet	GBP	625.16
Turkish Airlines	EUR	1.73
WIZZair	GBP	4,237.54

T158 PROJECTED VOLATILITIES

in % for:	Options 2021 as of 31 Dec 2024	Options 2021 as of 31 Dec 2023
Lufthansa	26.36	37.15
Air France-KLM	38.85	45.61
IAG	28.52	41.11
Ryanair	31.81	35.82
easyJet	30.96	43.76
Turkish Airlines	31.89	49.13
WIZZair	53.94	59.70
Risk-free interest rate	Options 2021: 2.23% for the eurozone (previous year: 2.81%) 4.24% for the UK (previous year: 4.40%)	
Fluctuation	6.69% (previous year: 7.22%)	

Swap rates were used as the interest rate for the remaining term of the outperformance option in each case. The maximum term of the programmes was used for measurement purposes.

Time values for the Executive Board programmes were also measured using a Monte Carlo simulation based on historical and current market data for the relevant peer group companies, plus the NYSE Arca Global Airline Index for the 2023 and 2024 programmes. Forecast volatilities are based on historical TSR data. The share prices for the past four years were used to calculate historical volatility. The measurement for the 2022 programme took into account a remaining term of 13 months and a risk-free interest rate of 2.21%, for the 2023 programme a remaining term of 25 months and a risk-free interest rate of 1.94%, and for the 2024 programme a remaining term of 37 months and a risk-free interest rate of 1.88%.

40. Current contract liabilities

The Lufthansa Group recognised the following contract liabilities:

T159 CONTRACT LIABILITIES

in €m	31 Dec 2024	31 Dec 2023
Contract liabilities from unused flight documents	**5,183**	**4,981**
Liabilities from customer loyalty programmes	2,290	2,203
Liabilities from MRO and IT services	386	363
Miscellaneous contract liabilities	278	204
Miscellaneous contract liabilities	**2,954**	**2,770**
Liabilities from contracts with customers	**8,137**	**7,751**
Revenue recognised in the reporting period	**2024**	2023
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Revenue from unused flight documents	3,859	4,250
Revenue from customer loyalty programmes	466	431
Revenue from MRO and IT services	137	81
Other	116	139
Total	**4,578**	**4,901**

Of the contract liabilities as of 31 December 2023, EUR 267m (previous year: EUR 287m) could not be realised and was refunded to customers. A total of EUR 2,366m (previous year: EUR 1,946m) in ticket refunds was issued for tickets sold in 2024.

Liabilities from customer loyalty programmes as of 31 December 2024 included 273 billion miles/points from bonus miles programmes (previous year: 261 billion miles/points). As a rule, the miles that are expected to expire are recognised pro rata over the general validity period of three years.

The remaining performance obligation under existing long-term service contracts came to EUR 10.0bn in total, assuming that the services are performed as agreed, of which EUR 1.9bn relate to the next twelve months. These essentially consist of maintenance contracts in the MRO segment for the long-term maintenance and overhaul of airline sub-fleets. To calculate the outstanding performance obligations, the number of maintenance inspections derived from the respective flight plans and agreed in the contracts are taken into account, along with the expected revenue and fixed prices for certain services (VIP and cabin modifications). Around 63% of performance obligations beyond twelve months are expected to have been fulfilled by 2030.

As in the previous year, no revenue was recognised in 2024 for performance obligations fulfilled in prior financial years.

In line with the simplification rules of IFRS 15, disclosures are not made on performance obligations as of 31 December 2024 or 31 December 2023 that have a forecast original term of one year or less. The option of rebooking flights means that there may be a period of time between the conclusion of the contract and the provision of the service that exceeds one year, although this cannot be foreseen when the contract is concluded. Due to the advance booking period of a maximum of one year and short-term rebooking possibilities, the Group assumes that the application of the simplification rule is justified. Award miles can be redeemed for at least three years, but may also be redeemed at short notice and for this reason are also reported as current.

41. Trade payables and other current financial liabilities

T160 TRADE PAYABLES AND OTHER CURRENT FINANCIAL LIABILITIES

in €m	**31 Dec 2024**	31 Dec 2023
Trade payables		
Trade payables to affiliated companies	76	94
Trade payables to other investees	1	–
Trade payables to third parties	4,395	4,031
	4,472	**4,125**
Other liabilities		
Liabilities to banks	9	4
Other liabilities to affiliated companies	303	312
Liabilities from employee bonus schemes	305	627
Other financial liabilities	914	837
	1,531	**1,780**
Total	**6,003**	**5,905**

Other liabilities of EUR 63m (previous year: EUR 32m) serve as collateral for positive market values of derivatives.

The Lufthansa Group takes part in a Supply Chain Finance (SCF) programme to optimise working capital and cash flow and to strengthen supplier relationships. The provider of the programme is CRX Markets AG, Munich, and is free of charge for participating suppliers. Supplier participation in the programme is voluntary; suppliers can receive earlier payment of their receivables from the participating banks at a discount. The Lufthansa Group then pays the original invoice to the bank on the due date. This does not result in any additional costs for the Lufthansa Group in relation to the twelve participating banks. As of 31 December 2024, the SCF programme was used by the Group companies Deutsche Lufthansa AG, Lufthansa Cargo AG, Austrian Airlines AG and Swiss International Airlines Ltd. As of the reporting date, 16 suppliers with an outstanding trade payables volume of EUR 583m (previous year: EUR 418m) participated. Payment terms of liabilities in the programme do not exceed payment terms with suppliers not participating in the programme. The payment terms under the SCF programme range from 50 to 165 days, while the range for comparable invoices outside the SCF programme is from 0 to 150 days. All relevant contractual payment terms are also negotiated with suppliers outside the programme on a bilateral basis, which is why participation in the SCF programme does not change the nature of the supplier liability. Consequently, the disclosure of the trade payables remains unchanged. The cash flows from these liabilities continue to be presented as operating cash flow in the cash flow statement under the item “Changes in trade working capital”.

In addition, the Lufthansa Group participates in another supply chain finance (SCF) programme offered by cflox GmbH, Hamburg, Germany. This programme allows payment terms to be extended by 90 days without affecting suppliers, as they continue to receive their payments on the agreed date. This creates another short-term financial liability to the payment service provider, which makes the payment on behalf of the Lufthansa Group. Consequently, the cash flows continue to be presented as operating cash flow in the cash flow statement under the item “Changes in trade working capital”. As of 31 December 2024, Deutsche Lufthansa AG was using this programme. As of the reporting date, other short-term financial liabilities related to this programme amounted to EUR 258m (previous year: EUR 0m), originally attributable to six suppliers.

42. Current advance payments received, deferred income and other non-financial liabilities

T161 CURRENT ADVANCE PAYMENTS RECEIVED, DEFERRED INCOME AND OTHER NON-FINANCIAL LIABILITIES

in €m	**31 Dec 2024**	31 Dec 2023
Liabilities for other taxes	281	355
Accrued expense for holiday, flexible working hours and overtime	290	262
Advance payments received	18	14
Deferred income	45	45
Other non-financial liabilities	75	46
	709	**722**

Other non-financial liabilities also include the current portion of obligations under share-based remuneration agreements measured at fair value (↗ **Note 39**).

NOTES TO THE SEGMENT REPORTING

43. Notes to the reporting segments and segment data

Notes to the reporting segments

As of 31 December 2024, the Lufthansa Group operated in three reporting segments, which constitute its Group activities. The segments are defined in line with the internal reporting and management structure. The airline activities were combined in their respective reporting segments based on the similarity between the economic characteristics of the individual airlines, such as network and sales structures, as well as customers and services. The Passenger Airlines segment comprises the network airlines Lufthansa Airlines, SWISS, Austrian Airlines and Brussels Airlines. The Passenger Airlines segment also features the airlines Eurowings, including the equity investment in SunExpress, Discover Airlines and Edelweiss Air, as well as the regional airlines Lufthansa CityLine, Lufthansa City Airlines and Air Dolomiti. Further information about the individual airlines can be found in the Group management report ↗ **Passenger Airlines segment.**

The Logistics segment comprises the scheduled airfreight activities of the Lufthansa Cargo group. Lufthansa Cargo is Europe’s leading cargo airline.

The MRO segment is a leading global provider of maintenance, repair and overhaul services for civil and commercial aircraft and is represented by the Lufthansa Technik group.

The business operations of the former Catering segment were sold in October 2023. The business segment was therefore discontinued in the financial year. In the previous year, segment information for this business activity, which was classified as a discontinued operation, was still reported separately as part of segment reporting. Following the sale in the previous year, the comparative figures have been adjusted accordingly, and the financial data previously reported under Catering has been reclassified in the reconciliation column.

Business activities not allocated to a reporting segment are presented in table ↗ T162, in the “Additional Businesses and Group Functions” column, along with the income and expenses of central Group functions. They include the income and expenses of Lufthansa Commercial Holding GmbH, the Lufthansa AirPlus group until its sale in July of 2024, the Lufthansa Systems group, the Lufthansa Aviation Training group and other Group companies.

Notes to segment data and internal management

The accounting policies of the reporting segments are the same as those described in ↗ **Note 2.**

The Lufthansa Group measures the performance of its segments using both segment result indicators: EBIT and Adjusted EBIT. EBIT is made up of the IFRS operating result and the result from equity investments. Adjusted EBIT is obtained by correcting EBIT for gains and losses on the disposal of assets, impairments and their reversal and earnings attributable to other periods in connection with pension obligations (plan adjustments and plan settlements), expenses for staff-related restructuring measures, material extraordinary legal costs not resulting from normal business operations, material costs in connection with company transactions and material other expenses based on extraordinary external events.

Sales and revenue between reporting segments are based on arm’s length prices. Administrative services are charged as cost allocations.

For information on external traffic revenue, see ↗ **Note 3.**

The result of the equity valuation for the segment’s equity investments is part of its segment result. However, from a Group perspective, it is attributed to the financial result rather than the operating result.

Capital employed largely comprises segment assets, adjusted for derivative financial instruments, cash and cash equivalents and deferred tax items less non-interest-bearing debt.

The reconciliation column includes both the effects of consolidation activities and the amounts resulting from different definitions of segment item contents compared with the corresponding Group items. Eliminated segment revenue generated with other consolidated segments is shown in the reconciliation column for revenue.

The amounts in the reconciliation column for Group EBIT include the effects of consolidation activities on profit or loss in which income and expense do not match for two companies at the same amount, or in the same period.

T162 SEGMENT INFORMATION FOR THE 2024 REPORTING SEGMENTS

in €m	Passenger Airlines	Logistics	MRO	Total reportable operating segments	Additional Businesses and Group Functions	Reconciliation		**Group**[5]
						Not allocated	Consolidation	
External revenue	28,905	3,213	5,036	37,154	427	–	–	37,581
of which traffic revenue	27,869	3,054	–	30,923	1	515	–	31,439
Inter-segment revenue	785	50	2,405	3,240	518	–	-3,758	–
Total revenue	**29,690**	**3,263**	**7,441**	**40,394**	**945**	**–**	**-3,758**	**37,581**
Other operating income	992	93	477	1,562	2,285	–	-886	2,961
Total operating income	**30,682**	**3,356**	**7,918**	**41,956**	**3,230**	**–**	**-4,644**	**40,542**
Operating expenses	**29,722**	**3,147**	**7,292**	**40,161**	**3,465**	**–**	**-4,529**	**39,097**
of which cost of materials and services	17,761	2,241	4,525	24,527	450	–	-2,584	22,393
of which staff costs	5,997	443	1,700	8,140	854	–	-2	8,992
of which depreciation and amortisation	1,836	198	155	2,189	104	–	44	2,337
of which other expenses	4,128	265	912	5,305	2,057	–	-1,987	5,375
Results of equity investments[1]	**86**	**42**	**9**	**137**	**62**	**–**	**1**	**200**
of which result of investments accounted for using the equity method	88	8	-11	85	12	–	–	97
Adjusted EBIT[2]	**1,046**	**251**	**635**	**1,932**	**-173**	**–**	**-114**	1,645
Reconciliation items	**70**	**1**	**-51**	**20**	**65**	**–**	**1**	86
Impairment losses/gains	-11	–	-27	-38	–	–	–	-38
Effects from pension provisions and restructuring	-17	-1	-9	-27	-18	–	1	-44
Earnings from asset disposal	94	–	1	95	96	–	1	192
Other reconciliation items	4	2	-16	-10	-13	–	-1	-24
EBIT	**1,116**	**252**	**584**	**1,952**	**-108**	**–**	**-113**	**1,731**
Other financial result								-155
Profit/loss before income taxes								1,576
Capital employed[3]	9,823	2,271	4,650	16,744	1,334	–	-241	17,837
of which from investments accounted for using the equity method	386	44	163	593	4	–	–	597
Segment capital expenditure[4]	3,275	149	206	3,630	169	–	20	3,819
of which from investments accounted for using the equity method	–	–	22	22	–	–	–	22
Employees at end of period	65,172	4,261	24,499	93,932	7,777	–	–	101,709
Average number of employees	63,952	4,223	23,789	91,964	8,326	–	–	100,290

[1] The result from equity investments does not include impairment losses on the carrying amounts of investments accounted for using the equity method.

[2] For the reconciliation from Adjusted EBIT to EBIT, see ↗ T022 in the Group management report.

[3] The capital employed results from total assets adjusted for non-operating items (deferred taxes, positive market values, derivatives), less specific non-interest bearing liabilities (including trade payables and other liabilities and from unused flight documents) and less cash and cash equivalents.

[4] Capital expenditure on intangible assets, property, plant and equipment, and loans and equity interests in companies. Capital expenditure is shown without capitalised borrowing costs.

[5] Figures show continuing operations.

T162 SEGMENT INFORMATION FOR THE 2023 REPORTING SEGMENTS (continued)

in €m	Passenger Airlines	Logistics	MRO	Total reportable operating segments	Additional Businesses and Group Functions	Reconciliation		**Group**[6]
						Not allocated	Consolidation	
External revenue	27,632	2,927	4,389	34,948	484	–	10	35,442
of which traffic revenue	26,701	2,775	–	29,476	–	450	–	29,926
Inter-segment revenue	705	50	2,158	2,913	436	–	–3,349	–
Total revenue	**28,337**	**2,977**	**6,547**	**37,861**	**920**	**–**	**–3,339**	**35,442**
Other operating income	1,306	113	481	1,900	2,325	–	–1,238	2,987
Total operating income	**29,643**	**3,090**	**7,028**	**39,761**	**3,245**	**–**	**–4,577**	**38,429**
Operating expenses	**27,730**	**2,933**	**6,383**	**37,046**	**3,499**	**–**	**–4,585**	**35,960**
of which cost of materials and services	16,687	2,063	3,844	22,594	428	–	–2,659	20,363
of which staff costs	5,426	419	1,559	7,404	906	–	–	8,310
of which depreciation and amortisation	1,725	182	157	2,064	113	–	51	2,228
of which other expenses	3,892	269	823	4,984	2,052	–	–1,977	5,059
Results of equity investments[1]	**120**	**62**	**–17**	**165**	**48**	**–**	**–**	**213**
of which result of investments accounted for using the equity method	125	11	–24	112	9	–	–	121
Adjusted EBIT[2]	**2,033**	**219**	**628**	**2,880**	**–206**	**–**	**8**	**2,682**
Reconciliation items	**31**	**–5**	**–**	**26**	**–46**	**–**	**7**	**–13**
Impairment losses/gains	–38	–	1	–37	–4	–	2	–39
Effects from pension provisions and restructuring[5]	–19	–4	–2	–25	–8	–	–1	–34
Earnings from asset disposal	81	–2	12	91	4	–	6	101
Other reconciliation items	7	1	–11	–3	–38	–	–	–41
EBIT	**2,064**	**214**	**628**	**2,906**	**–252**	**–**	**15**	**2,669**
Other financial result								–352
Profit/loss before income taxes								2,317
Capital employed[3]	8,530	2,335	4,056	14,921	1,410	–	–131	16,200
of which from investments accounted for using the equity method	256	43	150	449	29	–	–13	465
Segment capital expenditure[4]	3,095	191	137	3,423	65	–	121	3,609
of which from investments accounted for using the equity method	–	–	19	19	–	–	–	19
Employees at end of period	60,924	4,152	22,870	87,946	8,681	50[7]		96,677
Average number of employees	59,331	4,122	21,925	85,378	8,411	16,475[7]		110,264

[1] The result from equity investments does not include impairment losses on the carrying amounts of investments accounted for using the equity method.

[2] For the reconciliation from Adjusted EBIT to EBIT, see ↗ T022 in the Group management report.

[3] The capital employed results from total assets adjusted for non-operating items (deferred taxes, positive market values, derivatives), less specific non-interest bearing liabilities (including trade payables and other liabilities and from unused flight documents) and less cash and cash equivalents.

[4] Capital expenditure on intangible assets, property, plant and equipment, and loans and equity interests in companies. Capital expenditure is shown without capitalised borrowing costs.

[5] Figures adjusted due to the disposal of the Catering segment in 2023. Consolidation column excludes elimination of discontinued operations. Total reporting operating segments column, excluding the Catering segment.

[6] Group column includes only continuing operations.

[7] Values relate to the Catering segment, which is no longer reported separately in the table due to its disposal in 2023.

Notes on geographical regions in 2024

The allocation of traffic revenue to geographical regions is based on the original location of sale. Non-current assets are allocated according to the location of the relevant asset. The allocation of other revenue to the individual regions is based on the geographical location of the customer.

The regions are defined on a geographical basis. As an exception to this rule, traffic revenue generated in Turkey is attributed to Europe.

The Lufthansa Group steers its air traffic business on the basis of network results and not on the basis of regional earnings contributions. Consequently, the presentation of regional segment results is of no informational value for the Lufthansa Group.

A presentation of traffic revenue generated in the Passenger Airlines and Logistics segments by traffic region, rather than by original location of sale, is included in the information on the respective segments in the management report.

External revenue, non-current assets and capital expenditure are as follows:

T163 EXTERNAL REVENUE AND NON-CURRENT ASSETS BY REGION

	2024							2023						
in €m	Europe	North America	Central and South America	Asia/Pacific	Middle East	Africa	**Group**	Europe	North America	Central and South America	Asia/Pacific	Middle East	Africa	Group
Traffic revenue	20,884	5,743	616	3,216	433	547	31,439	20,173	5,482	612	2,694	450	515	29,926
Other revenue	2,367	1,802	222	1,196	363	192	6,142	2,403	1,511	223	984	270	125	5,516
Non-current assets[1] [2] [3]	22,816	168	21	115	1	1	23,122	21,455	151	19	102	2	2	21,731
Capital expenditure on non-current assets[3]	3,856	22	2	9	–	–	3,889	3,593	25	3	17	–	–	3,638

[1] Non-current assets include property, plant and equipment and intangible assets with the exception of repairable spare parts for aircraft.

[2] Aircraft are categorised by their place of registration.

[3] Including right-of-use assets from application of IFRS 16

The figures for the main countries are as follows:

T164 EXTERNAL REVENUE AND NON-CURRENT ASSETS BY COUNTRIES

	2024		2023	
in €m	Germany	USA	Germany	USA
Traffic revenue	9,160	5,070	8,915	4,842
Other revenue	789	1,320	894	1,190
Non-current assets [1] [2]	15,665	156	14,956	92
Capital expenditure on non-current assets [2]	2,782	16	2,505	15

[1] Non-current assets include property, plant and equipment and intangible assets with the exception of repairable spare parts for aircraft.

[2] Aircraft are allocated according to their location of registration.

In the 2024 financial year and in the previous year, no more than 10% of Lufthansa Group revenue was generated with a single customer.

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

44. Notes to cash flow from operating, investing and financing activities

The cash flow statement shows how cash and cash equivalents have changed over the reporting year at the Lufthansa Group. In accordance with IAS 7, cash flows are divided into cash inflows and outflows from operating activities, from investing activities and from financing activities. The amount of liquidity in the broader sense is reached by adding interest-bearing securities and similar financial investments, amounting to EUR 6,698m (previous year: EUR 6,675m). This latter item includes EUR 675m (previous year: EUR 275m) in fixed-term deposits with agreed terms of four to twelve months.

In connection with the reclassification of non-pool material, the figures from the previous year presented in the following table have been adjusted in the cash flow statement:

T165 PRIOR-YEAR ADJUSTMENTS – RECLASSIFICATION OF NON-POOL MATERIAL

in €m	2024	2024 under previous reporting method	2023 adjusted	reported in 2023
Depreciation, amortisation and impairment losses on current assets (net of reversals)	111	83	112	80
Change in trade working capital	525	582	207	278
Net cash from/used in operating activities	**3,892**	**3,863**	**4,905**	**4,945**
Additions to/disposals of repairable spare parts for aircraft	–241	–270	–466	–506
Net cash from/used in investing activities	**–2,392**	**–2,363**	**–2,771**	**–2,811**
Net cash from/used in investing and cash management activities	**–2,325**	**–2,296**	**–2,941**	**–2,981**

Interest paid and interest income from the corresponding interest rate hedges are netted to avoid overemphasising the items interest income and interest paid in the cash flow statement.

Additional information on the cash flow statement

Cash flow from operating activities

Cash flow from operating activities is derived from profit/loss before income taxes using the indirect method. It is adjusted for non-cash income and expenses as well as changes in trade working capital and in other assets/liabilities that are not attributable to investing or financing activities. Cash flows related to pension obligations are shown entirely in cash flow from operating activities. They also include payments received from the CTA plan assets that can be called up to equalise pension payments.

In the current financial year, the Group primarily recognised the following non-cash income and expenses:

T166 SIGNIFICANT NON-CASH INCOME AND EXPENSES

in €m	**2024**	2023
Result of miscellaneous financial items	6	8
Impairment on receivables	63	151
Reversal of impairment on receivables	-37	-87
Income from the reversal of provisions and accruals	-296	-360
Adjustments to retirement and transitional benefit systems	20	24
Total	**-244**	**-264**

Trade working capital consists of changes in the carrying amounts of inventories, trade payables and other liabilities, contract assets and down payments, other current assets and other current liabilities, contract liabilities as well as current deferred income and prepaid expenses.

Other assets/liabilities mainly include corrections between pension expenses and payments, changes in other provisions, accruals/deferrals and corrections for non-cash effects from currency translation.

The expiration of repo agreements for emissions certificates resulted in outflows of EUR 200m in the financial year (previous year: EUR 0m).

Cash flow from investing (and cash management) activities

Cash flows from investing and financing activities are calculated on the basis of payments.

Investing cash flow results mainly from capital expenditure and disinvestments in non-current assets.

A total of 15 passenger aircraft were sold and leased back in the financial year. These transactions generated total inflows of EUR 761m (previous year: EUR 690m from sale-and-leaseback transactions).

Additionally, the sale of the AirPlus Group resulted in a cash inflow of EUR 376m. As part of the transaction, assets amounting to EUR 1,510m (of which EUR 1,439m were current and EUR 71m were non-current) and liabilities amounting to EUR 1,155m (of which EUR 1,137m were current and EUR 18m were non-current) were transferred to the buyer. Of the assets transferred, EUR 263m related to cash and cash equivalents.

Financing cash flow

Financing cash flow also includes capital repayments and interest payments for lease liabilities.

In the financial year, Deutsche Lufthansa AG issued one EUR 750m euro bond and two EUR 500m euro bonds, refinancing two maturing euro bonds with a nominal amount of EUR 500m each as well as three promissory notes with a total nominal amount of EUR 750m. In addition, EUR 381m was raised through aircraft financing, while EUR 527m was repaid.

Financial liabilities and the instruments used to hedge them changed as follows in the financial year:

T167 FINANCIAL LIABILITIES 2024

in €m	31 Dec 2023	Cash-effective	Non-cash-effective						**31 Dec 2024**
			Addition due to changes in consolidation	Addition to lease liabilities	Currency translation differences	Interest added back	Reclassification/ reclassification to held for sale	Changes in fair value	
Non-current financial liabilities	11,055	2,115	–	635	209	25	–2,625	–1	11,413
Current financial liabilities	2,888	–2,696	–	–	17	26	2,596	–21	2,810
Other financial liabilities[1]	4	61	–		1	–	–57	–	9
Total financial liabilities	**13,947**	**–520**	**–**	**635**	**227**	**51**	**–86**	**–22**	**14,232**
Interest rate swaps and currency forwards used for hedging – assets	–93	–63	–		–	–	–	1	–155
Interest rate swaps and currency forwards used for hedging – liabilities	270	–	–		–	–	–	–79	191

[1] Mainly relate to bank overdrafts.

Changes in financial liabilities in the previous year were as follows:

T167 FINANCIAL LIABILITIES 2023

in €m	31 Dec 2022	Cash-effective	Non-cash-effective						31 Dec 2023
			Addition due to changes in consolidation	Addition to lease liabilities	Currency translation differences	Interest added back	Reclassification/ reclassification to held for sale	Changes in fair value	
Non-current financial liabilities	13,270	60	–	685	–151	38	–2,920	73	11,055
Current financial liabilities	1,881	–1,589	–	–	–3	104	2,467	28	2,888
Other financial liabilities[1]	21	–8	–		–	–	–9	–	4
Total financial liabilities	**15,172**	**–1,537**	**–**	**685**	**–154**	**142**	**–462**	**101**	**13,947**
Interest rate swaps and currency forwards used for hedging – assets	–155	–37	–		–	–	–	99	–93
Interest rate swaps and currency forwards used for hedging – liabilities	218	–	–		–	–	–	52	270

[1] Mainly relate to bank overdrafts.

OTHER DISCLOSURES

45. Additional disclosures on financial instruments

Financial assets by measurement category

As of the current reporting date, financial assets can be broken down into measurement categories with the following carrying amounts:

T168 FINANCIAL ASSETS IN THE BALANCE SHEET

	31 Dec 2024						31 Dec 2023					
in €m	Amortised cost	At fair value through profit or loss	At fair value through other comprehensive income with recycling	At fair value through other comprehensive income without recycling	Derivative financial instruments which are an effective part of a hedging relationship	**Total**	Amortised cost	At fair value through profit or loss	At fair value through other comprehensive income with recycling	At fair value through other comprehensive income without recycling	Derivative financial instruments which are an effective part of a hedging relationship	Total
Other equity investments	–	24	–	–	–	24	–	24	–	–	–	24
Non-current securities	7	14	–	–	–	21	20	–	–	–	–	20
of which equity instruments	–	–	–	–	–	–	–	–	–	–	–	–
of which debt instruments	7	14	–	–	–	21	20	–	–	–	–	20
Loans	253	–	–	–	–	253	213	–	–	–	–	213
Non-current receivables	601	–	–	–	–	601	756	–	–	–	–	756
Non-current derivative financial instruments	–	–	–	–	821	821	–	–	–	–	659	659
Trade receivables, contract assets and other current receivables	3,899	–	–	–	–	3,899	3,694	–	–	–	–	3,694
Current derivative financial instruments	–	6	–	–	798	804	–	2	–	–	435	437
Current securities and similar investments	675	4,818	1,203	–	–	6,696	275	5,263	1,136	–	–	6,674
of which equity instruments	–	4,818	–	–	–	4,818	–	5,263	–	–	–	5,263
of which debt instruments	675	–	1,203	–	–	1,878	275	–	1,136	–	–	1,411
Cash and cash equivalents	1,790	–	–	–	–	1,790	1,590	–	–	–	–	1,590
Total	**7,225**	**4,862**	**1,203**	**–**	**1,619**	**14,909**	**6,548**	**5,289**	**1,136**	**–**	**1,094**	**14,067**

The category “At fair value through profit or loss” includes derivatives that do not meet the requirements for applying hedge accounting and are therefore accounted for as stand-alone derivatives. This category also includes equity instruments, consisting of money market funds and equity investments, for which the instrument-specific option of fair value through other comprehensive income without recycling has not been exercised. The debt instruments designated as at fair value through other comprehensive income with recycling relate to the establishment of bond positions as part of the investment of liquidity.

Financial liabilities by measurement category

Financial liabilities can be broken down into measurement categories with the following carrying amounts, whereby the “at fair value through profit or loss” category includes derivatives that do not meet the requirements for hedge accounting and are therefore recognised as stand-alone derivatives. In addition, the instrument-specific option to designate the convertible bond issued in 2020 as at fair value through profit or loss was exercised; its fair value as of the reporting date was EUR 600m. The total change of EUR -43m in the market value of the convertible bond was therefore split into a credit risk-induced share of EUR 6m, which is recognised as an expense in other comprehensive income, and a price-induced share of EUR 49m, which is recognised as income in the trading result.

T169 FINANCIAL LIABILITIES IN THE BALANCE SHEET

	31 Dec 2024				31 Dec 2023			
in €m	Liabilities at fair value through profit or loss	Derivative financial instruments which are an effective part of a hedging relationship	Other financial liabilities at cost	**Total**	Liabilities at fair value through profit or loss	Derivative financial instruments which are an effective part of a hedging relationship	Other financial liabilities at cost	Total
Financial liabilities (not including IFRS 16 lease liabilities)	600	–	10,737	11,337	643	–	10,733	11,376
Derivative financial instruments	2	602	–	604	7	751	–	758
Trade payables	–	–	4,472	4,472	–	–	4,125	4,125
Other financial liabilities	–	–	1,570	1,570	–	–	1,835	1,835
Total	**602**	**602**	**16,779**	**17,983**	**650**	**751**	**16,693**	**18,094**

The net result of the various categories of financial assets and liabilities is made up as shown in Table T170.

T170 NET RESULT FOR FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT CATEGORY

	2024						2023					
in €m	Interest expenses	Interest income	Amorti sation	Result from valuation and sale	Currency result	**Net result**	Interest expenses	Interest income	Amorti sation	Result from valuation and sale	Currency result	**Net result**
Assets at amortised cost	–	7	-26	–	24	5	–	7	17	–	-135	-111
Assets at fair value without effect on profit and loss (with recycling)	-3	31	–	25	1	54	-5	22	–	59	-1	75
Assets at fair value without effect on profit and loss (without recycling)	–	–	–	–	–	–	–	–	–	–	–	–
Assets at fair value through profit or loss[1]	–	103	–	78	–	181	–	135	–	73	–	208
Liabilities at amortised cost	-399	–	–	–	-153	-552	-408	–	–	–	93	-315
Liabilities at fair value through profit or loss	-12	–	–	43	–	31	-12	–	–	13	–	1
Total	**-414**	**141**	**-26**	**146**	**-128**	**-281**	**-425**	**164**	**17**	**145**	**-43**	**-142**

[1] In the previous year, the negative interest income of the money market funds included in this category stemmed from the negative interest rates on money market investments.

Table T171 shows the carrying amounts and fair values of the individual classes of financial liabilities. The stated fair values of bonds reflect their market listings (Level 1 of the fair value hierarchy). The fair values for other types of financial liabilities have been calculated using the applicable interest rates for the remaining term to maturity and repayment structures at the reporting date based on the available market information (Bloomberg) (Level 2 of the fair value hierarchy). For other assets and liabilities, non-current receivables, trade receivables and cash in hand carried at amortised cost, the carrying amount is deemed to be a reasonable approximation of the fair value.

T171 FINANCIAL LIABILITIES

	31 Dec 2024		31 Dec 2023	
in €m	**Carrying amount**	**Market value**	Carrying amount	Market value
Bonds	6,969	6,915	6,224	6,018
Commercial paper to banks	–	–	–	–
Borrower's note loans	395	409	1,143	1,152
Credit lines	26	25	21	18
Aircraft financing	3,798	3,932	3,802	3,965
Other financial debt	148	123	185	192
Total	**11,336**	**11,404**	**11,375**	**11,345**
Lease liabilities	2,887	–	2,568	–
Total	**14,223**		**13,943**	

Financial assets held at fair value by level of fair value hierarchy

Tables T172 and T173 show financial assets and liabilities held at fair value by level of fair value hierarchy. The levels are defined as follows:

- Level 1: Financial instruments traded on active markets, the quoted prices for which are taken for measurement unchanged.
- Level 2: Measurement is made by means of valuation methods with parameters derived directly or indirectly from observable market data.
- Level 3: Measurement is made by means of valuation methods with parameters not based exclusively on observable market data.

In the 2024 and 2023 financial years, the fair value hierarchy for financial assets and liabilities held at fair value was as follows:

T172 FAIR VALUE HIERARCHY OF ASSETS

	31 Dec 2024				31 Dec 2023			
in €m	Level 1	Level 2	Level 3	**Total**	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss	**4,832**	**6**	**24**	**4,862**	**5,160**	**105**	**24**	**5,289**
Financial derivatives classified as held for trading	–	6	–	6	–	2	–	2
Securities	4,832	–	–	4,832	5,160	103	–	5,263
Equity investments	–	–	24	24	–	–	24	24
Derivative financial instruments which are an effective part of a hedging relationship	**–**	**1,619**	**–**	**1,619**	**–**	**1,094**	**–**	**1,094**
Financial assets at fair value through other comprehensive income	**–**	**1,203**	**–**	**1,203**	**–**	**1,136**	**–**	**1,136**
Equity instruments	–	–	–	–	–	–	–	–
Debt instruments	–	1,203	–	1,203	–	1,136	–	1,136
Total assets	**4,832**	**2,828**	**24**	**7,684**	**5,160**	**2,335**	**24**	**7,519**

T173 FAIR VALUE HIERARCHY OF LIABILITIES

	31 Dec 2024				31 Dec 2023			
in €m	Level 1	Level 2	Level 3	**Total**	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss	–	-600	–	-600	–	-643	–	-643
Derivative financial instruments at fair value through profit or loss	–	-2	–	-2	–	-7	–	-7
Derivative financial instruments which are an effective part of a hedging relationship	–	-602	–	-602	–	-751	–	-751
Total liabilities	**–**	**-1,204**	**–**	**-1,204**	**–**	**-1,401**	**–**	**-1,401**

Level 3 investments held at fair value through profit or loss included a total of 37 individual investments as of the reporting date (previous year: 36), the acquisition costs of which are the best estimate of fair value for reasons of materiality.

Netting of financial assets and liabilities

The following financial assets and liabilities are subject to global netting agreements and other agreements.

T174 **NETTING OF FINANCIAL ASSETS**

	31 Dec 2024						31 Dec 2023					
in €m	Gross amount	Netted amounts	Reported net amount	Amounts not netted	Cash collateral	Net amount	Gross amount	Netted amounts	Reported net amount	Amounts not netted	Cash collateral	Net amount
Trade receivables and other current receivables	4,092	193	3,899	–	111	3,788	3,818	124	3,694	–	164	3,530
Derivative financial instruments – assets	1,625	–	1,625	132	63	1,430	1,096	–	1,096	183	32	881
Cash and cash equivalents	1,790	–	1,790	–	–	1,790	1,590	–	1,590	–	–	1,590
Total assets	**7,507**	**193**	**7,314**	**132**	**174**	**7,008**	**6,504**	**124**	**6,380**	**183**	**196**	**6,001**

T175 **NETTING OF FINANCIAL LIABILITIES**

	31 Dec 2024						31 Dec 2023					
in €m	Gross amount	Netted amounts	Reported net amount	Amounts not netted	Cash collateral	Net amount	Gross amount	Netted amounts	Reported net amount	Amounts not netted	Cash collateral	Net amount
Trade payables	4,665	193	4,472	–	63	4,409	4,249	124	4,125	–	32	4,093
Derivative financial instruments – liabilities	604	–	604	132	111	361	758	–	758	183	164	411
Total liabilities	**5,269**	**193**	**5,076**	**132**	**174**	**4,770**	**5,007**	**124**	**4,883**	**183**	**196**	**4,504**

Principles of the hedging policy

As an aviation group with worldwide operations, the Lufthansa Group is exposed to exchange rate, interest rate and fuel price movement risks, as well as to credit and liquidity risks. Limiting these risks by means of systematic financial management is part of Company policy.

Market risk

The major market and price risks to which the Lufthansa Group is exposed are exchange rate fluctuations between the euro and other currencies, interest rate fluctuations in international money and capital markets, and price fluctuations in the crude oil and oil products markets. The hedging policy for limiting these risks is laid down by the Executive Board and documented by internal Group guidelines. It also provides for the use of financial derivatives. The corresponding financial transactions are concluded only with first-rate counterparties.

Foreign exchange risk

For US dollars, the Lufthansa Group is in a net payer position as regards currency risks from its operating business, since fuel payments are dollar-denominated. There is always a net surplus for other currencies. This is especially true of the Chinese renminbi, the British pound sterling, the Japanese yen and the Indian rupee. Depending on market liquidity, currency risks from projected operational exposure are hedged gradually over a period of 24 months by means of forward contracts, which are accounted for as cash flow hedges. At the end of the 2024 financial year, the exposure from operations for the next 24 months was as shown in Table T176.

T176 **CURRENCY EXPOSURE, AS OF 2024**

in millions	USD	CNY	JPY	GBP	INR
Exposure (currency)	-9,168	9,869	145,046	892	76,245
Exposure (EUR at spot rate)	-8,821	1,301	888	1,077	858
Hedges (currency)	2,662	-2,906	-44,521	-290	-13,266
Hedge ratio	29%	29%	31%	33%	17%
Hedging rate	1.11	7.73	155.71	0.87	93.10

50% of currency risks from capital expenditure on aircraft are generally hedged immediately after the contract is signed. The hedging level is reviewed and increased, where necessary, if, over the lifetime of the contract, the exchange rate moves significantly above or below that used to calculate the investment. In the last 24 months before payment, the hedging level is increased in half-yearly steps of 10%, reaching 90% by the end. These investment hedges are therefore also accounted for as cash flow hedges. Capital expenditure on aircraft takes place in US dollars and is hedged in euros or in Swiss francs, depending on the functional currency of the Group company making the purchase. There was no exposure to the Swiss franc as of the reporting date.

US dollar exposure for capital expenditure as of year-end 2024 was as shown in Table T177, broken down by the hedged currency:

T177 **USD INVESTMENT EXPOSURE, HEDGED IN EUR**

in millions	2025	2026	2027	2028	2029	2030	2031	2032	2033
Exposure from net capital expenditure (USD)	-4,639	-3,796	-2,794	-2,196	-1,820	-1,524	-652	-87	–
Exposure from net capital expenditure (EUR at spot rate)	-4,464	-3,653	-2,688	-2,113	-1,751	-1,466	-627	-84	–
Hedges (USD)	4,079	2,765	1,849	1,314	936	804	326	44	–
Hedge ratio	88%	73%	66%	60%	51%	53%	50%	50%	–
Hedging rate EUR/USD	1.18	1.20	1.21	1.17	1.17	1.17	1.19	1.21	–

The sensitivity analysis in Table T178 shows how earnings and shareholders' equity would have changed had the currencies identified as price risk variables been different from those at the reporting date.

T178 SENSITIVITY ANALYSIS BY CURRENCY

	Effects on earnings after taxes[1]		Effects on equity[1]	
in €m	Difference of +10%	Difference of –10%	Difference of +10%	Difference of –10%
USD	37	356	1,093	–894
JPY	–80	25	–23	18
CHF	9	43	–1	1
GBP	6	–5	–28	23
CNY	7	–9	–31	25
INR	4	–5	–12	10

[1] All amounts after deferred tax effects; +/– signs relate to earnings and/or equity.

Interest rate risk

The Lufthansa Group seeks to manage interest rate risks by means of a balanced mix of fixed-rate and floating-rate financial instruments in order to limit interest rate fluctuations and optimise net interest. Interest-rate derivatives, including cross-currency interest rate swaps, are used to manage interest rate risk, in order to supplement the portfolio of financial assets and liabilities. The aim is for financial liabilities mainly to bear interest in the functional currency of the Lufthansa Group. A finance committee is responsible for determining the ratio of fixed and floating interest on net debt.

Tables T179 and T180 describe the floating/fixed ratio for non-current borrowing as of the end of the 2024 financial year after taking into consideration interest rate hedging, as well as the distribution of the nominal volumes of interest rate hedges.

T179 INTEREST RATE EXPOSURE AFTER HEDGING

in €m	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Fixed	7,769	5,231	3,550	2,425	1,505	988	143	129	–	–	–
Floating	3,533	4,016	3,520	3,186	2,329	1,774	1,340	902	270	246	221
Floating/fixed ratio	31%	43%	50%	57%	61%	64%	90%	87%	100%	100%	100%

T180 NOMINAL VOLUME OF INTEREST RATE HEDGES

in €m	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Fixed	–2,393	–3,076	–2,749	–2,517	–1,769	–1,338	–1,007	–708	–115	–116	–118
Floating	2,302	3,043	2,723	2,507	1,758	1,313	998	709	107	108	110

The sensitivity analysis in Table T181 shows how net profit and shareholders' equity would have changed had the interest rate identified as a price risk variable been different from that at the reporting date. A symmetric sensitivity of 100 basis points is used given the current interest rate volatility. Stand-alone interest rate derivatives and interest rate derivatives in cash flow hedge accounting have been included. The reason for this is that, in fair value hedge accounting, interest rate derivatives offset the movements in the underlying hedged items.

T181 SENSITIVITY ANALYSIS BY INTEREST RATE

in €m	Effects on earnings after taxes[1]	Effects on equity[1]
Interest rate +100 basis points	–26	–17
Interest rate –100 basis points	27	16

[1] All amounts after deferred tax effects; +/– signs relate to earnings and/or equity.

Fuel price risk

In the 2024 financial year, fuel costs accounted for 19.9% of the Lufthansa Group's operating expenses (previous year: 22.1%). Significant changes in fuel prices can therefore have a considerable effect on the Lufthansa Group's result.

Fuel price risk is limited by the use of crude oil and gas oil hedges. As a rule, up to 4% of the exposure is hedged monthly for up to 24 months by spread options and other combinations of hedges. At the same time, forward hedges can be concluded for the price difference between kerosene and crude oil, and between gas oil and crude oil. Executive Board approval may be obtained to extend the hedging period and to increase the monthly hedging volume in order to exploit market opportunities. The target hedging level as of 31 December 2024 is up to 85%.

Table T182 shows the fuel exposure at financial year-end.

T182 FUEL EXPOSURE

		2025	2026
Fuel requirement	in 1,000 tonnes	9,853	10,189
Hedging instruments	in 1,000 tonnes	7,462	2,813
Hedge ratio	in %	76%	28%
Hedging rate	USD/bbl	92.25	91.41

The sensitivity analysis in Table T183 shows how shareholders' equity would have been affected by changes in the market value of hedging instruments held as of the reporting date had the identified risk variable, namely the fuel price, been different as of the reporting date. Since hedge accounting rules mean that changes in the market value of the instruments are recognised only directly in shareholders' equity without effect on profit and loss, the change in the fuel price of the hedges alone has no effect on earnings.

T183 SENSITIVITY ANALYSIS BY FUEL PRICE

in €m	Effects on earnings after taxes[1]	Effects on equity[1]
Fuel price		
+10%	–	261
–10%	–	–237

[1] All amounts after deferred tax effects; +/– signs relate to earnings and/or equity.

Market values of the derivative financial instruments used for hedging

Hedging instruments designated in hedging relationships are used to hedge exchange rate, interest rate and fuel price risks as of the reporting date. In the financial year, they changed as shown in Table T184.

T184 DERIVATIVE FINANCIAL INSTRUMENTS USED FOR HEDGING AS OF 31 DEC 2024

in €m	Positive market value	Negative market value	Change in fair value of hedging instrument\ – designated risk	Change in fair value of hedging instrument – non-designated risk	Basis adjustment of hedged items	OCI – cash flow hedge reserve	OCI – cost of hedging	Ineffective portion of hedges – designated risk	Ineffective portion of hedges – non-designated risk
Fair value hedge									
Interest rate hedges – interest rate swaps	90	-167	106	–	-108	–	–	-2	–
Cash flow hedge									
Fuel hedging – options	78	-50	-39	-33	–	-35	-37	-4	4
Exchange rate hedging – forwards	1,386	-361	733	-100	–	743	-54	-9	-46
Interest rate hedges – interest rate swaps	65	-24	26	–	–	29	–	-3	–
Total	**1,619**	**-602**	**826**	**-133**	**-108**	**737**	**-91**	**-18**	**-42**
of which current	799	-271							

T184 DERIVATIVE FINANCIAL INSTRUMENTS USED FOR HEDGING AS OF 31 DEC 2023

in €m	Positive market value	Negative market value	Change in fair value of hedging instrument \ – designated risk	Change in fair value of hedging instrument – non-designated risk	Basis adjustment of hedged items	OCI – cash flow hedge reserve	OCI – cost of hedging	Ineffective portion of hedges – designated risk	Ineffective portion of hedges – non-designated risk
Fair value hedge									
Interest rate hedges – interest rate swaps	42	-244	-42	–	41	–	–	–	0
Cash flow hedge									
Fuel hedging – options	164	-34	5	-142	–	5	-138	–	-4
Exchange rate hedging – forwards	838	-447	-433	-59	–	-398	11	-35	-70
Interest rate hedges – interest rate swaps	51	-26	-52	–	–	-46	–	-6	0
Total	**1,095**	**-751**	**-522**	**-201**	**41**	**-439**	**-127**	**-41**	**-74**
of which current	436	-258							

The market values stated for financial derivatives correspond to the price at which an independent third party would assume the rights and/or obligations from the financial instrument. The fair values of interest rate derivatives correspond to their respective market values, which are measured using appropriate financial and mathematical methods, such as discounting expected future cash flows. Discounting takes market standard interest rates and the residual term of the respective instruments into account. Forward currency transactions and interest rate swaps are individually discounted to the balance sheet date based on their respective forward rates and the appropriate interest rate curve. The market prices of options used to hedge fuel prices are determined using acknowledged option pricing models.

Depending on the hedged exposure, the Lufthansa Group designates interest rate hedges as both fair value hedges and cash flow hedges and accounts for them accordingly. Interest rate swaps are designated as part of a hedging relationship and are not broken down into individual components. Ineffectiveness in these hedging relationships result largely from different parameters in the hedged item and the hedging instrument and the basis spread in cross currency swaps. Ineffectiveness in fair value hedges and cash flow hedges are recognised and presented as part of the financial result, in other financial items.

Derivatives used in the context of fuel hedging to hedge future kerosene purchases are designated as cash flow hedges. The Lufthansa Group applies the IFRS 9 component approach, using crude oil/gas oil, based on Brent ICE/gas oil ICE, as the designated risk component of the hedging instrument. The hedged item is composed of a global crude oil mix/gas oil mix. The base risk between individual crude oil components/gas oil components in the hedging instrument and the crude oil mix/gas oil mix in the hedged item is reduced by rebalancing the volumes that make up the hedged item on a quarterly basis. In 2024, the quarterly rebalancing factors for adjusting the hedged item for crude oil/gas oil were as follows: 1.011/0.989 (Q1), 1.009/0.991 (Q2), 1.007/0.992 (Q3) and 1.007/0.994 (Q4). The Lufthansa Group generally uses options and combinations of options to hedge fuel prices. The intrinsic value of the option is designated as the hedging instrument, so that effective changes in the intrinsic values are recognised in other comprehensive income in the cash flow hedge reserve. The time value of an option is not designated as a hedging instrument and effective changes in the time value are therefore recognised as a cost of hedging. Ineffectiveness in fuel price hedges results from the base risk between the crude oil component/gas oil component and the crude oil mix/gas oil mix in the component approach. Ineffectiveness in hedges is recognised and presented as part of the financial result in other financial items.

The Lufthansa Group applies the spot-to-spot method for exchange rate forward transactions designated in cash flow hedges. The spot component of a forward contract is designated as a hedging instrument and effective value changes are recognised in the cash flow hedge reserve. The other effective components of a forward contract, the forward component and the basis spread are presented in a separate OCI component in line with the legal requirements for the cost of hedging. Ineffectiveness in hedging relationships results from changes in the timing of the planned aircraft purchases. Ineffectiveness is presented as part of the financial result in other financial items (↗ **Note 13**).

The Lufthansa Group uses the hypothetical derivative method to calculate changes in the value of hedged items designated as being part of a hedging relationship.

T185 DESIGNATED HEDGED ITEMS IN HEDGING RELATIONSHIPS

	2024				2023			
in €m	Carrying amount of liabilities	Change in fair value of hedged items – designated risk	Change in fair value of hedged items – non-designated risk	Base adjustment of hedged items from fair value hedges – cumulative	Carrying amount of liabilities	Change in fair value of hedged items – designated risk	Change in fair value of hedged items – non-designated risk	Base adjustment of hedged items from fair value hedges – cumulative
Fair value hedge								
Interest rate hedges – interest rate swaps	–4,247	–108	–	70	–4,204	41	–	295
Cash flow hedge								
Fuel hedging – options	–	35	37	–	–	–5	138	–
Exchange rate hedging – forwards	–	–818	44	–	–	518	–21	–
Interest rate hedges – interest rate swaps	–	–29	–	–	–	54	–	–
Total	**–4,247**	**–920**	**81**	**70**	**–4,204**	**608**	**117**	**295**

T186 STATEMENT OF EQUITY RECONCILIATION FOR CASH FLOW HEDGES

	2024						2023					
in €m	As of 1 Jan 2024	Gains or losses from effective hedging relationships	Reclassification to profit or loss	Reclassification to acquisition costs of inventories	Reclassification to acquisition costs of aircraft	As of 31 Dec 2024	As of 1 Jan 2023	Gains or losses from effective hedging relationships	Reclassification to profit or loss	Reclassification to acquisition costs of inventories	Reclassification to acquisition costs of aircraft	As of 31 Dec 2023
OCI – cash flow hedge reserve	**486**	**1,040**	**–6**	**–98**	**–144**	**1,278**	**853**	**–178**	**–65**	**–12**	**–112**	**486**
Fuel hedging – options	16	64	–	–98	–	–18	11	17	–	–12	–	16
Exchange rate hedging – forwards	475	989	–6	–	–144	1,314	840	–188	–65	–	–112	475
Interest rate hedges – interest rate swaps	–5	–13	–	–	–	–18	2	–7	–	–	–	–5
OCI – cost of hedging	**378**	**–79**	**–**	**–**	**–**	**299**	**509**	**–131**	**–**	**–**	**–**	**378**
Fuel hedging – options	–183	–25	–	–	–	–208	–41	–142	–	–	–	–183
Exchange rate hedging – forwards	561	–54	–	–	–	507	550	11	–	–	–	561
Total	**864**	**961**	**–6**	**–98**	**–144**	**1,577**	**1,362**	**–309**	**–65**	**–12**	**–112**	**864**

Derivative financial instruments that do not meet the requirements for applying hedge accounting are measured at fair value through profit or loss. As a rule, these derivatives were originally in an economic hedging relationship with a particular exposure, but the exposure can either not be measured for hedge accounting purposes or no longer exists.

Fair values are exclusively calculated on the basis of recognised financial and mathematical methods, using publicly available market information.

Changes in the market values of derivatives that do not qualify as effective hedging transactions under IFRS 9 can be seen in the income statement and in the overview of other financial items (↗ **Note 13**).

Liquidity risk
Complex financial planning systems enable Lufthansa to identify its future liquidity position at an early stage. Based on the results of the Group strategy and planning processes, a monthly rolling liquidity plan differentiated by currency is drawn up with a planning horizon of 24 months. This planning method offers an up-to-date picture of anticipated liquidity developments within the Company and corresponding currency effects.

The Lufthansa Group held unused lines of credit as of 31 December 2024 totalling EUR 2,549m (previous year: EUR 2,097m).

The Group takes specific and general measures to safeguard and manage its liquidity to avoid any potential liquidity restrictions that could result from exogenous developments. These include the implementation of monitoring on the basis of detailed, rolling short-term cash plans in order to manage liquidity effectively, and the holding of sufficient funds to cover the current financing requirement. Specific liquidity risks resulting from reimbursements for cancelled flights are also analysed and managed. In addition, liquidity is managed in connection with current orders for goods and services. Transparency is ensured across the Group, including through an early warning system and an escalation process for outstanding receivables, and strict approval requirements apply within the order process.

A maturity analysis for financial liabilities and derivative financial instruments based on undiscounted gross cash flows, including the related interest payments, shows the following projected cash inflows and outflows considered from the reporting date of 31 December 2024. As a result of the hedges used there are generally direct connections between the cash inflows and outflows for the derivative financial instruments shown.

T187 MATURITY ANALYSIS OF LIABILITIES FROM DERIVATIVE FINANCIAL INSTRUMENTS

in €m	From fuel derivatives	Cash inflow from gross settlement of interest rate and exchange rate derivatives	Cash outflow from gross settlement of interest rate and exchange rate derivatives	**Net**
1st quarter	-3	558	-612	-57
Up to 1 year [1]	-12	1,299	-1,416	-129
1–5 years	-2	6,018	-6,466	-450
Later	–	584	-584	–

[1] Without payments in 1st quarter.

T188 MATURITY ANALYSIS OF LIABILITIES FROM NON-DERIVATIVE FINANCIAL INSTRUMENTS

in €m	**Outflows**
1st quarter	-5,878
Up to 1 year [1]	-3,172
1–5 years	-8,788
Later	-1,600

[1] Without payments in 1st quarter.

Credit risk
The sale of passenger travel and freight documents mostly takes place via agencies. These agencies are predominantly connected to national clearing systems for billing passenger and cargo sales. The credit rating of the agencies is reviewed by the responsible clearing systems. Due to the broad diversification, credit risk for the agencies is relatively low worldwide. To further reduce credit risk exposure to the agencies, the Lufthansa Group tracks their payment histories and tries to agree on shorter payment deadlines whenever possible, and with the support of the International Air Transport Association (IATA).

Receivables and liabilities between airlines are offset through bilateral arrangements or via an IATA clearing house, insofar as the contracts underlying the services do not explicitly specify otherwise. Systematic settlement of weekly receivables and liability balances significantly reduces the default risk. Fidelity guarantee insurance also covers partial risks within a certain range. Service contracts occasionally require collateral for miscellaneous transactions. All other contractual relationships are subject to credit rules, which, depending on the type and volume of the contract involved, require collateral, credit ratings/references or historical data from prior dealings, particularly payment history, in order to avoid defaults. Credit risks from the MRO business are monitored and managed via a separate credit risk management system. It comprises the calculation, authorisation and monitoring of customer-specific credit limits and the daily monitoring of payments received and receivables past due.

Counterparty risks in connection with credit card companies are monitored closely and incoming payments are reviewed daily. To reduce risks even further, a permanent analysis process examines whether to further tighten credit terms for some settlement partners. In addition to the monitoring of receivables at the Company or business segment level, there is also counterparty monitoring at Group level, with individually assigned limits, in order to identify the accumulation of portfolio risks across the entire Group and take appropriate action where necessary. The maximum credit risk for financial assets from the potential insolvency of customers is their carrying amount.

Besides individual write-downs on receivables if a default event occurs, IFRS 9 requires risk provisions to be recognised for expected losses. The Lufthansa Group's trade receivables are exposed to external credit risks for which expected losses have already been taken into consideration in accordance with IFRS 9, in addition to individual write-downs. A simplified impairment model based on an impairment matrix is used for the portion of the receivables portfolio that does not consist of credit card receivables but is subject to external credit risks.

The portfolio is divided into clusters based on customer groups, regions and days past due. A default matrix is calculated on the basis of historical default events in the Lufthansa Group's receivables portfolio, which is supplemented to include forward-looking, publicly available insolvency forecasts. This impairment matrix is applied to trade receivables that are exposed to external credit risk and are not credit card receivables. An impairment matrix is also used for trade receivables in the MRO segment. It entails dividing the customer portfolio into four risk classes, with a low, medium, high and very high risk of default. Customers are assigned to each category using the MRO segment's credit risk management system, which is based on fundamental data, market information and payment history. Probabilities of default are derived from historic default events and current market information. Available collateral is taken into account. The Lufthansa Group uses a definition of default of 90 days past due for receivables, which are written off in full if the default event occurs. Exceptions are permitted in justified cases, however.

Table T189 shows the individual impairment losses and impairment due to expected losses for trade receivables and their changes. The gross carrying amounts of the receivables subject to expected losses and the gross carrying amounts of the receivables subject to individual impairment losses are shown for the purpose of comparison. Following the sale of AirPlus in 2024, there are no longer any risk provisions for credit card receivables as of the reporting date.

T189 STATEMENT OF RISK PROVISIONS 2024

in €m	Opening balance risk provision as of 1 Jan 2024	Additions through profit or loss	Reversals through profit or loss	Utilisation	Closing balance risk provision as of 31 Dec 2024	Opening balance gross carrying amount as of 1 Jan 2024	Closing balance gross carrying amount as of 31 Dec 2024
Trade receivables (simplified approach)	**334**	**35**	**–22**	**–80**	**267**	**1,934**	**1,919**
of which from expected losses	34	6	–5	0	35	1,654	1,692
of which from individual write-downs	300	29	–17	–80	232	280	227

T189 STATEMENT OF RISK PROVISIONS 2023

in €m	Opening balance risk provision as of 1 Jan 2023	Additions through profit or loss	Reversals through profit or loss	Utilisation	Closing balance risk provision as of 31 Dec 2023	Opening balance gross carrying amount as of 1 Jan 2023	Closing balance gross carrying amount as of 31 Dec 2023
Trade receivables (simplified approach)	**430**	**35**	**–54**	**–77**	**334**	**1,888**	**1,934**
of which from expected losses	42	-3	-5	0	34	1,530	1,654
of which from individual write-downs	388	38	-49	-77	300	358	280
Trade receivables (credit card receivables)	**10**	**5**	**–9**	**–1**	**5**	**741**	**1,050**
of which Level 1	7	3	-6	0	4	734	1,036
of which Level 2	0	0	0	0	0	1	7
of which Level 3	3	2	-3	–1	1	6	7
Total	**440**	**40**	**–63**	**–78**	**339**	**2,629**	**2,984**

In the reporting year, the Lufthansa Group used the default rates shown in Table T190 for each past due category in the impairment matrix for the simplified approach of the impairment model.

T190 IMPAIRMENT MATRIX FOR TRADE RECEIVABLES

		2024						2023					
		Not overdue	1–30 days overdue	31–60 days overdue	61–90 days overdue	More than 90 days overdue	**Total**	Not overdue	1–30 days overdue	31–60 days overdue	61–90 days overdue	More than 90 days overdue	Total
Default rate	%	1.5	1.0	2.5	3.5	14.9	**–**	1.6	1.2	3.7	6.1	9.9	–
Carrying amounts for trade receivables	€m	1,369	215	21	10	77	**1,692**	1,206	318	24	3	103	1,654
Expected loss	€m	20	3	1	–	11	**35**	19	4	1	–	10	34

Securities representing debt are rated as shown in Table T191 (Standard & Poor's).

T191 SECURITIES RATINGS – DEBT INSTRUMENTS

in €m	
AAA	175
AA+	21
AA	14
AA–	79
A+	120
A	184
A–	268
BBB+	120
BBB	135
Below BBB or unrated	108
Total	**1,224**

The credit risk for derivative financial instruments and securities held at fair value through profit or loss or through other comprehensive income is the risk that a counterparty defaults. The maximum credit risk from these instruments is their carrying amount. The counterparty default risk for financial market transactions is limited by defining a maximum risk, taking the credit score given by recognised rating agencies into account.

46. Contingencies and events after the reporting period

T192 CONTINGENT LIABILITIES

in €m	**31 Dec 2024**	31 Dec 2023
From guarantees, bills of exchange and cheque guarantees	2,180	2,038
of which to joint ventures	1	3
From warranty contracts	339	199
of which to joint ventures	111	160
From providing collateral for third-party liabilities	16	19
of which to joint ventures	–	3
	2,535	**2,256**

A total of EUR 2,134m (previous year: EUR 1,876m) relates to joint and several guarantees and warranties. This amount is offset by compensatory claims against the other co-debtors for EUR 2,059m (previous year: EUR 1,823m). Insofar as annual financial statements have yet to be published, these figures are preliminary.

Otherwise, several provisions for other risks could not be made because an outflow of resources was not sufficiently probable. The potential financial effect of these provisions on the result would have been EUR 25m (previous year: EUR 49m).

Receivables of EUR 97m (previous year: EUR 119m) in connection with legal disputes were not recognised as of 31 December 2024 because the inflow of economic benefits depends on the outcome of the court proceedings.

Legal risks

The Lufthansa Group is exposed to a number of legal risks in the course of its ordinary business. Based on current knowledge, the assumption is that these will not have any material, lasting effects on the net assets, financial and earnings position, beyond those for which provisions for litigation risks have been created (↗ **Note 36**).

Legal disputes and other claims made against the Group are always subject to uncertainty, however. Management estimates of these risks may also change over time. The actual outcome of these legal disputes may differ from earlier management estimates, which could have significant effects on the net assets, financial and earnings position and the reputation of our Company.

Due to the existing uncertainties described below, we cannot make an assessment of the amount of the respective contingent liabilities or of the group of contingent liabilities. The legal disputes that these statements refer to include:

Risk of successful civil claims for damages in ongoing antitrust proceedings

Various cargo airlines, including Lufthansa Cargo AG and Swiss International Air Lines AG, were involved in a cargo cartel in the period between December 1999 and February 2006. Deutsche Lufthansa AG, Lufthansa Cargo AG and Swiss International Air Lines AG are at risk of civil claims for damages in Norway, Israel, South Korea and the Netherlands. The lawsuits have been brought by both direct and indirect customers and are addressed to the airlines as co-debtors.

At present, it is not possible to give a concrete assessment of the outcome of the lawsuits still pending or of the number and amount of any other claims. When evaluating the risk, it should nonetheless be borne in mind that the European Commission’s decision on the cargo cartel, which the claimants in the civil lawsuits refer to, among others, is still not legally binding. Following the annulment of this 2010 decision by means of judgements by the European Court of Justice (ECJ) in December 2015, the European Commission sent revised penalty notices in March 2017 in which the content was the same but the reasoning had been altered. The airlines concerned, including Lufthansa Group airlines, again contested them. The objections have since been overruled and the companies have appealed to the European Court of Justice, with the result that the penalty notices are still not effective.

Moreover, an expert economic opinion commissioned by Lufthansa Cargo AG and Swiss International Air Lines AG has come to the conclusion that the cartel did not inflict any actual damage on customers. Even if there were damages (i.e. allegedly higher cartel prices), the court would have to examine whether the claimants passed them on to their own customers (in the case of freight forwarders) or whether they were passed on to the claimants (in the case of end customers). Nonetheless, significant effects on the net assets, financial and earnings position of the Group cannot be ruled out if it should lose any of these legal proceedings. In regard to the proceedings for damages in the Netherlands, several bilateral out-of-court agreements have now been reached between affected airlines and plaintiffs. The affected entities of the Lufthansa Group have made provisions to cover potential outcomes of such negotiations.

Legal action by Ryanair against the European Commission's decision on state aid

Ryanair has appealed to the General Court (of the European Court of Justice) against the decision by the European Commission approving stabilisation measures for companies in the Lufthansa Group. Stabilisation measures of around EUR 7.6bn in total are affected for Deutsche Lufthansa AG, Austrian Airlines AG and Brussels Airlines SA/NV. The lawsuits relating to the state aid for Austrian Airlines AG and Brussels Airlines SA/NV were definitively dismissed. In May 2023, the European General Court upheld the action for annulment with regard to the stabilisation measure in the amount of EUR 6bn granted to Deutsche Lufthansa AG by the Economic Stabilisation Fund (ESF) of the Federal Republic of Germany and annulled the corresponding state aid decision of the European Commission on the grounds of substantive errors of law. Until a final judgement is made or a new state aid decision is issued, uncertainty remains as to the legal consequences of the annulment of the decision to grant state aid. There is no immediate repayment risk as the stabilisation measures have already been completed and Deutsche Lufthansa AG has already repaid the silent participations from the ESF in full. Potential indirect consequences include the demand for clawback interest for the period between the allocation and the repayment of the stabilisation funds, as well as the imposition of conditions attached to a new state aid decision. Deutsche Lufthansa AG appealed to the European Court of Justice against the ruling of the court of first instance. The European Commission and the Federal Republic of Germany are intervening in the appeal. Ryanair instituted proceedings against the European Commission in December 2024 for failure to act. It wants the European Commission to issue an injunction against Germany to recover the state aid from Deutsche Lufthansa AG. In July 2024, the European Commission initiated a formal examination procedure, as it has done in similar cases. At the time this report was prepared, it was not yet clear what the European Commission's response to the judgement of the European Union General Court would be.

Covenants in connection with the funds granted by the Economic Stabilisation Fund

As well as information and auditing rights for the Economic Stabilisation Fund, the framework agreement with the Economic Stabilisation Fund, which has since been terminated, provided for extensive obligations for the Lufthansa Group including the ban on dividend payments and the ban on cross-subsidising Lufthansa Group companies which were already in difficulty within the meaning of EU Regulation No. 651/2014 on 31 December 2019. Possible differences of opinion between the Lufthansa Group and the European Commission about the applicability of these obligations could represent a potential risk if the European Commission issues a new decision approving the stabilisation, asserting its position and possibly adapting it in line with the ECJ ruling.

This disagreement particularly relates to the ban on dividend payments. The Lufthansa Group has received preliminary statements from departments of the European Commission that are not consistent with the Group's line of argument regarding the inapplicability of the ban to certain companies. In this context, provisions of EUR 55m have been recognised in the 2024 consolidated financial statements, in particular for distributions by investees to external shareholders. Deutsche Lufthansa AG assumes, based on its preliminary statements, that if the European Commission issues a new approval decision it will continue to see the payment of dividends as a breach of the aforementioned obligation, meaning that it could demand payment of the above amount by the Company in a formal decision. The decision by the European Court of Justice declaring the state aid notice to be null and void will delay the proceedings.

Based on the Group's line of argument and the assessment of statements to the contrary made by the departments of the European Commission, the Lufthansa Group believes there is an overwhelming probability, in respect of almost all dividend payments, that the accusation made by the European Commission, namely that the aforementioned obligation has been breached, would not stand up to a judicial review. A possible decision reversing the payment obligation would only be made at a later date. Since, however, it is impossible to assume the almost complete certainty of a court ruling in favour of the Company, as would be required in order to recognise a reimbursement claim in accordance with IAS 37, the aforementioned provision has been recognised for the probable payment obligation in prior years and will be maintained in view of the continuing uncertainty.

No reliable statements can be made at the present time on the outcome of the discussions about differences of opinion regarding the "ban on cross-subsidising" obligation, partly because the state aid notice has been ruled to be null and void. Further significant financial risks for the Company due to ultimately determined violations of agreed obligations therefore still cannot be ruled out.

Tax risks

Tax risks exist largely because of differences in legal opinions between the German tax authorities and the Company. In tax audits for financial years 2001 to 2018, the tax authorities came to a number of different conclusions to those on which the Company had based its tax returns, relating, in particular, to partial write-downs on shareholder loans, the treatment of various lease structures, the acquisition of a foreign subsidiary, and the recognition and measurement of certain provisions and assets.

The Lufthansa Group has appealed against tax assessments for the years up to 2012 which reflect these conclusions of the tax authorities. Without abandoning its legal position, almost all the disputed matters have been settled through payment of the taxes demanded by the authorities. To the extent that success in the disputed points is considered to be more likely than not, a receivable from the tax authorities has thus been recognised in accordance with IFRIC 23. Following disputes which were initially pursued through legal action, an initial out-of-court agreement was reached at the end of 2024 in respect of the disputed facts regarding partial write-downs. This has been accounted for accordingly.

The tax audits for the years from 2013 onwards have not yet been completed. Appropriate provisions have been made for disputed aspects to the extent that a claim is likely to be made. No provisions have been created for matters that the Company believes are more likely than not to result in a decision in its favour.

Comments from the tax authorities (which have to date only been made orally) in the course of the current tax audits have queried the taxation of certain foreign income under the German Foreign Tax Act (AStG), raising additional tax risks. However, the Company continues to assume that the current tax treatment is correct. This could give rise to negative tax effects of around EUR 700m (previous year: EUR 400m). The year-on-year increase is attributable, in particular, to the disputed assessment of cross-border transactions.

The assessment of the amount is subject to uncertainty. The risk is apportioned both to years with taxable profits and to years in which tax losses were incurred in a ratio of 60% to 40%. Accordingly, this would thus entail potential back payments or reduced deferred taxes from loss carry-forwards. The cash outflows in each case depend on the outcome of the appeals which have been brought.

Events after the reporting period

On 8 January 2025, Deutsche Lufthansa AG issued an unsecured euro hybrid bond with a volume of EUR 500m. The bond bears interest at 5.25% per annum and has a term of 30 years. However, it is repayable by Deutsche Lufthansa AG for the first time on 15 January 2031. In addition, on 11 February 2025, Deutsche Lufthansa AG repaid a EUR 750m bond from 2021 from the EMTM programme.

The Italian Ministry of Economy and Finance (MEF) and Deutsche Lufthansa AG on 17 January 2025 completed the acquisition of a 41% stake in ITALIA TRASPORTO AEREO S.P.A (ITA Airways), which the two parties had agreed in May 2023 and which was cleared following the European Commission’s approval of competition-related concessions on 29 November 2024. The first step in this equity investment was ITA Airways’ EUR 325m capital increase subscribed by Deutsche Lufthansa AG. The parties have agreed options for the acquisition of the remaining shares in ITA Airways, which may first be exercised in 2025. Due to its joint management by the MEF and Deutsche Lufthansa AG, ITA Airways is incorporated in the Lufthansa Group’s consolidated financial statements as a joint venture accounted for using the equity method.

On 29 January 2025, the Lufthansa Group signed a purchase agreement for convertible bonds that represents a stake of 10% in Latvian airline airBaltic. The transaction price was EUR 14m. The Lufthansa Group also gets a seat on the Supervisory Board of airBaltic. Through this transaction, the two partners intend to intensify their existing wet lease partnership. The transaction is planned to close in the second quarter of this year, subject to anti-trust approval.

47. Other financial obligations

As of 31 December 2024, there were order commitments of EUR 21.6bn (previous year: EUR 20.5bn) for capital expenditure on property, plant and equipment, including repairable spare parts, and for intangible assets. There were also capital and shareholder loan commitments of EUR 516m towards investees (previous year: EUR 520m), of which EUR 508m (previous year: EUR 512m) relate to joint ventures.

In addition, as of 31 December 2024, payment obligations under lease agreements for which the leased items had not yet been received are as follows:

T193 PAYMENT OBLIGATIONS FOR RIGHT-OF-USE ASSETS NOT YET RECEIVED

in €m	**31 Dec 2024**	31 Dec 2023
Lease payments 2025 (previous year: 2024)	–	–
Lease payments 2026 to 2029 (previous year: 2025 to 2028)	53	34
Lease payments after 2029 (previous year: 2028)	114	121
Total	**167**	**155**

48. Auditors' fees

The fees paid to the auditors in the financial year and charged to expenses in accordance with Section 314 Paragraph 1 No. 9 HGB are made up as follows:

T194 AUDITORS' FEES

in €m	**2024**	2023
Audit services	5.4	6.5
Other assurance services	0.7	0.4
Other services	0.4	0.6
Total	**6.5**	**7.5**

The audit services mainly consist of fees for auditing the annual and consolidated financial statements of Deutsche Lufthansa AG and those of its consolidated subsidiaries, as well as fees for the review of the half-yearly financial statements.

The following fees paid to the global EY group, especially abroad, were additionally recognised as expenses:

T195 ADDITIONAL AUDITORS' FEES

in €m	**2024**	2023
Audit services	2.0	2.1
Other assurance services	–	–
Other services	–	0.1
Total	**2.0**	**2.2**

The auditor at EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft responsible for the Lufthansa Group is Jörg Bösser. He held this position for the third time in the 2024 financial year.

COMPOSITION OF THE GROUP

49. Group of consolidated companies

The consolidated financial statements of Deutsche Lufthansa AG include all major subsidiaries, joint arrangements and associated companies.

Subsidiaries are entities over which Deutsche Lufthansa AG has rights that give it the ability to control the entity's relevant activities. Relevant activities are those activities that have a significant influence on the entity's return. Deutsche Lufthansa AG therefore only has control over a company when it is exposed to variable returns from the company and its power over the company's relevant activities enables it to influence these returns. This definition of control also applies to structured entities that are identified as such in the list of significant Group companies. In general, the ability to control subsidiaries arises when Deutsche Lufthansa AG holds a direct or indirect majority of voting shares. In structured entities, the ability to control does not come from holding the majority of voting shares, but rather from contractual agreements. Entities are consolidated from the time that the ability to control begins. They cease to be consolidated when the ability to control ends.

Joint arrangements are classified either as joint ventures or as joint operations. A joint arrangement exists when the Lufthansa Group carries on joint business activities with third parties on the basis of a contractual agreement. Joint management or control only exists when decisions on activities that have a significant effect on the returns from an agreement require the unanimous approval of the parties sharing control.

Significant interests in companies that are managed jointly with one or more partners (joint ventures) are accounted for using the equity method. Joint operations are defined by the fact that the parties exercising joint control over the arrangement have rights to the assets attributed to the arrangement and are liable for its debts. Assets and liabilities, revenue and expenses from the significant joint operations are recognised in the consolidated financial statements of the Lufthansa Group in proportion to these rights and obligations.

Associated companies are companies in which Deutsche Lufthansa AG has the opportunity to exercise significant influence over financial and operating policy based on an interest of between 20% and 50%. Significant associated companies are accounted for in the consolidated financial statements using the equity method.

A list of major subsidiaries, joint arrangements and associated companies can be found in Tables ↗ T202–T205, and the list of shareholdings in Table ↗ T206.

In addition to Deutsche Lufthansa AG as the parent company, the group of consolidated companies includes 49 domestic and 186 foreign companies, including structured entities (previous year: 50 domestic and 190 foreign companies).

One material joint operation was also included in the consolidated financial statements on a pro rata basis in accordance with IFRS 11. It consists of a German cargo airline operated jointly by Deutsche Post AG and Deutsche Lufthansa AG, which each hold 50% of the share capital and voting rights. The two shareholders are also customers of the company and use the capacities of its cargo aircraft. In contrast to its capital and voting rights, the Company's assets and liabilities, as well as its income and expenses, are allocated based on the user relationship of the shareholders according to their contracts.

The changes in the group of consolidated companies during the 2024 financial year are shown in Table T196.

T196 CHANGES IN THE GROUP OF CONSOLIDATED COMPANIES FROM 1 JAN 2024 TO 31 DEC 2024

Name, registered office	Addition	Disposal	Reason
Passenger Airlines business segment			
Lufthansa Leasing Austria GmbH & Co. OG Nr. 57, Salzburg, Austria	10 Apr 2024		Establishment
Lufthansa Leasing Austria GmbH & Co. OG Nr. 58, Salzburg, Austria	10 Apr 2024		Establishment
Lufthansa Leasing Austria GmbH & Co. OG Nr. 59, Salzburg, Austria	10 Apr 2024		Establishment
Lufthansa Leasing Austria GmbH & Co. OG Nr. 60, Salzburg, Austria	10 Apr 2024		Establishment
Lufthansa Leasing Austria GmbH & Co. OG Nr. 61, Salzburg, Austria	10 Apr 2024		Establishment
Lufthansa Leasing Austria GmbH & Co. OG Nr. 62, Salzburg, Austria	10 Apr 2024		Establishment
Lufthansa Leasing Austria GmbH & Co. OG Nr. 63, Salzburg, Austria	10 Apr 2024		Establishment
Lufthansa Leasing Austria GmbH & Co. OG Nr. 64, Salzburg, Austria	10 Apr 2024		Establishment
Lufthansa Leasing Austria GmbH & Co. OG Nr. 65, Salzburg, Austria	10 Apr 2024		Establishment
Lufthansa Leasing Austria GmbH & Co. OG Nr. 66, Salzburg, Austria	10 Apr 2024		Establishment
Lufthansa Leasing Austria GmbH & Co. OG Nr. 52, Salzburg, Austria	1 Jun 2024		Beginning of operations
Lufthansa Leasing Austria GmbH & Co. OG Nr. 53, Salzburg, Austria	1 Jun 2024		Beginning of operations
Yamasa Sangyo Aircraft DLH1 Kumiai, Okayama, Japan	27 Sep 2024		Establishment
Yamasa Sangyo Aircraft DLH2 Kumiai, Okayama, Japan	27 Sep 2024		Establishment
Yamasa Sangyo Aircraft DLH3 Kumiai, Okayama, Japan	27 Sep 2024		Establishment
Lufthansa Leasing Austria GmbH & Co. OG Nr. 54, Salzburg, Austria	1 Oct 2024		Beginning of operations
Eurowings Holidays GmbH, Cologne, Germany	21 Oct 2024		Establishment
Lufthansa Leasing Austria GmbH & Co. OG Nr. 18, Salzburg, Austria		31 Mar 2024	Merger
Yamasa Aircraft LH9 Kumiai, Okayama, Japan		18 Apr 2024	Liquidation
FL Falcon Leasing Co. Ltd., Tokyo, Japan		25 Apr 2024	Liquidation
FL Uranus Leasing Co. Ltd., Tokyo, Japan		25 Apr 2024	Liquidation
SL Aurora Ltd., Tokyo, Japan		25 Apr 2024	Liquidation
SL Prairie Ltd., Tokyo, Japan		25 Apr 2024	Liquidation
SL Victoria Ltd., Tokyo, Japan		25 Apr 2024	Liquidation
TLC Amaryllis Ltd., Tokyo, Japan		25 Apr 2024	Liquidation

T196 CHANGES IN THE GROUP OF CONSOLIDATED COMPANIES FROM 1 JAN 2024 TO 31 DEC 2024 (continued)

Name, registered office	Addition	Disposal	Reason
TLC Petunia Ltd., Tokyo, Japan		25 Apr 2024	Liquidation
TLC Salvia Ltd., Tokyo, Japan		25 Apr 2024	Liquidation
LHBD Holding Limited, London, United Kingdom		30 Jun 2024	Liquidation
FG Honest Leasing Co. Ltd., Tokyo, Japan		16 Jul 2024	Liquidation
Austrian Asset Holding GP S.à r.l., Luxembourg, Luxembourg		6 Nov 2024	Liquidation
Austrian Asset Holding S.C.S., Luxembourg, Luxembourg		6 Nov 2024	Liquidation
MRO business segment			
Portugal Business Development Company, S.A., Oporto, Portugal	12 Aug 2024		Establishment
Additional Businesses and Group Functions			
First EFA Student Pilot Funding GmbH, Vallendar, Germany	13 Jun 2024		Establishment
LSG Sky Chefs UK Ltd., Orpington, United Kingdom		18 Jan 2024	Liquidation
AirPlus Finance S.à.r.l., Luxembourg, Luxembourg		1 Aug 2024	Sale
AirPlus International AG, Kloten, Switzerland		1 Aug 2024	Sale
AirPlus International Limited, London, UK		1 Aug 2024	Sale
AirPlus International S.r.l., Bologna, Italy		1 Aug 2024	Sale
AirPlus International, Inc., Alexandria, USA		1 Aug 2024	Sale
AirPlus Payment Management Co. Ltd., Shanghai, China		1 Aug 2024	Sale
Lufthansa AirPlus Servicekarten GmbH, Neu-Isenburg, Germany		1 Aug 2024	Sale
Truffle 4 GmbH, Frankfurt/Main, Germany		15 Aug 2024	Merger
RPC West GmbH, Frankfurt/Main, Germany		19 Aug 2024	Merger

Use of exemption provisions

The following fully consolidated German Group companies made use of the exemption provisions in Section 264 Paragraph 3 and Section 264b HGB in 2024.

T197 USE OF EXEMPTION PROVISIONS

Company name	Seat
Cockpitpersonal GmbH	Frankfurt/Main
Eurowings Aviation GmbH	Cologne
Eurowings Digital GmbH	Cologne
Eurowings GmbH	Dusseldorf
Eurowings Technik GmbH	Cologne
EW Discover GmbH	Frankfurt/Main
Germanwings GmbH	Cologne

T197 USE OF EXEMPTION PROVISIONS (continued)

Company name	Seat
Group Engine Management GmbH	Frankfurt/Main
Hamburger Gesellschaft für Flughafenanlagen mbH	Hamburg, Germany
Jettainer GmbH	Raunheim
LCH Grundstücksgesellschaft Berlin mbH	Frankfurt/Main
Lufthansa Asset Management GmbH	Frankfurt/Main
Lufthansa Asset Management Leasing GmbH	Frankfurt/Main
Lufthansa Aviation Training Germany GmbH	Frankfurt/Main
Lufthansa Aviation Training GmbH	Munich
Lufthansa Cargo Aktiengesellschaft	Frankfurt/Main
Lufthansa City Airlines GmbH	Munich
Lufthansa CityLine GmbH	Munich
Lufthansa Commercial Holding Gesellschaft mit beschränkter Haftung	Frankfurt/Main
Lufthansa Group Business Services GmbH	Frankfurt/Main
Lufthansa Group Digital Hangar GmbH	Raunheim
Lufthansa Group Immobilien GmbH	Frankfurt/Main
Lufthansa Industry Solutions AS GmbH	Norderstedt
Lufthansa Industry Solutions BS GmbH	Raunheim
Lufthansa Industry Solutions GmbH & Co. KG.	Norderstedt
Lufthansa Industry Solutions Verwaltungs GmbH	Norderstedt
Lufthansa Process Management GmbH	Neu-Isenburg
Lufthansa Seeheim GmbH	Seeheim-Jugenheim
Lufthansa Systems GmbH	Raunheim
Lufthansa Technik AERO Alzey GmbH	Alzey
Lufthansa Technik AG	Hamburg, Germany
Lufthansa Technik Immobilien- und Verwaltungsgesellschaft mbH	Hamburg, Germany
Lufthansa Technik Logistik GmbH	Hamburg, Germany
Lufthansa Technik Logistik Services GmbH	Hamburg, Germany
Lufthansa Technik Objekt- und Verwaltungsgesellschaft mbH	Hamburg, Germany
Miles & More GmbH	Frankfurt/Main
time:matters GmbH	Neu-Isenburg
Truffle Holding AG (previously LSG Lufthansa Service Holding AG)	Frankfurt/Main
Truffle 2 GmbH (previously LSG Lufthansa Service Europa/Afrika GmbH)	Frankfurt/Main
Truffle 3 GmbH (previously Retail in Motion GmbH)	Frankfurt/Main
Truffle 5 GmbH (previously LSG Asia GmbH)	Frankfurt/Main

The companies are affiliated with Deutsche Lufthansa AG by means of direct or indirect profit and loss transfer agreements.

The consolidated financial statements include investments in 26 joint ventures and 18 associated companies (previous year: 28 joint ventures and 22 associated companies), of which seven joint ventures (previous year: nine) and two associated companies (previous year: two) were accounted for using the equity method. The other joint ventures and associated companies were valued at amortised cost due to their minor overall significance.

50. Related party disclosures

Kühne Aviation GmbH, for Klaus-Michael Kühne, notified the Executive Board of Deutsche Lufthansa AG that on 5 July 2022 its share of voting rights in Deutsche Lufthansa AG had exceeded the threshold of 15% and amounted to 15.01% on this date. A significant influence is only assumed when the share of voting rights exceeds 20%. Affiliated companies of Kühne Aviation GmbH, above all those within the Kühne+Nagel group, purchase freight transport services in particular from Lufthansa Group companies. Revenue from freight transport services provided for Kühne+Nagel group entities amounted to EUR 277m in the 2024 financial year (previous year: EUR 290m).

On the basis of the above assumption, no individual shareholders of Deutsche Lufthansa AG exercise significant influence over the Group. For transactions involving members of the Executive Board and Supervisory Board ("directors' dealings"), see ↗ **Note 51.**

Balances and transactions between the Company and its fully consolidated subsidiaries, which constitute related parties, have been eliminated in the course of consolidation and are not commented on in this Note. Details of transactions between the Lufthansa Group and other related parties are disclosed below.

The Lufthansa Group business segments render numerous services to related parties within the scope of their ordinary business activities. Conversely, the companies in question provide services to the Lufthansa Group as part of their ordinary business. These extensive supply and service relationships take place on the basis of market prices.

In addition, the Lufthansa Group and certain non-consolidated subsidiaries have concluded numerous cost sharing agreements, partly governing the use of each other's services. In these cases, the administrative services provided are charged as cost allocations.

The Lufthansa Group's cash management is centralised, and, in this respect, the Group also performs a banking function vis-à-vis the non-consolidated companies of the Group. Non-consolidated Group companies included in the Group's cash management invest their available cash with the Group or borrow funds from the Group and carry out their derivative hedging transactions with the Group. All transactions take place on arm's length terms.

Due to geographical proximity in many cases, a large number of subletting contracts are in place between the Lufthansa Group and related parties. In these cases, the Lufthansa Group usually charges the rental costs and incidental expenses incurred to the companies in question on a pro rata basis.

Table T198 shows the volume of significant services provided to or by related parties.

T198 VOLUME OF SERVICES PROVIDED TO OR BY RELATED PARTIES

	Volume of services rendered		Volume of services received	
in €m	**2024**	2023	**2024**	2023
Affiliated companies, not consolidated				
Albatros Versicherungsdienste GmbH, Germany	0	0	56	53
amplimind GmbH, Germany	4	5	0	0
Austrian Airlines Tele Sales Service GmbH, Austria	0	0	6	6
Aviation Services Network GmbH, Germany	1	0	11	11
Avionic Design GmbH, Germany	3	2	5	4
Cargo Future Communications (CFC) GmbH, Germany	1	0	11	10
Delvag Versicherungs-AG, Germany	15	11	3	3
DLH Fuel Company mbH, Germany	8	7	961	1,154
Global Load Control (PTY) LTD, South Africa	0	0	7	6
handling counts GmbH, Germany	1	1	11	14
LGSP Lufthansa Ground Service Portugal, Unipessoal Lda., Portugal	1	0	10	9
Lufthansa Aviation Training Austria GmbH, Austria	2	2	9	10
Lufthansa Aviation Training Operations Germany GmbH, Germany	3	4	15	27
Lufthansa Aviation Training Pilot Academy GmbH, Germany	1	1	11	7
Lufthansa Aviation Training USA Inc., USA	0	0	12	11
Lufthansa Consulting GmbH, Germany	2	1	13	11
Lufthansa Engineering and Operational Services GmbH, Germany	5	4	33	30
Lufthansa Global Tele Sales GmbH, Germany	5	2	95	87
Lufthansa Group Business Services S.A. de C.V., Mexico	0	0	5	5
Lufthansa Group Business Services Sp. z o. o., Poland	3	2	51	45
Lufthansa Group Security Operations GmbH, Germany	1	2	40	34
LUFTHANSA GROUP TASTE & MORE GmbH, Germany	2	1	23	19
Lufthansa Industry Solutions SHPK, Albania	1	1	22	17
Lufthansa Innovation Hub GmbH, Germany	0	0	8	8
Lufthansa Systems Asia Pacific Pte. Ltd., Singapore	0	0	6	3
Lufthansa Systems FlightNav AG, Switzerland	0	0	28	25
Lufthansa Systems Hungaria Kft, Hungary	1	1	48	43
Lufthansa Systems Poland Sp. z o.o., Poland	2	1	79	58
Lufthansa Technical Training GmbH, Germany	7	7	27	23
Lufthansa Technik Component Services Asia Pacific Limited, China	0	0	5	4
Lufthansa Technik Middle East FZE, United Arab Emirates	6	2	6	6
Lufthansa Technik Services India Private Limited, India	2	1	9	8
Lufthansa Technik Turbine Shannon Limited, Ireland	7	3	34	24
time:matters (Shanghai) International Freight Forwarding Ltd., China	3	8	1	3
time:matters Americas, Inc., USA	9	12	2	1
time:matters Asia Pacific Pte. Ltd., Singapore	4	5	1	1
time:matters Courier Terminals GmbH, Germany	1	10	25	19
time:matters Netherlands B.V., Netherlands	6	5	2	1
Vitech Development AD, Bulgaria	0	0	5	0
Wings Handling Palma S.L., Spain	0	0	13	11
ZeroG GmbH, Germany	1	1	11	11

T198 VOLUME OF SERVICES PROVIDED TO OR BY RELATED PARTIES (continued)

	Volume of services rendered		Volume of services received	
in €m	**2024**	2023	**2024**	2023
Joint ventures				
Airfoil Services Sdn. Bhd., Malaysia	0	1	8	6
EME Aero Sp.z.o.o, Poland	4	2	529	461
Güneş Ekspres Havacılık A.Ş., Türkiye	5	3	0	0
Shanghai Pudong International Airport Cargo Terminal Co., Ltd., China	1	0	6	5
Spairliners GmbH, Germany	40	35	6	17
Star Alliance Services GmbH, Germany	1	1	6	5
Terminal 2 Gesellschaft mbH & Co oHG, Germany	0	1	13	11
Terminal One Group Association, L.P., USA	7	5	13	10
Associated companies				
AFS Aviation Fuel Services GmbH, Germany	0	0	8	7
Aircraft Maintenance and Engineering Corporation, China	16	11	0	1
HEICO Aerospace Holdings Corp., USA	0	0	11	12
Avionic Design GmbH, Deutschland			8	
Other related parties				
Shanghai Pudong International Airport Public Cargo Terminal Co. Ltd. (West), Shanghai, China	0	0	98	61

Tables T199 and T200 show outstanding receivables from and liabilities to related parties.

T199 OUTSTANDING RECEIVABLES FROM RELATED PARTIES

in €m	**2024**	2023
Trade receivables from affiliated companies	18	33
Trade receivables from joint ventures	19	21
Trade receivables from associated companies	3	2
Trade receivables from other related parties	–	–
Total trade receivables	**40**	**56**
Other receivables from affiliated companies	60	114
Other receivables from joint ventures	35	19
Other receivables from associated companies	–	6
Other receivables from other related parties	–	–
Total other receivables	**95**	**139**
Loans to affiliated companies	71	48
Loans to joint ventures	11	7
Loans to associated companies	–	–
Total non-current receivables	**82**	**55**

T200 OUTSTANDING LIABILITIES TO RELATED PARTIES

in €m	**2024**	2023
Trade payables and other liabilities to affiliated companies	48	48
Trade payables and other liabilities to joint ventures	22	40
Trade payables and other liabilities to associated companies	3	3
Trade payables and other liabilities to other related parties	3	3
Total trade payables and other liabilities	**76**	**94**
Other liabilities to affiliated companies	299	312
Other liabilities to joint ventures	0	0
Other liabilities to associated companies	4	0
Other liabilities to other related parties	0	0
Total other liabilities	**303**	**312**

51. Supervisory Board and Executive Board

The disclosure of remuneration for key managers required by IAS 24 includes the remuneration of the active members of the Executive Board and Supervisory Board.

The members of the Executive Board and the Supervisory Board as well as the other offices that they hold are named in the combined management report in the section ↗ **Corporate Governance.**

The principles of the remuneration system and the amount of remuneration paid to Executive Board and Supervisory Board members are shown and explained in detail in the remuneration report. The ↗ **remuneration report** forms part of the Annual Report 2024.

Total Executive Board remuneration under IFRS was EUR 13.5m (previous year: EUR 29.5m), including current service costs for pensions of EUR 4.3m (previous year: EUR 3.4m).

The active members of the Executive Board in each financial year were remunerated as follows:

T201 EXECUTIVE BOARD REMUNERATION (IFRS)

in € thousands	**2024**	2023
Basic salary	5,790	6,450
Other[1]	7,883	1,250
One-year variable remuneration	401	7,884
Total short-term remuneration	**14,074**	**15,584**
Share-based long-term variable remuneration[2]	–4,918	10,517
Current service cost for retirement benefits	4,324	3,416
Total long-term remuneration	**–594**	**13,933**
Total	**13,480**	**29,517**

[1] Other remuneration includes, in particular, benefits from the use of company cars, discounts in connection with cash outflows from share programmes (↗ **Note 40**) and concessionary travel in accordance with the relevant IATA regulations. This also includes severance payments and interim compensation payments for the Executive Board members who left the Executive Board during the reporting year (EUR 6,915k in total) as well as a EUR 563k compensation payment to Till Streichert for the forfeiture of benefits from his previous employer.

[2] Expenses recognised in the reporting year for long-term variable remuneration for the 2021, 2022, 2023 and 2024 financial years.

Pension provisions for Executive Board members active in the 2024 financial year came to EUR 26.8m (previous year: EUR 23.8m).

Provisions of EUR 401k (previous year: EUR 7,884k) were recognised in the 2024 financial year for the one-year variable remuneration.

A decrease of EUR 4,918k (previous year: increase of EUR 10,517k) was recognised for provisions for the future payment of long-term variable remuneration for Executive Board members active in the 2024 financial year.

Total remuneration (HGB) paid to the Executive Board of Deutsche Lufthansa AG in the 2024 financial year came to EUR 29,672k (previous year: EUR 22,137k).

Current payments and other benefits for former members of the Executive Board and their surviving dependants amounted to EUR 4.1m (previous year: EUR 9.2m). This includes payments by subsidiaries as well as benefits in kind and concessionary travel.

Pension obligations towards former Executive Board members and their surviving dependants amount to EUR 48.8m (previous year: EUR 49.7m). They are included in the pension provisions under ↗ **Note 35.**

Expenses for the fixed remuneration of Supervisory Board members came to EUR 2,975k in the 2024 financial year (previous year: EUR 2,966k). Other remuneration amounted to EUR 3k in total (previous year: EUR 3k). Furthermore, the Supervisory Board members of Deutsche Lufthansa AG were paid EUR 13k in the previous year for their work on supervisory boards of Group companies. No such expenses arose in the reporting year.

In the reporting year, as in the previous year, no loans or advance payments were made to members of the Executive Board or to members of the Supervisory Board.

In addition to their Supervisory Board remuneration, employee representatives on the Supervisory Board received compensation for their work in the form of wages and salaries including pension entitlements amounting to EUR 1.3m in total in the 2024 financial year (previous year: EUR 1.6m).

MAJOR SUBSIDIARIES, JOINT VENTURES AND ASSOCIATED COMPANIES

T202 MAJOR SUBSIDIARIES AS OF 31 DEC 2024

Name, registered office	Equity stake in %	Voting share in %	Different reporting period
Passenger Airlines business segment			
Air Dolomiti S.p.A. Linee Aeree Regionali Europee, Dossobuono di Villafranca, Italy	100.00	100.00	
AirTrust AG, Kloten, Switzerland	100.00	100.00	
AUA Beteiligungen Gesellschaft m.b.H., Vienna Airport, Austria	100.00	100.00	
Aura Leasing Co. Ltd., Tokyo, Japan	0.00	0.00 1)	
Auslese Leasing Co., Ltd., Tokyo, Japan	0.00	0.00 1)	
Austrian Airlines AG, Vienna Airport, Austria	100.00	100.00	
Bayern Leasing Co. Ltd., Tokyo, Japan	0.00	0.00 1)	
Bremen Leasing Co. Ltd., Tokyo, Japan	0.00	0.00 1)	
Brussels Airlines SA/NV, Brussels, Belgium	100.00	100.00	
CASTOR Ltd., Tokyo, Japan	0.00	0.00 1)	
Celine Leasing Co., Ltd., Tokyo, Japan	0.00	0.00 1)	
Cockpitpersonal GmbH, Frankfurt/Main	100.00	100.00	
CRANE LTD., Tokyo, Japan	0.00	0.00 1)	
Dia Adler Ltd., Tokyo, Japan	0.00	0.00 1)	
Dia Bach Ltd., Tokyo, Japan	0.00	0.00 1)	
Dia Falke Ltd., Tokyo, Japan	0.00	0.00 1)	
Dia Flamingo Ltd., Tokyo, Japan	0.00	0.00 1)	
Dia Hausen Ltd., Tokyo, Japan	0.00	0.00 1)	
Dia Himmel Ltd., Tokyo, Japan	0.00	0.00 1)	
Dia Ibis Ltd., Tokyo, Japan	0.00	0.00 1)	
Dia Orff Ltd., Tokyo, Japan	0.00	0.00 1)	
Dia Vogel Ltd., Tokyo, Japan	0.00	0.00 1)	
Dia Wagner Ltd., Tokyo, Japan	0.00	0.00 1)	
Doppeladler Leasing Co., Ltd., Tokyo, Japan	0.00	0.00 1)	
Dunkel Leasing Co. Ltd., Tokyo, Japan	0.00	0.00 1)	
Edelweiss Air AG, Zurich, Switzerland	100.00	100.00	
Eifel Leasing Co. Ltd., Tokyo, Japan	0.00	0.00 1)	
Ellen Finance 2010 S.N.C., Puteaux, France	0.00	0.00 1)	
Empyrée S.A.S., Paris-Cedex, France	0.00	0.00 1)	
Eurowings Aviation GmbH, Cologne	100.00	100.00	
Eurowings Digital GmbH, Cologne	100.00	100.00	
Eurowings Europe GmbH, Vienna Airport, Austria	100.00	100.00	
Eurowings Europe Limited, San Ġiljan, Malta	100.00	100.00	
Eurowings GmbH, Dusseldorf	100.00	100.00	
Eurowings Holidays GmbH, Cologne	100.00	100.00	
Eurowings Technik GmbH, Cologne	100.00	100.00	
Evans Leasing Co. Ltd., Tokyo, Japan	0.00	0.00 1)	
Evelyn Leasing Co., Ltd., Tokyo, Japan	0.00	0.00 1)	
EW Discover GmbH, Frankfurt/Main	100.00	100.00	
FK Yocasta Leasing Ltd., Tokyo, Japan	0.00	0.00 1)	
Germanwings GmbH, Cologne	100.00	100.00	
Group Engine Management GmbH, Frankfurt/Main	100.00	100.00	
Helles Leasing Co. Ltd., Tokyo, Japan	0.00	0.00 1)	
Ingrid Finance 2010 S.N.C., Puteaux, France	0.00	0.00 1)	
JPA No. 237 Co., Ltd., Tokyo, Japan	0.00	0.00 1)	
JPA No. 238 Co., Ltd., Tokyo, Japan	0.00	0.00 1)	
Lahm Leasing Co. Ltd., Tokyo, Japan	0.00	0.00 1)	
Lilium Leasing Co., Ltd., Tokyo, Japan	0.00	0.00 1)	
LS-Aviation No.26 Co., Ltd., Tokyo, Japan	0.00	0.00 1)	
LS-Aviation No.35 Co., Ltd., Tokyo, Japan	0.00	0.00 1)	
LS-Aviation No.36 Co., Ltd., Tokyo, Japan	0.00	0.00 1)	
LS-Aviation No.37 Co., Ltd., Tokyo, Japan	0.00	0.00 1)	
LS-Aviation No.38 Co., Ltd., Tokyo, Japan	0.00	0.00 1)	
Lufthansa City Airlines GmbH, Munich	100.00	100.00	
Lufthansa CityLine GmbH, Munich	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 10, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 12, Salzburg, Austria	100.00	100.00	

T202 MAJOR SUBSIDIARIES AS OF 31 DEC 2024 (continued)

Name, registered office	Equity stake in %	Voting share in %	Different reporting period
Lufthansa Leasing Austria GmbH & Co. OG Nr. 14, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 15, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 16, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 19, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 20, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 21, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 22, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 24, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 25, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 26, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 27, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 28, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 29, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 30, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 31, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 32, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 33, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 34, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 35, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 37, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 38, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 39, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 40, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 41, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 42, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 43, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 44, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 45, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 46, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 47, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 48, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 49, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 51, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 52, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 53, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 54, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 57, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 58, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 59, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 60, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 61, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 62, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 63, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 64, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 65, Salzburg, Austria	100.00	100.00	
Lufthansa Leasing Austria GmbH & Co. OG Nr. 66, Salzburg, Austria	100.00	100.00	
Lufthansa Malta Aircraft-Leasing Ltd., San Ġiljan, Malta	100.00	100.00	
Lufthansa Process Management GmbH, Neu-Isenburg	100.00	100.00	
Miles & More GmbH, Frankfurt/Main	100.00	100.00	
Miyah Leasing Co., Ltd., Tokyo, Japan	0.00	0.00 1)	
Muller Leasing Co. Ltd., Tokyo, Japan	0.00	0.00 1)	
NBB Bluejay Co., Ltd., Tokyo, Japan	0.00	0.00 1)	
NBB Dresden Lease Co., Ltd., Tokyo, Japan	0.00	0.00 1)	
NBB Goshawk Co. Ltd., Tokyo, Japan	0.00	0.00 1)	
NBB Harz Lease Co. Ltd., Tokyo, Japan	0.00	0.00 1)	
NBB Rothenburg Lease Co., Ltd., Tokyo, Japan	0.00	0.00 1)	
NBB Saxon Lease Co. Ltd., Tokyo, Japan	0.00	0.00 1)	
NBB-10859 Lease Partnership, Tokyo, Japan	0.00	0.00 1)	
NBB-8761 Lease Partnership, Tokyo, Japan	0.00	0.00 1)	
NBB-8783 Lease Partnership, Tokyo, Japan	0.00	0.00 1)	
NBB-8958 Lease Partnership, Tokyo, Japan	0.00	0.00 1)	
NBB-9046 Lease Partnership, Tokyo, Japan	0.00	0.00 1)	
NT●LH Aircraft Leasing Kumiai, Tokyo, Japan	0.00	0.00 1)	
NTL12 Ltd., Tokyo, Japan	0.00	0.00 1)	
NTL13 Ltd., Tokyo, Japan	0.00	0.00 1)	
NTL14 Ltd., Tokyo, Japan	0.00	0.00 1)	
NTL15 Ltd., Tokyo, Japan	0.00	0.00 1)	
NTL16 Ltd., Tokyo, Japan	0.00	0.00 1)	
ÖLB Österreichische Luftverkehrs-Beteiligungs-GmbH, Vienna Airport, Austria	100.00	100.00	
ÖLH Österreichische Luftverkehrs-Holding-GmbH, Vienna Airport, Austria	100.00	100.00 2)	

T202 MAJOR SUBSIDIARIES AS OF 31 DEC 2024 (continued)

Name, registered office	Equity stake in %	Voting share in %	Different reporting period
ÖLP Österreichische Luftverkehrs-Privatstiftung, Vienna Airport, Austria	0.00	0.00 3)	
Orchid Leasing Co., Ltd., Tokyo, Japan	0.00	0.00 1)	
Oriental Leasing 24 Company Limited, Dublin, Ireland	0.00	0.00 1)	
Oriental Leasing 37 Company Limited, Dublin, Ireland	0.00	0.00 1)	
ORIX Aquila Corporation, Tokyo, Japan	0.00	0.00 1)	
ORIX Himalia Corporation, Tokyo, Japan	0.00	0.00 1)	
ORIX Lysithea Corporation, Tokyo, Japan	0.00	0.00 1)	
ORIX Miranda Corporation, Tokyo, Japan	0.00	0.00 1)	
ORIX Telesto Corporation, Tokyo, Japan	0.00	0.00 1)	
Schloss Leasing Co. Ltd., Tokyo, Japan	0.00	0.00 1)	
SMFL Y Lease Nin-i-Kumiai, Tokyo, Japan	0.00	0.00 1)	
SMFL Y Lease Nin-i-Kumiai Two, Tokyo, Japan	0.00	0.00 1)	
SN Airholding SA/NV, Brussels, Belgium	100.00	100.00	
Swiss International Air Lines AG, Basel, Switzerland	100.00	100.00	
Sylvaner Leasing Co. Ltd., Tokyo, Japan	0.00	0.00 1)	
Tancho Leasing Co., Ltd., Tokyo, Japan	0.00	0.00 1)	
TI DC Leasing Co. Ltd., Tokyo, Japan	0.00	0.00 1)	
TI DD Leasing Co. Ltd., Tokyo, Japan	0.00	0.00 1)	
TimBenNico Finance 2011 S.N.C., Puteaux, France	0.00	0.00 1)	
TLC Lavender Ltd., Tokyo, Japan	0.00	0.00 1)	
TLC Sweetpea Ltd., Tokyo, Japan	0.00	0.00 1)	
Tusker Leasing Co., Ltd., Tokyo, Japan	0.00	0.00 1)	
Yamasa Aircraft LH12 Kumiai, Okayama, Japan	0.00	0.00 1)	
Yamasa Aircraft LH13 Kumiai, Okayama, Japan	0.00	0.00 1)	
Yamasa Aircraft LH14 Kumiai, Okoyama, Japan	0.00	0.00 1)	
Yamasa Aircraft LH15 Kumiai, Okayama, Japan	0.00	0.00 1)	
Yamasa Aircraft LH16 Kumiai, Okayama, Japan	0.00	0.00 1)	
Yamasa Aircraft LH17 Kumiai, Okayama, Japan	0.00	0.00 1)	
Yamasa Aircraft LH18 Kumiai, Okayama, Japan	0.00	0.00 1)	
Yamasa Aircraft LH19 Kumiai, Okayama, Japan	0.00	0.00 1)	
Yamasa Aircraft LH20 Kumiai, Okayama, Japan	0.00	0.00 1)	
Yamasa Aircraft LH21 Kumiai, Okayama, Japan	0.00	0.00 1)	
Yamasa Aircraft LH22 Kumiai, Okayama, Japan	0.00	0.00 1)	
Yamasa Aircraft LH23 Kumiai, Okayama, Japan	0.00	0.00 1)	
Yamasa Sangyo Aircraft DLH1 Kumiai, Okayama, Japan	0.00	0.00 1)	
Yamasa Sangyo Aircraft DLH2 Kumiai, Okayama, Japan	0.00	0.00 1)	
Yamasa Sangyo Aircraft DLH3 Kumiai, Okayama, Japan	0.00	0.00 1)	
Logistics business segment			
Flip No. 250 Co. Ltd., Tokyo, Japan	0.00	0.00 1)	
Flip No. 251 Co., Ltd., Tokyo, Japan	0.00	0.00 1)	
Flip No. 252 Co., Ltd., Tokyo, Japan	0.00	0.00 1)	
FLIP No. 267 Co., Ltd., Tokyo, Japan	0.00	0.00 1)	
FLIP No. 268 Co., Ltd., Tokyo, Japan	0.00	0.00 1)	
FLIP No. 269 Co., Ltd., Tokyo, Japan	0.00	0.00 1)	
Flip No. 275 Co., Ltd., Tokyo, Japan	0.00	0.00 1)	
Flip No. 276 Co., Ltd., Tokyo, Japan	0.00	0.00 1)	
Flip No. 277 Co., Ltd., Tokyo, Japan	0.00	0.00 1)	
Jettainer Americas, Inc., East Meadow, USA	100.00	100.00	
Jettainer GmbH, Raunheim	100.00	100.00	
Lufthansa Cargo Aktiengesellschaft, Frankfurt/Main	100.00	100.00	
time:matters GmbH, Neu-Isenburg	100.00	100.00	
MRO business segment			
Hamburger Gesellschaft für Flughafenanlagen mbH, Hamburg	100.00	100.00	
Hawker Pacific Aerospace, Sun Valley, USA	100.00	100.00	
Lufthansa Industry Solutions AS GmbH, Norderstedt	100.00	100.00	
Lufthansa Industry Solutions BS GmbH, Raunheim	100.00	100.00	
Lufthansa Industry Solutions GmbH & Co. KG., Norderstedt	100.00	100.00	
Lufthansa Industry Solutions Verwaltungs GmbH, Norderstedt	100.00	100.00	
Lufthansa Technik AERO Alzey GmbH, Alzey	100.00	100.00	
Lufthansa Technik Airmotive Ireland Holdings Ltd., Dublin, Ireland	100.00	100.00	
Lufthansa Technik Airmotive Ireland Leasing Limited, Dublin, Ireland	100.00	100.00	
Lufthansa Technik Aktiengesellschaft, Hamburg	100.00	100.00	
Lufthansa Technik Budapest Repülőgép Nagyjavító Kft., Budapest, Hungary	100.00	100.00	

T202 MAJOR SUBSIDIARIES AS OF 31 DEC 2024

Name, registered office	Equity stake in %	Voting share in %	Different reporting period
Lufthansa Technik Component Services LLC, Tulsa, USA	100.00	100.00	
Lufthansa Technik Engine Services, Inc., Tulsa, USA	100.00	100.00	
Lufthansa Technik Immobilien- und Verwaltungsgesellschaft mbH, Hamburg	100.00	100.00	
Lufthansa Technik Landing Gear Services UK Limited, Kestrel Way, Hayes, UK	100.00	100.00	
Lufthansa Technik Logistik GmbH, Hamburg	100.00	100.00	
Lufthansa Technik Logistik Services GmbH, Hamburg	100.00	100.00	
Lufthansa Technik Malta Limited, Luqa, Malta	92.00	92.00	
Lufthansa Technik North America Holding Corp., Tulsa, USA	100.00	100.00	
Lufthansa Technik Objekt- und Verwaltungsgesellschaft mbH, Hamburg	100.00	100.00	
Lufthansa Technik Philippines, Inc., Manila, Philippines	51.00	51.00	
Lufthansa Technik Puerto Rico LLC, San Juan, Puerto Rico	100.00	100.00	
Lufthansa Technik Shenzhen Co. Ltd., Shenzhen, China	80.00	80.00	
Lufthansa Technik Sofia OOD, Sofia, Bulgaria	75.10	75.00	
Portugal Business Development Company, S.A., Oporto, Portugal	100.00	100.00	
Swiss Aviation Software AG, Allschwil, Switzerland	100.00	100.00	
Additional Businesses and Group Functions			
First EFA Student Pilot Funding GmbH, Vallendar	0.00	0.00 1)	
JASEN Grundstücksgesellschaft mbH & Co. oHG, Grünwald	100.00	50.00 1)	
LCH Grundstücksgesellschaft Berlin mbH, Frankfurt/Main	100.00	100.00	
LHAMI LEASING LIMITED, Dublin, Ireland	100.00	100.00	
LHAMIH LIMITED, Dublin, Ireland	100.00	100.00	
Lufthansa Asset Management GmbH, Frankfurt/Main	100.00	100.00	
Lufthansa Asset Management Leasing GmbH, Frankfurt/Main	100.00	100.00	
Lufthansa Aviation Training Germany GmbH, Frankfurt/Main	100.00	100.00	
Lufthansa Aviation Training GmbH, Munich	100.00	100.00	
Lufthansa Aviation Training Switzerland AG, Opfikon, Switzerland	100.00	100.00	
Lufthansa Commercial Holding Gesellschaft mit beschränkter Haftung, Frankfurt/Main	100.00	100.00	
Lufthansa Group Business Services GmbH, Frankfurt/Main	100.00	100.00	
Lufthansa Group Digital Hangar GmbH, Raunheim	100.00	100.00	
Lufthansa Group Immobilien GmbH, Frankfurt/Main	100.00	100.00	
Lufthansa Leasing Austria 1. Beteiligungs GmbH, Salzburg, Austria	100.00	100.00	
Lufthansa Malta Blues LP, San Ġiljan, Malta	99.99	100.00	
Lufthansa Malta Corporate Finance Limited, San Ġiljan, Malta	100.00	100.00	
Lufthansa Malta Finance Holding Limited, San Ġiljan, Malta	100.00	100.00	
Lufthansa Malta Treasury Services Limited, San Ġiljan, Malta	100.00	100.00	
Lufthansa Seeheim GmbH, Seeheim-Jugenheim	100.00	100.00	
Lufthansa Systems Americas, Inc., Miami, USA	100.00	100.00	
Lufthansa Systems GmbH, Raunheim	100.00	100.00	
MARDU Grundstücks-Verwaltungsgesellschaft mbH & Co. oHG, Grünwald	100.00	50.00 1)	
MUSA Grundstücks-Verwaltungsgesellschaft mbH & Co. oHG, Grünwald	100.00	50.00 1)	
QUINTO Grundstücksgesellschaft mbH & Co. oHG, Grünwald	99.73	50.00 1)	
Strategic Liquidity, Dusseldorf	100.00	100.00	
Truffle 2 GmbH, Frankfurt/Main	100.00	100.00	
Truffle 3 GmbH, Frankfurt/Main	100.00	100.00	
Truffle 5 GmbH, Frankfurt/Main	100.00	100.00	
Truffle 6 GmbH, Frankfurt/Main	100.00	100.00	
Truffle 7 Limited, Hounslow, UK	100.00	100.00	
Truffle Holding AG, Frankfurt/Main	100.00	100.00	

1) Fully consolidated structured entity in accordance with IFRS 10.

2 50.20% of the equity stakes and voting rights are attributed via ÖLP.

3) Management responsibility for the company lies with the Group.

T203 MAJOR JOINT VENTURES AS OF 31 DEC 2024[1]

Name, registered office	Equity stake in %	Voting share in %	Different reporting period
Passenger Airlines business segment			
Güneş Ekspres Havacılık A.Ş., Antalya, Türkiye	50.00	50.00	
Terminal 2 Gesellschaft mbH & Co oHG, Munich Airport[2]	40.00	40.00	
Logistics business segment			
Shanghai Pudong International Airport Cargo Terminal Co. Ltd., Shanghai, China[2]	29.00	22.22	
MRO business segment			
EME Aero Sp. z.o.o., Jasionka, Poland	50.00	50.00	
LG-LHT Aircraft Solutions GmbH i.L., Hamburg, Deutschland	51,00	50,00	
LG-LHT Passenger Solutions GmbH i.L., Hamburg, Deutschland	51,00	50,00	
N3 Engine Overhaul Services GmbH & Co. KG, Arnstadt	50.00	50.00	
Spairliners GmbH, Hamburg	50.00	50.00	
XEOS Sp. z.o.o., Środa Śląska, Poland[3]	25.00	25.00	

T204 JOINT OPERATIONS AS OF 31 DEC 2024[4]

Name, registered office	Equity stake in %	Voting share in %	Different reporting period
Aerologic GmbH, Schkeuditz	50.00	50.00	

T205 MAJOR ASSOCIATED COMPANIES AS OF 31 DEC 2024[1]

Name, registered office	Equity stake in %	Voting share in %	Different reporting period
MRO business segment			
HEICO Aerospace Holdings Corp., Florida, USA	20.00	20.00	October
Additional Businesses			
Aircraft Maintenance and Engineering Corporation, Beijing, China	25.00	28.57	

[1] Accounted for using the equity method.

[2] Reported as a joint venture due to joint management.

3) Since this company continues to be jointly managed under the shareholder agreement, despite the reduction in the equity stake to 25% in the reporting year, it continues to be reported as a joint venture.

[4] Included on a pro rata basis in accordance with IFRS 11.

MISCELLANEOUS EQUITY INVESTMENTS

T206 MISCELLANEOUS EQUITY INVESTMENTS AS OF 31 DEC 2024

Name, registered office	Equity stake in %	Voting share in %
Subsidiaries, not consolidated		
AerQ GmbH (in liquidation), Hamburg, Germany	100.00	100.00
Air Dolomiti Deutschland GmbH, Munich, Germany	100.00	100.00
Airline Marketing Services India Private Limited, Mumbai, India	100.00	100.00
Airport Services Dresden GmbH, Dresden, Germany	100.00	100.00
Airport Services Leipzig GmbH, Schkeuditz, Germany	100.00	100.00
Albatros Financial Solutions GmbH, Cologne, Germany	100.00	100.00
Albatros Versicherungsdienste GmbH, Cologne, Germany	100.00	100.00
amplimind GmbH, Munich Airport, Germany	51.00	51.00
AO AeroMEAL, Yemelyanovo, Russian Federation	100.00	100.00
Austrian Airlines Tele Sales Service GmbH, Innsbruck, Austria	100.00	100.00
AVIATION Data Hub GmbH, Hamburg, Germany	100.00	100.00
Aviation Quality Services GmbH, Frankfurt/Main, Germany	100.00	100.00
Aviation Services Network GmbH, Friedrichshafen, Germany	100.00	100.00
Avionic Design GmbH, Hamburg, Germany	100.00	100.00
Cargo Future Communications (CFC) GmbH, Büchenbeuren, Germany	100.00	100.00
CB Customs Broker GmbH, Kelsterbach, Germany	100.00	100.00
Delvag Versicherungs-AG, Cologne, Germany	100.00	100.00
DLH Fuel Company mbH, Hamburg, Germany	100.00	100.00
DLH Malta Pension Ltd., San Ġiljan, Malta	100.00	100.00
DLH Malta Transition Limited, San Ġiljan, Malta	100.00	100.00
ETP Thermal Dynamics, LLC, Tulsa, USA	80.00	80.00
FLYdocs Inc. (Delaware Corp.), City of Wilmington, New Castle, USA	100.00	100.00
FLYdocs India Private Limited, Vadodara, India	100.00	100.00
FLYdocs Systems (MIDCO) Limited, Birmingham, UK	100.00	100.00
Flydocs Systems (TOPCO) Limited, Birmingham, UK	100.00	100.00
FLYdocs Systems Limited, Birmingham, UK	100.00	100.00
Gen2 Systems Limited, Birmingham, UK	100.00	100.00
Global Load Control (PTY) LTD, Cape Town, South Africa	100.00	100.00
Global Tele Sales (PTY) Ltd., Cape Town, South Africa	100.00	100.00
Global Tele Sales Brno s.r.o., Brno, Czech Republic	100.00	100.00
Global Telesales of Canada, Inc., Peterborough, Canada	100.00	100.00
handling counts GmbH, Frankfurt/Main, Germany	100.00	100.00
help alliance gGmbH, Frankfurt/Main, Germany	100.00	100.00
heyworld GmbH, Frankfurt/Main, Germany	100.00	100.00
Idair GmbH, Hamburg, Germany	100.00	100.00
IND Beteiligungs GmbH, Raunheim, Germany	100.00	100.00
Inflight Catering Services Limited, Dar es Salaam, Tanzania	61.99	61.99
LCAG Malta Pension Ltd., San Ġiljan, Malta	100.00	100.00
LCAG Malta Transition Limited, San Ġiljan, Malta	100.00	100.00
LG-LHT Aircraft Solutions GmbH (in liquidation), Hamburg, Germany	100.00	100.00
LG-LHT Passenger Solutions GmbH (in liquidation), Hamburg, Germany	100.00	100.00
LGSP Lufthansa Ground Service Portugal, Unipessoal Lda., Maia/Oporto, Portugal	100.00	100.00
LHT Malta Pension Ltd., San Ġiljan, Malta	100.00	100.00
LSG Malta Pension Ltd., St.Julian's, Malta	100.00	100.00
LSG Sky Chefs Havacılık Hizmetleri A.S., Istanbul, Türkiye	100.00	100.00
LSG Sky Chefs İstanbul Catering Hizmetleri A.S., Istanbul, Türkiye[1]	100.00	100.00
LSG Sky Chefs Kenya Limited, Nairobi, Kenya	50.20	50.20
LSI Malta Pension Ltd., San Ġiljan, Malta	100.00	100.00
Lufthansa Aviation Training Austria GmbH, Vienna Airport, Austria	100.00	100.00
Lufthansa Aviation Training Operations Germany GmbH, Berlin, Germany	100.00	100.00
Lufthansa Aviation Training Pilot Academy GmbH, Laage, Germany	100.00	100.00
Lufthansa Aviation Training USA Inc., Goodyear, USA	100.00	100.00
Lufthansa Blues Beteiligungs GmbH, Frankfurt/Main, Germany	100.00	100.00
Lufthansa Cagri Merkezi ve Müsteri Hizmetleri A.S., Istanbul, Türkiye	100.00	100.00
Lufthansa Cargo Servicios Logisticos de Mexico, S.A. de C.V., Mexico City, Mexico	100.00	100.00
Lufthansa City Center International GmbH, Frankfurt/Main, Germany	50.00	50.00
Lufthansa Consulting Brasil Ldta., Rio de Janeiro, Brazil	99.90	99.90
Lufthansa Consulting GmbH, Frankfurt/Main, Germany	100.00	100.00
Lufthansa Engineering and Operational Services GmbH, Frankfurt/Main, Germany	100.00	100.00
Lufthansa Global Business Services Ltd. (in liquidation), Bangkok, Thailand	100.00	100.00
Lufthansa Global Tele Sales GmbH, Berlin, Germany	100.00	100.00
Lufthansa Group Business Services Hong Kong Limited, Hong Kong, China	100.00	100.00
Lufthansa Group Business Services Johannesburg (pty) Ltd., Craighill-Johannesburg, South Africa	100.00	100.00
Lufthansa Group Business Services S.A. de C.V., Mexico City, Mexico	100.00	100.00

T206 MISCELLANEOUS EQUITY INVESTMENTS AS OF 31 DEC 2024 (continued))

Name, registered office	Equity stake in %	Voting share in %
Lufthansa Group Business Services Sp. z o. o., Cracow, Poland	100.00	100.00
Lufthansa Group Business Services Wien GmbH, Vienna, Austria	100.00	100.00
Lufthansa Group Security Operations GmbH, Frankfurt/Main, Germany	100.00	100.00
LUFTHANSA GROUP TASTE & MORE GmbH, Hamburg, Germany	100.00	100.00
Lufthansa Industry Solutions SHPK, Tirana, Albania	100.00	100.00
Lufthansa Innovation Hub GmbH, Berlin, Germany	100.00	100.00
Lufthansa International Finance (Netherlands) N. V., Amsterdam, Netherlands	100.00	100.00
Lufthansa Job Services Norderstedt GmbH, Norderstedt, Germany	100.00	100.00
Lufthansa Leasing Austria GmbH & Co. OG Nr. 55, Salzburg, Austria	100.00	100.00
Lufthansa Leasing Austria GmbH & Co. OG Nr. 56, Salzburg, Austria	100.00	100.00
Lufthansa Malta Blues General Partner GmbH & Co. KG, Frankfurt/Main, Germany	100.00	100.00
Lufthansa Malta Pension Holding Ltd., San Ġiljan, Malta	100.00	100.00
Lufthansa Pension Beteiligungs GmbH, Frankfurt/Main, Germany	100.00	100.00
Lufthansa Pension GmbH & Co. KG, Frankfurt/Main, Germany	100.00	100.00
Lufthansa Services (Thailand) Ltd., Bangkok, Thailand	100.00	100.00
Lufthansa Services Philippines, Inc., Manila, Philippines	100.00	100.00
Lufthansa Super Star Gesellschaft mit beschränkter Haftung (in liquidation), Berlin, Germany	100.00	100.00
Lufthansa Systems 25. GmbH, Raunheim, Germany	100.00	100.00
Lufthansa Systems Asia Pacific Pte. Ltd., Singapore, Singapore	100.00	100.00
Lufthansa Systems FlightNav AG, Opfikon, Switzerland	100.00	100.00
Lufthansa Systems Hungaria Kft, Budapest, Hungary	100.00	100.00
Lufthansa Systems Poland Sp. z o.o., Danzig, Poland	100.00	100.00
Lufthansa Technical Training GmbH, Hamburg, Germany	100.00	100.00
Lufthansa Technik Canada Inc., Calgary, Canada	100.00	100.00
Lufthansa Technik Component Services Asia Pacific Limited, Hong Kong, China	100.00	100.00
Lufthansa Technik Intercoat GmbH, Kaltenkirchen, Germany	51.00	51.00
Lufthansa Technik Middle East FZE, Dubai, United Arab Emirates	100.00	100.00
Lufthansa Technik Milan s.r.l., Somma Lombardo (VA), Italy	100.00	100.00
Lufthansa Technik Services India Private Limited, New Delhi, India	100.00	100.00
Lufthansa Technik Turbine Shannon Limited, Shannon, Ireland	100.00	100.00
Lufthansa Technik Vostok Services OOO (in liquidation), Moscow, Russian Federation	100.00	100.00
Lufthansa UK Pension Trustee Limited, West Drayton, Middlesex, UK	100.00	100.00
Malta Pension Investments, San Ġiljan, Malta	0.00	100.00
OOO LSG Sky Chefs Rus, Moscow, Russian Federation	100.00	100.00
Oscar Bravo GmbH, Munich, Germany	100.00	100.00
QUINTO Grundstücks-Verwaltungsgesellschaft mbH, Grünwald, Germany	94.80	94.80
Reservation Data Maintenance India Private Ltd., New Delhi, India	51.00	51.00
Shared Services International India Private Limited, New Delhi, India	100.00	100.00
Shared Services International, Singapore PTE. LTD, Singapore, Singapore	100.00	100.00
Star Risk Services Inc. (in liquidation), Southlake, USA	100.00	100.00
Swiss WorldCargo (India) Private Limited (in liquidation), Mumbai, India	100.00	100.00
TATS – Travel Agency Technologies & Services GmbH, Frankfurt am Main, Deutschland	100.00	100.00
time:matters (Shanghai) International Freight Forwarding Ltd., Shanghai, China	100.00	100.00
time:matters Americas, Inc., Miami, USA	100.00	100.00
time:matters Asia Pacific Pte. Ltd., Singapore, Singapore	100.00	100.00
time:matters Austria GmbH, Vienna Airport, Austria	100.00	100.00
time:matters Belgium BVBA, Mechelen, Belgium	100.00	100.00
time:matters Courier Terminals GmbH, Frankfurt/Main, Germany	100.00	100.00
time:matters Netherlands B.V., Schiphol-Rijk, Netherlands	100.00	100.00
Vitech Development AD, Sofia, Bulgaria	75.01	75.01
VPF Malta Pension Ltd., San Ġiljan, Malta	100.00	100.00
Wings Handling Palma S.L., Madrid, Spain	100.00	100.00
Yilu Travel Services GmbH, Berlin, Germany	100.00	100.00
ZeroG GmbH, Raunheim, Germany	100.00	100.00
Equity investments		
AFS Aviation Fuel Services GmbH, Hamburg, Germany	33.33	33.33
Airfoil Services Sdn. Bhd., Kuala Lumpur, Malaysia	50.00	50.00
Airline Tariff Publishing Co., Dulles, USA	9.77	9.77
AO Aeromar, Moscow region, Russian Federation	49.00	49.00
ATLECON Fuel LLC, Atlanta, USA	14.29	14.29
AUS Fuel Company, LLC, Austin, USA	6.67	6.67
Calgary Fuel Facilities Corporation, Dorval, Canada	8.33	8.33
Cargo One GmbH, Berlin, Germany	14.35	14.35
Charlotte Fuel Facilities LLC, Charlotte, USA	10.00	10.00
Chelyabinsk Catering Service OOO, Chelyabinsk, Russian Federation	26.00	26.00
Denver Fuel Company, LLC, Newark, USA	5.88	5.88
Düsseldorf Fuelling Services (DFS) GbR, Dusseldorf, Germany	33.33	33.33
EFM – Gesellschaft für Enteisen und Flugzeugschleppen am Flughafen München mbH, Freising, Germany	51.00	51.00
Egyptian Aviation Services Company (S.A.E.), Cairo, Egypt	5.83	5.83
Entebbe Handling Services limited (ENHAS), Entebbe, Uganda	5.00	5.00

T206 MISCELLANEOUS EQUITY INVESTMENTS AS OF 31 DEC 2024 (continued))

Name, registered office	Equity stake in %	Voting share in %
Flight Training Alliance GmbH, Frankfurt/Main, Germany	50.00	50.00
Flughafen München Baugesellschaft mbH, Munich Airport, Germany	40.00	40.00
FraAlliance GmbH, Frankfurt/Main, Germany	50.00	50.00
FraCareServices GmbH, Frankfurt/Main, Germany	49.00	49.00
FSH Flughafen Schwechat-Hydranten-Gesellschaft Gmbh & Co OG, Vienna Airport, Austria	28.57	28.57
GOAL German Operating Aircraft Leasing GmbH & Co. KG, Grünwald, Germany	40.00	39.99
GOAL German Operating Aircraft Leasing GmbH, Munich, Germany	40.00	40.00
Hamburg Fuelling Services GbR, Hamburg, Germany	25.00	25.00
Hamburg Tank Service GbR, Hamburg, Germany	33.30	33.30
Hydranten-Betriebs OHG, Frankfurt/Main, Germany	49.00	20.00
INAIRVATION GmbH, Edlitz-Thomasberg, Austria	50.00	50.00
interpersonal GmbH, Hamburg, Germany	35.00	35.00
Kulinary Holding AG, Opfikon, Switzerland	40.00	40.00
Lufthansa HNA Technical Training Co., Ltd., Meilan Airport, Hainan, China	50.00	50.00
Lufthansa Leasing GmbH, Grünwald, Germany	49.00	49.00
Lumics GmbH & Co. KG, Hamburg, Germany	50.00	50.00
Lumics Verwaltungs GmbH, Hamburg, Germany	50.00	50.00
Montreal International Fuel Facilities Corporation, Dorval, Canada	5.00	5.00
N3 Engine Overhaul Services Verwaltungsgesellschaft mbH, Arnstadt, Germany	50.00	50.00
Orlando Fuel Facilities LLC, Orlando, USA	5.88	5.88
PHL Fuel Facilities LLC, Philadelphia, USA	10.00	10.00
RSW Fuel Company, LLC, Orlando, USA	10.00	10.00
Rydes GmbH, Berlin, Germany	11.40	11.40
SAN Fuel Company, LLC, San Diego, USA	5.56	5.56
Sanya LSG Air Catering Co. Ltd., Sanya, China	45.00	40.00
SCA Schedule Coordination Austria GmbH, Vienna Airport, Austria	25.00	25.00
Shenzhen Airport International Cargo Terminal Company Limited, Shenzhen, China	50.00	50.00
Sichuan Airlines LSG Air Catering Co. Ltd., Chengdu, China	40.00	40.00
STL Fuel Company, LLC, Washington, D.C., USA	10.00	10.00
Terminal One Group Association, L.P., New York, USA	24.75	0.00
Terminal One Management Inc., New York, USA	25.00	25.00
THBG BBI GmbH, Schönefeld, Germany	46.45	46.45
Tolmachevo Catering OOO, Novosibirsk, Russian Federation	26.00	26.00
Turbo Fuel Services Sachsen (TFSS) GbR, Hamburg, Germany	20.00	20.00
UBAG Unterflurbetankungsanlage Flughafen Zürich AG, Rümlang, Switzerland	12.00	12.00
Xinjiang HNA LSG Sky Chefs Co. Ltd., Urumqi, China	49.00	40.00
Zentrum für Angewandte Luftfahrtforschung GmbH, Hamburg, Germany	20.00	20.00
Zhengzhou Airport International Cargo Terminal Co., Ltd, Zhengzhou, Henan Province, China	49.00	49.00

[1] 33.34% of the equity stake and 50.01% of the voting rights are attributed via a call option.

DECLARATION BY THE LEGAL REPRESENTATIVES

We declare that, to the best of our knowledge and according to the applicable accounting standards, the consolidated financial statements give a true and fair view of the net assets, financial and earnings position of the Group, and that the Group management report, which has been combined with the management report for Deutsche Lufthansa AG, presents a fair view of the course of business, including the business result, and the situation of the Group, and presents the material opportunities and risks to its future development.

Frankfurt, 24 February 2025

The Executive Board

Carsten Spohr
Chairman of the Executive Board
Chief Executive Officer

Michael Niggemann
Member of the Executive Board
Chief Human Resources and
Legal Officer, Labour Director

Till Streichert
Member of the Executive Board
Chief Financial Officer

Grazia Vittadini
Member of the Executive Board
Chief Technology Officer

Dieter Vranckx
Member of the Executive Board
Chief Commercial Officer

The following Auditor's Report also includes a "Report on the audit of the electronic reproductions of the consolidated financial statements and the combined management report prepared for the purpose of disclosure in accordance with Section 317 Paragraph 3a HGB" ("ESEF Report"). The subject matter on which the ESEF Report is based (ESEF documents to be audited) is not included. The audited ESEF documents can be viewed in or retrieved from the Unternehmensregister (German Company Register, in German language only).

INDEPENDENT AUDITOR'S REPORT

To Deutsche Lufthansa Aktiengesellschaft

Report on the audit of the consolidated financial statements and of the Group management report

Opinions

We have audited the consolidated financial statements of Deutsche Lufthansa Aktiengesellschaft, Cologne, and its subsidiaries (the "Group" or "Lufthansa Group"), which comprise the consolidated income statement and consolidated statement of comprehensive income for the fiscal year from 1 January to 31 December 2024, and the consolidated statement of financial position as at 31 December 2024, consolidated statement of changes in shareholders' equity and consolidated cash flow statement for the fiscal year from 1 January to 31 December 2024, and notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the Group management report of Deutsche Lufthansa Aktiengesellschaft, which is combined with the management report of Deutsche Lufthansa Aktiengesellschaft, for the fiscal year from 1 January to 31 December 2024. In accordance with the German legal requirements, we have not audited the content of the Group declaration on corporate governance which is published on the website stated in the "Corporate Governance" section of the combined management report, the Group non-financial declaration included in the "Combined non-financial declaration" section of the combined management report or the information on the main characteristics of the entire internal control system (disclosures in accordance with recommendation A.5 of the German Corporate Governance Code (DCGK 2022)) contained in the Opportunities and risk report section of the combined management report under the heading "Internal control system." In addition, we have not audited the content of the disclosures extraneous to management reports extending beyond the prior year in the tables with multi-year comparisons of the combined management report (information pertaining to fiscal years 2020, 2021 and 2022). Disclosures extraneous to management reports are such disclosures that are not required pursuant to Secs. 315, 315a or Secs. 315b to 315d HGB ["Handelsgesetzbuch": German Commercial Code] or German Accounting Standard No. 20 (GAS 20).

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) (IFRS Accounting Standards) and adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB ["Handelsgesetzbuch": German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2024 and of its financial performance for the fiscal year from 1 January 2024 to 31 December 2024, and

- the accompanying Group management report as a whole provides an appropriate view of the Group's position. In all material respects, this Group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. We do not express an opinion on the content of aforementioned Group declaration on corporate governance, the content of the aforementioned Group non-financial declaration, the aforementioned description of the entire internal control system (disclosures in accordance with recommendation A.5 DCGK 2022) or the aforementioned multi-year comparisons of the Group management report.

Pursuant to Sec. 322 (3) Sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the Group management report.

Basis for the opinions

We conducted our audit of the consolidated financial statements and of the Group management report in accordance with Sec. 317 HGB and the EU Audit Regulation (No 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). We performed the audit of the consolidated financial statements in supplementary compliance with the International Standards on Auditing (ISAs). Our responsibilities under those requirements, principles and standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and of the Group management report" section of our auditor's report. We are independent of the Group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Art. 10 (2) f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Art. 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the Group management report.

Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the fiscal year from 1 January to 31 December 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

Below, we describe what we consider to be the key audit matters:

1. Recognition of traffic revenue, including recognition of liabilities from unused flight documents and customer loyalty programs

Reasons why the matter was determined to be a key audit matter

Passenger flights account for the largest share of the Group's business operations. The related flight documents are paid by the customer before the flight takes place. Prepayments by customers for flight documents are accounted for as contract liabilities from unused flight documents until the flight documents are used. The respective companies recognize flight documents as revenue in profit or loss when the aircraft lands at the destination airport.

Any flight documents that have not been used by the end of the fiscal year, are still valid at year-end and continue to be recognized as contract liabilities from unused flight documents are examined at year-end to determine their age and validity. In addition, historical data is used to estimate how many flight documents will no longer be used. The flight documents with a high probability of no longer being used are recognized as breakage under revenue in profit or loss.

In addition, Deutsche Lufthansa Aktiengesellschaft recognizes contract liabilities from customer loyalty programs in its consolidated financial statements that relate to bonus miles granted to participants in the Miles & More program. Until the bonus miles are redeemed, these contract liabilities are determined on the basis of the relative stand-alone selling price per bonus mile. If participants collect bonus miles with external partners, these are recognized as liabilities until redemption at the prices the external partners paid to Lufthansa. Bonus miles with a high probability of not being redeemed are recognized as breakage revenue in profit or loss over a period of three years based on historical estimates.

From our perspective, the recognition of traffic revenue, including the recognition of contract liabilities from unused flight documents and customer loyalty programs, entails a significant risk of material misstatement and was therefore a key audit matter in our audit, since the estimates of the executive directors have a significant effect on the recognition and valuation of these items, which are specific to the business model and significant in terms of the amount. The estimates and assumptions of the executive directors regarding the passengers' flight document usage and bonus mile redemption patterns are based on complex calculation procedures which are inherent to the system and are subject to judgment. This relates in particular to revenue from the release of contract liabilities from unused flight documents and customer loyalty programs.

Auditor's response

During our audit procedures, we obtained an understanding of the processes implemented by the executive directors of Deutsche Lufthansa Aktiengesellschaft for recognizing traffic revenue and revenue from customer loyalty programs as well as the correct timing of revenue recognition related to breakage by reference to individual transactions from the purchase of the flight documents through to recognition in the consolidated financial statements and tested the controls in place in the respective processes. In addition, with the aid of internal IT specialists, we assessed the design and operating effectiveness of the internal control system established by the Group with regard to the IT systems relevant for the recognition of traffic revenue. In so doing, we assessed in particular the mapping and processing of business processes, the possibilities for IT administrators to make changes and the access rights of individual employees. With regard to services related to IT systems and processes outsourced to third parties, we assessed, with the aid of internal IT specialists, the design and operating effectiveness of the internal control system regarding those IT systems and/or processes relevant for the recognition of traffic revenue, using an assurance report (ISAE 3402 Type 2) on the design and operating effectiveness of the internal control system at the service organization.

Using substantive analytical procedures, we examined whether the revenue generated in fiscal year 2024 correlates with the corresponding contract liabilities from unused flight documents and whether revenue from customer loyalty programs correlates with the corresponding payments received to identify any irregularities in the accounting treatment. We examined the plausibility of and reasons for any deviations and/or irregularities in the correlation. In addition, we used data analytics to identify any irregularities in the posting data compared to relevant document types and system users, among other things. To detect any irregularities in the development of revenue, we checked whether the development of revenue is consistent with the Group's key performance indicators reported internally and overall industry performance. Moreover, we reconciled individual payments received with the corresponding supporting documents for proof of payments received (e.g., account statements) on a sample basis and checked that they resulted in the derecognition of a receivable from the sale of flight documents.

In particular, we assessed the Group's accounting approach with regard to the requirements for revenue recognition pursuant to IFRS 15. In doing so, we focused on whether Deutsche Lufthansa Aktiengesellschaft and its subsidiaries identified separate performance obligations within a contract, determined a transaction price and allocated it to the separate performance obligations and timed the recognition of revenue in accordance with the provisions of IFRS 15.

During our audit, we reviewed, with regard to the breakage revenue recognized upon the derecognition of contract liabilities from unused flight documents (release), outstanding valid flight documents and their valuation with regard to their sales year and validity. Moreover, we assessed the consistency of the calculation methods used to determine flight prices, fees, taxes and other charges allocable to flight documents that are no longer expected to be used. We tested the plausibility of future expected usage rates for unused flight documents that are used to calculate breakage revenue based on past usage rates and the information on the passengers' expected future flight patterns provided to us by the executive directors. In particular, we obtained an understanding of the manual accrual postings made in this respect on the basis of the supporting documents. As such manual accrual postings are always made at year-end, we also assessed the accuracy of the accounting cut-off (regarding both breakage revenue and revenue from customer loyalty programs) as part of our assessment of the design and operating effectiveness of the Group's internal control system. We discussed with our client factors and unique features of the industry as well as the transport conditions of Deutsche Lufthansa Aktiengesellschaft and its subsidiaries that influence the usage ratios and assessed their completeness and plausibility. We tested the plausibility of the effects and described implications of these factors by comparing the usage ratios to periods in which these factors did not apply. To assess the reliability of the forecasts and estimates used, we compared the number of expired tickets to the amount of breakage revenue recognized in the past.

During our audit, we also evaluated the recognition of breakage revenue from customer loyalty programs for participants in the Miles & More program. With regard to the contract liabilities from customer loyalty programs, we assessed the calculation methods applied to determine the release ratios for adequate consistency. We examined the determination of fair value depending on how the respective bonus mile is used (e.g., used for flights with a Lufthansa Group company or a partner airline or used in the form of a bonus in kind) and the underlying assumptions to assess the adequacy of the contract liabilities. We also checked the mathematical accuracy of the calculation of the liabilities from customer loyalty programs.

Our audit procedures did not give rise to any reservations regarding the recognition of traffic revenue, including the recognition of liabilities from unused flight documents and customer loyalty programs.

Reference to related disclosures
With regard to the accounting policies used for revenue recognition and contract liabilities, and the related use of judgment, we refer to the disclosures under "2. New IFRS Accounting Standards and summary of the material accounting policies", "3. Traffic revenue" and "40. Current contract liabilities" in the notes to the consolidated financial statements.

2. Valuation of own and leased aircraft

Reasons why the matter was determined to be a key audit matter
The aircraft reported in the consolidated financial statements of Deutsche Lufthansa Aktiengesellschaft represent a significant portion of the assets of the Lufthansa Group. The aircraft reported include aircraft which are legally owned and used by the Group as well as leased aircraft. There are also aircraft that have been sold and leased back under sale and leaseback transactions.

Aircraft are recognized either by the operating airlines or by aircraft owning companies. Key components of an aircraft that have different useful lives are recognized and depreciated separately. Seats and in-flight entertainment systems installed in commercial aircraft are recognized as separate components. Provided the relevant criteria for recognition are met, the costs for regular extensive maintenance work (e.g., overhauling aircraft or major engine overhauls) are also recognized as a separate component.

In the case of intra-Group transactions (e.g., intra-Group sales or contributions), adjustment entries must be made at Group level during consolidation in order to continue to recognize the assets at their depreciated consolidated acquisition/production cost.

The recoverability of the aircraft that are earmarked for continued use in flight operations in the Group operational planning (GOP) is determined using the recoverability of the cash-generating units (CGUs) to which they are allocated. In connection with estimating the recoverability of own and leased aircraft in the consolidated financial statements, the executive directors must make planning assumptions in the GOP which have a significant impact on the measurement of the relevant CGU.

From our perspective, the valuation of owned and leased aircraft was a key audit matter in our audit as the valuation of this item, which is significant in amount, is highly complex due to the component approach on the one hand and intra-Group transactions that need to be eliminated on the other, such that there is an elevated risk of material misstatement. Furthermore, the recoverability of the item is regularly based on estimates and assumptions made by the executive directors in terms of the GOP underlying measurement of the CGU.

Auditor's response
We firstly scrutinized the internal control system established by the executive directors for the valuation of own and leased aircraft by testing the design of the processes and assessing the risk of material misstatement.

In order to assess the depreciated consolidated acquisition/production cost of the aircraft and the appropriate accounting treatment of individual components, we obtained an understanding of the presentation of intra-Group transactions by reconciling the reporting data used in the elimination of intra-Group profits and losses, which are posted at the level of the respective Group company, and recalculating the adjustment entries. Furthermore, as part of our substantive analytical procedures, we initially developed an expectation for the item balance as of the reporting date, based on our knowledge of the existing fleet, depreciation as well as additions to and disposals of aircraft in the fiscal year. We then compared our expectation with the depreciated consolidated acquisition/production cost and depreciation recognized for aircraft. In the context of these substantive analytical procedures, we tested the plausibility of any deviations and/or anomalies and whether they were well founded.

For leased aircraft and sale and leaseback transactions, we first examined the underlying agreements and assessed the effects of the contractual terms on the valuation, in the case of sale and leaseback transactions in particular with regard to the recognition and/or cut-off of accounting gains. We recalculated right-of-use assets and lease liabilities arising from such transactions based on the underlying contract data and reconciled them with the amounts posted as of the reporting date.

An assessment of the recoverability of aircraft in the consolidated financial statements is based on the allocation of aircraft to CGUs and the recoverability of the relevant CGU as a whole. We checked the allocation of aircraft to the individual CGUs by reconciling the carrying amounts transferred in the CGU impairment test. We also checked the substance of the allocation in a reconciliation with a fleet list per airline as the aircraft are allocated to the CGU of the airline operating the aircraft. With regard to the assessment of the recoverability of the aircraft in the economic ownership of the Group and earmarked for continued use in flight operations, we examined, with the aid of our valuation specialists, the fleet planning in connection with the GOP for internal consistency and analyzed whether it is in line with industry forecasts. We analyzed the executive directors' disclosures on the key planning assumptions, strategic objectives, expected developments and operational measures and their inclusion/reflection in the cash flows and assessed their plausibility (transparency, consistency, lack of contradiction). Our analysis was based on analyst estimates, both for the Company as well as in relation to comparable companies, along with other external forecasts on the development of the airline industry (market studies) and macroeconomic forecasts. In addition, we assessed the method used in the impairment test designed by the executive directors and assessed whether it gave rise to an impairment for the relevant CGU, which needed to be allocated to the aircraft.

Our audit procedures did not lead to any reservations relating to the valuation of own and leased aircraft.

Reference to related disclosures
With regard to the valuation of aircraft, we refer to the disclosures in the notes to the consolidated financial statements under “2 New IFRS Accounting Standards and summary of the material accounting policies”, “19. Aircraft and reserve engines including right-of-use assets”, “22. Leases” and “9. Depreciation, amortization and impairment”.

3. Recoverability of deferred tax assets

Reasons why the matter was determined to be a key audit matter
The deferred tax assets arising from tax loss carryforwards and deductible temporary differences reported in the consolidated financial statements of Deutsche Lufthansa Aktiengesellschaft constitute an asset of Deutsche Lufthansa Aktiengesellschaft and its subsidiaries which is significant in amount. When accounting for the deferred tax assets, the Lufthansa Group assesses the extent to which it is probable that sufficient taxable profit will be available in the future to allow the deferred tax assets to be utilized.

The recoverability of the deferred tax assets is based on estimates and assumptions made by the executive directors in relation to the future operating performance of the taxable Group companies. The executive directors have prepared a Group operational planning (GOP) for fiscal years 2025 to 2028 and, based thereon, forecast taxable profit for the taxable Group companies.

From our perspective, the assessment of the recoverability of this item, which is significant in amount, was a key audit matter in our audit as it is based to a large extent on the judgments, estimates and assumptions of the executive directors regarding sufficient taxable profit, particularly in light of current global security, economic and regulatory developments, including the war between Russia and Ukraine, possible knock-on effects on international economic relationships and the related uncertainty surrounding the future development of air travel as well as additional industry-specific developments, including shortages in supply of aircraft, engines and spare parts.

Auditor’s response
We firstly scrutinized the internal control system established by the executive directors for the determination and recognition of deferred taxes by testing the design of the processes and assessing the risk of material misstatement.

To assess the recoverability of the deferred tax assets, with the aid of our valuation specialists, we analyzed the executive directors’ forecasts of the further taxable profit, checked their mathematical accuracy and discussed them with the responsible management level. We analyzed the executive directors’ disclosures on the key planning assumptions, strategic objectives, expected developments and operational measures and their inclusion/reflection in the cash flows and assessed their plausibility (transparency, consistency, lack of contradiction). Our analysis was based on analyst estimates, both for the Lufthansa Group as well as in relation to comparable companies, along with other external forecasts on the development of the airline industry (market studies) and macroeconomic forecasts. We also checked the reconciliation from the GOP to the tax planning by making inquiries of the responsible employees of Deutsche Lufthansa Aktiengesellschaft and its subsidiaries and of the executive directors as well as through recalculations, plausibility testing and analysis of the reconciliation items.

We assessed the positive and negative evidence of sufficient taxable profit likely being available in the future considered by the executive directors for the recognition of deferred tax assets and their individual significance for the overall assessment, discussed them with the responsible management level and examined their plausibility (transparency, consistency, lack of contradiction).

Our tax specialists were involved in all phases of the audit.

Our audit procedures did not lead to any reservations relating to the assessment of the recoverability of deferred tax assets.

Reference to related disclosures
With regard to the recognition of deferred tax assets and judgments made by the executive directors in financial reporting and sources of estimation uncertainty, we refer to the disclosures in the notes to the consolidated financial statements under "2. New IFRS Accounting Standards and summary of the material accounting policies" and "14. Income taxes".

Other information
The Supervisory Board is responsible for the report of the Supervisory Board in the "Report of the Supervisory Board" section. The executive directors and the Supervisory Board are responsible for the declaration pursuant to Sec. 161 AktG ["Aktiengesetz": German Stock Corporation Act] on the German Corporate Governance Code, which is part of the Group declaration on corporate governance. In all other respects, the executive directors are responsible for the other information. The other information comprises the aforementioned Group declaration on corporate governance, the aforementioned Group non-financial declaration, the aforementioned description of the entire internal control system (disclosures in accordance with recommendation A.5 DCGK 2022) and the aforementioned other information included in the Group management report. The other information also comprises parts to be included in the annual report, of which we received a version prior to issuing this auditor's report, in particular:

- The key performance indicators in the "Key figures" section
- "The Executive Board" section
- The letter from the Executive Board to the shareholders in the "Letter from the Executive Board" section of the annual report
- The explanations on the Deutsche Lufthansa Aktiengesellschaft share in the "Lufthansa share" section of the annual report
- The declaration by the executive directors in the "Declaration by the legal representatives" section of the annual report
- The remuneration report in the "Remuneration report" section of the annual report
- The ten-year overview in the "Ten-year overview" section of the annual report, but not the consolidated financial statements, not the management report disclosures whose content is audited and not our auditor's report thereon

Our opinions on the consolidated financial statements and on the Group management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the Group management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the executive directors and the Supervisory Board for the consolidated financial statements and the Group management report
The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with the IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the Group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a Group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the Group management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the Group management report.

Auditor's responsibilities for the audit of the consolidated financial statements and of the Group management report
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the Group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the Group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sec. 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) and supplementary compliance with the ISAs will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this Group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the Group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the Group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control and of such arrangements and measures.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the Group management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with the IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB.

- Plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group to express opinions on the consolidated financial statements and on the Group management report. We are responsible for the direction, supervision and review of the work performed for the group audit. We remain solely responsible for our audit opinions.

- Evaluate the consistency of the Group management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the Group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Report on the assurance on the electronic rendering of the consolidated financial statements and the Group management report prepared for publication purposes in accordance with Sec. 317 (3a) HGB

Opinion

We have performed assurance work in accordance with Sec. 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the Group management report (hereinafter the "ESEF documents") contained in the file "DLH-2024-12-31-de.zip" and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the Group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the Group management report contained in the file identified above and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinions on the accompanying consolidated financial statements and the accompanying Group management report for the fiscal year from 1 January to 31 December 2024 contained in the "Report on the audit of the consolidated financial statements and of the Group management report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

Basis for the opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the Group management report contained in the file identified above in accordance with Sec. 317 (3a) HGB and the IDW Assurance Standard: Assurance on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Sec. 317 (3a) HGB (IDW AsS 410) (06.2022) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group auditor's responsibilities for the assurance work on the ESEF documents" section. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

Responsibilities of the executive directors and the Supervisory Board for the ESEF documents
The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the Group management report in accordance with Sec. 328 (1) Sentence 4 No. 1 HGB and for the tagging of the consolidated financial statements in accordance with Sec. 328 (1) Sentence 4 No. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have determined necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group auditor's responsibilities for the assurance work on the ESEF documents
Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- Evaluate the technical validity of the ESEF documents, i.e., whether the file containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, on the technical specification for this file.

- Evaluate whether the ESEF documents enable an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited Group management report.

- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Arts. 4 and 6 of Commission Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further information pursuant to Art. 10 of the EU Audit Regulation
We were elected as group auditor by the Annual General Meeting on 7 May 2024. We were engaged by the Supervisory Board on 7 May 2024. We have been the group auditor of Deutsche Lufthansa Aktiengesellschaft without interruption since fiscal year 2020.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Art. 11 of the EU Audit Regulation (long-form audit report).

In addition to the financial statement audit, we have provided to Group entities the following services that are not disclosed in the consolidated financial statements or in the Group management report or have been engaged to provide them:

- Limited assurance engagement on the sustainability reporting in accordance with Art. 2 No. 22 of Directive 2006/43/EC in conjunction with Art. 2 No. 18 of Directive 2013/34/EU

- Various agreed-upon procedures and assurance services that result from contractual obligations (especially under leases, loan agreements and retirement benefit agreements)

- Advisory services related to the sale of a business division and the preparation of sustainability reporting

- Issue of comfort letters on the basis of IDW AuS 910

- Audit of the remuneration report pursuant to Sec. 162 (3) AktG

- Voluntary and statutory audits of financial statements as of 31 December 2024

- Specified procedures engagement at Albatros Service Center GmbH, Cologne, in accordance with Sec. 24 FinVermV ["Finanzanlagenvermittlungsverordnung": German Financial Investment Brokerage Ordinance]

Other matter – use of the auditor's report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited Group management report as well as the assured ESEF documents. The consolidated financial statements and the Group management report converted to the ESEF format – including the versions to be published in the Unternehmensregister [German Company Register] – are merely electronic renderings of the audited consolidated financial statements and the audited Group management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German Public Auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Jörg Bösser.

Eschborn/Frankfurt am Main, March 4, 2025

EY GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Jörg Bösser Wirtschaftsprüfer [German Public Auditor]	Dustin Jansen Wirtschaftsprüfer [German Public Auditor]

REMUNERATION REPORT

The remuneration report provides detailed, individualised information about the remuneration awarded and due to active and former members of the Executive Board and Supervisory Board of Deutsche Lufthansa AG in the 2024 financial year, as well as the target remuneration granted for the 2024 financial year. The report complies with the requirements of Section 162 AktG and the relevant financial reporting standards (HGB, IFRS). A summary of the remuneration system for the Executive Board in financial year 2024 can be found in Table **T208**. Further detailed information about the remuneration systems for members of the Executive Board and Supervisory Board of Deutsche Lufthansa AG is provided on the Company's website **https://investor-relations.lufthansagroup.com/de/corporate-governance/vorstand/vorstandsverguetungssystem.html**

Review of remuneration year 2024

An economically demanding year for the Lufthansa Group

The Lufthansa Group can look back on another very challenging financial year. The tail-end effects of the coronavirus crisis are still making themselves felt throughout the airline industry. These include delays in aircraft deliveries and the need for newly hired staff to build up experience. Whereas the MRO business segment reported record results thanks to growing global demand for maintenance and repair services, core airline business – and particularly Lufthansa Airlines – contended with delays in aircraft deliveries, strikes, higher fees and charges and increasing price pressure due to global capacity growth. The annual forecast had to be revised twice in light of this situation, first at the start of the second quarter due to the impacts of the strikes, and again at the start of the third quarter on account of the market-related decline in yields in all our traffic regions, especially in Asia.

Despite this, the Executive Board consistently advanced the Lufthansa Group's focus on its core airline business with significant M&A activities in the 2024 financial year. Particularly noteworthy in this respect were the approval by the European Commission of the investment in ITA Airways and the completion of the sale of payment provider Lufthansa AirPlus Servicekarten GmbH. The development of Lufthansa City Airlines, the consistent expansion of Discover Airlines and the successful turnaround of Brussels Airline and Eurowings are serving to make the Lufthansa Group more international, competitive and resilient. Furthermore, while operating stability was improved significantly, great challenges and bottlenecks remain throughout the industry.

Changes to the Executive Board

At its extraordinary meeting in February 2024, the Supervisory Board voted to carry out a wide-ranging reorganisation of the Executive Board. This consisted of reducing the Executive Board from six members to five and reorganising responsibilities.

As part of the reorganisation, Christina Foerster, Harry Hohmeister and Detlef Kayser stepped down from the Executive Board on 30 June 2024. At the same time, the Supervisory Board appointed Grazia Vittadini as Chief Technology Officer and Dieter Vranckx as Chief Commercial Officer, both with effect from 1 July 2024.

Remco Steenbergen resigned his Executive Board position as Chief Financial Officer with effect from the close of 7 May 2024, the date of the Annual General Meeting. At its extraordinary meeting, the Supervisory Board acknowledged the resignation of Remco Steenbergen from the Executive Board with effect from the close of 7 May 2024 and approved the conclusion of a severance agreement with effect from 30 June 2024. After the departure of Remco Steenbergen, Michael Niggemann headed the Finance function on an interim basis alongside his other responsibilities. The Executive Board therefore consisted of just four members from 1 July 2024 onwards.

Till Streichert was appointed as the new Chief Financial Officer with effect from 15 September 2024. In view of his long experience and outstanding reputation as a Chief Financial Officer, the Supervisory Board regarded Till Streichert as an outstanding member of the Executive Board when appointing him. The Executive Board has therefore had five members since 15 September 2024.

Vote on the remuneration report for the 2023 financial year at the Annual General Meeting 2024

The remuneration system for the Executive Board members was presented to the Annual General Meeting for approval on 9 May 2023 and approved by shareholders with a large majority of 89.47%. Despite generally positive feedback on its structure and transparency, the remuneration report for the 2023 financial year only received the support of 73.21% of the shareholders in attendance at the Annual General Meeting on 7 May 2024.

The Supervisory Board discussed the concerns and suggestions of investors in depth in financial year 2024. The following table shows how these considerations were taken into account in the preparation of this remuneration report, in the Supervisory Board's remuneration decisions in the 2024 financial year and for the ongoing development of the remuneration system:

T207 CONSIDERATION OF INVESTOR FEEDBACK IN 2024

Investor feedback	Lufthansa's response
Insufficient information about the peer group in the context of the Supervisory Board's appropriateness review	More detailed disclosures in this remuneration report on the peer group used to determine whether Executive Board remuneration meets market standards in the Supervisory Board's appropriateness review.
Criticism of the amount of contributions to the company pension	In the remuneration system adopted by the Supervisory Board with effect from the 2025 financial year, the level of contributions to the company pension was reduced for new and repeat appointments to around 30% of basic remuneration.
More ambitious target achievement curve for relative Total Shareholder Return (TSR) in the LTI	The asymmetric structure of the performance curve ensures a balanced profile of risks and opportunities. The sector index also means that a demanding peer group is used. A target achievement curve in which the target corresponds to median performance is still standard within the German peer group. The Supervisory Board will continue to review the structure of the performance curve regularly in the context of market practice and peer group performance.
Duration of the LTI of five rather than four years	The assessment of performance criteria over four years for the LTI meets market standards, and is consistent with Section 87 AktG and the recommendations of the German Corporate Governance Code. It is also in line with market practice in Germany.
Settlement of variable remuneration components in shares rather than cash	The Executive Board remuneration system also provides an option for settlement in company shares. The existing share ownership guidelines ensure that the Executive Board invests in Company shares, so its interests are aligned with those of shareholders.

Changes to the remuneration system for the Executive Board from the 2025 financial year onwards

At its meeting on 5 December 2024, the Supervisory Board adopted changes to the remuneration system approved by the Annual General Meeting on 9 May 2023, which take effect from 1 January 2025.

The revised remuneration system will be presented to the Annual General Meeting for approval on 6 May 2025. A summary of the key changes can be found in Chart ↗ C39 **Adjustments to the remuneration system 2025** in this report and online in the notice convening the Annual General Meeting 2025.

Remuneration of Executive Board members

The system for remunerating Executive Board members takes account of the Company's size, complexity and economic situation, as well as its prospects. It is also aligned with the Company strategy, thereby creating an incentive for successful and sustainable governance. At the same time, it takes into account the responsibilities and performance of the Executive Board as a whole and of its individual members, as well as the Company's current position. For this reason, the remuneration system is based on transparent, performance-related parameters relevant to Company performance and sustainability.

The Supervisory Board is responsible for the structure of the remuneration system for Executive Board members, and for defining the individual benefits. The Steering Committee assists the Supervisory Board, monitors the appropriateness of the remuneration system and prepares the Supervisory Board's resolutions. In the event of material changes to the remuneration system, and at least every four years, the remuneration system is presented for approval to the Annual General Meeting.

Overview of the remuneration system for the 2024 financial year

Executive Board remuneration in financial year 2024 is based on the remuneration system approved by the Annual General Meeting on 9 May 2023, which has been applied to all active Executive Board members since 2023; it was again applied to all Executive Board members in the 2024 financial year. The following table provides an overview of the components of the remuneration system for Executive Board members, the underlying targets and specific application in the 2024 financial year.

T208 EXECUTIVE BOARD REMUNERATION SYSTEM 2024

Component	Objective	Structure
Performance-unrelated remuneration		
Basic salary	Shall reflect the role and responsibilities in the Executive Board. Should ensure a reasonable basic income and prevent unreasonable risk-taking	— Annual basic salary — Paid in twelve monthly instalments — CEO: EUR 1,892,000 — Outstanding Executive Board member: EUR 1,118,000 — Ordinary Executive Board member: EUR 860,000
Ancillary benefits		— Company car with driver, industry-standard concessionary flights for private travel, insurance premiums
Retirement benefits	Shall ensure adequate retirement benefits	— Annual allocation of a fixed amount within the scope of a defined-contribution system — CEO: EUR 990,000 — Outstanding Executive Board member: EUR 585,000 — Ordinary Executive Board member: EUR 450,000
Performance-related remuneration		
One-year variable remuneration (STI)	Intended to support profitable growth while taking into consideration liquidity management as well as the collective responsibility of the Executive Board and the individual performance of its members	— Adjusted EBIT versus target (40%) — Adjusted Free Cashflow versus target (40%) — Overall and individual commercial and sustainability targets (20%) — Individual performance factor (bonus/malus, 0.8 – 1.2) — Cap: 200% of target amount — Settlement in cash or shares
Long-term variable remuneration (LTI)	Intended to promote a sustainable increase in enterprise value, while aligning the interests of the Executive Board members with those of shareholders	— Conditional award of virtual Lufthansa shares with four-year duration; — Final number of virtual shares depends on: — Adjusted ROCE during the performance period versus annual target (50%) — Relative TSR of the Lufthansa share versus sector index (NYSE Arca Global Airlines Index) (30%) — Strategic and sustainability targets (20%) — Value depends on the absolute performance of the Lufthansa share (including dividends) over the course of the programme — Cap: 200% of target amount — Settlement in cash or shares
End-of-service benefits		
Mutually agreed termination	Shall avoid unreasonably high severance payments	— Severance payment limited to remainder of service contract or two times annual remuneration (cap)
Post-contractual non-compete clause	Protects the Company's interests	— One-year non-compete clause after departure from the Executive Board, with compensation of 50% of basic salary payable — Waiver of non-compete clause by Company possible (with six-month notice period)
Change-of-control clause **Not used in the 2024 financial year.**	Shall ensure independence in takeover situations	— Severance payment corresponding to the remuneration due for the remainder of the service contract, up to 100% of the cap on severance pay
Other compensation rules		
Share Ownership Guidelines	Intended to strengthen the equity culture and align the interests of Executive Board members and shareholders	— Obligation to invest in Lufthansa shares within a period of four years — CEO: 200% of basic salary — Ordinary Executive Board member: 100% of basic salary — Holding obligation for the duration of work on the Executive Board: graduated annual reduction of 25% of shareholding after departure from the Executive Board
Compliance and performance clawback **Not used in the 2024 financial year.**	Shall ensure sustainable Company development	— Supervisory Board has the right to withhold STI and LTI or recover remuneration already paid
Maximum remuneration in accordance with Section 87a Paragraph 1 Sentence 2 No. 1 AktG	Shall prevent uncontrolled high payments	— Reduction in variable remuneration where the maximum for a financial year is exceeded: — CEO: EUR 11.0m — Outstanding Executive Board member: EUR 6.5m — Ordinary Executive Board member: EUR 5.0m

Review of the appropriateness of Executive Board remuneration

In the 2024 financial year, the Supervisory Board once again considered in detail the appropriateness of the Executive Board's remuneration and reviewed its amount and structure. It reached the conclusion that the remuneration is appropriate.

When reviewing the appropriateness of Executive Board remuneration, the Supervisory Board considers whether it is standard for the market by examining the amount and structure of Executive Board remuneration at comparable companies (horizontal comparison). The comparable market consists of all the companies listed on the DAX40 and MDAX, since they are of a similar size as of the assessment date. This means that the largest listed companies in Germany are included, and reflects the fact that Deutsche Lufthansa AG is listed in the MDAX.

To factor in the relative size of Deutsche Lufthansa AG in this peer group, the companies are classified by size using the equally weighted criteria of revenue, headcount and market capitalisation. To determine whether it is appropriate and standard for the market, the target and maximum remuneration are assessed on the basis of Deutsche Lufthansa AG's size in this comparable market.

In addition, the Supervisory Board carries out a vertical comparison, assessing the ratio of Executive Board remuneration against the remuneration of senior executives and the workforce as a whole and including the development of this ratio over time (see T221). The workforce as a whole is made up of the upper management tier as well as non-pay scale and pay scale workers in the German Group companies in the Lufthansa collective bargaining group.

Target remuneration

The following table shows the remuneration granted to members of the Executive Board for the 2024 and 2023 financial years, and includes a breakdown for the Chairman of the Executive Board, the Executive Board member for the finance function (determined by the Supervisory Board to be of particular importance) and the other members of the Executive Board who have worked on the Executive Board for the full year. There were no changes to remuneration in the 2024 financial year.

T209 TARGET REMUNERATION AND RELATIVE PROPORTION IN 2024 AND 2023

	CEO				Outstanding Executive Board member responsible for Finance				Ordinary Executive Board members			
	2024 in € thousands	**2024** Proportion	2023 in € thousands	2023 Proportion	**2024** in € thousands	**2024** Proportion	2023 in € thousands	2023 Proportion	**2024** in € thousands	**2024** Proportion	2023 in € thousands	2023 Proportion
Fixed remuneration												
Basic salary	1,892	33.6%	1,892	33.6%	1,118	33.6%	1,118	33.6%	860	33.6%	860	33.6%
Variable remuneration												
One-year variable remuneration 2024 (2023)	1,320	23.4%	1,320	23.4%	780	23.4%	780	23.4%	600	23.4%	600	23.4%
Long-term variable remuneration 2024 (2023)	2,420	43.0%	2,420	43.0%	1,430	43.0%	1,430	43.0%	1,100	43.0%	1,100	43.0%
Target direct remuneration	**5,632**	**100%**	**5,632**	**100%**	**3,328**	**100%**	**3,328**	**100%**	**2,560**	**100%**	**2,560**	**100%**

Maximum remuneration

In addition to the caps on one-year and long-term variable remuneration, the Supervisory Board has capped the total amount of remuneration received by each Executive Board member in a given financial year in accordance with Section 87a Paragraph 1 Sentence 2 No. 1 AktG. Since 2023, this maximum remuneration has been EUR 11m for the Chairman of the Executive Board, EUR 6.5m for the Executive Board member for the finance function and EUR 5m for the other ordinary Executive Board members. It relates to actual expenses or the actual payment of remuneration agreed for the financial year (including retirement benefit commitments). If remuneration for a financial year exceeds this cap, the variable remuneration is reduced accordingly.

Compliance with the maximum remuneration limit for the 2024 financial year

Since the amount paid out for the long-term variable remuneration in 2024 will only be known on 31 December 2027 due to the four-year performance period, definitive information on compliance with the remuneration cap in relation to remuneration granted in the 2024 financial year will only be provided in the remuneration report for the 2027 financial year.

Compliance with the maximum remuneration for the 2021 financial year

For the 2021 financial year, the Supervisory Board specified a maximum amount for the overall remuneration granted to the Executive Board members for the 2021 financial year. Following the end of the performance period for long-term variable remuneration 2021 (LTI 2021) on 31 December 2024, it is clear that none of the Executive Board members active in the 2021 financial year exceeded this maximum amount. The following table provides a detailed overview of the amounts of remuneration granted for the individual Executive Board members for the 2021 financial year, including the respective maximum amounts.

T210 MAXIMUM REMUNERATION FOR 2021 FINANCIAL YEAR

	Carsten Spohr, Chairman of the Executive Board, Chairman since 1.5.2014; Executive Board member since 1.1.2011		Christina Foerster Executive Board member from 1.1.2020 to 30.06.2024		Harry Hohmeister Executive Board member from 1.1.2013 to 30.06.2024		Detlef Kayser Executive Board member from 1.1.2019 to 30.06.2024		Michael Niggemann Executive Board member since 1.1.2020		Remco Steenbergen Executive Board member from 1.1.2020 to 7.5.2024[2]	
in € thousands	2021	2021 (max.)	2021	2021 (max.)	2021	2021 (max.)	2021	2021 (max.)	2021	2021 (max.)	2021	2021 (max.)
Fixed remuneration												
Basic salary	1,634	1,634	860	860	860	860	860	860	860	860	860	860
Ancillary benefits	42	42	44	44	41	41	33	33	42	42	63	63
Total	**1,676**	**1,676**	**904**	**904**	**901**	**901**	**893**	**893**	**902**	**902**	**923**	**923**
Variable remuneration												
One-year variable remuneration 2021[1]	–	–	–	–	–	–	–	–	–	–	–	–
Long-term variable remuneration (LTI 2021)	3,140	4,180	1,652	2,200	1,652	2,200	1,652	2,200	1,652	2,200	–	–
Total	**3,140**	**4,180**	**1,652**	**2,200**	**1,652**	**2,200**	**1,652**	**2,200**	**1,652**	**2,200**	**0**	**0**
Service cost	871	871	461	461	453	453	457	457	467	467	450	450
Total remuneration	**5,687**	**6,727**	**3,017**	**3,565**	**3,006**	**3,554**	**3,002**	**3,550**	**3,021**	**3,569**	**1,373**	**1,373**
Maximum remuneration in accordance with Section 87a Paragraph 1 Sentence 2 No. 1 AktG		**9,500**		**5,000**		**5,000**		**5,000**		**5,000**		**5,000**

[1] The Supervisory Board did not award any one-year variable remuneration to Executive Board members for financial year 2021 due to the ongoing coronavirus pandemic.

[2] Remco Steenbergen was not entitled to long-term variable remuneration for financial year 2021 under the terms of his severance agreement.

Variable remuneration in the 2024 financial year

The performance criteria for one-year and long-term variable remuneration are based on the Company's strategic goals and operational management. They aim to boost profitability while setting incentives for growth, thereby taking the importance of liquidity management (including investing activities) and the optimal use of capital into account. For this reason, Adjusted EBIT, Adjusted Free Cash Flow and Adjusted ROCE are the relevant performance indicators for the Lufthansa Group and the main performance criteria for variable remuneration. Taking the interests of shareholders and other stakeholders into account, this is intended to ensure the sustainability of the business and reflect the Lufthansa Group's social and ecological responsibilities.

On the basis of the remuneration system, the Supervisory Board determined the targets and the minimum and maximum amounts for the financial performance indicators and for the focus topics selected as part of the sustainability targets for variable remuneration for the 2024 financial year. The Supervisory Board ensured that the targets were demanding and ambitious.

For both the one-year and long-term variable remuneration, the possible range of performance against both individual financial targets as well as sustainability targets is between 0% and 200%.

One-year variable remuneration (STI 2024)

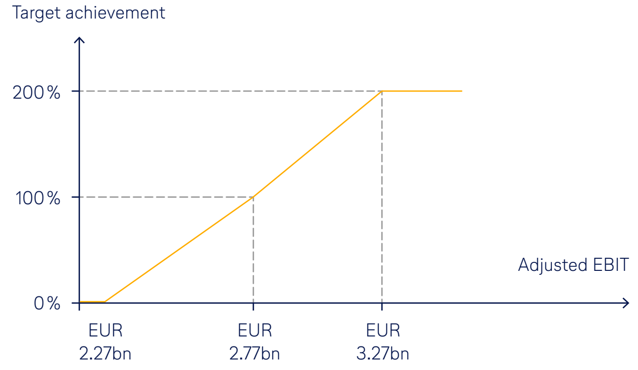
80% of the one-year variable remuneration for the 2024 financial year is based on financial targets, with 20% based on overall and individual business and sustainability targets.

In the interests of value-based management, the Group's key performance indicators are based on the Group's key performance indicators; Adjusted EBIT and Adjusted Free Cash Flow each account for 40% of the target achievement. For the 2024 financial year, as in prior years, the Supervisory Board defined "Customers" and "Employees" as focus topics for the business and sustainability targets in the one-year variable remuneration, and thus took the interests of key stakeholders into consideration.

Financial targets are set by the Supervisory Board on the basis of the budget and the Group's mid-term financial planning for the upcoming financial year. The target for Adjusted EBIT in the 2024 financial year was EUR 2.77bn. For the performance criterion of Adjusted Free Cash Flow, the target was EUR 1.5bn. Interim figures are interpolated on a straight-line basis. The targets and performance against the financial targets in financial year 2024 are shown in the diagrams.

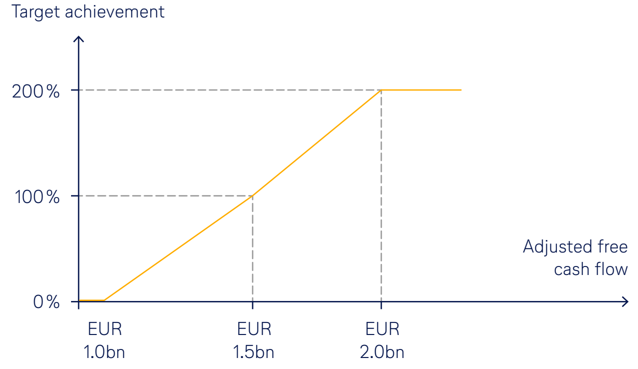
Overall, the level of target achievement for the financial targets for the one-year variable remuneration for the 2024 financial year is therefore 0%.

C29 STI 2024: TARGET AND TARGET ACHIEVEMENT ADJUSTED EBIT



Adjusted EBIT 2024: EUR 1,645bn | Target achievement: 0%

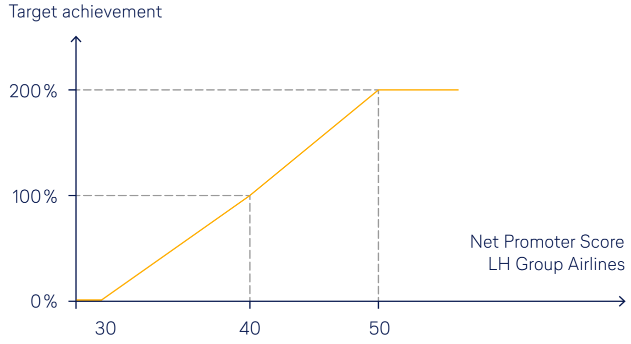
C30 STI 2024: TARGET AND TARGET ACHIEVEMENT ADJUSTED FREE CASH FLOW



Adjusted free cash flow 2024: EUR 0,84bn | Target achievement: 0%

For the “Customers” sustainability parameter, the Net Promoter Score[1] (↗ **Combined non-financial declaration**), i.e. the proportion of customers recommending the Company, is applied to all LH Group airlines (Lufthansa Airlines, SWISS, Austrian Airlines, Brussels Airlines and Eurowings). Interim figures are interpolated on a straight-line basis.

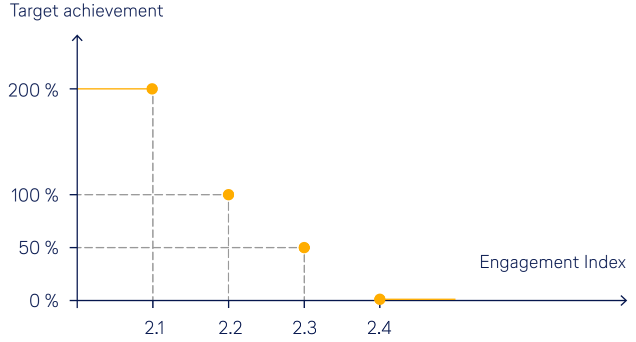
C31 **STI 2024: SUSTAINABILITY TARGET “CUSTOMER”**



Net Promoter Score: 31 | Target achievement: 10%

The Engagement Index is used for the parameter “Employees” (↗ **Combined non-financial declaration**). It measures the extent to which employees identify with the Company, as well as their commitment and willingness to recommend the Company to others. Each index score corresponds to a performance level. The 100% target is based on the average external benchmark.

C32 **STI 2024: SUSTAINABILITY TARGET “EMPLOYEES”**



Engagement Index: 2.2 | Target achievement: 100%

The “Customers” and “Employees” targets each account for 10% of the 2024 STI.

Overall, the level of target achievement for the 2024 STI based on the weighted target achievement of the financial and sustainability targets is thus 11%.

In addition, the Supervisory Board can apply an individual performance factor (bonus/malus factor) of 0.8 to 1.2 when assessing the performance of each individual Executive Board member for the STI. This is based on the individual performance targets set annually by the Supervisory Board and the individual Executive Board members. In addition to the targets for individual Executive Board members, these comprise overarching targets for the entire Executive Board in order to reflect the collective responsibility of its members as a decision-making body.

The Steering Committee and Supervisory Board assessed performance against individual targets at the end of the 2024 financial year. The following table provides an overview of the predefined individual and collective targets for the 2024 financial year and their assessment for the definition of the individual performance factor for the 2024 STI.

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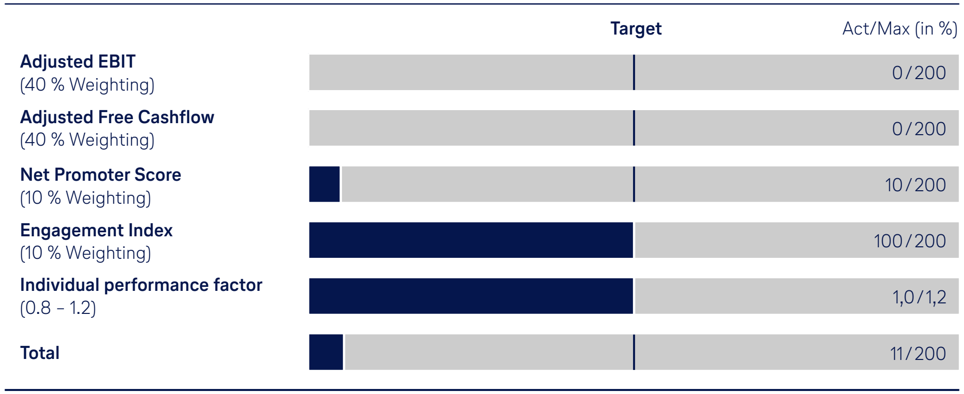
[1] The Net Promoter Score is a registered trademark of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc.

T211 2024 STI: INDIVIDUAL PERFORMANCE FACTOR

2024 targets: implementation of the LH Group strategy, particularly	Assessment of implementation in 2024
Strengthening multi-brand, multi-hub & AOC: particularly the acquisition of a minority interest in ITA Airways; operating launch for Lufthansa City Airlines; vision for the LH Group brand portfolio	Takeover of ITA nearly complete in 2024; successful operating start for Lufthansa City Airlines; successful expansion of Discover Airlines; LH Group brand clearly defined
Customer experience: stabilisation in punctuality and regularity especially by summer 2024; introduction of new Allegris cabin product	Flight operations in 2024 not yet sufficiently stabilised compared with 2023. Allegris introduction started and in flight operations
Human Resources: Cultural Journey established	Group-wide cultural programme rolled out to the major business units
Digitalisation: ongoing development of digital services, including integration of the Miles & More frequent flyer programme; customer services harmonised across all digital channels	Lufthansa Group wins prize for Best Airline App 2024; Miles & More integrated into airline apps; digital check-in harmonised for hub airlines
ESG/Fleet: steps taken to achieve emission targets in line with the carbon reduction pathway; fleet modernisation continues	Introduction of new low-emission aircraft delayed; good results in ESG rankings that set LH Group apart positively from the competition
Profitability: higher profitability at Lufthansa Group Airlines; implementation of LHT growth programme Ambition 2030; completion of AirPlus disposal	Group profitability is good, but not at Lufthansa Airlines; LTH earnings for 2024 at previous year's record level; sale of AirPlus completed
Organisation: clearer definition of responsibilities within the matrix organisation and in respect of Lufthansa Group airlines in connection with an improved culture of communication and cooperation; revision of governance structures to ensure a standardised understanding of leadership and decision-making	Reorganisation in line with the new division of responsibilities; Engagement Index back at record pre-crisis level; programme launch for Target Operating Model 2026

Including the collective performance and individual contributions of the Executive Board members, the Supervisory Board defined an individual performance factor of 1.0 for all Executive Board members for the 2024 financial year. For each Executive Board member, the performance factor was then multiplied by the overall target achievement in relation to financial, business and sustainability targets.

C33 TARGET ACHIEVEMENT STI 2024



The following table shows the overall level of target achievement and the resulting amount paid for the 2024 STI for each individual member of the Executive Board.

T212 OVERALL LEVEL OF TARGET ACHIEVEMENT AND AMOUNTS PAID FOR THE 2024 STI

Executive Board	Target amount in € thousands	Overall target achievement in %	Individual performance factor	Payment amount in € thousands
Carsten Spohr	1,320	11.00	1.00	145
Christina Foerster (until 30 June 2024)	300	11.00	1.00	33
Harry Hohmeister (until 30 June 2024)	300	11.00	1.00	33
Detlef Kayser (until 30 June 2024)	300	11.00	1.00	33
Michael Niggemann	600	11.00	1.00	66
Remco Steenbergen (until 7 May 2024)[1]	–	–	–	–
Till Streichert (since 15 September 2024)	230	11.00	1.00	25
Grazia Vittadini (since 1 July 2024)	300	11.00	1.00	33
Dieter Vranckx (since 1 July 2024)	300	11.00	1.00	33

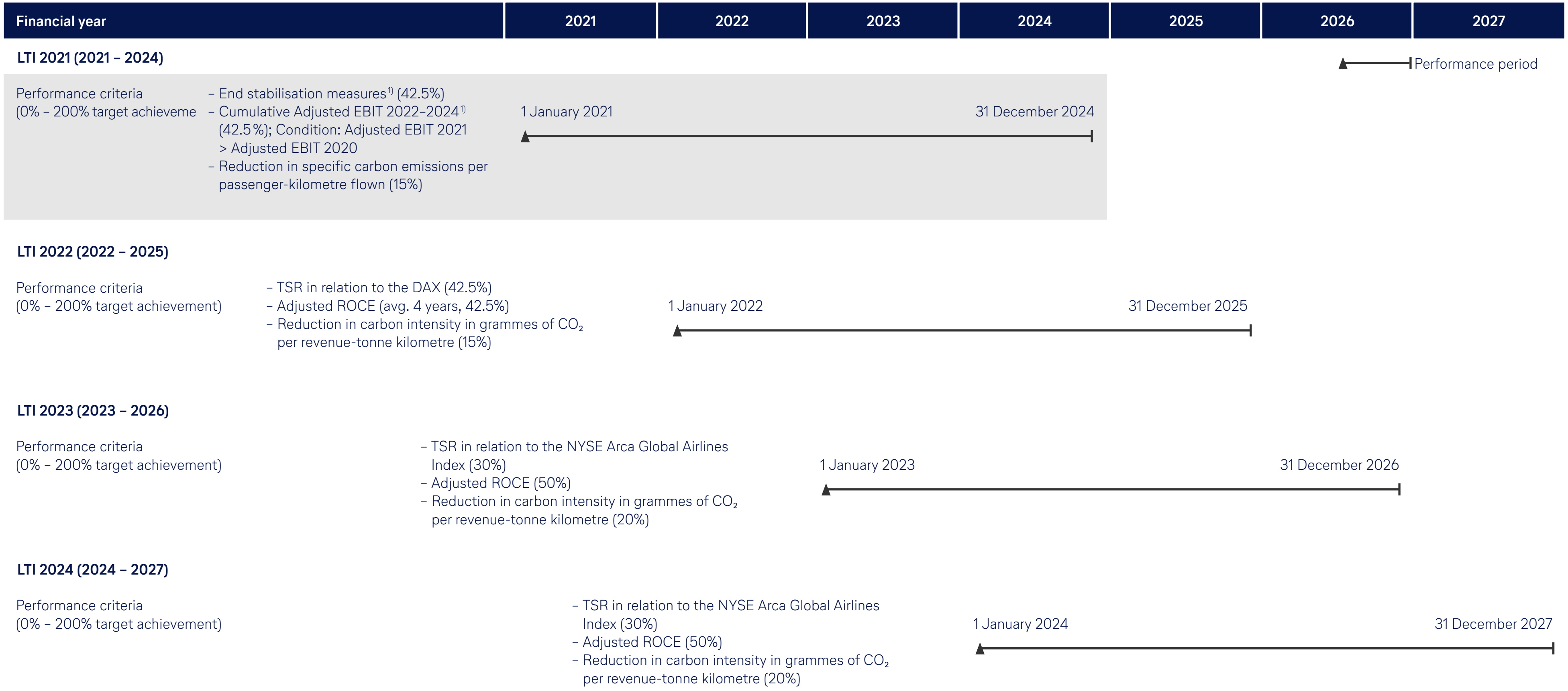
[1] Under the severance agreement, Remco Steenbergen is not entitled to the 2024 STI.

Long-term variable remuneration (LTI)

To promote the long-term, sustainable development of the Company, long-term variable remuneration (the greater part of variable remuneration) depends on the achievement of long-term targets. Taking absolute and relative share performance into account closely aligns the interests of Executive Board members with those of shareholders.

Current long-term variable remuneration includes ongoing programmes from several financial years, which are partly based on remuneration systems in effect before 1 January 2024. In particular, this includes long-term variable remuneration granted in the 2021 financial year (LTI 2021), for which the four-year programme ended on 31 December 2024. The following tables provide an overview of current LTI programmes for the members of the Executive Board, including the performance criteria set by the Supervisory Board.

C34 **CURRENT LTI PROGRAMMES AS OF 31 DECEMBER 2024**



Financial year	2021	2022	2023	2024	2025	2026	2027

Performance period

LTI 2021 (2021 – 2024)

Performance criteria
(0% – 200% target achieveme

- End stabilisation measures[1] (42.5%)
- Cumulative Adjusted EBIT 2022–2024[1] (42.5 %); Condition: Adjusted EBIT 2021 > Adjusted EBIT 2020
- Reduction in specific carbon emissions per passenger-kilometre flown (15%)

1 January 2021 – 31 December 2024

LTI 2022 (2022 – 2025)

Performance criteria
(0% – 200% target achievement)

- TSR in relation to the DAX (42.5%)
- Adjusted ROCE (avg. 4 years, 42.5%)
- Reduction in carbon intensity in grammes of CO_2 per revenue-tonne kilometre (15%)

1 January 2022 – 31 December 2025

LTI 2023 (2023 – 2026)

Performance criteria
(0% – 200% target achievement)

- TSR in relation to the NYSE Arca Global Airlines Index (30%)
- Adjusted ROCE (50%)
- Reduction in carbon intensity in grammes of CO_2 per revenue-tonne kilometre (20%)

1 January 2023 – 31 December 2026

LTI 2024 (2024 – 2027)

Performance criteria
(0% – 200% target achievement)

- TSR in relation to the NYSE Arca Global Airlines Index (30%)
- Adjusted ROCE (50%)
- Reduction in carbon intensity in grammes of CO_2 per revenue-tonne kilometre (20%)

1 January 2024 – 31 December 2027

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[1] Performance criteria differing from those in the remuneration system as approved by the Annual General Meeting 2020. Please see also the explanation provided in the 2022 remuneration report, p. 281f.

Long-term variable remuneration commitment 2024 (LTI 2024)

Since financial year 2020, the long-term variable remuneration commitment for Executive Board members has been share-based. At the beginning of the performance period, the Executive Board members receive a number of virtual shares corresponding to the value of each contractually granted target amount. The number of virtual shares is determined with reference to the average price of the Lufthansa share in the first 60 trading days after the four-year performance period begins. The average price for the LTI 2024 is EUR 7.36. The following table shows the number of virtual shares allotted on a contingent basis to the individual Executive Board members as LTI 2024 in the reporting year.

T213 CONDITIONALLY ALLOTTED SHARES FOR 2024 LTI – ALLOCATION PRICE: EUR 7.36

Executive Board	Target amount in € thousands	Number of conditionally committed shares
Carsten Spohr	2,420	328,804
Christina Foerster (until 30 June 2024)	550	74,728
Harry Hohmeister (until 30 June 2024)	550	74,728
Detlef Kayser (until 30 June 2024)	550	74,728
Michael Niggemann	1,100	149,457
Remco Steenbergen (until 7 May 2024)[1]	–	–
Till Streichert (since 15 September 2024)	421	57,209
Grazia Vittadini (since 1 July 2024)	550	74,728
Dieter Vranckx (since 1 July 2024)	550	74,728

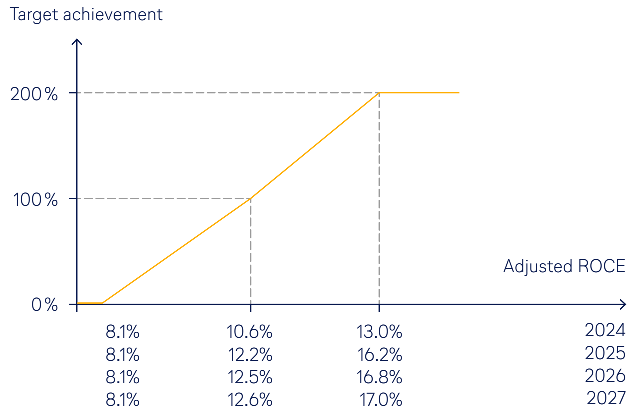
[1] Under the severance agreement, Remco Steenbergen is not entitled to the LTI 2024.

The final number of virtual shares at the end of the four-year performance period depends on the achievement of the financial performance targets Adjusted ROCE (50%) and relative total shareholder return (30%), as well as the strategic and sustainability targets (20%). The Supervisory Board has specified the “Environment” parameter as focus topic for the strategic and sustainability targets in the LTI 2024. This provides a long-term incentive for the environmental policy goal of reducing carbon emissions.

Performance against the target of Adjusted ROCE is measured by comparing the average Adjusted ROCE over the four-year performance period with a target set by the Supervisory Board at the beginning of the performance period for each year of the programme. The Supervisory Board aligns this target with the Group’s four-year operational plans, with the lower limit set to cover the weighted average cost of capital (WACC). This is in line with the strategic objective of earning a return on capital employed that exceeds the long-term cost of capital.

The Supervisory Board determines the target performance for each year based on the actual figures and the defined performance curve. Interim figures are interpolated on a straight-line basis. Overall target achievement is measured at the end of the four-year performance period as the average of the target achievements for the individual years. The following chart shows the targets for the LTI 2024.

C35 LTI 2024: TARGET ADJUSTED ROCE



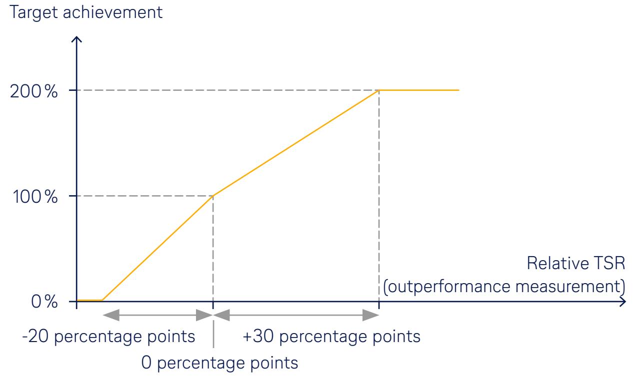
The actual average Adjusted ROCE reached in the financial years making up the four-year performance period and the resulting levels of target achievement are published in the remuneration report for the financial year at the end of the respective performance period.

TSR performance for the LTI 2024 is calculated at the end of the four-year performance period by comparing the share return for Deutsche Lufthansa AG with the share return for the NYSE Arca Global Airlines Index. To calculate the TSR performance, the average price for the Deutsche Lufthansa AG share for the last 60 exchange trading days before the start of the performance period is compared with the average share price for the last 60 exchange trading days before the end of the performance period. Fictitiously reinvested dividends are taken into consideration. TSR performance is measured in the same way for the NYSE Arca Global Airlines Index. The relative TSR is then measured as the difference between the TSR performance of Deutsche Lufthansa AG and the TSR performance of the NYSE Arca Global Airlines Index in percentage points (outperformance).

On this basis, the target achievement is calculated at the end of the four-year performance period using the defined performance curve. The design of the performance curve includes the standard market elements of share-based remuneration components on the European market. Target achievement is 100% if the TSR of Deutsche Lufthansa AG corresponds to the TSR for the peer group index. If the relative TSR is 20 percentage points or less, the target achievement is zero. If the relative TSR is 30 percentage points or more, the target achievement is 200%. Interim figures are interpolated on a straight-line basis.

C36 LTI 2024: TARGET RELATIVE TOTAL SHAREHOLDER RETURN

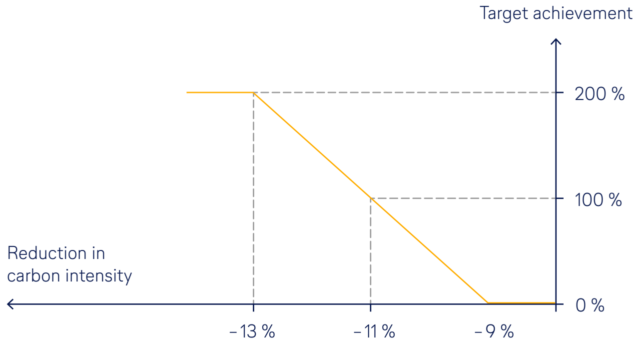
Total shareholder return for the Lufthansa share compared with the NYSE Arca Global Airlines Index



The “Environment” sustainability target is based on the Lufthansa Group’s long-term strategy. Since 2022, the Lufthansa Group’s carbon reduction targets have been based on the industry-wide and internationally acknowledged Science Based Targets initiative (SBTi), which are in line with the targets set by the Paris Climate Agreement. The Lufthansa Group thus undertakes to achieve a scientifically based intensity target relating to its specific carbon emissions, measured in terms of grammes per revenue tonne-kilometre. The reduction target for the 2024 LTI is based on the long-term target of a 30.6% reduction in specific carbon emissions by 2030 compared with the 2019 base year (↗ **Combined non-financial declaration**). The target for the LTI 2024 is an 11 percentage point reduction in carbon intensity by the end of the performance period on 31 December 2027. The end points of the range are defined by a deviation of +/–2 percentage points from the target. Interim figures are interpolated on a straight-line basis.

C37 LTI 2024: SUSTAINABILITY TARGET “ENVIRONMENT”

Reduction in CO_2 intensity compared with the base year 2019



To calculate performance, the level of target achievement in terms of the reduction of specific carbon emissions is determined at the end of the four-year performance period. This is then counted towards the overall level of target achievement for the LTI 2024 at the end of the performance period with a weighting of 20%.

To obtain the final number of virtual shares, the number of virtual shares granted conditionally is multiplied by the total target achievement, which comprises the weighted financial and sustainability performance targets, at the end of the performance period. To calculate the payment amount, the final number of virtual shares is multiplied by the average Lufthansa share price over the last 60 trading days of the performance period, plus dividends paid during the performance period for the final number of shares. Payment is generally in cash.

Long-term variable remuneration 2021 (LTI 2021)

The long-term variable remuneration commitment for the financial year 2021 (LTI 2021) is also share-based. At the beginning of the performance period, Executive Board members received a number of virtual shares corresponding to the contractually agreed target amount. As with the LTI 2024, the number of virtual shares is determined with reference to the average price of the Lufthansa share in the first 60 trading days after the four-year performance period begins. The average price for the LTI 2021 is EUR 7.93 after adjustment for the effects of the capital increase in financial year 2021.

The final number of virtual shares in the LTI 2021 depends on the achievement of the financial performance targets set by the Supervisory Board for the LTI 2021 (85%), as well as the strategic and sustainability targets (15%).

Against the backdrop of the changing demands imposed by the coronavirus pandemic, the Supervisory Board temporarily chose different performance criteria for the LTI 2021 from those in the remuneration system that applied at the time. The aim was to set the focus squarely on long-term crisis management, company restructuring, repayment of the stabilisation measures and a return to profitability. Accordingly, the Supervisory Board stated its intention to deviate from the remuneration system in financial year 2022 and defined the performance criteria for the LTI 2021 as the repayment of the stabilisation measures and a return to profitability, as measured by cumulative Adjusted EBIT for the period from 2022 to 2024 (instead of relative TSR versus the DAX and Adjusted ROCE over four years). These deviations were consistent with the changes in focus as a result of the coronavirus crisis in terms of the corporate and financial strategy and were thus in the interests of the Company's long-term prosperity. The two financial performance criteria set by the Supervisory Board each have a weighting of 42.5% in the assessment of target achievement for the LTI 2021.

The Supervisory Board defined the "Environment" parameter as a focus topic for the sustainability target for the LTI 2021. This was because sustainability remained a key objective of the long-term corporate strategy, notwithstanding the coronavirus crisis. For the environmental objective, the IATA targets for fuel efficiency were applied, i.e. the average kerosene consumption to carry a passenger 100 kilometres, which provide for an improvement of 1.5% p.a. in specific fuel consumption and thus an improvement in specific carbon emissions.

The Supervisory Board defined the 100% target as a 7.5% improvement in specific fuel consumption by the end of the four-year performance period, compared with the base year 2019. The end points of the range are defined by a deviation of +/– 5 percentage points from the target. Interim figures are interpolated on a straight-line basis.

The measurement of environmental target achievement is based on a comparison of the improvement in specific fuel consumption between 2019 and the end of the programme on 31 December 2024, with the strategic target defined by the Supervisory Board before the commitment.

The Lufthansa Group reduced its specific fuel consumption by 5.1% compared with 2019. The overall level of target achievement for the "Environment" parameter is therefore 52%.

The following table shows the target, lower and upper limits for the financial performance criteria and the sustainability target "Environment" set by the Supervisory Board for the LTI 2021, along with the target achievement for each.

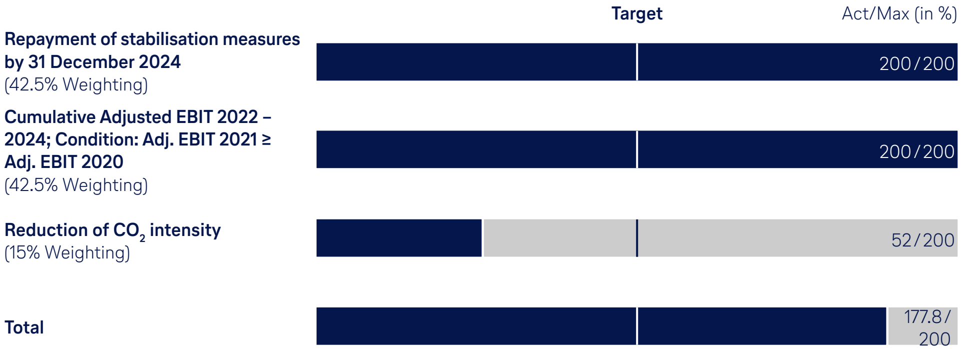
T214 2021 LTI: FINANCIAL TARGETS – TARGET AND TARGET ACHIEVEMENT

	Objective			Target achievement	
	0%	100%	200%		in %
Repayment of the stabilisation measures by 31 December 2024	Repayment of 25% of the silent participations	Repayment of 75% of the silent participations	Repayment of 100% of the silent participations and full repayment of the equity investment	Stabilisation measures fully concluded in September 2022	200
Cumulative Adjusted EBIT 2022–2024 (condition: Adj. EBIT 2021 ≥ Adj. EBIT 2020)	EUR 1bn	EUR 2bn	EUR 4bn	EUR 5.84bn (condition satisfied)	200
Reduction in carbon emissions compared with 2019	–2.5%	–7.5%	–12.5%	–5.1%	52

Overall, the level of target achievement for the long-term variable remuneration for the 2021 financial year is thus 177.8%.

To calculate the payment amount from the LTI 2021 at the end of the performance period, the number of virtual shares granted conditionally is first multiplied by the total target achievement, which is made up of the weighted financial and sustainability performance targets, in order to obtain the final number of virtual shares. The final number of virtual shares is then mul-

C38 TARGET ACHIEVEMENT LTI 2021



tiplied by the average Lufthansa share price over the last 60 trading days of the performance period, plus the dividends paid over the course of the programme. The average share price at the end of the programme is EUR 6.40 for the LTI 2021. Adding the dividend of EUR 0.30 per share paid to shareholders for the financial year 2023 means the payment amount for the LTI 2021 is obtained by multiplying the final number of virtual shares by EUR 6.70. No dividend payment requiring inclusion here was made in the financial years 2021 and 2022. The following table shows the calculation of the individual payments for eligible Executive Board members.

T215 PAYMENT AMOUNTS UNDER LTI 2021 – OVERALL LEVEL OF TARGET ACHIEVEMENT 177.8%

Executive Board	Target amount in € thousands	Number of conditionally committed shares (start price: € 7.93[1])	Final number of virtual shares	Payment amount in € thousands (final price: €6.40, plus €0.30 dividend)
Carsten Spohr	2,090	263,556	468,603	3,140
Christina Foerster (until 30 June 2024)	1,100	138,714	246,633	1,652
Harry Hohmeister (until 30 June 2024)	1,100	138,714	246,633	1,652
Detlef Kayser (until 30 June 2024)	1,100	138,714	246,633	1,652
Michael Niggemann	1,100	138,714	246,633	1,652
Remco Steenbergen (until 7 May 2024)[2]	1,100	138,714	–	–

[1] After adjustment for the effects of the capital increase in the 2021 financial year.

[2] Under the severance agreement, Remco Steenbergen is not entitled to the LTI 2024.

Malus and clawback rule

In the event of an intentional or grossly negligent breach of statutory obligations or internal policies (compliance penalty or clawback), or if variable remuneration components dependent on achieving certain targets are paid on the basis of false data (performance clawback), the Supervisory Board has the right to withhold or demand repayment of the one-year and long-term variable remuneration. Enforcement of the withholding or repayment claim is at the professional discretion of the Supervisory Board.

The Supervisory Board did exercise the right to withhold or demand repayment of variable remuneration components in financial year 2024.

Share Ownership Guidelines

The Share Ownership Guidelines (SOG) have been an integral part of the remuneration system for the Executive Board since 2019. They oblige the CEO to acquire Lufthansa shares worth twice his basic salary and ordinary Executive Board members to acquire shares worth one year's gross basic salary and to hold them for their term of office and beyond. Executive Board members must demonstrate annually that they meet this obligation.

For the Executive Board members active before 1 January 2023, i.e. Carsten Spohr and Michael Niggemann, the minimum number of Lufthansa shares to be purchased was determined at the beginning of the term of office based on the average share price over the 125 trading days before the service contract begins. Till Streichert, Grazia Vittadini and Dieter Vranckx, the new Executive Board members appointed in the 2024 financial year, are obliged to purchase a number of Lufthansa Shares corresponding to the values of their respective annual salaries.

To build up a share portfolio, shares are to be acquired by all Executive Board members over a four-year period. Shareholdings acquired beforehand can be included in the calculation. To determine whether the SOG are met, these shares are included at the average price of the Lufthansa share in the 60 trading days prior to the start of Executive Board mandates.

T216 SHAREHOLDINGS OF EXECUTIVE BOARD MEMBERS ACTIVE IN FINANCIAL YEAR 2024

	Lufthansa shares which must be held according to SOG	Shareholdings as of 31.12.2024
Carsten Spohr	180,596 shares	340,450 shares
Michael Niggemann	56,126 shares	100,000 shares
Till Streichert (since 15.9.2024)	€1,118,000	€1,159,488
Grazia Vittadini (since 1.7.2024)	€860,000	–
Dieter Vranckx (since 1.7.2024)	€860,000	€259,466

The shares acquired in accordance with the SOG are to be held until the end of the service contract with the Executive Board member. After stepping down, Executive Board members may sell 25% of their SOG shares per year.

Retirement benefits

The members of the Executive Board receive retirement benefit commitments based on a defined contribution plan. For the duration of their employment, every Executive Board member receives a fixed annual amount credited to their personal pension account. For the 2024 financial year, this amounts to EUR 990k for Carsten Spohr, the Chief Executive Officer, EUR 585k for Remco Steenbergen or Till Streichert, as applicable, nominated by the Supervisory Board as an outstanding Executive Board member – pro rata for their period of office on the Executive Board – and to EUR 450k for the other ordinary Executive Board members.

The investment guidelines are based on the investment model for the Lufthansa Pension Trust, which also applies to staff members of Deutsche Lufthansa AG.

Retirement benefits are paid when the beneficiary reaches the retirement age of 60 years (if they are no longer an Executive Board member) or in the event of disability or death. Where an employment relationship ends before retirement age is reached, the beneficiaries or their surviving dependants acquire a retirement benefit credit as defined in the investment concept. Deutsche Lufthansa AG guarantees the amounts paid into the retirement benefit account.

A supplementary risk capital sum will be added to the pension credit in the event of a claim for a disability pension or a pension for surviving dependants. This sum consists of the average contributions paid into the pension account over the past three years multiplied by the number of full years by which the claimant is short of the age of 60 from the time pension entitlement arises.

The pension credit is paid out in ten instalments. On application by the Executive Board member or their surviving dependants, a payment as a lump sum or in fewer than ten instalments may also be made, subject to approval by the Company. The pension credits received until 31 December 2018 by Carsten Spohr and Harry Hohmeister may also be paid as an annuity, on application and with the approval of the Company.

Under his contract as a pilot, which is currently not active, Carsten Spohr is entitled to a transitional pension in accordance with the wage agreement on “Transitional pensions for cockpit staff”. In the event that Carsten Spohr steps down from the Executive Board before reaching the age of 60 and resumes his employment as a pilot, he is entitled to draw a “Transitional pension for cockpit staff at Lufthansa” once he turns 60 or on request once he turns 55, in accordance with the provisions of the wage agreement. This additional benefit is paid if certain conditions of eligibility are met and provides for a monthly pension of up to 60% of the last modified salary until the beneficiary reaches the age of 63.

Pension entitlements in financial year 2024

The total amount of pension entitlements earned by active Executive Board members in the 2024 financial year was EUR 4.1m (previous year: EUR 3.3m) according to HGB and EUR 4.3m (previous year: EUR 3.4m) according to IFRS. This was recognised in staff costs (current service cost). The individual service costs and present values of pension entitlements are as follows:

T217 PENSION ENTITLEMENTS ACCORDING TO HGB AND IFRS

	HGB		HGB		IFRS		IFRS	
	Current service costs		Settlement amount of pension obligations		Current service costs		Defined-benefit obligations (DBO)	
in € thousands	**2024**	2023	**31.12.2024**	31.12.2023	**2024**	2023	**31.12.2024**	31 Dec 2023
Carsten Spohr	942	958	12,150	10,493	993	996	12,147	10,490
Christina Foerster (until 30 June 2024)[1]	1,072	426	3,312	2,060	1,130	457	3,302	2,053
Harry Hohmeister (until 30 June 2024)	225	442	2,648	4,887	225	450	2,648	4,887
Detlef Kayser (until 30 June 2024)[2]	442	436	3,286	2,680	450	451	3,286	2,680
Michael Niggemann	414	430	2,684	2,111	460	461	2,664	2,100
Remco Steenbergen (until 7 May 2024)	244	589	1,997	1,635	304	601	1,995	1,634
Till Streichert (since 15 September 2024)	234	–	234	–	228	–	228	–
Grazia Vittadini (since 1 July 2024)	262	–	263	–	259	–	260	–
Dieter Vranckx (since 1 July 2024)	280	–	281	–	275	–	276	–
Total	**4,115**	**3,281**	**26,855**	**23,866**	**4,324**	**3,416**	**26,806**	**23,844**

[1] Including the contributions to company retirement benefits for Christina Foerster until 30 June 2026.
[2] Including the contributions to company retirement benefits for Detlef Kayser until 31 December 2024.
[3] Including the contributions to company retirement benefits for Remco Steenbergen until 31 December 2024.

End-of-service benefits

Cap on severance pay

If a contract is terminated early for reasons other than good cause or a change of control, the Company will not remunerate more than the value of outstanding entitlements for the remainder of the contract, as recommended by the German Corporate Governance Code, whereby these payments may not exceed annual remuneration for two years (severance cap). The cap on severance pay is determined by the annual remuneration, which is made up of the basic salary and the target amounts of one-year and long-term variable remuneration; in-kind benefits and ancillary benefits are not considered. This means the maximum severance pay for an ordinary Executive Board member is currently EUR 5,120,000 per annum. An outstanding Executive Board member can receive a maximum of EUR 6,656,000 and the CEO a maximum of EUR 11,264,000.

Remuneration of Executive Board members who stepped down in the reporting year

Severance agreement with Christina Foerster

The employment contract with Christina Foerster was terminated prematurely with effect from 30 June 2024 in accordance with a Supervisory Board resolution of 22 February 2024 and the corresponding severance agreement. In line with the severance payment agreement, Christina Foerster will receive a severance payment of EUR 5.12m. The severance payment corresponds to the contractually agreed cap of two times annual remuneration, and so does not exceed the amount she would have earned over the remaining 3.5 years of her service contract. The Company waives the post-contractual non-compete clause. There is no entitlement to payment of interim compensation.

Christina Foerster retains her entitlement to one-year and long-term variable remuneration for the 2024 financial year pro rata temporis to 30 June 2024. Christina Foerster retains her full entitlement to long-term variable remuneration for the financial years 2021 to 2023. Payments will be made in line with the programme terms at the end of each performance period on the basis of target achievement as determined by the Supervisory Board.

The Company has made an annual contribution of EUR 450k – pro rata for 2026, i.e. EUR 225k to 30 June 2026 – for retirement benefits to Christina Foerster's pension account. Existing internal rules for active Executive Board members apply to Christina Foerster's use of concessionary private travel arrangements until 30 June 2026. The existing internal rules for former Executive Board members will apply to her concessionary private travel arrangements when she reaches the age of 60, subject to the rules on subsequent professional activities.

Termination of the employment contract with Harry Hohmeister.
Harry Hohmeister stepped down from the Executive Board on 30 June 2024 when his employment contract came to an end. Harry Hohmeister receives one-year and long-term variable remuneration for the financial year 2024 pro rata for the period 1 January 2024 to 30 June 2024. Harry Hohmeister retains his full entitlement to long-term variable remuneration for the financial years 2021 to 2023. Payments will be made in line with the programme terms at the end of each performance period on the basis of target achievement as determined by the Supervisory Board. Harry Hohmeister is not entitled to a severance payment. Since a one-year non-compete clause applies, Harry Hohmeister is entitled to a compensation payment of EUR 430k. The compensation payment is paid in twelve monthly instalments for the duration of the non-compete clause, i.e. until June 2026.

Existing internal rules for former Executive Board members apply to Mr Hohmeister's use of concessionary private travel arrangements from 1 July 2024.

Harry Hohmeister's departure from the Executive Board also means he is entitled to retirement benefits in accordance with the pension commitments for Executive Board members in effect since 1 January 2019. At Harry Hohmeister's request, and with the Company's approval, these will be paid as a lump sum (see disclosure in Table T219). The pension commitment in effect before 1 January 2019 will continue without further contributions.

Severance agreement with Detlef Kayser
The employment contract with Detlef Kayser was terminated prematurely with effect from 30 June 2024 in accordance with a Supervisory Board resolution of 22 February 2024 and the corresponding severance agreement. This provides for a severance payment to Detlef Kayser of EUR 1.28m. This is within the contractually agreed severance cap and does not exceed the remaining duration of the employment contract (0.5 years). The Company waives the post-contractual non-compete clause. There is no entitlement to payment of interim compensation.

Detlef Kayser retains his entitlement to one-year and long-term variable remuneration for the 2024 financial year pro rata temporis until 30 June 2024. Detlef Kayser retains his full entitlement to long-term variable remuneration for the financial years 2021 to 2023. Payments will be made in line with the programme terms at the end of each performance period on the basis of target achievement as determined by the Supervisory Board.

The Company has made the full annual contribution of EUR 450k to 31 December 2024 for retirement benefits to Detlef Kayser's pension account. Existing internal rules continue to apply to Detlef Kayser's use of concessionary private travel arrangements and other contractually agreed ancillary benefits until 31 December 2024. The existing internal rules for former Executive Board members will apply to his concessionary private travel arrangements when he reaches the age of 60, subject to the rules on subsequent professional activities.

Severance agreement with Remco Steenbergen
The employment contract with Remco Steenbergen was terminated prematurely with effect from 30 June 2024 in accordance with a Supervisory Board resolution of 22 February 2024 and the corresponding severance agreement. Remco Steenbergen is not entitled to a severance payment. The Company waives the post-contractual non-compete clause. This means he is entitled to payment of half the contractually agreed interim compensation, i.e. EUR 279.5k.

Remco Steenbergen is not entitled to pro rata one-year variable remuneration for financial year 2024 or to long-term variable remuneration for the financial years 2021 to 2024.

The Company has made an annual contribution of EUR 585k – pro rata for 2024, i.e. EUR 292.5k to 30 June 2024 – for retirement benefits to Remco Steenbergen's pension account. When his employment contract ended, he lost the right to concessionary private travel.

Remuneration awarded and due in financial year 2024 pursuant to Section 162 AktG

Pursuant to Section 162 AktG, the remuneration report must disclose the remuneration awarded and due to each current or former member of the Executive Board or Supervisory Board in the past financial year.

Remuneration will be deemed to have been awarded if it fell due in the reporting period and the individual Executive Board member has actually received it (“payment-based perspective”). According to the prevailing legal opinion regarding the interpretation of the term “award” in Section 162 AktG, remuneration components may, as an alternative, already be presented in the remuneration report for the reporting year in which the one-year or long-term activity constituting the basis for this remuneration has been performed in full (“accumulation-based perspective”). This perspective enables transparent reporting that is easy to understand, with the level of performance in the respective reporting year matching the level of remuneration. As in the previous year, the accumulation-based perspective is therefore applied to the term “award” in the present report within the meaning of Section 162 AktG.

Accordingly, the amounts paid out for the STI are shown in the following tables for the reporting year, even though they will be paid out only after the end of the reporting year in question. Similarly, the amounts paid out for the long-term variable remuneration components are indicated in the reporting year in which the performance period ends, even though here too the payment will only be made in the following year.

The following section shows the remuneration awarded and due to each individual active and former Executive Board member in financial year 2024, in accordance with Section 162 Paragraph 1 Sentence 1 AktG.

As well as the STI for the 2024 financial year, the variable remuneration components awarded in this sense in the financial year include the payment under the 2021 LTI.

Executive Board members active in the financial year

Table T218 shows the remuneration awarded and due to Executive Board members active in financial year 2024 as defined by Section 162 Paragraph 1 Sentence 1 AktG, and the relative proportions of individual fixed and variable remuneration components. Although the expenses for retirement benefit commitments are not classified as awarded or due remuneration within the meaning of Section 162 Paragraph 1 Sentence 1 AktG, they are also shown in the following tables for the sake of transparency and correspond to the service cost for pensions and other contractually agreed retirement benefits in accordance with IAS 19.

T218 REMUNERATION AWARDED AND DUE IN ACCORDANCE WITH SECTION 162 PARAGRAPH 1 SENTENCE 1 AKTG – EXECUTIVE BOARD MEMBERS ACTIVE IN 2024

	Carsten Spohr, Chairman of the Executive Board since 1.5.2014; Member of the Executive Board since 1.1.2011				Christina Foerster Member of the Executive Board from 1.1.2020 to 30.6.2024[2]				Harry Hohmeister Member of the Executive Board from 1.1.2013 to 30.6.2024[3]			
in Tsd. €	**2024**	**2024[1]**	2023	2023[1]	**2024**	**2024[1]**	2023	2023[1]	**2024**	**2024[1]**	2023	2023[1]
Fixed remuneration												
Basic salary	1,892	36.2%	1,892	41.3%	430	5.9%	860	40.6%	430	18.3%	860	40.4%
Ancillary benefits	55	1.1%	51	1.1%	71	1.0%	39	1.8%	24	1.0%	47	2.2%
Total	**1,947**	**37.2%**	**1,943**	**42.5%**	**501**	**6.9%**	**899**	**42.4%**	**454**	**19.3%**	**907**	**42.6%**
Variable remuneration												
One-year variable remuneration	145	2.8%	2,313	50.5%	33	0.5%	1,051	49.6%	33	1.4%	1,051	49.4%
Long-term variable remuneration LTI 2021 (LTI 2020)	3,140	60.0%	321	7.0%	1,652	22.6%	169	8.0%	1,652	70.2%	169	7.9%
Total	**3,285**	**62.8%**	**2,634**	**57.5%**	**1,685**	**23.1%**	**1,220**	**57.6%**	**1,685**	**71.6%**	**1,220**	**57.4%**
Other	–	–	–	–	5,120	70.1%	–	–	215	9.1%	–	–
Total remuneration as defined in Section 162 AktG	**5,232**	**100.0%**	**4,577**	**100.0%**	**7,306**	**100.0%**	**2,119**	**100.0%**	**2,354**	**100.0%**	**2,127**	**100.0%**
Service cost	993	–	996	–	1,130	–	457	–	225	–	450	–
Total remuneration	**6,225**	**–**	**5,573**	**–**	**8,436**	**–**	**2,576**	**–**	**2,579**	**–**	**2,577**	**–**

[1] The relative proportions indicated here relate to the total remuneration shown in the table as defined in Section 162 AktG excluding retirement benefit expenses.

[2] The severance payment of two annual salaries made to Cwhristina Foerster under the severance agreement is shown under "Other".

[3] The monthly payment of interim compensation made to Harry Hohmeister in the 2024 financial year under the severance agreement is shown under "Other".

T218 REMUNERATION AWARDED AND DUE IN ACCORDANCE WITH SECTION 162 PARAGRAPH 1 SENTENCE 1 AKTG – EXECUTIVE BOARD MEMBERS ACTIVE IN 2024 (continued)

	Detlef Kayser Member of the Executive Board from 1.1.2019 to 30.6.2024[2]				Michael Niggemann Member of the Executive Board since 1.1.2020				Remco Steenbergen Member of the Executive Board from 1.1.2021 to 7.5.2024[3]			
in € thousands	**2024**	**2024[1]**	2023	2023[1]	**2024**	**2024[1]**	2023	2023[1]	**2024**	**2024[1]**	2023	2023[1]
Fixed remuneration												
Basic salary	430	12.5%	860	40.6%	860	32.9%	860	40.6%	559	62.0%	1,118	31.7%
Ancillary benefits	23	0.7%	37	1.7%	37	1.4%	38	1.8%	63	7.0%	63	1.8%
Total	**453**	**13.2%**	**897**	**42.4%**	**897**	**34.3%**	**898**	**42.4%**	**622**	**69.0%**	**1,181**	**33.5%**
Variable remuneration												
One-year variable remuneration	33	1.0%	1,051	49.6%	66	2.5%	1,051	49.6%	–	–	1,367	38.8%
Long-term variable remuneration LTI 2021 (LTI 2020)	1,652	48.0%	169	8.0%	1,652	63.2%	169	8.0%	–	–	–	–
Total	**1,685**	**49.0%**	**1,220**	**57.6%**	**1,718**	**65.7%**	**1,220**	**57.6%**	**–**	**–**	**1,367**	**38.8%**
Other	1,302	37.8%	–	–	–	–	–	–	279	31.0%	975	27.7%
Total remuneration as defined in Section 162 AktG	**3,440**	**100.0%**	**2,117**	**100.0%**	**2,615**	**100.0%**	**2,118**	**100.0%**	**901**	**100.0%**	**3,523**	**100.0%**
Service cost	450	–	451	–	460	–	461	–	304	–	601	–
Total remuneration	**3,890**	**–**	**2,568**	**–**	**3,075**	**–**	**2,579**	**–**	**1,205**	**–**	**4,124**	**–**

[1] The relative proportions indicated here relate to the total remuneration shown in the table as defined in Section 162 AktG excluding retirement benefit expenses.

[2] The severance payment of EUR 1,280k, plus ancillary benefits of EUR 22k for the period 1 July to 31 December 2024 made to Detlef Kayser under the severance agreement, are shown under "Other".

[3] The employment contract with Remco Steenbergen was terminated prematurely with effect from 30 June 2024 in accordance with the corresponding severance agreement. He received his basic salary and contractual ancillary benefits until this time. The payment of interim compensation made to Remco Steenbergen under the severance agreement is shown under "Other". The disclosures for Remco Steenbergen for 2023 include the portion of the one-off payment made in 2023 for the loss of benefits from his previous employer. The Supervisory Board agreed to pay these disclosures to Remco Steenbergen when he was first appointed. The compensation was paid in three instalments of EUR 975k in the financial years 2021, 2022 and 2023, and is not offset against the maximum remuneration for those years as defined in Section 87a Paragraph 1 Sentence 2 No. 1 AktG.

T218 REMUNERATION AWARDED AND DUE IN ACCORDANCE WITH SECTION 162 PARAGRAPH 1 SENTENCE 1 AKTG – EXECUTIVE BOARD MEMBERS ACTIVE IN 2024 (continued)

	Till Streichert Member of the Executive Board since 15.9.2024[2]				Grazia Vittadini Member of the Executive Board since 1.7.2024				Dieter Vranckx Member of the Executive Board since 1.7.2024			
in Tsd. €	**2024**	**2024**[1]	2023	2023[1]	**2024**	**2024**[1]	2023	2023[1]	**2024**	**2024**[1]	2023	2023[1]
Fixed remuneration												
Basic salary	329	34.5%	–	–	430	85.1%	–	–	430	83.3%	–	–
Ancillary benefits	37	3.9%	–	–	42	8.3%	–	–	53	10.3%	–	–
Total	**366**	**38.4%**	**–**	**–**	**472**	**93.5%**	**–**	**–**	**483**	**93.6%**	**–**	**–**
Variable remuneration												
One-year variable remuneration	25	2.6%	–	–	33	6.5%	–	–	33	6.4%	–	–
Long-term variable remuneration LTI 2021 (LTI 2020)	–	–	–	–	–	–	–	–	–	–	–	–
Total	**25**	**2.6%**	**–**	**–**	**33**	**6.5%**	**–**	**–**	**33**	**6.4%**	**–**	**–**
Other	563	59.0%	–		–	–	–	–	–	–	–	–
Total remuneration as defined in Section 162 AktG	**954**	**100.0%**	**–**	**–**	**505**	**100.0%**	**–**	**–**	**516**	**100.0%**	**–**	**–**
Service cost	228	–	–	–	259	–	–	–	275	–	–	–
Total remuneration	**1,182**	**–**	**–**	**–**	**764**	**–**	**–**	**–**	**791**	**–**	**–**	**–**

[1] The relative proportions indicated here relate to the total remuneration shown in the table as defined in Section 162 AktG, excluding retirement benefit expenses.

[2] The Supervisory Board agreed to pay Till Streichert gross compensation of €1,690,000 for the loss of benefits from his previous employer. The compensation is paid in three instalments of EUR 563k each in 2024, 2025 and 2026, and is not offset against the maximum remuneration for those financial years as defined in Section 87a Paragraph 1 Sentence 2 No. 1 AktG.

In financial year 2024, the members of the Executive Board received no benefits or promises of benefits from third parties relating to their work on the Executive Board.

Former Executive Board members

Table T219 shows the remuneration awarded and due to former Executive Board members in financial year 2024 in accordance with Section 162 Paragraph 1 sentence 1 AktG. In accordance with Section 162 Paragraph 5 AktG, no personal data was disclosed for former Executive Board members who left the Executive Board before 31 December 2014.

T219 REMUNERATION AWARDED AND DUE IN ACCORDANCE WITH SECTION 162 PARAGRAPH 1 SENTENCE 1 AKTG – FORMER EXECUTIVE BOARD MEMBERS

in € thousands	Ancillary benefits	Lump-sum pension payment	**Total**
Karl Ulrich Garnadt Member of the Executive Board until 30 Apr 2017	3	128	**131**
Harry Hohmeister Member of the Executive Board until 30 Jun 2024	–	2,658	**2,658**
Ulrik Svensson Member of the Executive Board until 30 Apr 2020	1	–	**1**
Bettina Volkens Member of the Executive Board until 31 Dec 2019	3	–	**3**

Total current payments and other benefits to former Executive Board members (including the individual payments shown in Table T219) and their surviving dependants came to EUR 4.1m in the reporting year (previous year: EUR 9.2m). This includes non-cash benefits and concessionary travel. Pension obligations toward former Executive Board members and their surviving dependants amount to EUR 48.8m (previous year: EUR 49.7m).

Ongoing development of the remuneration system for Executive Board members for financial years from 2025 onwards

The Supervisory Board, based on a recommendation from the Steering Committee, has adopted changes to the remuneration system approved by the Annual General Meeting on 9 May 2023 which take effect from the 2025 financial year. The changes are based on a comprehensive review by the Supervisory Board of the existing remuneration system to ensure it is appropriate and reflects proposals from investors.

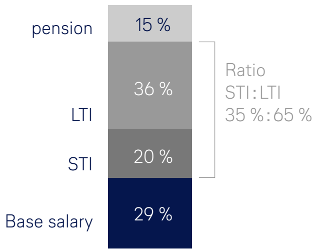
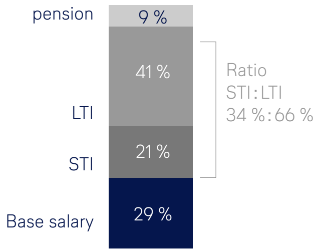
The new remuneration system is to enter into force from 1 January 2025 for all new appointments and contract renewals.

The revised remuneration system adopted by the Supervisory Board will be presented for approval to the Annual General Meeting on 6 May 2025 in accordance with Section 120a Paragraph 1 AktG. The key changes to the remuneration system for the members of the Executive Board are clarified below. Shareholders are referred to the invitation to the Annual General Meeting for a complete description of the system being put to the vote.

Reduction of the contribution to company retirement benefits and reallocation of the difference to variable remuneration components.

The amount of the contribution to retirement benefits is to be reduced to 30% of the basic salary for new appointments to the Executive Board and contract renewals from 1 January 2025. The difference to the previous contribution is to be reallocated to the one-year and long-term variable remuneration components. The amount of total target remuneration is therefore unchanged. At the same time, the pay-for-performance approach is strengthened. To further strengthen the long-term focus, most of the amount will be reallocated to long-term variable remuneration (LTI).

C39 **CHANGES TO THE REMUNERATION SYSTEM 2025**

Remuneration System until financial year 2024	Aspect	Remuneration System as of financial year 2025	
Contribution amount: approx. 52 % of base salary	Reduction of the contribution to the company pension scheme	Contribution amount: approx. 30 % of base salary	Market-oriented structuring of the contributions to the company pension scheme
Structure of total target remuneration:  	Reallocation of the difference to variable remuneration components	**Structure of total target remuneration:**  	– Emphasize the Pay for Performance-approach – Reallocation primarily to long-term variable remuneration in order to further reinforce the long-term orientation
No provision made for pension substitute	Optional pension substitute instead of retirement benefits	At the discretion of the Supervisory Board for new appointments and reappointments	– Ensuring the attractiveness of the remuneration system – Risk reduction (e.g. cover in the event of disability, death)

Introduction of an option for the Supervisory Board to award cash allowances
As a rule, Executive Board members will continue to receive retirement benefit commitments on the basis of a defined-contribution system. However, the Supervisory Board is to have the option of awarding Executive Board members a cash allowance instead of contributions to retirement benefits when they are first appointed or their contracts are renewed.

Remuneration of Supervisory Board members

Structure of Supervisory Board remuneration

The rules for the remuneration of Supervisory Board members applicable since 1 January 2023 are based on a resolution passed by the Annual General Meeting on 9 May 2023. The remuneration continues to be structured as a purely fixed remuneration. Supervisory Board remuneration reflects the responsibility assumed by the members of the Supervisory Board and the scope of their work. Additional remuneration is an appropriate reflection of the higher time commitment on the part of the Chair and the Deputy Chair of the Supervisory Board, and by the members and Chairs of the committees.

Section 113 Paragraph 3 AktG stipulates that the Annual General Meeting of a listed company must pass a resolution on Supervisory Board remuneration at least every four years. On 9 May 2023, the Annual General Meeting approved the changes to the remuneration of Supervisory Board members in line with Article 14 of the revised Articles of Association with 98.27% of the votes, thereby approving and confirming the underlying remuneration system.

Ordinary Supervisory Board members receive remuneration of EUR 100k for each financial year in accordance with Section 14 Paragraph 1 of the Articles of Association. The Chairman receives EUR 300k and the Deputy Chairman EUR 150k. The Chair of the Audit Committee and the Chair of the Steering Committee receive an additional EUR 100k each; other members of the Audit Committee receive an additional EUR 50k. Chairs of other committees receive an additional EUR 50k while other members of other committees receive an additional EUR 25k. Remuneration for committee work is subject to the proviso that the committee must have convened at least once in the financial year. The additional remuneration for committee work is limited to two committee payments, whereby in this case the two highest committee payments are taken.

If Supervisory Board members step down from the Supervisory Board or a position on one of its committees for which additional remuneration is paid during the course of a financial year, they shall receive remuneration pro rata temporis. Pro rata temporis remuneration for committee work is subject to the proviso that the committee must have convened at least once before their departure.

Fixed remuneration and remuneration for committee work are due at the end of each financial year. Supervisory Board remuneration for the 2024 financial year was paid in January 2025.

Remuneration awarded and due in financial year 2024 pursuant to Section 162 AktG

The remuneration awarded and due to Supervisory Board members for the 2024 financial year (fixed remuneration, remuneration for committee work and attendance fees) amounted to EUR 2,975k (previous year: EUR 2,965k).

Table T220 shows the amounts for the individual Supervisory Board members. The fixed remuneration and the remuneration for committee work is the remuneration due for the financial year in question, since this remuneration falls due at the close of that financial year.

T220 REMUNERATION AWARDED AND DUE IN ACCORDANCE WITH SECTION 162 AKTG – SUPERVISORY BOARD MEMBERS

	2024[1]					2023[2]				
	Fixed remuneration		**Remuneration for committee work**		**Total Supervisory Board remuneration**	Fixed remuneration		Remuneration for committee work		Total Supervisory Board remuneration
	in € thousands	**in %**	**in € thousands**	**in %**	**in € thousands**	in € thousands	in %	in € thousands	in %	in € thousands
Karl-Ludwig Kley	300	80.0	75	20.0	375	300	80.0	75	20.0	375
Christine Behle	150	85.7	25	14.3	175	150	86.2	24	13.8	174
Alexander Behrens (until 28.7.2023)	–	–	–	–	–	57	67.1	28	32.9	85
Tim Busse (since 29.7.2023)	100	100.0	–	–	100	43	100.0	–	–	43
Jörg Cebulla (until 28.7.2023)	–	–	–	–	–	57	67.1	28	32.9	85
Erich Clementi	100	66.7	50	33.3	150	100	66.7	50	33.3	150
Thomas Enders	100	57.1	75	42.9	175	100	57.1	75	42.9	175
Karl Gernandt (since 9.5.2023)	100	75.2	33	24.8	133	65	100.0	–	–	65
Sara Grubisic (since 29.7.2023)	100	80.0	25	20.0	125	43	81.1	10	18.9	53
Sara Hennicken (since 7.5.2024)	65	100.0	–	–	65	–	–	–	–	–
Christian Hirsch (since 29.7.2023)	100	66.7	50	33.3	150	43	68.3	20	31.7	63
Jamila Jadran (since 29.7.2023)	100	100.0	–	–	100	43	100.0	–	–	43
Jürgen Jennerke (until 28.7.2023)	–	–	–	–	–	57	100.0	–	–	57
Arne Christian Karstens (since 29.7.2023)	100	66.7	50	33.3	150	43	68.3	20	31.7	63
Michael Kerkloh (until 7.5.2024)	35	67.3	17	32.7	52	100	66.7	50	33.3	150
Carsten Knobel	100	66.7	50	33.3	150	100	66.7	50	33.3	150
Holger Benjamin Koch	100	66.7	50	33.3	150	100	74.6	34	25.4	134
Harald Krüger	100	44.4	125	55.6	225	100	44.4	125	55.6	225
Marvin Reschinsky (since 29.7.2023)	100	80.0	25	20.0	125	43	81.1	10	18.9	53
Birgit Rohleder	100	100.0	–	–	100	100	100.0	–	–	100
Miriam Sapiro (until 9.5.2023)	–	–	–	–	–	35	100.0	–	–	35
Ilja Schulz (until 28.7.2023)	–	–	–	–	–	57	57.0	43	43.0	100
Britta Seeger	100	100.0	–	–	100	100	100.0	–	–	100
Birgit Spineux (until 28.7.2023)	–	–	–	–	–	57	100.0	–	–	57
Astrid Stange	100	100.0	–	–	100	100	100.0	–	–	100
Olivia Stelz (until 28.7.2023)	–	–	–	–	–	57	100.0	–	–	57
Angela Titzrath	100	80.0	25	20.0	125	100	80.0	25	20.0	125
Klaus Winkler	100	66.7	50	33.3	150	100	67.6	48	32.4	148
Total	**2,250**	**75.6**	**725**	**24.4**	**2,975**	**2,250**	**75.9**	**715**	**24.1**	**2,965**

[1] Remuneration for 2024 financial year due according to Section 162 AktG, paid in January 2025.
[2] Remuneration for 2023 financial year due according to Section 162 AktG, paid in January 2024.

The contributions made for the insurance premium for the members of the Supervisory Board within the scope of Deutsche Lufthansa AG’s group accident insurance policy totalled EUR 2.6k (previous year: EUR 2k). Furthermore, the Supervisory Board members of Deutsche Lufthansa AG were paid EUR 13k in the previous year for their work on supervisory boards of Group companies; no such payments were made in the current financial year.

Disclosures on relative changes in Executive Board and Supervisory Board remuneration, remuneration of the rest of the workforce and Company profitability

Table T221 shows the annual change in remuneration for members of the Executive Board and the Supervisory Board, the average remuneration of the remaining workforce and the annual change in this remuneration, as well as year-on-year changes in selected earnings indicators for the Lufthansa Group. The remuneration of Executive Board members and Supervisory Board members shown in Tables T218 and T220 represents the remuneration awarded and due in the financial year as stipulated in Section 162 Paragraph 1 Sentence 1 AktG.

Profitability is partly shown by reference to revenue and Adjusted EBIT for the Lufthansa Group. The latter is a key performance indicator for the Group and forms the basis for the financial targets in the variable remuneration of the Executive Board. The net profit for the year for Deutsche Lufthansa AG is also shown.

The presentation of average remuneration for FTE employees is based on the employees of the German companies in the Lufthansa collective bargaining group (without Lufthansa CityLine GmbH). A further distinction is made between the total workforce and those covered by collective bargaining agreements. The change in remuneration compared with financial year 2023 reflects the lower share of variable remuneration components in 2024 due to the earnings performance.

T221 COMPARATIVE PRESENTATION OF CHANGES IN THE REMUNERATION OF THE EXECUTIVE BOARD, THE SUPERVISORY BOARD AND THE WORKFORCE, AS WELL AS THE DEVELOPMENT OF PROFITABILITY[1]

	2020	2021	Change 21/20	2022	Change 22/21	2023	Change 23/22	2024	Change 24/23
I. Executive Board remuneration in € thousands									
Active Executive Board members[2]									
Carsten Spohr	2,888	1,676	–42.0%	4,241	153.0%	4,577	7.9%	5,232	14.3%
Christina Foerster (until 30.6.2024)	775	904	16.6%	1,929	113.4%	2,119	9.8%	7,306	244.8%
Harry Hohmeister (until 30.6.2024)	1,700	901	–47.0%	2,276	152.6%	2,127	–6.5%	2,354	10.7%
Detlef Kayser (until 30.6.2024)	780	893	14.5%	2,032	127.5%	2,117	4.2%	3,440	62.5%
Michael Niggemann	775	902	16.4%	2,039	126.1%	2,118	3.9%	2,615	23.5%
Remco Steenbergen (until 30.6.2024)	–	1,898	–	3,096	63.1%	3,523	13.8%	901	–74.4%
Former Executive Board members[3]									
Karl Ulrich Garnadt (until 30.4.2017)	–	1	–	130	12,900.0%	118	–9.2%	131	11.0%
Ulrik Svensson (until 30.4.2020)	639	–	–100.0%	2,158	–	57	–97.4%	1	–98.2%
Bettina Volkens (until 31.12.2019)	914	–	–100.0%	144	–	3,493	2,325.7%	3	–99.9%
II. Average remuneration for workforce in €									
Overall workforce in Germany	59,814	59,117	–1.2%	79,780	35.0%	86,535	8.5%	85,919	–0.7%
Pay-scale staff in Germany	55,939	55,237	–1.3%	72,350	31.0%	78,505	8.5%	82,275	4.8%
III. Earnings indicators in €m									
Net profit/loss for the year Deutsche Lufthansa AG	–780	–2,310	–196.2%	–2,664	–15.3%	6,765	353.9%	372	–94.5%
Adjusted EBIT	–5,451	–1,666	69.4%	1,509	190.6%	2,682	77.7%	1,645	–38.7%
Revenue	13,589	16,811	23.7%	32,770	94.9%	35,422	8.1%	37,581	6.1%

[1] Figures for Executive Board and Supervisory Board members and the workforce are based on remuneration awarded and due in financial year 2024 within the meaning of Section 162 Paragraph 1 Sentence 1 AktG.

[2] Disclosures exclude Till Streichert, Grazia Vittadini and Dieter Vranckx as they have only been on the Executive Board since financial year 2024 and so did not receive Executive Board remuneration in prior years.

[3] Without the disclosure on the payment of retirement benefits to Harry Hohmeister on his retirement in financial year 2024.

T221 COMPARATIVE PRESENTATION OF CHANGES IN THE REMUNERATION OF THE EXECUTIVE BOARD, THE SUPERVISORY BOARD AND THE WORKFORCE, AS WELL AS THE DEVELOPMENT OF PROFITABILITY (continued)[1]

	2020	2021	**Change 21/20**	2022	**Change 22/21**	2023	**Change 23/22**	2024	**Change 24/23**
IV. Supervisory Board remuneration[4] [5] in € thousands									
Karl-Ludwig Kley	265	302	**13.8%**	305	**1.2%**	375	**23.0%**	375	**0.0%**
Christine Behle	124	141	**13.7%**	143	**1.1%**	174	**22.1%**	175	**0.6%**
Tim Busse (since 29.7.2023)	–	–	**–**	–	**–**	43	**–**	100	**132.6%**
Erich Clementi (since 5.5.2020)	45	81	**80.0%**	82	**1.2%**	150	**82.9%**	150	**0.0%**
Thomas Enders (since 5.5.2020)	57	121	**112.3%**	124	**2.5%**	175	**41.1%**	175	**0.0%**
Karl Gernandt (since 9.5.2023)	–	–	**–**	–	**–**	65	**–**	133	**104.6%**
Sara Grubisic (since 29.7.2023)	–	–	**–**	–	**–**	53	**–**	125	**135.8%**
Christian Hirsch (8.5.2018 to 31.12.2020 and since 29.7.2023)	70	–	**–**	–	**–**	63	**–**	150	**138.1%**
Jamila Jadran (since 29.7.2023)	–	–	**–**	–	**–**	43	**–**	100	**132.6%**
Arne Christian Karstens (since 29.7.2023)	–	–	**–**	–	**–**	63	**–**	150	**138.1%**
Michael Kerkloh (from 2.9.2020 until 7.5.2024)	33	112	**237.9%**	114	**2.2%**	150	**31.6%**	52	**-65.3%**
Carsten Knobel	97	111	**14.4%**	112	**0.9%**	150	**33.9%**	150	**0.0%**
Holger Benjamin Koch	71	81	**14.1%**	82	**0.6%**	134	**64.4%**	150	**11.9%**
Harald Krüger (since 5.5.2020)	46	142	**209.1%**	165	**16.0%**	225	**36.4%**	225	**0.0%**
Marvin Reschinsky (since 29.7.2023)	–	–	**–**	–	**–**	53	**–**	125	**135.8%**
Birgit Rohleder	71	81	**14.1%**	83	**1.9%**	100	**21.2%**	100	**0.0%**
Britta Seeger (since 4.5.2021)	–	54	**–**	81	**49.3%**	100	**24.2%**	100	**0.0%**
Astrid Stange (since 5.5.2020)	45	81	**80.0%**	82	**1.2%**	100	**22.0%**	100	**0.0%**
Angela Titzrath (since 2.9.2020)	25	81	**222.0%**	82	**1.2%**	125	**53.4%**	125	**0.0%**
Klaus Winkler	70	113	**60.7%**	115	**1.8%**	148	**29.3%**	150	**1.4%**

[4] Up to and including the 2022 financial year, in addition to fixed remuneration for membership of the Supervisory Board and its committees, the Supervisory Board's remuneration includes attendance fees paid for personal attendance at physical meetings up to this date.

[5] Disclosures exclude Sara Hennicken as she has only been on the Supervisory Board since 2024 and so did not receive any Supervisory Board remuneration in prior years.

For the Supervisory Board
Dr Karl-Ludwig Kley, Chairman

For the Executive Board
Carsten Spohr, Chairman

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SUSTAINABLE DEVELOPMENT GOALS (SDG) INDEX

T222 SUSTAINABLE DEVELOPMENT GOALS (SDG)

SDG	Sub-target	European Sustainability Reporting Standard	Reference to non-financial declaration	Lufthansa Group's contribution to achieving the global SDGs as defined in the 2030 Agenda of the United Nations
3 GOOD HEALTH AND WELL-BEING	3.3	ESRS S1	↗ **Comprehensive measures implemented under the Human Resources strategy**	Preventive vaccinations are being carried out. The Lufthansa Group offers its employees in Germany, Austria and Switzerland the chance to get vaccinated to protect them against serious bouts of influenza.
	3.4	ESRS S1	↗ **Comprehensive measures implemented under the Human Resources strategy**	The Lufthansa Group's Medical Services offer employees the full range of occupational health care, adapted to their individual needs and taking their workplace and individual health conditions into account. The Medical Services also have outstanding expertise in aviation medicine and offer psychosocial advisory services.
		ESRS S1	↗ **Comprehensive measures implemented under the Human Resources strategy**	Group-wide health management supports health managers in the individual companies. The Medical Operations Center (MOC) also offers wide-ranging support to Lufthansa Group passengers with pre-existing medical conditions or disabilities.
	3.8	ESRS S1	↗ **Comprehensive measures implemented under the Human Resources strategy**	Lufthansa Group cooperates with health insurer in Europe. In order to improve employee health, the Lufthansa Group's health management in Germany entered into a partnership with a statutory health insurer during the reporting year, offering a wide range of workplace health management measures.
4 QUALITY EDUCATION	4.4	ESRS S1	↗ **Risks were identified mainly in relation to collective agreements and employer attractiveness**	Various apprenticeships, student and trainee programmes are offered at the Lufthansa Group, and talented individuals in a variety of groups are supported and systematically integrated. Furthermore, an assortment of professional development programmes are offered to enable employees to work on their personal and career development.
	4.7	ESRS S1	↗ **Comprehensive measures implemented under the Human Resources strategy**	The Lufthansa Group actively advocates the promotion of lifelong learning and long-term employability. The Company strengthens sustainable competences in its workforce with focused training and further education courses, particularly concerning the environment. Additional apprenticeships and professional development programmes have been introduced since 2022, including the Green Mobility Trainee programme, which enables participants to work on three different sustainability projects within the Lufthansa Group over a period of 18 months. This programme was successfully carried out for the second time in the reporting year. The Lufthansa Group again implemented the Green Explorers learning and engagement programme, which qualified 150 selected employees as sustainability ambassadors. They are driving sustainable approaches in product development, customer loyalty and the use of sustainable materials.

T222 SUSTAINABLE DEVELOPMENT GOALS (SDG) (continued)

SDG	Sub-target	European Sustainability Reporting Standard	Reference to non-financial declaration	Lufthansa Group's contribution to achieving the global SDGs as defined in the 2030 Agenda of the United Nations
7 AFFORDABLE AND CLEAN ENERGY	7.2	ESRS E1	↗ **Expansion of sustainable aviation fuels to support climate-friendly air travel of the future**	To enable the continuous procurement of sustainable aviation fuel on the spot market, up to USD 250 million has been released for the period by the Executive Board of Deutsche Lufthansa AG.
		ESRS E1	↗ **Ground operations energy strategy focuses on energy efficiency and renewable energy**	In the first quarter of 2024, the Lufthansa Group adopted its new energy strategy for ground energy consumption. This also includes changes to the energy mix.
		ESRS E1	↗ **Scientifically proven carbon reduction targets underpin climate change mitigation ambitions**	The Lufthansa Group has set a Scope 2 target for ground operations in Germany, Austria and Switzerland to source electricity exclusively from renewable energies.
		ESRS E1	↗ **Energy consumption and mix**	The Lufthansa Group records and analyses its global energy consumption annually. The figures are not only important for calculating the Group's total carbon footprint, but also provide insights into its energy mix.
	7.3	ESRS E1	↗ **Technical measures for the existing fleet complement the commitment to greater fuel efficiency**	The AeroSHARK functional surface coating developed by Lufthansa Technik together with BASF is one example of the successful implementation of a technical measure. The "riblet films" are currently already capable of reducing the air resistance of large commercial aircraft, and thus their kerosene consumption, by 0.8%. At the end of 2024, the Lufthansa Group fleet had a total of 17 Boeing 777s fitted with AeroSHARK in service, including 12 Boeing 777-300ERs at SWISS and 5 Boeing 777Fs at Lufthansa Cargo.
		ESRS E1	↗ **Efficiency gains through a unified European airspace are expected to reduce emissions**	The European Commission's target of increasing efficiency by up to 10% through shorter flight paths, improved capacity management and fewer delays is to be achieved through the SESAR programme in terms of research and implementation.
		ESRS E1	↗ **The OPS Sustainability Program is an integral approach for the areas of action of the climate change mitigation strategy**	In the reporting year, 91 fuel-efficiency projects were under way across the Group. These projects comprise activities relating to performance and procedures, weight reduction, flight route optimisation and technical development. Thus, 37 thousand tonnes of CO_2 emissions were permanently avoided in the reporting year.
		ESRS E1	↗ **Emission reductions are to be achieved through process and weight optimisations**	Pilots use socalled Green Procedures to promote the use of fuel-saving processes in aircraft operations. New, more efficient arrival and departure procedures with satellite-based navigation as well as structural adjustments to airspace boundaries and flight planning can also economise on kerosene. Significant weight savings on aircraft can be achieved through the use of innovative materials and by reducing the material requirements.
		ESRS E1	↗ **Ground operations energy strategy focuses on energy efficiency and renewable energy**	In the first quarter of 2024, the Lufthansa Group adopted its new energy strategy for ground energy consumption. This also includes the topic of energy efficiency.

T222 SUSTAINABLE DEVELOPMENT GOALS (SDG) (continued)

SDG	Sub-target	European Sustainability Reporting Standard	Reference to non-financial declaration	Lufthansa Group's contribution to achieving the global SDGs as defined in the 2030 Agenda of the United Nations
8 DECENT WORK AND ECONOMIC GROWTH	8.2	ESRS 2	↗ **Core elements of the general corporate strategy have an impact on sustainability-related aspects**	The Lufthansa Group offers its customers short-haul, medium-haul and long-haul flights worldwide. These are primarily provided by its five biggest passenger airlines, Lufthansa Airlines, SWISS, Austrian Airlines, Brussels Airlines and Eurowings. Customers can also use the services of Lufthansa Cargo to transport goods around the world. Finally, the Lufthansa Group portfolio includes the technical maintenance of aircraft by Lufthansa Technik and other industrial IT solutions. The Lufthansa Group expanded its product portfolio in 2023 with Green Fares, which enable customers to reduce their flight-related carbon emissions and offset the remaining carbon emissions – thus aiming to achieve higher efficiency in the use of energy and resources. It will also expand its portfolio of passenger airlines by acquiring a stake in ITA Airways.
	8.5	ESRS S1	↗ **Comprehensive measures implemented under the Human Resources strategy**	In February 2024, the Lufthansa Group's Code of Conduct was updated to include a section on respectful behaviour. This is intended to emphasise the importance of combating discrimination and embed this principle across the Lufthansa Group. The Lufthansa Group ran a Group-wide anti-discrimination campaign entitled "Respect" in 2024. The campaign aimed to raise awareness of various forms of discrimination, publicise reporting channels and complaint mechanisms and strengthen solidarity against discrimination.
			↗ **Risks were identified mainly in relation to collective agreements and employer attractiveness**	The Lufthansa Group increasingly addressed the strategic personnel requirement in order to optimise employee deployment, with a recruitment working group, strategic HR planning, the development of a skills model and by strengthening employer branding and recruitment.
	8.7	ESRS S1	↗ **Policy statement sets out the Lufthansa Group's human rights strategy**	The Lufthansa Group pursues a two-pronged strategy to protect human and environmental rights. On the one hand, it aims to prevent impacts and risks from occurring in the first place. On the other, it tries to respond to structural impacts and risks identified in the impact assessment with appropriate measures to prevent or at least minimise adverse consequences for human rights and the environment. If the Lufthansa Group becomes aware of an actual or imminent breach of human rights or environmental obligations, it immediately introduces appropriate remedial measures. If a supplier is unable to immediately cease, prevent or minimise a breach, the Lufthansa Group will develop and implement a corresponding remedial and/or prevention plan. As a last resort, the Lufthansa Group reserves the right to terminate the business relationship.
		ESRS S2	↗ **Complaints procedures**	Complaints and reports regarding potential negative human rights and environmental impacts or compliance violations by suppliers can be submitted confidentially using an electronic whistleblower system or the external ombudsperson for the Lufthansa Group. Moreover, in their contracts, suppliers are prompted to notify their suppliers and their suppliers' employees of the Lufthansa Group's reporting channels.
		ESRS S2	↗ **Supplier Code of Conduct describes the basic rules of cooperation for suppliers**	The Supplier Code of Conduct applies to all suppliers of the Lufthansa Group. It primarily addresses three core sustainability areas: environmental protection, social aspects and responsible corporate governance. It sets the minimum standards for suppliers, their employees and subcontractors. The focus is on respecting human rights, complying with labour and health standards, protecting the environment and conducting business with integrity. The Lufthansa Group expects its suppliers to comply with the applicable laws and regulations of the countries in which they procure, manufacture, offer or supply products or services. The Lufthansa Group does not tolerate any unethical business conduct such as corruption, bribery, forced labour, child labour or violations of environmental, labour and social standards, and expressly prohibits such practices.
		ESRS S2	↗ **Lufthansa Group policies take international frameworks into account**	Integrating human rights and sustainability into the business processes, policies and global supply chains of the Lufthansa Group is an ongoing task. In doing so, the Company aligns itself with key international conventions and declarations.
		ESRS S2	↗ **Group procurement guideline obligates suppliers to assume social and environmental responsibility**	By including obligations in contracts with suppliers, the Lufthansa Group endeavours to ensure responsible practices by its direct suppliers in order to meet its own standards for corporate responsibility and prevent negative impacts. The suppliers' obligations include adherence to the ten principles of the UN Global Compact, the five core labour standards of the International Labour Organization and contractual requirements under the German Corporate Due Diligence in Supply Chains Act (LkSG).
	8.8	ESRS S1	↗ **S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns**	The Lufthansa Group has established multiple whistleblowing channels for reporting concerns and potential violations. Reports submitted to the Corporate Compliance Office or the Human Rights Office through these channels are first checked for plausibility and then classified into categories such as criminal offences or human rights violations. Depending on the topic, the reports are then forwarded to the designated Human Resources departments for further action.
		ESRS S1	↗ **The Lufthansa Group's Code of Conduct is founded on ethical values**	In accordance with the Code of Conduct, the Lufthansa Group treats employees and other stakeholders with respect and rejects all forms of discrimination, harassment and violence. Conduct within the Lufthansa Group is based on valuing and including people regardless of their national or ethnic background, gender, religion, beliefs, disability, age or sexual identity. The Company therefore opposes discrimination of any kind.

T222 SUSTAINABLE DEVELOPMENT GOALS (SDG) (continued)

SDG	Sub-target	European Sustainability Reporting Standard	Reference to non-financial declaration	Lufthansa Group's contribution to achieving the global SDGs as defined in the 2030 Agenda of the United Nations
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	9.1	ESRS E1	↗ **The Lufthansa Group is committed to the harmonisation of European airspace**	The Lufthansa Group is committed to the harmonisation of EU airspace. The Lufthansa Group and other European airlines, such as those in the Airlines for Europe (A4E) alliance, have the necessary expertise in this area and have been actively promoting the creation of an efficient EU airspace for many years through their participation in committees and projects.
		ESRS E2	↗ **The Lufthansa Group invests in modern and thus quieter aircraft**	The Lufthansa Group modernizes its fleet continuously. Thus, aircraft that went into service in 2024, including Airbus A320neos, A321neos, A350-900s and Boeing 787-9s, have modern engines and are much quieter than comparable older aircraft types.
		ESRS E2	↗ **The existing fleet is being retrofitted with noise-reducing technologies**	At the beginning of 2014, Lufthansa Airlines became the first airline worldwide to start operations with a new Airbus A320 equipped with noise-reducing vortex generators. All aircraft in the A320 family of Lufthansa Airlines and SWISS have now been fitted with these modifications. The retrofitting of the expanded fleet of six A320 aircraft at Austrian Airlines began at the end of 2023 and was completed by the end of 2024. Since the end of 2023, Eurowings has equipped all its A320-family aircraft with vortex generators, so that in 2024 the entire fleet was, for the first time, consistently fitted with this noise reduction measure.
	9.5	ESRS E1	↗ **Initial measures to mitigate climate-related physical and transition risks have been implemented**	The research and development of innovative, more climate-friendly technologies form part of the measures that the Lufthansa Group is driving forward. For example, Lufthansa Technik initiated the Hydrogen Aviation Lab in 2021, a project funded by the City of Hamburg that focuses on technologies and extensive maintenance and ground processes for future aircraft generations using liquid hydrogen as a primary energy source. Since 1994, the Lufthansa Group has also actively supported various national and international atmospheric and climate research projects.
		ESRS E1	↗ **Cooperations in collaborative, research and development initiatives expand climate change mitigation efforts**	More targeted political support and financial support mechanisms are needed to develop new technologies if the targets set as part of the Lufthansa Group's climate change mitigation commitment are to be attained in a sector that is difficult to decarbonise. This is why the Lufthansa Group is involved in a wide range of private and government-funded collaborative, research and development initiatives. Working with the scientific community, it has also funded atmospheric research to contribute to a better understanding of the global climate.
		ESRS E2	↗ **The Lufthansa Group participates in noise research to optimise approaches and take-offs**	In the reporting year, the Lufthansa Group once again supported the German Aerospace Center in the ongoing development of its Low Noise Augmentation System (LNAS) for optimising landings and take-offs.
10 REDUCED INEQUALITIES	10.2	ESRS S1	↗ **Comprehensive measures implemented under the Human Resources strategy**	The Lufthansa Group launched a support programme for women in management roles in 2022 as a contribution to promoting gender diversity and increasing the proportion of female managers on the two levels of the hierarchy directly beneath the Executive Board. The programme has been continuously developed since, and adapted to the needs of the participants and organisational requirements in order to make long-term progress in equality.
		ESRS S1	↗ **Comprehensive measures implemented under the Human Resources strategy**	The Lufthansa Group makes an active contribution to promoting diversity and equality. In 2021, it launched a development programme and other initiatives to increase the number of female, international workers in its home markets Germany, Austria, Switzerland and Belgium. These programmes are continuously developed and improved in order to ensure a sustainable enhancement of diversity in the workforce.
		ESRS S1	↗ **Comprehensive measures implemented under the Human Resources strategy**	The Lufthansa Group aims to foster an inclusive culture based on intercultural understanding and appreciation while positioning the Company as an attractive destination for international talent. Since 2023, this includes a programme available to international talents who have not yet worked in one of the Company's home markets (Germany, Austria, Switzerland, Belgium) but are interested in doing so. The programme prepares these individuals for such a rotation and supports them throughout the entire process.

T222 SUSTAINABLE DEVELOPMENT GOALS (SDG) (continued)

SDG	Sub-target	European Sustainability Reporting Standard	Reference to non-financial declaration	Lufthansa Group’s contribution to achieving the global SDGs as defined in the 2030 Agenda of the United Nations
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.2	ESRS E5	↗ **Passenger Airlines approaches to resource use and circular economy**	Based on the “R” strategies and the EU’s waste hierarchy (2008/98/EC), the Lufthansa Group Passenger Airlines has introduced specific guidelines under the framework of its global waste policies with the aim of promoting the shift away from the use of primary resources and towards renewable, recycled or recyclable materials. Steps are being taken to ensure that products are made from a single material and can be recycled where possible going forward.
		ESRS E5	↗ **Key resource use in the Lufthansa Group’s business segments is dependent on the respective business model**	The Lufthansa Group measures and reports its material resource inflows and outflows at Passenger Airlines, MRO and Cargo.
	12.3	ESRS E5	↗ **Passenger Airlines approaches to resource use and circular economy**	The reduction of food waste at the Lufthansa Group is addressed in the Waste Targets policy. It states that food waste on short-haul flights should be halved by 2025 compared with 2010.
		ESRS E5	↗ **Reduce: cut resource use and analyse waste streams**	In relation to post-flight operating processes, the focus is on analysing waste stream data to improve transparency. For example, a food consumption analysis by the Passenger Airlines as a measure to increase resource efficiency – particularly in respect to food waste.
		ESRS E5	↗ **Reduce: cut resource use and analyse waste streams**	Additional on-demand services were introduced in 2024. Austrian Airlines has reduced the load of milk, cream and bread (by 20% for milk, 30% for cream and 45% for bread), for instance.
	12.5	ESRS E5	↗ **Passenger Airlines approaches to resource use and circular economy**	In an effort to reduce resource consumption, Lufthansa Group Passenger Airlines are focusing on keeping finite resources within a closed loop for as long as possible. This includes endeavouring to return all in-flight plastic and aluminium items to the circular economy or dispense with them entirely and replace them with renewable raw materials.
		ESRS E5	↗ **Passenger Airlines has put in place targets for sustainable in-flight resource use**	The Lufthansa Group Passenger Airlines plan to return customer-related plastic and aluminium items to the circular economy and no longer have any single-use plastic or single-use aluminium items on flights from 2025 onwards.
		ESRS E5	↗ **Replace: expedite the replacement of single-use materials**	In the procurement process, the focus is on replacing single-use plastic and single-use aluminium. The Procurement department sources renewable and recyclable materials wherever possible.
		ESRS E5	↗ **Recyle: recycle materials**	The Lufthansa Group has introduced airline-specific recycling guidelines for crews for application on all of its passenger airlines. SWISS launched several initiatives for recycling in-flight materials in the reporting year and is now able to recycle greater volumes of materials in the United States, for example.
		ESRS E5	↗ **263 of 731 single-use plastic and single-use aluminium items have been replaced to date**	In order to measure its progress in replacing single-use plastic and single-use aluminium items, the Lufthansa Group has defined a company-specific performance indicator based on the Beginners Guide to Airline Sustainability Reporting, an IATA handbook. This indicator measures how many single-use plastic and single-use aluminium items in total are used by Passenger Airlines and Lufthansa Cargo and how many have been replaced by more sustainable alternatives, such as reusable instead of disposable cups.
		ESRS E5	↗ **Lufthansa Technik approaches to resource use and circular economy**	Lufthansa Technik has been offering leasing-based repair services for years, whereby airlines in the Lufthansa Group and external airlines can have spare parts installed in their aircraft. The spare parts remain the property of Lufthansa Technik and may be used elsewhere as soon as an aircraft leaves the fleet. This ensures these parts are kept within the material cycle.
		ESRS E5	↗ **Lufthansa Technik targets are focused on increasing the recycling rate at its sites**	Lufthansa Technik has set itself the target of increasing the recycling rate to 75% by 2025. The targets were adopted together with segment management, the Executive Board and Lufthansa Technik’s environmental department in 2017.

T222 SUSTAINABLE DEVELOPMENT GOALS (SDG) (continued)

SDG	Sub-target	European Sustainability Reporting Standard	Reference to non-financial declaration	Lufthansa Group's contribution to achieving the global SDGs as defined in the 2030 Agenda of the United Nations
	12.5	ESRS E5	↗ **Lufthansa Technik puts an emphasis on recycling**	Taking applicable regulations into consideration, recyclable metal materials such as steel from across the Group are sold by Lufthansa Technik specifically to specialised recycling companies. This helps to improve resource use and supports the achievement of the sustainability target of increasing the recycling rate, while also generating economic benefits through the sale of the metal waste to recycling companies and the reduction in disposal costs.
		ESRS E5	↗ **Lufthansa Cargo approaches to resource use and circular economy**	Lufthansa Cargo pursues a circular concept aimed at avoiding and reducing the use of resources and conserving resources. This includes loading aids and equipment that are indispensable in the airfreight transport sector. These are mainly items designed for multiple use that only become waste once they are no longer repairable or reach their date of expiry according to international airfreight regulations.
		ESRS E5	↗ **Lufthansa Cargo is focused on increasing the share of recycled materials**	Lufthansa Cargo and its subsidiaries have set themselves a target of increasing the share of recycled materials to 40% by the end of 2025. This relates to all materials disposed of at Lufthansa Cargo's Frankfurt hub.
		ESRS E5	↗ **Lufthansa Cargo is committed to conserving resources with regard to its cargo capacity**	Two new measures were introduced during the reporting year: a biodegradable film for securing loads is being trialled and straps collected by Lufthansa Cargo and its subsidiaries are being sent back to the manufacturer.
13 CLIMATE ACTION	13.1	ESRS E1	↗ **The Lufthansa Group's climate-related risks and opportunities have been identified**	Within its climate risk analysis the Lufthansa Group has identified material climate-related risks and opportunities.
		ESRS E1	↗ **Climate resilience analysis has been initiated in order to analyse resistance to climate change**	The climate resilience analysis was initiated by the Lufthansa Group in collaboration with an external consulting firm during financial year 2024. The aim was to analyse the resilience of the Lufthansa Group's strategy, including its business model, to climate change while taking into account the related uncertainties.
		ESRS E1	↗ **Initial measures to mitigate climate-related physical and transition risks have been implemented**	The Lufthansa Group has implemented various measures to become more resilient to climate-related physical and transition risks. These measures are currently considered sufficient to address the impacts of climate change in the short, medium and long term.
	13.2	ESRS E1	↗ **Efficiency gains through a unified European airspace are expected to reduce emissions**	The European Commission's legislative proposal for the further development of the European airspace (SES2+) is intended to help further harmonise and optimise European air traffic management. The technological basis for this is the results of Europe's SESAR programme.
		ESRS E1	↗ **Cooperations in collaborative, research and development initiatives expand climate change mitigation efforts**	The Lufthansa Group is in discussions with policymakers regarding the support and development of funding mechanisms to develop new technologies and accelerate the market launch of sustainable aviation fuel.
		ESRS E1	↗ **Mandatory carbon offsets**	With the agreement on climate protection – CORSIA – reached at the ICAO in October 2016, growth-related CO_2 emissions in international aviation are offset through the purchase of certificates since 2021.
		ESRS E1	↗ **Trading with market-based climate change mitigation instruments**	Under the EU ETS, carbon emissions have been recorded and reduced across industries through certificate trading since 2012. All flights carried out by the Lufthansa Group within the European Economic Area (EEA) are subject to this system. The emissions trading schemes of Switzerland (CH ETS) and the United Kingdom (UK ETS) for flights between the EEA, Switzerland and the United Kingdom impose additional obligations to surrender emission certificates.

T222 SUSTAINABLE DEVELOPMENT GOALS (SDG) (continued)

SDG	Sub-target	European Sustainability Reporting Standard	Reference to non-financial declaration	Lufthansa Group's contribution to achieving the global SDGs as defined in the 2030 Agenda of the United Nations
	13.3	ESRS E1	↗ **Transition plan for climate change mitigation**	The Lufthansa Group has a transition plan for the transition to more climate change mitigation. It describes how the Lufthansa Group plans to achieve its SBTi targets. It also describes how the climate transition plan is embedded in the organisation.
		ESRS E1	↗ **Transition plan for climate change mitigation**	The Lufthansa Group is committed to expanding the range of intermodal transport by working with other transport companies to include more train and bus connections as alternatives to short-haul flights.
		ESRS E1	↗ **Integration of sustainability-related performance in incentive schemes**	The Supervisory Board set the indicator grammes of CO_2 per revenue tonne-kilometre as a core focus for the strategic goals and sustainability targets within the long-term variable remuneration for the 2024 financial year (LTI 2024).
		ESRS E1	↗ **Four-pillar climate change mitigation strategy addresses four areas for action**	The Lufthansa Group has identified four action areas in connection with climate change mitigation: technical advances, better infrastructure, operational measures, economic instruments.
		ESRS E1	↗ **Scientifically proven carbon reduction targets underpin climate change mitigation ambitions**	The Lufthansa Group has set itself ambitious climate change mitigation targets. The SBTi validation in 2022 made the Lufthansa Group the first airline group in Europe and the second worldwide with a scientifically verified CO_2 reduction target in line with the goals of the Paris Climate Agreement of 2015. In terms of the SBTi criteria the Lufthansa Group has set itself a target of reducing its carbon intensity, i.e. its CO_2 emissions in grammes of CO_2 per revenue tonne-kilometre (passenger and freight) – by 30.6 % from 2019 to 2030.
		ESRS E1	↗ **The contribution of individual decarbonisation levers has been quantified**	The Lufthansa Group quantifies the following contributions of its individual decarbonisation levers to achieving the SBTi targets in 2030: — Fleet renewal reduces greenhouse gas emissions per revenue tonne-kilometre (RTK) by 15% — Operational efficiency measures reduce greenhouse gas emissions per RTK by 3.8% — The use of SAF additionally reduces greenhouse gas emissions per RTK by 3.4%.
		ESRS E1	↗ **The Lufthansa Group incorporates carbon offset contributions to achieve its voluntary climate change mitigation target**	Beyond the reduction defined by the SBTi targets, the Lufthansa Group aims to meet its self-imposed goal – to halve its net carbon emissions by 2030 compared with 2019. This includes voluntary carbon offsets, which make a significant contribution to the climate change mitigation target. The carbon offset contributions flow into a portfolio of climate change mitigation projects, which includes initiatives in various countries around the world, such as Germany, Austria and Switzerland.
		ESRS E1	↗ **Fleet renewal is the most important lever for reducing CO_2 emissions**	Fleet renewal remains the key driver for reducing CO_2 in the short and medium term. Modernising the fleet saves kerosene and therefore CO_2 in flight operations. The Lufthansa Group fleet was expanded by 18 new aircraft in 2024, including Airbus A320neos, A321neos, A350-900s and Boeing 787-9s, which are powered by modern engines. The A320neo is one of the world's newest and most environmentally friendly aircraft.
		ESRS E1	↗ **Carbon emissions from employee business travels are offset**	Since 2019, the Lufthansa Group has been voluntarily offsetting the carbon emissions from all of its employees' business flights globally.
		ESRS S4	↗ **Lufthansa Group offers sustainability initiatives and services for its customers**	Its Green Fares product is worth highlighting in particular with regard to the reporting year. These fares are offered on intra-European routes and, since December 2024, on intercontinental routes of the Lufthansa Group as well. When choosing this fare, 20% of the flight-related carbon emissions are reduced on European routes and 10% on long-haul flights. The remaining share of the carbon emissions is offset through contributions to the Lufthansa Group's climate change mitigation portfolio. With Lufthansa Cargo's additionally bookable Sustainable Choice product component, customers can offset airfreight-related carbon emissions by investing in SAF or carbon offsetting projects. Five different options are available for individual airfreight transports, ranging from 100% offsetting to combinations of 20% SAF/80% offsetting up to 80% SAF/20% offsetting. Additionally, Lufthansa Cargo offers corporate customer bulk contracts (bulk agreements) for SAF and carbon offsetting projects.
		ESRS E1	↗ **The carbon footprint in accordance with the Greenhouse Gas Protocol is determined annually**	The Lufthansa Group calculates its carbon footprint each year. The carbon footprint of the Lufthansa Group represents the total of all carbon dioxide and other greenhouse gas emissions generated by its operations as defined by the internationally recognised Greenhouse Gas Protocol standards – including material emissions from the supply chain.

T222 SUSTAINABLE DEVELOPMENT GOALS (SDG) (continued)

SDG	Sub-target	European Sustainability Reporting Standard	Reference to non-financial declaration	Lufthansa Group's contribution to achieving the global SDGs as defined in the 2030 Agenda of the United Nations
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	16.5	ESRS G1	↗ **Binding Compliance Guidelines apply to all Lufthansa Group employees**	The Integrity Compliance Guidelines contain provisions for the prevention of corruption and bribery, including conflicts of interest. Three guidelines here regulate clear requirements for invitations and gifts, particularly from public officials, as well as potential conflicts of interest. The guidelines aim to mitigate corruption and bribery risks, ensure compliance with regulatory standards and maintain and improve the Group's reputation.
		ESRS G1	↗ **Prevention and detection of corruption and bribery**	To investigate allegations or incidents of corruption and bribery, the Lufthansa Group maintains various whistleblower channels. All employees can also contact their direct supervisors, the compliance managers in their Group company or the Corporate Compliance Office.
		ESRS G1	↗ **Compliance training aims to raise employee awareness of risks**	Compliance trainings are intended to support Lufthansa Group employees in understanding all relevant legal requirements and internal guidelines of the Lufthansa Group. It should serve to sharpen awareness of risks, provide guidance on handling risk situations and show where employees can obtain support. Web-based trainings aim to raise awareness of these topics; in-person trainings to convey department- or function-specific knowledge. The mentioned web-based or in-person trainings are accessible to all employees.
	16.10	ESRS S4	↗ **The Lufthansa Group pursues responsible marketing practices and product information**	The Lufthansa Group is committed to ensuring that its product claims and product information are truthful and not misleading, which is reflected in its marketing practices and the information it provides about its products.
17 PARTNERSHIPS FOR THE GOALS	17.16	ESRS 2	↗ **Responsible conduct is strengthened by strategic partnerships and sustainability initiatives**	The Lufthansa Group is committed to the ten principles of the UN Global Compact for sustainable and responsible corporate governance since 2002, thus setting an example for long-term engagement, responsible corporate governance and sustainable development.
		ESRS 2	↗ **Responsible conduct is strengthened by strategic partnerships and sustainability initiatives**	The Lufthansa Group is a long-standing member of the International Air Transport Association (IATA), the international airline industry association, and within this global organisation is actively involved in promoting safety, efficiency and sustainability in the aviation sector. It works closely with other members to develop and implement joint standards and methods, to drive innovation and actively shape the transition of the airline industry towards lower emissions.

ASSURANCE REPORT OF THE INDEPENDENT GERMAN PUBLIC AUDITOR

ON A LIMITED ASSURANCE ENGAGEMENT IN RELATION TO THE GROUP SUSTAINABILITY DECLARATION

To Deutsche Lufthansa Aktiengesellschaft, Cologne

We have conducted a limited assurance engagement on the Group sustainability declaration, included in the “Combined non-financial declaration” section of the combined management report, of Deutsche Lufthansa Aktiengesellschaft for the fiscal year from 1 January 2024 to 31 December 2024. The Group sustainability declaration was prepared to fulfill the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, CSRD) and Art. 8 of Regulation (EU) 2020/852 as well as Secs. 289b to 289e and Secs. 315b and 315c HGB [“Handelsgesetzbuch”: German Commercial Code] for a Group non-financial declaration which is combined with the parent company’s non-financial declaration.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the accompanying Group sustainability declaration is not prepared, in all material respects, in accordance with the requirements of the CSRD and Art. 8 of Regulation (EU) 2020/852, Secs. 289b to 289e and Secs. 315b and 315c HGB for a Group non-financial declaration which is combined with the parent company’s non-financial declaration and the supplementary criteria presented by the executive directors of the Company. This assurance conclusion includes that nothing has come to our attention that causes us to believe that:

- The accompanying Group sustainability declaration does not comply, in all material respects, with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify information to be included in the Group sustainability declaration (the materiality assessment) is not, in all material respects, in accordance with the description set out in the “Combined non-financial declaration” section of the Group sustainability declaration, or
- The disclosures in the Group sustainability declaration do not comply, in all material respects, with Art. 8 of Regulation (EU) 2020/852.

Basis for the assurance conclusion

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in the section “German public auditor’s responsibilities for the assurance engagement on the Group sustainability declaration.”

We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit firm has applied the requirements for a system of quality control as set forth in the IDW Quality Management Standard issued by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW): Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)). We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

Responsibilities of the executive directors and the Supervisory Board for the Group sustainability declaration

The executive directors are responsible for the preparation of the Group sustainability declaration in accordance with the requirements of the CSRD and the applicable German legal and other European requirements as well as with the supplementary criteria presented by the executive directors of the Company and for designing, implementing and maintaining such internal control that they have considered necessary to enable the preparation of a Group sustainability declaration in accordance with these requirements that is free from material misstatement, whether due to fraud (i.e., fraudulent sustainability reporting in the Group sustainability declaration) or error.

This responsibility of the executive directors includes establishing and maintaining the materiality assessment process, selecting and applying appropriate reporting policies for preparing the Group sustainability declaration, as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The Supervisory Board is responsible for overseeing the process for the preparation of the Group sustainability declaration.

Inherent limitations in preparing the Group sustainability declaration

The CSRD and the applicable German legal and other European requirements contain wording and terms that are subject to considerable interpretation uncertainties and for which no authoritative, comprehensive interpretations have yet been published. As such wording and terms may be interpreted differently by regulators or courts, the legality of measurements or evaluations of sustainability matters based on these interpretations is uncertain.

These inherent limitations also affect the assurance engagement on the Group sustainability declaration.

German public auditor’s responsibilities for the assurance engagement on the Group sustainability declaration

Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the Group sustainability declaration has not been prepared, in all material respects, in accordance with the CSRD, the applicable German legal and other European requirements and the supplementary criteria presented by the Company’s executive directors, and to issue an assurance report that includes our assurance conclusion on the Group sustainability declaration.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. We also:

- Obtain an understanding of the process used to prepare the Group sustainability declaration, including the materiality assessment process carried out by the Company to identify the disclosures to be reported in the Group sustainability declaration.

- Identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. In addition, the risk of not detecting a material misstatement in information obtained from sources not within the Company’s control (value chain information) is ordinarily higher than the risk of not detecting a material misstatement in information obtained from sources within the Company’s control, as both the Company’s executive directors and we as practitioners are ordinarily subject to restrictions on direct access to the sources of the value chain information.

- Consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

Summary of the procedures performed by the German public auditor

A limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgment.

In performing our limited assurance engagement, we:

- Gained an understanding of the structure of the sustainability organization and stakeholder engagement

- Evaluated the suitability of the criteria as a whole presented by the executive directors in the Group sustainability declaration.

- Inquired of the executive directors and relevant employees involved in the preparation of the Group sustainability declaration about the preparation process, including the materiality assessment process carried out by the Company to identify the disclosures to be reported in the Group sustainability declaration, and about the internal controls relating to this process.

- Evaluated the reporting policies used by the executive directors to prepare the Group sustainability declaration.

- Evaluated the reasonableness of the estimates and related information provided by the executive directors. If, in accordance with the ESRS, the executive directors estimate the value chain information to be reported for a case in which the executive directors are unable to obtain the information from the value chain despite making reasonable efforts, our assurance engagement is limited to evaluating whether the executive directors have undertaken these estimates in accordance with the ESRS and assessing the reasonableness of these estimates, but does not include identifying information in the value chain that the executive directors were unable to obtain.

- Performed analytical procedures and made inquiries in relation to selected information in the Group sustainability declaration.

- Considered the presentation of the information in the Group sustainability declaration.

- Considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Group sustainability declaration.

- Considered the existence of carbon offset certificates, but not their effectiveness.

Restriction of use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the assurance report is intended solely to inform the Company about the result of the assurance engagement. As a result, it may not be suitable for another purpose than the aforementioned. Accordingly, the assurance report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company alone. We do not accept any responsibility to third parties. Our assurance conclusion is not modified in this respect.

General Engagement Terms and Liability

The "General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" dated 1 January 2024, which are attached to this report, are applicable to this engagement and also govern our relations with third parties in the context of this engagement (ey-idw-aab-de-2024.pdf).

In addition, please refer to the liability provisions contained there in no. 9 and to the exclusion of liability towards third parties. We accept no responsibility, liability or other obligations towards third parties unless we have concluded a written agreement to the contrary with the respective third party or liability cannot effectively be precluded.

We make express reference to the fact that we will not update the assurance report to reflect events or circumstances arising after it was issued, unless required to do so by law. It is the sole responsibility of anyone taking note of the summarized result of our work contained in this report to decide whether and in what way this result is useful or suitable for their purposes and to supplement, verify or update it by means of their own review procedures.

Düsseldorf, 4 March 2025

EY GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Dr. Alexander Eisele	Christopher Hintze
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

INDEPENDENT AUDITOR'S REPORT

ON THE AUDIT OF THE REMUNERATION REPORT PURSUANT TO SECTION 162 PARAGRAPH 3 AKTG

To Deutsche Lufthansa Aktiengesellschaft

Opinion

We have audited the formal aspects of the remuneration report of Deutsche Lufthansa Aktiengesellschaft, Cologne, for the fiscal year from 1. January 2024 to 31. December 2024 to determine whether the disclosures required by Sec. 162 (1) and (2) AktG ["Aktiengesetz": German Stock Corporation Act] have been made therein. In accordance with Sec. 162 (3) AktG, we have not audited the content of the remuneration report.

In our opinion, the disclosures required by Sec. 162 (1) and (2) have been made in the accompanying remuneration report in all material respects. Our opinion does not cover the content of the remuneration report.

Basis for the opinion

We conducted our audit of the remuneration report in accordance with Sec. 162 (3) AktG and in compliance with the IDW Auditing Standard: Audit of the Remuneration Report in Accordance with Sec. 162 (3) AktG (IDW AuS 870 (09.2023)). Our responsibilities under this provision and standard are further described in the "Responsibilities of the auditor" section of our report. As an audit firm, we applied the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QS 1 (09.2022)). We complied with the professional obligations pursuant to the WPO ["Wirtschaftsprüferordnung": German Law Regulating the Profession of Wirtschaftsprüfer (German Public Auditor)] and the BS WP/vBP ["Berufssatzung für Wirtschaftsprüfer/vereidigte Buchprüfer": Professional Charter for German Public Accountants/German Sworn Auditors] including the requirements regarding independence.

Responsibilities of the management board and supervisory board

The management board and supervisory board are responsible for the preparation of the remuneration report and the related disclosures in compliance with the requirements of Sec. 162 AktG. In addition, they are responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report and the related disclosures that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

Responsibilities of the auditor

Our objectives are to obtain reasonable assurance about whether the disclosures required by Sec. 162 (1) and (2) AktG are made in the remuneration report in all material respects and to express an opinion thereon in a report.

We planned and performed our audit so as to determine the formal completeness of the remuneration report by comparing the disclosures made in the remuneration report with the disclosures required by Sec. 162 (1) and (2) AktG. In accordance with Sec. 162 (3) AktG, we have not audited the accuracy of the disclosures, the completeness of the individual disclosures or the fair presentation of the remuneration report.

Consideration of misrepresentations

In connection with our audit, our responsibility is to read the remuneration report considering the knowledge obtained in the audit of the financial statements and, in doing so, remain alert for indications of whether the remuneration report contains misrepresentations in relation to the accuracy of the disclosures, the completeness of the individual disclosures or the fair presentation of the remuneration report.

If, based on the work we have performed, we conclude that there is a misrepresentation, we are required to report that fact. We have nothing to report in this regard.

Eschborn/Frankfurt am Main, 4 March 2025

EY GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Jorg Bösser	Dustin Jansen
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

TEN-YEAR OVERVIEW

T223 TEN-YEAR OVERVIEW

		2024	2023[8]	2022[7]	2021[6]	2020	2019	2018[5]	2017[4]	2016	2015
Income statement Lufthansa Group											
Revenue	in €m	37,581	35,442	30,895	16,811	13,589	36,424	35,542	35,579	31,660	32,056
Result											
Adjusted EBITDA	in €m	3,982	4,910	3,719	593	-2,890	4,718	5,016	5,009	3338	
Adjusted EBIT	in €m	1,645	2,682	1,520	-1,666	-5,451	2,026	2,836	2,969	1,752	1,817
Adjusted EBIT margin	%	4.4	7.6	4.9	-9.9	-40.1	5.6	8	8.3	5.5	5.7
EBIT	in €m	1,731	2,669	1,419	-2,316	-7,353	1,857	2,974	3,297	2,275	1,676
Profit/loss before income taxes	in €m	1,576	2,317	1,249	-2,606	-8,631	1,860	2,784	3,158	2,248	2,026
Income taxes	in €m	-176	-380	-239	413	1865	-615	-588	-784	-445	-304
Net profit/loss attributable to shareholders of Lufthansa AG	in €m	1,380	1,673	791	-2,191	-6,725	1,213	2,163	2,340	1,776	1,698
Main cost items											
Staff costs	in €m	9,036	8,344	7,277	6,328	6,436	9,121	8,811	8,172	7,354	8,075
Fees and charges	in €m	5,020	4,487	3,730	2,155	1,796	4,523	4,457	6,357	5,736	5,651
Fuel	in €m	7,785	7,931	7,601	2,409	1,875	6,715	6,087	5,232	4,885	5,784
Depreciation, amortisation and impairment	in €m	2,378	2,242	2,245	2,351	4,389	2,776	2,205	2,383	1,769	1,715
Net interest	in €m	-149	-348	-409	-441	-334	-315	-144	-195	-218	-170
Balance sheet Lufthansa Group											
Asset structure											
Non-current assets	in €m	30,736	29,348	28,080	29,063	29,444	31,374	27,559	24,749	24,504	23,526
Current assets	in €m	16,316	15,973	15,255	13,475	10,040	11,285	10,654	11,029	10,193	8,936
of which liquid assets	in €m	8,488	8,265	8,301	7,666	5,460	3,385	3,235	3,948	3,937	3,093
Capital structure											
Shareholders' equity	in €m	11,594	9,709	8,474	4,490	1,387	10,256	9,573	9,110	7,149	5,845
of which issued capital	in €m	3,068	3,063	3,060	3,060	1,530	1,224	1,217	1,206	1,200	1,189
of which reserves	in €m	7,094	4,923	4,554	3,581	6,542	7,710	6,083	5,461	4,084	2,881
Liabilities	in €m	35,458	35,612	34,861	38,048	38,097	32,403	28,640	26,668	27,548	26,617
of which pension provisions	in €m	2,692	2,895	2,069	6,676	9,531	6,659	5,865	5,116	8,364	6,626
of which borrowing	in €m	14,223	13,943	15,151	16,670	15,368	10,030	6,685	6,814	6,575	6,370
Total assets	in €m	47,052	45,321	43,335	42,538	39,484	42,659	38,213	35,778	34,697	32,462

T223 TEN-YEAR OVERVIEW (continued)

		2024	2023 [8]	2022 [7]	2021 [6]	2020	2019	2018 [5]	2017 [4]	2016	2015
Other financial data Lufthansa Group											
Capital expenditure	in €m	3,819	3,609	2,425	1,356	1,312	3,666	3,805	3,529	2,231	2,568
of which on tangible and intangible assets	in €m	3,657	3,544	2,365	1,318	1,249	3,486	3,709	3,338	2,160	2,454
of which on financial investments	in €m	162	65	60	38	63	180	96	191	71	114
Cash flow from operating activities	in €m	3,892	4,905	5,168	399	-2,328	4,030	4,109	5,368	3,246	3,393
(Adjusted) Free cash flow [1]	in €m	840	1,846	2,526	-1,049	-3,669	203	288	2,117	1,138	834
Indebtedness											
gross	in €m	14,232	13,947	15,172	16,689	15,382	10,047	6,724	6,832	6,638	6,440
Net	in €m	5,744	5,682	6,871	9,023	9,922	6,662	3,489	2,884	2,701	3,347
Lufthansa share											
Share price [2]	€	6.18	8.05	7.77	6.18	7.72	11.71	14.06	21.92	8.76	10.39
Dividends proposed/paid	in €m	359	359	–	–	–	-	380	377	234	232
Dividend per share proposed/paid	€	0.30	0.30	–	–	–	-	0.80	0.80	0.50	0.5
Operational ratios Lufthansa Group											
Return on sales (Profit/loss before income taxes/revenue)	%	4.2	6.5	4.0	-15.5	-63.5	5.1	7.8	8.9	7.1	6.3
Return on capital employed (Profit/loss before income taxes plus interest on liabilities/total assets)	%	4.6	6.4	4.0	-5.1	-20.8	5.3	7.8	9.9	7.3	7.3
Return on equity (Profit/loss after income taxes/shareholders' equity)	%	12.1	20.0	11.9	-48.8	-487.8	12.1	22.9	26.1	25.2	29.5
Return on equity (Profit/loss before income taxes/shareholders' equity)	%	13.6	23.9	14.7	-58.0	-622.3	18.1	29.1	34.7	31.4	34.7
Equity ratio (Shareholders' equity/total assets)	%	24.6	21.4	19.6	10.6	3.5	24	25.1	25.5	20.6	18.0
Gearing (Net indebtedness plus pension provisions/shareholders' equity)	%	72.8	88.3	105.5	349.6	1,402.5	129.9	97.7	87.8	154.8	170.6
Leverage (Net indebtedness/total assets)	%	12.2	12.5	15.9	21.2	25.1	15.6	9.1	8.1	7.8	10.3
Internal financing ratio (Cash flow/capital expenditure)	%	101.9	135.9	213.1	29.4	-177.4	109.9	108	152.1	145.5	132.1
Adjusted net debt/Adjusted EBITDA (since 2017); Debt repayment ratio (until 2016)	%	2.0	1.7	2.3	25.8	-	2.8	1.8	1.5	28.7	30.7
Revenue efficiency (Cash flow/revenue)	%	10.4	13.8	16.7	2.4	-17.1	11.1	11.6	15.1	10.3	10.6
Adjusted ROCE (Adjusted EBIT – 25% taxes)/average capital employed [3]	%	7.2	13.1	7.6	-7.4	-16.7	6.6	10.6	11.9	7.0	8.3
Net working capital (Current assets less current liabilities)	€bn	-3.3	-3.8	-2.5	-1.2	-4.6	-4.7	-5.6	1.6	-0.8	-3.5
Non-current asset ratio (Non-current assets/total assets)	%	65.3	64.8	64.8	68.3	74.6	73.5	72.1	69.2	70.6	72.5

T223 TEN-YEAR OVERVIEW (continued)

		2024	2023 8)	2022 7)	2021 6)	2020	2019	2018 5)	2017 4)	2016	2015
Depreciation ratio for aircraft/reserve engines (Accumulated depreciation/accumulated acquisition costs)	%	60.9	61.0	60.1	58.8	55.9	50.7	51.7	52.5	49.7	51.6
Staff ratios											
Average number of employees	Number	100,290	110,264	106,889	107,643	125,207	137,784	134,330	128,856	123,287	119,559
Revenue/employee	€	374,723	321,429	289,038	156,174	108,532	264,356	264,587	276,114	256,799	268,119
Staff costs/revenue	%	24.0	23.5	23.6	37.6	47.4	25.0	24.8	23	23.2	25.2
Traffic figures Lufthansa Group											
Passengers	millions	131.3	122.5	101.8	46.9	36.4	145.3	141.9	129.3	109.7	107.7
Available seat-kilometres	millions	326,176	300,582	259,428	145,139	109,828	358,803	349,391	322,875	286,555	273,975
Revenue seat kilometres	millions	271,038	249,269	207,030	89,397	69,462	296,217	284,639	261,149	226,639	220,396
Passenger load factor	%	83.1	82.9	79.8	61.6	63.2	82.6	81.5	80.9	79.1	80.4
Available cargo tonne-kilometres	millions	17,119	15,497	14,194	11,867	10,560	17,379	16,349	15,754	15,117	14,971
Revenue cargo tonne-kilometres	millions	9,957	8,735	8,562	8,477	7,373	10,664	10,896	10,819	10,071	9,930
Cargo load factor	%	58.2	56.4	60.3	71.4	69.8	61.4	66.6	68.7	66.6	66.3
Number of flights	Number	991,752	946,132	826,603	460,029	390,263	1,187,728	1,163,565	1,128,745	1,021,919	1,003,660
Commercial aircraft	Number	735	721	710	713	757	763	763	728	617	600

1) Adjusted free cash flow from 2018 (free cash flow adjusted for effect of IFRS 16).

2) Previous year's figures adjusted for effects of the new shares issued as part of the capital increase in September 2021.

3) Calculated until 2020: Adjusted ROCE (Adjusted EBIT plus interest income on liquidity minus 25% taxes) / average capital employed.

4) The figures for 2017 were adjusted retroactively due to the restatement of capitalised engine maintenance events and IFRS 9.

5) The figures for 2018 were adjusted due to the restatement of compensation payments for flight cancellations and delays.

6) The figures for 2021 were adjusted retroactively due to changes in the definition of key performance indicators.

7) The figures for 2022 were adjusted due to the reclassification of the Catering segment to discontinued operations.

8) The figures for 2023 were adjusted due to the reclassification of non-pool material from repairable spare parts to inventories.

GLOSSARY

A

Adjusted EBIT
Main earnings metric for the Company's forecast. This relates to EBIT (earnings before interest and taxes) adjusted by non-recurring, non-operating effects.

Adjusted net debt/Adjusted EBITDA
Measure of the Group's debt-servicing capacity. By using Adjusted net debt, it also includes pension provisions as well as classic net indebtedness.

C

Call option
The right to purchase a specific underlying security within a specified period of time at an agreed price.

Cash flow
Measure of a company's financial and earnings potential. It is calculated as the difference between the inflow and outflow of cash and cash equivalents generated from ongoing business activities during the financial year.

Compliance
Institutionalised arrangements for ensuring that a company's management and staff duly comply with all statutory provisions and prohibitions.

D

Deferred taxes
A balance sheet item used to show taxable and deductible temporary differences. Deferred taxes reflect the temporary differences between assets and liabilities recognised for financial reporting purposes and such amounts recognised for income tax purposes.

Dividend yield
Indicator for assessing the profitability of an investment in shares. It is determined by dividing the dividend by the share price at the close of the reporting year and then multiplying it by 100.

E

EBIT
Financial indicator denoting earnings before interest and taxes. This is calculated from total operating income less operating expenses plus the result from equity investments.

EBITDA
Financial indicator denoting earnings before interest, taxes, depreciation and amortisation. Depreciation relates to items of property, plant and equipment and amortisation to intangible assets – both terms apply equally to non-current and current assets. The figure also includes impairment losses on equity investments accounted for under the equity method and on assets held for sale.

Equity ratio
Financial indicator expressing the ratio of shareholders' equity to total assets.

Equity method
Accounting method for measuring income derived from a company's investments in associated companies and joint ventures. Under this method, investment income equals a share of net income proportional to the size of the equity investment.

F

Free cash flow
Financial indicator expressing the operating cash flow remaining in the reporting period after deducting net cash used for investing activities.

Free float
Shares of a company that are widely held and can be traded on the stock exchange without restrictions.

G

Group of consolidated companies
Group of subsidiaries included in a company's consolidated financial statements.

H

Hub
In the aviation industry a hub refers to an airline's transfer airport, a central connecting point for different routes. Passengers and goods are transported from the original starting point to the airport's hub. From there they are carried to their destination by a second flight alongside passengers and goods from other departure points.

I

IATA
International Air Transport Association – the international trade association for the airline industry.

Impairment charges
Losses recognised on the carrying amount of assets. Impairment charges are recognised when an asset's "recoverable value" (the higher of fair value less costs to sell and value in use) is below its carrying amount. By contrast, depreciation or amortisation is the systematic allocation of the depreciable amount of an asset over its useful life.

J

Jet fuel crack
Price difference between crude oil and kerosene.

L

Low-cost carrier
Low-cost carrier are airlines which offer largely low ticket prices but with reduced service levels and sometimes additional charges on board and on the ground. Flights are mostly from secondary airports outside the major cities (e. g. Hahn in the Hunsrück area outside Frankfurt).

M

MRO
Short for maintenance, repair and overhaul of aircraft.

N

Net indebtedness/net liquidity
Financial indicator denoting non-current borrowing less cash, cash equivalents and current securities.

Network Airlines
In contrast to low-cost carriers, these airlines offer a wide-ranging, normally global route network via one or more hubs, with synchronised connecting flights.

P

Passenger load factor / cargo load factor
Measure of capacity utilisation in per cent. The cargo load factor expresses the ratio of capacity sold to available capacity. The passenger load factor refers to passenger transportation and the cargo load factor to cargo transport or total traffic.

R

Rating
A standardised measure used on international financial markets to judge and categorise a company's creditworthiness. A rating can enable conclusions to be drawn about whether an issuer is capable of meeting in full its obligations under the terms of the issue.

Return On Capital Employed – ROCE
Parameter for measuring value creation. EBIT after 25% tax deduction is divided by the average capital employed, adjusted for cash and cash equivalents. The resulting value reflects the relative return on the capital employed.

Return on sales
Financial indicator expressing the net profit before taxes in relation to sales revenue.

Registered shares with transfer restrictions
Registered shares that may only be transferred with the approval of the company.

S

Seat-kilometre/tonne-kilometre
Standard output units for air transport. An available seat-kilometre (ASK) denotes one seat offered flown for one kilometre; a revenue passenger-kilometre (RPK) denotes one paying passenger transported for one kilometre. An offered tonne-kilometre (TKO) denotes the offered capacity equivalent of one tonne of load (passengers and/or cargo) for one kilometre; a revenue tonne-kilometre (RTK) denotes one tonne of load (passengers and/or cargo) transported for one kilometre.

T

Total shareholder return
Financial indicator Expressing the overall return that an investor earns from the increase in the market capitalisation or share price, plus the dividend payment. Total shareholder return is calculated from the share price at the close of the reporting year plus the dividend paid in respect of the previous year, multiplied by 100 and divided by the share price at the close of the previous year.

Trade working capital
Financial indicator for assessing a company's liquidity, measured as the difference between its current assets and its current liabilities.

Traffic revenue
Revenue generated solely from flight operations. It comprises revenue from transporting passengers and cargo as well as related ancillary services.

U

Unit costs/unit revenues
Key performance indicator for air transport. Unit costs (CASK) denote the operating expenses divided by available seat-kilometres. Unit revenue (RASK) denotes the revenue divided by available seat-kilometres.

W

Weighted average cost of capital – WACC
The average return required on the capital employed at a company. The return on capital is calculated using the weighted average return required for both debt and equity.

Wet lease
Leasing of an aircraft from another airline, including its cockpit and cabin crews as well as maintenance and insurance.

Y

Yields
Average traffic revenue generated per unit of output. Based on total seat/passenger-kilometres or tonne-kilometres sold, but they can also be calculated per unit of traffic volume, e. g. per passenger carried or per kilometre flown.

CHART AND TABLE OVERVIEW

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FINANCIAL CALENDAR 2025

29 April	Release of 1st Interim Report January–March 2025
6 May	Annual General Meeting 2025 (virtual)
31 July	Release of 2nd Interim Report January–June 2025
30 October	Release of 3rd Interim Report January–September 2025

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Note
In this interim report, the terms “Lufthansa Group” and “Group” are used synonymously.
Unless stated otherwise, all change figures refer to the corresponding period from the previous year. Due to rounding, some of the figures may not add up precisely to the stated totals, and percentages may not precisely reflect the absolute figures to which they refer.