



EUROPEAN UNION  
POLICY PRIORITIES  
2024 - 2029

**AIRFRANCE****KLM**  
GROUP

## Context

The European aviation sector plays a pivotal role in the region's economic and social landscape. Economically, it contributes significantly to the Gross Domestic Product (GDP) and generates large-scale direct and indirect employment<sup>1</sup>. It fosters connectivity between nations and cultures, facilitating trade, tourism, and interpersonal relationships and it enhances the overall quality of life by facilitating swift and efficient transportation across borders. The industry acts as a catalyst for economic growth, innovation, and technological advancements. A sustainable and competitive EU aviation industry is therefore vital as it is a key element for the sovereignty of the EU, economic attractiveness, and a vector for the development of industrial innovation.

Air France-KLM Group (AFKL) is a major player in international air transport. AFKL's global network offers one of the most extensive flight networks between Europe and the rest of the world with over 300 destinations, covered by Air France, KLM Royal Dutch Airlines and Transavia. AFKL has also established global partnerships through strategic agreements with Delta and China Eastern. With three key areas of expertise - air passenger transport, cargo transport and aircraft maintenance - AFKL is a major global player, which generated more than €30 billion in revenues in 2023. In addition, with 3,000 aircraft serviced each year from over 200 customers worldwide, our aircraft maintenance activity generates an external revenue of €1 billion per year.

With a fleet of 522 aircraft (divided between Air France, KLM Royal Dutch Airlines and Transavia), our Group provides services in 120 countries, mainly from our central hubs in Paris and in Amsterdam. Additionally, Air France is the leading private employer in the Paris region, whereas KLM holds the third position among private employers in the Netherlands. Together, AFKL is employing 73,000 people worldwide pursuing the same purpose: at the forefront of a more responsible European aviation, we unite people for the world of tomorrow.



<sup>1</sup> [https://transport.ec.europa.eu/transport-modes/air/internal-market\\_en](https://transport.ec.europa.eu/transport-modes/air/internal-market_en)

## Cleaner, quieter, and more fuel-efficient industry

A more sustainable industry that effectively reduces emissions is at the core of our strategy. This decarbonisation strategy for our activities is primarily centred around reducing our CO<sub>2</sub> emissions, with a short-term targeted reduction of 30% per passenger/km by 2030 (compared to 2019). Our goal has been validated by the Science-Based Targets Initiative (SBTi) in which we follow the aviation path to reach the Paris Goals. Moreover, AFKL is committed to work with all stakeholders and the relevant public authorities to achieve net zero CO<sub>2</sub> emissions by 2050.

**-30%**  
CO<sub>2</sub> emissions per  
passenger/km by 2030  
(compared to 2019).

AFKL has three main solutions to help us reduce our emissions:

- **Renewal of our fleet**

AFKL is gradually replacing its aircraft with new-generation models that are cleaner and more fuel-efficient (80% new-generation aircraft in our fleet by 2030), with up to 25% less CO<sub>2</sub> emissions per passenger/km and 40% less noise on new-generation aircraft compared to the older ones they replace.

- **Use of sustainable aviation fuel (SAF)**

AFKL has committed to incorporating a minimum of 10% of SAF by 2030 at worldwide level, exceeding the obligations set by the European Commission under the ReFuelEU Aviation mandate (6% in 2030 for all flights departing EU airports). In 2023, the Air France-KLM Group's airlines have incorporated around 80,000 metric tons of SAF – nearly double of the amount in 2022 – making the Group the world's largest SAF user for the second year in a row.

- **Operational measures**

Reduction plans include the reduction of weight onboard, aircraft performance optimisation, route and flight path optimisation and fuel-saving measures. Our pilots are trained to adopt eco-piloting behaviours (e.g., speed adjustments, optimised procedures, landing configurations, single-engine taxiing) and are helped by AI-based tools. Continuous improvement of operational measures, including eco-piloting could reduce our fuel consumption by around 4% on average compared to 2019, while adhering to strict safety regulations. Our flight operations team manages a program that invests annually in such technologies and tracks projected CO<sub>2</sub> savings.

**Air France-KLM believes that efficient public policy measures should aim at accompanying the aviation industry in achieving its climate goals while ensuring its competitiveness and continuing to put safety and customer experience first. As we approach the 2024 European elections, AFKL believes it is important to share our views and we encourage future EU policymakers to prioritise the following areas:**

- ✈️ Achieve our climate goals
- ✈️ Ensure a competitive EU aviation industry
- ✈️ Continue to put our customers first

# Achieve our climate goals

## Uptake and production of SAF:

AFKL supports the ReFuelEU Regulation, which mandates the use of SAF throughout the EU from 2025 onwards. Our goal is to increase the uptake of SAF to a minimum of 10% by 2030 and achieve net zero emissions by 2050. However, the current availability of SAF is limited, especially in Europe, and much more expensive (3-6 times) than regular kerosene. To increase production and accessibility we urge the EU to support the development of SAF technologies under the Net-Zero Industry Act. We also propose a tradability mechanism, such as a Book & Claim system, to efficiently administer and verify the supply of SAF. We encourage the European Commission to propose such a mechanism in July 2024. In addition, the cost difference for SAF in Europe compared to other regions in the world should be addressed through effective measures. The introduction of SAF allowances in 2024 will be a great start, while we look forward to additional financial mechanisms that can support additional voluntary uptake of SAF. In other parts of the world, SAF is subsidised while these fuels do not meet the high-quality standards we apply for SAF in Europe (under the Renewable Energy Directive). As chair of the aviation roundtable within the Renewable and Low-Carbon Fuels Value Chain Industrial Alliance (RLCF), AFKL is dedicated to working with relevant stakeholders of the value chain to foster the deployment of a European SAF industry.

## Non-CO<sub>2</sub> effects:

AFKL is already actively involved in various projects with external stakeholders aiming at understanding, quantifying and mitigating the non-CO<sub>2</sub> effects of aviation. It is essential to minimise the current level of scientific uncertainty about the effects of non-CO<sub>2</sub> emissions and fill the gap in scientific understanding, while implementing Monitoring, Reporting and Verification (MRV) obligations in the EU ETS Directive. Therefore, we urge EU policymakers to stimulate and conduct further research in this area, particularly in terms of quantification of the impact of non-CO<sub>2</sub> effects at the individual flight level, technological solutions and trade-offs versus extra CO<sub>2</sub> emissions. Good research, analysis and knowledge should form the basis for effective legislation.

## Operational efficiency:

Through operational efficiency and a revision of the regulatory framework modernising the structures of European airspace (Single European Sky), up to 6% of CO<sub>2</sub> emissions from flights within the EU could be reduced<sup>2</sup>. However, the revision and implementation of a true Single European Sky (SES 2+) has been on the table for many years now. A congested EU airspace only leads to higher CO<sub>2</sub> emissions and more delays. We expect that EU legislators prioritise the completion and implementation of an efficient airspace structure and meet the decarbonisation objectives for the air transport sector.



<sup>2</sup> [https://ec.europa.eu/commission/presscorner/detail/es/QANDA\\_20\\_1716](https://ec.europa.eu/commission/presscorner/detail/es/QANDA_20_1716)

**Zero-Waste approach:**

AFKL is advocating that Category 1 International Catering Waste (ICW) should be reclassified as Category 3 waste because this will enable the sector to make a positive contribution to the EU’s circular economy and meet our own sustainability ambitions through cabin waste prevention, reuse, and recycling initiatives. Currently, catering waste generated on international flights cannot be efficiently processed, recycled, and reused, as Regulation (EU) 1069/2009 classifies ICW as biohazardous waste (Category 1) de facto obliging airlines to burn all catering waste coming into Europe. To the contrary, catering waste from intra-EU flights is being efficiently recycled into 13-14 different waste streams. AFKL urges the European Commission to work with the aviation sector to adopt smarter and more risk based ICW Regulation. This is needed for the EU to meet its own circular economy goal by 2050. We are working together in a broad coalition of stakeholders including NGOs to advocate for the European Commission to finally look into this matter<sup>3</sup>.

**Taxation:**

AFKL supports that, should a taxation on kerosene be introduced, it should be at a global level to maintain an international level playing field. Key parameters should consider the amount of SAF production globally available, and accessibility to all players. To make the necessary investments for decarbonisation of aviation available, it is a precondition that all revenues from the global kerosene tax are used to make the sector more sustainable, for example by making SAF more affordable or to stimulate new technologies.

**Development of a zero-emission aviation industry:**

New and radical technologies are key to reach the 2050 goals. Together with different partners such as Delft University of Technology, but also in wider EU associations that aim to achieve zero-emission aviation (e.g., AZEA) we explore new longer-term technological options for hybrid, electric or hydrogen-powered flights. Nevertheless, the solution in the long term is not there yet. Therefore, through cooperation with partners, the EU should also make funds and investments available to achieve zero-emission aviation.



<sup>3</sup> <https://www.iata.org/contentassets/821b593dd8cd4f4aa33b63ab9e35368b/joint-statement-towards-smarter-regulation.pdf>

## Ensure a competitive EU aviation industry

### Action at global level:

Given the global aspect of the EU network airlines' business model, it is essential that climate action is enacted at the global level as much as possible to preserve the level playing field. We welcome the adoption of the International Civil Aviation Organisation (ICAO) Long Term Aspirational Goal (LTAG) – which sets an aspiration goal of net-zero carbon emissions by 2050 – and support ambitious decarbonisation targets at worldwide level (e.g., introducing a worldwide ICAO SAF blending mandate). Additionally, we encourage ICAO to increase the ambitions of Carbon Offsetting and Reduction Scheme for International Aviation (CORSA), as a global carbon pricing system would help to gradually close the gap in climate ambitions between the EU and the rest of the world. To the contrary, beyond a serious implementation and compliance issue, a unilateral decision to expand the scope of the European Union Emission Trading System (EU ETS) to non-EU destinations will pose a serious threat to this global objective.

### Carbon Border Adjustment Mechanism (CBAM):

AFKL welcomes the CBAM initiative seeking to ensure a level playing field and tackle carbon leakage. Currently, the CBAM focusses on putting a fair price on goods that enter the EU. However, transportation services are also subject to carbon leakage (aviation is the fourth most exposed sector to carbon leakage<sup>4</sup>) and currently not part of the first CBAM phase. The Commission is planning to report and assess the inclusion of “transportation services” under CBAM by the end of 2025. This is a positive development, but it is key that carbon leakage risks for the sector are addressed, and concrete solutions are put forward by the EU to address those risks.

### Comprehensive Air Transport Agreements (CATA):

While AFKL welcomes the EU climate policies aiming to achieve carbon neutrality by 2050, it is crucial to ensure that these much needed and ambitious plans do not jeopardise the EU aviation industry's competitive standing vis-à-vis non-EU competitors. CATAs with third countries should always promote the environmental commitments of the EU aviation industry.

As these agreements could pave the way for a better harmonised regulatory framework, they should include binding rules to ensure effective implementation.

This is the case for provisions related to fair competition, financial transparency and social standards. AFKL calls on the Commission to guarantee the implementation of reciprocal environmental and fair competition commitments as well as similar social standards, before considering any further liberalisation of traffic rights with third countries or a group of third countries.

<sup>4</sup> <https://afep.com/wp-content/uploads/2021/01/Trade-and-Climate-Change-Quantitative-Assessment-of-the-Best-Policy-Tools.pdf> (figure 13 page 46)

**Improved management of airport resources:**

The use of airports' slot capacity is already highly efficient under the current Slot Regulation framework (over 95% slot utilisation rate in the most congested EU airports). We therefore do not support a revision of slot allocation rules which would add further constraints, as operational flexibility is essential for airlines to address fluctuating demand. On the other hand, a revision of the Airport Charges Directive (ACD) should prevent any abuse of market power by airports, that could result in excessive fees and inadequate services. The new framework should lead to more efficient, transparent, and consistent rules.

**Social issues:**

Third-country airlines operating in the EU should adhere to European social standards and requirements, considering the right for every worker to decent working conditions. This is crucial to ensure a level playing field. As we provide decent pay and labour conditions to our staff, it is only fair that non-EU airlines must also adhere to fundamental social rights, if they have access to the EU market. However, there are also examples within the EU of unfair social practices, for example: the use of fake or fictitious home bases, the misuse or fraud of social security certificates, the use of bogus self-employment, the misuse of posting of workers and legal uncertainty regarding applicable labour and social laws to workers. These legal loopholes must be repaired.

**Harmonised global reporting:**

Due to the extensive EU legislative agenda, the regulatory burden to report on new obligations has increased. This regulatory inflation brings major reporting and compliance burden, and the cumulative impact of EU legislation should be taken into consideration. In addition, reporting obligations should be harmonised and aligned. For example, despite an ambition to align the Corporate Sustainability Reporting Directive (CSRD) and the International Sustainability Standards Board (ISSB) reporting frameworks, there is currently significant discrepancy between them. This has the potential to put European companies at a disadvantage in future Environmental Social and Governance (ESG) benchmarking ratings and consequent investor interest from outside the EU, who refer more frequently to ISSB standards. We therefore advocate for harmonisation of the two frameworks on key ESG issues. This is also the case for the supply and use of SAF. Regulatory obligations from the Renewable Energy Directive (RED) III should be aligned with ReFuelEU Aviation, EU ETS and CORSIA to avoid different reporting requirements for the same products.

## Continue to put our customers first

### Passenger rights:

Ensuring clear, balanced, and fair passenger rights is key for guaranteeing high quality services and remaining competitive at the same time. While the Passenger Mobility Package has been released, the current deadlock on the revision of Regulation 261/2004 (EU261) leads to increasing uncertainty and significant amounting costs for European businesses. AFKL calls on the European Commission to establish a clear, proportionate, and stable legal framework for air passenger rights that will bring protection and clarity to our customers and a fair cost of compliance for the operators.

### Combining different modes of transport:

AFKL supports combining air and rail travel to make travelling more convenient and eco-friendlier. We have been offering “Air+Rail” journeys for over 20 years and we believe that people should have the freedom to choose their preferred mode of transportation. We are also working to reduce emissions by promoting the use of trains when it is a realistic option for the customer. However, public investments and international collaboration is needed to improve cross border rail mobility in Europe. In addition, multimodal journeys (MDMS) should be encouraged and made easier through EU policies that facilitate balanced commercial agreements between all stakeholders of the value chain.

### Transparent and reliable information for customers:

We believe that customers deserve to receive accurate and transparent information about the environmental impact of the flights they book. That is why we welcome the Green Claims Directive proposal, which would ensure that companies provide reliable and transparent information when making environmental claims. We also support an eco-labelling initiative that would allow customers to see the full decarbonisation efforts of airlines when operating flights. With clear and justified information, customers can make more informed decisions about their travel choices and support airlines that prioritise sustainability.





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