

# Sustainability gains momentum within the air cargo industry



## TIACA'S 2022 INSIGHT REPORT

Based on the outcomes of the 2nd TIACA  
Air Cargo Industry Sustainability Survey  
March 2022

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# Executive summary

Conducted for the second year from November 2021 to January 2022, the annual Air Cargo Industry Sustainability Survey reveals interesting trends affecting the sector and its approach to sustainability:

1. Sustainability gets the CEOs attention, especially as it is demanded by customers, employees and business partners.
2. The COVID-19 pandemic didn't negatively impact the industry sustainability agenda.
3. Overall, the sustainability pressure has slightly decreased (55%) but remains high in Americas (61%) and Europe (60%) and for ground handlers (77%), airports (70%) and airlines (64%).
4. More companies are prioritizing the sustainability agenda as investors and regulators increase their pressure; ESG terminology enters air cargo vocabulary.
5. 73% declare they have a sustainability strategy in place, with substantial differences depending on the company size: 80% of large companies have one but only 60% of small and medium-size firms.
6. Only 52% (-9 points compared to 2021) have at least one dedicated person in charge of delivering the sustainability agenda and just 37% (-6 points) have a specific budget.
7. 60% of the companies confirming they have a dedicated budget specified their budget has increased compared to previous year, potentially consolidating their leading advantage.
8. Only 50% of corporates in the air cargo industry share their sustainability performance externally: this is well below the global trend of 80% of companies worldwide, all sectors.
9. From the 8 priorities to decarbonize air cargo, the industry has first tackled the "quick wins" and the cost saving opportunities.
10. While less than a third of respondents are actively involved in SAF deployment – mostly in Europe and North America, a striking third feel it doesn't apply to them.
11. Reducing noise impact and improving local air quality is an important aspect in the industry's licence to operate with a half of all companies acting.
12. Many businesses focus their efforts on eliminating single-use plastics and improving water management.
13. Air cargo generates an immense value to the world. However, on a global scale, 25% of industry is still not aware of the social and economic benefits it generates to these communities.
14. While companies continue to improve efficiencies and accelerate their digital transformation, 34% have yet to start their digital transformation.
15. The air cargo industry recognises the importance of building and nurturing partnerships to accelerate sustainable progress and 70% declare they support their business partners in their journey.
16. Attracting, retaining & developing employees have become more critical than ever and the most spectacular progress is seen in this category of actions: 73% invest in training & education (+ 20 points compared to last year), 71% in improving employee experience (+32 points) and 67% in diversity & inclusion (+26 points)



# Director General's message



Glyn Hughes  
Director General, TIACA

**“Sustainability has become a greater priority for businesses, brands, and people in air cargo.**

**TIACA has a critical role to play in helping organisations and brands develop environmentally and with socially sustainable solutions and practices.”**

Air cargo has experienced a great performance in the past year as the demand soared and capacity challenges persisted. Growing demand in air cargo was accompanied by a growing demand for solid action on sustainability, especially by shareholders and regulators.

We are experiencing a continuation of industry transformation and a momentum for sustainability action. This report confirms the industry needs support to progress in its sustainable transformation journey and TIACA is well positioned to offer its members and the whole community concrete solutions to help the industry achieve its sustainability goals.

The second TIACA Air Cargo Sustainability Report confirms the industry is ramping up its action to run business in a way that does not degrade the environment and brings benefits to society.

However, while the leadership is now paying attention to the sustainability agenda, there is still a long way to go as the resources and budgets to push it forward are still very scarce.

The pressures on this industry to prioritize sustainability are ever increasing as customers, employees, business partners, and increasingly, investors and regulators are asking air cargo businesses for their sustainability credentials.

While TIACA continues to support and enable the industry with its sustainability program, we urge all air cargo businesses to join in and:

- 1. Set up concrete targets** to accelerate their sustainability transformation
- 2. Measure progress made** by collecting data and facts regularly
- 3. Communicate** on achievements with transparency
- 4. Get recognized for the progress made** by embarking on TIACA's Sustainability Assessment, Validation and Verification Program, currently under development

# About this report

## Methodology

This report is based on the second edition of the annual Air Cargo Industry Sustainability Survey, conducted from November 2021 to January 2022.

Designed by management consulting firm Change Horizon as part of the overall TIACA's Sustainability program, the annual survey aims to:

- Collect valuable insights on current focus and status of sustainability metrics within the industry
- Monitor the annual progress of sustainability work in air cargo industry
- Identify next priorities and gaps to address, that will feed TIACA's strategy to better support the industry in its sustainable transformation efforts

## Changes compared to 1<sup>st</sup> survey

The questions in second edition of the survey are aligned with the 30\* actionable priorities for air cargo detailed in the TIACA Sustainability Roadmap, published in November 2021.

*\* As the survey was launched before the Sustainability Roadmap was finalized, the questions on investments in innovation and development of innovative solutions to reach more people with healthcare and essential goods were not covered in the questionnaire last year. These areas will be incorporated in the next edition of the Survey.*

The 30 priorities are addressing **8 key objectives**, specific to the air cargo industry:

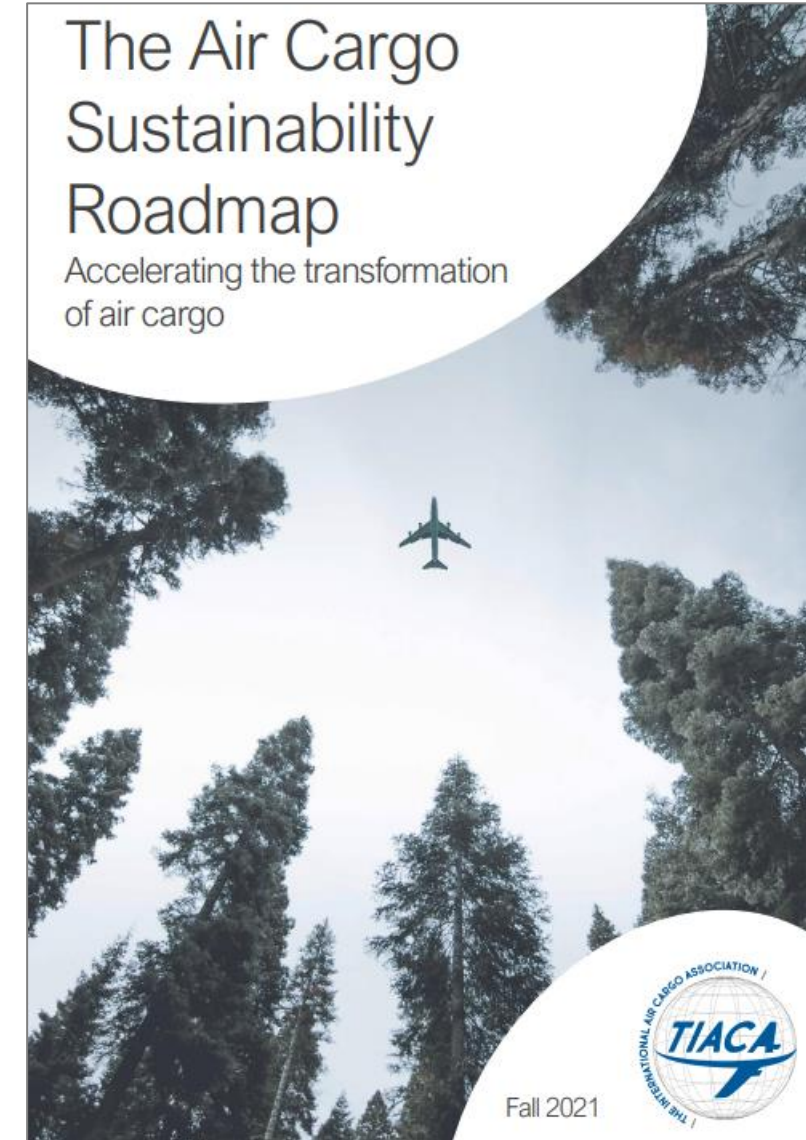
1. Decarbonize
2. Eliminate waste
3. Protect biodiversity
4. Support local economies and communities
5. Improve lives and wellbeing
6. Improve efficiencies and profitability
7. Attract, retain and develop employees
8. Build and nurture partnerships

## How to read this report

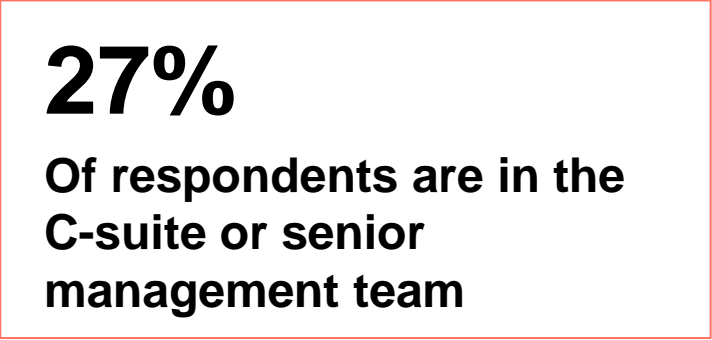
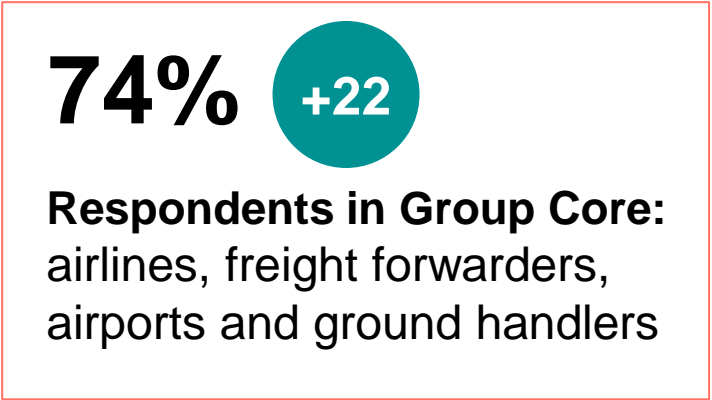
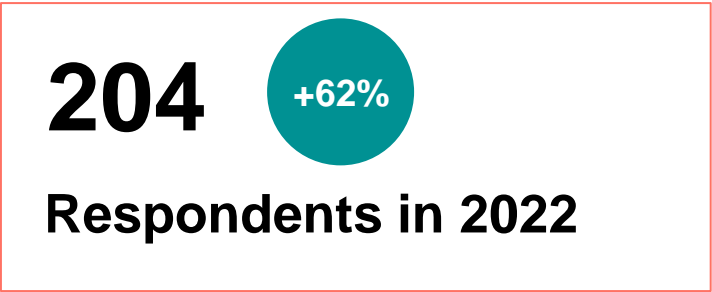
The majority of the results are taking into account all 204 respondents: this is designated as "Group All".

Where it made more sense, we looked only at responses from the 151 airlines, freight forwarders, airports and ground handlers. This is designated as "Group Core".

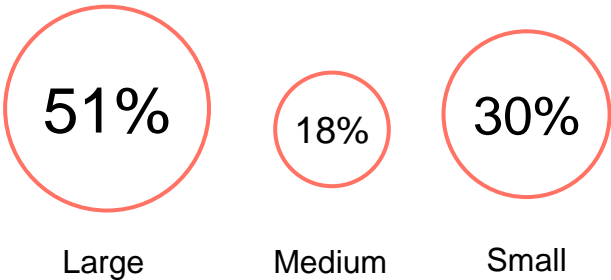
Difference (in points) compared to previous year are displayed in green, while pink refers to the difference between a specific group compared to global average.



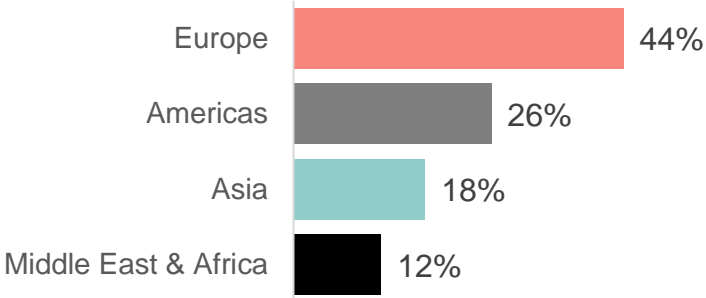
# The voice of the air cargo industry



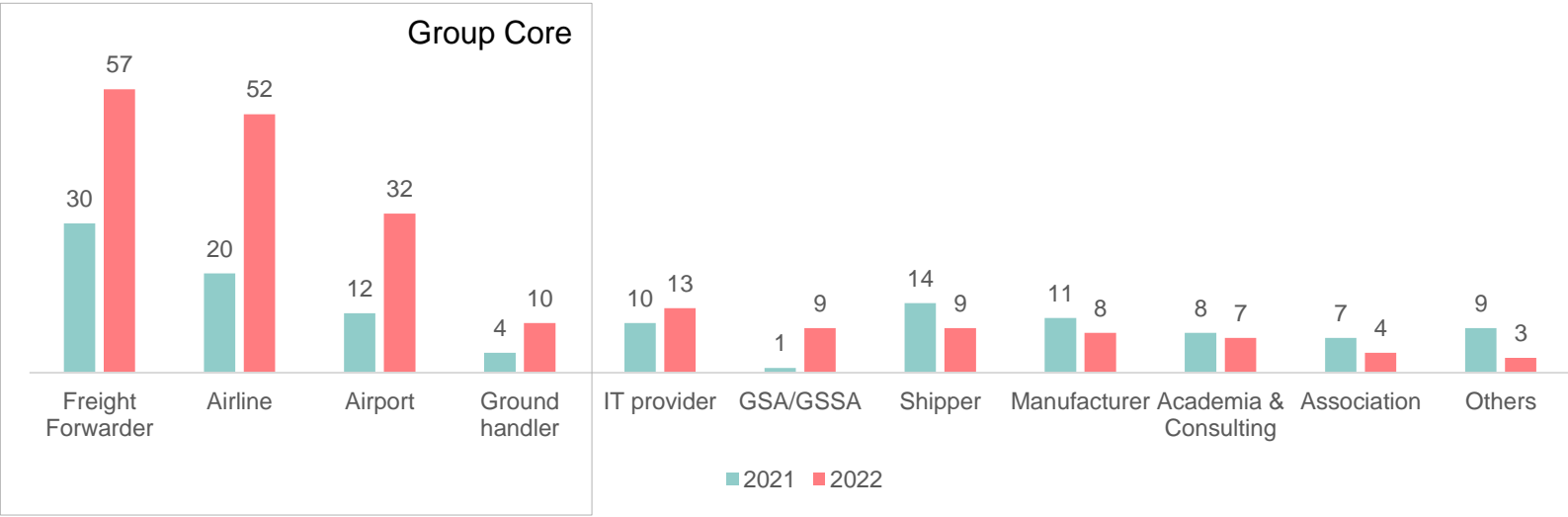
Respondents by company size



Respondents by region



Respondents by company type







Sustainability drivers

# We witness a growing pressure from shareholders and regulators

**55%** **-3**

Globally, the sustainability pressure has slightly decreased compared to last year

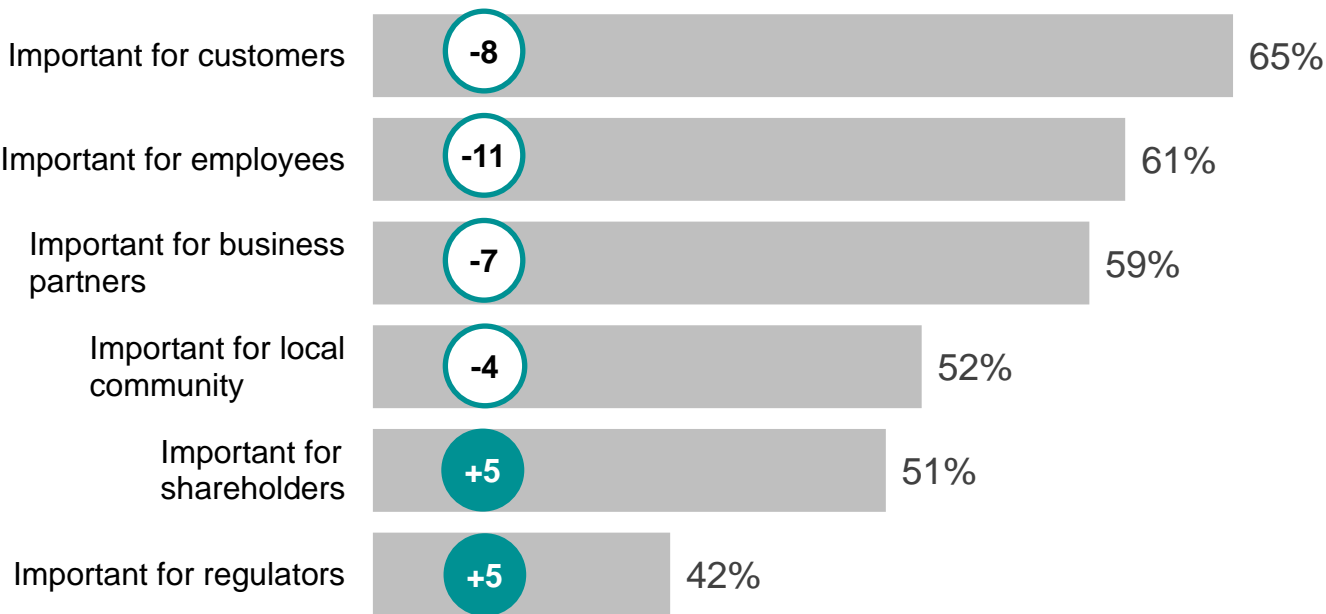
## Significant regional differences

Higher in Americas (61%) and Europe (60%), lower in Africa & Middle East (49%) and significantly lower in Asia (40%).

## Sustainability pressure varies per profile

Significantly higher for ground handlers (77%), airports (70%) and airlines (64%) and significantly lower for freight forwarders (42%).

## Why is sustainability important to your organization?



**The regulatory pressure** seems to be more important in Americas (52%, i.e. 10 points more than the global average) and less in Asia (31%).

**The pressure from investors** is significantly higher for ground handlers (90%), higher for airlines (63%) and airports (59%) and significantly lower for freight forwarders (33%).



# Sustainability is important to shareholders, demanding more transparency but there is still no air cargo specific framework in place

Shareholders and regulators have gained the most importance to air cargo community over the past year with 5 points increase each.

This shows that growing national and regional sustainability regulations and pressures from investors, have placed the ESG metrics higher on business agenda.

*The term ESG stands for Environmental, Social and Governance and is used mostly by investors.*

**65%** 

measure progress on concrete sustainability targets

According to Forbes data published in February of 2022, ESG investing has been growing fast in the past decade and now accounts for over USD 35 trillion in asset value worldwide, expected to reach USD50 trillion by 2025, representing 1/3 of all estimated assets under management.

However, there is no ESG reporting mechanism designed specifically for air cargo industry.

**50%** 

share their sustainability performance externally, significantly less to the 80% global average, based on KPMG data

## IN FOCUS: 8 RECOGNIZED GLOBAL ESG REPORTING FRAMEWORKS\* :

- CDP - Carbon Disclosure Project
- CDSB – Climate Disclosure Standards Board
- GRI - Global Reporting Initiative  
IIRC – International Integrated Reporting Council
- SASB - Sustainability Accounting Standards Board
- TCFD - The Task Force on Climate-Related Financial Disclosure
- United Nations Global Compact 10 Principles
- WEF IBC - World Economic Forum International Business Council

\*As presented in the 360 Degrees approach of Accenture and the Harvard Business Review

# The COVID-19 pandemic contributes to have a positive impact on the industry sustainability agenda

85% +2

Globally, COVID-19 has had a positive or no impact on sustainability

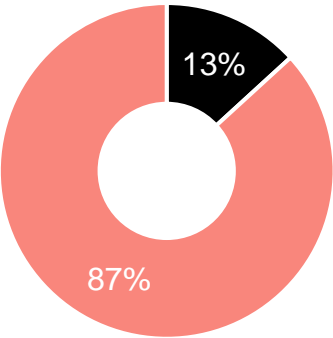


Air cargo recorded an exceptional year 2021 with 18% growth in demand year on year.

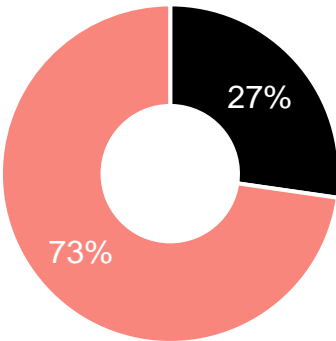
Despite supply chain issues, continuing travel restrictions due to the global pandemic, the industry had a healthy year 2021.

The survey respondents confirm it had a positive impact on the sustainability agenda with an exception of Africa and North Asia.

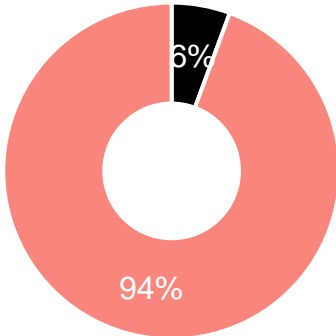
Americas



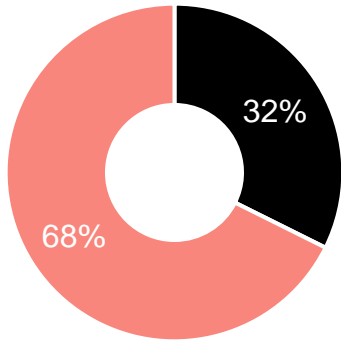
Africa and Middle East



Europe



Asia



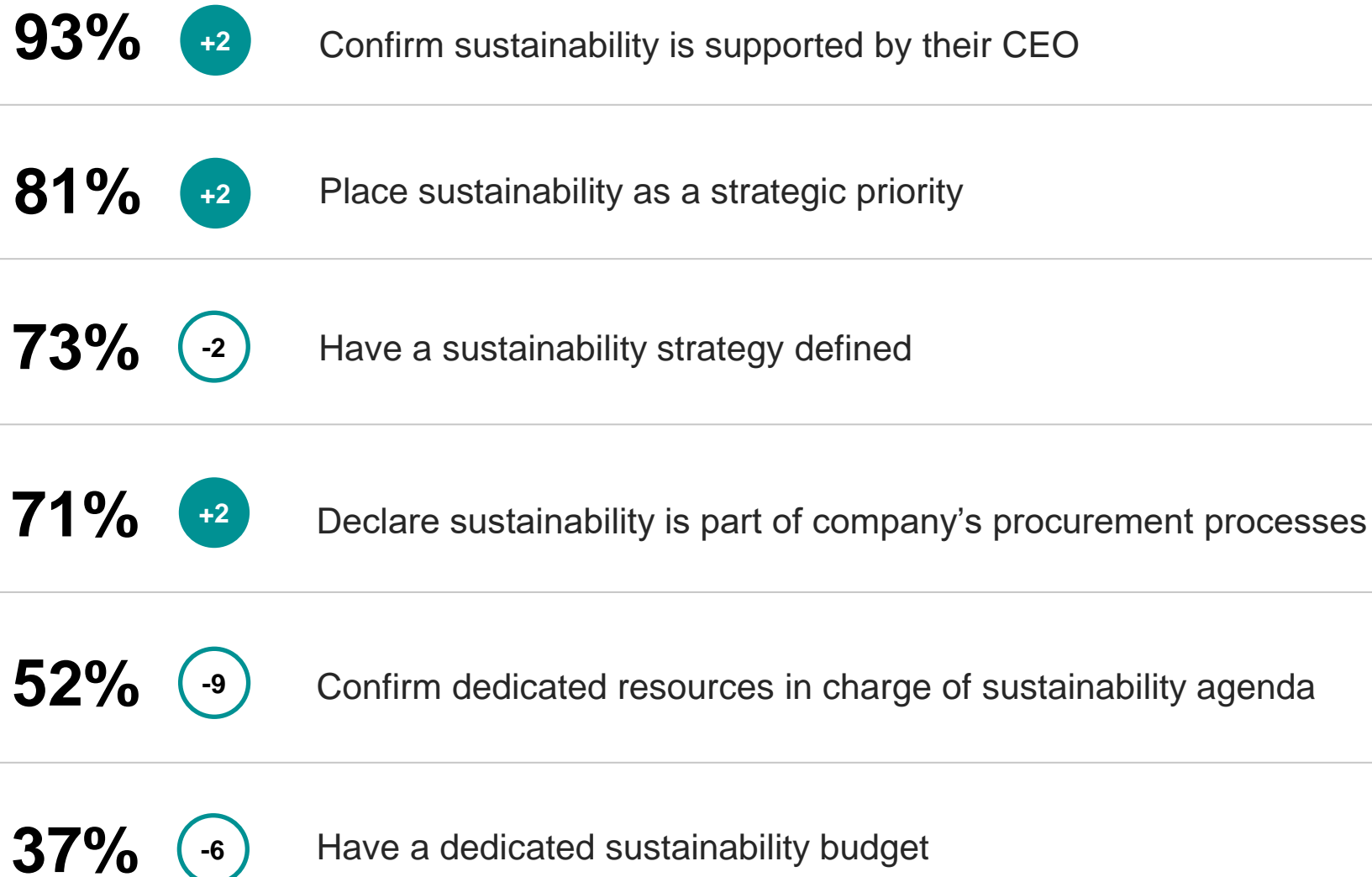
■ It had a negative impact ■ Positive or no impact

# Industry commitments





# Sustainability is at the core of business agenda, but can companies deliver with fewer resources and slimmer budgets?

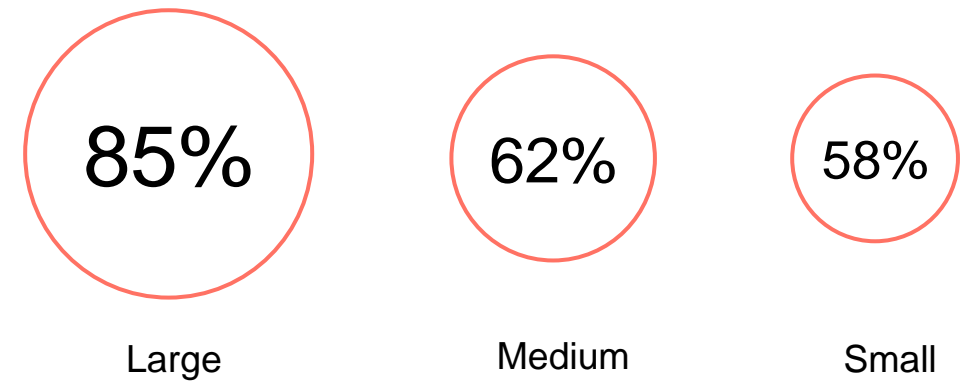


# 73% of air cargo companies say they have a sustainability strategy

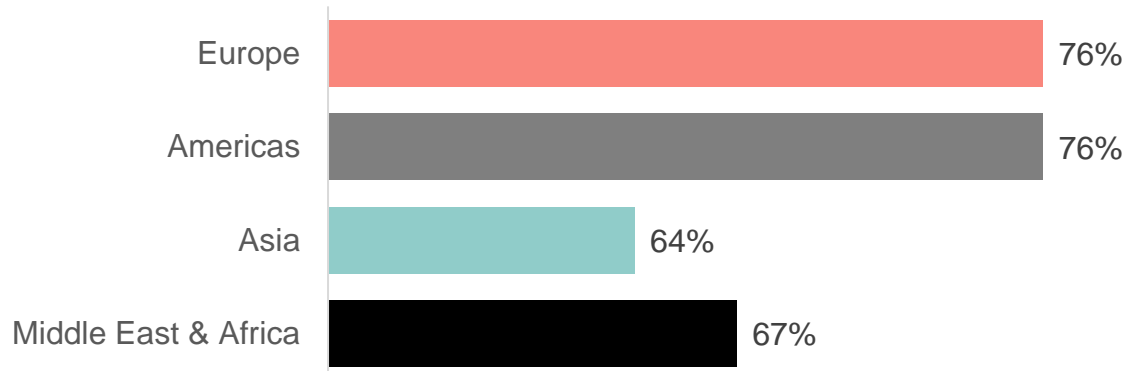
## By company type



## By company size



## By region



**“Its a macro strategy as part of the overall county strategy on sustainability”**

- Government owned airport in North America

**“Sustainability is one of the four pillars of our strategy”**

- GSSA in Europe

# Industry's will to advance sustainability does not correspond to low resources dedicated to deliver on the commitments

**52%**



Of all respondents say their company has a sustainability team or at least one fully dedicated person driving the sustainability agenda

## From talks to action

81% of respondents indicate there are concrete actions defined, making sustainability a real strategic priority for their company.

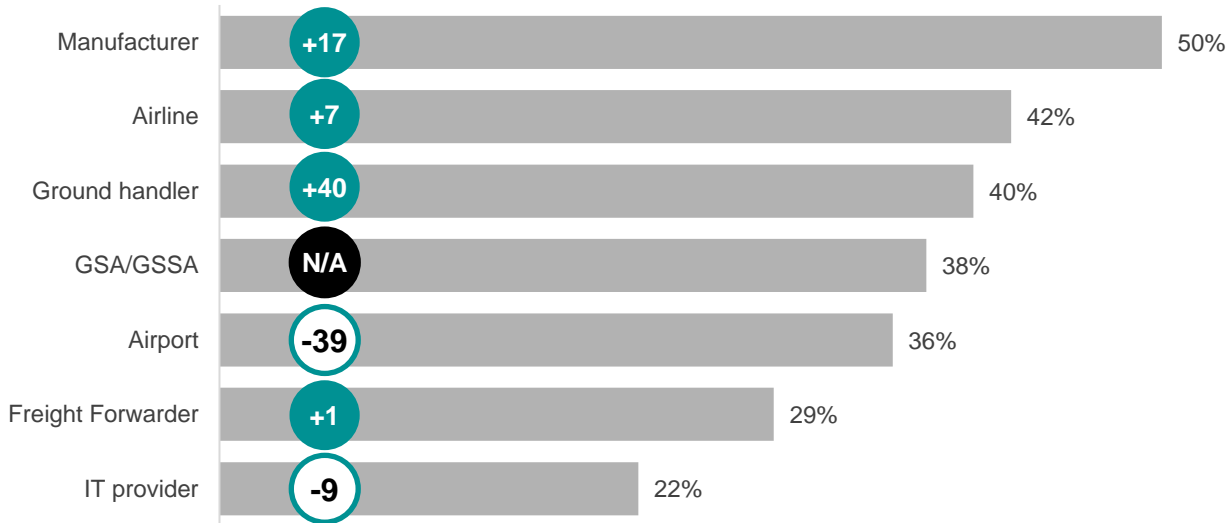
Another 11% declare sustainability is officially a corporate strategic priority but they don't see any concrete action.





# Only 37% of the air cargo companies have a dedicated budget to drive their sustainability agenda

Does your company have a sustainability budget in place?



60%

+12

Of companies with a dedicated sustainability budget have increased it compared to last year, potentially consolidating their leading advantage





An aerial photograph of a white commercial airplane on a tarmac. A ground crew member in an orange vest and white hard hat stands on the tarmac, holding up a red 'X' signal. The airplane's shadow is cast on the ground. A ground support vehicle is visible on the right. The text 'Sustainability priorities' is overlaid in the center.

# Sustainability priorities



# The 8 key objectives to accelerate air cargo's sustainable transformation

The second TIACA Air Cargo Sustainability Survey has been designed to be in line with the 30 actionable priorities addressing the 8 key objectives which define the path to sustainable transformation and were detailed in the Air Cargo Sustainability Roadmap.

## Environment



- 1. Decarbonize
- 2. Eliminate waste
- 3. Protect biodiversity

## Society



- 4. Support local economies and communities
- 5. Improve lives and well-being

## Culture & Leadership



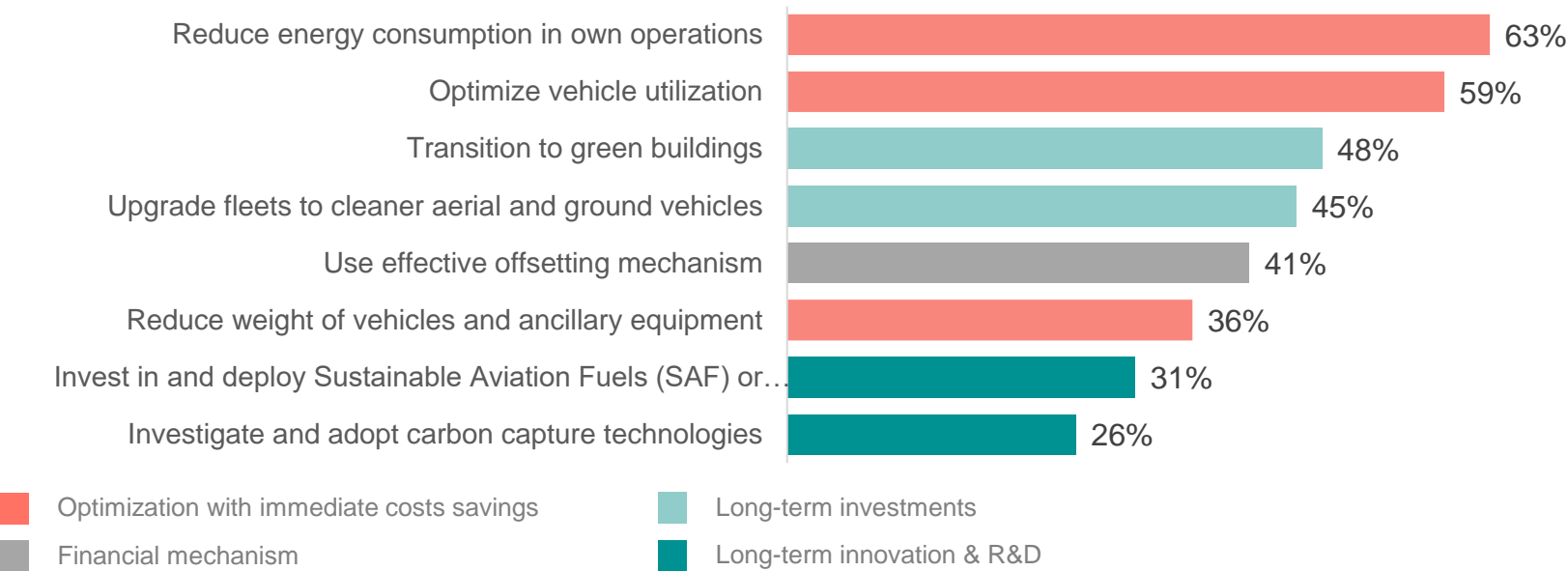
- 6. Improve efficiencies and profitability
- 7. Attract, retain and develop employees
- 8. Build and nurture partnerships

*\* As the survey was launched before the Roadmap was finalized, the questions on investments in innovation and development of innovative solutions to reach more people with healthcare and essential goods were not covered in the questionnaire last year. These areas will be incorporated in the next edition of the Survey.*



# From the 8 priorities to decarbonize air cargo, the industry has first tackled the “quick wins” and cost saving opportunities

Where do organizations place the most importance in their decarbonization efforts?

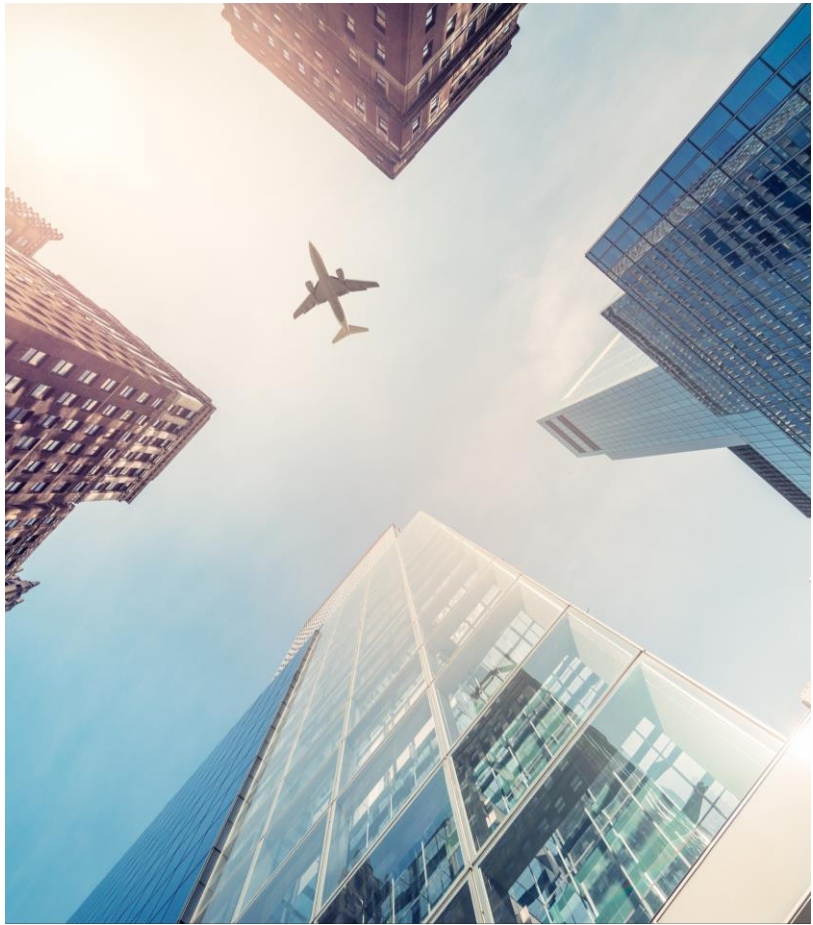
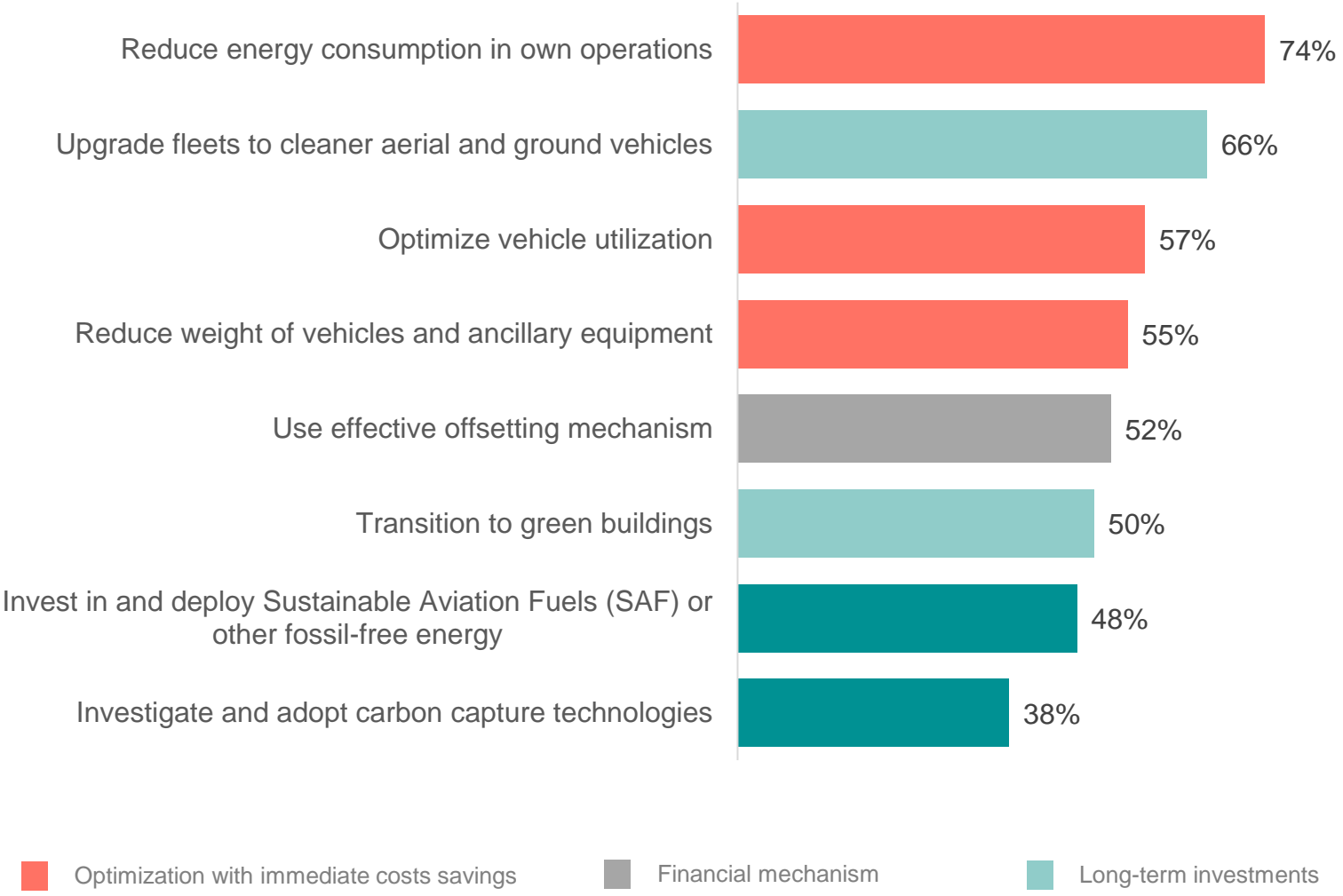


## Offsetting

18% of respondents consider carbon offsetting schemes do not apply to them

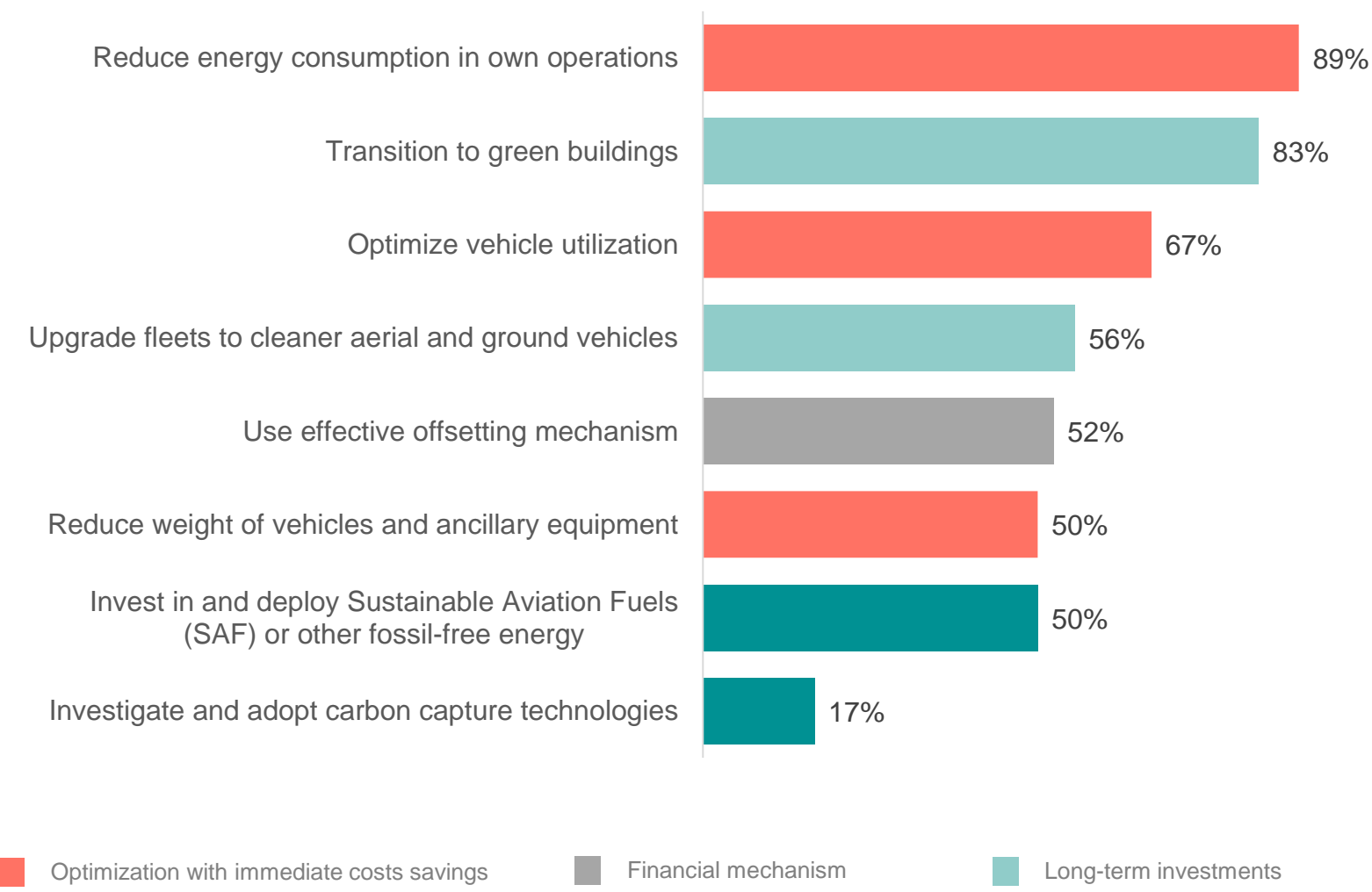


# The path to decarbonization varies by stakeholder type: airlines



*These rankings reflect what respondents declared they are actively improving/reducing*

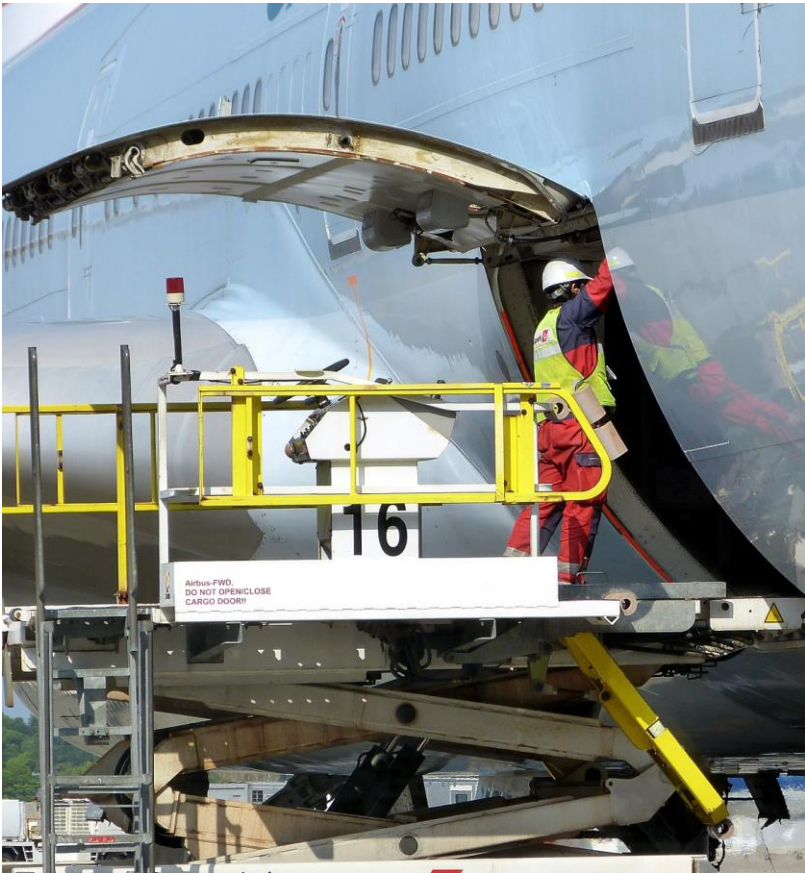
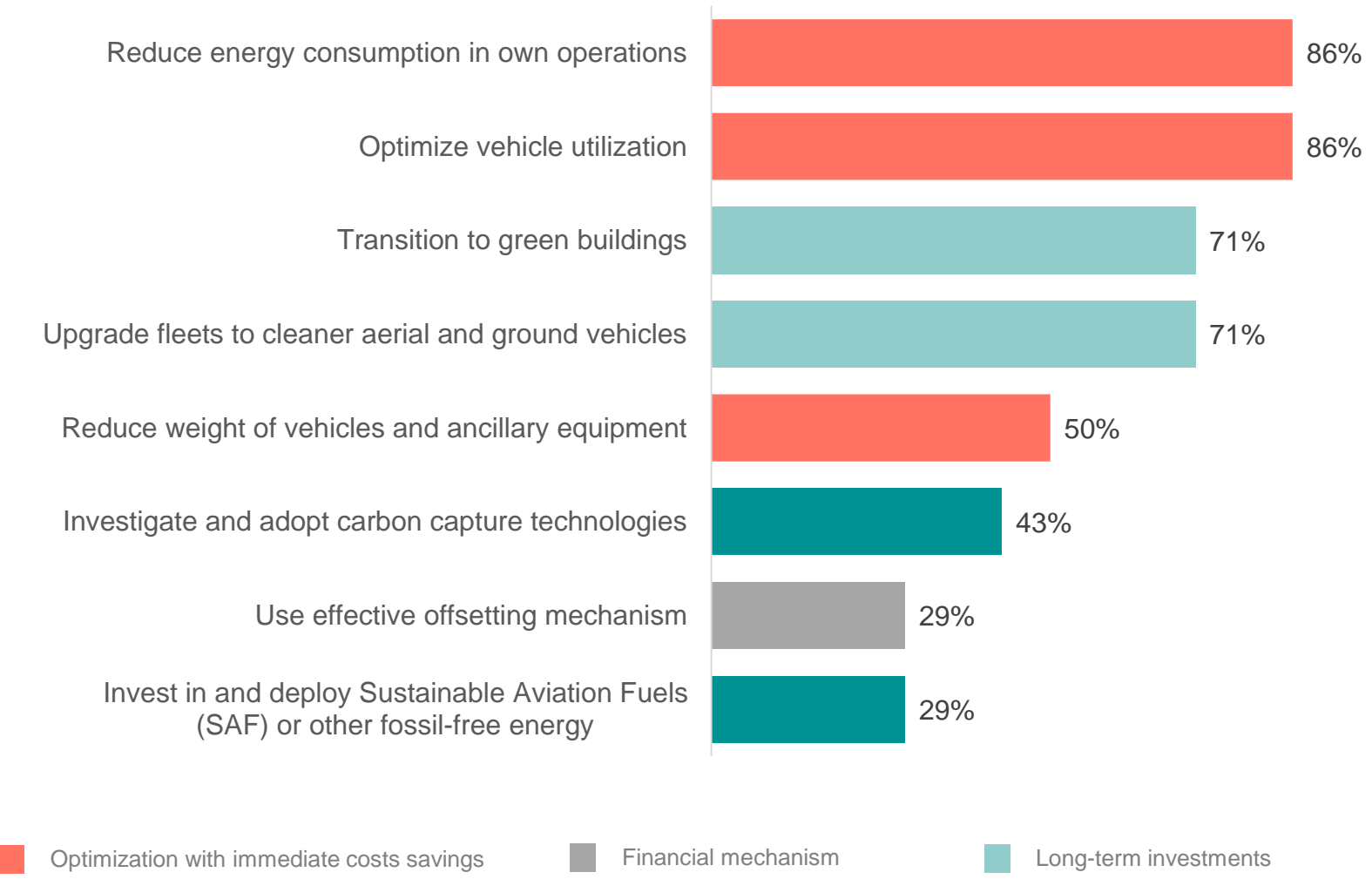
# The path to decarbonization varies by stakeholder type: airports



*These rankings reflect what respondents declared they are actively improving/reducing*

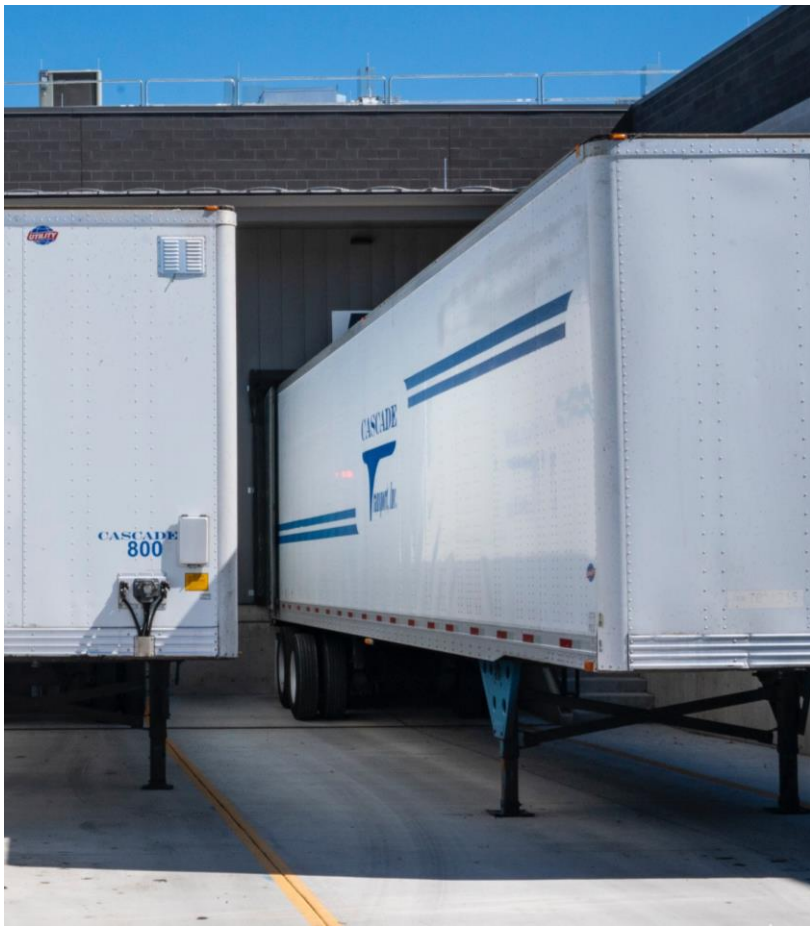
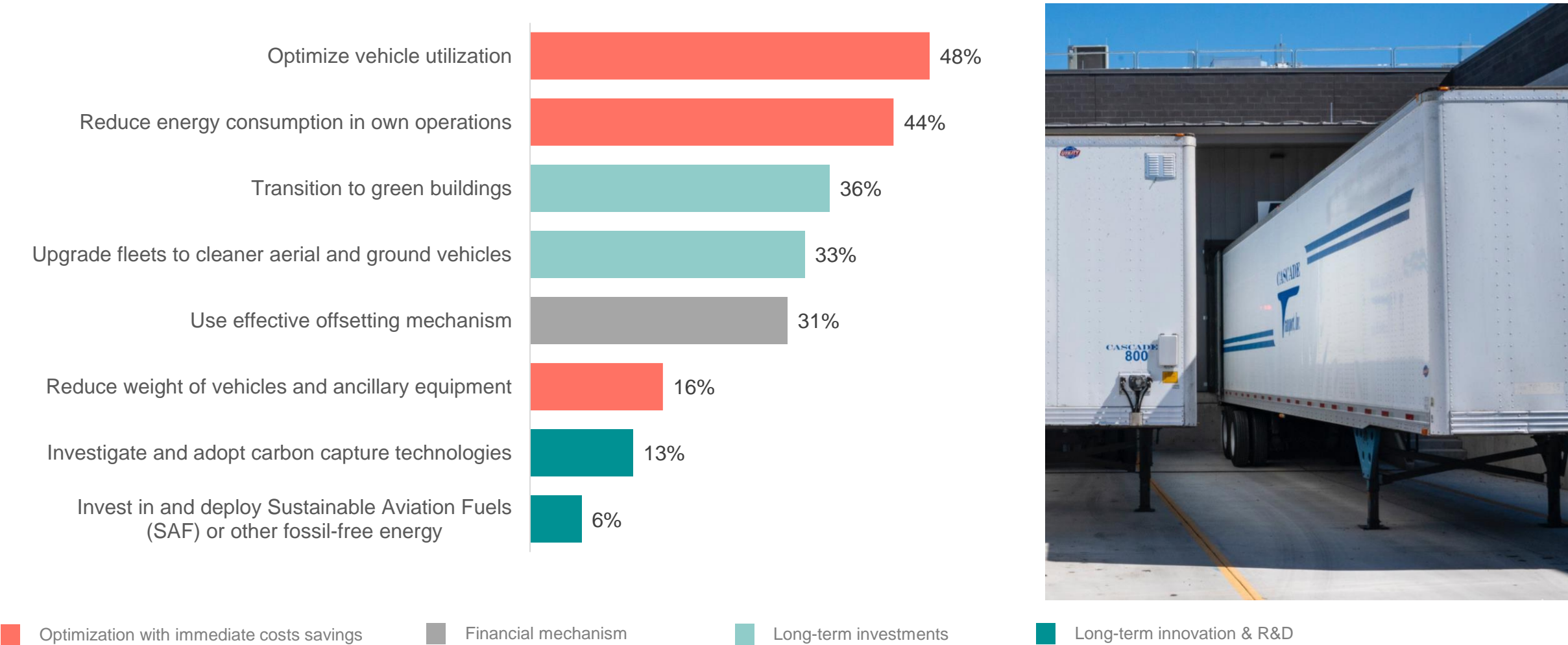


# The path to decarbonization varies by stakeholder type: ground handlers



These rankings reflect what respondents declared they are actively improving/reducing

# The path to decarbonization varies by stakeholder type: freight forwarders



These rankings reflect what respondents declared they are actively improving/reducing

# While less than a third of respondents are actively involved in SAF deployment, a striking third feel it doesn't apply to them

(from Group Core)



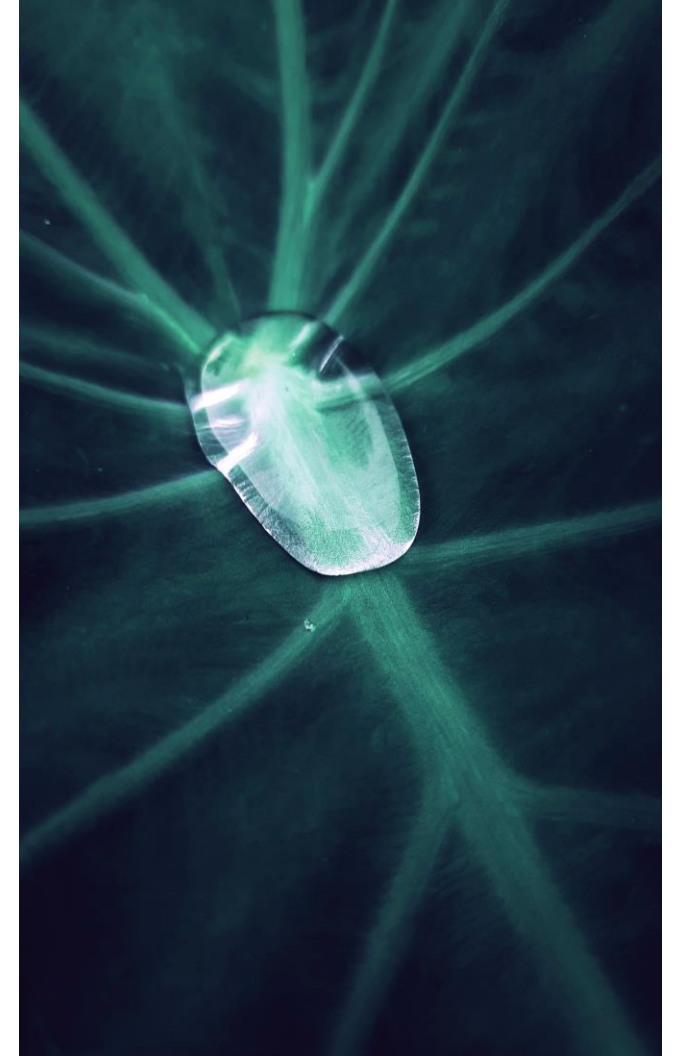
31% said they are actively involved. Not surprising to see large companies being more involved (52%) than medium-size ones (13%) and small enterprises (3%).



This is companies headquartered in Europe (40%) and in North America (34%) who are also leading the SAF (r)evolution, while none of the respondents located in Latin America, North Asia, and Africa said they were engaged in a SAF project.



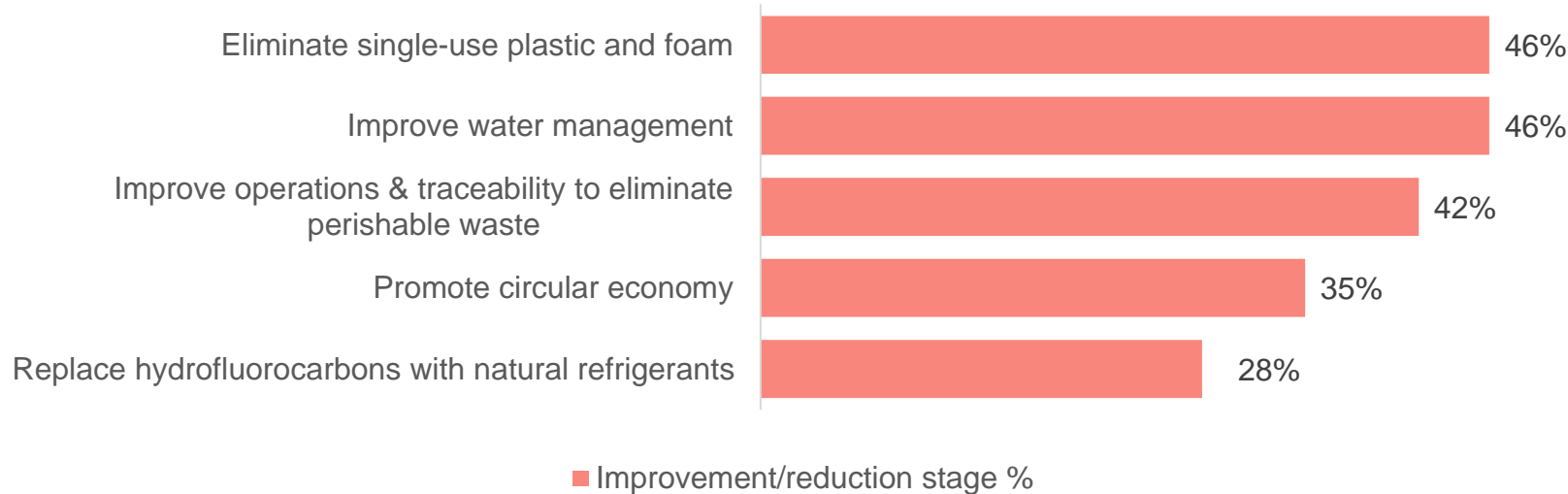
31% feel SAF doesn't apply to them.





# Businesses focus their efforts on eliminating single-use plastics and improving water management

Where do organizations place the most importance in their work to improve waste management practices?



## Water management

31% of respondents do not believe they have a role to play or do not focus their efforts there.



# The industry needs to ramp up awareness to understand they have a role in protecting biodiversity

## What companies are doing to protect biodiversity



## IN FOCUS: WILDLIFE TRAFFICKING

Illegal trade in wildlife is worth USD19 billion annually and air cargo companies have a role to play in stopping this business.

The USAID Reducing Opportunities for Unlawful Transport of Endangered Species (ROUTES) initiative brought together transport, logistics, governments and law enforcement

agencies to fight the illegal trade in wildlife through collaboration through:

- Data collection and information sharing
- Staff training
- Engaging corporate leaders
- Strengthening policies and protocols
- Increasing client awareness



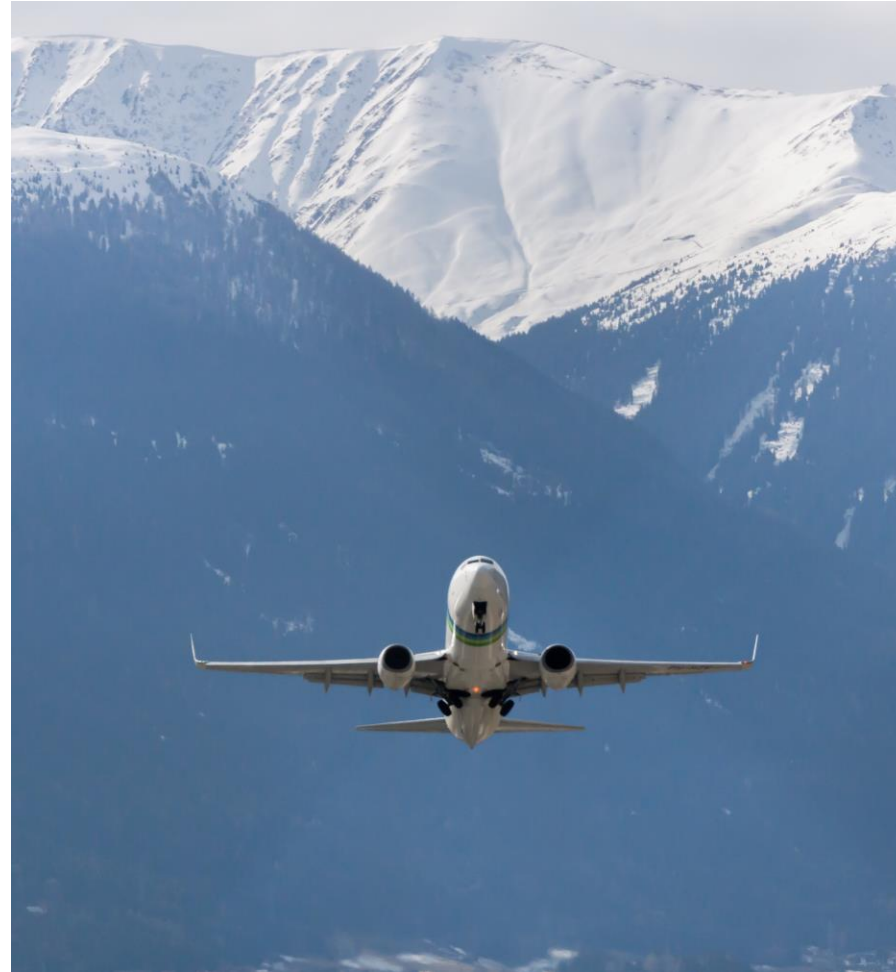


# Air cargo generates social and economic benefits, but 25% of the industry still lacks awareness of its value to communities

## 49%

companies with action to enhance connectivity and unlock new markets and create new jobs

25% think this is not their role to enhance connectivity to unlock new markets and create more jobs.



### IN FOCUS: AIR CARGO IS A CONDUIT FOR WORLD TRADE

According to a 2016 study conducted by Developing Trade Consultants, there is a strong association between better air cargo connectivity and higher total trade value: a 1% increase in air cargo connectivity is associated with a 6.3% increase in total exports and imports.

Countries with developed air cargo connections and smarter borders are more integrated into global value chains reaping the associated benefits, such as local income growth and poverty reduction.



The air cargo industry has a critical role to play to combat smuggling of goods and human trafficking, but 40% are not aware

**41%**

are working to combat smuggling of goods and human trafficking

**40%**

still think they have no role to play in combatting smuggling of goods or human trafficking.



# Reducing noise impact and improving local air quality is key for airports and airlines

## 50%

**companies doing active work to reduce noise impact**

Noise management and reduction is significantly higher on **airlines'** (79%) and **airports'** (82%) agenda.

## 45%

**companies doing active work to improve local air quality**

Results were significantly lower for companies based in Latin America (20%), North America (33%) and the Middle East (33%).



# Companies continue to improve efficiencies and accelerate their digital transformation

Air cargo companies declaring they are working on improving these 2 aspects

**78%**

**+13**

Continuous improvement  
and operational  
excellence

**66%**

**+5**

Accelerating sustainable  
digitalization

**A sustainable air cargo industry is safe, secure and digital; relying on lean and efficient business processes and is continuously seeking to improve and adapt.**

Industry needs to continue pushing forward as modern and robust industry standards are now available. Legacy players have transformed into digital companies and successful digital native companies are challenging the status quo and introducing modern practices.

It is time for the 34% who are not yet adopting digital processes to accelerate the pace!





# The air cargo industry recognises the importance of building and nurturing partnerships to accelerate sustainable progress

Companies declaring they are working on improving these 3 aspects

**70%**

Support business partners

**62%**

Contribute to the global picture through industry collaboration

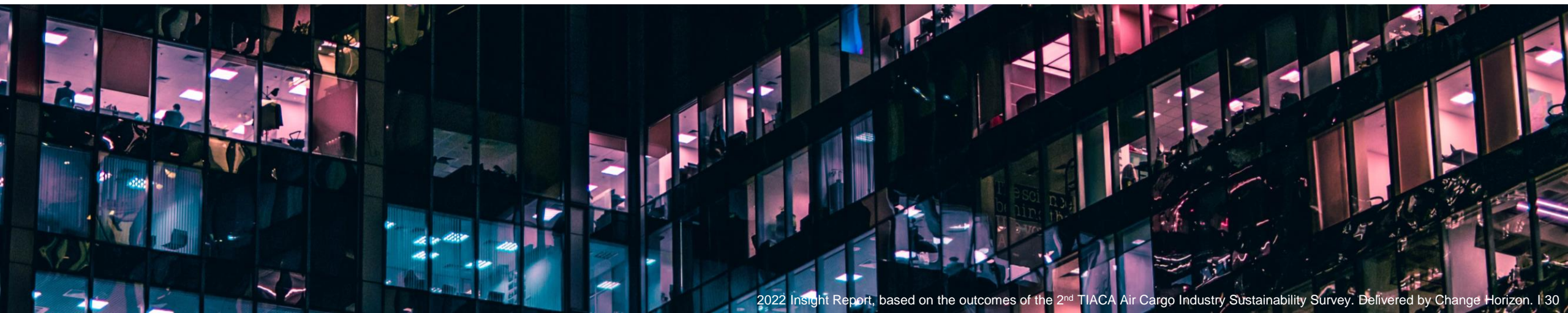
**56%**

Lead change through sustainable sourcing & procurement

## IN FOCUS: SUSTAINABLE PROCUREMENT

What air cargo companies can do to start

- Embed sustainability criteria into procurement processes
- Open sustainability discussions over commercial negotiations
- Assess suppliers' sustainability performance data as a prerequisite to a commercial relationship
- Establish a supplier code of conduct



# Attracting, retaining & developing employees have become more critical than ever

Companies declaring they are working on improving these 4 aspects



## IN FOCUS: INITIATIVES DEVELOPING FUTURE AIR CARGO LEADERS

**IATA FACE – Future Air Cargo Executive Program** aims at attracting, retaining, and developing a bright and diverse pool of individuals under 36 to prepare them to become the next generation of leaders in the cargo industry.

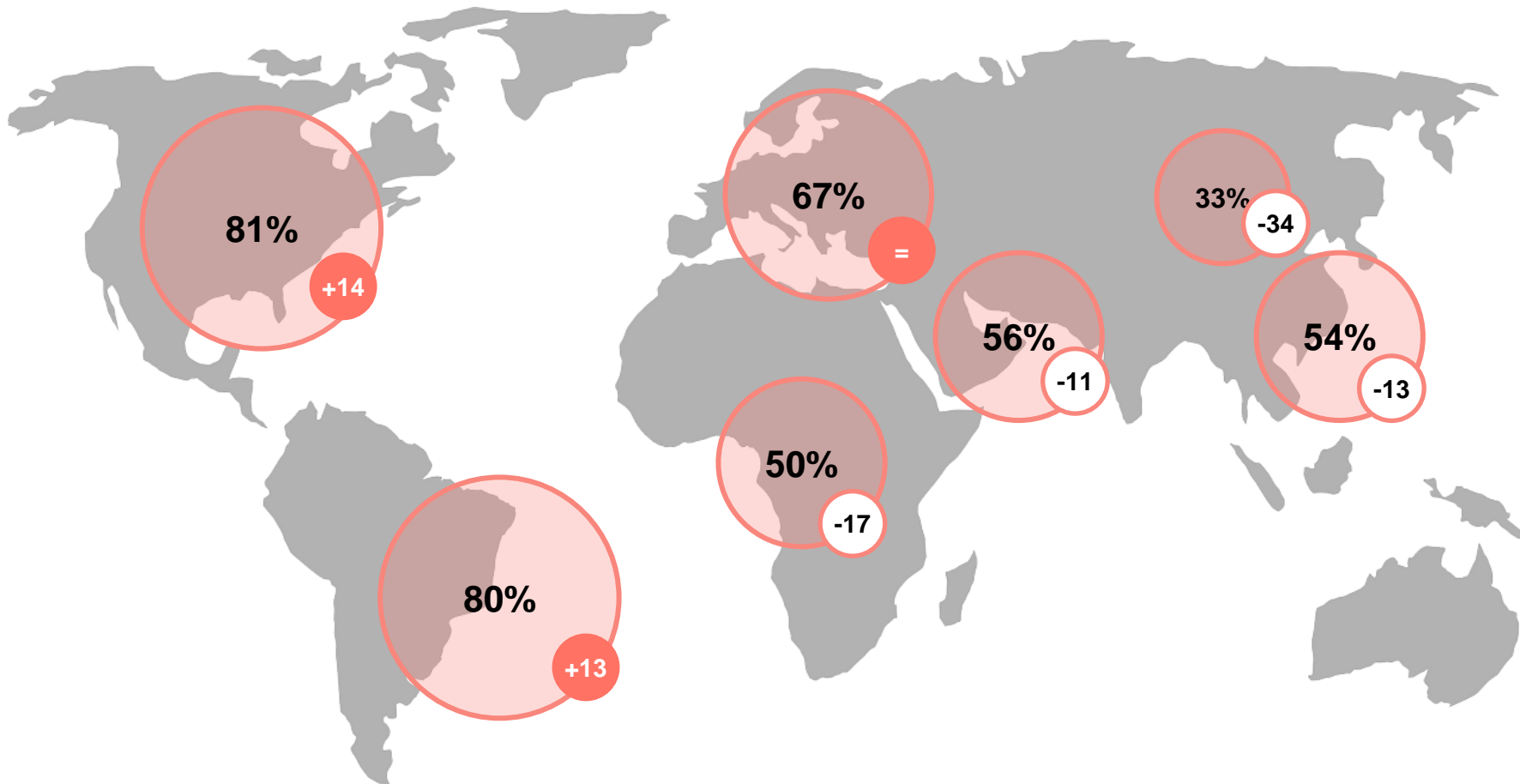
**FIATA Young International Freight Forwarder of the Year Award** aims at promoting, encouraging and nurturing passion of the young talents representing all sectors of the industry.

**WAL Mentorship program** offers career development opportunities to young female professionals eager to advance their professional ambitions in aviation and logistics.



# Diversity and inclusion is officially on everyone's radar, but there is still a long road ahead

Air cargo companies declaring they are working on improving their diversity and inclusion metrics



## IN FOCUS: ADVANCING GENDER BALANCE

Women professionals are still highly underrepresented in air cargo, especially in leadership roles.

**IATA's 25by2025 campaign** calls upon the aviation industry to commit to increase female representation in senior roles and in areas where women are traditionally underrepresented by 25%, or up to a minimum of 25% by 2025.

**Women in Aviation and Logistics (WAL)** is driving positive change in air cargo with:

- Industry pledge calling the industry to commit to improve gender balance in its leadership teams
- Open female expert database to highlight female professionals willing to join Boards, speak at industry events, join award jury
- Mentorship program to develop the new generation of female air cargo leaders



An aerial photograph of an American Airlines airplane on a runway. The plane is white with red and blue stripes and the 'AA' logo on the tail. It is positioned on the right side of the frame, facing right. The runway is a wide, light-colored concrete strip with white boundary lines. The surrounding area is dark, dry earth. The text 'Where next?' is overlaid in the center of the image in a large, white, sans-serif font.

Where next?



# TIACA's solution to getting air cargo recognized for the progress being made in sustainability

The next step from setting objectives, measuring progress against them is sharing the results externally.

This is not only about showcasing the license to operate and grow. Sustainability credentials make business sense by attracting new customers, business partners and investors.

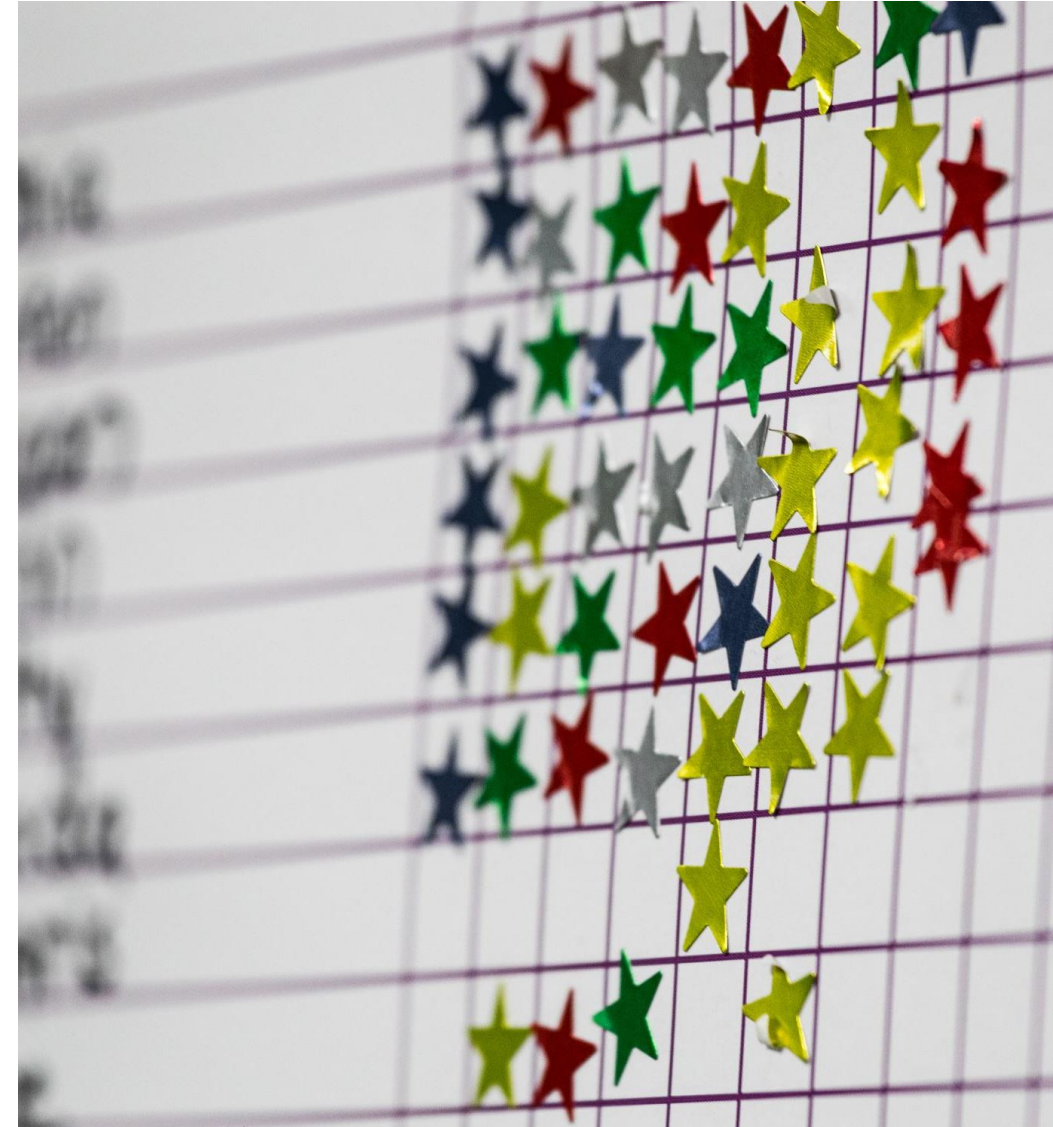
A responsible company is attractive to its current employees as well as young professionals looking for a fulfilling career in a company that treats its employees and the world fairly and with respect.

Assessing a company's impact on the environment, society and its credentials as a role model and leader in the air cargo industry with a common standard is the next step to recognition.

TIACA's upcoming sustainability assessment, validation and verification program will deliver a recognition mechanism for air cargo companies advancing in their sustainability journey.

## Program objectives:

1. **Recognize** and reward organizations progressing along their sustainability transformation journey
2. **Build trust** amongst industry partners and show where a company is in its sustainable transformation journey
3. **Help** companies get to the next level with personalized sustainability plans
4. **Support** the sustainable transformation of the air cargo industry through benchmarking and best practice sharing



# Acknowledgements

## Authors and supporters

### Change Horizon team

Celine Hourcade, Managing Director

Justina Messeiller, Senior Consultant

### TIACA team

Glyn Hughes, Director General

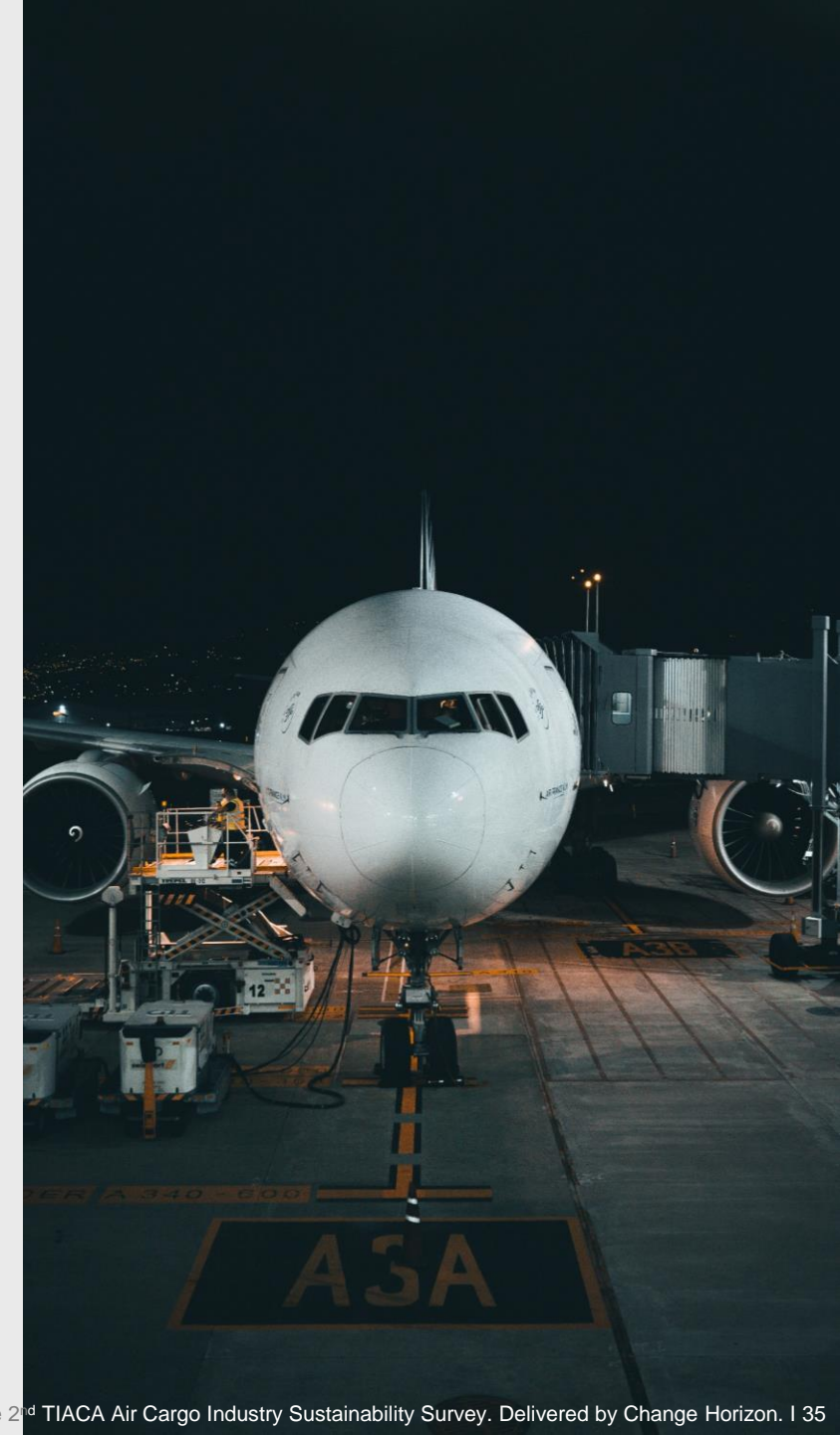
Thank you to all supporting media and partner associations who have contributed to promote the survey to their respective members.

## Sources

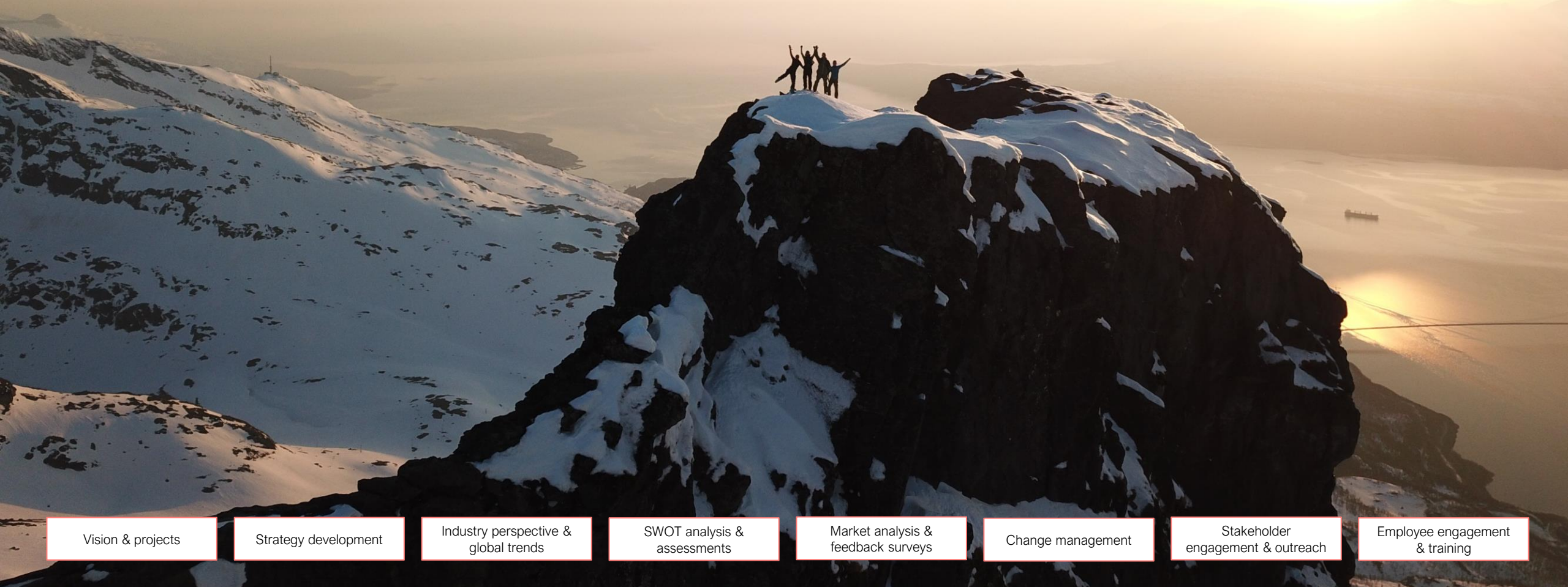
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21. [Women in Aviation and Logistics](#)

Pictures from Microsoft, Pexels and Unsplash







Vision & projects

Strategy development

Industry perspective &  
global trends

SWOT analysis &  
assessments

Market analysis &  
feedback surveys

Change management

Stakeholder  
engagement & outreach

Employee engagement  
& training

Independent management consulting company committed to help organizations  
accelerate their sustainable development

**CHANGE**HORIZON