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MEDIA DAY

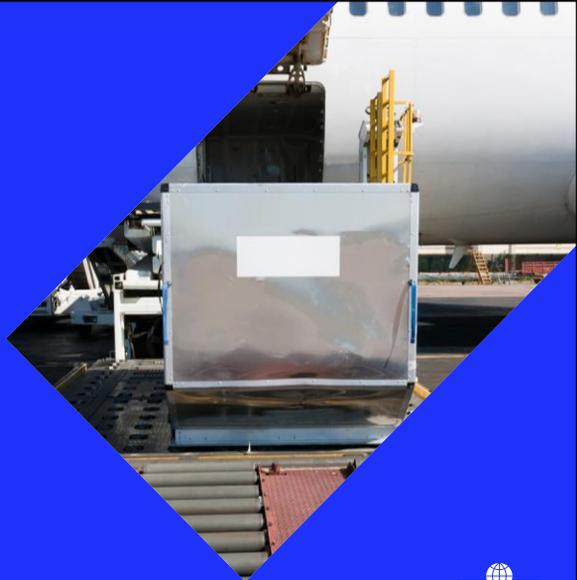
Cargo Update

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Agenda

- Industry priorities
 - Digitalization
 - Sustainability
 - Safety & Security
- Value of Air Cargo



What are the industry priorities?



Digitalization

Move from the legacy messaging standard that is 50 years old to a data-sharing approach based on web APIs.



Sustainability

Support industry Net Zero commitments, increase efficiency and reduce waste in air cargo operations



Safety & Security

Securing and facilitating cross-border movements.



- Pushing to move from the legacy messaging standard that is 50 years old to a data sharing approach based on web APIs, which is a huge transformation journey for the industry.
- As success story you could mention the different pilot projects that are on going as well as the outcome of the different hackathons we have done so far.

General Air Cargo Market

Challenges are mounting

- The war in Ukraine has grounded some key players and disrupted supply chains
- Economic volatility has brought inflation, a weaker trading environment, shifting currency rates and slower GDP growth
- Concerns on how China's supply chain is developing

Positive developments

- E-commerce continues to grow
- Shorter delivery times
- The strong rebound of passenger traffic brings more belly capacity for cargo
- And high-value specialized cargo, such as pharma products, are proving resistant to economic ups-and-downs



- **The air cargo industry is in a better place than it was in 2019 – we had an exceptional period during the pandemic financially stronger, more efficient with advances in digitalization, and better appreciated for the heroic efforts that we all made to keep cargo going during a very difficult crisis.**
- **And the challenges and opportunities that we face are those that we are used to dealing with.**

Digitalization

Government support is essential to ensure harmonized implementation.

- PLACI is an additional (not indispensable) layer of security, very complex to implement. Governments should not underestimate this complexity.
- We are currently supporting all implementing countries, as we have now unique expertise, specific tools (manuals, platform/EPIC, training) and strong contacts (ICAO/WCO, industry)
- There is still a lot to do to make sure these PLACI programs achieve their objective of increased security without impacting air cargo flow.

Government must work more closely together if they intend to deploy a PLACI program



Air cargo sustainability

Air cargo is a key driver toward the achievement of the United Nations Agenda 2030 Sustainable Development Goals (SDGs)

Our priorities:

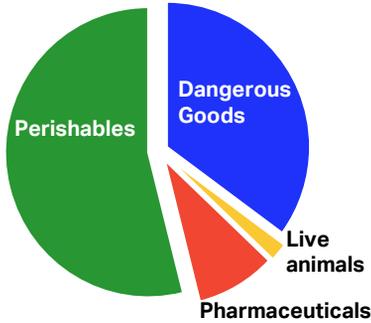
- Contribute to achieving the air cargo industry net zero commitments by 2050
- Reduce the utilization of single-use plastics (SUP) in air cargo
- Cut perishable loss in air cargo operations
- Advocate for sustainable and efficient air cargo facilities
- Attract, develop, and retain young talent within the air cargo industry through the Future Air Cargo Executives (FACE) program

The infographic displays the 17 Sustainable Development Goals (SDGs) in a grid format. Each goal is represented by a colored square with a number, title, and icon. The goals shown are: 1. No Poverty (red), 2. Zero Hunger (orange), 3. Good Health and Well-being (green), 8. Decent Work and Economic Growth (purple), 9. Industry, Innovation and Infrastructure (orange), 12. Responsible Consumption and Production (yellow), and 17. Partnerships for the Goals (blue). A grey box at the bottom right of the grid contains the text: "Air cargo directly contributes to achieving the targets of seven of the goals".



Keeping the global supply chains moving

Air cargo is the preferred transport mode for time & temperature-sensitive goods.



12% of perishables are fruit and vegetables

27% of dangerous goods transported are lithium batteries

13B doses of COVID-19 vaccines administered

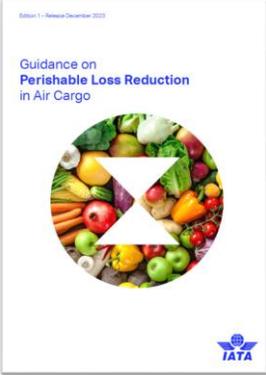
Special cargo represents ~58% of the overall cargo revenue.
Source: CargoIS CDD



Air Cargo provides vital connectivity between producers and markets, which enables millions of people to access fresh food and supports global health and well-being, particularly in landlocked and least-developed countries.



New guidance and recommendations



The safe and timely delivery of perishable goods is a priority in air cargo transportation.

Identifies 3 common causes of loss - **damage, delays, and transit processes.**

Offer **strategies and best practices** essential to **mitigating loss.**



Recognizes that there is an urgent need to invest in people, promote diversity, equity, and inclusion, and engage young talent.

Identifies 5 areas for the industry to focus on:

- **Purpose**
- **L&D**
- **Benefits**
- **D,E&I**
- **Connection & Community**



Cargo changes & saves lives

Aviation played an essential role in emergency relief operations



People in need of humanitarian assistance and protection in 2023



3500 tons



Since 2020, the EU Humanitarian Air Bridge delivered more than 4000 tons of aid



Air cargo plays an essential role whenever roads become unpassable due to insecurity, floods, or earthquake damage; whenever distances are too long; whenever there are no other means of transport for humanitarians to reach people in need safely and on time,

In 2023, the UN World Food Program estimated that 362 million people are in need in humanitarian assistance globally. This is a record high, with basically one in 22 people in the globe requiring assistance.

While there is no comprehensive tabulation of the support that aviation provided, a limited review of 29 key carriers serving the Türkiye market reveals an impressive relief effort. These airlines:

- Delivered over 3,500 tons of aid from over 90 countries
- Operated over 350 relief and repatriation flights to affected areas
- Provided transport for over 130,000 responders from across the world

Cargo Safety & Security



Lithium Batteries

Continued risk management
Reduced state of charge
New designation for vehicles

From 2025 with a transitional period



Supply Chain Safety

State oversight of the supply chain

From 2025 with a transitional period



Fire Resistant Containers

A draft standard to address lithium battery fires.



Thank you

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Planes carry planes

Air Cargo makes it happen.

Every plane has more than 100,000 individual components, and air cargo transports those spare parts.

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Your best friend travels first class

Air Cargo makes it happen.

Over 2 million pets and other live animals are transported by air every year in the United States. Cargo ensures man's best friend gets there happily enjoying his ride.

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Immunization saves lives

Air Cargo makes it happen.

Vaccines prevent up to 3 million deaths every year. Air cargo safely transports pharmaceuticals in a safe, secure and temperature-controlled environment.

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Diamonds are cargo's best friend!

Air Cargo makes it happen.

Between products 2.4 million carats of diamonds, for a value of \$13.5 billion yearly. To more goods of such value, jewelry, meet them in person in the future and their secure possible way to their selling destination.

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Planes carry vaccines to protect against COVID-19

Air Cargo makes it happen.

More than 1.62 billion people worldwide have received a COVID-19 vaccine, over 50% of the world population. COVAX has shipped over 310 million COVID-19 vaccines so far.

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One-click, one-world
Reshaping a sustainable future

Air Cargo makes it happen.

COVID-19 has brought about a surge in consumer demand to more sustainable packaging. The E-commerce packaging market will reach \$127.24 billion in 2022 and is expected to reach \$61.64 billion by 2028. 7% of consumers would prefer sustainable packaging.

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Questions?

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