



ENVIRONMENTAL REPORT 2023 – In Balance with the World



Introduction

Given the reality of the world that we live in today, beset by multiple crises, organisations have to demonstrate that they are part of the solution, rather than the problem. Everything in the world is interconnected and interdependent and it is impossible anymore to do any business by ignoring the context. We have to broaden our concept of self-interest and embrace change to assure stability.

Embracing change, especially mindset change is not easy, but it is meaningful when we do it for the survival of our life on Earth. We rely on nature to give us food, shelter, clean water, and medicines, as well as to safeguard us against adverse weather events like flooding.

According to Green Earth (2024) unlike goods that are easily purchased and sold in marketplaces, many ecosystem services such as climate regulation, carbon sequestration or water filtration, are not traded for visible prices. Over the past century, certain countries have profited from the transformation of natural ecosystems and the growth of global trade, others have suffered the consequences of biodiversity loss.

We have been taking nature's services for granted and this is where the main shift in thinking has to occur because to receive, we have to give. The value of biodiversity and natural processes equals to our stable life on the planet. As Cambridge professor Wayne Wisser (2022) points out that in order for all of us to move to a thriving future we have to move away from the unsustainable economic model that was based on assumptions that indefinite economic growth can continue on a finite planet and that somehow societies will benefit from companies pursuing narrow financial goals.

Climate Change and Aviation Cargo Business

The ICAO (2020) report suggested that the short-terms effects of climate change on aviation operations, business and economics are more likely to be associate with disruptive events, such as storms or extreme heat, which can lead to delays, cancellations and infrastructure damage, causing secondary ripple effects across multiple business and economic sectors. Examples include the closure and relocation of airports, high infrastructure maintenance costs, reduction of cargo payload, reduced airport and aircraft operating efficiency and capacity. Financial implications due to lost revenues are inevitable.

The aviation cargo business plays a vital role in international trade and its revenue heavily depends on flourishing trade between countries. The World Trade Report 2022 concluded that trade in agriculture is particularly vulnerable to climate change and manufacturing sectors are

exposed to climate-induced global value chain disruptions. For example, the 2022 floods in Pakistan destroyed 40 per cent of the cotton crop, severely impacting the textile industry – Pakistan’s largest export.

This gives us just a tiny glimpse of the complexity of the interconnected systems on which our life and business success depends on. The line between local and global is totally blurred. We have to adopt the idea that we are embedded in a larger global socioecological system and understand how we fit into the broader, dynamic pattern of nature, society and the economy.

It is also important to mention that sustainability matters for customers, employees and business partners. The TIACA survey 2021 found that that having a sustainability strategy is essential to stay competitive and protect a corporate’s reputation. “79% of respondents believe making tangible progress in sustainability matters will or would impact positively their company’s **reputation**”.

Our Handprint

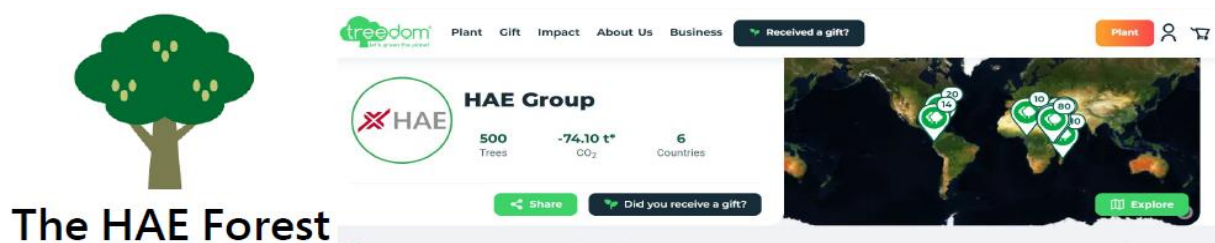
Adopting systems thinking we started building our competitive advantage as a sustainable player around the concept of **the Handprint**. This concept was launched in 2007, during UNESCO’s 4th International Conference on Environmental Education. Simply, the environmental handprint refers to the good society does for the environment, creating positive benefits which would not have occurred otherwise. This is a useful concept for our group of companies to build our competitive advantage as most of our work is based in rented offices and warehouse facilities owned by others. We do not own aircrafts or fleets of trucks even though we facilitate the transportation of cargo. This is not to say that we do not have a Footprint, but it is to highlight the fact that some aspects of our service Footprint are intertwined with the Footprint of our principle airlines or other service providers. We only can support their effort to reduce CO2 and implement sustainable practices where we can and demonstrate to our stakeholders that we are a part of solution.

Greg Noris, Chief Scientist at Earthster explains that planting a tree is a great example of the of Handprint: “the tree will reduce the atmospheric concentration of CO2 and thereby bring benefits measurable in carbon-footprint units”. Trees also can increase biodiversity, human health, and wellbeing, counteract soil erosion



and desertification, absorb storm surge impacts during extreme weather events. Therefore, planting trees offers value for money; enhanced reputation and trust as well as generates greater employee pride.

The HAE Forest 2023



HAE Group and Datacair employees: Daisy Maingi, Mercy Rotich, Fred Odhiambo, Florence Mumbua, Mary Kirui, Catherine Miriri, Bridgit Nanjala, Quenter Oware, Jane Nashipae, Loise Kisangi, Brenda Akwach, Erastus Waigwa, Nickson Ireri, Nancy Akoth, Kelvin Munyao, Johnmark Baraka, Moses Luvonga, Francis Sungu, Ilona Dane, Hugo Dom with Zipporah Kuria and Adrian Seme Mwole (EIPMA), farmers Mary & Felix Mwangi



The HAE Forest is growing, and it stretches across African and South American countries. It is shaped to increase our Handprint or our actions that help mitigate climate change beyond our own value chain. It is a simple initiative that helps us to get engaged in restoring stressed environmental systems and at the same time help people who struggle. “Forests and other ecosystems are some of the most significant carbon sinks on the planet, biodiversity is crucial for our survival and wellbeing” (Green Earth, 2024).

Our projects in different countries are mapped by experts from Treedom and local organisations who assess the impact from land occupation and conservation respecting the biodiversity of the different territories. Agroforestry or, “the integration of trees with crops and animals is a long-standing tradition throughout the world”. (Treedom 2024).

This project also gives us a deeper sense of understanding what it means to be a part of an interconnected strategic ecosystem. Profits and prosperity are two intertwined concepts. Prosperity is the condition of thriving. It encompasses wealth, happiness, peace and environmental stability. Environmental stability ensures prosperity and that we can continue to operate our business.

The HAE Group provides an opportunity to all of its employees and customers worldwide to participate in this initiative by planting a virtual tree and connecting to the story of life on Earth. It gives us our collective moment of living in peace with nature and it is a reminder that we all can do something to preserve our natural ecosystems.

Green Earth (2024) emphasises that environmental changes disproportionately affect the world’s poorest communities as it is more difficult for them to adapt. This is where our support and help is concentrated. The HAE Forest is also a down to earth learning experience that by giving we receive, by empowering we lead, by caring we gain trust, by showing kindness we inspire. We give in exchange for vital ecosystem services, such as clean air, water purification, crop pollination, pest control, climate, and disease control as well as recreational opportunities. “A kinder world is a more productive world where individual and corporations thrive” (C.Corich, Chair Sysdoc Group.)



Recently, twenty HAE Group employees visited project sites in Kenya. We visited Effective IMP Alliance's tree nursery in Ruiru, where we could talk to agroforestry experts. Then we travelled to Muranga county to meet with a few local farmers and learn how our support makes a difference in their lives.

It is empowering to witness how we can mitigate environmental degradation and help struggling communities when we take action together. Our corporate social responsibility success story is in the making.

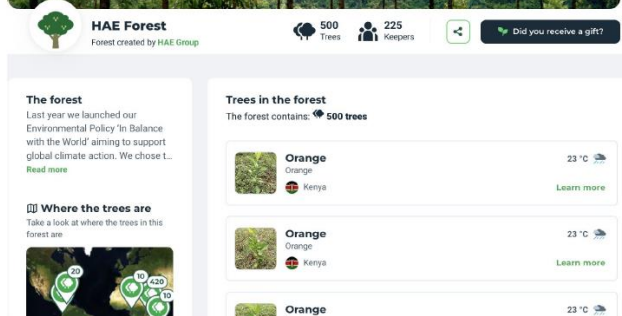


HAE Group's impact

Thank you for working with us this past year to green the planet and support local communities.

Thanks to your contribution you have:

- Planted 500 trees
- Absorbing 74,100kg of CO₂
- Supported 29 farmers and their families
- Gifted 225 trees (45% redemption rate!)
- Made a difference in projects across 6 countries and 2 continents



The HAE Forest has been planted in cooperation with our partner Treedom. We have planted 500 trees in Kenya, Tanzania, Ecuador, Colombia, Madagascar and Cameroon and they will absorb more than 74t of CO₂.



This simple multi-stakeholder initiative helps us to shape a systematic response to multifaceted societal challenges. Our trees benefit not only the environment, but also the people living in it, which is why our trees are planted in developing countries where the benefit of trees can really make the difference. All trees are planted directly by local farmers, bringing environmental, social, and financial benefits to their communities.



The HAE Forest is shaped to increase our Handprint or our actions that help mitigate climate change beyond our own value chain. At the same time, we know how aviation operations efficiency and financial profitability can be affected by extreme weather events. As an international aviation cargo company, we recognize that we all have to make an effort in restoring stressed environmental systems and build collective resilience.



"The greatest threat to our planet is the belief that someone else will save it." Robert Swan

WE ALL HAVE POWER TO MAKE A DIFFERENCE!

Additionally, several members of staff and customers got back to us saying that they are going to purchase trees and make personal gifts to their friends and family.

In 2023 we planted different varieties of trees to attain both environmental and social impacts. Some having more environmental impact such as mangroves. According to Conservation International 2024 a single square mile of mangroves holds as much carbon as the annual emissions of 90,000 cars. We also planted banana, coffee, cacao, macadamia, orange and avocado trees, delivering more social impact for the communities. Our Case Stories explain the social impact.



We also put emphasis on environmental awareness raising and the engagement of our staff and customers. Our leaflet was presented in three languages English, Spanish and Portuguese, and distributed worldwide. We engaged with our UK, USA, Chilean, Brazilian and South African customers. Trees were gifted to members of staff in the UK, Kenya, South Africa, China, Egypt, Hong Kong and Vietnam. We also gifted trees to our principal airlines staff.

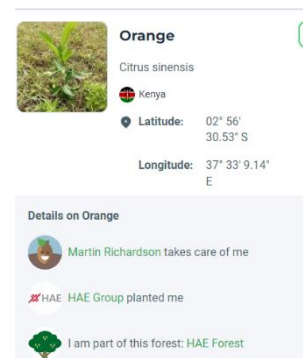
Nancy Akoth, Accounts and Administration Manager Dataair Nairobi reflected on the project by saying: *"When we get these virtual trees, we rarely give any thought to the impact but talking to the farmers on how support from my company improved their lives is so educational and fulfilling. Also the support that they get from Effective IMP Alliance experts is also phenomenal in terms of and not limited to training, soil valuation, encouragement, and the provision of trees. This is a noble initiative that has its rewards for everybody".*

Daisy Warimi Maingi, HAE Kenya Cargo Operations and Reservations Co-ordinator, *"I might be from Kenya and a drive away from the places we visited but I had no idea of such activities until we went for our first trip last year. Interacting with the farmers was great experience, they were so happy about showing off their farms and talk about how profitable it has become to their daily lives, expanding their farms. I would like to appreciate the HAE team behind this initiative for letting me experience this journey".*

Philip Pereira,  Thank you very much for including me in this experience, it's great to have coffee tree that I can monitor and track it's progress. 😊 It is good to see the fantastic environmental initiative that HAE is taking part in to reduce capture CO2 and benefit the local workers.

For reference I have shared this HAE project internally with my Amazon Air team so they can see the great work HAE is doing.

Martin Richardson, EMS Cargo Limited UK: *So nice to hear from you. I have registered and planted the Orange tree, thanks for such a thoughtful and precious gift. Hope my tree produces load of fruit for many years*



Alessandra Oliveira, Brazil



“Obrigada !! consegui acessar mto legal a iniciativa de vcs.”

Karol Rocha, Brazil

“Bom dia, Meninas.

Que legal, parabéns!”



Ian Muggridge, DHL Aviation

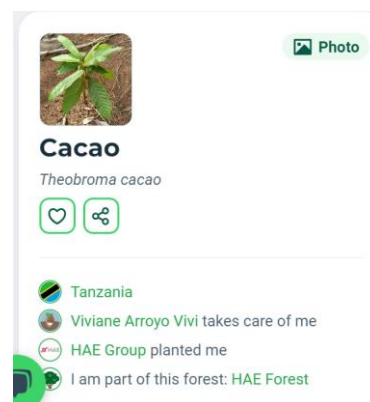
Thanks very much for this. Really great idea.



Viviane De Oliveira Arroyo, Palma, Brazil

Bom dia!

Obrigada... Adorei a ideia e iniciativa.



Maureen Fischer, Tradestream South Africa

Now the proud owner of my own Cacao tree, Henrietta 😊.



We also celebrated National Avocado Day with the HAE USA team gifting avocado trees to their customers and we released a video on social media dedicated to this special celebration. We found that it was a very nice way of connecting with customers and reminding that the fate of our planet lies in our collective hands and each of us plays a crucial role in shaping future of our environment.



In Balance With The World, Ilona Dane, April 2024

Our initiative contributes to 10 out of 17 Sustainable Development Goals set by the UN member states for 2030.



I would like to thank HAE group for the Tree planting initiative in Kenya. This was a great experience meeting those farmers and learning a lot about agriculture, which is the backbone of our country. I believe that tree planting will help mitigate climate change and restore biodiversity and it's refreshing to be a part of this great initiative.

Brenda Akwach, Jnr. Group financial controller, **WORLD FREIGHT COMPANY** 

I find this project a meaningful way to engage in environmental stewardship and contribute to a sustainable future. Tree planting is a positive step not only towards environmental conservation but also the impact extends far beyond it. I learnt a lot during the trip especially about the untapped avocado market opportunities. Thank the whole HAE fraternity and Datacair Kenya Management for the opportunity.

Erastus Kinyua,  **Credit Control Department**

Case Story: Green Gold of Kenya



Avocado trees contribute to fighting climate change by capturing and storing CO₂ from the atmosphere and breathing-out oxygen. According to Treedom a mature avocado tree can absorb up to 21 kg CO₂ per year and 500kg in its lifetime. Other environmental benefits include preventing the release of CO₂ and soil erosion, improves soil health, water retention and infiltration. New sustainable plants are also beneficial in helping preserve the natural habitats of insects, animals and other plants.

Kenya is the world's third largest producer of avocados.

According to Avocado Society of Kenya avocado is grown in several parts of Kenya and about 70% of avocado production is by small-scale growers. They grow it for subsistence, local markets, and export purposes. The Avocado is even called Kenya's Green Gold as it accounts for more than 84% of Kenya's fruit export revenue. Kenyan avocados are transported to 62 major destinations.

IFPRI research funded by the Ministry of Foreign Affairs of the Netherlands (2020) found that participating in export markets raises smallholder farmers' incomes by nearly 39%. Smallholder farmers' participation in export markets also increased employment opportunities within their community.

"The fruit from just one tree can pay for the private education of a secondary school student for a whole year - up to \$600 (£450)" (BBC News, 2022).

The research also concluded that smallholder farmers who participated in export markets were older and had received more training than those who participated in only local markets.

This interesting conclusion was very well supported by the facts from our study visit when we met four farmers who benefited from our project. Three out of four farmers were older. They received avocado seedlings via Treedom via their local partner, Effective IPM Alliance organisation together with a package of agroforestry training.



Meeting small avocado producers in Muranga: Felix Marenje Mwangi, Rachel Njeri Nganga, Margaret Ruhiu

We can clearly identify that empowering small-scale growers to participate in export markets through the HAE Forest initiative, we also create benefits for our company as success of our business is very much dependent on flourishing export markets.

Peter Njambo, our Country Manager – Kenya, highlights that aviation cargo plays a critical role in the global avocado supply chain. As Sales agents for multiple airlines, the HAE Group Kenya offers logistics solutions to ship avocados by air enabling access to international markets. According to Peter, Europe is the primary market followed by the Middle East with China emerging as a new market for Kenyan avocados. Last year we transported approximately 15T of avocados weekly across the airlines we serve, totaling 500T annually generating approx. gross revenue \$600K for our airline partners.



M.Adams from Smarter-Companies summarised “it becomes increasingly obvious that everything is interconnected – and that **profits and prosperity are critical and inter-dependent goals for business**”. There is direct connection between human organisations and their environment.

Case Story: Climate Smart Farming

All four farmers Felix Mwangi, Rachel Nganga, Margaret Ruhu and Daniel and his father John Mwangi are direct beneficiaries of our project. They all are small farmers having 2-4 hectares of land. With professional guidance and expertise from a local organization, Effective IPM Alliance led by Dr Nehemiah Mihindo, they are adopting climate smart farming.



According to Reuters 2021 tea and coffee growers in Kenya started facing uncertainty as Kenya is highly vulnerable to climate change; shifting temperatures and rainfall patterns are threatening the livelihoods of millions of plantation workers.

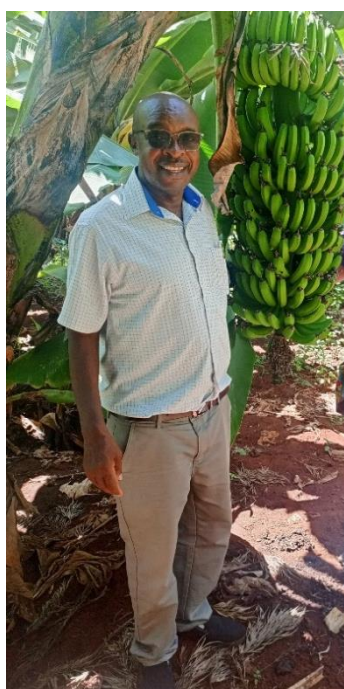
During our visit, we witnessed that Muranga county farmers still maintain tea plantations but they understand that change is inevitable and they are embracing new opportunities.





We could see avocado trees integrated in between tea plantations, a variety of vegetables growing in between banana, macadamia and papaya trees. Thus allowing the farmers to gradually switch from tea and coffee to more climate change resilient farming, diversify and supplement their income as well as to ensure food security. This climate smart farming favours the virtuous interactions between different species and sustainable use of resources and land.

All the farmers we talked to felt optimistic about their life and their future as they have been reaping benefits from their knowledge and skills required to thrive in today's ever-evolving agricultural landscape. Rachel explained that now they formed groups of farmers to increase their bargaining power to get better prices for their produce. They can much better provide for their families, no need to borrow money in case of illness and they can invest more into their farms.



Dr Nehemiah Mihindo, CEO of the organization emphasised that each farm is unique and all their programs are tailored to address specific needs and challenges of each farm. “Effective IPM Association promotes agroecology with special emphasis on promoting systems that mitigate against climate change. This is where our agroforestry project comes in handy. We encourage farmers to grow trees that have less adverse effects on the environment and also to use agricultural systems that are friendly to the environment. These include less use of synthetic inputs including fertilizers and pesticides”.

Case Story: Empowering People to Restore the Planet

By Mercy Rotich, [datacair](#), Head of Product ATC – France and Switzerland.

For many years the gradual destruction of nature was accepted as a sign of progress and people became insensitive to destruction writes Wangari Maathai, a famous Kenyan environmentalist. Today we live with a havoc of issues created by many unintended outcomes of many small and large decisions. This is why I believe that many small actions taken by each of us working together can slowly reverse environmental damage in the long term.

The HAE Forest project really matters in this context as it engages our stakeholders worldwide raising awareness, educating, and providing financial support to vulnerable communities. There has been a lot of deforestation in Kenya in the recent past and what HAE is doing is really encouraging and motivating all of us who have a vision of bringing back the environment that we grew up in. Our project also contributes to the Kenyan government campaign to accelerate the restoration of forests by planting 15 billion trees by 2032.

Growing up, my siblings and I would visit my grandmother during our school holidays where we were surrounded by so many fruit trees. The atmosphere was welcoming, and we would always look forward to having some interesting moments and enjoying a wide variety of fruits that were always at our disposal. Having lost my grandma a few years ago, I have taken it upon myself to give my kids something close to what I experienced growing up.



I started a collection of a variety of tree seedlings, and I intend to pass down the family tradition to my kids.



A day visiting Effective IPM nursery exposed me to a variety of fruit trees that serves both the purpose of keeping the environment green, fresh air as well as a money-making venture among other benefits for the farmers, who have grouped themselves to ensure they strengthen each other, get educated while still being able to influence the market prices.

As Wangari Maathai would say “When we plant trees, we plant the seeds of peace and the seeds of hope”. I feel proud that I can be part of this project.

Case Story: The HAE Forest is a Winning Strategy for all of us

By Catherine Njoki Miriri, [datacair](#) Administrative Assistant



Our trip to Muranga meeting farmers was so inspiring and so much appreciated.

The lessons learnt are life changing to all of us. Treedom's agroforestry method allows trees to coexist and positively cooperate with other crops, enriching biodiversity, protecting climate, and generating multiple environmental and social impacts. We learnt a lot about herbs, vegetables, and fruit tree planting. The avocados were a showstopper.



We met the younger and older beneficiaries of this project. It really touched my heart experiencing first hand from the local farmers on how their lives, food and income security have been improving since they started working with Treedom. Also, knowing that my company supports such projects in several African and South American countries is truly inspiring.

The older farmers have an income making their lives at retirement stress free and self-sufficient. Providing the much-needed affordability of food and medicines for their wellbeing.

The young are able to raise their young families comfortably as well, their young children being provided for basic needs like food and school fees, using the income from avocado sales. Some have used the project

to further pay for their education, giving them a chance to better their lives and give back to society. I am very grateful for these opportunities given to my people.



To add on to this, a word about this kind of support and benefits of planting trees is spreading fast, far and wide. I know many more farmers in my father's village who are also eager to learn about agroforestry and start the tree planting in their communities.

I humbly request so much needed support and expertise to expand this project into my native village and I hope that one day we all can witness another successful story.

The HAE Forest is a winning strategy for the environment and people. I appreciate the fact that I am included and empowered to participate in these lives touching and world changing initiative especially in these harsh times of global warming and conflict.

Conclusion

By way of conclusion, it is important to answer the most important question as to why we are doing this?

Since the 2017 World Economic Forum it has been agreed that companies have to aligning their goals with the UN's SDGs, recognizing that serving society's long-term goals benefits both companies and beyond. Therefore, we must say that the HAE Forest initiative was developed based on in depth research identifying the environmental, social and governance (ESG) issues that are significant to our business and our stakeholders. It is an attempt to embrace a holistic view of ESG going past environmental sustainability alone.

As we engage in our own transformation, we contribute in shaping new patterns that are emerging amid chaos. In the context of unprecedented extreme weather events and wars, we are making an effort to secure a sustainable future for us and future generations. It is a learning, unlearning and relearning experience for us all and we aim to play our part finding solutions.

As David Attenborough puts it that it's easy to feel overwhelmed or powerless by the scale of the issues facing our planet but we have power to fix the damage if we take the action together. The HAE Forest gives us moments of strength, kindness, inspiration and joy when we can see that even a small initiative can make a difference. In 2023 our project gained a new potential. We engaged our staff and our customers worldwide raising their awareness and giving them an opportunity to own a tree in different parts of the world. Our Case Stories reveal that ESG is not a buzz word for us. It is mirror of shared values between us, our customers and communities. We are slowly incorporating the concept into our business strategy, we are building a sustainable and high performing organisational culture and raising our reputation as a good corporate citizen.

A special thank you to all wonderful colleagues around the world, Paul Danvers, Charlie Storcks, Alyne Fukuda, Felipe Campillo, Sonya Carruthers, Andy Smith, Connan Busby and Martin Edwards for engaging their customers and airlines. Nancy Akoth, Peter Njambi, all HAE and dataair Kenya staff who participated and contributed to this report. Thank you Effective IPM Alliance staff for warm welcome and facilitating our visit.

Also, a special thank you our CEO Neville Karai for his trust in the project and all of us.

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