

CORE QUESTIONS & ANSWERS

1. CORE – KEY MESSAGES

CORE is Swissport's business transformation program, through which we aim to:

- enhance our **Customer Centricity**,
- achieve **Operational Excellence**,
- exploit our full **Revenue Potential** and
- improve our **Efficiency & Cost**.

CORE is our vehicle to drive the required changes in a structured way in several work streams.

CUSTOMER CENTRICITY

- We are fully focused on our customers and offer them services tailored to their needs.
- We want to retain our customer base and turn our customers into fans.

OPERATIONAL EXCELLENCE

- We support our customers with reliable and consistent services.
- Above all stands the health and safety of our staff and partners.
- Best practice. Every day at every station.

REVENUE POTENTIAL

- We focus on markets where we can earn money.
- We add value to our customers business with innovative services and flexible pricing.
- Together we enter new markets and grow.

EFFICIENCY AND COST

- We aim to be lean, agile and digital savvy.
- We are passionate about improving our efficiency.
- And we always seek to reduce our cost and not waste money.

2. THE CORE PROGRAM

WHY DO WE NEED CORE?

- To become a true leader in airport ground services and air cargo handling, we need to modernize our business and simplify the way we work.
- We want to create structures and processes for Swissport to excel, to grow with our customers and win new ones, enhance our operational performance, manage our cost effectively, and to improve our safety performance.
- CORE will help us drive the required changes at pace and enable investments.

WHAT ARE THE OBJECTIVES OF CORE?

- Become more customer-centric.
- Design an effective structure - centrally governed, locally managed.
- Improve our operational performance and safety.
- Strengthen the relationships with our customers.
- Improve quality of our services.
- Transform into a lean, agile and digitally savvy organization.
- Create a great place to work and become a top employer.
- Manage cost more effectively.

WHICH TOPICS ARE IN FOCUS?

- The CORE program consists of seven workstreams:
 - Target Structure,
 - Station Productivity,
 - Commercial,
 - Procurement & Fleet,
 - HR Transformation,
 - IT Transformation,
 - Finance Transformation
- The workstreams are supported by key enabling functions like QHSE, Communications and Change Management.

WHO IS MANAGING THE PROGRAM?

- A Steering Committee (SteerCo) consisting of the CEO, CFO, CIO, CHRO, CTO as well as work stream sponsors (on demand) is overseeing the program and providing guidance. Warwick Brady, our CEO, heads the SteerCo and the Program.

- The Steering Committee is meeting weekly to review progress of the program vs plan, and ensure any roadblocks are removed quickly.
- There are seven workstreams on to structure the program. Each of the work streams has a GEM member as a sponsor, and work stream lead, who leads planning and the delivery of progress.
- Day to day activities are driven and coordinated by the Chief Transformation officer. The Transformation Office helps work stream teams structure their approach, and provides visibility of progress for the Work Streams, Steer Co and also the Board, who are strongly supportive of the CORE Program.

HOW LONG WILL THE CORE PROGRAM RUN?

- CORE will run up to 3 years to strengthen every part of the business and prepare us for to handle post-Covid opportunities in a competitive manner.
- The design of a new target organization down to the station level is expected to be implemented in full by spring 2022. Together with other changes in commercial excellence, standardization of our processes and consistency of our services to customers, we would like to make a substantial improvement to our efficiency and be well prepared for the volumes of summer 2022.
- As we progress with the improvements in structures and processes, we will embed the CORE activities in the daily business. Continuous improving our efficiency and costs to stay competitive will be a part of every business line.
- And as the world evolves, as we drive growth, and thanks to opportunities presented by new technologies, any business - more than ever – will have to continually review its processes and tools to stay ahead of the curve.

HOW IS CORE DIFFERENT FROM EARLIER PROGRAMS LIKE SWISSPORT2020?

- We have started CORE from a position of strength.
- With new ownership and a strong cash position, Swissport is well positioned to emerge from the Covid-19 pandemic ahead of its competitors.
- We want to position Swissport as the clear sector leader and the partner of choice for airlines and airports as we jointly restart global aviation.
- CORE is our vehicle to achieve this goal and Swissport success.
- Our CEO leads the Program, and Transformation will be an objective for all leaders. The importance of CORE is emphasized by the appointment of the CTO as a GEM member, to keep Transformation on top of the agenda.

IS CORE PRIMARILY A COST EXERCISE?

- No, it's not. While very close cost management is critical to keep winning contracts in a market which is increasingly price competitive, CORE is focused on establishing improved management information, effective structures and collaborative ways of working. It will enable us to pursue market opportunities.
- One of the key objectives of CORE is Operational Excellence. We will achieve it by developing and implementing operational standards – the Swissport way. We have excellent examples of best practice. CORE will help us identify these best practice examples and roll them out across our stations and clusters.
- Training and capability development is one of key aspects of CORE. We are already working on building a Swissport Academy, which will include a digital technology platform to deliver training in exciting and effective manner.
- CORE is about modernizing and strengthening the business as well as improving our operational performance and safety and creating a stable platform for growth.
- We are creating a business which will be centrally governed and locally managed, empowering our Stations and clusters to drive delivery excellence, while adhering to the Swissport standards.
- As a profitable business we have more leeway to compete in tenders and win new business. With a positive cash-flow we can invest in training and in talent development, in technology, equipment and tools – to strive for excellence.

HOW DO WE WANT TO GROW OUR REVENUES?

- Key initiatives of CORE are dedicated to commercial value creation.
- We aim to become more customer-centric and strengthen the relationship with our customers. Commercial structures which will help us respond to the needs of our customers and a cost structure which enables flexible pricing will all play in sync to make us more successful in winning new business.
- Of course, we will not be able to retain our customers, and win new business without further enhancing the quality and consistency of our services. That's why Operational Excellence is key to our commercial success.
- We are also reviewing and analyzing how to extend our current service offering and market presence by applying all leavers of growth.

WHAT DOES "EXCELLENCE" MEAN FOR SWISSPORT?

- Excellence means to create an environment for the business to excel.
- Excellence also means that we will always go the extra mile for our customers.

- It means we develop practical operational and commercial standards, which will be efficient, world class and drive results for the entire group, and that we all adhere to this Swissport way.
- We will then continuously work on improving these standards.
- Lastly, it is the clear ambition to deliver the sector leading value-for-money!

WHAT IS IN FOR OUR CUSTOMERS AFTER A SUCCESSFUL PROGRAM?

- Our customers will benefit from a more customer-centric organization.
- They will perceive Swissport as a more pro-active and approachable partner.
- By managing our cost better, we will be able to provide our services at attractive rates to our customers and with more flexible pricing models.
- By extending our service offering and market presence, we will be able to provide customers with new services and serve them in more regions.

WHAT DOES CORE MEAN FOR ME?

- Change should always be seen as an opportunity – and there will be plenty of opportunities for our people to grow in this new organizational setup.
- With our new structure on top-management level (N) and the N-1 level right below, with our new operating model, and with increased investment, we are strengthening Swissport and develop it into an agile and flexible business.
- There will be changes to the tools and the way we collaborate and drive our service delivery. Delivering on our CORE objective will mean some hard work. It will require all our staff to stay focused on safety, service delivery and cost.

WHAT CAN I DO?

- You have already been doing a lot. Thanks for your dedication, motivation and engagement so far, through the difficulties of the last 18 months.
- Stay motivated and stay open to new ways of doing things. While adhering to our high standards and working towards our ambitious goals, everyone should try to contribute to the best of their abilities, skills and professional experience.
- We count on your support of CORE. You can make a difference.
- Safety is at the center of everything we do at Swissport. Your focus on safety will be a great way to show your support in this transformation process, too.

3. WORKSTREAM "TARGET STRUCTURE"

HOW DOES THE "TARGET STRUCTURE" WORKSTREAM FIT INTO CORE?

- The aim of the "Target Structure" workstream is to develop a new structure, that brings management closer to local markets and our customers and supports the overarching Customer Centricity objective of the CORE program.
- We want to design an effective organization – centrally governed and locally managed – and steer towards a highly standardized franchise model.
- The target structure also sees the establishment of Centers of Excellence, which will support more consistent inhouse processes and service delivery. CoEs will build our knowledge about best practices and support our business leaders in driving performance.

WHO HAS BEEN INVOLVED IN THE INITIAL STAGES OF THE REDESIGN?

- Initial stages of the design have involved input and collaboration from functional leaders and subject matter experts from all regions and all functions. Regional and functional representatives worked in structured sessions coordinated by the Transformation Office, in an iterative way.
- The Design Team then received feedback from the GEM, CEO, and also the Board after each iteration.
- Now, the transformation team will coordinate the effort to develop the detailed designs for functional and cluster organization, in a joined up, collaborative way. We are progressing with speed to conclude the process in the next weeks.

WHEN WILL THE TARGET STRUCTURE BE IMPLEMENTED?

- The top leadership structure has been in effect since 7 June 2021.
- The next round of announcements outlining detailed organizational design is planned in the first week of July.
- The majority of the implementation is scheduled for the next nine months.

DOES THE REDESIGN COVER OUR SERVICE DELIVERY?

- With the various CORE workstreams looking to improve all aspects of our business, SOPs (Standard Operating Procedures) will be covered as well (details to be announced soon).

- Our future structure brings clearer commercial and operational responsibilities and will enable us to build closer relationships with our customers.


OUR STATION IS VERY SUCCESSFUL – WHY DO WE NEED TO CHANGE?

- A lot of our stations worldwide have been working successfully, some indeed very successfully. However, some of our stations have had performance issues, in all aspects: operational, financial and safety, already before the Covid crisis.
- The inconsistent performance of our stations is impacting our ability to win business from our current and new customers.
- While some stations may deliver a consistently high service quality, they may do so at a cost, which is not competitive, resulting in slim margins. We need to ensure profitability of our stations to secure success of Swissport as a whole.
- Others have a competitive cost structure, but their service delivery may not live up to our standards. We need to drive global consistency of our services, so that our customers choose to grow their partnership with Swissport. This will require that all stations adjust and change in some aspects of their operations.

HOW DOES THE NEW TARGET STRUCTURE AFFECT ME?

- CORE and the new target structure will bring changes to the way we work, to the tools and systems we use, and to how we collaborate.
- Over the next two years, many activities will be bundled, while others may be strengthened at station level while others yet move to shared service centers.
- Swissport will invest in developing the skills and capabilities of our staff.
- Overall our organization will evolve. This can cause anxiety because in one way or the other we are leaving our comfort zones, but it also brings opportunities.

DOES THE REDESIGN INCLUDE STATION LEVEL ROLES?

- Yes. The scope extends from the top leadership structure, to administrative roles and the station overhead structure (business line leaders).
- Our front-line staff e.g. on the ramp, in our cargo warehouses or at the check-in desks is not in the scope of the organizational redesign. 

WILL THERE BE ANY LAYOFFS / REDUNDANCIES?

- Over the course of the CORE program implementation roles will disappear on several levels and at different locations. Others will be created.

- Overall, Swissport will get a more effective structure, and become leaner and more efficient. This means, we will need less people to get the job done. So yes, there will be redundancies initially. Once we grow, new jobs can be created.
- Our front-line staff e.g. on the ramp, in our cargo warehouses or at the check-in desks is not in the scope of the organizational redesign. !
- However, a lot of new roles are also being created across the organization, and we will aim to retain / invest in our employees to the best of our abilities.

WHEN WILL I HEAR IF OR HOW THIS MIGHT AFFECT MY JOB?

- Until you receive information on how you might be affected, please continue your good work within your current role and activities.
- If or when there is a change to your role in the company or to your reporting line, you will hear from your supervisor as soon as possible.
- This uncertainty can cause anxiety, but we can really look forward to a bright future, which we can build together.

WHO CAN I REACH OUT TO IF I HAVE MORE QUESTIONS?

- If you have any questions, please reach out to your direct superior/supervisor.
- Updates on the overall progress of the CORE work streams will be provided to the wider organization in periodic intervals through various formats.
- In addition, you can find most relevant information on **core.swissport.com**. This dedicated program website is continually updated with the latest news.