

# SUSTAINABILITY REPORT

2016



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# CEO STATEMENT



Sustainable development is vital to securing the long-term future of our business, but it is also an opportunity to envision our services in a new and improved way. For many years now, our social commitment has been at the heart of our corporate strategy. This commitment is reflected in our Corporate Social Responsibility Statement and re-affirmed each year as a signatory of the United Nations Global Compact.

Swissport International Ltd. joined the United Nations Global Compact in 2011, expressing this way its support for the Ten Principles of the Global Compact with respect to human rights, labour, environment and anti-corruption. We are and we will continue to be, committed to making the Global Compact and its Ten Principles part of the strategy, culture and day-to-day operations of our company. In addition to these fundamentals, Swissport also has a Group Environmental Policy which was established in and has been valid since 2007.

Our overall aim is to further develop the organisation, leveraging our operational practices across the globe. For our customers to know that when they buy from Swissport, they get Swissport, whether they are in Africa, Asia, in the Middle East, America or Europe. We optimise our productivity, follow best practices and ensure consistent quality at each station across the world.

The key issues in our industry include service quality, training, health and safety and the reliability of ground operations. Our industry should never cut corners here – this is non-negotiable. At the same time, there is pressure on prices from the customer. How do we balance the cost-quality equation? We have to be able to generate a return in order to invest in the business at a market-clearing price. A certain level of quality is expected and you have to deliver. You can do a certain amount for efficiency – but it has to be within these non-negotiable cornerstones.

We have therefore significantly intensified our support for quality, training, health and safety because we want to continue to reduce accident rates to provide a safe environment to our employees and to not damage equipment. The entire industry needs to do more in that regard and as the largest player within the sector, we have the responsibility to lead this initiative. Conscious of the leadership role that we play with our customers, partners, suppliers and the industry as a whole, we are mobilised round the goal of making sustainable development an everyday reality in all our activities. As a driver of economic growth, our future will be shaped by innovation. This is the exciting challenge facing our Group and everyone of us.

We will be further expanding our leadership position, taking us to the next level of performance and corporate maturity. I am incredibly pleased at the amount of commitment, at all levels of the business, to go the extra mile on a day-to-day basis in a business that can be a very tough job. This is a great platform to work with, it is very fertile soil if you want to drive plans to further improve and expand.

Swissport has been owned by HNA Group since February 2016 and employs more than 62,000 personnel. The company's network exceeds 280 stations in 48 countries across the world. With the closing, Swissport became a stand-alone business within HNA Group. It continues to deliver the highest quality ground handling and cargo services to its airline customers across the globe. HNA will support the Swissport management in the execution of the business plan and continue to expand its global footprint.

Swissport International Ltd. is the leading global airport and aviation service provider in terms of quality, reliability, safety, innovation and network coverage. Offering a comprehensive range of services, Swissport is able to provide an "all-inclusive" service package in addition to managing integrated collaboration models. It is my expectation that all employees will commit to the highest standards of business conduct and will act with complete integrity and you can be assured that all members of the Board and the Group Executive Management have made the same commitment. This sustainability report gives us the opportunity to share a little bit of our vision with you.

I would like to thank everyone across the Group, everywhere in the world to making our vision of a sustainable healthy environment possible.



Eric Born  
President & CEO  
Swissport International Ltd.

# INTRODUCTION TO OUR SUSTAINABILITY REPORT 2016

The Swissport Sustainability Report 2016 summarises the world of Swissport and its global operations from a sustainability perspective. The report has continuously improved since the first edition in 2013. The report enables stakeholders and readers to get an overview of the impacts, risks and opportunities Swissport has identified as material in terms of sustainability.

Given the nature of our business, social sustainability and its sub-categories, labour practices and decent work, human rights, product responsibility, and society are the most material factors identified by Swissport.

Environmental sustainable practices are an increasingly important area to consider for all companies in all industries. Swissport and the aviation industry are no exception. Due to Swissport's business nature, the operation of ground service equipment (GSE) has been identified as the main source of environmental impact which can be influenced by the organisation. The actions taken to cope with this impact are further disclosed in this report.

Sustainable economic growth has always been and remains a strategic focus for Swissport. Since Swissport is a service provider and does not own any production plants or airports, we focus on our indirect economic impact on society by ensuring a fair and safe working environment for our locally-hired staff, by full compliance with local legal and tax regulations and various contributions to local societies where Swissport operates. Examples of these contributions to local communities are disclosed further in this report.

## MISSION STATEMENT

*To provide the aviation industry with consistent and tailor-made solutions around the globe, for a better customer experience.*

Swissport is a people-focused organisation – only with our people will we achieve our goals and our vision. As such, we focus on the principles of sustainability and compliance, living by our Core Values:

- People
- Professionalism
- Partnership

The ongoing professional development of the people within Swissport ensures that:

- We show respect towards our people and their values; we do not compromise on safety and work with enthusiasm and enjoyment.
- We are pioneers; working constantly towards achieving sustainable results, we creatively explore new options and improved solutions.
- Continually striving to exceed the expectations of our clients and our commitments, we deliver excellent service; in any place, at any time.

Swissport is the biggest global airport and aviation service provider in terms of quality, reliability, safety, innovation and network coverage. Offering a comprehensive range of services, Swissport is able to provide an “all-inclusive” service package in addition to managing integrated collaboration models.

- Ground Handling
- Cargo Services
- Executive Aviation
- Fuelling Services
- Aircraft Maintenance
- Aviation Security Services
- GSE and ULD Maintenance

## ECONOMIC SUSTAINABILITY

“At Swissport, we are working hard to ensure that we reach our goal of sustainable economic growth. Sustainable economic growth is not just concerning financial results at Swissport, it is also about ensuring a stable and safe workplace for our local staff at our local operations. In order to achieve the goal of sustainable economic growth, Swissport is focused on consolidating and strengthening our market position to ensure we are constantly driving industry innovation in key areas such as service, quality and reliability.”

Eric Born, CEO & President

Swissport, owned by HNA Group since February 2016, now employs more than 62,000 personnel, and the company's network exceeds 280 stations in 48 countries. With the closing, Swissport became a stand-alone business within HNA Group. It continues to deliver the highest quality ground handling and cargo services to its airline customers across the globe. HNA will support the Swissport management in the execution of the business plan and continue to expand its global footprint. Swissport's expanded and comprehensive service offering complements more than 835 client-companies, which equates to more than 4.1 million flights and 230 million passengers served per annum. An estimated 4.3 million tons of cargo are moved and 133 warehouses are operated worldwide throughout the combined network.

Swissport is recognised as the benchmark in terms of value for money, customer dedication, and cost management. The company has established a global reputation for being a valued business partner, not only because of our financial resources and modern ground support equipment, but also due to our intangible assets, particularly management expertise and a brand name that stands for superior quality.

Overall responsibility for the strategy and development of the economic impacts and market presence lies with the CEO together with the CFO of Swissport.

The Swissport Formula describes “the way we work” – it is an organisation-wide established set of policies, practices and standards ensuring sustainable economic growth and continued success in all the markets where Swissport is present. Efficient and secure operations form a sustainable basis for development and provide customer confidence and peace of mind, in addition to reducing costs. With the Swissport Formula, customers and employees experience the benefits of global alignment, standardisation and consistency every day.

Swissport does not disclose financial results; however the facts and figures provided in this report show a good overview of the economic performance and worldwide market presence of Swissport.

It is important to add that Swissport as a ground handling service provider does not own or run any production plants or airports that could have a significant direct economic impact on the environment or society. As a consequence of this, the direct economic impacts of Swissport's operations are not deemed material. However, Swissport recognises that as a global company operating on local levels, we have a responsibility towards the local communities. In all countries and stations we operate in, Swissport is always looking to create jobs for local people. We ensure a fair and safe working environment for our locally hired staff and our full compliance with local legal and tax regulations as well as various positive contributions to local communities as disclosed later in this report.

## FACTS & FIGURES

### 2016

Revenue (not normalised)	EUR 2.7 billion
Countries	48
Employees	> 62,000
Flights handled (movements)	> 4.1 million
Cargo handled (tonnes)	> 4.3 million
Warehouses	> 133
Airports served	> 280
Customer airlines	> 835
Passengers handled (departures)	> 230 million

### Countries

Continent	Countries	Stations
South America	6	35
Africa	9	37
Asia & Middle East	6	13
North America	2	65
Central America & the Caribbean	7	18
Europe	18	104

## MILESTONES

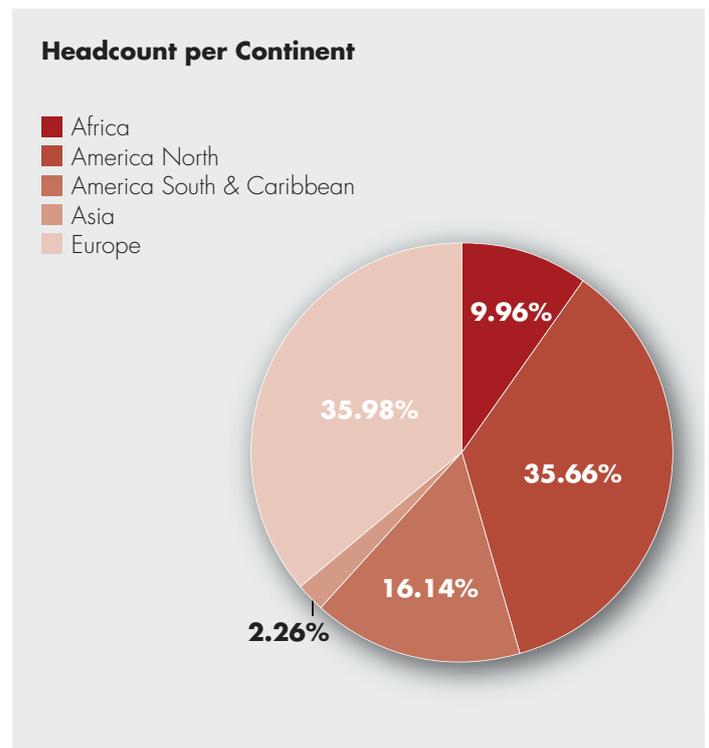
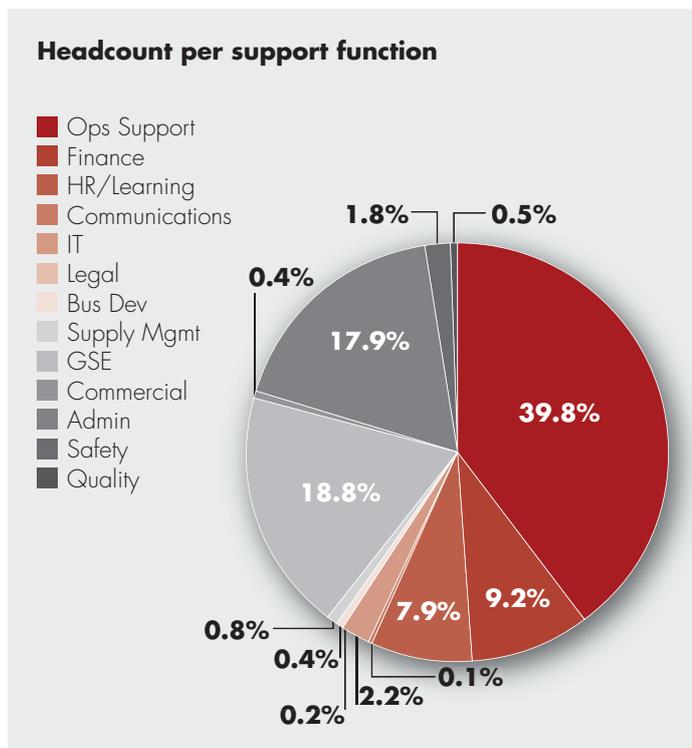
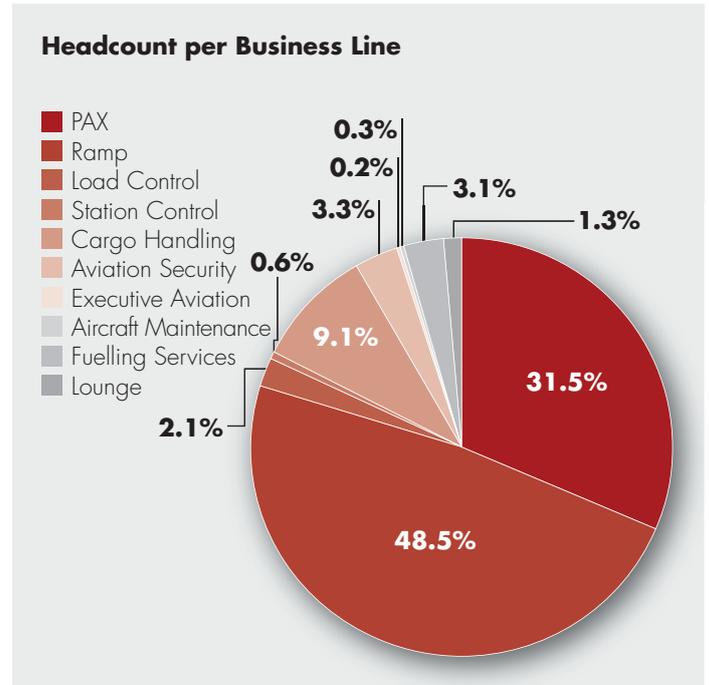
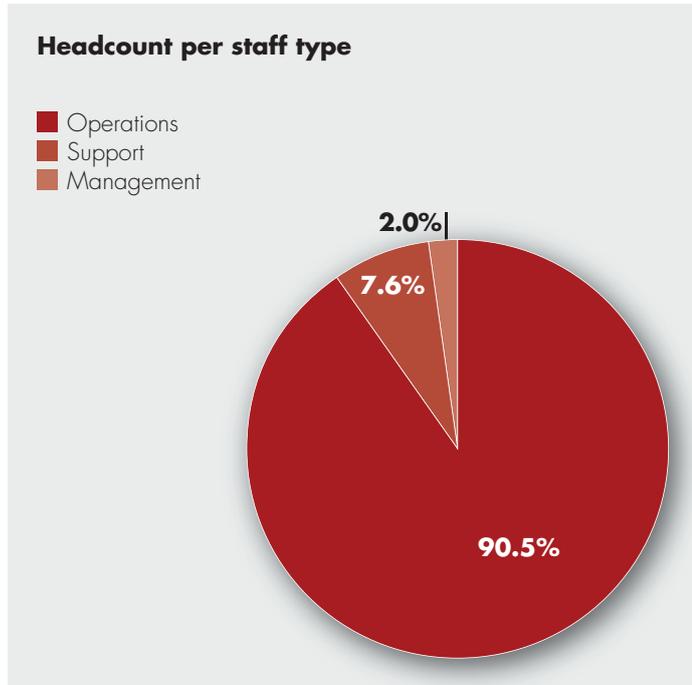
### 2016

- Swissport awarded “Handler of the Year“ by Air Transport News.
- Significant increase of our support for quality, training, health and safety, with an improvement of Lost time injuries by 19% and Aircraft damages by 20% versus 2015.
- 18<sup>th</sup> Ground Handling International Safety Award Winner in the category “Europe Ramp Safety“.

# HEADCOUNT REPORTING

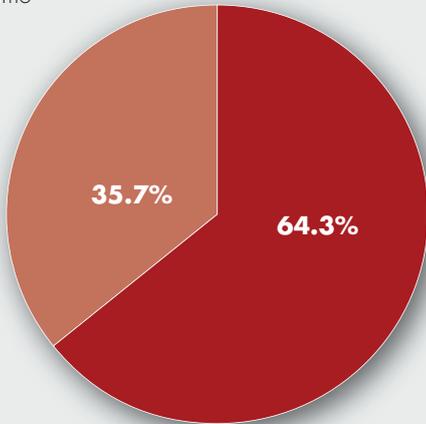
Swissport's headcount reporting is consolidated on a monthly basis for all the legal and operating entities of the Swissport Group with a majority participation of Swissport (> 50 % Swissport participation). It includes a consolidated overview over all headcount, male/female ratios and the allocation of permanent and temporary contracts. The headcount report also shows the headcounts per division and per continent, for managing the business effectively. It forms the basis for calculating HR-related performance indicators.

Total Headcount as of 31.12.2016: 63,011



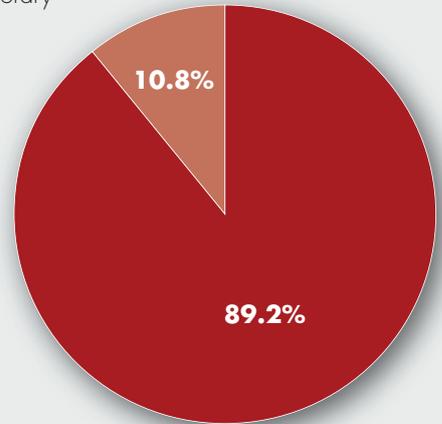
### Headcount per contract coverage

- Headcount full time
- Headcount part time



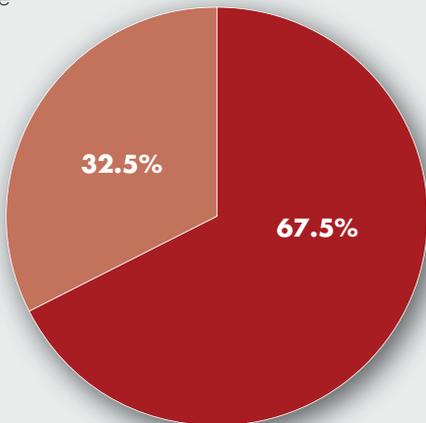
### Headcount per contract duration

- Headcount permanent
- Headcount temporary



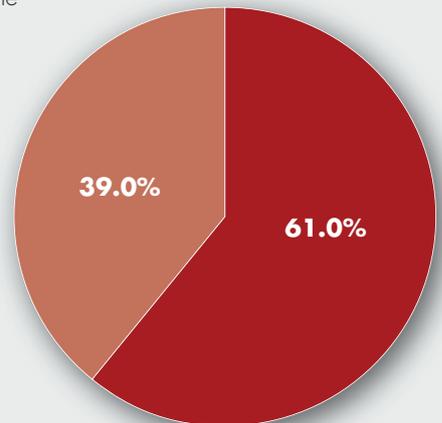
### Headcount per gender - Operations

- Headcount male
- Headcount female



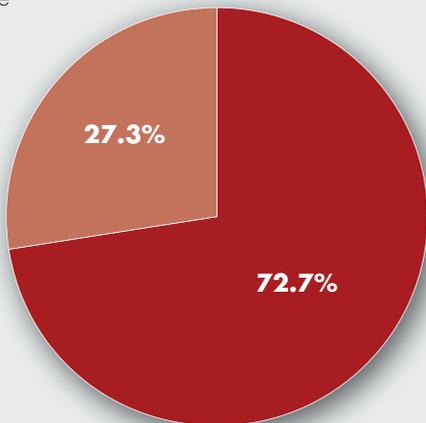
### Headcount per gender - Support

- Headcount male
- Headcount female



### Headcount per gender - Management

- Headcount male
- Headcount female



# PRODUCTS AND SERVICES

## **Ground Handling**

The award-winning Swissport Ground Handling business currently provides passenger and ramp handling at over 227 stations worldwide and serves in excess of 230 million passengers per year. Today, Swissport is recognised as the biggest independent global ground services provider with the largest number of hub and Low Cost Carrier base operations globally.

## **Innovation**

Swissport has the advantage of being able to exchange expertise and share best practices from all over the world – the benefit of which is seen in the Swissport Formula. Due to our global presence, operational practices and service innovations are being developed and implemented on an ongoing basis. Process and service optimisation, through the use of information technology, has been crucial to the success of Swissport. Our vast reach and network enables rapid adoption of the latest technologies, which deliver efficiency and cost-effective operations on site. Using the benefit both of our experience and proprietary software for resource optimisation enables Swissport to develop rapid turnaround times without sacrificing quality of service. Processes are documented and described in detailed operations manuals to ensure safe handling according to the ISAGO authority. Our aim is to serve our airline customers in the most effective way while also being cognisant of the individual needs and requirements of each of our customers.

## **Outlook**

Swissport is monitoring automation developments in the area of ground service provision very closely. We constantly strive to reduce our production costs with the early integration of newly-created features within our scope of activities. The automation process is already well developed in the area of passenger handling, including:

- Fully automated passenger handling at check-in
- Automated boarding processes

Swissport also supports working groups with our know-how in order to advance the same kind of automation in other areas, such as:

- Self-service devices at Lost & Found counters
- Checked-baggage screening
- Central load control

Our well-established operational monitoring tools allow us to test every change in procedure and verify the impact of any deviation to the running process. Swissport is an organisation that is actively shaping the future for the benefit of our customers.

## **Cargo**

Swissport is the world's biggest cargo services provider, offering award-winning cargo handling at more than 130 warehouses worldwide, and handling in excess of 4.3 million tonnes annually. The cargo organisation is set up to allow global, regional and local representation at both sales and operational levels through its Customer Relationship Management (CRM) process, which is designed to improve the customer experience. Swissport Cargo is in the process of rolling out new technologies to improve operational capabilities and allow the customer to experience cost savings throughout the contract period, and we have linked this process to Cargo 2000 (C2K) measurements across our network. Our size and scope allows customers to manage multiple operations through a single point of contact, one common Service Level Agreement (SLA) and one invoice if necessary, saving on administration costs.

## **Innovation**

With daily monitoring of the key business drivers and shipment tracking in line with Cargo 2000 (C2K) standards, we have a transparent overview of our services that ensures service quality and enforces operational excellence. Implementation of hand-held terminals reduces human error and ensures efficient operation, which allows our customers to also benefit from reduced handling and associated costs. Daily follow-ups on hours worked, volumes handled, door waiting times and many other measures ensure a scorecard approach to daily activity which further supports the Cargo operations and helps to deliver efficient operations. Swissport will continue to improve technology and interfaces for its customers and has many new and exciting advancements in production to minimise cost and improve operational readiness. We are also committed to improving the look and feel of our facilities, as well as to grow and develop new operations worldwide.

Some benefits of this approach to innovation include:

- Cargospot: the system used to manage our Cargo business, interfacing with any airline system.
- Freightfinder: Using the latest technology, Freightfinder allows you to track and trace your freight in any of our warehouses worldwide.
- Hand-Held Terminals: Swissport's customers benefit from real-time status updates so shipments can be tracked and traced in our warehouses.
- Volume Scanning Devices: allow our customers to calculate the volume of shipments with accuracy.
- SHIELD Document Imaging System: capturing the entire flight pouch digitally solves the problem of missing documents.



### ***Outlook***

The continued drive to grow with our customers and to ensure that we continue to deliver the highest quality handling in the most cost-efficient way is our prime focus. By leveraging the use of system-management and implementing innovative, solid operational and financial processes together with our customers, we will continue to enhance our prime position in cargo handling services. Our Global Account Management team allows customers to benefit from full access to Swissport's specialist resources, including the latest industry information and cutting-edge operating solutions designed to optimise the efficiency of customers' handling processes. This specialised team provides our customers with peace of mind and an established confidential relationship to explore and develop new opportunities and strategies. This single point of contact allows quality consistency, open communication and increased transparency in the handling process. We tailor operations to the needs of our customers and create a suite of reports based on their information requirements, both at operational and sales levels.

### ***Executive Aviation***

Swissport Executive Aviation (SEA) & PrivatPort provide exclusive ground handling services to the international community of operators and executives who utilise private or corporate jets in more than 80 bases in 22 countries worldwide. The mission is to make arrivals, stopovers and departures as convenient and smooth as possible for passengers and crew, providing a customised spectrum of aircraft care services. These bespoke service requirements are offered by professionals with good expertise, exceptional skills in servicing and understanding the importance of the business aviation world. The dedicated teams are hand-picked for their commitment to the job and are highly committed to their assignment, delivering assistance beyond expectation.

### ***Fuelling***

Swissport Fuelling Services is an international company that provides high quality, independent aviation fuel handling on behalf of airlines, airports and fuel suppliers. We provide a full service solution with regards to our clients' fuelling needs including both on and off airport fuel storage and distribution systems. Swissport Fuelling Services has a proven track record in demonstrating a full understanding of the requirements and responsibilities of maintaining aviation fuel systems, with a focus on safety, cost control, inventory management and a clear emphasis on environmental compliance and responsibility. Swissport Fuelling Services provides our customers with safe, efficient, independent into-plane fuelling services whilst leading the industry in on-time performance. Our expertise and knowledge in this specialist field also assists our clients in the design, construction and commissioning of aviation fuelling facilities and related structures. Swissport Fuelling Services operates to the highest industry standards in health, safety and environment. Our policies and procedures have been developed in accordance with the Air Transport Association (ATA) 103 Specification and the Joint Inspection Group (JIG) Guidelines for Aviation Fuel Quality Control & Operating Procedures.

### **Aircraft Maintenance**

Swissport Aircraft Maintenance, the recipient of the prestigious FAA Certificate of Excellence Diamond Award, is a quality provider of third-party line maintenance services operating at seven airports in the USA and in four other countries globally, providing line maintenance support to major commercial airlines on both a scheduled and on-call basis, ensuring that all capital-intensive equipment operates and performs flawlessly. Swissport's A & P Mechanics has the training, knowledge and expertise to meet our customers' demands.

### **Ground Support Equipment (GSE) Maintenance**

Swissport GSE and Unit Load Device (ULD) Maintenance Services operate at over 180 airports in 48 countries, managing and maintaining a fleet of more than 50,000 units. Our commitment is to offering superior and consistent standards and dedication throughout our network: providing reliable, comprehensive and cost-effective GSE maintenance, minimising downtime and maximising productivity. Swissport Maintenance Services is committed to working within the industry towards the research and development of efficient, safe, ergonomic and environmentally friendly Ground Services Equipment.

### **Aviation Security**

Swissport Aviation Security (Checkpoint) provides security services for more than 40 customers in over 10 countries worldwide. The team working within the organisation is highly trained in both security and vulnerability assessments, providing complete solutions for our customers. Swissport Aviation Security customers have the flexibility to choose the solution fit for them; be it on a local or a global level, the Checkpoint entities guarantee full flexibility for the procurement of security services. Our services and expertise in this specialised field are based on more than 20 years' experience within Aviation Security with a clear focus on, and commitment to quality solutions and integrated products for the client's convenience. Working with Swissport allows our clients to purchase security services via ground handling and cargo and benefit from the synergies realized by the integration of security tasks in existing processes, such as:

- Check-In Security Combined Check-In and Security Services
- Gate Security Combined Gate and Security Services
- Cabin Clean & Search Combined Cleaning and Security Services



## HUB & BASE MANAGEMENT

Outsourcing continues to play an important role in the aviation and airport services industry. As airlines continue to focus on profitability, they are increasingly focusing on their core business: passenger transportation. While the Swissport service portfolio can begin from a single station, true partnership comes when Swissport provides the full management of our airline partner's hub or base operations. Swissport Headquarters assumes professional project leadership from appointment through to the operational start, providing total reassurance for our customers during transition.

Experienced field managers from our global network support the implementation on site. This solution encompasses vast commercial expertise from more than 700 customer airlines. Quality reassurance is given to our customers via the operational and leadership training of local staff and management. Commissioning Swissport with hub operations is both financially and operationally sensible for our customers. Swissport has earned our customers' trust for hub management through our proven track record in best practice, quality and industry-leading processes and procedures in addition to our commitment to continuous innovation in service provision. Swissport is well positioned to manage the sensitive responsibility for hub management for our customers: success stories include Munich (the regional fleet of Lufthansa), Helsinki (Finnair), Johannesburg (South African Airways), Sao Paulo and Rio (Gol/Cargo), and three stations for United in the USA.



# GOVERNANCE

## Group Executive Management (GEM)



# RESPONSIBILITIES

Topic	Lead/responsibility
General strategy of Swissport	Chairman of the Board and Board members, CEO/GEM members
Financial results/investor relations	CEO/CFO
Media releases & articles/media contacts/ Corporate Identity and Corporate Design	Head of Corporate Communications
New operations & major contracts	Unit Head
Environmental & political issues	CEO/Legal/Corporate Communications/ Legal department
Crisis Communication	CEO/Corporate Communications/ GEM members (Group emergency guidelines), Risk Manager Swissport
Local activities on station level	Local Management
Labour issues	Local CEO with Human Resources

Overall responsibility for the development and implementation of equal opportunity initiatives rests with the Chief Executive Officer of the company. It is the responsibility of each manager to ensure that the associated policies and procedures are published and communicated to all staff within their area of responsibility. It is also the responsibility of each manager to ensure that effective monitoring takes place to provide assurance that the policies and procedures are being adhered to. Furthermore, it is the responsibility of every staff member to ensure that their actions adhere to the associated policies and procedures that apply in their place of work. Failure to do so could lead to disciplinary action, including dismissal. In general, all Swissport policies and procedures are designed to comply with local law, represent the best human resource management practices, encourage and respect diversity and ensure equal opportunities, foster a team approach to business success, offer development and secure employment, and provide competitive remuneration and other terms and conditions. These policies, processes and guidelines are in place to provide guidance, structure and alignment for the various HR activities. Group Executive Management Meetings (GEMM) take place on a monthly basis to review the business performance including economic, environmental, and social performance in order to assess risks and opportunities, and general compliance with the principles, guidelines and international agreed standards. This ensures that any fluctuation in country or operational performances can be identified immediately; actions and improvements can be implemented and reviewed monthly. In addition, the divisional EVPs and the Group CEO visit the key countries several times a year to conduct in-depth business reviews. These reviews are supported and rounded-off by internal safety and management audits, external audits (e.g. ISO/ISAGO and/or airline audits) as well as independent internal corporate group audits, which report directly to the Board of Directors. All governance mechanisms, processes and procedures are compliant with the general norms. Currently, the Group Executive Management has only male members. This fact has been addressed regularly and seriously. Swissport wants to reiterate that this has been and will be addressed in any recruitment and is not the result of discrimination.

# ENVIRONMENTAL SUSTAINABILITY

“Swissport International Ltd has been a member of the UN Global Compact since 2011. This membership reflects our continued efforts in environmental sustainability. We are, and we will continue to be committed to making environmental sustainable practices a part of our strategy, culture and day-to-day operations of our company.”

Eric Born, CEO & President

According to the United Nations Global Compact Principles, businesses should support a precautionary approach to environmental challenges, undertake initiatives to promote greater environmental responsibility and encourage the development and diffusion of environmentally friendly technologies. We strive to continually improve our environmental management system, with the goal of improved environmental performance. For Swissport, Corporate Social Responsibility focuses on safeguarding society and mankind by preserving our living conditions, as well as ensuring safety for our employees. We achieve environmental quality by proactively, systematically and fully integrating environmental considerations into the planning and execution of our work. Our environmental protection activities are focused on our Ground Service Equipment (GSE).

The Swissport Group has issued an Environmental Policy which sets the goals of minimising negative environmental impact, endeavour for continuous improvement for our services and for more effective production processes with customer adapted solutions, to be economical with raw material, materials and energy, to increase awareness of environmental issues among all employees to a level where environmental considerations become one's own responsibility and finally to foster low-emission service vehicles and ground service equipment.

Overall responsibility for the development and implementation of environmental initiatives rests with the Chief Executive Officer of the company. It is the responsibility of each manager to ensure that the associated policies and procedures are published and communicated to all staff within their area of responsibility.

Employee behaviour is guided through awareness training and regular briefings. Typically, the operational areas interface directly with the airport infrastructures. Swissport has to make use of the locations, assigned infrastructures and processes prescribed by the local authorities.

Swissport is using safety analysis and review systems to identify, control, or reduce environment, safety, and health risks through engineering and administrative controls. We strive to continually improve our environmental management system, with the goal of improved environmental performance. In addition to this we are evaluating our environmental performance through periodic reviews and audits to ensure that our conduct is consistent with these principles.

Swissport is compliant with all local environmental laws, regulations and standards. In the period covered by this report, Swissport was neither involved in any rulings, nor made liable as a result of environmental non-compliance.

# ENVIRONMENTAL POLICY

Swissport has made an effort to identify our main environmental impact areas as below. Guidelines are given to all operations on the design of operational and managerial procedures. The Swissport environmental policy focuses on the following core impact areas:

Operational	Managerial	Behaviour
GSE Maintenance	GSE Purchasing	GSE Usage
Anti-/De-Icing	Stationary Purchasing	Office Electricity
Waste Management		Office Air conditioning
Lavatory Services		Waste Recycling
Fuelling		

In addition to complying with all applicable environmental laws and regulations, Swissport is committed to:

- Making environmental concerns an integral part of our planning and decision-making process and committing sufficient resources to implementing effective environmental programmes;
- Practising sound environmental management of all Swissport-operated facilities and properties and all natural resources under our management; educating employees to be accountable for environmental management and encouraging them to seek innovative ways to improve the environmental aspects of our operations;
- Minimising, mitigating or restoring any adverse environmental impacts caused by our operations; maintaining open relationships with our customers, employees and government agencies to meet their information needs with regards to environmental issues;
- Continually improving our environmental programmes;
- Ensuring the proper handling and disposal of all waste, and minimising their creation while pursuing opportunities to prevent pollution and recycle and reuse waste materials;
- Evaluating our environmental performance through periodic reviews and audits to ensure that our conduct is consistent with these principles.

## GSE

Due to Swissport’s business nature, the operation of Ground Service Equipment (GSE) has been identified as the main source of environmental impact, which could be influenced by the organisation. Within our own organisation, Swissport maintains continuous contact with major GSE manufacturers worldwide to evaluate adequate equipment with minimal environmental impact. For example, Swissport has been operating electrically powered GSE for many years wherever possible and available. Some electrical ground-service equipment reduces fuel usage by 30–40 %. In the Swissport de-icing business, the use of glycol is strictly monitored. Swissport constantly strives for an optimisation of glycol use and glycol recovery by using state-of-the-art technology. A glycol mix is a Swissport standard for optimised glycol usage, i.e. to reduce the use of glycol to the minimum necessary.

## Fuelling

Swissport’s Fuelling operation is fully committed to meeting its customers’ fuelling and fuel storage needs in a manner consistent with a clean environment. We believe it is both good business practice and our duty to protect the natural resources of the communities which we serve while maintaining outstanding service to our customers. In keeping with this belief, it is our policy to conduct our business in an environmentally responsible manner that protects the public, our customers, our employees and the environment. To ensure minimum spilling of fuel, a “zero-drop” compliance and incentive in the fuelling service has been implemented, both for environmental and for safety reasons.

## MAIN ACTIVITIES

## Green Logistics

The majority of the GSE is leased, hence there is minimal logistics required for transportation of GSE from one location to another. When GSE transportation is required, the method of transportation depends on various factors, such as distance and volume for example. In most cases, the logistic suppliers transport GSE by boat. Duty travel by air is kept at the lowest possible level – a policy with top management attention. Car-sharing options and discounted rates for public travel or hire cars are offered in order to reduce the personal need for a car. Video conferencing, WebEx, Skype and telephone conferencing are often-used alternatives to business travel. Video conferences are preferred to face-to-face meetings when possible. Conference calls reduce travel costs and the environment impact related to travel, such as fuel. Regarding employees' individual transport, financial incentives for public transport offers are in place.

“As a member of the UN Global Compact, Human Rights are an important topic for Swissport. We constantly strive to ensure that all Swissport operations and significant suppliers are in compliance with the Human Rights. It is an organization-wide goal with top management focus that Swissport is seen as a company with high ethical standards. This is reflected in our Code of Conduct and our Core Values.”

Dr. Johannes Spindler – EVP & Chief Legal Officer (CLO)

According to the United Nations Global Compact Principles, businesses should support and respect the protection of internationally proclaimed human rights, and make sure that they are not complicit in human rights abuses. Furthermore, businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced and compulsory labour, the effective abolition of child labour and the elimination of discrimination in respect of employment and occupation. As a service provider and therefore a human workforce business, Swissport has a big responsibility towards its employees. Swissport is fully committed to these principles.

Swissport actively supports and respects the protection of internationally proclaimed human rights through various policies and certification requirements. This is a subject of priority throughout the organisation and has led to the absence of any significant incidents or violations of non-compliance with the internationally proclaimed human rights including freedom of association or collective bargaining, child labour, compulsory labour and indigenous rights by Swissport or any significant suppliers during the reporting period. Swissport has not identified any particular operation or supplier that is at significant risk or exposure in this regard. If such a case of non-compliance should occur, Swissport is prepared to take all measures necessary outlined in the Code of Conduct in order to deal with the violation.

With a large workforce of more than 62 000 employees worldwide, uniform suppliers are our most relevant supplier with regard to human rights protection. In order to ensure compliance with our standards on a global level, all significant suppliers engaged by Swissport are required to show certificates of compliance with relevant and prioritised human rights, including non-discrimination, child labour, forced and compulsory labour, security practices, and Indigenous rights. In addition to this we recognize the legitimate role of responsible trade unions and employee representatives. Swissport establishes appropriate mechanisms to enable the effective representation of staff.

The overall responsibility for environmental, political, and labour issues lies with the CEO; the responsibility is further divided to the Legal department and Human Resources.

## HUMAN RIGHTS & LABOUR PRINCIPLES

For all its employees, Swissport maintains and promotes a Corporate culture and behaviour in which honesty, integrity and respect for the law are viewed as essential to achieving our desired success. In relation to human rights the Code of Conduct states:

- The recognition of internationally proclaimed human rights
- Respect for other cultures and opinions
- Professional behaviour and observance of the rules of good business practice and of internal and external rules and regulations
- Protection against discrimination

Any and all of the employees are personally obliged to abide by the Swissport Code of Conduct. They are prompted to report any evidence of possible violation of the Swissport Code of Conduct to their superior or, if appropriate, to the Chief Legal Officer or to the Chairman of the Audit Committee. As a last resort, if the employee fears retaliation, he or she has the possibility of contacting the Swissport Whistleblower hotline.

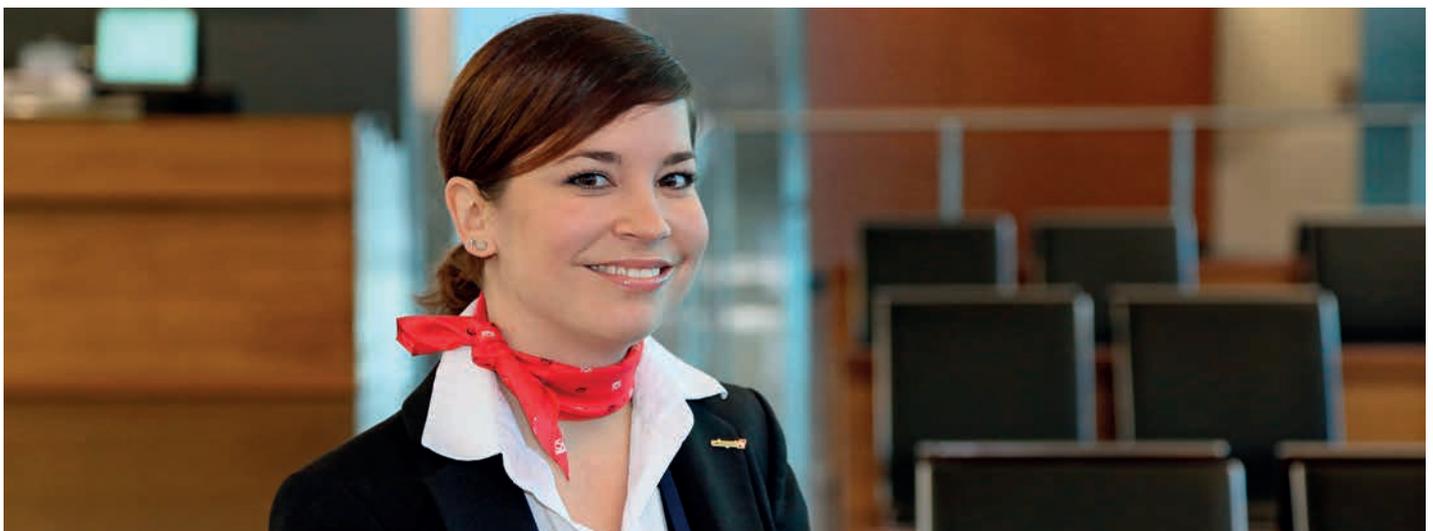
Swissport is an advocate of fair and open competition and is constantly working against corruption in all its forms, including extortion and bribery. All directors, officers and employees of the Swissport Group are required to abide by the Swissport Anti-Corruption guidelines and the Competition Law guidelines, regardless of their place of work.

Each individual Swissport employee is obliged to follow the Competition Law guidelines and Swissport has issued Anti-Corruption guidelines which are based on the Anti-Corruption rules set forth in the 1997 OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, the 1999 Criminal Law Convention of the Council of Europe on Corruption and the 2003 United Nations Convention against corruption.

Overall responsibility for issues regarding Fair Competition and Anti Corruption lies with the CEO and the EVP & Chief Legal Officer, the responsibility is further divided to regional managers within the company.

All directors, officers and employees are prompted to report any corrupt practice of which they become aware (including attempts thereof) to their superior or to the Chief Legal Officer. Disciplinary actions (including termination without notice) will be taken against those directors, officers and employees who do not comply with Anti-Corruption rules and Competition Law. In the period covered by this Sustainability Report, Swissport was neither involved in any rulings, nor made liable in relation to corruption or anti-competitive behaviour.

## SOCIETY & SUSTAINABILITY



## Code of Conduct

The Code of Conduct and its supporting policies (Anti-Corruption guidelines and Competition Law guidelines) apply and form the guiding principles of our behaviour. The Code of Conduct states:

- Behaviour with integrity and in compliance with the law
- The recognition of internationally proclaimed human rights
- Respect for other cultures and opinions
- Responsibility towards society
- Care for the environment
- Loyalty towards the Swissport Group
- Fair, courteous and respectful behaviour towards colleagues, superiors, subordinates, customers, shareholders, authorities, business partners and the public
- Professional behaviour and observance of the rules of good business practice and of internal and external rules and regulations
- Protection from discrimination
- Promote an open, transparent and constructive business style

Since constant awareness is the best prevention of all, Swissport urges all its employees to report any violation of the Swissport Code of Conduct. Such reporting should primarily be addressed to the superior or the local HR manager. If the superior is part of the issue then the employee should directly address it to the Head of the business unit. As a last resort, if the employee fears retaliation and/or if he/she wants to report on a confidential basis he/she has the possibility of contacting the Swissport Whistleblower e-mail hotline or the Swissport Whistleblower telephone hotline, where all communications will be treated in strict confidence, and will not result in any disciplinary action against the person making them in a good faith and intention, even if the alleged violation proves unfounded in the subsequent internal investigation. In contrast, however, any violation of the Code of Conduct by the person making such communications, and any intentionally falsified claim of such violation (such as malicious and improper accusations) will result in disciplinary action.

## Fair Competition

Competition law may on no account be violated. Any such violation may result in substantial fines for Swissport and in fines or prison sentences for its employees. In particular, price-fixing among competitors (verbal, written or in any other form), market allocation and any other practices which may inhibit free competition are strictly prohibited.

## Anti-Corruption

Swissport's Anti-Corruption guidelines summarise the relevant statutory provisions in Switzerland. Under Swiss law – like in most of the developed countries – corrupt practices are subject to criminal prosecution if they are carried out in Switzerland and also abroad. Therefore, when doing business abroad, all directors, officers and employees of the Swissport Group must comply with both the Swiss rules and any applicable local rules. Since the international Anti-Corruption treaties adopted over the last few years have provided for a certain harmonisation of the national legal rules, the Swiss rules are in line with those of most of the developed countries. However, since there are slight differences from country to country, it is required to assess the applicable national rules with the support of a local lawyer in each particular case which raises anti-corruption issues.

## Web-Based Training

A web-based training on the three modules “Code of Conduct”, “Competition Law” and “Anti-Corruption guidelines”, was rolled out for the Head Office in 2013. A further roll-out of the web-based training to senior managers on a global level is planned. It consists of three modules, with an approximate duration of 1.5 hours.

“Labour practices and decent work are perhaps the most material aspect of Swissport’s operation. We focus on our people at every level of our company, since people are our key to success. We are constantly working together locally and globally, top management to ground level, to ensure that all procedures related to this aspect are of the highest standards. We strive for excellence in everything we do, labour practices and decent work are no exception.”

Peter Moser – EVP Human Resources

## SOCIAL SUSTAINABILITY

HR management is at the core of our business and the Swissport HR strategy builds upon the global business strategy. Both the Swissport business and the HR strategy are based on our shared corporate vision and mission “to provide the aviation industry with consistent and tailor-made solutions around the globe, for a better customer experience” and our commitment to our Corporate Core Values “People, Professionalism and Partnership”.

As a service provider and therefore a people’s business, Swissport has a big responsibility towards its employees. Therefore, Swissport is fully committed to ensuring fair and equal employment opportunities, diversity and no discrimination, as well as full compliance with health and safety regulations.

Swissport believes that good people-management practice generates a working environment where employees are committed and dedicated to giving their best. We also believe in the importance of listening to staff and using staff knowledge in solving business issues.

The Corporate HR team works closely with line management and the worldwide HR Community to develop and implement valuable programmes, tools, processes and procedures to support Swissport managers in their daily work for more efficiency, better management and leadership in order to achieve our shared goal of excellence.

Swissport is dedicated to supporting all employees in reaching their full potential through a wide variety of training and development techniques and continuous performance management. The Swissport training program provides level-adequate training from base to top. The various training programs will be further disclosed in this report. In addition to this, Swissport does not compromise on occupational health and safety, and has implemented several training programmes and guidelines to ensure the safety of our employees. Swissport’s operational procedures focus on the health and safety of employees, in particular the reduction of work accidents. Despite the wide spread of its stations (280 stations in 48 countries on five continents) Swissport strives to apply worldwide the same standardised operational procedures which are based on high national standards.

Swissport is dedicated to aligning, regularly reviewing and continuously improving its standardised processes and procedures across the entire organization. The operational procedures are reviewed by the management of the Swissport Group periodically and are improved continuously. Swissport is certified for management system ISO 9001.

# EQUAL OPPORTUNITIES & RECRUITMENT POLICY

Swissport's recruitment policy can be summarised in two words: objectivity and equality. Swissport cares for its employees as they are the most valuable contributors to success. Therefore, Swissport is committed to making an effort when recruiting new staff where human resources specialists and line management are involved. We are looking for motivated, committed and dedicated colleagues who are skilled and bring experience or willingness to learn and who are proud to work for Swissport. We invest in our people and do not treat them as a cost. Swissport wants to be and remain an "Employer of Choice". Therefore, Swissport adheres to all national laws relating to the recruitment of staff, and to any of the more-stringent requirements of its own internal policies (e.g. equal opportunities, employee advancement, etc.). No job applicant will be discriminated against or treated less favourably based on gender, race, colour or ethnic origin, marital status, religion or any other category protected by law. Any such discriminatory behaviour will constitute gross misconduct under our Code of Conduct. The company also recognises that, as an employer, we fully comply with all legislation that renders certain types of discrimination unlawful.

# RETENTION

Swissport is not only fully committed to finding the right people for the right job at the right time, we are also dedicated to providing an attractive work environment and company culture where our employees feel respected and appreciated for the great work they are performing every day. Retention of our dedicated staff and talents is key to our success. Swissport is working on various retention measurements and means to ensure that we can say "able to go, but happy to stay!" One way of better understanding the reasons why we lose good people, is to ask them. Therefore, Swissport introduced a structured exit interview for voluntary leavers in management in order to find out about the "real" reasons for a resignation. The analysis and derived intelligence will help us in identifying any issues – individual or systematic – as soon as possible and will allow us to address them in a quick and appropriate way.

Further to structured exit interviews, Swissport has engaged in a study of general retention means for senior management and its current situation. Findings on the reasons for leaving and motivators are essential for us to understand the needs and requirements of our senior management in order to address them appropriately and effectively.



# COMPEN- SATION & BENEFITS

During 2016 HR corporate team has incorporated Compensation and Benefits (C&B) function to assist the new global set up and structure, effective June 2016, to create a global Compensation strategy and to support the growth of the business. Compensation and Benefits has contributed in 2016 with the creation and transformation of some C&B processes such as: budgeting process, salary review, salary management and variable pay.

The new C&B model envisions the creation of global policies and frameworks for different processes, including regular communications and supporting documents for the regions, as well as trainings to cascade corporate process top down through the organisation. We believe that a strong C&B foundation is a key element to support management decisions and business expansion.

Employment terms and conditions, salary packages for country roles and local incentive systems are managed locally, however, Corporate C&B as well as Regional HR leads have been involved in order to assess the compliance within corporate standards, considering always, local legal requirements.

Swissport is committed to having a harmonised payment structure for both women and men and to “pay for performance” therefore C&B will continue to develop tools to:

- Establish internal procedure fairness in positions globally
- Enhance simplicity and transparency
- Assist with global reward strategies, i.e., Executive Bonus Plan
- Provide global indicators
- Support succession planning and talent management
- Support international assignments
- Support mergers and acquisitions



## EMPLOYEE RELATIONS

Swissport is fully committed to information sharing with employees and provides business news and performance updates to staff on a regular basis. We recognise the legitimate role of responsible trade unions and employee representatives. Swissport establishes appropriate mechanisms to enable the effective representation of staff. Swissport believes that good people-management practice generates a working environment where employees are committed and dedicated to giving their best. We also believe in the importance of listening to staff and using staff knowledge in solving business issues.

## SWISSPORT HEALTH MANAGEMENT & PENSION SCHEME

Swissport Health Management and Pension Schemes are in local responsibility and always in compliance with local legal requirements.

In Switzerland, more than 300 employees received advice or assistance during 2016. The number of cases has increased slightly compared to the previous year. Nevertheless, it was possible to re-integrate the vast majority of the affected employees to their jobs. When Swissport is unable to offer continued employment, the Health Management team seeks appropriate solutions with the insurers or with other employers.

The Board of Trustees is agreed that the activities of Health Management are extremely valuable for the insurees as well as the Personalvorsorge Swissport (PVS) and the employer. In September 2015, it was therefore decided again to provide funds of CHF 275 000 net on an annual basis for the next three years (2016–2018) for Health Management services.

The Swissport pension scheme for Switzerland has increased its focus on sustainable investments for the pension fund and optimized these investments in one large well diversified fund in 2016.

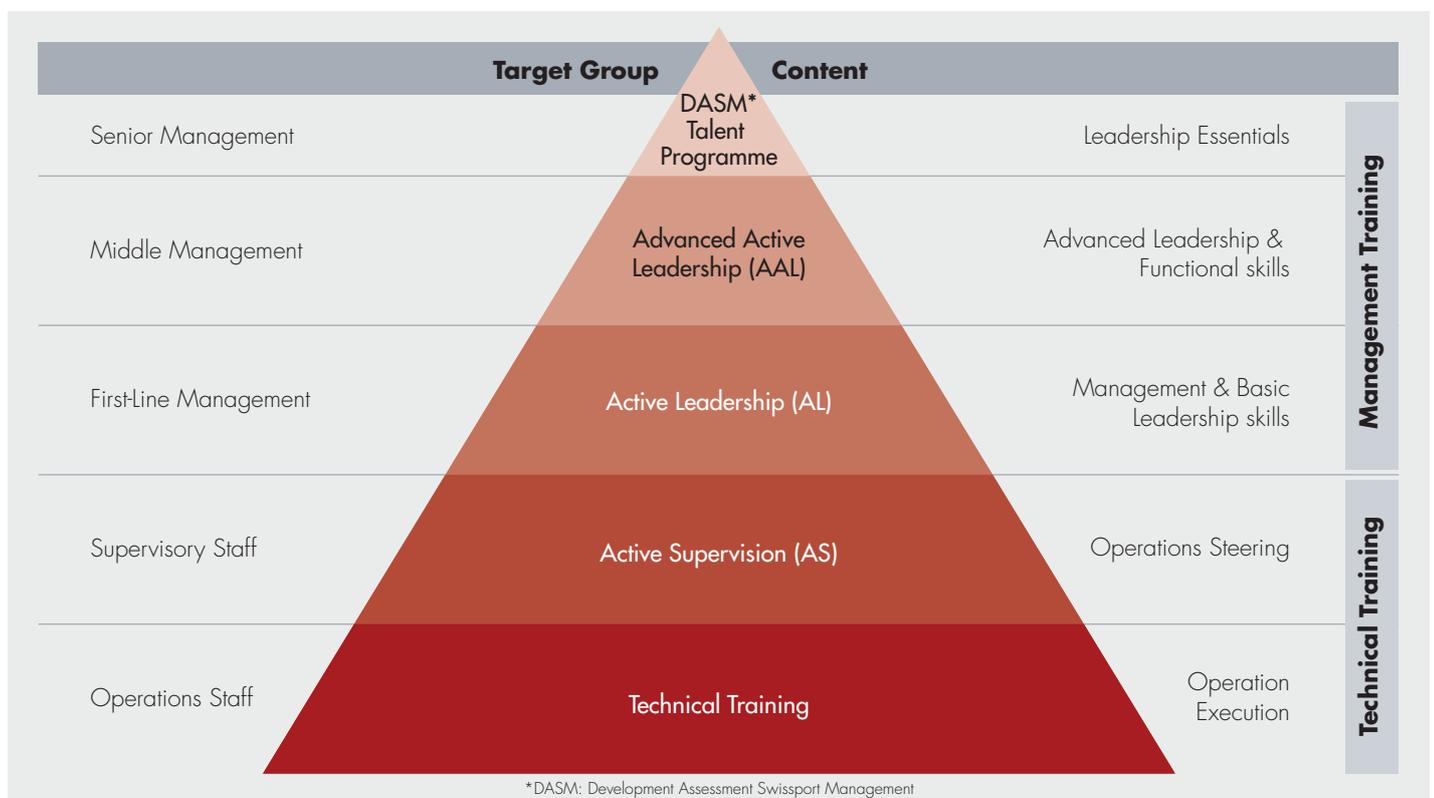
11 percent of the total assets (CHF 84 million) are invested in this sustainable indexed equity fund, named “IPF World ex CH Index Responsible Class N”, which has been established in 2014 together with Zürcher Kantonalbank.

Swissport pension fund was the launching carrier - a good opportunity to directly influence the investment criteria. There are now 1060 equity positions in the fund and some 540 shares have been excluded as they do not fulfill the sustainable criteria. Since 2014 the fund has grown to 830 million CHF.



# TRAINING

The CEO of Swissport and the entire Group Executive Management are committed to the development of all employees: endorsing that each individual has the relevant knowledge, skill and proficiency to deliver the highest standards of work consistently and safely in the workplace. Swissport recognises that training and development is fundamental to maintaining and continually improving operational performance, and an integral part of the organisation in the achievement of our strategy and goals. Therefore, Swissport is striving for excellence at all levels in the organisation. Swissport is dedicated to supporting all employees in reaching their full potential through a wide variety of training and development techniques and continuous performance management. The Swissport training programme provides level-adequate training from base to top – for all operations staff, to supervisory and first-line management, as well as middle and senior managers. All staff levels are in scope for technical and developmental training as reflected in the Training Pyramid represented below:



## Standard Training Programme

The Swissport Standard Training Programme (STP) is applicable to all Swissport stations, unless overruled by local laws, regulations or written carrier-specific instructions. Station management shall ensure conformity with local laws, regulations and specific carrier requirements. For that purpose, station management will establish supplementary local documentation to the STP. The technical training material follows a modular approach and covers generic trainings such as human factors, fire prevention or active supervision, health and safety, dangerous goods and security, as well as all training and qualification needs for the execution of operational core services offered by Swissport.

## Technical Training

The Swissport personal development and training programme pursues the global standardisation of the trainings worldwide. Therefore, Swissport is responsible for the development and maintenance of the globally binding Standard Training Programme (STP) and the corresponding technical training material, with the support of expert know-how from the business divisions and from Swissport field locations. The target groups are employees working in operations and supervisory staff. It is a goal of Swissport to ensure that all employees have a sound basic knowledge of their duties in the work place. For this reason, Swissport has developed a Technical Training Policy to achieve safe, smooth and efficient handling, and which contains the following principles:

- One global Swissport Standard Technical Training Programme that is binding on all operational units to ensure consistent, high-quality technical training to Swissport's operational staff.

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- The Swissport Standard Technical Training Programme shall be established in accordance with internal requirements as specified in the Swissport Operations Manual and Standard Operating Procedures (SOPs) as well as with industry regulations, laws, regulatory and customer requirements.

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- Local station, regional and/or business unit management (as appropriate) shall ensure conformity with local laws, country regulations and specific carrier requirements, and will establish supplementary local documentation (if applicable).

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- Local supplements are defined as training material additional to the Corporate training material in order to fulfil any local requirements that are not covered by corporate material.

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- Training delivery and compliance remains a local responsibility. This includes the establishment and implementation of local supplements to the Corporate training, the training record control and the establishment of local training development for local implementation plans.

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- The Swissport Standard Technical Training Programme should include innovative learning elements, such as e-Learning modules and online testing, as well as interactive training solutions.

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## Organisational Structure

For the development of Corporate technical training standards and to monitor implementation, Swissport has a functional training organisation in place under the leadership of the Head of Global Training, where all business divisions are represented. Additionally, all relevant Corporate functions – such as Human Resources, Procurement and IT – are also represented in this group.

Functional Training Working Groups develop standards by sharing best practices. The development and review of the technical training materials and the revision of the Swissport Standard Training Programme ensure compliance with industry regulations. They also monitor the implementation of the Swissport Standard Technical Training Programme and act as an entry point for updates and alerts on regulatory changes across all stations. This way it is ensured that best practices are captured and transferred into the Technical Training Materials.

## Management Training

Our shared goal at Swissport is excellence. We strongly believe in quality, customer orientation and delivering top-class services at all levels. To ensure excellence in anything we do, we need to ensure that we have excellent training and development in place for our staff. One of Swissport Formula key initiatives created in 2010 is to provide Management and Leadership training to our management. As a consequence, two management training programmes – Active Leadership (AL) and Advanced Active Leadership (AAL) – have been created and customised to the different management levels in our organisation while at the same time following the same principles and guidelines to guarantee standardised quality levels worldwide for optimised effectiveness.

### Active Leadership (AL)

The ultimate objective of this programme is to: “introduce and develop skills enabling delegates to appropriately manage and lead teams in ways that engage employees and secure commitment to improved performance, revenue generation and customer satisfaction.” This training is followed by all first-line management, and is focused on the following topics:

- Performance Management/goals and target setting
- Basic customer service culture
- Conflict resolution/managing conflicts
- Employee direction and motivation
- Basic influencing skills
- Time management and delegation
- Teamwork and collaboration
- Basic communication skills

### Advanced Active Leadership (AAL)

The ultimate objective of this programme is to: “Build on existing management and operational capabilities to advance leadership and functional skills in order to ensure a high level of employee engagement and commitment.” This training is addressed at operations and station managers, and is focused on the following topics:

- Commercial/financial awareness
- Advanced customer service culture
- Introduction to project management
- Attendance management
- Employee direction and motivation
- Influencing skills
- Leadership
- Managing change

## Development Assessment Swissport Management

Swissport's skills gap analysis is called Development Assessment Swissport Management (DASM). The DASM project was launched in 2009 and conducted over the duration of 2.5 years for all senior management positions at Swissport worldwide. The project goal was to gain a holistic and fair assessment of our senior management group to understand both Swissport's strengths and shortcomings in order to accelerate them and to address them respectively. Process definition, roll-out and support, as well as the facilitation of feedback and debriefs, including all preparation, information and communication, is owned and driven by Corporate Human Resources in close collaboration with the HR Community and with regular discussion and approval from the Group Executive Management team. In order to be effective, development support and development actions have to be based on a thorough needs analysis.

Hogan assessments have not only been used for this skills gap analysis, but have also established as mandatory part of the selection and recruitment process for senior management at Swissport worldwide, as well as for supporting hiring and promotion decisions. In order to support individuals in their development, Swissport has various tools on hand:

- Individual development plans (focusing on behavioural development)
- Goal planning and competency assessment (focusing on professional development)
- Think Box – a personal development tool providing online coaching, e-learning, book and article tips, an online development plan, videos, online training sessions and much more in cooperation with Hogan
- Targeted trainings (finance for non-finance managers, empathy, listening skills etc) based on general or individual findings from Hogan and LVI analyses
- Individual coaching
- Mentoring

## ORGANISA- TIONAL STRUCTURE

The Corporate HR team works closely with line management and the worldwide HR Community to develop and implement valuable programmes, tools, processes and procedures to support Swissport managers in their daily work for more efficiency, better management and leadership in order to achieve our shared goal of excellence. Swissport is presently operating on five continents in a variety of different legal environments. This requires local experts for all human-related matters. Therefore, Swissport strongly believes in a decentralised approach for its operational HR matters. Nonetheless, Swissport's unique strength lies in our standardised approach to operations which certainly also includes best practice processes and procedures in HR. This guarantees best-in-class service to our customers. Hence, there is a strong link between the local HR teams and the Corporate HR team at Head Office – the Swissport worldwide HR Community.

The Swissport worldwide HR Community represents all the Senior HR leaders of our countries and the Corporate HR team. The Senior HR leaders have two important roles:

1. Full HR responsibility for their countries and regions for all operational needs and issues.
2. Collaboration on, and implementation of, global HR projects in line with our functional HR strategy and the defined strategic initiatives.

Global and regional meetings of the entire or parts of this group take place regularly to facilitate an exchange of current HR issues, collaboration and shared project work. It is important to understand that the Swissport worldwide HR community is collaborating on a regular basis and in different projects. As all members of this community are senior HR professionals and leaders in their countries, we have a vast variety of skills and expertise that we can widely utilise. Projects are not solely run out of the Head Office, but rather led by individual HR leaders (based on their knowledge and expertise) and accompanied and coordinated by Corporate HR. This ensures full buy-in and smooth roll-out and local implementation. In most cases, our HR colleagues are supported by their local human resources, payroll and tax specialists to ensure smooth and effective human resources operations and employee relations.

“Swissport takes great pride in our safety management system and managing our responsibility towards our products and services. We focus on the safety and quality of our services at every level of our company. It is a consistent goal for Swissport to have the lowest possible rates of injuries and we are constantly working together to ensure that all procedures meet the highest standards. We do not compromise on safety.”

Luzius Wirth – EVP Group Services

## PRODUCT RESPONSIBILITY & SUSTAINABILITY

Offering a wide range of ground handling services, Swissport recognizes its important role of managing product responsibility in a manner which is consistent across its global operation and in respect with Swissport’s Core values Professionalism, Performance and People. The Swissport Health & Safety Management System (SMS) incorporates all aspects of operational and managerial activities that could have a potential impact on health and safety. The SMS is part of the Swissport Formula, and an essential part of the Way We Work. The SMS is reviewed on a regular basis to ensure compliance with the requirements and standards of the industry and aviation.

Swissport recognised its responsibility towards its employees and customers in regard to health and safety, products and legal regulations. The overall accountability of health, safety and environment lies with the Group President & CEO. It is cascaded down from the Board of Directors, via the President & CEO of Swissport International Ltd., the Executive Vice Presidents (EVPs) and their individual line management structures, down to the business managers of every single unit or department. Accountability for the individually assigned area of responsibility cannot be delegated as described in our SMS.

Swissport is committed to ensuring that all reasonable measures will be taken for the avoidance of incidents by providing a safe working environment. Employees have the responsibility and are encouraged to maintain a safe work environment by following the rules, engaging in prevention activities and eliminating hazards or unsafe working practices in their work area.

Swissport operates a “Just Culture“ philosophy that is fair to all employees and encourages open reporting of all incidents. However, deliberate harm and willful damaging behaviour is not tolerated. Everyone is supported and encouraged in the reporting of incidents. Safe behaviours are encouraged and recognized in our SMS.

In 2016, thanks to a strong engagement and commitment of the senior management, Swissport has improved their Lost time injuries by 19% and its Aircraft damages by 20% versus 2015. Swissport has strengthened its Quality Health Safety and Environmental department (QHSE), by building a Global and Regional structure of nine QHSE professionals with the mission to strengthen the Global Management System and to support and provide guidance to the regions. Swissport has a multi-site agreement (MSA) with SGS which holds 54 ISO 9001:2008 certified sites (Head Office and 53 stations) as per January 1<sup>st</sup>, 2017 the MAS will include over 68 sites. In addition 35 stations have been successfully registered according to ISAGO standards.

Cargo 2000 (C2K) ISAGO, ATA 103 Specification, JIG Guidelines for aviation fuel quality control and operating procedures, FAA Certificate of excellence diamond award.

**Safety Management System**

The Swissport Health & Safety Management System incorporates all aspects of operational and managerial activities that could have a potential impact on safety. The Health & Safety, Crisis Management and Environmental Management policies all operate in alignment with one another to ensure that Swissport’s staff work in an environment that has safe and environmentally aware processes, especially when unexpected events occur. All Swissport entities are required to adhere to the standards given in this policy to ensure a safe working environment for its staff and customers, and to avoid damage to property.

<b>Description and Key Features</b>	
<b>Organisation</b>	<ul style="list-style-type: none"> <li>· Definition of accountabilities</li> <li>· Definition of responsibilities</li> <li>· Functional organisation</li> <li>· Tasks for safety functions</li> </ul>
<b>Risk Assessment</b>	<ul style="list-style-type: none"> <li>· Severity rating</li> <li>· Probability rating</li> <li>· Risk analysis process and requirements</li> </ul>
<b>Training</b>	<ul style="list-style-type: none"> <li>· Training and instruction requirements</li> </ul>
<b>Reporting and occurrence categories</b>	<ul style="list-style-type: none"> <li>· Employee injuries</li> <li>· Aircraft damage</li> <li>· Third-party damage and injuries</li> <li>· GSE damage</li> <li>· Dangerous goods incidents</li> <li>· Cargo damage</li> </ul>
<b>Information/Communication</b>	<ul style="list-style-type: none"> <li>· Internal communication regulations</li> <li>· Communication regulations to customers and authorities</li> </ul>
<b>Occurrence Management</b>	<ul style="list-style-type: none"> <li>· Investigations</li> <li>· Root cause analysis</li> <li>· Findings and actions</li> </ul>
<b>Audits and Controls</b>	<ul style="list-style-type: none"> <li>· Audits</li> <li>· Checks</li> <li>· Review</li> </ul>
<b>Performance Measurement</b>	<ul style="list-style-type: none"> <li>· Statistics</li> <li>· Performance indicators</li> <li>· Corporate dashboard</li> </ul>

Swissport is using the AQD to report and record all incidents and accidents.

AQD further provides statistics to monitor actual performance and trends throughout the network. Regular case analysis is used to review existing operational procedures.

### **Operational Risk Management**

Swissport has set up its operational safety risk management in line with the ICAO recommendations for the establishment of a safety management system. All occurrences recorded in AQD are being risk rated through the combination of defined severity and probability coding. Records are either based on incident and accident history as well as on information on “near miss” situations and ground-safety reports. Together with structured information on operational phases and contributing factors, the database provides all the necessary information about the Swissport Group risk register, which is automated and continuously updated. With regards to Health & Safety, all Swissport employees working on the ramp near to aircraft, in cargo warehouses or in another potentially hazardous environments are fully equipped with personal protective clothing (security vests, helmet, gloves, etc.), which is mandatory for them to wear as we do not compromise on safety. For the same reason, the standard training programmes which are applied in all stations worldwide include safety aspects of the working environment, in particular the use of protective clothing as well as the special behaviour on the ramp aiming at minimising the risk of working accidents. The operational procedures are reviewed by the management of the Swissport Group periodically and are improved continuously.

### **Health & Well-being**

Swissport has fitness and health services at many locations depending on their size of operation. Health and Safety is not only a matter of protective equipment, but also of different programs that support a healthy lifestyle. Various stations of the Swissport Group offer services and programmes such as: education, counselling, and other local Human Resources programs for health and well being. These fitness and health services are available for employees.



# GLOBAL STANDARDS – LOCAL CHAMPIONS

Swissport is dedicated to aligning, regularly reviewing and continuously improving its standardised processes and procedures across the entire organisation. Local implementation of all standardised processes and procedures are crucial to our success in providing the customer with best-in-class services every day, every time and everywhere. The Swissport Formula is a proven model of standardising managerial and operational processes. This enables Swissport to deliver the highest service quality for our customers and to apply the same proven standards in all our Ground Handling and Cargo operations all over the world. The Swissport Formula has been derived from the best practices not only from our operation, but also from comparative industries. It ensures pro-active management at all operational levels and is focused on a KPI-driven performance culture, optimised resource utilisation, technical and managerial training and efficient operational processes. This approach enables continuous improvement in the stations through a change of mindset and behaviour. The Swissport Formula aims to change the company culture from a local understanding of the “Swissport way of doing things” to a global approach. The tried and trusted procedures are reinforced with the Swissport core values. Efficient and secure operations form a sustainable basis for development and provide customer confidence and peace of mind, in addition to reducing costs. With the Swissport Formula, customers and employees experience the benefits of global alignment, standardisation and consistency every day.

Collaboration across the entire organisation is crucial for successful local implementation of our global standards. Therefore, Swissport is structured as a matrix organisation. The functional communities and cross-functional teams are collaborating in a strong relationship to ensure full alignment and implementation of our standardised best-in-class processes in the local stations. Good relationships are absolutely crucial in creating buy-in, ensuring a smooth roll-out and delivering the same message across the organisation. Taking over the management of a new and large operation in a totally new environment requires the skills and knowledge of a seasoned and successful management team that is able to fully ensure best quality service delivery to our customer from day one. Swissport prefers to use existing internal knowledge to recruiting a new management team to lead the new operation. The management team usually exists of a locally hired HR director with long-standing expertise in working with unions and local, specific labour-related issues. In preparation for the take-up of the new operation, the key members of the management team are identified during the succession management process as ideal candidates for such an assignment. Action plans include early communication, preparation of professional and smooth transfers for individuals and their families, but also individual and cultural preparations and advance meetings and location visits.



# PERFORMANCE MANAGEMENT

Performance Management is one of the most important processes in Swissport. Our Performance Development Review System for all senior managers worldwide is another example of worldwide alignment and transparency with local implementation. Not only has the worldwide HR community ensured a consistent and smooth roll-out of the system to the entire organisation, but we have also been working continuously in setting even higher standards. This led to the implementation of a HR system to support the workflow and enable management and HR to closely manage and monitor the entire process. On top, an up-skilling training was developed and is rolled-out via the HR community to support our managers in providing high-quality performance appraisal, feedback and development sessions. The train-the-trainer approach ensures a consistent and strong message to be delivered by all trainers at the same time. As a next step, the performance management process was amended and extended to the group of operational managers at Swissport. An initial pilot roll-out to selected countries took place in 2014 following a similar process to ensure full coverage and local implementation worldwide. After a review phase later in 2014, a further roll-out to other countries is planned. As well as continuously reviewing and improving our processes, Swissport HR has also included the reviewed and optimised Swissport recruitment process in this supporting HR system in a few pilot countries. A further roll-out to selected countries will be conducted in the following years. This will further support and professionalise Swissport's efforts in getting the best people on board. A global approach in rolling out the same HR system solution ensures a fully aligned process, but at the same time still allows for the required flexibility to embed process steps for local legal compliance or cultural specialities.

Swissport engages with a range of stakeholders on a regular basis. It is our declared goal to be a reliable, professional and recognised partner in the creation of values and results for all our stakeholders – internally and externally. Our key stakeholders are identified by analysing those groups that are intrinsically affected by, or could have an effect on, our operation.

# OUR STAKEHOLDERS

- Customers Airlines
- Airports
- Airport authority (private and governmental)
- IATA and other international associations in the aviation industry
- Shareholders
- Management
- Staff
- Trade Unions and work councils
- Communities
- Suppliers
- Passengers

Swissport's Sustainability Report was created through the engagement and interest of our various stakeholders. Key topics and concerns raised were:

- Employee and customer safety
- Service quality and customer satisfaction
- Human rights and labour principles
- Employee development
- Environmental Protection and Initiatives
- Equal opportunities
- Engagement in local communities

In 2013, Swissport initiated its first Sustainability Report which addressed the above topics and concerns. The following years, through further engagement of internal and external stakeholders, Swissport's awareness and engagement with sustainable practices has continuously increased. Evidence is shown in our further developed and refined reports.

## CUSTOMER DIALOGUE

Swissport intends to deliver the best service and improve operational processes by developing and introducing state-of-the-art technology to our customers. We do not rest on our successes and have developed methods and tools for continuous improvement, working with our customers in a collaborative way to ensure that we always strive to be the best and offer innovative and optimal solutions to all of our customers – current and new – across all of our many and diverse operations. We believe that technology has to increase value externally and internally at the same time as reducing cost. In order to achieve this, Swissport meets with airlines to review processes and identify cooperation (potential for outsourcing of “non-core” activities and usage of technology), follows industry trends by visiting industry conferences, analyses and benchmarks competitors and also stays in contact with external partners. This is our understanding of true partnership: one of our core values. Swissport carefully observes market trends. It is obvious that these trends show a need for modifications to the current business model and increase the importance of technology: Swissport's IT is eager to continuously improve the infrastructure and applications landscape to support the business processes.

## LOCAL CONTRIBUTIONS

Swissport takes pride in contributing to our local communities all over the world, and several local stations have implemented projects, contributions and initiatives both environmental and social, related to this.

### ***33 rescued lions arrive “home” in South Africa. It has been the largest airlift of lions in history***

*Johannesburg cargo terminal was filled with “roars” from the “king of the jungle”. As 33 rescued lions touched down at OR Tambo International Airport on Saturday evening 30 April 2016. The lions had been rescued from circuses in Peru and Columbia (South America) after spending their entire lives in cages, on the back of trucks. Some were beaten, had their teeth broken and some had their claws removed. They are to be released into freedom at the Emoya Big Cat Sanctuary, in Northern South Africa. Emoya opened in 2012, by a mother and daughter team and has a strict non-breeding policy. As the lions will not be able to hunt for their own food naturally, they will be fed, watered and cared for, for the rest of their lives. Emoya is situated in an area of mountains, rivers, caves, forests and rambling grassland. The new environment Emoya signifies freedom and a new home to these magnificent cats. The off-loading from the aircraft, cargo handling and loading onto trucks was offered free-of-charge by Swissport Cargo Services and Swissport Ramp Handling to South Africa, as their commitment and support to rehabilitation programs and animal trafficking.*

### ***Swissport Cargo Israel supported a humanitarian project to save children around the world***

*“Saving a Child's Heart” is an international humanitarian project taking place in Holon Israel in the Wolfson hospital. The project has set its target to support children around the world from developing countries with lifesaving surgeries, irrespective of race, gender or religion. Until today, 4,000 children from 50 different countries were saved with the support of this project and over 100 medical staff people were trained to help even more children. The project received an official recognition from the United Nations and from the Israeli president Shimon Peres for voluntary action. In 2015, the Chinese president honored it with the highest medal for medical support in China. In 2016 the project received the bravery medal in medical field as a source of pride and honor to an Israeli organiza-*

*tion. The project sent a medical delegation comprising of 36 staff members, who went on the LX flight on 5<sup>th</sup> March 2016 with the entire equipment and medications, which was prepared by the Israel team of Swissport Cargo Services, to Dar es Salaam in Tanzania. More than 126 boxes arrived on 3<sup>rd</sup> March for security check and full handling in order to reach the flight in time, and its final destination – saving children around the world!*

## **Certifications**

### **CARGO 2000**

Swissport has achieved certification as a fully compliant Cargo 2000 company, a landmark certification recognising Swissport's active endeavours to fully comply with all agreed industry quality standards.

### **ISAGO**

Swissport's Corporate Headquarter as well as 35 stations of its global network are currently ISAGO registered.

### **IATA**

Swissport has been a Member of the Strategic Partnerships Program from 2005.

### **ISO**

The Swissport Management System is ISO 9001 certified by SGS.

### **HANDLER OF THE YEAR AWARD 2016**

Awarded to Swissport by Air Transport News.

### **ACSA**

Best Cargo Handler of the Year 2015 Awarded to Swissport at ACSA's Feather Awards

### **IBAC**

Swissport Executive Aviation Nice completes IS-BAH certification for Nice, France.

### **NPMA**

Silver Nozzle Trophy for the most outstanding airport fuelling organization and General Manager in the United States 2015 (LaGuardia Airport).

### **PRIORITY PASS**

EuroAirport Skyview Lounge awarded Priority Pass European Lounge of the Year 2015.

### **GHI SAFETY AWARD**

18<sup>th</sup> Ground Handling International Safety Award Winner in the category "Europe Ramp Safety".

## AWARDS & RECOGNITION

# ABOUT THIS REPORT

This is Swissport International Ltd's fourth Sustainability Report. The reporting period includes complete information on the year 2016 for all of Swissport International Ltd and its subsidiaries (collectively "Swissport").

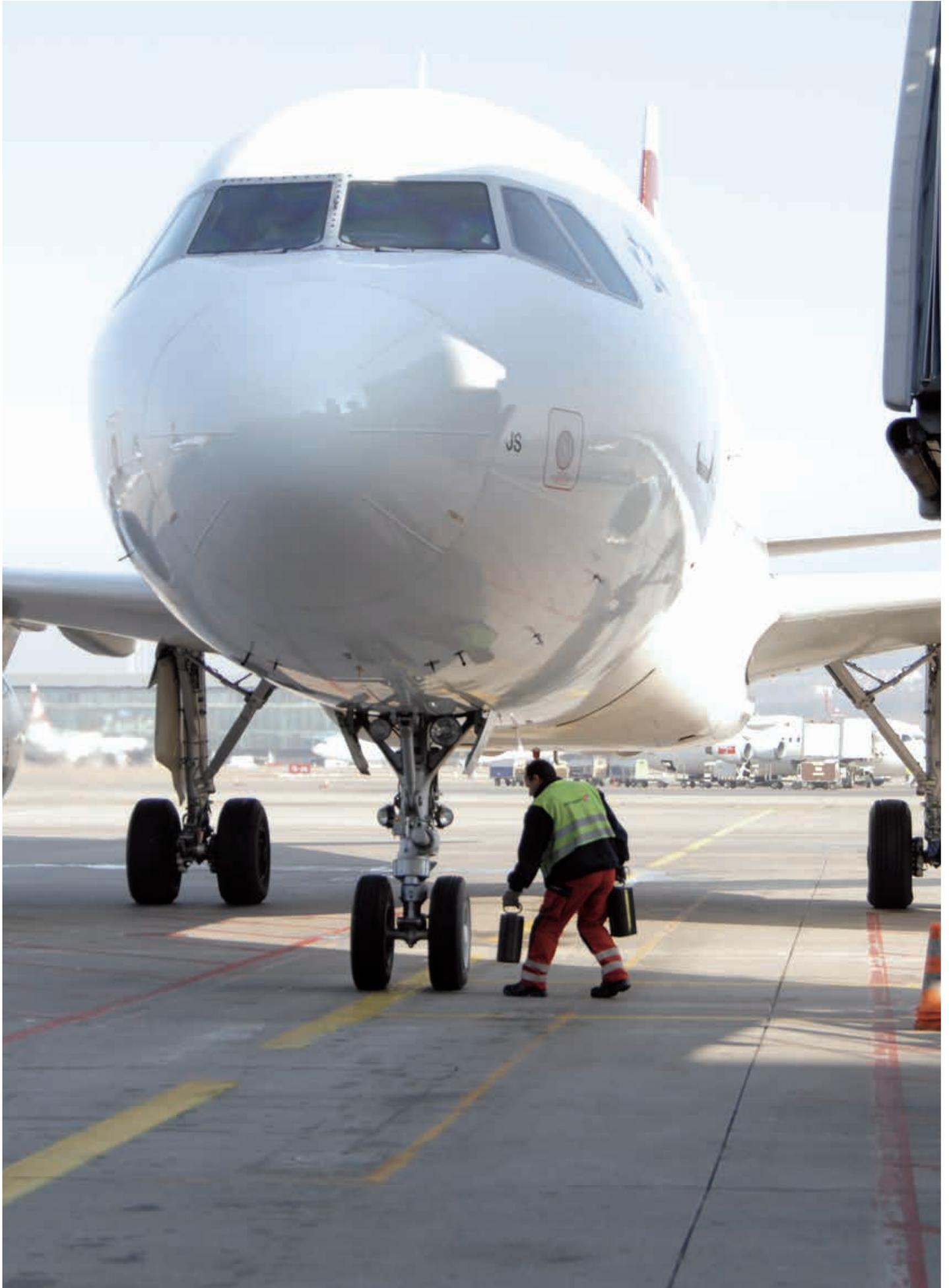
Since the date of the previous report (12.2015), Swissport has increased its focus on sustainability. This is reflected in this report by the disclosures on Swissport's Management Approach to each category and responding to each performance indicator. This is done in accordance with version G3.1 of the Global Reporting Initiative Guidelines and with the "Communication on Progress" requirements of UN Global Compact. Any re-statement of information from the previous report is mainly concerning facts, figures and headcount reporting. The same basis for reporting is used in this report as in the previous sustainability report, and Swissport has not detected any new boundaries of the report.

The core values and the introduction at page 6 form the basis of this report and are to be considered as guidelines with regards to those aspects and indicators identified being material to Swissport. The reporting was based on the main subject areas set out in the GRI Guidelines. The present structure allows us to address specific information to key stakeholder groups identified by the organization: airlines, employees, shareholders.

The report covers all the performance indicators which are material for Swissport in relation to Economic, Environmental, Human Rights, Labour, Social and Product Responsibility. The performance indicators have a corresponding disclosure of Swissport's management approach to each of the categories. Unless otherwise stated, figures, facts and manager statements are valid for Swissport on a worldwide basis and are measured and displayed in a manner which is according to the GRI protocol. All indicators, facts and figures are based on internal measured data.

- 2013: fulfilled the requirements of Application Level C
- 2014: fulfilled the requirements of Application Level B
- 2015: fulfilled the requirements of Application Level A.

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