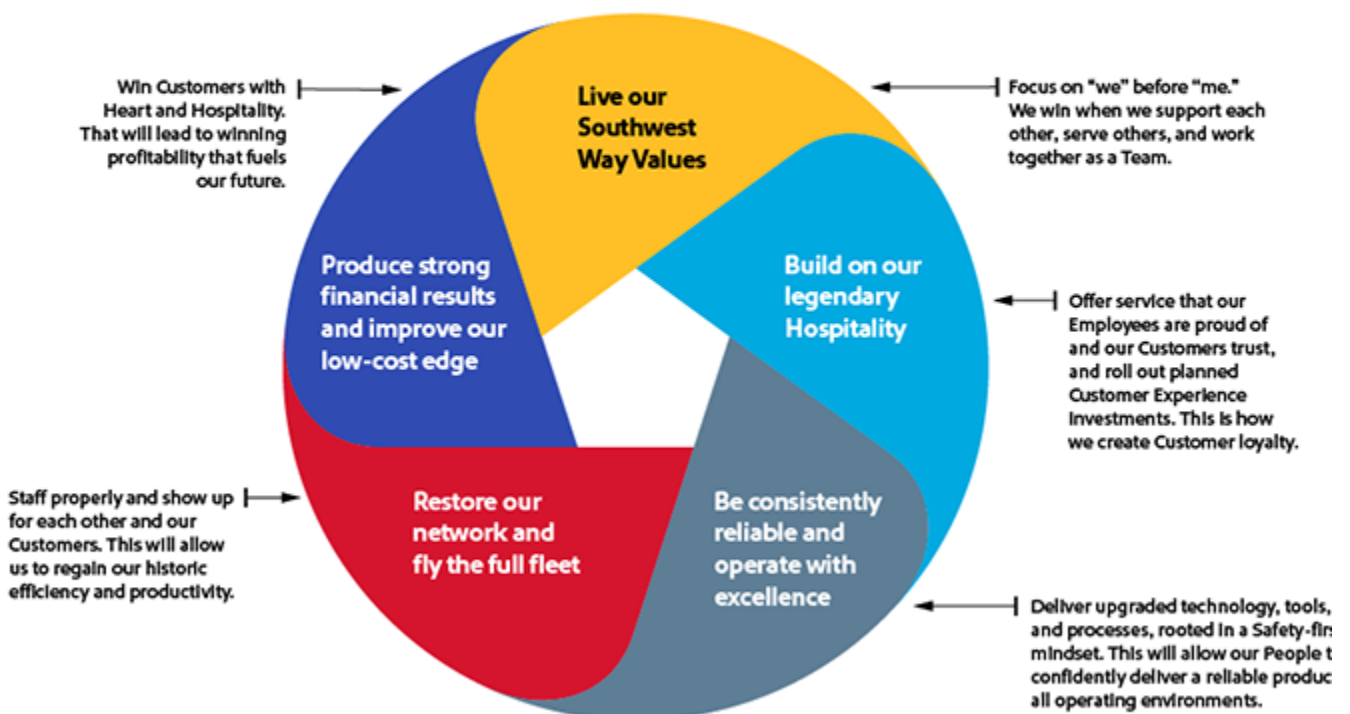


Bob Jordan Employee Update: 2023 Blueprint for Success

On his one-year anniversary of assuming the CEO role, today Bob Jordan sent an Employee update on our strategic plan, outlining our priorities to take us through 2026, along with our 2023 focus areas.

2023 Focus: All in for WN



Hello everyone. In 2022, I introduced our Foundational 5, our five Strategic Priorities to take us through 2026. These inspirational priorities set the foundation for the work ahead of us. They are:

- One, Reinvigorate our winning Culture through Employee engagement, modernizing the Employee experience, and living The Southwest Way.
- Two, Win more Customers and grow revenue by being where and when Customers want to buy and fly, and by modernizing the Customer Experience.
- Three, Modernize the operation by giving you—our exceptional Employees—the tools you need to serve our Customers—and each other—with our legendary Hospitality.
- Four, Maintain our low-cost advantage through everyday discipline and tangible efficiency initiatives.
- And five, Be a good citizen by championing causes that matter most, including committing to a diverse and inclusive workforce, addressing our carbon emissions, and investing in community partnerships that drive impact.
- One callout I want to make on that fifth priority ... those with a keen eye might notice what was previously “Do well by doing good” is now “be a good citizen.” The intent and the work behind this priority remains the same, but I thought “be a good citizen” was clearer.

I’m extremely proud of—and extremely confident in—our strategic plan for Southwest. As we think about what we need to prioritize to achieve those strategic goals, I’ve outlined five new focus areas for the year. Last year’s focus areas were all about getting “Back to Basics,” and [you all did just that](#). Now, with work underway to address the challenges we experienced at the end of the year, let’s turn our eyes forward to the great plan we have for 2023.

[2023 Focus Areas](#)

Live our Southwest Way Values

Focus on “we” before “me.” We win when we support each other, serve others, and work together as a Team.

Our People and our Southwest Way Values are at the core of our DNA.

A lot of companies provide transportation, or fly airplanes, but no one does it the way we do, with Southwest Heart. That’s what the competition can’t match, and that’s what’s core to our continued success—living out our Southwest Way Values each and every day.

As Herb famously warned in his 1998 Message to the Field (what we call Rally today), the only real risk, the only real enemy, the only thing that could cause us to fail, is if we ever become divided. We absolutely cannot allow selfishness or tribalism to be the destroyer of what we stand for. It takes all of us, working together as a Team, to make this great Company go every day.

Build on our legendary Hospitality

Offer service that our Employees are proud of and our Customers trust, and roll out planned Customer Experience investments. This is how we create Customer loyalty.

Our Customer Experience investments include faster WiFi, new in-seat power, larger overhead bins, and more self-service capabilities, just to name a few. What these updates have in common is they're all intended to remove friction from our experience and help you deliver better service to our Customers. For example, when we introduced digital self-service features, like the ability for Customers to purchase Upgraded Boarding on mobile and adding lap-child travelers to online bookings, this reduced the need to wait in lines at the airport and allowed our Employees to serve other Customers who need help with a focus on Hospitality.

In 2022, we also introduced Wanna Get Away Plus™, a new fare class that gives our Customers the freedom they love about flying with Southwest, plus the new ability to transfer travel funds and confirm a same-day flight change. We rolled out a new policy that remains unmatched in our industry—flight credits that don't expire! We want Customers to know that when they book with Southwest, they'll have flexibility if their plans change.

We've also continued to make our digital experience more convenient with enhancements like an improved My Account, our one-stop digital shop for managing booked travel, along with flexible payment options like Venmo, Apple Pay, and PayPal. It's all part of making the Southwest Experience more seamless and even easier.

In the year ahead, we'll focus on improving Customer-to-Employee interactions throughout the ticketing area, untethering Customer Service from computers, and providing mobility to serve Customers on their travel journeys.

Be consistently reliable and operate with excellence

Deliver upgraded technology, tools, and processes, rooted in a Safety-first mindset. This will allow our People to confidently deliver a reliable product in all operating environments.

This focus area ladders up to our strategic priority "Modernize the operation." That priority was relevant when we introduced it last year, and it couldn't be more relevant today. We want to confidently deliver a reliable product, even when we face irregular operations. We'll continue to invest in the tools you need to serve our Customers—and each other—with our legendary Hospitality. But what does that mean, specifically?

We're confident that the investment in [building out a Crew Scheduling](#) Department in 2022 will help us to focus on improvements in the Crew space in 2023, including investment in Crew Mobility

tools, continued Crew Optimization (formerly called SkySolver) improvements, and better use of the data available to us. We'll continue to invest in Crew Scheduling and our Crew recovery systems this year. We've introduced voluntary electronic self-notification for Pilots through Crew Web Access (CWA), and we're working to bring those capabilities to the Crew Hub app.

Also in this category, we'll continue to upgrade areas that are critical to building operational resiliency and strengthening our operation for the future, while helping make your jobs easier. This includes bolstering our frontline communication tools, making progress toward a paperless turn, and prioritizing frontline hiring and training. We know these enhancements are essential to our continuous improvement.

We'll also look to integrate new initiatives based on the findings from the third-party review of our December operational disruption. While the review is ongoing, we expect these findings to shape our action plans to modernize the operation.

What's ahead for upgraded technology, tools, and processes?

Southwest is currently budgeted to spend \$1.3 billion of our 2023 annual operating plan on investments, upgrades, and maintenance of our IT systems—higher than what we spent in 2022. This is part of our ongoing commitment to continually evolve our technology. But, our operational modernization opportunities aren't just beginning. In fact, we replaced our Reservations system in 2017, our Technical Operations record system in 2021, our human capital management system in 2022, and added digital scanning to Ground Operations in recent years to bolster our baggage handling capabilities. We communicated at Investor Day 2022 our priority to increase investment in frontline staffing and tools, and we have a roadmap and spending committed to continue to improve our operational tools and capabilities.

You've heard me talk about paperless turn, which is the multi-year effort to provide better tools, including the ability for workgroups like Flight Ops, Ground Ops, Inflight Operations, Dispatch, Tech Ops, and to receive required information digitally, in real-time, on a flight-by-flight basis. This work continues with key features like electronic flight folder [digital dispatch release, weather, NOTAMs (FAA notifications with pre-flight information issued to pilots)], electronic logbook, and electronic fuel processes.

Restore our network and fly the full fleet (back to pre-pandemic levels)

Staff properly and show up for each other and our Customers. This will allow us to regain our historic efficiency and productivity.

Already, we combined Network Planning with the Operations functions to further align Commercial and Operations objectives, with the goal of creating a tighter feedback loop between schedule design and schedule execution to add resiliency and Reliability to the network.

Our 2023 plan includes a close look at operational quality, and a specific piece of that is network design and recovery. We've accelerated this work. Likewise, we planned to intensify our focus on frontline staffing and tools, and specifically, mobility/digital tools and continuous improvement. We had a good line of sight of potential multi-year improvements in several operations areas, and now we'll determine what sequence of improvements are most appropriate.

Nearly all planned 2023 capacity additions will go to restoring the network and adding breadth and depth in existing Southwest markets, and that network restoration should significantly help our operational resilience efforts over the longer-term. Our goal is to have the network fully restored by the end of 2023, and by summer 2023, we should be about 90% of the way there. This should help fortify the operation with better itineraries, depth, and re-accommodation options for Customers, Crews, and aircraft when we do have weather or delays that create irregular operations. And, we know Customers miss having certain connecting flights! So, we plan to continue our investment in the network this year.

Last month, we extended our flight schedule for sale from July 11-Aug. 14. This includes depth into Southwest points of strength, as well as bringing back longer-haul markets, all part of our continued network restoration, and accounts for anticipated travel demand for the peak summer travel period. Denver grows to just over 300 flights a day—the highest-ever daily flight count for any Southwest airport! And Baltimore hits approximately 220 daily departures, which is higher than its pre-pandemic flight count. We'll peak with total daily flights of nearly 4,400 in July 2023, which is very exciting.

Produce strong financial results and improve our low-cost advantage

Win Customers with Heart and Hospitality. That will lead to winning profitability that fuels our future.

Although the carryover revenue drag from the operational disruption in fourth quarter 2022 is expected to result in a first quarter 2023 net loss, we remain steadfast in our focus to generate consistent quarterly profitability beyond first quarter. And even with the first quarter headwinds, our 2023 plan currently supports solid profits with year-over-year margin expansion for full year 2023. Our balance sheet remains strong, and we continue to be the only U.S. airline with an investment-grade rating by all three rating agencies.

As we move through 2023, I'll keep you updated on our goals and progress. Our plans are robust, and this is a great Company. It has been for 51 years, and it will continue to be, because of our

People. Sure, we have one aircraft type, and a point-to-point network, and various things that make our business model unique. But the essential difference is we hire great People. People who like to have fun, work hard, and above all, serve others. You have always been and always will be the difference. You are the reason I'm "All in for WN." Let's look forward to 2023 with optimism; unified, there's nothing that will stand in our way.

Luv,
Bob

ABOUT SOUTHWEST AIRLINES CO.

[Southwest Airlines Co.](#) operates one of the world's most admired and awarded airlines, offering its one-of-a-kind value and Hospitality at 121 airports across 12 countries. Southwest took flight in 1971 to democratize the sky through friendly, reliable, and low-cost air travel and now carries more air travelers flying nonstop within the United States than any other airline(fn. 1). By empowering its more than 73,000(fn. 2) People to deliver unparalleled Hospitality, the maverick airline cherishes a passionate loyalty among more than 134 million Customers carried in 2025. Southwest leverages a unique legacy and mission to serve communities around the world including harnessing the power of its People and Purpose to put communities at the Heart of its success. Learn more by visiting [Southwest.com/citizenship](https://www.southwest.com/citizenship).

1. Based on U.S. Dept. of Transportation quarterly Airline Origin & Destination Survey as of Q4 2025
2. Fulltime-equivalent active Employees as of March 31, 2026

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