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OUR SOFTER FOOTPRINT

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**2014** Corporate Social  
Responsibility Report

**Xanterra**<sup>®</sup>  
Sustainability



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Left: Zion National Park

Cover: Petrified Forest National Park

# Welcome

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Welcome to the first Corporate Social Responsibility report for Xanterra Parks & Resorts.® While we have published four previous environmental sustainability reports, this document examines our safety and risk-mitigation performance as well as our philanthropic activities to better reflect the expanded nature of our Softer Footprint.

Much has changed since our last environmental sustainability report in 2011! If you are reading this in print, know that you are among the few—we've designed this document for digital exploration, first and foremost, to reduce its footprint.

We are very proud of our accomplishments over the last two decades. But with each passing day, we understand that there is more we can do as a company—and even more we can do together, with our guests and employees, to make the world a better place.

## How We Have Changed

In the past four years, our operations have expanded dramatically. In 2011, Xanterra acquired Windstar Cruises and its three vessels *Wind Spirit*, *Wind Star*, and *Wind Surf*.

In 2014, Xanterra assumed concession operations at Glacier National Park—one of the country's most challenging and environmentally sensitive parks. In the past three years, we acquired VBT Bicycling and Walking Vacations, The Grand Hotel in Arizona, Austin Adventures in Wyoming, and Kingsmill Realty in Virginia, and we expanded the Windstar fleet with three suite-only ships: *Star Breeze*, *Star Legend*, and *Star Pride*. In 2014, Xanterra also added Vermont-based Country Walkers.

As Xanterra's portfolio has increased, so have our sustainability and risk management programs. Thanks to careful tracking and reporting, advanced resource management technologies, and employee-led innovations, we are always finding new ways to make our operations safer and more sustainable.

## How the World Has Changed

As we prepare this report, NOAA and NASA have determined 2014 was the hottest year on record since the late 1800's, and the oceans have been warming faster than predicted. Climate change is increasingly impacting the beautiful places where we operate.

Almost two decades ago, Xanterra took a leadership position in addressing climate change. Since 2000, we have reduced total fossil fuel consumption across our park and resort operations 29 percent and increased renewable energy use 18 percent, decreasing our greenhouse gas emissions 27.5 percent. In 2004, Xanterra became one of the initial signatory members of the World Wildlife Fund Climate Savers program and the only national park concessioner to commit to the program's goals. Most recently, Xanterra signed the Ceres Climate Declaration.

But there is still more to do. Our journey has taught us that we need to work beyond the boundaries of our company; we must invite our guests and partners to join us in leaving a softer footprint on our rapidly changing world.

## Xanterra's Assets

### Parks

Crater Lake National Park  
Glacier National Park\*  
Grand Canyon National Park  
Mount Rushmore National Memorial  
Ohio State Parks  
Petrified Forest National Park  
Rocky Mountain National Park  
Yellowstone National Park  
Zion National Park

### Resorts

Kingsmill Resort  
Furnace Creek Resort

### Hotels

Grand Canyon Railway Hotel  
The Grand Hotel

### Cruise and Adventure Travel

Austin Adventures  
Country Walkers\*  
Grand Canyon Railway  
VBT Bicycling and Walking  
Vacations  
Windstar Cruises

\*New in 2014

Yellowstone National Park

## A Message from our CEO



Over ten years ago, Xanterra did something that was unique to not only the concession industry, but also for the hospitality industry—we set aggressive environmental goals, demonstrating our long-term commitment to stewardship of the places we conduct business.

Our world at Xanterra has changed over those 10 years, and so has the world around us. When we started our sustainability journey, we were primarily a national park concession company. Since then we have acquired Windstar Cruises, Grand Canyon Railway, Kingsmill Resort, VBT Bicycling and Walking Vacations, Austin Adventures, and Country Walkers, as well as The Grand Hotel outside Grand Canyon National Park. Our goals now reflect our expanded operations—and our environmental impact and footprint reaches farther than ever before.

In this report, we detail our progress toward our original goals, share lessons learned, and celebrate our innovative employees. We also look to the future to what we call Our Next 10, Xanterra's 2025 Sustainability Vision Goals.

Our Next 10 reflects our renewed commitment to reducing our carbon and water footprints and also outlines how we plan to engage the 20 million people who visit our properties, ships, and adventure-travel tours.

We have also included, for the first time, our commitment to a safe and secure workplace, as well as our philanthropic activities. What started over a decade ago as an environmental report has evolved into our first-ever Corporate Social Responsibility report. Xanterra is committed to the health and safety of our guests and employees, and we feel our accomplishments are worth sharing. We have learned many lessons while implementing our Live Life Safe Program.

Legendary Hospitality with a Softer Footprint is more than just our mission. It is how we remain steadfast to our sustainability, safety, and philanthropy commitments in a world filled with change.

Andrew N. Todd  
President and Chief Executive Officer  
Xanterra Parks & Resorts

VBT Bicycling and Walking Vacations

## Our Company Profile

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### Who We Are

Since 1876, Xanterra has operated hospitality facilities at some of the most beautiful places on earth. The name Xanterra is derived from Xanadu, a beautiful, idyllic paradise described in the poem *Kubla Kahn* by Samuel Taylor Coleridge and *terra*, the Latin word for Earth.

Xanterra is the direct descendant of the legendary Fred Harvey Company that first welcomed nineteenth-century travelers to the American West with hot meals, prompt service, and comfortable lodgings. By the 1870s, founder Fred Harvey recognized the role America's vast and majestic natural landscapes would play in the country's national identity and built a company that became famous for delivering unrivaled hospitality in rugged surroundings. More than a century later, Xanterra continues the Fred Harvey legacy of visionary hospitality and operational excellence—both on land and at sea.

Xanterra continues to be the largest national park concessioner in the United States. Since being purchased by the Denver-based Anschutz Company, Xanterra has expanded to include a far-reaching and diverse portfolio of experiential leisure offerings.

### Our Mission—Legendary Hospitality with a Softer Footprint

“Legendary Hospitality” is the heart of our business and how we care for our guests. “With a Softer Footprint” speaks to our sustainable business practices, and to being good stewards of the places we serve.

### Values Fundamental To Our Success

**Leadership:** Lead by example. Encourage, praise, and inspire others.

**Respect:** Treat everyone with dignity and respect.

**Candor:** Commit to candid and honest dialogue, delivered and received with respect and without fear of reprisal.

**Guest Service:** Provide services and products that create memorable experiences while continually exceeding guest expectations.

**Attitude:** Be positive. Work hard and never give up. Enjoy what you do.

**Teamwork:** Be a team player. Our success depends on highly motivated, committed, and competent people who share our vision and work together.

**Environment:** Protect the environment. This is vital and part of everyone's job.

**Community:** Be a good citizen and neighbor.

**Innovation:** Embrace alternative thinking, responsible risk-taking, and continuous improvement.

**Health & Balance:** Live a healthy lifestyle that balances personal and professional responsibilities.

**Honesty & Integrity:** Practice honesty and integrity in all business and personal dealings.

**Profitability:** It is everyone's job to contribute to our sustained financial success, which allows us to invest in and preserve our beautiful places.



Glacier National Park

# Our Company Profile

*Continued*

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## As of December 31, 2014:

6.3 million meals served\*

\$2.8+ million in retail transactions

20 million park guests

7,597 peak season employees

5,228 guest rooms

407 ship cabins

88 restaurants

60 retail stores

33 hotels and lodges

7 golf courses

5 marinas

3 stables

**Business Complexity:** Three adventure travel companies, one cruise line with six ships, one realty company, five state parks with lodging, one rail line, two resorts and two independent hotels, and nine national parks

\*All figures annual

Grand Canyon National Park



SUSTAINABILITY

## The Last 10: Our 2004-2015 Goals

30%

fewer GHG (CO<sub>2</sub>) emissions

50%

sustainably sourced food & beverage

7%

electricity from renewable sources

25%

decrease in water usage

50%

solid waste diverted from landfills

0

hazardous waste generated

30%

decrease in fossil fuel usage

35

achieve company-wide corporate average fuel economy (CAFE) standard of 35 miles per gallon for all passenger vehicles purchased annually

Yellowstone National Park

## Our Sustainability Progress

### A Decade of Improvements

In 2004, Xanterra committed to aggressive sustainability goals for the ensuing decade, guided by the following sustainability vision statement:

*Our Softer Footprint: Providing experiences for our guests and employees, while protecting the environment and benefiting the places and communities where we operate.*

We organized our sustainability goals and efforts under the following four pillars:

- Use resources efficiently and effectively
- Strive for zero waste
- Build and operate sustainably
- Provide guests with sustainable choices

These four pillars continue to guide decision-making at every level of the company—from food and beverage sourcing for our restaurants, to choosing fleet vehicles, to the type of paint we use in guest rooms.

Xanterra carefully tracks its environmental performance across all aspects of operations using our ISO 14001 audited program called Ecologix. The data we gather through Ecometrix, the measurement and continuous improvement subset of Ecologix, allows us to better solve problems, improve operations, and see our progress toward our sustainability goals over time.

As we wrap up 10 years of hard work to meet our sustainability goals, we must first applaud our dedicated—and often innovative—employees, whose ideas and passion are behind many of our success stories. Our conscientious guests also play a key role in helping us meet water, energy, and waste reduction goals. Our advanced measuring,

monitoring, and reporting systems and technologies and our extensive and nimble environmental programs are crucial components as well. Additionally, we have built a company culture of continuous improvement and use the cycle shown below.

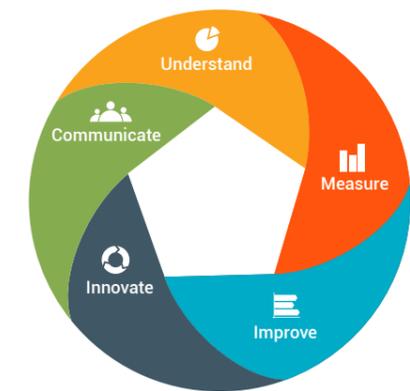
### Highlights

The following are a few ways, listed by pillar, that we have made progress toward our goals.

#### Pillar: Use Resources Efficiently and Effectively

At all of our properties, we routinely upgrade equipment to save energy and water, as well as install water-saving devices, such as low-flow toilets, showers, and sinks. We are also a committed World Wildlife Fund Climate Savers partner and purchase renewable energy to power a portion of our national park operations.

*Death Valley National Park, California:* We installed a 1.23 megawatt solar photovoltaic system that generates 2.3 million kWh per year (pictured on



Continuous Improvement Cycle

## Our Sustainability Progress

Continued

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pages 12 and 13). Xanterra also equipped Furnace Creek Inn within the park with a high-efficiency HVAC system and energy efficient windows.

**Maumee Bay State Park, Ohio:** Xanterra erected a 10kW wind turbine to produce power and also purchased specialized electric vehicles to sustainably transport guests and laundry.

**Grand Canyon National Park South Rim, Arizona:** We replaced incandescent lights with CFL and LED lighting, including in the historic El Tovar dining room. Additionally, we converted our boilers from fuel oil to propane and introduced clean-burning, compressed natural gas buses as we phased out diesel ones.

### Pillar: Strive for Zero Waste

We are continually finding new ways to reuse, recycle, and compost materials. For example, we have introduced compost collection bins in guest rooms, eliminated plastic retail bags, replaced individual room amenities with bulk dispensers, and stopped selling bottled water at several properties. Xanterra has also hosted two Zero Waste to Landfill golf tournaments.

**Windstar Cruises:** Xanterra installed Natura water systems onboard all vessels, eliminating guest service of plastic water bottles.

### Pillar: Build and Operate Sustainably

Xanterra is proud to have developed its proprietary *Guidelines for Environmentally Sustainable Design and Construction*, and to lead the concession industry in green building and sustainable historic preservation. We also strive to meet the US Green Building Council's rigorous LEED standards for new construction.

**Yellowstone National Park, Wyoming and Montana:** Xanterra reclaimed a formerly contaminated brownfield site, and constructed the first LEED-certified employee housing in the national parks.

**Crater Lake National Park, Oregon:** Xanterra earned LEED certification for the new Annie Creek Restaurant and Gift Shop.

**Zion National Park, Utah:** Xanterra's renovation of the park's historic Western Cabins balanced historical accuracy with modern-day energy and water efficiency improvements, and included custom FSC-certified furnishings.

### Pillar: Provide Guests Sustainable Choices

Xanterra offers guests a range of sustainable amenities and options for a lower-impact stay. From locally and sustainably sourced food and beverage selections; to recycling, compost, and linen reuse programs; to free water-bottle-filling stations; to our new electric-car charging station at Zion National Park, Xanterra encourages guests to join us in making a softer footprint.

Xanterra has also made sustainability a priority in its Gifts for Future Generations retail concept that sources a large percentage of Made In America products. In addition, four of our golf courses are carefully maintained as Certified Audubon Cooperative Sanctuaries.



Kingsmill Resort

## What Makes Us Proud

*Stories from the Field*

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Our employees and guests contributed to our Softer Footprint through many important projects, initiatives, and behaviors. Rather than publishing a very lengthy report, we highlighted some of our most recent sustainability stories. Read more about What Makes Us Proud at [Xanterra.com](http://Xanterra.com).

### **Shrively Apples**

Grand Canyon South Rim

An estimated 40 percent of the food produced in the United States is thrown away. Xanterra has been composting food waste at many of our locations, but an employee at the South Rim of the Grand Canyon had an even better idea. Rather than directly sending food waste—such as apples that are a bit shriveled—to the landfill, she thought perhaps the park’s hardworking mules (famous for ferrying people and supplies in and out of the canyon) might like to munch on them. The “Shrively Apples” program, which launched in November 2013, has diverted more than 30,000 pounds of food scraps to the mules (who are delighted). The mules’ waste is then composted and turned into fertilizer used by nearby farmers.

### **Water Recirculation**

Zion National Park

Xanterra operates the beautiful Zion Lodge in Zion National Park. The Virgin River, which flows through the park, is responsible for carving the majestic sandstone monoliths that make Zion Canyon such a special place to visit. It’s also part of the Colorado River basin, which is threatened by increased consumption and widespread drought. As the demand for water has exceeded the supply, numerous areas of the Colorado River and its tributaries have dried

up and need to be restored, while others are in urgent need of preservation. As the concessioner at Zion, Xanterra is committed to making a difference. Beginning in 2000, we set a goal to reduce our water consumption in Zion by three percent per year.

One way we are meeting our water reduction goals in Zion is the result of an employee’s creativity. Zion Lodge’s Red Rock Grill uses walk-in refrigerators with water-cooled condensers, which are efficient in warm climates. However, the water used in these condensers was sent down the drain after just one cooling cycle. A Xanterra engineer wondered if there was a way to reuse the water, instead. Through a relatively simple (but costly) design change, the cooling units now recirculate water, saving nearly one million gallons annually.

Xanterra is also a member of Protect the Flows, a coalition of businesses dedicated to supporting a healthy Colorado River system.

### **Recharge Your Batteries**

Zion National Park

In support of travelers with electric vehicles, Xanterra recently installed its first guest-facing electric vehicle station at Zion National Park. Now guests and their cars can both recharge their batteries at Zion.

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**At Zion, we save one million gallons of water annually.**



Zion National Park

## What Makes Us Proud

*Stories from the Field, Continued*

### **Recycled Picnic Tables** Yellowstone National Park

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Guests enjoying lunch at a Canyon Village picnic table may not know they are sitting on the remnants of almost 4,000 glass bottles collected from Xanterra's Yellowstone operations. Because traditional glass recycling is not available in the Yellowstone area, Xanterra found a different solution for reusing the glass bottles discarded by guests and employees. Xanterra now partners with GeoMatrix, in Bozeman, Montana, to turn the bottles into concrete tables and other concrete products—including the picnic tables at Canyon Village.

In addition, Xanterra partners with another local business to convert empty wine bottles from Yellowstone bars and restaurants into attractive wine tumblers. We then proudly use the tumblers at the same food and beverage operations where they started as wine bottles.

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**Each table contains 3,750  
recycled glass bottles,  
totaling 1,500 pounds of  
recycled glass per table.**

## What Makes Us Proud

*Stories from the Field, Continued*

### Full Steam Ahead

Grand Canyon Railway

Thanks to an employee's ingenuity, Grand Canyon Railway operates engine No. 4960 once a month on waste vegetable oil collected by Xanterra's local food operations. When the steam engine runs on used vegetable oil, carbon emissions are reduced by 26,856 lbs of CO<sub>2</sub> per trip.

### Eat Like a Bear

Grand Canyon Railway

Along historic Route 66, not far from Xanterra's Grand Canyon Railway and Hotel, is a wildlife sanctuary called Bearizona. Providing natural habitats for orphaned wild animals or confiscated captive wildlife, such as bison, raptors, wolves, and bears, Bearizona's values and sustainable practices are very closely aligned with Xanterra's. For several years, we have partnered with the sanctuary by providing our waste food to help feed the animals. In 2014, Grand Canyon Railway and Hotel diverted over 13 tons of food waste to Bearizona.

### A Thriving Oasis

Furnace Creek Resort

Death Valley averages less than two inches of rainfall each year. At Furnace Creek Resort, we rely on a gravity-fed system of natural spring water, and we work hard to conserve this precious resource through a variety of on-site recycling and reuse methods.

Water from the spring-fed swimming pool at the Inn moves into and through our beautiful gardens and then downstream into the golf course ponds. Water from the pool at the Ranch drains directly into ponds, which serve

as additional water sources for our golf course irrigation. As a result of this system, we're able to reuse more than a million gallons of water every day.

The ponds also help support local wildlife and are just part of what makes the historic Furnace Creek Golf Course one of our Certified Audubon Cooperative Sanctuary courses. Xanterra works closely with the Audubon Society to provide proper wildlife and habitat management, reduce chemical use, improve water quality and conservation, and offer guest outreach and education.

### Traveling Softer

VBT Bicycling and Walking Vacations

Guests who travel with VBT Bicycling and Walking Vacations and Country Walkers choose vacations that have a softer footprint by design. For example, 11,100 people per year experience VBT Bicycling and Walking Vacations cycling trips with an average trip lasting six days (25 miles per day). That is approximately 1,665,000 almost carbon-free vacation miles per year. By enjoying an active holiday, our guests save the equivalent of 1,591 barrels of oil.

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**When we run our No. 4960 steam engine on waste vegetable oil, we save 26,856 lbs of CO<sub>2</sub> per trip.**

## What Makes Us Proud

Sustainable Food

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### Sustainability at Sea

Windstar Cruises

The food and beverages served on Windstar sailings are sourced from the most local and sustainable farmers, fishermen, and sources possible. Guests sample the local flavors of our ports-of-call and destinations, while our chefs strive to make every dish from scratch in our galleys.

### Say Cheese

Yellowstone National Park

Xanterra is proud to partner with Amaltheia Organic Dairy, a goat farm tucked into the base of the Bridger Mountains in Belgrade, Montana. Melvyn and Sue Brown started their dairy farm with 90 goats in 2000 and now boast nearly 300 goats and a full cheese-making operation, thanks to the support of companies like Xanterra. In 2013, Xanterra purchased 3,285 pounds of their goat cheese.

### We All Scream for Ice Cream!

Mount Rushmore National Memorial

Mount Rushmore's Carvers Café highlights its innovative approach to sustainable food and green operations in a particularly delicious way. The Café uses a historic ice cream recipe developed by Thomas Jefferson. Called TJ's Ice Cream, this yummy treat is made from scratch using locally sourced ingredients. In 2014, Xanterra served 38,884 helpings of this American favorite.

### Local Flavor

Crater Lake National Park

At Crater Lake Lodge, we do our best to give guests a taste of local Oregon flavor. We source ingredients from nearby farmers and families

and support local purveyors whenever possible. Some of these include Alpenrose Dairy, Tillamook Cheese, and Rogue Creamery as well as Bob's Red Mill and the Taylor Meat Company. But it doesn't stop at food. We also serve beer brewed at Standing Stone, Deschutes, and Rogue breweries, and wine from Bridgeview Vineyards, Spangler Vineyards, and Foris Winery. Nearly 34 percent of our food and beverage purchases are from local, organic, or certified sources.

### New at Glacier

Glacier National Park

On January 15, 2014, Xanterra assumed concession operations at Glacier National Park. During our inaugural year in the park, we implemented a first-ever glass recycling program, banned PET bottles at Lake McDonald Lodge, and served 48 percent sustainable cuisine.

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**In 2013, we served  
3,285 pounds of local,  
organic goat cheese in our  
Yellowstone restaurants.**

## What Makes Us Proud

Going Straw Free

In 2013, Xanterra followed the lead of Milo Cress, then a middle school student and environmentalist from Boulder, Colorado. At a young age, Milo observed that many restaurants automatically serve cold drinks with straws, and those straws end up in the trash. In fact, an estimated 500 million drinking straws are discarded daily—enough to fill 46,400 school buses every year.

Like most curious kids, Milo wondered what happens to all those straws, and it was not long before he came to the logical conclusion that they end up in landfills.

Unlike most kids, however, Milo took things a step—or several steps—further. When he was just nine years old he started his own campaign called *Be Straw-Free* asking restaurants to only provide straws upon request. Milo then began to reach out to restaurant owners asking them to adopt his Offer First policy—to offer guests straws instead of serving them automatically.

Xanterra learned about Milo's efforts and contacted him regarding a partnership. On Earth Day, 2013, Milo and his mother traveled to Grand Canyon Railway in Williams, Arizona, to help Xanterra launch its "Choose to be Straw Free" program.

At nearly all of Xanterra's full-service dining rooms, cafeterias, fast-food counters, buffets, snack bars, ice cream stands, lounges, and rail cars, servers are trained to provide straws upon request and to answer questions prompted by buttons and table tents highlighting the Choose to Be Straw Free program.

Servers report that many guests are quite interested in the initiative and ask questions

about the reasons a large travel company would get involved. Guest feedback has been largely positive, with comments such as "I now ask all restaurant servers to forgo the straw," and "I had never given much thought about how such a little item could be so very wasteful."

Since the program began, Xanterra estimates that Choose to Be Straw Free has diverted thousands of straws from our waste streams—and kept them from being discarded accidentally near or in some of the most pristine places on earth. This program is also now considered a National Park Service Best Practice.



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## What Makes Us Proud

Guest Communications

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### A New Take on Communicating Sustainability

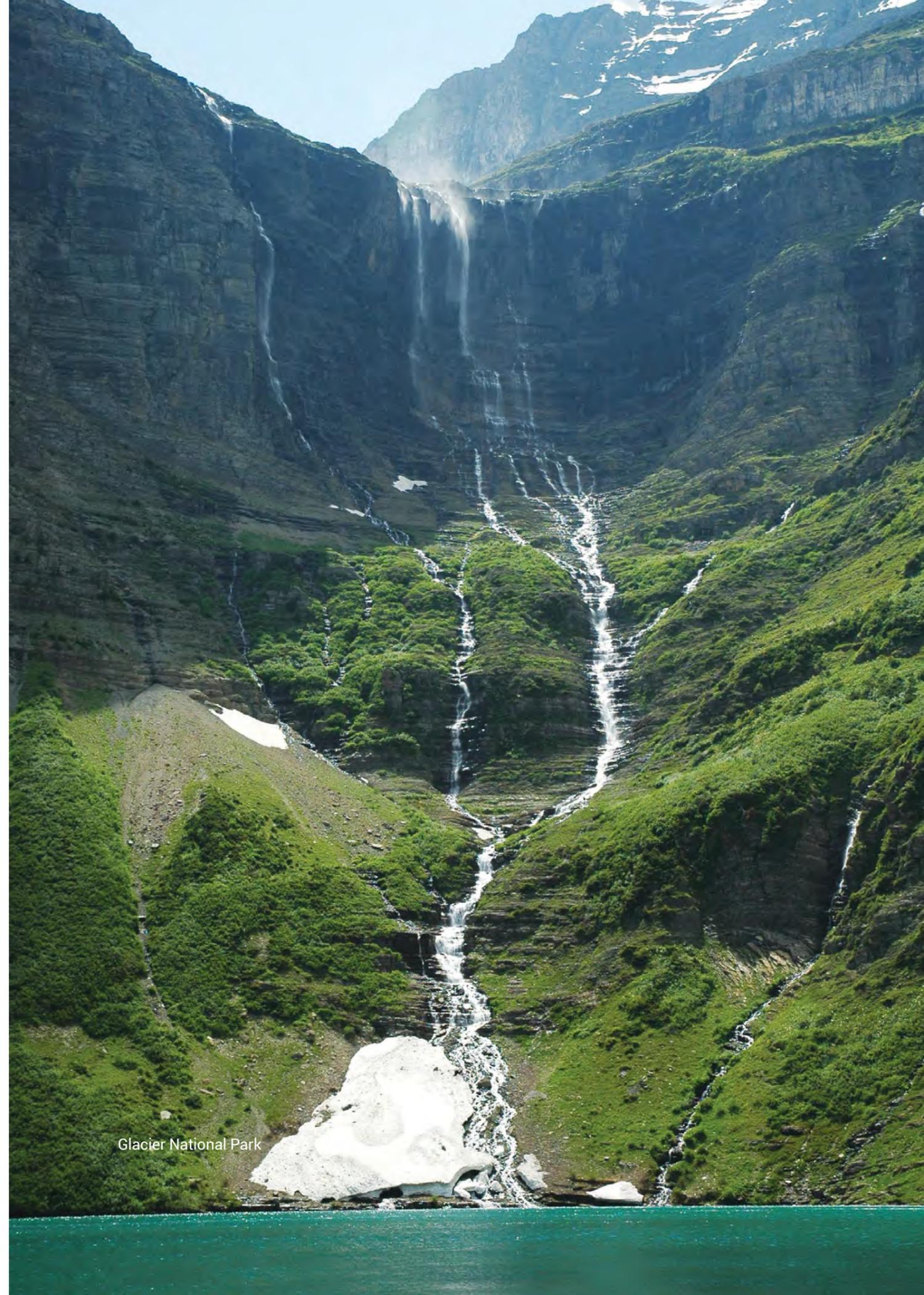
As host to nearly 20 million visitors annually, Xanterra has a unique opportunity to demonstrate responsible, sustainable business practices—and to encourage our guests to join us. We are finding new and compelling ways to engage guests and tell our sustainability stories. For example, we now provide our national park guests a mini sustainability report specific to each park. The reports use only one sheet of recycled, FSC-certified paper each, and are folded to look like small booklets. They detail Xanterra's efforts through conversational success stories and beautiful photography—and they unfold to reveal a souvenir poster. Many of the stories in the report were captured through interviews with park-based employees, giving the pieces a personal feel and inspiring guests to take the spirit of sustainability home.

We also use humor and interactive elements to encourage guests to reuse clean linens and conserve water and energy.

### Talking Climate Change at Glacier

Climate Change is difficult to envision on a daily basis, but at Glacier National Park guests have the unique opportunity to see the impact up close. In the mid-nineteenth century, more than 150 glaciers made the area's landscape a wonder of ice and snow. Today, just 25 glaciers remain—most of which are quickly disappearing. One model conducted by the U.S. Geological Survey estimates that the park's glaciers will be gone by 2030.

Xanterra is working hard to be a good steward of the park by reducing our waste, emissions, and water and energy use, as well as by providing guests with sustainable amenities and options for a comfortable, low-impact stay. Xanterra is inviting guests to join our sustainability journey through engaging messaging in guest rooms. From towel hangers and Do Not Disturb signs to linen reuse cards, we communicate what we are doing and how guests can help.



Glacier National Park

## By the Numbers

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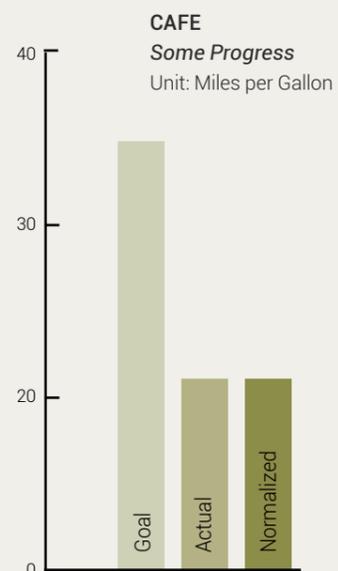
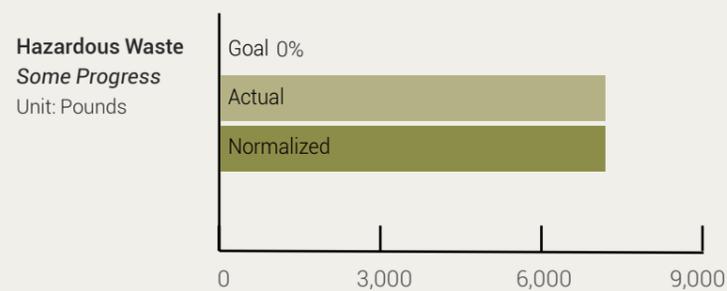
In 2002, Xanterra launched its proprietary ISO 14001 Environmental Management System, Ecologix, and began measuring our progress and effectiveness through Ecometrix. The data contained in this By the Numbers section is the result of our careful tracking practices. As you will see, our hard work over the past decade has paid off in demonstrable progress toward meeting and exceeding our sustainability goals. The data also shows areas in which we must continue to improve and seek innovative solutions.

Xanterra reports against the WRI/WBCSD Greenhouse Gas Protocol. We currently monitor and report (absolute and normalized) the following Scope 1 and Scope 2 carbon impacts:

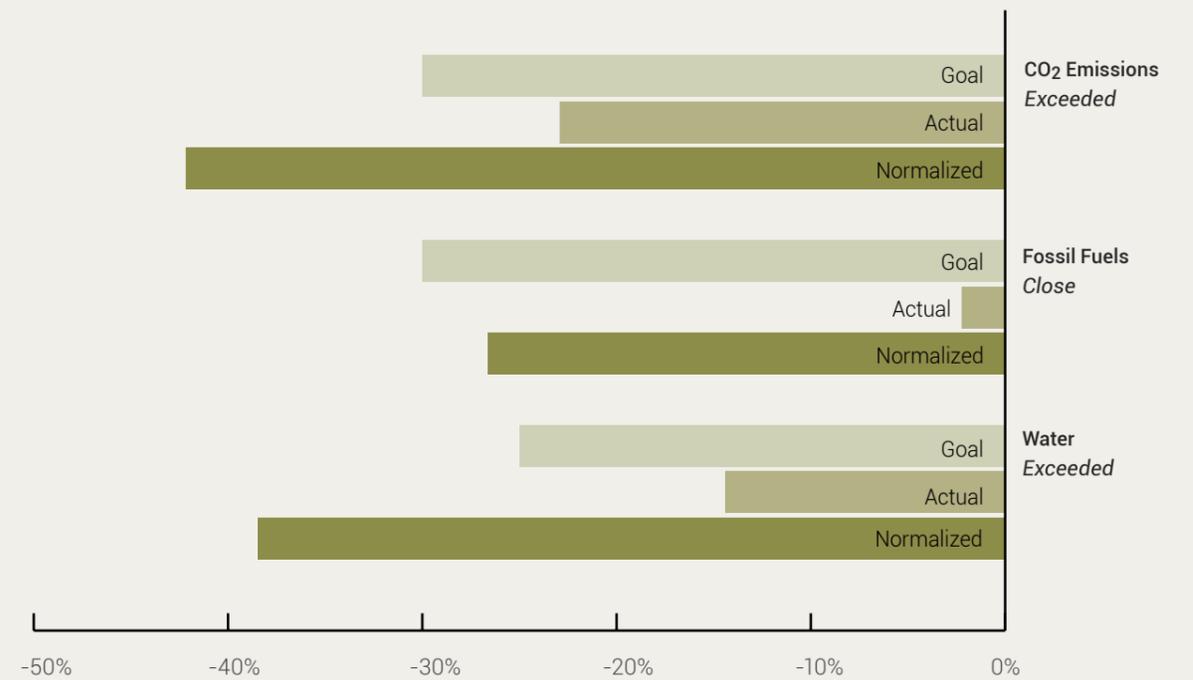
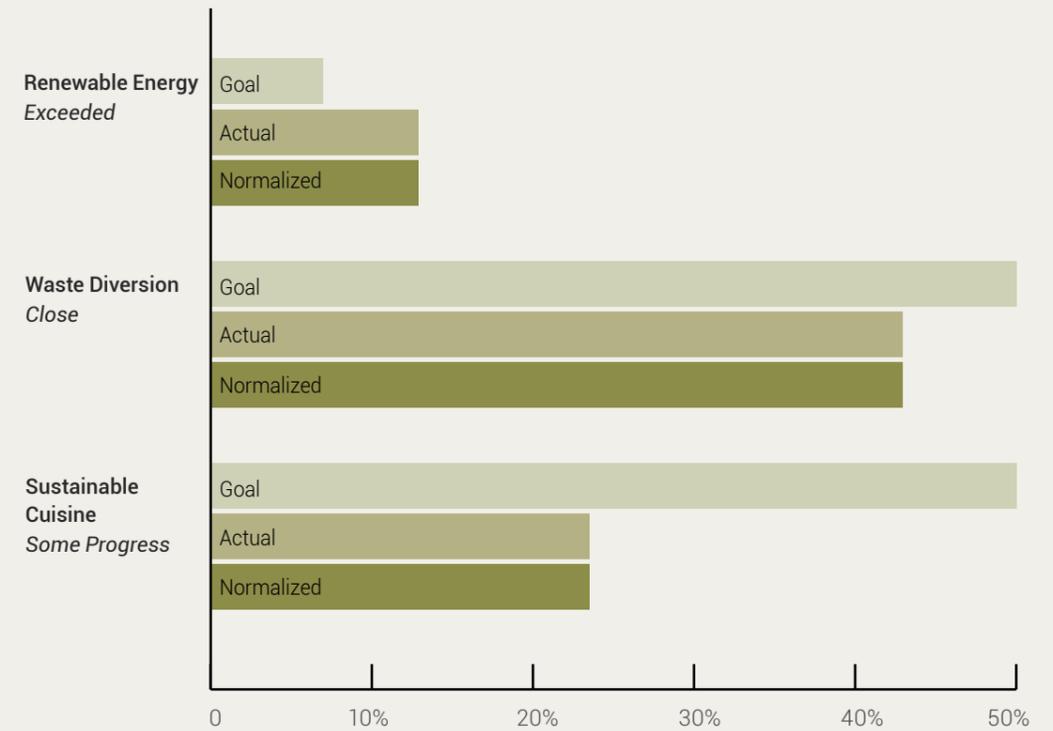
- Consumption of electricity, natural gas, gasoline, diesel, propane, fuel oil, and water
- Generation and purchase of renewable energy sources
- Greenhouse gas emissions
- Solid waste, composted waste, and water-use generation
- Amount of recycled materials, waste diverted from landfills, and recycled construction waste
- Food and beverage, retail, product, and operational sustainability
- Hazardous, recycled hazardous, electronics, and universal waste product generation

### How Did We Do?

In 2004, we set ambitious sustainability goals, and though we did not achieve all of them, we made progress in all areas, and in some cases, exceeded our original target. Our results are presented here with both actual achievements and normalized by revenue (i.e., adjusted for the amount of activity that has occurred in that period).



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# By the Numbers

Continued

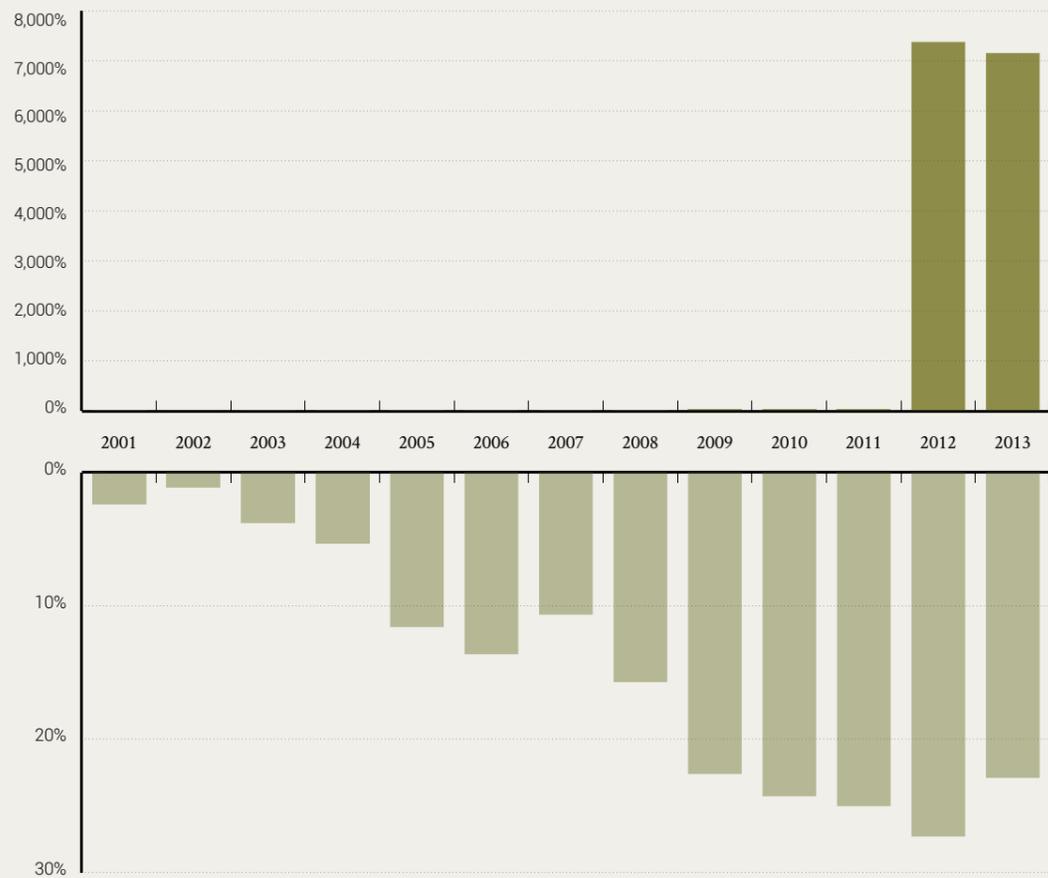
30

## Tracking Carbon Emissions

As Fig. 1 demonstrates, before the addition of Windstar Cruises to our portfolio, we achieved significant reductions in our CO<sub>2</sub> emissions over the past 10 years. The acquisition of Windstar created a 7,000 percent increase in our emissions in a single year! We are now focused on Windstar as a significant area for

improvement and industry leadership. Figs. 2-5 tell our carbon emissions story in greater detail. Fig. 2 compares our overall CO<sub>2</sub> reduction—the absolute reductions over time to the reductions normalized by revenue. Even as our business grew, we continued our path to CO<sub>2</sub> reduction across our business activities. Fig. 3 further portrays the impact of Windstar on our emissions.

Fig. 1: Carbon Emissions with and without Windstar  
Unit: Metric Tonnes CO<sub>2</sub>e

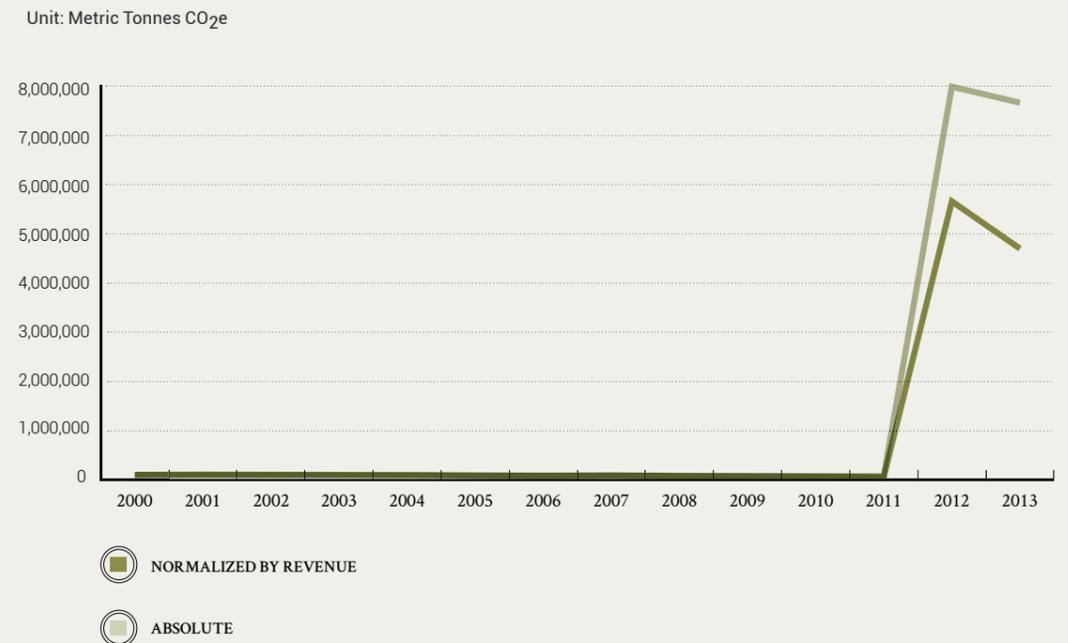


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Fig. 2: Carbon Emissions without Windstar  
Unit: Metric Tonnes CO<sub>2</sub>e



Fig. 3: Carbon Emissions with Windstar  
Unit: Metric Tonnes CO<sub>2</sub>e



NORMALIZED BY REVENUE  
 ABSOLUTE

# By the Numbers

Continued

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## Carbon Emissions by Source

Our 2014 sustainability goals focused on slowing our contribution to global climate change by reducing our emissions of pollutants and gases. Our energy efficiency activities centered on operating our buildings better, decreasing electricity usage, generating power on-site, improving employee awareness and behavior, purchasing energy offsets, installing new technologies, and improving operational efficiencies. Together, these efforts contributed to our absolute reduction of 23 percent. Normalizing

our results by revenue, a proxy for activity, we achieved a more than 40 percent reduction in our CO<sub>2</sub> emissions. It is important to note that this does not include our CO<sub>2</sub> emissions for Windstar. Fig 4 shows the sources of Xanterra's carbon emissions during the past 10 years.

Fig. 5 on the following page shows the dramatic increase in carbon emissions from marine gas and oil that occurred in 2012 and 2013 as a result of acquiring Windstar.

Fig. 4: Sources of Carbon Emissions (Excludes Windstar and Train)

Unit: Metric Tonnes CO<sub>2</sub>e

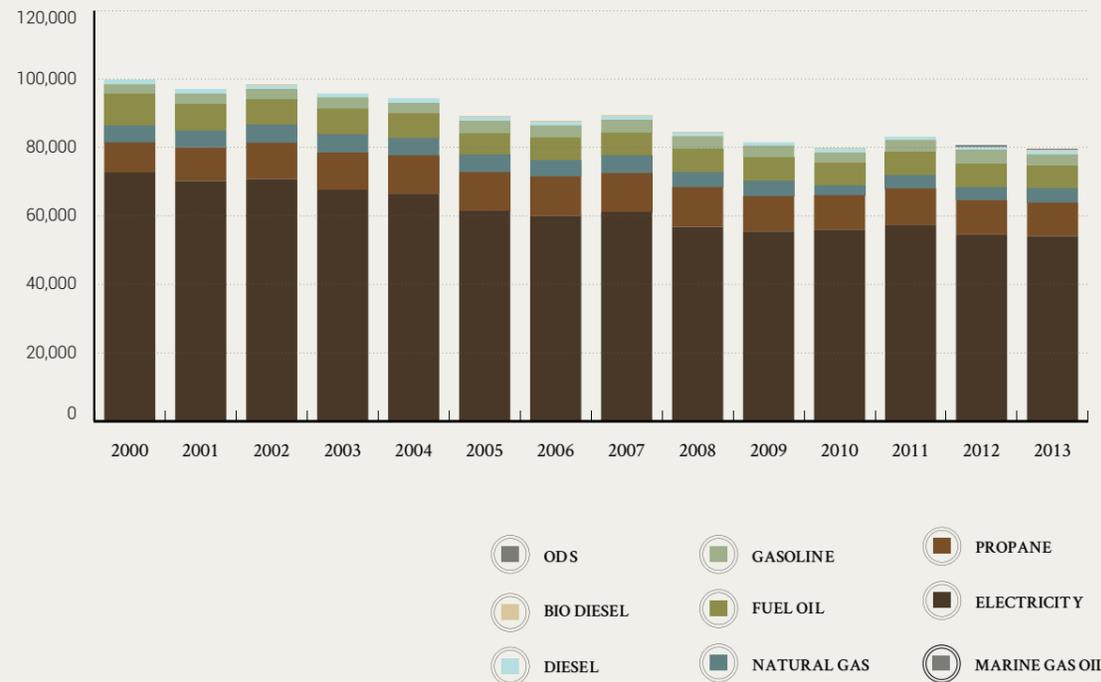
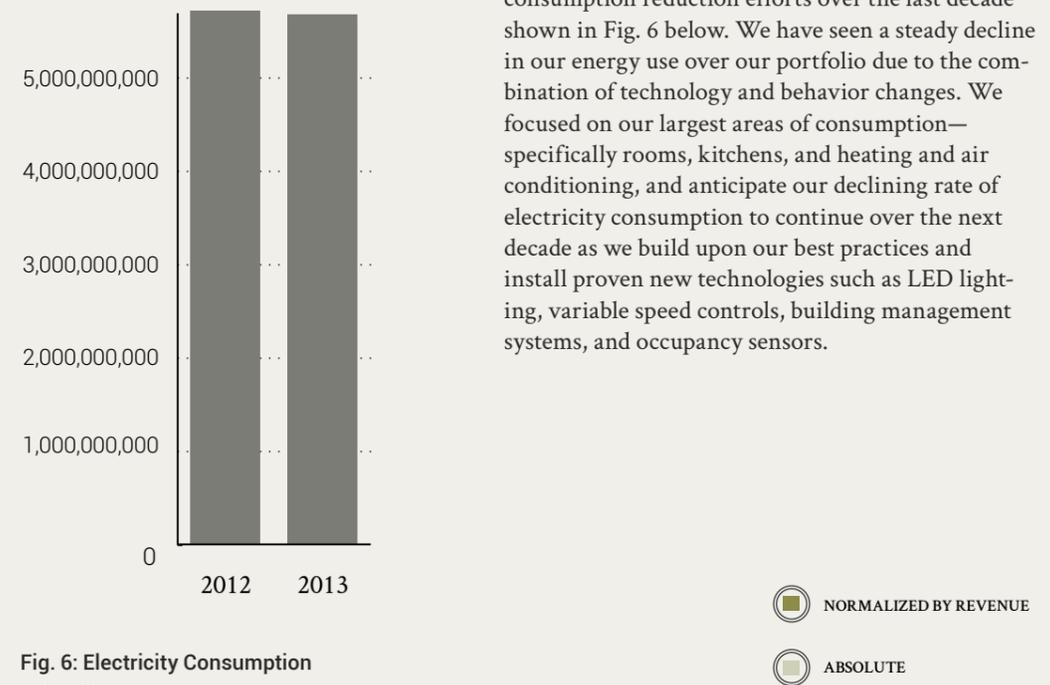


Fig. 5: Carbon Emissions from Windstar

Unit: Metric Tonnes CO<sub>2</sub>e



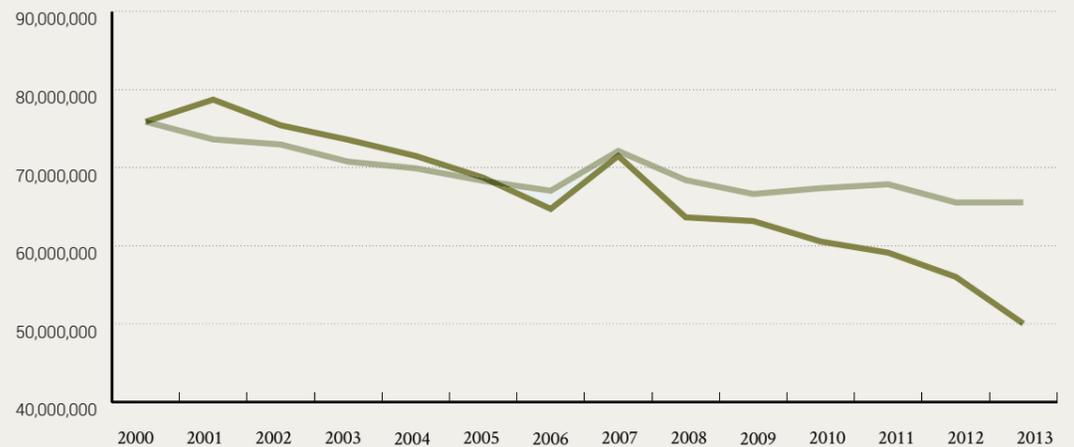
## Electricity Consumption

Xanterra is very proud of the results of our energy consumption reduction efforts over the last decade shown in Fig. 6 below. We have seen a steady decline in our energy use over our portfolio due to the combination of technology and behavior changes. We focused on our largest areas of consumption—specifically rooms, kitchens, and heating and air conditioning, and anticipate our declining rate of electricity consumption to continue over the next decade as we build upon our best practices and install proven new technologies such as LED lighting, variable speed controls, building management systems, and occupancy sensors.

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Fig. 6: Electricity Consumption

Unit: kWh



# By the Numbers

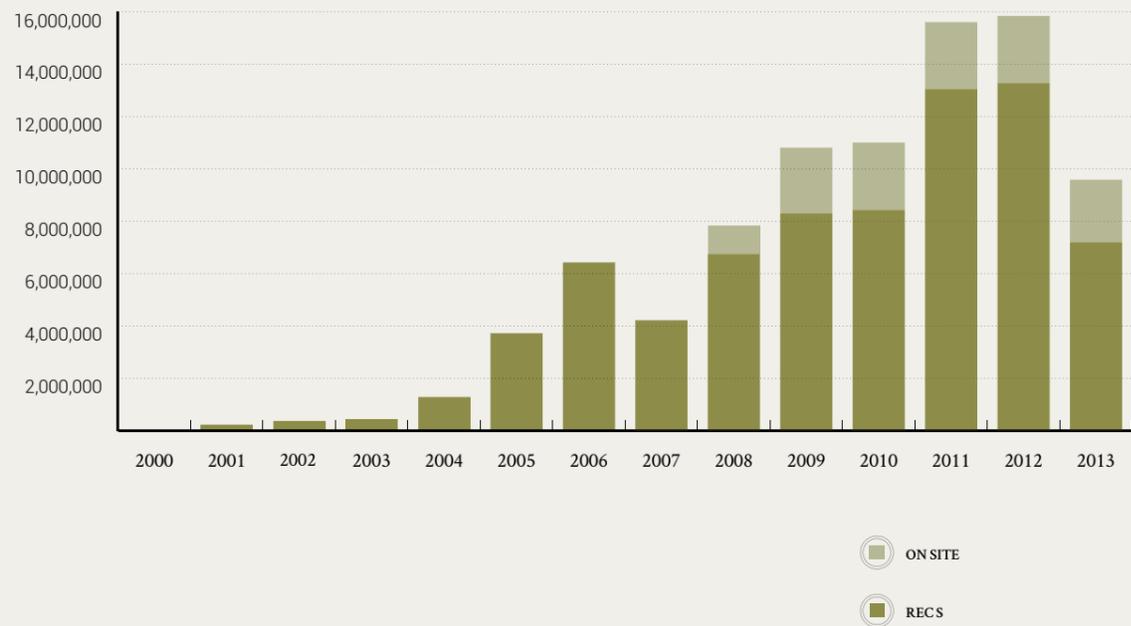
Continued

## 34 Renewable Energy

In 2008, Xanterra installed a 1.23 MW solar photovoltaic (PV) system in the sunniest and warmest place in the country. The system performs well, generating approximately 30 percent of the energy used at Xanterra's Furnace Creek Resort within the park. Building on our success in Death Valley, we continued to reduce our dependency on fossil fuel through efforts such as additional PV projects in Zion and Crater Lake National Parks, waste vegetable oil combustion at Grand Canyon Railway, and wind power generation at Maumee Bay State Park. In 2013, Xanterra began decreasing the amount of local

renewable energy credits (RECs) we purchase as the company transitions away from a property-specific approach to a company-wide REC initiative. Normalized for revenue, in 2013 we exceeded our 2014 renewable energy goal. At that time, Xanterra purchased or produced 13 percent of our total energy from renewable sources. And, despite our reductions in REC purchases in 2013, we exceeded our 2014 renewable energy goal. Fig. 7 details our onsite power generation and REC use. Fig. 8 on the following page compares the amount and types of energy we used in our operations, including Windstar.

Fig. 7: Renewable Energy Sourcing and Generation  
Unit: kWh

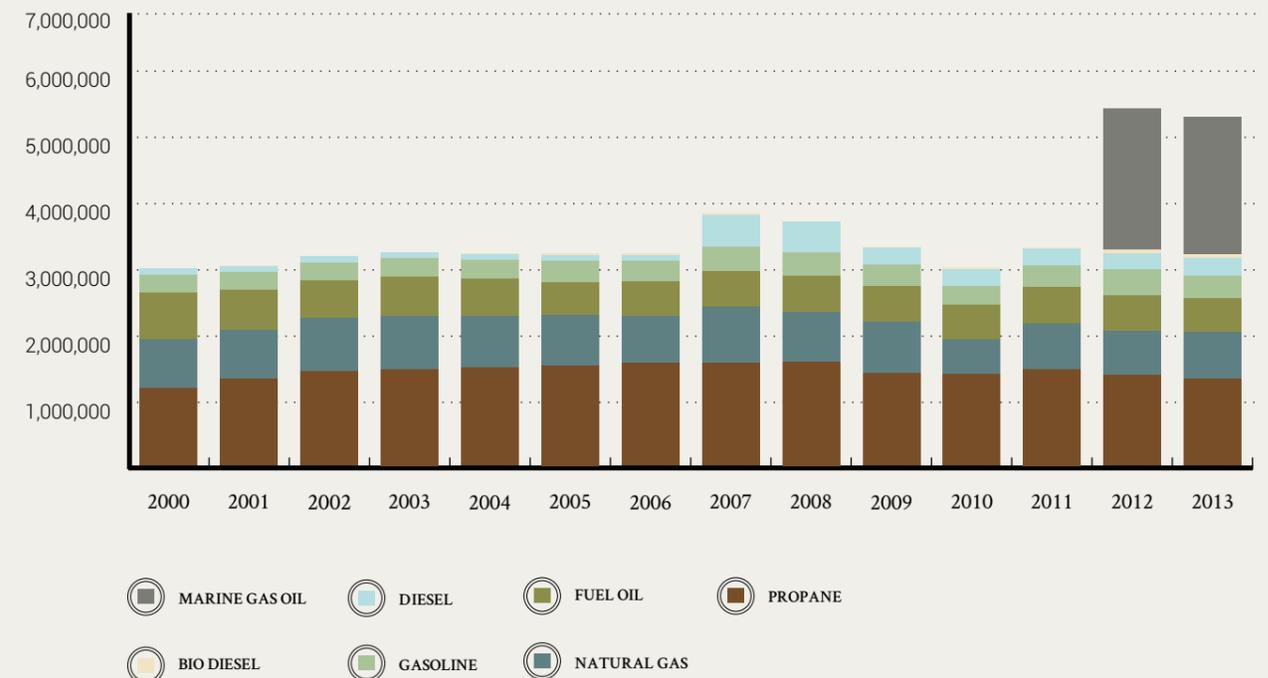


## Energy Consumption by Source

The graph below represents the absolute consumption of energy by Xanterra from 2000 through 2013. Propane and natural gas fluctuated with weather patterns and usage. Over the time period, Xanterra converted a number of fuel oil boilers over to propane, decreasing the overall amount of fuel oil used. The notable increases in both diesel and marine gas oil were due to the additions of the Grand Canyon Railway and Windstar operations. Our new 2014 baseline will reflect these additions.

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Fig. 8: Energy Consumption by Source, Includes Windstar  
Unit: Gallons, except Natural Gas in Therms



# By the Numbers

Continued

36

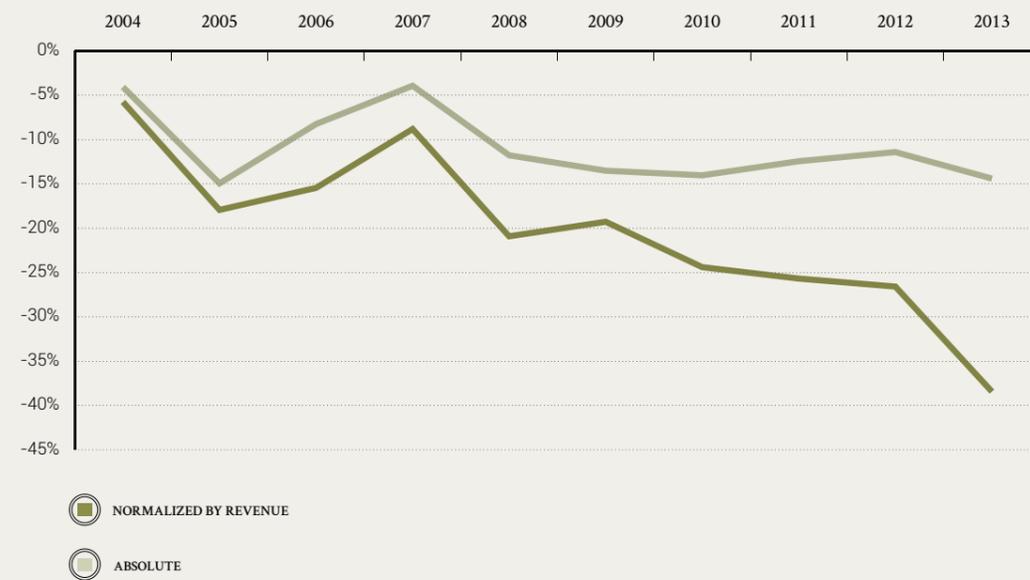
## Water Reduction

Xanterra's water savings is one of our biggest success stories, depicted in Fig. 9. Since 2003, Xanterra saved approximately one billion gallons of water at its national and state park operations, which is almost three gallons of water for every person in the United States.

We set out to use 25 percent less water compared to our 2003 baseline. Normalized by revenue,

we exceeded that goal by more than 10 percent. Our successes are attributed to programs across our operations, including leak detection and prevention; installation of super efficient fixtures, showers, and toilets; improved operational water use, including housekeeping and kitchens; and guest and employee awareness, education, and participation. We are grateful to our employees and guests for the crucial roles they played in helping us exceed our water reduction goal.

Fig. 9: Water Consumption



## Sustainable Food and Beverage

Xanterra defines sustainable cuisine as:

- Produced locally, within 500 miles
- Sourced from vendors and farming systems that minimize harm to the environment and human health
- Containing third party certifications, such as Organic, Non-GMO, Fair Trade
- Sourced from vendors with animal-welfare friendly practices

In 2001, when Xanterra first started tracking, less than one percent of our total food and beverage purchases were considered sustainable. At the end of 2013, over 35 percent of our food and beverage purchases were classified as sustainable cuisine.

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Fig. 10: Increase in Sustainably Sourced Food and Beverage



# By the Numbers

Continued

## 38 Solid Waste

Xanterra has made steady progress toward our goal of 50 percent waste diversion. Although we have not yet met our diversion goal as a company, the following properties have exceeded it: Kingsmill Resort (55%), Mount Rushmore National Memorial (53%), Petrified Forest National Park (83%), Rocky Mountain National Park (83%), and Yellowstone National Park (74%).

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Fig. 11: Solid Waste Diversion, All Assets

Unit: Metric Tonnes

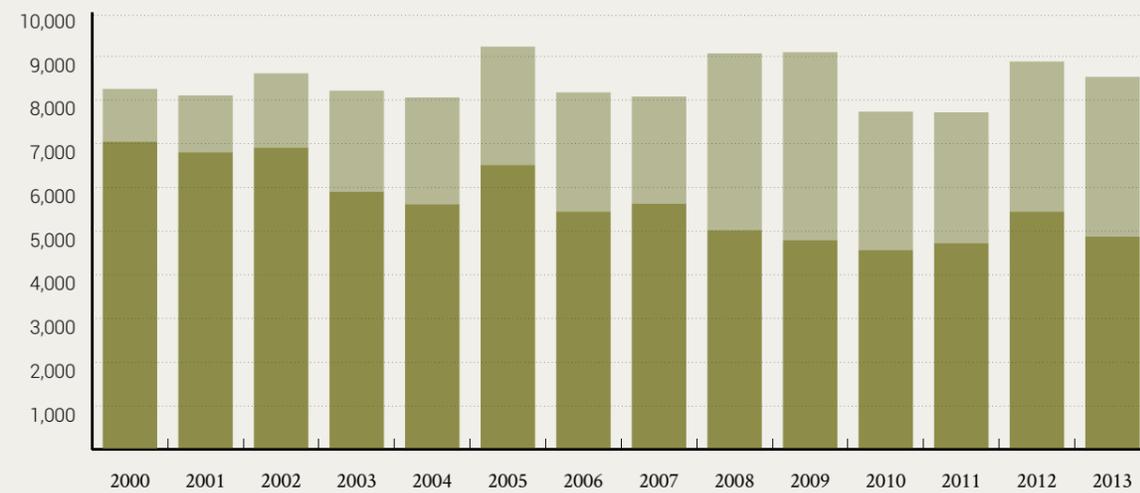
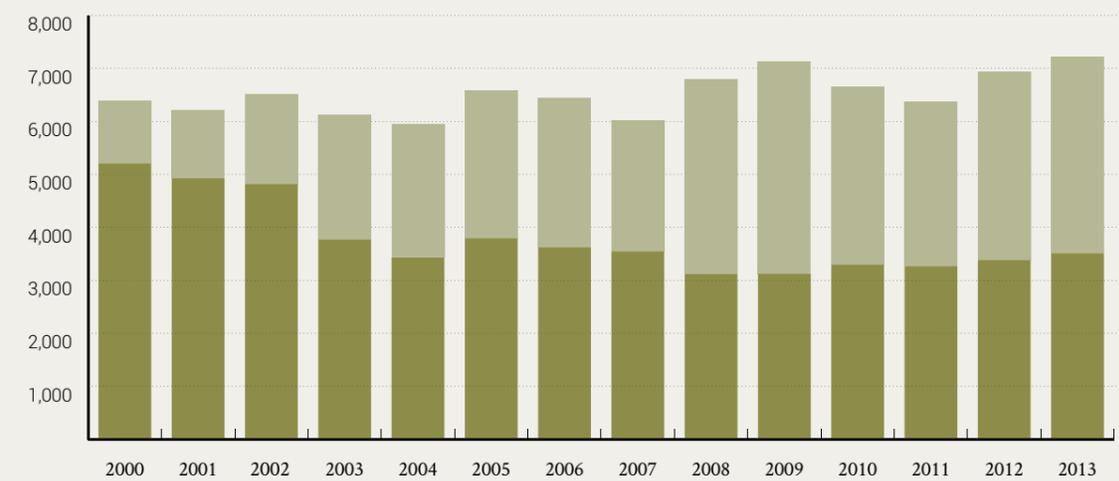


Fig. 12: Solid Waste Diversion, Parks Only

Unit: Metric Tonnes



## The Next 10

40

We are proud of the sustainability successes we accomplished over the past 10 years. We demonstrated that we could balance true environmental and social responsibility with profitability and excellent hospitality. And we learned many lessons along the way. Now, more than ever, we know that we must be part of a group of companies committed to finding solutions to current environmental challenges—and we must continue to invite guests to join us.

Ten years ago we set ambitious, groundbreaking sustainability goals that addressed greenhouse gas emissions, decreased our contributions to landfills, reduced our water and electricity use, lessened our fossil fuel dependence, and increased our sustainable offerings for guests. Throughout the decade, we discovered many ways that our sustainable choices could actually improve our guests' experiences, from offering

fresh, healthy, local foods to making many of our historic accommodations more comfortable through heating and cooling efficiency upgrades and improvements.

As we look to 2025, we are again setting ambitious goals. We're proving that sustainable companies can be profitable ones and that protecting resources, addressing climate change, and minimizing waste are the right investments for our immediate future and for future generations.

In the next 10 years, new technologies and solutions will emerge to help us meet our goals. By setting the bar high now, we will continue to collaborate within our industry and with other visionary companies to deliver Legendary Hospitality with a Softer Footprint.



Furnace Creek Resort



## The Next 10: Our 2015-2025 Goals\*

5%

less energy used annually

25%

of assets certified landfill free; 80% of remaining assets diverted

5%

less water used annually

93%

(weighted) overall guest satisfaction

50%

reduction in CO2 emissions

\* Note: 2014 measurements will be used for the baseline year.

70%

sustainable cuisine

Yellowstone National Park

RISK MANAGEMENT



## Managing Risk

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Risk Management at Xanterra isn't just a strategy to implement compliance measures in an effort to increase our company's profitability. It's a holistic approach that engages employees at all levels to make the safety, health, and well-being of everyone that sets foot on a Xanterra property as vital and important to day-to-day operations as are our efforts to protect the natural environments in which we live, work, and play.

In 2006, we initiated a company-wide review of all safety and preparedness procedures in an effort to decrease risk factors that affect guests,

employees, and our working environment. These reviews included taking a look at all elements associated with risk mitigation—from how we analyze the most basic risk factors, to how we respond to and report them, to how we train to minimize risk.

Effective training programs, engaging awareness campaigns, and new technologies have all contributed to creating a safer environment for guests and employees at Xanterra properties. Our constant commitment to creating extraordinary guest experiences and continuously

reviewing and improving our operational procedures over the last eight years has yielded a steady decline in the number of injury incidents at all locations, with incident rates that are far below the hospitality industry's average for both employees and guests.

### LIVE LIFE SAFE Training and Awareness Program

In April 2008, the LIVE LIFE SAFE training and awareness program was introduced as a key component of Risk Management's commitment to incident reduction. Thematically, the program trains and encourages all employees to keep work safety at the forefront of effective daily operational procedures, and to live their private lives with the same regard for their safety and well-being as during work hours.

The program includes group and one-on-one training in all aspects of work safety, with a focus on specific safety and wellness topics during each month of the year. Program discussion guides assist supervisors in directly engaging employees on a regular basis regarding safe operational procedures and addressing safety issues particular to their locations in a timely and effective manner.

This hands-on approach is reinforced and supplemented by consistent messaging through the use of safety and wellness posters placed in strategic locations that are easily accessible to employees. These eye-catching and informative tools (featuring the images of some of Xanterra's star employees) contain informative text on each of the monthly safety and wellness topics, and serve as on-job reminders to follow relevant safety and incident procedures.

### First Responder Program

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In 2012, we enhanced the First Responder program by hiring a team of Emergency Medical Technicians to train employees at each and every Xanterra property. Our intent was to train any employee willing to take the initiative to learn how to administer medical First Response and CPR, and to properly use an AED, with an initial goal of training 20 percent of our core staff in these critical skills.

By the end of the first year of the program we had greatly exceeded this goal, with 37 percent of our core staff trained as First Responders. While the program continues to train both existing employees and new hires, we are proud of those employees who have already acted to save the lives of guests and fellow employees by using these skills when responding to accidents and cardiac events.

### Emergency Preparedness Planning

Ongoing safety training programs include drills and procedures for responding to macro events at all locations, with an emphasis on location-specific events. Many of our locations host a Crisis Response Team (CRT) extensively trained in a wide variety of emergency scenarios, including weather events and natural or man-made disasters.

Crisis Response and Crisis Management Teams are trained to integrate their operations with local authorities (NPS Rangers, local sheriff and police, and fire agencies) during a macro event and, along with site security, perform support operations to assist these agencies in their duties.

## Managing Risk

Continued

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Employees participate in regular evacuation drills (including on the Windstar yachts). These drills emphasize the necessity of getting all guests and employees to pre-designated safe zones in a calm, efficient manner, and are generally conducted without reducing or interfering with our ability to properly serve our guests.

### Incorporating Emergent Technologies

In addition to regular safety and preparedness training, Xanterra's employment of newer technologies is continuing to decrease our injury rate numbers. Many of our sites possess dedicated mobile devices to aid in real-time incident reporting, allowing first responders to arrive on-scene in a much shorter time frame, quickly assess the situation and call for additional aid when necessary.

### Reviewing Our Performance

Xanterra's Risk Management Information System (RMIS) allows us to document any incident in great detail while maintaining individual privacy and adhering to regulatory requirements. This system permits us to quickly and easily relay incident data and automatically generates necessary OSHA reports, eliminating transcription errors from our regulatory record keeping.

RMIS data is reviewed on a regular basis to find opportunities to improve operational processes, correct physical hazards, and identify opportunities to improve regulatory compliance. This has helped to reduce the number of employee incidents by as much as 40 percent at some of our operations.

### Compliance

Xanterra's incident reporting and incident tracking record-keeping procedures meet or exceed OSHA, DOT and FRA standards. All safety training materials and procedures comply with federal and state regulations.

### Our Bottom Line

Risk Management's zero tolerance approach to safety violations greatly reduces the number of injury incidents and improves safety conditions at all locations. Losses have been reduced by nearly half of their pre-2006 rates, with lost employee time dropping to less than a third of pre-2006 rates.

Xanterra's record of loss improvement dramatically reduced financial claims and outlays over the last several years. More importantly, our guests and employees can be confident they will enjoy the benefits of making safe, healthy connections to their environment with an industry leader in sustainable innovation and safe workplace practices at some of the most beautiful locations in the world.

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**We have achieved a 30%  
reduction in overall loss rate**

## What Makes Us Proud

Risk Management

Our risk and safety efforts are often behind the scenes. Knowing our guests and employees are safe and secure is an important part of our Softer Footprint. The following are just some of the stories that make us proud:

### Saving Lives

Mount Rushmore National Memorial

At Mount Rushmore, Xanterra worked with the National Park Service to install Automated External Defibrillators (AEDs) throughout our operations, including in retail, food and beverage, and employee housing areas. We selected AED models identical to the existing NPS AED fleet to ensure consistency throughout the park. All of our AEDs are also tied to the NPS dispatch center, so that when an AED cabinet door is opened, the NPS is alerted and can dispatch emergency medical staff immediately.

In addition, Xanterra offered CPR/AED training to all year-round staff, and nearly two thirds earned their AED certifications.

At our Grand Canyon South Rim operations, AEDs have saved five lives since 2009 (four guests and one employee).

### Passenger Safety

Grand Canyon Railway

At Grand Canyon Railway, Xanterra partners with the Department of Homeland Security (DHS) by participating in the Visible Intermodal Prevention and Response Program (VIPR). Members of the VIPR team help Grand Canyon Railway monitor for suspicious activities.

In addition, DHS trains with local law enforcement and Grand Canyon Railway security

staff. There has been an overwhelmingly positive response from guests, who appreciate the concern for their safety. Each year, Grand Canyon Railway also provides training to local emergency responders, giving them first hand experience in evacuating a train and handling mock onboard incidents.

### High Tech Fire Safety

Zion National Park

In 2014, Xanterra installed the Point Addressable Fire Protection System at Zion Lodge. Using this technology, each of the lodge's smoke alarms communicates continually with monitoring panels. If a smoke alarm is not fully functional, all alarm panels will alert staff to the exact building and room location of the problem. If a smoke detector picks up smoke, it will send an alarm to all of the panels, indicate the location, and sound the alarm on all detectors in the building.

In addition, Xanterra installed "tamper" sensors on the fire-water riser valves, which alert all panels if the fire-water supply system has been compromised. The signals at the monitoring panels are also sent to an off-site service that calls Zion managers by cell phone to inform them of the alerts and locations.

### Our Innovative Employees

Our front-line employees have the best ideas on how to make Xanterra a better and safer place to work. Xanterra's Accident Reduction Incentive Program (ARIP) helps us capture, review, and implement the suggestions of our employees. Over the past five years at Yellowstone alone, we have received 375 safety suggestions. We have implemented 111 of them.

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## By the Numbers

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We strive to perform better than industry averages. Since 2006, we have made significant improvements in managing our lost time rates, loss rates, and lag-time days. This means we have fewer accidents, quicker response times, better medical outcomes, and less lost time.

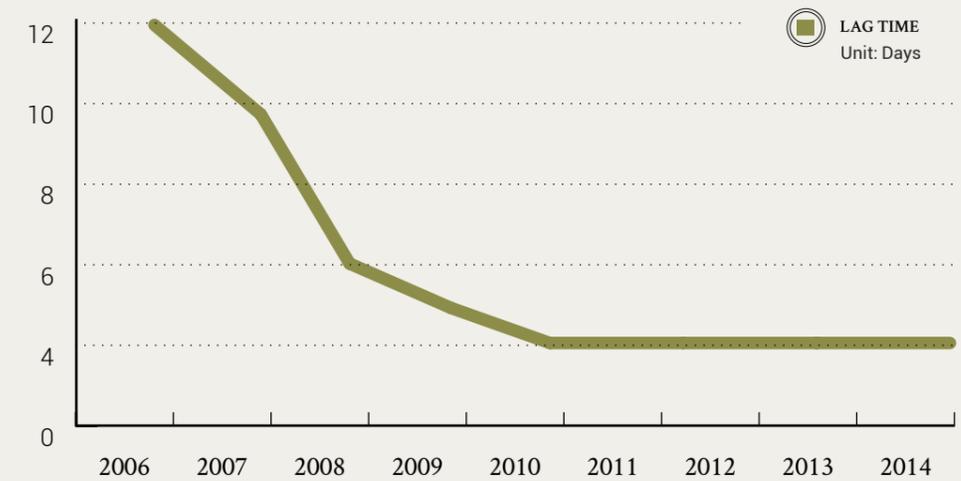
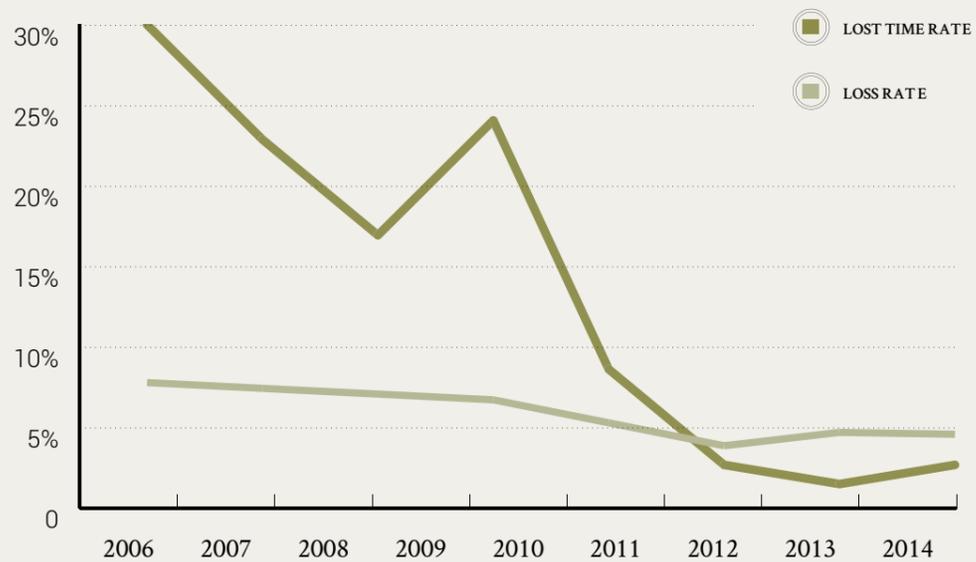
### Industry Averages

Loss Rate: 5.7%  
Lag Time: 3 days  
Lost Time Rate: 15%

### Our 2014 Data

Loss Rate: 4.7%  
Lag Time: 4 days  
Lost Time Rate: 7%

Figs. 13 & 14: Accident Data



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**PHILANTHROPY,  
AWARDS & CERTIFICATIONS**

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Windstar Cruises

# Philanthropy

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Xanterra strives to enrich the communities in which we operate through local stewardship, philanthropy, and community service. Below are some of the many ways Xanterra serves.

## Global Philanthropy

Xanterra supports global nonprofits, such as World Vision International—one of the largest relief and charitable organizations in the world, providing food, clean water, and education in impoverished areas. Xanterra gives financial support to World Vision and also holds volunteer days, during which Xanterra employees participate in activities such as packing and distributing school supplies for economically challenged school children in some of the local communities where we operate.

## Community Scholarships

Grand Canyon National Park

The Grand Canyon is more than just a National Park; it is a community that Xanterra has been part of since the early 1900s. Many of our employees' children attend Grand Canyon Village High School. For the past 15 years, Xanterra has provided college scholarships to local students.

## Supporting Port Communities

Windstar Cruises

When a vessel undergoes refurbishment, we work with communities and churches in the locations we visit during our sailings to distribute items we are replacing, such as furnishings and fabrics. We recently donated chairs from the guest suites, dining room, and nightclub aboard the *Star Pride* to a local church in Barcelona. Finding a new life for our furnishings helps local communities and allows us to lessen our waste impact.

## Regional Partnerships

Yellowstone National Park

Xanterra supports many organizations in the Yellowstone area, including the Gardiner Food Pantry. From October through December, we join our employees in supporting an annual food drive through monetary and food donations, publicity, and an employee challenge. Each year we publish the poundage and dollar amount collected the previous year and challenge our employees to beat it. In 2014, we collected 3,624 pounds of food to donate.

Other nearby organizations we support:

### *The Livingston Community Thanksgiving Dinner:*

Each year we donate turkeys, and employees volunteer at the dinner.

### *Gardiner Volunteer Fire Department:*

A number of Xanterra employees are proud to be volunteer fire fighters.

### *Gardiner Volunteer Ambulance Service:*

Many of our employees serve as volunteer as EMTs.

## Additional Charitable Donations

Xanterra contributes to the communities where we operate in many ways. The following are some of the organizations we support:

- American Diabetes Foundation
- American Red Cross
- The Arthritis Foundation
- Black Hills Boys and Girls Club
- Big Brothers and Big Sisters
- Boys and Girls Clubs
- Boy Scouts of America
- Colorado Coalition for the Homeless
- Colorado Cares, Colorado Shares
- Cystic Fibrosis Foundation

- Ducks Unlimited
- Easter Seals of Northern Ohio
- Habitat for Humanity
- March of Dimes
- Mothers Against Drunk Driving
- Muscular Dystrophy Association
- Optimist Club
- Ronald McDonald House
- Susan G. Komen
- United Way
- U.S. Coast Guard
- Veterans of Foreign Wars
- YMCA

## Additional Volunteer Support

- 4-H
- Meals on Wheels
- Second Harvest

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Windstar in port



Packing donations for World Vision

## Awards & Certifications

Stories from the Field

54

### Green Seal Lodging Certification

**Lake Yellowstone Hotel:** In November 2014, Xanterra's Lake Yellowstone Hotel earned the Green Seal Bronze-level certification for meeting its Standard for Hotels and Lodging Properties (GS-33). Green Seal manages one of the most rigorous and holistic sets of third-party eco-certifications for cleaning products, related services, restaurants, and hotels in the hospitality industry. Lake Yellowstone Hotel (originally built in 1891) met an extensive set of criteria for procurement, training, and keeping records of waste minimization, water and energy efficiency, and hazardous substance handling.

Certification was an NPS contractual commitment, and the Lake Yellowstone Hotel was chosen in large part due to its prominence as a pacesetter for Yellowstone, and for Xanterra in general. During the certification process, we gathered details from hotel staff during an onsite audit and drew upon policies of our environmental management system, to demonstrate Xanterra's compliance with Green Seal standards. The information gathered through the certification process will guide us to improve all of our operations and better prioritize future improvement projects.

**Zion National Park Lodge:** The lodge is in its third year of maintaining Green Seal's Gold-level certification. Together with the Lake Yellowstone Hotel, these two Xanterra properties represent two of only three Green Seal-certified hotels in national parks.

### Green Restaurant Association

**Carvers Café:** Our eatery at Mount Rushmore National Memorial has been recognized for

its distinctive sustainability initiatives by achieving the prestigious 3-Star Certified Green Restaurant designation from the Green Restaurant Association.

The only restaurant to achieve this designation in the state of South Dakota, Carvers Café implemented several successful sustainability programs. Employees grow vegetables for the restaurant and the employee dining room. The restaurant also purchases ingredients from local and certified sustainable sources and dramatically reduced its energy, water, and waste by switching to LED lighting, installing low-flow water faucets, implementing recycling and composting, and other improvements.

To achieve the 3-Star Green Restaurant Certification, restaurants must earn at least 100 points in a variety of categories, including water efficiency, waste reduction and recycling, sustainable furnishings and building materials, sustainable food, energy, disposables, and chemical and pollution reduction. Carvers Café received 216.61 points, but we're not stopping there!

**The Mammoth Dining Room:** This popular Yellowstone restaurant was Xanterra's first certified green restaurant and was also the first certified 3-Star Green Restaurant in Wyoming.

**Our Zion operations earned a 2014 NPS Environmental Achievement Award.**

### 2013-2014 Sustainability Awards and Honors

Property	Year	Award
Grand Canyon Rwy	2013	TripAdvisor GreenLeaders GOLD
	2014	Recertified GreenLeaders GOLD
Zion NP	2014	<i>Environmental Leader</i> , Project of the Year
	2014	Green Leader, TripAdvisor
	2014	NPS Environmental Achievement Award
Rocky Mountain NP	2014	State of Colorado Environmental Leader, Gold Level
Grand Canyon NP	2013	Arizona Tourism & Lodging Association Green Lodging Certification
	2014	Arizona Tourism & Lodging Association Green Lodging Re-Certification
	2014	Keep Arizona Beautiful Corporate Stewardship Award
Kingsmill Resort	2013	Governor's Excellence Award
	2013	Virginia Green Travel Star Award
Ohio SPs	2014	TripAdvisor Silver Leaf
Crater Lake NP	2014	100 Top Oregon Companies to Work For
	2014	Oregon Clean Marina Certified
Furnace Creek	2013	CA Green Lodging Certification
Mount Rushmore NM	2013	NPS National Service Wide Environmental Achievement Award
Corporate	2014	ColoradoBiz Greener Path Green Colorado Award Winner
Corporate	2014	Entity of the Year, <i>LODGING</i> Magazine



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**Xanterra**<sup>®</sup>  
Sustainability