A MESSAGE FROM

Philip F. Anschutz

When The Anschutz Corporation acquired Xanterra Parks & Resorts® in 2008, the company’s stewardship of national parks and long-established commitment to conservation were an important part of our decision. Since that time, Xanterra has continued to perform admirably, with many award-winning environmental programs and a pioneering, entrepreneurial approach to the new frontier of renewable energy and LEED-certified (Leadership in Energy and Environmental Design) buildings. This 2017 report highlights some of the best of Xanterra’s programs and initiatives.

In order to truly understand Xanterra’s commitment to preservation, efficiency, and pragmatic solutions, I invite you to come experience some of Xanterra’s many properties and adventures in the most beautiful places on Earth.
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Mules and riders heading down the Bright Angel Trail in the Grand Canyon.
Since our last report, the world and our company have experienced a considerable amount of change. As for Xanterra, we have expanded our global adventure travel portfolio with the acquisition of Holiday Vacations, acquired new cruise ships and properties, entered into new national park contracts, and witnessed record visitation at the national parks we operate.

While many things change around us, at Xanterra, our commitment to the environment and the communities in which we operate remains constant. During the 23 years I have been CEO, I have been proud to lead Xanterra’s charge in the areas of environmental stewardship and combating climate change. Yet there is much more work ahead.

We are proud of the results we have achieved since the publication of our last sustainability report. While encountering many challenges in achieving our ambitious 2025 Goals, the company continues to modernize its infrastructure, change its behavior, and implement new technologies. These will ultimately save millions of gallons of water, reduce waste sent to landfills, and reduce carbon emissions.

We continue to track and monitor the overall footprint of our operations. In this report, we introduce our new metric, Carbon Productivity, to emphasize that as a carbon-based business, we strive to be as efficient and effective as possible in regard to carbon emission reduction. We recognize that Xanterra is a growing company, and increased operations bring increased carbon emissions. Though our absolute emissions may rise, we strive to become more efficient overall.

Xanterra also continues to build a culture of creativity and innovation in order to achieve our 2025 Goals.
In 2016, we launched an efficiency study at Yellowstone to examine and rethink how we do business. We found that as the company becomes more efficient operationally, we become more efficient environmentally. Operational improvements that save time and improve guest experiences often save water and energy. Our sustainability programs address a variety of issues around the world and are far more complex than we ever imagined. Our initiatives span areas from off-grid solar energy, to purchasing local goat cheese, to cleaning the hulls of our Windstar fleet for fuel efficiency.

We also know that we can’t achieve success by acting alone, and that there is strength in numbers. This is why we have teamed with organizations such as Change the Course, World Vision, and The Coca-Cola Company to help us meet our goals. By working together, we can have positive impacts for decades.

Along with our partner, the National Park Service, we recently designed and constructed the largest green building project within the National Park System, as part of the Canyon Lodge redevelopment project in Yellowstone National Park. This project, as well as the refurbishment of the old Haynes Photo Shop at Mammoth, earned a total of five gold and one silver LEED certifications. These projects illustrate the next wave of park architecture projects led by Xanterra.

Finally, we continue to look to the future. As part of our new concession contracts at Mount Rushmore National Memorial and Rocky Mountain National Park, Xanterra has committed to a significant increase in renewable energy generation and to communicating the impact of climate change to our guests. We are also expanding our commitment to supporting local vendors—in both our food and beverage offerings and retail products. I look forward to detailing these efforts in our next report.

I made this statement in our last report, and I believe it is even more relevant in today’s world: Legendary Hospitality with a Softer Footprint is more than just our mission. It is how we remain steadfast to our commitments in a world filled with change.

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

Xanterra’s 2017 Sustainability Report summarizes our progress since our last report, published in 2015, and examines the progress toward our 2025 goals.

At Xanterra, we continue to set aggressive goals and lead our industry in sustainability and in addressing climate change. Our responsibility does not stop with the environment. We must also keep our guests and employees safe, and contribute to the communities where we operate. Our environmental and social responsibility programs now span almost 20 years. We are very proud of our accomplishments. 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.

WHO WE ARE

The name Xanterra is derived from Xanadu, an idyllic paradise described in the poem “Kubla Kahn” by Samuel Taylor Coleridge, and the Latin word for earth, terra. Since 1876, Xanterra has operated hospitality facilities in some of the most beautiful places on 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 that 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 Denver-based The Anschutz Corporation, Xanterra has expanded to include a far-reaching and diverse portfolio of experiential leisure offerings.

As Xanterra’s portfolio has become more complex, so have our sustainability 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 more sustainable.

We hope that this report will offer our guests, employees, partners, and other readers information and inspiration regarding our efforts and lessons. We also hope it will be an invitation to join us as we soften our footprint.
Our Company 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.
Our Softer Footprint is also the name of our award-winning Environmental Management System (EMS), which is guided by the above vision statement.

Our sustainability efforts are organized under the following four missions, which represent the pillars of our vision:

1. Use resources efficiently and effectively
2. Strive for zero waste
3. Build and operate sustainably
4. Provide guests with sustainable choices

Our Softer Footprint Vision

Providing memorable experiences for our guests and employees, while protecting the environment and benefiting the places and communities where we operate
2025 Goals

- 5% less energy used annually
- 5% less water used annually
- 25% of assets certified landfill-free
- 80% waste diversion attained at noncertified assets
- 50% reduction in CO₂ emissions
- 70% sustainable cuisine
- 93% (weighted) overall guest satisfaction

Based on a 2014 baseline

Windstar ships
Our Assets

**NATIONAL PARKS**
*(Contracts)*
- Crater Lake National Park
- Glacier National Park
- Grand Canyon National Park
- Mount Rushmore National Memorial
- Rocky Mountain National Park
- Yellowstone National Park
- Zion National Park

**OHIO STATE PARKS**
*(Contracts)*
- Deer Creek State Park
- Geneva State Park Marina
- Maumee Bay State Park
- Mohican State Park
- Punderson State Park
- Salt Fork State Park

**RESORTS**
The Oasis at Death Valley

**HOTELS**
- Cedar Creek Lodge (New in 2017)
- Grand Canyon Railway Hotel
- The Grand Hotel

**CRUISE & ADVENTURE TRAVEL**
- Austin Adventures
- Country Walkers
- Grand Canyon Railway
- Holiday Vacations
- VBT Bicycling & Walking Vacations
- Windstar Cruises

**RETAIL**
- Tusayan Trading Post

As of June 2017.
SUSTAINABILITY

Living Our Softer Footprint
Facing Our Future

Xanterra recognizes the need to be proactive in addressing climate change and the responsibility of stewardship in the places and communities where we operate. In 2016, Xanterra joined companies around the world and participated in the Carbon Disclosure Project (CDP), a nonprofit global disclosure system. The CDP, through measurement and disclosure, assists companies with effective management of carbon and climate change risk.

Annually, we submit detailed information about our company, the resources we use, and the programs and projects we are pursuing, and in return, CDP compares our data to that of thousands of other companies, cities, states, and regions. The result is a progress grade. For our first report, we earned a grade of C-. While we were disappointed with that grade, the process has shown us opportunities for improvement. We aim to move our score higher in 2017 and later years with third-party data verification, new solar photovoltaic installations and other energy and water efficiency projects.

The success of the company will be determined by how it responds to the risks and impacts of uncertainty, especially climate change. Our Softer Footprint is Xanterra’s environmental management program addressing this and other external challenges.
WHAT MAKES US PROUD

Stories from the Field

Our employees and guests contribute to the success of Our Softer Footprint environmental and sustainability initiatives. The following are just some of the projects, initiatives, and achievements from our company. More information on these and other projects can be found at Xanterra.com/sustainability.

ELECTRIFYING

Over the last several years, Xanterra has been planning for increased demand for electric vehicle charging facilities. Supporting the road trip of the future, electric vehicle charging stations have been installed at locations including Yellowstone National Park, Zion National Park, Glacier National Park, and Crater Lake National Park. In partnership with the National Park Service, more of these stations will be installed over the next few years.

RESPONSIBLY MANAGING ELECTRONIC WASTE

Every year, Grand Canyon Railway partners with the City of Williams, Arizona; Xanterra South Rim, L.L.C.; the Grand Canyon Association; and the National Park Service for a community-wide electronic waste collection. In 2016, 25,237 pounds (12.6 tons) of e-waste was collected by EGreen IT and diverted from the landfill. Since the program began in 2008, Grand Canyon Railway has diverted more than 122 tons of e-waste.

GRAND CANYON RAILWAY BIOLUBRICANTS PROGRAM

Grand Canyon Railway’s commitment to pollution prevention is reflected in even the small activities that keep the trains running. In addition to both steam Engines #29 and #4960 burning 100 percent renewable fuel (running on fuel from kitchen grease generated in our and other regional kitchens), the railway has been in the process of converting all of its heavy equipment to nonpetroleum-based lubricants. The goal of Grand Canyon Railway is to be both clean and green.
In 2016, Xanterra partnered with Urban Lumber of Springfield, Oregon, to design and build new dining room furniture, including tables and chairs, for the Crater Lake Lodge dining room. Urban Lumber specializes in hand-crafted furniture made from salvaged trees.

Operation Shrively Apples at the Grand Canyon South Rim diverted more than 6,500 pounds of food waste from the landfill in 2016 and provided supplemental, veterinarian-approved nourishment to the mules. Many employees work together to make this program a success—from the kitchen staff in the restaurants, to the porters who move the food waste, to the livery staff who feed the material to the mules. The program was expanded to include Phantom Ranch in 2016. Operation Shrively Apples is a closed-loop, or “circular economy,” project. The manure produced by the mules is transported to Flagstaff, Arizona, for composting. The compost is then sold to local nurseries and farmers.

Crater Lake National Park is located in the midst of one of Oregon’s wine-producing regions. The state is also very well known for its craft beers and microbreweries. At the Crater Lake Lodge Dining Room and Annie Creek Restaurant, 100 percent of the wine served is from Oregon. There are more than 12 different Oregon wineries represented, including Eola Hills in Rickreall, which produces the signature Crater Lake wines. More than 95 percent of the beer inventory sold at the Camper General Store in Mazama Village is Oregon beer. Even the cider is provided by Atlas Brewing Company, located in Bend, Oregon.
LEADING LEED AT YELLOWSTONE NATIONAL PARK

Xanterra understands the impacts construction has on occupants, the environment, and the national parks. We strive to implement the highest level of sustainable design and construction, and consider how these buildings will be resilient to changing natural conditions and events. In 2015 and 2016, Xanterra, with the National Park Service, embarked on the largest LEED new-construction project in both the Park Service’s and Xanterra’s history.

Our first project, the Paintbrush Dormitory, received the highest level of recognition, Platinum, by achieving the following:

- diverting more than 90 percent of construction waste from landfills
- using Montana-sourced mountain pine beetle-kill wood extensively
- reducing energy by 40 percent and water by 35 percent more than conventional construction
- meeting approximately 11 percent of the building’s electricity demand through a 32kW photovoltaic array

Following the success of Paintbrush, Xanterra achieved these awards for the Canyon Lodge redevelopment project, the largest building project within the park system in decades:

- Rhyolite Lodge: Gold, BD + C New Construction v3, 2009
- Washburn Lodge: Silver, BD + C New Construction v3, 2009
- Chittenden Lodge: Gold, BD + C New Construction v3, 2009

The following green building practices contributed to the successful LEED awards:

- protected or restored approximately 1,050,000 square feet of land from the previous development on the site
- reduced annual energy demand by 30 percent, compared to a conventionally built and operated structure, equivalent to the carbon sequestered by 261 acres of forest over the same time period
- reduced annual water demand by more than 3.5 million gallons or 46 percent, compared to a standard-constructed building, and eliminated the need for irrigation
- sourced more than 30 percent of the materials within 500 miles of the project site, including countertops and windowsills made from recycled glass and fly ash, and finishes made from Montana mountain pine beetle-kill wood

Xanterra’s most recent project involved achieving BD + C New Construction v3, 2009 at a Gold level for the renovation of the Haynes administration building at Mammoth. The Haynes renovation of a historic photo shop provided Xanterra with an opportunity to showcase how to blend the “old” with the “new” and create a resilient, sustainable building.

Did you know that the 2004 Xanterra Gardiner Employee Housing Project was the first LEED-certified project in Montana?
WATER HARVESTING PROGRAM
Grand Canyon Railway (GCR) has been committed to water conservation and continues to seek innovative ways to increase water harvesting for use in its steam trains. Each steam train round trip from Williams, Arizona, to Grand Canyon National Park uses approximately 12,000–14,000 gallons of water for the steam engine boiler. In 2016, GCR harvested and reused more than 142,000 gallons of rainwater and snowmelt for the steam operations. Since the harvesting program began in 2010, more than 486,000 gallons of water have been reused.

THE OASIS AT DEATH VALLEY
Xanterra is currently in the middle of an extensive renovation of its property formerly known as Furnace Creek Resort, a resort and ranch inholding within Death Valley National Park. Furnace Creek was first opened in 1927. In 2017, all of the property and its golf course will undergo extensive enhancements and improvements, including significant water and energy conservation projects. The renovations will include increased building insulation, energy efficient food and beverage appliances, LED lighting, International Dark Sky-compliant exterior fixtures, water-saving faucets and toilets, reclaimed water irrigation systems, and improved heating (yes, it is needed at Death Valley) and air conditioning systems.

GROWING HISTORY
Xanterra employees at Mount Rushmore maintain a 1,500-square-foot garden outside the memorial in Keystone, South Dakota. The primary purpose of the garden is to provide local and sustainable produce for Xanterra employees and guests. Since the garden was established, annual crops have included green beans, eggplant, peas, peppers, strawberries, tomatoes, cucumbers, melons, zucchini, beets, carrots, green onion, radishes, asparagus, lettuce, rhubarb, spinach, Swiss chard, chives, cilantro, lemon balm, parsley, spearmint, marigolds, nasturtium, and sunflowers. In 2015, a partnership between Xanterra and the Thomas Jefferson Center for Historic Plants at Monticello—Thomas Jefferson’s primary residence and plantation—was established. The center provided Xanterra with heirloom seeds, allowing us to continue the historic garden of Thomas Jefferson. Since 2010, the chefs at Mount Rushmore have served more than 2,472 pounds of locally grown produce.
WEARING BOTTLES
Xanterra has several lines of souvenir clothing that are giving soda and water bottles a second life. Working with vendors such as Kastfel and Repreve, Xanterra sells clothing and T-shirts that are made from recycled bottles. By using recycled bottles or rPET (recycled polyethylene terephthalate), Xanterra is helping to keep used bottles out of landfills, rivers, trails, and oceans. One extra-large T-shirt can keep up to 19 bottles from ending up in the trash.

DON’T COUNT OUT THE SMALL STUFF
At Mount Rushmore, Xanterra partner with TerraCycle to recycle or upcycle hard-to-recycle items, including snack bags, cigarette butts, cleaner packaging, drink pouches, writing instruments, and even toothpaste tubes. Every year we recycle about 200 pounds of such items, including more than 9,000 snack bags and 47,000 cigarette butts.

RENEWABLE ENERGY
Solar energy installations continue to grow in the United States, and Xanterra is contributing to the arc of this trajectory. As part of our commitment to clean and reliable energy generation, a 32kW system was installed at the Paintbrush Dormitory project at Yellowstone National Park. Not only does this system help offset the electrical demand of the operations, but it proves that regardless of the remoteness of a location, renewable energy can still be generated.
COMMUNITY ENGAGEMENT AT GLACIER NATIONAL PARK

On January 15, 2014, Xanterra took over the concession operations for Glacier National Park. The new 16-year contract contains many commitments for improvements, including significant environmental sustainability pledges around recycling, composting, and local food sourcing.

In September 2016, less than two years later, the National Park Service awarded the operations at Glacier with the Environmental Achievement Good Neighbor Award for the company’s work within the local Flathead Valley community. The award recognized these significant achievements:

- 22 percent reduction in the amount of solid waste sent to the landfill from 2014
- 12 percent reduction in electricity from 2014
- 59 percent total sustainable food and beverage purchases, totaling more than $1,000,000, of which $675,000 was procured from local food and beverage vendors
- donation of more than two tons of furniture to Habitat for Humanity
- participation as a season sponsor for the Columbia Falls Community Farmers Market

Additionally, the Xanterra team at Glacier National Park has been looking at every aspect of the operation and asking the questions, How can we improve the sustainability of the operation? Can this be done here, given the remoteness? The following are just a few of the success stories resulting from this exercise:

When Xanterra met Tumblewood Teas, they were a bulk and online retail operation. Through a partnership with Xanterra, they developed single-serving packets of their organic teas. By the end of the 2014 season, Tumblewood had experienced a 10 percent increase in overall sales and was able to hire several employees from the town of Big Timber, Montana.

At the beginning of 2014, glass recycling in the park was difficult. There were no receptacles for guests to use and pick-up was infrequent. Working with New World Recycling, we have tripled the amount of glass recycled in the park and now offer the only public glass drop-off and recycling center in the Flathead Valley. Additionally, Xanterra worked with Back Alley Metals of Red Lodge, Montana, to provide unique, customized park-specific receptacles that illustrate climate change impacts on some of the most iconic glaciers in the park.

Through its efforts in sustainable purchasing and its other environmental initiatives, Xanterra is having a lasting impact on the individuals and community that call Glacier National Park home.
RENEWABLE ENERGY

For almost two decades, Xanterra has been installing projects that use the sun and wind to help power our operations. We have renewable energy installations at Maumee Bay State Park, the Oasis at Death Valley, Yellowstone National Park, Grand Canyon Railway, and Rocky Mountain National Park. In 2016, Xanterra generated approximately 2,170,562 kWh from these installations, avoiding the emissions from 1,627,767 pounds of coal. Additional installations and expansions are planned for 2017 and 2018 in connection with projects at Grand Canyon National Park, Mount Rushmore National Memorial, and Rocky Mountain National Park.

CHOOSE TO BE STRAW FREE

In the spring of 2013, Xanterra partnered with then nine-year-old Milo Cress to create the Choose to Be Straw Free program, bringing awareness to the growing issue of waste from single-use disposables and litter. Now in the program’s fourth year, Xanterra continues to educate employees and guests on how small choices and behavior changes can collectively impact environmental issues.
SMOOTH SAILING

Even though half of Xanterra’s Windstar fleet can travel at times on wind power alone, fuel consumption is critical to the operations. Fuel engines power every service and amenity on a cruise ship. They run the electricity, power the water delivery, and ensure that the food remains fresh. Behind every successful Windstar itinerary is a captain and his/her team working hard to minimize fuel consumption. Everything is considered, including speed of port arrival and departure, continuous speeds at sea, optimal operation of the engines, cleanliness and smoothness of the hull, and even electricity use on board. We are in the process of installing real-time feedback systems on the bridges of the fleet to provide accurate rates of fuel use and CO₂ emissions.

COLD WATER LAUNDRY

The Grand Hotel recently converted all of its employee housing laundry to a cold-water laundry system. Most of the energy required for laundry is used in the heating of the water. This system infuses the wash water with power ions and activated oxygen to provide superior cleaning, while saving hundreds of dollars per year in detergent and energy costs.

SAVING THE CHESAPEAKE BAY

The Kingsmill Resort partnered with the Chesapeake Bay Foundation in 2016 to help restore native oysters. In an average season, almost 40,000 shells are being saved and repurposed to rehabilitate and build new oyster reefs in the Chesapeake Bay watershed. Oyster reefs not only facilitate the growth of new oysters but also provide valuable habitat for numerous species of marine life. According to the Chesapeake Bay Foundation (CBF), “thousands of bushels of recycled oyster shells are turned into habitats for millions of oysters planted in the bay and in the rivers.”

GREAT LAKES WATER QUALITY

Debris in bodies of water is not just limited to the oceans. Every day trash washes ashore from dumping, most of it illegal, on Lake Erie. Every spring the team at Xanterra’s operation at Maumee Bay State Park works with the community to clean up the trash, including large items like tires that wash onto the beaches.
**GREEN IS IN FASHION**

Xanterra has installed a new sustainability kiosk at the camp store located at Lake McDonald Lodge in Glacier National Park. With this kiosk, guests learn about the sustainable attributes of some of the products in the store. Are the socks made from recycled materials? Is the wood reclaimed? The kiosk provides information that supports guests’ interest in making more sustainable choices. The kiosk provides product information, including material sourcing, percentage of recycled content, and certifications.

**GREEN STARS**

In 2016, the Mammoth Dining Room at Yellowstone National Park was officially certified as a 4-Star Green Restaurant by the Green Restaurant Association. It is the first restaurant in a national park to achieve this level of certification. The certification includes categories that address sustainable hospitality topics such as how to manage disposables, energy and water reduction, sustainable furnishings and buildings, food, chemicals, pollution, and waste.

**ZERO WASTE AT NPS CENTENNIAL**

The year 2016 was a milestone for the National Park Service (NPS)—100 years since its inception. In August of 2016, the NPS held a celebration at Yellowstone National Park, and offered an opportunity for Xanterra to showcase its commitment to sustainability to a national audience. By working with food and beverage vendors to eliminate nonrecyclable and noncompostable items during the celebration, Xanterra was able to provide an opportunity to sort material at zero-waste stations and divert more than 90 percent from landfill disposal.
WAR ON FOOD WASTE

Over the last several years, Xanterra has conducted audits to determine the composition of its “waste stream.” Often, due to the wildlife in our remote locations, composting is very difficult or not allowed. To reduce the amount of food scraps that would be sent to the landfill, Xanterra is using “in-vessel” composting solutions to turn what would have been waste into gold. Our operations at Zion National Park use a dehydrator to remove water from food waste and then, in a controlled situation, turn food waste into compost. At Yellowstone National Park, starting in 2015, we began implementing a three-way specially designed waste sorting receptacle in our guest rooms. These receptacles, made from 100 percent recycled content, allow our guests the option of sorting their waste for recycling, compost, or landfill disposal. In 2016, Xanterra’s operations at Glacier National Park, in partnership with a local composting company, were able to collect more than 175,000 pounds of food waste that in previous years would have been sent to the landfill.

EVEN ACCOUNTING DOES IT

The Corporate Accounting and Finance Department is implementing XEP, Xanterra’s Electronic Purchasing, a new accounts payable and purchasing system that not only increases the efficiency of payment but also has significant environmental benefits. The new system, once implemented, will save 1.57 tons of paper per year—the equivalent of 38 trees!
The Narrows at Zion National Park
By the Numbers

We set ambitious sustainability goals for our company twice: first in 2004 with a 2002 baseline and then in 2015 we set 2025 Goals with a 2014 baseline. We established the 2025 Goals based on our past performance and our commitment to a carbon-stable future. Xanterra measures and monitors progress toward these goals and operational effectiveness through Ecometrix, our proprietary environmental management tracking and analysis process.

Our operational team reports monthly on the following metrics:

- consumption of electricity, natural gas, gasoline, diesel, propane, fuel oil, and water
- generation and purchase of renewable energy
- overall greenhouse gas emissions
- total solid waste and composted waste, as well as amount of material recycled and waste diverted from landfills
- sustainable food and beverage, sustainable retail, and operational sustainability
- overall hazardous, recycled hazardous, electronics, and universal waste generated

In the spring of 2017, Xanterra worked with Point380 to complete a third-party verification of the Ecometrix data, including greenhouse gas emissions (GhG). According to Point380’s review, Xanterra’s 2016 Scope 1 and 2 data are:

- founded on appropriate systems for the collection, aggregation, and analysis of quantitative data for determination of Scope 1 (direct) and Scope 2 (indirect) emissions and water withdrawal data
- correct at a limited level of assurance
- meeting the minimum level of accuracy of at least 95 percent
- accurate, materially correct, and a fair representation of GhG emissions and water withdrawal data
- presented fairly and in accordance with the verification criteria in all material respects
- prepared in accordance with ISO-14064-1, World Resource Institute/World Business Council for Sustainable Development Greenhouse Gas Protocol and the GRI G4 guidelines, including associated requirements for the design, development, management, reporting, and verification of an organization’s environmental data
CARBON PRODUCTIVITY

Xanterra has been a leader in addressing climate change for almost two decades. We have also been a successful business for much longer. Is it possible for a business to curb climate change emissions while simultaneously experiencing economic growth?

Profitability and greenhouse gas emissions reduction are often considered at odds with each other. The challenge of a successful climate change mitigation program for a business is to have increasing revenues while simultaneously decreasing greenhouse gas emissions. Xanterra monitors this ratio as carbon productivity— that is, how productively we manage the carbon required to support our business activities. We monitor the revenue we earn per unit of carbon we emit. Increasing revenue per unit of carbon equates to greater carbon productivity.

In the figure below, our carbon productivity shows a decreasing number since 2014, indicating that we are not meeting our goals. Since the metric was established with our 2014 baseline, we are emitting more carbon per million dollars of revenue. A large portion of the carbon productivity decrease correlates to the recent addition of three fuel-intensive cruise ships to the Windstar portfolio.

FIGURE 1 Carbon Productivity
Unit: Million Dollars of Revenue/mT CO₂e
TRACKING CO₂ EMISSIONS

Almost every activity and transaction that occurs at Xanterra’s operations potentially impacts the environment and creates greenhouse gas emissions. Some operations, such as our train and cruise ships, require more carbon intensity than others, e.g., providing lodging in a remote area. In addition to carbon productivity, our greenhouse gas emissions are measured as metric tons of carbon dioxide equivalent. But business does not remain constant. The company’s operations change from year to year and our calculation takes these changes into consideration. To better understand how Xanterra’s emissions change from year to year relative to operations, we review our absolute emissions relative to normalized emissions, that is, emissions that have been adjusted relative to revenue fluctuations.

Since reestablishing our baseline in 2014, over the last two years [FIGURE 2], Xanterra has experienced an overall rise in greenhouse gas emissions. The

3 A metric ton of carbon dioxide equivalent (mT CO₂e) is the measurement used to compare the emissions from different greenhouse gases based on their potential to impact global warming, or GWP (global warming potential). The carbon dioxide equivalent is calculated by multiplying the tons of emissions by the GWP specific to that gas.

FIGURE 2 Total Greenhouse Gas Emissions

Unit: mT CO₂e
The majority of this increase directly corresponds to the addition of three Windstar ships. As of 2016, the emissions from the Windstar fleet’s fuel consumption account for approximately 50 percent of Xanterra’s total emissions. Windstar participates in continuous fuel and emission monitoring and is implementing various programs, such as continuous speed policies, fuel curve optimizations, and hull inspections and polishing, to reduce the overall emissions.

Xanterra started measuring and monitoring its overall carbon emissions in 2000. In fact, Xanterra was the first in our industry to measure and report overall emissions. Thus, we are well into our second decade of carbon measurements [FIGURE 3] and we are proud of our progress. When normalized for the company’s changes by revenue, Xanterra has achieved a 35 percent reduction in greenhouse gas emissions since 2000.

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FIGURE 3 CO₂ Emissions Reduction
Unit: Percent Reduction Since 2000

[Diagram showing CO₂ emissions reduction from 2001 to 2016, with labels indicating key milestones such as the acquisition of Windstar ships and the 2000 Baseline.]
Xanterra’s greenhouse gas emissions result from the multiple sources of fuel required to keep our operations running. To reduce emissions and meet our goals, we analyze the emissions from each fuel source.

As previously stated, the greatest source of our emissions is fuel consumed by our Windstar cruise ship fleet. Since the acquisition of the new yachts, we have been implementing procedural changes, as well as combustion monitoring that provides real-time engine CO₂ emissions data. This data provides performance feedback to the crew that is important in making operational decisions that reduce fuel consumption and emissions.

The figure below illustrates Xanterra’s greenhouse gas emissions by source. The second largest source of greenhouse gas emissions is the electricity needed for our land-based operations. Our electricity reduction plans are centered around constructing more efficient buildings, operating our existing buildings better, providing training for our employees in resource conservation, generating more renewable power onsite, implementing new technologies, and engaging our guests in resource conservation.

**FIGURE 4 Greenhouse Gas Emissions by Source**
*Unit: mT CO₂e*
OVERALL ENERGY CONSUMPTION

Xanterra reviews its overall absolute energy consumption annually. The figure below represents the company’s absolute consumption starting in 2000. It includes the changes to the energy fuel mix that occurred with the addition of the Windstar fleet in 2011 (marine gas oil appears in 2012), as well as the introduction of biodiesel used at Grand Canyon Railway as a substitute for diesel. This data is presented in aggregate for the entire company by year. However, the overall absolute energy consumption is also tracked by each operation, and this provides feedback on overall efficiency. By tracking data annually by operation, it becomes apparent that energy consumption fluctuations can be attributed to a number of causal factors. For example, weather patterns affect the number of days buildings need to be heated. Increases in numbers of guests result in more reservations for bus and boat tours, which, in turn, increase fuel consumption.

Xanterra continues to search for opportunities to decrease overall energy consumption. For example, we are converting fuel oil boilers to more efficient propane, thereby decreasing the amount of fuel oil we use.

FIGURE 5 Total Energy Consumption
Unit: BTUs in Millions
ELECTRICITY

Electricity is something almost everyone takes for granted, even in some of the most remote locations where we operate. Electricity is the primary source of emissions for Xanterra’s land-based operations, as it is the primary source of energy for our facilities. It is what keeps the lights burning in the dining rooms and provides the heat and air conditioning for the comfort of our guests. For most of our land-based operations, electricity is provided by the utility grid and supplemented by a number of onsite renewable energy systems, such as photovoltaic installations. In 2014, due to the material changes to our business, including the addition of Windstar, various acquisitions, and contract changes, we reestablished the baseline for our 2025 Goals. The figure below illustrates that even with the addition of activities, our absolute electricity decreased by 6 percent through 2016 and, compared to our 2014 baseline, the normalized electricity consumption decreased by 21 percent. When we pause and look way back to 2000, when Xanterra started tracking electricity consumption, we can easily see the results of our hard work and continue to focus on reducing electricity consumption [FIGURE 7].

FIGURE 6 Electricity Consumption
Unit: kwh in Millions

<table>
<thead>
<tr>
<th>Year</th>
<th>Absolute</th>
<th>Normalized by Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>75</td>
<td>70</td>
</tr>
<tr>
<td>2015</td>
<td>70</td>
<td>65</td>
</tr>
<tr>
<td>2016</td>
<td>65</td>
<td>60</td>
</tr>
</tbody>
</table>
The overall decrease in electricity consumption [FIGURE 7] is due to projects such as a significant upgrade of our lighting—initially from incandescent to compact fluorescent and now to LED (light emitting diode) technologies. At the Old Faithful Inn at Yellowstone alone, more than 1,000 lamps were replaced with LED. Some of these lights are on 24/7 to provide guest safety and comfort. Additionally, we have installed better insulation, as well as energy-efficient kitchen equipment, heating and air conditioning units, and even vacuum cleaners. Here are some more projects that have contributed to our electricity reduction successes over the years:

- installed kitchen walk-in cooler energy-saving devices
- installed building management and room management systems, and software that provides energy savings while not sacrificing guest comfort
- added vending machine motion and light sensors
- added energy-efficient ice machines
- installed Energy Star-rated kitchen equipment
- replaced PTAC units (packaged terminal air conditioner) with more efficient equipment

FIGURE 7 Energy Consumption Reduction
Unit: Percent Reduction Since 2000
WATER CONSUMPTION
After reestablishing our baseline in 2014, we were not able to continue the success that we had in the previous 10 years regarding water consumption decreases [FIGURE 9]. At many of our operations, we have already installed water-saving devices such as low-flow shower heads and low-flow toilets.

Over the last two years, several operations have seen increases in water use due to a combination of new landscaping, accurate water metering, and several significant water leaks. We anticipate our overall water use declining as we continue renovations and improve building management systems.

Our mixed success demonstrates the need to continue to install technologies as they become commercially viable, and to continue to work with our guests, as well as housekeeping, kitchen, and maintenance employees, to meet our goals. Despite the absolute gain in overall water consumption, the normalized adjustment indicates that Xanterra was still able to reduce water consumption by 14 percent by 2016 as compared to the 2014 baseline [FIGURE 8].

Water consumption was significantly reduced at several key locations (as compared to the 2014 baseline).

FIGURE 8 Water Consumption
Unit: Gallons in Millions
The following properties reduced water consumption by more than 15 percent:

- Grand Canyon South Rim (decreased by 17 percent)
- Rocky Mountain National Park (decreased by 23 percent)
- (Our former) Kingsmill Resort location (decreased by 21 percent)

Tracking water consumption with real-time data and accurate metering data has allowed us to reduce water consumption in the following ways:

- by identifying underground water leaks that would have previously gone undetected
- by improving meter accuracy, which has led to more precise consumption data and baselines
- by identifying faulty water delivery systems so improvements can be made

We are very grateful to our employees for helping us achieve our water-saving goals. They are the first line of corrective action in identifying leaks, drips, and other problems that result in water waste.

**FIGURE 9 Water Consumption**
*Unit: Percent Reduction Since 2002*

2002 is the first year we started tracking water.
SOLID WASTE
Xanterra is a hospitality industry leader in identifying and reducing solid waste. Any and all potential waste is included in our measurement systems. Solid waste [FIGURE 10] generated by our operations is broken into two distinct categories: landfill (what is sent to the landfill) and diversion (what is sent to recycling or composting, or what is diverted from the landfill).

Diverted items include traditional ones like plastics, glass, and metals, and also nontraditional items that get a second-life, such as mattresses and linens, which are donated to homeless shelters; food waste, which is composted; food waste that is given to animal feeding operations; and even used crayons from our dining rooms, which are melted and repurposed for art projects.

Due to the unique nature of our locations and operations, Xanterra analyzes data both companywide and by individual operation. Many National Park Service contracts

FIGURE 10 Solid Waste Diversion
Unit: Tons

ALL PROPERTIES
NATIONAL PARKS ONLY

LANDFILL
DIVERTED
contain specific waste diversion rate objectives. These commitments range from 50 percent to up to 100 percent with a third-party certification.

In 2015, as part of our 2025 Goals, we set an ambitious goal: 25 percent of our assets (locations) to be certified landfill-free. We set out to achieve an 80 percent diversion rate for the rest of the locations. We have been conducting waste audits at our locations and identifying traditional and nontraditional methods of decreasing our landfilled waste. However, over the last two years, we have seen a slight increase in the amount of waste being sent to landfills. This increase has been attributed to the expansion of the Windstar fleet, as it is very difficult to recycle materials at many of the small ports and locations we serve. Additionally, as a few of our operations experienced a material change in how waste streams are processed, either through a municipality or with the NPS, our numbers fluctuated. For example, as waste haulers changed their procedures, scales were installed for actual measurement at pick-up. Previously, Xanterra had to estimate the amount of landfilled waste based on volume assumptions.

Isolating the results at our individual park operations, we continue to see all of the hard work paying off. For 2016, Grand Canyon Railway obtained a diversion rate of 88 percent, with 64 percent at the Grand Canyon South Rim, 59 percent at Yellowstone National Park, and 45 percent for Mount Rushmore National Memorial. Additionally, at the beginning of the Glacier National Park contract in 2014, the diversion rate was approximately 16 percent. At the end of 2016, due to many innovative initiatives, we improved to a 50 percent diversion rate.

Looking to the future, we are committed to decreasing our planet’s food waste problem. Xanterra, like many hospitality organizations, can raise awareness about this waste crisis and be part of the solution. We will continue to focus our efforts on reducing food waste by improving kitchen waste operations, practicing in-vessel composting, and promoting vendor partnerships and guest awareness.
As a commitment to Our Softer Footprint, Xanterra is working to install renewable energy systems where appropriate and feasible. Many of our locations are literally at the end of the transmission line of the electricity grid. Renewable energy not only provides us with reliable energy but also decreases our overall carbon emissions. The figure below illustrates Xanterra’s renewable energy production, beginning with the 2025 Goals 2014 baseline. Xanterra purchases renewable energy credits (RECs) and carbon offsets with the goal of supporting renewable energy development. Our 2025 goal for renewable energy is nested in our overall goal of reducing CO₂ emissions by 50 percent. Between 2014 and 2016, the calculated overall amount of renewable energy generated decreased. Starting in 2015, Xanterra decreased the amount of renewable energy credits purchased and redirected the funding to support the installation of on-site renewable energy generation equipment. In 2017 and 2018, Xanterra will be undertaking significant renewable energy projects, including proposed solar photovoltaic arrays at Mount Rushmore National Memorial, Grand Canyon National Park, and Rocky Mountain National Park.
SUSTAINABLE CUISINE

The figure below illustrates the growth of Xanterra’s procurement of sustainable cuisine products since the company began tracking progress. We define sustainable cuisine products as those that are (1) produced locally, at a maximum of 500 miles from the operation; (2) sourced from vendors and farming systems that minimize harm to the environment and human health; (3) sourced from vendors with animal-welfare-friendly practices; or (4) certified by third parties as being organic, non-GMO, and/or fair trade.

At the end of 2016, more than 30 percent of the food and beverage purchased by Xanterra was classified as sustainable.

To meet the 2025 goal of 70 percent and maintain quality standards, Xanterra is pursuing strategies beyond traditional procurement. Gathering local ingredients and maintaining on-site gardens has been integral to sustainable cuisine growth. These practices also provide opportunities for employees to contribute to Xanterra’s sustainable cuisine program.

To further improve our efforts, Xanterra implemented the Fresh Forward program in 2016, which focuses on delivering sustainable and healthy cuisine. Today five Xanterra national park operations have significant Fresh Forward programs.

FIGURE 12 Sustainable Cuisine
Unit: Percent of Total Food & Beverage Purchases
PHILANTHROPY

Giving Back
GIVING BACK

Xanterra’s Philanthropy

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.

WORLD VISION

Xanterra has supported the work of World Vision International for many years. World Vision is one of the largest relief and charitable organizations in the world, providing food, clean water, education, and infrastructure to millions around the globe struggling with poverty, drought, war, and natural disasters.

In addition to our philanthropic commitment, Xanterra also supports World Vision annually through our School Tools program. 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.

14’ER PEAK CHALLENGE

On August 6, 2016, a team of Xanterra corporate office employees, along with their friends and family members, completed the Annual Peak Challenge and climbed to the top of Mt. Evans, a Colorado mountain reaching 14,264 feet. For the past 17 years, Xanterra has participated in the Annual Peak Challenge, a fundraising event benefiting the Griffith Centers for Children, a nonprofit that provides a full continuum of therapeutic treatment and academic services for boys and girls and their families.

VBT SPONSORSHIP OF THE ANNUAL KELLY BRUSH FOUNDATION RIDE

VBT continues to be the title sponsor for one of the biggest and best charity rides in Vermont. The ride supports the Kelly Brush Foundation, started after Kelly Brush’s ski-racing accident that left her paralyzed from the chest down. The foundation provides adaptive sports equipment directly to people living with paralysis and also supports safe skiing practices.
Glacier Creek in Rocky Mountain National Park
COVENANT CUPBOARD FOOD PANTRY
In 2016, Xanterra sponsored a Thanksgiving Holiday Food Drive to benefit the Covenant Cupboard Food Pantry, located in Greenwood Village, Colorado. For more than 20 years this all-volunteer organization has reliably served those facing food insecurity by funding food pantry operating costs, including food purchases, supplies, rent, and transportation.

The Anschutz Family Foundation is a proud sponsor and supporter of the Covenant Cupboard Food Pantry.

LITTLE PEOPLE’S LEARNING CENTER
Xanterra supports many organizations in the Greater Yellowstone Area, including Little People’s Learning Center. Little People’s Learning Center is a nonprofit early childhood learning center located in the Mammoth Hot Springs area of Yellowstone National Park. It provides a nurturing and educationally enriched environment for children ages six weeks through school age.

SUSAN G. KOMEN
Xanterra is a proud sponsor of several teams that participate annually in local Susan G. Komen events. Several employees have participated together for almost a decade, supporting each other and the fight against breast cancer.

CLEAN WISCONSIN
Holiday Vacations is a proud sponsor of Corporate Guardian of Clean Wisconsin, supporting their mission to “protect our natural resources and the health of all Wisconsinites, now and for generations to come.” Since 1970, Clean Wisconsin has been the voice for the environment, working for clean air, clean water, and clean energy.

ALLIANCE FOR BIKING AND WALKING
Xanterra’s commitment to a safe and responsible adventure extends beyond the vacation experiences offered through its adventure travel companies. Xanterra is proud to support the Alliance for Biking and Walking, an organization dedicated to local bicycle and pedestrian advocacy.

CHILDREN’S HOME SOCIETY OF SOUTH DAKOTA
Each year Xanterra supports a fundraising dinner at Mount Rushmore National Memorial to support the Children’s Home Society of South Dakota. Every winter Xanterra’s management from the corporate office and Rushmore helps to prepare and serve guests at the gala. Established in 1893, Children’s Home Society is South Dakota’s oldest human services nonprofit organization. The mission is to protect, support, and enhance the lives of children and families.
**WESTERN SUSTAINABILITY EXCHANGE**

Xanterra is an active participant in the Western Sustainability Exchange (WSE), an organization founded to conserve the Northern Rockies, including its open spaces; wildlife habitats; soil, air, and water resources; rural communities; and agricultural land and heritage. The organization has aided nearly 1,000 farmers and ranchers in designing and implementing innovative and sustainable production strategies, developed value-added markets for these producers, educated thousands of consumers about the long-term benefits of sustainable purchasing, and increased access to sustainably produced local foods for the region.

**WHEELS OF CHANGE INTERNATIONAL**

In 2010, Dan Austin, cofounder of Austin Adventures, was upgrading the company’s fleet of bikes and looking for something to do with 120 used bicycles. Dan discovered the organization Bicycles for Humanity and decided to start up his own chapter. He quickly went to work collecting bicycles in Billings, Montana, and he soon had more than 400 bikes to be shipped to Ngoma, Namibia in Africa. In 2011, Dan and his son, Andy, joined forces with Michael Linke of the Bicycling Empowerment Network Namibia (BEN Namibia) to become the founding directors of Wheels of Change.

The U.S. headquarters is based in Billings, Montana, and is 100 percent volunteer run. Administrative costs are donated either in-kind or paid for by Austin Adventures.

**ADDITIONAL CHARITABLE DONATIONS**

The following are some of the additional organizations we support:

- Alaska Wildlife Conservation Center
- Alzheimer’s Association
- American Legion
- Bonneville Environmental Foundation
- Colorado Law Enforcement
- Cystic Fibrosis Foundation
- Denver Public Schools Foundation
- Gardiner Food Pantry
- Glacier National Park Conservation
- Grand Canyon Association
- Hill City Area Chamber of Commerce
- Kaibab Learning Center
- Northern Arizona University
- Rotary Club of Williams, Arizona
- Rotary Club of Zion Canyon
- Scleroderma Foundation
- Special Olympics, Utah
- St. Francis Food Pantry
- Stafford Animal Shelter
- Tourism Cares
- Yellowstone Park Foundation
AWARDS & MEMBERSHIPS

Celebrating Our Work
Awards & Certifications

2017

USGBC LEED SILVER OPERATIONS & MAINTENANCE
Watchman and Sentinel Lodges, Zion

CALIFORNIA GREEN LODGING RECIPIENT
The Oasis at Death Valley Inn and Ranch

ARIZONA OFFICE OF TOURISM
Governor’s tourism award for outstanding historical renovation and preservation
Grand Canyon Railway

GREEN RESTAURANT ASSOCIATION
4-Star Certified Green Restaurant
Mammoth Dining Room, Yellowstone

ARIZONA GREEN LIVING MAGAZINE
Green Champion, David Perkins
Grand Canyon South Rim

VIRGINIA GREEN TRAVEL STAR
Innovative Project 2015 for Our Zero-Waste Project:
LPGA Tournament Kingsmill

HISTORIC HOTELS OF AMERICA
Award of Excellence Finalist: Champion of Sustainability
Lake Hotel, Yellowstone

NATIONAL ASSOCIATION OF HOME BUILDERS
Best in Green Award
Yellowstone

USGBC LEED GOLD NEW CONSTRUCTION
Chittenden, Hayden, Moran, Rhyolite Lodges, Haynes Building, Yellowstone

2016

NPS ENVIRONMENTAL ACHIEVEMENT
Good Neighbor Award
Glacier

Building the Future
Honorable Mention
Grand Canyon South Rim

Lean, Clean, and Green
Honorable Mention
Yellowstone

GREEN SEAL BRONZE GS-33
Lake Yellowstone Hotel

NPS ENVIRONMENTAL ACHIEVEMENT
Green Innovation Award
Grand Canyon South Rim

DOI ENVIRONMENTAL ACHIEVEMENT
Green Innovation Award
Grand Canyon South Rim

FOOD RECOVERY CHALLENGE
Acknowledgment, U.S.
EPA Region 8
Yellowstone

USGBC LEED PLATINUM NEW CONSTRUCTION
Paintbrush Dormitory,
Old Faithful Dorm, Yellowstone

2014

GREEN RESTAURANT ASSOCIATION
3-Star Certified Green Restaurant
Mount Rushmore

2013

GREEN RESTAURANT ASSOCIATION
3-Star Certified Green Restaurant
Mount Rushmore

GREEN SEAL GOLD GS-33
Zion Lodge

2012

GREEN RESTAURANT ASSOCIATION
3-Star Certified Green Restaurant
Yellowstone
2007
COLORADO ENVIRONMENTAL LEADERSHIP
Ongoing—Gold Level, Recertification
Rocky Mountain

Memberships

ARIZONA LODGING AND TOURISM ASSOCIATION
Certified Green Lodging
Grand Canyon Railway & Hotel, Grand Canyon South Rim

CALIFORNIA GREEN LODGING CERTIFICATION
The Oasis at Death Valley

CERTIFIED AUDUBON CHANGE THE COURSE
Grand Canyon, Rocky Mountain

COOPERATIVE SANCTUARY
Continued certification through the Audubon Society for our conservation efforts at the golf course
The Oasis at Death Valley

MONTREY BAY AQUARIUM
Seafood Watch Business Partner
Mount Rushmore

OREGON CLEAN MARINA CERTIFICATION
Crater Lake

REDUCE, REUSE, RECYCLE JACKSON HOLE
Business Leader Program Member
Yellowstone

SUSTAINABLE ECONOMIC DEVELOPMENT INITIATIVE OF NORTHERN ARIZONA
Advisory Board Member
Grand Canyon South Rim

TRAVEL OREGON FOREVER PARTNER
Crater Lake

TRIP ADVISOR GREENLEADERS
Gold Level
Grand Canyon Railway & Hotel, Grant Village Lodge, Lake Yellowstone Hotel, Mammoth Hot Springs Hotel and Cabins, Old Faithful Snow Lodge, Zion Lodge

Silver Level
Crater Lake Lodge, Lake Lodge Cabins, Maumee Bay, Old Faithful Inn, Old Faithful Lodge, Roosevelt Lodge

USGBC WYOMING CHAPTER
Sustainability director serves on board of directors
Yellowstone

WESTERN SUSTAINABILITY EXCHANGE
Sustainability director serves on board of directors
Yellowstone

MonteRUEY BAY AQUARIUM
Seafood Watch Business Partner
Mount Rushmore