



2006 Application Form

Xanterra Parks & Resorts, Inc.*

Name of corporation

6312 South Fiddlers Green Circle, Suite 600 North

Street address (U.S. corporate headquarters)

Street address (continued)

Greenwood Village, CO 80111

City/State/Zip code

Please give us information about your contact person for the Performance Track Corporate Leader designation.

Name Chris Lane

Title Senior Director of Environmental Affairs

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Company Website www.xanterra.com

* Including its wholly owned subsidiary, Xanterra South Rim, L.L.C.

Section A

Tell us about your company.

Why do we need this information?

EPA needs background information on your corporation to evaluate your application.

What do you need to do?

Provide background information on your corporation.

1 What do you do or make at your company?

Xanterra operates lodges, restaurants, and retail stores in some of the most beautiful locations in the United States. Xanterra, the country's largest national and state park concessioner, offers a wide range of recreational facilities and experiences, from conference centers with golf courses, tennis courts, and spas, to historic park lodges and cabins. The company's 8,000 employees operate 33 hotels and lodges with more than 5,000 guest rooms, 50 retail stores, 64 restaurants, three marinas, five golf courses, and 1,800 campsites within national and state parks. Each year, more than 17 million people visit the national and state parks where Xanterra operates. These include the national parks at Yellowstone, North and South Rims of the Grand Canyon, Bryce Canyon, Zion, Crater Lake, Death Valley, Petrified Forest, Everglades, and Mount Rushmore National Memorial, as well as facilities at seven Ohio State Parks, one state resort in New York, and one privately-owned resort, Silverado Resort in Napa, CA.

2 List the North American Industrial Classification System (NAICS) codes that you use to classify business at your company.

72111 Hotels
722 Food Service
453220 Gift Stores

Section B

Why do we need this information?

Companies must be actively and substantially involved in Performance Track to be designated a Performance Track Corporate Leader.

We're also interested in your membership in similar state performance-based environmental programs.

What do you need to do?

Tell us what percentage of your company's U.S. operations are members of Performance Track or similar state performance-based environmental programs.

Tell us about your level of facility membership in Performance Track or similar state performance-based environmental programs.

1 Approximately how many significant facilities or sites does your company operate in the U.S.?

19 total (10 national park, 7 state park, 2 private)

2 How many of these facilities are members of Performance Track or similar state performance-based environmental programs? The threshold criterion is that you have at least five facilities that are members of Performance Track.

Performance Track Program Similar State Programs

6 _____

3 What number of your U.S. operations are members of Performance Track and similar state performance-based environmental programs? The threshold criteria are that at least 25% of your operations (based on number of facilities or employees) or at least 25 of your facilities are members of Performance Track and similar state performance-based environmental programs. A minimum of five of your facilities must each be a Performance Track member.

Use only one of these six options based on number of facilities or employees in the U.S. to report your membership:

		Number of Facilities	Members of Performance Track Program	Members of Similar State Programs
<i>a. Facilities in U.S.:</i>				
i	Manufacturing,	_____	_____	_____
ii	“Major,” or	_____	_____	_____
iii	All;	<u>19</u>	<u>6</u>	_____

or

		Number of Employees	Employees at Facilities in Performance Track Program	Employees at Facilities in Similar State Programs
<i>b. Employees (FTEs) in U.S. facilities:</i>				
i	Manufacturing,	_____	_____	_____
ii	“Major,” or	_____	_____	_____
iii	All.	<u>8,000 (peak)</u>	<u>4,500 (peak)</u>	_____

Section C

Tell us about your management of environmental issues.

Why do we need this information?

Companies need to show they have systems in place to manage and improve environmental performance throughout their operations.

What do you need to do?

Rate the systems you use to manage and improve your environmental performance. Refer to the Application Instructions for further explanation to determine the appropriate response. Please briefly explain your ratings.

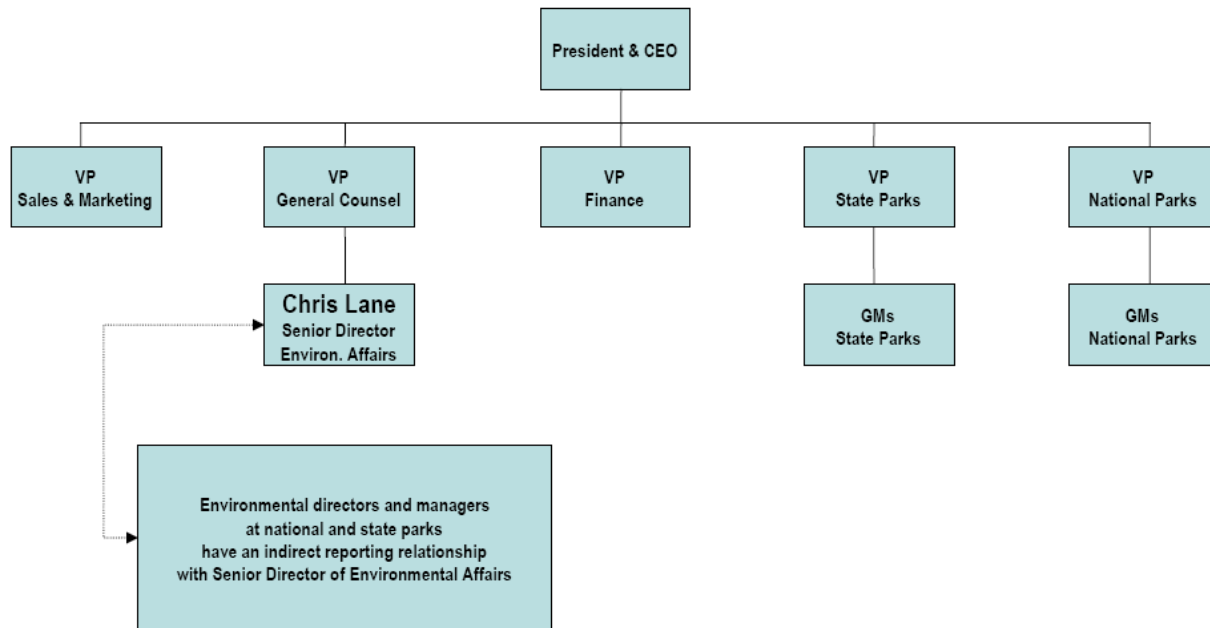
Governance, goals, and structure

1	There exists a Board of Directors committee or top management-level committee in our company that establishes and oversees our environmental commitment.	1	2	3	4	<u>5</u>	N/A
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Xanterra is privately owned. The Board of Directors, CEO, and Executive Team (comprised of the top nine company executives) govern Xanterra in its entirety and fully support environmental programs and goals. Our Senior Director of Environmental Affairs is on that Executive Team. The role of the Senior Director of Environmental Affairs is to develop company-wide environmental management systems and manage all aspects of company environmental affairs including sustainable design, energy and water efficiency, pollution prevention, and federal and state regulatory compliance. This Senior Director reports to the CEO and the VP General Counsel. (See Organizational Chart below.)

The Executive Team monitors environmental performance by requiring monthly reports that update the team on progress with all environmental initiatives. This team also meets monthly to discuss any timely environmental issues or emerging issues that arise. Annual environmental management system updates are given as well. And the Sustainability Report is also explained to and examined by this Executive Team. Ecometrix, Xanterra's environmental performance metrics, are examined annually for accuracy and improvement by the Executive Team. The company's 2015 Environmental Vision goals were approved by the Executive Team.

Xanterra Corporate



- 2 Our corporate environmental policy, or its equivalent, at a minimum, assigns corporate priority to environmental issues and commits us to meeting all applicable regulations and voluntary commitments, preventing pollution, continually improving our environmental performance, and sharing information about our environmental performance with the public. *(Please attach a copy of your policy.)* 1 2 3 4 5 N/A

Xanterra’s company-wide environmental policy, called Ecologix, was finalized in 2002. Signed by the CEO, it is shared with the public and all employees in all facility operations. For the general public, the policy is posted in lodge public areas. This policy is not explicitly stated to our “value chain,” defined as our vendors, suppliers, and contractors. However, a similar (almost identical) policy that is tied to contracts is used (see sections below for details). It meets and exceeds regulatory and voluntary commitments, pollution prevention, and continual improvement. Environmental goals are not laid out in the environmental policy, but are included in the company’s 2015 Environmental Vision.

Xanterra’s environmental commitment portion of the policy reads as follows:

Xanterra Parks & Resorts' Environmental Commitment

At Xanterra Parks & Resorts we realize that our planet's and our very own well-being depend upon the continued health of natural systems. We believe that it is impossible for businesses to be economically sustainable without being ecologically stable. We are a company based upon values that reflect an environmental ethic for the long term. That's why we have instituted **ecologix** - a logical integration of ecology and business.

Through the vision of our **ecologix** Environmental Management System, we are taking the lead in this calling and are implementing comprehensive environmental initiatives to protect the "beautiful places on earth" - the mountains, canyons, rivers, and alpine ecosystems near our facilities - to make a difference in our future and our children's future.

As a unifying theme for all Xanterra properties, **ecologix** ensures:

- a framework for continual improvement and review of environmental performance at our operations;
- compliance with all environmental regulations and policies;
- incorporation of best management practices into our operations - using pollution prevention and environmental sustainability strategies as core objectives;
- flexibility to respond to community and property environmental priorities.

ecologix is rooted in our corporate environmental mission statement:

"Our business decisions balance economic viability with ecological responsibility.

We reduce and recycle waste, conserve energy and water, and educate our guests and employees on environmental stewardship.

We believe that increasing the sustainability of natural systems is not just good business. It is the right thing to do."

3 We have established corporate environmental goals, quantitative 1 2 3 4 5 N/A
where possible, that apply to all our operations and go beyond the
requirements of regulatory compliance. (Please attach a copy of your
goals.)

Xanterra's latest corporate environmental goals were established in 2004 at a retreat. Xanterra's companywide environmental management team joined renowned environmental scientist Hunter Lovins in Yellowstone for some "eco-brainstorming" to try to set a long-term direction to sustainability for Xanterra. Xanterra asked itself what a truly sustainable concession company would look like. The answer was: using zero fossil fuels and persistent toxic chemicals, generating no waste, consuming water to the extent that no flora or fauna are impacted, employing sustainable

design in all operations, and serving 100 percent organic food. But is this possible right now? Probably not in the near future, but the exercise opened the company's eyes to not only what is possible, but also just how far Xanterra has to go to be sustainable.

This meeting spawned Xanterra's 2015 Environmental Vision, the company's long-term environmental vision that guides all Xanterra employees in its quest to become a more environmentally responsible company — protecting our country's national and state parks along the way. The company's vision is purposefully far-reaching, but also realistic and achievable. It steers decision-making and helps every employee do their part to protect the environment in which they work. While there is no guarantee that Xanterra will reach each goal, the goals act as a "beacon to sustainability," leading Xanterra in the right direction over the next decade.

2015 Environmental Vision goals:

<u>Fossil Fuels</u>	<u>Decrease fossil fuel usage by 30 percent (baseline year 2000).</u>
<u>Renewable Energy</u>	<u>Increase usage of renewable energy to provide 7 percent of total electricity consumed.</u>
<u>Emissions</u>	<u>Decrease greenhouse gas (CO2) emissions by 30 percent (baseline year 2000).</u>
<u>Solid Waste</u>	<u>Divert from landfill 50 percent of all solid waste generated.</u>
<u>Sustainable Cuisine</u>	<u>Increase purchases of sustainable food items to 50 percent of all company-wide food expenditures.</u>
<u>Transportation</u>	<u>Achieve company-wide CAFÉ (corporate average fuel economy) standard of 35 miles per gallon (EPA rated combined city and highway) for all passenger vehicles (under 10 persons) purchased annually.</u>
<u>Hazardous Waste</u>	<u>Generate zero hazardous waste.</u>
<u>Water</u>	<u>Decrease water usage by 25 percent (baseline year 2003).</u>

These goals apply to all operations and are available to the public at www.xanterra.com. Progress toward these goals is tracked annually through the Ecometrix data. Results of the Ecometrix data are reported to the Senior Director of Environmental Affairs, and he reports that data to the Executive Team on an annual basis.

There currently are no intermediate goals other than annual goals set at each property. Shorter term goals are required to be set during the aspect-impact analysis and the setting of objectives and targets for each individual property. These goals are directly related to the companywide 2015 goals in the sense that they are small steps toward the larger goals. In some cases, property goals far exceed 2015 companywide goals. Objectives and targets, generally speaking, match the corporate goals. The only time they do not match is when a more significant, or higher priority goal, supersedes a companywide goal due to its saliency for multiple reasons. Facilities are then measured for performance against annual goals that are congruent with the 2015 goals.

Xanterra tracks this environmental performance through its computerized Ecometrix system (See Question 11 for details on Ecometrix.)

See attached goals in our "2015 Environmental Vision Goals."

- 4 Our top management official, whose main responsibility is to address environmental or environmental, health, and safety issues, reports directly to a senior management official. 1 2 3 4 5 N/A

The Corporate Senior Director of Environmental Affairs reports directly to the VP General Counsel and CEO/President. Monthly reports and biweekly reports at Executive Team meetings cover timely updates. From an environmental standpoint, the Senior Director acts as a “Tier 1” level executive of the company. (See Organizational chart above and answers above for more detail.)

- 5 We have a corporate-wide commitment to promote environmental improvement in the communities where we operate. 1 2 3 4 5 N/A

Xanterra’s commitment to environmental improvement includes, to some degree, the communities surrounding its operations. Xanterra has recently improved its social responsibility commitment and is currently tracking “Indicators of Social Responsibility” as a starting point. These indicators, still under revision, track the company’s progress in more than ten categories of social responsibility including: labor, community involvement, supply chain, and environment.

During the last four years, Xanterra has collected more than \$1 million to help the National Park Foundation and specific park foundations through a voluntary donation program of \$1 per room night from guests and from sales of National Park Passes. The funds help the foundation support environmental and conservation related projects and programs in the park where the donation is made. Guests of the lodges have the option of not participating, or they may also make additional voluntary donations.

Xanterra has also teamed up with the Peregrine Fund and National Park Service to sell shirts to raise money for condor protection at the Grand Canyon. In the spring of 2003, their efforts paid off; rangers spotted the first condor chick to fledge at the park in a century.

In 2003, Xanterra and its employees began to participate in the Earth Share program, donating money from their paychecks to a nationwide network of leading non-profit environmental and conservation organizations.

Many Xanterra properties have initiated community outreach programs such as litter pickups, charity committees, blood drives, adopt-a-highway and -river programs, and fundraising events. This report focuses on large or company-wide programs.

In the local communities around Xanterra’s corporate office in Colorado, Xanterra has led numerous philanthropic initiatives. This includes:

- **leading blood drives with a local blood bank on a regular basis;**
- **donating financial and volunteer power for multiple projects with Excelsior Youth Center;**
- **developing fundraising events for the Emily Griffith Centers for Children;**
- **creating Christmas for the Arapahoe County Advocates Adopt A Family program;**

- donating volunteer work for Habitat for Humanity to build four homes;
- participating in the annual March of Dimes;
- staffing kettles for the Salvation Army to raise funds for 9/11 victims;
- donating annually to Brent's Place, a children's cancer home; and
- conducting a formal energy audit of Brent's Place;
- Other charities include: Stuff The Bus – 9News and Salvation Army school supply drive, Coats for Colorado, Red Cross Donation – 9/11, Box Tops for Education, donation of gloves and hats to local women's shelter, and contributions to Death Valley flood victims

While Xanterra South Rim employees are required to live in housing within the national park boundaries, most of them consider it one of the benefits of their jobs. Many also realize that with the perk of such beautiful scenery come the responsibilities of protecting the natural environment and supporting the community in which they live. With a resident population that ranges from 2,500 to 3,500, the South Rim of Grand Canyon National Park fits the definition of a small town. To that end, Xanterra South Rim's employee Green Team implemented a new program in 2004 to encourage employees to volunteer for environmentally-related projects. In total, more than 70 employees logged almost 550 hours of volunteer work, over half of which were spent helping the NPS with its condor nest watch program. Xanterra South Rim employees were responsible for one in every seven volunteer hours spent watching the condor chick and recording behavioral data.

When all volunteer efforts (beyond just environment related) are considered, Xanterra employees logged over 2,500 volunteer hours in 2004 at the South Rim.

Operational management

- 6 Our corporate-level environmental management procedures provide a 1 2 3 4 5 N/A
 framework for facility-level environmental management procedures,
 which in turn are adapted to the individual circumstances of each
 facility.

Corporate level environmental procedures are fully in place and are manifested through individual facility Environmental Management Systems (EMSs) at each national park location. These EMSs govern all procedures for each specific location, tracked by each property environmental manager. Implementation of these procedures is tracked and performance is monitored through the Corrective Actions Database (CAD) (an on-line report of nonconformances to the EMS detailed in question 13) and through environmental managers (and in some cases General Managers) located at each property reporting compliance and sustainability findings directly to the senior director. Training for all employees is laid out in the EMS and given as often as necessary for all employees. Training for environmental managers is given at a biannual conference as well as constantly during conference call and email exchanges.

There is also corporate-level oversight through corporate policies. For example, there is an Environmentally Preferable Purchasing policy that includes guidance on how to determine if a product is environmentally preferable. In addition, environmental considerations are included on the Capital Expenditure Approval Form where the purchasing decision-makers answer a series of

questions on the potential environmental impacts of the products. It is a goal in the EMS to purchase green products.

7 Environmental performance is considered when evaluating and rewarding performance of managers and staff. 1 2 3 4 5 N/A

All General Managers (those in charge of each facility) and facility environmental managers and directors (those with top environmental responsibility at each facility) have environmental goals as part of their annual goals. These goals are tied directly to the company's 2015 Environmental Vision – which is congruent with the company's Ecometrix data. A portion of annual bonus funds are also tied to these same goals for these same positions.

8 We integrate environmental considerations into non-environmental corporate functions, such as research & development, product ¹ and process design, marketing, strategy, finance, and accounting. 1 2 3 4 5 N/A

Xanterra's "product" is its lodging, restaurant, retail shop, tour and transportation services. While we do not conduct life-cycle analyses of our products (because we are a service industry), we do purchase retail, food, and capital cost items of which environmental considerations are in fact taken into consideration when purchasing.

Environmental issues are integrated as core elements of the corporate strategy primarily by simply having the corporate Senior Director of Environmental Affairs involved in nearly all new development projects and contract bids. For example, as a result of the Environmental Director's involvement in new development, Xanterra developed the Guidelines for Environmentally Sustainable Design and Construction.

Also, each facility EMS (not a corporate EMS) specifies what each department is responsible for achieving from an environmental standpoint. At the corporate level, integration is systematized through interaction of the Environmental Director with the CEO and executive team.

Reducing Xanterra's environmental footprint is a strategic key strength for the company because we know that since we operate in national parks we have a greater responsibility to protect those national treasures. Xanterra also knows that its primary client, the National Park Service, also cares about these same issues.

Environmental management is linked to nearly all corporate functions, from budgeting to retail, food and beverage, finance, legal, information technologies (IT), and each other department. On one hand, the environmental director has instituted this; on the other hand, it is mandated by the CEO that all departments support environmental initiatives. This is done through the EMSs at each location.

¹ Products may also include packaging.

Xanterra has aggressively pursued external, third-party verification and certification of specific environmental programs to determine if, in fact, the company’s environmental initiatives are truly leading the way in the industry and reducing impacts on the earth.

In order to determine whether environmental programs are effective, Xanterra began certifying its Ecologix Environmental Management Systems (EMSs) through the International Organization of Standardization (ISO).

Xanterra has completed certification of all its Ecologix EMSs at all national park operations to the ISO 14001 international management system standard for each individual facility (published by the International Organization for Standardization).

Additionally, only Ecologix integrates the ISO certifications with a computerized intranet-based tracking and reporting system (called Ecometrix), an intranet-based Corrective Actions Database (CAD), internal audits, and a sustainability report to provide a comprehensive picture of environmental performance.

Each operation’s EMS supports environmental protection and pollution prevention in a management framework that commits the company to continual environmental improvement. Additionally, the EMS strives to meet National Park Service (NPS) goals, federal Executive Order guidelines and Xanterra’s longstanding principles of environmental management.

The EMS accurately defines all the environmental aspects – each area of business operations that interacts with the environment at each specific national park location. All aspects are tied to an annual goal, specific targets, and the companywide *2015 Environmental Vision*.

In addition to ISO 14001 standards, Xanterra’s EMS integrates 17 components culled from the NPS Best Management Practices (BMPs) for concessions with the potential to impact the environment. These include:

- Solid waste management
- Water conservation
- Hazardous materials and waste management
- Environmental education
- Air emissions reduction and management
- Fuel storage system management
- Water quality
- Noise pollution
- Sustainable design and construction
- Emergency planning and response
- Energy conservation
- Wastewater treatment
- Green procurement
- Pollution prevention
- Light pollution
- Pest management
- Native species preservation

To ensure that its environmental mission is backed up with hard results, Xanterra looks outside the company for third-party certification that documents improvement and establishes credibility. These include, among others:

- **“Green” building certification of a few of its development projects in national parks through the U.S. Green Building Council’s Leadership in Energy and Environmental Design (LEED)**

certification program. The LEED program is the only comprehensive program that certifies buildings as sustainably designed

- Florida Department of Environmental Quality Clean Marina Certification of marina operations at Flamingo Lodge in Everglades National Park
- Marine Stewardship Council certification of the company's food chain to supply sustainably harvested wild Alaska salmon
- Certified organic and fair trade coffee in restaurants

Ongoing external certifications are paired with numerous internal environmental audits:

- Xanterra receives ISO 14001 surveillance audits at each national park location from an external auditor
- Xanterra conducts internal audits at each location as required by the ISO standard
- All of Xanterra's national park operations have undergone NPS concession environmental audits under the Concessions Environmental Management Program (CoEMP)
- The Environmental Protection Agency visits locations that participate in the National Environmental Performance Track program
- Xanterra commissioned a private company to perform environmental compliance audits at five locations
- Xanterra is audited by Surefish, Inc. to ensure that the fish used in restaurant dishes are certified for sustainability

Xanterra audits itself to ensure sustainable procurement practices

In addition to generating property-specific EMSs, Xanterra has also developed a full spectrum of corporate environmental policies as part of Ecologix, including:

- Guidelines for Environmentally Sustainable Design and Construction
- Environmentally Preferable Purchasing Policy
- Hazardous Waste Protocol
- Criteria to Assist in the Determination of the Environmental Impact of Capital Expenditures
- Efficient Light Bulb Purchasing Program
- Paint Management Plan
- Energy Efficiency Guidelines
- Fluorescent Lamp Retrofit Guidelines
- Universal Waste Protocol
- Sustainable Fish Policy
- Electronics Waste Policy
- Integrated Pest Management policy
- Polystyrene Ban
- Chemical Review Committees

9 We apply corporate worldwide environmental standards that meet or exceed the regulatory requirements of the countries where we operate. 1 2 3 4 5 N/A

While Xanterra has no operations outside the US, all Xanterra national park operations have EMS's that are ISO 14001 certified.

10 If applicable, we have a corporate post-acquisition program designed to bring newly-acquired facilities into compliance with our worldwide environmental standards as soon as possible after acquisition. 1 2 3 4 5 N/A

All newly acquired national park facilities undergo a compliance audit shortly after acquisition and then are required to develop and implement an EMS that is certified to the ISO 14001 standard within 60 days (ISO certification occurs much later). Such facilities are audited against existing corporate environmental policies and procedures as soon as possible. All staff receive the normal two-hour Ecologix training similar to all facilities. The EMS includes an action plan (called the Corrective Actions Database) and the EMS guides those actions. The EMS requires compliance review by internal and external auditing (see above for details). Auditing includes ISO 14001 compliance as well as regulatory compliance. The EMS provides each operation with the appropriate training and procedures to ensure that it complies with, and in many cases exceeds, regulatory standards.

Performance monitoring and review

11 We have corporate-wide measures to evaluate the environmental performance of the corporation as a whole and of its individual facilities. 1 2 3 4 5 N/A

Compliance is tracked through the CAD (see question 13 for details on CAD).

Xanterra tracks its environmental performance through its computerized Ecometrix system, which monitors consumption of electricity, natural gas, gasoline, diesel, propane, fuel oil and water, as well as generation of solid waste, recycled materials, hazardous waste, recycled hazardous waste, sustainable cuisine, and greenhouse gas emissions on a monthly and annual basis. Xanterra's hazardous waste tracking also includes Universal Waste such as batteries, electronics, fluorescent lamps, mercury switches and PCB-containing ballasts. Tracking usage of these resources allows the company to analyze trends, stay compliant, reduce liabilities, and move further toward sustainability.

Total resources consumed, associated emissions, waste generated, waste recycled, and sustainable food purchased combine to represent the company's total environmental footprint.

The Ecometrix use two methodologies:

1) Raw Data: Total Resource Consumption

From 2000 to 2004 (using most recent data), Xanterra collects the annual total amount of resources consumed and waste generated in operations. This includes energy and fossil fuels, such as coal from electricity consumption at off-site power plants, as well as natural gas, propane, fuel oil, gasoline and diesel fuel used on site in operations. It includes the amount of solid waste generated and recycled, along with waste diversion rates. (See "Waste Reduction" section for details.) The company's Eco-metrics also include sustainable food products purchased and sold.

Xanterra then calculates the resulting greenhouse gas emissions (carbon dioxide, CO2) and select criteria air pollutants including sulfur dioxide (SO2), nitrogen dioxide (NO2), particulate matter ten microns in size (PM10), volatile organic compounds (VOCs) and carbon monoxide (CO).

2) Normalization: Resource Consumption per Unit of Product

Next, Xanterra normalizes the raw data by either annual revenue (total revenue per year) or room nights (total rooms occupied in one year) to come up with a metric that succinctly defines overall environmental impact per unit of product (tourist related activities, which includes rooms, restaurants, retail, transportation). Xanterra recognizes that this performance metric is not a perfect performance indicator, since many factors determine the level of resource consumption. Each property EMS requires that all Ecometrix data be maintained, tracked and reported annually.

To ensure that its environmental mission is backed up with hard results, Xanterra looks outside the company for third-party certification that documents improvement and establishes credibility. These include, among others:

- “Green” building certification of a few of its development projects in national parks through the U.S. Green Building Council’s Leadership in Energy and Environmental Design (LEED) certification program. The LEED program is the only comprehensive program that certifies buildings as sustainably designed
- Florida Department of Environmental Quality Clean Marina Certification of marina operations at Flamingo Lodge in Everglades National Park
- Marine Stewardship Council certification of the company’s food chain to supply sustainably harvested wild Alaska salmon
- Certified organic and fair trade coffee in restaurants

Ongoing external certifications are paired with numerous internal environmental audits:

- Xanterra receives annual ISO 14001 surveillance audits at each national park location from an external auditor
- Xanterra conducts annual internal audits at each location as required by the ISO standard
- Ten of Xanterra’s national park operations have undergone NPS concession environmental audits under the Concessions Environmental Management Program (CoEMP)
- Xanterra commissioned a private company to perform environmental compliance audits at five locations
- Xanterra is audited annually by Surefish, Inc. to ensure that the fish used in restaurant dishes are certified for sustainability
- Xanterra audits itself annually to ensure sustainable procurement practices

Audit frequency has been determined by feasibility and practicality standpoints. All reporting is annual. Top management reviews all data. The Executive Team reviews the rolled-up Ecometrix results annually, but discusses interim, project –specific findings biweekly, depending upon the project. The CAD (described in question 13) includes the results of all audits by property.

12 We have in place corporate-level procedures to identify 1 2 3 4 5 N/A

environmental requirements that apply to our operations and/or products to ensure they are met at the facility level.

Xanterra manages and identifies environmental requirements in several ways. First, we have in-house knowledge of regulatory compliance. The senior director of environmental affairs and the in-house legal counsel are continually monitoring regulatory requirements. Second, Xanterra trains its employees on such requirements through its EMS training system. Individual properties also track their requirements as part of their EMS and are responsible for checking sources for updates. Third, we comply with these laws on an ongoing basis with in-house legal counsel and the senior environmental director reviewing relevant information. There also are monthly conference calls among all environmental managers to share best management practices and compliance issues. Lastly, we correct nonconformances to the EMS and regulatory requirements when they are identified. The CAD system tracks such progress.

These methodologies mentioned above are carried out within the EMS as follows.

Xanterra's intranet-based EMSs are governed and maintained at the corporate office and at each individual facility. Through the EMSs, Xanterra fulfills all NPS requirements at national park facilities, and stretches well beyond regulatory compliance. Xanterra's EMSs are also certified to the ISO 14001 standard, they meet NPS goals and federal Executive Order guidelines, and they exceed Xanterra's longstanding principles of environmental management. Additionally, the EMS has already been subjected to the NPS Concessions Environmental Audit. Since Xanterra EMSs are intranet-based, managers and employees have easy and quick access to information from their work stations at any time of day.

Ecologix environmental policies provide a framework for setting goals and taking action in the areas of pollution prevention and regulatory compliance. These steer decisions regarding all Xanterra operations, activities and services and include commitments to pollution prevention, as well as legal and other forms of regulatory compliance.

The EMS acutely defines all the environmental aspects - areas of business operations that interact with the environment at each Xanterra facility. All aspects are tied to a general overall goal as well as specific targets. Environmental managers are responsible for providing an overview of the company's environmental policy, explaining each employee's environmental duties, and identifying, reviewing and updating environmental aspects. Aspects are reviewed at the annual management review meeting, as well as on an ongoing basis when there is a significant change in activities or the scope of services.

This review process includes:

- Identifying all activities within the scope of the EMS.
- Determining the potential impact associated with each activity.
- Determining all applicable NPS environmental program elements.
- Identifying those aspects which Xanterra can reasonably control.
- Establishing the probability and severity of the environmental impact of each activity.
- Determining significant environmental aspects for the operation.
- Building environmental objectives to target each potential impact.

As environmental best management practices (BMPs) are adopted in each department, job-specific training is conducted to implement each BMP. The property's EMS, as well as each job description, training manual, training checklist, training schedule, certification test, standard operating procedure and inspection form affected by the adoption of a new BMP are amended to incorporate and institutionalize new practices.

These enhanced environmental standards, along with regulations, codes and operating requirements are quickly disseminated via the Ecologix intranet website, with links to pertinent state and federal agencies.

The list of objective and targets for environmental performance as well as nonconformances identified during audits form the basis of the action plan, also called the Corrective Actions Database (CAD) (see more on CAD in question 13) of the EMS. It establishes the timeframe and assigns responsibility for achieving objectives and targets.

Xanterra's environmental objectives at both the corporate and property level are:

- Specific
- Measurable
- Achievable
- Responsibility assigned
- Timebound

The EMS tracks results of these environmental measures with periodic internal and external audits to be held:

- Annually
- In reaction to any significant change in activities or scope
- When changes in legal requirements occur

Xanterra's EMSs, which are certified to the ISO 14001 EMS standard, define the structure and responsibilities for document control, operational control, monitoring and measurement, record-keeping, internal auditing, management review and corrective action for non-conformances. They also include health and safety instructions and training including emergency response.

While ISO 14001 requirements provide the structure and system for effective environmental management, every park operation has its own environmental priorities. Auditing an operation solely on the ISO standard is not enough to adequately ensure environmental protection and performance. Under ISO, it would be possible in theory to set relatively easy, attainable goals without producing meaningful environmental improvements and still receive a satisfactory audit.

Xanterra's EMS integrates 17 components culled from the National Park Service Best Management Practices (BMPs) for concessions with the potential to impact the environment. These are mentioned above in question 8.

Each EMS has procedures in place to track federal, state, and local regulations and to disseminate such information to facilities. These procedures include preparing for new regulatory requirements and updating facilities on new requirements. These procedures are outlined in each EMS. One EMS, for example, reads:

“Xanterra operates under Acts and Regulations from the various levels of Government. To ensure that we comply with all legal and other requirements under which we operate, there must be a process in place to identify and maintain access to these requirements.

Information on changing environmental requirements is provided through a variety of avenues including corporate communications, liaison with the NPS, internal and external audit, and periodic review by management. Each national park location environmental manager will conduct periodic reviews to determine all legal and subscribed to environmental requirements relevant to operational activities and environmental aspects. At a minimum, reviews will occur:

- 1) Annually, during management review.
- 2) Upon a significant change in activities or scope.
- 3) Upon notification from operations or external parties on changes in legal requirements.

As a concessionaire operating in the National Parks, all operations are subject to the specific requirements of a concessions contract. Under this EMS, we also subscribe to the requirements of ISO 14001:2004. Other legal requirements come from various state and federal regulatory agencies with jurisdiction over our operating areas. Links to these agencies their regulations, codes and operating requirements are posted and maintained on the EMS Intranet. Hardcopies (where applicable) will be maintained by the REHS Manager.”

13 We have a corporate compliance management and audit system 1 2 3 4 5 N/A
that is used to ensure facility-level environmental management
functions are performed effectively and to ensure corrective and
preventive actions are taken promptly when compliance issues are
identified.

Xanterra’s corporate compliance management and audit system consists of its internal and external audit program required by the ISO 14001 standard. This includes Xanterra’s Corrective Actions Database. Additionally, as part of its EMS, each property environmental director conducts continuous audits on the site. If Xanterra thinks there is a property lagging behind, there may be more frequent audits and an independent auditor may be brought in. There are also NPS and external ISO annual audits.

Xanterra’s CAD, as well as intranet-based EMS, ensure that all procedures are in fact disseminated to facilities across the country. We also perform annual internal environmental audits at each facility. This audit includes regulatory compliance and ISO conformance.

Specific steps required in reaching the targets, as well as all other corrective actions, are documented in the intranet-based CAD.

CAD establishes specific timeframes and assigns specific responsibility for: achieving objectives and targets, ameliorating identified NPS or internal audit compliance findings and trouble-shooting findings that cannot be resolved with “easy fixes.” Findings in all environmental areas are tracked on the intranet so that the corporate Senior Director of Environmental Affairs can view progress, while Xanterra’s team of environmental directors and managers simultaneously can share cross-property expertise to assist in producing quick and effective results.

CAD helps environmental managers track results of these environmental measures by charting the outcomes of periodic internal and external audits to be held annually and when changes in legal requirements occur.

The performance of a particular Xanterra EMS is benchmarked against that of other Xanterra operations through the company's Ecometrix, the property-specific computerized tracking system that measures consumption of fossil fuels, wastes generated, water and energy consumed and materials recycled.

Also, see above section 11 for more details on auditing that occurs at Xanterra.

14 Top-level management reviews the environmental performance of the corporation and its facilities at least annually. This review encompasses both regulatory compliance and performance against the company's environmental goals. 1 2 3 4 **5** N/A

Internal audits are performed by the Senior Director of Environmental Affairs on an annual basis. Senior management (the Executive Team) reviews environmental performance on an annual and monthly basis. (See Question 1 for details.) If there are changes needed immediately, the Executive Team intervenes as needed.

15 We have a process in place to identify emerging environmental issues that may affect our company. 1 2 3 **4** 5 N/A

Regulatory environmental changes as well as all other emerging environmental issues are tracked by the Senior Director of Environmental Affairs. Also, environmental managers at each facility are charged with identifying such issues, too. The process for doing this is simply continual review of emerging issues through industry trade publications, environmental media, and regulatory updates through automated emails. When an emerging issue arises, it is brought to the attention of the Senior Director who then assesses the issue with the VP General Counsel of the company. If the issue warrants action, it is presented to the Executive Team or directly to the CEO for approval and notification. Senior management does take an active role once the issue is identified by the environmental director. Only issues relevant to Xanterra are addressed, this typically means addressing issues in the United States and in national parks. Again, the "internal mechanism" for tracking emerging issues is a long roster of environmental media that is reviewed daily by all environmental managers. Emerging issues are also identified through several member organizations such as National Registry of Environmental Professionals, US Green Building Council, and an informal group of environmental directors from other leading companies.

Xanterra is also a member of a group of Environmental Directors of leading companies in environmental management who meet biannually to discuss emerging environmental issues.

Please let us know of anything that you believe distinguishes your corporate environmental commitment and how this commitment is implemented throughout your operations.

What makes Xanterra most unique is that it is one of only a few tourism and hospitality related companies going well beyond compliance toward sustainable operations. For example, Xanterra strives to be on the cutting-edge in environmental performance, leading the tourism industry by being:

- **The first U.S. hospitality company to commit to an absolute reduction target in greenhouse gas emissions through a partnership with the World Wildlife Fund and the Center for Energy & Climate Solutions.**
- **The first national park hospitality company to receive U.S. Green Building Council's Leadership in Energy & Environmental Design (LEED) certification for a residential home.**
- **The first national park hospitality company to publish a sustainability report, and the only tourism company to have such a report third-party certified.**
- **Among the first U.S. hospitality companies to receive the prestigious ISO 14001 International Environmental Management System Standard certification for all of its national park operations.**
- **The first U.S. hospitality company to be granted "Chain of Custody" certification from the Marine Stewardship Council (MSC) to ensure sales of sustainably fished wild salmon.**
- **One of only a few hospitality companies to use renewable wind energy to power a portion of electricity demands (at five national park locations).**
- **The first, and possibly the only, U.S. hospitality company to track and normalize all natural resource usage and waste generation at all locations through a computerized Eco-metrics Tracking System.**
- **The first park hospitality company to set and publicly disclose long-range environmental sustainability goals.**
- **One of only a few hospitality companies to use large scale renewable solar photovoltaic systems to power portions of electricity demands in two national parks.**
- **The first park hospitality company to develop an internal CAFE standard for fleet vehicles.**
- **One of the few national park concessioners in the country to achieve Clean Marina Certification.**
- **One of only a few hospitality companies to be recognized as a top environmental performer by the Environmental Protection Agency (EPA) through its National Environmental Performance Track Program at six national park locations.**

For further policies, procedures, and accomplishments see Sustainability Report at www.xanterra.com.

Section D

Why do we need this information?

Companies need to show they are committed to improving their environmental performance.

What do you need to do?

Companies need to describe past environmental achievement and make future environmental commitments.

Tell us about your past environmental achievement, future environmental commitments, and plans to increase your facility membership in Performance Track or similar state performance-based environmental programs.

Part 1

First achievement

- 1 What category and indicator have you selected? (Please refer to the Corporate Environmental Performance Table for examples.)

Category – Air Emissions; Indicator - Total Greenhouse Gases.

- 2 What was your improvement (state in actual and normalized quantities, such as to production) over the past five years? How did you achieve it? (Please refer to the Corporate Environmental Performance Table for measurement units.)

<u>Year</u>	<u>Tons CO2</u>	<u>Tons CO2 Normalized for Revenue</u>
2000	84,898	84,898
2001	82,685	88,975
2002	83,352	86,441
2003	81,468	85,026
2004	80,866	82,920
% Change 00-04	-4.75	-2.33

Total companywide greenhouse gas emissions continue to decline significantly while visitation has remained somewhat flat or declined. The 4.75 percent reduction over five years, possibly the company's most significant achievement, can be attributed to a combination of fuel switching (from heating fuel oil to propane) and strategic conservation programs, especially targeted area shutdowns, more energy control systems in rooms and facilities, and efficiency upgrades such as lighting retrofits and Energy Star-rated equipment. The company is halfway to reaching its ten-year World Wildlife Fund greenhouse-gas emission-reduction goal of 10 percent.

Emissions normalized for revenue have also decreased steadily over the last five years. A spike in emissions per dollar of revenue occurred in 2001 after the events of September 11 dramatically reduced visitation while Xanterra's facilities still remained open. Even so, increased efficiency and conservation still resulted in eventual annual diminutions in emissions normalized for revenue and a five-year total reduction of 2.3 percent.

Part 2

First commitment

- 1 What category and indicator have you selected? (Please refer to the Corporate Environmental Performance Table for examples.)

Category – Air emissions; Indicator - Total Greenhouse gas emissions

- 2 What is your improvement goal (state in actual quantities) over the next five years? (Please refer to the Corporate Environmental Performance Table for measurement units.)

Our energy goal is to decrease greenhouse gas emissions by (normalized for revenue or visitor nights) by 10 percent in the next five years (expressed as tons of CO2 equivalent).

Second commitment

- 1 What category and indicator have you selected? (Please refer to the Corporate Environmental Performance Table for examples.)

Category: Waste Landfilled; Indicator – Non-hazardous Waste Landfilled

- 2 What is your improvement goal (state in actual quantities) over the next five years? (Please refer to the Corporate Environmental Performance Table for measurement units.)

Our total solid waste goal is to divert 33 percent of all solid waste from the landfill at the end of five years (normalized to revenue or visitor nights). That will be a 20 percent increase from current diversion rates.

Part 3

Please briefly describe your plan such that at least 50% of your U.S. operations or 50 of your facilities will be members of Performance Track (or similar state voluntary performance-based programs) within five years of being designated a Performance Track Corporate Leader.

Based upon annual revenue, number of visitors, number of guest rooms, number of employees, and number of buildings, Xanterra already has more than 50% of its operations on the Performance Track program. Xanterra will eventually sign up all of its national park operations in the Performance Track program.

Section E

Why do we need this information?

Companies need to show how they are reducing the environmental impacts and/or improving the environmental performance of their value chain (includes suppliers, customers, product,² and service designers).

What do you need to do?

Companies need to describe past achievements and make future commitments.

Please rate your systems to manage the environmental categories of your value chain. Refer to the Application Instructions for further explanation to determine the appropriate response. Please briefly explain your ratings.

Tell us how you help to reduce the environmental impacts and/or improve the environmental performance of your value chain.

Part 1

Description

1 *Overall system to reduce the environmental impacts and/or improve the environmental performance of our value chain.*

a	We have a system in place to help reduce the environmental impacts and/or improve the environmental performance of our value chain.	1	2	3	4	5	N/A
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Xanterra's Ecologix EMS covers vendors and suppliers and Xanterra influences the value chain to the extent that it can. We require all vendors and suppliers to be aware of our EMS and its requirements as it pertains to them. We also require that vendors and suppliers participate in a packaging reduction program per our policy. We also require that suppliers, vendors, and all contractors be aware of our commitment to improved environmental performance and send them a policy that states that they too must have such commitment when on our premises. See attached examples of letters to vendors and contractors.

All contractors are required to exhibit superior environmental performance when at our operations. They are responsible for meeting, at a minimum, the following environmental criteria:

² Product designers may also include packaging designers.

- Complying with all applicable Federal, State, and County environmental laws and National Park Service policies;
- Minimizing waste generation in our operations through source reduction, take-back, or recycling of materials;
- To the extent feasible, using environmentally-preferable products and supplies available as alternatives to those currently purchased;
- Trying to reduce consumption of natural resources such as water, energy, and materials through conservation strategies;
- Not bringing hazardous chemicals or pesticides into the National Park unless they have been approved in advance; and
- If involved in generating or disposing of any wastes, including solid wastes (recyclable materials or trash), hazardous waste (paints, solvents, oils, etc.), universal wastes (fluorescent lamps, batteries, electronics, or pesticides), or other regulated or non-regulated wastes (such as chlorofluorocarbons, asbestos, etc), they must provide us with: proof that such waste was disposed in a compliant fashion; and receipts that track the volume or weight of the waste disposed for us on a regular basis (minimum of an annual total).

All suppliers and vendors must adhere to the company policy on product packaging.

Additionally, Xanterra partners with organizations like the Marine Stewardship Council to leverage supplies of sustainably harvested fish. The company has leveraged vendors like Sysco and Ecolab to provide more sustainable products, and as a result of that now uses Ecolab Greenseal certified cleaners in most of its operations. Xanterra provides demand for local food distribution in some markets where feasible. In Arizona, it worked with a group partnering with area growers. It uses its buying power to partner with entities with sustainable practices. It's more of a partnering arrangement than mentoring.

<i>b</i>	We have a system in place to encourage, mentor, and/or partner with our suppliers and/or customers to actively participate in EPA, state, and other performance-based, and/or community, environmental programs.	1	2	3	<u>4</u>	5	N/A
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See answer to 1a above.

Additionally, Xanterra partners with organizations such as Seafood Watch, Chef's Collaborative, and the Monterey Bay Aquarium to deliver educational materials such as the "Seafood Watch" wallet-sized cards to hundreds of thousands of guests. Xanterra's corporate F&B director is on the Chef's Collaborative Board of Directors. Xanterra and its food suppliers have conducted employee training on sustainable cuisine.

2 *Reducing product and service environmental impacts*

<i>a</i>	We have a system in place to account for and reduce the environmental impacts of our new products and/or services	1	2	3	<u>4</u>	5	<u>N/A</u>
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throughout their development process, including concept, design, and research and development.

Again, Xanterra’s “product” is its lodging, retail, restaurant, transportation, and touring services. Xanterra addresses new “products,” in numerous ways.

1) Development of new buildings: To address new development Xanterra developed its *Guidelines for Environmentally Sustainable Design and Construction*. This document guides Xanterra employees and partners through the process of making a building as environmentally sustainable as possible. In partnership with the National Park Service (NPS), these guidelines define Xanterra’s expectations for all contractors, subcontractors, architects, engineers, consultants, and vendors working with Xanterra on the design, construction, or rehabilitation of buildings in national parks. These guidelines are not a “prescriptive standard,” but rather, a “prescriptive process” that facilitates sustainable design. Xanterra intends to use the guidelines outlined in this document to ensure that new construction and renovations of buildings will be as environmentally sensitive as possible.

2) Renovations of rooms:

At Zion Lodge, Xanterra renovated all of its suites using sustainable measures and provides guests with sustainable amenities. This includes all natural biodegradable soaps, shampoos, and moisturizers; organic bamboo sheets and linens, a water filter, free organic coffee, 85 percent wind power and on-site solar photovoltaic power, super efficient lighting, a key-card energy control system, bamboo flooring, occupancy sensors, dual-flush toilets, recycled carpet, in-room recycling, and environmentally friendly cleaners.

3) Environmentally preferable procurement:

In regards to reducing the impact of products purchased, Xanterra's Environmentally Preferable Procurement (EPP) program guides facility staff members in making purchases that are better for the environment without sacrificing quality. These products may:

- **Contain recycled materials**
- **Be more recyclable**
- **Be less toxic or more biodegradable**
- **Have less packaging**
- **Cost less to transport**
- **Perform more effectively**
- **Be more durable**
- **Use less energy**
- **Consume fewer natural resources over their useful life.**

Xanterra supports the market for these “greener” products and for the recycled material itself — even when that is not economically advantageous. Xanterra’s EPP program includes:

- **An EPP policy with program goals and targets**
- **A formal assessment protocol to determine if a product or service is environmentally preferable**
- **An inventory of environmentally preferable products currently in use at Xanterra, and their attributes**
- **An environmentally preferable capital expenditures protocol to assist in weighing the attributes and impacts of products prior to purchase**

- A letter to contractors explaining environmental goals and contractor responsibilities
- A letter to vendors and a policy on product packaging that explains environmental goals and vendor responsibilities
- A guide for properties on how to purchase fuel-efficient vehicles
- A sustainable cuisine program to purchase more organic, local, sustainable food products (See 3b below for details on this program)
- A formal companywide policy banning certain species of fish from menus and recommending others
- An established baseline of environmental attributes and procurement goals for office equipment and paper products
- An analysis of the environmental preferability of Ecolab cleaning products.

Xanterra has developed a formal process to determine whether an item meets stringent EPP criteria and aggressively seeks out EPP products to replace existing inventory. The company's EPP strategy aims to save energy, reduce the volume and toxicity of materials and waste, reduce material disposal costs and procure better-quality products.

This program has yielded some notable results. For example, 23 percent of all office supplies that Xanterra has purchased at the South Rim of the Grand Canyon contain at least 10 percent recycled content. That includes more than just the 100 percent post-consumer copy paper — it covers file folders, binders and even wall calendars.

Xanterra's operation at the South Rim, alone, buys approximately 105 tons of recycled material every year. This is accomplished through specific product goals that are integral to the purchasing process. Xanterra South Rim has also aggressively pursued vendor take-back programs and the purchase of locally produced items.

Xanterra requires all vendors to provide the maximum amount of biodegradable or recyclable products and to minimize packaging in shipping. In 2003, the company requested that its vendors reduce packaging and take back such used products as pallets, computers and soap containers. This request, surprisingly, met with positive feedback. Many vendors actually made suggestions about what else they could do to reduce waste.

A partial list of environmentally preferable products that Xanterra uses:

- Paper plates and bowls that have 95 percent or more reclaimed fiber
- Biodegradable napkins and food containers
- Registry facial tissue and bath tissue that is 100 percent recycled paper with a minimum of 20 percent post-consumer fiber
- Multi-fold paper towels that are 100 percent recycled, 40 percent post-consumer content
- Dinner napkins that are 100 percent recycled, 30 percent post-consumer content
- Garbage bags that are 30 percent post-consumer recycled content
- Clasp envelopes, note pads, copy paper, message pads and pencils that have as much as 100 percent post-consumer recycled content
- Retail bags that are 100 percent recycled and 30 percent post-consumer content
- Toner cartridges that are remanufactured
- Yellow note pads that are 60 percent recycled, 30 percent post-consumer content
- Marketing and collateral materials printed on 100 percent recycled, 50 percent post-consumer, chlorine-free New Leaf Paper

- Use of Ecolab's new Green Seal-certified glass cleaner, all-purpose cleaner and toilet cleaner
- Energy Star computers, office equipment and appliances
- Cleaning detergents that are non-caustic and have reduced packaging and waste
- A wide selection of sustainable cuisine items

b We have a system in place to conduct reviews of our existing products and/or services periodically to identify opportunities to reduce their environmental impacts. 1 2 3 4 5 N/A

We have a systematic, ongoing process in place to conduct environmental reviews of our existing services. That process is our Ecologix EMS, its accompanying annual internal and external audits, and the Ecometrix results of the impacts of our products. The EMS covers all aspects of environmental impacts as they relate to all national park operations. The audits encompass both beyond regulatory compliance and opportunities that are not covered by regulations. (See EMS details in above answers for more detail.) The Ecometrix covers all waste generation and resource flows.

Additionally, capital cost items are reviewed for environmental performance through an environmental checklist. Other items purchased are reviewed for environmental criteria through the company Environmentally Preferable Procurement program protocol.

In regards to the products we sell, our EPP program assists in providing the systematic guidelines to reduce their impact. (See 2a above for details on the EPP process.)

New development projects undergo review for sustainable design through the company's "Guidelines for Environmentally Sustainable Design and Construction". For example, as mentioned above, at Zion National Park, Xanterra renovated all of its suites with literally all sustainable measures.

3 *Working with suppliers*³

a We have supplier environmental requirements that go beyond regulatory compliance. 1 2 3 4 5 N/A

We have a number of supplier environmental requirements. Most are described above (in section 1b and 2a). Our primary mechanism to getting our suppliers in line with our environmental goals is our "letter to vendors" and "letter to contractors." Xanterra's EPP program (mentioned above) also requires certain suppliers to provide environmentally preferable products. For example, coffee is required to be organic, bird friendly, and fair trade. Salmon must be certified as sustainable.

³ The term "supplier" as used here is defined broadly to include anyone from whom your company purchases a product or a service. It includes contract manufacturers, raw material suppliers, and service providers.

- b We partner with our suppliers to develop ways to reduce the environmental impacts from our value chain. 1 2 3 4 5 N/A

Xanterra collaborates with several of its key suppliers to develop less-costly methods to meet environmental requirements. Xanterra asks them to make changes, for example, in the products or services they deliver to us to enable us to reduce our environmental impacts. For example, we require Ecolab to provide us with green cleaners; we require them to meet the intent of our integrated pest management program and track pesticide usage; and we request that they reduce packaging. We require that our contractors in development projects meet our sustainable design guidelines. We require use of many varying types of environmentally preferable products that meet stringent environmental requirements, for example, Xanterra leveraged vendors like Sysco and Ecolab to provide more sustainable products, and as a result of that now uses Ecolab Greenseal certified cleaners in most of its operations.

Xanterra was also the first and is still the only hotel operator in the U.S. to be awarded Marine Stewardship Council (MSC) Group Chain of Custody certification for serving sustainable wild Alaska salmon and other certified seafood. MSC works with the World Wildlife Fund, seafood industry leaders and other conservation organizations worldwide to combat over-fishing by rewarding environmentally responsible fishing practices. All MSC-certified organizations — including fishers, processors and vendors — are subjected to a rigorous selection process.

Xanterra raised funds and partnered with a gas company to build a mobile propane bottle recycling truck that recycles thousands of camper propane tanks each year. It also has several partnerships with suppliers.

Further, Xanterra partners with its suppliers and vendors on a Sustainable Cuisine program. Sustainable cuisine is the practice of using products that are grown, harvested, processed, packaged and distributed with the least amount of environmental impact. With its sustainable cuisine program, Xanterra is on the leading edge of this ecologically-sound approach to food service.

While other tourism companies may offer a few sustainable menu items, Xanterra has long led the way in offering its guests environmentally responsible dining options. Menus at Xanterra restaurants across the country feature hundreds of sustainable menu items.

Xanterra is a member of The Chef's Collaborative, with active representatives from all of its properties. The Chef's Collaborative, a non-profit education and advocacy group that promotes sustainable cuisine and artisan foods, helps Xanterra source new products and stay up to date on best practices.

Xanterra purchases products such as:

- Montana Legend Beef (natural, no hormones)
- Sustainably-raised Niman Ranch pork
- Organic, shade-grown Fair Trade Green Mountain Coffee Roasters coffee
- Silk organic soy milk
- Oregon Country Natural Beef
- Snake River Farms Kurobuta Pork and Kobe-style beef
- Organic and sustainably-produced wines; one-third of the wine list at the Grand Canyon Lodge is comprised of wines produced using sustainable agriculture or organic farming

techniques, grown without chemical fertilizers, weed killers, insecticides or other synthetic chemicals

- New Belgium Brewing beers produced with 100 percent wind power
- Organic produce
- Farm-raised tilapia, shrimp, trout, bison, elk and venison
- Abalone produced by Abalone Farm – a California facility that uses state-of-the-art sustainable practices. Due to the rapid decline in the coastal wild abalone population, commercial abalone diving is illegal in U.S. waters; Abalone Farm operates an aquaculture facility that grows abalone without harming resources.

Other examples of Xanterra's sustainable cuisine initiatives include:

Locally Grown and Raised Products

One of the most important aspects of sustainable cuisine is the usage of local ingredients. The purchase of locally grown and raised foods cuts down on transportation costs and negative environmental impacts, improves product quality and flavor and supports local farmers, ranchers and processors.

Xanterra's Crater Lake restaurants feature a wide variety of products from the bountiful Oregon region, such as Rogue Creamery cheeses, Painted Hills beef, local produce and Oregon wines. Yellowstone restaurants feature locally-grown organic products such as Timeless Farms red lentils, Deep Creek Farms produce and Amaltheia Dairy cheeses.

The company's Utah National Park restaurants feature wines from the Castle Creek Winery in Moab, Utah. Harvey's Diner at Petrified Forest National Park sells Greenthread Tea from High Desert Farmers, and makes Navajo fry bread from Blue Bird flour from Cortez, CO. This is just a small sample of the local products Xanterra has introduced to national park guests.

Organic Juices

The producers of Odwalla juices believe that "good business is business that helps make the world a better place." Odwalla supports organic farming research and is a member of the EPA's Green Power Partnership. Currently, Odwalla offers three organic juices.

Organic, Fair Trade Coffee

Green Mountain Coffee Roasters' certified organic, Fair Trade coffee is grown and processed in a way that supports biodiversity, balances farm ecology and preserves natural habitats for birds and other wildlife. Xanterra currently serves this coffee at eight of its properties.

Natural Pork

Other more recent introductions to Xanterra's sustainable cuisine lineup include Miller Farms pork and Niman Ranch pork. Miller Farms is a small family-owned and operated hog farm in Livingston, Montana featuring natural pork. Niman Ranch livestock are humanely treated, fed the natural feed, never given growth hormones or sub-therapeutic antibiotics and are raised on land that is cared for as a sustainable resource.

Additional sustainable ingredients served at Xanterra locations include organic produce, Gardenburgers, Tazo organic teas, Montana Legend Beef steak burgers and wine produced from organically grown grapes.

As part of what is our product development, Xanterra sponsors an annual nationwide professional development conference for its food and beverage staff to learn more about sustainable cuisine. Speakers have included the director of the Marine Stewardship Council, David Mas Masumoto, an organic fruit grower and book author, James Corwell; Certified Master Chef and Culinary Institute of America Instructor, Bill Niman from Niman Ranch; and Loretta Barrett Oden, one of the country's pre-eminent Native American restaurateurs. Principles of sustainable cuisine are routinely incorporated in food and beverage training.

4 Working with customers/users

- a We have a system in place to ensure that our customers use our products in an environmentally-appropriate manner. 1 2 3 4 5 N/A

We always inform our customers (national park visitors) of our environmental programs and how they can be involved with them. This includes recycling, efficient transportation systems, environmentally preferable products we sell guests, and countless examples of interpretation of programs and environmental measures located throughout operations. Examples include signage in guest rooms that ask guests to conserve resources, interpretive and interactive displays that explain renewable energy systems at a particular location, explanations of sustainable cuisine items on restaurant menus, placement of our Sustainability Report and property-specific environmental information in each guest room directory, an environmental internet site, and a guest “environmental survey.” There are numerous other examples.

- b We partner with our customers to develop ways to reduce the environmental impacts from our value chain. 1 2 3 4 5 N/A

Xanterra’s “customer” is the national park guest as well as the National Park Service (NPS) itself. Xanterra frequently partners with the NPS to develop ways to reduce environmental impacts from our value chain. At Death Valley, for example, Xanterra and the NPS formed a Sustainability Committee to tackle recycling efforts in that remote location. Xanterra won the Department of Interior Environmental Achievement Award for this partnership. As a result, more than 291 tons of waste was recycled in one year.

Xanterra also partnered with the NPS and several vendors to develop a state-of-the-art mobile propane bottle recycling machine. It is the first of its kind in the United States. It safely disposes of thousands of used one-pound propane bottles that are thrown away by visitors to Yellowstone National Park and the surrounding communities. Xanterra played an instrumental role in prompting the development of the PBR, a prototype developed by Billings-based Mountain States Environmental Services. Because of the high cost of the development of the machine, Xanterra enlisted the support of other partners including concessioners, private businesses and gateway communities.

As “customer” pertains to guests, we see our ability to address customer environmental needs as something that gives our company a competitive edge in the market. We realize that people visit Xanterra’s national and state park locations because of their pristine environment, thus we always

aim to minimize our impact and manage the guests' impacts. We ask guests to recycle, not have their linens changed daily, eat our sustainable food offerings, not feed wildlife, conserve energy and water, use mass transit, and purchase our local or environmentally preferable products.

- c We have a system in place to provide for the appropriate end-of-life management of our products through reuse, recycling, or proper disposal. 1 2 3 **4** 5 N/A

We encourage our suppliers and customers to recycle or return used products in an environmentally-sound manner and have programs in place to facilitate take-back or recycling. We recycle more than 4 million pounds of solid waste per year (27 percent diversion rate; note that our diversion rate at Yellowstone, Grand Canyon, Zion, and Rushmore is in excess of 40 percent). We recycle all electronics waste and all Universal Waste. We salvage as much materials as we can in development projects. We compost all food waste at Yellowstone, Zion, and Mt. Rushmore.

At Yellowstone, the vehicle maintenance department recycles all waste products including spent solvents, paints, glycols, CFCs, used oil, and batteries.

Part 2

First achievement

- 1 What category and indicator have you selected? (Please refer to the Corporate Environmental Performance Table for examples.)

Stage: Upstream, Product Design

- 2 What was the improvement over the past five years? How did you help achieve it? (Please refer to the Corporate Environmental Performance Table for examples of measurement units.)

Program: Xanterra purchases a significant amount of sustainable produce, seafood, dairy, and coffee. Since 2000, sustainable cuisine purchases have increased from zero to more than \$1.4 million. While this is still a relatively small number in comparison to total food purchases, it represents a significant 50 percent increase in the last year alone.

Total Annual Sustainable Cuisine Food Expenditures

<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
\$22,765	\$524,219	\$943,638	\$1,409,889

Part 3

First commitment

- 1 What category and indicator have you selected? (Please refer to the Corporate Environmental Performance Table for examples.)

Stage: Upstream, Product Design

- 2 What is the improvement goal over the next five years? Please refer to the Corporate Environmental Performance Table for examples of measurement units.)

Xanterra will further increase its Sustainable Cuisine purchases, doubling them to more than \$3 million over the next five years. Xanterra will measure this using total dollars used by the company for food items that are sustainable, defined as local, organic, natural, or harvested or produced in a way that minimizes environmental impact.

Second commitment

- 1 What category and indicator have you selected? (Please refer to the Corporate Environmental Performance Table for examples.)

Stage: Material Procurement

- 2 What is the improvement goal over the next five years? Please refer to the Corporate Environmental Performance Table for examples of measurement units.)

Xanterra will track and increase the total number of “green” or environmentally preferable products purchased by the company by 20%. This is inclusive of food products, materials for building construction and renovations, retail products, vehicles, and transportation related items. This will be calculated by using the existing dollar amount of environmentally preferable products as a benchmark and increasing 20% from there. Environmentally preferable products and suppliers will be determined using the company’s EPP program criteria combined with a final determination by the Senior Director of Environmental Affairs.

Section F

Why do we need this information?

Companies need to demonstrate their commitment and identify appropriate mechanisms in place to publicly report their environmental performance.

Tell us about your public outreach and reporting of your environmental performance.

What do you need to do?

Describe what information you report to the public regarding your environmental performance. Refer to the Application Instructions for further explanation to determine the appropriate response.

Public outreach

- 1 Do you have a corporate system to identify and respond to community and stakeholder concerns? If Yes, please describe. Yes

Many community concerns are all funneled through the National Park Service. Full public disclosure and a public process are in place through the NPS. Other areas of environmental concern are received via letters, email, and telephone calls. These are then directed to each property environmental director/manager or to the senior director of environmental affairs. These individuals respond to the concerns personally.

- 2 Are there ongoing citizen suits related to environmental issues at any of your facilities or against your company as a whole? If Yes, please explain the circumstances. No

Public environmental report

- 1 Please explain your mechanisms to make environmental data available to the public.

Xanterra issues a biannual Sustainability Report that discloses all environmental impacts and programs. Xanterra also provides copious environmental data on the internet.

If your company releases an environmental report:

- | | | |
|----------|--|-------------------|
| <i>a</i> | How frequently is this report published? | <u>biannually</u> |
| <i>b</i> | When was this report last published? | <u>2005</u> |
| <i>c</i> | Is an up-to-date version of your report available on your website? <i>(Please share the website address and attach five copies of report, if available.)</i> | Yes |

Go to: <http://www.xanterra.com/Environmental-Action-364.html>

- d* To what extent does the environmental report or other mechanism to report your environmental performance to the public describe your performance in the following areas:

Eco-efficiency measures:

- | | | | | | | | |
|------------|---|---|----------|---|----------|----------|-----|
| <i>i</i> | Materials use intensity/raw materials use | 1 | <u>2</u> | 3 | 4 | 5 | N/A |
| <i>ii</i> | Energy use | 1 | 2 | 3 | 4 | <u>5</u> | N/A |
| <i>iii</i> | Water use | 1 | 2 | 3 | 4 | <u>5</u> | N/A |
| <i>iv</i> | Packaging use | 1 | 2 | 3 | <u>4</u> | 5 | N/A |
| <i>v</i> | Product life environmental performance | 1 | <u>2</u> | 3 | 4 | 5 | N/A |

Releases and transfers to the environment:

- | | | | | | | | |
|-------------|--------------------------|---|---|---|----------|----------|------------|
| <i>vi</i> | Recycling | 1 | 2 | 3 | 4 | <u>5</u> | N/A |
| <i>vii</i> | Solid waste disposed | 1 | 2 | 3 | 4 | <u>5</u> | N/A |
| <i>viii</i> | Air releases | 1 | 2 | 3 | 4 | <u>5</u> | N/A |
| <i>ix</i> | Greenhouse gas emissions | 1 | 2 | 3 | 4 | <u>5</u> | N/A |
| <i>x</i> | Water releases | 1 | 2 | 3 | 4 | 5 | <u>N/A</u> |
| <i>xi</i> | Toxic releases | 1 | 2 | 3 | 4 | 5 | <u>N/A</u> |
| <i>xii</i> | Hazardous waste disposed | 1 | 2 | 3 | <u>4</u> | 5 | N/A |
| <i>xiii</i> | Eco-efficiency measures | 1 | 2 | 3 | 4 | <u>5</u> | N/A |

Conservation and habitat preservation:

- | | | | | | | | |
|------------|----------------------------------|---|----------|---|---|---|------------|
| <i>xiv</i> | Conservation activities/land use | 1 | <u>2</u> | 3 | 4 | 5 | N/A |
| <i>xv</i> | Biodiversity preservation | 1 | <u>2</u> | 3 | 4 | 5 | <u>N/A</u> |

Environmental accounting:

- | | | | | | | | |
|-------------|--|---|----------|----------|---|---|-----|
| <i>xvi</i> | Environmental expenditures and savings | 1 | 2 | <u>3</u> | 4 | 5 | N/A |
| <i>xvii</i> | Revenues associated with environmental activities, products, or services | 1 | <u>2</u> | 3 | 4 | 5 | N/A |

Beyond the fenceline performance:

- | | | | | | | | |
|--------------|------------------------------------|---|---|----------|----------|---|-----|
| <i>xviii</i> | Community outreach activities | 1 | 2 | 3 | <u>4</u> | 5 | N/A |
| <i>xix</i> | Supplier environmental performance | 1 | 2 | <u>3</u> | 4 | 5 | N/A |

Negative performance:

- | | | | | | | | |
|-----------|--------------------------------|---|---|---|---|----------|-----|
| <i>xx</i> | Spills, exceedances, sanctions | 1 | 2 | 3 | 4 | <u>5</u> | N/A |
|-----------|--------------------------------|---|---|---|---|----------|-----|

Other:
xxi (please specify):

1 2 3 4 5 N/A

- 2 How will you make your environmental commitments and performance as a designated Performance Track Corporate Leader available to the public?

Xanterra will use the very same mechanisms it currently uses to make information available to the public – putting such data in its Sustainability Report (which is place in all Xanterra lodging rooms) and on its website.

Additional information

Is there anything else about your company's environmental programs or performance that was not covered by this application and you would like to tell us?

See Sustainability Report at www.xanterra.com.

Section G

On behalf of Xanterra Parks & Resorts, Inc. ***Application and
Membership Statement***
[my company],

I certify that:

I have read and agree to the terms and conditions for Application and Membership as a designated Performance Track Corporate Leader, as specified in the *Performance Track Corporate Leader Guide* and in the *Application Guide*.

I have personally examined and am familiar with the information contained in this Application. The information contained in this Application is, to the best of my knowledge and based on reasonable inquiry, true, accurate, and complete, and I have no reason to believe the company would not meet all program requirements.

I agree that EPA's decision whether to accept companies into or remove them from the Performance Track Corporate Leader designation is wholly discretionary, and I waive any right to challenge EPA's acceptance or removal decision. I also understand that my company's membership in the program will not be considered to be legally relevant in any enforcement proceedings for violations of environmental requirements.

I am a senior executive of the company to whom the environmental function reports and am fully authorized to execute this statement on behalf of the company applying for the Performance Track Corporate Leader designation.

Signature / Date	_____
Printed Name / Title	<u>Kirk H. Anderson, Vice President & General Counsel</u>
Phone Number / E-mail	<u>303-600-3400</u>
Company Name	<u>Xanterra Parks & Resorts, Inc.</u>
Company Street Address	<u>6312 South Fiddler's Green Circle, Suite 600 North</u>
City / State / Zip Code	<u>Greenwood Village, CO 80111</u>

The National Environmental Performance Track is a U.S. Environmental Protection Agency program. Please direct inquiries to Dan Fiorino, 202-566-2869, or e-mail fiorino.dan@epa.gov.

To submit your membership application:

- 1) E-mail the completed form to fiorino.dan@epa.gov,
- and
- 2) Fax the completed and signed participation statement (not the entire form) to 202-566-2985.

If you cannot e-mail the membership application, mail a hard copy of the entire completed form to:

Dan Fiorino
Director, Performance Track Program
U.S. Environmental Protection Agency
Office of Policy, Economics, and Innovation (1807T)
1200 Pennsylvania Avenue, NW
Washington, DC 20460