

ASPEN SNOWMASS®

SUSTAINABILITY REPORT 2012



JEROME KERSEY
PORTLAND TRAIL BLAZERS
1984-1995

Most businesses trying to be sustainable focus on greening their operations and products. But that's not nearly enough to stop climate change, and therefore doesn't achieve true sustainability. If climate change doesn't get fixed, business can't be sustainable. That's why corporations must become climate activists, pushing for big scale solutions. That's also why we've got the Portland Trail Blazers' Jerome Kersey on our cover.

While only 13 percent of Americans say they follow science, 61 percent identify themselves as sports fans. The Trail Blazers, along with Aspen Skiing Company, are partners in BICEP (Business for Innovative Climate and Energy Policy), an alliance of corporations pushing for progressive climate legislation. The Trail Blazers have used their unique, public-facing platform to advocate for positive change, leveraging their position within our communities and beyond.

That's what differentiates the Portland Trail Blazers and gives them a unique advantage as a member of BICEP, www.ceres.org/bicep.



WHY IS JEROME KERSEY ON THE COVER?

"The motivation for sports to engage in greening is simple: the games we love today were born outdoors, and without clean air to breathe, clean water and a healthy climate, sports would be impossible," says Dr. Allen Hershkowitz, director of the Natural Resource Defense Council's green sports project. "A cultural shift in environmental awareness is needed in order for us to address the serious ecological problems we face, and the sports industry, through its own innovative actions, has chosen to lead the way. The Portland Trail Blazers are indisputably among the most progressive and accomplished teams in the world of sports when it comes to environmental initiatives. Not just in the NBA, but in all sports." <http://trailblazers.com/sustainability>

HIGH LEVERAGE ACTIVISM

Aspen Skiing Company's recent work recognizes the fact that operational greening won't get us to sustainability. We need to mobilize bigger levers.

350.org 5/5 Event

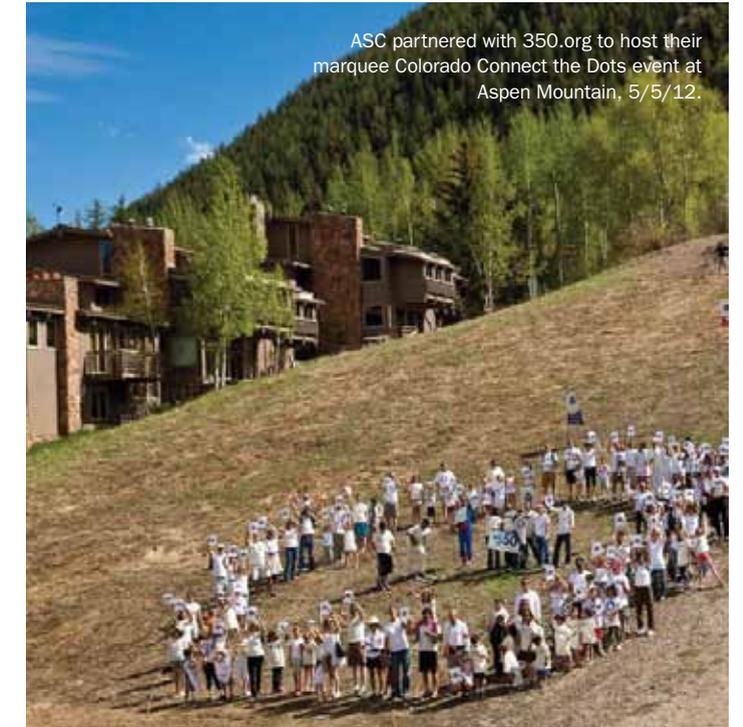
ASC partnered with 350.org to host the state's marquee event connecting the dots between extreme weather and climate change. Hundreds of similar events took place all over the world. <http://act.climatedots.org/signup/video#>

U.S. Chamber

The US Chamber of Commerce is one of the most powerful advocates of climate denial in the world. ASC worked with the Aspen Chamber Resort Association to withdraw from the US Chamber, making an internationally visible statement. www.chamber.350.org

Trade Groups

Why don't big ski and outdoor industry trade groups lobby on climate change? They lobby on most other issues relevant to the ski industry. ASC is working with the National Ski Areas Association, Colorado Ski Country USA, Ski Utah, and the Ski Industry Association to use the force of these large trade groups to push for action on climate change. To its credit, the Outdoor Industry Association has a progressive and active stance on the need for climate policy.

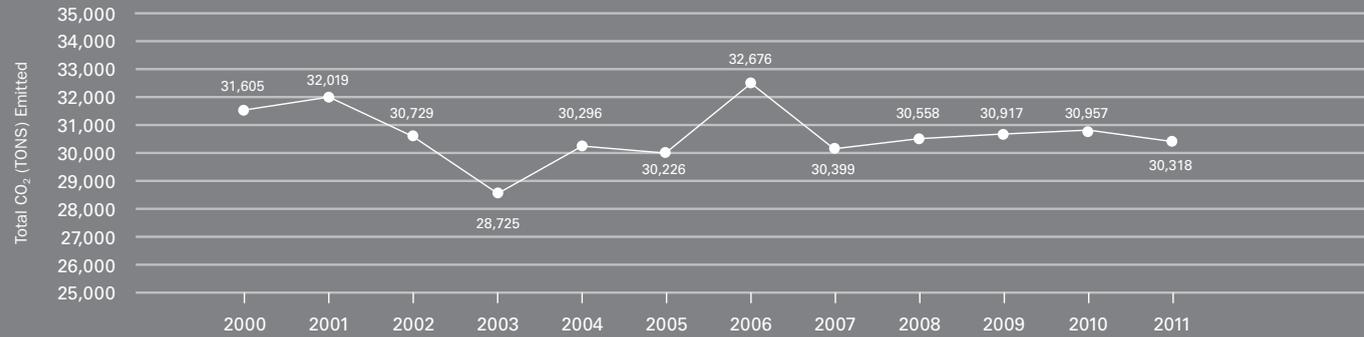


ASC partnered with 350.org to host their marquee Colorado Connect the Dots event at Aspen Mountain, 5/5/12.



Chris Jacobson agonizingly fails to medal in the 5/5 snowless ski race he conceived.

ASPEN SKIING COMPANY CO₂ EMISSIONS: 2000-2011



NOTES: In 2004 Holy Cross Energy developed carbon intensity estimates specific to its mix of energy sources. ASC's revenue has grown 41% since 2000. ASC funded the development of the 147kW solar array at the Colorado Rocky Mountain School, which is listed on the chart at right for illustration purposes only but not counted in our baseline. This baseline includes the acquisition of the Limelight Hotel.



Natural gas wells at night west of Aspen
Photo: Dan Bayer

2010 AND 2011 CO₂ EMISSIONS

	MEDIA	COST		UNITS		CONVERSION	CO ₂ (Tons)		
		2010	2011	2010	2011		2010	2011	
FUEL (Gas+Diesel)	Fuel-AH	\$157,641.38	\$138,375.05	33,375	38,502	22.38 LBS CO ₂ /Gal: Diesel 18.87 LBS CO ₂ /GAL: B20 19.59 LBS CO ₂ /GAL: Gasoline	368	426	
	Fuel-SM	\$564,705.80	\$471,061.34	173,867	169,596		1,890	1,848	
	Fuel-BM	\$243,675.97	\$277,338.15	101,138	108,667		1,056	1,134	
	Fuel-AM	\$260,958.96	\$236,975.38	72,034	73,097		795	807	
	Fuel-SMC	\$72,546.81	\$97,013.75	24,815	25,957		246	258	
	SUB-TOTAL		\$1,299,528.92	\$1,220,763.68	405,229		415,819		4,401
SNOWMAKING	Water-AM	\$102,328.00	\$101,752.00	51,164,000	50,876,000	.0000006308 tons CO ₂ /gal	32	32	
	Water-AH	\$9,912.12	\$10,000.96	19,824,248	20,001,910				
	Water-BM	\$0.00	\$0.00	59,033,975	62,722,040				
	Water-SM	\$35,446.50	\$43,917.50	70,893,000	87,835,000				
	SUB-TOTAL		\$147,686.62	\$155,670.46	200,915,223		221,434,950		32
ELECTRICITY	Electric-ASC: Holy Cross	\$1,963,392.64	\$2,089,503.39	18,828,274	18,597,990	2010: 1.601 lbs CO ₂ /kWh: Xcel 0.5422 lbs CO ₂ /kWh: City of Aspen 1.81 lbs CO ₂ /kWh: Holy Cross 2011: 1.632 lbs CO ₂ /kWh: Xcel 0.4858 lbs CO ₂ /kWh: City of Aspen 1.81 lbs CO ₂ /kWh: Holy Cross	16,311	16,102	
	Electric-SMC: Holy Cross	\$168,709.90	\$175,781.61	1,751,993	1,669,312		1,423	1,348	
	Electric-TLN: Holy Cross	\$290,605.94	\$298,758.20	3,894,975	3,579,784		3,421	3,135	
	Electric-Limelight: City of Aspen	\$72,606.11	\$100,132.46	713,700	1,009,800		193	245	
	Electric-City of Aspen	\$32,980.80	\$35,679.24	280,591	312,094		76	76	
	Electric-AABC: Holy Cross	\$13,348.51	\$15,261.11	169,786	172,192		154	156	
	Electric-Xcel	\$4,147.34	\$3,432.15	26,134	27,071		21	22	
	SUB-TOTAL		\$2,545,791.24	\$2,718,548.15	25,665,453		25,368,243		21,598
WIND POWER	Holy Cross Wind Purchases					-1.81 lbs CO ₂ /kwh			
	SUB-TOTAL		\$27,510.00	\$19,712.50	1,100,400	1,036,000		-966	-938
SOLAR POWER	CRMS 147kW Solar Plant See note on page 4					2010: -1.601 lbs CO ₂ /kWh Xcel 2011: -1.632 lbs CO ₂ /kWh Xcel			
	SUB-TOTAL				224,140	235,822		-179	-192
MUNICIPAL H ₂ O	Mid-Valley Water	\$9,481.39	\$8,769.12	5,700,950	5,535,848	.0000006308 tons CO ₂ /gal	4	3	
	Carbondale Water	\$3,805.08	\$3,907.00	178,000	330,000		0	0	
	Water: Asp. Muni	\$45,773.05	\$46,442.26	5,923,000	6,963,900		4	4	
	Water-TLN	\$20,966.60	\$34,867.48	7,708,000	12,759,000		5	8	
	Water-Limelight	\$9,608.94	\$11,818.64	3,229,000	3,550,000		2	2	
	Water-SMC	\$48,452.24	\$52,071.19	4,315,380	4,664,460		3	3	
	SM Wat and San	\$72,525.49	\$79,556.67	4,013,800	6,691,650		3	4	
	SUB-TOTAL		\$210,612.79	\$237,432.36	31,068,130		40,494,858		20
NATURAL GAS	Nat. Gas-ASC	\$400,211.61	\$430,145.14	33,636	42,098	0.059 tons CO ₂ /MMBTU	1,985	2,484	
	Nat. Gas-TLN	\$336,506.74	\$228,798.19	30,883	16,519		1,822	975	
	Nat Gas-SMC	\$212,016.14	\$176,434.20	13,336	15,238		787	899	
	Nat Gas-Limelight	\$47,769.26	\$75,635.57	5,141	5,475		303	323	
	SUB-TOTAL		\$996,503.75	\$911,013.10	82,996		79,331		4,897
PROPANE						0.00637 tons/gallon			
	SUB-TOTAL		\$3,640.00	\$9,498.71	1,351	3,597		9	23
TOTAL			\$5,203,763.32	\$5,252,926.45				30,957	30,318
TOTAL 2010: NUMBER OF SKIERS: 1,338,210 / \$3.89 PER SKIER / 0.023 TONS CO₂ PER SKIER TOTAL 2011: NUMBER OF SKIERS: 1,360,532 / \$3.86 PER SKIER / 0.022 TONS CO₂ PER SKIER									

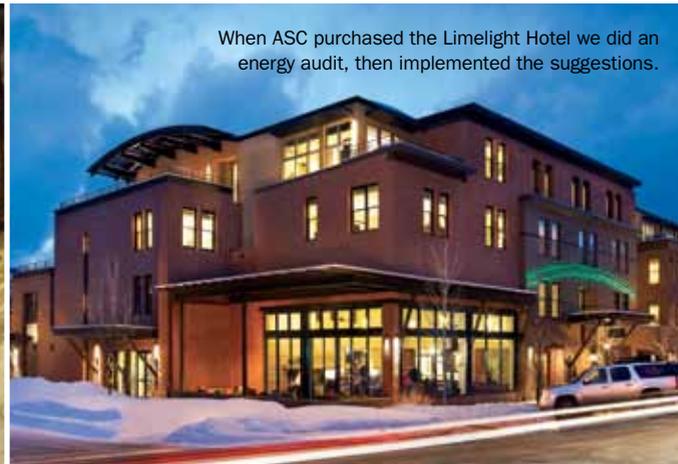
LET'S BAN THEM!

Over five years we've switched to efficient condensing boilers at Heatherbed Lodge, Snow Eagle Lodge, ASC headquarters, Snowmass Club (7 of them!), Cliffhouse, Buttermilk Patrol, and the Merry-Go-Round which was entirely rebuilt with a new mechanical system, insulated roof and walls, and gas-filled super windows.

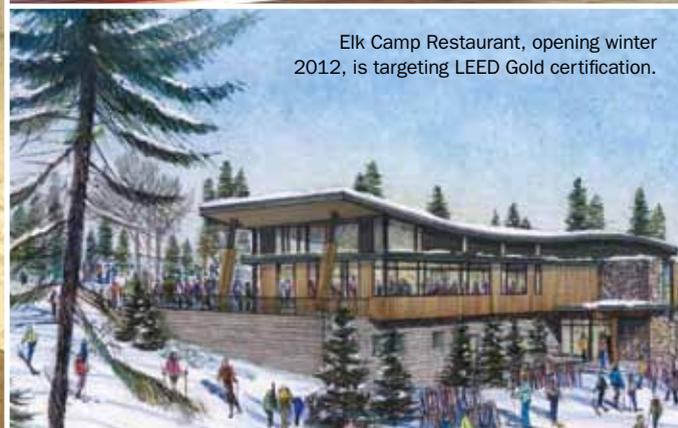
At some point in 2010, our CFO Matt Jones said: "How can we afford NOT to eliminate all incandescent bulbs?" And our CEO Mike Kaplan said: "Let's ban them!" We did, investing \$130,000 to root out the last of the bulbs in the company, at a return on investment ranging from 30 to 100%. Property Services has replaced all T12 linear fluorescents with 35% more efficient T8s.



The Little Nell boiler retrofit cut ASC natural gas use 9%.



When ASC purchased the Limelight Hotel we did an energy audit, then implemented the suggestions.



Elk Camp Restaurant, opening winter 2012, is targeting LEED Gold certification.

TWO ROADS ON CARBON

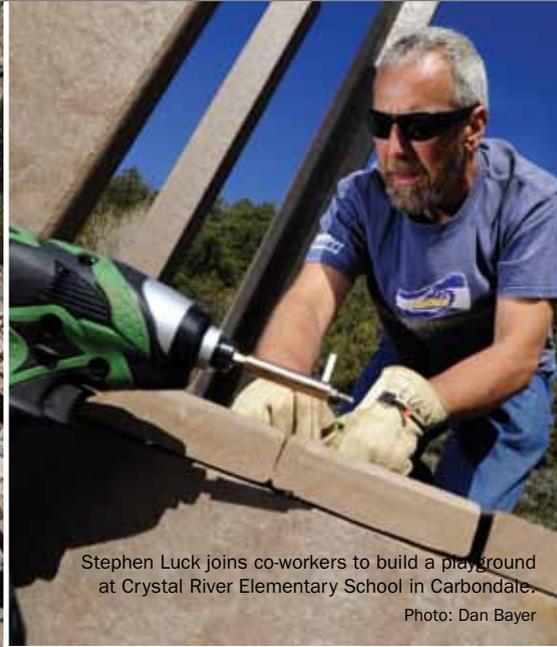
ASC could easily spend \$40K annually on cheap Renewable Energy Certificates and offsets and claim carbon neutrality. But that doesn't do anything on climate. Since it's a distraction that offers the illusion of action, it's worse than doing nothing.

Instead, in 2012, we invested \$5.5 million in a plant that converts the powerful greenhouse gas, methane, into electricity at the Elk Creek Coal Mine in nearby Somerset, CO. Normally, that methane is simply vented, and wasted. The 3 megawatt project makes about as much electricity as we use annually—24 million kilowatt hours—which gets sold into the utility grid, and eliminates three times as much greenhouse pollution as our resort produces each year. This project paves the way for a whole new industry, profit center, and source of jobs. Our partners were Holy Cross Energy, Vessels Coal Gas, the Oxbow Elk Creek Mine, and Gunnison Energy. www.cobizmag.com/articles/making-use-of-methane



The Elk Creek Mine from above.
Photo: Ecoflight

A Roaring Fork Outdoor Volunteers crew (with funding from the Environment Foundation), works on the Hanging Lake Trail.
Photo: Dan Bayer



Stephen Luck joins co-workers to build a playground at Crystal River Elementary School in Carbondale.
Photo: Dan Bayer

PROTECTING THE LOCAL ENVIRONMENT \$1 AT A TIME

The Environment Foundation celebrates its 15th anniversary in 2012. Over the past 14 years, we've given \$2 million to fund 375 projects to protect the local environment. With the support of the Aspen Community Foundation, ASC's Family Fund, Green Mountain Coffee Roasters and Swire Coca-Cola donated money to:

- Thompson Divide Coalition to work towards protecting this critical wildlife, ranching and recreation area from additional gas drilling.
- Develop vegetable gardens at schools throughout the Roaring Fork Valley.
- Support development of an open space program in Garfield County.

For a complete list of grants visit www.theenvironmentfoundation.org, then click on 'FOUNDATION GRANTS: 1998-PRESENT' on the right side of the web page.

**\$2 MILLION
AND
COUNTING...**



ASPEN SKIING COMPANY GIVES BACK

In 2011 ASC began offering all full-time year-round employees 16 hours of paid volunteer time. We've built homes with Habitat for Humanity, rehabilitated trails throughout the Roaring Fork Valley, and volunteered with numerous charities. If all eligible employees took advantage of this benefit we'd add 15,500 hours to the non-profit community, worth about \$330,000.

In 2011, ASC donated more than \$2.4 million to 266 local nonprofit organizations.

- \$870,000 to Challenge Aspen, www.challengeaspen.com.
- \$406,000 to Aspen Valley Ski and Snowboard Club, www.teamavsc.org.
- \$182,000 to local schools.
- \$56,000 to Shining Stars, www.shiningstarsfoundation.org.
- \$30,000 to Aspen Valley Land Trust, www.avlt.org, through The Little Nell's guest donation program.
- \$20,000 to the United States Paralympic Ski Team to train veterans from recent wars to compete on the international disabled skiing/snowboarding circuit.

Basalt Elementary School's garden was developed with funding from the Environment Foundation.
Photo: Dan Bayer

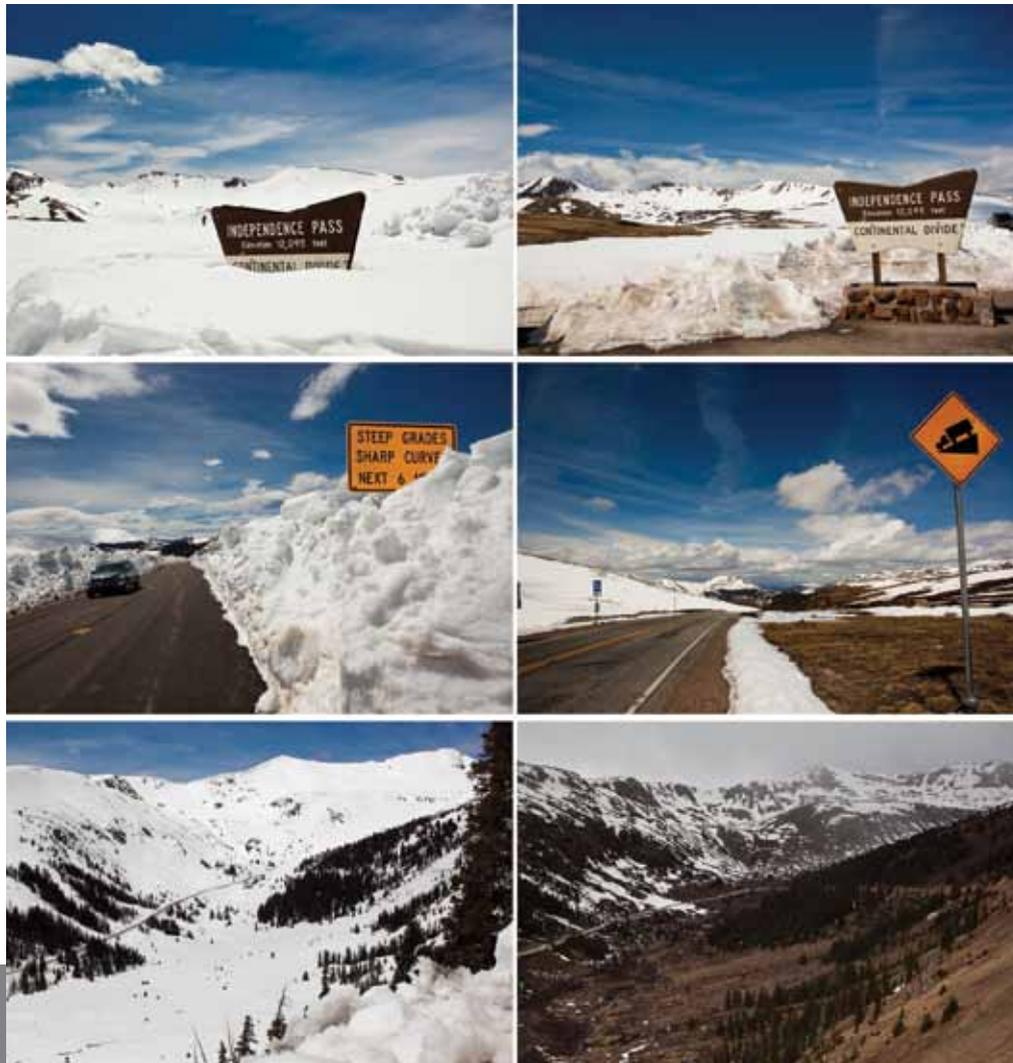


PROTECT OUR WINTERS

In 2012 scientists at the National Oceanic and Atmospheric Administration tied recent extreme weather events to man-made climate change. Below, pictures from Independence Pass from May 26 in 2011 (left) and 2012 (right). Was the winter of 11-12 what a climate changed ski season looks like? www.cbsnews.com/8301-18563_162-57469878/noaa-links-extreme-weather-to-climate-change



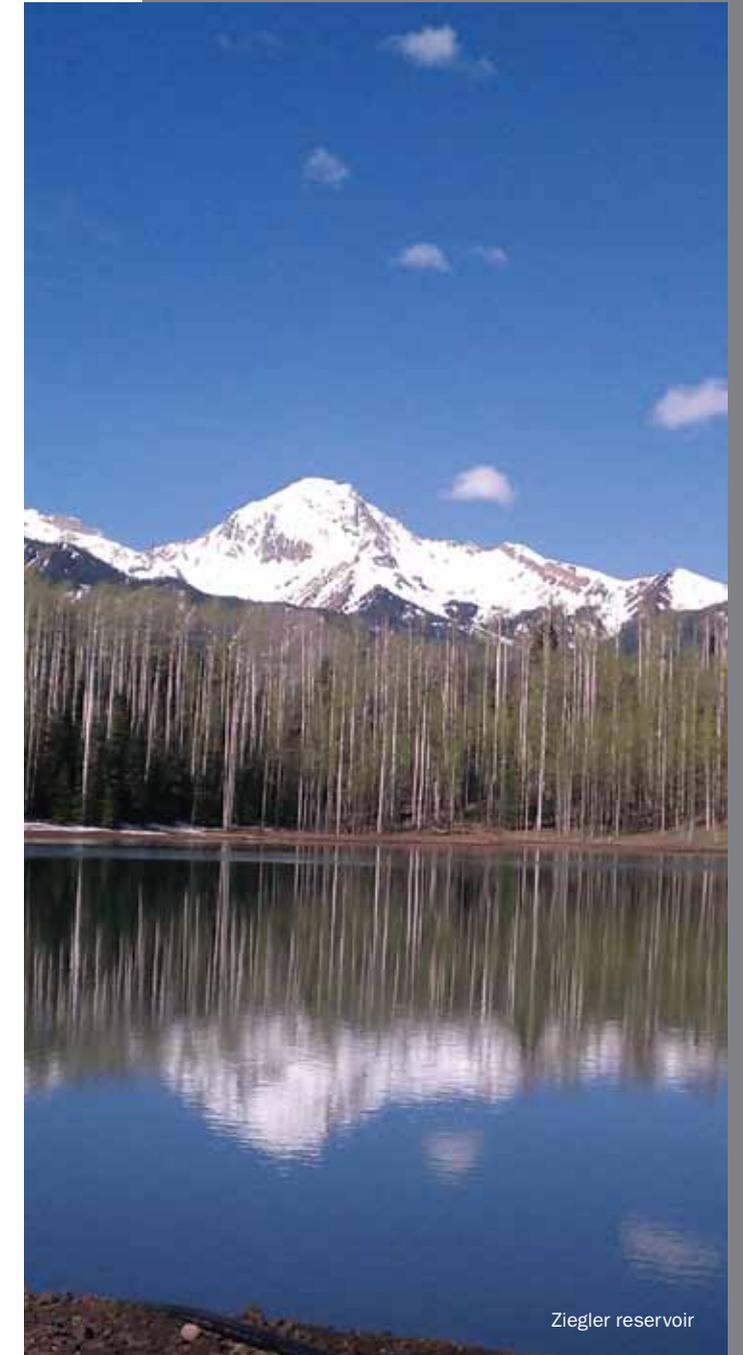
Gretchen Bleiler talks to Aspen High School students about climate change. Bleiler is on the board of Aspen Skiing Company partner nonprofit Protect Our Winters, which mobilizes and engages the winter sports community in the fight against climate change. www.protectourwinters.org
Photo: Jeremy Swanson



DECOUPLING FROM SNOWMASS CREEK

One of ASC's huge and troublesome impacts is that we withdraw water from Snowmass Creek in the fall, when that stream is already low. It has long been our goal to "decouple" most of our snowmaking operations from Snowmass Creek. In 2012, we closed a deal with the Snowmass Water and Sanitation District to get 40 million gallons annually from their new Ziegler reservoir. Combined with existing storage, this comprises more than half of snowmaking needs at Snowmass. Stored water means we can make snow efficiently, in great volume, at optimum temperatures, when we used to be constrained by available water.

Another upside: when excavating Ziegler reservoir, workers discovered an ice age treasure trove, including mammoth and mastodon bones. This find, one of the most significant scientific discoveries in Colorado history, ties directly to the main subject of this report—climate change. By studying past climatic events in this region, we can have a better sense of what the future might hold. www.dmns.org/museum-news/snowmass-mammoth-excavation



Ziegler reservoir

ART AND SUSTAINABILITY

Solving climate change is going to hurt. It's going to fracture old alliances; create new friendships; and require a completely new take on the world. Fixing climate change is art itself; and it will be inspired by art.

"I would say that people who are skiing are seeking something...I would say the same thing about people who are looking at art. They're open to see something that's new, that's challenging, that could be dangerous..."

— Heidi Zuckerman Jacobson, CEO and Director, Aspen Art Museum

**COMPLACENCY
IS THE ENEMY
OF THE GOOD
SOCIETY. AT
ASPEN/SNOWMASS,
WE WANT TO LIFT
PEOPLE OUT OF
THEIR USUAL
SELVES.**

Art in Unexpected Places: The Aspen Art Museum and Aspen Skiing Company Collaboration (Aspen Art Press/The Crown Family, 2012)

Photo: Daniel Bayer