



ASPEN  SNOWMASS
ASPEN SKIING COMPANY



Sustainability Report



2001-2002

THIRD EDITION



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“The struggle towards
the heights is enough to
fill a man’s heart. One must
imagine Sisyphus happy.”

Albert Camus, *The Myth of Sisyphus*



Aspen

Skiing Company's third Sustainability Report, which is only available electronically this year, is an expression of our company's core purpose—to provide opportunity for renewal of the human spirit—and our guiding principles, which include the commitment to remain responsible stewards of our mountain environment. A sustainability report can express environmental stewardship, but can it renew the spirit? Absolutely. This report documents our progression as a green company, and that movement is something we can all be proud of: employees, owners, guests, and community members alike. It's refreshing to be part of a positive business making positive change. After reading this report, we think you'll agree.



Message from the President/CEO

In the fall of 2002, against a backdrop of scrub oak turning red and gold on rolling hills, members of the Child family tried to keep a stack of contracts from blowing away in the wind. When they contained and signed the papers, their 1,506 acre ranch in the Capitol Creek valley had changed: it was preserved forever. The ranch, in the foothills of the Maroon-Snowmass Wilderness and a stone's throw from Snowmass Ski Area, was conserved with the help of a broad coalition of nonprofits and government agencies.

One organization that helped was the Environment Foundation, founded and run by ASC employees.

That in itself is not remarkable. The mission of the Foundation, after all, is to protect the local environment. But what is noteworthy is that more than thirty years ago, Aspen Skiing Company wanted to buy the ranch and build a ski area on it.

In last year's report, I described the difficulty in tracking our progress toward sustainability, and in some cases, determining if we're making progress at all. But what happened at the Child Ranch changed my perception.

Yes, we are planning a new base village development in Snowmass, an infill project on what had been a parking lot. But with our partner Intrawest, we have committed to making it the first truly green village in the ski industry, and we've added one of the country's premier efficiency engineers to our design team to ensure that happens. (A detailed description of our plans for base village is available on our website at www.aspensnowmass.com/environment.)

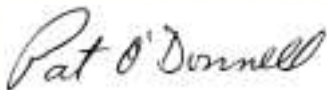
In other areas, we have made greater strides in the last year than ever before. We are in the midst of a two-year phased switch to biodiesel in all company snowcats. Biodiesel, a renewable fuel made domestically, cuts pollution and increases national security. Because we burn 260,000 gallons in a ski season, the environmental benefits are enormous. It's the first time a ski resort has addressed the pollution associated with diesel engines. Other resorts are already following suit.

We tripled our annual purchases of wind power last year in an effort to address the impact of our energy use. (We now have five wind-powered lifts and three restaurants.) We are building another environmentally certified building at the Snowmass Club, one that will far exceed local energy code. And we are exploring hydroelectric generation linked to our snowmaking systems.

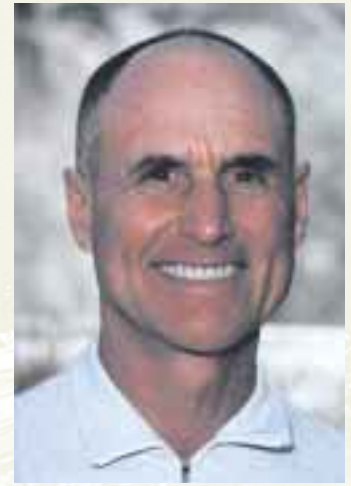
It is often true that corporate environmentalism is, in fact, tokenism: a series of minor tweaks to high-profile but superficial problems; actions that change little but public perception. I'm proud that ASC goes beyond that. Many of our programs are so esoteric, they're downright boring. Often, we're the only ones who get excited by things like our switch to 50% post-consumer recycled paper in photocopiers and printers, our new energy management system at the Little Nell Hotel, or our efforts lobbying congress for a renewable energy bill.

But that's O.K. It's a sign that our environmental programs have developed deep roots, and will continue to grow.

Sincerely,



Pat O'Donnell
President/CEO



I. Company Profile

Aspen Skiing Company (ASC) attracts 1.3 million visitors each winter to almost 5,000 acres of skiable terrain on four mountains—Snowmass, Aspen Mountain, Buttermilk and Aspen Highlands—and year-round visitors to 15 restaurants and two hotels. We employ 3,400 people in winter.

ASC ENVIRONMENTAL AWARDS:

2002 Mountain Sports Media Silver Eagle Awards for Excellence in Energy and Water Conservation

2002 Recognized as a BEST Practices Company by the Conference Board's Business Enterprises for Sustainable Travel Program

2002 Accepted into Colorado Department of Health and Environment's Environmental Leadership Program

2001 ASC Environmental Programs Recognized in the Congressional Record by Rep. Mark Udall

2001 Colorado Pollution Prevention Champion

2001 Mountain Sports Media Golden Eagle Award

2000 Pat O'Donnell Recognized in Tomorrow Magazine's Environmental Leadership Award Issue

2000 ASC Environmental Programs Recognized in the Congressional Record by Rep. Diana Degette

2000 Mountain Sports Media Silver Eagle Awards for Excellence in Energy and Water Conservation

2000 U.S. Green Building Council Leadership in Energy and Environmental Design Bronze Certification for the Sundeck Restaurant on Aspen Mountain

2000 Travel Industry Association of America Odyssey Award, Environment Category

1999 British Airways Tourism for Tomorrow Award for Eco-tourism

1999 National Environmental Education & Training Foundation Award

1999 Times Mirror Golden Eagle Award for Overall Environmental Excellence and Silver Eagle Award for Environmental Education

1998 Times Mirror Golden Eagle Award for Environmental Excellence in the Ski Industry and the Silver Eagle Environmental Excellence Award for Community Outreach and Wildlife Habitat Protection

1994 Silver Eagle Award for Excellence in Environmental Education

In 2002, ASC was a finalist for the Colorado Ethics in Business Award and the Social Accountability International Corporate Conscience Award.



and Management

Please see our website and previous reports for details on existing policies. Here, we highlight our newer initiatives.

ASC continues its policy of using political pressure to effect change. In the past, we have supported congressional wilderness legislation, a plan for the White River National Forest that emphasized natural resources protection over human uses, and written president Bush about climate change issues. In 2001, we joined the Coalition for New Energy Technologies www.newenergytechnologies.org/ on a lobbying trip to Washington, D.C. to support the passage of a National Renewable Portfolio Standard. The RPS is a mandate that a certain percentage of U.S. energy generation come from renewable sources by 2020. The bill passed, though it was severely watered-down. (The initial target was 10 to 20%, but the final bill came in at what is effectively 4%.) In 2002, ASC will be helping the National Ski Areas Association roll out its own climate policy. www.nsaa.org/nsaa2002/environmental_charter.asp

We have also joined the Colorado Business Energy Partnership. www.cudenver.edu/cbep The Partnership helps for-profit, non-profit and public sector members develop money-saving strategies to boost energy efficiency, and protect Colorado's and the nation's climate. The Partnership encourages companies to learn about the link between energy use and climate change. It fosters company awareness of the economic and market opportunities that exist in effective carbon emission reduction strategies.

Cleaner and Greener Certification

In 2002 ASC achieved Level 4 Cleaner and Greener Certification.

www.cleanerandgreener.org/ The program's goals are as follows:

1. To provide recognition for businesses and organizations that reduce emissions by implementing energy efficiency and renewable energy projects.
2. To demonstrate that people want the low cost emission reductions provided by energy efficiency and renewable energy.
3. To open up environmental regulations to include emission reductions from energy efficiency and renewable energy.
4. To demonstrate that low cost emission reductions are available from energy efficiency and renewable energy.

The Cleaner and Greener Program has five certification levels:

Level 1: Support the Cleaner and Greener Principles

Level 2: Report emission reductions

Level 3: Retire emission reduction credits

Level 4: Ask your suppliers and customers to participate

Level 5: Calculate and offset your company's emissions



and Management, cont.

Biodiesel and Windpower

Love your Mother! In honor of Earth Day, April 22, Aspen Skiing Company began switching its entire fleet of snowcats to environmentally friendly “biodiesel,” and will triple its purchases of renewable energy.

An Industry First

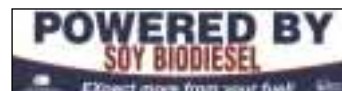
ASC burns 260,000 gallons of diesel annually. Diesel exhaust gives kids asthma; it is carcinogenic, and it causes acid rain, regional haze, and climate change. Biodiesel, which smells like french fries, is a form of fuel made from soybeans or restaurant grease. Using an 80/20 blend of diesel/biodiesel cuts emissions of particulate matter, unburned hydrocarbons, carbon monoxide and sulfates by 10 to 20 percent. ASC’s switch to biodiesel—which will occur over two years— is an industry first and will create cleaner air and a healthier local environment.

As with all ASC environmental programs, this was a cooperative effort. The idea came from Lyle Oliver, snowmaking manager at Buttermilk. Critical research came from Intern Mike Lichtenfeld, and our 1000 gallon test at Buttermilk happened thanks to Doug Meyers of Western Petroleum, Don Mushet at the Buttermilk vehicle shop, and mountain manager Hans Hohl. The Community Office for Resource Efficiency picked up the cost of the biodiesel test.

Because biodiesel can be made from fryolator oil, someday ASC snowcats might be running off waste from the hundreds of local restaurants.

Also in honor of Earth Day, ASC tripled its renewable energy purchases. Before the change, ASC bought 155,200 kilowatt-hours of wind annually. That accounted for an embarrassing .6 of one percent of our electricity use. Tripling that figure has brought renewable supply close to 2 percent, keeping almost a million pounds of pollutants out of the air annually.

These two projects—biodiesel and renewable energy, are what sustainability is all about: cooperation and closed-loop systems. You got a problem? Work together to figure it out. You need energy? Make it locally. You cook fries in the valley? Use the waste to run cats. It’s beautiful stuff, and it’s the future.



“We decided that if renewable energy was important to us, we should be doing it right. Tripling our renewable energy purchases is both a statement and a major environmental benefit.”

Aspen Skiing Company Senior Vice President of Administration, Dave Bellack



III. Compliance and

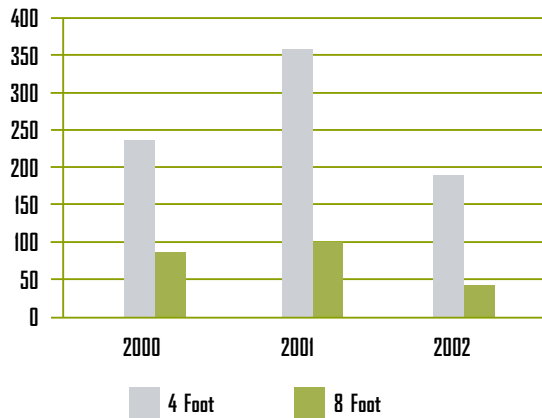
Hazardous-waste Management

The astute reader of this page may ask, "Why did hazardous waste production increase, especially given that we committed to entirely eliminate hazardous waste from the company?"

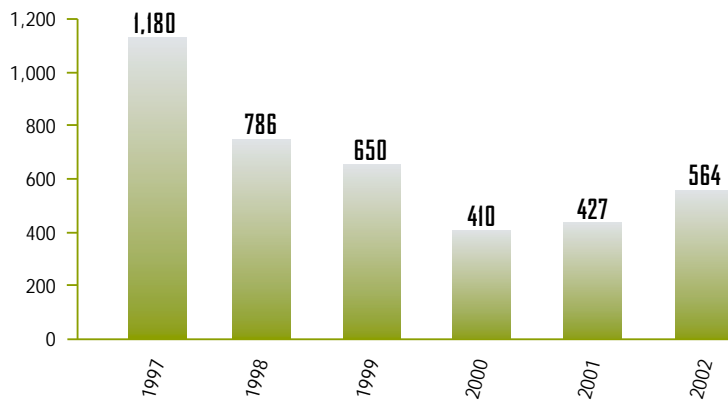
Good question. The answer is that we discovered some old, oil based paint that had dried up. This accounted for five drums worth of waste, at 55 gallons apiece. We're confident that in calendar 2003 total hazardous waste production will approach zero, or, at worst, be the lowest the company has ever produced.



Fluorescent Bulb Recycling



ASC Hazardous-waste Generation (Gallons)



“The World Game: To make the world work for 100% of humanity in the shortest possible time through spontaneous cooperation, without ecological offense or the disadvantage of anyone.”

Buckminster Fuller

Aspen Skiing Company 2001-2002 Consumption Baseline/CO₂ Emissions

CATEGORY	MEDIA	COST	UNITS	UNIT TYPE	CONVERSION	CO ₂ (TONS)
FUEL						
(GAS+DIESEL)	FUEL-SM	\$201,221.00	180,432			1,804
	FUEL-AH	\$51,868.68	36,361			364
	FUEL-AM	\$102,356.00	74,592			746
	FUEL-BM	\$116,980.00	75,138			751
SUB-TOTAL		\$472,425.68	366,523	GALLONS	.01 TONS CO₂/GAL	3,665
SNOWMAKING						
	WATER-AM	\$94,570.00	49,000,000			
	WATER-AH	\$9,250.00	18,500,000			
	WATER-BM	0	43,489,648			
	WATER-SM	\$22,500.00	45,000,000			
SUB-TOTAL		\$126,320.00	155,989,648	GALLONS	.0000006308 tons CO₂/gal	31
ELECTRICITY						
	ELECTRIC-ASC	\$1,205,628.00	16,507,354			
	ELECTRIC-SMC	\$95,101.00	1,680,306			
	ELECTRIC-TLN	\$201,600.00	4,393,618			
SUB-TOTAL		\$1,502,329.00	22,581,278	KWH	1.99 LBS CO₂/KWH	22,468
MUNICIPAL H2O						
	WATER-ASC	\$48,787.00	23,393,500			
	WATER-THE LITTLE NELL	\$43,165.00	21,582,500			
	WATER-SMC*	\$47,023.00	23,511,500			
SUB-TOTAL		\$138,975.00	69,487,500	GALLONS	.0000006308 TONS CO₂/GAL	42
NATURAL GAS						
	NAT. GAS-ALL ASC: AM GAS	\$481,441.00	73056.30			
	NAT. GAS-ALL ASC: KN ENERGY	\$307,855.61	46,716			
SUB-TOTAL		\$789,296.61	119,772	MMBTU	1MILL.BTU/.059TONSCO₂	7,067
PROPANE						
SUB-TOTAL	PROPANE	\$2,730.00	3,740	GALLONS	.00637 TONS/GALLON	24
TOTAL		\$3,032,076				33,297
# OF SKIERS: 1,268,706		\$2.39 PER SKIER		TONS CO₂ PER SKIER 0.026		

*Because of construction, water figures were not available for the Snowmass Club for 1999-2001. We have used the previous year's numbers. New data will be available in the 2002 report.

SM = Snowmass, AH = Aspen Highlands, AM = Aspen Mountain, BM = Buttermilk, ASC = Aspen Skiing Company, AM&AI = Aspen Meadows & Aspen Institute, SMC = Snowmass Club, TLN = The Little Nell



Solid-Waste Generation

2001

WASTE

	Tonnage	Cost	Avg. Cost/Ton
BFI	131.98	\$20,719.00	\$156.99
WMI	581.00	\$23,821.00	\$41.00
Pitkin Co. Landfill	34.42	\$4,901.00	\$142.39
Town of Snowmass	539.00	\$25,261.00	\$46.87
TOTAL:	1286.40	\$74,702.00	\$96.81 (avg. cost of waste per ton)

RECYCLING

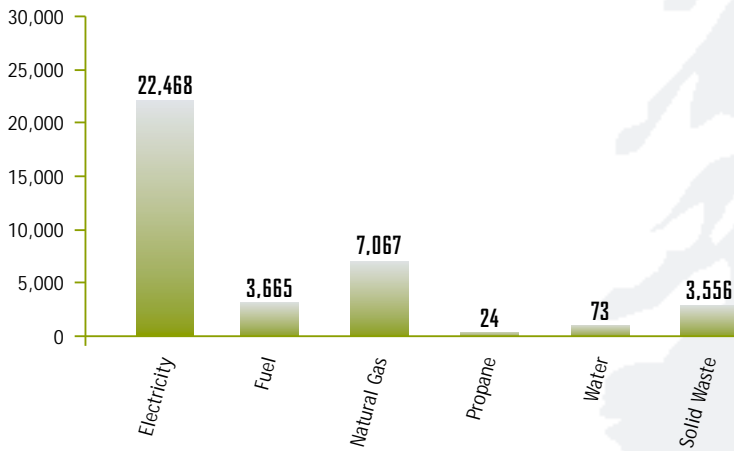
	Tonnage	Cost	Avg. Cost/Ton
Town of Snowmass	132.00	\$0.00	\$0.00
Wally's	178.00	\$17,855.00	\$100.31
TOTAL:	310.00	\$17,855.00	\$50.15 (avg. cost of recycling per ton)

Diversion Rate: 19.42%
Cost Savings/Ton for Recycling: \$46.66
Total Diversion Savings: \$14,464.60

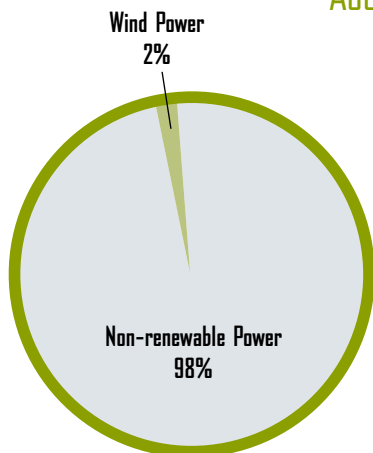
Media Summary Data Chart

MEDIA	COST	UNIT NUMBER	UNIT TYPE	CO ₂ (TONS)
Electricity	\$1,502,329.00	22,581,278	KWH	22,468
Fuel	\$472,425.68	366,523	GALLONS	3,665
Natural Gas	\$789,296.61	119,772	MMBTU	7,067
Propane	\$2,730.00	3,740	GALLONS	24
Water	\$265,295.00	225,477,148	GALLONS	73
Solid Waste	\$92,557.00	1631	TONS	3,556
TOTAL	\$3,124,653			37,033

CO₂ Emissions by Media (Tons)



ASC Electricity Supply



Total kwh electricity usage: 22,581,278 kwh
 455,350 of total is wind

V. Resource Efficiency



From: Randy Udall, Community Office for Resource Efficiency

To: <Auden.Schendler>

Date: Tuesday, November 12, 2002, 2:42 PM

Subject: Global Warming

An interesting article in the Denver Post last week:

It's been 206 months since the global average temperature was cooler than normal. In other words, every single month for the last 17 years has been warmer than normal. Talk about a heat wave!

Climate science is very complex, but my simplified take on the subject would go like this:

- The ten warmest years in recorded history have occurred since 1987.
- The two warmest years in the climate record are 1998 and it now appears 2002. Every month in 2002 has ranked among the top five hottest ever. January and March were the hottest ever, February, April, June, and July were the second hottest ever.
- The average American household is putting 43,000 pounds of CO₂, the chief greenhouse, into the atmosphere each year.

We like to think of the atmosphere as a "thick blanket." But the atmosphere is actually very thin. Scientists compare it to "the skin on an onion" or "spray painting a basketball." A typical Baby Boomer will put a million pounds of greenhouse gases into the atmosphere during his or her lifetime. Where does this leave us? We can debate the scientific nuances til the cows come home: How good are the climate computer models? Could the changes we see be caused by natural variation? Blah, blah, blah.

But the weight of the evidence, not to mention common sense, suggests that we are indeed now seeing what the climate models suggest we should be seeing. Climate is a real problem and the ski industry is on the front line. The good news is that energy efficiency lets us be "penny wise, not pound foolish."

Keep up the good work,

Randy

In our last report, we described our enormously successful lighting retrofit at the Little Nell, Aspen's only five star hotel owned and operated by Aspen Skiing Company. That success encouraged the engineering department to look at other opportunities. It turned out there were dozens of fluorescent light fixtures in "back of house" areas that were twelve years old, dirty, and needed replacing anyway. Engineering staff suggested that in addition to switching from T12 to more efficient T8 lamps, we replace four-lamp fixtures with three-lamp versions. Since the new fixtures would be cleaner, with better lenses, reflectors and lamps, lighting quality would improve, not decline, and we'd get double environmental benefits: not just more efficient lamps, but elimination of some lamps entirely. The staff retrofitted approximately 127 fixtures during the winter of 2001-2002. According to calculations done by ASC's Environmental Affairs Department using GE's Valulight software, the retrofit offers a return on investment of 109 percent (a payback of .91 years) and will keep 186,944 lbs of CO₂, 1367 lbs. sulfur dioxide, and 724 lbs. of nitrogen oxides out of the air annually. The Community Office for Resource Efficiency provided financial and technical support for the project, continuing a longstanding relationship between ASC and this unique nonprofit.



Engineering staff have also installed a computerized energy management system (EMS) in the hotel, which enables accurate monitoring of the mechanical system and, as a result, energy savings. Early data analysis suggests they system has saved \$48,000 in gas costs annually and \$2500 monthly in electricity savings, and, of course, there's the associated decrease in greenhouse gas emissions. The potential for even greater savings is huge as engineers get to understand the system better. How does the EMS help us save energy? By providing information. For example, we learned we didn't need to run all four boilers at 200 degrees all the time—it turned out we could run just one at 130°. The system also enabled us to reduce the temperature for electric snowmelt from 130° F to 85°, and cycle it on an off instead of leaving it on all day. During the installation process, we discovered that electric heat tape on the roof was running ALL SUMMER. We turned it off. 😊

Targeted lighting retrofits: Aspen Mountain Ticket Office, Snowmass Club hallways.

Snowmass Club Redevelopment

When we tore down the old Snowmass Club, we recycled and composted it. Now, the new development—some 90 condos, a golf clubhouse, and indoor tennis courts—will include some of the most environmentally responsible buildings of their kind. The condos and the golf clubhouse will be heated and cooled using water-source heat pumps, a system that taps the natural heat (or "coolth") of a nearby pond. Heat pumps are so efficient that based on computer modeling, the golf clubhouse will be over 30% more energy efficient than conventional structures. The golf clubhouse also has 30% more insulation in the roof than what's required by code.

And the tennis courts use the most efficient lighting system available. (For you lighting geeks, we're using T-5 fluorescents.) The clubhouse, by the way, will be LEED certified by the U.S. Green Building Council, at a level of either silver or gold.



The Snowmass Club tennis center lighting system is one of the most efficient in the world.

V. Resource Efficiency, cont.

Aspen Skiing Company Makes the Switch to Recycled Paper

Move to 50% post-consumer content is helping to create a market for recycled paper while making a statement about company's concern for the environment

Aspen Skiing Company has officially switched all its office paper from 30 to 50% post-consumer content. The change was initiated a year ago, but it has taken some time to get suppliers and purchasers on board, and to use up old stocks, says purchasing manger Julie Anderson, who was responsible for the shift. Anderson points out that: "the paper purchasing policy is part of a company-wide effort to buy greener products and 'close the loop' on resource use. ASC made a similar move last year when we switched to recycled motor oil an oxygenated fuel." According to Anderson, ASC buys 20,000 lbs. of office paper annually.

"30% post consumer is what you see in most offices that are trying to use recycled paper. But 50% or more is the real deal. This move is going to eliminate the emission of 4,000 lbs. of greenhouse gases, cut hazardous air pollution associated with the manufacturing process by 28%, and require a third less wood," says Auden Schendler, Director of Environmental Affairs. "And the benefits of this are more than just the pollution reduction: we're helping to create a market for recycled paper, and we're showing our suppliers we care about the environment and that they'd better care too."

Schendler's calculations are based on an environmental benefits assessment tool developed by the postal service, Environmental Defense, and the EPA. www.ofee.gov/recycled/calculat.htm

"Post consumer" paper means fiber that has previously been used, as opposed to simply 'recycled' paper which may contain scraps reused during the manufacturing process.

The product ASC uses is manufactured by Eureka and can be found at www.gp.com/paper/eurekacopier.html.

"The truth of the matter is that you always know the right thing to do. The hard part is doing it."

General H. Norman Schwarzkopf



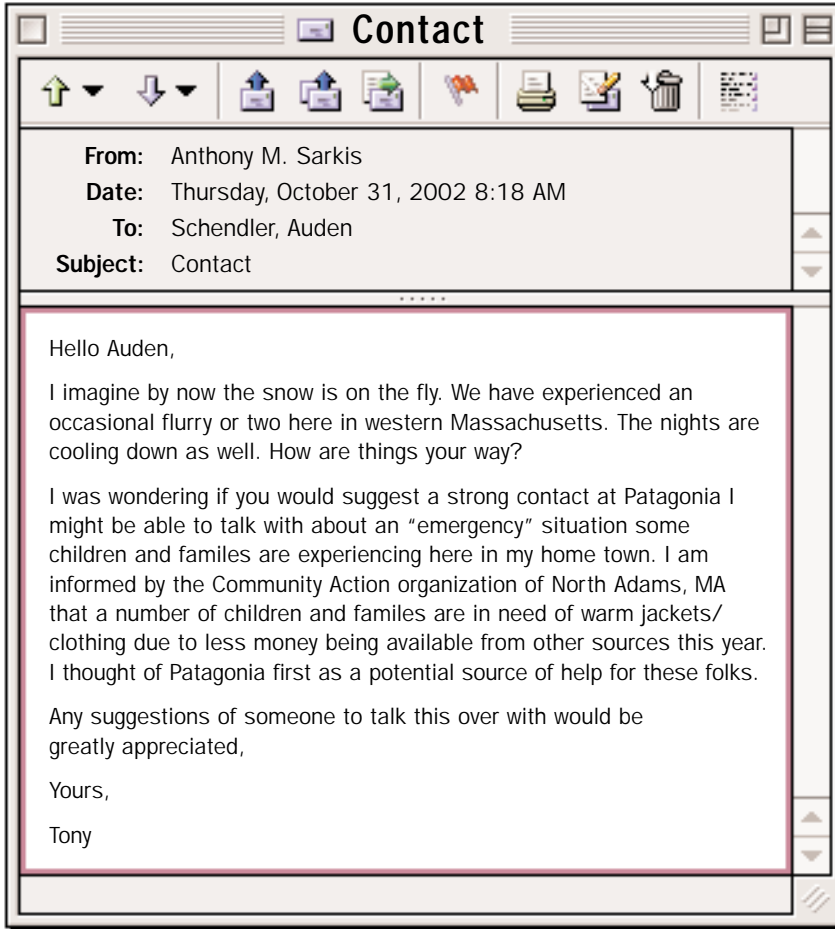
GREEN VILLAGE

ASC and its partner, Intrawest, are developing a new village on existing parking lots at the base of Snowmass Mountain. For details on our commitment to making this the first green base village in the ski industry, please see our website.

www.aspensnowmass.com/environment

Participation and Accountability

Sometimes ASC is able to respond quickly to community needs, even if the community is beyond Aspen. Below, an example:



ASC was quick to respond to this email. Within a week, ASC warehouse manager Ernie Yates had shipped nine large boxes of warm clothes to North Adams from company surplus. Environmental Affairs Director Auden Schendler had put the relief agency in contact with friends at Patagonia who might be able to provide warm clothes for children, something ASC could not do. And people in North Adams were ready for the winter. ASC was able to avoid the cost of storing old uniforms and finding alternate means of disposal.



ENVIRONSCHOLARSHIPS

ASC's environmental scholarship program, which initially seemed like a good idea, has been canceled for lack of interest. The problem seems to be that busy seniors have little time for anything other than school work. As a result, the scholarship—which challenges students to become environmental activists, fell flat. ASC believes that youth need to learn how to become activists, and in the winter of 2002, the Environmental Affairs Dept. will be developing a program to bring inspirational speakers to local schools. The person taking on the job of organizing this program: our new intern, Jeremiah Centrella, who just graduated from Colorado College with a degree in Political Economics with an emphasis on environmental policy.

Participation and Accountability, cont.

2001 Employee Environment Foundation Grants



The Environment Foundation was established by Aspen Skiing Company employees four years ago to protect the places they live, work and play. Unique in the industry, the foundation raises money from employees through a payroll deduction that is matched by Aspen Skiing Company and again by Aspen Valley Community Foundation.

As of this writing, the foundation has donated more than \$404,645 to local environmental causes. In 2001, the Environment Foundation donated \$98,800 to 104 projects:

APRIL 2001

Western Colorado Ag. Heritage Fund Technical Assistance, Maurin Family	\$8,000
Sunsense: Solar Education Module	\$4,000
Roaring Fork Outdoor Volunteers Trail Rehab	\$6,000
Colorado Mountain Club Western Slope Office	\$4,000
Deaf Camp Nature Trail	\$3,000
Tenth Mountain Solar Energy Guides	\$1,750
RMI Tour Guidebook	\$2,000
Roaring Fork Conservancy Stream Program	\$5,000
Pitco: Retrospective Analysis of Water Issues	\$1,000
Pitco: Mapping of Watershed	\$1,000
Mountain Folks for Global Justice: Town Speakers Public Education	\$2,000
Carbondale Environmental Board	\$950
Solar Energy International Solar Potluck	\$1,550
TOTAL	\$40,250

NOVEMBER 2001

Western Colorado Agricultural Heritage Fund Cerise Ranch	\$4,000
The Red Hill Committee Reclaim and Revegetate Red Hill	\$5,000
The Stepstone Center Smart Growth Symposium	\$4,000
Rock Bottom Ranch General Operating Support	\$5,000
Mountain Folks for Global Justice Public Education and Policy Project	\$5,000
The White River Conservation Project Forest Travel Management Plan Study	\$3,000
The LDVAtrail Group Creation of a Trail along the Colorado River	\$4,000
The Community Office for Resource Efficiency Yule Creek Micro-hydro	\$10,000
Doug Davis of Star Technology Computer Disposal Project	\$5,000
The Independence Pass Foundation Top Cut Restoration	\$4,550
Basalt High School's Science Department Whirling Disease Study	\$2,000
The Waldorf School Wetlands Education Project	\$2,000
TOTAL	\$53,550
SUBTOTAL	\$93,800
104 Total Projects funded Through Fall 2002	\$404,645

“I congratulate Aspen Skiing Company for its great work and the model it is providing... let’s hope that Aspen’s example can be replicated at all resorts in Colorado and throughout the nation.”

Rep. Mark Udall,
Congressional Record,
Proceedings and
Debates of the 107th
Congress, First Session,
Wednesday, Sept. 5, 2001

GREEN BUSINESS ESSAY

Environmental Affairs Director

Auden Schendler published an essay

in the June, 2002 issue of Harvard

Business Review titled "Where's the

Green in Green Business?" The essay

calls for an ethical mandate in

green business.



Interns

Part of the mission of ASC's Environmental Education department is to educate the public about sustainable business issues and encourage others to take action. That's why we do so much public speaking and regularly publish articles on our work. But another angle of attack is to bring on interns, educate and train them, and send them off into the world as agents of change.

Mike Lichtenfeld was an intern with the Environmental Affairs Department in the Winter of 2001-2002. Here, uncensored and verbatim, is what he had to say about his experience. Mike was critical in laying the groundwork for ASC's switch to biodiesel and ban on Chilean sea bass. He was recently in Bali working for the Nature Conservancy. His email address speaks to his commitment to our mission: skigreen@hotmail.com.

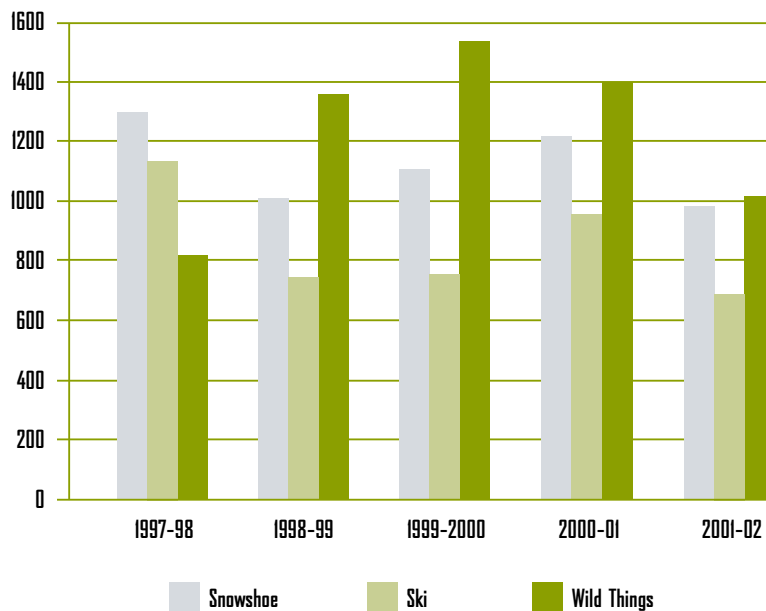


"Like most college graduates, I expected my first internship out of school to consist primarily of coffee-runs and faxing duties. At Aspen Skiing Co's Environmental Affairs Department, however, I was given the opportunity to delve head-first into the complex issues and politics through which director Auden Schendler must navigate each day. I quickly found myself multi-tasking a variety of projects that included research into alternative energies, memo and report writing, operational data gathering, and award/grant application writing. The work I was doing was of genuine interest to me, so my motivation and productivity levels were high. Most importantly, Auden made me feel like a full-time member of the staff by consulting me on his work, updating me on any new developments, and genuinely seeking my input.

The most rewarding aspect of the internship is the feeling that I made a difference, even if it was a small one. Before I even had a company e-mail account, Auden was probing me for new ideas on what should be done at ASC to make it a greener business. Whenever a new concept occurred to me, I was encouraged to research it and determine its practicality. The variety of projects that I was a part of in the short time I was here will continue to benefit the company and the environment long after I'm gone. The experience of working from the inside of a corporation to effect real change in the world is an invaluable one to an aspiring environmentalist.

Internships are what you make of them, and the rewards one reaps are directly related to the effort one invests. I came to the Environmental Affairs Department with a passion for the concept of sustainable development and a desire to witness its implementation. I left with the actual experience of being part of such implementation and the confidence to move forward in my burgeoning career."

ACES/ASC On-Mountain Nature Tours



The Greenletter is ASC's environmental newsletter. It has run continuously since 1997. Each month, the Greenletter updates employees on environmental programs at ASC, recognizes "Eco-Stars" from within the company, and provides information on a wide range of environmental issues.

The Green Letter

The Environmental Newsletter of Aspen Skiing Company

SEPTEMBER, 2002

VOLUME 5, NUMBER 9



Highway Cleanup ROCKS!

This year's highway cleanup blew the doors off past records. With more than **sixty ASC employees** showing up (plus several random doctors from Michigan who had nothing to do), we ran out of bags, gloves, and almost left several people on the pass. But the haul was incredible: half a dozen hubcaps, loaded diapers, trashed road signs, and a T.V. We got thirty bags of trash and about a million pictures of **David Perry**, which appeared in two issues of the Aspen Times. Thanks to all who participated, and special thanks to **Natasha Cole** and **Joey Woltemath**, who literally made the event possible, helping to mitigate chaos, buy pizza, drive vans, etc.

Will Base Village Be Green?

Several employees have asked what the plans are for ensuring that base village will be a truly green development. You'll find the answer in this week's Aspen Times Weekly (out on Friday) in a major editorial by Pat O'Donnell and Intrawest VP Paul Shepherd. Please read this essay, and call Environmental Affairs with questions and comments. 923-8628.

ASC Environmental Road Show

ASC's environmental programs are getting increasing play, and not just in the bars. **The Colorado College Economics Department Sustainable Development Workshop** recently published an in-depth review of our environmental programs:

www2.coloradocollege.edu/dept/EC/Faculty/Hecox/CS/P/welcome.htm (The author of the profile is on the short list for a winter internship. Another company profiled is New Belgium Brewery, where Auden will be meeting with "Sustainability Goddess" Hillary Kaufman on Friday to discuss their innovative programs, some of which may apply to ASC. Beer sampling may occur, but it will be in control. (Hic.)

ASC's programs will also be featured in Steamboat Springs Sept. 25-28 at the **Mountain Resort Planning and Development in an Era of Globalization** conference, www.cudenver.edu/gges/mtnmtour/index.html and in Fort Collins tomorrow at Building Green: Gaining Resources to meet Economic and Environmental Needs. fcgov.com/green/

Finally, in November, ASC will be presenting on climate change-related Sustainable Slopes activities at Aspen mountains at the **climate change/winter recreation workshop in Michigan, hosted by the National Wildlife Federation, the EPA and Michigan State University.**

These presentations meet an important goal of ours: changing the industry.

Help us Break Another Record

The foundation board is asking all contributors to check weekly paycheck contributions to make sure what's being deducted is what you indicated in your sign-up form. In some cases, we've found that **contributions are LESS than what people had asked for**, and this hurts the Foundation because we miss valuable matching funds. (Currently we're raising about \$35,000 from employees, but funds are matched (twice) up to \$50k, meaning every year we miss the \$50k target we lose thousands in potential funding.)

To make this really easy for you, the IT Dept. has set up a new email address in Outlook. You can simply send your request to the "Environment Foundation" address and you allocation will be changed as you indicate. If you're not yet a member, this is also an easy way to sign up for the first time!

Open-space Protection

Sometimes There's Good News

There's Scotch Guard™ in our blood, arsenic in our water, and the climate's changing. Is there ever any good news? Not often, and it's even more rare to be a part of positive change. But crazy stuff happens.

Five years ago, ASC stopped serving endangered Swordfish. Now, according to the *New York Times*, Swordfish stocks are recovering: populations are now 90% of what's considered a healthy level. The fish were saved by strict quotas set by an international commission after intense lobbying by nonprofits and the Clinton administration. Political pressure from corporate bans—like ours—enabled the recovery.

Does this mean you'll be seeing Swordfish with mango-tomatillo relish at the Nell in the near future? No. Young fish need several years to mature. But once they've recovered, we'll be happy to serve a sustainably harvested fish we helped to protect.

Colorado Restaurants and Aspen Skiing Company Boycott Chilean Sea Bass

Community Joint Venture Works to Save Chilean Sea Bass as Populations Plummet

ASPEN/SNOWMASS VILLAGE, Colo.—Eighteen Roaring Fork Valley restaurants and Aspen Skiing Company have announced a joint effort to participate in saving Chilean sea bass from extinction by banning it from menus.

Chilean sea bass, also known as Patagonian Toothfish, live off the coasts of Antarctica and Patagonia in South America and suffer from acute over-fishing by “pirate” poachers. According to The National Environmental Trust, the species will be commercially extinct within two years. Meanwhile, current fishing practices damage the surrounding ecosystem and kill numerous other species, including approximately 200,000 seabirds annually.

“This is an opportunity as a company to make a difference outside our physical boundaries,” said Pat O'Donnell, president and CEO, Aspen Skiing Company. “Through this temporary ban, we are participating in the protection of global fisheries. Because many people have no idea that this problem exists, we also have an opportunity to play a valuable role in educating our employees, our customers and local communities about how they too can help save a species from extinction.”

The boycott in Aspen will continue until a scientifically reliable estimate of the population has been compiled, illegal fishing is eliminated and vessels hunting the species stop killing endangered seabirds.

Chilean sea bass burst on the culinary scene in the 1990's and last year was named *Bon Appetit's* “Dish of the Year.” Fishermen working to meet the restaurant industry's high demand for the troubled species have almost eliminated some populations, particularly off the coast of southern Africa.

EXECUTIVE CHEF PAUL WADE, THE LITTLE NELL:

“Chilean sea bass is captured in mass quantities and more often than not it is illegally obtained. There is a strong contingency of high-profile chefs nationwide that have been tracking the research on the decimation of the species, and at the present rates of fishing, Chilean sea bass will be extinct by 2005. More than 70 percent of the total annual harvest is served in restaurants and hotels. We have to take responsibility for our consumption if we want to see this species stick around.”

RESTAURANTS/HOTELS IN ASPEN/SNOWMASS AND SURROUNDING AREAS THAT HAVE ELECTED TO PARTICIPATE IN THE BAN:

- ASC restaurants: Sam's Knob, Cirque Bar & Grill, Two Creeks Mexican Café, and Up 4 Pizza on Snowmass; Sage at the Snowmass Club; The Sundeck on Aspen Mountain; Cloud Nine Alpine Bistro and Cloud Nine Soup Bowl on Aspen Highlands, and Montagna at The Little Nell.
- Boogie's Diner
- Butch's Lobster Bar
- Campo De Fiori
- Cache Cache
- Chart House
- Crystal Palace
- Elevation
- Goodfellows Pizza
- Gusto
- Hotel Jerome
- NXT
- Montagna Restaurant & Bar
- Olive's at the St. Regis Aspen
- Restaurant Conundrum
- SIX89
- Su Casa
- Topper's Aspen
- Village Smithy
- Woody Creek Tavern

Open-space Protection, cont.

Ski Area Employees Protect Stream Flow

ASC Environment Foundation Announces Program to Protect Snowmass Creek

Aspen Skiing Company's Environment Foundation, governed by an employee board of directors, has launched a toilet retrofit program that addresses the impact of drought and development on Snowmass Creek. The Foundation has established a \$10,000 fund to cover the cost of replacing older toilets, which use 3.5 to 7 gallons of water per flush, with more efficient 1.6-gallon per flush models. The toilet retrofit fund will pay up to \$200 to replace any inefficient toilet in Snowmass Village. The fund is open on a first-come, first-served basis to residential applicants until August 1 when it is opened up to residents outside of Snowmass Village, until the \$10,000 fund is depleted.

Says Environment Foundation Board Member Joey Woltemath: "If we retrofit 50 toilets, we'll keep 750,000 gallons annually in the creek. That's not a huge amount of water, but it's a start. The point of this program is to keep water in Snowmass Creek, but also to suggest to the town, the community, and local businesses how they might work together to protect the watershed. Right now we're targeting toilets, but there are plenty of other ways to save: showerheads, faucets, and irrigation systems—they can all be made to work more efficiently and save water."

According to Water Conservation Organization Waterwiser:

www.waterwiser.org

- Toilets account for nearly 30 percent of all indoor water use, more than any other fixture or appliance.
- Older toilets (installed prior to 1994) use 3.5 to 7 gallons of water per flush and as much as 20 gallons per person per day.
- Replacing an old toilet with a new model can save the typical household 7,900 to 21,700 gallons of water per year, cutting both water and wastewater bills.
- On average, 20 percent of toilets leak.

As long as we're talking about toilets: ASC has also switched from standard paper towel and toilet paper dispensers to new, efficient models made by Cormatic. When you grab a paper towel from old style dispenser, you sometimes end up with a stack. The new models allocate just one sheet, with a time delay before the next one pops out. The Cormatic toilet papers dispensers stack rolls so that customers never run out. And because there's no cardboard tube in the center (the roll is solid TP) there's less waste. Cormatic estimates these systems will save 30% on paper use.



PUT DOWN THAT WEED-EATER!

On Tuesday, July 30, a woman toting a mysterious green cooler of what looked like hot and sour soup containers showed up on Aspen Mountain. In those containers were deadly biological agents. But before you contact the FBI, read on.

The woman was Colleen Jandreau of the Colorado Insectary, and the biological agents—bugs—are deadly all right, but only to weeds. Colleen, who works for a state agency that provides free weed-eating moths, larvae and weevils, was helping Aspen Mountain summer trails staff Steve Fisher and Andy Wood address a Yellow Toadflax infestation. If all goes well, the bug population will slowly grow as it eats and kills the Toadflax, eventually bringing the weed infestation down to a manageable level.

Mountain Manager Steve Sewell tentatively endorsed the program, saying, "fine, as long as these things aren't going to gnaw on the gondola cable." They won't, but some weeds are almost as tough.



Open-space Protection, cont.

Snowmaking Summary

What's ASC Doing to Use Water More Efficiently?

by Mike Kaplan, Senior VP of Mountain Operations

In the summer of 2002, Colorado experienced one of the worst droughts in 400 years, making water even more scarce than it normally is in our semi-desert climate. Therefore, it's even more important that ASC operate its snowmaking operations as efficiently as possible. Here's what we're doing:

1. We try to operate only during optimal temperatures (less than 24 degrees). This yields more snow per unit of water. We have increased our pumping capacity at Snowmass and Buttermilk, which allows us the peace of mind to stay shut-down during warm nights, knowing that when it does get cold, we can pump a lot of water at maximum yield. Specifically, both Buttermilk and Snowmass increased pumping capacity 25% over the last two years.

2. We are using more Snowmax than ever before because our studies indicate that it decreases evaporation, minimizing the use of electricity and water. Snowmax is a biodegradable product that provides nuclei on which ice crystals can form.

We added the use of Snowmax to Highlands last year, and doubled the usage at Snowmass for this year. Ultimately, this means less water is pumped out of the creeks and more water gets back into the watershed during runoff instead of evaporating.

3. We are looking to add to our storage over the next few years on all mountains. We added 3 million gallons of storage on Snowmass for a total of 5 million gallons. The environmental benefits of water storage are described in last year's report.

4. Fan guns are more efficient than air/water guns. We have greatly expanded our fleet of fan guns this year (by approximately 25%). Unfortunately, they do not work in all locations due to their size and lack of mobility, and when we are running during warmer temps, and very cold temps, we find some other guns to be more productive, so we will never switch 100% to fan guns.



An Efficient Fan Gun

5. We continue to invest heavily in replacing aging water lines that leak. For example, this year we spent approximately \$500k replacing old pipe on Aspen Mountain and Buttermilk. Aspen Mountain is now in pretty good shape, and we plan to replace all the old pipe at Buttermilk over the next 4 years. This saves water by cutting leaks (we estimate we'll save 6 million gallons on Aspen Mountain alone) and reduces energy use.



FULL DISCLOSURE

ASC has expanded snowmaking capacity at Snowmass Mountain, adding 1,500 feet of pipe on

Velvet Falls. This will be the location of a new terrain park.

This adds 5.5 acres of snowmaking.



In Sweden, when your old car rusts through and burns as much oil as it does gas, you don't throw it out. The manufacturer is required by law to take the car back. This concept is called "lifecycle product stewardship." 3M recently pulled Scotchguard products from shelves when a component chemical, perfluorooctanyl, showed up in blood banks. Though there's no evidence the chemical causes any harm, 3M, a good lifecycle steward, didn't want to end up being responsible for a product it didn't fully understand.

The concept of lifecycle stewardship is gathering steam, and has spread widely, most noticeably to the computer and carpet industry. In fact, the carpet we've just installed in ASC's Bumps restaurant at Buttermilk is made in part with material recovered from old customers. The company, Collins and Aikman, will take back our carpet when it wears out.

The idea of product stewardship is so powerful I began to wonder if it might have an application to the ski industry. But what's our product? One must be the service we provide, and it has an obvious ecological footprint. For us, it breaks down to .026 tons of carbon dioxide emissions per skier. The CO₂ released when a visitor comes to ASC (mostly from energy used to power lifts and buildings) stays in the atmosphere, changing the climate, for a hundred years. We're addressing that through operational changes described in this and past reports, and through lobbying. We handle other lifecycle impacts like erosion, tree cutting, and wildlife disruption in other ways. This nuts and bolts stuff is the easy part.

More difficult to address is our most tangible product—the "throughput" for our industrial process—our guests. Guests come from outside the area, are processed at ASC, and return home. What, if anything, has the Aspen experience done to influence these people?

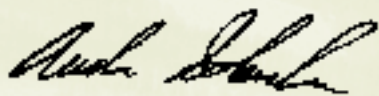
If we "discharge" guests who don't have an environmental consciousness, they could be considered a waste product of our business, going on to ever-greater consumption and pollution. But if each guest returns home slightly enlightened, and starts taking the bus to work, or begins recycling, or upgrades to a hybrid car, then we've discharged a nutrient, a positive force, into the world.

In the book *Cradle to Cradle*, Bill McDonough and Michael Braungart call industrial waste products that are biodegradable "biological nutrients." An example would be a candy wrapper that becomes fertilizer when dropped on the ground. They define "technical nutrients" as those industrial compounds that won't biodegrade but can be reused in industrial processes, the way motor oil can be refined and reused forever. Now, with our guests, we have created a new category: the "social nutrient."

Social nutrients are agents of change in society: either powerful, wealthy and influential people who can sway large businesses and even governments (we have plenty of these types in Aspen) or less influential people who can still effect change in their lives.

We educate our guests in a number of ways: from this report, to regular appearances on local TV, to free on-mountain nature tours, to the biggest environmental website in the industry. We include two pages of environmental information in our annual brochure, and we hand out "Green Cards" to guest that suggest five ways to protect the environment in Aspen, five things ASC is doing, and five actions guests can take at home. After their experience here, we hope our 1.3 million visitors will go on to sow the seeds of sustainability far and wide. If each visitor installs a compact fluorescent bulb and some weatherstripping, their children might still be able to ski a hundred years from now.

Sincerely,



Auden Schendler
Director of Environmental Affairs



“All truth passes through three stages: first it is ridiculed, second it is violently opposed, third it is accepted as being self-evident.”

Arthur Schopenhauer