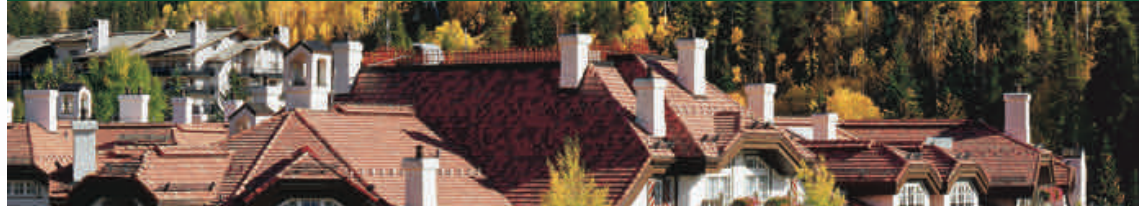




Sustainability Report

2015



Thank you for taking the time to read our annual sustainability report. As a member of the Sonnenalp family, you can help us in our efforts to reduce our carbon footprint and preserve the natural beauty of this incredible valley we call home. We encourage you to share any ideas you may have to further our mission of being leaders in our industry when it comes to sustainable practices.

Sincerely,

Rosana and Johannes Faessler

Focus on Green

The Faessler family has been in the hospitality business for four generations, starting nearly a century ago with a hotel in the beautiful alpine setting of Ofterschwang, Bavaria, in Germany. Drawn by the pristine natural environment of the Colorado Rockies, the family fell in love with the area surrounding Vail and opened the Sonnenalp Hotel in Vail in 1979. Sonnenalp, which means "sun on the mountains," began with a respect and appreciation for our wonderful mountain setting, something that remains a core value at the Sonnenalp today.

We are committed to protecting these resources by pursuing practices and initiatives that help us protect the environment and support the communities in which we live and work. We invite you to join our efforts. Together we can make a difference.



Sonnenalp Hotel owner Johannes Faessler

Sonnenalp Sustainability policy

Sonnenalp Hotel is committed to being a sustainable and responsible business with best practices that address Environmental, Economic and Social impacts. We are guided by the philosophy of the "Triple Bottom Line: People, Planet, Profit" and measuring our success not only by profitability, but also by how our actions impact our community and our environment.

To meet this commitment, the Sonnenalp Hotel of Vail owners and employees will endeavor to:

- ★ Work diligently to minimize our waste stream and conserve natural resources, particularly through comprehensive recycling, responsible purchasing, energy and water conservation
- ★ Value the natural and cultural heritage of our area, allowing us to give our guests an authentic experience
- ★ Comply with all applicable environmental and employment legislation and strive to follow best practices
- ★ Make environmental considerations an important aspect of decision-making throughout the hotel
- ★ Regularly review, measure and improve the objectives of our Sustainability Policy
- ★ Build local partnerships in the communities where we do business. These partnerships allow us to share our stewardship message and effect positive environmental and social change on a local level
- ★ Consider the opinions and feedback of our guests and employees when examining our environmental programs and procedures
- ★ Identify areas for improvement and innovation at the property level and support the efforts of our guests and employees
- ★ Provide employees with the opportunities and incentives to be environmentally responsible, such as on-going environmental, cultural and regional resource education, bus passes, employee housing within walking distance, assistance with establishing car pools, recycling, energy reduction and others
- ★ Provide guests with opportunities to be environmentally responsible such as environmental, cultural and regional resource education; recycling, waste reduction and resource usage reduction; green house gas offset programs and actively soliciting guest feedback
- ★ Establish specific environmental, economic and social goals and processes to measure, monitor and improve by at least 5% per year, reported annually, as stipulated in our Policies & Procedures.



The Sonnenalp Hotel Green Star Committee

Left to right: Chef Florian, Erika Madsen, Dori Eisenmann, Else Delgado, Nicole Schmidt, Jane Ross, Christoph Kuch, Amy Boggs, Danijela McGinley, Christina Stadfeld.

Mission Statement

The Green Star Committee at the Sonnenalp Properties is committed to using healthy and environmentally friendly business practices. With a focus of treading lightly on the earth, we implement sustainable solutions to achieve a superior outcome for our guests, our staff and our community. Our mission, through our business practices, is to inspire, educate, and support our staff and the community we live in to become as environmentally responsible as possible in all that we do.

The Green Star committee strives to educate our staff in becoming as environmentally responsible as possible at work, at home and throughout our community through:

- ★ Weekly PowerPoint Presentation about "Going Green" subjects such as community, national and international "Green" events that our employees can participate in; ways to save energy and water; how to recycle properly.
- ★ Departmental Meetings: Talking to staff about green procedures we have at the Sonnenalp.
- ★ Orientation: Informing our newest staff members about how important the green effort is to our hotel and training on recycling and composting.



"I encourage everyone to get involved in our community projects. It's a great way to give back, plus it's a lot of fun!"

- Jane Ross, Green Star Committee Chair

Sonnenalp Hotel's staff involvement in green community efforts

- ★ Highway Clean up, April: Every year the Sonnenalp Hotel puts together a team of dedicated employees to clean up our two miles of adopted highway by the East Vail area of I-70.
- ★ Bike to Work Day, June: Once a year ECO Trails puts together Vail's Bike to Work Day. Sonnenalp and ECO Trails share a booth across from the Sonnenalp, serving fruit, pastries, bagels, Gatorade, coffee and water to those who choose to bike to work. Did you know that autos are the single largest source of U.S. air pollution? Short trips pollute up to three times more per mile than long trips. When bicycling is substituted for short auto trips, 3.6 pounds of pollutants are not emitted into the atmosphere. So, whether you rode from Edwards or from Solar Vail, your participation was greatly appreciated.
- ★ Adopt-a-bike-path: Clean up of the Sonnenalp's adopted mile, which runs through Dowd Junction. Every year from June to November the Sonnenalp is responsible for cleaning our designated mile. Volunteers from each department go out every two weeks to clean the trail, and then enjoy drinks and appetizers with their fellow employees...This is a great way to give back to our community as well as a staff team-building exercise!
- ★ River Clean Up, September: Team Sonnenalp picked up litter along Eagle River near the Minturn exit area. After a hard morning's work of pickup, volunteers gathered for a great lunch served by the Arrowhead Alpine Club in the picturesque setting of the Broken Arrow in Arrowhead. Live music, a raffle and beer rounded out the festivities, culminating in the presentation of the Annoying Singing Fish Award for the best find of the clean up.
- ★ Vail Farmer's Market Zero Hero Stations: "Zero Hero" stations are scattered throughout the Vail Farmer's Market each Sunday from June through September. The goal is to educate our residents and guests on how to divert as much waste as possible from land-fills through recycling and composting. This is an opportunity to show thousands of shoppers the Sonnenalp Hotel's commitment to environmental stewardship.

Energy conservation

The majority of energy used in hotel operations comes from natural gas and electricity. Heating, cooling, lighting and operation of equipment represent the greatest opportunity for reduction of our impact on green house gas emissions.

Sonnenalp Hotel has committed to a process that will identify and minimize the amount of natural gas and electricity used throughout hotel operations. Several specific areas throughout the hotel have already been addressed. Through measuring of usage, enforcement of procedural changes and investment in more efficient equipment, the usage of both commodities has been decreased significantly on a year-to-year basis. Our gas usage alone has decreased by 20% per occupied room last year! Listed below are numerous projects our Engineering team has already completed to conserve energy:

- ★ Modified the control procedure for our snowmelt system to reduce usage of natural gas by 18%.
- ★ January 2011: Purchased Ozone System for laundry which uses less hot water and saves on gas and electric usage.
- ★ September of 2011: Invested in 2 new Lochnivar On-Demand Water Heaters with 96% efficiency rating to power our in-house laundry operations drastically cutting electric usage.
- ★ Spring of 2012: Changed 3 walk-in cooler condensers from water cooled to air cooled.
- ★ Spring 2012: Installed 2 evaporator higher efficiency motors in walk-ins.
- ★ 2013 & 2014: Acquired new ovens for Ludwig's and Bakery that are energy efficient.
- ★ Purchased new dryers for the laundry that use less energy by shutting off automatically when items in dryer are dry.
- ★ Acquired a new Green-Rated energy efficient floor machine which uses fewer chemicals and less energy.
- ★ Spring of 2015: Purchased a new Ironer for the Laundry that eliminates the need for a steam boiler.
- ★ Operational changes include shutting off floor heat in guest rooms during non-winter months and maximizing times when pools and hot tubs remain covered.
- ★ Completed a large portion of an extensive lighting retrofit program by replacing approximately 50% of our bulbs with energy efficient LED bulbs. We are currently seeing a 34% reduction in our electric usage per occupied room from these efforts.

★ Applied for and received rebates and grants from Eagle Valley Alliance for Sustainability, Walking Mountains Science Center and Holy Cross totaling \$57,000 by saving 826,913kw since 2011. this money will be used for additional sustainability projects!

Waste Management

Paper, packing, organic waste and other garbage is produced in hotel operations in large quantities. Our efforts have concentrated on reduction of products generating large amounts of waste and recycling throughout our operations.

- ★ February 2012: Purchased 12-yard cardboard compactor and built new recycling center.
- ★ Fall 2014: Purchased 8-yard Single Stream compactor and a new Trash Compactor that notify us when they are 3/4 full in order to cut back on unnecessary trips to the landfill and recycle area.
- ★ Fall 2014: Worked in conjunction with the local waste company to start a composting pilot program

Water conservation

Water is a scarce resource in the Rocky Mountain west. Water usage in guest rooms, in hotel operations, and for irrigation purposes amount to millions of gallons per year. Our efforts to date have reduced our water usage BY 18.9%.

- ★ Guest rooms were outfitted with low flow shower heads and toilets.
- ★ Purchased a new washer for the Laundry that uses less water by having fewer cycles.



- ★ Logging of daily water usage has resulted in faster recognition of water loss through leaks or other faulty equipment and creates awareness of high water usage in general.
- ★ An audit of our outdoor irrigation systems resulted in a re-build of our flower box irrigation system and in better control of other irrigation areas.
- ★ Automatic soap dispensers, towel dispensers and low flow and motion detector faucets have been installed in most public area bathrooms on the property.

Sustainable Purchasing

Many products necessary for the operation of a high-level resort operation are procured with quality being a major selection criteria. The Sonnenalp Resort of Vail has found numerous opportunities to combine the quality requirement with purchasing policies that are in-line with keeping our "green" focus. Locally grown products not only provide a higher level of freshness but also significantly reduce energy usage generated by transportation. Use of organically grown products reduces the impact of chemicals used in the growing process of food and beverage items. Products made from re-used product or bio-degradable products greatly reduce the impact on our environment.

- ★ All hotel operations areas have recycling bins.
- ★ Certain light bulbs and batteries are collected and recycled.
- ★ Metals, computer equipment, cell phones and electronic items are collected and delivered to a recycling center.
- ★ Drain cleaning is done through a company that pumps the water out of the solids in our drains. The water is then used to flush out our drains. Less fuel is used because the trucks are only hauling the solid waste, which is taken to a composting center.
- ★ Used oil from the kitchens is picked up by a company that uses it to manufacture new everyday products such as soap, feed additives or alternative fuels.

Past and future green projects around the Sonnenalp Hotel of Vail

What's happening on the department level?

Engineering

In addition to the numerous projects our Engineering team has already completed, they also partnered with Tesla to have four electric car charging stations installed on the property.

Furthermore, they have the following plans to continue to "green" the Sonnenalp's operations:

- ★ Continue our conversion to LED lighting
- ★ Implement a paperless workflow program

Purchasing

In all Sonnenalp restaurant operations, organic and locally grown products are now present on menus. The procurement of those products has increased on a year-to-year basis. All previously used paper is re-used for our everyday requisitions from old sales documents and mini-bar sheets. All copy paper is 100% post consumer waste (PCW) and we do not buy other printing paper that is less than 30% PCW.

We are in the process of switching to a paperless inventory... this will reduce our paper usage by 540 pieces of paper per year. Other paper products such as hand towels, toilet tissue and bath tissue are procured based on our sustainable purchasing policy. Our partner Eco-lab provided our laundry machines and dish-washing machines with biodegradable soaps. Many more opportunities exist to further the impact of our purchasing practices. The biggest impact we have on the carbon footprint is by using the fewest number of vendors we can. Just recently we dropped one delivery a week from a big supplier to lower our carbon footprint.

The Sonnenalp Green Star Team
finds new products on a regular basis and,
if successfully tested, recommends appropriate changes.

Spa

- ★ In 2014 we switched to paperless system for payroll, scheduling and staff communications.
- ★ Cups used in the Spa are recyclable.
- ★ The purchase of re-usable containers for treatment products has cut down on our plastic usage.
- ★ Unusable linens are recycled as cleaning rags.
- ★ In 2015 we will be purchasing recycle bins for public areas.

Human Resources

- ★ The summer of 2012 we switched to a paperless payroll system. This system also enabled us to cut the use of plastic time cards by using electronic reading of staff fingerprints instead.
- ★ Our new Talent Wise software used for all new hires has allowed us to go paperless saving us 59 pieces of paper per new employee.
- ★ Our direct deposit program is saving us from printing a large number of checks and pay stubs.

Housekeeping

- ★ The Sonnenalp Hotel has recently started purchasing smaller bars of soap to avoid the amount that is thrown out.
- ★ In an effort to reduce our carbon footprint, we implemented a new refillable amenity program in our guestrooms. Sorting small amenity bottles is problematic for any municipal recycling facility. Our reusable amenity containers eliminate tens of thousands of plastic bottles from entering the environment each year.
- ★ Our guests have the opportunity of assisting us in our eco-friendly efforts by opting to not have sheets and towels changed on a daily basis, therefore conserving our natural resources.
- ★ We significantly reduced the purchase of plastic water bottles by stocking guest rooms during daily turndown service with reusable, glass "Natura" Water bottles.
- ★ We introduced new practices and procedures in our laundry facility resulting in maximizing washer loads, thus reducing water usage.



- ★ Our Guest Request Log is being converted to a paperless system.
- ★ Clothing items left behind for more than 60 days by guests are donated to the local Thrift Store.
- ★ In 2015 we will be researching the use of green cleaning products.
- ★ Contracting for the use of iPads for the in-room Guest Directories has resulted in less paper usage.
- ★ Unusable linens are recycled into bags for the maid carts cleaning rags and staff laundry bags.
- ★ Guest room door stops are made from unusable upholstery pieces.
- ★ To cut back on our use of plastic bags, reusable, washable bags have been purchased to be used for guest laundry bags as well as storage and transport of recycling items and cleaning rags.

Food & Beverage

Herb Garden

In the Sonnenalp's restaurants, Executive Chef Florian Schwarz and his team use healthy, organic local ingredients and fresh herbs from the hotel's very own herb garden which was planted in the spring of last year.

Some of the items you can find in the Sonnenalp's herb and vegetable garden include the following:

- 3 varieties of Basil
- Chives
- 2 varieties of Parsley
- Savory
- Sage
- Wasabi
- Arugula
- Oregano
- Rosemary
- Thyme
- Mint



And more....

- ★ Fall of 2014: We collaborated with our local trash collection company to be able to start composting.
- ★ We are now purchasing our beef locally from 7X, a company based out of Somerset, Colorado.
- ★ In the kitchen, our chefs make sure to thaw out food overnight that is needed the next day instead of having it thaw in a sink full of water.
- ★ In 2014 two energy efficient convection ovens were purchased.
- ★ Spring of 2015 we started using a paperless inventory system.
- ★ Reusable ice paddles are used to cool soups and sauces instead of cooling them in water.

Wine

Sustainable purchasing is something that is very important to the Sonnenalp wine program. The inclusion of Trinity Oaks wines on our wine list enables us to participate in their One Bottle One Tree Program, where the winery plants a tree for every bottle of wine we purchase from them. The Sonnenalp Forest is now at 2,268 trees!

In January of 2013 Sonnenalp Hotel was the first in the Vail Valley to offer an Ipad Wine List. Each Ipad that replaced a wine list saves us approximately 800 pages of paper a year.

Banquet Tables

In the Fall of 2013 we purchased new "linenless" banquet tables allowing us to conserve on water and energy used for laundering table cloths. The product's aluminum portions contain 70% recycled aluminum and is 100% recyclable. Laminite is GREENGUARD certified for low emissions

Cork Recycling

The cork recycling program is our effort to help keep cork, a reusable product, out of landfills. All of the Sonnenalp Hotel's restaurants and banquet functions recycle our corks. We are also the only official public cork recycling drop-off center in the Vail Valley. To date the Sonnenalp has recycled 21,450 corks. Once we collect a full bin of cork (1,650 corks), we send them to ReCork. Recork is a non-profit organization which has collected over 49,000,000 corks and has planted 8,097 trees.



Awards and Accolades



Actively Green 2015 is an initiative of the 2015 FIS Alpine World Ski Championships. It's a drive to elevate the Vail Valley community's sustainability performance, while further solidifying its reputation as a world-class tourism destination and event host. Designed to be dynamic, Actively Green will continue to expand its offerings and engage the community beyond the 2015 Championships. Sonnenalp Hotel is proud to announce that it was the first business to be awarded the Actively Green 2015 eco-certification



The Sonnenalp is a Gold Leader in the Colorado Environmental Leadership Program sponsored by the Colorado Department of Public Health and Environment. The State of Colorado supports companies like the Sonnenalp that care about the environment.

Sonnenalp Hotel achieves LECS certification

In 2010 Sustainable Travel International awarded the Sonnenalp Hotel of Vail its Bronze Luxury Eco Certification Standard (LECS). We were the first LECS certified hotel in Colorado and the Western U.S., including the first in any ski resort community to so. In 2013 we, again, were the first in this region to pass the intensive on-site inspection and receive our Gold certification.

Designed to educate, as well as help luxury hotels create and implement a measurement frame-work in their move toward sustainability, LECS is the first and only voluntary, global certification program of its kind.



"It's the little details that are vital. Little things make big things happen."
-John Wooden

All hotel staff contribute to our efforts and come up with their own ways of furthering sustainability at the hotel!

★ Housekeepers use water left in the used Natura water bottles to water plants in the rooms and the flower boxes in the summer instead of pouring the water down the drain!

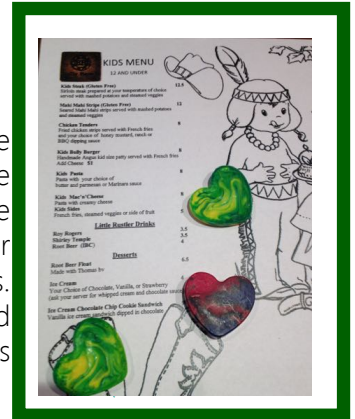


★ One of our Engineers, Ken, recycles our wine boxes into artistic frames, display cases and more!

★ Wait Staff conserves water by using the melted ice in wine buckets to water planter boxes!

★ Bartenders use fresh mint growing on the property for special drink garnishes!

★ A waiter recognized the waste of throwing out the unusable portions of the crayons we provide for children in our restaurants. Now they are melted down together in molds making them usable again!



What can you do to be a "Green" staff member? **Traveling Green**

RECYCLE

- ★ Old cell phones in the cafeteria
- ★ Batteries in Engineering
- ★ Corks in Human Resources
- ★ Toners in Purchasing
- ★ Cardboard in our compactor
- ★ Paper, plastic and bottles in the bins at our recycle center.

SAVE ENERGY

- ★ Make sure doors & windows are closed when leaving unoccupied rooms.
- ★ Set heat settings at normal temperature upon leaving un-occupied rooms.
- ★ Turn off your computers when you leave for the day.
- ★ Turn lights out when you leave any vacant room:
 - ★ Guest Rooms
 - ★ Employee Locker Rooms
 - ★ Offices
 - ★ Storage Rooms



Just as you can be a "green" staff member, our guests are also presented with numerous opportunities to travel green.

The Sonnenalp Resort's convenient location in the heart of Vail's pedestrian village is an ideal opportunity to skip the rental car counter and take a shuttle directly to the hotel. These convenient shuttles offered by local transportation companies combine the travel impact of multiple travelers for a safe, relaxing ride to our resort with a fraction of the emissions impact.

Should our guests require local transportation during their stay, our staff is happy to offer complimentary transport around town. Additionally, our guests are given the following options to assist us in our green efforts:

★ **Water Conservation:** Our guest rooms are already equipped with water-saving low-flow features. Guests can also conserve a significant amount of water over the course of their visit by using our bed linens and towels more than once.

★ **Energy Conservation:** All rooms at the Sonnenalp Resort are equipped with a master switch conveniently located by the door. As guests leave their room, they simply utilize this switch to turn off all lighting and power until they return.

★ **Waste Conservation:** Guestrooms are equipped with two waste containers. One is for non-recyclable waste material and the other is identified as a receptacle for glass, aluminum, plastic and paper. Guests just need to take a moment to consider which option is appropriate and help us reduce the impact on our landfills and utilize these resources for use in recycled production.