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All unlabelled photos in this report: Frontiers North Adventures



Frontiers North Adventures was founded in 1987 with a desire to share our passion for Canada's north with guests from

When we started, it quickly became clear to us that our guests, in their willingness to travel such great distances to come here, also became invested in Canada's north, and came to share our passion.

all over the world.

In short order, we accepted our role as stewards of these natural resources. We recognized that our responsibility encompasses all of our "stakeholders" – our staff, our shareholders, the communities and environments in which we operate, the wildlife we encounter, and people worldwide who love Canada's north, even if they never have the opportunity to physically visit.

We also began to see the effects of climate change, which has become more noticeable over time. Sea ice continues to form later during the autumn, and melt earlier each spring, affecting polar bear health and migration. This has had a profound impact on the way we do business – from the broader range of experiences we are offering to our partnership with Polar Bears International.

For decades (long before the term 'sustainability' came into common use), we've been integrating sustainable practices into our operations, always considering our stakeholders in our decision-making process. In the last few years, we've wanted to push our sustainability efforts even further. Here, in our first sustainability report, we more formally assess our efforts, and hold ourselves to the highest available standard, using the Global Reporting Initiative (GRI) framework to craft this document.

As we are a small tourism company, our biggest challenge has been to establish measurement systems and collect baseline data from which we can glean information and set future goals. Creating this report has been a learning process and we realize that we still have a lot of work to do to better manage and monitor our progress. But we are proud to have given ourselves this challenge.

Photo: Dan Harper

Historically, our efforts have focused on what we can see in front of us: mitigating the negative impacts on our physical environment, showing care for our communities, and undertaking other sustainable activities such as recycling (easier said than done in Canada's subarctic). As we better understand the footprint of our business and our responsibility as a world-class tourism company with best access to scarce resources, our efforts to learn from our staff and the communities where we operate and educate our guests have increased. We have also worked hard to better understand our water use and energy emissions, and how we can improve our performance in these areas.

We are proud of the fact that, over time, we have significantly reduced energy consumption at our Tundra Buggy® Lodge while simultaneously elevating the guest experience. We are proud of our efforts in 2016 to eliminate water bottles from our operation. We are proud that we have helped people all over the world better understand, appreciate and conserve polar bears.

In the coming years, we will work even harder to reduce our energy footprint, rely more heavily on renewable energy sources to fuel our activities, further develop our water management initiatives, and collaborate even more closely with our communities to develop new and exciting tourism products to honour the environment and delight our guests.

Jon Hoto

John Gunter
PRESIDENT AND CEO, FRONTIERS NORTH ADVENTURES

Welcome to Frontiers North Adventures

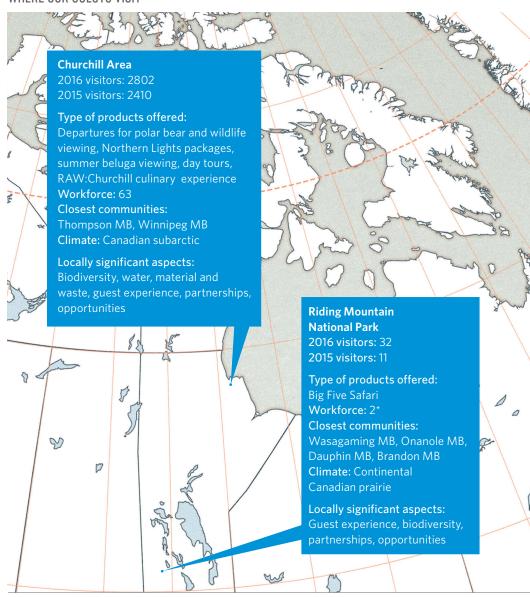
Frontiers North Adventures is a small family-owned tourism business based in Winnipeg, and Churchill, Canada. For three decades, we've been delivering unique itineraries and amazing experiences to travelers from around the world. Our programs focus on nature, wildlife, culture and history, and are designed for small groups of guests with specific interests in experiential travel, photography, wildlife, culture and adventure.

We are the largest tour operator in Churchill and host the majority of our guests in that community. We also host guests in Winnipeg and Riding Mountain National Park. We operate tours on a year-round basis: during the winter guests can experience the Northern Lights; during the summer they can float amongst thousands of beluga whales and have the opportunity to sight polar bears; and during the autumn (currently our busiest tourism season) they can lock their gaze with wild polar bears. In 2016, approximately 2,800 guests joined us. Adventures to see polar bears in the wild are our most popular tours, and represent 74% of our guests.

We also indirectly offer tours in British Columbia within the Great Bear Rainforest and in Canada's arctic throughout parts of the Northwest Passage. These departures are operated by third-party companies. We carefully vet these companies to ensure they share our values and sustainability goals. We have not included any data related to them in this report.

We are a privately owned corporation, with our head office in Winnipeg. Our year-round administration and operations staff are based in Winnipeg, Manitoba. Our Churchill operations include the Tundra Buggy Adventure operation, as well as 58 North, our retail space. We also co-own a hotel, hostel and restaurant, which have not been included in this report. In 2016,

WHERE OUR GUESTS VISIT



* These two people also work in Churchill and are counted there. Note: This table does not include tours operated by our vendors.

we had no major changes in our business or organizational structure.

We have 19 full-time staff, and part-time seasonal hiring brings our workforce to 63. 2016 saw a 12% increase in the number of guests visiting the Churchill Wildlife Management Area, largely due to the value of the Canadian dollar against US currency, and an increased investment in promoting tours in key US markets.

Our key suppliers provide us with accommodation, transportation (including ground, rail and air travel), food and retail

products. When sourcing goods and services, we ensure preference is made to local, Indigenous and organic suppliers and businesses that support social and environmental responsibility.

ABOUT THIS REPORT

We're very pleased to be producing this inaugural sustainability report, and look forward to using it to better serve our stakeholders and continuously improve our business.

Here we provide information on the sustainability aspects of our business in our three areas of greatest impact: environment, people and community.

This report covers the calendar year 2016, and includes results from Frontiers North Adventures (FNA) and its subsidiaries – specifically 58 North and the Tundra Buggy Adventure. We plan to produce these reports on a biennial basis. This report has been endorsed by Frontiers North Adventures' senior management, but we did not have it independently assured.

We've produced this report for a range of stakeholders: those we affect or who can affect us. They include our guests, shareholders, staff, local communities, NGOs and government organizations. Specific stakeholders include the community of Churchill, the Province

of Manitoba, partner organization Polar Bears International and our strategic suppliers. Our stakeholders also include Canadian tourism businesses and global tour operators that help attract guests to our destinations.

Besides sharing this document with our team and stakeholders, we want to use it to support and encourage our suppliers and other organizations to become even more invested in our sustainability mission and goals.

Stakeholder Group	Description	Type of Engagement	Key Interests or Concerns
Guests	Individuals and groups from around the globe who join us on our adventures	Conversations during travel on full-package and Tundra Buggy day tours, as well as guest surveys and other feedback	New product announcements, changes to current tours, health and safety track record, environmental management, community involvement
Staff	Employees, both full-time and seasonal, who work for FNA performing core business functions	Staff meetings, phone and written correspondence, use of web technologies (Slack), email newsletters	Job and career opportunities, training initiatives, new product development, health and safety
Local communities	Communities that may be impacted by our operations – economically, socially, environmentally	Community event participation, phone and written correspondence, face-to-face meetings	Community investment, environmental management, employment and procurement opportunities
Government organizations	Local, regional, provincial and national government organizations that implement related legislation or have a mandate that would generate interest in FNA operations	Phone and written correspondence, face-to-face meetings	Environmental Impact Assessments and compliance, product development and promotion, regulatory concerns
Non-government organizations	Groups that are focused on environmental or community interests	Phone and written correspondence, face-to-face meetings	Environmental advocacy, community interests
Shareholders	Individuals with interest in the financial and operational performance of FNA	Phone and written correspondence, shareholder meetings, face-to-face meetings	Corporate strategy, financial and operational performance, marketing initiatives, sales forecasts

We set out to prepare this report in accordance with the G4 Core Sustainability Reporting Guidelines of the Global Reporting Initiative. In 2015, in alignment with the G4 guidelines, we identified and prioritized our most significant environmental, social and economic topics. To do this, we involved staff representatives from all parts of the company in a "materiality" workshop. The results of the workshop determined the main topics for this report. We were not able to measure everything we would like in this first reporting cycle and our GRI Index reflects these omissions. We have also tailored some disclosures to our small private company status. These are also noted in the GRI Index. In 2016, the management team reviewed the materiality analysis and concluded that there were no significant changes to what was identified in 2015.

We want to keep improving our reporting, and welcome your feedback. Please feel free to contact us at (204) 949-2050 or email us at adventure@frontiersnorth.com.

OUR MATERIAL TOPICS

Material Topic	Material for Frontiers North	Material for our Suppliers	Material for our Guests
Biodiversity	✓		
Transportation	✓	~	
Energy and emissions	✓		~
Water	✓		
Materials use and waste management	~		
Guest experience	✓	~	✓
Health and safety	✓		✓
Training and development	✓	~	✓
Diversity and equal opportunity	~		
Impacts on communities	✓	~	
Local economic benefits	✓	~	

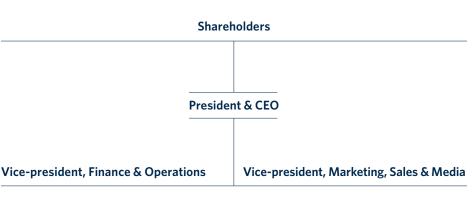


Managing for Sustainability at Frontiers North

Our sustainability management approach starts with a deep appreciation of the fragile environments in which we operate, and our good fortune in being afforded rare access to special places we can share with our guests. Our approach to social responsibility involves three areas: Stewardship for the Environment, Caring for People and Community Involvement, and this report is organized on this basis.

We adhere to the precautionary principle – essentially, when there is a risk of damage to the environment in which we operate, we do not let a lack of scientific information be a reason for postponing measures to address a potential risk. In practice this means, for example, that while scientists continue to study the impact of climate change on polar bear populations, we are actively working to minimize our own impacts.

Our management team includes John Gunter, CEO, plus two vice-presidents.



- Guest Experience
- Garage Operations
- Controller
- Information Systems

- Sales & Guest Relations
- Marketing
- Media
- Retail

We have quarterly shareholder meetings and yearly planning sessions, at which we discuss all elements of the business, including any sustainability-related initiatives. We then track and monitor our progress throughout the year. We do not have a formal board of directors due to the fact that our shareholders always attend our quarterly meetings.

Our management team is responsible for overseeing sustainability issues, and ensuring individual initiatives are implemented and monitored. Various policies, including a Code of Conduct and Code of Ethics, guide our day-to-day actions. However, our most important values, including sustainability, are communicated by our actions.

We believe that one of the best ways we can manage sustainability is by working in conjunction with partners. Our partners are not only critical in helping us provide an excellent tourism product, but they also aid our sustainability efforts: preserving and protecting our environment, engaging and responding to communities, and both educating and

inspiring stakeholders and our guests. Our partners include Polar Bears International, the Province of Manitoba, Parks Canada and others.

Frontiers North maintains memberships in several key industry associations including the Adventure Travel Trade Association, the International Ecotourism Society, the National Tour Association, the Family Travel Association, SKAL International and the Tourism Industry Association of Canada. The company also partners with Travel Manitoba, Tourism Winnipeg and Destination Canada to market tourism opportunities. In addition, our co-founder, Merv Gunter, has served as Chair for the Manitoba Chamber of Commerce, and as a board member on the Canadian Chamber of Commerce and Travel Manitoba representing Frontiers North Adventures.





Our Stewardship of the Environment

We provide both short-duration and overnight trips throughout Canada's north. These enable our visitors to experience a range of subarctic environments and view many species of wildlife. Our tours occur in Manitoba within Wapusk National Park, Riding Mountain National Park and the Province of Manitoba's Churchill Wildlife Management Area (CWMA).

Frontiers North has earned the only business licence to permit overnight guests within Wapusk National Park, the location of our Legendary Cape Churchill expedition. We hold 12 of 18 permits to operate tourist vehicles on the designated off-road vehicle trails in the CWMA. Both of these areas have large aggregations of polar bears.

All of the areas we operate in are environmentally sensitive. The CWMA is the largest wildlife management area in Manitoba — almost 850,000 hectares — and is the summer and autumn resting area for the province's yearly polar bear visitors. Cape Churchill, within Wapusk National Park, lies north of the largest inland polar bear denning area in the world.

Our business also relies on the stability of the environment. We transport our Tundra Buggies across subarctic tundra and frozen marine coastlines, and our operations can be adversely impacted by climate changes and ice integrity.

While our business relies on a stable environment, our interests go beyond day-to-day operations. We're a family-run business with many staff who have been with us for more than a decade, and we have a passion and deep respect for Canada's north. Over the last 30+ years, we have seen changes in the subarctic

environment. Polar bear mothers have fewer cubs per litter than in the past. Polar bears are smaller than they used to be. Sea ice is forming later and later every autumn. Our awareness of the fragility of the north profoundly affects the way we do business, and motivates us to continue to reduce any negative impacts on the environment we may create.

BIODIVERSITY

What is it and why is it important?

Biodiversity refers to the assortment and abundance of plant and animal species that exist in the environment in which we operate. As an adventure tourism company whose signature product revolves around polar bear viewing, we recognize our dependence on wildlife and healthy ecosystems. Without sustainable populations of wildlife, our business would decline or simply not exist.

How do we manage and monitor biodiversity?

To date, we have focused primarily on our potential effects on the polar bear population, due to the fact that it's our primary tourism offering. Polar bears also hold rank at the top of the arctic food chain, and are considered a sentinel species: most susceptible to environmental changes that eventually affect humans. We hope that by concentrating our efforts on the larger polar bear population, it will have a cyclical effect on the larger chain.

We have developed several approaches to ensure that both the wildlife and our business can coexist and thrive.

KEEPING BEARS AND PEOPLE SAFE

The main goal of our polar bear tour operations is to keep polar bears and humans safe from each other while delivering intimate and inspiring wildlife experiences for our guests.

- Our Polar Bear Safety Plan, formalized in 2005, outlines touring methods that are least harmful to polar bears. We ensure Tundra Buggies never enter critical polar bear resting areas, and our guides never circle, chase, pursue or harass wildlife. We review and update this Safety Plan on an annual basis, and completed a major review of our plan in 2016.
- We employ a Safety Officer who provides annual polar bear safety training and firearms training for our staff.
- In 2016, one of our team members completed Parks Canada certification as a Polar Bear Guard Training Instructor, and subsequently trained nine Frontiers North staff as certified Bear Guards, and conducted a halfday Polar Bear Safety Course with four additional team members. Frontiers North's Bear Guards adhere to the guidelines as set out by Parks Canada and as established in our Polar Bear Safety Plan to ensure the safety of our staff and guests.
- As part of first-day orientation on Tundra Buggy tours (in the CWMA and in Wapusk National Park) we communicate and enforce to all guests our zerotolerance "do not feed wildlife" policy.
- We have worked with a Polar Bears
 International advisor to better understand
 the efficacy of bear spray as a safe polar
 bear deterrent option for our guides.

 Bear spray is now standard issue on each
 of our Tundra Buggies, at the Tundra
 Buggy Lodge, for our ground crew (field
 mechanics) and for hiking guides.

 In 2005, we worked with Hudson Bay Helicopters (our preferred supplier for aerial sightseeing tours and aerial transfers) to formalize a protocol to safely transfer individuals between helicopters and Tundra Buggies. This protocol is reviewed annually and updated.

ADVOCATING FOR SOUND NATURAL RESOURCE MANAGEMENT

We are passionate advocates for the protection of remote, wild areas through sound and sustainable economic development.

- To maintain the integrity of our tourism product, we have limited our own business growth by actively lobbying the Government of Manitoba to issue no additional tourism vehicle permits for the CWMA.
- In 2005, we worked with Parks Canada to conduct an Environmental Impact Assessment (EIA) of our operation at Cape Churchill inside Wapusk National Park (a small portion of our overall business). This EIA outlines processes to protect and preserve natural resources. While we are not required to do so, we have chosen to annually review our entire operation against this EIA, continuously challenging ourselves to improve.

CONTRIBUTING TO BIODIVERSITY RESEARCH

- We began reporting on daily polar bear sightings in the CWMA to fulfill permit requirements. However, we quickly saw the importance of this work. We now voluntarily report on all wildlife sightings across our entire tour operations, including dozens of species. Our goal is to monitor changes in wildlife sightings over time. This data also provides our guides with objective information on when and where we are most likely to spot certain wildlife species.
- We have a unique partnership with Polar Bears International, and contribute to leadership in polar bear science (see page 12).
- We track wildlife sightings for key species at risk (see table at right). While our operations do not have a direct impact on all of the species we monitor, we track wildlife to help us understand the ecosystems we rely on. Combined, our team (tour guides, Tundra Buggy drivers, Tundra Buggy Lodge staff and mechanics) have observed more polar bear and subarctic wildlife than most people on earth. While we are not scientists, we have accumulated an enviable wealth of experience in viewing bear behaviour.
- In 2003-04, we assisted Polar Bears International in their support of a study to determine Churchill's tourism industry impact on polar bears in the area. The study examined polar bears' reactions to noise levels produced by Tundra Buggies and guests. It helped validate many of the actions we've already taken, including driving speeds and noise reduction efforts.

SPECIES AT RISK*

Species	Churchill and Area	Riding Mountain National Park
Birds	Ross' Gull Yellow Rail Rusty Blackbird Peregrine Falcon (tundrius sub-species) Eskimo Curlew Red Knot	Golden-winged Warbler Red-headed Woodpecker Baird's Sparrow Sprague's Pipit Short-eared Owl Canada Warbler Common Nighthawk Olive-sided Flycatcher Yellow Rail Trumpeter Swan Rusty Blackbird
Mammals	Polar Bear	Mule Deer
Amphibians		Northern Leopard Frog Western Tiger Salamander
Reptiles		Snapping Turtle
Insects		Monarch Butterfly Dakota Skipper

^{*} Includes species in the areas listed under either federal or provincial legislation as species at risk (categories of special concern through endangered)

MANAGING OUR OWN OPERATIONS TO REDUCE IMPACTS ON THE LAND AND WILDLIFE

We have adopted practices to reduce our footprint in the areas of transportation, energy, water and waste. Please see those sections to learn what we're doing and how it's working.

How are we doing?

KEEPING BEARS AND PEOPLE SAFE

To ensure safe polar bear and human interactions, we travel in Tundra Buggies: polar bears remain safely in their environment, and our guests stay safely out of the reach of the bears. To date, we are not aware of any guest violating our "no feeding" policy. All of this tells us that our Polar Bear Safety Plan and education efforts are working.

NATURAL RESOURCE MANAGEMENT

In 2016, we once again reviewed and updated the Environmental Impact Assessment (EIA) for our operations. We continue to stay in compliance with every aspect of our EIA.

BIODIVERSITY RESEARCH

We have seen a decrease in polar bear sightings over the years, consistent with what we can expect with a changing climate. These changes are much bigger than anything we can control, and tie to broader biodiversity issues, including the connection between GHG emissions and climate change. (See the Energy and Emissions section to see how we are doing on that front.)





POLAR BEARS INTERNATIONAL

Since 2000, we've worked closely with Polar Bears International (PBI), a non-profit polar bear conservation group. We formalized our relationship with a memorandum of understanding in 2011.

Through our partnership with PBI, we continue to make a measurable and meaningful difference in how people around the world better understand and appreciate polar bears. Some of our work with PBI includes:

Tundra Connections® Webcasts - These live webcasts connect scientists in the field with viewers around the world, delivering cutting-edge science education and a call to action on climate change. We provide access to a custom Tundra Buggy known in the fleet as Buggy One, that serves as a roving television studio, as well as room and board on our Tundra Buggy Lodge for Tundra Connections panelists. In 2016, more than 730,000 people from 54 countries learned about the threats to polar bears and other polar species, by tuning into these live webcasts.

Polar Bear Cam – Every autumn, the Polar Bear Cam broadcasts live video feeds of Churchill's polar bears. In 2016, this program, a working partnership with explore.org, Frontiers North and PBI, reached 6.7 million people as a result of live cam streaming, YouTube, Facebook Live, and video-on-demand. The cameras are mounted on one of our Tundra Buggies and on our Tundra Buggy Lodge.

Body Condition Project - Through this pilot program, PBI staff are developing tools to gather information on the body condition of polar bears, using a combination of visual assessments and digital photographic measurements. The results will help scientists obtain baseline condition data on bears in areas that currently lack any formal monitoring. PBI staff and volunteers accompany our groups touring the CWMA, and help our guests shoot images to index the body condition of the polar bears aggregating in the area.

Google Trekking Where Polar Bears

Live - Since 2013, under PBI's leadership, we have supported PBI and the Google Trekker team to collect Street View images of polar bears in the CWMA and Wapusk National Park. These Street View images help establish a baseline of information on this ecosystem. We also produced a video of the project.

Field Ambassadors - PBI volunteers (who tend to be animal caregivers and education staff from accredited zoological institutions) join our guests touring on Tundra Buggies in the CWMA. These volunteers complement our guides' interpretation with in-depth information about polar bear biology and PBI-supported scientific studies. They also provide our guests with information and tools on how to conserve polar bears and polar bear habitats.

Climate Alliance Camp - Climate Alliance is a field program open to representatives of the Arctic Ambassador Centres, an accreditation designated by PBI and the Association of Zoos and Aquariums. The annual camp includes a grounding in climate science; an understanding of the status of arctic sea ice and polar bears; and strategies to effect community change. Participants travel to Churchill to work with PBI staff, experts and facilitators, to learn how to create action plans that can be implemented at the community level. We provide ground support in Churchill, a touring Tundra Buggy for the group (which acts as a mobile classroom), nights at the Tundra Buggy Lodge and logistical support.

What are the next steps?

We've been supporting Environment Canada, ING Robotics and Polar Bears International to pioneer new methods of non-invasive polar bear research. Specifically, Environment Canada is using data collected by drones to determine whether polar bears are more visible in specific regions of the visible light spectrum. If successful, the technology may be deployed on satellites, with observations being made from the earth's orbit. This will help to better understand global polar bear population size and distribution.

TRANSPORTATION

What is it and why is it important?

We work in very remote regions, making transportation an important consideration for our business. Our guests travel long distances to join us, mostly by air. We also transport our Tundra Buggies and Tundra Buggy Lodge over fragile terrain and through various wilderness areas that are rich with plant and animal species, including beluga whales and polar bears. Managing this impact on land and wildlife is paramount. (See the Energy and Emissions section for information on transportation emissions.)

How do we manage and monitor it?

In the Churchill Wildlife Management Area (CWMA), our Tundra Buggy fleet adheres to an established network of ~33km of trails, and we only deviate from this trail network when the ground and lakes are frozen. This helps prevent further damage to the delicate tundra ecosystem. When transporting our Tundra Buggy Lodge between Polar Bear Point in the CWMA to Cape Churchill within Wapusk National Park (WNP), we travel over frozen tidal flats.

Prior to transporting the entire Tundra Buggy Lodge, we conduct (with the assistance of Parks Canada) reconnaissance trips to map a safe route. This helps identify low-visibility conditions (e.g., a whiteout), and greatly reduces trial-and-error routing.

Our fleet only uses lubricants that are not harmful to animals if accidentally ingested.

How are we doing?

In 2011, we improved our Tundra Buggy Lodge to reclaim and reuse greywater, which resulted in heavier Tundra Buggy Lodge trailer units. Due to the increased weight, we experienced a greater likelihood of impacting the tidal flat ecosystem while transporting the Lodge from the CWMA to the WNP. In 2015, to lessen this impact, we replaced the axle systems on our heavier Tundra Buggy Lodge trailer units with walking beam axles. These new trailers are also less likely to break through soft patches that can cause delays in the move from the CWMA to WNP.

While our Tundra Buggies adhere to a strict trail network, Parks Canada has noted that over the years the established trail network, which is used by numerous tour operators, has widened and lengthened.

In 2016, we introduced our new, optimized charter flight schedule, and reduced the number of flights required to support our Churchill operations. We also bundled multiple groups on coach transfers between the town of Churchill and our Tundra Buggy dock to optimize our ground transfers.

What are the next steps?

In 2016, we conducted a trial of a fleettracking global positioning system (GPS) device on select Tundra Buggies to better record Tundra Buggy engine hours, and to introduce heightened transparency in where we travel. Although additional refinement is necessary, we expect fleet tracking will allow us to optimize scheduled maintenance, provide an additional layer of accountability and transparency regarding our on-trail performance to our stakeholders, better coordinate helicopter transfers, better maintain touring schedules, and enhance coaching/training.

WORKING TO PROTECT POLAR BEAR HABITAT

Over the years, Frontiers North's environmental initiatives and government partnerships have been catalysts for changes in polar bear tourism policy in Northern Manitoba. These include a variety of initiatives:

- Frontiers North worked with Parks Canada to develop company firearms regulations, which established the framework for firearms regulations in all of Parks Canada's polar bearinhabited northern national parks.
- In 2016, we were active participants in a polar bear conflict workshop to help educate communities and governmental agencies.
- We also report polar bear occurrences and encounters to Parks Canada.
- Since 1999, we have supported the position to cap touring vehicle permits in the CWMA to ensure a sustainable and responsible tourism experience.

ENERGY AND EMISSIONS

What is it and why is it important?

We use energy to fuel our vehicles, aircraft (chartered through third-party suppliers) and Tundra Buggies, so we can transport staff and guests. We recognize the inherent conflict between the needs of our energy-intensive business (especially aircraft) and the effect GHG emissions have on this part of the world, particularly their role in climate change. We need to reduce the potential for risk while operating in environmentally sensitive areas.

How do we manage and monitor it?

In the past, our Buggies were powered by diesel and heated by liquid propane. However, since 2010 we've been transitioning to diesel-powered heating systems. There are several reasons for this. The community is supplied with ultra-low sulphur diesel fuel, making it a natural source for us to utilize. In addition, over the last decade, diesel space heating systems have become much more efficient and reliable, a great solution for our work in a remote environment. We also incur high propane storage and handling costs, so at the end of the day, eliminating liquid propane just makes sense.

In 2010, we conducted an energy audit of our Tundra Buggy Lodge, and discovered that the Tundra Buggy block heaters consumed the highest amount of electricity. As a result of this, we replaced all Tundra Buggy block heaters with diesel-fired engine heaters.

To minimize GHG emissions, and provide guests with a steady platform (with minimal vibrations) for taking photographs, Tundra Buggy motors remain off as much as possible.

ENERGY USE

Energy Type	Churchill and Area Use	Total 2016 megajoules	
Propane	22,788 litres	530,970	
Diesel	54,100 litres	1,942,194	
Gasoline	19,066 litres	613,928	
Total fuel		3,087,092	
Electricity	219,562 KwH	790,423	
Total energy use		3,877,515	

Conversion factors obtained from National Energy Board information sheet

GHG EMISSIONS (CO ₂ equivalent tonnes)	Total 2016	
Absolute emissions		
GHG emissions from electricity	154.0	
GHG emissions from fuel use	224.8	
Emissions associated with contracted air travel	483.4	
Total GHG emissions	862.2	
Emissions per guest		
GHG emissions from electricity per guest	0.10	
GHG emissions from fuel use per guest	0.14	
Emissions associated with contracted air travel per guest	0.30	
Total GHG emissions per guest	0.54	

Although our absolute emissions from 2015 to 2016 increased, the emissions-per-guest ratios declined or stayed constant.

We have never committed to contributing to any particular carbon-offset program. In our experience, the social and environmental regions that benefit from carbon-offset programs exist far from Canada's boreal and tundra regions (where we host the majority of our guests). While we feel it's important to help preserve regions in other parts of the world, we choose to focus on the positive contributions we can make in our own communities.

How are we doing?

In 2015, we began measuring our fuel and electricity consumption. We also began using those figures as a baseline for various fuels (i.e., gas, diesel, propane), enabling us to monitor year over year. In addition, we implemented an asset management system that allows Frontiers North to track specific vehicle consumption and identify problem areas.

As our Winnipeg electricity use is included with rent, we do not have electricity data for that location. We do not measure fuel use for Winnipeg because it would be insignificant compared to compared to Churchill and the surrounding area.

Total 2015 megajoules	Total 2014 megajoules
855,487	589,081
1,502,060	1,387,830
456,590	354,294
2,814,137	2,331,205
786,218	808,588
3,600,355	3,139,793

Total 2015	Total 2014
153.0	158.0
187.8	156.4
438.6	381.2
779.4	695.6
0.12	0.14
0.14	0.14
0.33	0.34
0.59	0.62

What are the next steps?

In 2017, we anticipate an increase in the number of guests who choose to travel with us. However, as noted earlier, we have optimized our 2016 schedule, which resulted in fewer flights, and accordingly lower emissions.

In early 2017, we installed a battery system to help power the heating of our Tundra Buggy trailer unit. This will help us consume less diesel fuel for heating the unit. As the battery system requires less maintenance than diesel heating, we will also use less gasoline to commute by snow machine to service the unit.

Explanations of changes in energy use (2016 compared to 2015):

- Total energy use from fuel (all types) increased by 10%, less than the 12% increase in guest numbers.
- Propane use decreased while diesel use increased because we switched heaters in the Tundra Buggies from propane to diesel.
- Diesel also rose due to an increase in the number of guests. We worked on scheduling over 2015-16 to make more efficient use of our Tundra Buggies – this made the increase in diesel use less than it would have been without this optimization exercise.
- Gasoline use is for our fleet of road vehicles. It rose because we employed a larger team in Churchill year round on infrastructure projects. We also had more summer guests who we transport with road vehicles.
- Electricity use increase was not significant.

Explanation of changes in emissions (2016 compared to 2015):

- Absolute emissions related to our own fuel use rose 20%, predominantly due to the transition from propane to diesel heating systems in our retrofitted Tundra Buggies. Although propane produces less greenhouse gas emissions per litre than diesel, the use of propane as a heating source on the Tundra Buggies was not ideal for the conditions in which we operate.
- Emissions associated with contract air travel rose 10%, but dropped on a per-guest basis (details in chart).
- Emissions from purchased electricity rose slightly in 2016, primarily due to the acquisition of a new staff accommodation building.

MANAGING GROWTH RESPONSIBLY

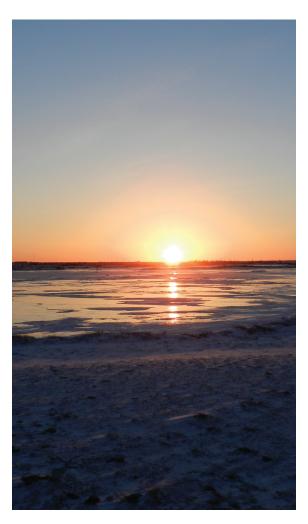
We are proud to see guest visits rising as more people discover our amazing northern environment. We also place great importance on minimizing the impacts of our growing business. How we manage air travel provides an example of how we approach this challenge.

Since 2014, we have been shifting our mix of aircraft from primarily Convairs to proportionately more Boeing 737s to optimize aircraft charters. While the 737s use more fuel per flight, they can carry more people. In 2016, we undertook a comprehensive schedule review and optimization exercise, resulting in eight fewer flights than we would have had with our old schedule. The ability to optimize the charter schedule means that emissions are proportionately less than our guest numbers.









WATER

What is it and why is it important?

For our Tundra Buggies and at the Tundra Buggy Lodge, we use water for a variety of essentials: drinking, cooking, bathroom facilities, laundry and cleaning of vehicles. We withdraw water for our lodge from sources within the CWMA and WNP.

Since we travel in a sensitive ecosystem that is an important space for the polar bears and other wildlife, we need to take steps to care for their environment, be conservative in our water use, and ensure no wastewater affects the tundra.

How do we manage and monitor it?

We have implemented approaches related to water use, water conservation, greywater management and wastewater management. We also adhere to the conditions set out in our Environmental Impact Assessments (EIAs).

WATER USE

Using best-available natural sources, water is pumped into a utility vehicle through 5-micron particulate filters, and into roof-mounted holding tanks on the Tundra Buggy Lodge. To make it potable, water is again 5-micron particulate filtered, then UV filtered. In addition to drinking water available on the Tundra Buggy Lodge for guests to fill travel mugs, water used to be provided in 500ml recyclable plastic bottles. In 2016, Frontiers North Adventures took the Travelers Against Plastic (TAP) Pledge and adopted the practice of providing water to guests by way of reusable travel containers. Additional information regarding the TAP Pledge is noted in the Waste Management section.

Our Tundra Buggy Lodge maintenance staff monitor water filters on a daily basis. We also conduct daily water testing to ensure the Tundra Buggy Lodge potable water meets the required health standards.

WATER CONSERVATION

We encourage our guests to do their part to conserve water, including shortduration showers and water conservation while shaving and brushing teeth. Our lodge also has a water-saving energyefficient commercial dishwasher. In 2015, we incorporated water conservation strategies into a Tundra Buggy Lodge Safety video that is shown to all guests who stay at the Lodge.

GREYWATER MANAGEMENT

Prior to 2011, we collected greywater (water that has been used for washing) into a well, which became a gathering spot for polar bears. In 2011, we began storing greywater in holding tanks suspended from the undercarriage of individual trailers at our Tundra Buggy Lodge. That water is pumped into a mobile service vehicle, reclaimed, then pumped back into Tundra Buggy Lodge holding tanks and used to flush toilets. This greywater system, which was a significant financial investment, represents a more ecologically sound approach.

TUNDRA BUGGY LODGE WATER MANAGEMENT

In line with our operating permits in the CWMA, we're required to drain our Tundra Buggy Lodge greywater into what's called a subsurface effluent drain.

Over the years this drain beneath the kitchen trailer of our Tundra Buggy Lodge became known as "the soup bowl," attracting polar bears to stop by for a slurp. The soup bowl drew bears in from their natural habitat and we knew that we wanted to do better. So In 2006, we began capturing greywater from Tundra Buggy Lodge accommodation trailers, and in 2010 we started capturing it from the kitchen trailer.

In 2011, we made substantial investments in our Tundra Buggy Lodge accommodation trailers to improve our water-handling and management ability, providing us with the ability to reclaim greywater and reuse it (for toilet flushing and mop-fill stations). The improvements resulted in more predictable systems for our ground crews to manage, and a much-improved guest experience.

As a result of all those changes, fewer polar bears linger by the Tundra Buggy Lodge. While this could be perceived as acting against our business goals of providing polar bear sightings, eliminating the soup bowl was the right thing to do. We also know that Frontiers North guests appreciate the direction we've taken.

WASTEWATER MANAGEMENT

Using an efficient and seamless coupling system, wastewater from the Tundra Buggy Lodge is regularly pumped into a custom-designed utility vehicle for safe transport to treatment facilities in Churchill. This ensures that no used water or waste touches the tundra.

We are currently developing management and tracking databases to better monitor all wastewater collected from the Tundra Buggy Lodge.

LEADING EFFORTS IN GREYWATER AND WASTE MANAGEMENT SYSTEMS

Over the years, Frontiers North has worked proactively with Manitoba Conservation (recently renamed Sustainable Development) and Parks Canada on water management projects.

In 2008, we invited Parks Canada, along with an environmental systems engineer, to audit our potable, grey and wastewater management systems. In addition, to identify major stressors and impacts to physical infrastructure, we invited an independent engineer and project manager, as well as a Parks Canada staff, to participate in transporting the Tundra Buggy Lodge from the CWMA to Cape Churchill inside WNP. As a result of the above feedback, we began implementing a multi-year water, waste and powergeneration management system.

To foster collaboration and promote transparency in operations, we continue to include Parks Canada staff in Cape Churchill trips. An added benefit is that Frontiers North guests gain from Parks Canada's perspectives.

How are we doing?

In 2016, we withdrew an estimated 117,310 litres of water from sources in the CWMA and WNP. We also began monitoring water consumption, specifically the number of times we've had to fill up our water trucks and pump it in. This will help us to fully understand our total consumption and create a benchmark for reducing our consumption in future years.

Our water use in Churchill is not metred separately, so we have no data for this location. Similarly, our discharges to the municipal wastewater system in Winnipeg are not measured.

What are the next steps?

We plan to move greywater reclamation equipment into each individual trailer, to occur in near real-time, eliminating the need for a mobile grey water reclamation service vehicle. Our goal is to have this in place by October 2018

GREYWATER RECLAMATION GRANTS

Our implementation of greywater reclamation systems at Cape Churchill in WNP has earned us Scientific Research and Experimental Development (SR&ED) grants from the Government of Canada. We received these grants for successfully adapting our greywater reclamation technology to be bearproof, weatherproof to -50°C, mobilized (to handle frequent jarring and bumping as it is transported to and from Cape Churchill), and to have the ability to be 'mothballed' for nine months of the year.



WATER WITHDRAWALS AND DISCHARGES - CHURCHILL AND AREA (litres)*

Water withdrawal by source	Total 2016	Total 2015	Total 2014
Surface water	117,310	109,489	97,758
Municipal or utility supply	0	0	0
Total water withdrawal	117,310	109,489	97,758
Water discharges			
Wastewater discharges to municipal system	184,539	147,631	Not available
Water and waste per guest			
Per-guest water withdrawal	64	79	Not available
Per-guest wastewater discharge	101	106	Not available

^{*} We measure water use and discharge in Churchill and area as this is the location of greatest use.

MATERIALS USE AND WASTE MANAGEMENT

What is it and why is it important?

It takes a lot to operate a Tundra Buggy tour, including the provision of food and beverages, and the use of vehicle lubricants. Our waste primarily derives from food waste (left from serving food to guests) and oil/lubricants from our vehicles. Because of the potential effect on the land, hazardous waste management is of particular importance. We have to ensure all waste is properly disposed of so it doesn't cause harmful effects to the environment.

How do we manage and monitor it?

To manage our impacts, we focus our efforts on waste management, waste reduction and recycling.

WASTE MANAGEMENT AND REDUCTION

We work proactively with Manitoba Conservation in the CWMA, and with Parks Canada at Cape Churchill in the WNP, to integrate waste management practices that ensure environmental integrity, including fuel management. We also work with these agencies to reestablish the integrity of the environment, such as hauling oil drums and abandoned supplies from the tundra back to the community of Churchill.

To manage fuel, we use:

- Absorbent material to soak up small spills
- Spill kits to deal with larger spills
- A hand nozzle with a trigger to minimize spillage when refueling
- An environmentally safe fuel purge system to keep fuels in the vehicles
- Biodegradable engine antifreeze in field equipment
- Biodegradable hydraulic oil in field equipment

• Impermeable barriers to ensure no fluids are spilled on the ground while repairs are conducted

PLASTIC BOTTLES

On March 22, 2015, in honour of World Water Day, we signed the Travelers against Plastic (TAP) Pledge. The TAP Pledge states: "I pledge to use my company to promote sustainable travel and will encourage travelers to avoid buying bottled water when they travel. In addition, I will provide our travelers the proper information they need to treat their own drinking water. I also pledge to spread the word to travelers I meet, both at home and abroad."

As part of this pledge, in 2016 Frontiers North stopped providing plastic water bottles on the Tundra Buggy tours and instead encouraged travelers to bring sealable travel mugs. We've also sourced reusable water bottles for retail at Fifty Eight North, and will donate a portion of the sales to a suitable conservation partner. We feel this will help further educate our guests on the importance of water conservation. Through this initiative we eliminated the waste of approximately 3,780 plastic bottles per year on our tours.

RECYCLING

We encourage our suppliers to use recycled materials. Per our request, our meal suppliers switched to containers that are made from recycled materials,

and are easily biodegradable. In 2015, we began using recycled barn board in our Tundra Buggy retrofits.

We use only Rainforest Alliance and FSC-certified paper for our brochures, and encourage prospective guests to view our brochure online instead of receiving a paper copy.

How are we doing?

We've always had recycling measures in place, but in 2016, we began measuring waste generated by type (e.g., recycling, landfill). This will allow us to track and measure future waste generation. For this report, we have measured the weight of paper going to recycling from our office in Winnipeg.

What are the next steps?

In 2016, we communicated with guests about our new water bottle policy, and added a "no disposable water bottle" note to all guest communications. We will continue to refine our new water bottle policy in 2017 and encourage a greater volume of guests to bring a sealable beverage container when they travel.

In 2018, we'll begin exploring a system for measuring weight of other waste types, as well as the breakdown, including % to landfill, % recycled and % burned for energy.

WASTE RECYCLED (kilograms)

Material	Total 2016	Total 2015	Total 2014
Paper - recycled	737	805	782



Caring for People

Our guests mainly come from the United States, Canada, Australia, United Kingdom, Germany and China. They are largely interested in photography, nature and exploring new places. The average age of our travelers is 55, but we're seeing an increase in younger travelers in their 30s and 40s.

Our staff includes full-time and seasonal employees. We had a very low turnover rate of 3% in 2016 (5% in 2015, 3% in 2014), and 31% of staff have been with the company for over 5 years. We pride ourselves on having a family operation that respects for and cares for our employees. None of our employees is covered by a collective agreement.

In our hiring practices, we aim for a diversity of staff, including local and Indigenous employees. (See Diversity and Equal Opportunity.)

GUEST EXPERIENCE

What is it and why is it important?

Our guests are largely drawn to us because they share our passion for, and respect of, the fragility of the environment. This gives us an opportunity – and a responsibility – to educate our guests, and to advocate and share that message internationally. We sell tours directly out of North America and through overseas resellers (third parties that sell our tours).

We also know that our guests need to be very satisfied with their Frontiers North travel experience. Otherwise, they won't come back and they won't inspire others to visit. For us, guest feedback and a high level of satisfaction not only set us apart from our competitors, but they also align with our ethos. In fact, guest feedback is one of our key tools in determining what works, what doesn't and where we can grow (e.g., new product development, refining operations).

How do we manage and monitor it?

We make guest experience a priority, from the start of a guest's journey with us as they consider making a purchase, to their final farewell.

EDUCATION

Education plays a key component in our guest experience. Before and after trips, we communicate with guests - via email, social media and newsletters - on sustainability-related concerns such as water conservation and climate change, to both enrich and enhance their experience. Education continues to play a key role once guests are on their trips. As part of their experience, guests learn about habitat and species conservation, often from experts who accompany us. For instance, on our Conservation Journey trip, guests learn about polar bear conservation awareness from Polar Bears International's Chief Scientist. In addition,

OUR EMPLOYEES

Number of Employees (by Gender)	Churchill and Area		Winnipeg			Riding Mountain			Total 2016*				Total 2015			Total 2014						
		M	F			М	F			Μ	F			M	F		Μ	F			Μ	F
Full-time permanent employees		2	0			6	12			0	0			8	12		8	9			8	9
Seasonal employees		30	12			0	1			1	1			30	13		26	12			26	12
Total employees by gender		32	12			6	13			1	1			38	25		34	21			34	21
Total Workforce		4	4			19			2	2			6	3		55			55			
Total workforce from local community		27%			84%			0%			N/A			N/A				N/A				
Senior management from local community		0	%		100%			0%			N/A				N/A			N/A				

^{* 2016} total has been adjusted to avoid double counting employees who work in both Riding Mountain and Churchill.

education continues after guests have travelled with us, through PBI memberships that we buy for all of our guests.

GUEST SATISFACTION

On their return flight to Winnipeg, guests complete a brief survey. We find that inperson surveys produce far more results than e-surveys, and provide valuable information that helps us improve our offerings. At the end of each year, we accumulate all feedback, review it as a team, identify and highlight any positive or negative trends, and determine an appropriate course of action.

To supplement this work, we conduct e-surveys and monitor feedback on both social media (e.g., Facebook, Twitter) and unsolicited emails from guests.

We ensure the privacy of our guests by never sharing or reselling their private information. We have not had any complaints from guests about their privacy.

How are we doing?

We survey guests who travel on package tours, but not day tours. We administer surveys on charter flights as guests leave.

Guests travelling in couples or family groups often complete one survey per family. We received 721 feedback forms in 2016 (479 in 2015).

We have very high guest satisfaction rates. Over the past two years of collecting and analyzing our guest feedback, we have seen our Extremely Satisfied/Satisfied rating increase from 97% in 2015 to 99% in 2016. In 2016, the number of guests who marked Unsatisfied went down to 0.14% (one person) compared to 0.64% (three people) in 2015. In 2015 and 2016, no one marked Very Unsatisfied.

We noticed there is a direct correlation between the volume of wildlife sighted and guests marking Very Satisfied. Unfortunately, there is no way to control wildlife sightings, so this variable is out of our control.

What are the next steps?

Overall we feel a 99% guest satisfaction rate is something to be extremely proud of. However, we continue to strive towards 100%.

In particular, we will focus on improving tour experiences with resellers. We will do this in a number of areas:

- Providing tour materials in other languages (specifically Chinese, German and French) to help improve guest communications
- Providing resellers with "white-labelled" information (i.e., without Frontiers North branding) as some agents do not want other company branding on materials. This helps ensure vital tour information will be shared.
- Offering webinars to educate resellers on specific aspects of the tour (e.g., gear rentals)
- Distributing a monthly newsletter to resellers, with information on specific aspects of tours, so they are better equipped to answer their clients' auestions
- Examining tour scheduling so guests are not scheduled for their free time in Churchill on days when most things are closed

GUEST FEEDBACK ON FRONTIERS NORTH STAFF

	% that Reported Very Satisfied	% that Reported Satisfied	% that Reported Neutral	% that Reported Unsatisfied	% that Reported Very Unsatisfied
FNA travel counsellor/travel agent*	67.3%	23.5%	4.8%	2.8%	1.6%
FNA interpretive guide/ tour leader	82.8%	13.5%	2.8%	0.9%	0%
Tundra Buggy driver	90.8%	7.7%	1.0%	0.4%	0.1%

^{*} Travel agents working through a network of resellers do not work directly for Frontiers North. This data reflects both direct (FNA staff) and reseller (travel agents) bookings. Although we do not directly have control over how they do or do not provide customer service, we strive to provide resellers with tools to provide an exemplary level of service to their clients when booking Frontiers North adventures and continue to look at ways we can improve the guest experience for those booking our adventures through travel.

GUEST FEEDBACK ON FRONTIERS NORTH ADVENTURES

	% that Reported Very Satisfied	% that Reported Satisfied	% that Reported Neutral	% that Reported Unsatisfied	% that Reported Very Unsatisfied
Tundra Buggy Adventure	85.0%	13.2%	1.3%	0.1%	0.4%
Tundra Buggy Lodge accommodations	65.5%	28.9%	5.6%	0%	0%
Overall experience on your Frontiers North Adventure	80.6%	18.6%	0.7%	0.1%	0%

The negative feedback we receive is extremely nominal, and tends to come from guests who book through overseas resellers. In 2016, nearly all negative feedback was in relation to one specific tour which experienced a mechanical issue on the Tundra Buggy. Again, while this represents a fraction of our guests, we take all feedback seriously and see it as an opportunity to continuously improve. It was in part comments from guests that inspired us to eliminate plastic water bottles in 2016. Guest feedback also encouraged us to (see Materials Use and Waste Management) provide even more gluten-free options for guests at the Tundra Buggy Lodge - this was a huge success.

HEALTH AND SAFETY

What is it and why is it important?

We operate in remote regions, such as Wapusk National Park, far from medical help or support staff. It's critical that we have a robust safety system in place, to ensure we are able to deal with remote emergencies.

How do we manage and monitor it?

We have a comprehensive Workplace Health & Safety System to proactively manage challenges and mitigate risks. We monitor all health & safety incidents, as well as subsequent investigation and follow-up. That helps us identify any trends or areas of weakness within our business, and implement positive corrective measures. We incorporate our health & safety findings into our annual debrief and planning.

SAFETY OF GUESTS AND STAFF

The safety, comfort and well-being of our guests and staff are our top priority.

At the beginning of each adventure, we conduct safety orientations for all guests. Staff are equipped with proper safety

equipment including fire escapes, twoway radios, safety procedures, firearms, spine boards, first aid kits, communication devices and a Polar Bear Safety Plan. For the Tundra Buggy Lodge, we also have an emergency evacuation agreement with Hudson Bay Helicopters.

Throughout the fall freeze-up of Hudson Bay, we regularly test the solidity of the tidal flat ice, as well as the thickness of the ice on the lake near the position of the Tundra Buggy Lodge. Once we've determined a safe route for traveling to Cape Churchill, we put a move plan into action and communicate to guests.

To increase the safety of ground operations at night, we installed a light mast on the generator trailer of the Tundra Buggy Lodge. This mast can be elevated to a height of approximately 12 metres from the ground, and is equipped with four 'stadium-style' lamps which illuminate to a distance of 50 metres in a 360° direction.

POLAR BEAR SAFETY PLAN

Our Polar Bear Safety Plan outlines appropriate procedures to ensure safety around polar bears. If defense of human life from polar bears is required, Frontiers North staff are equipped and prepared to employ the use of lethal force. We have never had to resort to these measures; if such an unfortunate scenario were to ever occur, Parks Canada would be contacted immediately.

We have nine trained bear guards on staff, all of whom possess a Firearms Licence (Possession and Acquisition Licence -PAL) and a firearms permit from Parks Canada. As part of our safety management strategy, we conduct annual firearms training with our PAL-certified staff.

WORKING TOGETHER FOR GREATER SAFETY

Leading up to 2011, Frontiers North and Parks Canada worked together to develop Parks Canada regulations that enabled us to legally carry firearms into Wapusk National Park. These regulations helped establish the framework for firearms regulations in all of Parks Canada's polar bear-inhabited northern national parks.

How are we doing?

In 2016, we had no significant injuries. Minor injuries included a particle in the eye on two occasions. The use of safety eyewear was reinforced as a strategy to reduce the likelihood of such an injury moving forward.

HEALTH AND SAFETY INCIDENTS (by gender)

	Churchill and Area		Winnipeg		Total 2016		Total 2015		Total 2014	
	М	F	М	F	М	F	М	F	М	F
Fatalities	0	0	0	0	0	0	0	0	0	0
Injuries	2	0	0	0	2	0	0	0	1	0
Occupational diseases	0	0	0	0	0	0	0	0	0	0
Lost days	0	0	0	0	0	0	0	0	1	0

INCIDENT REPORTS

In 2015, we introduced incident reporting procedures and refined our emergency response protocols. In 2016, we rolled them out and began familiarizing staff with their use.

In 2015, we conducted a comprehensive review of the safety and logistics of moving the Tundra Buggy Lodge from Polar Bear Point to Cape Churchill. Many staff were consulted during this review. Thanks to our team's experience and knowledge, we created a solid plan to better optimize resources, enhance communications and cross-train staff. This ensures key components of the move can be performed by several staff members, creating redundancy and mitigating risk. In 2016, poor ice conditions that affected our ability to move to Cape Churchill prompted us to enhance our ice testing protocol.

What are the next steps?

In 2017, we will formalize additional ice testing practices that include ice drilling to measure thickness in conjunction with our existing protocol. Additionally, we will continue to refine safety training for our staff at the Tundra Buggy Lodge, including bear spray training using inert practice containers.

TRAINING AND DEVELOPMENT

What is it and why is it important?

In the tourism industry, it's essential that we have knowledgeable staff, and that we provide ongoing training. Employee training and development helps cultivate excellent customer service, and better prepares our staff to have successful experiences with our guests. It's also critical to ensure staff receive regular performance reviews, and are valued for their work.

How do we manage and monitor it?

We're fortunate to have high-caliber guides: some are experts in birds or biology, or have experience working in specific geographic locations. For the role of Tour Leader, we require a minimum of a bachelor's degree in a related field (e.g., biology, anthropology) combined with at least five years of related guiding experience. Tundra Buggy drivers must also have a minimum of five years' related guiding experience.

Our training and development practices include professional development, training and performance reviews.



Photo: Dan Harper



PROFESSIONAL DEVELOPMENT

We don't currently have a formal policy for professional development. However, we do have an open door approach in which staff let us know what courses they would like to pursue. We forecast and track training hours per employee, then monitor actual results. In addition to tracking data, we identify trends and incorporate them into our annual debrief and planning.

Some training and professional development is mandatory, such as safety training (outlined previously). However, our staff also partake in a wide array of training development, including economic conferences and marketing seminars.

NANUK

In advance of our field season, it's difficult to meet with all of our field staff at the same time, making training a challenge. Over a decade ago, to solve this problem, we created Nanuk, an extensive webbased learning environment.

Nanuk was created based on input from a range of experts, including our staff and partner organizations. It uses a robust open-source learning platform framework, and contains learning modules on natural history, subarctic wildlife, relevant scientific studies, the history of the community, information on Frontiers North, and other documentation relevant to staff roles. Before working with our guests, all new field staff are required to successfully complete training modules on Nanuk. We regularly maintain and update Nanuk for relevancy and accuracy.

STUDENT TRAINING

For many years, we have participated in the Manitoba Metis Federation Human Resource Development and Training program. The program provides students with work experience to prepare them for entry into the labour force. We also

enjoy a close relationship with Red River College, providing work placement training for students in multiple programs including: International Business, Creative Communications and Tourism and Hospitality.

PERFORMANCE REVIEWS

A critical part of our human resources strategy is being able to fairly evaluate our team, offer opportunities for improvement, and celebrate successful performance. We conduct staff reviews on an annual basis, with follow-up action happening throughout the year. We also coach and mentor staff with the goal of grooming them for other opportunities and positions within the company.

A few years ago, we standardized our performance reviews to ensure they're consistent in approach, and occur within a set timeframe. We also introduced a manager appraisal form so that staff can voluntarily provide feedback on leadership and development.

EMPLOYEE ENGAGEMENT

We value the perspectives and opinions of our staff; their input is an important part of how we do business. Staff participate in our yearly planning session and are engaged in decision-making processes, including sales, guest relations, marketing, logistics, fleet, infrastructure, finance and accounting. We also host annual action planning meetings in Winnipeg, and invite approximately 20 full-time, as well as several seasonal staff, to participate. These staff members are, of course, paid for their time at these meetings.

EMPLOYEE SATISFACTION

Employee job satisfaction has a large impact on the overall guest experience. We work to ensure staff are treated fairly, and that any potential grievances are handled promptly and resolved prior to a formal grievance submission.

We also have policies pertaining to discipline, grievance, respectful workplace and diversity, as well as a staff code of conduct.

PROFIT SHARING

We believe that acting responsibly means being responsible with profits as well. In addition to allocating a portion of profits for community and environmental support, we share profits with employees, with up to 10% of base salaries paid annually. We use a balanced scorecard to identify strategic drivers, such as bookings, and award compensation accordingly.

How are we doing?

In 2016, we supported an average of five hours of training for both full-time and seasonal members of the team. 95% of full-time staff received performance reviews. There were no employee grievances filed in 2016, and we have had zero formal employee grievances to date. Overall, the feedback we consistently receive from our staff is that they are happy being part of the Frontiers North family, which is one of the reasons why our turnover rates are so low.

What are the next steps?

In 2017, we will refine our training reporting procedures. We have a limited number of staff who can drive buses and airporters, so we will increase staff certifications in areas such as driver training and regular vehicle training. We will also explore a more formal professional development policy, and aim to provide all full-time staff with performance reviews, with the goal of achieving 100% in this area.

DIVERSITY AND EQUAL OPPORTUNITY

What is it and why is it important?

We are based in northern Manitoba, home to a largely Indigenous population, which we want to honour in our employment practices. When the composition of our team is diverse, we can provide a greater breadth and depth of experiences and perspectives.

How do we manage and monitor it?

Our Employment Equity and Diversity Policy outlines our commitment to a diverse and fair work environment. Our goal is to proactively establish and maintain a workplace of employees that reflects the diversity of the population of the communities we serve, including Indigenous representation in our staff.

We provide equal pay and opportunities for men and women, commensurate with their skill level. To ensure diversity and equal opportunity, we annually track employee statistics and compare them with the previous year.

How are we doing?

In 2016, we continued to have a very diverse workforce that reflects individual differences: 11% of Frontiers North staff are Indigenous, 11% are a visible minority and 43% of the management team are women.

In 2016, in alignment with our commitment to promote from within, we provided an opportunity for one of our seasonal guides to join our Sales and Marketing team in a full-time capacity. As well, we created a new position, hiring an intern from China to help us better serve this market and at the same time adding to the diversity of our team (we made this position permanent after the two-month internship).

What are the next steps?

We're pleased with the diversity of our staff, and will continue with our current hiring practices and management approach.



Community **Involvement**

IMPACTS ON COMMUNITIES

What are they and why are they important?

Churchill, our base of operations, is a small, remote community in northern Manitoba on the shore of Hudson Bay. There are approximately 900 residents, half of which are Indigenous peoples. As the largest tour operator in Churchill, Frontiers North has a responsibility to ensure we have a positive impact on our communities.

We're also bringing in large numbers of tourists at certain times of the year. This means we need to ensure we are not negatively affecting communities as a result (e.g., noise volumes, strain on resources).

How do we manage and monitor them?

We partner with, learn from and coach Indigenous colleagues regarding sustainable tourism development in the north. While we have no formal grievance processes in place, we informally track and monitor any community concerns, and address them as needed. We provide transportation for guests so that we don't strain local resources. We plan ahead and work with hotel and restaurant operators to minimize congestion at peak times. We also remind our guests about being sensitive and responsible when they are in the community.

Over the years, we have discovered that our guests are fascinated by northern culture, and how people exist in what is perceived to be such an inhospitable part of the globe. We integrate local culture into our product offerings, so that guests can understand elements of cultural traditions, while taking care not to appropriate local culture in an inappropriate way. For instance, we

explore the idea of a trapping lifestyle; instead of focusing on whether it is right or wrong, we show how sustainable it can be to live off the land. We are proud that the people who help us share these stories are often of Dene. Metis and Cree heritage. Our 'Enthusiast' product category includes the most cultural elements in its programming and is our most popular tourism product.

JUNIOR CANADIAN RANGERS

The Junior Canadian Rangers, a Canadian government-sponsored program, teaches traditional and life skills to young people in remote Canadian communities. As a supporter, we provide public speaking training to Junior Canadian Rangers, who give oral presentations to our guests. This helps cultivate skills in the young participants, and furthers our guests' understanding of northern culture.

FOOD BANK SUPPORT

The community of Churchill relies on three main pillars for economic development: tourism; government services; and transportation and shipping. In 2016, Churchill faced major job losses in the transportation and shipping industry. Although governments offered medium- and long-term solutions, we identified a definite shortterm need in the community to help residents get "from here" to whatever is next on the horizon, employment-wise. To do so, we spearheaded a fundraising campaign for Churchill's Hungry Bears Food Support. Between online and other cash donations we raised more than \$10,000 for the food bank, and in addition to that our campaign raised awareness for the food bank's important role in the community which resulted in a marked increase of food donations.

How are we doing?

In Churchill, community grievances about tour operators are largely related to conduct towards wildlife. All grievances are addressed to Parks Canada and Manitoba Conservation: they have jurisdiction in these areas, and ultimately hold tour operators accountable for conduct. In 2016, neither Parks Canada nor Manitoba Conservation received any community grievances citing improper behaviour on our behalf.

In 2016, we gave 164 cultural presentations to tour groups. The positive feedback in our guest surveys suggests these presentations are a success. We have also seen that these presentations have helped improve community understanding of our operations, and the value of tourism to the community.

What are the next steps?

In 2017, we plan on increasing the number of Junior Canadian Ranger presentations, and have them take place during our summer, autumn and winter tours. We continue to be called upon by the media to speak to the importance of Churchill's food bank and regularly do so.

We will also continue to engage and communicate with our local communities, to ensure we are positively impacting them. See Local Economic Benefits for more information.







LOCAL ECONOMIC BENEFITS

What are they and why are they important?

Churchill is a remote community with no road access, and depends on tourism to significantly contribute to the local economic base. Considering the size of our operations, we have a responsibility to ensure we have a positive economic impact, and help support the economic needs and concerns of our community.

How do we manage and monitor them?

We pride ourselves on being a key contributor to the communities in which we operate. We annually invest approximately \$1.68 million in the north, with over 60% of that investment directly into the community of Churchill. Factoring in a conservative economic multiplier, our investment in Churchill and the north generates over \$4 million of economic activity. To measure our economic value to the town of Churchill, our Controller generates periodic updates.

We provide economic benefits to our community by hiring locals and suppliers, and by bringing in visitors who add to the economic activity, and who use town services such as restaurants and stores. Where possible, we hire local staff members. In doing so, we ensure salaries are kept within the local economy, providing the potential to keep families in the town of Churchill.

We also advocate and work to inject more money into the local economy at less popular times of the year. We believe Churchill shouldn't be a place that is only visited part of the time.

COMMITMENT TO INDIGENOUS AND LOCAL ECONOMIC DEVELOPMENT

Our Purchasing Policy ensures that, when sourcing goods and services, we give preferred consideration to local, Indigenous and/or organic suppliers and businesses that support social and environmental responsibility.

To further share with guests the history, culture and customs of the people of the north, Frontiers North continues to proactively develop new Indigenousthemed products (as outlined earlier).

Frontiers North is an active supporter of the Hudson Bay Quest (an annual dog sled race that takes place each spring) and the Aurora WinterFest (an annual cultural celebration). We annually donate \$1,000 to each event.

SUPPORTING COMMUNITY CAUSES

Canadian Business for Social Responsibility recommends donating 1% of pre-tax profits. We have exceeded this benchmark. On average over 2014-16, we donated 2% of pre-tax profits.

As a reflection of our values, we focus our charitable support on three core areas:

- 1. People Living with Disabilities
- 2. Investing in the Communities Where we Operate
- 3. Conservation and Wildlife

Every year we donate at least one \$500 bursary to a Churchill secondary school graduate pursuing post-secondary education. We also provide cash donations to local charitable organizations, as well as reduced fares and complimentary seat donations. We also donate space on our tours to schools and non-profit groups.

RAW:CHURCHILL

In 2016, to further develop our tourism product and inject money into the community at different times of the year, we embarked on a partnership to explore a new tourism category for us: food travel. With Parks Canada and the creators of RAW:almond (an event inspired by architecture and cuisine), we created RAW:churchill, a culinary and adventure experience. Through experiences like RAW:churchill, we hope to create a substantial amount of economic activity during seasons that don't typically attract tourists. The twonight pilot in 2016 was deemed a success as we sold out each evening.

How are we doing?

In 2016, we gave 2% of pre-tax profits to community causes, excluding gifts in kind. Examples of organizations we support include:

- Polar Bears International
- Hungry Bears Food Bank
- The Manitoba Museum Earth Explorers CHILL sponsorship

- Winnipeg Jets True North Foundation for families of people with intellectual disabilities
- Assiniboine Park Conservancy
- Aurora Winterfest event sponsorship
- Duke of Marlborough School bursary
- Hudson Bay Quest event sponsorship
- Breakfast Club in Churchill
- Churchill Bike Program
- Churchill Community Safety Net Program
- International Polar Bear Conservation Centre
- SwimAbility

In addition, we provided \$416,000 in in-kind support to Polar Bears International in 2016.

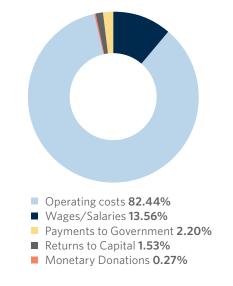
What are the next steps?

In 2017, we are finalizing a report on Frontiers North's economic impact on the town of Churchill to better quantify the economic value Frontiers North contributes to the town, both for our interest and to share with stakeholders. We plan to continue to host RAW:churchill until at least 2020, with the goal of attracting a new group of travelers - food tourists - to Churchill.

PROPORTION OF ECONOMIC VALUE GENERATED AND DISTRIBUTED BY REGION

	Churchill	Winnipeg	Rest of Canada	Total 2016
Direct economic value generated				
Revenue	98.8%	0.0%	1.2%	100%
Economic value distributed				
Operating costs	40%	26%	34%	100%
Employee wages and benefits	19.1%	63.7%	17.2%	100%
Payments to providers of capital	0	100%	0	100%
Taxes and other payments to (recoveries from) government	3.90%	0.40%	95.70%	100%

ECONOMIC VALUE DISTRIBUTED AS % OF VALUE GENERATED - 2016 (EXCLUDES IN-KIND DONATIONS)





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^{*} Some financial information has been excluded as this is a small family business.



Frontiers North Adventures' guiding foundation is our unwavering passion for Canada's North - the extraordinary wildlife, the wide open landscapes and the remarkable people and their customs.

We consider it a privilege to share this awe-inspiring land with visitors from around the world and we strive to create authentic experiences that our guests will remember as the trip of a lifetime.

CONTACT

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