

Spirit Air Cargo Handling environment report 2010



Spirit cares about the environment

Spirit are convinced that an effective environment thinking in its operations will minimize the environmental impact, and contribute to growth and competitive advantages

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Company structure and organization



Spirit is a Cargo Handling Company with Cargo Terminals in Sweden, Norway and Denmark. In total Spirit handles about 438500 tons cargo/mail annually for approximately 150 Airlines. Spirit's main customers are airlines and general sales agents.

Vision

The Obvious Choice

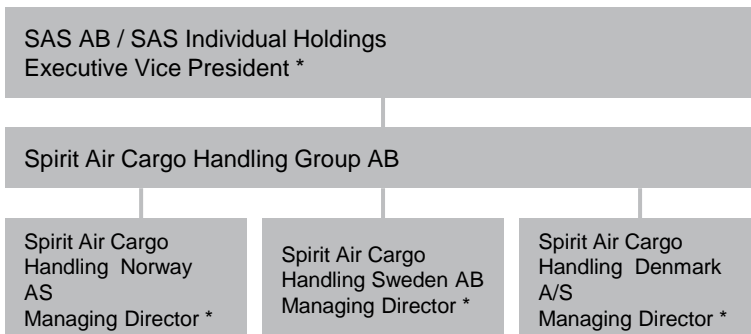
Mission

To provide efficient and environmentally friendly full range Air Cargo Handling in Scandinavia. Based on the capability of our customers need, Spirit ensures an optimal solution for the customers with lead times and agreed quality level in harmony with customer expectations.

Legal structure

Spirit Air Cargo Handling Group AB is an independent Swedish registered company within the SAS Group and is wholly owned by SAS Individual Holdings.

Functional allocation of responsibilities



* Legal responsibility

Owner / Acting Owners

SAS AB/SAS Individual Holdings are acting as owner for Spirit. Spirit Management Team (SMT) exercises leadership through Spirit Governance system with subject to local laws and regulations. SMT takes business decisions for Spirit Air Cargo Handling AB in cooperation with the Spirit Board. Such decisions have validity in the three Spirit companies.

Environment mission

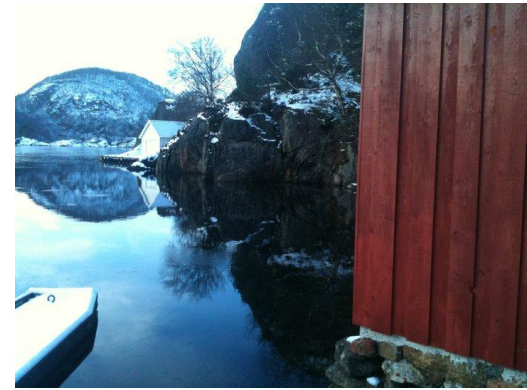
- Spirit aims to use methods that will minimize the environmental impact from the cargo handling production,
- Spirit are providing Cargo handling services/production characterized by low energy consumption, recycling and minimum emissions.

Environment structure

Spirit Management Team (SMT) has the overall environment responsibility and the acting managers in each country are responsible for the local environment management system (see page 6). In addition SMT has a support function, Spirit Quality and Environment Group (Spirit Kvalitets- och Miljö Grupp SKMG), who analyze and follow up on environmental goals, propose actions/initiatives and improvements to SMT, keeps legal and other requirement list updated.

Environment Management System

The Spirit Environment Management System comprise all activities within the Spirit Cargo Terminals in Spirit Group. The system is based on common environmental policy, SAS Code of conduct , UN global compact handling standards and ISO 14001 standard.



The Environment Management System are included in the Quality and Environment Management System and gives a guideline of plan, implement, follow up and improve processes and activities in accordance with Spirit environmental goals. Since Spirit are certified in both ISO 9001 and 14001 standards, Spirit has chosen to put the two systems together into one system instead of having one for each standard. The system is a complement to the Corporate Manual and is a guideline to the Spirit Cargo Handling operation. Currently each country has their own local system. A goal is to assemble the local systems to one system in 2012/2013.

Training and knowledge.

All employees has received training in environmental awareness, environment

and ISO 14001 related matters are included in staff meetings at all levels. Intranet, internet and information boards are some media used in communicating environment internally as well as externally.

Secure continuous improvements

Spirit are conducting internal audits on regular basis. External audits are conducted by authorized auditors from Bureau Veritas. Other external audits and inspections are performed regular by Spirit customers, owner and agents.

Values and policies

Spirit share values and policies with SAS Group. Some of Spirit policies are mentioned below. To read more about policies (see SAS Group annual report 2010 on www.sasgroup.se page 134).

Environment policy, Spirit will continuously improve its environmental impact in its operations, so that it's surroundings, customers, suppliers and society in general, consider Spirit to be a leading cargo handling company from an environmental point of view. Spirit will obtain this by

- Keep a Continuous Improvement Program
- Maintain (and join) in dialogue with main stakeholders (Owner, Customers)
- Respect legal and other requirements

Sustainability policy, sustainability in Spirit includes the external environment, the internal working environment, ethical behaviour and societal contributions.

- Sustainable development
- Spirit managers comply with UN Global compact and are ambassadors for UN Global Compact when doing business for Spirit.
- UN Global Compact into all major supplier contracts
- Comply with SAS Code of Conduct

Legal policy, Spirit Air Cargo Handling shall fully comply with the relevant laws and regulations of the countries in which they operate, and uphold high standards of ethical behavior and integrity.

- Competition Law/Antitrust Compliance
- Bribery, Corruption and Inappropriate Benefits
- Restrictions on Insider Trading and Disclosure



Administration of the Environment Management System

General requirements and policies through Spirit Corporate Manual in which local control systems from each country are consolidated.

Environment Policy: All employees are working according to Spirit Environmental policy. The policy are also displayed in Spirit Intranet and web page www.spiritaircargohandling.com

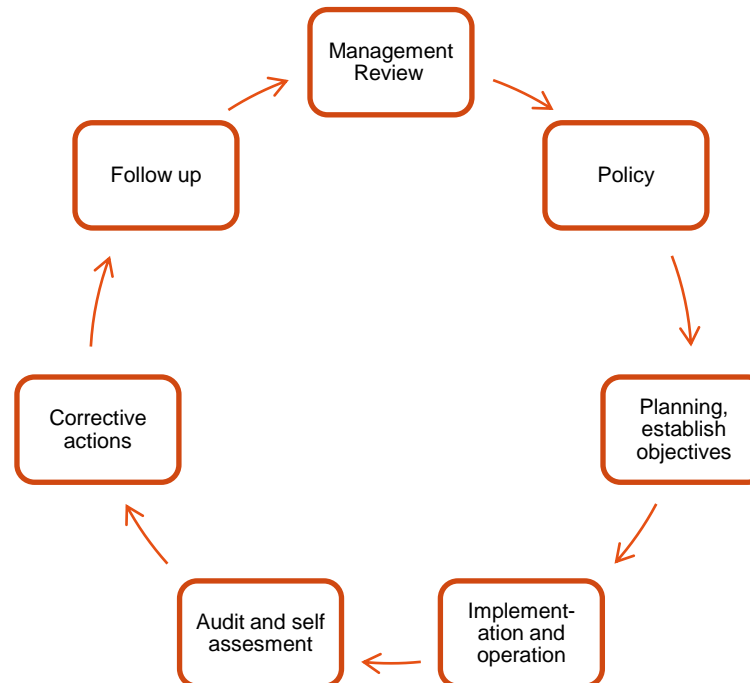
Environmental aspects: Spirit management groups are supported by a Quality & environmental group that works on environmental aspects. It is described in local management systems and Spirit corporate manual.

Legal and other requirements. A list of legal and other requirements that applies for Spirit are compiled for each Country (Sweden, Norway and Denmark). The list consists of requirements from Nation and municipal authorities, the EU, airline industry, cargo handling regulations and other applicable requirements, The environment group supports Spirit in its work with compliance with legal and other requirements.

Resources and responsibility: Described in local management systems.

Training and awareness: All employees in Spirit group have received environmental awareness training. All operational training is registered in accordance with official requirements. Communication and education of staff, knowledge of the processes, will reduce faults and therefore also reduce Spirit operations environmental impact.

Monitoring and follow up Environmental key aspects are measured and are being followed up at regular basis. Audits and inspections are conducted internally and by external suppliers and customers. Spirit has an overall audit process shared with SAS Group to ensure knowledge – sharing between Spirit Group. Each year a self assessment is conducted in the three countries in Spirit Group. The result is used for control, improvements, goal setting and the environment annual report.



Partnership, network and co-operation

Spirit is taking active part of environment programs together with national airports, municipality and owners in its strive to reduce environmental impact.

Requirements on Spirit are coming from the airline industry (e.g. IATA), the authorities (e.g. airport authorities or other national authorities, EU, US Customs Border protection, etc), ISO, Airlines and agents (their handling requirements/ contracts). As Spirit terminals are mainly located at airports, Spirit share demands on national airports coming from authorities, municipality and surroundings to reduce environmental impact such as reduce emissions, energy consumption and to have efficient waste handling procedures.

Employees

To secure the employees working environment Spirit conduct inspections at regular basis. Actions from inspections are documented and followed up. Local Safety Officer, Safety Engineer and Management take active part in these inspections. Every year an employee index are measured in order to evaluate the employees job satisfaction,

motivation and the company abilities to meet their expectations.

Code of Conduct

Spirit uses Code of Conduct established by SAS Group. Code of conduct is a compilation of stated values, policies, norms and regulations. All staff must pass the code of conduct training and has a responsibility to comply with the described code. As per today 81% within the Spirit Group has done the code of conduct training.

Customers

During the years Sprit has experienced increasing environmental demands from the stakeholders. To be ISO14001 certified is one of them. Spirit has been certified in ISO14001 standard since 2003. Audits and inspections are conducted regularly at Spirit terminals by airlines, its representatives and agents.



Owners

Spirit is owned by SAS Group which makes SAS both customer to Spirit and at the same time its owner. Spirit work closely together with SAS Group and the SAS sustainable advising group regarding the environment and CRS.

Purchasing

Purchasing is mainly conducted via purchasing system (E-buy) coordinated and run by SAS Purchasing and Spirit follows the stringent purchasing policy. If a product is not provided in the purchasing system, a supplier with licensed environment certification and that follows the UN Global Compact principles will be used. Spirit are using some local suppliers due to short distance, time to market and products produced locally.

Employees

- Employee Index PULS
- Performance reviews
- Employee meetings including environment
- Dialogue and close cooperation with labour unions
- Code of Conduct

Customers

- Customer surveys
- Customer satisfaction index
- Direct dialogue and ongoing dialogue with contract customers and agents

Owners

- Regular board meetings
- Telephone conferences

Other organisations

- IATA/AEA
- Confederation of Swedish enterprise

Authorities

- Relevant national and international authorities
- Airport owners
- AEA
- Airport authorities
- Security
- EU

Partnership and Suppliers

- Energy saving program SAS/COOR
- CO2 reduction program with national airport
- Global Compact network through SAS
- CRS network through SAS

Competence and education

Maintenance and development of the employees competencies are of highest importance to Spirit in its efforts to reduce environmental impact, improve quality and service while simultaneously using new technology.

By knowing the processes and procedures, our employees support Spirit in minimizing its environmental impact and in avoiding incorrect cargo handling.

Employees' competence is based upon individual or functional job profiles, planned and established in an education plan. All such qualifications are registered according to SAS policy

Spirit Cargo College

On 1/1/2009 Spirit took over SAS Cargo College and founded Spirit Cargo College, in order to secure and provide relevant education for all personnel within all departments in Spirit Sweden,

Denmark and Norway to enable us to be ready to meet demands from both the authorities and our customers.

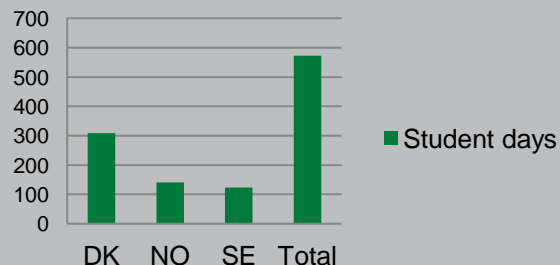
Spirit Cargo College's main efforts are directed at providing education and qualification to Spirit's own staff to maintain our own high standards, but we are happy to provide training to the external market requiring such quality services.

Our range of training covers Dangerous goods all IATA categories (acceptance and awareness), Security awareness, Basic instructor skills, warehouse and office courses, among others. Spirit Cargo College head office is located in Spirit Terminal in Gothenburg, Sweden.

IATA Certificate of validation

Spirit has (as the first GHA worldwide) attained IATA certificate of validation for its Dangerous Goods Acceptance (Category 6) training program. This program meets the training standard set for ground handling agents staff accepting dangerous goods, but also covers both shipper, freight forwarder and operator requirements. See IATA Dangerous Goods Regulations (2011 edition) page 852 (Appendix G2 IATA DG membership and Chairmanship) and 853 (Appendix G3 Validation).

Number of internal student days 2010
(using instructor)



DK 309, NO 141 and SE 123.
In addition Spirit also attend e-learning education.

Visit
Spirit Cargo College on
www.spiritaircargohandling.com

Click "Our services"



Environment aspects in Spirit

In our strive to reduce environmental impact, Spirit focus on its most significant environmental aspects.

The identification of Spirit's environmental aspects, has been established by using the same method as SAS. The method takes consideration in the extent of environmental consequences, amount of emissions, risk for incidents and deviations, legal and other regulations, demands and expectations from stakeholders and Society in general. The method is used to identify aspects in both normal and abnormal circumstances. All essential environment aspects are monitored. KPI's and improvements are followed up

continuously and is described in the Spirit Quality and Environment Management System. Spirit environmental improvement goals are based on the most essential aspects.

- Emissions from vehicles and energy consumption
- Waste generated from import and export cargo handling
- Waste generated from office
- Hazardous waste (if incorrect dangerous handling)








To secure dangerous goods handling, Spirit are following dangerous goods handling regulations, and has established well functional routines. In addition Spirit has well educated employees in that are. Together in close co-operation with airlines, agents and security companies, it prevent dangerous goods accidents.

Environmental aspects in Spirit Cargo Handling operation including warehouse, office and all cargo handling



In	Out
Supporting material: Wood, euro pallets	Waste and recycling
Emballage: plastic, cardboard paper, wood, metal bands, paper	Waste and recycling
Handling equipment	Waste and recycling, hazardous waste
Fuel to vehicles	Carbon dioxide, (CO2) nitrogen oxide (Nox) Emissions
Energy	Emissions
Dangerous goods. Incorrect handling may cause harm to human and nature. (so far it has never happened)	Hazardous waste, spillage
Water	Waste water
Office supplies	Waste

Fulfillment of main environmental goals in Spirit 2010 and activities in 2011

Goal 2009-2011	Fulfillment and actions 2010	Status	Activities 2011
Spirit will maintain ISO 14001 certification and environment management system according to ISO 14001	Spirit is ISO certified according to ISO 14001 standard since 2003. In June 2010 Spirit was recertified in ISO 14001:2004 standard by Bureau Veritas.	Fulfilled 	Spirit will maintain ISO 14001 certification and continuous improve the environment management system and its environment improvement program.
Spirit will reduce in energy consumption by 2% and according to SAS energy program "reduce energy by 15% in 2015	Spirit did not reach the goal, in fact Spirit increased in both energy and heating consumption. Increasing in energy consumption in Denmark and Sweden is related to higher tonnage while Norway had lower tonnage but yet higher energy consumption. As per today investigation is ongoing to analyze why. The 16/th of August 2010 the new built Cargo Terminal at Cargo City, Arlanda Airport Sweden, was handed over to Spirit. The 25th of January 2011 Spirit Arlanda moved its production to the new terminal and could immediately experience a decrease in energy consumption comparing to last year.	On going 	An energy mapping of all Spirit terminals will start in 2011/2012 in order to investigate if improvements in energy solutions are possible. Spirit will secure reporting energy consumption figures from suppliers to follow up on enegy KPI. Energy saving camagnes will be performed within Spirit
Spirit will improve in waste handling logistic in order to make recycling the best choise and to avoid fines for unsorted waste	Spirit has invested in better receptacles and containers and placed them strategically in the terminals to make waste handling easy. Waste procedures has been reviewed and communicated to all employees. To improve in waste handling logistic Spirit will continue to work togheter with facility management and waste suppliers locally per country. Spirit strives to sort waste as much as possible. Waste handling vary from terminal to terminal due to comonial possibility to handle waste and local suppliers.	According to plan 	Spirit continuous to review waste logistic together with fascility managment, local suppliers and authorities in countries and locations were Spirit operates. All employees are continuously updated on waste procedures.
Spirit aims to use and own environment friendly vehicals and motorized equipment in order to reduce in CO ₂ and Noxemissions	Spirit has started a " Vehicle renewal program" in order to reduce in CO ₂ and Noxemissions. An inventory and mapping of vehicles, and equipment are at the moment ongoing to the benefit of more environmentally friendly vehicles. The program is in line with airports demands in reducing emissions at airside. So far one vehicle has been changed to a hybrid Gas/Octane 95 and one vehicle has been returned to leasing company. The program continues to the end of 2015. In the long run Spirit will also substitute other mechanical equipment to more environmental friendly models.	According to plan 	Spirit will continue the vehicle renewal program and establishe a replacement plan of vehicles and motorized equipment.
Spirit will secure that no accidents in handling of dangerous goods accidents will occur.	Spirit had no dangerous goods accidents in 2010. Spirit employees are very well educated in dangerous goods handling (dangerous goods education are mandatory). Education in dangerous goods handling are supplied by Spirits own Cargo college.	Fulfilled 	Spirit employees are continuously educated in dangerous goods handling and procedures.

Energy and heating

Reducing consumption of energy will have positive effects on both the environmental impact and the economy

The goal in 2010 was to save energy and heating by 2% within Spirit group. We did not reach our goal, in fact Spirit increased in both energy and heating consumption. Increasing in energy consumption in Denmark and Sweden can be related to higher tonnage. Regarding energy consumption in Norway, analyzing is still ongoing. Main reason for increasing in heating consumption is due to cold winter.

Spirit has during the years sometimes experienced difficulties in receiving consumption figures for follow up. In 2010 Spirit begun activities for improvements from suppliers to report consumption figures. A goal in 2011 is to find the best practice possible.

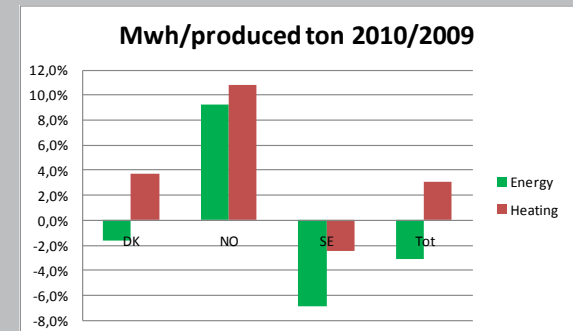
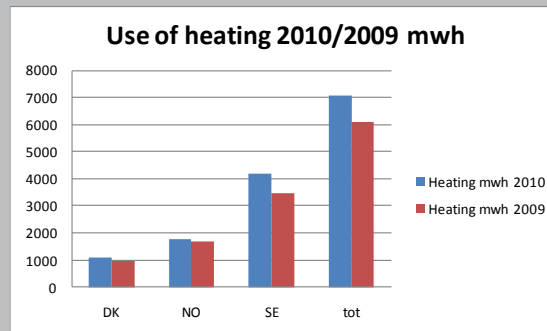
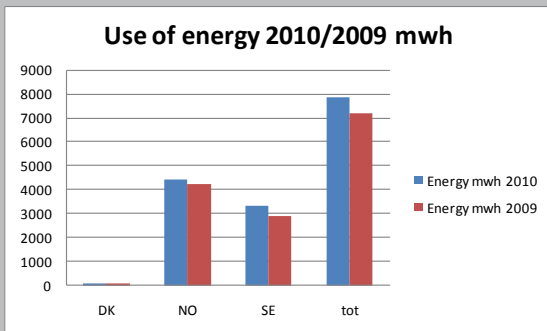
Spirit are continuously working to reduce the use of energy. A mapping of energy and heating will take place at all Spirit terminals during the following years in order to optimize the cargo terminals with as economic environmental friendly solutions possible.

New Spirit cargo terminal at Arlanda airport
In 2010 (16th of August) the brand new built Cargo Terminal at Cargo City, Arlanda airport, was handed over to Spirit. The terminal is built according to Swedish building standard with additional environment friendly solutions were possible. Spirit Terminal Arlanda moved to the new cargo terminal the 25th of January 2011 and has already experienced a decrease in energy consumption.



Spirit is also part of energy saving program within SAS Group

15 %
Reduced energy in 2015



Denmark: Energy consumption per produced tonnage has decreased while heating consumption per produced tonnage increased.

Norway: The energy and heating consumption per produced ton has increased. Analyzing is ongoing.

Sweden: The energy and heating consumption per produced ton has decreased by -6,9% and -2,4% mostly due to increased in tonnage.

Overall: Cold weather conditions during wintertime has effect the heating consumption at all Spirit terminals.

Waste handling

Spirit strives to make waste handling easy

Waste handling

Cargo handling generates waste from both import and export handling. Packing and supporting material, office paper and office supplies are the main categories of waste. Spirit sort waste from the cargo handling production were so is possible. Local municipal waste plant abilities vary from country to country and from location to location.

A goal in 2010 was to make waste handling easy to all employees. Improvements have been achieved by making sorting of waste more accessible with better receptacles and containers strategically placed in the terminals. Waste campaigns has been carried out within the company and waste procedures are reviewed

and communicated to all employees. The local goal in Spirit Denmark “no fines” were achieved.

In 2011 Spirit will continue to improve waste handling logistic, procedures and follow up together with waste contractor.



Waste generated from Cargo Handling inbound/outbound

- Supporting material
- Wood
- Plastic
- Office paper
- Other paper
- Cardboard paper
- Metal bands
- Lamps/armature
- Batteries
- Glass
- Office material
- Toners
- Absorbing material
- Hazardous waste from DGR goods (very rare) Non in 2010

Waste sorted in the four main terminals in Spirit Group

Sorted Waste	OSL	CPH	STO	GOT
Scrap Wood	✓	✓	✓	✓
Plastic	✓	✓	✓	✓
Paper	✓	✓	✓	✓
CorrugatedCarboard	✓	✓	✓	✓
Scrap metal	✓	✓	✓	✓
Ptp Flammable products	✓	✓	✓	✓
Lamps/armatures			✓	✓
Toners		✓	✓	✓
Batteries		✓	✓	✓
Glass			✓	✓
Office Material			✓	✓
Absorbing material			✓	✓
1)Hazardouz waste from dgr			✓	✓

Note. 1) In case of waste from dangerous goods, airport authorities, fire department or other relevant authorities are handling the waste.

Vehicle renewal program

In our strive to minimize emissions from vehicles Spirit has started a program to map and replace vehicles to more environmentally friendly models.

A mapping of vehicles, trucks/forklifts and mechanical equipment are at the moment ongoing. This will result in a program to substitute (were environmentally, practically and economically possible), vehicles and mechanical equipment to more environmentally friendly models to reduce impact of the environment. One vehicle has already been changed to a hybrid Gas/Octane 95.

In a near future many airport authorities will only accept environmental friendly vehicles at airside in order to reduce emissions within the airport. Some airports within Scandinavia has already introduced this step.

The program continues to the end of 2015. In the long run Spirit will also substitute other mechanical equipment to more environmental friendly equipment, whenever economically and practically possible.



Facts and figures 2009/2010

Spirit Sweden	2009	2010		2009	2010		Goal	Result
Adpect			Unit			Unit		
Energy	2877,2	3327,8	mwh	0,021	0,0196	mwh/prod ton	-2%	-6,87%
Heating	3448	4176,5	mwh	0,0252	0,0246	mwh/prod ton	-2%	-2,47%
Heating	0,038	0,04572	mwh/m2	-	-	-	-	-
Waste STO tot	106176,8	91030,57	kgs	0,001779	0,001097	ton/prod ton	-	-38%
Wood	24000	24370	kgs	0,000402	0,000293	ton/prod ton	-	-27%
Plastic	25465	16166	kgs	0,000426	0,000195	ton/prod ton	-	-54,30%
Paper	15289	15704	kgs	0,000112	0,000092	ton/prod ton	-	
PTP flammable products	35660	32640	kgs	0,000598	0,000393	ton/prod ton	-	-34,16%
Dangerous goods accidents	0	0	nbr	-	-	-	0	fulfilled
Vehicle petrol/ diesel 1)	18425	9665	litre	0,1346	0,0568	litre/prod ton	-	-48%
Spirit Denmark	2009	2010		2009	2010		Goal	Result
Aspect			Unit			Unit		
Energy	81,3	89,04	mwh	0,0006	0,0006	mwh/prod ton	-2%	-1,60%
Heating	954,9	1102,1	mwh	0,0068	0,007	mwh/prod ton	-2%	3,69%
Heating 2)		0,20038	mwh/m2					
Waste CPH Tot	0	0	fine	-	-	-	0	fulfilled
Wood 3)	-	-	-	-	-	-	-	-
Plastic 3)	-	-	-	-	-	-	-	-
Paper 3)	-	-	-	-	-	-	-	-
Dangerous goods accidents	0	0	nbr	-	-	-	0	fulfilled
Vehicle petrol/ diesel 4)5)	38008,7	48414,5	litre	0,2744	0,3076	-	-	27,30%
Spirit Norway	2009	2010		2009	2010		Goal	Result
Aspect			Unit			Unit		
Energy	4235,25	4430,9	mwh	0,0448	0,4894	mwh/prod ton	-2%	9,24%
Heating	1681	1783,6	mwh	0,0177	0,0197	mwh/prod ton	-2%	10,79%
Heating	0,0857	0,091	mwh/m2					6%
Waste OSL		84694	kgs	-	0,001101	ton/prod ton	-	
Wood 3)	-	17380	kgs	-	0,000226	ton/prod ton	-	
Plastic 3)	-	16395	kgs	-	0,000213	ton/prod ton	-	
Paper 3)	-	18210	kgs	-	0,000236	ton/prod ton	-	
PTP flammable products	-	32709		-	0,000425	ton/prod ton	-	
Dangerous goods accidents	0	0	nbr	-	-	-	0	fullfield
Vehicle petrol/ diesel 2)	-	-	litre	-	-	-	-	-

Note 1) Spirit GOT shorter driveways hen new terminal were finished in mid 2009, Note 2) Spirit Copenhagen moved to another terminal mid 2009. Heating figures/m2 comparing 2009/2010 is not valid. Note 3) Data not available. Note 4) Petrol 95, Spirit Copenhagen has increased in numbers of vehicles due longer distance to gates (extended by 2 km) when moving to Terminal East the 23th of June 2009. Note 5) Diesel, Distance increased (see note 4) plus extended service in ramp handling of freighters.



Spirit Group executive management approved the Spirit Air Cargo Handling environmental report 2010 in September 2011,

*Arne Kristiansen / Björn Teigen
Managing Director
Spirit Air Cargo Handling Norway AS*

*Björn Kardell
Managing Director
Spirit Air Cargo Handling Sweden AB*

*Carsten Johansson
Managing Director
Spirit Air Cargo Handling Denmark A/S*



Spirit environmental report 2011 is compiled by the Spirit Quality and Environment Group (SKMG)