

FY17-18 & FY18-19 Biennial Sustainability Report

Norman Y. Mineta
San José International Airport
August 2020





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Message from the Director



Mineta San José International Airport (SJC) was among North America's fastest-growing airports throughout the two-year period from July 2017 through June 2019.

While our operation swelled to welcome record numbers of passengers, we also made tremendous strides protecting our environment and conserving precious resources. I am proud to share the strong results of our sustainability efforts on the pages that follow, which were made possible thanks to hard work by Airport management and collaboration with our incredible community and industry partners.

As we enter a new era of air travel likely to be defined by concerns over public health, interplay between transportation infrastructure and our natural environment is perhaps more pronounced than ever. Like the region we serve, Silicon Valley's Airport is constantly iterating to meet new challenges by exploring innovative solutions to strike a balance between offering our community the strong air transportation hub it needs today while ensuring we're able to continue meeting that need well into the future.

John Aitken, A.A.E.

Director of Aviation

Mineta San José International Airport (SJC)

Introduction

This is the Biennial Sustainability report for fiscal years 2018 and 2019 for the Norman Y. Mineta San José International Airport (SJC). This report takes stock of the previous two years' accomplishments in terms of protecting the environment and conserving precious resources and how we're serving as a trusted community partner.

SJC is located in the heart of Silicon Valley, just minutes away from global technology giants. Conveniently serving a wealthy and diverse region approaching four million people and thousands of Silicon Valley businesses, SJC is Silicon Valley's airport. The City of San José is the owner and operator of SJC. The City of San José is widely recognized as a leader in climate protection and sustainability and has adopted numerous ambitious strategies to combat environmental degradation and climate change that include San José's Envision 2040 General Plan and Climate Smart San José. As an entity of the City, SJC plays an important role in making these strategies come to fruition. SJC developed a Sustainability Management Plan (SMP) in January 2020 that serves as our roadmap for reducing resource consumption, environmental impacts, and greenhouse gas emissions while promoting social responsibility.

SJC has consulted the Global Reporting Initiative's (GRI) standards, as well as certain specific criteria from the GRI Airport Operators Sector Supplement, in the production of this report. This Biennial Sustainability Report details performance against the targets set out in the six actions detailed in the SMP as shown below with a focus on the quick wins and short-term initiatives identified in the SMP.

- Track &
 Report Our
 Sustainability
 Performance
- Engage Staff,
 Tenants &
 Passengers in Our
 Sustainability
 Commitment
- Conserve Resources
 Through Efficient
 Technologies &
 Practices

- Promote Low-Carbon Energy & Fuels
- Advance a Circular Economy Through Recycling & Reuse
- Foster Health & Wellness for People & the Environment



Current Overview of Major Capital Projects and Operations Initiatives

Interim Gates Facility

As the Airport modernizes, it is leveraging those opportunities to include sustainability initiatives in new development. A \$58 million Interim Gates Facility was conceived, designed, and constructed within a compressed 18-month period to support current and future passenger growth. In the summer of 2019, the new Gates 31-36 concourse, which is attached to the south end of Termina B, opened.

Updated Master Plan & Mitigation Measures

The City of San José amended the Airport Master Plan so that facilities at the Airport reflect the latest aviation demand forecasts and Federal Aviation Administration (FAA) design standards. Specifically, the Amendment to the Airport Master Plan will: 1) extend the horizon year and demand forecasts from 2027 to 2037; 2) incorporate the set of airfield configuration changes (safety improvements) recommended in the Runway Incursion Mitigation/Design Standards Analysis Study; and 3) update the layout and sizing of various landside facilities to adequately serve the projected 2037 demand. As part of the master plan process, the City prepared an Environmental Impact Report (EIR) which evaluated the environmental impacts of the improvement projects contained in the amendment to the Airport Master Plan. The EIR also included recommended Mitigation Measures associated with air quality, wildlife, cultural resources, and hazardous materials. SJC will implement the Mitigation Measures in future projects.

Fleet of all Electric Buses

In March 2019, SJC released a brand-new fleet of 10 battery-electric, zero-emission buses that will transport passengers and their luggage between SJC's parking lots, rental car center, and terminals. SJC's deployment is a first for a California airport and among the largest deployments for a U.S. airport. Funded in part by a \$5 million zero-emissions grant from the FAA, the electric buses replace the aging compressed natural gas bus fleet that has been operating at SJC since 2008. The electric buse fleet is anticipated to reduce ozone emissions by 1.1 tons over a 10-year period, which is the equivalent of 50 gas-powered passenger vehicles taken off the roads. The electric buses are powered by the City's very own San José Clean Energy source, contributing to the Airport meeting its sustainability goals in conjunction with Climate Smart San José, a City initiative to reduce air pollution, save water, and create a stronger and healthier community.

Airport Participates in San José Clean Energy

In September 2018, SJC enrolled in San José Clean Energy's Green Source program. The electricity is currently 86% carbon-free and is generated from renewable sources such as wind and solar and carbon-free sources such as hydropower. SJC's participation in this program contributed to the reduction in the Airport's greenhouse gas (GHG) emissions since the Fall 2018.

Our Sustainability Goals

As a Department of the City of San José, SJC is aligning with the goals set forth in the Climate Smart San José Plan. Therefore, in addition to the performance targets in the SMP, SJC is striving to achieve the following aspirational goals within the timelines illustrated below, at least five years in advance of the completion of the implementation of our Airport Master Plan, slated for 2037.



Short-term Medium-term Long-term

Our Sustainability Goals •

Connection to United Nations Sustainable Development Goals

The United Nations Sustainable Development Goals are the global framework for promoting prosperity while protecting the planet. The SMP and the City of San José's Climate Smart, aligns directly with the universal call to action to build economic growth and address a range of social needs including education, health, social protection, and job opportunities, while tackling climate change and environmental protection.





































¹ In accordance with the Zero Waste International Alliance definition that Zero Waste is diverting 90 percent of all discarded materials from landfills, incinerators and the environment.

² Airport Carbon Accreditation (ACA) is Airport Council International's carbon management certification standard available to all world airports seeking to reduce emissions of greenhouse gases from airport operations.

³ Low- or zero-emission alternatives to certain specialized airport equipment may not be commercially available within this timeline. SJC commits to utilizing the best available technology for Airport equipment.

⁴ Carbon neutrality at SJC is defined as when the net greenhouse gas emissions (as measured in CO₂-e) for Airportcontrolled property and equipment is zero. This does not include property owned by tenants of SJC.

Stakeholder Engagement & Materiality

Stakeholder Engagement & Materiality Matrix

Airport's stakeholders are diverse and varied, ranging from residents to local government to airlines to other transportation agencies to business leaders. Critical internal stakeholders at SIC include Airport employees (i.e., City staff), tenants, passengers and contractors. Our external stakeholders are diverse, ranging from local government to transportation agencies to business leaders. The Airport routinely engages with these stakeholders on a regular basis. SIC will continue to engage stakeholders on specific initiatives, as appropriate.

The City of San José Airport Commission is an advisory body to the San José City Council. The Airport Commission meets quarterly, and the meetings are open to the public, with public comment periods. Stakeholders and other members of the public are welcome to address the Airport during the public comment period at any of its public meetings.

For all major development projects, the Airport follows state and federal Environmental Impact Report and Environmental Impact Statement guidelines, which includes extensive public comment and public participation requirements.





Materiality Assessment

The Airport defines materiality based on the priority of each aspect to our business, our stakeholders and our customers. The Airport's supply chain includes facility tenants along with the goods and services needed for airport operations and construction activity. This report generally addresses Airport activities and does not address the activities of Airport suppliers, tenants, or contractors except where noted.

The Airport's Sustainability Management Plan Working Group met and identified the organizations top material issues. The following table shows the topics that are considered material to SJC related to environmental, economic, and social issues, in no order of importance.

Issues that are important to SJC & our stakeholders

Environmental	Air quality & emissions	Climate impacts	Energy & water use	Biodiversity	Water quality & conservation
	Waste & spills	Environmental compliance	Intermodal transportation		
Farmania	Business continuity	Economic contributions	Ground transportation & parking	Infrastructure improvements	Small & local business development
Economic	Impact on rates & charges				
Social	Accessibility	Community relations	Customer satisfaction & amenities	Employee diversity, recruitment & training	Ethics
	Occupation al health & safety	Security	Noise	Tenant relations	

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Track & Report Our Sustainability Performance

Tracking and reporting our sustainability performance is an important goal as SJC continues to make progress towards our sustainability efforts. SJC developed an SMP which was presented to and approved by the City's Transportation & Environment Committee and the Airport Commission.

As the Airport expands, it leverages those opportunities to include sustainability initiatives into new development. As previously mentioned, in the summer of 2019, the new Gates 31-36 concourse, attached to the south end of Terminal B, opened. This new Interim Gates Facility was built by local labor and includes sustainable features such as waterbottle filling stations.

Other SMP implementation successes are shown in the progress activities below.

FY17-19 Progress

- Automate utility data management using Energy Star Portfolio
- Integrate sustainability into this Biennial Report
- · Ongoing collaboration with City Departments (CSJ
- · Work closely with CSJ on providing GHG data to be incorporated into city-wide GHG report
- · Airport participated in City's Climate Smart committee
- · Tenant design guidelines now require installing submeters on new projects and in tenant spaces

FY20-22 Look Ahead

- Pursue Airport Carbon Accreditation Level 2 (or equivalent, as required by the Master Plan EIR Mitigation Measures)
- Automate other utilities
- will collaborate with the City to conduct waste audits

Continue to collaborate with CSJ ESD to ensure alignment with the City's goals; for example SJC

Key Performance Metric, Target and Current State

Metric	2018 Baseline	Target	FY18-19 Status
Airport Carbon Accreditation Status	Not accredited	Level 3 by 2022	Pursuing Level 2 in 2020-2021



City of San José

2017 Inventory of Community Greenhouse Gas Emissions





Recent Successes in FY19-20

- Completion of SJC's first Sustainability Management Plan in January 2020
- Development of framework for SJC's first Biennial Sustainability Report

AirportsGoingGreen.org

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- Approval of the Sustainability Management Plan by the City's Transportation and Environment Committee and Airport Commission
- SJC presented on current and planned sustainability initiatives at American Association of Airport Executives Airports Going Green Conference (pictured above)
- Updated SJC Master Plan which included Environmental Mitigation Measures that will be implemented for future development projects.

Engage Staff, Tenants & Passengers in Our Sustainability Commitment

During the SMP preparation and rollout, SJC engaged and provided sustainability-related training for the Sustainability Management Working Group. Sustainability training for employees will expand in the upcoming years.

SJC also engages our internal and external stakeholders as we understand they play an important part in implementing our SMP. They have been instrumental in helping us launch our initiatives, such as the food donation program.

FY17-19 Progress

- Provided tours of the Airport to City Hall employees and discussed information/ facts on sustainability and environmental programs.
- Deployed a fleet of 10 battery-electric, zero-emission shuttle buses and held a press event

FY20-22 Look Ahead

- Promote sustainability and local environmental history for staff and passengers
- · Educate staff and tenants about waste reduction
- Promote improved deplaned waste separation procedures to airlines
- Improve communications about annual tenant cleanup
- Continue to support community-focused campaigns

Key Performance Metrics, Targets and Current State

Metric	2018 Baseline	Target	FY 18-19 Status
Percent of City Airport employees receiving sustainability training	0%	100% by 2022	10%
Percent of tenant employees receiving Airport-provided ¹ sustainability training	0%	50% by 2022	0%
Number of Airport-supported community-focused events	5 per year	7 per year by 2022	5

¹ Most tenants and airlines provide their own corporate sustainability training.





Recent Successes in FY19-20



- SJC supported the implementation of a food donation program.
- Installed signage in front of Terminal B for pedestrians and advertised Bike lockers on BikeLink site

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Conserve Resources Through Efficient Technologies & Practices

Reducing our consumption of resources is something SJC strives to achieve. We have made some progress on water use (per passenger) and energy use intensity as indicated in the metrics table below. As previously mentioned, a new Interim Gate Facility with six new gates was under construction and opened during this reporting period which may have contributed to the increase in energy and potable water use. SJC will take measures in the future to reduce their overall energy use, such as transitioning to the San José Clean Energy Total Green Program which uses 100% renewables and other actions listed below.

FY17-19 Progress

- Began the campaign to replace indoor and outdoor lighting fixtures with LED bulbs (where feasible).
- Continued to replace restroom faucets in terminal and offices with automatic, sensor-controlled fixtures.
- Started to install drought tolerant landscaping in new projects
- Maximized electronic communication to external stakeholders
- Added programmable thermostats and motion sensors in select buildings
- Expanded Building Management System at Gates 29 and 30 and Interim Facility

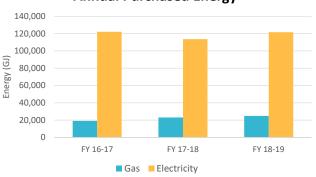
FY20-22 Look Ahead

- Start campaign to close windows and doors when HVAC in use
- Expand Better Building Challenge to additional buildings at Airport
- Continue to install drought tolerant landscaping in new projects
- Work with ATS to ensure 2-sided printing is default setting for SJC employees
- Continue to add programmable thermostats and motion sensors
- Submit budget request to transition to SJCE 100% renewable option

Key Performance Metrics, Targets and Current State

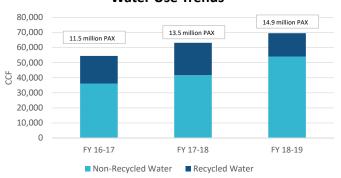
Metric	2018 Baseline	Target	FY18-19 Status
Annual Energy Use (GJ)	130,000	110,000 by 2027 (existing facilities)	140,800
Annual Energy Use Intensity (kWh/sf/yr.)	39 (terminal average)	30 (new terminals)	36
Energy Use (GJ/passenger)	0.010	N/A	0.009
Water Use (gallons/passenger)	3.5	2.2 by 2027	3.48
Potable Water Use (alternative metric) (gallons/passenger)	2.3	1.3 by 2027	2.7
Solid Waste Generated (lbs/passenger)	0.41	0.25 by 2027	0.409

Annual Purchased Energy



A slight increase in overall energy use may be attributed to the new Interim Gate Facility, passenger growth, additional concessions, adding power to seating in the terminals, and increased temperatures.

Water Use Trends



A slight increase in overall water use may be attributed to the increase in passenger traffic. In FY18-19, the potable water use increased, and the recycled water decreased which was a result of the irrigation system (recycled water) shut-off for five months because of a wet winter.

Recent Successes in FY19-20

Participating in Better Building Challenge in Sign Shop



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4 Promote Low-Carbon Energy & Fuels

SJC is committed to shifting from fossil fuel-based energy sources used for space conditioning, power, cooling, water heating, and vehicles in favor of zero or low-carbon alternative sources. There are ongoing efforts to reduce our energy use which is shown in the table below and adjacent graphs. By transitioning to San José Clean Energy's Greensource in September 2018, the Airport achieved a 36 percent reduction in GHG emissions from purchased electricity compared to baseline, despite an increase of 7 percent in total electricity purchased.

FY17-19 Progress

- Improved and will continue to improve fleet efficiency as vehicles are replaced
- Promoted and increased participation in the Green Trip Challenge among Airport staff
- Enrolled in San José Clean Energy's Green Source service

FY20-22 Look Ahead

- · Install solar-powered EV charging
- · Continue to expand bicycle parking facilities
- · Participate in The Good Traveler Program
- Upgrade to San José Clean Energy's 100% renewable ("Total Green option")
- For new projects, encourage LEED Gold or Platinum, net zero buildings, solar installations, and set energy use intensity targets
- Participate in ACI/ICAO working groups on high priority Airport partner initiatives related to transport

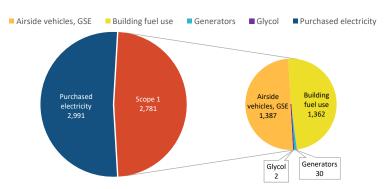
Key Performance Metrics, Targets and Current State

Metric	2018 Baseline	Target	FY18-19 Status
Greenhouse gas emissions (CO ₂ -e metric tons) Annually	6,793 (Scopes 1 and 2)	Carbon neutral by 2032 (Scopes 1, 2, and 3)	5,236 (Scopes 1 and2)
Percent of Electricity Sourced from Renewable Energy	80%	100% by 2022	80%
Percent of Energy Needs Met Through Onsite Renewables	4%	20% by 2032	4%
Percent of Fleet Comprised of Low-Emission Vehicles	26%	100% by 2027 ¹	30%

¹Includes contracted services. Applies to vehicles and equipment for which low-emission alternatives are available.

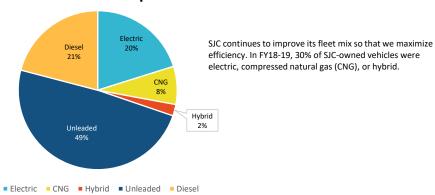
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FY18-19 Green House Gas Inventory



The transition from CNG to electric shuttles, effective for only a few months of FY2018-2019, was responsible for the overall drop of 11 percent in GHG emissions over the previous fiscal year.

FY18-19 Airport Vehicle Fleet



Recent Successes in FY19-20



- SIC is participating in Building Performance Leaders challenge to lower their greenhouse gas emissions, save money and actively engage in the fight against climate change.
- Installed two new bike lockers at Terminal A and B Parking Garages.

5 Advance a Circular Economy Through Recycling & Reuse

The Circular Economy is one in which consumption and emissions are minimized by reusing, recycling, refurbishing and repairing. SIC has been engaging in actions to advance the Circular Economy; however, waste diversion rates have dropped recently in California and across the nation, largely due to challenges within the recycling industry as traditional recycling markets have been reduced, and markets that currently exist demand higher quality material. Historic levels of waste diversion are now difficult to achieve since processing facilities, including our own contractor, must focus on improving material quality in order to keep up with rigorous contamination standards set by international policies such as China's "National Sword".

The percent of annual water use from recycled sources decreased in FY19. The recycled water is primarily used in Terminal B restrooms and landscape areas. Due to a very wet season in the first part of 2019, SJC did not need to water the landscaped areas. Additionally, as noted below, the new Interim Terminal Facility is not supplied with recycled water which also attributed to the decrease in the recycled water use.

FY17-19 Progress

- Installed an additional eight water refill stations and promoted use to all
- Integrated recycling procedures in the FOD walk program

FY20-22 Look Ahead

- Work with CSJ ESD to promote organic waste separation practices in food preparation and consumption areas as a pilot project
- Work with CSJ ESD to improve separation practices and receptacles in offices, terminals, tenant areas, and airside and landside spaces
- Continue to expand the use of recycled water lines to all landscaped areas and non-potable uses in new projects

Key Performance Metrics, Targets and Current State

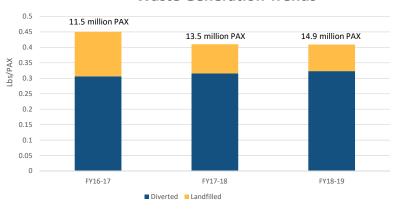
Metric	2018 Baseline	Target	FY18-19 Status
Percent of Annual Water Use from Recycled Sources	34%1	50% by 2022	22% ¹
Percent of Waste Diverted from Landfill	79%²	Zero Waste by 2022 ³	79%

¹ New interim terminal facility not supplied with recycled water, so a temporary decrease in our recycled water supply will occur until permanent terminal facility is constructed. Additionally, recycled water at landscaped areas was turned off for five months.

² The 2018 baseline estimated diversion rates were updated to reflect City audits of garbage and recycling at the processing facility. Waste totals do not include hazardous waste or waste from international flights, which are disposed of separately per federal regulations.

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Waste Generation Trends





Recent Successes in FY19-20



SJC supported the implementation of a food donation program with Loaves & Fishes, A La Carte, and SJC Concessions.

³ In accordance with the Zero Waste International Alliance definition that Zero Waste is diverting 90 percent of all discarded materials from landfills, incinerators and the environment.

Foster Health & Wellness for People & the Environment

SJC continues to support the Guadalupe River Trail, which runs adjacent to the airfield, and the adjoining Guadalupe Gardens. In FY18-19, one cleanup event was conducted along the Guadalupe River adjacent to the Airport and approximately 6.1 cubic yards of trash were collected and disposed.

As shown in the Recent Success in FY19-20, SJC updated their Airport Master Plan to accommodate future demand. An Environmental Impact Report was prepared which includes Mitigation Measures that SJC will implement in future projects.

FY17-19 Progress

- City of San Jose Environmental Services Conducted one cleanup event along the Guadalupe River adjacent to the Airport
- Installed fencing at the owl viewing area (phase 1 of project (2020); project to be completed in 2020-2021)

FY20-22 Look Ahead

- Work with CSJ ESD to conduct regular cleanup events along the Guadalupe River and in other airside and landside locations
- Establish committee to promote physical challenges such as daily step challenges
- Implement Updated Master Plan Environmental Impact Report Mitigation Measures related to wildlife.

Key Performance Metrics, Targets and Current State

Metric	2018 Baseline	Target	FY18-19 Status
Percent of Airport employees participating in Airport-sponsored wellness programs	N/A	75% by 2027	N/A (not started)
Number of cleanup events (not including regularly scheduled FOD walks)	1 per year	3 per year by 2022	N/A (not started)



Recent Successes in FY19-20

 Updated SJC Master Plan which included wildlife-related mitigation measures that will be implemented in FY20-21.



Appendix A: General Disclosures

General Disclosures

Organizational Profile, Ethics, Governance & Reporting Principles

About Norman Y. Mineta San José International Airport

The City of San José created the Airport Department (Department) in 1965. The Department operates the Airport which is currently classified as a medium-hub airport, primarily providing domestic origin-destination (O&D) service with increasing levels of international service.

The City is a charter city that operates under a council-manager form of government. The 11 members of the City Council serve as the governing body that oversees the operation of the Airport. The Director of Aviation is responsible for the operation of the Department and reports directly to the City Manager. John Aitken is the Director of Aviation, responsible for management oversight of the Airport, the annual budget and a staff of approximately 200 aviation professionals, nearly all of whom work onsite at SIC on a permanent basis.

Our Mission & Vision

The Department's mission is to connect, serve, and inspire. Our vision is to transform how Silicon Valley travels.

Strategy and Purpose

The Airport completed a Strategic Plan in 2016 which defines a common purpose for the organization, establishes a 10-year vision, and creates goals, objectives, action plans, and performance measures to realize the full potential of the Airport. The Strategic Goals are:

- · Fund the Future
- · Drive Growth
- Innovate
- · Invest in the Organization

We are also committed to positively influencing the broader aviation industry. Airport officials lead and participate in numerous committees and working groups for the Airports Council International – North America, American Association of Airport Executives, and the California Airports Council . Further, we have tried to align our goals and initiatives with others across the industry, whenever possible.

About SJC

The Airport covers 1,050 acres at an elevation of 62 feet and has two active runways, each 11,000 feet by 150 feet. The Airport serves Santa Clara County, which is also the San José Primary Metropolitan Statistical Area and is commonly referred to as Silicon Valley, as well as adjacent counties of Monterey, San Benito, and Santa Cruz and portions of two adjacent counties, Alameda and San Mateo (collectively, the Air Service Area). The Air Service Area is part of the larger San Francisco/San José/Oakland Area. Two other commercial airports serve this area as well – San Francisco International Airport and Oakland International Airport.

General Disclosures

The Airport is classified as a medium-hub airport by the FAA and ranked as the 40th busiest airport in the nation in terms of total passengers according to Airports Council International- North America statistics, as of 2018. As of June 2019, 13 carriers provided scheduled passenger service to 50 destinations, including eight US flag carriers and five international carriers. In addition, two all-cargo carriers provided scheduled cargo service at the Airport.

For the 2019-2020 fiscal year, the Airport enplaned and deplaned 14.9 million passengers which represents an increase of 10.8% from the 2018-2019 fiscal year.

Our Reporting

The Airport has consulted the Global Reporting Initiative's (GRI) standards, as well as certain specific criteria from the GRI Airport Operators Sector Supplement, in the production of this report. SJC plans to release updated sustainability reports on a biennial basis. Note that in addition to SMP data metrics and targets reported in this document, SJC is also tracking other environmental, social and financial data outlined in the GRI standards core option.

Any changes or re-statements from previous reports are noted in the applicable data table. This Sustainability Report has not been externally assured. During the reporting period, there have been no significant changes regarding the structure or ownership of the Airport or SJC.

Our Boundaries & Significant Influence

The Airport's boundaries for the purposes of this Sustainability Report encompass SJC's geographic jurisdiction (the Air Service Area) as determined by state law, as well as entities over which the Airport exercises control or significant influence, both in and through its relationships with various entities. A summary of these boundaries follows.

The Airport has significant influence over:

- Airport collective bargaining unit (union)
- Airport retail tenants
- Airport airline tenantsAirport cargo carrier tenants
- Parking management service
- Airport ground transportation service providers
- San José Police Airport Division

- Aircraft rescue and firefighting/San José Fire-Rescue Department
- · On-site services (e.g., janitorial, security)
- Contractor and consultant services (e.g., construction, engineering, environmental, maintenance)

For more information on the content of this report, please contact Patrick Hansen, Environmental Services Program Manager, phansen@sjc.org.