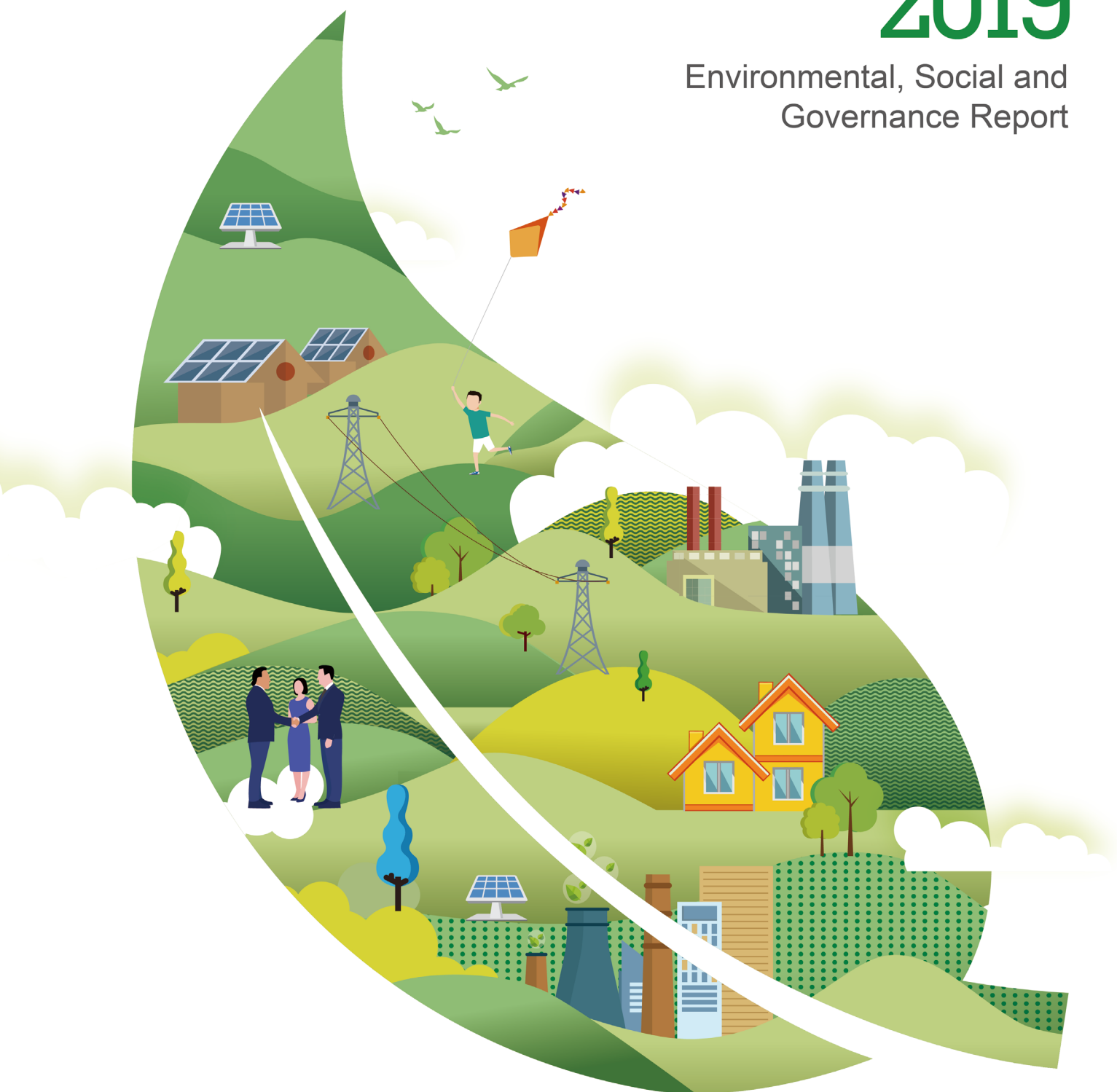




隆基泰和智慧能源控股有限公司
LONGITECH SMART ENERGY HOLDING LIMITED
(Incorporated in the Cayman Islands with limited liability)
Stock Code: 1281

2019

Environmental, Social and Governance Report





About this Report

LongiTech Smart Energy Holding Limited (“**LongiTech Smart Energy**” or the “**Company**”) is delighted to publish its fourth Environmental, Social and Governance (“**ESG**”) Report (the “**Report**”). This Report is intended to disclose information on the implementation of ESG responsibilities by the Company and its subsidiaries (collectively, the “**Group**” or “**we**”) in 2019, and to address the stakeholders’ material ESG topics of concern. This Report is published online in both Chinese and English.

Reporting Scope

Business Scope: Unless otherwise specified, this Report covers the Group’s business operations in 2019.

Reporting Period: Unless otherwise specified, this Report covers a period from 1 January 2019 to 31 December 2019 (“**Reporting Period**”). To enhance the integrity, comparability and timeliness of the Report, some of its content covers a time period earlier or later than the Reporting Period¹.

Reporting Guidelines

This Report is prepared in accordance with the *Environmental, Social and Governance Reporting Guide* (“**ESG Reporting Guide**”) in Appendix 27 of the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* (“**Listing Rules**”) issued by the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). This Report is prepared based on the Materiality, Quantitative, Balance, and Consistency principles outlined in the ESG Reporting Guide, and complies with the disclosure obligations under the “comply or explain” provisions.

Report Assurance

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is responsible for the authenticity and effectiveness of the information in this Report. The Board has reviewed this Report and confirmed its contents are free of false statements or misleading descriptions.

Report Accessibility

This Report is available for browse and download at the HKEx News website of the Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the official website of the Company (www.longitech.hk).

Readers Feedback

If you have any comments or suggestions on this Report, please send us your feedback through the Company website (www.longitech.hk) or via investor relations email (investor@longitech.hk) to help us continue to improve.

¹Chapter 7 of this Report “Joint Efforts in Combating COVID-19” covers a time period of January and February 2020.

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About LongiTech Smart Energy



About the Company

The Company is a Main Board listed company on the Stock Exchange (stock code: 1281), and principally engages in smart energy business and public infrastructure construction business, with gradual expansion and diversification to other clean energy business. We aim at becoming a leading comprehensive service provider of smart energy in China.

In 2019, we mainly focused on operating the existing solar power generation business, while exploring and diversifying into other energy businesses including central heating, distributed heating and campus hot water businesses. We combine the expansion of our offline comprehensive energy business such as electricity, heat and gas and our online smart energy cloud platform (the “**Cloud Platform**”) with proprietary intellectual property rights for integrating and analyzing customers’ energy use data. Through this combination, we help customers improve energy utilization efficiency and construct a low-carbon, environmentally friendly energy supply system consisted of a multi-energy complementation with smart operation and maintenance. In addition, we actively drove forward the public infrastructure construction business through public-private partnership projects to facilitate the construction and development of green cities. During the Reporting Period, revenue from our main business was RMB 147,460,000, including RMB 116,806,000 from the smart energy business and RMB 30,654,000 from the public infrastructure construction business.

During the Reporting Period, revenue from our main business was

RMB **147,460,000**

RMB **116,806,000**

from the smart energy business

RMB **30,654,000**

from the public infrastructure construction business

Corporate Governance

The Company is committed to maintaining robust corporate governance to protect shareholders' rights and enhance corporate value and accountability. We adhere to the *Corporate Governance Code* in Appendix 14 of the *Listing Rules* and the Company's internal regulations and rules of the Board. With the principles of openness, impartiality, fairness, and independence, the shareholder meeting is in charge of the election and re-election of the Directors, who are subject to retirement by rotation at least once every three years. The Board has three specialized committees, including the Audit Committee, the Remuneration Committee and the Nomination Committee, which are appointed and authorized by the Board and operate in accordance with their *Terms of Reference*. During the Reporting Period, the Company held a total of 8 Board meetings and 2 shareholders' meetings.

When selecting candidates for the Board, the Nomination Committee uses a series of diversity perspectives such as gender, age, cultural and educational background, professional experience, skills, knowledge, and management experience, and reports the diversity perspective of the Board's composition in the annual *Corporate Governance Report*. During the Reporting Period and as of the date of publishing this Report, the Company's Board consists of seven members, with Mr. Wei Qiang, Mr. Yuen Chi Ping and Dr. Liu Zhengang serving as executive Directors, Mr. Wei Shaojun serving as non-executive Director, and Dr. Han Qinchun, Mr. Wong Yik Chung, John and Mr. Han Xiaoping serving as independent non-executive Directors.

Risk Management

The Company has formulated the *Risk Management System of LongiTech Smart Energy Holding Limited* based on the COSO enterprise risk management framework and internal control framework, laws and regulations in China and other nations and regions, and the Listing Rules of the Stock Exchange, combined with the current operation and management of the Company. The system categorizes different risks according to the Company's business objectives into strategic, financial, operational and compliance risks, which have duly incorporated our considerations in environmental and social-related risks. For example, financial risks have incorporated social risks such as fraud risks, and compliance risks have incorporated major risks pertaining to health, safety and environmental (HSE) incidents.

The Board is responsible for assessing and determining the nature and extent of risks, overseeing management's design, implementation and monitoring of risk management and internal control systems, and reporting to shareholders in the *Corporate Governance Report* regarding the results on the review of effectiveness on risk management and the internal control systems. Through the conduct of the following four steps covering goal-setting, risk identification, risk assessment, countermeasure development and the corresponding standardized operating procedures, we have conducted comprehensive assessments on the potential risks, and have developed reasonable and effective risk management solutions to establish a sound risk response mechanism to safeguard the overall interests of the Company and the shareholders.



Promoting ESG Governance

In 2019, the Board continued to be in charge of and fully responsible for the ESG report and the Group's ESG-related work, and was responsible for assessing and determining the Group's ESG-related risks, continuing to review and decide on the Group's material ESG issues, and promoting the integration of sustainable development concepts with the Company's development strategy and operation and management. At the 2019 annual Board meeting, the Board made recommendations and plans for ESG-related work during this Reporting Period based on a summary of ESG work in the previous reporting period. The recommendations and plans include strengthening stakeholder communication and inviting a broader range of stakeholders to participate in the materiality assessment of ESG issues; further enhancing the Board's management responsibilities on ESG matters; and ensuring that the Company establishes a timely and effective ESG risk management and internal control system by deepening the Board's involvement in the Company's ESG internal control and risk control. In addition, besides incorporating ESG risk considerations into the risk assessment process, we also enhance the Company's ESG governance capabilities through relevant training of the Directors and the senior management. In 2019, we engaged external legal consultants to provide trainings to the Directors and senior management on the latest revisions to the Listing Rules. During the Reporting Period, the secretary of the Company regularly attended training sessions on the governance rules of listed companies held by the Hong Kong Institute of Chartered Secretaries, and distributed the latest ESG-related documents and materials issued by the Stock Exchange and the Securities and Futures Commission to all the Directors for study.

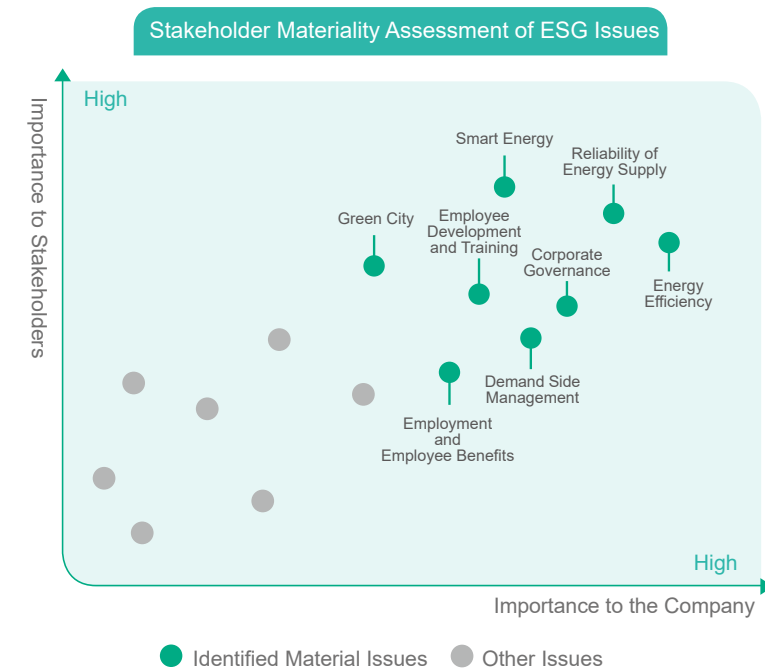
Stakeholder Engagement

We highly value the communication with internal and external stakeholders, establish and constantly improve the communication mechanisms, in order to promptly understand and respond to stakeholders' concerns and expectations on ESG-related issues and other topics.

Key Stakeholders	Communication Channels	Concerns and Expectations
Shareholders and Investors	<ul style="list-style-type: none"> Regular Corporate Reporting Shareholder Meeting Briefings and Conference with Investors 	<ul style="list-style-type: none"> Observe Laws and Regulations Information Disclosure Financial Performance
Government and Regulatory Agencies	<ul style="list-style-type: none"> Special Report Routine Inspection Public-Private Partnership 	<ul style="list-style-type: none"> Observe Laws and Regulations Integrity Management Community Investment
Partners	<ul style="list-style-type: none"> Industry Communication and Information Exchange Project Cooperation Regular Interview 	<ul style="list-style-type: none"> Supply Chain Management Product/Service Responsibility
Employees	<ul style="list-style-type: none"> Internal Information Disclosure Performance Communication Mechanism Employee Complaints and Feedback 	<ul style="list-style-type: none"> Remuneration and Benefits Occupational Health and Safety Training and Development
Customers	<ul style="list-style-type: none"> Customer Service Daily Operation and Communication Customer Visits and Satisfaction Surveys 	<ul style="list-style-type: none"> Product/Service Responsibility Customer Satisfaction
Community/General Public	<ul style="list-style-type: none"> Public Welfare Events 	<ul style="list-style-type: none"> Community Investment Environmental Protection

Materiality Assessment of ESG Topics

To perform a more comprehensive assessment of the material ESG issues for various stakeholders, we invited external stakeholders to participate in the 2019 materiality assessment online survey, in addition to the internal stakeholder survey conducted in 2018. The stakeholders participating in the survey ranked the potential material topics from two dimensions, namely the topics' importance to stakeholders, and the topics' importance to the Company. We then selected the top 50 percent of the issues from the results of ranking as the material ESG issues for 2019 after confirmation by the Company's management, as shown in the matrix below. This Report will focus on disclosing relevant information on the selected material issues. The Board of the Company has reviewed and confirmed the selected material ESG issues for 2019, and the reporting scope of this Report.



To systematically address business-related issues of particular interest to the stakeholders, Chapter 3 of this Report provides a review on the operation, environmental performance and environmental advantages of the Group's main businesses in smart energy. Chapter 4 further discusses each main business's progress in improving energy efficiency and energy supply reliability, as well as in smart operation and maintenance. Chapter 5 discloses information related to demand side management such as improving customer satisfaction in the main businesses.

Material Issues	Corresponding Chapter
Energy Efficiency	Clean Energy and Multi-energy Complementation Smart Operation and Energy Efficiency Enhancement
Reliability of Energy Supply	Smart Operation and Energy Efficiency Enhancement
Smart Energy	Smart Operation and Energy Efficiency Enhancement
Corporate Governance	About LongiTech Smart Energy
Demand Side Management	Smart Operation and Energy Efficiency Enhancement Customer Service and Responsible Operation
Employee Development and Training	Employee Welfare and Workplace Safety
Employment and Employee Benefits	Employee Welfare and Workplace Safety
Green City	Green City and Social Contribution



Clean Energy and Multi-energy Complementation

For the smart energy business in 2019, on the basis of our existing solar power generation business, we operated and invested in the heating business including distributed gas heating and urban central heating, and explored campus hot water projects, building a clean and low-carbon energy supply system with multi-energy complementation. Smart energy business is one of our main businesses during the Reporting Period; in the business activities we strictly abide by the *Environmental Protection Law of the People's Republic of China*, *Law of the People's Republic of China on Environmental Impact Assessment*, *Energy Conservation Law of the People's Republic of China*, and other relevant laws and regulations that have a significant impact on the Company. During the Reporting Period, our business activities did not have any significant impacts on the environment and natural resources, and there were no cases of non-compliance with laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.



Operating Solar Power Plants

During the Reporting Period, we continued to operate the 11 existing solar power plants, including 10 industrial and commercial distributed solar power plants and one ground power plant, with an aggregate installed capacity of approximately 64 MW and a total power generation of approximately 80,724 MWh. Compared with conventional coal-fired power generation, solar power generation does not produce greenhouse gases and pollutants such as sulfur dioxide, while at the same time saves water resources, generating substantial environmental benefits. In 2019, we made the following contributions to environmental protection and resource conservation through solar power generation²:

CO ₂ Emission Reduction	SO ₂ Emission Reduction	NO _x Emission Reduction
67,888.88 Ton	16.15 Ton	15.34 Ton
Particulate Matter Emission Reduction	Standard Coal Savings	Water Savings
3.23 Ton	24,830.70 Ton	99,290.52 Ton

During the Reporting Period, there were no hazardous waste generated at the 11 solar power plants; non-hazardous waste generated were mainly waste solar panels and domestic waste. Waste solar panels were recycled by the manufacturer, and domestic waste was transported to local public waste treatment stations for disposal. Daily water supply at the solar power plants was from local municipal water supply system, and there was no issue in sourcing water fit for purpose.

Developing Heating Business

Building on our distributed gas heating business launched in 2018, during the Reporting Period we continued to expand this business and also invested in urban central heating business.

The distributed gas heating business mainly provides heating services for a number of primary and middle schools and kindergartens in Shaanxi, Shandong and Hebei, through the use of distributed condensing gas module furnaces. The furnace uses natural gas as the fuel, which can reduce the generation of air pollutants such as sulfur dioxide compared with the use of conventional coal-fired boilers. During the Reporting Period, we also adopted various measures in our distributed gas heating business to reduce impacts on the environment and natural resources:

Optimizing operation strategy:

reducing natural gas consumption by optimizing operation time and the temperature of the supply and return water, under the premise of not affecting user experience.

System rectification:

renovating heating equipment and user end pipeline network during non-heating season to reduce leakage and energy loss due to pipeline blockage.

Equipment energy saving:

choosing the most advanced energy-efficient equipment in China, which can achieve a thermal efficiency of above 105% by fully recovering the latent heat in exhaust gases, a 15% increase as compared with the average efficiency of 90% for conventional boilers. The equipment currently in use have all achieved ultra-low emissions.

²Compared with coal-fired power generation; the environmental performance data of coal-fired power generation used in this table are from the *China Power Industry Annual Development Report* issued by the China Electricity Council in 2019.



In 2019, the Group's distributed heating business consumed approximately 2,270,000 standard cubic meters of natural gas, equivalent to 3,484 tons of standard coal, reducing nitrogen oxides emission by 25.7 tons and sulfur dioxide emission by 29.6 tons.



Distributed gas heating equipment

In the area of urban central heating, we invested in the associate company, Gao Bei Dian City Long Chuang Central Heating Company Limited ("Longchuang Heating") by acquiring 40% of its equity interests. Longchuang Heating mainly operates central heating business in Gao Bei Dian City, Hebei Province. Urban central heating is an infrastructure of urban energy system construction. Comparing to scattered small and medium-sized boiler stations, central heating can reduce the occupation of urban construction land by heating equipment, is easy to achieve scientific management, and can reduce the amount of fuel, ash and slag transported and dispersed. At the same time, central heating uses high-efficiency desulfurization and dust removal equipment, which helps minimize coal-related air pollution. In terms of energy efficiency, the thermal efficiency of large heating boilers in regional boiler stations can reach 80-90%, a significant improvement from the 50-60% thermal efficiency of scattered small boilers. The circulating fluidized bed boiler used by Longchuang Heating in the heating process has high thermal efficiency and is environmentally friendly, with combustion efficiency able to reach 88-95%, which decreases coal and water consumption and emissions of dust, sulfur dioxide and other pollutants. Longchuang Heating strictly abides by local environmental protection standards, and has achieved ultra-low and ultra-clean emissions by adopting state-of-the-art denitrification and desulfurization technology and dust removal system, meeting local heating demand while striving to reduce impacts on air quality.

Launching Campus Hot Water Projects

We have launched a new hot water business for campuses in 2019 and conducted pilot investments at some universities in Guangxi Province. By supplying heat through air- and water-source heat pumps, we provided hot bathing water supply services for about 12,000 people. Air- and water-source heat pumps can convert low-grade heat energy that cannot be directly utilized into high-grade heat energy that can be used, thus saving some of the high-grade energy (e.g. coal, gas, oil, electricity etc.). Comparing to conventional coal-fired boilers, using air- or water-source heat pump to heat one ton of water can save 3.69 kg of standard coal and reducing carbon dioxide emission by 2.62 kg.

Natural gas consumption

2,270,000 standard cubic meters

Standard coal equivalent

3,484 tons

Nitrogen oxides emission reduction

25.7 tons

Sulfur dioxide emission reduction

29.6 tons

Environmental Performance of Smart Energy Business

The environmental performances in 2019 of the Group's smart energy business are summarized below:

Greenhouse Gas Emissions		
Scope 1 emissions ¹	4,908	Tons CO ₂
Scope 2 emissions ^{2,3}	995	Tons CO ₂
Emission intensity (Scope 1 and 2)	0.40	Tons CO ₂ /RMB 10,000 revenue
Non-Hazardous Waste		
Waste solar panel ²	65	Units
Production intensity	5.9	Units/plant
Domestic waste ²	0.9	Tons
Production intensity	0.08	Tons/plant
Resource Consumption		
Electricity ^{2,3}	1,237,404	kWh
Natural gas ¹	227	10,000 standard m ³
Total energy consumption	25,786	1,000 kWh
Energy consumption intensity	1.75	1,000 kWh/RMB 10,000 revenue
Water consumption ²	60	Tons
Water consumption intensity	0.0041	Tons/RMB 10,000 revenue

Note:

1. We invested in Longchuang Heating's equity in May 2019. The environmental performance data of Longchuang Heating will be disclosed in future ESG reports.
2. The Group's smart energy business in 2019 did not involve the use of packaging material.
3. Calculations of scope 1 greenhouse gas emissions referenced the *Enterprise Greenhouse Gas Emissions Accounting and Reporting Guidelines – Other Industries (Trial)*, published by the National Development and Reform Commission of the People's Republic of China.
4. Calculations of scope 2 greenhouse gas emissions referenced the *2011 and 2012 China Regional Power Grid Average Carbon Dioxide Emission Factor*, published by the National Development and Reform Commission of the People's Republic of China.

¹ Distributed gas heating business

² Solar power generation business (water consumption consists of power plant employees' daily water consumption)

³ Campus hot water business



Smart Operation and Energy Efficiency Enhancement

In the Group's smart energy business, we improve the efficiency of resource use and the reliability and stability of energy supply through intelligent management and other measures, optimizing operation while facilitating energy conservation and emission reduction, as well as enhancing customer experience.



Solar Power Plants

In order to form a real-time and comprehensive understanding of the operation of the solar power plants, we connect the power monitoring systems of the majority of the plants to the intelligent management platform through the internet, and compare and analyze operation data of the equipment and the plants to ensure the plants' proper operation. Plant staff on duty oversee the power monitoring systems at each plant in real-time through the Cloud Platform, promptly detecting malfunction and arriving at the site to conduct maintenance, so as to guarantee the reliability and stability of the power plant operation.

Regarding resource conservation, plant staff have adopted a cost-effective cleaning method for equipment parts cleaning. Staff take into consideration weather condition, efficiency performance of the parts, degree of dirtiness, and other factors when developing cleaning plans, in order to ensure the parts are clean and are operating stably while improving the cleaning efficiency and conserving water. In winter, staff promptly remove snow from the parts to increase the overall efficiency of the power plants and the amount of electricity generated.



Solar power plant intelligent management platform



A	B	C	D	E	F	G	H	I	J	K
光伏电站组件清洗效益计算表										
站名称	容量 (MW)	电站位置 (经纬度)	月份	填报说明:						
山至翔	5.9		11	电站类型: 分布式或集中式						
站类型	目测组件脏污程度	组件角度	综合单位电价 (元/kwh)	目测组件脏污程度: 良好、一般、脏污						
分布式	一般	0	0.9	组件角度: 电站占绝大多数的组件安装角度, 如占一半等情况的可以填写综合平均值						
电量 (万kwh)	当月计划效率	当月天数	当月清洗费用 (元)	综合单位电价: 按照电网比例网上网电价和消电价折算						
26.46	78.27%	30	8498	未来7日降雨概率: 无=0 小雨=1 雷阵雨=2 中雨=3 大雨=4 降雪一律填0						
日平均效率	未来7日降雨概率	未来7日空气质量指数	未来脏污系数	未来7日空气质量指数: 优=0 良=1 轻度污染=2 中度污染=3 重度污染=4						
77.64%	1	2	1.015	近2日平均效率: 采用当日辐射度>800W/m²时发电效率的平均值 (或当日累计500W/m²)						
清洗效率	清洗费用回收天数	适合效率时清洗总收益 (元)	实际	备注中: 效率提升系数, 该系数为改善清洗效率而提升, 该系数对提高效率有帮助, 否则不填						
71.36%	11.94957519	21334.64964								



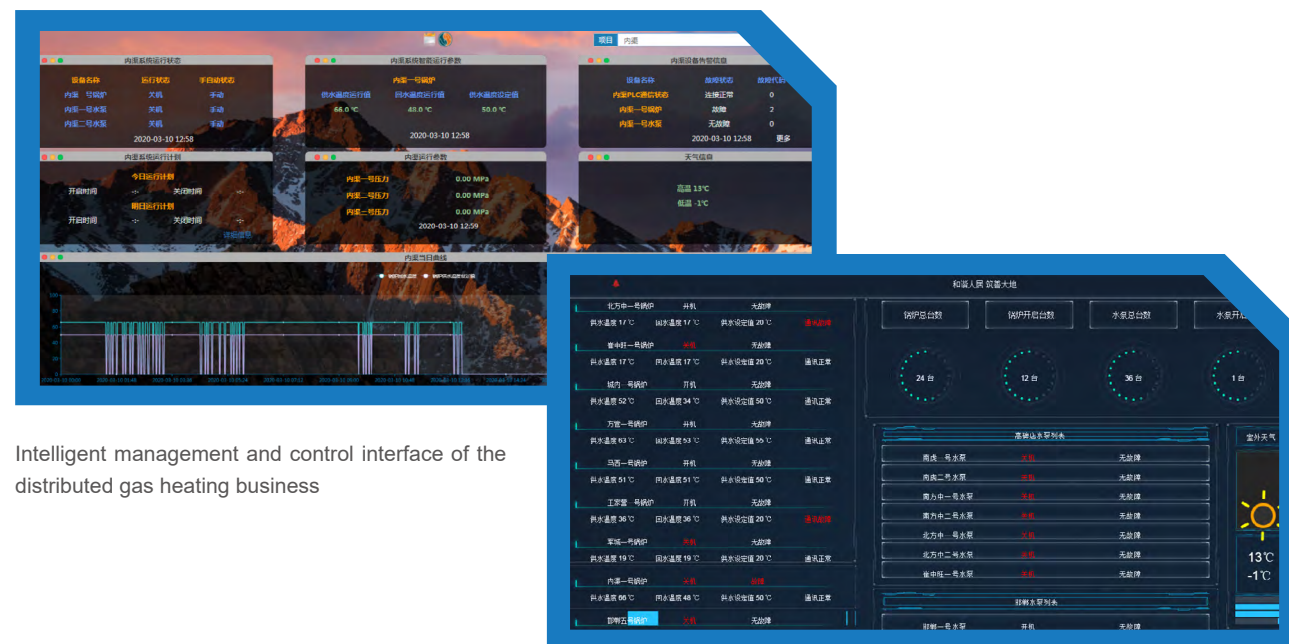
Promptly removing snow from equipment parts in winter to guarantee electricity generation efficiency



Distributed Gas Heating Business

The gas module furnaces used by the Group in distributed gas heating business are flexible, have high thermal efficiency and can maintain optimal combustion efficiency in various environments through intelligent management and control. Project data such as the temperature of the supply and return water collected by sensors at the equipment terminal are transmitted to the Cloud Platform through 4G modules. Operation and maintenance personnel can design equipment operation strategies based on such data and give instructions via the Cloud Platform. With remote intelligent management and control, we can timely respond to changes in weather and working conditions, adjust operating parameters and improve energy efficiency, while reducing energy consumption from transportation associated with manual maintenance.

In terms of equipment maintenance and renewal, we conduct regular optimization and maintenance of the system to decrease the probability of accidents. At the same time, we actively upgrade the equipment, with the proportion of new equipment applied in new projects each year no less than 20%, striving to use high-quality equipment to enhance the efficiency and reliability of heat supply.



Intelligent management and control interface of the distributed gas heating business

Campus Hot Water Projects

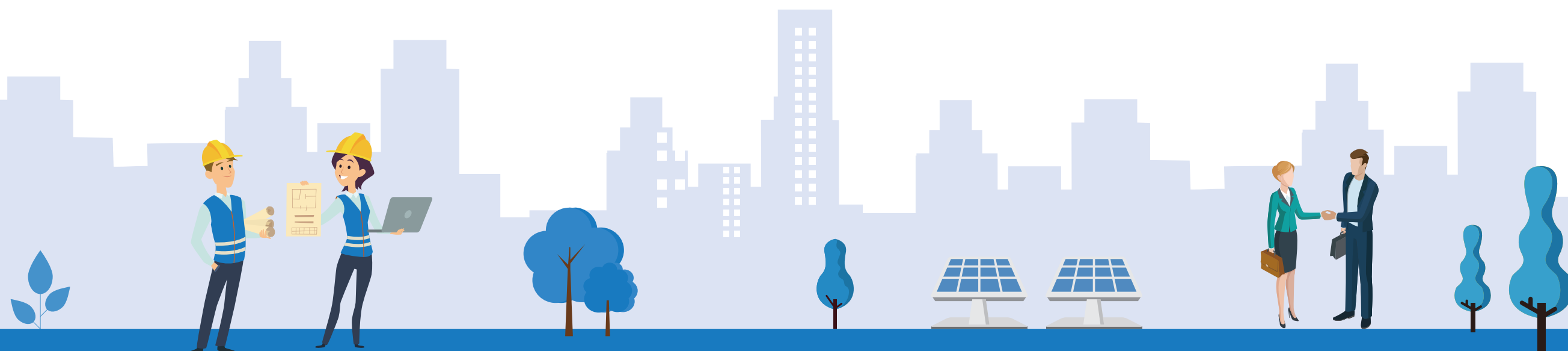
Our campus hot water supply system consists of hot water production system using renewable energy, hot water pipeline system, eco-campus IoT big data platform, and smart campus payment system. Using intelligent terminal equipment with WIFI, the hot water supply system can automatically collect energy consumption data and generate charts and energy consumption audit reports in various forms, to help us achieve dynamic monitoring of energy consumption and prepare the optimum operation plan for higher energy efficiency and more reliable hot water supply.



Intelligent management and control platform interface of the campus hot water project

Protecting Intellectual Property Rights

While vigorously developing our smart energy business, we attach great importance to maintaining and protecting intellectual property rights. When managing relevant projects where the Group possesses or uses intellectual property rights, we adhere to the *Patent Law of the People's Republic of China*, *Trademark Law of the People's Republic of China*, *Copyright Law of the People's Republic of China*, administrative regulations on intellectual property rights such as computer software protection regulations, patent law implementation rules, and other rules and regulations. Up to now, we have obtained multiple software copyright registration certificates such as for the electrical power online monitoring system and the distributed clean heating monitoring system. The systems and platforms associated with the campus hot water business have also been applied for software copyright registration by our partners, and the Company has been authorized to use these systems and platforms free of charge.





Customer Service and Responsible Operation



Guaranteeing Service Quality

The Group strictly abides by the *Work Safety Law of the People's Republic of China*, *Product Quality Law of the People's Republic of China* and the laws and regulations relating to the health and safety of products and services in the various business sectors, as well as other laws and regulations relating to product responsibility, such as the *Advertising Law of the People's Republic of China*, *Trademark Law of the People's Republic of China* and *Copyright Law of the People's Republic of China*. During the Reporting Period, there were no non-compliance cases relating to such laws and regulations, and the Group did not receive any complaints regarding products and services. Our main businesses in 2019 mostly involved service providing, and we have developed policies and systems to improve service quality and have adopted various measures to further enhance customer satisfaction.

◉ Solar Power Generation Business

We have formulated the *Solar Power Plant Patrol Inspection Management Rules (Trial)*, *Safe and Courteous Production Responsibility System*, *Solar Power Plant Defect Management Rules (Trial)*, and other provisions to prevent safety hazards through standardized operation, and to effectively control and handle equipment defects through patrol inspection, guaranteeing the safety and stability of electricity supply. Regarding patrol inspection, we have detailed requirements on the time, route and content of equipment inspection at the solar power plants. Regarding defect management, we categorize equipment defects into A, B and C levels based on the degree of impact; level A defects, which pose threats to the safe operation of the major equipment, are required to be eliminated or the associated safety risks being contained within 24 hours.

◉ Distributed Gas Heating Business

We strictly adhere to the *Regulation on the Administration of Urban Gas*, *Regulation on the Installation and Maintenance of Gas Burning Appliances*, *Management Measures for the Registration of Operating Boiler Pressure Vessels* and other relevant industry regulations. We have developed the *Regulations on the Operation of Hot Water Units*, *Patrol Inspection System* and *Emergency Response Plan for Hot Water Units* to guarantee the safe and stable operation of the heating equipment. Equipment operators strictly follow the operating procedures and are proficient in fire safety knowledge and skills; patrol personnel conduct daily inspection of the equipment in accordance with the requirements to identify and eliminate safety risks in time. If accidents such as gas leak took place, staff would respond on a timely basis according to the emergency response plan and the established urgent repair implementation procedure.

To understand and respond to customer demand in a timely manner, during the Reporting Period, we conducted field visits to the heating equipment rooms at the customers' sites. We collected customers' feedbacks on the stability of the equipment system, indoor temperature, service attitude, and other aspects, and summarized and promptly responded to the urgent problems to be solved to guarantee customers' safe and stable use of energy.

Work Safety Law of the People's Republic of China

Product Quality Law of the People's Republic of China

Advertising Law of the People's Republic of China

Trademark Law of the People's Republic of China

Copyright Law of the People's Republic of China

Solar Power Plant Patrol Inspection Management Rules (Trial)

Safe and Courteous Production Responsibility System

Solar Power Plant Defect Management Rules (Trial)

Regulation on the Administration of Urban Gas

Regulation on the Installation and Maintenance of Gas Burning Appliances

Management Measures for the Registration of Operating Boiler Pressure Vessels

Regulations on the Operation of Hot Water Units

Patrol Inspection System

Emergency Response Plan for Hot Water Units

Campus Hot Water Business

We have established and complied with the *Hot Water System Equipment Maintenance System*, *Notice and Procedure for Requesting Hot Water Equipment Repair* and other internal policies to guarantee service quality. In the event of equipment malfunction, management staff would solve the problem under safe conditions on a timely basis; for the problems that cannot be resolved, staff would immediately contact the company maintenance personnel for handling and report the issue to relevant company leaders. At the same time, we actively upgrade the hot water supply system and provide convenient services for customers where they can pay for bathing by scanning a QR code using a mobile phone WeChat mini program.

Hot Water System Equipment
Maintenance System

Notice and Procedure for Requesting
Hot Water Equipment Repair



WeChat mini program for campus hot water bathing service

Ensuring Information Security

Ensuring information security and protecting customer privacy are important aspects of the Group's smart energy business activities. During the Reporting Period, we strictly adhered to the *Cybersecurity Law of the People's Republic of China*, *Regulations of the People's Republic of China on Protecting the Safety of Computer Information Systems* and other laws and regulations. We deployed safety protection measures for the energy management system following standardized safety protection operation protocols. We have established a total of seven aspects in safety protection design and access management, such as data security, internet safety and terminal safety, to ensure data security and customer privacy in the energy management system. In addition, in order to standardize software configuration management, maintain software integrity and traceability and remedy security breaches in a timely manner, the Group has developed the *Software Configuration Management Procedure*, which is subject to configuration review and recording by the person in charge of testing, and is remedied by the responsible department within a certain time period.

Cybersecurity Law of the People's
Republic of China

Regulations of the People's Republic
of China on Protecting the Safety of
Computer Information Systems

Software Configuration Management
Procedure

Supply Chain Management

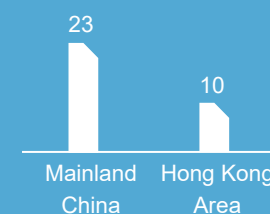
To stabilize the supplier team and establish long-term mutually beneficial supply and demand relationship, we have developed the *Supplier Management Measures (Trial)* to standardize supplier searching, evaluation procedure and criteria, ordering and procurement procedures, supplier evaluation procedures, and other relevant matters. We evaluate suppliers on quality, price, service, and other criteria on a semi-annual basis, and give preferences to level A suppliers when forming partnerships and offer them other rewards, while providing necessary guidance to or terminating partnership with level C suppliers.

Supplier Management Measures (Trial)

To better manage the suppliers' environmental and social risks, we have incorporated relevant provisions into the construction and procurement contracts with the suppliers. For example, in the contract with a construction service provider of the campus hot water supply system, we stipulated the responsibilities of the provider in protecting employees' rights and interest such as legal leave rights, providing occupational health and safety training for employees, and strictly enforcing responsibilities regarding the national environmental protection laws and regulations and other aspects. In the procurement contract of the distributed gas heating business, we require suppliers to comply with relevant national regulations on safe production, road traffic safety and environmental protection during production and processing and transportation, and also clearly define suppliers' responsibilities in intellectual property rights protection, integrity management, product packaging, and other aspects.

In 2019, the Group's main suppliers were associated with the general procurement, distributed gas heating business and campus hot water business; among them 23 suppliers are located in Mainland China and 10 in the Hong Kong area.

Number of Suppliers in 2019



Integrity Management

We strictly abide by the *Criminal Law of the People's Republic of China*, *Anti-Money Laundering Law of the People's Republic of China* and other laws and regulations on the prevention of bribery, extortion, fraud, and money laundering. We have formulated the *Anti-Fraud Management System*, *Complaint and Whistleblowing Management System* and *Complaint and Whistleblowing Investigation System*, and fully utilize the supervisory role of the complaint and whistleblowing mechanism. We effectively communicate the Company's anti-fraud policies, procedures and related measures internally through the employee manual, and through the issuance of the Company's rules and regulations and other channels. We make sure our employees receive trainings on relevant laws and regulations and occupational ethics, while actively helping them to properly handle conflicts of interest and temptations of improper interests at work.

If an employee of the Company was found practicing corruption, or defects or errors in management were found at the departmental or company level, the whistleblower may report with real name or anonymously through the whistleblowing hotline, writing to the Company headquarter, emailing the Internal Audit Department or the Chairman of the Audit Committee, reporting in person, and other means. At the same time, we have developed the *Complainant and Whistleblower Protection System* to protect the interests of the whistleblowers and complainants from harm.

Besides accomplishing the Company's internal integrity building work, we also developed the *Partner Integrity Management System* for business partners to standardize integrity management at both parties and establish fair, impartial, simple, and transparent business partnership. If the partner was found to have problems such as corruption, bribing the Company's personnel and other problems, we would impose punishments in accordance with the integrity agreement. If the Company's personnel were reported by the partners on corrupt practices and if the report was verified, we would warn or dismiss the personnel or take other actions according to the rules or, in serious cases, hold the personnel accountable for legal obligations.

During the Reporting Period, we did not violate laws and regulations relating to the prevention of bribery, extortion, fraud and money laundering that have a significant impact on the Group, and there were no legal cases regarding corrupt practices brought against the Group or its employees.

Criminal Law of the People's Republic
of China

Anti-Money Laundering Law of the
People's Republic of China

Anti-Fraud Management System

Complaint and Whistleblowing
Management System

Complaint and Whistleblowing
Investigation System

Complainant and Whistleblower
Protection System

Partner Integrity Management System



Employee Welfare and Workplace Safety



Employment and Employee Benefits

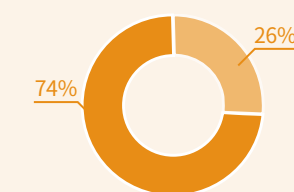
The Group strictly abides by the *Labor Law of the People's Republic of China*, *Labor Contract Law of the People's Republic of China* and *Employment Ordinance* (Chapter 57 of Hong Kong e-Legislation) regarding recruitment, dismissal, remuneration, promotion, working hours, rest periods, equal opportunity, diversity, and antidiscrimination. During the Reporting Period, there were no non-compliance cases with such laws and regulations. We have developed the *Recruitment Management System* to standardize employee recruitment, selection and admission processes. Besides external recruitment, we actively optimize staff allocation through internal employee promotion and transfer to improve employee motivation. During the recruitment process, the Group does not establish discriminative provisions such as "gender, ethnicity, marriage and childbearing, religion, Hepatitis B virus carrier or not" that are against fair employment.

Labor Law of the People's Republic of China

Labor Contract Law of the People's Republic of China

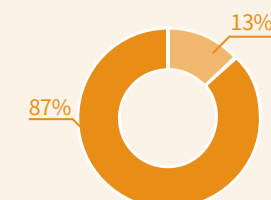
Employment Ordinance (Chapter 57 of Hong Kong e-Legislation)

Recruitment Management System

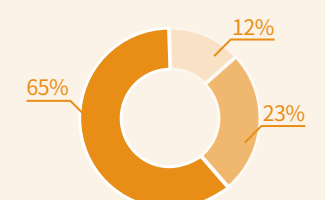


Number of Employees: 85

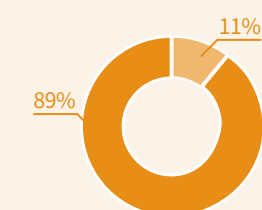
Percentage of Female Employees
Percentage of Male Employees



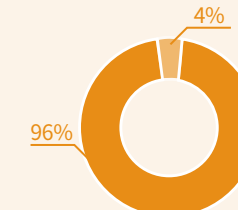
Percentage of Employees Aged 30 and Below
Percentage of Employees Aged 31-50
Percentage of Employees Aged 51 and Above



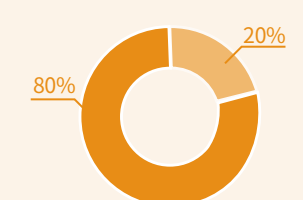
Percentage of Senior-Level Employees
Percentage of Mid-Level Employees
Percentage of Staff-Level Employees



Percentage of Employees from Mainland China
Percentage of Employees from Hong Kong Area

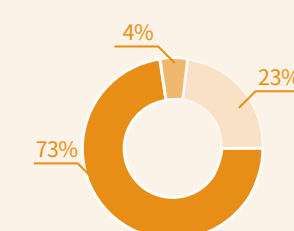


Percentage of Employees from Minority Ethnic Groups
Percentage of Employees from Han Ethnic Group

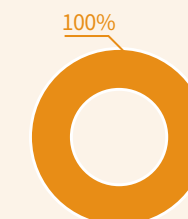


Number of Employees Left the Group: 107

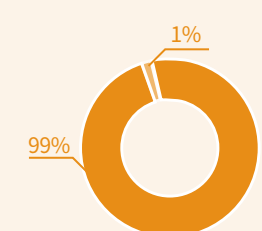
Percentage of Separated Female Employees
Percentage of Separated Male Employees



Percentage of Separated Employees Aged 30 and Below
Percentage of Separated Employees Aged 31-50
Percentage of Separated Employees Aged 51 and Above



Percentage of Separated Employees from Mainland China
Percentage of Separated Employees from Hong Kong Area



Percentage of Separated Employees from Minority Ethnic Groups
Percentage of Separated Employees from Han Ethnic Group



The Group strictly adheres to the *Provisions on the Prohibition of Using Child Labor, Employment of Children Regulations* appended to the *Employment Ordinance* (Chapter 57 of Hong Kong e-Legislation) and other laws and regulations relating to labor standards. We enter into labor contracts with employees on an equal and voluntary basis. During the Reporting Period, there were no cases of employing child labor or forced labor. Before new employees report to work, we review and verify their identification and other materials to prevent child labor. We have also established the *Attendance and Leave Management System*, implement a weekly 5-day (Monday to Friday) standard working system, and promote high work efficiency to avoid working overtime. Under special circumstances, employees need to submit the *Overtime Approval Form*, which would be used as the basis for arranging time off in lieu.

At the same time, we have developed the detailed *Employee Manual*, which includes policies on attendance and leave, compensation management, performance management, employee benefits, and other policies. In addition to statutory holidays, employees enjoy annual leave, marriage leave, bereavement leave, maternity leave, paternity leave, nursing leave, and other leave benefits. Formal employees enjoy wedding gifts, health check-ups, supplementary medical insurance, and other employee benefits. We distribute gifts and shopping cards to all employees at Spring Festival, Mid-Autumn Festival and other festivals. In 2019, we organized recreational activities such as family sports games to enrich employees' life afterwork and strengthen team cohesion.

Provisions on the Prohibition of Using Child Labor

Employment of Children Regulations

Attendance and Leave Management System



Company-wide family sports games in 2019

Employee Development and Training

We encourage employees to take initiatives in learning professional knowledge. Through implementing the *Training Management System* and organizing function- and business-related training programs every year for employees from all levels, we help facilitate employees' career development and personal growth.

For new employees:

In accordance with the *New Employee Training Management Provisions*, we introduce the company culture, relevant policies and job duties to new employees, helping them blend into the team.

For employees in the business sector:

During the Reporting Period, each business department arranged for employees to participate in skills training, safety training, external learning and exchange programs, and other training programs, in order to help employees improve professionalism and business capabilities and ensure the business activities were carried out safely and efficiently.

For mid- and senior-level management

In 2019, we organized the mid- and senior-level management to participate in training programs related to the latest *Listing Rules*, financial and regulatory training, and training programs organized by the Hong Kong Institute of Chartered Secretaries and other professional organizations.

For all employees:

We have developed the *External Training Management Provisions* and *Internal Trainer Management Provisions*, providing employees with internal and external training opportunities while enhancing the capacity building of internal trainers. During the Reporting Period, we provided corporate culture training for all employees to help them better understand and practice corporate culture and grow together with the Company.



Beijing office holding corporate culture training session in August 2019



Employees from the Company's Liang Shan solar power plant attending tax training course organized by the State Taxation Administration at Liang Shan County





Business Sector Training

For the solar power generation business, we have formulated the *Solar Power Plant Training Management Regulations (Trial)*. Using designated training materials, the assigned staff is responsible for providing regular training to power plant workers on corporate culture, business skills and safety through various forms such as lectures, hands-on exercises and drills, in order to help employees safely and efficiently complete power plant operation and maintenance tasks. In 2019, staff at the solar power plants participated in 36 safety and technical training sessions in accordance with the annual training plan, with an average per person training duration of approximately 180 hours. Contents of the training programs included case study of safety accidents at the solar power plants, operating procedures of electrical equipment, flood emergency drills, training on major electrical equipment-related knowledge, and training on equipment parts cleaning.

The distributed gas heating project arranged the core members of the operation and maintenance team to visit the equipment manufacturer's headquarter from April to May 2019. Participants also attended a weeklong technical exchange and training program, with an average per person training duration of approximately 40 hours.



Staff from the distributed gas heating business attending exchange and training activities at the equipment manufacturer's headquarter

Occupational Health and Safety

The Group strictly abides by the *Work Safety Law of the People's Republic of China*, *Fire Protection Law of the People's Republic of China*, *Occupational Safety and Health Ordinance* (Chapter 509 of Hong Kong e-Legislation), and other laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards. During the Reporting Period, there were no work-related injuries or fatalities. Occupational health and safety matters associated with each business sector were our top safety management concerns during the Reporting Period.

For the solar power generation business, we have established the *Operating Regulations on Power Safety at Solar Power Plants* based on national and industry standards and relevant laws and regulations, in order to standardize employee conduct and ensure the safety of staff, power grid and equipment. We require the operation staff to possess the necessary knowledge of safe production and gain first aid skills especially for electric shock. Each year we assess the operation staff on safe operating procedures; staff who have not been conducting electrical work for three consecutive months or longer need to review the procedures and pass the assessments before they can resume work. New employees need to go through three levels of safety education at the headquarter, regional and power plant levels and pass the assessments before they can conduct work on site.

For the distributed heating business, we have established clear rules and detailed operating procedures for hot water unit patrol inspection, fire safety management, emergency response, and other activities. We thoroughly implement the policy of "focusing on prevention, supplementing with elimination", and require operation staff to master fire safety knowledge and complete daily safety inspection before leaving the shift; in the event of a gas leak, staff would respond in accordance with the protocols and retreat to safety.

For the campus hot water business, we have formulated relevant on-site management systems for the equipment, requiring staff to operate according to the protocols and inspect equipment rooms on a daily basis to strictly prevent safety accidents.

In addition to ensuring the occupational health and safety of employees in various business sectors, we also focus on safety management of the office areas. We have established the *Office Environment Management System (Trial)* and adopted various management measures on the major safety issues (fire safety and electricity safety). For example, we strictly implement the three-level safety training system; the administrative department organizes employees to participate in fire safety training and drills every year, conducts monthly inspection of the office area fire safety facilities and electrical wiring and equipment and carries out other activities. In addition, we arrange annual health check-ups for all staff to provide a more thorough protection of employee health.

Work Safety Law of the People's Republic of China

Fire Protection Law of the People's Republic of China

Occupational Safety and Health Ordinance (Chapter 509 of Hong Kong e-Legislation)

Operating Regulations on Power Safety at Solar Power Plants

Office Environment Management System (Trial)





Green City and Social Contribution



Donghu Cultural Center Project

In 2019, with Baoding Municipal Government of Hebei Province, we actively drove forward the Donghu Cultural Center project, a public-private partnership (PPP) public infrastructure development project. The overall construction of the project is planned to be completed in 2024. The Donghu Cultural Center project is a key component in building a future city that combines the cultural, ecological and economic characteristics. The project is of great importance in providing good living and leisure environment for citizens and in Baoding's undertaking the coordinated development of Beijing, Tianjin and Hebei.



Guan Hanqing opera house

In 2019, the Guan Hanqing opera house project completed its refined decoration work and was officially opened for business. The project adopts a clean heating method using ground-source heat pumps, greatly reducing coal and other energy consumption and pollutant emission.



Bus station

Construction of the bus station project was completed in August 2019. When putting into use, the project will make it more convenient for local residents to get around and help reduce the use of personal vehicles and tail gas emission.



South Park of the Donghu Park project

The South Park of the Donghu Park project was completed and opened to citizens in October 2019. The South Park introduces the concept of eco-sponge city and facilitates the development of green cities through harvesting solar energy, constructing rainwater collection system, building functional wetlands, and other means.



Protective landscape

The first phase of the protective landscape project was more than halfway completed in 2019. The protective landscape can help prevent soil erosion, prevent and trap dust and ease urban heat island effect, helping mitigate environmental pollution.



Green Office

Besides providing customers with clean and efficient energy supply, we pay close attention to energy conservation and emission reduction in daily office work and strive to minimize the environmental impact of our work activities. We incorporated requirements on resource conservation into the *Office Environment Management System (Trial)* and *Employee Manual* to urge employees to conserve water and electricity. At the same time, we post signs on water and electricity conservation in public areas. We also post signs on saving paper and using double-sided printing next to printers to remind employees to conserve resources and reduce waste, which helps achieve the goals of reducing paper use and paper waste generation while saving costs.



For waste generated during daily office work, paper, plastic bottles and other non-hazardous waste, as well as waste fluorescent tubes are placed into the waste sorting bins in the office building; waste ink cartridges are collected and handled by the supplier. The office sources water from the municipal water network and there is no issue in sourcing water that is fit for purpose. During the Reporting Period, our daily indoor office activities did not incur any significant impacts on the environment or natural resources.

During the Reporting Period, we constantly refined the environmental data collection work. On the basis of achieving a full account of the environmental data for our Beijing headquarter office in 2018, we additionally collected the environmental data for the Hong Kong office in 2019. Summarized below is the Group's 2019 environmental performance data for the Beijing headquarter office and the Hong Kong office relating to emissions and resource consumption.

Greenhouse Gas Emissions		
Scope 1 (from vehicle usage)	19.47	Tons CO ₂ e
Scope 2 (from purchased electricity consumption)	21.80	Tons CO ₂ e
Total emissions	41.26	Tons CO ₂ e
Emission intensity	0.054	Tons CO ₂ e/office area (m ²)
Air Pollutant Emissions (from vehicle usage)		
CO	229.47	kg
NO _x	15.98	kg
SO _x	0.12	kg
PM _{2.5}	0.52	kg
PM ₁₀ *	0.54	kg
Non-Hazardous Waste *		
Waste paper	10	kg
Waste paper production intensity	0.42	kg/person
Waste plastic bottle	7.2	kg
Waste plastic bottle production intensity	0.30	kg/person

Hazardous Waste *		
Waste ink cartridge	6	Units
Waste ink cartridge production intensity	0.25	Units/person
Waste fluorescent tube	6	Units
Waste fluorescent tube production intensity	0.25	Units/person
Resource Consumption		
Electricity	25,503	kWh
Electricity consumption intensity	33.25	kWh/office area (m ²)
Bottled water	4,780.80	Liters
Bottled water consumption intensity	144.87	Liters/person
Gasoline consumption (from vehicle usage)	7,786.01	Liters
Gasoline consumption intensity	3,893.01	Liters/vehicle
Paper consumption for office work	1,932	kg
Paper consumption intensity	58.56	kg/person

*Data only for the Group's Beijing headquarter office

1. Calculations of scope 1 greenhouse gas emissions referenced the *Land Transport Enterprise Greenhouse Gas Emissions Accounting and Reporting Guidelines (Trial)*, published by the National Development and Reform Commission of the People's Republic of China, and Appendix 2 of *How to Prepare an ESG Report*, issued by the Hong Kong Exchanges and Clearing Limited.
2. Calculations of scope 2 greenhouse gas emissions referenced the *2011 and 2012 China Regional Power Grid Average Carbon Dioxide Emission Factor*, published by the National Development and Reform Commission of the People's Republic of China.
3. Calculations of air pollutant emissions referenced the *Technical Guidelines for the Preparation of Air Pollutants Emission Inventory for Road Vehicles (Trial)*, published by the Ministry of Ecology and Environment of the People's Republic of China, and the *EMEP/EEA Air Pollutant Emission Inventory Guidebook (2016)*, published by the European Environment Agency.

Community Welfare Services

In 2012, Longjitaihe Industrial Co., Ltd (together with its subsidiaries collectively, the “**Longjitaihe Group**”) founded the first corporate public welfare foundation “Longjitaihe Charity Foundation” (the “**Harmony Fund**”) in Hebei Province. Since its establishment, the Harmony Fund has been continuously engaging in charitable events and giving back to the society with love and responsibility. In 2019, the Group's employees actively participated in community welfare services through the Harmony Fund. During the “Warm Winter Initiative”, with volunteers from the Harmony Fund, the Group's employees went to Zhang Jia Pu Village in Lai Yuan County, Hebei Province, bringing cold weather supplies and necessities to impoverished households and school supplies to primary school students in the village.





Joint Efforts in Combating COVID-19



In early 2020³ during the COVID-19 outbreak, with proper personal protection, staff from our power division held their frontline positions in order to guarantee power supply for corporates and industrial parks. Considering the vast land area, dispersed plant staff and other characteristics of the solar power plants, the power division quickly formulated the *COVID-19 Outbreak Prevention and Control Management Measures* and made appropriate arrangements for staff shifts to protect the health of power plant staff and ensure the safe and stable operation of the power plants.

For the Company's other office locations, we have established and implemented the *Listed Company Disease Outbreak Prevention and Control Emergency Plan* and formed an emergency response team for the prevention and control of the outbreak. We diligently carried out tasks such as recording staff return statistics, disinfecting office areas, conducting disease education work, and procuring protective supplies. We provided employees with disinfectant, masks and other protective gear, and made adjustments to various aspects of daily work activities such as temporarily canceling or controlling the number of meetings and working online when possible, to effectively protect the health and safety of employees during the outbreak.



Solar power plant staff upheld their duties during the COVID-19 outbreak to ensure stable and reliable power supply

In addition, Longchuang Heating, the urban central heating associate company we invested in in 2019, also adopted various measures during the outbreak to ensure normal heat supply work and employee safety. Longchuang Heating formed a disease outbreak prevention and control team and implemented measures such as disinfecting public areas and employee dormitories, applying staggered dining schedules and keeping records of the people going offsite. In addition, Longchuang Heating classified the outbreak into different levels and developed corresponding response plans for each level, formulating detailed management plans targeting at the events where the pandemic spread to the city and to the company, respectively. At the same time, Longchuang Heating issued the *COVID-19 Prevention and Control Manual* and organized study sessions for the departments and offices in order to properly publicize disease-related information and guide public opinion.

In early February 2020, together with the Longjitaihe Group, we raised funds and donated approximately RMB 3.6 million worth of supplies to disease-affected areas through the Harmony Fund. The donated supplies included 10 automated infrared body temperature measuring devices donated to Huang Gang City in Hubei Province, and RMB 2 million worth of medical supplies donated to Gao Bei Dian City in Hebei Province. We will continue to actively engage in public welfare work on COVID-19 prevention and control and contribute our parts to combatting the disease.

Together with the Longjitaihe Group, we donated approximately

RMB **3.6** million worth of supplies to disease-affected areas, including:

10 automated infrared body temperature measuring devices, and

RMB **2** million worth of medical supplies donated to Gao Bei Dian City in Hebei Province



Donating disease prevention and control supplies to Huang Gang City, Hubei Province.

³This chapter covers a time period of January and February 2020



Appendix I: Hong Kong Stock Exchange ESG Reporting Guide Content Index

General Disclosures and KPIs	Description	Relevant Chapter(s) in the Report or Other Explanation
Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Clean Energy and Multi-energy Complementation / Green City and Social Contribution
KPI A1.1	The types of emissions and respective emissions data.	Green City and Social Contribution
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Clean Energy and Multi-energy Complementation / Green City and Social Contribution
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Green City and Social Contribution
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Clean Energy and Multi-energy Complementation / Green City and Social Contribution
KPI A1.5	Description of measures to mitigate emissions and results achieved.	Clean Energy and Multi-energy Complementation
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Clean Energy and Multi-energy Complementation / Green City and Social Contribution
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Green City and Social Contribution
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Clean Energy and Multi-energy Complementation / Green City and Social Contribution
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Clean Energy and Multi-energy Complementation / Green City and Social Contribution
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Clean Energy and Multi-energy Complementation

⁴During the Reporting Period, the Group's business activities mainly involved providing services and did not involve packaging materials.

KPI A2.4	Description of whether there are any issues in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Clean Energy and Multi-energy Complementation / Smart Operation and Energy Efficiency Enhancement / Green City and Social Contribution
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not Applicable ⁴
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Clean Energy and Multi-energy Complementation / Green City and Social Contribution
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Not Applicable
Social		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.	Employee Welfare and Workplace Safety
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Employee Welfare and Workplace Safety
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employee Welfare and Workplace Safety
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Employee Welfare and Workplace Safety
KPI B2.1	Number and rate of work-related fatalities.	Employee Welfare and Workplace Safety
KPI B2.2	Lost days due to work injury.	Employee Welfare and Workplace Safety
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Employee Welfare and Workplace Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Employee Welfare and Workplace Safety
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Consider for future disclosure
KPI B3.2	The average training hours completed per employee by gender and employee category.	Employee Welfare and Workplace Safety (only contain average training hours for staff in the business sectors; consider for more data disclosure in the future)



Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Employee Welfare and Workplace Safety
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employee Welfare and Workplace Safety
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Not Applicable
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Customer Service and Responsible Operation
KPI B5.1	Number of suppliers by geographical region.	Customer Service and Responsible Operation
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Customer Service and Responsible Operation
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	Customer Service and Responsible Operation
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not Applicable ⁵
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Customer Service and Responsible Operation
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Smart Operation and Energy Efficiency Enhancement
KPI B6.4	Description of quality assurance process and recall procedures.	Customer Service and Responsible Operation
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Customer Service and Responsible Operation
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Customer Service and Responsible Operation
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Customer Service and Responsible Operation
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Customer Service and Responsible Operation
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Green City and Social Contribution
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Green City and Social Contribution
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Consider for future disclosure

⁵During the Reporting Period, the Group's business activities mainly involved providing services and did not involve products.



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