

Beijing Mutianyu Schoolhouse Restaurant Company, Ltd.

ENERGY CONSTITUTION FOR OPERATING BUSINESSES

**The Schoolhouse, The Roadhouse, Xiaolumian
The Schoolhouse Homes, The Brickyard Inn & Retreat Center**

Together, our locations constitute a sustainable tourism enterprise that provides dining, lodging, entertainment and activities in and around the Mutianyu Great Wall area. One of our guiding principles is that we make as low an impact on the environment as possible. As managers, employees and stakeholders, and as members of the local community, we will strive to reduce our footprint and run our operations as efficiently as possible.

This energy constitution outlines our efforts to reduce our energy consumption in ten key operational areas:

- I. Design Practices
- II. Heating & Air Conditioning Practices
- III. Lighting Practices
- IV. Appliances Practices
- V. Water Practices
- VI. Food Input Practices
- VII. Disposal Practices
- VIII. Transportation Practices
- IX. Training and Communication Practices
- X. Monitoring Practices

As an operating principle, we will strive not only to carry out our responsibilities to reduce energy usage in these ten operational areas, but we will always strive to do better – whether by incorporating energy efficiency improvements into our renovation projects, our construction projects, or by incorporating new articles and principles into our constitution.

This is the introduction to a longer constitution which can be viewed at reception

Article I: Design

All of our properties are designed with energy efficiency in mind. Our main principles are:

1. To use our existing building stock. In designing our properties, we preserve the original structures and reuse salvaged materials to minimize our footprint.
2. To promote small-scale development and incorporate energy efficiency technologies in the design of new construction projects.
3. To design with the sun in mind: the sun is the main source of heat for all properties, and we design to optimize solar heating.
4. To preserve the natural environment in and around our properties.
5. To select materials which are durable, recyclable and non-toxic whenever possible.
6. To conduct yearly inspections of and if necessary repair our foundations, walls, roofs, insulation systems, windows and doors in order to ensure that our properties are running efficiently.
7. To continuously upgrade and improve upon existing designs in order to achieve energy savings.
8. To work with local contractors and workers in our projects and share knowledge.

Article II Heating & Air Conditioning Practices

We reduce our energy consumption thanks to efficient heating, insulation and ventilation systems in our properties. Our main principles are:

1. To employ passive solar heating to a maximum extent, gathering sunlight and natural heat.
2. To make seasonal adjustments and closely regulate the heat settings on our thermostats.
3. To make use of natural ventilation during the warmer months.
4. To conduct annual inspections of our heating, insulation and air conditioning systems to ensure they are running efficiently.
5. To conduct annual inspections to check for and seal air-leaks.
6. To use only what heat is sufficient to prevent the pipes from freezing during winter vacation.

Article III Lighting Practices

We strive to maintain light quality and quantity while saving energy. Our principles are:

1. To turn off lights when not in use.
2. To make use of natural light and reduce the need for interior lighting.
3. To dim lights in common areas during the evenings.
4. To employ energy-saving LED lighting in our new properties and over time convert our existing properties to solid state lighting.
5. To halt all needless energy consumption; when rooms and meeting areas are unoccupied the master circuit breaker is turned off.
6. To avoid using unnecessary and inefficient decorative lights, such as gas lamps.

Article IV Appliance Practices

Appliances – from dish washing machines to refrigerators – play an important role in energy efficiency. Our principles are:

1. To not only turn off, but unplug appropriate appliances when not in use (computers, TVs, printers, etc.)
2. To run our dish washing machines when full and air-dry our dishes.
3. To keep our refrigerators and freezers in appropriate locations – areas that are well ventilated and not exposed to sunlight – and to regularly defrost them.
4. To think long-term when purchasing and upgrading appliances, and to invest in products that have lower lifetime operating costs and that reduce our energy usage.

Article V Water Practices

We take measures to reduce our water usage. All of our toilets are dual-flush systems, most of our properties have showers and not baths, and the Brickyard Inn has a dispersed on-demand hot water system that heats water efficiently. Our principles are to:

1. To ensure our hot water heaters and hot water lines are properly insulated.
2. To change linens weekly, not daily, unless guests request otherwise.
3. To repair our leaky faucets immediately.
4. To verify that our homes and properties are leak-free.
5. To adjust our water temperatures and keep our water flow low while ensuring there is sufficient hot water.
6. To empty closing pipes during the winter break.
7. To avoid chemical cleaning products.
8. To encourage guests to minimize water usage.
9. To operate our dish washing machines only when full.

Article VI Food Input Practices

We strive to detach ourselves from the industrial food chain. This significantly reduces package waste and transportation and thus energy consumption. Our principles are:

- 1) To serve fresh local and homegrown foods.
- 2) To maintain and grow produce in our own gardens, and to increasingly serve our own homegrown produce.
- 3) To compost our organic waste products and use our compost to fertilize our gardens.
- 4) To build upon and expand our sustainable foods program.
- 5) To source locally the food that we do not grow onsite, and to work closely with local farmers and food suppliers.
- 6) To reduce the number of imported foods served at our locations.

Article VII Disposal Practices

We recognize the importance of proper disposal practices to relieve the drain on limited resources and minimize the presence of waste materials in our communities. Our principles are:

- 1) To use, whenever possible, biodegradable and recyclable items.
- 2) To recycle paper and plastic garbage.
- 3) To store solid toilet waste, which is recycled by the Huairou Environmental Protection Bureau.
- 4) To recycle bulk cooking oils.
- 5) To avoid using disposable items.
- 6) To avoid offering prepackaged amenities (though some are available on request).
- 7) To compost our organic waste material and use as fertilizer for our gardens.
- 8) To first utilize old used sheets and towels for cleaning at our locations before passing them on to a local recycler.

Article VIII Transportation Practices

Mutianyu is a pristine community just an hour from the hustle and bustle of Beijing. Our principles are to:

- 1) To reduce all transportation costs associated with purchasing.
- 2) To encourage our guests to explore the area on foot or on bicycle. We have published and offer our guests two guidebooks: *A Walking Guide to Mutianyu*, which contains 8 local hikes, as well as *Biking Bobai*, which outlines 12 local bike trails.
- 3) To encourage our staff to carpool whenever possible.
- 4) To purchase and rent company vehicles that are fuel-efficient.

Article IX Training and Communication

Just as we must continue to learn and improve, so must we communicate and share knowledge on energy efficiency and sustainability. Our principles are:

- 1) To train and retrain staff on how to consistently operate while respecting basic environmental principles – including reuse, recycling, composting, conservation and energy reduction.
- 2) To provide sustainability information sheets in our homes and properties.
- 3) To provide bimonthly free nature classes for adults and children alike.
- 4) To continue to develop our sustainability curricula, which promote a more sustainable and less energy-intensive way of life.
- 5) To promote our books which encourage guests to be aware of the local environment, nature, culture, history, people and traditions, and ultimately act in a sustainable manner.

Article X Monitoring

We pledge to continuously monitor and look for ways to curb our energy usage. We have set up a Conservation Committee and our two main principles are:

- 1) To measure energy efficiency and usage on a monthly basis, and analyze results and make adjustments.
- 2) To conduct a yearly review, and outline goals and concrete steps in order to improve our energy efficiency and reduce our footprint.