

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

CK Infrastructure Holdings Limited (the “Company”) and its subsidiaries (the “Group”) as well as its business units present the Environmental, Social and Governance (“ESG”) Report (“Report”).

The scope of this Report covers the Group’s core businesses, including energy infrastructure, transportation infrastructure, water infrastructure, waste management, waste-to-energy, household infrastructure, as well as infrastructure related businesses. This Report aims to provide an overview of the Group’s ESG performance and its representative initiatives for the year ended 31st December, 2018 (the “Reporting Period”), based on the ESG Reporting Guide under Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Reporting Guide”).

This Report has been organised into four sections focusing on environment, employment and labour practices, operating practices and the community. Key initiatives undertaken by the respective business units are featured in their relevant sections which the Group believes best demonstrate its commitments in generating sustainable values to its stakeholders.

Approach to ESG and Reporting

The Group’s ESG philosophy is to create long-term value for its stakeholders that aligns with the growth and sustainability of its business and the environment it is in. The Group aspires to be a responsible corporate citizen and believes that transparency and accountability are important foundations for building the trust with its stakeholders.

As a leading player in the global infrastructure arena, the Group is cognizant of the significance of effective ESG practices and the importance of integrating ESG systems in key business decision-making. The Group tackles ESG issues both at the Group and business levels. While the Board oversees the direction for the Group’s ESG practices, the Group’s business units set up individual ESG programmes and regularly measure their performances to identify opportunities for improvement and create sustainable values for the Group’s stakeholders. The management will then confirm that appropriate and effective ESG risk management and internal control systems are in place.

Stakeholder Engagement and Materiality Assessment

The Group engages its stakeholders from time to time through on-going communications and collect their views on the ESG aspects that they regard as relevant and important. Its key stakeholders include employees, shareholders, customers, suppliers, the local community, professional institutions, non-governmental organisations and authorities. The Group maintains an open and transparent dialogue with its stakeholders through various channels including meetings, surveys, seminars and workshops. This Report details how the material ESG aspects identified based on the inputs of its key stakeholders are addressed.

For the purpose of meeting the requirements of the Reporting Guide, a working group comprised of members of International Operation, China Infrastructure, Corporate Finance, Business Development, Finance & Accounting, Corporate Legal, Corporate Affairs, Company Secretarial, Planning & Investment, Internal Audit, Information Technology, Administration and Human Resources of the Company, along with designated personnel of Power Assets (including HK Electric), Green Island Cement & Alliance Construction Materials, UK Power Networks, Northumbrian Water, Northern Gas Networks, Wales & West Gas Networks, Seabank Power, UK Rails, SA Power Networks, Victoria Power Networks, Australian Gas Networks, Dampier Bunbury Pipeline, Multinet Gas, Energy Developments, United Energy, Australian Energy Operations, Wellington Electricity, EnviroNZ, Dutch Enviro Energy, Portugal Renewable Energy, ista, Canadian Power, Park’N Fly, Canadian Midstream Assets and Reliance Home Comfort, identifies and assesses material ESG aspects of the Group’s operations.

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An independent advisor has been retained to provide reporting advisory services to the Company and to assist with the Company's compilation of the Report in accordance with the Reporting Guide. With the assistance of the advisor, information was collected from the relevant parties of the above mentioned business units and departments of the Group. The information so collected was reported in the Report which has been reviewed by the advisor in the process. The management has confirmed that appropriate and effective ESG risk management and internal control systems are in place.

ENVIRONMENT

The Group recognises its responsibility to the environment and the importance of reducing emissions and improving the efficiency in resource use.

Emissions

The Group and its business units strive to minimise impacts to the environment through reducing air and greenhouse gas (GHG) emissions, waste and wastewater discharges.

Air and Greenhouse Gas (GHG) Emissions

Business units of the Group have taken various actions to reduce their air and GHG emissions.

In order to reduce carbon and other air emissions generated by electricity production operations, HK Electric has been working to optimise fuel mix by increasing the use of natural gas. This is to meet the tightening emission allowances set out by the Hong Kong Special Administrative Region Government. HK Electric has continued to meet the stipulated emissions allowances in all categories, and are also working with the government to formulate new and more stringent emissions allowances from 2024 and onwards. In 2018, two new gas-fired generating units (L10 and L11) equipped with Selective Catalytic Reduction ("SCR") systems to reduce nitrogen oxides ("NOx") emission levels were under construction and they are scheduled for commissioning in early 2020 and early 2022. Furthermore, under the HK Electric 2019-2023 Development Plan, one more gas-fired generating unit (L12) equipped with a SCR system is scheduled for construction in 2019 and expected to be commissioned in 2023. With these additional units, the electricity produced from gas-fired generation is expected to rise from 32% in 2018 to about 70% in 2023.

The Group also works to cut its carbon footprint by making its fleet greener and supporting sustainable transport. Alliance Construction Materials in Hong Kong has successfully modernised its entire mixer truck fleet. The percentage of fleet vehicles which are Euro IV or Euro V-compliant has increased from approximately 55% in 2017 to 65% in 2018. A portion of tanker trucks are now also being replaced with EURO VI-compliant vehicles.

A major source of the Group's GHG emissions is the fugitive emissions produced during gas distribution processes. To reduce such emissions, a maintenance programme has been implemented in Canadian Power's Meridian plant. The programme diagnoses leakages from natural gas systems and repairs them on a timely basis to minimise the amount of fugitive GHG released into the atmosphere.

Similarly, Northern Gas Networks in the UK has implemented a reduction programme by replacing old, leak prone metallic pipes with robust plastic pipes on a timely basis, effectively managing gas pipe pressure, and applying monoethylene glycol on metallic joints to prevent gas leakage. As a result, Northern Gas Networks has reduced its GHG emissions and gas leakage levels.

Northumbrian Water in the UK continues to deliver on its 2030 plan to reduce emissions by 50% through improved efficiency and greater use of renewable energy such as solar and hydro power. In 2018, its net emissions measured in CO2 equivalence decreased by approximately 12% compared to 2017.

In support of the New Zealand Government’s principal climate change policy, the New Zealand Emissions Trading Scheme, EnviroNZ works to curb GHG emissions by converting part of the methane generated from its landfills to electricity. This helps the environment by achieving a higher percentage of landfill gas recovery and aids in electricity generation. Notably, EnviroNZ’s Hampton PARRC Landfill generated approximately 45% more electricity in 2018 than in 2017.

In 2018, with more investments in power generation projects, air emissions were inevitably increased.

For air and GHG emissions performance, please refer to table below.

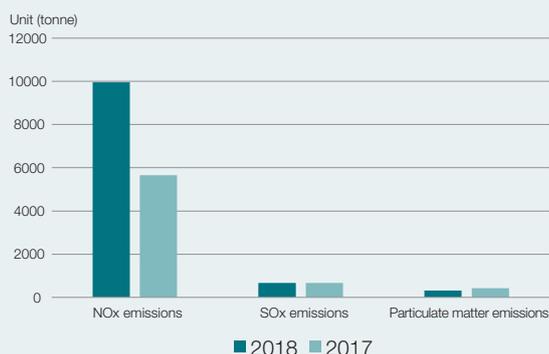
Table 1: Air and GHG emissions performance of the Group’s core business units

Environmental KPIs ^(Note 1)	Unit	2018	2017
NOx emissions ^(Note 2)	tonne	9,958	5,649
SOx emissions ^(Note 2)	tonne	674	668
Particulate matter emissions ^(Note 2)	tonne	316	426
Total GHG emissions	tonne CO ₂ e	10,864,931	9,778,614
Total GHG emissions intensity ^(Note 3)	tonne CO ₂ e/HK\$ million	226	255
Greenhouse gas emissions (Scope 1) ^(Note 4)	tonne CO ₂ e	8,944,665	7,464,392
Greenhouse gas emissions (Scope 1) intensity	tonne CO ₂ e/HK\$ million	186	195
Greenhouse gas emissions (Scope 2) ^(Note 5)	tonne CO ₂ e	1,920,266	2,314,222
Greenhouse gas emissions (Scope 2) intensity	tonne CO ₂ e/HK\$ million	40	60

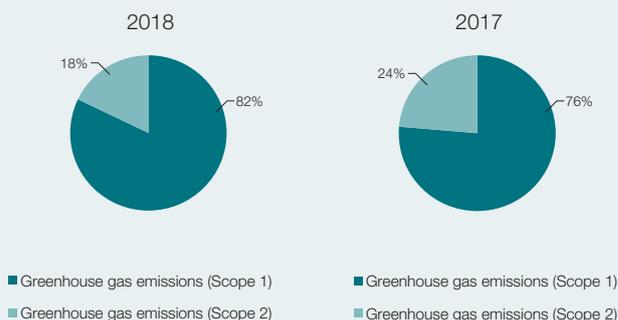
Notes:

- (1) Environmental data are calculated based on the Group’s equity interest in the respective Group’s core business units for the year ended 31st December, 2017 and 2018 respectively. For the year ended 31st December, 2018, environmental data from Dampier Bunbury Pipeline, Multinet Gas, Energy Developments, United Energy, Reliance Home Comfort and ista are also incorporated based on the Group’s equity interest in them.
- (2) Emission data from gaseous fuel consumption and/or from vehicles.
- (3) “Total GHG emissions intensity” equals to “Total GHG emissions” over total revenue in million contributed by the Group’s core business units, which is considered to be a more appropriate common intensity basis due to the various nature of Group’s core business units.
- (4) Scope 1 – Direct emissions from operations that are owned or controlled by the Group’s core business units.
- (5) Scope 2 – “Energy indirect” emissions resulting from the generation of purchased or acquired electricity, heating, cooling and steam consumed within the Group’s core business units.

NOx emissions, SOx emissions and Particulate matter emissions performance of the Group’s core business units in 2017 and 2018



GHG Emissions distribution of the Group’s core business units in 2017 and 2018



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Waste

Waste management which includes avoiding, reusing, recycling and reducing waste before final disposal is adopted by businesses within the Group.

Recycling waste into useful materials is a major objective of the Group. HK Electric has been collecting its generation byproducts such as ash and gypsum produced for beneficial industrial use, such as manufacturing of cement. In 2018, about 237,000 tonnes of ash and 69,000 tonnes of gypsum were collected for reuse by third parties.

Northumbrian Water continues to use sewage sludge for energy (biogas) generation in the UK. Biogas produced is either used for electricity generation or converted into biomethane for injection to the UK gas grid. This not only reduces the residual waste produced, but also makes waste suitable as a land fertiliser. In 2018, Northumbrian Water successfully used 100% of sewage sludge to generate energy.

As part of its gas mains replacement programme, Northern Gas Networks in the UK installs plastic gas pipes of varying dimensions with their associated fittings. A certain amount of this plastic pipe is wasted as part of the installation process. To avoid wasted pipes being disposed to landfill, Northern Gas Networks takes part in a plastic pipe waste recycling scheme and have installed dedicated recycling bins in workplaces to encourage recycling of the pipes. Northern Gas Networks successfully recycled 189 tonnes and 151 tonnes of waste plastic pipe during 2018 and 2017.

Wastewater

Businesses within the Group handle wastewater with care. Green Island Cement in Hong Kong has equipped a self-sewage treatment plant to treat and re-use waste water for internal plant irrigation. By effectively managing waste water treatment, no waste water was discharged to the sea in 2018.

Escapes from the sewer system causing flooding often pose environmental and health risks. Northumbrian Water in the UK has taken active steps to reduce sewer flooding through a series of targeted investment. In 2018, internal sewer flooding incidents decreased 12% from 2017 levels. Furthermore, Northumbrian Water has taken active steps over the past years to reduce pollution incidents through targeted actions. Pollution incidents fell by approximately 50% in 2018 compared to 2017.

EnviroNZ in New Zealand has commissioned a reverse osmosis leachate treatment plant at its Hampton PARRC Landfill. This process recovers high quality water from landfill leachate by treating the leachate using reverse osmosis technology, a type of purification technology which removes contaminants to make the treated water fit for reuse or direct discharge to the environment. In 2018, the volume of water so recovered increased by approximately 32% compared to 2017.

For waste treatment performance, please refer to table below.

Table 2: Waste produced by the Group's core business units

Environmental KPIs ^(Note 6)	Unit	2018	2017
Total hazardous waste produced ^(Note 7)	tonne	106,716	105,728
Total non-hazardous waste produced	tonne	537,527	496,761

Notes:

(6) Please refer to Note 1 above.

(7) Hazardous wastes are those defined by relevant national regulations applicable to the relevant Group's core business units.

Use of Resources

The Group and its businesses endeavour to optimise the use of resources, including energy, water and other materials and have initiated their own resource efficiency programmes that align with their respective business natures.

Energy

In Hong Kong, Alliance Construction Materials has an ISO50001-certified energy management system in place to guide target setting to encourage energy saving. As a result, energy consumption has maintained below target levels. Furthermore, Green Island Cement focuses on improving equipment availability and utilisation in order to reduce energy wastage.

In the UK, Wales & West Gas Networks has continued to incorporate energy saving measures to reduce electricity consumption. The number of depots, offices, and stores with LED lighting and active sensors increased from 80% in 2017 to 95% in 2018. As a result, electricity consumption in 2018 measured in CO2 equivalence is down 15% as compared to last year, marking a significant decrease.

To be able to source cleaner alternative energy, SA Power Networks in Australia has installed solar photovoltaics systems on a number of depots and buildings. Portugal Renewable Energy in Portugal and the wind farms in Mainland China continue to contribute to the Group's commitment to a higher ratio of renewable energy in its asset mix.

The Group also makes commitment to decarbonise natural gas networks. In Australia, Australian Gas Networks is working with SA Power Networks to establish Australia's first hydrogen park. Supported by the Government of Australia, the hydrogen park pilot project aims to provide carbon-free hydrogen produced on-site. Hydrogen will be produced from renewable electricity and recycled water using polymer electrolyte membrane ("PEM") electrolysis, which would then be injected into the local gas distribution network in the award-winning innovative Tonsley Innovation District in South Australia. By leveraging off of Australian Gas Network's expertise, the Group aims to showcase an innovative method for delivering zero-carbon hydrogen gas to households. The park is currently under construction, and is scheduled for production in 2020.

In addition, the Group supports renewable energy transmission. Australian Energy Operations constructs, owns and operates reliable transmission links that transports clean, renewable power from windfarms to power grids in Australia.

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Table 3: Energy consumption of the Group's core business units

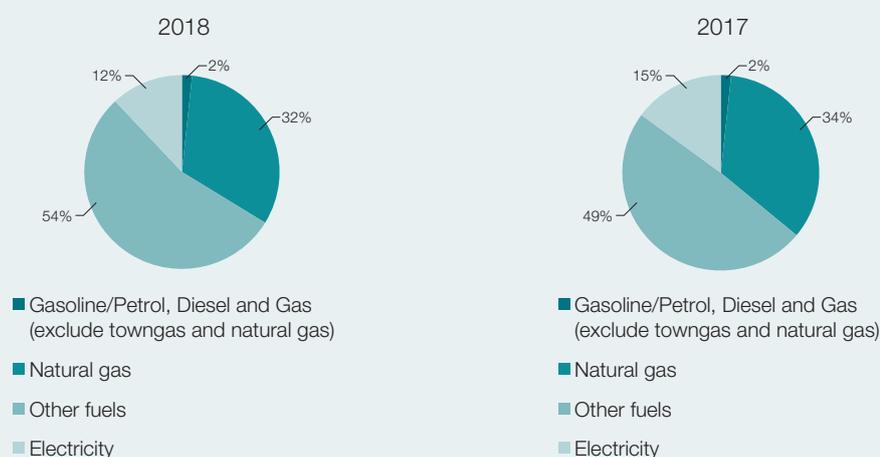
Environmental KPIs ^(Note 8)	Unit	2018	2017
Total energy consumption	'000 kWh	32,757,035	29,905,031
Total energy consumption intensity ^(Note 9)	kWh/HK\$	0.68	0.78
Total direct energy consumption	'000 kWh	28,833,413	25,442,074
Total direct energy consumption intensity	kWh/HK\$	0.60	0.66
Gasoline/Petrol	'000 kWh	32,115	36,619
Diesel	'000 kWh	511,323	464,942
Gas (exclude towngas and natural gas)	'000 kWh	4,780	4,235
Natural gas	'000 kWh	10,514,593	10,268,616
Other fuels	'000 kWh	17,770,602	14,667,662
Total indirect energy consumption (Electricity)	'000 kWh	3,923,622	4,462,957
Total indirect energy consumption intensity	kWh/HK\$	0.08	0.12

Notes:

(8) Please refer to Note 1 above.

(9) "Total energy consumption intensity" equals to "Total energy consumption" over total revenue contributed by the Group's core business units, which is considered to be a more appropriate common intensity basis due to the various nature of the Group's core business units.

Energy consumption distribution of the Group's core business units in 2017 and 2018



Water

Business units have also worked to conserve water and promote water efficiency through various initiatives in their operations. HK Electric has been collecting rain water and plant processing water for reuse at the Lamma Power Station. In 2018, rain water and plant processing water collected for reuse increased by approximately 10,000 m³ compared to 2017. Green Island Cement and its subgroups have also recycled wastewater from production and storm water for process cooling, thus minimising the amount of freshwater extracted.

Seabank Power in the UK was able to maintain an increase to the concentration factor of cooling water, effectively optimizing water used for make-up and purging, and reducing the need for chemical treatment.

For water consumption performance, please refer to table below.

Table 4: Water consumption of the Group's core business units

Environmental KPIs ^(Note 10)	Unit	2018	2017
Water consumption ^(Note 11)	'000 m ³	38,835	38,634
Water consumption intensity ^(Note 12)	m ³ /HK\$ million	807	1,008

Notes:

(10) Please refer to Note 1 above.

(11) Annual water consumption by taking measurements at the source of water abstraction (direct), or bills or meter readings (indirect).

(12) "Water consumption intensity" equals to "Water consumption" over total revenue in million contributed by the Group's core business units, which is considered to be a more appropriate common intensity basis due to the various nature of the Group's core business units.

Material

In Hong Kong, Anderson Asphalt has reduced asphalt material wastage by selling milled asphalt to subcontractors for material reuse & recycling and by conforming to ISO14001:2015 requirements.

Alliance Construction Materials reuses the reclaimed aggregates from concrete waste with an average of fifteen truckloads per month of being delivered to Tuen Mun Aggregate Depot in Hong Kong for reuse in road base products.

The cement production business of the Group in Hong Kong has increased the use of recycled materials to 62% in 2018. Over one million tonnes of industrial waste materials, such as byproducts from coal-fired power generation, slag from copper smelter, crush rock fines from metallurgy grade limestone production and waste glass, have been recycled as raw materials for the Group's cement manufacturing business at its plants in Hong Kong and Mainland China.

Northern Gas Networks in the UK has promoted the use of recycled aggregates rather than virgin aggregates. A programme has been established to inform and advise employees and contractors on the usage of recycled aggregate. Furthermore, the virgin aggregate usage is a KPI and is recorded internally monthly and externally on an annual basis. As a result, in 2018, virgin aggregate usage was reduced by 16.4% from the 2017 usage level.

Table 5: Packaging material used by the Group's core business units

Environmental KPIs	Unit	2018	2017
Total packaging material used for finished products (Paper) ^(Note 13)	tonne	3,387	4,489

Note:

(13) This KPI is most relevant to the infrastructure related businesses of the Group.

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The Environment and Natural Resources

Across the Group, a number of individual operations continue to identify, assess and manage potentially adverse environmental impacts including the protection of important habitats and the natural environment.

Northern Gas Networks in the UK has an innovative land remediation project underway at Redheugh Gas Holder Station which uses only solar power to recover coal tar from nine meters deep below the surface. The project has recovered over 5,100 litres of hazardous coal tar for safe offsite disposal, thereby reducing environmental risks associated with the site. The project won the 'Best in situ treatment' category at the 2018 national land remediation awards (Brownfield Briefing Awards) in the UK. Furthermore, in 2018, Northern Gas Networks has completed an additional three land remediation projects, summing up to 12 total projects completed to date.

Canadian Midstream Assets in Canada stewards of the land in our care thoroughly from the planning stage to the asset's retirement. Planning activities would ensure that wildlife and culturally sensitive areas are identified, and actions are then taken to reduce our impact in order to maintain healthy and functioning ecosystems. During operations, construction activities are scheduled to reduce the risk of disturbing an area during sensitive periods to wildlife. If activities have to be conducted at these times, mitigation measures would be implemented. Land would be reclaimed after use to ensure it continuously support ecological functions and land use similar to those that existed before any disturbance. This could include procedures such as addressing potential contamination, re-contouring sites, replacing soil layers and re-establishing appropriate vegetation.

Regulatory Compliance

The Group is not aware of any material non-compliance with laws and regulations relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste that have a significant impact on the Group during the Reporting Period.

EMPLOYMENT AND LABOUR PRACTICES

The Group together with its core business units have over 30,000 employees round the world. The Group believes people are its most important asset. Recruiting, engaging and retaining talent are fundamental for the Group to remain ahead of its competition. The belief in talent management is demonstrated through the merit-based evaluation mechanism, competitive remuneration and inclusive work environment adopted in business units across the Group. In 2018, the turnover rate of the Group together with its core business units was approximately 9%.

Programmes have been initiated at the business unit level to recruit people from higher education institutions. United Energy in Australia offered a twelve-week Summer Internship Program designed to provide undergraduates the opportunity to attract greater uptake of electrical engineers to the power distribution industry, and promote women participation at non-traditional roles in the sector.

The Group values employees' views and its business units have established various communication channels, such as seminars and workshops, to facilitate open dialogues with the employees, and to exchange views and collect feedback.

To retain talents, Wales & West Gas Networks in the UK administers a flexible benefits scheme that allows employees to choose alternative benefits alongside the standard benefits package; whilst ista in Germany tries to fill management roles from its own ranks wherever possible. In order to identify and develop talented employees, a talent management process was launched in April 2017. It aims to identify and develop employees who have the desire and potential to take up managerial roles. Employees are welcome to apply for the programme themselves.

Business units of the Group have received awards as recognition for their achievements in different areas of employment practice. For awards in the employment practice that have been obtained by business units of the Group during the year, please refer to pages 20 to 23 of this Annual Report.

Health and Safety

The Group recognises the importance of health and safety of employees at work and business units have established individual health and safety management programmes for such purpose.

UK Rails in the UK proactively supported "National Work Life Week" and "On Your Feet Britain Day" to raise awareness of work-life balance. Dampier Bunbury Pipeline, Multinet Gas, Energy Developments, United Energy and Victoria Power Networks in Australia, Wellington Electricity in New Zealand, and ista in Germany also consider employees' requests on flexible working arrangements to balance personal needs with work commitments.

At Reliance Home Comfort in Canada, annual performance KPIs on recordable injuries, includes lost-time and medical-aid injuries, and preventable motor vehicle accidents are established for all locations. Performance are tracked by the health and safety department and reported to the leadership team monthly.

Training and Development

The Group believes in talent investment and strives to realise the potential of employees through development programmes. It hopes to inspire employees to pursue further knowledge and encourage them to undertake learning. Trainings are provided at the business unit level to suit specific business needs and support the day-to-day job functions. In 2018, more than 959,000 training hours were provided to the employees of the Group and its core business units; the percentage of employees trained reached 90%.

The highway toll bridge employees working in Shenshan Highway East Project Company in Mainland China participated in regular training to keep themselves updated with highway regulations. First aid training has also been provided to interested employees of Park'N Fly in Canada.

Labour Standards

The Group adheres to fair employment practices and promotes diversity and equal opportunity in its recruitment and promotion. Employees are hired and selected based on their merits, regardless of their race, colour, sex or religious belief. The Group has zero tolerance for discrimination of any form and will not tolerate any kind of harassment that consists of unwelcome and offensive conduct (whether verbal, physical or visual) which is based upon a person's sex, marital status, disability or otherwise. The Group prohibits the use of child and forced labour in its businesses across the world. Mechanisms have been established by business units to prevent unethical practices.

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In the UK, Northumbrian Water, Northern Gas Networks, Wales & West Gas Networks, Seabank Power and UK Rails have published their statement on modern slavery. In addition, they have briefed their teams on slavery and trafficking, and related requirements of the Modern Slavery Act. Northumbrian Water has also launched a responsible procurement supply charter, where contracted suppliers also have to be committed to the relevant Code of Conduct and meet all ethical and statutory obligations.

Regulatory Compliance

The Group is not aware of (i) any material non-compliance with laws and regulations relating to employment and labour practices, occupational health and safety that have a significant impact on the Group; or (ii) any incident that has a significant impact on the Group relating to the use of child or forced labour during the Reporting Period.

OPERATING PRACTICES

Supply Chain Management

Businesses within the Group work with suppliers to make them aware of the Group's commitment to sustainability.

Sourcing Responsibility

The Group supports sustainable procurement and its business units have incorporated environmental and social responsibilities into their procurement processes. Suppliers are required to take into consideration sustainability performance.

Seabank Power in the UK reviews its suppliers' background with regard to their compliance with laws and regulations including but not limited to the Modern Slavery Act, General Data Protection Regulation ("GDPR") and Criminal Finances Act.

Engaging Suppliers

Business units of the Group exchange and share knowledge with suppliers about their procurement practices and requirements.

UK Power Networks in the UK has introduced a Supplier Relationship Management ("SRM") framework approach with an active policy reinforcing the importance of health and safety in all aspects of work activity including equipment supply and installation and of seeking and sharing innovation, technological advances and continuous improvement. The SRM framework has been introduced across business units including Victoria Power Networks in Australia. Apart from adopting the SRM, UK Power Networks has undertaken safety stand-down days to pause the normal operations and engage in safety education. Meetings are held to monitor lost-time incidents and other serious incidents. Regular project review and site safety inspections have also been carried out.

Australian Gas Networks in Australia engages its key contractor for distribution and transmission pipeline operations and management services and incentivises them to improve productivity and efficiency in a consistent and sustainable manner.

Product Responsibility

Business units of the Group strive to continuously enhance customer experience of their services and products through seeking feedback from customers to improve their operations.

Product Reliability and Safety

Effort and resources have been dedicated by the Group's business units in upholding safety procedures in the course of their daily operations.

Customer Experience

Business units of the Group provide different ways to communicate and engage with customers and collect customer feedback.

To continue improving customer services standard, many business units of the Group follow the quality standard of ISO 9001, for example, HK Electric, Alliance Construction Materials, Victoria Power Networks, and ista.

Customer Protection

The Group recognises the importance of personal data protection and relevant business units of the Group safeguard data privacy and provide transparency on information relating to their products and services. The relevant business units have established data and privacy protection procedures which have been communicated to employees through internal policy and training. Collected personal data is treated as confidential and kept securely, accessible only by authorised personnel. For instance, Park'N Fly in Canada does not save sensitive customer information such as credit card payment details. In the UK, workshops were delivered at UK Rails to ensure the team's readiness for working alongside the GDPR, which became effective in May 2018. UK Power Networks also provides web-based training to its employees on data protection requirements.

Regulatory Compliance

The Group is not aware of any incidents of material non-compliance with laws and regulations concerning health and safety, advertising, labelling and privacy matters relating to products and services and methods of redress, that have a significant impact on the Group during the Reporting Period.

Anti-Corruption

The Group has zero-tolerance for any forms of bribery, corruption and fraud. Policies and measures against corruption and other malpractices are also adopted by business units across the Group. Monitoring and management control systems have been developed to detect bribery, fraud or other malpractice activities directly at the source. Employees and all other concerned stakeholders are encouraged to raise concerns on suspected cases through the Company's whistle-blowing mechanisms. Reports raised may be investigated internally by the Audit Committee or other departments of the Company delegated by the Audit Committee.

Regulatory Compliance

The Group is not aware of any material breach of laws and regulations relating to bribery, extortion, fraud and money laundering that have a significant impact on the Group during the Reporting Period.

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COMMUNITY INVESTMENT

The Group's businesses support the development of communities in which they operate.

Supporting Education

In the Netherlands, plant tours were arranged with the aim of further educating the community on the waste-to-energy process, and Dutch Enviro Energy's role in the community.

In Germany, "ista schools in energy efficiency" project is being implemented nationwide in 2018 to further raise pupils' awareness of climate protection and energy efficiency, thus empowering them to actively shape the energy transition. 100 more schools throughout Germany have been equipped with the climate box that has been specially tailored to the pupils' needs. The box contains learning materials and metering devices with which the pupils themselves can become active in environment protection and understand their personal consumption behavior, and be inspired to take action to save energy, cut costs and reduce CO2 emissions.

Helping the Underprivileged

Wales & West Gas Networks in the UK has extended the existing partnerships with Care & Repair, Fire & Rescue Services, Age Cymru and Warm Wales in areas it has operations in order to improve customers' knowledge of carbon monoxide ("CO"). To better assist disadvantaged, underprivileged customers, these customers were provided with complimentary CO alarms during home safety visits. Surveys were carried out during the year to measure the effectiveness of the initiative on communities. The subsequent results were encouraging. During 2018 over 1,476 surveys were completed and the initiative has contributed to a 49% positive increase in awareness of CO, showing a 8% improvement as compared to last year.

In supporting the vision to be a respected corporate citizen, UK Power Networks have made a commitment to grant up to approximately HK\$3,000,000 per annum to benefit communities in the UK through the Communities Matters Programme. Through the initiatives such as Charity Matched Funding, Team Sport Awards, Give As You Earn, Donate A Day volunteering and other charity donations, UK Power Networks have provided a total of approximately HK\$3,500,000 funding for local charities and communities this year.

Conserving the Environment

EnviroNZ works in a partnership with Habitat for Humanity Central North Island to divert reusable items from landfill in Taupo, New Zealand. This not only lowers the waste volume to the landfill, but also raises funds to support charity. All funds raised by Habitat for Humanity Central North Island in the region go towards helping people via various programmes including critical home repair, social rental and pensioner housing, and assisted home ownership.