

Care for Employees

We remain committed to developing our workforce for the delivery of the highest quality service. A comprehensive training and recognition programme is in place to motivate staff by rewarding excellent performance.





HUMAN RESOURCES POLICY

To maintain a safe, respectful and harmonious workplace, KMB adopts a set of comprehensive human resources policies laying down principles that include the promotion of gender equality, the protection against sexual harassment, the prevention of bribery and the protection of personal privacy. Together with other company guidelines, these policies are published on the staff website. We strictly observe Hong Kong's labour laws and ensure that our suppliers respect labour rights in respect of employment and freedom of association, and prohibit child labour and forced labour in all aspects relating to our business.

LONGER MEAL TIME

Since the third quarter of 2012, KMB has extended the meal time of its bus captains to 60 minutes. Additional bus captains have accordingly been

recruited and trained to cover the service gaps resulting from the increase in rest times and meal break times. Additional amenities for use by bus captains and other frontline staff, including rest areas, toilets, drinking water dispensers, microwave ovens and refrigerators, have been installed at many bus termini.

RECRUITMENT

To maintain sufficient manpower to support the delivery of quality bus services, in 2013, we continued to adopt various recruitment channels to attract bus captain applicants. These include the Bus Captain Referral Programme, under which staff are given incentives to encourage qualified candidates to apply for the post of bus captain, advertisements on bus bodies, the use of recruitment teams at bus termini and joint recruitment days with non-government organisations.

STAFF COMMUNICATIONS

To reinforce two-way communication between management and staff representatives from KMB and LWB, six Joint Consultative Committees have been established. The five KMB Committees met every month, while the LWB Committee met every two months, in each case to review issues such as safety and operating procedures, the working environment and staff welfare. Further, KMB and LWB staff are kept updated on a variety of useful information, including company announcements, highlights of past activities, annual leave balances, weather updates and details of upcoming events, via the staff website. The monthly corporate magazine KMB Today is also an effective channel for keeping staff informed of corporate developments as well as those in the industry.

STAFF DEVELOPMENT

An important aspect of the continuous upgrade of our service quality is our commitment to developing staff at all levels. To this end, appropriate training and development courses are arranged from time to time to strengthen the management and operational skills of managerial and frontline staff.

A breakdown of the workforce of the Group by division at the end of 2013 is given below together with figures for 2012:

Division	2013	2012
Franchised Public Bus Operations		
• KMB	11,999	12,006
• LWB	469	460
Sub-total	12,468	12,466
Non-franchised Transport Operations	624	656
Media Sales Business ⁽¹⁾	163	145
Mainland Transport Operations ⁽²⁾	5	5
Total	13,260	13,272

(1) Including the employees of the Group's subsidiary companies in China Mainland

(2) Excluding the employees of the Group's joint venture companies in China Mainland

In 2013, we offered a range of training and development courses for our management staff, including programmes covering team management skills, leadership skills, coaching skills, motivating skills, negotiation and influencing skills, and creativity and innovation. A Development Programme was arranged for Inspectors and Terminus Supervisors to enhance their supervisory skills and personal competencies. Further training programmes included a time management and Excel workshop to sharpen the skills of our clerical staff.

Some 300 staff attended courses organised by the Occupational Safety and Health Council and the Labour Department of the HKSAR Government in 2013. The Equal Opportunities Commission was also invited to conduct a seminar for staff members at all levels to inform them of the latest legal requirements. For the eighth successive year, KMB and LWB management attended a seminar on the latest developments in the business world given by a renowned Harvard Business School teacher who specialises in business strategy.

BUS CAPTAIN TRAINING

KMB accords the highest priority to the training of its bus captains and sets strict requirements for their driving performance. In 2013, the KMB Bus Captain Training School at Sha Tin once again provided comprehensive training and improvement training courses to about 6,300 drivers, including both new bus and experienced bus captains. At the end of 2013, a total of 67 experienced driving instructors and 45 training buses were employed at the Training School.

The focus of the School's systematic training is the improvement of bus captains' defensive driving skills through comprehensive and carefully designed courses. New bus captains undertake a series of basic training courses that focus on handling a bus, road safety awareness, safe driving techniques, road regulations, bus parking, night driving, different bus types, familiarisation with bus routes and on-board facilities, and customer service skills. Before delivering services to the public, all new bus captains must pass rigorous internal assessments to ensure that they can carry out their duties safely and effectively. Continuous improvement training courses are provided to experienced bus captains to reinforce their road safety awareness and defensive driving skills. All bus captains also receive eco-driving training, which focuses on good practices to strengthen their environmental awareness.

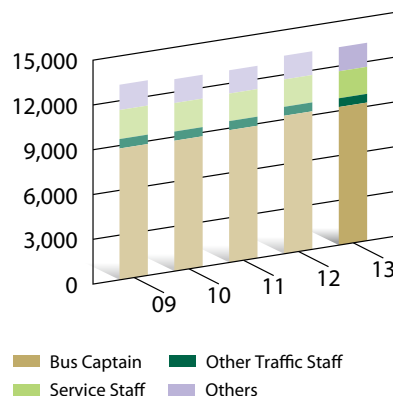
The Training School's state-of-the-art Driving Simulator Studio recreates a

real-world environment to help bus captains improve their driving skills and sharpen their responses to different traffic scenarios. The simulator is environment-friendly as it does not take up road space or consume fuel. The Training School's four simulator stations comprise a driving cabin equipped with driving seat, steering wheel, accelerator, brake and instrument panel, as well as multiple plasma displays broadcasting high-resolution three-dimensional images. Further authenticity is provided by the simulation of the interaction between the bus and the road surface and by recordings of the sounds typically heard in a bus cabin. Driving instructors are on hand to provide individual feedback, and this is supported by the generation of a computer report covering speed, trip duration and passenger comfort.

Instructors regularly review the content of the training programmes, which are updated to cater for new bus types and

Number of staff in the Group at 31 December

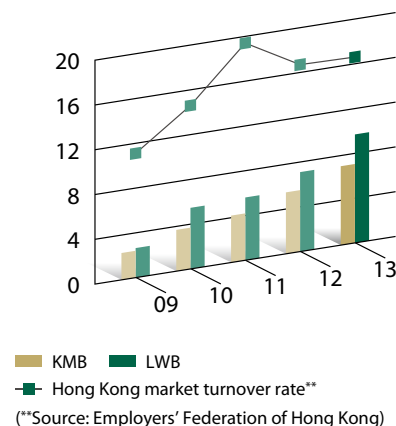
Number of staff



Staff turnover rate

(voluntary resignation only)

Percent (%)



(**Source: Employers' Federation of Hong Kong)



training items. To release more time for on-road practice, online training has replaced classroom lectures for tutoring new bus captains in traffic rules, safety tips and company regulations. To promote a self-learning culture, a dedicated e-learning platform has also been set up.

TECHNICAL AND APPRENTICE TRAINING

KMB's Technical Training School has been training maintenance staff in the latest bus technologies since 1973. In 2013, 182 in-house training sessions were run for 1,759 skilled workers and 18 training sessions were arranged in collaboration with our

bus manufacturers for 235 engineers, supervisors and foremen.

To ensure a steady supply of skilled maintenance workers for our bus fleet, the School runs a four-year apprenticeship training scheme for school leavers. 39 apprentices graduated in 2013, bringing the total number of graduates since the School's establishment to 2,316. At the end of 2013, 175 apprentices were enrolled.

The quality of KMB's apprentice training was once again recognised in 2013 with a KMB apprentice placing Third Runner-up in the Vocational Training Council's Best Apprentice in the Automobile

Trade Competition. He was invited to visit the Toyota Motor Plant in Japan.

PERFORMANCE ASSESSMENT

KMB and LWB use a systematic performance assessment mechanism to monitor the performance of bus captains and ensure that services are maintained at the highest level. Any bus captain failing to meet these high standards will receive remedial training, with a Performance Management Team helping bus captains identify their strengths and weaknesses. A similar performance assessment mechanism is in place to monitor the Group's non-franchised bus captains. Outstanding performance will be rewarded by bonus schemes and awards.



The KMB Simulator Studio recreates a real-world environment to help bus captains sharpen their driving skills

REWARDING SERVICE EXCELLENCE

KMB organises a number of competitions and awards to reward outstanding performers and encourage continuous dedication to customer service.

Safe Driving Award

Introduced in 1990 to promote road safety, the Safe Driving Award recognises bus captains who have driven without any liable accidents for periods of five years, ten years, 15 years, 20 years, 25 years and 30+ years, respectively. In 2013, a total of 703 KMB and LWB bus captains received the Safe Driving Award in recognition of their outstanding safety records.

Safe Driving Annual Awards and Good Service Annual Awards

In 2013, in recognition of their consistently good performance, 5,534 Good Service Annual Awards and 3,846 Safe Driving Annual Awards were presented to KMB and LWB bus captains, while 307 terminus staff received the Good Service Annual Awards.

The companies within the Group's Non-franchised Transport Operations Division again ran their own good service and safe driving award schemes in 2013 in order to pay tribute to the exemplary performance of their staff members.

Outstanding Service Awards

The Outstanding Service Awards are organised annually to recognise the

outstanding contributions of our staff. In 2013, 62 staff members received the award in recognition of their excellent performance. Team awards were also presented to groups who worked together to outstanding effect.

MEDICAL CENTRES

Four Medical Centres on KMB premises provide dedicated outpatient services for our staff, as well as medical checks for new employees and annual medical checks as required.

REST AREAS FOR FRONTLINE STAFF

Taking account of the results of staff surveys, we renovated several staff canteens to operate as self-service cafeterias where frontline staff can take their meal breaks and rest.



KMB promotes work-life balance, encouraging staff to take part in sporting and leisure activities



Refrigerators, microwave ovens and televisions are also provided for the convenience of staff in rest areas.

WORK-LIFE BALANCE

To promote healthy work-life balance, health talks are organised regularly for members of staff and their families. To encourage life-long learning, books and magazines in our in-house library may be checked out on the staff website.

STAFF ACTIVITIES

Run for Charity

In 2013, our Long Distance Running Teams participated again in charity runs such as the Community Chest Corporate Challenge and the Standard Chartered Hong Kong Marathon and won a

number of top awards. In December 2013, KMB's teams came first and second in the Corporate Relay event at the ICC-100-SHKP Vertical Run for the Chest.

Long Distance Run

The KMB Long Distance Run 2013 organised by the Human Resources Department was held on 14 April at Wu Kai Sha Sports Ground. The event aimed at encouraging a healthy lifestyle among staff members and their families. To celebrate KMB's 80th Anniversary, we held the KMB 80th Anniversary Cup and the awards were presented by the Managing Director. More than 240 staff and their family members took part in the run and enjoyed a day of fun.

Dragon Boat Race

The KMB Dragon Boat Team won three awards (Men's B Heat – First; Men's B Bronze Cup Final – Champions; and Stanley Plaza Mixed Silver Plate Final – Champions) at the Stanley International Dragon Boat Championships held on 12 June 2013. The KMB senior management team held a celebration lunch with team members after the event.

Inter-depot Competitions

Various inter-depot competitions and tournaments were organised in 2013, including match-ups in table-tennis, football and long-distance running.



The Outstanding Service Awards are organised annually to recognise the outstanding contributions of our staff.