



Engagement with Stakeholders

A wide variety of communication channels are maintained with our stakeholders, including passengers, suppliers, manufacturers, the Government, and political and community groups.





COMMUNICATING WITH THE COMMUNITY

Corporate Social Responsibility Charter

The KMB Corporate Social Responsibility ("CSR") Charter is regularly published with reference to the Global Reporting Initiative ("GRI") G3 Guidelines and the GRI sector supplement for Logistics and Transportation. The CSR Charter details KMB's corporate values, its care for customers and employees, its connection with the community, its engagement with stakeholders, its commitment to the environment and its promotion of sustainable development.

Media Outreach

In 2013, KMB held a number of media sessions and briefings to celebrate its 80th Anniversary. To mark the day 80 years ago on which KMB was established, a mega event was held on 13 April on the rooftop of Sha Tin Depot to coincide with the Bus Captain of the Year Competition. Besides a kick-off ceremony cum carnival, the day featured a showcase of vintage KMB buses, and the culmination of the "Amazing Bus Ride Challenge" – a contest in which six teams competed to explore KMB's bus services across the territory. The attendance of some 26,000 people at the carnival was a new record for KMB. On 17 July, a seminar to tie in with the launch of the book "80 Years with KMB" by local historian Mr Ko Tim Keung was held at the 2013 Hong Kong Book Fair. The book proved to be one of the bestsellers at the Book Fair. Another memorable event was the opening ceremony of Hong Kong's largest ever bus exhibition, "Journey with You: Hong Kong Bus Story", which was held at the Hong Kong Museum of History between 25 September and

11 November. The day following the opening ceremony was marked by a visit from the international martial arts superstar Mr Donnie Yen, an avid bus fan. Two veteran KMB staff, Messrs Wong Lam and Sun Po On, were accompanied by the media on a visit to the exhibition, after which they shared their reminiscences in an interview. The exhibition was rounded off by a hand-made bus model showcase and race on the rooftop of Sha Tin Depot. KMB also arranged the "Rendezvous of the Century" – a meeting between two vintage KMB buses, Daimler A and Albion 55, and the 2013 "New Bus for London".

Other media sessions were held to highlight KMB's initiatives in bus route reorganisation, such as the opening

of the Tuen Mun Road Bus-Bus Interchange (Tuen Mun-bound) and the area approach route reorganisation in North District, and route promotion, including the "Five Route Day Pass".

Media sessions showcasing KMB's environmental initiatives included one to celebrate the launch of Hong Kong's first battery-powered electric franchised bus, eBus, which began passenger services on 9 September on Route 2 between Star Ferry and So Uk.

Passenger Liaison Group Meetings

Since 1993 and 2000 respectively, KMB and LWB have held Passenger Liaison Group ("PLG") meetings to collect the views of passengers and gain a better understanding of their wishes and



The opening of the ground-breaking Tuen Mun Road Bus-Bus Interchange generated great interest from the media

expectations. In 2013, KMB held six PLG meetings, with wide-ranging discussion of interchange schemes, environment-friendly buses, network connectivity and boundary services. KMB's operations and service quality have greatly benefited from the suggestions received over the years.

KMB's 2013 PLG Report is available for browsing on the KMB website. LWB also held six PLG meetings and adopted a number of suggestions made by participants in line with its goal of improving its services in 2013.

Information Publications

In 2013, for the route reorganisation exercise, KMB distributed some 460,000 route maps and leaflets to inform passengers of changes to its services and market its new routes. LWB also distributed various information leaflets providing bus route and departure information for LWB's Airport routes, including "LWB Bus Services for North Lantau and the Airport", the Airbus Card and individual route leaflets, as well as location maps for hotels and Hong Kong Disneyland. Leaflets for tourists and the Hong Kong Tourism Board giving hotel and transport information have been distributed since 2010.

Corporate Websites

The TIH website (www.tih.hk) keeps investors up to date with the activities of the Group and its various businesses. KMB's award-winning website (www.kmb.hk) serves the needs of the travelling public. The website features Hong Kong's first map-based point-to-point bus route search function for a public bus company, giving details of relevant routes. The "Street View" feature on its point-to-point route search function gives passengers a 360-degree photo tour of the street near the chosen bus stop.

The KMB website won the Gold Prize in the Top 10.hk Website Competition, organised by the Hong Kong Internet Registration Corporation Limited, and once again the Diamond Award in the 2013 Web Care Award, organised by the Internet Professional Association, for its barrier-free access.

WORKING WITH SUPPLIERS

Supply Chain Management

Policies on Managing Environmental and Social Risks in the Supply Chain

To align our vendors to share our approach to sustainability, we require

all new vendors to declare their compliance with KMB's "Environmental Care, Health and Safety of Suppliers / Sub-contractors" guidelines. For major purchasing projects, such as the purchase of new buses, we incorporate "Corporate Responsibility Considerations" in tender assessment criteria.

Operating Practices Relating to Engaging Suppliers and Sub-contractors

Our suppliers and sub-contractors' operations are expected to be conducted in a socially and environmentally responsible manner as well as being compliant with all legal and regulatory requirements.

Corporate Code of Conduct

Environmental Care, Health and Safety of Suppliers / Sub-contractors

We expect all our suppliers and their sub-contractors to demonstrate their commitment to environmental care and a healthy and safe workplace for their employees by adopting the following measures:

- Continual improvement of environmental performance:
 - Enhancing employee awareness of environmental issues;
 - Encouraging energy conservation;
 - Promoting reduction of waste by proper treatment and finding alternative uses for waste; and



User-friendly route maps and leaflets are distributed to inform passengers about service changes upon route reorganisation



- Complying with all relevant legislative requirements.
- Implementation and enforcement of proper health and safety procedures by:
 - Providing and maintaining a safe and risk-free operating environment by adopting good systems, equipment and tools;
 - Enforcing appropriate procedures for the use, handling, storage and transport of materials, as well as adopting safe working methods; and
 - Complying with all relevant legislation.
- Any major social controversies, fines or settlements related to the activities of the tenderer's suppliers / sub-contractors.

Legal and Regulatory Compliance

Our suppliers are expected to fulfil all our contracts in a proper and lawful manner and in no way violate the laws of the HKSAR.

Prevention of Bribery and of Corrupt Practices in Procurement

We manage all suppliers, sub-contractors and consultants equally without prejudice, whether they are local or overseas. We promote fair and open competition and aim to develop and secure long-term relationships with suppliers and sub-contractors based on mutual trust. We make sure that the procurement of supplies and services is conducted with the highest ethical standards to ensure a high quality end product and the continued confidence of customers, suppliers and the public. We also ensure that those involved in the selection of and purchase from suppliers and sub-contractors avoid misuse of authority or engagement in situations which could interfere, or appear to interfere, with their ability to make free and independent decisions regarding purchase and procurement.

Procurement and Tendering Procedures

The criteria for the procurement and tendering of services or goods are based solely upon price, quality, need and other relevant factors, including environmental and social responsibility standards.

Our procurement and tendering actions are based on the following principles:

- Impartial selection of capable and responsible suppliers and sub-contractors;
- Fair competition;
- Selection of appropriate contract types according to needs;
- Compliance with laws, relevant regulations and contractual obligations; and
- Adoption of an effective monitoring system and management controls to detect and prevent bribery, fraud or other malpractices in the processes of procurement and tendering. Procurement and tendering protocols for implementing this policy will specifically include procedures and practices designed to detect and prevent fraudulent activities.

Suppliers are asked to declare any close personal or business relationships they may have with any of our directors, staff or handling agents. They are also requested to make a report to the Independent Commission Against Corruption if an employee has committed any offence of corruption under the Prevention of Bribery Ordinance (Chapter 201, Laws of Hong Kong). Should a supplier or sub-contractor be found to have committed any offence of corruption under this Ordinance, we reserve the right to immediately terminate all outstanding contract(s) without allowing the supplier or sub-contractor recourse to any compensation or claim for loss.

Forced Labour and Child Labour

Suppliers and their sub-contractors pledge not to use forced labour in any form or child labour (persons below the local minimum age or below the age of 16).

To ensure that our suppliers conduct their operations with a full consideration of the environmental and social aspects, we require our tenderers to provide us with an account of the following aspects of their operations and view their performance in these areas as a key factor when considering the awarding of contracts:

- The tenderer's awareness of environmental care, health and safety, and the prevention of the use of forced labour and child labour.
- Measures taken by the tenderer to check compliance of its key suppliers / sub-contractors with its standards on Environmental Care, Health and Safety of Suppliers/Sub-contractors, and Forced Labour and Child Labour.