

Engagement with Stakeholders

A number of channels are used to communicate with our stakeholders, including passengers, manufacturers, suppliers, the Government, and political and community groups.



COMMUNICATING WITH THE COMMUNITY

Sustainability Report

In 2013, we combined the former KMB Corporate Social Responsibility ("CSR") Charter and Environmental Protection Booklet to publish the 2013 Sustainability Report ("SR"), which was produced making reference to the Global Reporting Initiative ("GRI") G3 Guidelines and the GRI sector supplement for Logistics and Transportation. The SR, which is produced annually, details KMB's mission, vision and corporate values, including its care for customers and employees, connection with the community, engagement with

stakeholders, commitment to the environment and promotion of sustainable development.

Media Outreach

We regularly invite the media to attend briefings and events to strengthen mutual understanding. In 2014, we organised a number of press briefings to increase public awareness of our technological innovations and customer-driven initiatives. We introduced new green bus models, including the 12.8-metre bus – the first bus of its type in Asia – and Hong Kong's first double-deck hybrid bus ("hBus"), equipped with a Euro VI engine.

Media sessions were held to highlight KMB's initiatives in bus route reorganisation, such as the opening of the Tsing Sha Interchange and the opening of the new customer service centre at the Tai Lam Interchange. Other press sessions were held to enhance the safety awareness of the elderly, to promote the culture of giving seats to the needy, and to cultivate appreciation of bus captains by encouraging passengers to greet male bus captains on Fathers' Day.

Passenger Liaison Group Meetings

Since 1993 and 2000 respectively, KMB and LWB have held Passenger Liaison Group ("PLG") meetings at



City-wide connectivity

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which the opinions and suggestions of passengers are collected. In 2014, KMB held six PLG meetings at bus termini in various districts and collected customer feedback on a variety of issues, including interchange schemes, environment-friendly buses, passenger facilities and network connectivity.

Similarly, LWB also held six PLG meetings in 2014 and was able to make a number of changes to its services as a result of the suggestions it received.

Information Publications

In 2014, KMB distributed some two million route maps and leaflets to inform passengers of the introduction of new routes and the changes to its services as a result of the route

reorganisation exercise. LWB also distributed various information leaflets providing bus route and departure information for its 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 giving hotel and transport information have been distributed directly and through the Hong Kong Tourism Board since 2010.

Corporate Websites

The TIH website (www.tih.hk) keeps investors and other interested parties informed of the activities of the Group and its various businesses. KMB's award-winning website (www.kmb.hk) serves the needs of the travelling

public via a number of features, including Hong Kong's first map-based point-to-point bus route search function for a public bus company and the "Street View" function, which gives passengers a 360-degree photo tour of the street near their chosen bus stop. The online customer feedback form provides a channel for customers to communicate with KMB.

The KMB website won Gold in the Top 10.hk Website Competition organised by the Hong Kong Internet Registration Corporation Limited, and the Gold Award in the 2014 Web Accessibility Recognition Scheme organised by the Office of the Government Chief Information Officer and the Equal Opportunities Commission for its barrier-free access.



KMB holds Passenger Liaison Group meetings at termini, inviting customers to express their views on its bus services

WORKING WITH SUPPLIERS

Supply Chain Management

Policies on Managing Environmental and Social Risks in the Supply Chain

To bring vendors into line with our vision for 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 purchases, such as that of new buses, we incorporate "Corporate Responsibility Considerations" into the 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 and to be in compliance with all legal and regulatory requirements.

Corporate Code of Conduct

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

Our suppliers and their sub-contractors are expected to demonstrate their commitment to environmental care and a healthy and safe workplace by adopting the following measures:

- Continuous improvement of environmental performance:
 - Boosting employee awareness of environmental issues;
 - Encouraging energy conservation;
 - Promoting reduction of waste by appropriate measures and finding alternative uses for waste; and
 - Complying with all relevant legislations.
- Implementation and enforcement of proper health and safety procedures by:
 - Providing and maintaining a safe and risk-free operating environment by adopting good systems and equipment;
 - Enforcing appropriate procedures for the use, handling, storage and transport of materials; and
 - Complying with all relevant legislations.



Forced Labour and Child Labour

Suppliers and their sub-contractors undertake that they will not 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 operations with a comprehensive consideration of their environmental and social aspects, we require our tenderers to provide us with details of the following aspects of their operations. We view their performance in these areas carefully when considering the awarding of contracts:

- The tenderer's awareness of environmental care, health and safety, and policies regarding 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 against its standards on Environmental Care, Health and Safety of Suppliers/Sub-contractors, and Forced Labour and Child Labour; and
- 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 their contracts with us 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 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 efforts to ensure that the procurement of supplies and services is conducted to the highest ethical standards so as to ensure a high quality end product and the sustained confidence of customers, suppliers and the public. We ensure that all suppliers, sub-contractors and consultants are managed equally without prejudice, both local and overseas, and that those staff involved in the selection of and purchase from suppliers and sub-contractors avoid misuse of authority and do not engage in actions which could interfere with their ability to make free and independent decisions in respect of 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 measures are implemented 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 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.