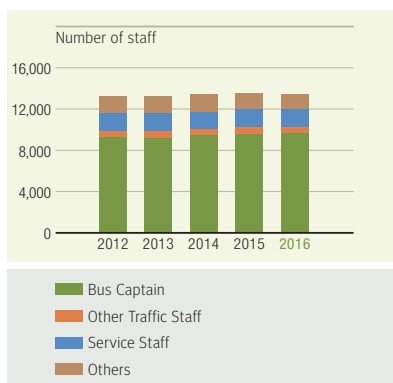


Care for Employees

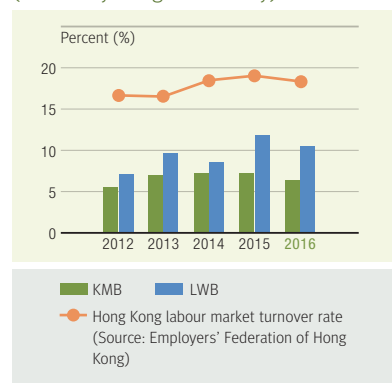
Our staff are our greatest resources and we cherish them accordingly.



Number of staff in the Group at 31 December



Staff turnover rate (voluntary resignation only)



Human Resources Policy

We look after our employees by maintaining a safe, harmonious and respectful workplace. We adopt a set of comprehensive human resources policies promoting gender equality, offering protection against sexual harassment, preventing bribery and protecting personal privacy. These and other policies are published on the staff website. We observe Hong Kong's labour and anti-discrimination laws and ensure that all our suppliers respect labour rights with regard to employment and freedom of association, and prohibit child labour and forced labour in all aspects relating to our business.

As an equal employment opportunity employer, we are committed to ensuring



that no job applicant or employee is discriminated against on the grounds of race, sex, marital status, family status, pregnancy or disability. When collecting personal data from job applicants and existing staff members, we comply with the requirements of the Personal Data (Privacy) Ordinance, respecting the privacy of personal data while taking all reasonable steps to ensure that the personal data of job applicants and staff members is securely held and used only for the purposes stated in our personal data collection statement. As part of a Public Body included in the Schedule of the Prevention of Bribery Ordinance, KMB and LWB staff members should not make use of their position to solicit or receive any advantage from the public.



The “Star” Bus Captain Award

In December 2016, the “Star” Bus Captain Award Presentation Ceremony was held to recognise KMB and LWB staff with good performance in safe driving and customer care.



A scholarship scheme supports the tertiary education of children of staff

Staff Benefits

To help attract and keep talented staff, attractive benefit packages are offered, including annual leave, medical benefits, hospitalization, insurance, accident insurance and free bus travel for staff and dependents. We provide a scholarship scheme for the children of our staff with satisfactory academic performance to support their tertiary education. In 2016, 103 children of KMB and LWB staff members received the scholarship, and some of them worked as interns at KMB in the summer. We brought festive joy to our staff and their families by distributing limited-edition Year of the Monkey lai see packets at Lunar New Year, and rice dumpling

coupons and mooncakes at Dragon Boat Festival and Mid-Autumn Festival respectively. In 2016, the company launched an initiative to provide all uniformed operations staff members including bus captains with new leather shoes providing support and comfort.

Staff Communication

To strengthen bilateral communication, besides regular meetings with the unions, five KMB Joint Consultative Committees and one LWB Joint Consultative Committee, representing around 90% of the total workforce, are held each month and bi-monthly respectively between management and staff representatives to review issues

including safety, operations, the work environment and staff welfare. At the meetings, employee representatives generally account for 75% of attendees to ensure the views of staff are well reflected.

Staff are kept informed through the staff website of useful information, including company announcements, safe driving tips, reports on company activities and notices of forthcoming events. Staff can check duty roster information and make annual leave arrangements online, as well as using the e-learning training platform. The bi-monthly corporate magazine KMB Today provides another means of keeping employees up to date on company and industry developments.



Rice dumpling and mooncakes were distributed to staff at Dragon Boat Festival and Mid-Autumn Festival



A gymnasium and renovated staff canteens improve the working environment

Improved Working Environment

Since November 2015, various departments have moved to the comfortable environment of the renovated office space at Kowloon Bay Depot. An indoor gymnasium is provided on third floor of the depot, so that staff members may exercise in their spare time. Cafes for staff commenced service at Kowloon Bay Depot and at TIH Headquarters in Lai Chi Kok in 2016. Staff canteens in various depots have been renovated, with a better selection of food and beverage items offered in a more pleasant environment. Staff discount shops and barber's shops at depots provide grocery items and haircuts to staff members, retired staff and staff dependents at exclusive discounted prices. At a number of depots, duty dispatch offices, rest areas and toilets have been renovated and upgraded to provide bus captains with a place to rest before working. Besides, staff toilets and rest areas at bus termini have been improved and all these improvements have been much appreciated by frontline staff members.

Senior Management Visits

Once again this year, members of the senior management team visited depots and offices, including helping to welcome in the Year of the Monkey with staff members. These visits provided a good opportunity for staff to share their observations on operational matters and workplace-related issues with management.

Bus Captain Training and Safety Awareness Programme

The Bus Captain Training School provides our bus captains with comprehensive training, including basic training for new bus captains, and driving enhancement training and bus route & bus type training for in-service bus captains. Defensive driving skills, good driving attitude and handling emergencies are incorporated in various training courses. Training in Eco-driving stresses the skills involved in accelerating, braking and manoeuvring, and good practices when parking at bus termini. By implementing Eco-driving practices, we are able to reduce fuel consumption and air and noise pollution. Bus captains are

provided with driving regulations and safety reminders, including the "Bus Captain Safe Driving Handbook", the "Safe Driving Card" and "Driving Tips", while a safety video demonstrating defensive driving skills is available on the staff website. All bus captains are required to observe the Bus Captain Working Procedures and to comply with the procedures relating to Bus Terminus Safety Operations and Traffic Accident Handling. We also produced video clips reminding bus captains of the proper ways to deal with passengers' opinions and behaviour, as well as looking after passengers with special needs.

Technical and Apprentice Training

The KMB Technical Training School has been training our bus maintenance staff in the latest bus technologies since 1973. In 2016, 171 in-house training sessions were run for 1,247 skilled workers, while 4 training sessions were organised in collaboration with our manufacturers for 136 engineers, supervisors and foremen. To ensure a continuous stream of skilled workers to provide maintenance for our bus fleet, the school runs a four-year



KMB teams participated in the Corporate Relay in the SHKP Vertical Run for Charity

apprenticeship training programme for youngsters who are interested in bus maintenance. In 2016, 17 apprentices graduated from the school, bringing the total of graduates since the school's establishment to 2,375. At the end of 2016, 195 apprentices were enrolled in the School's programme. Two engineering graduates completed the requirements of the Hong Kong Institution of Engineers Graduate Training in August 2016 and another two are still being trained in that programme. The quality of our apprentice training was once again recognised in 2016 with two KMB apprentices placing second runner-up and third runner-up respectively in the Vocational Training Council's Best Apprentice in the Automobile Trade Competition. Their reward was an invitation to visit the Toyota Motor Plant in Japan.

Rewarding Service Excellence

Various safety awards and competitions are run to promote safe driving, including the quarterly Route-based Safety Performance Team Award and

the quarterly Route-based Safety Improvement Team Award. Since 1990, the Safe Driving Award has recognised bus captains who have driven without any liable accidents for 5 years, 10 years, 15 years, 20 years, 25 years and 30 or more years. In 2016, the driving excellence of a total of 579 bus captains was recognised with the Safe Driving Award.

In December 2016, we held the "Star" Bus Captain cum Long Service Award Presentation Ceremony to recognise staff with good performance in safe driving and customer care, as well as the loyal service of our long service staff. There were 1,025 "Star" Bus Captains, three employees received the Grand Star Award, one employee received the Gold Star Award, 197 employees received the Double Star Award and 824 employees received the Silver Star Award. In addition, 54 employees received the 35-year award and a gold medal, 155 employees received the 30-year award and a plaque and a pin, 356 employees received the 20-year award and a plaque

and a pin, and 191 employees with 10 years' service received a certificate of appreciation.

TIH Retiree Association

In September 2016, we formed the TIH Retiree Association with the aim of organising activities to maintain close contact between staff and retired colleagues. The Association swung into action with two dinners to celebrate the Mid-Autumn Festival, attended by around 1,000 retired and current staff.

Sports and Leisure Activities

To achieve work-life balance, staff members are encouraged to participate in sports and leisure activities as well as take part in voluntary work. As at the end of 2016, nine interest clubs were available for our staff members to join, focusing on dragon boat racing, photography, basketball, table tennis, badminton, football, long distance running, chess and singing. The clubs arrange for members to take part in different activities or competitions in their free time.

Statistics of Workforce in Hong Kong (as of 31 December 2016)

| Company | | KMB | LWB | SBH Group |
|------------------------|--------------------|--------|-----|-----------|
| Total workforce | | 11,958 | 652 | 634 |
| By gender | Female | 843 | 51 | 127 |
| | Male | 11,115 | 601 | 507 |
| By age group | Below 30 years old | 848 | 50 | 29 |
| | 30-50 years old | 5,537 | 345 | 291 |
| | Over 50 years old | 5,573 | 257 | 314 |
| By employment category | Senior level | 42 | 1 | 3 |
| | Middle level | 249 | 9 | 30 |
| | Entry level | 11,667 | 642 | 601 |

Training (1 January 2016 – 31 December 2016)

| Company | | KMB | LWB | SBH Group |
|---------------------------------------|--------------|------------------------------------|---------------------------------|---------------------------------|
| Total hours of training for employees | | 172,190 | 3,469 | 2,383 |
| By gender | Female | 2,895 (3.4 hours per capita) | 264 (5.2 hours per capita) | 328 (2.6 hours per capita) |
| | Male | 169,295 (15.2 hours per capita) | 3,205 (5.3 hours per capita) | 2,055 (4.1 hours per capita) |
| By employment category | Senior level | 446 (10.6 hours per capita) | 0 | 3 (1 hour per capita) |
| | Middle level | 802 (3.2 hours per capita) | 50 (5.6 hours per capita) | 85 (2.8 hours per capita) |
| | Entry level | 170,942 (14.7 hours per capita) | 3,419 (5.3 hours per capita) | 2,295 (3.8 hours per capita) |