

載通國際
Transport International



Sustainability Report 2018

Transport International Holdings Limited



Reporting Approach

This is the Sustainability Report of Transport International Holdings Limited, in which we highlight our major sustainability initiatives and achievements. The TIH 2018 Sustainability Report mainly presents the environmental and corporate social responsibility performance and achievements of the Hong Kong franchised public bus operations provided by two of TIH's wholly-owned subsidiaries, namely The Kowloon Motor Bus Company (1933) Limited and Long Win Bus Company Limited operating in Hong Kong. This Report covers the period from 1 January to 31 December 2018.

During the reporting period, the Group had no leased facilities and no outsourced operation of significant importance that requires reporting. Data and statistics in this Report are presented as absolute figures and are normalised into comparable terms as far as possible. Unless otherwise stated, data and statistics in this Report cover the performance of KMB and LWB, covering the whole reporting period of one year. There is no specific limitation on the scope and boundary of this Report in respect of KMB and LWB's operations.

Reporting Guidelines

The TIH 2018 Sustainability Report was prepared in accordance with the Core Option of the Global Reporting Initiative Sustainability Reporting Standards ("GRI Standards") and the Environmental, Social and Governance Reporting Guide ("ESG Guide") issued by the Hong Kong Exchanges and Clearing Limited ("HKEx"). In addition, we have taken into account the concerns of stakeholders as identified through engagement exercises such as the annual passenger liaison group meetings and interviews with representatives of different groups. The latest Annual Report of TIH contains more information about the Group including corporate governance and the financial performance of KMB and LWB.

Stakeholder Engagement and Materiality Assessment




Stakeholder engagement exercises and materiality assessments are crucial when developing the annual sustainability report, as they are vital to identifying the sustainability topics that are most relevant to our operations and the shared interests of our stakeholders. In 2018, we engaged an external consultant to carry out a series of stakeholder engagement activities to define the

scope of the Report and identify the relevant economic, environmental and social impacts to be reported on, with reference to the principles and the requirements stipulated in the GRI Standards and the ESG Guide of HKEx.

The key stakeholder groups relevant to the public transport operations of KMB and LWB include passengers, staff, FRIENDS OF KMB, suppliers and non-governmental organisations. In 2018, we invited internal stakeholders like employees and external stakeholders like passengers,

suppliers, non-governmental organisations and green group to participate in a number of stakeholder engagement activities. Their valuable feedback was collected through an online questionnaire, face-to-face interviews and focus group meetings.

Based on the opinions collected from these engagement activities and the results of the previous years' materiality assessments, the following material aspects have been prioritised for disclosure in the TIH 2018 Sustainability Report while the corresponding boundaries were identified:

Material Aspects	Reporting Boundaries	
	KMB & LWB's Operations	KMB & LWB's Suppliers
 Environment		
Energy and Efficiency Measures	✓	
Emissions	✓	✓
Effluents and Waste	✓	
 Employees		
Employment	✓	✓
Training and Education	✓	
Staff Communication	✓	
 Community		
Customer Health and Safety	✓	
Community Engagement	✓	

Major Recognition and Awards

We aim to deliver excellent public transport services in a sustainable manner and are pleased to receive due acknowledgement. TIH or KMB received the following awards in 2018:

Brand

- Manpower Developer from the Employees Retraining Board
- Silver Award for Chairman's Letter and Bronze Award for Written Text for the TIH 2017 Annual Report in the Transportation and Leasing category of the International ARC Awards
- Gold in the Public Transport category of the Reader's Digest Trusted Brands Awards



Sustainability Report

Corporate Social Responsibility

- Silver Award in the Transport and Logistics category of the Hong Kong Awards for Environmental Excellence from the Environmental Campaign Committee
- Hong Kong Green Organisation Certificate from the Environmental Campaign Committee
- 15 Years Plus Caring Company Logo from The Hong Kong Council of Social Service
- Award of 10,000 Hours for Volunteer Service from the Social Welfare Department
- Award of Distinction from The Community Chest of Hong Kong
- Certificate of Appreciation in the Age-friendly Community Kwai Tsing Award from the Kwai Tsing District Council Safe and Healthy Community Working Group and HKSCH Lady MacLehose Centre
- Tai Po District Civic Education Outstanding Enterprise Award from the Tai Po District Civic Education Campaign
- Gold Star Award in the 2018-2019 Age-friendly Appreciation Scheme from The Hong Kong Council of Social Service
- Social Capital Builder Logo Award from the Labour and Welfare Bureau and Community Investment and Inclusion Fund

Corporate Governance

With a commitment to conducting our businesses in line with the best corporate governance practices, we aim to achieve sustainable business development by taking into account the interests of all our stakeholders while ensuring compliance with legal and regulatory requirements. Our stakeholders include passengers, employees, suppliers, Legislative Councillors, District Councillors, transport advisory bodies, interest groups

and the government. We have established a number of engagement programmes to obtain their views on our operations and services. Our dialogue with stakeholders is conducted through a number of channels, including the LiveChat enquiry channel on the KMB and LWB websites and on App1933, the KMB Facebook page, the KMB Instagram account, corporate publications such as KMB Today, face-to-face meetings and media networking.

For details of our corporate governance, please refer to the TIH 2018 Annual Report on pages 86 to 103.

Working with Suppliers

We believe in upstream integrated supply chain management with the emphasis on quality and logistics control. We work closely with our business partners to develop new buses and services that are well adapted to the local climatic and operational environment. We encourage fair and open competition with the aim of developing long term relationships with suppliers based on mutual trust. Our supply chain activities are guided by policies and procedures that are geared to ensuring the ethical procurement of supplies and services, as well as high quality end products in which our customers can be confident.

To ensure compliance by our suppliers with our guidelines on social and environmental requirements, we require suppliers to declare their compliance with our guidelines upon supplier registration:

- Environmental care;
- Health and safety;
- The prohibition of forced and child labour; and
- Anti-corruption.



Environmental Care, Health and Safety of Suppliers

Our suppliers are expected to show their commitment to environmental protection and a healthy and safe workplace by adopting these measures:

- Promoting employee awareness of environmental issues;
- Encouraging energy conservation;
- Reducing waste in appropriate ways and finding alternative uses for waste;
- 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 statutes.

Forced Labour and Child Labour

Suppliers 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).

Legal and Regulatory Compliance

Our suppliers are expected to fulfill all their contracts with us in a proper and lawful manner and in no way violate the laws of the HKSAR. 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 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 recourse to any compensation or claim for loss.

Prevention of Bribery and of Corrupt Practices in Procurement

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, whether local or overseas, are managed equally without prejudice and that staff involved in the selection of and purchase from suppliers 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, requirement 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;
- Fair competition;
- Selection of appropriate contract types according to need;
- Compliance with laws, relevant regulations and contractual obligations; and
- Adoption of an effective monitoring system, management controls and practices:
 - to prevent bribery, fraud or other malpractices; and
 - to ensure declaration of conflicts of interests by staff involved in the system.

Sustainability Report

Safety First

We continue to invest heavily in improving the safety of our bus operations.



Safety Policy

KMB and LWB's Safety Policy is predicated on a commitment made by all staff members to provide a safe and healthy environment for all persons who may be affected by our work activities with the objective of minimising the risk of injury and ill health.

Safety is an absolute pre-requisite in everything we do and is an integral part of our business strategy. It is the duty of all staff members at all levels to ensure that all legal requirements and other requirements applicable to our work activities are complied with. We consult our workers and encourage their participation in our safety management system. We shall continue to maintain our safety risks at as low a level as reasonably practicable and strive for continual improvement in safety performance.

Bus Safety Management

A Special Committee was set up in February 2018 to come up with recommendations for enhancing bus safety. It was chaired by Dr. Norman Leung Nai Pang, Chairman of the TIH Board, with members including Deputy Chairman of the Board, Dr. John Chan Cho Chak, and Independent Non-Executive Director, Mr. Andy Tsang Wai Hung. Implementation of the recommendations has been ongoing to keep enhancing bus safety. The Special Committee visited Singapore to hold comprehensive exchanges on issues including bus safety, the use of innovative technology, management models, bus captain training and public education.

A Safety Director, who has extensive experience in bus operations, is leading the Safety Department to oversee bus and occupational safety. The Safety Department, comprising the Safety Section and the Accident Investigation & Prevention Section, is responsible for enhancing safety standards and performance together with the Departmental Safety Committees, the Maintenance Safety Committees and the Operations Safety Committees.

KMB and LWB adopt a safety management system in accordance with the international standards of Occupational Health and Safety Assessment Series (“OHSAS”) 18001. We are migrating to ISO45001:2018 (Occupational Health and Safety Management Systems) in order to promote further improvement of the safety performance of all aspects of our business, including bus maintenance and design upgrades.

Operational Management

The key benchmarks of our operational performance are mechanical reliability and operational capability. Mechanical reliability refers to the average number of kilometres a bus operates before it experiences one mechanical breakdown on the road with passengers on board. In 2018, the mechanical reliability of KMB’s

bus fleet was 65,928km: 1, while LWB’s bus fleet was 56,164km: 1. Operational capability refers to the ratio of actual to scheduled departures during the peak hours of 7:00 a.m. to 9:00 a.m. across the bus network. In 2018, KMB and LWB attained an operational capability of 97.96% and 100% against a target of 100% respectively.

Operational Excellence

KMB and LWB are ISO9001 certified for their Quality Management Systems. In 2018, both companies were accredited with the latest version of ISO9001, reflecting our commitment to achieving up-to-date operational and service standards.

Bus Safety Facilities and Maintenance

A number of technological devices have been incorporated on buses to improve safety and record operational data, including speed limiting devices and the telematics system. All KMB and LWB buses undergo an ISO-certified maintenance regime, comprising daily and monthly servicing, a semi-annual minor dock and an annual road-worthiness inspection, in addition to random checks from the Transport Department of the HKSAR Government.



The high maintenance standards keep the fleets in tip-top shape

Bus Safety Measures

Driver Protective Shield



Continuous Handrails



Protective Pads



Wheelchair Area



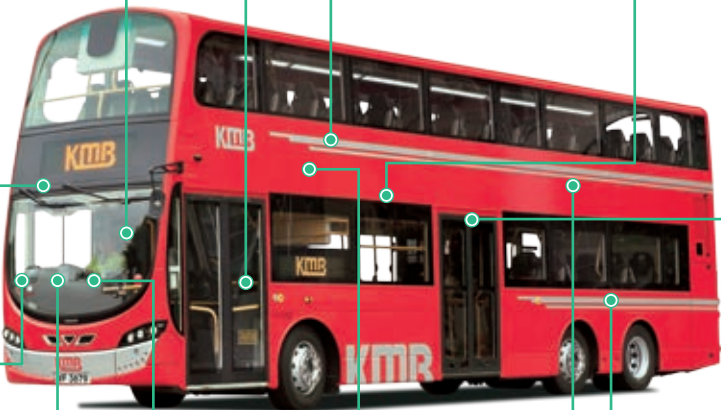
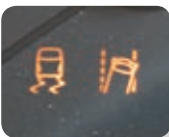
CCTV System



Door Sensor



Electronic Stability Programme



Driver Feedback Device



Telematics System

Non-slip Flooring



Seat Belts

Safety Belts

KMB and LWB have requested bus manufacturers to install 3-point safety belts on all seats as a standard feature for new buses ordered after March 2018. Currently, close to 200 new buses are fully equipped with seat belts on both decks. As for buses that are currently in service and running on long-haul or expressway routes, safety belts will be installed on all upper-deck seats in phases. The retrofitting programme is underway with the support of the Transport Department.

Electronic Stability Programme (“ESP”)

ESP is an important safety feature to reduce the risk of buses skidding or overturning when cornering or operating on slippery road surfaces. To safeguard road safety, all new Euro VI buses will be equipped with ESP and the first batch of such buses will be deployed in 2019.

Driver Feedback Device

If the speed of the bus exceeds 70km/hr, an alarm will sound and a warning light will be activated to alert the bus captain to speeding. The alarm system is being upgraded on a trial basis to function also when the road speed limit is 50km/hr.

Anti-drowsiness Device

An anti-drowsiness device is being trialled to monitor the drowsiness of bus captains when they are driving. The device detects the level of alertness of a driver through advanced facial recognition and gives early warning of any “microsleep”. If the trial results are satisfactory, such a system will be installed on buses.

Geo-fencing

Geo-fencing uses global positioning system (GPS) technology or radio frequency identification (RFID) to define geographical boundaries, allowing speed limits to be set for buses running through specific areas. Arrangements are being made to test geo-fencing on all KMB buses. After satisfactory testing, consideration will be given to implementing geo-fencing technology on the fleet. Bus routes with steep slopes or sharp bends will be given higher priority.

Surveillance Cameras and Data Protection

Surveillance cameras have been standard features on all new buses since 2015. At the end of 2018, surveillance cameras had been installed on 3,991 KMB buses and 262 LWB buses. The cameras protect the interests of bus captains in the event of Police investigations or legal proceedings.



Through coaching and guidance, KMB aims to ensure that bus captains' performance meets professional standards



An anti-drowsiness device is being trialled



The Bus Captain Training School offers professional training for all new and in-service bus captains

The Group is concerned about personal data protection and has established working instruction guidelines to prevent personal data from being disclosed inappropriately. Stickers are posted on all buses equipped with a CCTV system to inform bus passengers and bus captains of their presence and purpose. Recordings from CCTV cameras will be accessed by authorised persons only for the purposes of security and incident investigation. The recorded data is controlled by management and will only be accessed, copied or viewed following management approval in accordance with the governing procedures.

Public Safety Awareness Programme

KMB and LWB make use of different channels to boost public awareness of safety matters. A series of safety messages, broadcast on the Bus Stop Announcement System in Cantonese, English and Putonghua, remind passengers to hold the handrail at all times. In addition, this message is periodically conveyed via App1933 and on KMB's Facebook page. Also, KMB has cooperated with the Police to promote road safety in some primary school zones as well as within the community at large.

Bus Captain Training

In addition to providing comprehensive basic training to all new bus captains to equip them with a safe driving mind-set, bus manoeuvring skills and bus route knowledge, the Bus Captain Training School offers a series of training courses for in-service bus captains. These include route training, remedial training, bus type training, driving enhancement training as well as refresher training, so that bus captains may upgrade their driving skills and enhance their safety awareness. Practical defensive driving training and target-based remedial training, including awareness of speeding and passing through bus washing machines, have been introduced to address areas identified improvement in 2018.

To meet customers' needs and expectations, our bus captain performance management system helps keep our bus captains at a high standard in terms of driving safety, driving manner and quality customer service. Through coaching and guidance, we aim to ensure that bus captains' performance continues to meet the expectations of the general public.

To support the Group's business growth and rising training needs, the number of Driving Instructors has been increased in order to enhance the service quality of our bus captains. The total training hours of KMB and LWB staff has increased by 270% compared with 2017.

Occupational Safety and Health

KMB and LWB staff members are encouraged to suggest improvement measures to enhance health and safety conditions. After reviewing staff suggestions at regular meetings of the Working Committee for Safety, a series of safety control measures are being introduced. We are studying the feasibility of using parking sensors to facilitate bus reversing and ball joint/electrical rear-view mirrors to enable rear-view mirror adjustment. To further raise the safety awareness of our frontline staff, 21 safety forums were conducted in 2018 at different bus termini, at which Driving Instructors discussed accidents and incidents with bus captains and shared suggestions on safety measures with frontline staff. An occupational health talk on the prevention of musculoskeletal disorders and frozen shoulder was hosted by a registered occupational therapist.

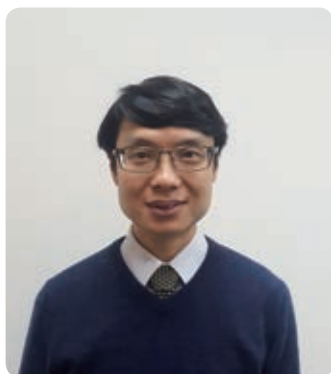


Safety forums were conducted to share suggestions on safety measures with frontline staff



An occupational health talk was held to help prevent musculoskeletal disorders

Interview with Regular Commuter



Mr Gary Chan
KMB Passenger

As a frequent KMB passenger who travels by bus at least four times a week, I am pleased to see KMB making continuous efforts to improve its bus services. These improvements include introducing priority seats for the needy and adding protective pads on staircases. What I appreciate most is having the estimated bus arrival time on App1933 as well as on screens installed at bus termini and at en-route bus stops, as this helps me plan my commute. As a passenger, bus safety is my utmost concern, and I look forward to learning more about KMB's bus captain safety training initiatives and the control mechanisms being put in place to prevent dangerous driving and fatigue-related accidents.

Sustainability Report

Care for Customers

Safety, efficiency, value-for-money and comfort underpin our customer service philosophy.



New Bus Fleet and Facilities

After the introduction of KMB's new red bus fleet, four "Red Buses 2.0" will be deployed in 2019 with even more innovative bus facilities, including an LCD bus route display monitor and dynamic passenger information panel.

KMB and LWB's double-deck buses have upgraded passenger facilities, including a free Wi-Fi service and USB charging points on both upper and lower decks, a straight staircase for easy access to the upper deck, more spacious 2+2 seating, priority seats for passengers in

need, space near the entrance/exit for wheelchair users, colour contrasted handrails and easy-reach bell-pushes. In addition, the provision of continuous railing and hand poles on the lower deck ensures a smooth passenger flow in the space between the entrance and exit doors. All seats on the upper deck of LWB's Airbus are equipped with an armrest to provide a more comfortable bus journey. At the end of 2018, 2,860 buses at Euro V standard or above were licensed in the KMB fleet, while 212 buses at Euro V standard or above were licensed in the LWB fleet. The majority of these buses are deployed on routes passing through low-emission zones to help improve the air quality in busy districts.

The entire KMB and LWB fleet deploys super-low floor buses for easy boarding and alighting, as well as wide entrance and exit doors for better passenger access, which means that all KMB and LWB buses are accessible to the elderly and wheelchair users. In addition, KMB has retrofitted over 180 buses to accommodate two wheelchair passengers, to run mainly on routes travelling to hospitals.

Upgraded Compartments

The air quality in bus compartments benefits from the electrostatic air filtration function installed on all air-conditioned bus models purchased after 2002, which is able to remove up to 80% of fine particles. At the end of 2018, electrostatic filters had been installed on 3,790 KMB buses and 262 LWB buses. In addition, all KMB and LWB buses ordered after 2008 are equipped with power-saving variable capacity air-conditioning compressors, which provide more adaptive and refined thermal control in the most fuel-efficient manner in all weather conditions.

Fare Concession Schemes

KMB and LWB are committed to providing efficient bus services. A number of fare concession schemes were introduced in 2018, including:

KMB

- A Monthly Pass Scheme with a validity period of consecutive 30 days applicable on nearly 400 routes operated by KMB, sold at Monthly Pass Kiosks;
- A Fare Saver Scheme offering a HK\$2 rebate on each ride;
- A fare rebate scheme with Citibank earning cardholders a year-round 15% bus fare rebate;
- Partnership with Hong Kong Tramways Limited providing inter-modal interchange fare concessions; and
- A KMB-AMS interchange discount when interchanging from designated cross-harbour routes solely operated by KMB to designated Hong Kong Island Green Minibus routes operated by AMS Public Transport Holdings Limited, and vice versa.

LWB

- A pre-paid group ticket scheme on “A” Routes with fare discounts of 15-25%;
- A 20% same-day fare discount on “A” Routes for those taking the first leg on “E” Routes;
- A fare rebate scheme with Citibank earning cardholders a year-round 15% bus fare rebate; and
- Two new Bus-Bus Interchange concessions on 12 routes.

Interview with Young Passenger



Mr Tony Leung
Hong Kong Baptist University Student

As a KMB customer from an early age, I have always enjoyed taking buses around the city. These days, I often take the airport route and routes that run between North District and Hong Kong Island. These routes shorten my commuting time and enhance connectivity to the urban areas for all North District residents. KMB's App1933 displays the estimated arrival times of buses on selected routes. This app is particularly useful, as it allows passengers to check the arrival time of buses, which reduces waiting time at bus stops. KMB also offers special discounts to passengers, including students, and has installed fare saver kiosks at some universities. KMB's "50% Same-day Return Discount Concession Scheme for Full-time Students" is attractive to students and eases the burden of transport costs. I hope KMB will consider installing toilets at bus stations with a high passenger flow and introducing more electronic payment options for passengers.

Octopus Bus-Bus Interchange (“BBI”) Schemes

KMB and LWB’s Octopus BBI Schemes offer fare discounts to passengers on the second leg of journeys and broaden the network coverage. The schemes contribute to a greener environment by improving bus use and reducing congestion on busy roads. At the end of 2018, KMB operated a total of 153 Octopus BBI Schemes covering 409 routes, while LWB operated 27 Octopus BBI Schemes covering 26 routes. The BBI interface on the KMB and LWB websites provides more detailed and comprehensive route-to-route BBI information for passengers.

Special Service Arrangements

KMB and LWB provide special bus services during festive periods, such as Lunar New Year, Christmas, New Year and Ching Ming, and for people participating in mega events, including the Hong Kong Marathon, concerts at the Hong Kong Coliseum and, UNICEF Charity Run and concerts at Hong Kong Disneyland. In 2018, KMB and LWB introduced 75 and 12 special bus routes respectively.

Upgrade of Depots, Termini and Bus Stops

The four major KMB depots at Lai Chi Kok, Kowloon Bay, Sha Tin and Tuen Mun, as well as the LWB depot at Siu Ho Wan, provide the KMB and LWB fleets with maintenance and repair services. The KMB Overhaul Centre in Tuen Mun provides major overhaul services, while ten smaller depots offer parking and minor maintenance services.

KMB and LWB’s commitment to upgrading the facilities at their termini and bus stops is reflected in the following:

- A solar bus stop pole featuring solar-powered bulbs with an auto-sensor has been installed so passengers may obtain bus route information day and night;
- Seats for the elderly, disabled and people with young children are being introduced at bus shelters, bus termini and interchanges. At the end of 2018, 769 seats had been installed;
- The Solar-powered Bus Shelter Campaign provides installation of solar power equipment for lighting, mosquito repelling devices and ventilation fans. 100 bus stops have been equipped with solar power equipment;
- A designated passenger resting kiosk at the bus terminus of the Hong Kong Port of the Hong Kong-Zhuhai-Macao Bridge had been installed;
- Bus stop railings with cement bases are being phased out to ease the passage of wheelchair passengers;
- 711 KMB and LWB bus termini and bus shelters in total are equipped with the Integrated Bus Service Information Display System; and
- In 2018, 22 bus shelters were constructed, bringing the total to 2,572.



A solar bus stop pole has been installed



100 bus stops have been equipped with solar power equipment



KMB has retrofitted over 180 buses to accommodate two wheelchair passengers



App1933 helps young entrepreneurs explore business opportunities

Smartphone App

The KMB and LWB mobile app, “App1933”, receives more than 800,000 hits each day from over 4,500,000 users, allowing passengers to check information on bus routes and the estimated time of bus arrivals more conveniently. App1933 not only offers the Live Chat function to communicate with customer service representatives, but also provides the estimated arrival time at the destination.



KMB and LWB provide special bus services for mega events in Hong Kong

Sustainability Report

Care for the Environment

Our environment-friendly bus fleets are entering a new era.



Environmental Policy

KMB and LWB recognise the potential environmental impacts of their services and are committed to mitigating and minimising these impacts in the following ways:

- Preventing pollution and continually improving our environmental performance by establishing and achieving objectives and targets;
- Conserving resources by reducing waste at source, and recycling and reusing resources;
- Minimising and controlling emissions from buses by adopting control measures and providing professional bus repair and maintenance engineering services;
- Enhancing staff environmental awareness by providing training in line with our environmental policy and environmental objectives and targets, as well as in relation to the potential environmental impacts arising from our operations;
- Communicating our environmental policy and environmental requirements to our suppliers, and making the policy available to the public;
- Responding to environmental inquiries from stakeholders promptly and ensuring effective communication on environmental issues internally; and
- Ensuring compliance with all applicable local environmental legislation and other relevant requirements.

Environmental Management

KMB has been ISO certified for Environmental Management System (ISO14001) at its two largest depots. KMB's four major depots and LWB's depot are subject to quarterly surveillance audits to ensure compliance with stringent environmental management standards. Environmental working groups were set up to handle environmental issues and ensure the implementation of the ISO systems. Under the guidance of Senior Management, the Engineering team is introducing new and innovative technologies on the bus fleet and in bus operations.

Environmental Bus Fleet

We are committed to creating a better environment by investing in environment-friendly buses that meet the strict exhaust emission standards of the European Council of Environmental Ministers. At the end of 2018, there were 2,837 air-conditioned Euro V buses, six Euro VI buses (including three Euro VI diesel electric hybrid buses), ten battery-electric buses and seven supercapacitor buses in the KMB fleet, and 208 air-conditioned Euro V buses and four battery-electric buses in the LWB fleet. In collaboration with our suppliers, we have been replacing older bus models with the latest, more energy-efficient bus models to enhance the environmental performance of our bus fleets. The average age of the KMB bus fleet has decreased to around seven years, while that of LWB has decreased to around four years.

Upgraded Double-deck Bus with Solar Panels as Standard Feature

KMB introduced the second generation in-house developed solar panel double-deck bus in 2018. The "Solar Panel Bus 2.0" reduces the saloon air temperature by around 8-10°C compared to a bus with no solar panel. The cooling time will be 50% faster compared to the first generation the solar panel bus, and it is estimated that the bus will save up to 3% in fuel consumption. The bus passed the Transport Department's Vehicle Type Approval, and the solar power system will become a standard feature on all newly purchased buses delivered from the second half of 2019.

When the engine is turned off, the solar energy captured will enable the two extraction blowers in the air ventilation system to extract hot air from the bus compartment through a specially designed duct for enhancing air circulation. When the engine is turned on, the system supplies electricity to the USB chargers and also drives the ventilation fans of the air-conditioning system and engine compartment.

Compared to the first generation solar panel bus, the efficiency of total solar panel is increased by 10% and the coverage area on the rooftop is increased by 40%. The airflow in the air ventilation system can be improved by 250% to help reduce the saloon air temperature.

Exploring New Zero-emission Bus Technologies

KMB and LWB strive to improve environmental protection by exploring various kinds of zero-emission technologies.

- KMB and LWB have further explored the use of an electric bus ("eBus") with a 324 KWh Lithium Iron Phosphate battery power pack capable of delivering 200km of zero-emission bus transport; and
- KMB has introduced the latest version of the "gBus", the supercapacitor-powered 12-metre air-conditioned single-deck bus, which testifies to KMB's vision for green public transport in the future. The gBus is characterised by long working hours and frequent start-stop duty cycles, as the supercapacitor can be recharged more quickly and undertake many more charging/discharging cycles. The gBus is powered up by an overhead pantograph or a plug-type charging port.



KMB's engineering team developed the second generation solar panel double-deck bus



KMB and LWB have introduced electric patrol cars for back-up support

Fuel Consumption

KMB and LWB consumed 8,400,000 gigajoules (GJ) of diesel oil in the reporting period, including the bus fleets and vehicles other than buses. To reduce oil consumption, a number of measures have been adopted on the KMB and LWB bus fleets and across its operations:

- The aircraft-style “Posilock” fuel filling system is used to refuel buses;
- Ambient sensors are installed on air-conditioned buses to save energy by reducing unnecessary cooling;
- The use of synthetic gearbox oil extends the oil drain interval from 30,000 to 150,000 km, reducing waste oil by 80%; and
- The mileage-based oil change scheme brings about a 40% reduction in engine oil consumption and waste oil.

Total Tonnage of Greenhouse Gas Emissions

The greenhouse gas emissions (Scope I and II) of KMB and LWB are around 139 tonnes of CO₂ equivalent per bus.

Emissions Reduction

KMB and LWB adopt the latest technologies to reduce roadside emissions and maintain good air quality in its bus compartments.

To meet the stringent exhaust emission standards laid down by the European Council of Environmental Ministers, we use Near Zero Sulphur Diesel, renew the bus fleet with the latest low-emission models and upgrade older buses by retrofitting exhaust treatment devices, including Diesel Oxidation Catalysts, Diesel Particulate Filters and Selective Catalytic Reduction units.

In 2018, KMB and LWB emitted around 133 tonnes of particulate matter (PM) and 1,850 tonnes of nitrogen oxides (NOx). In 2018, KMB and LWB had improved emissions of particulate matter and nitrogen oxides by 77% and 56% respectively compared to 2013.

The final batch of KMB and LWB buses have been retrofitted with a Selective Catalytic Reduction device, which can reduce the emission of nitrogen oxides, as the ammonia formed from the urea solution converts nitrogen oxides into nitrogen gas and water vapour.

As part of its commitment to conserving the environment, KMB and LWB are not only investing in and upgrading the technologies of their bus fleets, but also its patrol cars. KMB and LWB have introduced 20 electric patrol cars for back-up support and have set up electricity-recharging facilities at their main depots.

Checks on CO₂ Concentration

Each year, 80 KMB buses and 15 LWB buses from passenger-intensive bus routes are selected for a data-logger measurement of indoor CO₂ concentration, with the buses generally demonstrating compliance.

Tyres

In 2018, 32,100 used KMB and LWB tyres (equivalent to a saving of 1,920 tonnes in solid waste disposal at landfills) were retreaded at KMB’s appointed contractors. More than 18,600 scrapped KMB and LWB tyres, which would otherwise have been disposed of at landfills, were collected by an agent for recycling into various products.

Fluorescent Tubes

In 2018, KMB and LWB sent a total of around 8,810 used fluorescent tubes to the Government’s Chemical Waste Treatment Centre for recycling.

Oil and Chemicals

In 2018, around 190,000 litres of solid chemical waste were treated and stored according to type in designated areas at bus depots before being disposed of by a registered chemical waste collector at the Government's Chemical Waste Treatment Centre. Around 247,200 litres of waste oil were recycled or disposed of in accordance with the statutory standards.

Around 135,000 kilograms of waste lead-acid batteries were disposed of by a licensed contractor in compliance with Environmental Protection Department ("EPD") instructions, including some which were exported to overseas facilities approved by the EPD under the Basel Convention.

Metals

In 2018, KMB and LWB sent a total of around 750 tonnes of metal to recycling companies.

Water Consumption and Waste Water Treatment

KMB and LWB are committed as responsible corporate citizens to reduce their water consumption and properly treat their effluents before discharge. KMB and LWB have consumed around 322,000 cubic metres in the reporting period that is the average water consumption per bus is 0.2 cubic metres per day, decreased by 2% compared with 2017. Our depots are equipped with 11 automatic waste water treatment systems handling 610 cubic metres per day.



Our depots are equipped with automatic waste water treatment systems

Green Measures in the Office

The Green Office concept drives both the design and the renovation of our premises. The air-conditioning thermostats are set to 25.5°C to conserve energy and protect air quality in line with the Government's Action Blue Sky Campaign. Lower-energy LED lighting is used in all newly renovated office spaces, on the ceilings of depots and in the common areas of our headquarters building, including the main lobby, to reduce electricity consumption and the demand for air-conditioning.

In 2018, KMB and LWB installed a default setting on all computers to revert to a screensaver after a designated period of time. It is a good practice to raise the awareness of staff to the need to save electricity and conserve the environment.

Electricity Consumption

KMB and LWB consumed around 118,000 GJ of electricity in 2018, a reduction of 8.5% compared with 2017. During the reporting period, we continued to explore environment-friendly initiatives and invested in the latest technologies to minimise energy use and reduce greenhouse gas emissions. Over 13,500 fluorescent tubes were changed to LED lights on the ceilings of KMB's four main depots and LWB's Siu Ho Wan Depot. After the implementation of these saving measures, the use of energy-saving LED tubes helped the Group reduce its total electricity consumption by around 10%.



The use of energy-saving LED tubes helps reduce electricity consumption

Sustainability Report

Care for Employees

We cherish our staff as our greatest asset.



Human Resources Policy

We take care of our employees by maintaining a safe, respectful and harmonious 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. In 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 public bodies included in the Schedule of the Prevention of Bribery Ordinance, KMB and LWB remind staff members that they should not make use of their position to solicit or receive any advantage from the public.

Staff Benefits

To help attract and retain talented staff, competitive benefit packages are offered, including annual leave, medical benefits, hospitalisation insurance, accident insurance and free bus travel for staff and dependents. In the reporting period, KMB and LWB strengthened the benefit package of full-time employees by:

- Shifting the monthly bonuses of Operations and Maintenance staff to their basic salary;
- Extending the eligibility to a one-month basic salary bonus to monthly-paid Operations and Maintenance staff, and to administrative staff at officer grade or below;
- Increasing the entitlement of monthly-paid Operations and Maintenance staff to 12 days of double overtime pay every year;
- Enhancing the salary scale of monthly-paid bus captains from 8 increment points to 20 increment points;
- Enhancing the dependent free-ride bus pass benefit;
- Providing an allowance for an annual medical check-up for full-time bus captains aged over 50 and re-employed bus captains; and
- Extending maternity leave from 10 weeks to 14 weeks.

As a result of these measures, the cumulative take-home pay of monthly-paid bus captains increased by around 16%.

We extend our care for employees to their families. We provide a scholarship programme for the children of staff with satisfactory academic performance to support their tertiary education. At 31 December 2018, 206 children of KMB and LWB staff members had received scholarships. We brought festive joy to our staff at traditional festivals. At Lunar New Year, we distributed Chinese New Year gifts to our staff, while, at Dragon Boat Festival and Mid-Autumn Festival, we distributed rice dumplings and mooncakes respectively.

Staff Communication

To strengthen bilateral communications, meetings of each of the five KMB and one LWB Joint Consultative Committees, which represent around 90% of KMB and LWB's total workforce, were held on a monthly and bi-monthly basis respectively between management and staff representatives to review issues including safety, operations, the work environment and staff welfare. At the meetings, employee representatives generally accounted for 90% of attendees to ensure that the views of staff were well reflected.

Staff members are kept informed through the staff website of useful information, including KMB and LWB announcements, safe driving tips, snapshots of KMB and LWB 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 KMB and LWB news and industry developments.

Interview with Bus Captain



Ms Leung Lai Shan
KMB Bus Captain

Around two years ago, I was delighted to join the KMB family, where I was immediately welcomed into the warm and vibrant bus captain community. As one of the few female bus captains in the fleet, I enjoy the friendly attitude of both colleagues and passengers, and receive encouraging feedback from time to time. Upon graduating from the Bus Captain Training School, I was assigned an experienced mentor, who provided me with valuable tips and shared his bus driving experience. The mentor helped me adapt to the job and build up my network. The Company values our opinions and maintains regular communication through a number of channels including associations, committees and meetings. During the year, the Company worked to improve our working environment in a number of ways, including building or upgrading toilets and rest stations at a number of bus stops in response to our needs.

Senior Management Visits

Members of the senior management from KMB and LWB made visits to bus termini, depots and offices during the year. These visits provided a good opportunity for staff to share their views about operational matters and workplace-related issues with members of the management team. Town hall meetings were held to communicate with all staff and listen to their feedback in the reporting period.

Technical and Apprentice Training

The Technical Training School has been responsible for training our bus maintenance staff in the latest bus technologies since 1973. In 2018, 199 in-house training sessions were run for 1,145 skilled workers, while six training sessions were organised in collaboration with our manufacturers for 81 engineers, supervisors and foremen.



The quality of our frontline staff has been recognised by passengers and through award schemes



Board members attended the Long Service Award Presentation Ceremony to recognise the loyal service of staff

To ensure a continuous stream of skilled workers to provide maintenance for the KMB and LWB bus fleets, the school runs a four-year apprenticeship training programme for youngsters who are interested in bus maintenance. The total of graduates since the school's establishment is 2,429. At the end of 2018, 152 apprentices were enrolled in the School's programme. The quality of our apprentice training was once again recognised in 2018 when a KMB apprentice was First Runner-up in the Vocational Training Council's Best Apprentice in the Automobile Trade Competition. He was invited to visit a motor plant in Germany. Two KMB apprentices were invited to visit Japan and Korea under the International Exposure Programme for Apprentices organised by the Vocational Training Council and to study in electrical and mechanical related companies.

Recognition for Service Excellence

202 Star Bus Captains were recognised for their outstanding performance in safe driving and customer care. The Long Service Award Presentation Ceremony was held once again to recognise the loyal service of our staff. 98 KMB and LWB staff received the 35-year award and a gold medal, 90 employees received the 30-year award and a plaque and a pin, 599 employees received the 20-year award and a plaque and a pin, and 259 employees with 10 years' service received a certificate of appreciation.



KMB and LWB provide a pleasant working environment and a competitive remuneration benefit package to attract and retain talented staff

Psychological Support

KMB and LWB have engaged the Christian Family Service Centre to provide a counselling hotline service to staff members who need assistance. To further enhance the psychological well-being of frontline staff, a professional consultancy team from The Chinese University of Hong Kong was engaged to review current provisions and make recommendations for further improvement. The Group is committed to enhancing key areas of its organisation culture, recruitment, performance management, operational support and psychological support.

Sports and Leisure Activities

To promote effective work-life balance, KMB and LWB staff members are encouraged to participate in sports and leisure activities as well as undertake voluntary work. As at the end of 2018, nine interest clubs were available, focusing on singing, photography, basketball, table tennis, badminton, football, running, chess and dragon

boat racing. The groups arranged different activities or competitions. Singing Club encourages employees who are keen on singing and instrumental performance to join a twice-monthly gathering. The band “K All Star” was formed by club members to represent KMB in external singing competitions, as well as performer at internal events. A staff concert organised with the Singing Club in 2018 drew a large audience of staff and their family members and friends.

TIH Retiree Association

The TIH Retiree Association was formed so that close contacts could be maintained with retired colleagues through various activities. In 2018, the Association held two dinners to celebrate the Mid-Autumn Festival, attended by around 500 retirees. To share festive joy with retirees, we distributed red packets, Chinese sausages, rice dumplings, and mooncakes during the traditional festivals.



KMB and LWB organised interest clubs, staff concerts and gatherings, and distributed festive gifts to all staff, including retirees

Workforce (as at 31 December 2018)

KMB, LWB and SB		
Total		13,189
By Gender	Female	1,049
	Male	12,140
By Age Group	Below 40 years old	2,967
	40-50 years old	3,936
	Over 50 years old	6,286
By Employment Category	Senior level	25
	Middle level	266
	Entry level	12,898
By Employment Type by Gender	Full Time Female	933
	Full Time Male	11,414
	Non Full Time Female	116
	Non Full Time Male	726

Training Hours (1 January – 31 December 2018)

		KMB, LWB and SB	Average
Total		377,978hrs	
By Gender	Female	27,301hrs	26
	Male	350,677hrs	29
By Employment Category	Senior level	77hrs	3
	Middle level	2,271hrs	9
	Entry level	375,630hrs	29

Note: Sun Bus Limited ("SB") is not included in the scope of the TIH 2018 Sustainability Report, but its data has been included in the table as it provides an overview of the Group's employee information.



KMB and LWB provide a scholarship programme for children of staff

Sustainability Report

Engaging Stakeholders

We are committed to supporting various initiatives to enhance the well-being of the community and to engaging our stakeholders through effective communication channels.



Engaging the Public

In 2018, a number of events were organised to interact with the public we serve:

- From 10 to 15 February, KMB operated four stalls at Lunar New Year Fairs in Victoria Park, Fa Hui Park, Tsuen Wan and Yuen Long;
- From April to December, KMB ran pop-up stores at different shopping malls in Hong Kong, including Yuen Long YOHO Mall (April), Kwun Tong apm (May), Tsuen Wan Plaza (June), Tuen Mun V city (August), Sheung Shui Landmark North (November), Yuen Long Plaza (November) and Tseung Kwan O East Point City (December). The stores allowed the public to understand more about the KMB's services,

showcasing bus models and providing various games and activities related to bus services;

- Between 18 and 24 July, KMB organised a booth at the Hong Kong Book Fair at the Hong Kong Convention and Exhibition Centre in Wan Chai; and
- KMB and LWB held a total of 12 Passenger Liaison Group meetings at bus terminus across their operating areas to collect customer views on a variety of issues, including interchange scheme, environmental friendly buses, passenger facilities and network connectivity.

Media and Online Communication

In 2018, we invited the media to events to strengthen communications and made increasing use of social media platforms such as Facebook and Instagram to publicise

KMB and LWB-related information. Our interaction with netizens included a number of cross-media activities that have been well received, as the number of fans of our Facebook page grew from over 64,000 in January to over 80,000 in December. Likewise, the number of followers of our Instagram account had reached more than 100,000 in 2018 and the Stories on Instagram had gained more than 40,000 followers by year end.

Firm in the belief that social media platforms constitute a major communication means between the public and the company, we will continue to make good use of online communication platforms to strengthen its ties with the public.

The following activities were organised via online social media platforms in 2018:

- KMB Facebook has promoted different recruitment events with images, GIFs and videos. Recruitment posts always have a huge impact on recruitment days;
- In June, KMB Facebook introduced the brand new online shop “KMB Shop” to facilitate online purchase with different offers and discounts;
- From July to September, KMB used its Facebook page to organise a paper bus design competition, which attracted more than 300 submissions. A showcase of products was held in December, and many were selected to decorate the lobby of Manhattan Mid-Town;

- In July, KMB Facebook conducted a live interview with the DSE top scorer Thomas Wong, who shared his learning experience;
- In August, KMB Facebook cooperated with singer Alfred Hui to share memories of vintage buses; and
- In September, KMB and LWB announced special bus services arrangements during and after the Typhoon Mangkhut via Facebook page.

App1933

To respond to the needs of our community, we have used App1933 to help find missing persons, especially the elderly who may have dementia. A number of such passengers were found after appeals on App1933.

App1933 helps young entrepreneurs promote their start-ups by providing 20 locations from which they can link to their company website. Also, to share the memorable history of Hong Kong, some old street-view photos were inserted on App1933 to be displayed next to the relevant bus stops.

Websites

The KMB and LWB websites (www.kmb.hk and www.lwb.hk) not only serve as a corporate informative portal, providing corporate news, promotional schemes and customer enquiries; they also serve our passengers by providing a map-based point-to-point bus route search function with 360-degree photo “Street View”, LiveChat and “Octopus Refund Enquiry” functions.



KMB hosted pop-up stores at different shopping malls to interact with the public



The DSE top scorer was invited to share his learning experience which was broadcast via KMB Facebook



KMB and LWB Customer Service Hotline handles passenger enquiries



KMB and LWB distributed festive gifts to the elderly

Customer Service Centres

Our Customer Service Centres provide passengers with a one-stop service offering KMB and LWB souvenirs, Octopus Card add-value services and the provision of bus route information, while the Tai Lam Interchange customer service kiosk similarly provides a wide range of services. The kiosk provides cash withdrawal and free Wi-Fi services, as well as a range of convenience goods, providing a handy one-stop service. The customer service kiosk at Hong Kong International Airport's Ground Transportation Centre and the Hong Kong Port of the Hong Kong-Zhuhai-Macao Bridge provide a passenger enquiry service and Airbus ticket sales.

Customer Service Hotline

The KMB customer service hotline (2745 4466) handled about 1.5 million calls in 2018, an average of 124,000 calls a month, with a hotline operator service available daily from 7:00 a.m. to 11:00 p.m. being complemented by a 24-hour hotline system. The LWB customer service hotline (2261 2791) handled about 48,700 calls in 2018, an average of 4,050 calls a month, with a hotline operator service available daily from 7:00 a.m. to 11:00 p.m. being complemented by a 24-hour hotline system.

LiveChat for Enquiries

To provide more channels for passenger enquiries, KMB and LWB have set up a LiveChat channel on their websites and App 1933 for instant response to customer enquiries, providing a daily service from 7:00 a.m. to 11:00 p.m.

Hosting Visits

To increase our stakeholders' understanding of the daily operations at our bus depots, we received visitors from 24 organisations in the reporting period, including social service organisations government organisations, professional and academic institutions and overseas delegations. Schools and non-government organisations participated in the Summer Visit Programme to visit KMB depots. We hosted around 40 such delegations in 2018.

Membership of Associations and Advocacy

During the reporting period, we further strengthened the connection with stakeholders via participation in the following organisations:

- Business Environment Council
- Employers' Federation of Hong Kong
- Federation of Hong Kong Industries
- The Chartered Institute of Logistics and Transport in Hong Kong
- The Hong Kong General Chamber of Commerce

Serving the Community

To support the elderly and passengers in need, each year KMB and LWB participate in the International Day of Disabled Persons event organised by The Hong Kong Council of Social Service offering free rides on all its bus routes to people with disabilities and one accompanying carer. KMB and LWB also supported the annual Senior Citizens Day, by offering free rides to people aged 65 and over. To share festive joy with the elderly, we distributed red packets, Chinese sausages, rice dumplings, and mooncakes during the traditional festivals.

We sponsor and participate in a variety of local community programmes, including the Dress Casual Day and the Corporate Challenge Half Marathon, all organised by The Community Chest of Hong Kong, as well as taking part in The Hong Kong Council of Social Service Caring Company Patron's Club. In 2018, KMB provided bus-body advertisements for 17 non-governmental organisations ("NGOs") on 21 buses.

Donation of Used and Retired Bus Programme

To nurture the next generation and show our support for sustainability and recycling, KMB launched the Donation of Used and Retired Bus Programme since 2016 to donate used and retired buses to schools or non-profit

organisations. The buses can be regenerated specifically to meet the creative learning needs of the schools or non-profit organisations.

At the end of 2018, fourteen retired buses had been donated. The list of beneficiary schools/non-profit organisations is as follows:

- Buddhist Lim Kim Tian Memorial Primary School
- Hong Chi Morninghope School, Tuen Mun
- Buddhist Chung Wah Kornhill Primary School
- Tung Tak School
- Buddhist Chi King Primary School
- Po Leung Kuk Riverain Primary School
- Sam Shui Natives Association Huen King Wing School
- Kowloon Tong School (Secondary Section)
- Yan Oi Tong Chan Wong Suk Fong Memorial Secondary School
- Po Leung Kuk Choi Kai Yau School
- CNEC Lui Ming Choi Primary School
- Lok Sin Tong Leung Kau Kui Primary School (Branch)
- S.K.H. Fung Kei Primary School
- G.C.E. Past Students' Association Whampoa Primary School

Interview with School Principal



Mr. YUEN Hok Sum
Hong Chi Morninghope School, Tuen Mun Principal

Hong Chi Morninghope School, Tuen Mun, a special school for children with intellectual disabilities, was one of the beneficiary schools in KMB's "Donation of Used and Retired Bus Programme". We received the donation of a retired double-deck bus which was then revamped into a recreational area for our students. KMB's engineering and maintenance staff provided technical support during the revamp. They also provided used bus parts to help us decorate the bus and taught our students how to clean the bus. The donation was not just a one-off; we have since developed an ongoing partnership with KMB. KMB has created a communication platform for the schools that received retired buses to share and update their experience. KMB's representatives have also paid visits to the schools and provided additional support. We are grateful for KMB's contributions that are tailor-made to our needs and hope that KMB can continue their good deeds and promote social inclusion.



KMB and LWB engaged with and served the community in various initiatives

FRIENDS OF KMB

KMB's volunteer club FRIENDS OF KMB ("FRN") has promoted environmental protection, civic education and social service activities since it was formed in 1995. In the reporting period, FRN comprised 5,600 volunteers, including KMB and LWB staff and their dependents, and passengers.

During the reporting period, FRN volunteers partnered with a number of NGOs, including Tung Wah Group of Hospitals, Prince of Wales Hospital, Suicide Prevention

Services, Po Leung Kuk, Agency For Volunteer Service, The Neighbourhood Advice-Action Council, Hope Worldwide, and Lok Sin Tong, to visit the elderly and underprivileged people living in Central and Western District, Eastern District, Kowloon City, Kwai Tsing, Kwun Tong, Sha Tin, Sham Shui Po, Tsuen Wan, Tuen Mun, and Yuen Long. FRN received the Award of 10,000 Hours for Volunteer Service from the Social Welfare Department.

Interview with FRN



Ms Maggie Ho
FRIENDS OF KMB

As a long-term member of FRIENDS OF KMB (“FRN”), I help plan and organise volunteer activities for FRN members. During the reporting year, we organised a variety of volunteer activities as we reached out to different community groups such as the elderly, low-income families and people with disabilities.

For my part, I joined an eight-month volunteer programme, organised in collaboration with Suicide Prevention Services, which offers help to secondary students who are in need of social and emotional support. I was happy to engage with those students closely and help raise their awareness of mental health issues.

We are looking forward to participating in more volunteer activities in the coming year to collaborate with different non-governmental organisations and continue making positive contributions to the community. I hope that the management of both KMB and LWB will continue to provide support to our FRN programmes and promote a culture of volunteering among the company’s staff and the public.



Comprising 5,600 members, FRN is dedicated to serving the community

Sustainability Report

Reporting Content Index Tables

TIH has developed this report in accordance with the Core Option of the Global Reporting Initiative Standards (“GRI”) Sustainability Reporting Guidelines and the Environmental, Social and Governance Reporting Guide (“ESG” Guide) issued by the Hong Kong Exchanges and

Clearing Limited (“HKEx”). The following content index table presents the associated disclosures either by cross-referring relevant section(s) in this Report or by providing direct remarks.

GRI Standards Disclosure 2016	HKEx ESG Reporting Guide (General Disclosures and KPIs)	GRI General Disclosure Description	Reference	Page(s)
Organisation Profile				
102-1		Name of the organisation	Group Profile	2
102-2		Activities, brands, products, and services	Group Profile Business at a Glance Key Franchised Bus Network in Hong Kong	2-3 4-5 6-7
102-3		Location of headquarters	Property Holdings and Development	37
102-4		Location of operations	Business at a Glance	4-5
102-5		Ownership and legal form	Business at a Glance	4-5
102-6		Markets served	Business at a Glance	4-5
102-7		Scale of the organisation	Business at a Glance Key Franchised Bus Network in Hong Kong Financial and Operational Highlights Care for Employees	4-5 6-7 8-9 61
102-8	B1.1	Information on employees and other workers	Care for Employees	61
102-9	B4.1 B5 General Disclosure B5.2	Supply Chain	Working with Suppliers	40-41
102-10		Significant changes to the organisation and its supply chain	There were no significant changes during the reporting period.	—
102-11		Precautionary principle or approach	Safety First Corporate Governance Report	42-47 86-103
102-12		External initiatives	Group Profile Management Discussion and Analysis Working with Suppliers Safety First	2-3 19 40-41 43
102-13		Membership of associations	Engaging Stakeholders	64
Strategy				
102-14		Statement from senior decision-maker	Chairman’s Letter Managing Director’s Message	12-15 16-17
102-15		Key impacts, risks, and opportunities	Chairman’s Letter Managing Director’s Message	12-15 16-17

Ethics and Integrity				
102-16		Values, principles, standards, and norms of behavior	Group Profile	2-3
			Working with Suppliers	40-41
			Safety First	42-47
			Care for the Environment	52-55
			Care for Employees	56-61
			Engaging Stakeholders	62-67
			Corporate Governance Report	86-103
Governance				
102-18		Governance structure	Corporate Governance	40
			Safety First	42-43
			Corporate Governance Report	86-103
Stakeholder Engagement				
102-40		List of stakeholder groups	Stakeholders Engagement and Materiality Assessment	38-39
102-41		Collective bargaining agreements	Care for Employees	56-57
102-42		Identifying and selecting stakeholders	Stakeholders Engagement and Materiality Assessment	38-39
102-43		Approach to stakeholder engagement	Stakeholders Engagement and Materiality Assessment	38-39
			Engaging Stakeholders	62-67
102-44		Key topics and concerns raised	Stakeholders Engagement and Materiality Assessment	38-39
Reporting Practice				
102-45		Entities included in the consolidated financial statements	Financial and Operational Highlights	8-9
102-46		Defining report content and topic Boundaries	Reporting Approach	38
102-47		List of material topics	Stakeholders Engagement and Materiality Assessment	38-39
102-48		Restatements of information	There were no restatement of information provided in the previous report	—
102-49		Changes in reporting	There were no significant changes in the report	—
102-50		Reporting period	Reporting Approach	38
102-51		Date of most recent report	July 2018	—
102-52		Reporting cycle	Annual	38
102-53		Contact point for questions regarding the report	For enquiry, please contact (refer to the back cover of the TIH 2018 Annual Report).	—
102-54		Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.	38-39
102-55		GRI content index	Reporting Content Index Tables	68-71
102-56		External assurance	This report was not externally assured.	—

Energy				
103-1,2,3	A2, 3 General Disclosure A3.1	Management Approach	Working with Suppliers Care for the Environment	40-41 52-55
302-1	A2.1	Energy consumption within the organisation	Care for the Environment	53-55
302-4	A2.3	Reduction of energy consumption	Care for the Environment	53-55
302-5	A2.3	Reductions in energy requirements of products and services	Care for the Environment	53-55
Water				
103-1,2,3	A2, 3 General Disclosure A3.1	Management Approach	Working with Suppliers Care for the Environment	40-41 52-55
303-1	A2.2	Water withdrawal by source	Care for the Environment All water was sourced from municipal water supplies.	55
303-3	A2.4	Water recycled and reused	Care for the Environment Fresh water used in KMB and LWB's offices and depots is provided by the Water Supplies Department in Hong Kong. No major issue concerning sourcing water has been encountered.	55
Emissions				
103-1,2,3	A1, 3 General Disclosure A3.1	Management Approach	Working with Suppliers Care for the Environment	40-41 52-55
305-1	A1.2	Direct (Scope 1) GHG emissions	Care for the Environment Remark: Greenhouse gas emissions are calculated according to the "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purpose) in Hong Kong", published by the Environmental Protection Department and the Electrical and Mechanical Services Department.	54
305-2	A1.2	Energy indirect (Scope 2) GHG emissions	Care for the Environment	54
305-4	A1.2	GHG emissions intensity	Care for the Environment	54
305-5	A1.5	Reduction of GHG emissions	Care for the Environment	54
305-7	A1.1	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Care for the Environment	54
Waste				
103-1,2,3	A1, 3 General Disclosure A3.1	Management Approach	Working with Suppliers Care for the Environment	40-41 52-55
306-2	A1.3 A1.4 A1.6	Waste by type and disposal method	Care for the Environment Hazardous Waste: Tyres Fluorescent Tubes Oil and Chemicals Non-hazardous Waste: Metals	54-55
	A2.5	Total Packaging material used for finished products	Not Applicable to KMB & LWB's business.	—

Environmental Compliance				
103-1,2,3	A1, 2, 3 General Disclosure A3.1	Management Approach	Working with Suppliers Care for the Environment	40-41 52-55
307-1		Non-compliance with environmental laws and regulations	There was no incompliance with local environmental laws and regulations in 2018.	–
Employment				
103-1,2,3	B1, 4, 7 General Disclosure	Management Approach	Working with Suppliers Care for Employees	40-41 56-61
401-2		Benefits provided to full-time employees that are not provided to temporary or part-time employees	Care for Employees	57
Occupational Health and Safety				
103-1,2,3	B2 General Disclosure	Management Approach	Safety First Care for Employees	42-47 56-61
403-1	B2.3	Workers representation in formal joint management-worker health and safety committees	Safety First Care for Employees	47 56-57
403-4		Health and safety topics covered in formal agreements with trade unions	Safety First	47
Training and Education				
103-1,2,3	B3 General Disclosure	Management Approach	Safety First Care for Employees	46-47 56-61
404-1	B3.1 B3.2	Average hours of training per year per employee	Safety First Care for Employees	46-47 61
Local Communities				
103-1,2,3	B8 General Disclosure	Management Approach	Engaging Stakeholders	62-67
413-1	B8.1 B8.2	Operations with local community engagement, impact assessments, and development programs	Engaging Stakeholders	62-67
Customer Health and Safety				
103-1,2,3	B6 General Disclosure	Management Approach	Safety First	42-47
416-1		Assessment of the health and safety impacts of product and service categories	Safety First Care for the Environment	42-47 53-55
Personal Data Privacy				
103-1,2,3	B6.5	Management Approach	Safety First	45-46



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