



載通國際

Transport International

Transport International Holdings Limited

2021 Sustainability Report



KMB

About the Report

In 2021, Transport International Holdings Limited (“TIH”) continued to make progress in its journey to create sustainable values for its stakeholders and the community at large. TIH is committed to building sustainable legacies through safety operation, innovative service, community care and environmental protection.

2050 Vision

By 2050, TIH’s Hong Kong franchised public bus operations will upgrade its entire fleet with **NEW ENERGY BUSES** to support Hong Kong’s Climate Action Plan to achieve **CARBON NEUTRALITY**.



Reporting Focus

This is the 2021 Sustainability Report (“the Report”) of TIH, which highlights the environmental and corporate social responsibility performance and sustainability achievements of The Kowloon Motor Bus Company (1933) Limited (“KMB”) and Long Win Bus Company Limited (“LWB”), TIH’s wholly-owned subsidiaries. These two Hong Kong franchised public bus companies comprise significant business operations of TIH. The Report covers the reporting period from 1 January to 31 December 2021.

There were no significant changes with regard to TIH’s size, structure, ownership or supply chain during the reporting period. In the Report, data and statistics are presented as absolute figures and are normalised into comparable terms as far as possible. Unless otherwise stated, data and statistics in the Report cover the performance of KMB and LWB during the entire reporting period. There is no specific limitation on the scope and boundary of the Report in respect of KMB and LWB’s operations.

Reporting Principles

The 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 Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and based on the reporting principles of materiality, quantitative, consistency and balance, which are set out in the ESG Guide. To align our strategies with international sustainability principles, the Report also makes reference to the United Nations Sustainable Development Goals (“SDGs”) and the recommendations on the Task Force on Climate-related Financial Disclosures (“TCFD”) established by the Financial Stability Board. In addition, through engagement exercises such as annual passenger liaison group meetings and interviews with representatives of different interest groups, we have identified stakeholder concerns and incorporated them into our sustainability strategies. The latest Annual Report of TIH contains more information about the Group, including corporate governance and the financial performance of KMB and LWB. If you have any comments on the Report, please contact us via ccd@kmb.hk.

SUSTAINABLE DEVELOPMENT GOALS



**Responsible
Consumption and
Production**



**Peace, Justice
and Strong
Institutions**



SUSTAINABILITY REPORT



Major Recognition and Awards

We aim to deliver excellent public transport services in a sustainable manner and are pleased to receive a number of prestigious awards in 2021.

Corporate Social Responsibility

- ✔ Hong Kong Sustainability Award 2020/21 – Certificate of Excellence from The Hong Kong Management Association;
- ✔ BEC Low Carbon Charter from the Business Environment Council;
- ✔ 15 Years Plus Caring Company Logo from The Hong Kong Council of Social Service;
- ✔ Jockey Club Age-friendly City Partnership Scheme 2020 – Age-friendly Employer Award from The Hong Kong Jockey Club Charities Trust;
- ✔ Jockey Club Age-friendly City Partnership Scheme 2020 – Age-friendly Innovation Award from The Hong Kong Jockey Club Charities Trust;
- ✔ 2020-2021 Age-Friendly Appreciation Scheme – Gold Star Award from The Hong Kong Council of Social Service;
- ✔ Award of 10,000 hours for Volunteer Service from the Social Welfare Department;
- ✔ Honour Award of Highest Service Hour Award (Private Organisations – Best Customers Participation) from the Social Welfare Department;
- ✔ The Merit of Highest Service Hour Award (Private Organisations) from the Social Welfare Department;

- ✔ Award for Outstanding Volunteer Group from the Christian Family Service Centre;
- ✔ Employer of Choice Award 2020 from the Job Market;
- ✔ The Good MPF Employee Award 2020-21 from the Mandatory Provident Fund Schemes Authority;
- ✔ Sport-Friendly Action Decal from the Chinese YMCA of Hong Kong; and
- ✔ SportsHour Company Scheme and “CO-FIT” Best Practice Showcase from the InspiringHK Sports Foundation.

Brand

- ✔ Hong Kong Outstanding Listed Enterprises 2021 – Outstanding Transport Corporation from the Economic Digest;
- ✔ Gold Award for Cover Photo/Design, Bronze Awards for Traditional Annual Report and Interior Design, Honours for Written Text and Printing & Production in the Transportation and Leasing category of the 2021 International ARC Awards from The MerComm, Inc;
- ✔ Silver Award for Transportation and Leasing category of the 2020 Vision Awards from The League of American Communications Professionals LLC;
- ✔ Reader’s Digest Trusted Brands 2021 Gold Award – Public Transport category from the Reader’s Digest;
- ✔ Smart Living Partnership Awards 2021 – Outstanding All Man Kind Inclusive Bus App from the ETNet; and
- ✔ ESG Care Prize 2021 from InnoESG.org.



Sustainability Governance

We adhere to the best corporate governance practices to achieve sustainable business development. We ensure compliance with applicable legal and regulatory requirements while considering the interests of our stakeholders. The Group has adopted an integrated management approach to guide the sustainable development of TIH based on the principles of integrity, equity and transparency. This integrated management approach is strengthened by ongoing staff training and communication with stakeholders. The board of directors of TIH (the “Board”), as the highest governance body, is responsible for stewarding the long-term development of the Group and for growing shareholder value. The Board currently comprises nine non-executive directors, five independent non-executive directors and one executive director. The biographies of our current directors can be found on pages 134 to 142 of our 2021 Annual Report.

The overall strategic planning and accountability for the Group’s sustainable development rest with our Board-level Committee, which determines the sustainability strategy and oversees its progress. Our ESG Task Force, under the oversight of the Committee, implements the Board’s ESG strategy and policies to drive sustainable initiatives throughout our operations, including safety, environmental protection, staff welfare, community engagement and volunteering. The ESG Task Force is also responsible for optimising environmental performance, raising staff awareness on corporate social responsibilities, sharing knowledge and industry best practices and working with the Enterprise Risk Management Task Force of the Company to assess new and emerging ESG-related risks.

The Group’s Enterprise Risk Management System adopts a systemic approach and uses a set of consistent risk assessment criteria to identify and manage risks. Accurate risk information is provided to the management to assist them in decision-making and risk control without compromising cost-effectiveness and efficiency. In addition, with the Enterprise Risk Management System, the management monitors and reviews risk levels of various issues that might impact the Group, including climate change, to ensure that risk exposure remains at an acceptable level. A Risk Key Performance Indicator Report (“Risk KPI Report”) summarises the Group’s major risks identified by the management and is submitted to the Audit and Risk Management Committee three times a year. The Risk KPI Report provides a comprehensive profile of the major risks and the mechanism established by the management for monitoring these risks.

For details of our corporate governance, please refer to pages 108 to 129 of our 2021 Annual Report.

Legal and Regulatory Compliance

TIH is committed to conducting business activities in compliance with the HKSAR laws. All directors and staff of the Group are subject to a written Code of Conduct when discharging their delegated duties. The Code of Conduct is available on the staff website for easy access, providing guidance on personal conduct, relations with suppliers and contractors, responsibilities to shareholders and community, relations with customers, and employment practices, as well as procedures for monitoring compliance and enforcement to promote ethical values in business activities. The Code of Conduct is reviewed and updated periodically to reflect the latest regulatory changes.

TIH’s employment practices are also reviewed on a regular basis. We strictly adhere to the Employment Ordinance of Hong Kong and prohibit hiring child labour (a person below the local minimum age or under the age of 16) and any form of forced labour.

SUSTAINABILITY REPORT

The Group has a whistleblowing policy to encourage employees and related third parties to raise concerns in confidence about misconduct, malpractice, bribery, money laundering, any forms of forced, coerced or bonded labour and irregularities in any matters related to the Group. Employees and/or related third parties may make a report to the Company Secretary or the Chairman of the Board's Audit and Risk Management Committee. The Group will take appropriate follow-up actions, including disciplinary actions, in respect of substantiated and partially substantiated cases. In the event of an employee committing any offence of corruption under the Prevention of Bribery Ordinance (Chapter 201, Laws of Hong Kong), the Group will make a report to the Hong Kong Independent Commission Against Corruption ("ICAC"). We have not committed any offence of corruption under this Ordinance. We also invited the ICAC to provide training for the Board and employees to enhance their awareness of anti-corruption and integrity management. We had zero concluded legal cases regarding corruption during the reporting year.

Stakeholder Engagement and Materiality Assessment

Stakeholder engagement exercises and materiality assessments provide a solid basis for developing our sustainability reports. They help identify sustainability topics that are most relevant to both our operations and stakeholders.

Our stakeholders include passengers, employees, suppliers, contractors, Legislative Councillors, District Councillors, transport advisory bodies, interest groups and the Government. We have established several engagement programmes to gauge their views on our operations and services. Our dialogue with stakeholders is demonstrated through various channels, including the Chatbot enquiry channel on the KMB and LWB websites and App1933, the KMB Facebook page, the KMB Instagram account, the KMB YouTube channel and corporate publications such as *KMB Today*, as well as face-to-face meetings and media networking.

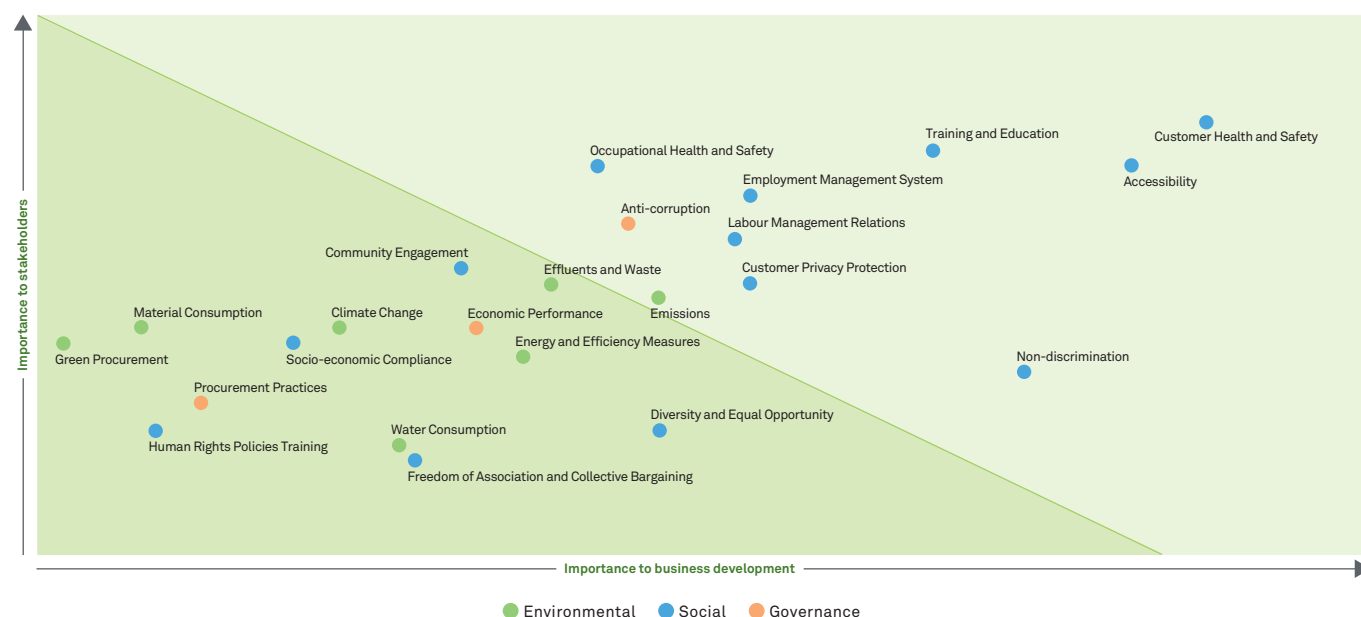
In 2021, we once again engaged an external consultant to carry out a series of stakeholder engagement activities to define the scope of the Report and to identify material economic, environmental and social topics, concerning the principles and requirements of the GRI Standards, the HKEX ESG Guide, the SDGs and the TCFD. We invited representatives from various stakeholder groups, including passengers, employees, members of KMB volunteer team, suppliers, non-governmental organisations (e.g. social organisations and green groups) to participate in stakeholder engagement activities involving surveys, focus group meetings and interviews.

Based on the survey results and annual materiality assessments over the past few years, we have mapped the materiality of 12 issues. The most critical issues are listed at the top right quadrant of the matrix, while less important issues are found at the bottom left. Issues shown in the top right of the matrix are those we have identified as emerging in importance. The top ten issues were prioritised as material for TIH to address and report. The eleventh and twelfth issues, community engagement and energy and efficiency measures, which have been reported in the previous years, are also included for consistency. The ESG Task Force further reviewed and validated the material topics to ensure a consistent and balanced representation of the Group's sustainability performance and impacts. The following material topics have been prioritised for disclosure in the TIH 2021 Sustainability Report with corresponding boundaries specified:

		Reporting Boundaries				
Aspects	Material Topics	Internal				
		Stakeholders	Passengers	Suppliers	Contractors	NGOs
Environmental	Emissions	✓			✓	✓
	Effluents and Waste		✓		✓	
	Energy and Efficiency Measures		✓		✓	
	Water Consumption				✓	
	Environmental Compliance	✓	✓		✓	
	Green Procurement				✓	
	Material Consumption				✓	✓
	Climate Change				✓	✓
	Social	Customer Health and Safety	✓	✓	✓	✓
Customer Privacy Protection		✓	✓		✓	
Employment Management System		✓	✓	✓	✓	✓
Labour Management Relations		✓	✓	✓	✓	
Training and Education		✓	✓	✓	✓	
Occupational Health and Safety		✓	✓	✓	✓	✓
Community Engagement				✓	✓	✓
Socio-economic Compliance				✓	✓	✓
Diversity and Equal Opportunity		✓				
Forced and Child Labour		✓	✓	✓	✓	
Human Rights Policies Training					✓	
Freedom of Association and Collective Bargaining						
Accessibility		✓	✓	✓	✓	✓
Non-discrimination		✓			✓	✓
Governance	Anti-corruption	✓	✓	✓	✓	✓
	Procurement Practices		✓	✓	✓	✓
	Economic Performance		✓	✓		

SUSTAINABILITY REPORT

Materiality Matrix



Note:

Topics “Environmental Compliance” and “Forced and Child Labour” are excluded in materiality matrix given that they are standard practices in operations.

The engagement activities provided us with constructive comments and suggestions from our stakeholders. We appreciate their valuable feedback and strive to address their expectations through continuous improvements.

Key Areas of Interest	Stakeholders' Comments	Our Responses and Relevant Disclosures in the Report
Safety	<ul style="list-style-type: none"> Enhance bus safety through innovative technologies such as GreenRoad App; Strengthen public safety education; and Introduce more bus safety facilities such as safety belts on all seats. 	Safety has been a top priority of our operations. We make great efforts to implement safety measures and promote safety awareness. (See details in Safety First)
Passengers	<ul style="list-style-type: none"> Improve accessibility for the elderly and people with disabilities; Design bus routes that cover more areas; and Further explore digitalisation of bus management system. 	Bus facilities and compartment designs have been upgraded to provide better accessibility and comfort for passengers. (See details in Care for Customers)
Environment	<ul style="list-style-type: none"> Recycle waste from the operation; and Further explore green energy opportunities and clean energy infrastructure. 	We seek to minimise the impact of our operations on the environment by employing energy-efficient buses and exploring green energy and zero-emission bus technologies. (See details in Care for the Environment)
Employees	<ul style="list-style-type: none"> Enhance communication with internal stakeholders. 	To strengthen bilateral communication, we have built a variety of internal communication channels and platforms for employees. (See details in Care for Employees)
Community	<ul style="list-style-type: none"> Participate more actively in key environmental and social sustainability issues (business operation and engagement with external stakeholders) and improve transparency on progress and performance. 	We play an active role in various community activities and make good use of different platforms and occasions to communicate with the public. (See details in Stakeholders Engagement)

Supply Chain Management

We believe an integrated upstream supply chain management is key to quality and logistics control. We work closely with our business partners to develop new buses and services that are adapted to the local climate and operational environment, with energy efficiency and the latest emission standards as our top priorities.

We encourage fair and open competition with the aim of developing long-term relationships with suppliers based on mutual trust. Our supply chain policies and procedures are in place to ensure ethical procurement of supplies and services, which allow us to deliver high-quality end products that our customers can trust. In 2021, KMB and LWB worked with 400 local and 38 non-local suppliers, of which 254 suppliers were newly added. The proportion of spending on local suppliers was 60%.

Our Green and Sustainable Procurement Policy spells out the environmental and social risk considerations that should be taken into account in every purchasing decision. To ensure our suppliers comply with our social and environmental requirements, we require all of them to declare compliance with our guidelines upon supplier registrations:

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

Procurement and Tendering Procedures

Our criteria for procurement and tendering of services and goods are based on price, quality, requirements, green and sustainable procurement and other relevant factors. The principles of our procurement and tendering procedures are as follows:

- ✔ Impartial selection of capable and responsible suppliers;
- ✔ Fair competition;
- ✔ Selection of appropriate contract types according to requirement;
- ✔ Compliance with laws, relevant regulations and contractual obligations;
- ✔ Consideration on environmental and social factors; and
- ✔ Adoption of an effective monitoring system, management controls and practices:
 - ✔ to prevent bribery, fraud or other malpractices; and
 - ✔ to ensure the declaration of conflicts of interests by staff involved in the selection.

Safety First

Safety is in everything we do. It is our highest priority and an integral part of our business strategy. We strive to raise our safety standards and performance and continue to invest heavily in improving the safety of our bus operations.





3 GOOD HEALTH AND WELL-BEING

Good Health and Well-Being

Safety Policy

The KMB and LWB Safety Policy ensures injury and health risks are minimised to provide a safe and healthy environment for our employees and the public.

All our employees are required to comply with all legal requirements applicable to our operations, and we regularly consult employees to identify opportunities for improvement in our safety management system.

Safety Committees

Safety Committees oversee internal communication on occupational safety and health information, including risks, trends and policies. All Safety Committees meet regularly to discuss safety issues at different levels across the Company. The Working Committee for Safety oversees safety issues at the corporate level, while Departmental Safety Committees, Maintenance Safety Committees and Operations Safety Committees are responsible for safety issues relating to departments and sections. Departmental Safety Committees may vary the frequency of meetings depending on the scale of departmental safety risks.

Safety Management

We are dedicated to advancing occupational health and safety. We fully comply with the Occupational Safety

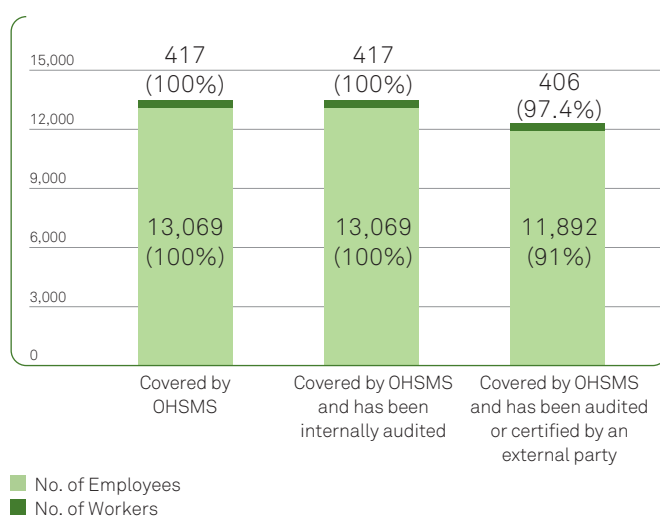
and Health Ordinance and the Factories and Industrial Undertakings Ordinance (Chapter 509 and 59, Laws of Hong Kong). KMB adopts ISO45001:2018 Occupational Health and Safety Management System to promote continuous improvement of safety performance in all aspects of our business, including bus maintenance and design upgrades.

The key benchmarks of our operational performance are mechanical reliability and operational capability. In 2021, the mechanical reliability¹ of KMB's bus fleet was 96,349 km: 1, while LWB's bus fleet was 134,616 km: 1. In 2021, KMB and LWB attained an operational capability² of 100.7% and 100.6% respectively.

Safety Statistics

The number and the percentage of staff and workers covered by our Occupational Health and Safety Management System (OHSMS) are tabulated as follows:

As at 31 December 2021



The GreenRoad Outstanding Awards present cash prizes and certificates to commend bus captains' achievement in green and safe driving

¹ 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.

² Operational capability refers to the ratio of actual to scheduled departures in the peak direction during the peak hours of 7:00 a.m. to 9:00 a.m. across the bus network.

SUSTAINABILITY REPORT



The bus fleet of KMB and LWB undergoes routine maintenance checks to bring a safe and comfortable journey to passengers



The GreenRoad system detects over 150 bus driving dynamics and gives real-time feedback and suggestions with ratings to bus captains

Operational Excellence

KMB and LWB are ISO9001 certified for their Quality Management Systems. Both companies have been accredited with the latest version of ISO9001, demonstrating our commitment to achieving up-to-date operational and service standards.

Risk Assessment

Rigorous risk assessments are conducted by managerial staff together with the relevant workers before discharging work duties. We ensure both the working environment and staff performance comply with legal requirements, in-house safety rules, and industry best practices during safety inspections and safety audits. Our Plan-Do-Check-Act management approach also helps drive continuous improvement in safety performance.

Bus Safety Facilities and Maintenance

A number of technological devices, including speed limiting devices and the telematics system, have been installed on buses to improve safety and record operational data. 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, as well as spot checks from the Transport Department of the HKSAR Government.

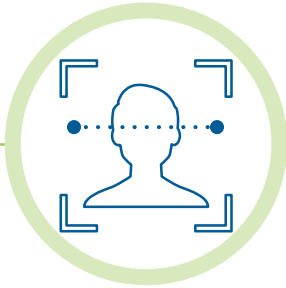
Latest Bus Safety Measures

GreenRoad System

KMB and LWB are the first franchised bus companies to have introduced the GreenRoad System in Hong Kong. Each bus captain has been given an electronic key with Radio Frequency Identification Technology ("RFID") to identify who is driving the bus. The system monitors over 150 driving dynamics and gives real-time feedback and rating to bus captains to help them remain vigilant on the road. Bus idling time is recorded and bus captains are reminded to switch off bus engines, thereby promoting a culture of environmental consciousness and health.

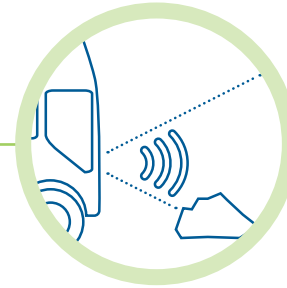
Through analysing the data collected by the system, the Company is able to identify the common types and locations of undesirable driving behaviours among by bus captains, and customise training materials, such as tips on paying attention to the routes, teaching videos, and driving improvement courses, to help bus captains improve their driving skills and performance. The system also gives instant feedback to bus captains through an online portal and app to enhance their driving performance.

The average accident rate of the fleet has decreased by about 10%, and more than 80% of bus captains have achieved a satisfactory safety level since the implementation of GreenRoad. A total of 105 bus captains have been granted the Annual GreenRoad Outstanding Awards as a commendation for their outstanding driving performance.



Driving Monitoring System (“DMS”)

This device, mounted on the dashboard, uses image-processing and advanced facial recognition technology to detect the level of alertness of a driver. Early audio alerts and vibration warnings will be activated when a fatigue or abnormal situation is detected.



Advanced Driver Assistance System (“ADAS”)

The device is installed on the lower saloon windscreen and uses image-processing technology to detect obstacles on the road and the corresponding distance. Early audio alerts and vibration warnings will be activated when “unsafe” conditions are detected.



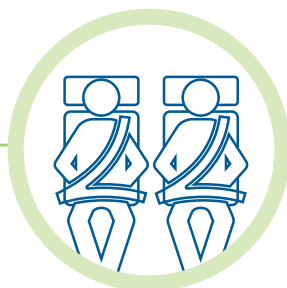
Electronic Stability Programme (“ESP”)

The ESP is an important safety feature to prevent a bus from skidding or overturning when cornering or operating on a slippery road surface.



Speed Limiting Retarder (“SLR”)

SLR enhances the speed limiters of our fleets. The current speed limiters cut off fuel supply to the engine when the speed limit is reached. The SLR automatically activates the brakes or retarder to prevent speeding when travelling downhill.



Safety Belts

KMB and LWB have requested bus manufacturers to install 3-point safety belts on all seats as a standard for new buses.



CASE STUDY

Safety Bus Sets Off to Promote Passenger Safety

KMB is dedicated to promoting road and passenger safety. We modified a single-deck bus into a “Safety Bus” with the theme of “Stop, Look, Listen and Give Way” to reach out to the community. Combining learning with playing through motion-sensing games and virtual reality activities inside the compartment, the Safety Bus allows participating students to learn public transport etiquette, such as fastening the seat belt, and holding the handrail, and learn about blind spots on buses. In order to raise awareness of the participants, staff members from the Safety Department are also there to play quiz games and lecture on road and passenger safety.



The Safety Bus will visit different schools and elderly homes in the future. KMB has liaised with schools and non-profit organisations to launch a territory-wide promotion and education campaign on safety.



Yip Cheuk-chi, student at Islamic Dharwood Pau Memorial Primary School

“ I’m delighted that the KMB Safety Bus comes to our school. We can learn about road safety through mini-games there. The demonstration of fastening a seat belt has impressed me the most, and I have realised the importance of buckling up. I will share this with my parents and pay more attention to road conditions from now on. I will also be careful when crossing the road at a bus terminus. I like travelling by buses, so it is exceptional to have this exhibition on the bus. ”



Safety messages such as “Hold the handrail” are shown on the Bus Information Panel to remind passengers to observe safety at all times

Public Safety Awareness Programme

Passenger safety is equally important to our bus operations. We use different channels to raise public awareness of passenger safety. A series of safety messages are broadcast on the Bus Stop Announcement System in Cantonese, English and Putonghua to remind passengers to hold the handrail at all times. We put up safety stickers on our buses, such as “Hold the handrail” and “Fasten seatbelt”. Our mobile app, App1933 and KMB’s Facebook page also periodically communicate educational messages to the public.



Comprehensive training is offered to bus captains to ensure a professional, safe and quality service

Passenger safety videos produced by KMB are shown on bus information panels on board and at bus stops to remind passengers that safety comes first.

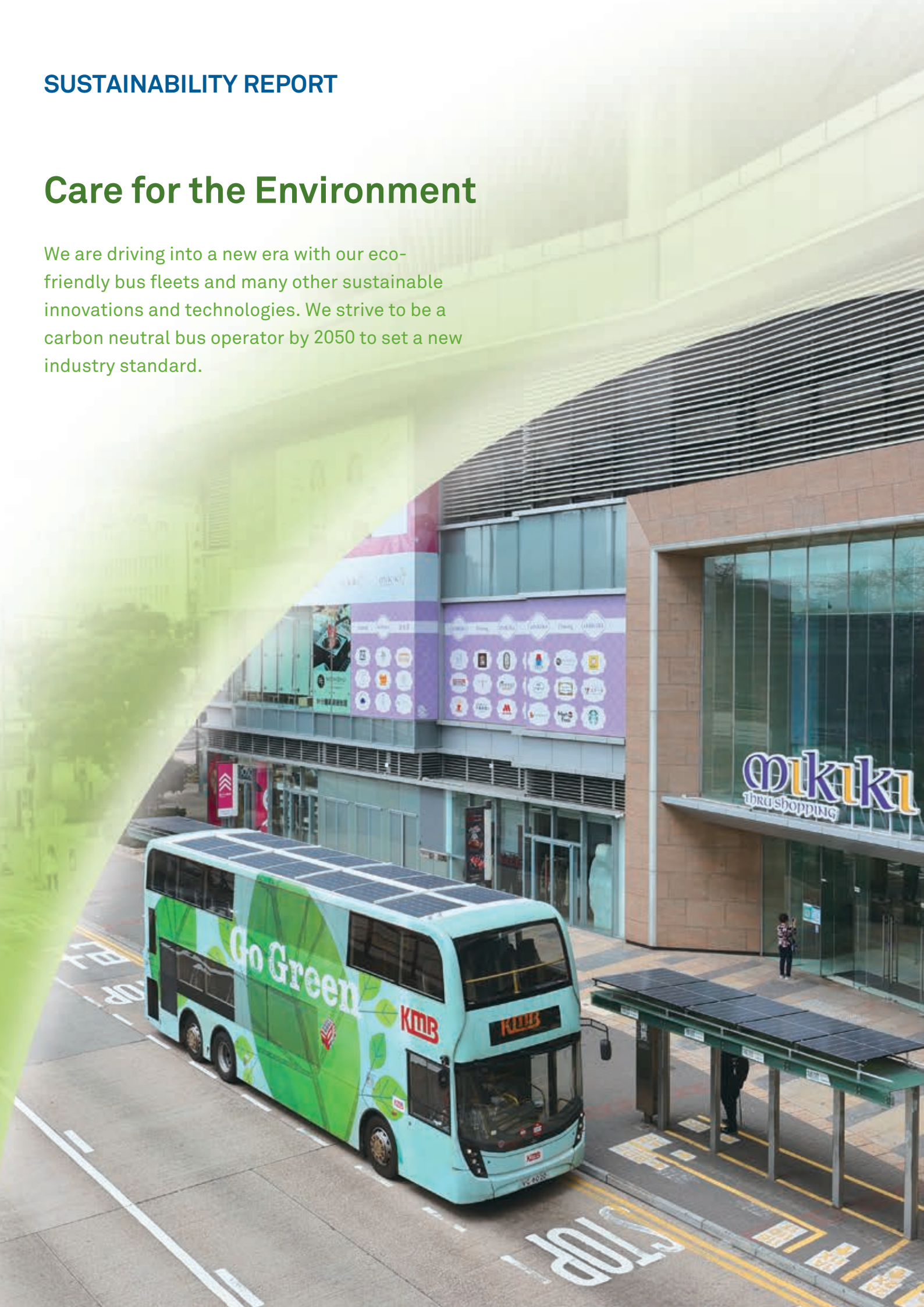
Bus Captain Safety Training

The Bus Captain Training School (“BCTS”) provides comprehensive basic training to all new bus captains. Training is planned around building safety consciousness, bus manoeuvring skills and bus route knowledge. Apart from providing training for new bus captains, the BCTS also offers training courses for in-service bus captains, including route training, remedial training, bus type training and refresher training to improve their driving skills and reinforce their safety awareness.

To maintain proper driving technique and attitude among bus captains, the BCTS makes reference to the bus captain performance system to identify areas for improvement in the respective performance of bus captains and provide appropriate training for them. To take care of passenger safety on board, the module on driving technique and attitude for preventing passengers from “losing balance” has been enhanced for the basic training, remedial training and refresher courses. Through training and coaching, the BCTS strives to improve bus captains’ performance beyond expectation.

Care for the Environment

We are driving into a new era with our eco-friendly bus fleets and many other sustainable innovations and technologies. We strive to be a carbon neutral bus operator by 2050 to set a new industry standard.





Good Health and Well-Being



Clean Water and Sanitation



Affordable and Clean Energy



Industry, Innovation and Infrastructure



Sustainable Cities and Communities



Responsible Consumption and Production



Climate Action

Environmental Policy

We recognise the inherent environmental impacts of our bus services and we 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 services;
- ✔ Reducing our environmental footprint and combating climate change;
- ✔ 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 requirements to our suppliers and making the policy available to the public;
- ✔ Responding to environmental enquiries promptly and ensuring effective internal communications on environmental issues; and
- ✔ Ensuring compliance with all applicable local environmental legislation and other relevant requirements.

Environmental Management

KMB has been ISO14001 certified for its Environmental Management Systems for the two largest depots. KMB's four major depots and LWB's depot are subject to quarterly surveillance audits to ensure compliance with a set of stringent environmental management standards. Environmental working groups have been set up to handle environmental issues and ensure the implementation of the ISO systems. Under the guidance of the senior management, the Engineering Team is introducing new and innovative technologies applicable to both bus fleets and bus operations.



KMB and LWB commit to employing eco-friendly buses to foster carbon neutrality in Hong Kong

SUSTAINABILITY REPORT



Adopting TCFD reporting

The Task Force on Climate-related Financial Disclosures (“TCFD”), established by the Financial Stability Board, was set up to define how reporting could take account of climate-related issues. We adopted the framework recommended by TCFD, discussing in detail the risks of climate change, the potential impact on our business, and the actions we are taking to cope with these risks.

Governance

TIH’s Board has overall accountability for managing all risks and opportunities, including climate change. The Board-level Committee, Audit and Risk Management Committee, was appointed to oversee strategic ESG-related issues related to TIH, including climate-related strategies, policies, actions and disclosures. It informs the Board of the strategic risks and opportunities presented by climate change, which forms part of the Board’s discussion of TIH’s short- to long-term plans.

Our Environmental Targets

Our Visions and Targets

To align with the National 14th Five-Year Plan and the emission reduction target of the HKSAR Government, the Group has outlined a vision of upgrading the whole fleet with new energy buses by 2050. Hence, we have set short-term Environmental Targets for the financial year (“FY”) 2023. Using FY2019 as the baseline, we plan to reduce the carbon intensity and energy intensity, comprising carbon footprint of bus, oil consumption, electricity consumption and water consumption. Meanwhile, the Group is undergoing an in-depth ESG checking and planning to establish long-term targets to reach our 2050 vision.

Risk Management

We have integrated climate-related risks into the Group’s Enterprise Risk Management. A Risk Key Performance Indicator (“Risk KPI Report”), summarising the Group’s major risks as identified by the management, is submitted to the Audit and Risk Management Committee three times a year. The Risk KPI Report provides a comprehensive profile of the major risks and the mechanism established for monitoring these risks.

Target by FY 2023

(Baseline: FY 2019)



-10%

Carbon Footprint of Bus

tCO₂e per million km

Progress by FY2021: **-1.29%** (On Track)



-10%

Diesel Oil

GJ per million km

Progress by FY2021: **-1.42%** (On Track)



-10%

Electricity

kWh per m²

Progress by FY2021: **-37.50%*** (On Track)



-5%

Water

m³ per bus

Progress by FY2021: **-19.72%*** (On Track)

* The electricity and water consumption will be increased in the coming two years due to the implementation of anti-epidemic measures and reduction of using diesel oil buses.

Greenhouse Gas Emissions Reduction

KMB and LWB seek to minimise greenhouse gas emissions by judicious application of the latest technologies and interventions.

Environmental Bus Fleet

We invest in eco-friendly buses that meet the strict exhaust emission standards of the European Council of Environmental Ministers to create a better environment and minimise climate-related impacts.

At the end of 2021, there were 584 Euro VI buses (including three Euro VI diesel-electric hybrid buses), 2,935 Euro V

buses and ten battery-electric buses in the KMB fleet, and 119 Euro VI buses, 117 Euro V buses and four battery-electric buses in the LWB fleet. The latest Euro VI double-decker features a glass window that shows the staircase leading to the upper deck. Sunlight is directed onto the stairs, enhancing the brightness in the bus compartment, safety and passengers' experience. The majority of these buses have been deployed on routes passing through low-emission zones to improve the air quality in busy districts. We have been replacing older bus models with the latest and more energy-efficient bus models to enhance our bus fleet's longevity and environmental performance to achieve "zero emission". The average age of the KMB bus fleet is 6.6 years, while that of LWB is 6.0 years.



KMB has purchased 16 new single-deck electric buses as a step forward to the vision of upgrading the entire fleet to new energy buses by 2050

SUSTAINABILITY REPORT

Exploring Renewable Energy and Zero-emission Bus Technologies

KMB and LWB strive to explore renewable energy and zero-emission technologies, demonstrating KMB and LWB's determination to introduce green public transport in Hong Kong. To attach great importance to pursue the Government policy of achieving carbon neutrality by 2050, KMB and LWB introduce the electrification roadmap and plan to install over 22,000 solar panels in order to illustrate its development blueprint for new energy and electric buses.

- ✔ KMB plans to introduce 500 electric buses by 2025, accounting for one-eighth of the whole bus fleet. In the long run, KMB hopes that new-energy buses will be deployed in the entire fleet by 2050 to make Hong Kong a green city. KMB and LWB have 30 single-deck electric buses, together with the 52 double-deck electric buses privately purchased this year. It is expected to have over 80 electric buses by 2022;
- ✔ KMB has introduced the third generation solar panels on double-deckers. The system reduces the air temperature in the compartment by around 8-10°C compared to a bus without such a system. It supplies power to the fans of the air-conditioning system, thereby reducing fuel consumption. The third generation solar panel bus can save 5-8% of fuel consumption on each bus daily, which

is equivalent to reducing about six tonnes of carbon emissions per bus annually. The system becomes a standard feature in new purchase buses;


- ✔ Hydrogen fuel cell bus, alternative new energy technology, is being explored with bus manufacturers for the route with longer driving range. KMB will collaborate with different potential suppliers for hydrogen supply in order to follow the latest Government policy for the pilot trial scheme; and
- ✔ About 22,000 solar panels will be installed on buses, at depots, and bus stops. Up to ten million kilowatt-hours (kWh) of electricity will be generated annually, equivalent to the annual electricity consumption of 2,300 households in Hong Kong, and reducing about 5,400 tonnes of carbon dioxide emissions. As a franchised bus company with the largest solar panel system in Hong Kong, KMB and LWB aim to lead the public transport industry toward the new green era and promote carbon neutrality.

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. Our buses generally demonstrate compliance with the requirement.



To promote green public transport in Hong Kong, KMB and LWB lay out an electrification roadmap and install solar panels at bus stops and on bus roofs

 CASE STUDY



Solar Bus to Reach Carbon Neutrality

To address the global warming crisis, KMB has been actively promoting the use of renewable energy. The third generation solar power devices installed on bus roofs generate electricity that drives 16 fans in the air-conditioning system. Ventilators powered by solar panels will start when the temperature in the saloon reaches 35°C or above after the bus engine stops. The hot air inside the bus will be vented, lowering the temperature by 8 to 10°C and saving seven litres of fuel per bus each day while reducing the fuel consumption by 5 to 8%, equivalent to six tonnes of carbon emission per year. KMB has been developing solar energy devices on buses since 2017. The third generation has a larger coverage area than previous ones. Solar panels are only 2mm thin and can be

directly pasted on bus roofs without installing aluminium frames, reducing the weight added to buses from 110kg to 70kg. The device also supplies electricity to the fans in the air conditioning system, increasing the energy efficiency by 33% when compared to that of the previous generation.



Reducing 8%
of fuel consumption per bus daily



Reducing 6 tonnes
of carbon emission per bus annually



Eric Cheung, Engineer at KMB

“ Summer in Hong Kong is hot. The temperature inside bus compartments rises when buses are parked outdoor under bright sunlight. We used to start engines and air conditioners to cool the bus interiors before picking up passengers, causing higher fuel consumption. In view of this, we have conducted studies on installing solar panels on bus roofs to supply electricity to exhaust fans on buses to vent the hot air out; that is, using solar energy to solve the heat problem brought by the sun. We have been improving our solar panel designs by introducing ultra-thin solar panels as thin as 2mm. The new design makes the panels weigh less and have a larger coverage area that almost doubles the power supply efficiency. We have played a team effort throughout the process and are very happy to contribute to environmental protection. ”

SUSTAINABILITY REPORT

Emissions Reduction

KMB and LWB adopt the latest technologies to reduce roadside emissions and maintain the good air quality in bus compartments. We have a number of measures, including using Near Zero Sulphur Diesel, renewing the models and upgrading older buses by retrofitting exhaust treatment devices, such as Diesel Oxidation Catalysts, Diesel Particulate Filters, and Selective Catalytic Reduction units, to meet the high standards of exhaust emission laid down by the European Council of Environmental Ministers.

As part of our environmental protection commitment, KMB and LWB make continuous investments in upgrading the environmental performance of bus fleets and patrol cars. KMB and LWB have introduced electric patrol cars for back-up support and set up electricity-recharging facilities at the main depots.

Energy Saving

KMB and LWB take all practicable measures to reduce resource consumption and streamline waste disposal procedures. We handle and dispose of all materials in compliance with applicable laws and regulations, and we do it in a responsible way without posing risks to human health or the environment.

Fuel

To reduce fuel 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 reduce unnecessary cooling;
- ✔ The use of synthetic gearbox oil extends the oil drain interval to reduce waste oil by 80%; and
- ✔ The mileage-based oil change scheme reduces engine oil consumption and waste oil by 40%.

Electricity

We continue to explore environment-friendly initiatives and invest in the latest technologies to minimise energy use and reduce greenhouse gas emissions.

Besides our one-off LED light replacement and continuous housekeeping measures, we have dynamically adjusted our electricity consumption pattern in accordance with the latest operation scales, including adjustment of illumination time of parking depots and optimisation of equipment used to support our facilities' operation duration.

We cooperate with a power company to install Solar Photovoltaic Systems consisting of more than 3,500 solar power panels at depots, bus termini and bus shelters to strengthen the application of renewable energy and reduce greenhouse gas emissions.

Green Measures in the Office

The Green Office concept drives both the design and the renovation of our premises. We run our air-conditioning system at 25.5°C to align with the Government's Action Blue Sky Campaign and save energy. Operating hours have also been rearranged to reduce energy waste during non-office hours. High-efficiency air conditioning units are installed in all newly renovated offices. Solar film will be installed on building windows to isolate the outside heat effect and reduce electricity consumption and the demand for air-conditioning. We have also set up recycling arrangements for used toners, plastic materials and used papers.

Waste Reduction

KMB and LWB are committed to good waste management through responsible storage and disposal of waste, recycling and reusing resources whenever feasible. Significant types of waste generated in our operations are reported as follows:

Waste Water

As responsible corporate citizens, KMB and LWB are committed to reducing water consumption and properly treating effluents before discharge. Our depots are equipped with ten automatic waste water treatment systems handling 400 cubic metres per day. The water used for bus washing was collected and recycled, reducing total water consumption at depots by around 4%. Newly set up rainwater collection and recycling system has been introduced in some of our satellite depots. We would continue to install more rainwater collection and recycling systems in some other bus depots in the coming years so as to increase water consumption saving.

Our Environmental Targets

Target by FY 2023

(Baseline: FY 2019)



Solid Chemical Waste

kg per million km

Progress by FY2021: **-3.79%** (On Track)



Metal

kg per million km

Progress by FY2021: **-1.28%** (On Track)

Tyres and Metals

Used KMB and LWB tyres were retreaded by KMB's appointed contractors. The waste metals were sent to recycling companies.

Fluorescent Tubes

KMB and LWB sent used fluorescent tubes to the Government's Chemical Waste Treatment Centre for recycling.

Oil and Chemicals

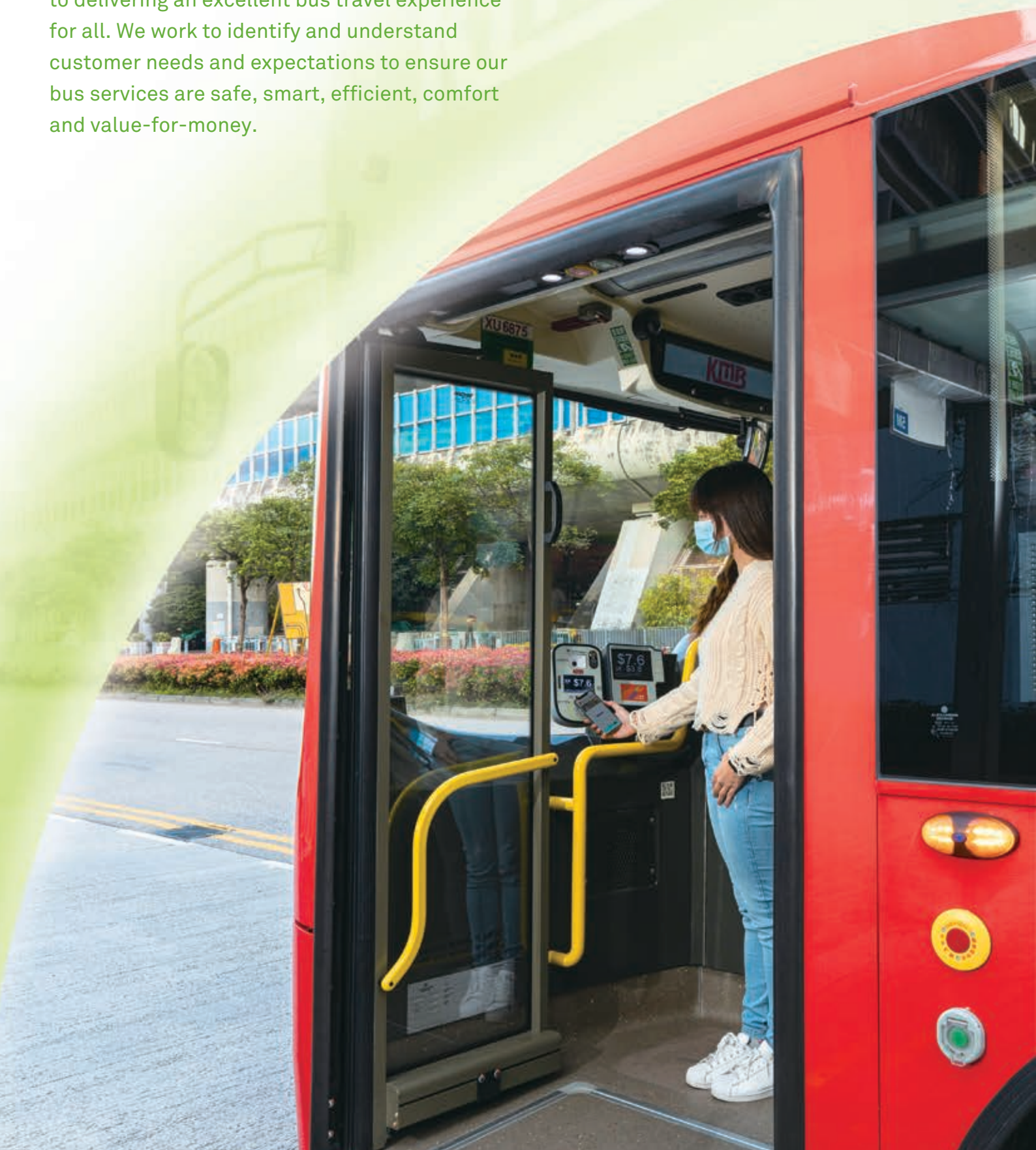
Solid chemical waste is processed and stored by type in designated areas at bus depots before being disposed of by a registered chemical waste collector at the Government's Chemical Waste Treatment Centre, while waste oil is recycled or disposed of in accordance with the statutory standards.

Batteries are disposed of by a licensed contractor complying with the instructions of the Environmental Protection Department ("EPD"), with some of them exported to overseas facilities approved by the EPD under the Basel Convention.



Care for Customers

As a public transport provider, we are dedicated to delivering an excellent bus travel experience for all. We work to identify and understand customer needs and expectations to ensure our bus services are safe, smart, efficient, comfort and value-for-money.





Industry, Innovation and Infrastructure



Sustainable Cities and Communities

Innovation and Convenience

We believe that innovation and technology are key to benefiting the industry and communities with a convenient, diversified and sustainable travel environment.

Electronic Payment System

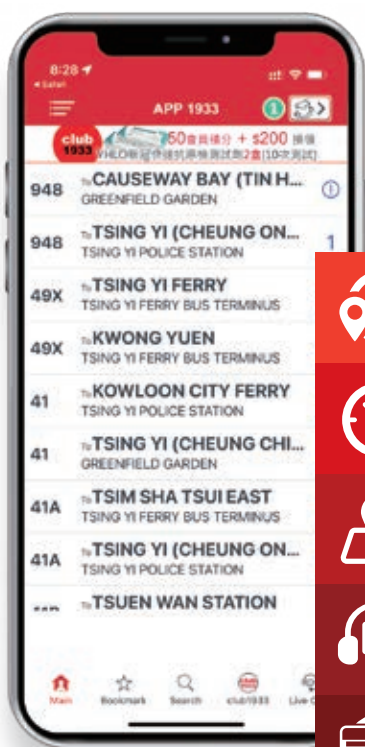
LWB has become the first franchised bus company in Hong Kong to install a diversified electronic payment system in its fleet. The system supports ten contactless payment methods, including credit cards, digital wallets on mobile devices, smart watches, and QR code for easy, fast and convenient bus fare payment options. It demonstrates our commitment to providing a better travelling experience and contributes to Hong Kong’s smart city vision. In 2021, the diversified electronic payment system has been extended to KMB.






App1933

With one million daily unique users and around six million downloads, the KMB and LWB mobile app, App1933, elevates customer experience with a more convenient and personalised service offering.

App1933 allows users to check bus route information and the estimated time of bus arrivals. App1933 had a number of upgrades during the year, including:

- ✔ The introduction of Estimated Travelling Time and upgrade of the Bus Estimated Time of Arrival (“ETA”) service, to enable users to plan their trips more easily and check the ETAs provided by KMB and LWB as well as other franchised bus companies;
- ✔ The enhancement of the built-in location-based function, with which users can check real-time traffic conditions, weather information, flights schedule, anti-epidemic information and bus route suggestions based on their current location through the new “Relax Corner” feature;
- ✔ The introduction of the new membership scheme club1933, under which passengers can enjoy bus rides while earning points for gifts; and
- ✔ The development of the Artificial Intelligence Chatbot function, through which users can obtain information directly and precisely.



-  Estimated Travelling Time
-  Estimated Bus Arrival Time
-  Bluetooth Beacon Signal
-  Chatbot
-  Real-time Traffic Conditions & Weather Information

App1933 has been further enhanced with a series of innovative caring functions to take better care of passengers’ needs

SUSTAINABILITY REPORT



Buses under the “New Long-haul Bus Service” are equipped with free 5G Wi-Fi to elevate passengers’ travelling experience

New Bus Services

We have implemented a number of enhancements to our bus service over the past few years to deliver a more pleasant and comfortable journey to our passengers.

- ✔ Our “New Long-haul Bus Service” mainly provides free 5G Wi-Fi service, the latest safety features, comfortable seats and allows no standee, offering a brand-new travelling experience to passengers; and
- ✔ An introduction of “5G Bus” with an ultra-fast free 5G Wi-Fi service. Passengers can enjoy 5G Wi-Fi service for free with unlimited sessions, elevating their travelling experience with an ultra-fast, stable and smooth 5G network.

Facilities Upgrade

- ✔ Since the outbreak of pandemic in 2020, KMB has retrofitted more than 600 new licensed Euro VI buses with horizontal ventilation windows to provide natural ventilation and to bring passengers a comfortable journey;
- ✔ The Solar-powered Bus Shelter Campaign promotes green energy by installing solar panels to power lighting or mosquito repelling devices. 1,950 bus stops have been equipped with solar power equipment;
- ✔ The enhancement of the bus route information sheets has been completed. Passengers can now scan the two-dimensional QR code on the new layout information sheets posted at bus stops for further bus route information, including bus frequencies;

- ✔ KMB and LWB have installed the Bus Information Panel System on more than 3,900 buses. With the alighting reminder function on App1933, passengers can obtain real-time bus stop information through the display screens on the upper and lower decks;
- ✔ 1,100 bus stop locations are equipped with display panels showing the estimated time of bus arrivals;
- ✔ The air quality in bus compartments benefits from electrostatic air filters installed on KMB and LWB buses; and
- ✔ All KMB and LWB buses 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. The air-conditioning systems have a fresh air function that extracts fresh air outside the compartment and purifies it using a double-layer filter system.

Accessibility

Access to transportation is vital for independent living. An accessible transport system is the building block of an inclusive society.

Accessible Bus Fleet

The entire KMB and LWB fleets deploy super-low floor buses for easy boarding and alighting, as well as wide entrance and exit doors for better passenger access, which means all KMB and LWB buses are accessible to the elderly and wheelchair users. In addition, KMB has retrofitted around 200 buses to accommodate two wheelchair passengers, to run mainly on routes travelling to and from hospitals.

Upgrade of Depots, Termini and Bus Stops

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

- ✔ Bus Interchange Platform Numbering System is launched to facilitate passengers with greater convenience to enjoy Bus-Bus Interchange concession and have more choices; and
- ✔ Seats for the elderly, the disabled and young children are being introduced at bus shelters, bus termini and interchanges. By the end of 2021, 2,205 seats had been installed.

Affordability

Fare Concession Schemes

KMB and LWB are committed to providing efficient bus services for the public. A number of fare concession schemes were introduced in 2021, including the following:

KMB

- ✔ KMB extended the Regional Short-haul Two-way Section Fare Scheme in Tuen Mun, Yuen Long and Tin Shui Wai to a total of 34 routes, in which the number of card readers increased to 53. The second Scheme was extended to Tseung Kwan O covering 16 routes with 27 card readers. Passengers of 15 selected routes can enjoy intra-district rides with a single fare as low as HK\$5.4 by tapping an Octopus card over any of the 27 Octopus card validators at bus stops after alighting;
- ✔ KMB Fare Saver Scheme offered a fare discount of up to HK\$4.0, covering some campuses of educational institutions and shopping malls;

- ✔ Partnering with Wilson Parking to encourage Park-and-Ride on KMB buses from Admiralty to Central, Wan Chai and Causeway Bay;
- ✔ A new interchange discount scheme for passengers interchanging designated bus routes between Ma Wan and Tsuen Wan, and vice versa;
- ✔ A senior passengers' special fare rebate scheme launched on weekends and public holidays in November and December 2021;
- ✔ ICBC/KMB UnionPay Dual Currency Cardholders enjoyed a maximum of 20% bus fare rebate when they paid for KMB and LWB rides;
- ✔ A fare rebate scheme for Citibank cardholders who enjoyed a 15% bus fare rebate year-round;
- ✔ Partnering with Hong Kong Tramways Limited and some Green Minibus operators, KMB provides inter-modal interchange fare concessions covering routes on Hong Kong Island and in the New Territories;
- ✔ A KMB-MTR interchange discount for passengers interchanging from designated routes solely operated by KMB to designated MTR stations, and vice versa; and
- ✔ Four new Bus-Bus Interchange concession schemes covering new services in New Territories East and West.

LWB

- ✔ ICBC/KMB UnionPay Dual Currency Cardholders enjoyed a maximum of 20% bus fare rebate when they paid for KMB and LWB rides;
- ✔ A fare rebate scheme for Citibank cardholders who enjoyed a 15% bus fare rebate year-round; and
- ✔ A new Bus-Bus Interchange concession scheme with New Lantau Bus was offered for passengers to leisure spots in Mui Wo, Tai O and Ngong Ping.



Platforms at interchanges and along trunk roads are now numbered so that a bus stop can be more easily located and more transfer options be provided



KMB Monthly Pass holders can enjoy exclusive privileges including the Bus Passenger MicroInsurance

Bus-Bus Interchange (“BBI”) Schemes

KMB and LWB’s BBI Schemes offer fare discounts to passengers on the second leg of journeys and broaden the network coverage. As of the end of 2021, KMB operated a total of 157 BBI Schemes covering all KMB operated routes, while LWB operated 28 Octopus BBI Schemes covering 29 routes. The opening of the bus interchanges at the Tseung Kwan O Tunnel (Kowloon-bound) allows passengers to travel with a flexible journey plan. The KMB and LWB websites provide more detailed and comprehensive route-to-route BBI information for passengers.

KMB Monthly Pass

The KMB Monthly Pass Scheme, whereby passengers can take up to ten rides per day on KMB buses for HK\$780 (and two additional trips on Route B1). The Pass covers over 400 KMB routes, including regular routes, overnight routes, racecourse routes and jointly operated Cross-Harbour Routes operated by KMB. The price of the Pass remains unchanged even the fare increment was launched in April 2021.

The KMB Monthly Pass holders can unlock some exclusive privileges, including the following:

- Each purchase of Monthly Pass can earn 780 points of the KMB membership scheme, club1933. Along with 200 welcoming points, the Pass holders can earn 980 points during the first registration, and the points are redeemable for KMB Masks and special gifts;

- Enjoy seamless protection from the Bus Passenger MicroInsurance “BUS RYDE” during a KMB journey;
- Enquiries via the KMB Monthly Pass Exclusive Hotline (3947 7888) will be handled by assigned operators; and
- Experience a comfortable bus journey on LWB “A” Routes, Routes P960 and P968 by paying a “Fare for Upgraded Journey.”

Customer Privacy Protection

As the public uses our transport services on a daily basis, we recognise the vital role we play in protecting our customers’ privacy and strive to be a trusted bus company.

Attaching great importance to personal data protection, the Group has established working instruction guidelines to prevent inappropriate disclosure of personal data. Stickers are posted on all buses equipped with a CCTV system to inform bus passengers and bus captains of their presence and purpose. Authorised personnel will access recordings from CCTV cameras solely for security and incident investigation purposes. The recorded data is controlled by the management and will only be accessed, copied or viewed following management approval in accordance with the governing procedures.

CCTV cameras, including forward-looking cameras, to monitor road and saloon conditions, have been standard features on all new buses since 2015. At the end of 2021, CCTV cameras were installed on all KMB and LWB buses. The cameras protect the interests of bus captains in the event of police investigations or legal proceedings.

CASE STUDY

Enhancing their Experience through Innovative Initiatives

Innovation and caring services underpin KMB and LWB's philosophy. We have launched numerous fare concession plans to give back to customers and enhanced services to meet the daily needs of the public. KMB and LWB have launched a new membership programme, club1933. Passengers can register through the mobile application App1933 and earn points by taking buses to redeem exclusive gifts besides KMB Masks and hand sanitisers, which is an all-new travelling experience offered to passengers while we fight against the pandemic together with the community.



Mr Li, Passenger

In view of the demand for weekend entertainment, we have published Recreational Routes Recommendation eBooks to share with passengers many different leisure hot spots and themed tours across the city. Whether you are a lover of the indoors or a great outdoorsman, and no matter if you enjoy the urban bustle or countryside serenity, you can still fully enjoy your weekends and holidays on the recommended routes.

“ There were fewer choices of transport in the past. Now with more Octopus card validators installed for regional short-haul two-way section fare scheme at bus stops and bus interchanges, I can have more options to choose from when I go out. What's more, I can join club1933 to earn points and redeem gifts by travelling by bus. I love using App1933 to look for different bus interchange combinations that best fit my needs and get route recommendations for weekend leisure. I start to think that taking buses is a pleasure rather than just a habit. ”

Care for Employees

We are committed to building a community where our employees can thrive, be respected and empowered. We maintain our focus on advancing employee welfare and the working environment to promote a healthy and positive work culture across TIH.

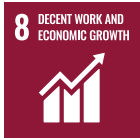




Quality Education



Gender Equality



Decent Work and Economic Growth



Reduced Inequalities

Human Resources Policy

We take care of our employees by maintaining a safe, respectful and harmonious work environment. We adopt a set of comprehensive human resources policies promoting gender equality, offering protection against sexual harassment, occupational health and safety, 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 respect employees' rights to join trade unions.

As an equal opportunity employer, we are committed to ensuring that no job applicant or employee is discriminated against on the grounds of race, gender, 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 are 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 use their position to solicit or receive any advantage from the public.

We remind our employees to comply with our Human Resources Policies at all times. In addition, we have a complete complaints handling mechanism in place. In case we receive complaints, we would thoroughly investigate all complaints on breach of the above policies and take appropriate action. Depending on the degree of seriousness of the complaint, an ad-hoc committee may be set up to investigate the complaint. Severe disciplinary action, including summary dismissal, will be instigated in case of any violation.



For better protection of staff and their families, the Government's outreach COVID-19 vaccination team has been invited to administer vaccines in KMB and LWB depots

SUSTAINABILITY REPORT



The scholarship programme set up by KMB and LWB has benefitted more than 370 children of our staff members

Staff Benefits and Wellbeing

To attract and retain talented staff, competitive benefits 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 benefits package for full-time employees by:

- ✔ Increasing the annual leave entitlement of frontline and clerical staff;
- ✔ Upgrading the staff medical benefits by reallocating the staff clinics to more convenient locations; and
- ✔ Enhancing the staff dental benefits by providing more choices of service vendors and convenient locations at corporate discount rates.

We are committed to fostering a caring culture which covers both our staff members and their families. Since 2015, we have been providing a scholarship programme for the children of staff with satisfactory academic performance to support their tertiary education. As at 31 December 2021, more than 370 children of KMB and LWB staff members had received scholarships. We further launched an 8-week summer internship programme for our staff's children this year, allowing students to understand their strengths and potentials and have a better future career plan.

Festive joys were brought to our staff at different festivals as well. At the Lunar New Year, we distributed Chinese New Year gifts to our staff, while at Christmas, we organised a Christmas Lucky Draw live broadcast to celebrate the festive season. Senior corporate executives and managerial staff joined the gatherings and shared the festive joy with colleagues. During the year, several initiatives were implemented with overwhelming feedback. Online concerts also attracted those who were fond of talent shows.

In 2021, KMB and LWB launched a series of health-related activities, including health talks, free health books distribution, healthy meal menu available in staff canteens, a sports competition including jump rope and hula hoop, to promote a healthy lifestyle. To safeguard the health of our employees and passengers, we arranged the Government's outreach vaccination service and group booking service for our staff and their family members.

KMB and LWB continue to renovate and upgrade the working environment, especially for frontline staff, to provide better rest facilities for staff to take rest breaks. Our staff leisure areas, Club 1933, at Kowloon Bay Depot and Lai Chi Kok Depot, where a pool table, air hockey table and table football, are available.

To promote work-life balance, KMB and LWB staff members are encouraged to participate in sports and leisure activities as well as voluntary work. As at the end of 2021, ten interest clubs were available for staff interested in singing, hiking, photography, basketball, table tennis, badminton, soccer, running, chess and dragon boat racing. Various activities, training, and competitions were organised to promote a healthy work-life balance and boost team spirit.

In the most uncertain of times like during the COVID-19 pandemic, supporting employees' mental health is as important as other initiatives. KMB and LWB have engaged the Christian Family Service Centre to provide a counselling hotline service for staff members, including bus captains who need psychological assistance. The hotline offers service 24 hours a day, 7 days a week, and covers family members.

Occupational Safety and Health

To promote and develop a strong safety culture among the Company, Safety Quiz, incorporating occupational safety and health issues and operations safety with both online and physical arrangements, was held successfully in 2021. KMB and LWB staff members are encouraged to suggest improvement measures to enhance health and safety. We have adopted staff suggestions at the regular meetings of the Working Committee for Safety, a series of safety control measures have been introduced.

TIH Retiree Association

The TIH Retiree Association was formed to maintain close contact with retired colleagues through various activities. Owing to the outbreak of COVID-19, regular activities such as afternoon tea gatherings and festive gift distribution have been suspended. We have thus utilised the Facebook page and set up a KMB retiree website to share activity photos, so as to enhance our communication channel with the retirees and promote mutual support.

Staff Development and Training

In 2021, KMB Technical Training School run 212 in-house training sessions for 1,020 skilled workers, while ten training sessions were organised in collaboration with our manufacturers for 171 senior maintenance staff. In addition, 28 apprentices were enrolled in the Apprentice Training Programme. The quality of our apprentice training was once again recognised in 2021 when a KMB apprentice was awarded the third Runner-up in the Vocational Training Council's Best Apprentice in the Automobile Trade Competition.

To nurture young people who aspire to a career in bus maintenance, the School runs a four-year apprenticeship training programme and a two-year technical trainee programme, in which the technical trainee programme was accredited by the Hong Kong Council for Accreditation of Academic and Vocational Qualifications and recognised at level two under the qualification framework in Hong Kong, marking a new professional standard for the bus industry. The technical trainees who complete the programme will receive the "Certificate in Bus Maintenance" and a Completion Certificate recognised by two European bus manufacturing giants, Alexander Dennis Limited and Volvo Buses.

The total number of graduates since the School was established in 1973 stands at 2,549. KMB Academy is established in early 2022 to demonstrate our determination to strive for continuous service improvements and staff training, as well as to ensure a stable team providing maintenance service for the KMB, LWB and the transport industry.

Continuous Learning

Our diversified learning channels provide self-learning opportunities, including internal classroom training and e-learning programmes. Job rotation and secondment opportunities are also available so that our employees may broaden their understanding of the industry. We regularly organise customised training and learning activities for all staff levels to keep them abreast of the latest industry trends, knowledge and work skills. For instance, we arranged a training course for Inspectors under Operations Section to enhance their knowledge and skills on handling emergency traffic incidents.



KMB and LWB have organised sport competition and parent-child activities to promote a healthy work-life balance

SUSTAINABILITY REPORT

Recognition for Service Excellence

In 2021, 264 Star Bus Captains were recognised for their outstanding performance in safe driving and customer care. Long service awards were presented to staff in recognition of their loyal service. A total of 36 employees received the 35-year award and a gold medal, 71 and 326 employees received the 30-year and 20-year awards, respectively, with a plaque and a pin, and 269 employees with ten years' service received a certificate of appreciation.

Besides, a total of 105 Bus Captains were granted the Annual GreenRoad Outstanding Awards, which was newly introduced in 2021. The top ten Gold Awardees were presented a HK\$10,000 cash prize and a certificate of appreciation. Including the Retirement Awards, over 1,500 employees were awarded in appreciation of their loyal and outstanding service.

Staff Communication

To strengthen bilateral communication and employee wellbeing, the Joint Consultative Committees, comprising the management and staff representatives representing around 90% of total workforce, holds meetings regularly. The meetings are to review issues including safety, operations, work environment and staff welfare.

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 through the internal application, OPS1933, and internal portal, as well as using an 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.

We make use of media and online platforms to share information with our staff to cope with the onset of the COVID-19 and various infection control measures. Several online activities and programmes, including an online staff music concert and the Christmas Lucky Draw, were held on the KMB Staff Facebook page to maintain the connection with staff members.

Senior Management Visits

KMB and LWB senior management members visited bus termini, depots and offices during the year to support our colleagues and listen to their opinions. These visits provided an excellent opportunity for staff to share their views about operational matters and workplace-related issues with the management team members.



Training courses are provided for operation inspectors to enhance their knowledge and skills in handling emergency traffic incidents

CASE STUDY

Embrace Meritocracy and Equality

KMB is committed to creating an inclusive society by promoting equal job opportunities and constructing a harmonious working environment. For years, KMB has initiated a flexible employment mode to hire people with disabilities, non-Chinese and retirees. Their jobs and work hours are arranged based on their talents and education levels. They enjoy the same benefits as other full-time staff members do, including annual leave, medical and body check benefits, a bus pass for their dependents, a discounted price for haircuts, shopping discounts, etc.

The Coin Box Operations Section has hired people with hearing-impairment to help collect coin boxes on buses on a routine basis, and sort and count the coins by putting them into the sorting machine. KMB has also hired graduates from Hong Chi Association to assist in bus cleaning.

Besides jobs at workshops, KMB also offers back-end clerical positions for people with disabilities to discover their talents. This not only allows them to realise their full potential but also gains more practical experience that can be applied in daily life. The Customer Service Centre in Tuen Mun Road Interchange also offers internships for disabled people, where their retail and customer services skills are trained.

KMB also hires non-Chinese and retirees to work in different positions, including bus captains, maintenance workers and clerks, to let them utilise their skills and integrate into the big family of KMB.



16.0%

of the total workforce are non-Chinese, people with disabilities or retirees.



Chan O-shun, Worker at Coin Box Operations Section

“ KMB is my first employer. I have joined the Company for more than three years and got along well with my colleagues. They have offered me a lot of help, and we’re just like a family. Besides the Coin Box Operations Section, KMB also lets me work at the Legal Department, where I can learn more computing skills including word processing. All these have enhanced my interpersonal skills. It is beyond my expectation that I would work in an office, and I really treasure such an opportunity. ”

Stakeholders Engagement

We support various initiatives to advance the well-being of the community and engaging our stakeholders through effective communication channels.





Athletes participated in the Tokyo 2020 Olympic Games and Paralympic Games were awarded Bus Naming Rights and free ride passes as a commendation for their efforts

Engaging the Public

With a close relation with the community, we actively engage the public to connect and solicit feedback. This helps us build a strong community to create shared values for all.

Events

In 2021, a number of events were organised to interact with the public we serve:

- ✔ KMB and LWB held a total of 12 Passenger Liaison Group meetings at bus termini across their operating areas to collect customer views on a variety of issues, including interchange schemes, environment-friendly buses, passenger facilities and network connectivity;
- ✔ In April and October, KMB ran pop-up stores at Tuen Mun V city and Sham Shui Po V walk. The stores allowed the public to understand more about KMB's services, showcasing bus models and providing various games and photo opportunities related to bus services;
- ✔ In July, KMB joined the Hong Kong Book Fair in Hong Kong Convention and Exhibition Centre; and
- ✔ In December, as a commendation for the can-do spirit of Hong Kong elite athletes and their outstanding achievements at the Tokyo 2020 Olympic Games and Paralympic Games, KMB held an appreciation ceremony to offer "Bus Naming Rights" and free ride passes to all athlete representatives of the Hong Kong Delegation.

Media and Social Media Platforms

In 2021, we invited the media to our events to strengthen communication 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. These activities proved popular, as the number of fans of our Facebook page grew from over 170,000 in January to over 181,000 at the end of December. Likewise, the KMB Instagram account had reached more than 762,000 netizens in 2021.

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

The following activities were organised via online social media platforms:

- ✔ Throughout the year, KMB Facebook promoted different events with images, GIFs and videos, especially for safety measures against COVID-19 and bus services; and
- ✔ In December, KMB organised Christmas give-away events to KMB fans through Facebook and Instagram.

App1933

KMB has further launched the "Relax Corner" on App1933 to strengthen passenger information and interaction. Mini-games, bus fans blog, anti-epidemic measures and other updated route information are available in this corner.

SUSTAINABILITY REPORT

club1933

A new membership scheme, club1933, was launched bringing a brand new travelling experience to passengers. Passengers can register on App1933 and travel by bus to earn redeemable points on exclusive privileges.

Websites

The KMB and LWB websites (www.kmb.hk and www.lwb.hk), as corporate information portals, provide corporate news, promotion information and a customer enquiry service. The websites also serve our passengers by providing a map-based point-to-point bus route search function with 360-degree photo “Street View” and “Octopus Refund Enquiry” functions.

Depot Visits

To increase our stakeholders’ understanding of the daily operations at our bus depots, we received visitors from seven organisations in the reporting period, including social service organisations, Government departments and higher education institutes. We also engaged schools and non-government organisations through a depot visit programme to promote good manners and safety awareness on the bus, especially for students and families. We hosted 18 delegations in 2021.

Excellent Customer Service

KMB and LWB place great emphasis on providing quality services for customers and welcome customers who wish to express their views on bus service. At KMB and LWB, we treat substantive feedback as a reference for continuous service improvement and future service development.

Introduction of Chatbot

To provide more channels for passenger enquiries, KMB and LWB have set up an artificial intelligence Chatbot channel, bot1933, on their websites and App1933 to provide instant and year-round responses to customer enquiries. Since its launch in October, the capability of Chatbot channel to handle passenger enquiries was being enhanced and received positive feedback.

Customer Service Hotline

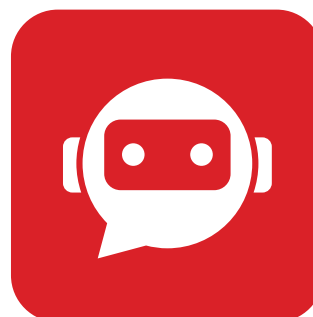
The KMB customer service hotline (2745 4466) and LWB customer service hotline (2261 2791) with a hotline operator service available daily, complemented by a 24-hour hotline system. Shortcut keys to get through to a live operator are available for prompt reporting of illegal parking that affects bus service and for providing assistance in finding lost elderly people.

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. Tuen Mun Road Bus-Bus Interchange Customer Service Centre provides an air-conditioned waiting area for passengers to enjoy a comfortable environment.



KMB and LWB has launched a Chatbot channel, bot1933, to provide instant and year-round response to customer enquiries





The Donation of Used and Retired Bus Programme has received positive feedback from schools and students

Membership of Associations and Advocacy

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

- ✔ Business Environment Council;
- ✔ Employers' Federation of Hong Kong;
- ✔ Federation of Hong Kong Industries;
- ✔ Hong Kong Association for Customer Service Excellence;
- ✔ The Chartered Institute of Logistics and Transport in Hong Kong; and
- ✔ The Hong Kong General Chamber of Commerce.

Serving the Community

We take steps to understand the needs of our community and actively support various initiatives in society. We leverage the Group's business strengths and resources to optimise positive social impacts, mainly through engagement with the elderly and nurturing youth development.

Donation of Retired Bus and Bus Stop Pole

To support sustainability and recycling and help the people in need, we have donated retired buses and bus stop poles to schools and elderly homes. KMB launched the Donation of Used and Retired Bus Programme in 2016 to donate used and retired buses to schools and non-profit organisations. The buses can be regenerated explicitly to meet the creative learning needs of the schools or non-profit organisations. For the Donation of Bus Stop Pole Programme, we donated tailor-made bus stop poles to the elderly homes to help prevent seniors with dementia from wandering and missing and assist them in receiving treatment.

The list of beneficiary schools/non-profit organisations that received a donated bus/bus stop pole in 2021 is as follows:

Retired bus donation

- ✔ Tsang Pik Shan (Sung Lan) Secondary School;
- ✔ Creative Kindergarten; and
- ✔ Tung Wan Mok Law Shui Wah School.

Bus stop pole donation

- ✔ Lok Sin Tong Biu Chun Day Care Centre for the Elderly;
- ✔ TWGHs Jockey Club Blissful Villa; and
- ✔ Heung Hoi Ching Kok Lin Association Buddhist Po Ching Care And Attention Home for the Aged Women.



Bus stop poles are donated to elderly homes to help prevent seniors with dementia from getting lost

SUSTAINABILITY REPORT

Community Participation

- ✔ 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 bus routes to people with disabilities and one accompanying carer every year;
- ✔ KMB and LWB supported the annual Senior Citizens Day by offering free rides to people aged 65 and over;
- ✔ KMB offers Free Ride Days (Cross-Harbour Routes and Recreational Routes) for the elderly on Saturdays, Sundays and Christmas Holidays in November and December. Through the “Rebate-after-ride” arrangement, the elderly can automatically get the fare rebate using the same Elder Octopus card to take a bus trip, make a consumption or reload after ten working days;
- ✔ KMB has invited medical specialists to shoot a video for broadcast via the bus information panels at bus stops and on buses, sharing health precautions with the elderly; and
- ✔ We sponsor a variety of local community programmes, including The Community Chest of Hong Kong’s Dress Casual Day and the University of Hong Kong’s Distinguished Transport Lecture Series and take part in The Hong Kong Council of Social Service Caring Company Patron’s Club. In 2021, KMB provided bus body

advertisements for 20 non-governmental organisations (“NGOs”) on 31 buses.

FRIENDS OF KMB

KMB’s volunteer club FRIENDS OF KMB (“FRN”) has been promoting environmental protection, civic education and social service activities since it was formed in 1995. In the reporting period, FRN comprised 2,170 members, including passengers and KMB and LWB staff and their dependents.

During the reporting period, FRN volunteers participated in regular home visits and made care calls to the elderly who suffered from depression. The programme was organised by the Suicide Prevention Service, with whom FRN has built a partnership since 2013. FRN also assisted Food for Good Community Kitchen in packing hot meals and the People Service Centre’s “Food Friend Action” in collecting food from markets and bakery shops for the elderly and underprivileged families every week. In recognition of our contributions to the community, FRN received the Award of 10,000 Hours for Volunteer Service, Honour Award in the Highest Service Hour Award (Private Organisations – Best Customers Participation) and Merit in the Highest Service Hour Award (Private Organisations) from the Social Welfare Department.



FRN has continued its voluntary work amid the pandemic



CASE STUDY



Joining Hands to Embrace Social Inclusion

KMB and Hong Chi Association (HCA) have joined hands to foster a business-school partnership to take students out of the classroom. Students are given more opportunities to showcase their talents, which helps them integrate into society and equips themselves to enter the job market after graduation. Through KMB's Customer Service Centre at the Tuen Mun Road Bus Interchange (Tuen Mun-bound), students are able to show their art installations and sell their handmade decorations and accessories to the public. We have also provided on-the-job training courses for students on cleaning, cashier and shopkeeping services. The Café1933, a staff coffee shop, offers retail placements

as well as food and beverages for students. Under the partnership, KMB has also recruited graduates to clean bus compartments at depots and help with office gardening and greening. KMB is using its resources in many different ways to benefit and nurture the youth, including donating retired buses under the Donation of Used and Retired Bus Programme.



Mr Yuen Hok Sum
Principal, Hong Chi Morninghope School, Tuen Mun

“ Students' placements and training opportunities are fewer under the pandemic. KMB has provided a multi-platform and placements for students to participant in animation production, show their artistic creations and improve their retail skills. Students are satisfied to have a chance to show their creations to the public. The interactive process helps students develop and unleash their potential. It is good for them to have pre-work experience. ”

Performance Highlights



Safety

Over 80% of bus captains received excellent results in GreenRoad Outstanding Award on Safety and Eco-driving Performance



Environment

Diesel oil consumption intensity
↓ 0.69%



Customer

AI Chatbot channel, bot1933 provided a 24-hour service



Employee

16% of total workforce with non-Chinese, people with disabilities and retirees



Community

Over 36,000 voluntary hours



Supply Chain

Set up Green and Sustainable Procurement Policy

Reporting Governance

SUSTAINABLE DEVELOPMENT GOALS

TCFD

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Performance Statistics

	Unit	FY 2020	FY 2021	Year-On-Year Change
Environmental				
Emissions				
GHG Emissions of Bus (Scope I)	tCO ₂ e	506,459 ¹	516,326	+1.95%
GHG Emissions of Bus (Scope I) Intensity	tCO ₂ e per million km	1,769 ¹	1,756	-0.73%
GHG Emissions of Electricity (Scope II) ²	tCO ₂ e	12,852	6,920	-46.16%
GHG Emissions of Electricity (Scope II) Intensity ²	tCO ₂ e per m ²	0.033	0.017	-48.48%
Nitrogen Oxides (NOx) ³	tonnes	1,635	1,675	+2.45%
Sulphur Oxides (SOx) ³	tonnes	3.09	3.16	+2.27%
Particulate Matter (PM) ³	tonnes	118	121	+2.54%
Waste				
<i>Hazardous Waste</i>				
Solid Chemical Waste	kilograms (kg)	1,453,020	1,411,945	-2.83%
Solid Chemical Waste Intensity	kilograms (kg) per million km	5,075	4,803	-5.36%
Tyres	kilograms (kg)	1,063,800	989,520	-6.98%
Fluorescent Tubes	kilograms (kg)	900	400	-55.56%
Waste Oil	kilograms (kg)	583,060	535,080	-8.23%
Battery ⁴	kilograms (kg)	166,000	230,400	+38.80%
<i>Non-hazardous Waste</i>				
Metal	kilograms (kg)	829,449	811,556	-2.16%
Metal Intensity	kilograms (kg) per million km	2,897	2,472	-14.67%
Use of Resources				
Diesel Oil Consumption	gigajoules (GJ)	7,402,297 ⁵	7,549,120	+1.98%
Diesel Oil Consumption Intensity	GJ per million km	25,855 ⁵	25,677	-0.69%
Water Consumption ⁶	m ³	339,724	241,882	-28.80%
Water Consumption Intensity ⁶	m ³ per bus	80	57	-28.75%
Electricity Consumption ⁶	kWh	25,703,619	18,702,653	-27.24%
Electricity Consumption Intensity ⁶	kWh per m ²	66	45	-31.82%

¹ The 2020 greenhouse gas emissions (Scope I) figures have been re-stated to use the Global Warming Potential provided on p.4 of the "Appendix 2: Reporting Guidance on Environmental KPIs" published by the Stock Exchange."

² The emission factors of greenhouse gas emissions due to electricity consumption were obtained from the Sustainability Report of CLP Power: 0.51 CO₂e/kWh in 2019, 0.50 CO₂e/kWh in 2020 and 0.37 CO₂e/kWh in 2021.

³ The emission factors were taken from "Appendix 2: Reporting Guidance on Environmental KPIs" published by the Stock Exchange.

⁴ In enhancing the travelling experience, additional customer service features on buses were installed, leading to a shorter lifecycle of the battery.

⁵ The 2020 diesel figures have been re-stated to use the conversion factors provided on p.13 of the "Appendix 2: Reporting Guidance on Environmental KPIs" published by the Stock Exchange.

⁶ The water consumption and electricity consumption on all KMB and LWB premises, excluding tenants, were taken into account.

SUSTAINABILITY REPORT

	Unit	FY 2020	FY 2021	Year-On-Year Change
Social				
Employment				
Total Workforce	no. of employees	13,582	13,069	-3.78%
<i>By Gender</i>				
Female	no. of employees	1,172	981	-16.30%
Male	no. of employees	12,410	12,088	-2.59%
<i>By Age Group</i>				
Below 40 Years Old	no. of employees	3,027	2,959	-2.25%
40-50 Years Old	no. of employees	4,011	3,886	-3.12%
Over 50 Years Old	no. of employees	6,544	6,224	-4.89%
<i>By Employment Category</i>				
Senior Level	no. of employees	30	23	-23.33%
Middle Level	no. of employees	285	260	-8.77%
Entry Level	no. of employees	13,267	12,786	-3.63%
<i>By Employment Type by Gender</i>				
Full Time Female	no. of employees	1,039	914	-12.03%
Full Time Male	no. of employees	11,807	11,503	-2.57%
Non Full Time Female	no. of employees	133	67	-49.62%
Non Full Time Male	no. of employees	603	585	-2.99%
<i>By Employment Contract by Region</i>				
Permanent in Hong Kong	no. of employees	12,452	12,145	-2.47%
Permanent in Other Region	no. of employees	0	0	0
Temporary in Hong Kong	no. of employees	1,130	924	-18.23%
Temporary in Other Region	no. of employees	0	0	0
<i>By Employment Contract by Gender</i>				
Permanent Female	no. of employees	1,025	902	-12.00%
Permanent Male	no. of employees	11,427	11,244	-1.60%
Temporary Female	no. of employees	147	79	-46.26%
Temporary Male	no. of employees	983	845	-14.04%
Turnover Rate				
<i>By Gender</i>				
Female	no. of employees	N.A.	352	N.A.
Male	no. of employees	N.A.	2,158	N.A.
<i>By Age Group</i>				
Below 40 Years Old	no. of employees	N.A.	674	N.A.
40-50 Years Old	no. of employees	N.A.	478	N.A.
Over 50 Years Old	no. of employees	N.A.	1,358	N.A.

	Unit	FY 2020	FY 2021	Year-On-Year Change
Social				
<i>By Geographical Region</i>				
Hong Kong	no. of employees	N.A.	2,510	N.A.
Other Region	no. of employees	N.A.	0	N.A.
Health and Safety				
Total Number of Work-related Fatalities Occurred ⁷	no. of employees	0	0	0
	rate (no. of employees/ total workforce)	0	0	0
Lost Days Due to Work Injury ⁸	days	N.A.	22,428	N.A.
Development and Training				
<i>By Gender</i>				
Female	% of employees trained	N.A.	49.24	N.A.
Male	% of employees trained	N.A.	65.07	N.A.
<i>By Employment Category</i>				
Senior Level	% of employees trained	N.A.	8.70	N.A.
Middle Level	% of employees trained	N.A.	22.69	N.A.
Entry Level	% of employees trained	N.A.	64.82	N.A.
<i>Training Hours</i>				
Total Training Hours	no. of hours	232,024	324,511	+39.86%
<i>Average Training Hours By Gender</i>				
Female	no. of hours	11	23	+109.09%
Male	no. of hours	18	25	+38.89%
<i>Average Training Hours By Employment Category</i>				
Senior Level	no. of hours	1	4	+300.00%
Middle Level	no. of hours	6	7	+16.67%
Entry Level	no. of hours	17	25	+47.06%
Supply Chain Management				
<i>By Region</i>				
Hong Kong	no. of suppliers	405	400	-1.23%
Other Region	no. of suppliers	48	38	-20.83%
Product Responsibility				
Service Related Complaints Received	no. of complaints received per million passenger trips	N.A.	1.70	N.A.
Anti-corruption				
Concluded Legal Cases	no. of cases	0	0	0

⁷ In 2019, the total number of work-related fatalities occurred: 1; Rate (no. of employees/total workforce): 0.0074%.

⁸ The data was generated on 14 January 2022.

Reporting Content Index Tables

TIH has developed the 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 Stock Exchange. The following content index table presents the associated disclosures either by cross-referring relevant section(s) in the Report and/or by providing direct remarks.

HKEX ESG Reporting Guide (General Disclosures and KPIs)	GRI Standards	GRI Disclosures	Reference/*Direct Answer/*Reason for omission	Page(s) ^: refer to TIH 2021 Annual Report
GRI 101: Foundation 2016				
GRI 102: General Disclosures 2016				
Organisation Profile				
	102-1	Name of the organisation	Group Profile	2-3 [^]
	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	38-39 [^]
	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 [^] 68-73
B1.1	102-8	Information on employees and other workers	Care for Employees Performance Statistics	68-73 81-83
B5 General Disclosure, B5.1	102-9	Supply chain	Supply Chain Management Performance Statistics	47 81-83
	102-10	Significant changes to the organisation and its supply chain	About the Report	40-41
	102-11	Precautionary principle or approach	Sustainability Governance Corporate Governance Report	43 108-129 [^]
	102-12	External initiatives	Group Profile Management Discussion and Analysis About the Report Safety First Stakeholders Engagement	2-3 [^] 18-19 [^] 40-41 48-53 74-79
	102-13	Membership of associations	Stakeholders Engagement	74-79
Strategy				
	102-14	Statement from senior decision-maker	Chairman’s Letter Managing Director’s Message	12-15 [^] 16-17 [^]

HKEX ESG Reporting Guide (General Disclosures and KPIs)	GRI Standards	GRI Disclosures	Reference/*Direct Answer/*Reason for omission	Page(s) ^: refer to TIH 2021 Annual Report
	102-15	Key impacts, risks, and opportunities	Chairman's Letter Managing Director's Message	12-15^ 16-17^
Ethics and Integrity				
B7 General Disclosure	102-16	Values, principles, standards, and norms of behaviour	Group Profile Legal and Regulatory Compliance Supply Chain Management Safety First Care for the Environment Care for Customers Care for Employees Corporate Governance Report	2-3^ 43 47 48-53 54-61 62-67 68-73 108-129^
B7.2	102-17	Mechanisms for advice and concerns about ethics	Legal and Regulatory Compliance	43
Governance				
	102-18	Governance structure	Sustainability Governance Safety First Corporate Governance Report	43 48-53 108-129^
Stakeholder Engagement				
	102-40	List of stakeholder groups	Stakeholders Engagement and Materiality Assessment	44-46
	102-41	Collective bargaining agreements	Care for Employees	68-73
	102-42	Identifying and selecting stakeholders	Stakeholders Engagement and Materiality Assessment	44-46
	102-43	Approach to stakeholder engagement	Stakeholders Engagement and Materiality Assessment Stakeholders Engagement	44-46 74-79
	102-44	Key topics and concerns raised	Stakeholders Engagement and Materiality Assessment	44-46
Report Profile				
	102-45	Entities included in the consolidated financial statements	Financial and Operational Highlights Reporting Focus	8-9^ 41
	102-46	Defining report content and topic Boundaries	Reporting Principles Stakeholders Engagement and Materiality Assessment	41 44-46
	102-47	List of material topics	Stakeholders Engagement and Materiality Assessment	44-46
	102-48	Restatements of information	* There was no restatement of information provided in the previous report.	-
	102-49	Changes in reporting	Stakeholder Engagement and Materiality Assessment	44-46
	102-50	Reporting period	Reporting Focus	41
	102-51	Date of most recent Report	* April 2021	-
	102-52	Reporting cycle	* Annual	-
	102-53	Contact point for questions regarding the Report	Reporting Principles	41
	102-54	Claims of reporting in accordance with the GRI Standards	Reporting Principles	41

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HKEX ESG Reporting Guide (General Disclosures and KPIs)	GRI Standards	GRI Disclosures	Reference/*Direct Answer/*Reason for omission	Page(s) ^: refer to TIH 2021 Annual Report
	102-55	GRI content index	Reporting Content Index Tables	84-91
	102-56	External assurance	* The Report was not externally assured.	-
Material Topics				
GRI 201: Economic Performance 2016				
	103-1 103-2 103-3 Management Approach		Financial Review	92-107 [^]
	201-1	Direct economic value generated and distributed	Financial Review	92-107 [^]
A4.1	201-2	Financial implications and other risks and opportunities due to climate change	Care for the Environment	54-61
GRI 204: Procurement Practices 2016				
B5 General Disclosure, B5.2, B5.3, B5.4	103-1 103-2 103-3 Management Approach		Supply Chain Management	47
	204-1	Proportion of spending on local suppliers	Supply Chain Management	47
B5.1	102-9	Number of suppliers by geographical region	Supply Chain Management	47
GRI 205: Anti-corruption 2016				
B7 General Disclosure	102-29 103-1 103-2 103-3 Management Approach		Legal and Regulatory Compliance	43
B7.1	205-3	Confirmed incidents of corruption and actions taken	Legal and Regulatory Compliance Performance Statistics	43 81-83
B7.3	205-2	Description of anti-corruption training provided to directors and staff	Legal and Regulatory Compliance	43
GRI 301: Materials 2016				
	103-1 103-2 103-3 Management Approach		+ Materials is not considered a material topic.	-
A2.5	301-1	Materials used by weight or volume	+ Quantitative data of total packaging materials are not available as they are not applicable to KMB & LWB's business.	-
GRI 302: Energy 2016				
A2 General Disclosure, A2.3 A3 General Disclosure, A3.1	103-1 103-2 103-3 Management Approach		Care of the Environment	54-61

HKEX ESG Reporting Guide (General Disclosures and KPIs)	GRI Standards	GRI Disclosures	Reference/*Direct Answer/*Reason for omission	Page(s) ^: refer to TIH 2021 Annual Report
A2.1	302-1	Energy consumption within the organisation	Care for the Environment Performance Statistics	54-61 81-83
A2.1	302-3	Energy intensity	Performance Statistics	81-83
A2.3	302-4	Reduction of energy consumption	Care for the Environment Performance Statistics	54-61 81-83
A2.3	302-5	Reductions in energy requirements of products and services	Care for the Environment Performance Statistics	54-61 81-83
GRI 303: Water and Effluents 2018				
A2 General Disclosure, A3 General Disclosure, A3.1	103-1 103-2 103-3 Management Approach		Care for the Environment	54-61
A2.4 A3.1	303-1	Interactions with water as a shared resource	Care for the Environment * All water used at KMB and LWB offices and depots was sourced from municipal water supplies. No major issue concerning sourcing water and water-related impacts has been encountered.	54-61
	303-2	Management of water discharge-related impacts	Care for the Environment * We ensure water discharge to drainage systems and water bodies were in compliance with local government requirements.	54-61
A2.2	303-5	Water consumption	Care for the Environment Performance Statistics * No specific regions are water stressed in Hong Kong.	54-61 81-83
GRI 305: Emissions 2016				
A1 General Disclosure, A3 General Disclosure, A3.1 A4 General Disclosure	103-1 103-2 103-3 Management Approach		Care for the Environment	54-61
A1.1 A1.2	305-1	Direct (Scope 1) GHG emissions	Care for the Environment Performance Statistics	54-61 81-83
A1.1 A1.2	305-2	Energy indirect (Scope 2) GHG emissions	Care for the Environment Performance Statistics	54-61 81-83
A1.2	305-4	GHG emissions intensity	Care for the Environment Performance Statistics	54-61 81-83
A1.5	305-5	Reduction of GHG emissions	Care for the Environment Performance Statistics	54-61 81-83
A1.1	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Care for the Environment Performance Statistics	54-61 81-83

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HKEX ESG Reporting Guide (General Disclosures and KPIs)	GRI Standards	GRI Disclosures	Reference/*Direct Answer/*Reason for omission	Page(s) ^: refer to TIH 2021 Annual Report
GRI 306: Waste 2020				
A1 General Disclosure, A1.6, A3 General Disclosure, A3.1	103-1 103-2 103-3 Management Approach		Care for the Environment	54-61
A3.1	306-1	Waste generation and significant waste-related impacts	Care for the Environment	54-61
A3.1	306-2	Management of significant waste-related impacts	Care for the Environment	54-61
A1.3 A1.4	306-3	Waste generated	Care for the Environment Performance Statistics	54-61 81-83
A1.6	306-4	Waste diverted from disposal	Care for the Environment Performance Statistics	54-61 81-83
A1.6	306-5	Waste directed to disposal	Care for the Environment Performance Statistics	54-61 81-83
GRI 307: Environmental Compliance 2016				
A1 General Disclosure	103-1 103-2 103-3 Management Approach		Supply Chain Management Care for the Environment	47 54-61
A1 General Disclosure	307-1	Non-compliance with environmental laws and regulations	* There was no non-compliance with local environmental laws and regulations in 2021.	-
GRI: 401 Employment 2016				
B1 General Disclosure, B1.1, B4 General Disclosure	103-1 103-2 103-3 Management Approach		Legal and Regulatory Compliance Care for Employees Performance Statistics	43 68-73 81-83
B1.2	401-1(b)	Total number and rate of employee turnover during the reporting period, by age group, gender and region	Performance Statistics	81-83
	401-2	Benefits provided for full-time employees that are not provided for temporary or part-time employees	Care for Employees	68-73
GRI 403: Occupational Health and Safety 2018				
B2 General Disclosure, B2.3	103-1 103-2 103-3 Management Approach		Safety First Care for Employees	48-53 68-73
B2.3	403-1	Occupational health and safety management system	Safety First	48-53
	403-2	Hazard identification, risk assessment, and incident investigation	Safety First	48-53
B2.3	403-3	Occupational health services	Care for Employees	68-73

HKEX ESG Reporting Guide (General Disclosures and KPIs)	GRI Standards	GRI Disclosures	Reference/*Direct Answer/*Reason for omission	Page(s) ^: refer to TIH 2021 Annual Report
	403-4	Worker participation, consultation, and communication on occupational health and safety	Safety First Care for Employees	48-53 68-73
B2.3	403-5	Worker training on occupational health and safety	Safety First Care for Employees	48-53 68-73
	403-6	Promotion of worker health	Care for Employees	68-73
B2.3	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safety First	48-53
	403-8	Workers covered by an occupational health and safety management system	Safety First	48-53
B2.1	403-9	Work-related injuries	Performance Statistics	81-83
B2.2	Not directly covered by the GRI Standards.		Performance Statistics	81-83
GRI 404: Training and Education 2016				
B3 General Disclosure	103-1 103-2 103-3 Management Approach		Safety First Care for Employees	48-53 68-73
B3.1	Not covered by the GRI Standards.		Performance Statistics	81-83
B3.2	404-1	Average hours of training per year per employee	Performance Statistics	81-83
B3 General Disclosure	404-2(a)	Type and scope of programs implemented and assistance provided to upgrade employee skills	Care for Employees	68-73
GRI 405: Diversity and Equal Opportunity 2016				
B1 General Disclosure	103-1 103-2 103-3 Management Approach		Care for Employees	68-73
B1.1	405-1(b)	Percentage of employees per employee category in each of the following diversity categories: ii. Age group: under 30 years old, 30-50 years old, over 50 years old;	Performance Statistics	81-83
GRI 406: Non-discrimination 2016				
B1 General Disclosure	103-1 103-2 103-3 Management Approach		Care for Employees	68-73
GRI 408: Child Labour 2016				
B4 General Disclosure	103-1 103-2 103-3 Management Approach		Legal and Regulatory Compliance	43

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HKEX ESG Reporting Guide (General Disclosures and KPIs)	GRI Standards	GRI Disclosures	Reference/*Direct Answer/*Reason for omission	Page(s) ^: refer to TIH 2021 Annual Report
B4.1 B4.2	408-1(c)	Operations and suppliers at significant risk for incidents of child labour. Measures taken by the organisation in the reporting period intended to contribute to the effective abolition of child labour	Legal and Regulatory Compliance Supply Chain Management	43 47
GRI 409: Forced or Compulsory Labour 2016				
B4 General Disclosure	103-1 103-2 103-3 Management Approach		Legal and Regulatory Compliance	43
B4.1 B4.2	409-1(b)	Measures taken by the organisation in the reporting period intended to contribute to the elimination of all forms of forced or compulsory labour	Legal and Regulatory Compliance	43
GRI 413: Local Communities 2016				
B8 General Disclosure	103-1 103-2 103-3 Management Approach		Stakeholders Engagement	74-79
B8.1 B8.2	413-1	Operations with local community engagement, impact assessments, and development programs	Stakeholders Engagement	74-79
GRI 414: Supplier Social Assessment 2016				
B5 General Disclosure	103-1 103-2 103-3 Management Approach		Supply Chain Management	47
B5.2 B5.3	414-1	New suppliers that were screened using social criteria	Supply Chain Management	47
B5.2 B5.3	414-2	Negative social impacts in the supply chain and actions taken	Supply Chain Management	47
GRI 416: Customer Health and Safety 2016				
B6 General Disclosure, B6.1, B6.2, B6.3, B6.4	103-1 103-2 103-3 Management Approach		Safety First Stakeholders Engagement Performance Statistics * Products sold or shipped and intellectual property rights are not material to KMB and LWB's business nature.	48-53 74-79 81-83
	416-1	Assessment of the health and safety impacts of product and service categories	Safety First Care for the Environment	48-53 54-61

HKEX ESG Reporting Guide (General Disclosures and KPIs)	GRI Standards	GRI Disclosures	Reference/*Direct Answer/*Reason for omission	Page(s) ^: refer to TIH 2021 Annual Report
GRI 417: Marketing and Labelling 2016				
B6 General Disclosure	103-1 103-2 103-3 Management Approach		Stakeholders Engagement	74-79
GRI 418: Customer Privacy 2016				
B6 General Disclosure, B6.5	103-1 103-2 103-3 Management Approach		Safety First Care for Customer	48-53 62-67
B6 General Disclosure B6.2	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Safety First Care for our employee Stakeholders Engagement Performance Statistics * There were no significant incidents of non-compliance concerning laws and regulations during the reporting period.	48-53 68-73 74-79 81-83
GRI 419: Socioeconomic Compliance 2016				
B2 General Disclosure, B4 General Disclosure, B6 General Disclosure, B7 General Disclosure	103-1 103-2 103-3 Management Approach		Legal and Regulatory Compliance Safety First Care for Employees	43 48-53 68-73
B2 General Disclosure, B4 General Disclosure, B6 General Disclosure, B7 General Disclosure	419-1	Non-compliance with laws and regulations in the social and economic area	Legal and Regulatory Compliance Safety First Care for Employees	43 48-53 68-73



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