



載通國際
Transport International

2022

Sustainability Report



Transport International Holdings Limited

SUSTAINABILITY REPORT

About the Report

In 2022, 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 safe operations, innovative service, community care and environmental protection.

2040 Vision

By 2040, TIH’s Hong Kong franchised public bus operations will be upgrading its entire fleet to **NEW ENERGY BUSES** to support Hong Kong’s Climate Action Plan 2050 to achieve **CARBON NEUTRALITY**.

SUSTAINABLE DEVELOPMENT GOALS



Responsible Consumption and Production



Peace, Justice and Strong Institutions

Reporting Focus

The 2022 Sustainability Report ("the Report") of TIH 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 2022.

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's and LWB's operations.

Reporting Principles

The Report was prepared in accordance with the Updated Global Reporting Initiative Standards 2021 ("GRI Standards") and the Environmental, Social and Governance Reporting Guide ("ESG Guide") issued by The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The GRI Content Index correlates GRI disclosures with associated sections in this report. The Group strictly adheres to the reporting principles of materiality, quantitative, balance and consistency which are set out in the ESG Guide.

| Reporting Principles | Description | Application |
|----------------------|--|--|
| Materiality | The threshold at which ESG issues determined by the Board are sufficiently important to investors and other stakeholders that they should be reported. | To identify the material ESG-related issues, a stakeholder engagement exercise was conducted to collect opinions and feedback from stakeholders. The material ESG issues are incorporated into the Group's core business strategy. |
| Quantitative | KPIs in respect of historical data need to be measurable. The issuer should set targets (which may be actual numerical figures or directional, forward-looking statements) to reduce a particular impact. In this way, the effectiveness of ESG policies and management systems can be evaluated and validated. Quantitative information should be accompanied by a narrative, explaining its purpose, impacts, and giving comparative data where appropriate. | The Group discloses its ESG performances in a quantitative manner. Data and statistics are presented as absolute figures and are normalised into comparable terms as far as possible. |
| Balance | The ESG report should provide an unbiased picture of the issuer's performance. The Report should avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader. | The Group prepares this report and discloses its ESG performance and achievements in a transparent, unbiased and fair manner. |
| Consistency | The issuer should use consistent methodologies to allow for meaningful comparisons of ESG data over time. | The Report was prepared in accordance with the Updated Global Reporting Initiative Standards 2021 and the Environmental, Social and Governance Reporting Guide issued by The Stock Exchange of Hong Kong Limited. |

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.

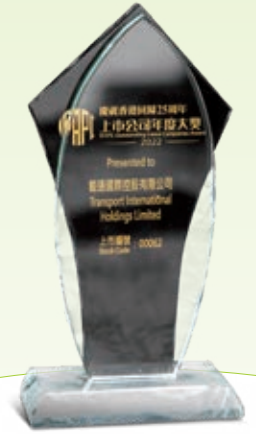
SUSTAINABILITY REPORT

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 2022.

Corporate Social Responsibility

- ✔ Hong Kong Sustainability Award 2021/22 – Distinction Award (Large-size Organisations) from The Hong Kong Management Association;
- ✔ CLP Smart Energy Award 2022 – Carbon Management Award from the CLP Power Hong Kong Limited;
- ✔ BOCHK Corporate Environmental Leadership Awards 2021 (Services Sector) – Silver Award from the Federation of Hong Kong Industries;
- ✔ Hong Kong Green Organisation Certification – Wastewise (Excellent Level) and Energywise Certificate (Excellent Level) from the Environmental Campaign Committee;
- ✔ 20 Years Plus Caring Company Logo from The Hong Kong Council of Social Service;
- ✔ Award of Merit from The Community Chest of Hong Kong;
- ✔ Social Capital Builder Awards 2022 – Logo Awards from the Community Investment and Inclusion Fund;
- ✔ Charter on External Lighting from The Environment and Ecology Bureau;
- ✔ The Good MPF Employer Award 2021-22 from the Mandatory Provident Fund Schemes Authority;
- ✔ Manpower Developer Award Scheme – Manpower Developer from the Employees Retraining Board;
- ✔ Health Partnership Awards 2022 – Outstanding Green Transportation Service from the ET Net;
- ✔ 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

- ✔ IFAPC Outstanding Listed Companies Award 2022 from The Hong Kong Institute of Financial Analysts and Professional Commentators Limited;
- ✔ Gold Award for Traditional Annual Reports, and Gold Award for Traditional Annual Reports and Cover Photo/Design, Silver for Written Text in the Transportation and Leasing category of the 2022 International ARC Awards from The MerComm, Inc;
- ✔ Silver Award for Transportation & Logistics category of the 2021 Vision Awards from The League of American Communications Professionals LLC;
- ✔ Smart Service Award – Gold Award, Individual Award (Contact Centre Service) – Gold Award, Top 5 Young Stars of the Year 2021 and Anti-epidemic Customer Service Excellence Award – Bronze Award from the Hong Kong Association for Customer Service Excellence;
- ✔ Reader's Digest Trusted Brands 2022 Gold Award – Public Transport category from the Reader's Digest;
- ✔ Eco-Brand Awards 2022 from the East Week; and
- ✔ Living Smart Awards 2022 – Smart Design from Ming Pao.

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 its highest governance body, is responsible for stewarding the long-term development of the Group and 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 from pages 142 to 150 of our 2022 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 for 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 Key Risk Indicator Report ("KRI 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 KRI 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 from pages 116 to 137 of our 2022 Annual Report.

Legal and Regulatory Compliance

TIH is committed to conducting business activities in compliance with the Laws of Hong Kong. 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 the community, customer relations, 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 for employment or under the age of 16) and any form of forced labour.

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. Besides, we 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.

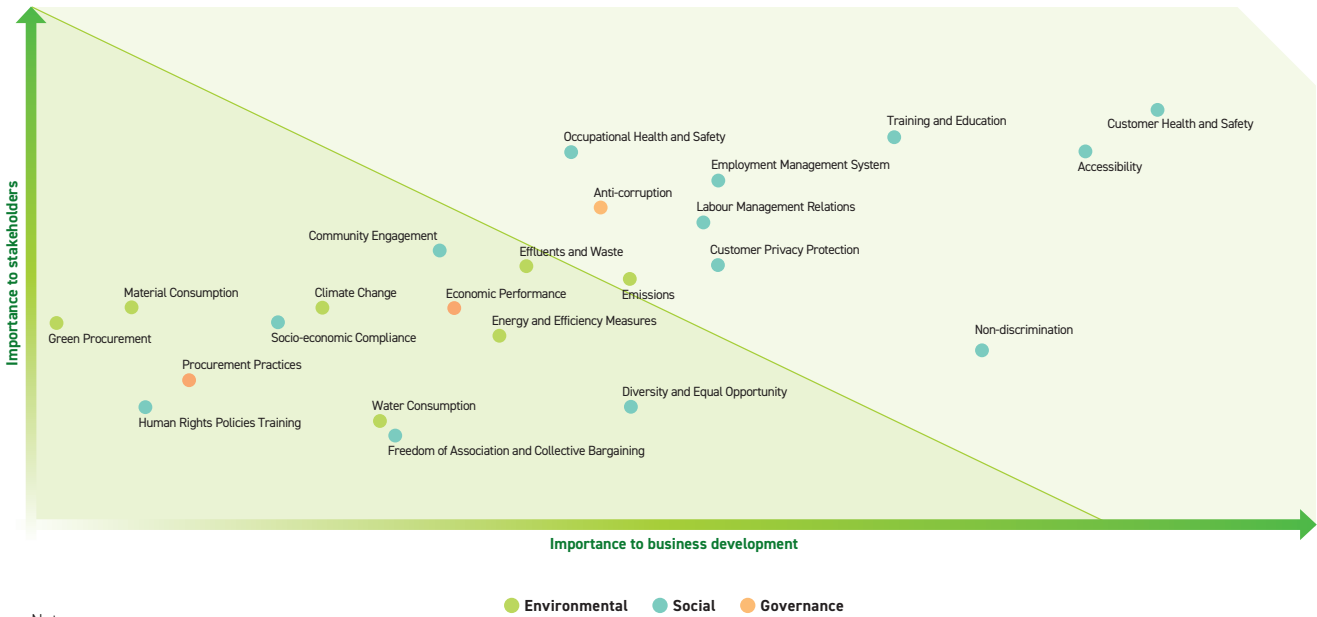
TIH engaged an external consultant to carry out a series of stakeholder engagement activities to define the scope of the Report and to identify material economic, environmental and social topics concerning the principles and requirements of the GRI Standards, the HKEX ESG Guide, the SDGs and the TCFD. We invited representatives from various stakeholder groups, including passengers, employees, members of the 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 twelve 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 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 TIH's 2022 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 Policy Training | | | | ✓ | |
| | Freedom of Association and Collective Bargaining | ✓ | | ✓ | ✓ | |
| | Accessibility | ✓ | ✓ | ✓ | ✓ | ✓ |
| | Non-discrimination | ✓ | | | ✓ | ✓ |
| Governance | Anti-corruption | ✓ | ✓ | ✓ | ✓ | ✓ |
| | Procurement Practices | | ✓ | ✓ | ✓ | ✓ |
| | Economic Performance | | ✓ | ✓ | | |

SUSTAINABILITY REPORT

Materiality Matrix



Note:

The topics "Environmental Compliance" and "Forced and Child Labour" are excluded from the 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"> To enhance bus safety through innovative technologies such as the GreenRoad App; Strengthen public safety education; and Upgrade bus safety facilities such as installing safety belts for 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"> To improve accessibility for the elderly and people with disabilities; Design bus routes that cover more areas; and Further explore the digitalisation of the bus management system. | Bus facilities and compartment designs have been upgraded to provide better accessibility and comfort for passengers. (See details in Caring for Customers) |
| Environment | <ul style="list-style-type: none"> To 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 Caring for the Environment) |
| Employees | <ul style="list-style-type: none"> To 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 Caring for Employees) |
| Community | <ul style="list-style-type: none"> To 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 Stakeholder 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 being 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 2022, KMB and LWB worked with 408 local and 34 non-local suppliers, of which 92 suppliers were newly added. The proportion of spending on local suppliers was 88.00%.

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:

- ✔ Fair competition;
- ✔ Selection of appropriate contract types according to requirements;
- ✔ 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 interest by staff involved in the selection.

Performance Highlights



Safety

More than 86.50% of bus captains received excellent results in the GreenRoad Outstanding Award on safety and eco-driving performance



Environment

Diesel oil consumption intensity
↓ 6.17%



Customer

The AI Chatbot channel bot1933 provided a 24-hour service



Employee

17.60% of the total workforce consists of non-Chinese origin, people with disabilities and retirees



Community

Over 20,000 voluntary hours



Supply Chain

A Green and Sustainable Procurement Policy was in place

Reporting Governance



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.





Good Health and Well-Being

Safety Policy

The KMB and LWB Safety Policy ensures that 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 (Chapters 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 reliability¹ and operational capability². In 2022, the mechanical reliability of KMB's bus fleet was 109,094 km: 1, while LWB's bus fleet was 249,086 km: 1. In 2022, KMB and LWB attained an operational capability of 103.08% and 101.70% respectively.

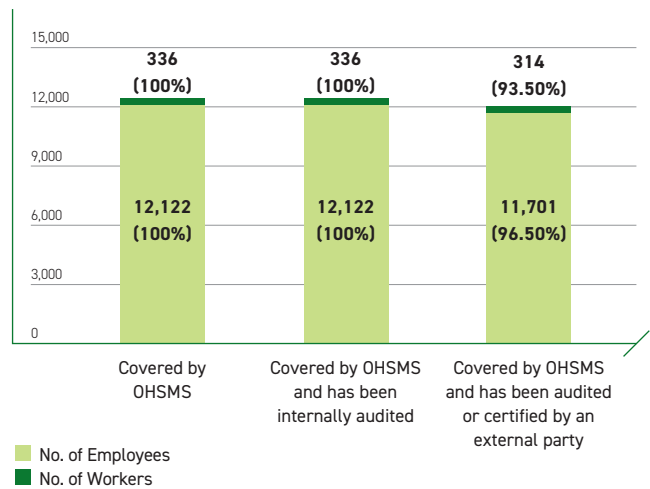
Operational Excellence

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.

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 of 31 December 2022



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.



▲▶ The professional and reliable maintenance teams of KMB and LWB help bring a safe and comfortable journey to passengers

Risk Assessment

Rigorous risk assessments are conducted by managerial staff together with the relevant workers before discharging work duties. We ensure that 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 telematics systems, 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 Hong Kong SAR Government.

Latest Bus Safety Measures GreenRoad System

KMB and LWB are the first franchised bus companies to introduce the GreenRoad System in Hong Kong. In 2022, KMB extended the installation of the GreenRoad System to our company vehicles (apart from buses) to widely promote the concept of green and safe driving across the whole company. Each bus captain and company vehicle driver has been given an electronic key with Radio Frequency Identification Technology ("RFID") that allows for the identification of who is driving the bus or company vehicle. The system monitors over 150 driving dynamics and gives real-time feedback and

rating to bus captains and drivers to help them remain vigilant on the road. Engine idling time is recorded, and bus captains and drivers are reminded to switch off the 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 of bus captains and drivers, and customise training materials, such as tips on paying attention to routes, teaching videos, and driving improvement courses, to help bus captains and drivers improve their driving skills and performance. The system also gives instant feedback to bus captains and drivers through an online portal and app to enhance their driving performance.

The average accident rate of the fleet has decreased by about 19.85%, and more than 86.50% of bus captains have achieved a satisfactory safety level since the implementation of GreenRoad. Apart from giving monthly award to more than 70.00% of bus captains, a total of 100 bus captains were granted the grand Annual GreenRoad Outstanding Awards as a commendation for their outstanding driving performance.

Foldable Wheelchair Armrest

To provide safe and more comfortable barrier-free facilities for wheelchair passengers, KMB introduced two designs of foldable armrest in the wheelchair areas on over 90 buses in 2022. The new armrests not only make wheelchair passengers feel more comfortable on board but can also help prevent wheelchairs from overturning or skidding on the gangway. The new designs have become one of the standard features on every newly purchased bus.



Driving Monitoring System (“DMS”)

This monitoring 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 an 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 calculate the obstacle 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.



▲ Lam Sai Hung, Secretary for Transport and Logistics (front row, fourth from the left), and Dr. Norman Leung Nai Pang, TIH Chairman (front row, fourth from the right), officiated at the KMB Academy Establishment Ceremony, which marks an important milestone in the development of KMB

KMB Academy

KMB established the KMB Academy ("the Academy") in January 2022, aiming to nurture talents for the bus industry. The Academy provides professional and comprehensive training programmes for franchised bus maintenance personnel and all new bus captains through the "Certificate in Bus Maintenance" and "Certificate in Public Bus (Franchised) Driving" courses, which are respectively recognised at Level Two and Level Three under the Qualifications Framework ("HKQF") in Hong Kong by the Hong Kong Council for Accreditation of Academic and Vocational Qualifications. This title was obtained following the merger between the KMB Bus Captain Training School and KMB Technical Training School. The Academy continues to foster the professional culture in the Bus Captain Training School and Technical Training School and adopts "Mission Safety · Act with Self-discipline" as its motto, emphasising the pivotal role of safety and discipline in the industry.

The "Certificate in Bus Maintenance" for franchised bus maintenance personnel offers knowledge of the mechanical operation and industrial safety. Students will also undergo basic technical training, including engine, drivetrain, chassis, electrical appliances, and air-conditioning, with on-the-job training available in KMB and LWB depots. Other than HKQF Level Two accreditation, graduates will also receive professional bus maintenance certificates recognised by two European bus manufacturer giants, Alexander Dennis Ltd and Volvo Buses, making them semi-skilled workers with a clear promotion ladder through further training. As for the "Certificate in Public Bus (Franchised) Driving", training is planned around building safety consciousness, bus maneuvering skills and bus route/bus type knowledge. In addition to driving, students will also be trained in customer service and emotional management to further enhance their service standards. Before graduation, assessments are conducted by instructors to assure their performance meets the standards of KMB.



◀▲ KMB organises various activities, which include STEM education programmes and Safety Bus visits to schools, to enhance students' understanding of the bus industry and bus safety

The Academy also offers training courses for in-service bus captains and incumbent maintenance staff, including route training, remedial training, bus type training, refresher training, and the latest technology in the bus maintenance industry to improve their driving/maintenance skills and reinforce their safety awareness.

Other than taking care of the training needs of bus maintenance staff and bus captains, the Academy also provides short-term courses and workshops for tertiary institutions covering various topics, aiming to widen students' understanding of the bus industry, business operations and public institutions. For primary and secondary schools, the Academy offers a variety of on-campus STEM education courses and activities in which students can apply interdisciplinary knowledge and cultivate innovative thinking through "hands-on" and "minds-on" activities.

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 the seatbelt". Our mobile app, App1933, and KMB's Facebook page also periodically communicate educational messages to the public. 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.

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 seatbelt, holding the handrail, and learning about blind spots of buses. In order to raise awareness of the participants, staff members from the Safety Department are also there to play quiz games and give short talks on road and passenger safety. In 2022, a total of 180 primary students visited the Safety Bus.

Caring 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 become a carbon neutral bus operator by 2040 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 communication 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 its 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.



▲ With its dedication to promoting green transportation, KMB continues to identify suitable financing solutions



Adopting TCFD Reporting

The Task Force on Climate-related Financial Disclosures ("TCFD"), developed by the Financial Stability Board, aims to define how reporting could take account of climate-related issues and offers recommendations on the type of information companies should disclose to better inform investors and others.

TIH 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. TIH is committed to communicating our approach and strategies through the TCFD's four thematic areas: governance, strategy, risk management, and metrics and targets.

Governance

The overall strategic planning and accountability for the Group's sustainable development rests with TIH's Board-level Committee, which determines the sustainability strategy and oversees its progress. The Board-level Committee, Audit and Risk Management Committee, is 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 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 emerging ESG-related risks.



▲ KMB strives to explore renewable energy technologies and is determined to reduce emissions and save energy, so as to build a better environment

Our Visions and Targets

To align with the National 14th Five-Year Plan and the emission reduction target of the Hong Kong SAR Government, the Group has outlined a vision of upgrading the whole fleet with new energy buses by 2040. 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 2040 vision.

Risk Management

We have integrated climate-related risks into the Group's Enterprise Risk Management. The Group's Enterprise Risk Management System adopts a systematic 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.

A Key Risk Indicator Report ("KRI 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 KRI Report provides a comprehensive profile of the major risks and the mechanism established for monitoring these risks.

Our Environmental Targets

Target by FY 2023

(Baseline: FY 2019)



-10%

Carbon Footprint of Bus

tCO₂e per million km

Progress by FY2022: **-7.31%** (On Track)



-10%

Diesel Oil

GJ per million km

Progress by FY2022: **-7.51%** (On Track)



-20%*

Electricity

kWh per m²

Progress by FY2022: **-41.67%** (On Track)



-25%*

Water

m³ per bus

Progress by FY2022: **-35.21%** (On Track)

* Due to the impacts of the COVID-19 epidemic in Hong Kong since 2020, the investments in environmental initiatives for electricity and water reduction, and the rescheduling of electric buses' deployment, the targets of electricity consumption and water consumption have been changed from -10% to -20%, and -5% to -25% respectively.



▲ The waste water treatment systems and water recycling systems effectively reduce water consumption



▲ KMB has introduced different eco-friendly measures, such as electric buses and wind curtains, to help reduce carbon emissions

SUSTAINABILITY REPORT

Green Finance

KMB closed two HK\$800 million sustainability-linked loan facilities with MUFG Bank Limited and Chong Hing Bank Limited in order to drive Hong Kong towards zero emissions through green finance. KMB has set out key sustainability performance targets in relation to the reduction of greenhouse gas emissions of buses, and an increment in green procurement and the average training hours for employees. KMB will continue identifying suitable financing solutions and lead Hong Kong's transportation industry into a new green era.

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 2022, there were 776 Euro VI buses (including three Euro VI diesel-electric hybrid buses), 2,936 Euro V buses, 26 battery-electric buses, including a batch of 16 new-generation electric buses newly deployed in the KMB fleet, and 132 Euro VI buses, 116 Euro V buses and four battery-electric buses in the LWB fleet. The new electric buses are zero-emission buses. They meet the latest standards of KMB,

with free 5G Wi-Fi internet connection services provided and ventilation windows installed. The majority of these buses have been deployed on routes passing through busy corridors to improve the roadside air quality in high-traffic areas. 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 6.91 years, while that of LWB is 3.97 years.

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. Attaching great importance to pursuing the Government policy of achieving carbon neutrality by 2050, KMB and LWB has rolled out an electrification roadmap and are planning to install around 30,000 solar panels to put into practice its development blueprint for new energy and electric buses.

- ✔ KMB plans to introduce 500 electric buses in the coming three to five years, 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 2040 to help make Hong Kong a green city. Currently, KMB and LWB have 30 single-deck electric buses. Together with the 52 double-deck electric buses to be delivered by 2023, the two companies are expected to have over 80 electric buses by 2023;



▲ KMB collaborates with business partners in launching the Decarbonisation Partnership Programme to promote green transportation and move towards carbon neutrality

- ✔ 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 has now become a standard feature in new purchase buses;
- ✔ About 30,000 solar panels will be installed on buses, at depots and bus stops. Up to 13 million kilowatt-hours (kWh) of electricity will be generated annually, equivalent to the annual electricity consumption of 4,176 households in Hong Kong, reducing about 12,587 tonnes of carbon dioxide emissions. As two franchised bus companies with the largest solar panel systems in Hong Kong, KMB and LWB aim to lead the public transport industry toward the new green era and promote carbon neutrality;
- ✔ KMB has successfully designed wind curtains that help reduce energy wasted due to the loss of cooled air of buses and obtained patents that were granted by the Intellectual Property Department. The facility, installed at the rear exit of a bus, will be activated when the exit door is opened, creating an airflow to separate the hot air outside from the cooled air inside. According to tests conducted at the ambient temperature of 32°C, the temperature measured in the area near the exit door inside a bus compartment with wind curtains is 4°C lower than that in a bus without. KMB plans to install the facility on 600 buses. We are also further exploring if the system could be powered by the looming thermoelectric system that generates electricity from the waste heat of the engine, improving energy saving; and
- ✔ The scheme to retrofit the fleet with lower-powered LED strips has also started, which will create a softer and more comfortable travel environment to passengers compared to the existing LED lighting. This initiative helps reduce the carbon emissions of our buses by 5,600 tonnes of carbon emissions per year. The existing LED light strips will be reused in bus depots and bus stops for lighting.

Decarbonisation Partnership Programme

KMB collaborated with business partners by launching the Decarbonisation Partnership Programme to retrofit solar panels on KMB's current bus fleet. The first phase of the Decarbonisation Partnership Programme received strong support from 48 corporate partners spanning industries, such as transportation, banking, catering, bus manufacturing, parts supply, legal support and others, which helped retrofit solar panels on 89 bus roofs. KMB is dedicated to working with our corporate partners to contribute towards carbon neutrality in Hong Kong.

CO₂ Concentration Checks

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.

Emissions Reduction

KMB and LWB adopt the latest technologies to reduce roadside emissions and maintain good air quality in bus compartments. We have in place a number of measures to meet the high standards of exhaust emissions laid down by the European Council of Environmental Ministers, which include using near zero sulphur diesel, renewing bus models and upgrading older buses by retrofitting exhaust treatment devices such as diesel oxidation catalysts, diesel particulate filters, and selective catalytic reduction units.

As part of our environmental protection commitment, KMB and LWB invest regularly to upgrade the environmental performance of their bus fleets and patrol cars. KMB and LWB have introduced electric patrol cars as 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 in a responsible way without posing risks to human health or to the environment.

Fuel

To reduce fuel consumption, a number of measures have been adopted throughout the KMB and LWB bus fleets and across all 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 oil drain intervals to reduce waste oil by 80%; and
- ✔ The mileage-based oil change scheme reduces engine oil consumption and waste oil by 40%.

SUSTAINABILITY REPORT

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 the adjustment of illumination time of parking depots and the 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 8,500 solar power panels at depots, bus termini and bus shelters to extend 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 systems 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. We have also set up recycling arrangements for used toners, plastic materials and used papers and have regularly promoted good housekeeping practices for energy saving to all staff members.

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 water recycling systems have been introduced in some of our satellite depots. We would continue to install more rainwater collection and water recycling systems in some other bus depots in the coming years so as to increase water consumption saving.

Tyres and Metals

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

Oil and Chemicals

Solid chemical waste is processed and stored by type in designated areas at bus depots before disposal 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. In the reporting period, KMB and LWB have improved the engine oil replacement cycle by changing new engine oil with extended oil drain intervals to reduce solid chemical waste.

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.

Our Environmental Targets

Target by FY 2023

(Baseline: FY 2019)



-8%

Solid Chemical Waste

kg per million km

Progress by FY2022: **-7.39% (On Track)**



-4%

Metal

kg per million km

Progress by FY2022: **-2.36% (On Track)**



Embracing Green Transportation Transformation with eBus

In support of reducing carbon emissions, KMB has been devoting resources to testing out new energy buses. Through unremitting efforts, KMB has taken a major step forward in the transition to green transportation by deploying 16 new-generation electric buses in April 2022, followed by receiving the first 12-metre electric double-decker in December 2022.

The new-generation single-deck e-Bus is equipped with the Battery Management System (“BMS”) and the Water Cooling System, which help monitor the efficiency and condition of the battery and control its temperature, effectively extending the battery life cycle and improving its performance. The new model is 4% lighter than its predecessor while its passenger capacity is increased by 16% to 81 people. Furthermore, it only takes one hour and forty minutes to get fully charged, which is two hours faster than the older model, and has a driving range of 200 kilometres.



“KMB targets to upgrade the entire bus fleet to zero-emission buses by 2040, and therefore we have formulated a blueprint on bus electrification. With the introduction of double-deck electric buses in 2023, a total number of 500 electric buses will be deployed in our fleet in the coming three to five years, and two multi-storey bus depots are to be built in Tuen Mun and Tai Po for new energy buses.”

Jones Wong, KMB Deputy Operations Director
(Bus Servicing & Engineering)

Caring for Customers



As a public transport provider, we are dedicated to delivering 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, comfortable and good value-for-money.





Industry, Innovation and Infrastructure



Sustainable Cities and Communities

Innovation and Convenience

We believe that innovation and technology are the key to benefitting the industry and communities by facilitating 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 e-payment system, which supports all existing routes under the KMB Regional Two-way Section Fare Schemes, has become applicable to all KMB routes since 2022. With the new accepted BoC Pay "transit code", the number of electronic payment methods supported by the KMB and LWB e-payment systems increased to 11 in 2022, making KMB and LWB the industry players that accept the most diverse electronic payment methods among public transport operators. The 11 contactless payment options available include credit cards, digital wallets on mobile devices, smart watches, and QR codes for an easy, fast and convenient bus fare payment.

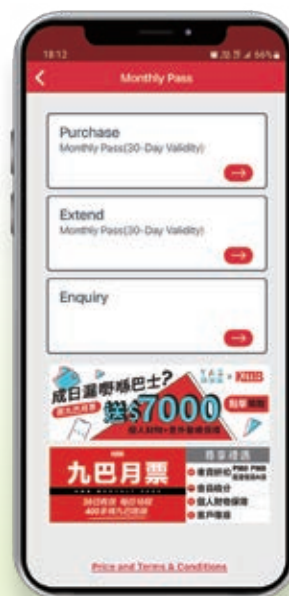
App1933

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. Highlighted functions are as follows:

- ✔ The "Reminder function" was upgraded with boarding reminders in 2022. Passengers can create a reminder by selecting bus routes and boarding time, providing a stress-free solution for everyday commuting;
- ✔ The Estimated Travelling Time and the Bus Estimated Time of Arrival ("ETA") services enable users to plan their trips more easily and check the ETAs provided not only by KMB and LWB but also by other franchised bus companies;
- ✔ The built-in location-based function, with which users can check real-time traffic conditions, weather information, flight schedules and ferry information under the new "KMB Info" feature, enables a seamless and efficient travel experience across different transportation modes;

- ✔ Passengers can make enquiries and comments on the artificial intelligence Chatbot channel, bot1933, at any time of the day or night; and
- ✔ Further engaging with passengers with an exclusive loyalty programme, the membership scheme club1933 allows passengers to enjoy bus rides while earning points for gifts.



Bluetooth Beacon Signal



Estimated Travelling Time



Real-time Traffic Conditions & Weather Information



Estimated Bus Arrival Time



Chatbot



▲ KMB caters to the travel needs of residents in Queen's Hill, Fanling by repeatedly enhancing its bus services and setting up a "KMB Fare Saver" kiosk to provide fare discounts in 2022

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 for our passengers.

- ✔ To tie in with the completion of residential areas in Tuen Mun Area 54, KMB introduced Route 67A in July 2022, the only whole-day route to the city in the new development area, to facilitate the intake of the public housing estates in the vicinity – Wo Tin Estate and Ching Tin Estate;
- ✔ KMB has enhanced its bus service in the Queen's Hill Estate throughout the year as more residents are moving into the area. These enhancements include extending Routes 78A and 278A to the Queen's Hill Bus Terminus, implementing the HK\$1.0 Bus-rail Interchange concession scheme for Route 78A, advancing the first departure time and increasing bus frequency during peak hours for Route 78A, adding an express service to Route 78A and extending its service to late night, extending the service hours of Route 278A, and commencing the all-new Route 78B to provide express service between Queen's Hill and Sheung Shui during the morning peak hours;
- ✔ KMB has enhanced its services in Tseung Kwan O with an all-new peak hour special Route 93P that has come into operation since August 2022, offering residents along Po Lam Road a direct ride to Kowloon Bay Commercial Area, Jordan and Mong Kok. Route 90 and Route 97, which commenced service in October 2022, provide a direct ride to Sha Tin and Ma On Shan respectively for residents in Tseung Kwan O;
- ✔ In view of the opening of Tseung Lam Highway in December 2022, KMB started operating three Tseung Lam Highway Express Routes 96, 290E and 298X the day after the commencement of the new road. While Route 96 provides a direct and convenient bus service for passengers travelling

between Tseung Kwan O and Science Park, Tai Po, making it the best choice for commuting, Routes 290E and 298X offer an express service for residents in LOHAS Park, Pak Shing Kok and Hang Hau for Wong Tai Sin, Kwai Chung and Tsuen Wan, or Mong Kok and Lai Chi Kok Business Area;

- ✔ New bus Route 69, which was put into service in December 2022, provides an all-day service for residents of Yuen Long Tung Tau, United Court, Twin Regency, One Regent Place to travel between Yuen Long city centre and Northern Tin Shui Wai, demonstrating KMB's commitment to allocating resources to provide bus services for residents in transitional residential areas and newly built residential estates;
- ✔ The new recreational Routes 33R and 74R commenced service, providing direct bus services to Pak Tam Chung from Tsuen Wan and Tai Po; and
- ✔ The third phase of route diversion, which involved the LWB Route E43 from North District, was implemented in August 2022. The revamped service has shortened the journey time between North District and North Lantau. Apart from this, Route R33 linking up Tuen Mun and Hong Kong Disneyland was also rerouted via Tuen Mun – Chek Lap Kok Tunnel starting July 2022, resulting in a shorter journey time.

Facility Upgrades

- ✔ In 2022, KMB successfully designed wind curtains for buses to prevent loss of cooled air and started to retrofit its fleet with lower-powered LED strips, enhancing passenger experience with improved thermal comfort;
- ✔ KMB formally launched an upgrading work of 5G services in 2022. The entire bus fleet will be gradually upgraded to 5G buses, providing 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;

- ✔ As of the end of 2022, KMB has retrofitted around 600 buses with horizontal ventilation windows to provide natural ventilation and offer passengers a comfortable journey;
- ✔ The Solar-powered Bus Shelter Campaign promotes green energy by installing solar panels to power lighting. To date, 2,000 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 bus frequency and other bus route information;
- ✔ KMB and LWB have installed the Bus Information Panel System on 4,065 buses. Passengers can obtain real-time bus stop information through the display screens on the upper and lower decks and the alighting reminder function on App1933;
- ✔ 1,260 bus stop locations are equipped with display panels showing the estimated time of bus arrivals;
- ✔ The air quality in bus compartments has been improved with electrostatic air filters installed on KMB and LWB buses; and
- ✔ 3,790 KMB and 257 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 entrances and exit doors for better passenger access, which means all KMB and LWB buses are easily accessible to the elderly and wheelchair users. In addition, KMB has retrofitted around 260 buses to accommodate two wheelchair passengers, which run mainly on routes travelling to and from hospitals. KMB introduced two designs of foldable armrest in the wheelchair areas on over 90 buses in 2022. The new armrests not only make wheelchair passengers feel more comfortable on board but can also help prevent wheelchairs from overturning or skidding on the gangway. The new design has become one of the standard features on every newly purchased bus.

Upgrade of Depots, Termini and Bus Stops

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

- ✔ Renovation on Bus-bus Interchanges started by stages in 2022. There are clearer signage and platform numbers in the interchanges so that passengers can find their way to the interchange platform more easily. Route information is also available in both interchanges and on the mobile application App1933 to facilitate passengers; and
- ✔ Seats for the elderly, the disabled and young children are introduced to bus shelters, bus termini and interchanges. By the end of 2022, a total of 2,250 seats have 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 2022, including the following:

KMB

- ✔ After the good response received for the Regional Short-haul Two-way Section Fare Schemes in Tuen Mun, Yuen Long and Tin Shui Wai, and Tseung Kwan O, KMB further implemented the third Scheme in North District in 2022. Under the third Scheme, which covers five routes, passengers can enjoy bus services at a fare range of HK\$3.8-5.0 by tapping an Octopus card, contactless credit card or mobile device or scanning the QR code on any of the 12 one-stop validators at bus stops after alighting in North District. Currently, the total number of routes under the Regional Two-way Section Fare Scheme and the number of card readers have increased to 55 and 92, respectively;
- ✔ The KMB Fare Saver Scheme offered a fare discount of up to HK\$4.0, covering some campuses of educational institutions, shopping malls and residential areas. On top of the existing Fare Saver Kiosks in Kwun Tong, Mei Foo, Queen's Hill in Fanling and Tseung Kwan O, KMB has further expanded the Fare Saver Scheme to Tsim Sha Tsui, Yuen Long and Tin Shui Wai. The new Fare Saver Kiosks are located at Kowloon Mosque, United Court and two private housing estates in Tin Shui Wai;
- ✔ An interchange discount scheme for passengers interchanging designated bus routes between Ma Wan and Tsuen Wan, and vice versa;
- ✔ ICBC/KMB UnionPay Dual Currency Cardholders enjoyed a maximum 20% bus fare rebate when they paid for KMB and LWB rides; while Citibank cardholders enjoyed a 15% bus fare rebate year-round under another fare rebate scheme;

SUSTAINABILITY REPORT

- ✔ Partnering with Hong Kong Tramways Limited and some Green Minibus operators, KMB provided 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
- ✔ New Bus-bus Interchange Concession Schemes were offered along with the introduction of the new Routes 69, 90, 96 and 97.

LWB

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

Bus-bus Interchange (“BBI”) Schemes

KMB and LWB offer fare discounts to passengers on the second leg of journeys and broaden the network coverage under their BBI Schemes. As of the end of 2022, KMB operated a total of 23 BBIs covering a large scale of KMB-operated routes, while LWB operated two BBIs covering 29 routes. The all-new Ma On Shan Interchange Bus Network features a BBI in Shek Mun that covers 14 routes to and from Sai Kung, Ma On Shan and Tai Shui Hang, with a maximum interchange concession of HK\$10 offered. Besides, KMB started its BBI renovations in 2022 to provide clearer signage and platform numbers in the interchanges for easy wayfinding. Through their respective websites, KMB and LWB also provide detailed and comprehensive route-to-route BBI information for passengers.

KMB Monthly Pass

The KMB Monthly Pass Scheme, under which passengers can take up to ten rides per day on KMB buses for HK\$780 (and two additional trips on Route B1), covers over 400 KMB routes, including regular routes, overnight routes, racecourse routes and jointly operated Cross-Harbour Routes operated by KMB.

KMB Monthly Pass holders can unlock some exclusive privileges, which include the following:

- ✔ With each purchase of a Monthly Pass, passengers can earn 780 points under the KMB membership scheme, club1933. Along with 200 welcoming points, passholders can earn 980 points on their first registration. Earned points are redeemable for KMB Masks and special gifts;



▲ The KMB Monthly Pass Scheme has launched a number of privileges for passengers, including a “Buy-2-Get-1-Free” promotion exclusively for students to reach out to young customers

- ✔ 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;
- ✔ Free travel on LWB routes;
- ✔ Experience a comfortable bus journey on Routes P960 and P968 by paying a “Fare for Upgraded Journey”;
- ✔ KMB launched the Buy-3-Get-1-Free promotion scheme in 2022. Passengers purchasing an KMB Monthly Pass for four consecutive months will be entitled to a HK\$780 Octopus dollar rebate (equivalent to the price of one KMB Monthly Pass). The scheme is welcomed by the community and our passengers, and has been extended in the second half of 2022; and
- ✔ Further to the success of the Buy-3-Get-1-Free promotion, KMB further launched the Student Buy-2-Get-1-Free promotion, allowing holders of Student Identity Octopus cards to enjoy the HK\$780 Octopus dollar rebate with the purchase of an KMB Monthly Pass for only three months.

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 remain as 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 its 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 with prior approval of the Management and 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. CCTV cameras are installed on all KMB and LWB buses to protect the interests of bus captains in the event of police investigations or legal proceedings.



Maximising Bus System for a Complete Riding Experience

BBI to Reach Further, Faster, and Easier

While KMB is devoted to building a comprehensive bus network to connect communities and facilitating rapid development in the city outskirts by increasing bus routes and frequencies, the major obstacle not to be neglected lies in the limited road space in Hong Kong. In light of the limitation, KMB introduced 23 Bus-bus Interchanges (“BBIs”) in 2022 to enhance bus network efficiency and reduce traffic congestion and roadside pollution.

BBIs allow passengers from different communities to transfer from short-haul buses to interregional buses to other districts with interchange concessions offered, greatly reducing the overlap of routes on main roads and traffic flow in busy districts. As a result, the bus network can be simplified, with route planning made more direct under the BBI schemes. Passengers are encouraged to utilise our extensive bus network with more valuable and convenient options for a more flexible travel plan.

To elevate passengers’ interchange experience, KMB launched a large-scale BBI renovation project by adding clearer signage at bus stops so that passengers can locate the platform for transfer more easily. In addition, KMB’s mobile app, App1933, can serve as a trip planner. Using the Nearby Bus Routes function, passengers can check the estimated arrival time of the interchange routes for easy interchange.



“In the past, we thought point-to-point bus services would be more convenient. However, with the heavy traffic flow in Hong Kong, a single route does not necessarily mean a faster trip, especially during rush hour. Now with the BBI schemes, I am offered more commuting options with different route combinations, so I can make suitable adjustments to reduce travel time and reach more districts with fare discounts.”

Ms. Ho, Passenger

Caring for Employees



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

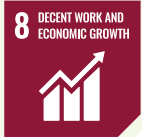




Quality Education



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 complaint handling mechanism in place. In case we receive complaints, we would thoroughly investigate all complaints in breach of the above policies and take appropriate action. Depending on the severity of the complaint, an ad-hoc committee may be set up to investigate the case. Severe disciplinary action, including summary dismissal, will be instigated in case of any violation.



◀ An employee discount shop, Store 1933, has been set up in major depots to facilitate the purchase of daily necessities by staff members



◀▲ KMB and LWB have not only set up a scholarship programme for the children of staff but also encouraged their family members to participate in sports activities

Staff Benefits and Wellbeing

To attract and retain talents, 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 packages for full-time employees by increasing the annual leave entitlement of frontline and clerical staff.

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 to support the tertiary education of the children of staff with satisfactory academic performance. As of 31 December 2022, there were more than 400 children of KMB and LWB staff members who had received a scholarship. We further launched an 8-week summer internship programme for our staff's children in 2022, allowing students to understand their strengths and potentials and develop a better future career plan.

Festive joy was brought to our staff across different festivals. We distributed to our staff Chinese New Year gifts and supermarket vouchers as Christmas presents. During the year, several initiatives were implemented which received overwhelming feedback from our staff. A series of "Appreciation Month" events was held to develop a work culture of unity, mutual appreciation and support. These included distributing beverages to frontline staff and shooting a "Thank You video" featuring the Management team and other co-workers from the frontline and back office. The purpose of the video was to thank all of our colleagues for their contributions and support to the Company, and bring positive energy to everyone in KMB and LWB.

In 2022, KMB and LWB launched a series of health-related activities, such as health talks, free health book distribution, healthy meal menu available in staff canteens, to promote a healthy lifestyle. In October, "Health Awareness Month" was organised to actively promote physical and mental wellbeing through activities such as a Zentangle workshop, vaccination subsidy scheme and fruit distribution day on which members of the Management team joined in to keep up the morale of the frontline personnel.

KMB and LWB continued to renovate and upgrade their working environments, especially for frontline staff, with improved rest facilities for staff to enjoy during rest breaks. In Club1933, a staff leisure area at Kowloon Bay Depot and Lai Chi Kok Depot, a pool table, an air hockey table and a table football are available for the enjoyment of all staff members.

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 of the end of 2022, ten interest clubs were available for staff interested in singing, hiking, photography, basketball, table tennis, badminton, football, 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 times like the one we faced 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 service is available to staff and their family members 24 hours a day, 7 days a week.



▲ Members of KMB and LWB Senior Management have visited depots to give support and appreciation to our colleagues

Occupational Safety and Health

KMB and LWB staff members are encouraged to make suggestions on possible improvements to health and safety measures. We have adopted staff suggestions at the regular meetings of the Working Committee for Safety, and introduced a series of safety control measures. In 2022, we placed ten Automated External Defibrillators ("AED") at the Customer Service Centres located in major bus termini and depots for the use of the public and staff members to help save lives in an emergency. Training sessions on how to use the AED and Cardiopulmonary Resuscitation were also provided for the relevant members of staff.

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 epidemic, regular activities such as afternoon tea gatherings and festive gift distribution were 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

The KMB Academy was established in early 2022, by merging the KMB Bus Captain Training School and the KMB Technical Training School, to demonstrate our determination to strive for continuous service improvements and staff training, as well as to ensure that a stable team is in place to provide maintenance service for the KMB, LWB and the transportation industry. "Mission Safety • Act with Self-discipline" is adopted as the motto of the KMB Academy, emphasising the pivotal role of safety and discipline in the industry.

The KMB Academy is the first institution in Hong Kong accredited by the Qualifications Framework to provide professional training

programmes for franchised bus maintenance personnel and bus captains. The "Certificate in Bus Maintenance" and "Certificate in Public Bus (Franchised) Driving" offered by the KMB Academy were approved by the Hong Kong Council for Accreditation and Academic and Vocational Qualifications ("HKCAAVQ"). They were respectively recognised as equivalent to Level Two and Level Three under the Qualifications Framework in Hong Kong. That means the content, quality, and teaching mode of each course taught by the Academy have achieved international recognitions under the quality assurance of the HKCAAVQ.

The quality of our apprentice training was once again recognised in 2022 when three KMB apprentices were awarded the second runner-up, third runner-up and excellence awards in the Vocational Training Council's Best Apprentice in the Automobile Trade Competition.

In addition, the KMB Academy provides on-the-job training for current maintenance staff and bus captains, through which they can learn the latest technology in the bus maintenance industry and refresh their driving and customer service skills.

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 the Customer Engagement Team to enhance their knowledge and skills on taking care of passengers in a traffic incident.

SUSTAINABILITY REPORT

Recognition for Service Excellence

In 2022, 274 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 28 employees received the 35-year award and a gold medal, 121 and 168 employees received the 30-year and 20-year awards, respectively, together with a plaque and a pin, and 407 employees with ten years of service received a certificate of appreciation.

Besides, a total of 100 Bus Captains were granted the Annual GreenRoad Outstanding Awards. The top ten Gold Awardees were presented with a HK\$10,000 cash prize and a certificate of appreciation. Including the Retirement Awards, over 390 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 the total workforce, held meetings regularly. The meetings are to review issues including safety, operations, work environment and staff welfare.

Through the staff website, staff members are kept informed 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 the internal portal, as well as using the e-learning training platform. The corporate magazine, *KMB Today*, provides another means of keeping employees up to date on KMB and LWB news and industry developments.



▲ KMB and LWB have set up various awards such as the "Long Service Award" and "The GreenRoad Outstanding Award" to thank and commend outstanding employees

We make use of media and online platforms to share information with our staff to cope with the onset of COVID-19 epidemic and various infection control measures. Several online activities and programmes, including online health talks, interest classes and financial seminars, were held on the KMB Staff Facebook page, Teams and Zoom platforms to maintain our 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 members to share their views about operational matters and workplace-related issues with the Management team members.



▲ During the Lunar New Year, members of KMB and LWB Senior Management visited various bus termini to send festive blessings to colleagues



Committed to Diversity, Equity and Inclusivity in Employment Practices

Celebrate Diversity in the Workplace

Echoing KMB's commitment to enhancing an inclusive society, we aim to create an inclusive workplace that celebrates diversity and its role in the organisational fabric while actively promoting equal opportunities. We welcome Hong Kong residents from different ethnicities to join and serve in various positions, as we offer job opportunities regardless of individuals' background and races but depending on talents and education levels.

Internally, KMB takes the responsibility to create a safe and positive work environment for ethnic minority employees. One clear example is the "Buddy Programme" – assigning a local senior bus captain to greet and orientate non-Chinese bus captains. The programme allows senior bus captains to pass on experience and timely detect difficulties that junior non-Chinese bus captains are facing.

In addition, KMB implements flexible work arrangements that are suitable for people of different backgrounds and abilities. For example, shift working schedules are available for non-Chinese staff, making it easy for them to take part in religious rituals.

Externally, in order to further engage members of ethnic minorities, KMB proactively solicits support from the ethnic minority communities. We have rolled out an ethnic minority ambassador scheme, under which KMB hires ambassadors for ethnic minorities to reach out to non-Chinese communities and introduce our services. We also held an Open Day and Employment Seminar with on-site interview opportunities at Kowloon Mosque to introduce KMB services to non-Chinese people in August 2022.



"KMB has offered me a warm working environment as well as a stable job. My colleagues, especially my "buddy", Captain Tsui, has helped me a lot. My first week onboard was hard that I almost gave up because the attitude of some passengers upset me so much. Captain Tsui was sent to assist me and taught me how to deal with the situation in the face of negativity. The Buddy Programme has helped me steadily integrate into the new environment."

Ehsan Nawaz, KMB Bus Captain

Stakeholder Engagement



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





Industry, Innovation and Infrastructure



Sustainable Cities and Communities



Partnerships For The Goals

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 2022, 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 July, KMB joined the Hong Kong Book Fair in Hong Kong Convention and Exhibition Centre;
- ✔ In August and October, KMB ran pop-up stores at Kwun Tong Yue Man Square 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; and
- ✔ KMB organised four free ride days with business partners and sponsors in July, November and December.

Media and Social Media Platforms

In 2022, we invited the media to our events to strengthen public communication and increase the 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 followers of our Facebook page reached over 187,000 at the end of December. Likewise, the KMB Instagram account reached more than 625,000 netizens in 2022.

As we firmly 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.

Throughout the year, KMB Facebook promoted different events with images, GIFs and videos, especially for bus safety and etiquette via online social media platform.

App1933

KMB's smartphone application has been continuously updated with newly added features such as the Boarding Reminder function which, comes with the Alighting Reminder function as a package, caters to passengers' need for trip planning. Once set, the application will send push notifications to remind the user when to board and alight the bus. It will also show the estimated time of arrival of a selected route. The "KMB Info" feature on App1933 has been updated with a clearer layout for enhanced passenger information and interaction.

club1933

Numerous exclusive offers have been given out to members of club1933, such as Buy-3-Get-1-Free Monthly Pass offers and free drink distribution at the main bus termini, to create a synergy effect under an exclusive loyalty programme.



▶ KMB ran pop-up stores at different shopping malls and organised free ride days to interact with the public

SUSTAINABILITY REPORT

Websites

After a major revamp, the KMB website (www.kmb.hk) has presented a whole new look and feel to users. The revamped website provides a better user experience with enhanced information integration, allowing users to easily acquire information on our service details.

Depot Visits

To increase our stakeholders' understanding of the daily operations at our bus depots, we received visitors from 13 organisations in the reporting period. Among them were social service organisations, professional associations, Government departments and higher education institutes. We also engaged with 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 14 delegations in 2022.

Excellent Customer Service

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

Chatbot for Enquires

KMB and LWB provide an artificial intelligence Chatbot channel, bot1933, on their websites and App1933 for passengers to get instant year-round responses to enquiries and provide feedback on bus services. Since it was launched, the Chatbot channel has continually been enhanced to handle passenger enquiries and has received positive feedback.

Customer Service Hotline

Both KMB and LWB offer a manned customer service hotline (2745 4466 and 2261 2791, respectively) with human operators available for enquiries 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 services and for providing assistance in finding lost elderly people.

Customer Service Centres

Our Customer Service Centres provide passengers with a one-stop service, which include offering KMB and LWB souvenirs, Octopus card add-value services and the provision of bus route information, while the Tai Lam 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, offering a handy one-stop service. The Tuen Mun Road Bus-bus Interchange Customer Service Centre provides an air-conditioned waiting area for passengers to enjoy a comfortable environment while waiting.

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.



◀▲ KMB is dedicated to caring for the community. "The Donation of Used and Retired Bus Programme" and "The Donation of Caring Bus Stop Pole Programme" are well received by schools and homes for the elderly



▲ KMB and Hong Chi Association have fostered a business-school collaboration to offer student placement opportunities in the retail and food and beverages industries

Serving the Community

We continuously 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 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 schools or non-profit organisations. For the Donation of Caring Bus Stop Pole Programme, we donated tailor-made bus stop poles to elderly homes to help prevent seniors with dementia from wandering and going missing as well as assisting them in receiving treatment.

The list of beneficiary schools/non-profit organisations that received a donated bus or bus stop pole in 2022 is as follows:

Retired Bus Donation

- ✔ Cannan Kindergarten & Nursery and
- ✔ Shatin Public School.

Bus Stop Pole Donation

- ✔ Caritas Fung Wong Fung Ting Home;
- ✔ Elderly Chinese Home in Australia;

- ✔ Hongchi Pinehill School;
- ✔ Po Leung Kuk Sai Ying Pun Home for the Elderly cum Day Care Centre for the Elderly;
- ✔ TWGHs Fong Shu Chuen Care & Attention Home;
- ✔ TWGHs Wu Chiang Wai Fong Care & Attention Home; and
- ✔ Woopie Club (Ma On Shan).

Business-school Partnership

In collaboration with Hong Chi Association, KMB takes students with Special Educational Needs ("SEN") out of the classroom to showcase their talents by providing a multi-platform and placements for them. For example, the Café1933, a staff coffee shop, offers retail placements for students as well as food and beverages. Under the partnership, KMB has also recruited SEN graduates as bus cleaning workers, office assistants, customer service assistants, and gardening assistants.

Nurturing Talents

KMB is committed to cultivating young people and nurturing talents for the transportation industry in Hong Kong. The following activities were organised throughout the year:

- ✔ KMB and Hong Kong Metropolitan University ("HKMU") signed a memorandum of understanding in May 2022 to launch an internship programme and short-term career-oriented courses and workshops for HKMU students in order to help students equip themselves for future development; and
- ✔ KMB organised a career-oriented course for secondary school students. The course includes STEM workshops and work experience sharing sessions, allowing students to explore their innovative and technological potentials as well as getting to know KMB's departmental structure, with a view to broadening students' horizons and inspiring them to plan for future studies and career paths.



▲ The younger generation is the future pillar of society. KMB has introduced STEM education programmes to help students apply interdisciplinary knowledge and cultivate innovative thinking



▲ KMB and LWB participated in The Community Chest New Territories Walk for Millions in 2022

Community Participation

- ✔ KMB and LWB offer free rides on all bus routes for people with disabilities, together with one accompanying caregiver, to support the International Day of Persons with Disabilities every year;
- ✔ KMB and LWB support the annual Senior Citizens Day by offering free rides to people aged 65 and over;
- ✔ KMB has rolled out several new electric bus engagement activities to encourage more passengers to experience our new-generation electric buses. These activities include the redemption of exquisitely-designed pins and the visits of electric single-deckers to different communities;
- ✔ The KMB Open Day was held for the first time at Kowloon Mosque in collaboration with The Incorporated Trustees of the Islamic Community Fund of Hong Kong to promote social inclusion;
- ✔ KMB has organised a bus drawing competition to connect with the newly developed area, Queen's Hill, bringing art and culture into the community as the winning entries are painted on buses that serve North District; and
- ✔ KMB has long supported the Community Chest activities. In 2022, a group of KMB staff and its volunteer club participated in The Community Chest New Territories Walk for Millions.

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 2,220 members, including passengers, KMB and LWB staff and their dependents.

During the reporting period, FRN volunteers distributed anti-epidemic supplies to people living in cage houses and subdivided units, and families affected by COVID-19. FRN 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 worked with 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 December 2022, KMB held an appreciation ceremony to commend FRN volunteers who served 50, 100, 200 and 500 hours or more.



▲ FRN actively serves the community and regularly visits the elderly and people in need



Taking the Elderly Along

On-board System Helps to Find Dementia Wanderers

KMB provides a wide variety of social services and support for the elderly, especially those with dementia. Considering that it is common for a person living with dementia to wander or become lost or confused about their whereabouts, we have further developed the on-board system to identify missing elderly by their Octopus card numbers. With KMB's huge fleet and wide service coverage in the city, there is a greater chance for missing people with dementia carrying reported Octopus card to be found.

The on-board system will alert bus captains as well as the back office and operations staff immediately when a missing person has boarded a bus and tapped the reported Octopus card. This can ensure an expedited process of locating the missing person and contacting the family concerned.

Effort is also made externally to promote the importance for families with an elderly member suffering from dementia to make a note of their Octopus card number, as this can be helpful when an elderly person goes missing. We have been reaching out to different residential care homes for the elderly with reminders and other helpful messages, hoping to increase the chance of finding missing seniors in a timely manner. Internally, KMB has integrated information of the scheme into its bus captain training programme and spread the message via intranet.

Apart from the on-board system, KMB also supports the Jockey Club Centre for Positive Ageing "Angel Box" pilot scheme by installing Bluetooth signal detectors "Angel Box" at bus termini and interchanges. When a dementia wanderer who carries a free tracking device passes by the "Angel Box", the Box will share its location data with the caregivers and assist them in bringing their lost family member home as early as possible.

Furthermore, KMB is constantly donating tailor-made bus stop poles to elderly homes to help prevent elderly people with dementia from missing and assist them in receiving treatment.



Performance Statistics

| | Unit | FY 2022 | FY 2021 | Year-On-Year Change |
|--|---------------------------------------|------------|------------|---------------------|
| Environmental | | | | |
| Emissions | | | | |
| GHG Emissions of Bus (Scope I) | tCO ₂ e | 458,518 | 516,326 | -11.20% |
| GHG Emissions of Bus (Scope I) Intensity | tCO ₂ e per million km | 1,649 | 1,756 | -6.09% |
| GHG Emissions of Electricity (Scope II) ¹ | tCO ₂ e | 6,518 | 6,920 | -5.81% |
| GHG Emissions of Electricity (Scope II) Intensity ¹ | tCO ₂ e per m ² | 0.015 | 0.017 | -11.76% |
| Nitrogen Oxides (NOx) ² | tonnes | 1,588 | 1,675 | -5.19% |
| Sulphur Oxides (SOx) ² | tonnes | 2.81 | 3.16 | -11.08% |
| Particulate Matter (PM) ² | tonnes | 114 | 121 | -5.79% |
| Waste | | | | |
| Hazardous Waste | | | | |
| Solid Chemical Waste (Recycled) | kilograms (kg) | 1,285,460 | 1,411,945 | -8.96% |
| Solid Chemical Waste Intensity | kilograms (kg) per million km | 4,623 | 4,803 | -3.75% |
| Tyres (Recycled) | kilograms (kg) | 974,760 | 989,520 | -1.49% |
| Fluorescent Tubes | kilograms (kg) | 0 | 400 | -100% |
| Waste Oil (Recycled) | kilograms (kg) | 456,600 | 535,080 | -14.67% |
| Battery (Recycled) | kilograms (kg) | 164,200 | 230,400 | -28.73% |
| Non-hazardous Waste | | | | |
| Metal (Recycled) | kilograms (kg) | 679,852 | 811,556 | -16.23% |
| Metal Intensity | kilograms (kg) per million km | 2,445 | 2,472 | -1.09% |
| Waste Directed to Disposal (Paper Waste) | tonnes | 33.60 | N.A. | N.A. |
| Use of Resources | | | | |
| Diesel Oil Consumption | gigajoules (GJ) | 6,716,564 | 7,549,120 | -11.03% |
| Diesel Oil Consumption Intensity | GJ per million km | 24,154 | 25,677 | -5.93% |
| Water Consumption ³ | m ³ | 197,855 | 241,882 | -18.20% |
| Water Consumption Intensity ³ | m ³ per bus | 46 | 57 | -19.30% |
| Non-renewable Electricity Consumption ³ | kWh | 17,615,264 | 18,702,653 | -5.81% |
| Non-renewable Electricity Consumption Intensity ³ | kWh per m ² | 42 | 45 | -6.67% |

¹ The emission factors of greenhouse gas emissions due to electricity consumption were obtained from the 2022 HKEx published document, "How to prepare an ESG Report, Appendix 2: Reporting Guidance on Environmental KPIs": 0.37kg CO₂e/kWh.

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

³ The water consumption and electricity consumption on all KMB and LWB premises, excluding tenants, were taken into account.

| | Unit | FY 2022 | FY 2021 | Year-On-Year Change |
|---|------------------|---------|---------|---------------------|
| Social | | | | |
| Employment | | | | |
| Total Workforce | no. of employees | 12,837 | 13,069 | -1.78% |
| by Gender | | | | |
| Female | no. of employees | 1,005 | 981 | +2.45% |
| Male | no. of employees | 11,832 | 12,088 | -2.12% |
| by Age Group | | | | |
| Below 40 Years Old | no. of employees | 2,743 | 2,959 | -7.30% |
| 40-50 Years Old | no. of employees | 3,665 | 3,886 | -5.69% |
| Over 50 Years Old | no. of employees | 6,429 | 6,224 | +3.29% |
| by Employment Category | | | | |
| Senior Level | no. of employees | 23 | 23 | 0 |
| Middle Level | no. of employees | 248 | 260 | -4.62% |
| Entry Level | no. of employees | 12,566 | 12,786 | -1.72% |
| by Employment Type by Gender | | | | |
| Full Time Female | no. of employees | 914 | 914 | 0 |
| Full Time Male | no. of employees | 11,114 | 11,503 | -3.38% |
| Non Full Time Female | no. of employees | 91 | 67 | +35.82% |
| Non Full Time Male | no. of employees | 718 | 585 | +22.74% |
| by Employment Contract by Region | | | | |
| Permanent in Hong Kong | no. of employees | 11,749 | 12,145 | -3.26% |
| Permanent in Other Region | no. of employees | 0 | 0 | 0 |
| Temporary in Hong Kong | no. of employees | 1,088 | 924 | +17.75% |
| Temporary in Other Region | no. of employees | 0 | 0 | 0 |
| by Employment Contract by Gender | | | | |
| Permanent Female | no. of employees | 900 | 902 | -0.22% |
| Permanent Male | no. of employees | 10,849 | 11,244 | -3.51% |
| Temporary Female | no. of employees | 105 | 79 | +32.91% |
| Temporary Male | no. of employees | 983 | 845 | +16.33% |
| Parental Leave | | | | |
| Return to work | rate | 100 | N.A. | N.A. |
| Retention | rate | 0 | N.A. | N.A. |

SUSTAINABILITY REPORT

| | Unit | FY 2022 | FY 2021 | Year-On-Year Change |
|--|---|---------|---------|---------------------|
| Social | | | | |
| Turnover Rate | | | | |
| <i>by Gender</i> | | | | |
| Female | no. of employees | 181 | 352 | -48.58% |
| Male | no. of employees | 1,900 | 2,158 | -11.96% |
| <i>by Age Group</i> | | | | |
| below 40 Years Old | no. of employees | 656 | 674 | -2.67% |
| 40-50 Years Old | no. of employees | 405 | 478 | -15.27% |
| over 50 Years Old | no. of employees | 1,020 | 1,358 | -24.89% |
| <i>by Geographical Region</i> | | | | |
| Hong Kong | no. of employees | 2,081 | 2,510 | -17.09% |
| Other Region | no. of employees | 0 | 0 | 0 |
| Health and Safety | | | | |
| Total Number of Work-related Fatalities Occurred | no. of employees | 0 | 0 | 0 |
| | rate (no. of employees/ total workforce) | 0 | 0 | 0 |
| Lost Days due to Work Injury | days | 18,525 | 22,428 | -17.40% |
| Work-related Injuries | no. of injuries | 242 | N.A. | N.A. |
| Work-related Ill Health | no. of ill health | 0 | N.A. | N.A. |
| Development and Training | | | | |
| <i>by Gender</i> | | | | |
| Female | % of employees trained | 55.52 | 49.24 | +12.75% |
| Male | % of employees trained | 72.51 | 65.07 | +11.43% |
| <i>by Employment Category</i> | | | | |
| Senior Level | % of employees trained | 13.04 | 8.70 | +49.89% |
| Middle Level | % of employees trained | 27.02 | 22.69 | +19.08% |
| Entry Level | % of employees trained | 72.16 | 64.82 | +11.32% |
| <i>Training Hours</i> | | | | |
| Total Training Hours | no. of hours | 315,824 | 324,511 | -2.68% |
| <i>Average Training Hours by Gender</i> | | | | |
| Female | no. of hours | 23 | 23 | 0 |
| Male | no. of hours | 25 | 25 | 0 |
| <i>Average Training Hours by Employment Category</i> | | | | |
| Senior Level | no. of hours | 2 | 4 | -50.00% |
| Middle Level | no. of hours | 11 | 7 | +57.14% |
| Entry Level | no. of hours | 25 | 25 | 0 |

| | Unit | FY 2022 | FY 2021 | Year-On-Year Change |
|---|--|---------|---------|---------------------|
| Social | | | | |
| Employees Receive Regular Performance and Career Development Reviews | | | | |
| <i>by Gender</i> | | | | |
| Female | % of employees received | 91.59 | N.A. | N.A. |
| Male | % of employees received | 88.65 | N.A. | N.A. |
| <i>by Employment Category</i> | | | | |
| Senior Level | % of employees received | 94.70 | N.A. | N.A. |
| Middle Level | % of employees received | 100.00 | N.A. | N.A. |
| Entry Level | % of employees received | 91.30 | N.A. | N.A. |
| Diversity and Equal Opportunity | | | | |
| Senior Level | ratio of basic salary and remuneration of women to men | 0.91 | N.A. | N.A. |
| Middle Level | ratio of basic salary and remuneration of women to men | 0.95 | N.A. | N.A. |
| Entry Level | ratio of basic salary and remuneration of women to men | 1.11 | N.A. | N.A. |
| Supply Chain Management | | | | |
| <i>by Region</i> | | | | |
| Hong Kong | no. of suppliers | 408 | 400 | +2.00% |
| Other Region | no. of suppliers | 34 | 38 | -10.53% |
| Product Responsibility | | | | |
| Service Related Complaints Received | no. of complaints received per million passenger trips | 1.91 | 1.70 | +12.35% |
| Anti-corruption | | | | |
| Concluded Legal Cases | no. of cases | 0 | 0 | 0 |

Reporting Content Index Table

Transport International Holdings Limited (“TIH”) has reported in accordance with the GRI Standards from 1 January 2022 to 31 December 2022 and the Environmental, Social and Governance Reporting Guide (“ESG Guide”) issued by The Stock Exchange of Hong Kong Limited (the “HKEx”). The following content index table presents the associated disclosures either by cross-referring relevant section(s) in this Report and/or by providing direct remarks.

Compared to TIH’s 2021 Annual Report “Reporting Content Index Tables”, “GRI 207: Tax 2019” has been added and “GRI 417: Marketing and Labeling 2016” has been removed as it was not identified as one of the 12 material issues based on the stakeholder engagement.

| ESG Guide, HKEx | UNSDG | GRI Standards | Material Topics | Reference/*Direct Answer/+Reason for omission | Page(s) ^: refer to TIH 2022 Annual Report |
|--|-------|---------------|--|--|---|
| 2: General Disclosures 2021 | | | | | |
| Organisational Profile | | | | | |
| | | 2-1 | Organisational details | About the Report Reporting Focus | 42-49 43 |
| | | 2-2 | Entities included in the organisation’s sustainability reporting | About the Report Reporting Principles | 42-49 43 |
| | | 2-3 | Reporting period, frequency and contact point | About the Report Reporting Principles | 42-49 43 |
| | | 2-4 | Restatements of information | Reporting Principles | 43 |
| | | 2-5 | External assurance | Reporting Principles External assurance was not carried out by an independent third party | 43 |
| Activities and Workers | | | | | |
| KPI B5.1 KPI B5.2 KPI B5.3 KPI B5.4 | | 2-6 | Activities, value chain and other business relationships | Business at a Glance Key Franchised Bus Network in Hong Kong Financial and Operational Highlights Supply Chain Management | 4-5^ 6-7^ 8-9^ 49 |
| KPI B1.1 | | 2-7 | Employee | Caring for Employees | 70-75 |
| | | 2-8 | Workers who are not employees | Safety First | 50-55 |

| ESG Guide, HKEx | UNSDG | GRI Standards | Material Topics | Reference/*Direct Answer*/+Reason for omission | Page(s) ^: refer to TIH 2022 Annual Report |
|---|-------|------------------|---|--|--|
| Governance | | | | | |
| | | 2-9 | Governance structure and composition | Sustainability Governance | 45 |
| | | 2-10 | Nomination and selection of the highest governance body | Corporate Governance Report | 116-137^ |
| | | 2-11 | Chair of the highest governance body | Corporate Governance Report | 116-137^ |
| | | 2-12 | Role of the highest governance body in overseeing the management of impacts | Adopting TCFD reporting: Governance | 58 |
| | | 2-13 | Delegation of responsibility for managing impacts | Adopting TCFD reporting: Governance | 58 |
| | | 2-14 | Role of the highest governance body in sustainability reporting | Stakeholder Engagement and Materiality Assessment | 46 |
| | | 2-15 | Conflicts of interest | Caring for Employees | 70-75 |
| | | 2-16 | Communication of critical concerns | Financial Review | 98-115^ |
| | | 2-17 | Collective knowledge of the highest governance body | Corporate Governance Report | 116-137^ |
| | | 2-18 | Evaluation of the performance of the highest governance body | Adopting TCFD reporting: Risk Management | 58 |
| | | 2-19 | Remuneration policies | Remuneration Report | 138-141^ |
| | | 2-20 | Process to determine remuneration | Remuneration Report | 138-141^ |
| | | 2-21 | Annual total compensation ratio | Director's emolument | 196-197^ |
| Strategy, Policies and Practices | | | | | |
| | | 2-22 | Statement on sustainable development strategy | Chairman's Letter Managing Director's Message | 14-17^ 18-19^ |
| | | 2-23 | Policy commitments | Caring for the Environment Caring for Employees Stakeholder Engagement | 56-63 70-75 76-81 |
| | | 2-24 | Embedding policy commitments | Caring for the Environment Caring for Employees | 56-63 70-75 |

SUSTAINABILITY REPORT

| ESG Guide, HKEx | UNSDG | GRI Standards | Material Topics | Reference/*Direct Answer/*Reason for omission | Page(s) ^: refer to TIH 2022 Annual Report |
|---|---|------------------|--|--|--|
| | | 2-25 | Processes to remediate negative impacts | Safety First Caring for the Environment Caring for Employees | 50-55 56-63 70-75 |
| KPI B7.2 | | 2-26 | Mechanisms for seeking advice and raising concerns | Stakeholder Engagement | 76-81 |
| GD A1 GD B6 | 16: Peace, Justice and Strong Institutions | 2-27 | Compliance with laws and regulations | Legal and Regulatory Compliance | 46 |
| | 17: Partnerships for the Goals | 2-28 | Membership associations | Stakeholder Engagement | 76-81 |
| Stakeholder Engagement | | | | | |
| KPI B6.2 | | 2-29 | Approach to stakeholder engagement | Stakeholder Engagement and Materiality Assessment Stakeholder Engagement | 46 76-81 |
| | 8: Decent Work and Economic Growth | 2-30 | Collective bargaining agreements | Stakeholder Engagement and Materiality Assessment Caring for Employees | 46 70-75 |
| GRI 3: Material Topics 2021 | | | | | |
| | | 3-1 | Process to determine material topics | Stakeholder Engagement and Materiality Assessment | 46 |
| | | 3-2 | List of material topics | Stakeholder Engagement and Materiality Assessment | 46 |
| GRI 3: Material Topics 2021 | | | | | |
| GD A4 KPI A4.1 | | 3-3 | The management approach and its components | Management Discussion and Analysis Caring for the Environment Financial Review | 20-21^ 56-63 98-115^ |
| GRI 201: Economic Performance 2016 | | | | | |
| | | 201-1 | Direct economic value generated and distributed | Financial Review | 98-115^ |
| | 8: Decent Work and Economic Growth 13: Climate Action | 201-2 | Financial implications and other risks and opportunities due to climate change | Management Discussion and Analysis Caring for the Environment | 20-21^ 56-63 |

| ESG Guide, HKEx | UNSDG | GRI Standards | Material Topics | Reference/*Direct Answer/+Reason for omission | Page(s) ^: refer to TIH 2022 Annual Report |
|--|--|---------------|--|---|---|
| | 8: Decent Work and Economic Growth | 201-3 | Defined benefit plan obligations and other retirement plans | Caring for Employees Remuneration Report Director's Report | 70-75 138-141^ 153-162^ |
| | | 201-4 | Financial assistance received from government | Financial Review | 98-115^ |
| GRI 3: Material Topics 2021 | | | | | |
| GD B5 KPI B5.2 KPI B5.3 KPI B5.4 | | 3-3 | The management approach and its components | Supply Chain Management | 49 |
| GRI 204: Procurement Practices 2016 | | | | | |
| KPI B5.1 | | 204-1 | Proportion of spending on local suppliers | Supply Chain Management | 49 |
| GRI 3: Material Topics 2021 | | | | | |
| GD B7 KPI B7.2 KPI B7.3 | | 3-3 | The management approach and its components | Legal and Regulatory Compliance | 46 |
| GRI 205: Anti-corruption 2016 | | | | | |
| | 16: Peace, Justice and Strong Institutions | 205-1 | Operations assessed for risks related to corruption | * TIH conducts an Enterprise Risk Assessment every year, corruption was not an identified risk. | - |
| KPI B7.3 | 16: Peace, Justice and Strong Institutions | 205-2 | Communication and training about anti-corruption policies and procedures | Legal and Regulatory Compliance | 46 |
| KPI B7.1 | 16: Peace, Justice and Strong Institutions | 205-3 | Confirmed incidents of corruption and actions taken | Legal and Regulatory Compliance | 46 |
| GRI 3: Material Topics 2021 | | | | | |
| | | 3-3 | The management approach and its components | Financial Review | 98-115^ |
| GRI 207: Tax 2019 | | | | | |
| | | 207-1 | Approach to tax | Financial Review | 98-115^ |
| | | 207-2 | Tax governance, control, and risk management | Financial Review | 98-115^ |

SUSTAINABILITY REPORT

| ESG Guide, HKEx | UNSDG | GRI Standards | Material Topics | Reference/*Direct Answer*/+Reason for omission | Page(s) ^: refer to TIH 2022 Annual Report |
|------------------------------------|--|---------------|--|--|---|
| | | 207-3 | Stakeholder engagement and management of concerns related to tax | Financial Review | 98-115^ |
| | | 207-4 | Country-by-country reporting | Financial Review | 98-115^ |
| GRI 3: Material Topics 2021 | | | | | |
| GD A2 GD A3 KPI A2.3 | | 3-3 | The management approach and its components | Caring for the Environment Caring for Customers | 56-63 64-69 |
| GRI 302: Energy 2016 | | | | | |
| KPI A2.1 | 7: Affordable and Clean Energy 12: Responsible Consumption and Production 13: Climate Action | 302-1 | Energy consumption within the organisation | Caring for the Environment Performance Statistics | 56-63 82-85 |
| | 12: Responsible Consumption and Production 13: Climate Action | 302-2 | Energy consumption outside the organisation | * Information incomplete: TIH is not ready to explore these voluntary disclosures yet but has been reviewing the feasibility to do so in the future. | - |
| KPI A2.1 | 12: Responsible Consumption and Production 13: Climate Action | 302-3 | Energy intensity | Caring for the Environment Performance Statistics | 56-63 82-85 |
| KPI A2.3 | 12: Responsible Consumption and Production 13: Climate Action | 302-4 | Reduction of energy consumption | Caring for the Environment Performance Statistics | 56-63 82-85 |
| KPI A2.3 | 12: Responsible Consumption and Production 13: Climate Action | 302-5 | Reductions in energy requirements of products and services | Caring for the Environment | 56-63 |
| GRI 3: Material Topics 2021 | | | | | |
| GD A2 GD A3 | | 3-3 | The management approach and its components | Caring for the Environment | 56-63 |

| ESG Guide, HKEx | UNSDG | GRI Standards | Material Topics | Reference/*Direct Answer*/+Reason for omission | Page(s) ^: refer to TIH 2022 Annual Report |
|--|--|---------------|---|--|--|
| GRI 303: Water and Effluents 2018 | | | | | |
| KPI A2.2 KPI A2.4 KPI B5.3 | 6: Clean Water and Sanitation | 303-1 | Interactions with water as a shared resource | Caring 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. | 56-63 |
| GD A3 KPI A3.1 | 6: Clean Water and Sanitation | 303-2 | Management of water discharge-related impacts | Caring for the Environment * We ensure water discharge to drainage systems and water bodies were in compliance with local government requirements. | 56-63 |
| KPI A2.4 | 6: Clean Water and Sanitation | 303-3 | Water withdrawal | Caring for the Environment | 56-63 |
| | 6: Clean Water and Sanitation | 303-4 | Water discharge | Caring for the Environment * Effluents are discharged into municipal sewage treatment systems and comply with local regulatory standards of effluents discharge. | 56-63 |
| KPI A2.2 | 6: Clean Water and Sanitation | 303-5 | Water consumption | Caring for the Environment Performance Statistics * No specific regions are water stressed in Hong Kong. | 56-63 82-85 |
| GRI 3: Material Topics 2021 | | | | | |
| GD A1 GD A3 KPI A3.1 | | 3-3 | The management approach and its components | Caring for the Environment | 56-63 |
| GRI 305: Emissions 2016 | | | | | |
| KPI A1.1 KPI A1.2 | 12: Responsible Consumption and Production 13: Climate Action | 305-1 | Direct (Scope 1) GHG emissions | Caring for the Environment Performance Statistics | 56-63 82-85 |
| KPI A1.1 KPI A1.2 | 12: Responsible Consumption and Production 13: Climate Action | 305-2 | Energy indirect (Scope 2) GHG emissions | Caring for the Environment Performance Statistics | 56-63 82-85 |
| KPI A1.1 | | 305-3 | Other indirect (Scope 3) GHG emissions | * Information incomplete: TIH is not ready to explore these voluntary disclosures yet but has been reviewing the feasibility to do so in the future. | - |

SUSTAINABILITY REPORT

| ESG Guide, HKEx | UNSDG | GRI Standards | Material Topics | Reference/*Direct Answer/+Reason for omission | Page(s) ^: refer to TIH 2022 Annual Report |
|--|---|------------------|--|--|--|
| KPI A1.2 | 12: Responsible Consumption and Production 13: Climate Action | 305-4 | GHG emissions intensity | Caring for the Environment Performance Statistics | 56-63 82-85 |
| KPI A1.5 | 7: Affordable and Clean Energy 12: Responsible Consumption and Production 13: Climate Action | 305-5 | Reduction of GHG emissions | Caring for the Environment Performance Statistics | 56-63 82-85 |
| KPI A1.1 | | 305-6 | Emissions of ozone- depleting substances (ODS) | * Not applicable: TIH does not produce, import and export ODS | - |
| KPI A1.1 | 12: Responsible Consumption and Production 13: Climate Action | 305-7 | Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | Caring for the Environment Performance Statistics | 56-63 82-85 |
| GRI 3: Material Topics 2021 | | | | | |
| GD A1 | | 3-3 | The management approach and its components | Caring for the Environment | 56-63 |
| GRI 306: Effluents and Waste 2016 | | | | | |
| | 6: Clean Water and Sanitation | 306-1 | Water discharge by quality and destination | Caring for the Environment | 56-63 |
| KPI A1.3 KPI A1.4 | 6: Clean Water and Sanitation | 306-2 | Waste by type and disposal method | Caring for the Environment | 56-63 |
| | 6: Clean Water and Sanitation 13: Climate Action | 306-3 | Significant spills | Caring for the Environment | 56-63 |
| KPI A1.3 | 12: Responsible Consumption and Production 13: Climate Action | 306-4 | Transport of hazardous waste | Caring for the Environment | 56-63 |
| | 6: Clean Water and Sanitation | 306-5 | Water bodies affected by water discharges and/or runoff | Caring for the Environment | 56-63 |

| ESG Guide, HKEx | UNSDG | GRI Standards | Material Topics | Reference/*Direct Answer/*Reason for omission | Page(s) ^: refer to TIH 2022 Annual Report |
|------------------------------------|--|------------------|--|---|--|
| GRI 3: Material Topics 2021 | | | | | |
| GD A1 GD A3 KPI A1.6 | | 3-3 | The management approach and its components | Caring for the Environment | 56-63 |
| GRI 306: Waste 2020 | | | | | |
| KPI A3.1 | | 306-1 | Waste generation and significant waste-related impacts | Performance Statistics | 82-85 |
| KPI A3.1 | 12: Responsible Consumption and Production | 306-2 | Management of significant waste-related impacts | Performance Statistics | 82-85 |
| KPI A1.3 KPI A1.4 * KPI A2.5 | 12: Responsible Consumption and Production | 306-3 | Waste generated | Caring for the Environment Performance Statistics * Quantitative data of total packaging materials are not available as they are not applicable to KMB & LWB's business. | 56-63 82-85 |
| KPI A1.6 | 12: Responsible Consumption and Production | 306-4 | Waste diverted from disposal | Performance Statistics | 82-85 |
| KPI A1.6 | 12: Responsible Consumption and Production | 306-5 | Waste directed to disposal | Performance Statistics | 82-85 |
| Employment | | | | | |
| GRI 3: Material Topics 2021 | | | | | |
| GD B1 | | 3-3 | The management approach and its components | Caring for Employees | 70-75 |
| GRI 401: Employment 2016 | | | | | |
| KPI B1.2 | | 401-1 | New employee hires and employee turnover | Caring for Employees Performance Statistics | 70-75 82-85 |
| | 8: Decent Work and Economic Growth | 401-2 | Benefits provided to full- time employees that are not provided to temporary or part-time employees | Caring for Employees | 70-75 |
| | 10: Reduced Inequalities | 401-3 | Parental leave | Caring for Employees Performance Statistics | 70-75 82-85 |
| GRI 3: Material Topics 2021 | | | | | |
| GD B2 KPI B2.3 | | 3-3 | The management approach and its components | Safety First Caring for Employees | 50-55 70-75 |

SUSTAINABILITY REPORT

| ESG Guide, HKEx | UNSDG | GRI Standards | Material Topics | Reference/*Direct Answer/*Reason for omission | Page(s) ^: refer to TIH 2022 Annual Report |
|---|--|------------------|---|--|--|
| GRI 403: Occupational Health and Safety 2018 | | | | | |
| GD B2 KPI B2.3 | 3: Good Health and Well-Being 8: Decent Work and Economic Growth | 403-1 | Occupational health and safety management system | Safety First Caring for Employees | 50-55 70-75 |
| GD B2 KPI B2.3 | 3: Good Health and Well-Being 8: Decent Work and Economic Growth | 403-2 | Hazard identification, risk assessment, and incident investigation | Safety First Caring for Employees | 50-55 70-75 |
| GD B2 KPI B2.3 | 3: Good Health and Well-Being 8: Decent Work and Economic Growth | 403-3 | Occupational health services | Caring for Employees | 70-75 |
| GD B2 | 3: Good Health and Well-Being 8: Decent Work and Economic Growth | 403-4 | Worker participation, consultation, and communication on occupational health and safety | Safety First Caring for Employees | 50-55 70-75 |
| GD B2 KPI B2.3 | 3: Good Health and Well-Being 8: Decent Work and Economic Growth | 403-5 | Worker training on occupational health and safety | Safety First Caring for Employees | 50-55 70-75 |
| GD B2 | 3: Good Health and Well-Being 8: Decent Work and Economic Growth | 403-6 | Promotion of worker health | Caring for Employees | 70-75 |
| GD B2 KPI B2.3 | 3: Good Health and Well-Being 8: Decent Work and Economic Growth | 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Safety First | 50-55 |
| GD B2 KPI B2.3 | 3: Good Health and Well-Being 8: Decent Work and Economic Growth | 403-8 | Workers covered by an occupational health and safety management system | Safety First | 50-55 |

| ESG Guide, HKEx | UNSDG | GRI Standards | Material Topics | Reference/*Direct Answer/+Reason for omission | Page(s) ^: refer to TIH 2022 Annual Report |
|--|---|---------------|--|--|---|
| KPI B2.1 KPI B2.2 | 3: Good Health and Well-Being 8: Decent Work and Economic Growth | 403-9 | Work-related injuries | Caring for Employees Performance Statistics | 70-75 82-85 |
| KPI B2.1 | 3: Good Health and Well-Being 8: Decent Work and Economic Growth | 403-10 | Work-related ill health | Caring for Employees Performance Statistics | 70-75 82-85 |
| GRI 3: Material Topics 2021 | | | | | |
| GD B3 | | 3-3 | The management approach and its components | Safety First Caring for Employees | 50-55 70-75 |
| GRI 404: Training and Education 2016 | | | | | |
| KPI B3.1 KPI B3.2 | 4: Quality Education | 404-1 | Average hours of training per year per employee | Performance Statistics | 82-85 |
| | 4: Quality Education | 404-2 | Programmes for upgrading employee skills and transition assistance programmes | Caring for Employees | 70-75 |
| | 4: Quality Education | 404-3 | Percentage of employees receiving regular performance and career development reviews | Caring for Employees Performance Statistics | 70-75 82-85 |
| GRI 3: Material Topics 2021 | | | | | |
| GD B1 | | 3-3 | The management approach and its components | Caring for Employees | 70-75 |
| GRI 405: Diversity and Equal Opportunity 2016 | | | | | |
| KPI B1.1 | 5: Gender Equality 10: Reduced Inequalities | 405-1 | Diversity of governance bodies and employees | Caring for Employees | 70-75 |
| | 5: Gender Equality 10: Reduced Inequalities | 405-2 | Ratio of basic salary and remuneration of women to men | Caring for Employees Performance Statistics | 70-75 82-85 |
| GRI 3: Material Topics 2021 | | | | | |
| GD B1 | | 3-3 | The management approach and its components | Caring for Employees | 70-75 |

SUSTAINABILITY REPORT

| ESG Guide, HKEx | UNSDG | GRI Standards | Material Topics | Reference/*Direct Answer/*Reason for omission | Page(s) ^: refer to TIH 2022 Annual Report |
|--|--|------------------|---|---|--|
| GRI 406: Non-discrimination 2016 | | | | | |
| GD B1 | 5: Gender Equality 10: Reduced Inequalities | 406-1 | Incidents of discrimination and corrective actions taken | Caring for Employees | 70-75 |
| GRI 3: Material Topics 2021 | | | | | |
| GD B4 | | 3-3 | The management approach and its components | Sustainability Governance | 45 |
| GRI 408: Child Labour 2016 | | | | | |
| KPI B4.1 KPI B4.2 | 8: Decent Work and Economic Growth | 408-1 | Operations and suppliers at significant risk for incidents of child labour | Sustainability Governance | 45 |
| GRI 3: Material Topics 2021 | | | | | |
| GD B4 | | 3-3 | The management approach and its components | Legal and Regulatory Compliance | 46 |
| GRI 409: Forced or Compulsory Labour 2016 | | | | | |
| KPI B4.1 KPI B4.2 | 8: Decent Work and Economic Growth | 409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labour | Legal and Regulatory Compliance | 46 |
| GRI 3: Material Topics 2021 | | | | | |
| GD B8 | | 3-3 | The management approach and its components | Stakeholder Engagement | 76-81 |
| GRI 413: Local Communities 2016 | | | | | |
| KPI B8.1 KPI B8.2 | 9: Industry, Innovation and Infrastructure 11: Sustainable Cities and Communities | 413-1 | Operations with local community engagement, impact assessments, and development programmes | Stakeholder Engagement | 76-81 |
| | 9: Industry, Innovation and Infrastructure 11: Sustainable Cities and Communities | 413-2 | Operations with significant actual and potential negative impacts on local communities | +Not applicable Due to the nature of its operations, this disclosure is not applicable. | - |

| ESG Guide, HKEx | UNSDG | GRI Standards | Material Topics | Reference/*Direct Answer*/+Reason for omission | Page(s) ^: refer to TIH 2022 Annual Report |
|---|--|---------------|---|---|---|
| GRI 3: Material Topics 2021 | | | | | |
| GD B5 | | 3-3 | The management approach and its components | Supply Chain Management | 49 |
| GRI 414: Supplier Social Assessment 2016 | | | | | |
| KPI B5.2 | 12: Responsible Consumption and Production | 414-1 | New suppliers that were screened using social criteria | Supply Chain Management | 49 |
| | 12: Responsible Consumption and Production | 414-2 | Negative social impacts in the supply chain and actions taken | Supply Chain Management | 49 |
| GRI 3: Material Topics 2021 | | | | | |
| GD B6 | | 3-3 | The management approach and its components | Safety First Stakeholder Engagement | 50-55 76-81 |
| GRI 416: Customer Health and Safety 2016 | | | | | |
| GD B6 | 3: Good Health and Well-Being | 416-1 | Assessment of the health and safety impacts of product and service categories | Safety First Caring for the Environment | 50-55 56-63 |
| GD B6 KPI B6.1 *KPI B6.3 KPI B6.4 | 3: Good Health and Well-Being | 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | Safety First * Intellectual property rights are not material to KMB and LWB's business nature. | 50-55 |
| GRI 3: Material Topics 2021 | | | | | |
| GD B6 | | 3-3 | The management approach and its components | Safety First | 50-55 |
| GRI 418: Customer Privacy 2016 | | | | | |
| KPI B6.5 | | 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | Safety First Caring for Customer | 50-55 64-69 |



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