



KMB unveiled Hong Kong's first air-conditioned bus waiting lounge at Lam Tin Bus Terminus in 2002.

The first innovative Intelligent Customer Information Station commenced service in KMB's terminus at Tsim Sha Tsui Star Ferry Pier.



KMB also won the “Certificate of Recognition in the Golden World Award for Excellence in Public Relations” for its community campaign “Straight Back and Rides”, featuring the television commercial “Vacation” and the print campaign “Back to School”. This prestigious award was organised by the International Public Relations Association.

**Advertising awards** ▶ The advertising initiatives of KMB were acknowledged in various award programmes during the year. KMB’s television advertisement “Pool” was selected the “Best TVC of the Year” in the 9th Times International Chinese Advertising Awards, organised by China Times of Taiwan. It also received the “Certificate of Excellence: Corporate/Institutional/Utilities” in the Media Advertising Awards 2002. KMB was named “Finalist: Corporate Image” in the Asia Pacific Advertising Festival 2002, organised by Media and Marketing Limited.

KMB’s television advertisement “Vacation” received Merit Awards in the 2002 4As Creative Awards, which was organised by The Association of Accredited Advertising Agents of Hong Kong.

KMB’s print advertisement campaign “Back to School” received a total of three awards in the 2002 4As Creative Awards and also an award in the 9th Times International Chinese Advertising Awards.

### Media Events

During 2002, KMB organised 25 press sessions to publicise a variety of events and activities to demonstrate the company’s commitment to serving the public and to promote public awareness of a variety of social and environmental issues.

### Customer Service Hotline

**KMB Customer Service Hotline “2745 4466”** ▶ The KMB customer service hotline received 4.2 million calls in 2002, representing an average of 350,000 calls per month. The 24-hour hotline system operates in Cantonese, English and Putonghua and provides bus route information, fax-on-demand services, traffic news, KMB service updates and voice mail recording. The operator service of the hotline is available from 7:00 am to 11:00 pm daily throughout the year.

An innovative Digital Map Passenger Enquiry System was launched in 2002. Equipped with 3-D images of prominent buildings, the Digital Map enables operators to provide bus route information to customers with unsurpassed efficiency and accuracy. In addition, it automatically identifies optimal bus routes for passengers to travel to over 100,000 landmarks, as well as providing real time information on territory-wide traffic conditions.

The hotline won the “2002 Hong Kong Awards for Services: Customer Service”, organised by the Hong Kong Productivity Council and the Hong Kong Retail Management Association.

**LWB Customer Service Hotline “2261 2791/2261 2792”** ▶ LWB’s operator-assisted helpline received about 30,000 calls in 2002 (or an average of 2,500 calls per month). The Hotline operators answer inquiries, receive customer opinions and handle lost and found property.

### KMB Website “<http://www.kmb.com.hk>”

In 2002, a bilingual route search function was introduced on the award-winning KMB website to enable passengers to obtain bus route information in both Chinese and English on the same webpage. To further help passengers locate their preferred boarding and alighting points, photographs of more than 4,200 KMB bus stops have been uploaded to the website, each of which has been named for easy and immediate identification.

KMB received the “WebCare Award” organised by the Internet Professionals Association for providing user-friendly facilities to those with visual impairments as well as to novice Internet users. Novice internet users receive written elaboration in user-friendly text boxes when they browse images, hyperlinks and pop-up windows. Visually handicapped users can receive audio messages converted from these text descriptions to assist them in their navigation. For the second consecutive year, the KMB website was selected as one of the “Ten Healthy Websites” in a competition organised by the Television and Entertainment Licensing Authority. The popularity of our website was reflected by an average daily hit rate of 2.3 million in December 2002.

### LWB Route Information Publications

A total of 12,061 copies of the handout “LWB Bus Services for the New Territories, North Lantau and the Airport” and 42,453 copies of the “Airbus Card”, with detailed bus routing and departure information, were distributed to the public during 2002.

## People

“Caring for People” sums up our policy of creating a sense of belonging among our staff and instilling a culture of quality service and promoting teamwork across the whole organisation. We train, motivate and reward our staff with this policy in mind to reinforce their dedication to providing quality customer service.

KMB and LWB employed a total of 13,247 and 402 staff respectively at the end of 2002, down from 13,281 and 408 in 2001.

### First Employee Opinion Survey

KMB commissioned a consulting firm to design and conduct an employee opinion survey in 2002 to measure staff commitment to their work and enable management to better understand employees’ priorities, expectations and current perceptions of the company. Out of 13,000 employees, over 4,300, or 33%, responded on a voluntary basis. The results showed that employees are generally satisfied with their work, pay levels and working environment. Analysis also showed that employee satisfaction and commitment to the company depend on career opportunities, interaction with supervisors and senior leaders, performance recognition and availability of the necessary resources to accomplish their jobs. Based on the survey results, KMB will continue to monitor and enhance the key attributes to further strengthen the current level of employee engagement in the company to improve productivity and business results.

### Staff Communications

**Joint Consultative Committees** › There are six Joint Consultative Committees (“JCC”) of KMB and LWB which provide a communication channel for the management and employee representatives. Each Committee meets periodically to discuss improvement opportunities in the working environment, safety, working procedures and staff welfare. To keep abreast of the latest developments in the bus industry in other cities, 42 members of JCC went on an exchange visit to Shanghai in September 2002.

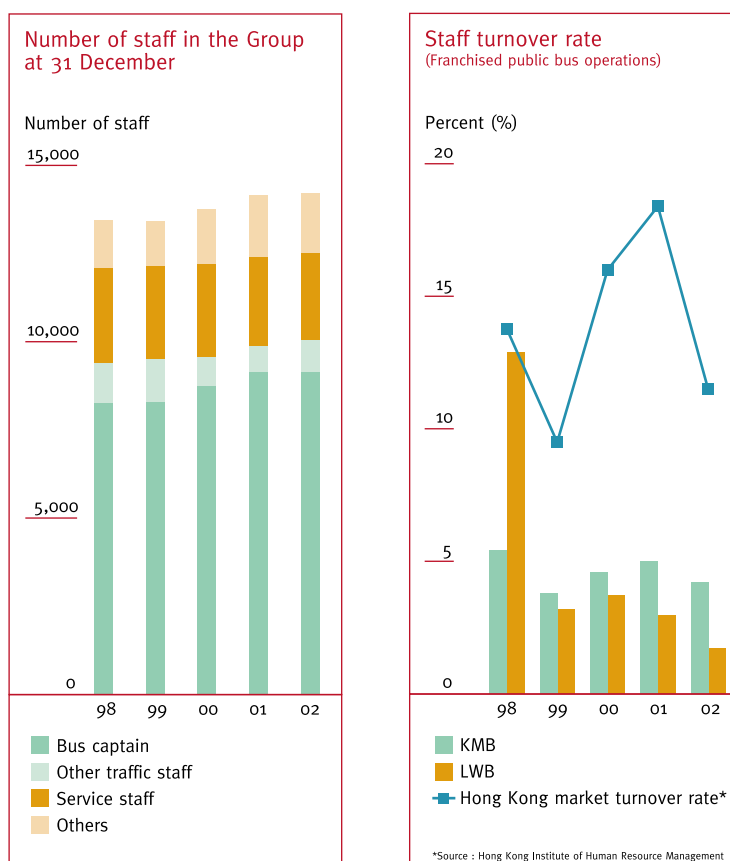
**Staff intranet “<http://www.kmb.org.hk>”** › A homepage that provides various information and resources is maintained exclusively for KMB and LWB staff to keep them informed of the most up-to-date information, including announcements from the management, real-time weather reports, details of upcoming and past events involving staff participation and a list of shops offering our staff special discounts. In order to further benefit from intranet technology, and help staff to access corporate resources in a more flexible manner, new training features, such as an on-the-web orientation training course and e-learning programmes on computer software, were added during 2002.

**Staff communication VCDs, and Magazines** › As in previous years, periodic video compact discs (VCDs) entitled “Staff Canteen 900” and a monthly in-house magazine entitled “KMB Today” were produced and distributed to all KMB and LWB staff during the year. These communication tools have been designed as a flexible and effective means for keeping our field staff informed of the latest developments of our organisation.

### Safety Promotion

In 2002, KMB participated in the Inter-company Safety Quiz, an annual event jointly organised by various organisations to promote and reinforce safety awareness among staff.

KMB participated in the activities organised by Kwai Ching Healthy City and Safety Community and joined the safety quiz and road safety activities organised respectively by Tuen Mun District Office and Kwai Ching District Office. Through these activities, KMB succeeded in promoting safety awareness among its staff and the community.



### Model Drivers Award 2002

KMB and LWB bus captains were presented with the “Model Drivers Award 2002” by the Road Safety Council and the Transport Department. One of the LWB bus captains won the second runner-up title in the overall competition.

### Outstanding Service Award

To promote our quality service culture, KMB organised the “Outstanding Service Award” in 2002. Fifty-two staff, including 37 KMB bus captains, three LWB bus captains, eight maintenance staff, two operations staff and two supporting staff, were recognised for their excellent performance.

### Staff Performance

During 2002, KMB and LWB presented the following awards to staff in appreciation of their dedication and contribution to the Group:

#### Good Service and Safe Driving Annual Bonus for Bus Captains

Number of employees	KMB	LWB	Total
Good Service Annual Bonus	6,658	221	6,879
Safe Driving Annual Bonus	4,304	187	4,491

#### Safe Driving Award for Bus Captains

Number of employees	KMB	LWB	Total
15-year accident free	79	5	84
10-year accident free	162	1	163
5-year accident free	412	4	416



KMB has invested in modern facilities including an indoor bus simulator for training new bus captains.

Modern technology facilitates our operational staff to monitor and respond to traffic conditions in an efficient manner.



### Good Service and Attendance Award for Terminus Supervisors/Assistant Terminus Supervisors/ Customer Service Assistants

Number of employees	KMB	LWB	Total
Good Service Award	507	19	526
Attendance Award	273	7	280

### Long Service Award

Number of employees	KMB	LWB	Total
40 years of service	33	—	33
30 years of service	276	3	279
20 years of service	834	16	850

## Training

**Technical training** ▶ The KMB Technical Training School, established in 1973, provides comprehensive training to our maintenance staff on the latest bus transportation technology. The current curriculum includes Carrier Air-conditioning System, Denso Air-conditioning System, Sikaflex Training on Panel and Window Bonding, and Insite Computer Software for Cummins Engine. During 2002, 235 training sessions were held for 1,687 skilled workers and 25 for engineers, supervisors and foremen in conjunction with our vehicle manufacturers.

**Apprentice training** ▶ The KMB Technical Training School runs a four-year apprentice-training scheme for young school leavers. The scheme aims to provide job opportunities and training to youngsters whilst ensuring an adequate supply of skilled maintenance workers for KMB. Thirty apprentices graduated from the School in 2002, bringing the total number of graduates since 1973 to 2,028. At the end of 2002, there were 64 apprentices in the School.

The quality of our apprentice training standards was again recognised in 2002. One of our apprentices won the third prize in the automobile combined mechanical trade and electrical trade category of the “2002 Best Apprentice Competition” organised by the Vocational Training Council. The winner was invited to visit the Toyota Plant in Japan.

## Staff Welfare and Recreational Activities

A variety of internal and external recreational activities were organised to promote teamwork during the year. These included long distance running, soccer, bowling, dragon boat racing, outdoor war-games, web games and karaoke competitions. Also, KMB sponsored staff tours to various attractions in Hong Kong in 2002.

Our employees also participated in the Community Chest Charity Run, the Rehab Power Charity Walk, the Standard Chartered Hong Kong Marathon 2002, Green Power Hike, Business Challenge, Clean Up the World in Hong Kong, Hang Seng Table Tennis Competition, Po Leung Kuk Charity Walk and the Corporate Games 2002 organised by the Leisure and Cultural Services Department of the Government and various dragon boat races.

## Concern for the Environment

KMB maintains a longstanding commitment to conducting its business in an environment-friendly manner. In this regard, the company has implemented environmental protection procedures in its depot and fleet operations. In addition, our staff are encouraged to take part in various environmental preservation activities such as tree planting.

In November 2002, the International Association of Public Transport (UITP) Asia Pacific Congress bestowed the award for “Innovation Towards a Better Environment” to KMB in recognition of its use of innovative technologies and management standards to improve emission quality and reduce fuel consumption in significantly shorter time frames compared with international standards.

After the attainment of the 2001 Business Environment Council Environmental Performance Award in 2001, KMB was again granted the “2002 Hong Kong Eco-Business Awards – Green Innovative Practice Award” and the “2002 Hong Kong Eco-Business Awards – Green Office Award (Large Organisations)” in 2002, organised by the

Environmental Campaign Committee, the Chinese General Chamber of Commerce, the Hong Kong General Chamber of Commerce and the Hong Kong Productivity Council. The “2002 Hong Kong Eco-Business Awards” are designed to recognise businesses in Hong Kong that demonstrate a commitment to environmental management.

### **Environment-friendly Bus Fleet**

**Ultra Low Sulphur Diesel (“ULSD”)** › The entire fleet of KMB and LWB has been using ULSD since January 2001, making KMB the largest bus fleet using ULSD in the Asia-Pacific region. The use of ULSD has resulted in a significant reduction in exhaust emission levels of sulphur oxides and nitrous oxides as well as particulates.

**Euro engines** › At the end of 2002, 1,491 KMB buses and all LWB air-conditioned double-deck buses were equipped with environment-friendly Euro II engines, which meet the exhaust emission standards issued by the European Council of Environmental Ministers.

Euro III engines reduce emissions of nitrogen oxides by 28% and particulates by 33%, compared to Euro II engines. 508 KMB buses were equipped with Euro III engines at the end of 2002.

**Catalytic converters** › By the year-end of 2002, KMB completed the installation of catalytic converters on all of our buses with pre-Euro I or Euro I engines. With the catalytic converters, the exhaust emissions of pre-Euro I and Euro I engined buses are improved to the standards of Euro I and Euro II engines respectively in terms of particulate matters.

**Exhaust soot filter** › Taking advantage of using ULSD, five KMB buses were equipped with either Continuous Regeneration Traps (“CRT”) or Engelhard DPX Soot filters for an assessment programme. A reduction of particulate matter by 80% to 90%, reducing smoke levels to virtually zero, was achieved. The exhaust emission quality in terms of particulate matters meets Euro IV engine standards, which are comparable with those of natural gas fuelled vehicles. Consequently, CRT will play an important role in the future Euro IV engined buses. KMB has a total of 354 Euro II engined buses equipped with CRT plus an Exhaust Gas Recirculation device, enabling them to meet Euro III engine emission standards at a level very close to Euro IV engine standards.

**Eco-Driveline** › After three years of research, KMB successfully developed the pioneering Eco-Driveline on buses by integrating an engine with high torque, six-speed double overdrive gearbox, an optimised final drive ratio axle and a sophisticated electronic control gear-shift programme. In August 2002, we equipped two buses with Eco-Driveline. The new system proved successful in reducing fuel consumption and exhaust emissions by 6% to 10%. It also enables passengers to enjoy a smoother ride.

The Eco-Driveline system features the replacement of the conventional paper air filter with a foam air filter and the change of the synthetic gearbox and engine lubricating oil replacement at intervals based on mileage. This helps lengthen the lifespan of these components and reduce solid and chemical wastes.

The Eco-Driveline concept will be a new bus feature and is expected to set a new trend for the bus industry.

**Synthetic transmission oil** › KMB has used synthetic oil in a total of 507 ZF gearboxes and 109 Voith gearboxes since their introduction in 2001. The oil drain interval has been extended from 30,000 kilometres to 100,000 kilometres, resulting in a 70% reduction in waste oil.

Synthetic oil has also been used in 14 MAN engines since their introduction in 2001. The oil drain interval has been extended from 25,000 kilometres to 45,000 kilometres, resulting in a 45% reduction in waste oil.

**Mileage-based engine oil change scheme** › KMB’s mileage-based engine oil change scheme, evaluated by computer aided programming, achieved a 40% reduction in engine oil consumption and oil waste.

### **Environment-friendly Bus Depot**

Environmental protection and energy conservation are two key aspects in the design, construction and operation of new depots. In May 2002, KMB commenced operations at the New Lai Chi Kok Depot, a new environment-friendly bus depot in the West Kowloon Reclamation Area. The depot is equipped with a waste water treatment system, water recycling facilities and an environment-friendly fire service system, as well as lighting, air-conditioning and ventilation systems with energy saving features.



## Waste Treatment

**Waste water** ▶ The waste water from our operations is treated according to regulatory standards before it is discharged into the public sewage system. In 2002, KMB maintained 11 automatic waste water treatment systems for its fleet and depots with a total daily treatment capacity of 860 cubic metres. Compared with 2001, the amount of waste water produced per bus in 2002 was reduced by 15%.

**Waste oil** ▶ Consumed lubricating oil from our bus maintenance process is delivered to a registered waste oil recycling agent for treatment. The amount of waste oil produced per bus in 2002 was reduced by 3.2% compared with 2001.

**Solid chemical waste** ▶ Solid chemical waste generated by our operations is treated and stored by type in designated areas of our bus depots and then disposed of by a registered chemical waste collector to a designated landfill.

**Tyre retreading and recycling of scrap tyres** ▶ To minimise industrial waste and fully utilise resources, approximately 32,905 tyres were retreaded in the KMB tyre retreading plant in 2002. Furthermore, some 205 tonnes of tyre chips were collected and used for manufacture of playground flooring. Compared with 2001, tyre retreading and tyre chip collection in the year increased by 11.0% and 9.4% respectively.

