



Care for Employees

We regard our workforce as our most valuable asset and are committed to developing our people for the delivery of the highest quality service. Continued investment in our workforce through the provision of comprehensive training and recognition programmes acts to motivate staff and create a work environment that values performance.

HUMAN RESOURCES POLICY

To ensure the provision of a safe, respectful and harmonious workplace, KMB strictly adheres to a set of comprehensive human resources policies stipulating staff management principles including the promotion of gender equality, the elimination of sexual harassment, the prevention of bribery and the protection of personal privacy. These policies, along with other company guidelines, are published on the staff website. We strictly observe all labour laws and ensure that our suppliers respect labour rights regarding employment and freedom of association and prohibit child labour and forced labour in all aspects relating to our business. All members of our staff are covered by collective bargaining agreements.

LONGER MEAL TIME

The Government's "Guidelines on Bus Captain Working Hours, Rest Times and Meal Breaks" were revised in October 2010. While KMB has endeavoured to meet the Transport Department's implementation timeline for the new arrangements by the third quarter of 2012, since safety is the prerequisite, there should be no compromise on bus captain hiring and training quality on account of the accelerated timeline, including, but not limited to, the number of training days, new bus captain intake quality, the supply and quality of new driving instructors, and resources dedicated to ongoing safety improvement initiatives.

In addition to the need to fill positions left vacant by natural processes, extra bus captains have been recruited and trained to cover the service gaps arising from the increase in rest time and meal break time. In addition, we have equipped many bus termini with further amenities for use by bus captains and other frontline staff, including rest areas, toilets, drinking water dispensers, microwave ovens and refrigerators.

RECRUITMENT

To maintain sufficient manpower to support the delivery of quality bus services, in 2012, we introduced more recruitment channels to attract bus captain applicants. These included the Bus Captain Referral Programme, under which staff are given incentives to encourage qualified candidates to apply for the post of bus captain, recruitment days in bus termini and joint recruitment days with non-government organisations.

A breakdown of the workforce of the Group by division at the end of 2012 is given below together with figures for 2011:

Division	2012	2011
Franchised Public Bus Operations		
• KMB	12,006	11,654
• LWB	460	469
Sub-total	12,466	12,123
Non-franchised Transport Operations	656	633
Media Sales Business ⁽¹⁾	145	117
Mainland Transport Operations ⁽²⁾	5	6
Total	13,272	12,879

(1) Includes the employees of the Group's subsidiary companies in China Mainland.

(2) Excludes the employees of the Group's joint venture companies in China Mainland.

STAFF COMMUNICATIONS

Six Joint Consultative Committees have been established to provide a direct communication platform between management and staff representatives from KMB and LWB so that matters of common interest can be discussed in depth. The Committee meets every month at KMB and every two months at LWB to review issues such as safety and operating procedures, the working environment and staff welfare. The staff website provides KMB and LWB employees with a variety of useful information such as company announcements, highlights of past activities, annual leave balances, weather updates and details of upcoming events.

The monthly corporate magazine KMB Today and video compact discs (VCDs) are additional channels for keeping staff informed of corporate developments as well as those in the industry.

STAFF DEVELOPMENT

The Group sees staff development as a key investment in its human capital. To maintain and upgrade our service quality, we are committed to developing our staff at all levels. Relevant training and development courses are arranged from time to time to strengthen the management and operational skills of both managerial and frontline staff.



KMB's Driving Simulator Studio provides state-of-the-art training for our bus captains

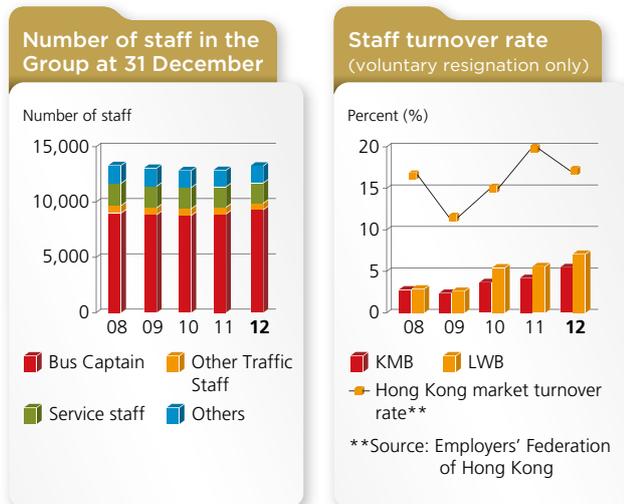
In 2012, we offered a range of training and development courses for our management staff, including programmes covering presentation skills, project management skills, and problem solving and decision making skills. Workshops on Enhancing Personal Competencies were arranged for supervisory and clerical staff throughout 2012 to equip them with the skills and knowledge to help them tackle upcoming challenges. We also ran a series of customer services skills workshops for our frontline supervisors to reinforce good customer service habits at the highest level.

In 2012, 576 staff attended courses organised by the Occupational Safety and Health Council and the Labour Department of the HKSAR Government. The Equal Opportunities Commission was also invited to conduct a series of seminars for our management staff and frontline operations staff to keep them up to speed on the latest

legal requirements. In addition, for the seventh successive year, KMB and LWB management attended a seminar given by a renowned Harvard Business School professor specialising in business strategy on the latest developments in the business world.

BUS CAPTAIN TRAINING

Committed to providing safe and comfortable public bus services, KMB puts the training of bus captains at the top of its agenda and sets strict requirements for their driving performance. Each year, the KMB Bus Captain Training School at Sha Tin provides comprehensive training and improvement training courses to about 6,000 drivers, including both new bus and experienced bus captains. In 2012, a team of 57 experienced driving instructors and 42 training buses were employed at the Training School.



Drawing on the accumulated experience of years of bus driving training, KMB's Bus Captain Training School provides systematic training to enhance the defensive driving skills of bus captains through comprehensive and carefully designed courses. New bus captains receive a series of basic training courses which focus on handling a bus, road safety awareness, safe driving techniques, road regulations, bus parking, night driving, different bus types, and familiarisation with bus routes and on-board facilities, as well as customer service skills. Before delivering services to the public, all new bus captains must go through rigorous internal assessments to ensure that they can carry out their duties effectively. Continuous improvement training courses are designed to reinforce the road safety awareness and driving skills of experienced bus captains. All bus captains receive eco-driving training, which promotes good practices such as switching off idling engines, to strengthen environmental awareness.

Through simulation of the real-world environment and vehicle behaviour, the Training School's state-of-the-art Driving Simulator Studio enables bus captains to improve their driving skills and sharpen their responses to various unpredictable situations on the roads. The Training School's four simulator stations feature a driving cabin equipped with driving seat, steering wheel, accelerator, brake and instrument panel, as well as multiple 42-inch plasma displays broadcasting high-resolution three-dimensional images. Further authenticity is provided by the simulation of the interaction between the bus and the road surface

The quality of KMB's apprentice training programme was once again recognised in 2012 as two apprentices won recognition in the Vocational Training Council's Best Apprentice in the Automobile Trade Competition.

and by sounds which are typical in a bus cabin. To ensure training effectiveness, instructors provide on the spot individual feedback, and a report covering speed, trip duration and passenger comfort is given to each trainee.

The content of training programmes is regularly reviewed by the driving instructors and updated to cater for new bus types and training items. To release more time for on-road practice, on-line training has replaced classroom lectures for tutoring new bus captains in traffic rules, safety tips and company regulations. To promote a self-learning culture, a dedicated e-learning platform is being set up for the use of all grades of staff.

TECHNICAL AND APPRENTICE TRAINING

KMB's Technical Training School has been training maintenance staff in the latest bus technologies since 1973. In 2012, 211 in-house training sessions were run for 1,525 skilled workers and nine training sessions were arranged for 116 engineers, supervisors and foremen in collaboration with our bus manufacturers.

To ensure an adequate supply of skilled maintenance workers for our bus fleet, the School runs a four-year apprenticeship training scheme for school leavers. 44 apprentices graduated in 2012, bringing the total number of graduates since the School's establishment to 2,275. At the end of 2012, 149 apprentices were enrolled.

The quality of KMB's apprentice training programme was once again recognised in 2012 as two KMB apprentices placed Second Runner-up and Fifth Runner-up in the Vocational Training Council's Best Apprentice in the Automobile Trade Competition. They were invited to the United Kingdom to visit Gateshead College and the nearby automotive manufacturing base.

At December 2012's Long Service Award Presentation Ceremony, the loyal service of our long service staff was recognised and rewarded.

PERFORMANCE ASSESSMENT

To enhance overall performance standards, KMB and LWB run a systematic performance assessment mechanism to monitor the performance of our bus captains to ensure that their services are maintained at the highest level. Any bus captain falling below these high standards will be provided with remedial training, with a Performance Management Team helping bus captains identify their strengths and weaknesses. In the event of continued under-performance or misconduct, disciplinary action will be taken. A similar performance assessment mechanism is used to monitor the Group's non-franchised bus captains. Outstanding performance is recognised by means of bonus schemes and awards.

REWARDING SERVICE EXCELLENCE

To drive staff development and encourage dedication to customer service, KMB has organised a number of competitions and awards to reward outstanding performers.

Long Service Award

In December 2012, we organised the Long Service Award Presentation Ceremony to recognise the loyal service of our long service staff. 36 employees received the 40-year award and a further 315 the 30-year award. The theme of the ceremony was "Moving Forward from the 80th Anniversary into a New Era". Another 634 members of staff who had completed 20 years of service were issued with a certificate of appreciation, a badge and a pen.

Safe Driving Award

The Safe Driving Award was introduced in 1990 to promote road safety and recognise bus captains who have driven without any liable accidents for periods of five years, ten years, 15 years, 20 years, 25 years and 30+ years, respectively. In 2012, a total of 668 KMB and LWB bus

captains received the Safe Driving Award in recognition of their outstanding safety records.

Safe Driving Annual Awards and Good Service Annual Awards

In 2012, in recognition of consistently good performance, 5,368 Good Service Annual Awards and 3,761 Safe Driving Annual Awards were presented to KMB and LWB bus captains, while 332 Good Service Annual Awards were granted to KMB and LWB Terminus Supervisors/Assistant Terminus Supervisors/Customer Service Assistants.

Outstanding Service Awards

The Outstanding Service Awards are organised annually to recognise the outstanding contributions of staff across the Company. In 2012, 52 staff members received the award in recognition of their excellent performance. Team awards were made to groups who worked together to outstanding effect.





The operating companies within the Group's Non-franchised Transport Operations Division once again ran their own good service and safe driving award programmes in 2012 to recognise exemplary performance.

MEDICAL CENTRES

Dedicated outpatient services are offered to our staff at the four Medical Centres set up on KMB premises, which also provide medical checks for new employees and annual medical checks as required.

REST AREAS FOR FRONTLINE STAFF

Based on the results of staff surveys, we have renovated several staff canteens as self-service cafeterias where frontline staff can take their meal breaks or rest. Refrigerators, microwave ovens and televisions are also provided for the convenience of staff.

WORK-LIFE BALANCE

To promote healthy work-life balance, health talks are organised regularly for members of staff and their families.

To encourage life-long learning, books and other materials in our in-house library may be accessed via the electronic category on the staff website.

STAFF ACTIVITIES

Run for Charity

In 2012, our Long Distance Running Team participated again in charity runs such as the Community Chest Corporate Challenge and the Standard Chartered Hong Kong Marathon and won a number of prizes. In December 2012, the team was Team Champion in the newly organised Race to ICC-100-SHKP Vertical Run for the Chest.

Inter-depot Competitions

Various inter-depot competitions and tournaments were organised in 2012, including match-ups in badminton, football and long-distance running, as well as a quiz to promote team spirit and a sense of belonging.



KMB's Operations Division celebrates the award of Occupational Health and Safety Assessment Series (OHSAS) 18001 certification