

# Corporate Responsibility



MTR HONG KONG Race Walking 2010

Corporate responsibility guides the actions by which we achieve balance and resilience. The Corporate Responsibility Policy, monitored at the Board of Directors level, identifies six areas of focus in stewardship, each aiming to pursue best sustainable practices.

## Environmental Protection

We set ourselves new standards in protecting the environment through innovation and continuous improvement.

While constrained by the relatively carbon-intensive fossil fuel-based power generation in Hong Kong, the Company focuses energy management through its demand-side actions. Under the designated Energy Management Committee, opportunities are continually explored for better energy use and efficiency. Electricity consumption on the urban rail lines has shown a strong downward trend over the last five years, demonstrating a significant 18.7% reduction in kWh per revenue car-km from 5.94 in 2005 to 4.83 in 2010.

Furthermore, a new initiative on energy efficiency is being added to minimise energy use in built structures and electrical and mechanical systems. Measures include increasing the use of natural light and improving the thermal efficiency of stations. Environmental mitigation in areas such as noise, water and air quality and waste management for the construction of rail lines is being drawn from independent environmental impact assessments carried out at the preliminary and detailed design stages.

The award-winning LOHAS Park, with its facilities for food waste composting, water and waste recycling, electric vehicles, and the "Central Park" open space has obtained the BEAM Platinum certification, one of the highest environmental certifications available in Hong Kong. Several other awards of outstanding merit in environmental excellence have been received by our shopping malls, private estates and commercial properties.

In building the West Island Line, water was used for blast ballast in works, pioneering an environmental construction method that reduces noise and dust. We also built a fully enclosed conveyor belt system to transport spoil from the excavation works in Kennedy Town to reduce traffic and dust.

The growing global dialogue on climate change may imply future regulatory risk in relation to monitoring, reporting and verifying carbon emissions. Anticipating the risks that impact our future in terms of compliance, energy costs and environmental damage, we have already initiated several programmes aimed at greenhouse gas emissions management covering our supply chain, future projects and ongoing operations. The Green Procurement Policy, Supplier Code of Practice and Green Purchasing Charter demonstrate our proactive leadership in managing the life-cycle impacts of our carbon footprint.

The Company has embarked on a project to predict and track the carbon emissions involved in the development and operation of new railways. We are in the process of developing tools that will allow us to estimate the amount of embedded carbon in our railway infrastructure, which when combined with estimates of electrical power use over many years of operations, will yield an estimate for life-cycle carbon emissions. Once completed, these tools will allow us to improve our railway design, track carbon intensive elements in construction and test the accuracy of our predictions. Our initial goal is 85% accuracy in the first assessment. A completed cycle of rail construction and operation will allow that accuracy to improve over a 50-year economic evaluation.

## Engaging and Building Communities

"Community Care Action" and numerous programmes organised under it targeting Youth, Community Outreach, Arts & Culture and Healthy & Green Living were launched during the year. By engaging with local communities, these programmes gain us a better understanding of community needs and help build relationships.



"Friend' for life's journeys"

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Caring for our youth at different life stages, we have a series of programmes designed for them. The “Friend’ for life’s journeys” and “Train’ for life’s journeys” programmes have each guided more than a 100 students in setting and maintaining life goals. The MTR Budding Station Master programme allows primary school students experience the job of a station master. Our CS4School Programme, jointly organised with Business Environmental Council, arranges visits for students from secondary schools to our operations introducing youth to our environmental initiatives in action.

A record 198 volunteering community service projects involving about 4,400 volunteers under our “More Time Reaching Community” scheme took place in 2010. In May 2010, our staff volunteers organised seven projects for the elderly, chronically ill, underprivileged families and mentally challenged people across Hong Kong. We also arranged visits to the elderly as part of our “Silver Network” initiative, as well as seminars and depot visits by NGOs through our “NGO Bond” and “Society Link” programmes.

Our “art in mtr” programme has brought art to numerous communities. During the year, the Company also took part in many health related events, including sponsoring the sixth MTR HONG KONG Race Walking, which raised over HK\$1.13 million for the Hospital Authority’s Health InfoWorld.

### Ensuring Services of Value to Customers

We improve and upgrade our service and products continuously to meet the needs of our customers.

Engaging with our customers is the key to understanding their needs. MTR Facebook is the latest of our communication channels designed to capture the up-and-coming younger generation of users, alongside MTR Opinion Zone, Phone-in Radio Programme, MTR Club and the MTR Hotline.

We also work with groups representing passengers with disabilities to identify locations for retrofitting passenger lifts at stations. In 2010, we obtained statutory approvals for such projects at Sham Shui Po, Shek Kip Mei, Wong Tai Sin, Prince Edward and Cheung Sha Wan stations, in the latter case collaborating with the Housing Authority.

### Developing People

Our people are the most valuable asset of the Company and we foster a company culture in which our staff can learn, grow and take pride.

To develop our people and ensure sustained management expertise, we have established the Executive Continuous Learning and Integrated Staff Development programmes to enhance the learning culture that keeps the Company at the leading edge in its various operations. To encourage work-life balance, we have worked with the Hong Kong organisation Community Business to study the issue, subsequently introducing a Healthy Living Programme.

Further details on our people initiatives are set out under the “Executive Management’s Report – Human Resources” on pages 66 to 70.

### Providing Reasonable Returns to Investors

We promote sustainable development of the Company by growing in Hong Kong, the Mainland of China, and capturing opportunities in Europe and other parts of the world by extending our core competencies.

Expanding the network in Hong Kong and growing our operations in the Mainland of China and overseas markets are significant milestones in business growth. Our expansion is supported by the Enterprise Risk Management framework used to identify, register, mitigate and monitor attendant risks. The actions taken under this framework reflect the application of our core competencies and values to fit external market conditions and needs. Our improving performance in these markets demonstrates the resilience of our organisation and people when operating outside of Hong Kong.

Further details on our commitment in maintaining good relations with our wide base of institutional and retail investors are set out under the “Investor Relations” on pages 80 to 81.



“art in mtr” – “Urban flow” in Tsuen Wan Station

### Promoting Safe and Ethical Business Practices

We uphold safety as an absolute pre-requisite for all stakeholders, observe ethical business practices, maintain ongoing stakeholder communications as well as build relations that seek to achieve common objectives.

The Corporate Safety Management Committee, supported by four divisional committees, implements policy and guides safety management across operations and business functions. Processes are in place to ensure safe and ethical business practices including PAS 55-1 for asset management, OHSAS 18001 for health and safety, Code of Conduct, Supplier Code of Practice, Competition Law Compliance Manual and the Safety Manual.