

Caring

from heart

We live a *green*
life





Cherish our
community



Corporate Sustainability

Corporate Sustainability brings together the policies and actions in relation to both Corporate Responsibility and Sustainability that guide the Company's business strategies and their implementation.

Corporate Responsibility

Our Corporate Responsibility Policy focuses on six areas, which guide our adoption of best practices designed to promote balance and resilience in our businesses. Implementation of the policy is monitored by the Corporate Responsibility Committee of the Board, which is chaired by the Chairman of the Company.

Environmental Protection

We have aimed to play a leading role in the protection of the environment in our home market in Hong Kong, and are now sharing our experiences with our businesses in the Mainland of China and overseas.

When compared with buses, private cars or taxis, electrically powered rail travel is the least polluting form of mass transit available. Hong Kong residents are amongst the most frequent users of public transport in the world, and the MTR network means that the city's emissions from transport are kept very low.



MTR volunteers have carried out services for different sectors of the society

As a signatory to Hong Kong's Energy Saving Charter, between June and September we maintain an average indoor temperature of 24-26 degrees Celsius in the common areas of our shopping malls, main office buildings and the common areas of office buildings managed by the Company. Additionally, since June 2013 we stopped procuring incandescent light bulbs for general lighting purposes for MTR office buildings and the common areas of MTR shopping malls.

Responding to concerns about food waste, we became one of the first organisations to sign the "Food Wise Charter" under the Food Wise Campaign by the Hong Kong Environment Bureau. We have since supplemented this with our own "MTR Malls Food Waste Reduction Pledge 2013", an incentive scheme to encourage food and beverage tenants to reduce food waste at source.

In 2013, The Riverpark property obtained "Platinum" rating, the highest level obtainable, under Hong Kong's Building Environmental Assessment Method for New Buildings (4/04 Version). The new entrance at University Station received a rating of "Silver" under the US Green Building Council's Leadership in Energy and Environmental Design ("LEED") rating scheme. This award follows the "Gold" LEED certification that was granted to Two International Finance Centre.

Engaging and Building Communities

Our Corporate Sustainability programmes target the wider communities in which we operate and focus on Youth Development, Art & Culture, Green & Healthy Living and Community Outreach.

In 2013, a total of 100 students from 71 secondary schools participated in "Train' for life's journeys", a ten-day summer programme that focuses on the individual skills and the responsibilities of Hong Kong's youth. The mentoring programme "Friend' for life's journeys", now in its fifth year, took on 140 new students in November 2013. Additionally, the "MTR-Chinese University of Hong Kong (CUHK) Youth Quality of Life Index" and "MTR - CUHK Youth Quality of Life Champions Competition", both of which we sponsor, have been encouraging positive attitudes and civic engagement among young people.

Among our programmes to promote arts and culture, “Brushstrokes Over Hong Kong: International Children Painting Competition in Hong Kong 2012/13”, was a major initiative. Co-sponsored by the Promotion of Young Artists Foundation, it came to a successful conclusion in August 2013 with 80 finalists from Hong Kong and around the world. Art and fundraising for environmental issues were successfully combined in our “Serenity of Antarctica by Olivia Cheng” exhibition of 33 photographs that were displayed at Hong Kong and Olympic stations. The accompanying book raised funds for the restoration of natural habitats on South Georgia Island in the South Atlantic.

Our flagship annual event to promote health, the MTR HONG KONG Race Walking, was co-organised with the Hong Kong Amateur Athletic Association. The 2013 event, held in October, raised a record HK\$1.38 million. In total the event brought together some 1,400 people from all walks of life, including elite international race walkers. The funds raised support the Hospital Authority Health InfoWorld’s work on disease prevention and health education.

More generally, 239 community projects were organised under the “More Time Reaching Community” Scheme in 2013, involving more than 6,000 volunteers. In addition, the Company and staff together donated a total of more than HK\$7 million to charitable and other organisations, such as the Community Chest.

Ensuring Services of Value to Customers

Our Listening • Responding programme is delivering improvements to services in response to passengers’ feedback. Our focus in 2013 has been to improve barrier-free access to stations, upgrade passenger communications and increase train service frequency, reliability and comfort.

Developing People

MTR has numerous programmes in place to ensure our people are well-equipped for their tasks, and to nurture talent at all levels for advancement to more senior roles. Specific schemes are in place for graduate and technical trainees, supervisors, junior and senior managers and executives. Regular courses are supplemented as needed by those tailored to address specific needs. Beyond this, we encourage a corporate culture of excellence, continuous learning and caring through a variety of events and delivery channels.

To underline our commitment to equal opportunities for the disabled, we signed the Talent-wise Employment Charter in September 2013 and participated in the Inclusive Organisations Recognition Scheme organised by the Labour and Welfare Bureau.

Providing Reasonable Returns to Investors

The year 2013 saw sound performances by our businesses in Hong Kong, the Mainland of China and overseas. Our five railway expansion projects in Hong Kong, which are at various stages of construction, are all on time and within budget. In the Mainland of China we continue to explore new opportunities, focusing on our existing business hubs of Beijing, Shenzhen and Hangzhou. Internationally, we are actively pursuing further opportunities in Australia, the UK and Sweden.

We monitor the risks involved in these and other projects and adopt a prudent policy of closely examining the risks involved in new investments and their potential profitability. We also adhere strictly to our competence in rail and rail-related property when considering investment options.

We communicate developments to our investors through a variety of effective channels, taking care to ensure that in our disclosures, we present clear, relevant and up-to-date information, in an equal manner, to all categories of investor.

Promoting Safe and Ethical Business Practices

The Company embraces a safety-first culture, outlined in its guidance on Corporate Safety Governance. Best practices support our enterprise risk management in addressing the changing nature of our operating environment. We take care to identify and examine the risks involved in our current operations and expansion plans, and their potential impacts. We formulate strategies to mitigate the risks, together with programmes of engagement and transformation. We collaborate with stakeholders in this process, focusing on environmental protection, preservation of local heritage, and minimising impacts on communities during construction. We also have a robust system of corporate governance that aims to ensure ethical behaviour, details of which can be found in the Corporate Governance Report section.

Corporate Sustainability

Rail plus Property

Underpinning our sustainable approach to business is our integrated rail and property development model, which has a long track-record in Hong Kong and is establishing itself globally. Recognition for the model's effectiveness came during the year from the prestigious International Business Model Award at the UITP (International Association of Public Transport) World Congress in Geneva in May 2013 and from the World Bank in November 2013 in Beijing. Visits to our network by the Secretary of State for Transport of the United Kingdom, the Governor of the State of Massachusetts in the United States, and the Mayor of London also testify to our growing profile internationally.

Sustainability

Our Corporate Sustainability Policy commits us to meeting the needs of the present without compromising those of future generations. This has made the Company a recognised leader in sustainable transport development.

Creating Sustainable Competitive Advantage

A unique Sustainable Competitive Advantage model is the management framework that guides the Company's approach to sustainable development. It integrates the dynamics of risk management and stakeholder engagement to balance business risks and contribute to the long-term development of communities.

Our Competitive Advantage model leads to the identification of eight sustainability priorities which reflect the longer-term focus of our business. Our current sustainability priorities include Resources Management, Customer Services, Health and Safety, Environmental Management, Supply Chain Sustainability, Sustained and Dynamic Engagement, Societal Development and Climate Change. Details of how we are addressing these issues can be found in our Sustainability Report and website.

Carbon Management

Public transportation, especially rail travel, is one of the most convenient ways to achieve a low-carbon lifestyle.

Assessing, reporting on and managing our overall carbon footprint is central to MTR's approach to building sustainable value. To increase the transparency of our sustainability

reporting, we have participated in the Carbon Disclosure Project ("CDP") for the eighth consecutive year. CDP provides public information on corporate carbon emissions and strategies from the world's largest companies by market capitalisation for use by investors worldwide.

The five network expansion projects in Hong Kong demonstrate how we are integrating the management of carbon emissions into our approach. We are monitoring the carbon footprint of the South Island Line as its construction moves forward. A carbon assessment is also being implemented for the Shatin to Central Link. This will be the first time a carbon assessment has been undertaken on one of our projects from the design phase through to construction, which will improve the assessment methodology and allow for necessary mitigation measures to be taken up early in the project cycle.

Sustainability Leadership

Our Sustainability Report 2013 will be published in May 2014, together with a dedicated website. Building on the 2012 report, it will follow Global Reporting Initiative G4 Guidelines and will include performance data and a discussion of material issues arising from our wholly and majority owned subsidiaries.

The Company's performance in corporate sustainability has been recognised through its selection as a constituent of the Hang Seng Corporate Sustainability Index ("HSCSI") and the Dow Jones Sustainability Index ("DJSI") Asia Pacific and the FTSE4Good Index Series. MTR has been a constituent of the DJSI Family and the FTSE4Good Index Series since 2002, and the HSCSI since its inception in 2010. This year, we ranked number two out of 30 eligible Hong Kong companies on the HSCSI.

Since 2011, we have been awarded the "5 Years Plus Caring Company Logo", and in 2013 MTR gained numerous other awards that demonstrate the regard in which our commitment to sustainability is held. Most notable among them were EastWeek's "Hong Kong Services Awards 2013 - the Corporate Social Responsibility Award" and the "Platinum Award for Eco Transportation Systems" in the "Prime Awards for Eco-Business 2013" given by MetroBox magazine. The Company also achieved outstanding results on the Hong Kong Quality Assurance Agency HSBC Corporate Social Responsibility Index in 2013, receiving an overall score of 5/5, the highest attainable.