



Introduction

The dedication and commitment of our staff is at the heart of MTR's success. Their can-do attitude enables us to meet our customers' expectations and this contributes to a corporate culture that encourages everyone to take pride in providing caring service for our customers and the community. Guided by our Vision, Mission and Values (VMV), we strive to inspire, engage and develop our staff to achieve excellence.

Please refer to About MTR for an overview of our workforce and to Performance Metrics for relevant key performance indicators (KPIs).

In 2014, we were identified as one of Hong Kong's most attractive employers, achieving the second place in a survey conducted by the Randstad Group, which is one of the world's most established providers of human resource services. This is the second year in a row that we have been included in the top two of this survey.

Although it is gratifying to receive recognition for our achievements, as our business expands within Hong Kong and across the globe we also recognise that we are facing a number of challenges for our management of human resources. These include increasing demand for staff due to network expansion and staff movements, workforce transition, succession planning and knowledge transfer.



Management Approach

GUIDING FRAMEWORK

Executive Responsibility

Our Human Resources Director, a member of the Executive Directorate, oversees all matters relating to manpower resourcing, staff relations, compensation and benefits, training, organisational development, security and office administration.

Code of Conduct

Together with other corporate policies and guidelines governing the behaviour of employees, the Code of Conduct (“the Code”) underlies our success by reinforcing the trust placed in us by our stakeholders. It is a guide for staff at all levels to uphold our VMV, containing practical advice about responding to situations that may arise in our daily work. Please download a copy of the latest version of the Code.

Staff Consultation

We comply with legal obligations concerning collective bargaining and union membership in all countries and regions where we operate. In Hong Kong, we engage in meaningful and regular consultation with our staff through an established Staff Consultation Mechanism. As a result, we have successfully maintained harmonious relations with staff and implemented a number of programmes with implications for staff.

More than 800 staff members have been elected by their colleagues to serve on Joint Consultative Committees (JCCs) for handling matters of staff concern at the level of individual departments or employee groups. The Staff Consultative Council (SCC), made up of 48 elected JCC representatives and representatives from senior management, is the platform for consultation on corporate-wide affairs, including terms and conditions of employment. It is chaired by the Human Resources Director. Eight staff unions also provide additional channels to enhance communication between staff and management.

KEY PRINCIPLES AND PROCESSES

Equal Opportunity

We do not practise or tolerate any form of discrimination on the grounds of gender, sexual orientation, disability, age, race, national or ethnic origin, family status or other personal characteristics that are protected by law. All employment activities and human resource related matters, including but not restricted to recruitment, promotions, transfers, provision of rewards and training, are based on an objective assessment of every individual’s competencies, experience, skills and qualifications.

We provide support for employment of persons with disabilities. In 2014, we collaborated with the Hong Kong Council of Social Service and local universities to provide summer internship opportunities for 14 university students with disabilities or special educational needs. In September, we received the

Talent-Wise Employment Charter - Outstanding Inclusive Organisation Award.

Work Improvement Team

The Work Improvement Team (WIT) is an activity designed to motivate staff members to apply their own initiative, innovative thinking, and organisation, planning, problem-solving and decision-making skills. Each team is formed voluntarily by four to ten members who perform the same or similar type of work. They meet at least once a month to develop work improvement projects and are supported by a facilitator.

The WIT initiative has been in place for more than 26 years. In 2014, we had more than 5,000 staff registered as WIT members, forming 920 teams and submitting 905 work improvement projects during the year. WIT is now also being implemented by subsidiaries and associates outside of Hong Kong.

Career Development

Our training programmes are designed to meet the organisation's long-term requirements for skills and management succession. We aim to recruit the right individuals and then retain and develop them through different stages of their careers with us.





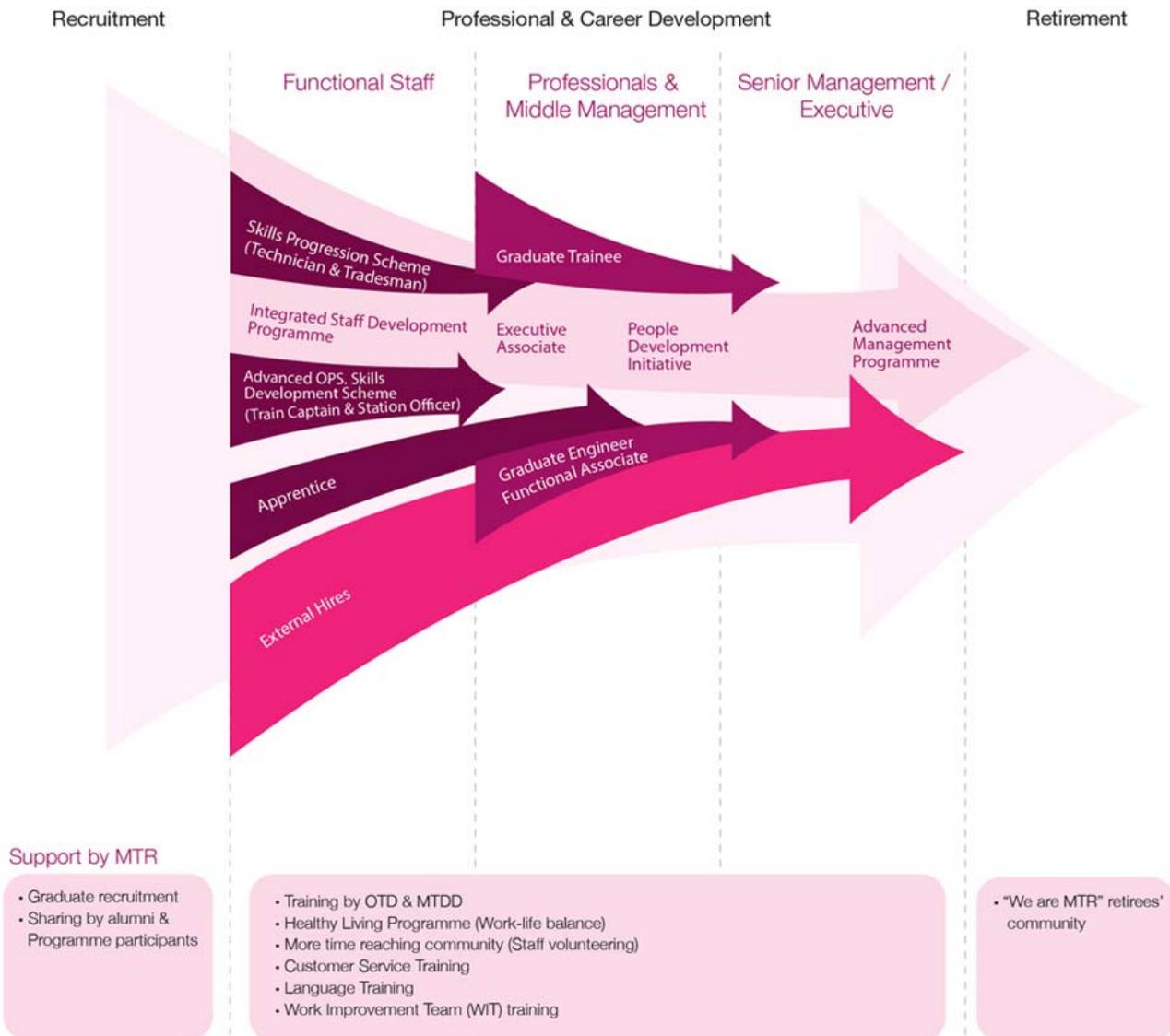
Staff

Recruitment in Hong Kong

In order to meet the human resource demands of our business in the context of network expansion and workforce transitions, we are continuously looking to recruit new people who are ready to embrace challenges, demonstrate commitment to excellence, and are highly motivated to develop themselves for a rewarding career with us. We select people with good communication skills, who work well in teams, and who respond proactively in the face of rapid changes in our operating and business environments.

Learn more...

For more information about recruitment opportunities in Hong Kong, please refer to our [careers page](#).



A variety of career choices are available for the right candidates.

For example, there are [opportunities with the Operations Division](#) to serve passengers on the frontlines in our stations and on our trains, or behind the scenes maintaining rolling stock and tracks, managing safety and quality, and providing technical and engineering design services and support. There are also [opportunities with the Projects Division](#) to work on constructing network expansion projects and preparing for new railway lines.

Opportunities for Graduates

Many of our staff began their careers with us as part of a Graduate Development Programme. Through this leadership pipeline we identify and groom talented young people so that they are capable of assuming senior management positions. In 2014, we recruited 24 Graduate Engineers, 25 Functional Associates and five Graduate Trainees with prospects for succession into managerial positions in the future.

Our accelerated graduate development programmes offer trainees the opportunity to experience up to four intensive cross-functional job rotations over a two-year period in order to gain in-depth knowledge and hands-on experience relevant to their chosen area of expertise. The objective is to identify and nurture talented young people who may one day become leaders of the Company. Through separate streams focusing on general management or professional expertise, opportunities are available in all areas of our business, including corporate management, engineering, property, human resources, inventory and materials management, corporate relations, and railway officer training.

In 2014, we also launched a new Tradesman Associate Programme, recruiting 33 people to participate in structured on-the-job training for maintenance work.

Learn more...

Please refer to the careers section of our corporate website to learn more about [Graduate Careers](#).

Apprentices and Technician Associates

In 2014, we recruited 150 Apprentices and Technician Associates to fulfil our operational requirements for the future.

Apprentice Training Scheme

Originally established in 1978 under the Apprenticeship Ordinance, our Apprentice Training Scheme has provided training to more than 1,200 young people. Under the scheme, apprentices receive systematic on-the-job training, access to technical

Learn more...

Please refer to the careers section of our corporate website to learn more about the [Apprentice Training Scheme](#).

knowledge and guidance on career development. They may also have the opportunity to attend designated Vocational Training Council programmes with a full sponsorship in order to acquire recognised academic qualifications.

In 2014, we received the Excellent Learning & Development Award from the Hong Kong Institute of Human Resource Management, and several of our recent graduates received Outstanding Apprentice/Trainee Awards from the Vocational Training Council. Many graduates go on to hold senior engineering and management positions both within our own organisation and elsewhere.

Technician Associate Scheme

We have offered a two-year training programme called the Technician Associate Scheme since 2011, which is targeted at higher diploma holders from engineering disciplines. Our Technician Associates receive a wide range of on-the-job and professional training opportunities relating to railway maintenance, including overhead lines, signalling and telecommunication systems, rolling stock and station equipment.

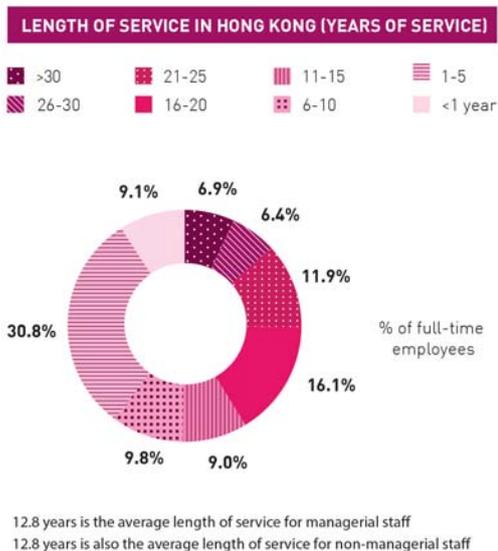
What kind of person works for MTR?

Although there is no “typical” MTR employee, members of our staff tend to share some common characteristics, such as respect for the trust placed in us by our customers, willingness to work harmoniously with others, enthusiasm for completing every task to a high standard, and drive to find solutions in the face of challenges. From Hong Kong to the Mainland of China, Australia and Europe, MTR people around the world have our Values in common.



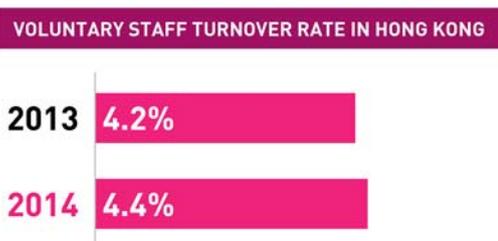
Length of Service

The ability of our organisation to attract and retain skilled and motivated people is reflected in the length of service of our employees. In 2014, the average length of service for full-time employees in Hong Kong was 12.8 years. As demonstrated in the chart below, half of all employees have been with us for 11 years or more, and 25 per cent have been with us for 21 years or more.



Rate of Voluntary Turnover

The rate of voluntary turnover for our staff, at 4.4 per cent in 2014, is low when compared to other employers in Hong Kong and the railway industry worldwide.





Corporate Culture

Our corporate culture is important for aligning the behaviour of our people with our Vision, Mission and Values and for creating a working environment where all members of staff are inspired, engaged and fulfilled in their roles. Although the concept of a corporate culture is difficult to define or measure, our people know what it is and often describe how powerfully it shapes their personal experience of working with us. Other sections of this report also touch on important aspects of our corporate culture:

- Safety - Our uncompromising approach to safety has become deeply ingrained in our corporate DNA.
- Customers - Staff volunteers on the Customer Service Support Team demonstrate how deeply committed we are to understanding and serving the needs of our customers.
- Community - Sincere and meaningful engagement with members of the community is embedded in our approach to designing and constructing new projects.

Reflecting on our Corporate Culture

Our corporate culture is characterised by a relentless focus on performance excellence and dedication to providing caring service, and reflects the hard work of the people who have shaped the Company into the organisation it is today. However, we also recognise that the culture of our organisation must constantly evolve to meet the changing demands of our business and stakeholders.

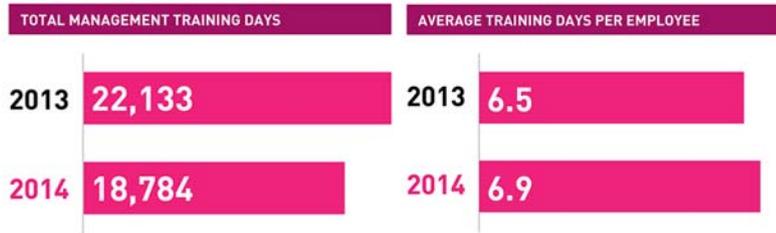
Following the announcement of a delay to our Express Rail Link project and subsequent investigation by an Independent Board Committee (IBC) in the first half of 2014, we initiated a comprehensive review of our corporate culture. Please refer to [enhancing corporate governance in 2014](#) for more information.

The review identified some areas of strength on which to build and other areas requiring improvement. Moving forward, we aspire to foster more healthy debate and constructive discussion, openness to new ideas and ownership of decision-making by team members at all levels of management. In 2015, we plan to implement workshops and seminars to strengthen our corporate culture through dialogue with staff. Each major business unit has allocated a budget to conduct [VMV](#) training activities.



Training Programmes

We invest in training programmes for our staff so that they can keep pace with changes in their professions, manage advances in technology and respond to constant evolution in our business environment.



This table outlines the main types of training and development opportunities that are available for various categories of staff.

Staff Training Programmes

Staff Category	New Joiner	General Staff	Newly Promoted Senior Supervisor	Supervisor	Newly Promoted Manager	Manager
Corporate Induction	✓					
Managerial Curriculum						✓
Supervisory and Professional Curriculum				✓		
Non-Supervisory Curriculum		✓				
Customer Service	✓	✓		✓		✓
Language		✓		✓		✓
Executive Continuous Learning Programme (ECLP)*						✓
Graduate Development Programme* [Graduate Trainee (GT) / Functional Trainee (FT)]				✓		
Integrated Staff Development Programme (ISDP)*		✓		✓		
Supervisor Associates (SA) Programme*				✓		
*Reaching New Horizons' Leadership Transformation Programme (RHLT)			✓		✓	

* by invitation/ nomination

Please refer to [Recruitment in Hong Kong](#) to learn about training opportunities for Graduates, Apprentices and Technician Associates.

+ Management Training

The Executive Continuous Learning Programme promotes effective leadership by supporting our managers to improve professional competencies and management skills. It also helps them to gain a broader perspective on business and economic issues from external speakers representing leading private and public sector organisations. The

Integrated Staff Development Programme helps to develop future leaders by providing general staff and supervisors with the opportunity to gain supervisory experience and develop a network of colleagues to support them as they make progress in their careers.



+ Operations Training Network

The Operations Training Network is an interactive learning and sharing platform for trainers to maintain a high level of training quality. It is designed to connect training units from across all business units in Hong Kong and our Mainland of China and international network, so that ideas and strategies to improve training services can be shared and members of the network can gain access to best practices and the latest training technologies.

+ Safety and Customer Service Training

Training is an important aspect of our management approach to safety and customer service, with all members of our staff undergoing training that is appropriate to their area of work and level of responsibility.

+ Self-learning Resources

Our Learning Resource Centre provides resources for staff members to enhance their knowledge and skills using a variety of self-training and development materials. It fosters a continuous learning culture, sending out monthly learning highlights and recommendations and providing e/Mobile Learning as another flexible learning tool. To stimulate creativity, eight We Can Innovate learning videos were launched showcasing MTR innovations from various business units. These videos are accessible to all members of staff via our intranet, on TVs located in our stations, Espedia, M-board, and a discussion board on our website.



Engagement and Recognition

Consultation and Communication

We value the opinion of every member of our staff. In addition to the Staff Consultation Mechanism, we reach out through a variety of other communication channels, such as carrying out periodic staff attitude surveys to receive valuable input and feedback.

In 2014, new sections were introduced on our intranet such as CEO Messages and MTR In Focus to engage staff on corporate developments including news about progress on our railway extension projects. Forums for dialogue between executives and general managers have strengthened communication and interaction, and site visits conducted by the CEO and other executives to meet and exchange ideas with staff have helped to improve understanding about our challenges.

Motivation and Reward

In 2014, we continued to produce a series of short motivational videos called MTR People Making a Difference, featuring stories about the work of our staff. This initiative has received a very positive response. We also decided to incentivise members of staff to participate in our Staff Suggestion Scheme by offering even better rewards for ideas that lead to innovative improvements in safety, efficiency, service quality, corporate relations, cost effectiveness and technological enhancement.

We take great care to acknowledge outstanding performance by members of our staff. We have a number of award schemes in place, such as the Living Values Award Scheme, through which managers and supervisors show appreciation for staff members who exemplify our core values through their work.

MTR Grand Awards for Outstanding Contribution

Winning a Grand Award for Outstanding Contribution is the highest form of recognition for members of our staff. Nominations are open for all individuals and teams across our businesses in Hong Kong and subsidiaries outside of Hong Kong. They are submitted through department heads or local management, and the winners are selected by a cross-divisional vetting committee.

In 2014, we received 65 nominations for the Grand Awards. The winners were acknowledged at a yearly presentation ceremony in October attended by around 500 staff, including individual winners and representatives of winning teams from the Mainland of China, Australia and Europe.

Retirement Community

We are MTR

Over the course of their working lives, many of our staff members develop strong ties with their colleagues so we understand that retirement can mark a big and sometimes difficult transition. Leading up to retirement, staff members receive personal thank-you letters from the Human Resources Director as well as helpful information and newsletters.



Following retirement the We are MTR programme encourages former employees to continue to feel part of our extended family by assisting them to stay in touch with other retirees and former colleagues. Since its launch in 2013, this programme has provided support to over 840 retirees.

Reminiscing over Lunch

In August 2014, a special We are MTR lunch brought together more than 160 colleagues who were retiring during the year. The event, held under the theme of Connecting with Heart, was an opportunity to recognise the many valuable contributions made by the retirees during their service with us. At the lunch, our CEO thanked the retirees personally and said they had played a valuable role in supporting the continued development of our operations and businesses in Hong Kong and internationally over the past 35 years.



Staff Volunteering

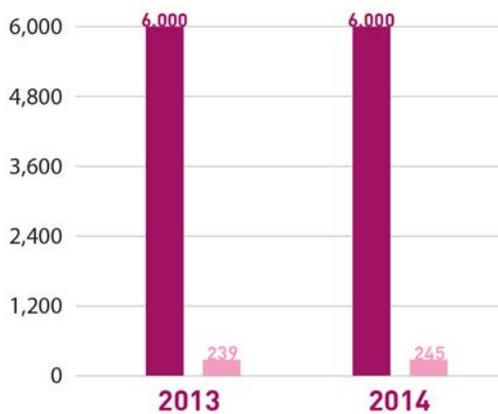
Members of staff from all parts of our organisation are supported and encouraged to reach out to the community by volunteering their time and skills. Under our More Time Reaching the Community scheme, staff members can initiate, organise and participate in volunteer activities. In 2014, a total of 245 community projects were organised involving over 6,000 volunteers. The More Time Reaching the Community annual gathering was held in March 2014. A total of 44 awards were presented to staff volunteers in recognition of their outstanding contributions.

Learn more...

[More Time Reaching Community](#) is also featured on our customer website.

EMPLOYEE VOLUNTEERING

- Number of Employee Volunteers
- Number of Employee Volunteering Projects





Global Strategy

As we grow beyond Hong Kong, we must find ways to replicate the success we have enjoyed in our home market in new and different contexts. Our Human Resources Department provides comprehensive human resource services to support the business development and growth of our operations in new markets.

Tailored Approaches

In the Mainland of China, we are focusing on recruiting local talent and developing the skill sets that we need for existing operations and future expansion. We have partnered with two educational institutions - Guangzhou Institute of Railway Technology and Shenzhen No. 2 Vocational Technical School - to recruit and develop trainees.

In the more established markets of Australia and Europe, we are providing support to strong local teams that are already in place. In these regions, we are looking at ways to build on our experiences in Hong Kong to strengthen operational processes and enhance business opportunities.

Strategic Framework

Our global framework provides three clear objectives for our human resources strategy over the coming years. Since 2013, we have started to implement structured programmes in pursuit of these objectives.

Global HR Strategic Framework

Objective 1	Objective 2	Objective 3
Global Culture Development	Global Leadership Pipeline / People Development	Global Resourcing & Human Capital Development

Standardisation and Mobility

We are in the process of standardising our global job grade system to facilitate greater mobility of staff and to promote leadership development across the organisation. In 2015, a review committee comprising representatives from Hong Kong and our overseas hubs will be established to oversee the work of an independent remuneration consultant.

Work Improvement Team

The Work Improvement Team (WIT) concept has been adopted by subsidiaries and associates in Shenzhen, Beijing, Hangzhou, Melbourne and Stockholm. There are now 250 teams established outside of Hong Kong, involving more than 2,000 participants. In 2014, these teams submitted over 300 work improvement projects. In 2015, we plan to host the first Global WIT Conference to promote sharing and collaboration.

Platform for Communication

We introduced a multinational internal communication platform in January 2014 called mtrconnects to bring together staff members from our worldwide network. It provides updates about the latest developments affecting our global operations and encourages staff members to get to know each other by sharing work experiences. In its first year, the platform has attracted more than 338,000 page views and 9,900 unique visitors, achieving a global penetration rate of 37 per cent. During 2015, we plan to enhance the content of the platform and include more interactive functions.

Getting to Know a Friendly Station Manager in Stockholm

In July 2014, staff members around the world were introduced to Yosef Tlahun, Station Manager with MTRS in Stockholm. Yosef's profile was featured on mtrconnects and provided fascinating insights into his personal approach to customer service and problem solving. "I'm trusted to use my creativity, common sense and experience," he said. "That means that I can challenge myself and my colleagues to try new approaches, see our goal, and create the path to get there."

Sharing his views on being part of the MTR global community, Yosef also expressed an interest to visit our operations in Hong Kong. As the relationship between headquarters and our subsidiaries grows ever closer, he may have an opportunity to do so in the future.

