

MENU

[Introduction](#)
[Chairman's Message](#)
[CEO Letter](#)
[Safety](#)
[Customers](#)
[Community](#)
[Environment](#)
[Staff](#)
[Supply Chain](#)
[Financial and Economic Performance](#)


Corporate Governance

[Introduction](#)
[Fair and Ethical Business](#)
[Risk Management](#)
[Building Our Future](#)
[Mainland of China and International Business](#)
[Performance Metrics](#)


CORPORATE GOVERNANCE

We believe good corporate governance forms the backbone of building trust in an organisation. Members of our Board and Executive Committee are strongly committed to the collective responsibility of ensuring that the Company is well-managed in the interests of all its stakeholders. Our Board Members oversee the strategic vision and direction while Executive Committee Members formulate and implement the necessary policies and systems. This firm belief drives our continuous effort to seek and adopt best practices that enable good corporate governance.



21%
Female on the Board



13 INED
5 NED
1 ED

MENU

Introduction

Chairman's Message

CEO Letter

Safety

Customers

Community

Environment

Staff

Supply Chain

Financial and Economic Performance



Corporate Governance

► Introduction

Fair and Ethical Business

Risk Management

Building Our Future

Mainland of China and International Business

Performance Metrics

INTRODUCTION

Since our Annual Report details our corporate governance activities, this section will focus on our corporate governance approach in relation to corporate responsibility.

Corporate responsibility is one of the principles that guides our corporate behaviour and supports the delivery of our corporate strategy. Grounded on our Vision, Mission and Values (VMV) and informed by our established Enterprise Risk Management and Stakeholder Engagement processes, it is our aim to grow sustainably as a Company while contributing to the development of our communities.

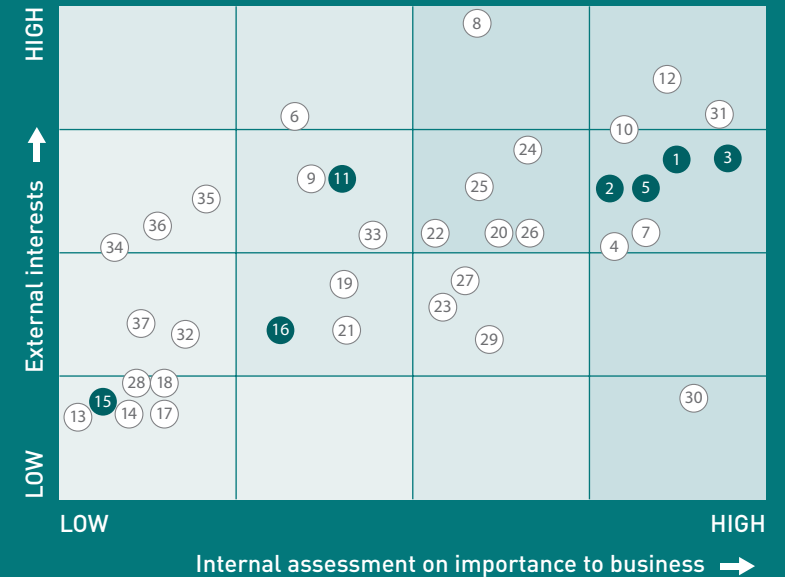
LEARN MORE...

Each year, we publish the [Corporate Governance Report](#) as part of our Annual Report. It describes the best practices we have adopted with reference to the Corporate Governance Code from the Listing Rules of The Stock Exchange of Hong Kong Limited.

What does corporate responsibility mean to us?

Our rail and property services are closely linked to the lives of the people and communities we serve. Here at MTR, underpinned by our sustainable financial model, corporate responsibility is about maintaining the sustainability of this model while at the same time, operating safely and responsibly in all aspects of our business and contributing positively to the development of the communities in which we operate.

MATERIALITY ISSUES COVERED IN THIS CHAPTER



- ① Organisational governance structure and process
- ② Fair operating practices (ethical dealings with other organisations)
- ③ Anti-corruption
- ⑤ Fair competition
- ⑪ Customer data protection & privacy
- ⑮ Human rights grievances mechanism
- ⑯ Diversity and equal opportunity

MENU

[Introduction](#)

[Chairman's Message](#)

[CEO Letter](#)

[Safety](#)

[Customers](#)

[Community](#)

[Environment](#)

[Staff](#)

[Supply Chain](#)

[Financial and Economic Performance](#)



[Corporate Governance](#)

▶ [Introduction](#)

[Fair and Ethical Business](#)

[Risk Management](#)

[Building Our Future](#)

[Mainland of China and International Business](#)

[Performance Metrics](#)

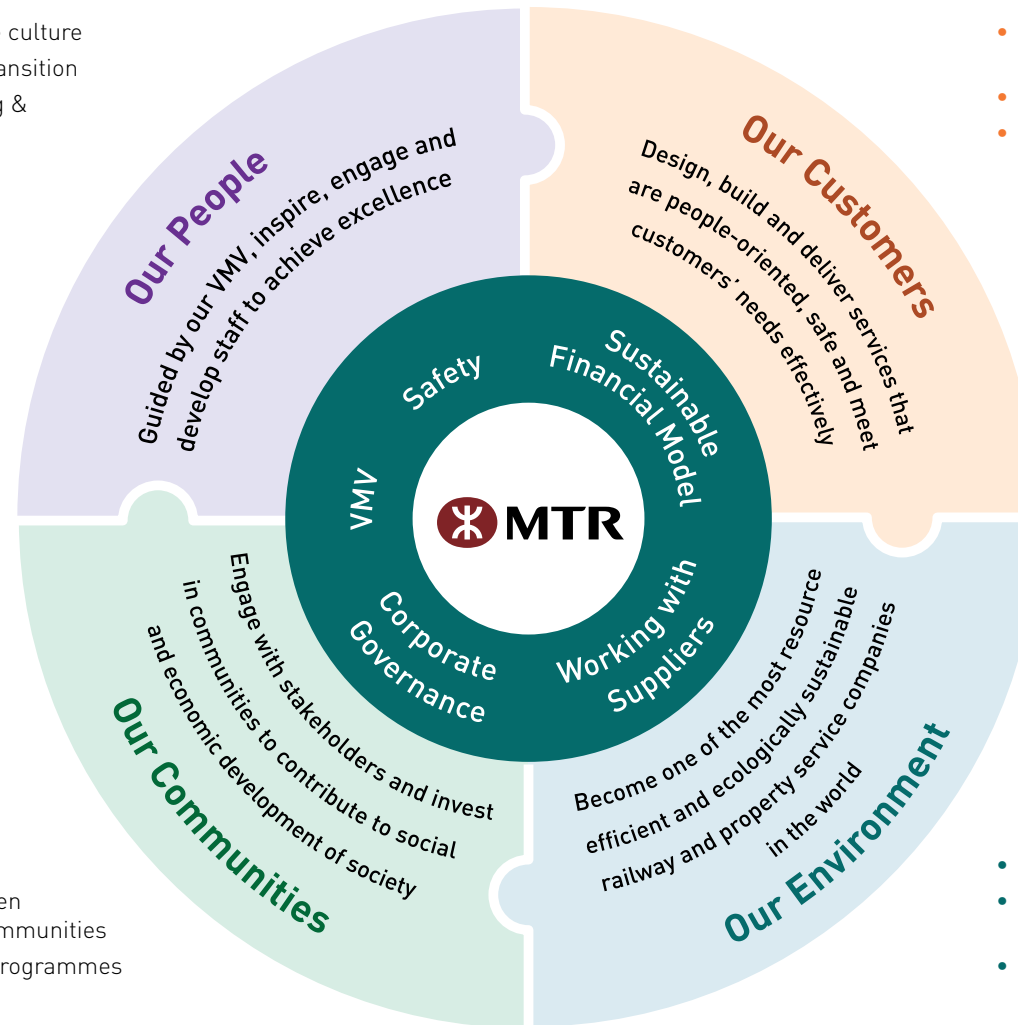
Enabling the social and economic development of communities, enhancing quality of life and fostering a thriving environment in which to live and do business

- Strengthen corporate culture
- Support workforce transition
- Invest in staff training & development

- Design and plan for customers' needs
- Enhance service delivery
- Improve accessibility

- Enable progress
- Engage and strengthen relationships with communities
- Deepen community programmes

- Increase energy efficiency
- Use natural resources sustainably
- Adapt to climate change



MENU

[Introduction](#)

[Chairman's Message](#)

[CEO Letter](#)

[Safety](#)

[Customers](#)

[Community](#)

[Environment](#)

[Staff](#)

[Supply Chain](#)

[Financial and Economic Performance](#)



Corporate Governance

▶ [Introduction](#)

[Fair and Ethical Business](#)

[Risk Management](#)

[Building Our Future](#)

[Mainland of China and International Business](#)

[Performance Metrics](#)

Management Approach

Ensuring that we act responsibly as a Corporate is every employee's concern, we established a governance structure at the board and executive levels to ensure that it is embedded within the organisation. The Corporate Responsibility Committee and Risk Committee at the Board, as well as the Executive Committee, work hand-in-hand to ensure that risks and opportunities arising from corporate responsibility issues are identified and addressed proactively and effectively.

Board of Directors

The Board of Directors is our highest governing body. Led by the Chairman, it focuses on overall strategic policies and corporate governance.

Appointment of Members of the Board is based on merit. At the same time, due consideration is also given to board diversity, to ensure that the Board Members have the appropriate balance of skills, experience and diversity of perspectives that are required to support the execution of the Company's business strategy so that the Board is kept effective.

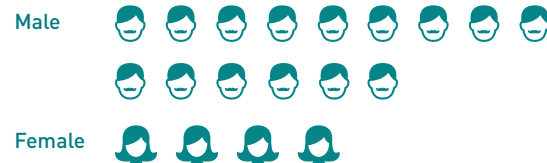
As an integral part of good corporate governance, the Board has established a total of six Board Committees to oversee different aspects of the Company's affairs.

LEARN MORE...

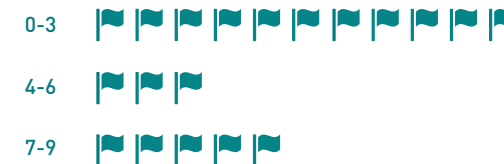
Please refer to [Terms of Reference of our Board Committees](#) and our [Board Diversity Policy](#) on our website.

BOARD DIVERSITY

Gender



Number of Years as Board Members (Years)



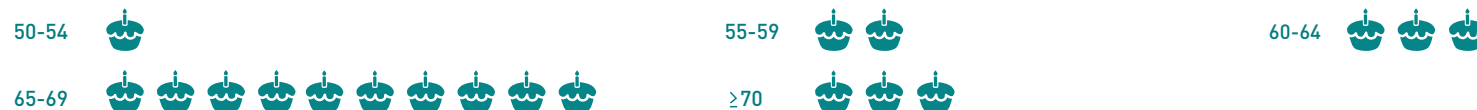
Designation



Outside Directorships (Number of companies)



Age Group



MENU

[Introduction](#)

[Chairman's Message](#)

[CEO Letter](#)

[Safety](#)

[Customers](#)

[Community](#)

[Environment](#)

[Staff](#)

[Supply Chain](#)

[Financial and Economic Performance](#)



Corporate Governance

▶ [Introduction](#)

[Fair and Ethical Business](#)

[Risk Management](#)

[Building Our Future](#)

[Mainland of China and International Business](#)

[Performance Metrics](#)

Executive Committee

The Board has delegated the day to day management of the Company's business to the Executive Committee. Led by the Chief Executive Officer and since 1 May 2016, this Committee is made up of all the Members of the Executive Directorate, of which five new positions were created between 2015 and 2016 as a result of the reorganisation of the Executive Directorate. They are the Managing Director - Operations and Mainland Business, the Legal and European Business Director, the Corporate Affairs Director, the Engineering Director, and the President of MTR Academy.

LEARN MORE...

Find out more about our [Members of the Board](#) and [the Executive Directorate](#).

Corporate Responsibility (CoR) Committee

Reports to: Board of Directors
 Chaired by: Chairman of the Board
 Frequency of meetings: Twice a year
 Composition:

- One Non-Executive Director (being the Chairman of the Board)
- Three Independent Non-Executive Directors (since 1 January 2016)
- Three members of the Executive Directorate, including the Chief Executive Officer, the Human Resources Director and the Corporate Affairs Director (since 1 January 2016).

LEARN MORE...

Please refer to [Terms of Reference](#) for the Corporate Responsibility Committee.

Corporate Responsibility Steering Committee (CoRSC)

Reports to: Executive Committee
 Chaired by: Corporate Affairs Director
 Frequency of meetings: Three times a year
 Composition: Executive Directors and senior managers representing all major business units.

The CoR Steering Committee provides input to and cascades initiatives related to corporate responsibility and sustainability across all divisions of the Company.

MENU

[Introduction](#)

[Chairman's Message](#)

[CEO Letter](#)

[Safety](#)

[Customers](#)

[Community](#)

[Environment](#)

[Staff](#)

[Supply Chain](#)

[Financial and Economic Performance](#)



[Corporate Governance](#)

▶ [Introduction](#)

[Fair and Ethical Business](#)

[Risk Management](#)

[Building Our Future](#)

[Mainland of China and International Business](#)

[Performance Metrics](#)

Corporate Policies

Our management approach to corporate responsibility comprises a number of corporate policies, particularly on issues that are considered to be highly material to our stakeholders and/or that require extensive cross-departmental coordination.

Please refer to the following policies, which can be downloaded from this site:

[Corporate Responsibility Policy](#)

[Sustainability Policy](#)

[Safety Policy](#)

[Whistle-blowing Policy](#)

[Corporate Board Diversity Policy](#)

[Green Procurement Policy](#)

[Climate Change Statement](#)

[Biodiversity Policy](#)

External charters and memberships

We endorse externally developed charters, principles and initiatives, and participate in associations and advocacy organisations. To download a list, please click [here](#).

Governance of Our Subsidiaries and Affiliates

The Company continues to grow outside of Hong Kong, with an increasing number of subsidiaries and affiliates incorporated locally, in the Mainland of China and overseas. To ensure good corporate governance and management of financial and other risks, the Company exercises certain control and oversight over its subsidiaries and affiliates, and require them to adopt appropriate management practices and policies relevant to the local context.

Refer to the [Mainland of China and International Business](#) section for more information.

MENU

Introduction

Chairman's Message

CEO Letter

Safety

Customers

Community

Environment

Staff

Supply Chain

Financial and Economic Performance



Corporate Governance

Introduction

► Fair and Ethical Business

Risk Management

Building Our Future

Mainland of China and International Business

Performance Metrics

FAIR AND ETHICAL BUSINESS

Code of Conduct

The Code of Conduct is reviewed and updated periodically to ensure appropriateness and compliance with corporate and regulatory requirements. After a comprehensive review of our Code in 2015, a regular review to update the content is underway, and the revised Code will be released to all staff by end of 2017. Promotional events and education programmes are also planned to raise staff awareness. Together with other corporate policies and guidelines, the Code reinforces the trust placed in us by our stakeholders. It aligns with our VMV and supports our goal to enhance transparency. Staff members at all levels are required to uphold the highest standard of business ethics and respect principles of fairness, impartiality and integrity in all locations where we do business.

LEARN MORE...

Please refer to the latest version of our [Code of Conduct](#).

Anti-Corruption and Whistle-Blowing

As an organisation with high ethical standards, all staff members are required to uphold the anti-bribery and anti-corruption regulations in all places where we do business, which means zero tolerance for all forms of bribery or corruption. The Company's values and expected ethical behaviours are guided by our Code of Conduct, and supplemented by internal policies on the Prevention of Bribery and Illegal Acceptance/Offer of Advantages, and on Conflict of Interests. On top of briefings to new recruits during staff induction programmes, there are also regular seminars with guest speakers from the Independent Commission Against Corruption (ICAC).

The Corporation's Whistle-blowing Policy concerns complaints raised in relation to fraudulent acts, unethical acts or non-compliance with laws and regulations and/or the Corporation's policies which have or could have significant adverse financial, legal or reputational impact on the Corporation. We encourage and assist whistle-blowers to raise grievances without fear of reprisal. Our Whistle-blowing Policy applies to all members of staff and to anyone who has dealings with the Company, including customers, business partners and suppliers.

All reports of misconduct are treated with the utmost urgency, confidentiality, and respect. Members of the Whistle-blowing Panel, chaired by Head of Internal Audit, include the Legal & European Business Director and the Human Resources Director. During 2016, our Whistle-blowing Panel evaluated 60 cases and concluded 45 of those did not meet the definition of "whistle-blowing". Of the 15 whistle-blowing cases, follow-up investigations were completed: 1 substantiated, 1 partially substantiated and 8 unsubstantiated cases. The remaining 5 cases were under investigation as of 31 December 2016. Appropriate follow-up actions, including disciplinary actions, were taken by management in response to the substantiated and partially substantiated cases.

MENU

[Introduction](#)

[Chairman's Message](#)

[CEO Letter](#)

[Safety](#)

[Customers](#)

[Community](#)

[Environment](#)

[Staff](#)

[Supply Chain](#)

[Financial and Economic Performance](#)



[Corporate Governance](#)

[Introduction](#)

[Fair and Ethical Business](#)

▶ [Risk Management](#)

[Building Our Future](#)

[Mainland of China and International Business](#)

[Performance Metrics](#)

RISK MANAGEMENT

Risk management works hand in hand with sustainability in taking a forward-looking view of the business.

Integrated into the Company's day-to-day operations, our ERM framework provides a simple and effective management process to identify and review risks across all business units of the organisation, and prioritise resources to manage those risks that may arise. It also gives management a clear view of the significant risks facing the Company and is used to support decision making and project execution, which in turn helps to deliver better business performance.

Each risk is evaluated by the likelihood of the identified risk and the consequence of the risk event, taking into consideration the control measures in place. A risk matrix is used to determine risk ratings (E1 – E4), E1 being a very high risk and E4 being a low risk. The risk ratings reflect the required management attention and risk treatment effort.

The Company takes proactive measures to identify, evaluate and manage significant risks arising from its recurrent and growth businesses and from the constantly changing business environment. The Enterprise Risk Committee, the Executive Committee and the Risk Committee review the enterprise risk profile and brainstorm emerging risks quarterly to ensure significant risks are captured. Identified significant risks are then evaluated using the risk matrix, and risk control owners are identified to follow through the implementation of risk controls. Significant risks currently being managed are set out in our Annual Report.

In 2016, the Company conducted a foresight study and workshop, to understand how social, technological, economic, environment and political changes could potentially affect our operating environment, and the associated impact and opportunities that could be brought to our business. Refer to [2017 and beyond](#) for a more detailed discussion.

LEARN MORE...

Refer to the [Risk Management](#) section in our Annual Report for a detailed discussion of our risk management system and process, as well the significant risks currently being managed.

Click here for the [Terms of Reference for the Risk Committee](#).