



6.5 training days
per employee,

4,500

enhanced staff
communication sessions



Over

6,000

volunteers
participating in

239 "More Time
Reaching
Community"
projects

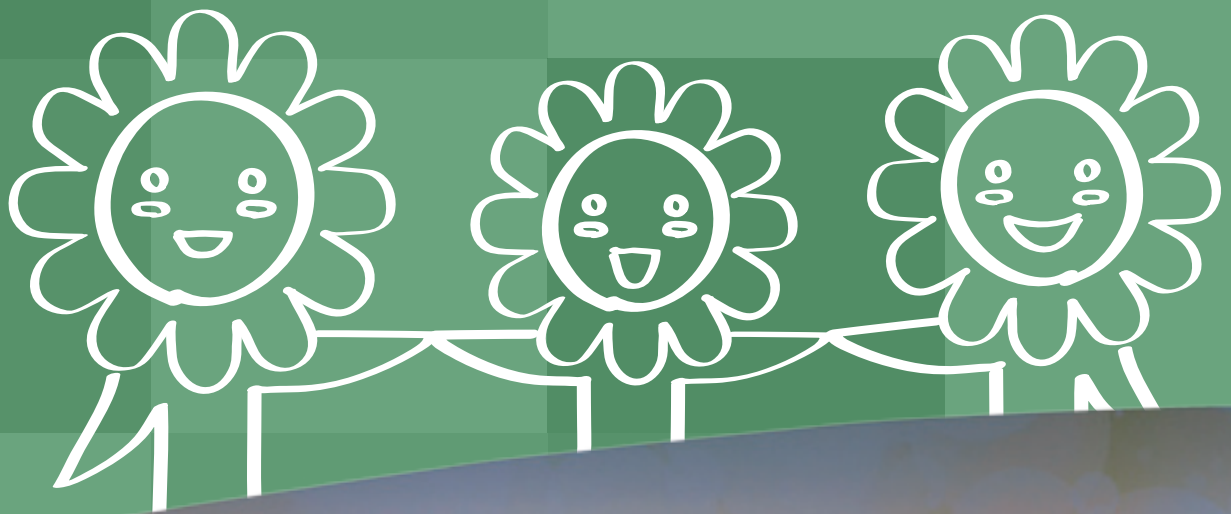


Teamwork

for growth



Human Resources



2013 港鐵傑出貢獻嘉獎暨長期服務獎頒獎典禮 MTR Grand Awards for Outstanding Contribution and Long Service Awards Presentation Ceremony



Various awards were given to staff to recognise their accomplishments, contributions and dedicated service

The Company, together with its subsidiaries, employed 16,158 people in Hong Kong and 7,078 outside of Hong Kong as at 31 December 2013.

Recruitment and Retention

As our businesses continue to grow, we proactively formulate various manpower resourcing strategies and initiatives to meet current manpower needs and to plan for our future in both Hong Kong and markets outside of Hong Kong.

During 2013, over 2,200 people were recruited and 1,300 staff were promoted internally in Hong Kong. Staff turnover remained low at 4.2%. Proactive manpower resourcing and advance recruitment activities were conducted, including recruitment days, job fairs, career talks and partnership programmes with tertiary institutions, in order to reach out to job seekers. A total of 25 Graduate Engineers were recruited, as well as seven Functional Associates and six Graduate Trainees for succession to future managerial positions. We also successfully recruited 119 Apprentices and Technician Associates who will undergo structured training schemes to meet our future operational requirement.

The Company was voted as the “Most Attractive Employer” according to a survey conducted in Hong Kong by the Randstad Group, one of the world’s largest human resources service firms, covering job seekers’ attitudes to the 75 largest commercial employers in Hong Kong. The results echoed the findings of our recent Staff Attitude Survey, conducted in October 2012, in which 88% of our staff in Hong Kong indicated that they were proud to be a staff member of MTR, while 81% agreed that MTR was a good employer.

The increasingly multinational nature of the Company has resulted in more emphasis being placed on strengthening human resources in our Mainland of China and international businesses. A three-pronged approach has been adopted: increasing dedicated mobile resources to lead the development of existing and new rail and property projects; enhancing localisation in existing business hubs to free up

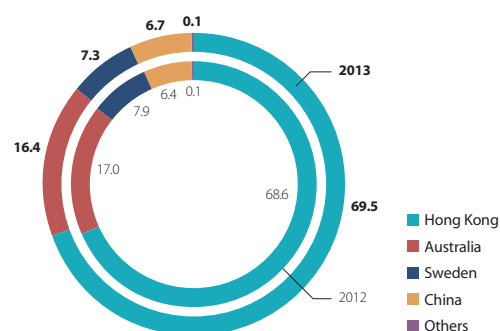
resources for new projects; and strengthening the leadership pipeline for Mainland of China and international businesses. In both Beijing and Shenzhen, meanwhile, a variety of programmes have been initiated to aid the recruitment and retention of skilled people.

Staff Motivation and Engagement

To build pride in MTR among staff, we produced the third series of motivational videos during 2013 titled “MTR People

Staff Distribution by Geographical Location

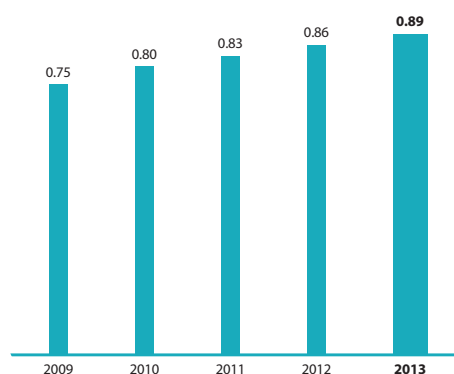
(Percentage)



Staff Productivity – Earnings Per Employee*

* Hong Kong businesses excluding property development

(HK\$ million)



Executive Management's Report

Human Resources

The MTR Apprentice Programme marked its 35th anniversary and I am proud of starting my engineering career with MTR

Making a Difference", featuring unscripted sharing by frontline staff members from different departments about their experience at work. These attracted more than 52,000 viewings and 8,000 positive comments. Reflecting the multinational nature of the Company, the annual MTR Grand Awards for Outstanding Contribution scheme in 2013 received 86 submissions, including quite a few first time entries from MTR subsidiaries and associates.

Engaging retirees as part of the MTR community helps connect those retiring from the Company and motivate our current staff. To this end, a new "We are MTR" programme has been developed to build closer connections with retirees and maintain their sense of pride in MTR through a variety of initiatives such as a Retiree Information Pack, gatherings and personal thank-you letters from the CEO.

In the Mainland of China, more schemes were introduced to increase identification with the Company and our values. These included family visits and long-service awards in Shenzhen, a staff survey in Beijing and the roll-out of a "vision, mission, values" ("VMV") education programme in Hangzhou. Internationally, in Sweden, MTRS successfully launched an "Our Common Journey" workshop, which introduced VMV and company goals. Phase 1 of the workshop was completed in May 2013 with approximately 1,500 staff participating. In July 2013, MTM in Australia launched a new scheme highlighting values and expected behaviours.

Leadership Development

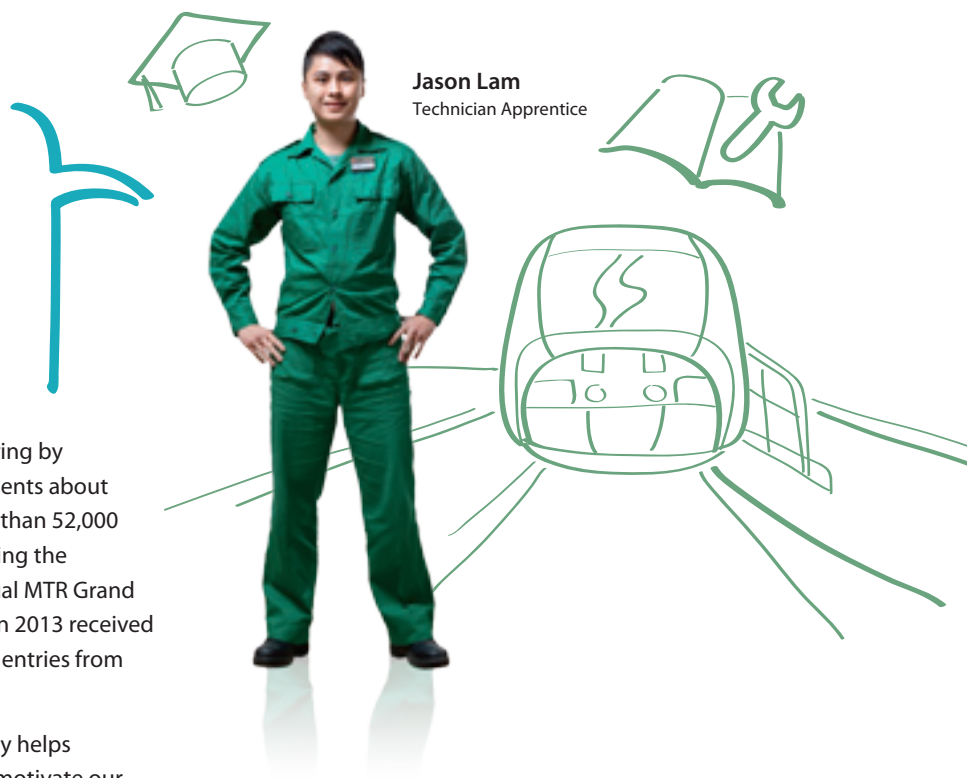
Our efforts to develop future managerial talent continued during 2013. Among them, our Executive Associate Scheme and People Development Initiative were keys to ensuring continuity in management resources. We continued to provide structured, customised training for future

management talent, and increasingly encouraged cross-functional and geographical career movements. Executives and senior managers have again benefited from our Continuous Learning Programme, while newly promoted managers were assisted by a new "Reaching New Horizons" Leadership Transformation Programme. A new "MTR Advanced Management Programme" was also launched for senior managers from Hong Kong and around the world. This six-day programme allows them to learn and share best practices and experiences from MTR's various businesses.

A Culture of Excellence, Learning and Caring

MTR's culture of excellence, learning and caring was reinforced during the year by further initiatives organised under the Academy of Excellent Service, involving experiential learning, external benchmarking visits and sharing sessions among staff. We have also continued to invest in mobile learning technology.

During 2013, 6,471 courses were delivered providing 6.5 training days per Hong Kong employee. The Company's efforts in this area won a number of local and international awards during the year including the "China's Best Corporate University Award, Learning! 100 Award" and the "HKMA Award for Excellence in Training and Development".



Jason Lam
Technician Apprentice

The year 2013 marked the 35th anniversary of the MTR Apprentice Programme. A number of special commemorative activities were organised throughout the year to celebrate the achievements of the programme, which has turned more than 1,200 youngsters into competent railway engineering professionals since its establishment. A total of 71 apprentices graduated during 2013, including 27 craft apprentices, 38 technician apprentices and six technician associates. The third intake for the Supervisor Associate Programme was launched in September 2013 for fast track development of supervisors in Operations Engineering.

Employee Communication

To encourage and reinforce two-way communication between line managers and staff, more than 4,500 sessions of the “Enhanced Staff Communication Programme” were organised in 2013, with over 65,500 participants. In September 2013, the bi-annual Management Communication Meeting communicated business updates to over 1,000 managers around the globe.

During 2013, we continued to make every effort to increase communication between our CEO and staff at all levels. More than 30 personal messages from Mr Walder were featured on the “CEO My Post” on the corporate intranet or sent to staff via email, keeping staff abreast of the latest business developments and corporate strategies. Feedback has been very positive. Forums for Executive Managers and CEO audio messages were used to strengthen communication and interaction. Site visits, during which Mr Walder met and exchanged ideas with staff in different work positions and locations, have further enhanced communications with staff.

Driving Work Improvement

The Work Improvement Team (“WIT”) initiative to encourage collective innovation and continuous improvement was strengthened by the theme of “You Have A Say” during the year, with 5,500 members and 967 projects submitted. WIT has also been rolled out to our subsidiaries and associates, including our operations in Beijing, Shenzhen and Stockholm, with annual project presentations to share the WIT best practices.



We continue to promote work-life balance and healthy living through organising various activities for our staff and their families