

MTR Corporation

Corporate Responsibility Policy

1) Introduction

MTR's success has been built on clear vision, mission and values which serve as the guiding principle of our corporate behaviour for achieving business results, sound corporate governance and sustainable financial model. We recognise Corporate Responsibility (CoR) as an integral element in maintaining our position as a responsible business that contributes to society.

Continuing our success requires us to maintain our commitment to operating responsibly. This means

- balancing the current and future needs of our stakeholders
- providing a safe environment for all users of our facilities
- effectively meeting customers' needs
- retaining and developing our staff
- managing our impact on the environment
- working with our suppliers and business partners on sound business practices
- contributing positively to the communities in which we operate

2) CoR Policy Statement

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 therefore about operating safely and responsibly in all aspects of our business and contributing positively to the development of the communities in which we operate.

3) Approach

Given our geographic footprint and our reach across communities, as a corporate citizen, we leverage our assets, skills, and resources to connect, grow and support communities to help them thrive.

Across all divisions of the Corporation, we are committed to complying with all relevant and applicable laws within our operational frameworks. In the absence of legislation, we seek out and observe appropriate international best practices. Where appropriate, we differentiate ourselves by exceeding expectations and going above what is required. Doing so enables us to maintain our position as a competitive and profitable enterprise that builds and connects communities with caring service.

Recognising that stakeholder expectations will evolve, we regularly review our business operations and consult stakeholders to identify and respond to emerging issues. To support the embedding of CoR practices in all divisions, we are committed to educating and training staff to ensure the effective implementation of this policy, and raising awareness of the benefits of being a responsible and sustainable business.

The ultimate goal of our CoR initiatives is to create long-term benefits for both the Corporation and society, enhance our reputation, and maintain our social licence to operate. We are guided by the following principles to determine our priorities and focus areas. All CoR initiatives should be:

- **Aligned with business objectives and corporate values:** initiatives should originate from business needs and have the potential to bring positive value to both the Corporation and the community.
- **Designed to address stakeholder and societal needs:** we will proactively engage stakeholders to assist with reviewing CoR initiatives to ensure that our initiatives create value and support community development.
- **Focused and impact-driven:** initiatives should focus selectively on key areas so that the Corporation can effectively leverage its competencies and resources to deliver the greatest impact with tangible outcomes for the business and the community as well as goodwill for the Corporation.
- **Coordinated and collaborative:** cross-functional coordination reduces duplication of effort and facilitates the identification of synergies and collaboration opportunities. It enables the Corporation to stay focused and allocate resources strategically.

- **Measureable and sustainable:** we invest in capacity building and skills transfer to encourage local communities, institutions, and partners to be self-reliant, rather than dependent on the Corporation's support. We do so by establishing outcome and impact indicators to track changes, and gain feedback on performance; establishing viable exit or handover strategies at the outset; and reinforcing local institutions and processes where feasible. We will proactively monitor and evaluate performance and communicate the results of our efforts to internal and external stakeholders.

4) The Policy

CoR practices are embedded across all divisions of the Corporation – in how we conduct our business and how we contribute to society. Specifically, these practices focus on the following areas:

Operating responsibly

- **Safety**
The safety of our customers, employees and business partners remains our number-one priority. It is the bedrock of our operations. We ensure a safe and healthy environment by fostering a safety-first culture, driving continuous improvement, and engaging and educating our stakeholders to achieve our Corporate Safety Policy and goals.
- **Environment and Natural Resources**
We strive to be one of the most resource-efficient and ecologically sustainable railways and property service providers in the world. We aim to reduce our direct emissions, use resources efficiently and strengthen our resilience to a changing climate. Specifically:

Environmental Protection

We manage and minimise the environmental impact of our business by conducting extensive assessments and broad stakeholder engagement programmes. Environmental management and monitoring plans are implemented throughout the life cycle of our projects and operations - covering the management of noise, air, water, waste, energy, emissions, biodiversity, natural resources and other raw materials. We are committed to continuously improving our environmental management and monitoring system to comply with regulations and keep pace with best practices.

Biodiversity

We manage our impact on biodiversity – different plants, animals and microorganisms – by complying with all legal requirements and regulations; taking practical and appropriate measures to protect important natural habitats and maintain the diversity of plants and animals within the areas in which we operate; implementing relevant mitigation measures to minimise our impact on the natural environment; and exercising special care for sites of special scientific interest and protected areas as defined by local statutory regulations and international convention.

Climate Change

We assess the risks and opportunities posed by climate change and implement actions to adapt to and mitigate those risks. We work towards reducing the direct carbon emissions of our business in a targeted and continuous fashion and we strive to influence our energy providers on the carbon intensity of their fuel mix.

- **Our people**
We aim to create a work environment that is engaging, supportive and inclusive, and that encourages healthy debate and constructive resolution of challenges by welcoming innovative ideas and ownership of decision-making by all team members. We support that by providing a wide range of professional and personal development opportunities that enhance our colleagues' knowledge base and skillsets to manage current and future challenges. In addition, we care for the well-being of our staff and provide access to a range of facilities, seminars and initiatives to encourage healthy living as employee well-being is integral to the ongoing success of our business.
- **Our customers**
We are committed to providing quality and efficient service and a positive customer experience, making journeys more convenient and comfortable, and keeping our tenants satisfied. Regular engagement and feedback are sought to ensure views are integrated into the design and planning of our services. This high standard of service and delivery is maintained for the benefit of all our customers.

Contributing to society

- **Enabling progress**
We build and connect communities, and contribute to their social and economic development while fostering a thriving environment in which to live and do business. We achieve this through creating jobs, enabling economic growth and supporting the needs of the community while minimising any negative impact on the environment and communities.

- **Engaging communities**
We engage our customers, business partners, suppliers and other stakeholders in our decision-making process to understand their needs and identify areas where we can provide meaningful actions. Through proactive stakeholder engagement, we build collective ownership, and enhance the likelihood that our operations and initiatives deliver positive impact and are sustainable in the long run.
- **Investing in communities**
We foster the growth and development of communities and the creation of a vibrant civil society by providing support to non-profit, charitable and civil society organisations through monetary and in-kind support. Our employees' active volunteerism in the community also supports our goal of serving those in need across districts and boundaries.

We aim to maximise the impact of our contributions by achieving both breadth and depth in community development. "Community Connect" houses a range of initiatives that support everyone from the young to the old. We focus our activities in areas that build on our strengths and align with our business. The Corporation will review our focus area regularly to ensure our initiatives are keeping pace with evolving societal needs.

As we impact many aspects of society, we will continue to exercise our influence and work with our business partners, suppliers and relevant stakeholders to help us realise our vision of being a leading responsible and sustainable business.

5) Governance

Whilst CoR is each employee's responsibility, the Board-level CoR Committee provides strategic guidance, and oversees and reviews our CoR practices and performance.

The CoR Department acts as a catalyst to support the Corporation in its drive to operate responsibly and the Corporate Responsibility Steering Committee (CoRSC) supports the CoR Department by providing input on direction and cascading initiatives across the Corporation. Membership of the CoRSC comprises the following individuals or their designated alternatives:

Corporate Affairs Director (Chairperson)
Human Resources Director
Legal and European Business Director
President of MTR Academy
Engineering Director
General Manager – Branding and MC&IB Marketing
General Manager – Corporate Strategy
Senior Manager – Organisation Development
Senior Human Resources Manager – Staff Relations
Purchasing Manager – Property & Marketing
Financial Controller – Property
Head of Operating – West Region
Head of Infrastructure Works
Chief Design Manager – SCL and Head of Project Engg
Construction Manager - Operations Civil & Major Pedlinks
Chief Architect
Chief Town Planning Manager
Strategy & Planning Manager
Senior Manager - Sustainability
Senior Manager – Corporate Responsibility (Secretary)

21 July 2017