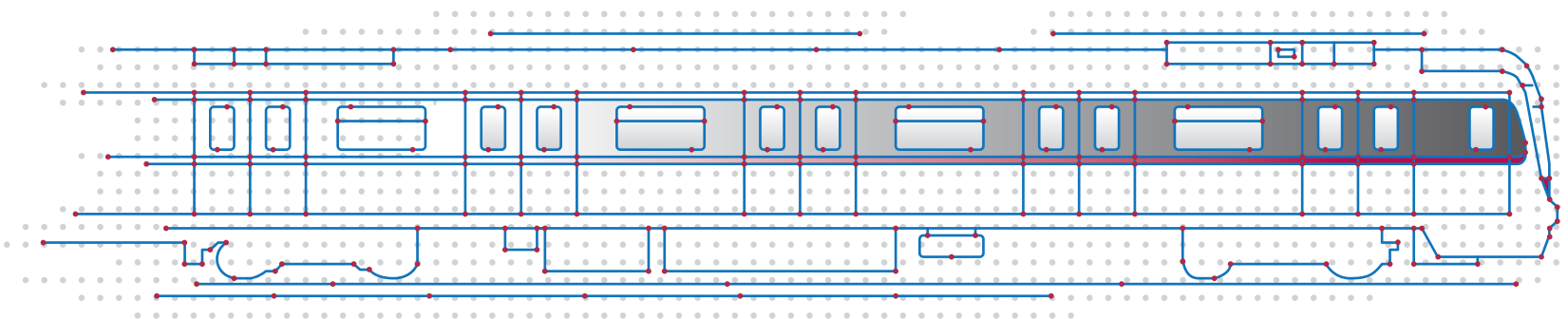


# SUSTAINABILITY REPORT 2018



## Highlights



# SUSTAINABILITY IN MTR



MTR Corporation Limited (the “Corporation” or “MTR”) is committed to adopting best practices in corporate governance to ensure that the Corporation is well-managed in the interest of all our stakeholders. Our Corporate Responsibility Policy provides guidance for the development and implementation of our sustainability initiatives with the goal of maintaining our position as a responsible business that creates shared value for our society. In line with our Vision, Mission and Values, corporate responsibility is about operating responsibly, using natural resources efficiently in all aspects of our business and contributing positively to the development of our communities.

## About Our Sustainability Reporting

The sustainability reporting framework of the Corporation comprises a dedicated Sustainability Website and a Sustainability Report, which collectively provide a full account of the sustainability issues deemed relevant and material. The Sustainability Website contains details on the Corporation's sustainability approach and on-going efforts that remain relevant, while the Sustainability Report provides an annual update on the Corporation's sustainability performance and challenges in the immediate past calendar year, complementing the details available from other publicly accessible sources such as our Annual Report and other corporate web content. Please visit our Sustainability Website at <http://www.mtr.com.hk/sustainability/2018rpt/en/home.php>.

We value your feedback on our sustainability performance and disclosure. Please send us your views and comments to [sdmgr@mtr.com.hk](mailto:sdmgr@mtr.com.hk) or via [http://www.mtr.com.hk/en/customer/main/contact\\_us.html](http://www.mtr.com.hk/en/customer/main/contact_us.html).



MEMBER OF

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Sustainability Indices**

In Collaboration with RobecoSAM

**MSCI**



2018 Constituent  
MSCI Global  
Sustainability Indexes



**FTSE4Good**



Hong Kong  
Business  
Sustainability Index 2018  
香港企業可持續發展指數 2018

**Pace-setter**  
**Rank 3**



# MESSAGE FROM CHAIRMAN AND CEO



In the past 40 years, MTR has been incorporating corporate responsibility in the planning and operation of our business. We give utmost importance to the principle of operating safely and responsibly, while being resource-efficient and ecologically sustainable.

Excellent connectivity is key to societal and economic development, as demonstrated by delivery of our new lines in recent years, including the Guangzhou-Shenzhen-Hong Kong High Speed Rail commissioned in

September 2018. I am proud that MTR can contribute to enhancing connectivity in Hong Kong and further to the Greater Bay Area and beyond.

MTR also continued to contribute to society, notably the establishment of the MTR Academy and the expansion of our youth initiatives including the popular “STEM Challenge” programme.

Like all successful organisations, MTR’s achievements are not accomplished without any challenges. 2018 presents stern challenges for us, as we experienced operation disruptions and faced public scepticisms surrounding our construction project. I am sure our robust corporate governance structure will continue to allow us to learn and amend along the way.

I will soon complete my tenure as MTR’s Chairman. I have no doubt that MTR and its staff will continue to provide quality services to the Hong Kong community in the days to come.

**Professor Frederick Ma Si-hang**  
Chairman  
Hong Kong

As a 24-year veteran and the new CEO of the Corporation, I am proud of our achievements over the past four decades. However, we have had a turbulent 2018, with service issues and challenges on our project management surrounding construction works of the Shatin to Central Link project.

Our priorities at hand are to deliver safe and reliable services to customers, and to rebuild our reputation. In doing so, environmental, social and governance (“ESG”) aspects must be incorporated in these priorities. Resilience of our network against climate conditions is an important part of our work.

Our human capital is the most important asset that contributes to our success. We launched the “Strengthen Our Culture” initiative in 2018 to inspire our colleagues to strive for excellence and to accomplish the extraordinary.

Everyone at MTR would agree that it is indeed a privilege to serve the communities in places where we operate. Moving ahead will not be an easy task as our railway system becomes more mature while patronage is still on the rise. I have no doubt we will brave the challenges as one team.

The Sustainability Website and Report contains much more information. I invite you to take a look and we welcome your feedback.

**Dr Jacob Kam Chak-pui**  
Chief Executive Officer  
Hong Kong



# ABOUT MTR

Established in 1975, MTR Corporation Limited (MTR) is a publicly-listed corporation headquartered in the Hong Kong Special Administrative Region (HKSAR) with the HKSAR Government as a majority shareholder. As a recognised world-class operator of sustainable rail transport services, we are a leader in safety, reliability, customer service and efficiency. MTR has extensive end-to-end railway expertise with more than 40 years of railway projects experience from design to planning and construction through to commissioning, maintenance and operations. Going beyond railway delivery and operation, MTR also creates and manages dynamic communities around its network through seamless integration of rail, commercial and property development.

## Rail Services at a Glance

### SWEDEN

- Stockholm Metro
- MTR Express
- Stockholm Commuter Rail (Stockholms pendeltåg)

### UNITED KINGDOM

- TfL Rail/Elizabeth Line
- South Western Railway

### BEIJING

- Metro Line 4
- Metro Line 4 – Daxing Line
- Metro Line 14
- Metro Line 16

### HANGZHOU

- Metro Line 1
- Metro Line 1 Extension
- Metro Line 5 (under construction)

### SHENZHEN

- Metro Line 4

### HONG KONG

- Heavy rail, light rail, and feeder bus services
- Airport Express
- High Speed Rail

### MACAU

- Light Rapid Transit Taipa Line (under construction)

### SYDNEY

- Sydney Metro Northwest (under construction)

### MELBOURNE

- Metropolitan Rail Service

Refer to MTR Annual Report 2018 for a full list of our Railway and Property Portfolio.



Hong Kong total  
railway route length  
**256.6km**



Outside Hong Kong  
total railway  
route length  
**2,008.7km**



Total revenue in 2018  
**HK\$53.9 billion**



**12 million+**  
Passenger journeys  
every weekday globally  
in 2018



**99,000+**  
Residential units  
managed in Hong Kong



**772,000m<sup>2</sup>+**  
Commercial and office  
space managed in  
Hong Kong

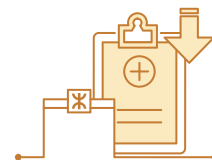
# SAFETY FIRST



We prioritise safety as the prime responsibility at all levels in MTR and inculcate a Safety-First culture to all staff. Our Corporate Safety Policy and the Corporate Safety Governance Framework outline our safety management approach and objectives. Supported by the Corporate Safety Management Model, which lays down appropriate safety management processes, we are able to implement an effective and robust system bespoke to our operations to tackle safety challenges.

Some of our safety initiatives during the reporting year include:

- developed an award-winning Integrated Speed and Position Supervision System for our light rail services to enable real-time speed monitoring of light rail vehicles
- launched our Interactive MTR Safety Experience Zone at Tsing Yi Station to give children safety tips and promote appropriate conduct when travelling on MTR
- launched the Corporate Safety month in June with the theme of “Everyone is a Safety Leader” to reinforce our Safety-First culture
- participated in major exercises with emergency services involving different scenarios to strengthen our preparedness in response to emergency situations



**-8%**

Reportable events on our heavy rail network in 2018 compared to 2017\*



**0**

Customer fatalities in 2018 in Hong Kong



**-37%**

Injuries requiring hospitalisation per 100 million passenger journeys on our heavy rail network in 2018 in Hong Kong compared to 2017

*\*Note: Performance data covers our Hong Kong operations only*

# CUSTOMER EXPERIENCE



We strive to deliver high quality services to provide a pleasant and amiable travel experience with MTR for our customers. We aim higher than the terms of the Operating Agreement we have with the Government by setting our own internal targets and requirements to deliver the best customer experience.

In light of the increasing trend of digital transformation, MTR respects and is prudent to the importance of privacy and personal data protection. In response to the aging population, we strive to provide and

continuously improve age-friendly services and facilities for senior citizens.

Some of our customer initiatives during the reporting year include:

- embarked on a massive train fleet upgrade project, spending a total of HK\$6 billion to acquire 93 8-car trains to replace existing urban line fleet by 2023
- completed the conversion of existing 7-car trains on the West Rail Line to 8-car trains
- upgraded the exiting ticket issuing machines by replacing with "2 in 1" Ticket Issuing & Value Adding machines
- enhanced the MTR Mobile app with a new "Chatbot" functionality to provide passengers with up to date travel information and a new "Waiting Time Indicator" function for Admiralty Station to allow customers to better plan their journeys
- continued to provide a range of barrier-free access and enhanced directional signage as well as install more seats inside our stations



**99.9%**  
Passenger journeys  
on-time\*



**20**  
Interchange stations with  
breastfeeding facilities



**HK\$2.7 billion+**  
Value of ongoing concessions  
and promotions provided in  
2018

*\*Note: Performance data covers our Hong Kong operations only*



# ENVIRONMENTAL PROTECTION



Our Corporate Responsibility Policy stipulates the principles and approach to managing our environmental footprint, guiding us to duly consider resource conservation, managing and mitigating environmental impacts, maintaining biodiversity and addressing climate risks.

Operating our rail lines requires significant amount of electric power which contributes to our largest carbon footprint. To this end, we emphasise energy efficiency and look for energy reduction opportunities to reduce our environmental impacts.

Some of our environmental initiatives during the reporting year include:

- carried out a large-scale chiller replacement project to replace a total of 160 chillers at 38 MTR stations and four railway depots aiming to reduce electricity consumption by up to 30% compared to 2017 level
- installed drinking water dispensers in our Tung Chung Station to support the Government's call for reducing single-use beverage packaging
- observed over 260 bird species in the Lok Ma Chau wetland since 2007, and spotted five different bird species breeding on site during the 2018 breeding season in the Wetland
- added a three-hectare green public space including a Green Plaza, a Bus Terminal Rooftop Garden and a sightseeing deck atop and around the Hong Kong West Kowloon Station, planted with over 700 trees and shrubs suitable for Hong Kong's climate



**-17%**  
Heavy rail electricity consumption per passenger-km compared to 2008\*



**-11%**  
Electricity consumption in our Hong Kong investment properties compared to 2013



**260+**  
Bird species spotted at the Lok Ma Chau wetland since 2007

*\*Note: Performance data covers our Hong Kong operations only*

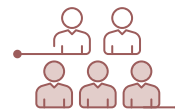
# HUMAN CAPITAL



We strive to create an inclusive workplace that fosters open and interactive communication, supports professional development, and protects the well-being of our staff. Our Code of Conduct sets out the Corporation's expectations on staff's ethical conduct and integrity. We value staff opinions and therefore encourage participative communication between employees from around the globe. We are fully supportive and encourage our staff to maintain work-life balance by organising regular events and activities for staff throughout the year.

Some of our staff initiatives during the reporting year include:

- launched a new campaign "Strengthen Our Culture" to instil a stronger corporate culture on four key areas: Participative Communication, Effectiveness & Innovation, Agility to Change and Collaboration
- launched the MTR Express digital news platform to provide colleagues with more timely news and a richer variety of content
- received over 1,500 work improvement projects from our Work Improvement Team around the world under the theme "Innovate Today; Shape Tomorrow"
- ran our first-ever Robotic Process Automation Contest to encourage the use of technology to boost innovation and effectiveness
- offered our employees a college-based training and development curriculum under six specialised colleges - College of Leadership, College of Management, College of Excellent Service, College of Quality & Corporate Effectiveness, College of Personal Effectiveness and College of Communication



**47,000+**  
Dedicated staff globally  
(including subsidiaries  
and affiliates)



**4.7%**  
Voluntary staff turnover  
in Hong Kong



**8.2**  
Average training days  
per employee\*

*\*Note: Performance data covers our Hong Kong operations only*



# RESPONSIBLE PROCUREMENT



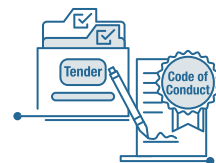
We are committed to responsible and sustainable operations and have developed a robust mechanism to identify, monitor and mitigate supply chain related risks as part of our Enterprise Risk Management framework. Our Green Procurement Policy alongside with other procurement-related policies and guidelines specify our dedication to a fair, transparent and competitive procurement process.

We take a collaborative partnership approach across the supply chain and encourage our suppliers, contractors and other partners to explore and implement sustainable business practices. Our Supplier Code of Practice outlines our requirements on

ethical standards, human and labour rights, and supply chain management. Full compliance with the Code is required for all suppliers.

Some of our procurement initiatives during the reporting year include:

- continued to assess suppliers for transport operations, property management and railway extension projects based on the procurement category as a proportion to their total spend
- initiated a study to review our current approach to responsible procurement by studying and benchmarking our current approach and provision of improvement plans in relation to our procurement activities
- served as one of the founding members of the Sustainable Procurement Charter launched by the Green Council in Hong Kong
- provided training for 764 trainees under the Shatin to Central Link Contractors Cooperative Training Scheme



**100%**

Suppliers required to comply with our Supplier Code of Practice\*



**764**

Trainees under the Shatin to Central Link Contractors Cooperative Training Scheme since 2012

*\*Note: Performance data covers our Hong Kong operations only*

# COMMUNITY INVESTMENT



MTR is dedicated to developing the communities we serve. We leverage our resources and expertise to realise our aspiration to create sustainable and prosperous community hubs with seamless connections. Through our Rail plus Property model, we build integrated and thriving communities along our railway lines as well as enhance the liveability of cities where we operate.

Some of our community initiatives during the reporting year include:

- commenced passenger service on the 26-km Guangzhou-Shenzhen-Hong Kong High Speed Rail (Hong Kong Section) (HSR), connecting to the national HSR network and contributing as part of the diverse development of the Greater Bay Area
- received 57 proposals from secondary school students for the inaugural “STEM Challenge” programme under the theme of “Inclusive and Sustainable Communities” and launched the “STEM Challenge” programme for the second year with the theme of “Innovation for Sustainable Infrastructure”
- marked the 10<sup>th</sup> anniversary of our youth summer programme “‘Train’ for Life’s Journeys” to support students in their career and life planning and whole-person development
- introduced “Uth Live Saturdays” to invite young performers to showcase their talents in Hong Kong Station every Saturday to foster the development of performing arts amongst young people
- donated about 1,400kg of fresh fish caught from the Lok Ma Chau Wetland to Food Angel to prepare about 8,200 hot meals for people in need



**HK\$28 million**  
Invested into the  
community



**HK\$264,000**  
Staff donations to  
charitable organisations



**292**  
Employee volunteering  
projects in Hong Kong

# INITIATIVES AT OUR SUBSIDIARIES



We have leveraged our expertise to build a portfolio of railway related businesses in the Mainland of China, Australia, the United Kingdom and Sweden. Some of our sustainability initiatives during the reporting year included:

## Mainland of China – MTR Shenzhen

- achieved ISO 55001 certification for asset management system and became the first company in the domestic rail transit industry to obtain this certification, ensuring the continued provision of safe and quality services for our passengers
- shared safe practices and lessons learned for tunnel construction and avoiding asbestos hazards during the 5th Safety Forum for the Shenzhen Metro Line 4 Phase III Project



**2.1 billion+**

Total patronage outside of  
Hong Kong



**0**

Customer fatalities in  
2018 outside of  
Hong Kong

## Australia – Metro Trains Melbourne

- launched the Enhancing Safe Behaviour Programme to assist people-leaders to consistently and fairly manage a set of behaviours associated with safety incidents
- completed 40% upgrade works of the Comeng fleets, which will result in a reduction of 3,570 MWh in energy consumption once the initiative is completed
- established a Biodiversity Management Plan to protect ecological value at more than 30 sites across the network, including critically endangered grasslands and protected flora and fauna species
- teamed up with the Salvation Army to help vulnerable and disadvantaged people in their city as well as provided free space for Travellers Aid, a non-profit group committed to empowering individuals with mobility challenges to connect and participate in the community through the use of public transport
- visited more than 280 schools and 195 community groups, and shared safety tips about trains, tracks and stations to promote a safety culture among students and vulnerable groups

## United Kingdom – MTR Crossrail

- launched an ongoing campaign with an ultimate goal to recycle 90% of the waste generated from its operations. In 2018, MTR Crossrail achieved an average recycling rate of 25% and reached the “0% to Landfill” target by sending the remaining waste to an Energy from Waste facility
- launched a “Waste Trial” programme from September to December 2018 aiming to improve the recycling rates by installing different recycling and waste bins at four stations, achieving an average recycling rate of around 37% - 46% at the trial stations
- organised a coffee cups collection week and distributed reusable coffee cups and reusable water bottles to promote waste reduction and refraining from using disposable beverage containers
- organised an annual supplier day “On-Board” to build closer and stronger ties with supply chain partners and to connect local supply chain with Small and Medium Enterprises
- commenced passenger service on the Paddington Station to Heathrow Airport route in May 2018 under the TfL Rail brand
- invited students from 16 primary schools near TfL Rail stations to help plant and maintain flowers in the flowerbeds at local rail stations under the “Station Adoption Programme” to encourage community members to keep their local stations and the railway clean and tidy

## Sweden – MTR Nordic

- developed a mobile app “MyHeadsapp” to give commuter train travellers information about any disturbances on their journey within Stockholm
- conducted comprehensive energy audits to identify energy use patterns at the MTR Tunnelbanan and MTR Pendeltågen depots and drew up action plans with an overall target of 20% energy reduction at all depots by the end of 2020
- used 96% renewable energy in its operations due to access to low carbon energy
- initiated a collaboration with a service provider that resells used IT-equipment to save resources
- completed 80% analysis of the silencers on train wheels to ensure that they are able to function properly at MTR Nordic’s Stockholms Pendeltåg line
- continued the partnership with My Dream Now to work against youth unemployment and social segregation, recruited 30 staff members to mentor high school students, organise field trips and visit school classes
- created 37 job opportunities for the local community under the Järvaweek, a recruitment event at one of the most segregated areas in Stockholm, to promote social inclusion

