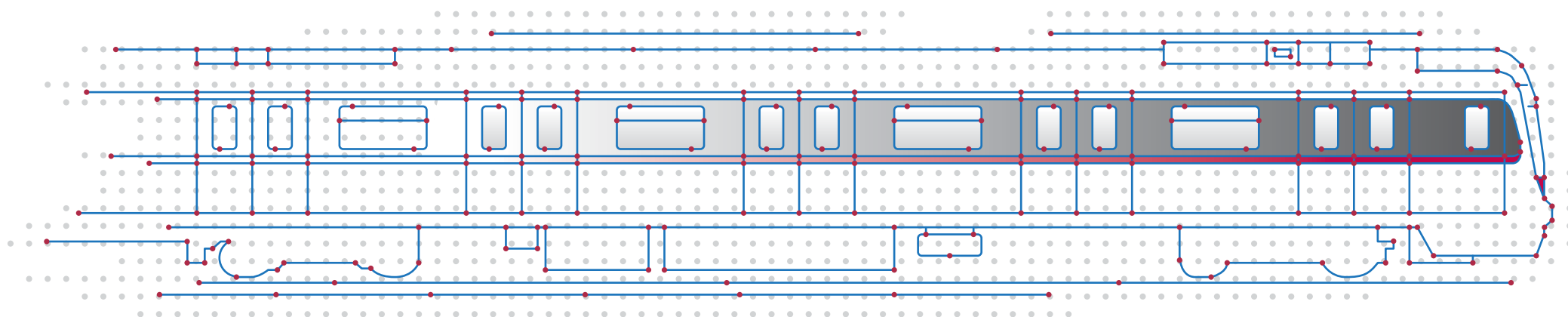
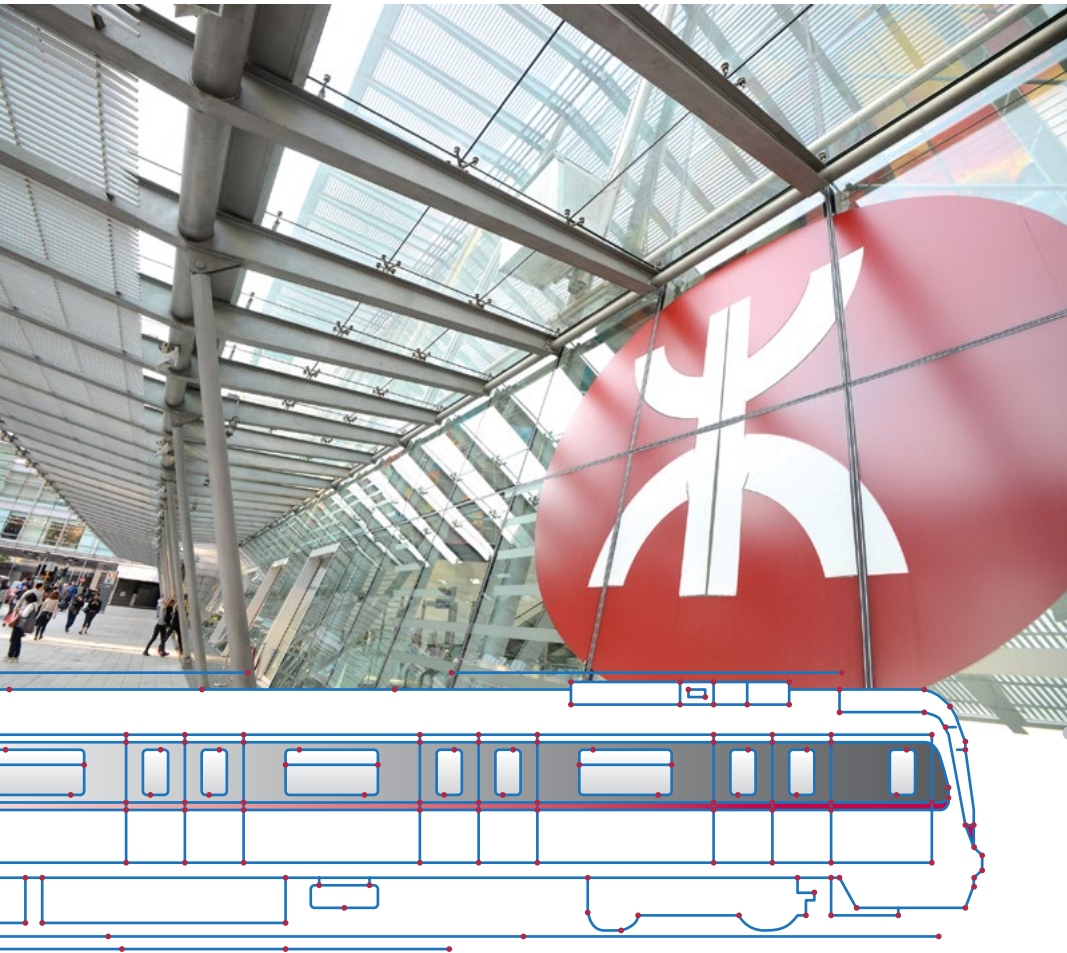


SUSTAINABILITY REPORT 2018



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CHAIRMAN'S MESSAGE



I am honoured to preface this Sustainability Report 2018 for the very last time as the non-executive Chairman of MTR Corporation Ltd. Ever since 1979 when the Corporation commissioned its first Kwun Tong Line, MTR has in the past 40 years been incorporating corporate responsibility in the planning and operation of our business. Our rail and property services are closely intertwined with the daily lives of the people and communities we serve. Everyone here at the Corporation gives utmost importance to the principle of operating safely and responsibly. Not only do we commit to providing customers with a safe and reliable railway service, we also manage environmental issues to ensure we are resource-efficient and ecologically sustainable. During my tenure as Chairman, MTR also took a step forward in green finance – the issuance of green bonds. I am pleased to see their successes and look forward to seeing more green financing.

Hong Kong's excellent connectivity is key to our societal and economic development. Since 2016 when I took the chairmanship of MTR's Board of Directors, the Corporation has safely and successfully delivered two communities railways, namely Kwun Tong Line Extension and South Island Line (East), extending our network to cover all 18 districts. The new railway lines have significantly enhanced convenience and improved quality of life of the local communities.

Another milestone worth mentioning has to be the commissioning of commercial service of the Guangzhou-Shenzhen-Hong Kong High Speed Rail ("HSR") in September 2018. Needless to say, the 26-km HSR is an important infrastructure providing an alternative sustainable transportation tapping into the vast 29,000-km high speed rail networks on the Mainland of China. We are proud and excited to witness a new era of comfortable and convenient cross-boundary transportation and be part of the diverse development of the Greater Bay Area.

The safe and successful delivery of these new lines reinforces MTR's long term dedication to sustainable, low-carbon and resilient transportation networks and infrastructure. Looking ahead, MTR would welcome the opportunity to furthering our service to the Hong Kong community by contributing to Hong Kong Special Administrative Region Government's railway development strategy 2014.

MTR strives to be innovative in operating our system and managing our assets in order to fulfil our obligations to mother earth. Our regenerative braking system is an example of our willingness to apply innovative technologies to our operations. Innovation does not stop at technologies either. At the end of 2018, we organised a very meaningful event in which 1.4 tonnes of fresh fish from our Lok Ma Chau wetland were donated to Food Angel, who turned them into 8,200 hot meals for elderlies and the underprivileged communities.

Apart from continuous investment and efforts in building, maintaining and upgrading our railway assets and infrastructure with a view to providing a safe, stable and reliable railway services, MTR also proactively reaches out to stakeholders nurturing and contributing to their growth. The Board's Corporate Responsibility Committee, under my chairmanship, witnessed among other things the debut of a STEM Challenge in 2017-18 by which MTR colleagues brought with them professional and technical knowledge to secondary schools, stimulating students' interest in science, technology, engineering and mathematics subjects by using the design, construction and

operations of railways as example. Winning teams were taken to visit sustainable railway operations run by MTR outside of Hong Kong. The programme has been welcomed by schools, teachers and students and participation has doubled in 2018-19 when we re-run it for the second time. This is only one of many examples of good deeds MTR has done for our community and you may find out more in this Report.

MTR is well positioned to share with people around the world a wealth of experience of efficient and effective management of our railway system. I am thrilled at Government's support for my vision of establishing an MTR Academy in 2016 to provide bespoke training on railway related subjects. With Hong Kong as a major transportation hub, MTR Academy aspires to contribute to the China's "Belt and Road Initiative" by providing training to railway professionals in Hong Kong and other regions. This transfer of knowledge helps maintain a healthy supply of well trained workforce to continue to operate this sustainable mode of transport and is part of our responsibility in contributing to society.

Like all successful organisations, MTR's achievements are not accomplished without any challenges. We have had our fair shares of difficulties in railway operations as well as construction of infrastructure. It would not be an overstatement that 2018 was a particularly challenging year as we experienced some rather serious operation disruptions and faced with public scepticisms about our ability to deliver safe and quality railway projects. Albeit all these, MTR has in place a robust corporate governance structure which allows us to continue to learn and amend along the way. In fact, the interim report of the statutory Commission of Inquiry, appointed by the Government to investigate into construction matters regarding Shatin to Central Link, that the platform slabs and diaphragm walls of the Hung Hom Station extension are safe is clear testimony of MTR's never-wavering commitment to safety. It also demonstrates our ability to learn, improve and continue to thrive.

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

CEO'S MESSAGE



Taking on the Chief Executive Officer role in the MTR Corporation Ltd is a great honour to me, and I pledge to fulfil, with humility, the responsibilities which come with this role. We now have a strong global team of over 47,000 professionals, with an extensive railway and property network in Hong Kong and around the world. It is a staggering success building up from when we started serving our community with just an 8-km and 9-station Kwun Tong Line back in 1979.

As a 24-year veteran of the Corporation, I share the pride in our achievements and our transformation over the past few decades into one of the world's leading railway companies as well as a successful business. On the other hand, the year 2018 was particularly turbulent for MTR, with service issues in our more mature heavy rail network and an unprecedented signalling problem causing a prolonged service disruption on 16 October 2018. MTR has also been challenged for its project management in respect of the Hung Hom Station extension and associated structures under the Shatin to Central Link project. Despite the Commission of Inquiry, appointed by Chief Executive-in-Council, has concluded the safety and integrity of the structures, MTR has indeed much to reflect on these incidents. Although we have used similar management methods for 40 years in delivering many railway projects successfully, the incident reminded us of the need to continuously improve.

In the face of all these challenges, I believe what MTR has to do is to continue to work diligently to deliver safe, reliable and value for money services to customers worldwide; to ensure our large and complex business run smoothly to enhance connectivity and liveability of cities where we operate; as well as to rebuild our reputation, especially on new railway projects. In doing so, environmental, social and governance ("ESG") aspects must be incorporated in these priorities. The resilience of our network against the already changing climate conditions; our customers' and our own staff's safety; how we communicate and collaborate with our stakeholders are just some of the key ESG aspects which are related and which we must diligently deliver.

Our human capital is the most important asset that contributes to the success of the Corporation. We provide staff with an inclusive, caring and positive work environment and assist them in developing their full potential. We believe internal culture is a vital component of MTR's identity, which dictates how we pursue excellence across our business. During the year, we launched the "Strengthening Our Culture" initiative around four key elements – Participative Communication, Effectiveness and Innovation, Agility to Change, and Collaboration – through which to inspire all divisions and departments of the Corporation to strive for excellence and to accomplish the extraordinary.

Moving ahead will not be an easy task as our railway system becomes more mature while patronage is still on the rise. The issues we faced in recent times have aroused much public concerns and tarnished our once proud reputation. We can anticipate challenging times ahead as we implement the necessary improvement measures to resolve these issues. Balance is a core spirit of sustainability, and we endeavour to strike that balance under the constraints we have and with customers as our centre of focus.

I trust that all my colleagues at MTR would agree that it is indeed a privilege to serve, connect and build communities in which we operate. For our many customers around the world, we will as always listen with an open mind and serve with empathy. Challenges may be. I have no doubt we will brave them as one team.

Dr Jacob Kam Chak-pui
Chief Executive Officer
Hong Kong

ABOUT THIS REPORT

The sustainability reporting framework of MTR Corporation Limited (the "Corporation") comprises a dedicated [sustainability website](#) (the "Website") and a sustainability report (the "Report"), which collectively provide a full account of the sustainability issues deemed relevant and material. The Website contains details on the Corporation's sustainability approach and on-going efforts that remain relevant, while the 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. For a complete list of disclosures, please refer to the [content index](#).

We value your feedback on our sustainability performance and disclosure. Please [contact us](#) with your views.

Reporting Frameworks

As a publicly listed corporation, we abide by the listing rules of the Hong Kong Exchanges and Clearing Limited ("HKEx") including the disclosure requirements of Appendix 27 Environmental, Social and Governance Reporting Guide ("ESG Guide"). Our sustainability disclosure makes reference to internationally recognised reporting guidelines. This Report was prepared in accordance with the Global Reporting Initiative ("GRI") Standards: Core option and has made reference to the International Association of Public Transport ("UITP") Sustainability Charter Reporting Guide 1.0, ISO 26000 Guidance on Social Responsibility and the United Nations Sustainable Development Goals ("SDGs"). In view of our contribution to the development of sustainable urban infrastructure in our operating locations, we have identified three primary goals (8, 9 and 11) where MTR can play a significant part as a global citizen in furthering the SDGs and have notified the SDG Secretariat of our overall support for these goals. Our operations also support a number of other SDGs through our diverse operations.



This Report also presents our efforts, plans and progresses in response to three megatrends that will bring along both opportunities and challenges to our operations, namely system resilience for climate change, ageing population and digital transformation. Details on our initiatives addressing the three megatrends are provided in the following sections of this Sustainability Report:

Megatrends	Report Sections
System Resilience for Climate Change	Environmental Protection – Climate Change
Ageing Population	Customer Experience – Customer Service in Stations
Digital Transformation	Customer Experience – Customer Service in Rail Operations - Asset and System Upgrades

Please refer to our [sustainability website](#) for details on our disclosure approach, reporting frameworks, SDGs commitments and the three megatrends.

Report Scope

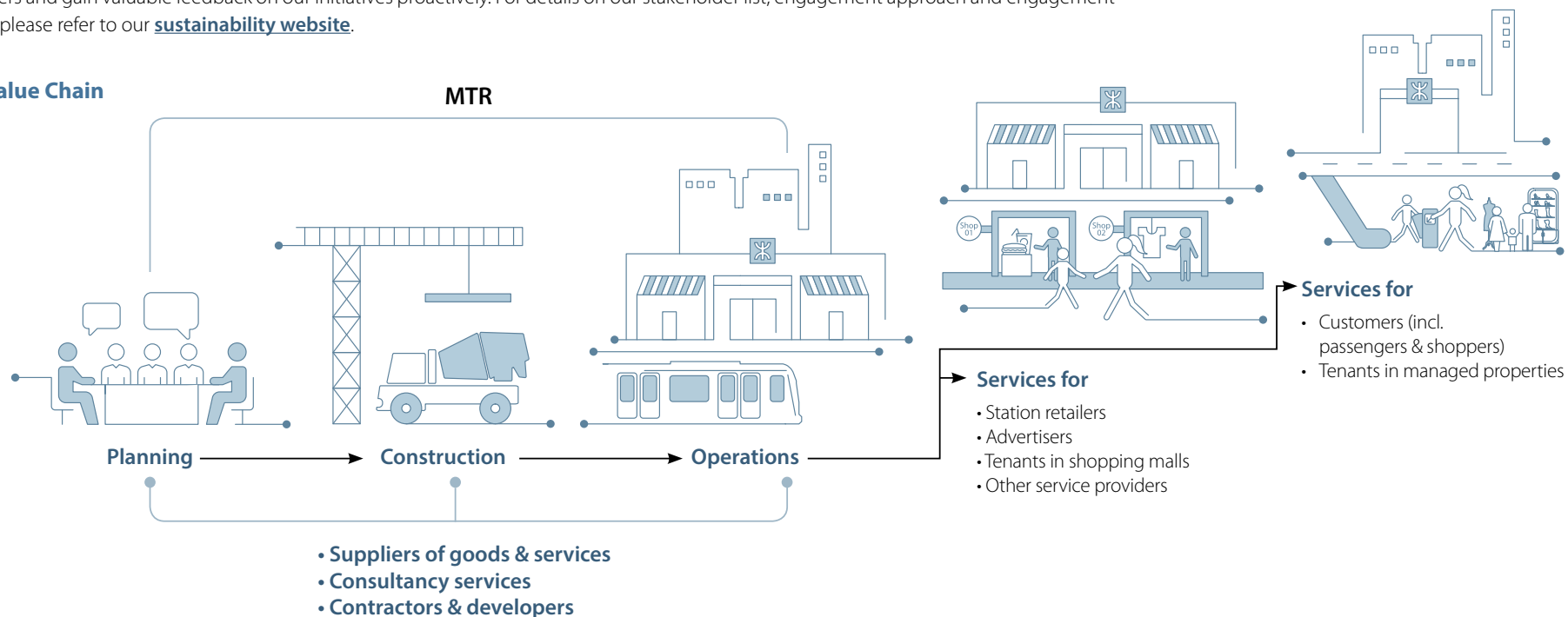
The Report discloses details on issues material to the Corporation covering the period from 1 January to 31 December 2018. Headquartered in Hong Kong, the Corporation has expanded railway-related projects and operations internationally with presence in the United Kingdom, Australia, Sweden and the Mainland of China. MTR's property development and management services are based in Hong Kong and the Mainland of China. The Report incorporates data from all operations, where applicable, including wholly or majority-owned subsidiaries where the Corporation exercises management control. Please refer to our [sustainability website](#) for details on our performance data. Selected quantitative data disclosed in this Report have been independently assured by Ernst & Young Advisory Services Limited. Please refer to the [independent assurance report](#) for details.

Our [Annual Report](#) provides further information on our operations in Hong Kong and worldwide.

Stakeholder Engagement

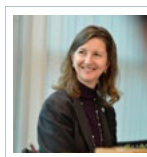
Our dynamic and ongoing stakeholder engagement process welcomes and gathers diverse views, opinions and expectations of a wide range of stakeholder groups along our value chain. Grouped into ten main categories, stakeholders are engaged through different channels to help us identify possible emerging risks and opportunities to our business operations. We also make use of such platforms to communicate with our stakeholders and gain valuable feedback on our initiatives proactively. For details on our stakeholder list, engagement approach and engagement channels, please refer to our [sustainability website](#).

MTR's Value Chain



External Review Panel

We continue to invite professionals in relevant sustainability fields as members of our External Review Panel to provide advice on our reporting strategy and approach, and to review the mature draft of the Website and the Report. Their valuable feedback helps us enhance the relevance and quality of the disclosures. This year's panel members include:



Shirlee Algire

Executive Manager,
Sustainability,
Hong Kong Jockey Club



Mike Kilburn

Acting General Manager,
Sustainability,
Hong Kong Airport Authority



Robert Gibson

Fellow, Civic Exchange and
Adjunct Professor,
Hong Kong University of
Science and Technology



Calvin Lee Kwan

General Manager,
Corporate Development & Strategy
Link Asset Management Limited



Agnes Tai

Director,
Great Glory Investment
Corporation



SK Wu

Risk Manager,
Alliance Construction
Materials Limited



Jane Lau

Then CEO,
UNICEF Hong Kong

Materiality

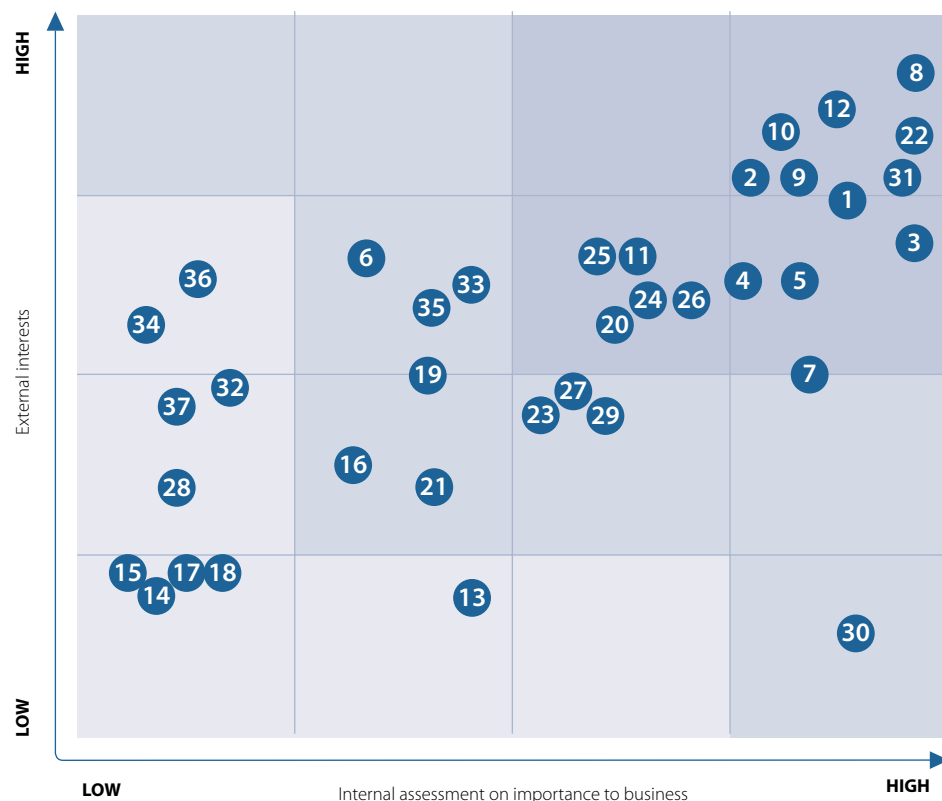
To ensure that the disclosures under our sustainability reporting framework reflect MTR's significant economic, environmental and social impacts, or that substantively influence the assessments and decisions of our stakeholders, we conduct an annual materiality assessment to identify material issues which signify the shared concerns of the Corporation and all our stakeholder groups.



For a detailed explanation of our materiality assessment methodology, please refer to our [sustainability website](#).

Materiality Matrix

Our materiality assessment results are depicted in the following matrix.



The top right quadrant lists out highly material issues, whereas the least material issues are shown at the bottom left. The result has been reviewed and validated by the Corporate Responsibility Steering Committee and reviewed by the External Review Panel as part of our materiality assessment process.

During the review process, item 8 "customers' health and safety" and item 22 "employee and contractor health and safety" have both been moved horizontally to the "high" materiality region to reflect the Corporation's priority in putting safety first in our considerations. We have also moved item 13 "human rights risk assessment" to a higher materiality level to address policy instrument such as the Modern Slavery Act which has been put in place in locations where we have operations.

I. GOVERNANCE

- 1 Organisational governance structure and process
- 2 Fair operating practices (ethical dealings with other organisations)
- 3 Anti-corruption
- 4 Responsible political involvement
- 5 Fair competition

II. CUSTOMERS

- 6 Fair marketing (factual and unbiased information and fair contractual practices)
- 7 Customer education
- 8 Customers' health and safety
- 9 Sustainable products and services
- 10 Customer service, support, and complaint handling
- 11 Customer data protection and privacy
- 12 Access to essential services (incl avoidance of service disruption)

III. EMPLOYEES

- 13 Human rights risks assessment
- 14 Human rights risk issues
- 15 Human rights grievances mechanism
- 16 Diversity and equal opportunity
- 17 Fundamental principles and rights at work (based on ILO)
- 18 Protection of civil and political rights of staff

- 19 Employment practices
- 20 Conditions of work and social protection
- 21 Staff consultation and engagement (incl freedom of association and collective bargaining)
- 22 Employee and contractor health and safety
- 23 Employee development and training

IV. ENVIRONMENT

- 24 Prevention of pollution (air, water and waste)
- 25 Sustainable resource use (resource efficiency and water use)
- 26 Climate change
- 27 Biodiversity

V. SUPPLY CHAIN

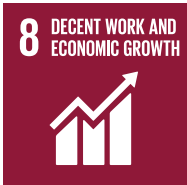


- 28 Supply chain human rights risk
- 29 Promoting social responsibility in the value chain

VI. COMMUNITY

- 30 Payment from government / tax payment
- 31 Community involvement and development (engagement)
- 32 Education and culture
- 33 Employment creation and skills development
- 34 Technology development and access
- 35 Wealth and income creation
- 36 Community health
- 37 Community investment (incl staff volunteering)

The SDGs have been considered during our materiality assessment process to align our business strategies and disclosures with global sustainability priorities. The linkages between our committed SDGs, our highly material issues and associated response are illustrated below.

SDGs, Highly Material Issues and Our Responses

SDGs			
Highly Material Issues	<ul style="list-style-type: none"> • Conditions of work and social protection • Employee and contractor health and safety • Sustainability resource use • Community involvement and development 	<ul style="list-style-type: none"> • Sustainable products and services • Access to essential services • Sustainable resource use 	<ul style="list-style-type: none"> • Customer health and safety • Sustainable products and services • Customer service, support and complaint handling • Access to essential services • Prevention of pollution • Sustainable resource use • Climate change
Our Responses	<ul style="list-style-type: none"> • Safety First • Environmental Protection • Human Capital • Community Investment 	<ul style="list-style-type: none"> • Financial Sustainability • Environmental Protection • Community Investment 	<ul style="list-style-type: none"> • Financial Sustainability • Safety First • Customer Experience • Environmental Protection • Community Investment

ABOUT MTR

Business at a Glance

Established in 1975, MTR Corporation Limited (MTR) is a publicly-listed corporation headquartered in the Hong Kong Special Administrative Region.

Every day, MTR connects people and communities. 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.

With more than 47,000 dedicated staff (including our subsidiaries and associates in Hong Kong and worldwide), MTR carries over 12 million passenger journeys worldwide every weekday in Hong Kong, the United Kingdom, Sweden, Australia and the Mainland of China. MTR strives to grow and connect communities for a better future.

Details on our business, railway network and future extensions are provided in our [Annual Report](#).

Financial Sustainability

Economic Value Generated and Distributed

In order to deliver safe, reliable and quality services in the long-term, it is necessary to continuously maintain, replace and upgrade our assets, which requires stable and sustainable capital investments. Fare income contributes to a substantial portion of MTR's revenue sources enabling us to support significant capital investments to continue providing high quality services for our customers. Our fares are governed by the Fare Adjustment Mechanism (FAM) to enable fair, objective and transparent fare adjustments over time. The FAM is subject to regular review every five years and the last review result was released in March 2017. For details, please refer to our [sustainability website](#).

Our long-established Rail plus Property (R+P) model is another income stream supporting our railway operations sustainably. The model allows us to generate income, which are in turn used to support railway operations and help fill funding gaps when building new railway lines. To understand more about our R+P model, please refer to our [sustainability website](#).

The contributions we make goes beyond the profit we generate for our shareholders. We create economic value through the transport, property and other services provided for customers. Revenue generated from these services is in turn distributed to stakeholders, including suppliers, employees, lenders, shareholders, Government and the community at large. For further details on our 2018 financial highlights, please refer to our [Annual Report](#).

Value Added and Distribution Statement In 2018 (HK\$ Million)

Economic Value Generated

Revenue from Hong Kong Transport Operations	19,490
Revenue from Hong Kong Station Commercial Businesses	6,458
Revenue from Hong Kong Property Rental and Management Businesses	5,055
Revenue from Mainland of China and International Subsidiaries	20,937
Revenue from Other Businesses	1,990
Profit from Hong Kong Property Development ¹	2,600

Total: 56,530

Economic Value Distributed

Staff Costs ²	Employees	14,558
Maintenance, Renewal and Upgrade Expenditure on Existing Hong Kong Railway System	Existing Hong Kong Railway System	9,289
Operating Costs ³	Suppliers & Business Partners	15,395
Fixed and Variable Annual Payments	KCRC	3,055
Interest & Finance Costs ⁴	Lenders	859
Taxes ⁵	Governments	2,189
Ordinary Dividends	HKSAR Government	5,081
	Other Shareholders	1,673
Community Investment (excludes fare concessions and in-kind donations) ⁶	Community	28
Economic Value Retained for Reinvestment ⁷		4,403

Total: 56,530

Green Finance

Expanding on the foundation of our Green Bond Framework, we established a Green Finance Framework in 2018 to cover other forms of green financing, reflecting MTR's commitment to the sustainable finance market and its continued investment in sustainable and green operations.

In 2018, we issued three more green bonds to bring our total green bond issuances to nine, and also arranged under the Green Finance Framework, a debut HK\$ 2.5 billion green bilateral revolving credit facility. All financing has been fully allocated to projects in our green project portfolio.

To learn more about our Green Bond Framework, Green Finance Framework and our green finance activities, please refer to our [sustainability website](#).

Awards and External Charters and Memberships

Our efforts have been recognised by a number of awards during the reporting year. Where relevant and appropriate, we also support externally developed charters, principles and initiatives, and participate in associations and advocacy organisations. Please click [here](#) for a detailed list.

Notes:

- Before taking into account staff costs of HK\$26 million.
- Excludes staff costs related to Hong Kong railway system maintenance of HK\$2,169 million, capitalised for asset creation of HK\$1,178 million and recoverable of HK\$566 million.
- For simplicity reason, operating costs include interest income and share of profit or loss of associates and joint venture, netted with profit attributable to non-controlling interests. Excludes operating costs related to Hong Kong railway system maintenance of HK\$1,893 million.

⁴ Excludes interest expenses capitalised for asset creation of HK\$407 million.

⁵ Represents current income tax and excludes deferred tax for the year.

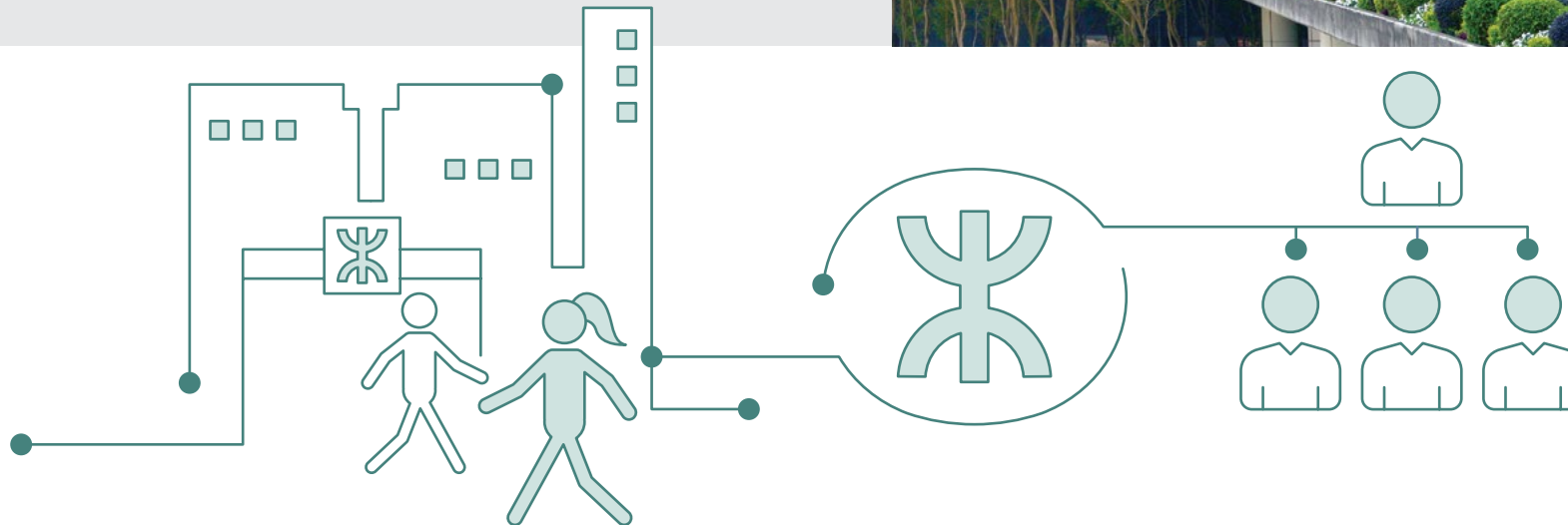
⁶ Includes donations, sponsorships and other community engagement contributions, and excludes ongoing fare concessions and promotions of HK\$2,769 million and in-kind donations of HK\$26 million.

⁷ Economic value retained for reinvestment to generate future economic values. This represents underlying business profit attributable to shareholders of the Company (before depreciation, amortisation and deferred tax) for the year retained, after the amounts distributed to our stakeholders and invested in asset maintenance, renewal and upgrade of our Hong Kong railway system.

CORPORATE GOVERNANCE

Governance Structure and Approach

We continuously seek and have adopted best practices in corporate governance which are in line with the formulation and delivery of our corporate strategy. With a strong corporate governance framework and a well-established governance structure, members of the Board and the Executive Committee are committed to ensuring the Corporation is well-managed in the interest of all our stakeholders. We have also established a board-level Corporate Responsibility Committee led by the Chairman of the Board to oversee MTR's commitments and performance in material Environmental, Social and Governance (ESG) issues while the Corporate Responsibility Steering Committee reports to the Executive Committee to ensure that initiatives are cascaded and executed throughout all levels of the Corporation. Please refer to the dedicated [sustainability website](#) for more details on our corporate governance approach, structure, roles and responsibilities.



Our approach to corporate responsibility and sustainability are guided by a number of corporate policies and guidelines including the Corporate Responsibility Policy, the Code of Conduct, the Whistle-blowing Policy, the Corporate Safety Policy, the Green Procurement Policy, the Climate Change Statement, the Corporate Biodiversity Policy, the MTR Slavery and Human Trafficking Statement and the Board Diversity Policy. Details and links to our policies and guidelines can be found on our [sustainability website](#).

Fairness and integrity are central to maintaining high ethical standards in the Corporation. Our Whistle-blowing Policy helps us maintain accountability through confidential channels for all internal and external parties. During 2018, our Whistleblowing Panel evaluated 136 cases and concluded 91 of those cases did not meet the definition of “whistle-blowing”. Of the 45 whistle-blowing cases, follow-up investigations were completed: 6 substantiated, 7 partially substantiated, 15 unsubstantiated cases, and 14 non-pursuable. The remaining 3 cases were under investigation as of 31 December 2018. Appropriate follow-up actions, including disciplinary actions, were taken by management in response to the substantiated and partially substantiated cases.

We continued to identify and evaluate enterprise risks including sustainability risks through our Enterprise Risk Management (“ERM”) framework. Details of our risk management framework, approach and focus can be found in our [sustainability website](#). The risks identified were all mapped against the relevant ESG issues under ISO 26000 and their materiality levels assessed. We noted that the materiality level of a few ESG issues related to Governance has increased due to elevation of external interest. While we believe our governance structure is sufficient to cover these issues, we will continue to engage with our stakeholders to address their interests in these issues. Please refer to our [materiality assessment section](#) for more detail.

Issues Surrounding the Shatin to Central Link Construction

In mid-2018, there were allegations concerning workmanship and timely reporting of certain construction matters relating to three stations of the Shatin to Central Link (SCL), in particular regarding the construction of the Hung Hom Station extension works. The Corporation has taken the matter seriously and has taken immediate steps to investigate the issues, report our findings to Government and reserve the Corporation’s position against relevant contractors.

The Corporation has given its full cooperation to the Commission of Inquiry into the Construction Works at and near the Hung Hom Extension under the SCL. We welcome the Commission’s interim report made public by Government on 26 March 2019, in which the Commission has made a clear determination that the platform slabs and diaphragm walls are safe and no rebuilding or strengthening works are necessary. The Commission has also made valuable recommendations on how the Corporation can improve our project management which are very much in line with the findings of the review conducted by the Capital Works Committee of the MTR Board. We have started to implement these recommendations.

We have prepared a special feature article on our sustainability website to provide more details on the SCL construction issues and our actions taken. Please refer to the [SCL project website](#) and the [sustainability website](#) for details and updates of the SCL incident.

Shatin to Central Link



SAFETY FIRST

Managing Safety

Pledging to provide a safe, effective and caring service, we make every effort to instil a culture which prioritises safety as the prime responsibility of all employees at all levels in MTR. 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 across eight core elements, we are able to implement an effective and robust system bespoke to our operations to tackle all safety challenges. We also draw up our Corporate Strategic Safety Plan every four years listing out our aspirations, goals and focus areas to guide safety practices and drive safety improvements across all our business areas in Hong Kong and abroad. Please refer to our [sustainability website](#) for details on the Safety-First framework and model in MTR.





The quality of our railway projects have always been the Corporation's main focus. In 2018, we have faced allegations concerning workmanship and timely reporting of certain construction matters relating to three stations of the Shatin to Central Link (SCL). We welcome the Commission's interim report made public by Government on 26 March 2019, in which the Commission has made a clear determination that the platform slabs and diaphragm walls are safe and no rebuilding or strengthening works are necessary. Please refer to the [SCL special feature report](#) for further information.

Occupational Safety and Health Awards

In recognition of our occupational safety and health ("OSH") efforts, our Property Division was honoured to receive the Bronze Award for Outstanding Property Safety Management at the 10th Hong Kong Outstanding OSH Employee Award Scheme of 2018 co-organised by the Occupational Health and Safety Council, the Labour Department, the Labour Functional Constituency of the Legislative Council and the Labour Advisory Board. In addition, our Property Division received the Safety Culture Award – Gold Award in the 17th Hong Kong Occupational Safety & Health Award, while the Property Management Department received a Safety Performance Award for its outstanding and steady safety performance and low accident rate record in the past three years. The Property Safety Team also received a Gold Award in the OSH Team Excellence Award 2018 organised by the Hong Kong Occupational Safety and Health Association.

During the year, our Projects Division received the Joyful @ Healthy Workplace Best Practices Award - Merit Award in the "Branch/Small and Medium Enterprise" category in the 13th Occupational Health Award Scheme organised by the Occupational Safety & Health Council.

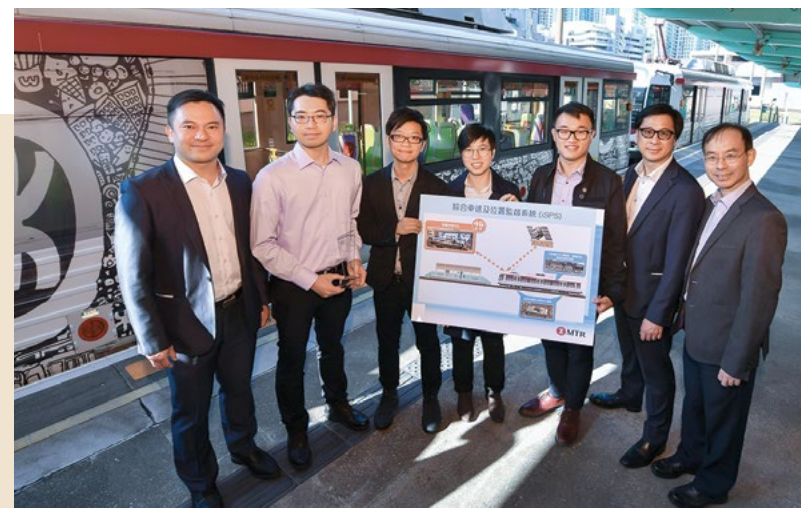
Customer Safety

Road and Track Safety

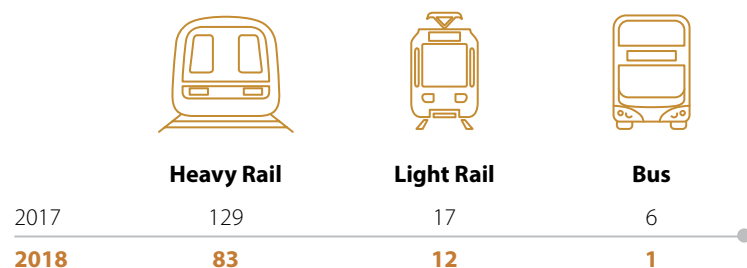
We strive to provide safe and reliable services for our customers and always seek continuous improvement opportunities to further enhance operational safety. In 2018, we enhanced an internationally recognised regime for the maintenance of railway infrastructure and assets for our heavy rail operations to ensure safe and sound railway facilities in order to protect the safety of passengers, staff members and the public. We monitor all works taking place around the railway premises to ensure that facilities and the operation of the railway are safe and unaffected. We also developed an “Integrated Speed and Position Supervision System” for our light rail services, which enables real-time speed monitoring of light rail vehicles at the Light Rail Operations Control Centre and sending reminders to train captains about the speed limit. The system has been well recognised by international and local prizes awarded by the Institution of Engineering and Technology. The system has been put on trial on three light rail routes in Tin Shui Wai and is targeted to be launched in the whole light rail network progressively from the second quarter of 2019.

To raise public awareness of road safety when travelling on our light rail and feeder buses, we joined the Traffic New Territories North of the Hong Kong Police Force and the Hong Kong Road Safety Patrol (New Territories North Region) to launch the “Attentive Driving Kick-off Ceremony” cum “Light Rail & MTR Bus Road Safety Campaign”. We also co-organised the MTR Bus Safety Workshop with the Traffic New Territories South Region of the Hong Kong Police Force, providing an opportunity for our bus captains to exchange experience with their counterparts from other bus operators in Hong Kong.

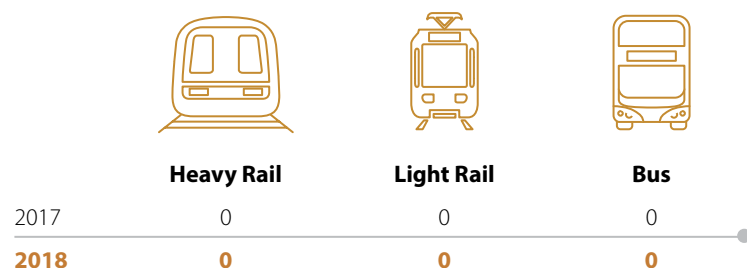
With the dedication, diligence and professionalism of our staff, our transport operations in Hong Kong continued to maintain world-leading safety performance in 2018, with 8% and 16% fewer reportable events on the heavy rail and light rail networks respectively.



Number of Customer and Public Injuries Requiring Hospitalisation in Hong Kong



Customer and Public Safety – Fatalities in Hong Kong



Number of Injuries Requiring Hospitalisation per 100 Million Passenger Journeys in Hong Kong

	2017	2018
Heavy Rail		
Target	9.29	9.26
Performance	7.30	4.60
Light Rail		
Target	13.66	13.66
Performance	9.52	6.69
Bus		
Target	6.88	6.88
Performance	9.44	1.57

Customer and Public Safety – Fatalities for Operating Locations Other Than Hong Kong

	Shenzhen Metro Line 4	Melbourne's Metropolitan Rail Services	Stockholm Metro	Stockholm's MTR Express	Stockholms Pendeltåg	TfL Rail/Elizabeth Line
Target	0	0	0	0	0	0
Performance	0	0	0	0	0	0

Number of Injuries per Million Passenger Journeys for Operating Locations Other Than Hong Kong

	Shenzhen Metro Line 4	Melbourne's Metropolitan Rail Services	Stockholm Metro	Stockholm's MTR Express	Stockholms Pendeltåg	TfL Rail/Elizabeth Line
Target	1.45	2.00	1.20	6.00	1.35	3.21
Performance	0.96	0.87	0.97	25.12	1.04	2.34

Resilience to Emergency Situations

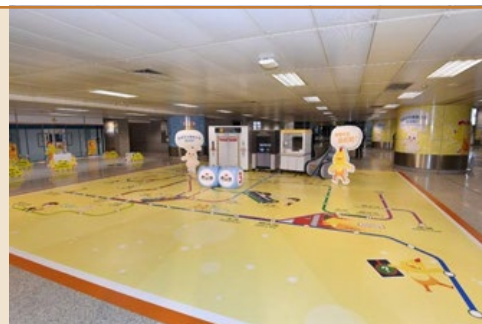
We continue to identify emerging safety hazards and mitigate associated risks in a systematic manner to a level as low as practicable. As extreme weather events become a prominent issue which may affect our operations and services, we are prepared with well-established contingency plans. Experienced one of the strongest typhoons ever recorded in Hong Kong in September 2018, our colleagues took advance protective measures, such as inspecting drainage systems and checking on flood prevention equipment and facilities, to minimise damage and enhance preparedness. At the height of the typhoon, we maintained our underground train services during normal service hours to help connect our passengers safely to their destinations. Any passengers who could not continue their journeys were sheltered at our stations and were taken care of by our station staff. Once weather conditions allowed, we mobilised our maintenance personnel immediately to clear debris, check system integrity and repair damaged overhead lines to resume our railway services.

To strengthen our preparedness and further enhance communication and collaboration with relevant parties in response to emergency situations, we participate in major exercises with the emergency services involving different scenarios. This year, we had a series of joint exercises with the Fire Services Department and the Hong Kong Police Force simulating various emergency situations on the High Speed Rail (Hong Kong Section). A counter-terrorism exercise involving the same parties was also conducted to help maintain a high level of preparedness for such cases. We also engaged public in some of our emergency drills. For example, we invited 80 volunteers from **MTR Society Link**, **Youth Forum** and **Customer Service Ambassadors Alumni** to participate in an emergency drill on the East Rail Line alongside 130 staff members. Through these joint exercises, we strengthened coordination and communication between MTR, various emergency services and community partners when responding to emergency cases in a robust, orderly and effective manner.



Building Safety Awareness in the Community

Community's support and cooperation is important to ensure the delivery of safe and enjoyable journeys. Therefore, we regularly engage with our community partners to raise safety awareness of general public and promote safe and courteous behaviour while riding the MTR. Our interactive MTR Safety Experience Zone was launched in March 2018 at Tsing Yi Station to give children safety tips and promote appropriate conduct when travelling on our networks. We also initiated an Escalator Safety Campaign to reinforce the importance of holding the handrail and standing firm to avoid injury and deployed Escalator Safety Ambassadors at designated MTR stations to remind passengers of the associated safe practices. In addition, we hosted a booth at the Electrical and Mechanical Carnival 2018 to renew and enhance visitors' knowledge of railway safety through fun and interactive games.



Aiming to offer the public an invigorating experience learning about railway safety and good travel manners, the Corporation once again sponsored social enterprise People On Board to host exhibition booths at the Hong Kong Book Fair 2018 to promote safety and courtesy messages. We also had a special performance of the “MTR x Hong Kong Repertory (HKRep) : Master of Railway Safety – The Devil Returns” at Children’s Paradise on the opening day during the Book Fair to kick start the MTR x HKRep Education Programme 2018-19 which performed the drama at 55 kindergartens, 50 primary schools as well as special schools. One of the highlights this year was the opening of the “MTR Safety Experience Zone” pop-up store. Children were able to participate in interactive workshops to make their own “STOP” warning signs and try out the most updated version of the “MTR Safety and Courtesy Board Game”.

To promote railway safety to the elderly, the Corporation has a series of ongoing programmes. In 2018, we joined hands with Radio Television Hong Kong (RTHK) Radio 5 again on the annual “Elderly Programme” to remind the seniors of the importance of travelling safely on the MTR and safety tips when using escalators. This programme has been ongoing for over 20 years. More information can be found on our website.



Safety Initiatives at Our Subsidiaries

Major Safety Milestones Achieved at Our Swedish and UK Operations

Under the Mainland China & International Business (“MC&IB”) 2018 Corporate Safety Governance (“CSG”) Programme, a pre-operations safety assessment (“POSA”) at MTR Crossrail Stage-2 and corporate safety governance review (“CSG Review”) at MTR Tunnelbanan and MTR Pendeltågen were successfully completed in May 2018. The POSA and CSG Review provide additional safety assurance and identify good practices and possible improvement measures to enhance operational safety and reliability.

Fair and Just Culture Framework Introduced at Metro Trains Melbourne

Metro Trains Melbourne launched the Enhancing Safe Behaviour (“ESB”) Programme to support Metro’s Fair, Open and Just culture Policy. The ESB model is a tool to assist people-leaders to consistently and fairly manage a set of behaviours associated with safety incidents. The model is used post-investigation to classify different types of safety behaviours and to identify fair and appropriate actions to influence them. Interactive education sessions were developed and delivered to all people leaders in relevant areas of the business to support the application of the model. The programme was also included as an exercise during Metro Safety Week to raise staff awareness of the programme and to reinforce Metro Trains Melbourne’s absolute commitment to a fair, open and just culture. The ESB Programme has received positive feedback and will be further embedded into key safety and people management processes within Metro Trains Melbourne.

IOSH 5th Safety Forum for Shenzhen Line 4 Phase III Project

Around 200 transport and infrastructure experts along with Shenzhen Municipal Government officials from relevant departments and professionals involved in planning and site management joined the 5th Safety Forum for the Shenzhen Metro Line 4 Phase III Project organised by the Institute of Occupational Safety and Health (“IOSH”). The theme of this year’s forum was “Safety in Underground Works Construction for Railway Systems”. The forum provided participants with a valuable opportunity for experience sharing and learning from the construction of the Project with in-depth discussions on various safety topics including safe practices during tunnel construction and avoiding asbestos hazards.

MTR (Shenzhen) Achieved ISO 55001 Certification

MTR (Shenzhen) achieved ISO 55001 certification for asset management system and became the first company in the Mainland of China domestic rail transit industry to obtain this certification. Assets management is one of the core elements of our Corporate Safety Management Model. The implementation of elements under ISO 55001 standard ensures the continued provision of safe and quality services to passengers.

Staff and Contractor Safety

Aspiring to provide a work environment that brings zero harm to the workforce, including both MTR and contractor staff, the Corporation joined the global Vision Zero Campaign organised by the International Social Security Association. The campaign advocates building a strong prevention culture that integrates safety, health, and well-being at all levels of work to prevent work-related accidents, harm and occupational diseases.

Staff Safety Initiatives

To promote the Safety-First culture to all staff, the Corporate Safety Month was held in June 2018, as one of the Corporation's signature annual events. This year's theme was "Everyone is a Safety Leader", which denotes safety relies on proactive participation. A brand new event, "Everyone is a Safety Leader" Micro Film Contest, was held this year to provide colleagues with an opportunity to unleash their creativity to promote safety by producing micro films. The messages in the videos produced showed a clear underlying culture of safety. The top three safety films were broadcast during the opening ceremony of the Corporate Safety Month.

Lost Time Injuries for Staff

We make every effort to uphold our safety culture in all operations and continuously improve conditions in our work environment. We have seen improvement in our staff lost time injuries (LTI) across our business in 2018 as compared to 2017.

Lost Time Injuries per 100,000 man-hour in Hong Kong	2017	2018
Corporate Support Functions	0.06	0.16
Operations Division	0.42	0.38
Projects Division	0.20	0.00
Property Division	0.09	0.00

Note:

Lost time injury means a worked-related injury results in the incapacity for 1 day or more.

Contractor Safety Initiatives

We frequently communicate the most up-to-date safety requirements, trends and best practices in the industry to our contractors and spread safety messages to all workers on our project sites. We implemented various safety initiatives in Hong Kong to protect the safety and health of our contractors and engaged directly with construction workers through training, workplace campaigns, mentoring and a variety of communication initiatives which help us uphold the highest safety levels and ensure that contractors are aligned with MTR's safety policy. In 2018, our Corporate Safety Management Committee ("CSMC") conducted safety visits to different construction projects such as the Tai Wai Station Property Development and the Shatin to Central Link project to assess the effectiveness of site safety provisions and mitigation measures. The CSMC members inspected site conditions and appreciated the efforts of the site construction team and contractors to continuously improve site safety.



Safety Innovation Sharing Event



Safety Innovation Competition Award Presentation



Millionaire Safety Quiz

Safety Performance on Construction Site

	2017	2018
Staff Fatalities	1	0
Contractor Fatalities	2	0

Reportable Accidents for Contractors

The reportable accident frequency rates in 2018 improved slightly across most divisions. We have a number of ongoing safety initiatives that encourage continuous efforts to raise safety awareness of our contractors. We also regularly review work-related risks and address and eliminate high risk areas to safeguard our contractors.

Reportable accidents per 100,000 man-hour for contractors in Hong Kong	2017	2018
Corporate Support Functions	0.21	0.74
Operations Railway	0.18	0.26
Projects Construction – Railway Extension Projects	0.35	0.23
Projects Construction – Network Improvement Projects	0.22	0.06
Property Development and Investment Projects	0.03	0.02
Investment Property	0.26	0.03
Management Property	0.18	0.11

Note:

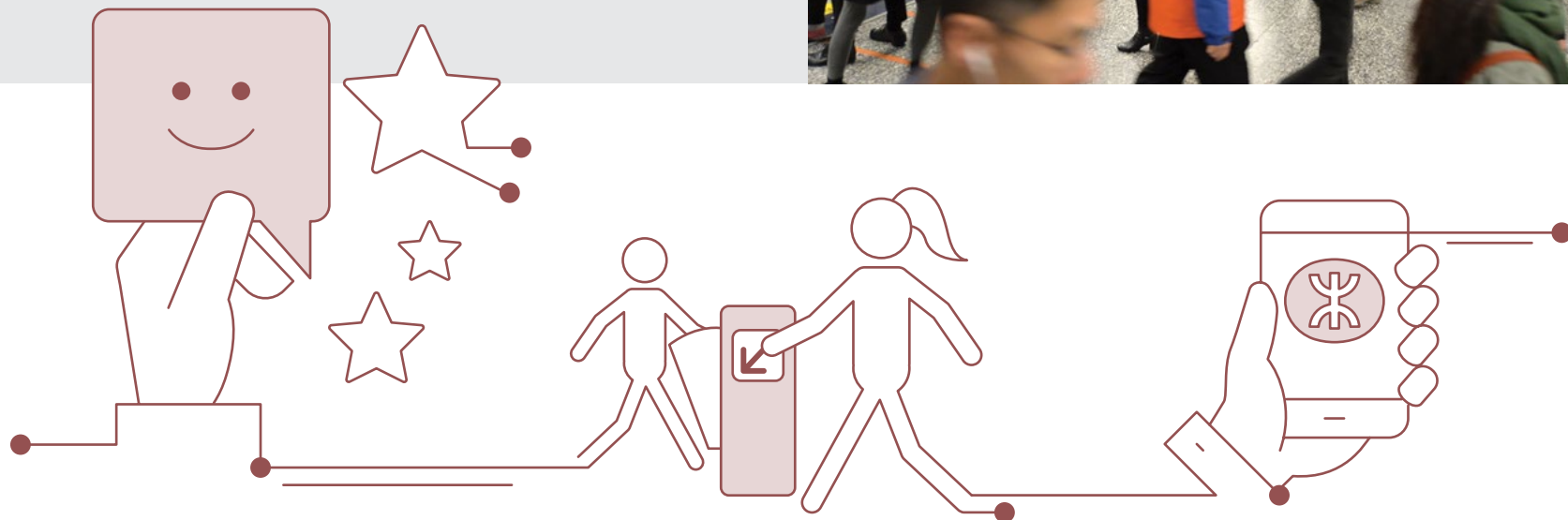
For Projects Division, Reportable Accident means an industrial accident results in the incapacity, for a period exceeding 3 days immediately following the accident.

CUSTOMER EXPERIENCE

Enhancing Customer Experience

We serve more than 12 million rail passengers worldwide every weekday. Going beyond railway delivery and operation, MTR also creates and manages dynamic communities around our network through seamless integration of rail, commercial and property development, and closely interacts with our customers throughout their daily routines.

We strive to deliver high quality services to provide a pleasant and amiable travel experience with MTR for our customers. For more details on our approach to enhancing customer experience, please refer to our [sustainability website](#).



In Hong Kong, the Operating Agreement we have with the Government sets relevant conditions of our license to operate. In our quest for excellence, we aim higher than the terms of this agreement by setting our own internal targets and requirements to deliver the best customer experience. For example, we have defined our [Customer Service Pledge](#) across 15 service areas and established the Customer Experience Management Model to ensure the delivery of quality, safe and reliable mass transit services. Customers can reach us through various communication channels such as hotline and website to make enquiries and express their concerns or comments to us. In case of disruptions to our regular train services, our station staff will work with our Customer Service Rapid Response Units and Customer Service Support Team to assist the affected customers, while specialised teams are mobilised to rectify the faults and restore normal service operations promptly. Complimentary shuttle bus services to the nearest MTR station may be arranged where appropriate.

In light of the increasing trend of digital transformation, MTR respects and is keenly aware of the importance of privacy and personal data protection. We strictly adhere to the relevant legislative requirements as committed in our [Privacy Policy Statement](#).

In response to the ageing population and needs of disabled persons, we strive to provide and continuously improve age-friendly services and facilities for senior citizens as well as barrier-free access for all people. Our efforts have been well recognised by the community that we won the Gold Star Award and Sustainable Promotion Award in the Age Friendly Hong Kong Appreciation Scheme 2018 presented by The Hong Kong Council of Social Service.

Affirming and recognising the Corporation's years of contribution towards the prosperity of Hong Kong through railway services and our quality services, MTR received the "Class Brand" Award in the Hong Kong Classic Brand 2018 Awards organised by East Week magazine as well as the Q-Mark Elite Brand Award under the Travel, Leisure and Transportation category from the Hong

Kong Q-Mark Council for the 5th consecutive year. The Corporation has been recognised by the Hong Kong Q-Mark Service Scheme for 12 consecutive years, which is a major achievement of our dedicated efforts to deliver excellent service to our customers.



Train Service Performance

Our Hong Kong train service performance continued to be at a world-class level, exceeding our Operating Agreement and our own stringent internal targets to attain a passenger journeys on time rate of 99.9%. Though we have made every effort to prevent incidents from happening, in 2018 we experienced 12 service disruptions¹ of 31 minutes or more, including 1 incident in light rail, which were caused by factors within our control. We investigated into each of these incidents and implement all necessary measures to prevent recurrence and to improve recovery response.

For continuous improvement, we monitor our daily ridership and identify opportunities to improve regular train service. As of April 2018, an extra 238 train trips per week have been added to the Tsuen Wan Line, Kwun Tong Line, and Island Line, particularly during evening hours on weekdays and weekends to provide more frequent train services for our customers.

To ensure our services are in line with customer expectation, we conduct surveys and research on a regular basis to gauge customer satisfaction levels. Results are reflected in the Service Quality Index and the Fare Index. Please refer to the [Annual Report](#) for details.

We also benchmark performance of our heavy rail network in Hong Kong with overseas counterparts through the CoMET Benchmarking platform against appropriately 30 top-level indicators in six distinct areas: Growth, Learning & Innovation, Financial, Customer, Internal Processes, Safety & Security and Environment. Please refer to our performance data table on our [sustainability website](#) for further information.

¹Excluding delays caused by external factors

Customer Service in Rail Operations

We continue to make use of the [Society Link](#) to serve as a communication platform with professionals and non-governmental organisations (NGOs) to listen to customers' needs, exchange views on enhanced customer service as well as build a more inclusive community. On 10 March 2018, about 60 participants from 15 NGOs and representatives of the Corporation were invited to a gathering at Kam Tin Building and tour at Pat Heung Depot with the theme "Rail Gen 2.0: Asset Renewal and Upgrades" to share with them and collect views on our train service performance, service enhancement and crowd control measures.



Asset and System Upgrades

As part of our holistic approach to customer service enhancement, we have invested substantially in asset improvement. We embarked on a massive train fleet upgrade project, spending a total of HK\$6 billion to acquire 93 8-car trains to replace the existing urban line fleet by 2023. The new trains include many advanced features and operating systems, which can provide more comfortable journeys for our passengers. The first batch of trains has already been delivered, and the programme is on track to meet our expected delivery schedule.

To better serve the future Tuen Ma Line and enhance existing train services, we have completed the conversion of the existing

7-car trains on the West Rail Line to 8-car trains in May 2018. New trains are also procured for the light rail network. Two new light rail vehicles have been delivered to Hong Kong in December 2018 and the vehicles will enter passenger service in late 2019 after completing testing and commissioning.

In view of the expected increase in patronage, we initiated an extensive signalling system replacement project for seven urban lines to be completed in 2026, aiming to increase overall passenger capacity by providing more frequent train services for our customers. Please refer to the [Annual Report](#) for further information.

To prepare for the migration to the new signalling system, testing of the system in Tsuen Wan Line during non-traffic hours has been in progress. Regrettably, a train collision incident was happened near Central Station during non-traffic hours train tests for the new signalling system for the Tsuen Wan Line on 18 March 2019. The Corporation is very concerned about the incident and has requested the responsible contractor to submit a detailed report and remedial measures. The Corporation has also set up an Investigation Panel to examine and identify root causes of the incident and make recommendations so as to prevent the reoccurrence of any similar incident. All train tests for the new signalling system during non-traffic hours have been suspended until the cause of the incident is ascertained.

Instantaneous information and digital platforms are becoming prevalent in our daily lives. To support the new trend of digital transformation, we are constantly seeking opportunities to implement new initiatives or augment existing ones to provide a better experience and convenience for our customers. For

example, our "2 in 1" Ticket Issuing & Value Adding Machines will continue to replace the Single Journey Ticket Issuing Machines to provide our customers with a convenient one stop, self-service kiosk. A number of ticket issuing machines will also be upgraded to support QR code-based mobile payment options such as Alipay and WeChat Pay for more convenience to our customers.

We also enhanced the MTR Mobile app with a new "Chatbot" functionality, "[Kee Gor](#)". The Chatbot provides passengers with up to date travel information in a convenient and interactive format. Passengers may simply input the name of their destination, and Kee Gor will help them plan their journeys and give advice on the most efficient travel routes. We have also launched a new "Waiting Time Indicator" function for Admiralty Station, one of the busiest interchange stations in our rail system, in the MTR Mobile App on a trial basis to allow customers to better plan their journeys. With the use of Artificial Intelligence Technology, waiting time is estimated based on the real-time passenger flow captured by network cameras installed at the designated platforms. The same waiting time information is also displayed on gate-top Passenger Information Display Screens at Admiralty Station during evening peak hours. In recognition of our mobile solution to customer service, MTR Mobile was honoured with the *Best of Show – Brand* award, as well as seven other awards in various categories at the Mob-Ex Awards Hong Kong 2018 organised by Marketing magazine. Under the umbrella theme of "Rail Gen 2.0 – new Customer Experience", a new series of digital initiatives has been developed to enhance the MTR Mobile so as to provide a more customer centric and personalised travelling experience to passengers. Please visit our [MTR Apps available in Hong Kong](#) for more details.



Enhancing Walkability

A new pedestrian walkway was unveiled in November 2018 at MTR Tsim Sha Tsui Station to connect Carnarvon Road and K11 Art Mall. This new access point provides members of the public with a convenient and weather-proof crossing underneath Carnarvon Road and further integrates MTR Tsim Sha Tsui Station with the surrounding community, relieving the heavy pedestrian flow at the southern end of the Tsim Sha Tsui Station concourse and Mody Road subway.

Customer Awareness and Education

Customer education campaigns are a major component of our approach to ensure high quality customer experience. We always promote courteous passenger behaviours to foster a more pleasant and comfortable journey with MTR for all. Riding on the success of our **"Travel Happily Every Day in the MTR"** courtesy campaign last year, we continue to adopt the same style of promotional materials to raise passenger awareness of the importance of safe and courteous behaviours when travelling on MTR. This year, we introduced story-telling animation and posters promoting four courteous behaviours including letting passengers alight first before boarding, moving inside the train compartment, not rushing in or blocking train doors and offering a seat to any passengers in need.

This year, for the first time, we invited staff members to share their experience of working in the Corporation together with their kids, who describe their parents' jobs with their imagination and creativity, in a video to enhance customers' awareness of MTR's caring and professional services. This heart-warming video helps the public better understand the caring services provided by every MTR staff member to deliver even better journeys to our customers.

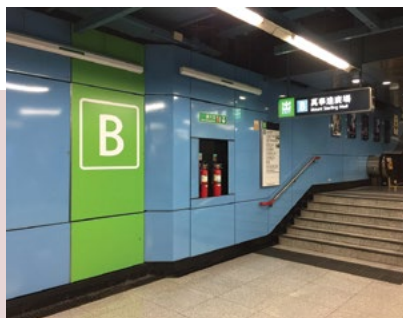


Customer Service in Our Stations

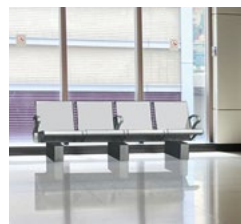
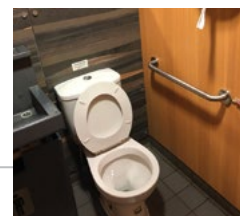
MTR always strives to enhance customers' journey experience by providing convenient and comfortable station environment and facilities. To provide customers with greater convenience and encourage usage of reusable water bottles, a drinking water dispenser was installed at the unpaid concourse area of Tung Chung Station in October 2018 as a trial. The Corporation will review the effectiveness of the trial in considering rolling out drinking water dispensers at other stations.

To address the needs of an ageing population, we provide barrier-free access and enhance directional signage in our stations. Some of our improvement works and enhancement initiatives include:

- implemented larger Exit Codes and signage to indicate locations of the passenger lift and toilet at all stations on the Kwun Tong Line, Tsuen Wan Line and Island Line



- provided bookmark magnifiers at all the Customer Service Centres in our heavy railway lines starting from the first quarter of 2018
- provided passenger toilets in more than half of our stations
- renovated staff toilets at Mei Foo and Shau Kei Wan stations to add anti-slip flooring and handrails; renovation of staff toilets in stations along the Kwun Tong Line, Tsuen Wan Line and Island Line is underway and will be completed by the first half of 2019



- to install seats near Exit D of Mei Foo Station and Exit B of Shau Kei Wan Station by 2019
- installed handrails along the long and sloped walkway at Exit A of Mei Foo Station by April 2019
- provided at least one barrier-free access at all MTR stations
- completed feasibility studies and planned to install passenger lift at Exit A of Mei Foo Station in three years and to replace part of the staircase with escalators at Exit A3 of Shau Kei Wan Station by 2023

Over the years, our corporate website provides detailed information on the facilities and initiatives we have introduced to assist our customers with special needs. Please refer to the [**"Caring for our Customers with Special Needs Booklet"**](#) for more details.

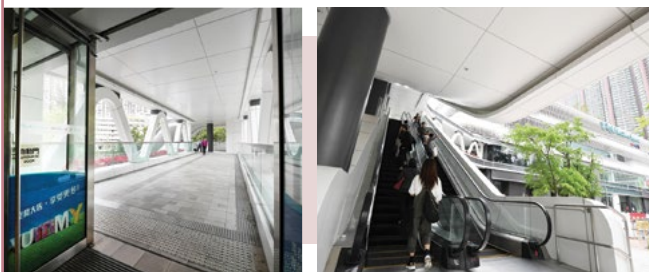
Having a close tie with the community, we always bring festive surprise for MTR customers. For example, we organised a two-day Easter celebration with customers on 30 and 31 March 2018 at 16 stations with Easter bunny mascots, bunny girls and balloon masters joining us to distribute Easter gifts and delights to passengers. We also invited Legislative Council member Mr Lo Wai-kok to join us in our "Chinese Music Performance" in Hong Kong Station to perform a series of popular Chinese songs with traditional Chinese musical instruments to celebrate the Tuen Ng Festival and the Mid-Autumn Festival with passengers. Our Chairman also dressed up as Santa Claus to offer a delightful surprise to customers at Hong Kong Station and distributed Christmas gifts.



Customer Service in Our Properties

MTR Corporation Limited and all 13 MTR Malls received the “The Leading Partner Award - Developer/Strategic Partner” and “New Alliance Member - Shopping Mall” respectively at the Hong Kong Green Shop Alliance Presentation Ceremony 2018 organised by Hong Kong Green Shop Alliance. The awards recognised our concerted efforts in pushing forward the green shopping built environment and sustainable shopping environment, and also implement green measures into our daily operation.

The connectivity of the community surrounding Maritime Square 2, MTR's first self-developed shopping mall, was further enhanced with the opening of a new 24-hour covered footbridge connecting Nga Ying Chau Garden in April 2018. The new pedestrian link is accessible by staircase, lift and escalators and gives residents, especially those near Nga Ying Chau Garden at Tsing King Road, more convenient access to Maritime Square retail shops, Tsing Yi Station and nearby public transport facilities.



We strive to provide a comfortable and seamless shopping experience for customers with different needs. Our Telford Plaza received the “Merit Award for Inclusive Environment” at the 2018 Inclusive Environment Recognition Scheme Awards Presentation organised by The Hong Kong Joint Council for People with Disability and The Hong Kong Council of Social Service. The award recognised Telford Plaza's strong sense of social responsibility, demonstrated by the proactive work to optimise the barrier-free facilities at the mall. The award also commended Telford Plaza's

excellent mall management and contribution to the diverse needs of the community. Two ifc was also recognised as the winner of the “Property Management Team of the Year” at the presentation ceremony of RICS Hong Kong Awards 2018. Our residential premises, The Cullinan, received the Silver Award (Below 1,000 Units) in the Residential Clubhouse Management Award 2017 organised by the Hong Kong Recreation Management Association. Another residential premise, The Palazzo, received three awards at the 17th Quality Building Management Competition in Shatin, including the first runner-up in Private Housing Estate Section, Champion in Building Environmental Hygiene Category and Champion in Environmental Protection & Greening Category.



Telford Plaza received the “Merit Award for Inclusive Environment”

We are responsive to the needs of the community and provide customers with caring services. To provide more convenience for the elderly and people in need, we have converted a pair of manual doors at the entrance between PopCorn 2 and Bauhinia Garden into automatic doors, which was warmly welcomed by a Sai Kung District Councillor.

MTR Malls strive to create a pleasant shopping environment by bringing entertainment and enjoyment to customers from time to time. For example, we launched a series of attractive and fun promotional campaigns by bringing different famous cartoon

and comic characters to various MTR Malls during summer. To better serve our customers, MTR Malls join hands with tenants to provide high-quality shopping and dining experience for customers. In addition to appointing a professional consulting firm to carry out mystery shopping visits, MTR Malls has provided on-site training workshops and sharing sessions for tenants for continuous improvement in service quality. To recognise the excellent performance achieved by tenants in MTR Malls, a 2017 MTR Malls Total Service Assurance Regime Prize Presentation Ceremony was held in April 2018.

Customer Service at Our Subsidiaries

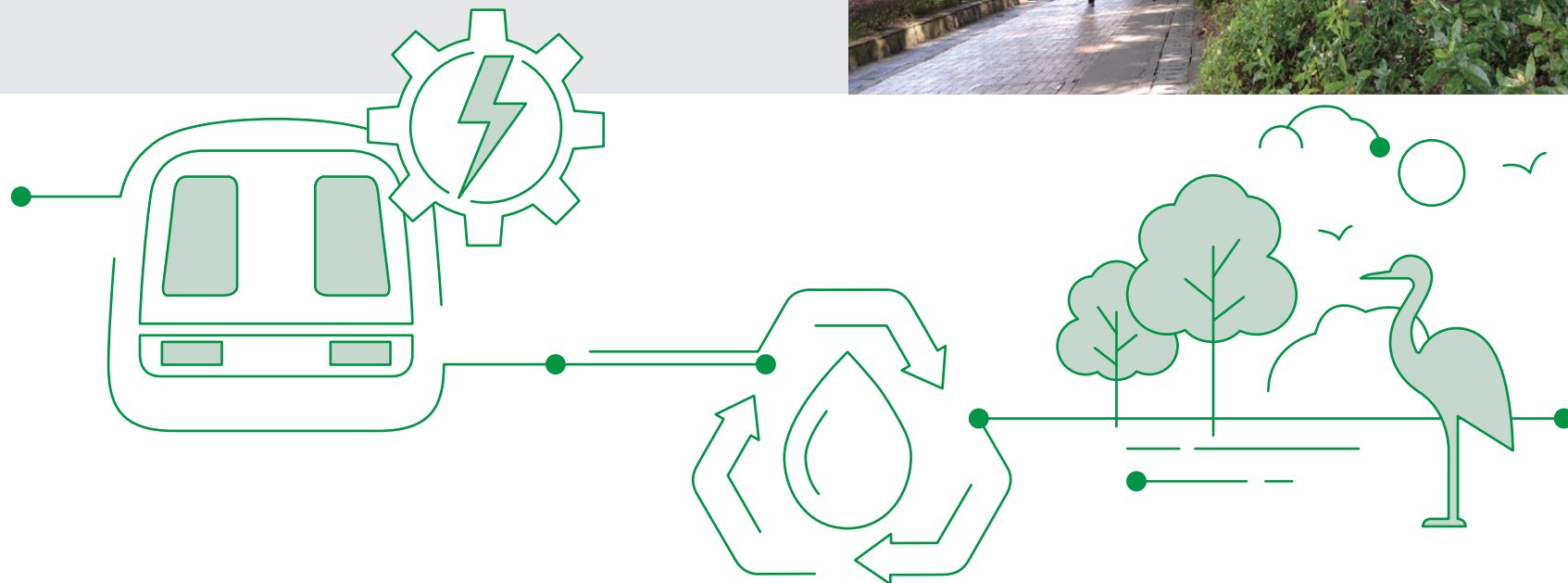
MTR Nordic developed a mobile app “MyHeadsapp” to give commuter train travellers information about any disturbances on their journey within Stockholms. A webpage real-time train arrival search was also launched for Stockholms Pendeltåg in October 2018. The new app enables travellers to access more information based on their needs and improves predictability.



ENVIRONMENTAL PROTECTION

Managing our Environmental Footprint

Our [Corporate Responsibility \("CoR"\) Policy](#) stipulates our 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. The CoR Policy, supported by policies and statements addressing specific sustainability issues, applies to all our activities (also see [Responsible Procurement](#) chapter). To better control the environmental aspects arising from the construction and operation phases of our projects, we are certified to the ISO 14001:2015 Environmental Management Systems Standard which helps us identify and manage environmental impacts and drive continuous improvement. Please refer to our [sustainability website](#) for details on the approach and policies in place to manage our environmental footprint.



Awardees**Name of Awards**

Shenzhen Metro Line 4

2017-2018 National Excellent Enterprise with Foreign Investment - Security and Environment Promotion, Shenzhen Association of Enterprises with Foreign Investment

Melbourne's Metropolitan Rail Services

'Commended' Operations Sustainability Rating (v1.2), Infrastructure Sustainability Council of Australia (ISCA)



MTR Tunnelbanan

Swedish Quality Award 2018

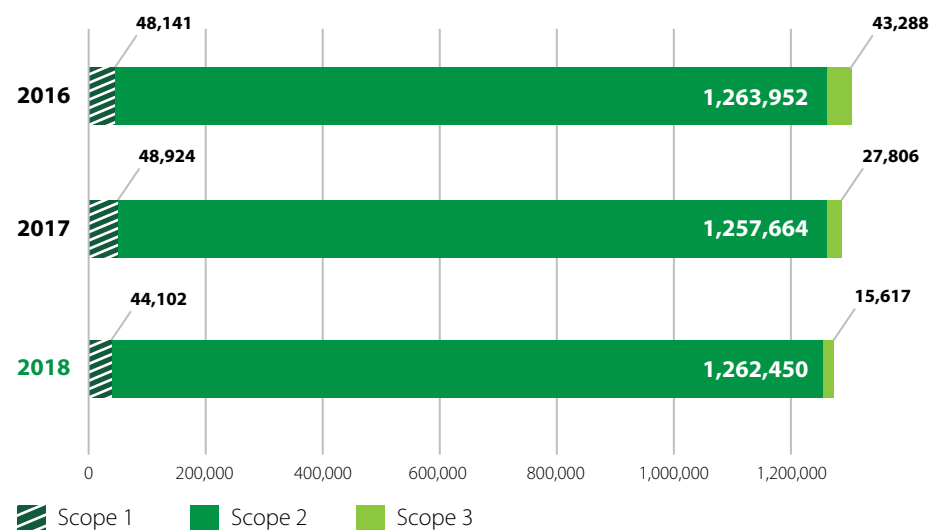


During construction of new railway projects, we implement a range of mitigation measures to minimise the associated environmental impacts. Regularly implemented environmental mitigation measures are outlined under the environmental protection section of the [sustainability website](#). Please refer to our [past sustainability reports](#) for bespoke mitigation measures applied to previous construction projects.

We also engage with the community throughout the construction process to enhance communication on our environmental efforts. In addition to regular engagement with Community Liaison Groups in various districts, we have conducted briefings and site visits to environmental non-governmental organisations to update them on the environmental issues in association with different phases of the construction works.

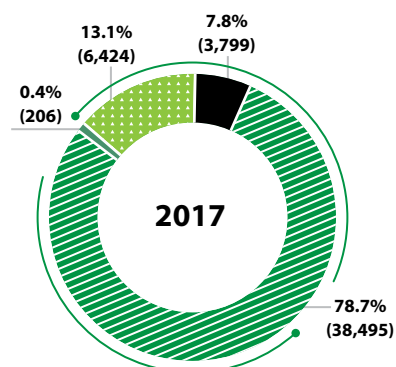
Climate Change

Energy consumption contributes to over 90% of our carbon footprint. Although we consume a significant amount of electricity, it is purchased directly from local energy providers leaving us with minimal direct influence on the sources of energy and the fuel mix. As a result, we focus our mitigation efforts on energy saving measures where we can make the greatest impact.

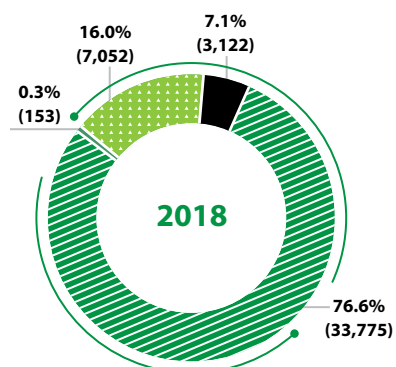
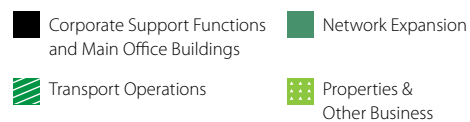
Our Greenhouse Gas Performance**TOTAL GHG EMISSIONS IN HONG KONG IN TONNES CO₂e**

Scope 1 emissions are direct GHG emissions from sources that are owned or controlled by the Corporation, such as emissions from fossil fuels burned on site.
 Scope 2 emissions are indirect GHG emissions resulting from the generation of electricity, heating and cooling, or steam generated off site but purchased by the Corporation.
 Scope 3 emissions include indirect GHG emissions from sources not owned or directly controlled by the Corporation but related to our activities.

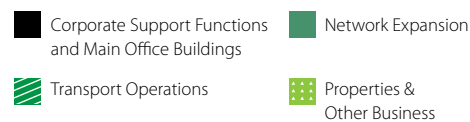
BREAKDOWN OF SCOPE 1 EMISSIONS IN HONG KONG (tCO₂e)



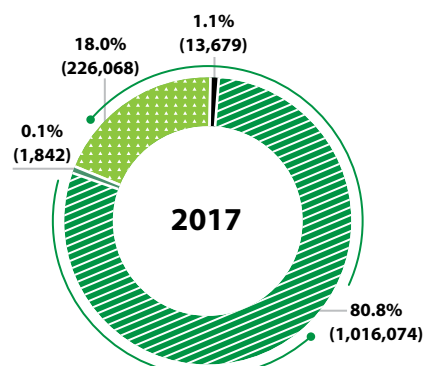
Total: 48,924



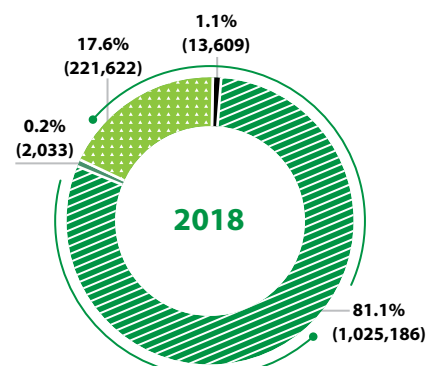
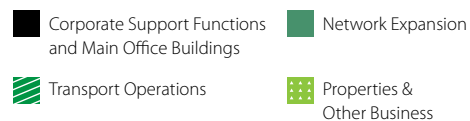
Total: 44,102



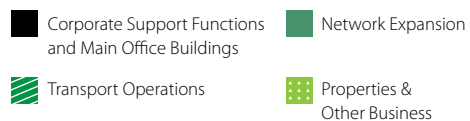
BREAKDOWN OF SCOPE 2 EMISSIONS IN HONG KONG (tCO₂e)



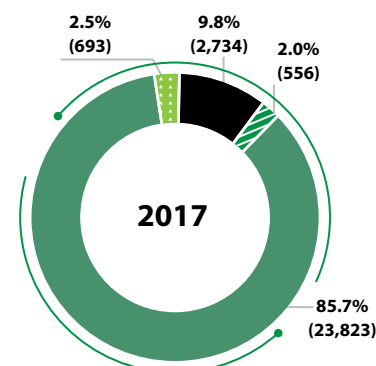
Total: 1,257,663



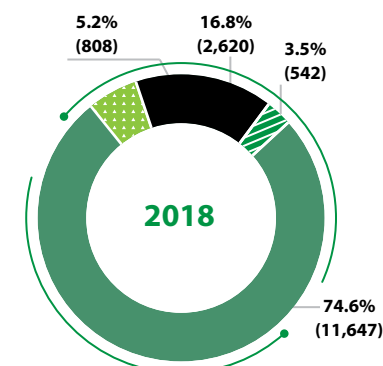
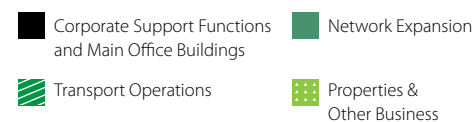
Total: 1,262,450



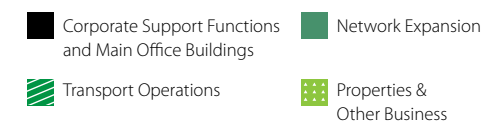
BREAKDOWN OF SCOPE 3 EMISSIONS IN HONG KONG (tCO₂e)



Total: 27,806



Total: 15,617



Energy Reduction and Efficiency

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 as well as our operational costs.

In 2018, our global electricity consumption was 3,000 GWh, of which about two thirds was consumed by Hong Kong operations. Electricity consumed in Hong Kong is primarily used by our heavy rail operations, in which our railway operations accounted for about 80% and the property division accounted for around 20%.

ELECTRICITY CONSUMPTION OF HEAVY RAIL OPERATIONS BY LOCATION

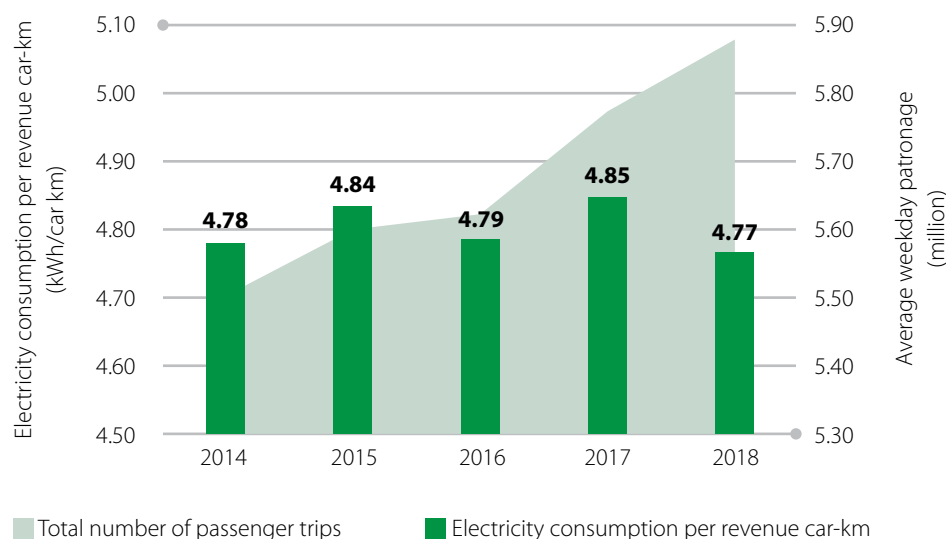
Locations / Lines	In GWh
Hong Kong	1580.44
Shenzhen Metro Line 4	93.77
Melbourne's Metropolitan Rail Services	462.59
Stockholm Metro	168.48
Stockholms Pendeltåg	215.19
Stockholm's MTR Express	18.73
TfL Rail/Elizabeth Line	60.36
Total	2,599.56

ELECTRICITY CONSUMPTION IN HONG KONG (MWh)

	2016	2017	2018
Total	1,948,421	2,023,667	2,033,451
Railway Operations	Total	1,542,581	1,628,344
	Heavy Rail	1,487,354	1,573,174
	Light Rail and Bus	55,227	55,170
Properties	405,840	395,323	387,909

Note: This takes account of energy use that we control in owned and managed properties (i.e. it does not reflect energy consumed by our tenants).

ELECTRICITY EFFICIENCY RATIO OF RAIL ASSETS (HONG KONG)



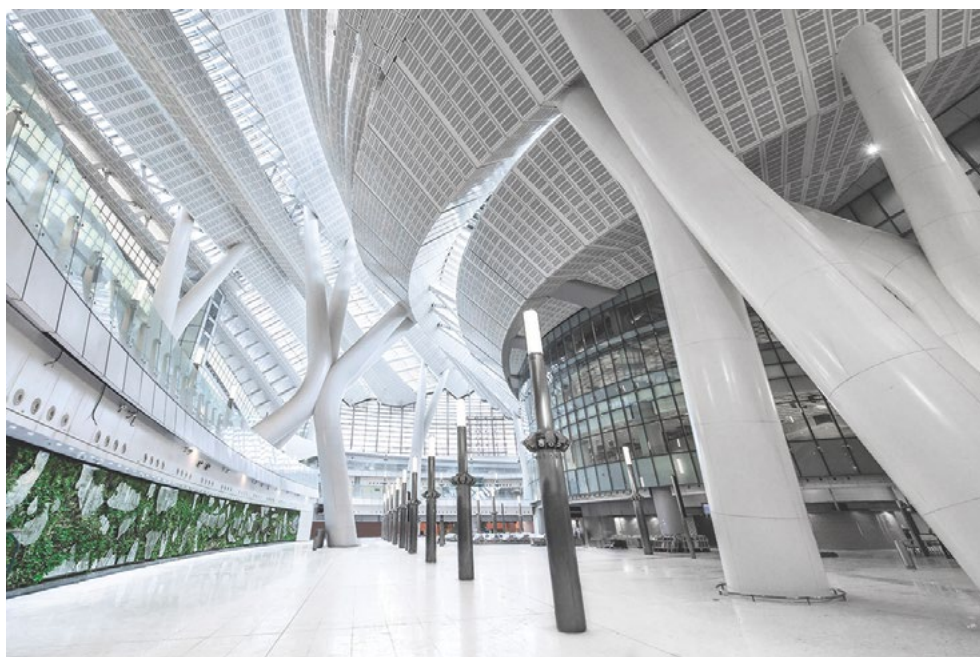
Rail Operations

We constantly explore opportunities to optimise our energy efficiency without compromising our commitment to delivering safe, reliable and quality services. To achieve our 2020 target to reduce electricity consumed per passenger-kilometre by 21% in our heavy rail network compared to 2008, we have adopted different initiatives in our rail operations. As of 2018, we have cut down 17% electricity consumption per passenger-kilometre as compared to the base year.

We are carrying 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. Up to 2018, 29 chillers were replaced as scheduled. Additionally, we continue to upgrade the LED lighting system at our stations, advertising panels, trains, tunnels and managed properties, and install exhaust fans and screen doors at various stations.

Our newly opened Hong Kong West Kowloon Station has incorporated a number of sustainable design elements to reduce energy consumption. The award-winning sleek modernist structure of the Station contains 4,000 undulating glass panels which allow abundant natural light thereby decreasing the need for artificial light during daytime. The design also minimises heat transfer thus reducing the overall cooling demand.

In Hong Kong, we adopted the regenerative braking technology to convert kinetic energy produced during braking into electrical energy which is then fed back into the power supply network for use by other trains through the overhead power system. Super-capacitor energy storage devices were also installed in the South Island Line (East) to make better use of the surplus energy produced by regenerative braking.



Property Operations

In 2013, we set a target to reduce energy use for our investment properties portfolio by 12% by 2023. As of 2018, our Hong Kong investment properties portfolio has achieved a reduction of 11%.

As a long-time supporter of green building standards, our new residential property developments are required to achieve a minimum certification of BEAM Plus Gold. In 2018, Two ifc achieved the final Platinum rating under the BEAM Plus Existing Building scheme.

To ensure a high-quality shopping experience for customers, while we enhance customers' comfort and convenience, we also adopt energy-saving measures at each of our managed properties. The Corporation has once again been recognised for its dedication to environmental protection and caring service, earning a number of awards during the year:

Awarding Organisations	Name of Awards	Properties
China Light and Power	CLP GREEN ^{PLUS} Award – Bronze (Property Management – Industrial & Commercial category)	Telford Plaza
Environment Bureau	Climate Ready@HK – Energy Saving Championship Scheme 2017 – Hanson Outstanding Award (Residential Building / Housing Estate category)	The Cullinan
	Climate Ready@HK – Energy Saving Championship Scheme 2017 – Hanson Merit Award (Shopping Mall)	ELEMENTS
	Climate Ready@HK – Energy Saving Championship Scheme 2017 – Hanson Supportive Group Award	MTR Malls
	Climate Ready@HK – Energy Saving Championship Scheme 2017 – 4Ts Charter – Appreciation Certificate	

Climate Risks and Disclosures

Under our Enterprise Risk Management Framework, we have identified direct physical risks and other indirect risks in association with climate change and assessed the possible impacts annually. Due to the long lifecycle of our assets, we have already incorporated climate risks into our strategic planning and actively managed them at the asset-level. Our Climate Change Statement reaffirms our commitment to adapting and mitigating climate change-related risks. We also disclose our performance through various means including the CDP Climate Change Information disclosure platform. We are currently developing a Climate Strategy for the Corporation to clearly spell out our commitment and approaches to combat climate change. Please refer to our [sustainability website](#) for more details.

Supporting Renewable Energy in Hong Kong

Following the announcement on the launch of the Feed-in Tariff (FiT) under the new Scheme of Control Agreement between the two power companies and the HKSAR Government, we have explored the possibility of adopting renewable energy in our Hong Kong premises to support low-carbon operations. After considering the land grant requirements, availability of space and surrounding environment, we plan to install solar photovoltaic systems at our Hung Hom office building in 2019 with the system capacity of 58.6 kW which can last for around 15 years up to 2033. The installation works are targeted to be completed by the third quarter of 2019, subject to clearing of actual works limitation.

Initiatives at Our Subsidiaries

Our overseas operations have actively enhanced fleet energy efficiency.

Comprehensive energy audits were conducted at MTR Nordic to identify energy use patterns at the MTR Tunnelbanan and MTR Pendeltågen depots. Based on the audit results, action plans were drawn up for 2019. MTR Nordic has an overall target of 20% energy reduction at all our depots (both within MTR Tunnelbanan and MTR Pendeltågen) by the end of 2020. In addition, MTR Nordic have upgraded to use LED lighting in all commuter train stations resulting in a reduction of about 1,800 MWh per year. During the reporting year, MTR Nordic also undertook a tree planting project in Zambia to offset all scope 1 and scope 3 greenhouse gases emissions in 2017, equivalent to 359 tonnes of CO₂e. MTR Nordic will carry out a similar project to offset 2018 emissions in 2019. MTR Nordic also supports the use of renewable energy. Currently, MTR Nordic is using 96% renewable energy in its operations and it will switch to 100% in 2019. MTR Nordic has access to low carbon energy as a result of positive policies and participation from local energy suppliers.



At Metro Trains Melbourne, large-scale upgrades of the Comeng fleets were conducted including the installation of new LED lighting on 136 train units. As of 2018, 40% of the upgrade works were completed. Once completed, the initiative will result in a reduction of 3,570 MWh in energy consumption.

MTR Crossrail installed automatic Meter Readers at 23 sites to monitor real-time electricity consumption at all stations and sidings areas. Completed in October 2018, this system could enhance the quality of energy analysis and help project relevant consumption trends to identify future reduction opportunities. As part of the Network Station Improvement Programme, MTR Crossrail also upgraded the lighting systems, movement sensors and timers at Ilford and West Drayton stations.

Waste

As passengers and customers move through our extensive transport network and our integrated properties, they may generate diverse types of waste every day. To encourage waste separation and recycling habits, we have already put recycling bins at our stations, shopping malls and managed properties with clear signage to minimise the amount of waste disposed to landfills. Internally, we strengthen our efforts to reduce waste by promoting behavioural change and ensuring proper waste handling in our railway operations and properties.

Rail Operations

In view of the increasing concerns about plastic waste reduction, we joined the “Drink Without Waste Working Group” initiated by the business sector including companies from the beverage industry, green groups, recyclers, institutions and think-tanks to work on options to reduce single-use beverage packaging. The Working Group has endorsed a position paper and pledged to promote and realise four strategies and actions to deal with single-use beverage packaging: Reduce, Redesign, Recover and Recycle. To support the initiative, we have already provided water dispensers in our Hong Kong West Kowloon Station and some of our properties such as Elements and Maritime Square. After thorough consideration of factors such as passenger safety, hygiene and passenger flow, we installed a drinking water dispense at Tung Chung Station as a trial to support the Government’s call for an industry’s commitment to reducing single-use beverage packaging. The dispenser provides a convenient source of water for the public to encourage the use of refillable bottles, which helps reduce the amount of single-use beverage packaging disposed of to landfills. We are extending the trial by installing water dispensers at Tsuen Wan Station and Prince Edward. They will be put into service by the second quarter of 2019. We will review the effectiveness of the trial and consider the possible further expansion of the programme.



Property Operations

Working closely with the Owners’ Committees and Incorporated Owners at our managed properties, we continue to promote various waste separation programmes to our residents. For example, we joined the Lai See Recycle and Reuse Programme organised by the Greeners Action. Under our “Green Train Initiatives” and the provision of special recycling bins in the common areas of our managed properties, we collect used clothes, ink cartridges, and CD discs for recycling or donation. Waste glass bottles are also collected, treated and turned into reusable materials through our “Glass to Brick” programme. To reduce food waste, we continue to engage food and beverage tenants through our “MTR Malls Food Waste Reduction Pledge” to minimise waste generation at source. Extending our commitment to our managed properties, we encourage residents to join our “Central Food Waste Recycling for Improving Estate Environment” initiative to avoid food waste through different promotional programmes such as festive food donations and seminars. At some of our managed properties, we also convert food waste into compost through composting machines.

Initiatives at Our Subsidiaries

In our Shenzhen operations, we achieved the target to limit the consumption of printer paper to 4,500 packs in 2018, which was a great success through assigning quota and promoting paper reuse within its operations. Regarding waste management, maintenance departments are required to comply with the Corporation’s Waste Management Procedures and to follow reduction and reuse principles while handling waste. Our Shenzhen operations also conduct regular monitoring which helped reduce the amount of hazardous waste generated by 15% as compared to 2017.

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. MTR Crossrail also launched

a “Waste Trial” programme from September to December 2018 aiming to improve the recycling rates by installing Dry Mixed Recycle and General Waste bins at four stations. At present, the average recycling rate at the trial stations is around 37% - 46%. In addition, MTR Crossrail initiated the “Gum Drop Bins – Eastern Station Trial” programme in October 2018. Based on the results, MTR Crossrail will consider extending this programme to other operating locations. As part of the Sustainability Week, MTR Crossrail introduced the “Reduce Waste, Increase Recycling” and “Acting Responsible” initiatives to engage frontline staff. In partnership with a facility management contractor and a waste services supplier, MTR Crossrail 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.



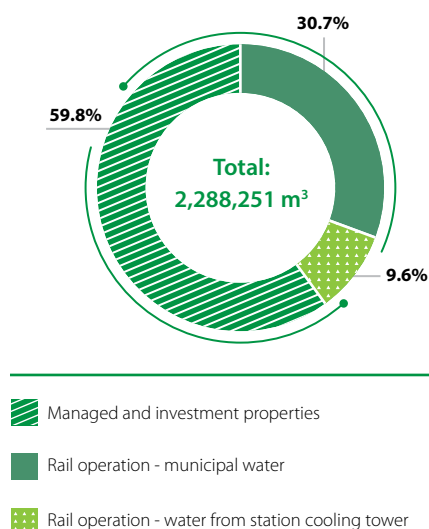
MTR Nordic adopted various initiatives at depots to improve waste sorting and handling processes. Dedicated to reducing hazardous chemicals generated from operations, MTR Nordic collaborated with suppliers to source alternatives to replace chemicals listed on the "Stockholm County Council Phase-out List". MTR Nordic has also initiated collaboration with a service provider that takes care of the used IT-equipment to make sure that the equipment, if not broken, gets a second life by re-selling it to save resources and money.



Water Conservation

We consider consumption and availability of water is a material issue related to our operations as water is a scarce resource. We have installed water recycling systems and water saving devices to reduce consumption of fresh water across our rail and property operations.

WATER CONSUMPTION BY OPERATION (HONG KONG)



Initiatives at Our Subsidiaries

Efforts are in place to mitigate the risk of water scarcity especially for operations based in drought-prone regions such as our Melbourne Metropolitan Rail Network. Water conservation initiatives are in place to avoid water wastage including water efficient train washing and efficient water fittings at stations. Through proactive water loss management with the installation of water meters and data trackers to log water use at some high risk sites, Metro Trains Melbourne reduced water consumption by 22% across the network compared to the previous year.

MTR Crossrail launched a project in December 2018 focusing on the reduction of water use in restrooms and understanding the consumption patterns using smart technologies at four stations. Smart taps and smart soap dispensers were installed and connected wirelessly to an online portal to allow ongoing monitoring and review of water use, which can also improve cleaning and maintenance activities at these stations.

Noise

To avoid disturbing our surrounding communities from our train operations, we monitor noise levels regularly and take appropriate mitigation measures where necessary. In terms of noise nuisance, the Operations Division filed a total of 162 noise-related complaints in 2018, constituting 90% of all environment-related complaints received throughout the year.

Prior to the development of all new railway lines, we will appoint an independent consultant to conduct environmental impact assessment (EIA) studies to assess the possible environmental impact, including noise nuisance, due to the construction and operation of the new lines, and to recommend mitigation measures under the Environmental Impact Assessment Ordinance. During the construction phase, we keep monitoring the impact of the new lines on the environment according to the EP. Regular monitoring data and monthly reports will be submitted to the EPD and made available for public viewing.

Over the past few years, we have delivered the West Island Line (WIL), the South Island Line (East) (SIL(E)), the Kwun Tong Line Extension (KTE) and the High Speed Rail (HSR) projects. In accordance with the EP granted by the EPD after the approval of the EIA report for each of the railway projects, submissions to demonstrate environmental compliance before commissioning of the projects were required. These submissions included train and fixed plant noise performance reports, information on the implementation of mitigation measures, and records of the consultations with local communities and government departments on various environmental issues, etc. MTR has implemented the required mitigation measures to minimise environmental impacts and achieved full compliance with the EPs to allow smooth transition to the operation of the railway lines.

In 2018, over 7,000 noise, dust and water quality monitoring were conducted to monitor any potential impacts to the environment due to the construction of the HSR and Shatin to

Central Link (SCL) projects and appropriate actions were taken where necessary. Our contractors, Environmental Team and Independent Environmental Checker have performed different checks to ensure the impacts at the sensitive receivers were kept within an acceptable level. The satisfactory compliance with the Environmental Monitoring and Audit (EM&A) requirements of these projects shows that our environmental management and mitigation measures during construction of new railway projects are effective.

Please refer to the [project website](#) for details of the EIA reports and the monitoring data and reports for the SCL. Noise mitigation measures adopted in the SCL project include:

- use of low-noise machines
- erection of noise barriers or covers
- use of noise insulating fabric to cover machinery

Since 2015, we have co-organised the EPD-MTR Joint Environmental Forum annually to share our "green" knowledge with industry practitioners and stakeholders. In November 2018, the topic of discussion was EM&A Review and Enhancement, with about 130 attendees from different government departments, project proponents, consultants, contractors and MTR.

Initiatives at Our Subsidiaries

At MTR Pendeltågen in the Nordics, we have been analysing the silencers on train wheels to ensure that they are able to function properly as operational noise is a material issue concerned by stakeholders along the line. Analysis of 80% of the silencers has been completed, of which 96% were found in optimal operation. Silencers that could not meet the performance standards would be replaced.

Indoor Air Quality

To ensure passenger comfort, we monitor indoor air quality according to the Practice Note for Managing Air Quality in Air-conditioned Public Transport Facilities: Railways published by the Environmental Protection Department (EPD) to ensure adequate ventilation at our Hong Kong rail operations. The carbon dioxide levels at our stations and in our trains in 2018 were within 2,500 ppm during peak traffic hours, which have consistently fulfilled the Level One hourly average criteria as defined in EPD's Practice Note. We also installed air purifiers, which are effective in removing unpleasant gases such as total volatile organic compounds (TVOC) and odour, at the public toilets of most of our stations to minimise odour problems and improve hygienic conditions.

Biodiversity

We conserve and nurture biodiversity to protect the natural heritage while we are building new railway lines. Some of the biodiversity sensitive sites require our active management perpetually such as the Lok Ma Chau wetland. With our dedicated effort, the Lok Ma Chau wetland has become an exemplar in the region in terms of biodiversity management. Since 2007, over 260 bird species have been observed in the wetland. During the 2018 breeding season, five different bird species were spotted breeding on site, including Little Grebe, White-breasted Waterhen, Common Moorhen, Collared Crow and White-shouldered Starling. For details of our Lok Ma Chau wetland, please refer to the [Lok Ma Chau Wetland Website](#).

Under the HSR project, we delivered a 2.4 hectares Mitigated Stream Habitat (MSH) in the form of a widened open channel next to Shek Kong Stabling Sidings to provide a suitable habitat for wildlife. Monthly ecological monitoring was conducted for the first year until February 2018. During the monitoring period, more than 45 bird species were identified including 20 new species which were not found in the baseline survey before the construction of the HSR. It can therefore confirm that the MSH is a self-sustainable habitat for bird species.

Initiatives at Our Subsidiaries

A Biodiversity Management Plan was established by Metro Trains Melbourne to protect ecological value at more than 30 sites across the network, including critically endangered grasslands and protected flora and fauna species. A conservation works programme is in place at all sites to manage and monitor threats. In addition, Metro Trains Melbourne hosted a regional forum on managing linear habitats for the federally protected Southern Brown Bandicoot, leading the development of industry guidelines for land managers and conservation stakeholders.



Greening

We contribute to build Hong Kong as a liveable city by tree preservation and greening while we are operating our mass transit railway network and providing property development and management services.

Rail Operations

During the planning stage of new stations, we integrate green features into the building design and the surrounding areas as far as practicable. Our greening efforts have been well demonstrated in the design of the Hong Kong West Kowloon Station, which was opened in late 2018. Atop and around the Station, an attractive three-hectare green public space including a Green Plaza, a Bus Terminal Rooftop Garden and a sightseeing deck is provided, planted with over 700 trees and shrubs suitable for Hong Kong's climate including Autumn Maples and White Orchids. To reinforce public awareness of greening, we invited members of the community including District Council representatives and 100 students and their teachers to beautify the environment surrounding the Station before opening. Participants planted trees in the Green Plaza in front of the Station's main entrance to help provide an attractive relaxing space for the public and visitors alike. The Hong Kong West Kowloon Station is a new urban oasis for leisure and relaxation in the heart of Hong Kong, enabling visitors and the general public to take a stroll and enjoy the green environment against the backdrop of Hong Kong's iconic skyline and Victoria Harbour.



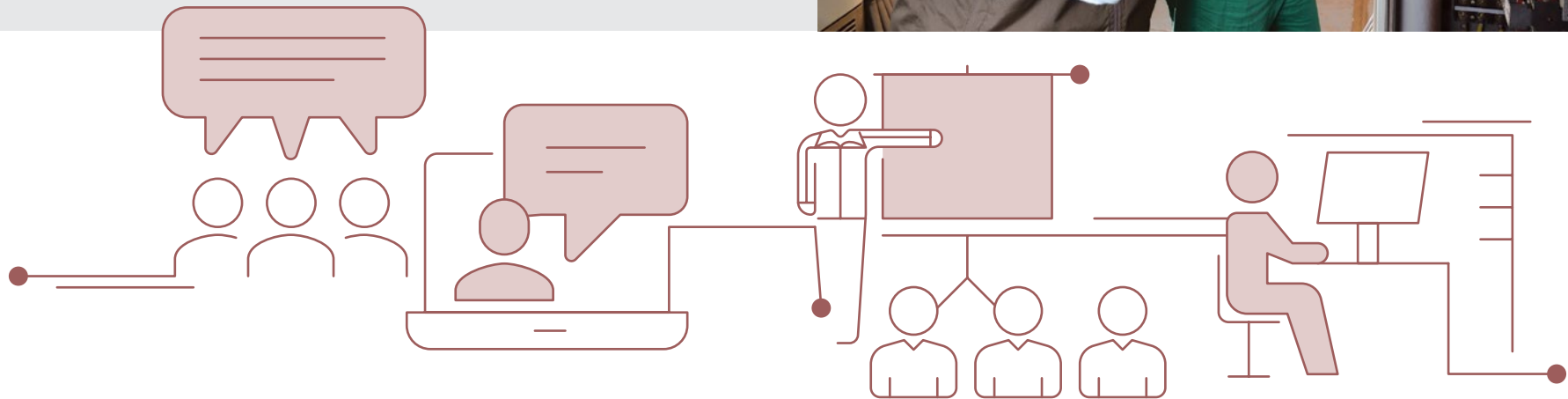
We have also adopted the Next Generation Green Roof Systems in the new railway projects including WIL, SIL(E), KTE and SCL. In comparison with the traditional green roof design, the new system can recycle, conserve and supply water to effectively sustain vegetation growth with minimal irrigation and less maintenance cost. The Green Roof System atop Hin Keng Station of SCL is approximately 5,000 m², which is about the size of a mini football field. The vegetation greatly enhanced the visual and landscape value of the Station, which blends in with the surrounding environment very well.



HUMAN CAPITAL

Management Approach

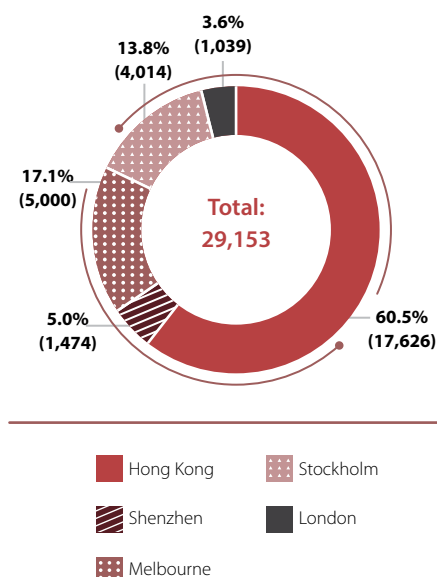
Our corporate strategies, policies and practices lay down a foundation to create an inclusive workplace that fosters open and interactive communication, supports professional development, and protects the well-being of our staff. We respect equal opportunities and abide to relevant legislative requirements to provide a harmonious workplace free from discrimination based on gender, sexual orientation, disability, age, race, skin colour, national or ethnic origin, family status, or any other personal characteristics that are protected by law. Please refer to our [sustainability website](#) for details on our overall approach to managing human capital and our global HR strategy.



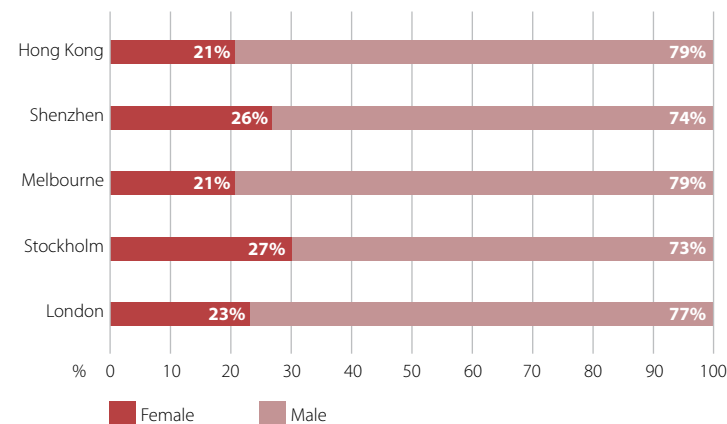
A high standard of business ethics and integrity is critical to the Corporation's continued success and further development in Hong Kong and overseas. Our [Code of Conduct](#) sets out the Corporation's expectations on staff's ethical conduct and integrity. To ensure an ethical working culture and enhance our colleagues' understanding and compliance with the Code of Conduct and relevant laws, all staff are required to complete mandatory computer-based training programmes. New recruits are also required to complete within three months of joining the Corporation. Meanwhile, we organised two seminars on "Understanding the Prevention of Bribery Ordinance and Code of Conduct" in March 2018. A speaker from the Hong Kong Independent Commission Against Corruption was invited to share details of the Prevention of Bribery Ordinance, explain common loopholes for corruption and provide tips to prevent corruption and conflicts of interest. Key points and updates on the Code of Conduct were also discussed.

The Corporation has also formulated a "Sexual Harassment Policy and Handling Procedures" that staff can access in the intranet. To reinforce colleagues' understanding of sexual harassment and the relevant ordinances, we organised three seminars about "Preventing and Handling Sexual Harassment" in 2018. The seminars aim to raise awareness on preventing sexual harassment in the workplace to enable staff have a general understanding of the definition of sexual harassment, the prohibited grounds and unlawful acts under the ordinances.

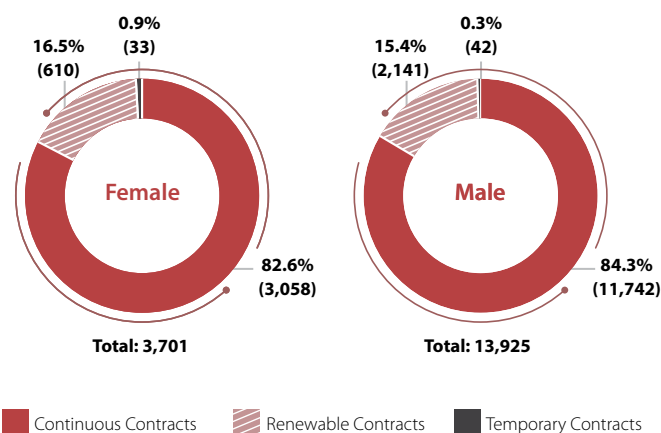
BREAKDOWN OF FULL-TIME EMPLOYEES BY LOCATION



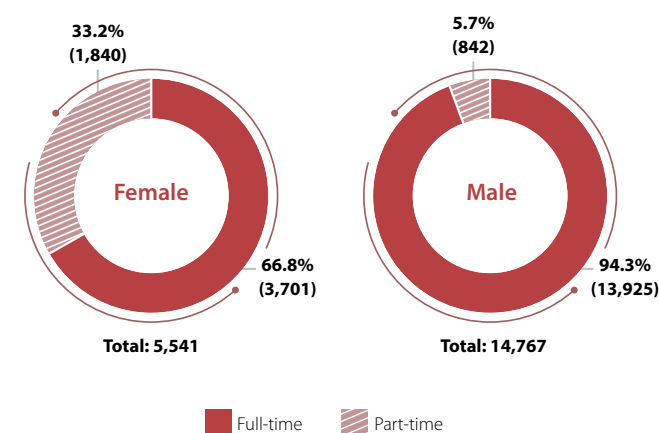
GENDER DISTRIBUTION OF WORKFORCE BY LOCATION (FULL-TIME EMPLOYEES)



BREAKDOWN OF FULL-TIME EMPLOYEES BY EMPLOYMENT CONTRACT AND GENDER IN HONG KONG IN 2018



TOTAL WORKFORCE BY EMPLOYMENT TYPE BY GENDER IN HONG KONG IN 2018



We believe open communication and ample staff consultation are crucial to building a healthy and amicable relationship with mutual trust and respect in all organisations. Our employees are encouraged to raise any issues, concerns or grievances without fear of reprisal through various communication channels. We also acknowledge the importance of empowering our employees, and advocate innovative decision making and problem-solving.

To align our international subsidiaries and operations with our culture and values, a global HR strategy was developed comprising three key pillars: Human Capital Mobility and Development, Talent Management, and Corporate Culture Development.

Nurturing Corporate Culture

The Corporation strives to foster a strong corporate culture in line with our Vision, Mission and Values (VMVs). In February 2018, we launched a new campaign "Strengthen Our Culture" to instil a stronger corporate culture on four key areas through a series of staff engagement initiatives.

Focusing the four key cultural focuses, we organised activities including online games, skills-based workshops, topical seminars, and cross-divisional collaboration opportunities to inculcate staff to adapt to emerging global trends and respond to the escalating stakeholder expectations. For instance:

- identified more than 100 Divisional Champions / Unit Ambassadors in various Divisions, cascade culture messages to all levels of colleagues, through experiential learning activities, group discussions and ideas sharing
- organised roadshows in various depots via promotion task force in different departments to invite colleagues to participate in the "Culture Miles" which includes playing online games and watching self-learning videos
- organised cross-divisional workshop themed "Fast-tracking Digital Advertising Projects" with an aim to embrace "Collaboration" and "Agility to Change". During the workshop, eight proposed improvement initiatives were suggested for consideration by relevant departments.
- conducted a number of topical seminars by external speakers who share their innovation journey to foster "Effectiveness & Innovation" and encourage colleagues to demonstrate the desired behaviours

- launched our first-ever collaboration music video, MTR People Around the World, with an aim to promote "One Team" spirit in MTR for connecting and growing communities around the world



Every year, we are glad to see the creativity, teamwork, innovative, and problem-solving skills of our employees through the improvement projects submitted by our Work Improvement Team (WIT). Under the theme "Innovate Today; Shape Tomorrow" this year, our WIT teams around the world submitted over 1,500 work improvement projects. At the annual WIT Presentation Ceremony in June 2018, seven amazing WIT teams from Hong Kong and Mainland of China presented their projects where the WIT spirit and the value of individual contributions to the success of the project were highlighted to inspire those in attendance. In addition, a WIT projects sharing session by three international business hubs, including London, Stockholm and Melbourne, was introduced into the event for the first time this year.

STRENGTHEN OUR CULTURE FOR EXCELLENCE AND GROWTH



To encourage the use of technology to boost innovation and effectiveness, we ran our first-ever Robotic Process Automation Contest in May 2018. Each participating team brainstormed and tried out innovative ideas to automate a repetitive and tedious work process. An overwhelming response of over 40 proposal submission was received from various departments and six teams were shortlisted for the one-and-a-half days of exciting final round competition.

The Corporation highly appreciates staff members who have shown commitment, outstanding performance, and have demonstrated MTR values in their daily operations. We continue to recognise achievements of our colleagues with different awards. For example, we recognise dedicated and loyal colleagues with the MTR Grand Awards for Outstanding Contribution and the Long Service Awards. This year, 12 teams were presented with the Grand Awards for their remarkable contribution and more than 900 colleagues were recognised for their long service of 20, 30 and 40 years. The Rail Gen 2.0 New Customer Experience – Digital Transformation Team won the Top Award for recognition of their creative efforts to make passengers' journeys more personalised and convenient through innovative digital tools. To express our gratitude for colleagues' demonstration of corporate culture, four Cultural Focus Awards were introduced to acknowledge those who have exhibited the key aspirations of our corporate culture: Participative Communication, Effectiveness and Innovation, Collaboration, and Agility to Change.

Staff Consultation and Communication

To build an engaged and stable workforce, open and two-way communication is crucial to avoid misunderstandings among employees at different levels. We value staff opinions which enable us to make proper and prudent decisions. We encourage participative communication between employees from around the globe. To maintain open and constructive dialogue between employees and management in Hong Kong, we have a well-established two-tier Staff Consultation Mechanism comprising the Staff Consultative Council and 42 Joint Consultative Committees, through which over 900 elected staff representatives discuss issues of common concerns with management. Regular meetings were also conducted with seven staff unions to monitor staff sentiments and ensure correct understandings. A revamped platform for the "Enhanced Staff Communication Programme" was also launched during the year to facilitate the communication of corporate messages by line managers.

In September 2018, we launched the MTR Express digital news platform to provide colleagues with more timely news and a richer variety of content that they can access almost anywhere, at any time. Along with the regular content contained in the monthly MTR Express newsletter, the new platform also includes additional features and function, including videos and links to MTR's social media channels. The launch of the MTR Express digital news platform is an important step forward for efficiency and innovation in our staff communication. The new platform will fully replace the print edition of the MTR Express by the second quarter of 2019.

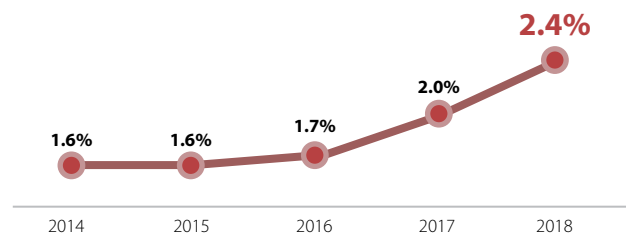
To encourage participative communication within workforce, we encourage our staff to strengthen their communication skills. This year, we organised an experimental learning activity "Lunching in the Dark" to help participants reflecting on their own effectiveness in listening. Two visually impaired guest speakers from Dialogue in the Dark shared their personal experience and gave tips on active listening skills, speaking constructively, and avoiding barriers in communications.



Recruitment

In support of our commitment to providing equal employment opportunities and an inclusive workplace, we assess all potential candidates solely based on their experience, skills, qualifications, competence and performance. In Hong Kong in 2018, we were pleased to continue our collaboration with The Hong Kong Council of Social Service, the Ebenezer School and Home for Visually Impaired and local universities to provide summer internship programmes for 11 university students with disabilities or special educational needs. We also employed 415 individuals with disabilities, representing 2.4% of our full-time employees.

PERSONS WITH DISABILITIES EMPLOYED IN HONG KONG



We were honoured to receive the “Friendly Employment Award” by the Labour and Welfare Bureau. This award recognises MTR’s participation of the Talent-Wise Employment Charter and Inclusive Organisations Recognition Scheme as well as the launching of a pilot internship programme partnering with the Ebenezer School and Home for Visually Impaired to promote the employment of persons with disabilities and to create an inclusive workplace.

To ensure business continuity, we are committed to developing young talents in order to build a pipeline of skilled and experienced professionals to cater for future operational needs. We continue to offer various **apprentice training schemes** to equip young recruits with hands-on experience and familiarise themselves with different departments, working on assignments and projects under the coaching of experienced supervisors. This year a total of 178 graduates including 23 Graduate Engineers, 125

Apprentices and 30 Technician Associates successfully completed their training schemes and became railway engineering and maintenance professionals.

In addition, 23 graduates joined our **graduate development programmes** in 2018 to develop their career along general management and professional expertise paths. They will undergo 3-year development programme including job rotations, project-based assignments, mentoring, etc., which prepare them to take up future managerial and leadership positions in the Corporation.

Staff Training and Development

MTR always recognises employees as our invaluable asset and strength to ensure our smooth operation and business sustainability. We provide a wide range of training and development opportunities for different levels of staff to support and excel their professional development.

This year, Learning & Development Department offers 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. Besides traditional classroom training, multiple learning platforms including experiential learning, experience sharing and mobile learning platform are also available to help staff develop new skills, acquire knowledge and improve their performance.

Furthermore, a series of management training programmes is available to cater training needs of employees from different area and career stage. For instance, “Executive Continuous Learning Programme”, “Integrated Staff Development Programme”, “Skills Progression Scheme”, etc.

Every year, we provide an extensive Corporate Familiarisation Programme for Trainees to allow them to gain an in-depth

understanding of MTR’s culture, businesses and frontline operations. This year, a comprehensive programme was organised for new trainees from various intakes, including sharing sessions, site visits and team-building activity to get the future leaders ready to grow with the rapidity of the corporate businesses while upholding second-to-none quality performance.

In view of the manifold knowledge portfolio and working patterns of our staff, we adopted a flexible approach to cater for individuals’ needs and learning patterns. For instance, the launch of our new Operations Training Department (“OTD”) Learning Station allows staff to access training materials covering a variety of topics from specific train and station information to risk management and railway safety. Staff can access the OTD Learning Station through desktop computers and mobile devices, providing staff with high flexibility to learn anytime and anywhere.

We also identify suitable platforms for staff to share valuable experience and latest technologies. In April 2018, awardees of the “MTR Young Engineer – Insurance Award” held a sharing session with MTR colleagues about their interesting experience, both technical and non-technical, during visits to France and Germany. This bi-annual award offers the finalists an opportunity to broaden their engineering spectrum via week-long overseas site visits. Colleagues from Infrastructure Maintenance and Technical & Engineering Service departments paid a visit to Guangzhou Metro Corporation in May 2019 to learn from their successful experience in modifying the Overhead Catenary System to Overhead Rigid Conductor Rail. An experience sharing workshop between MTR and CRRC Qingdao Sifang Co. Ltd, the manufacturer of the nine trains procured for High Speed Rail services, was conducted with the purpose of exchanging high speed train information and exploring opportunities for future cooperation. To further achieve high reliability and stability for the Ngong Ping Cable Car, Ngong Ping 360 sent engineers to Italy, Germany and Switzerland to exchange ideas with the cable car manufacturer and to learn and incorporate new skills into their daily maintenance works.

A team of young MTR engineers received the Grand Champion Award at the Young Professionals Exhibition & Competition 2018 organised by the Institution of Engineering and Technology. The team was honoured for their work and development of a 4th generation vibration sensor for railway data analytics. One of the team members joined us as a graduate engineer who first received exposure to railway analytics through her time on job rotation. She became involved in the measurement and monitoring of train vibrations and sought to improve the accuracy and performance of the sensors. This award demonstrates the potential of our young talent that the Corporation is keen to unlock and develop for all our young recruits in our talent pipeline.

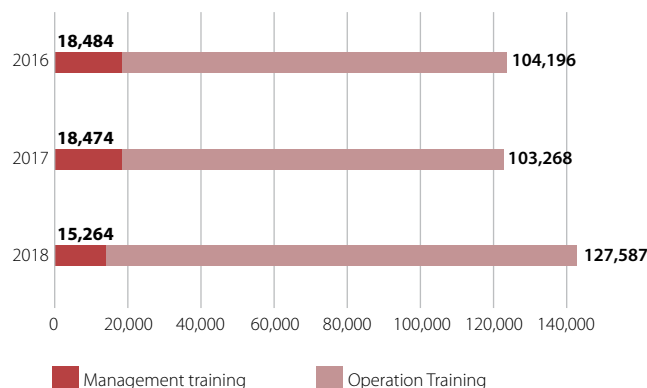
Apart from knowledge building, we also offer opportunities to develop staff's personal attributes. Our Leadership Development Programme invited 66 supervisors from the Permanent-way Team of Infrastructure Maintenance Department to take physical and mental challenges in November and December 2018. Participants tackled the difficulties in the mountains and at sea and every one of them showed courage and team cohesion to step out of their comfort zone. The Programme helped strengthen bonding of the team and exploit members' leadership potential, inner strength and perseverance.

We are pleased that our training and development efforts are continuously recognised by external parties. The Corporation was honoured to receive the "Manpower Developer – Grand Prize Award" at the award presentation ceremony for the "Employees Retraining Board (ERB) Manpower Developer Award Scheme 2017-2018" to recognise the Corporation's efforts and commitment to training and development as well as nurturing professionals for MTR's continuous business development. In addition, our Learning Organisation's innovation skills training programme "Let's Innovate! – Unleashing Innovative Potential of railOvators" received the Gold Award in Excellence in Learning (Best Unique / Innovative Learning and Development Programme) presented by Brandon Hall Group, a global human resources research and analysis firm in the United States. The programme facilitates frontline colleagues to learn different innovative tools and techniques, and upskills them to adopt new ways of problem solving to enhance business efficiency.

AVERAGE TRAINING DAYS PER EMPLOYEE

Locations / Lines	Days
Hong Kong	8.2
Shenzhen Metro Line 4	8.7
Melbourne's Metropolitan Rail Services	7.1
Stockholm Metro	2
Stockholms Pendeltåg	2.2
Stockholm's MTR Express	1.5
TfL Rail/Elizabeth Line	19.7

TOTAL STAFF TRAINING IN HONG KONG (MAN DAY)



Work-life Balance

We always place high emphasis on the health and well-being of our staff. In July 2018, we further extended the maternity leave and paternity leave for eligible employees in Hong Kong to 14 weeks and 5 days respectively on full pay to enhance the well-being of our staff.

We fully support and encourage our staff to maintain work-life balance by organising recreational events and activities for staff to enjoy with families and friends throughout the year such as wellness workshops, sports events and singing contests. We are especially delighted to see the MTR Dragon Boat Team achieved great success in a number of competitions this year. For example, the team won the championship, 1st runner-up and 2nd runner-up in the Mixed Invitational Tournament in the 2018 Sha Tin Dragon Boat Races, the championship of the Golden Charity Cup and 1st runner-up in the Honorary President Cup in the Aberdeen Dragon Boat Race Competition. The MTR rowing team also achieved excellent results in the Hong Kong Indoor Rowing Championships & Charity Rowathon 2018, the largest indoor rowing tournament of the year. The team won the championship, and finished as first runner-up or second runner-up in the women's relay, the men's relay and the 30-minute charity long-distance race for industrial and commercial institutions. Our colleagues from the Operations Division also formed a team and joined a 7-a-side Football Tournament held by the Hong Kong University Engineering Alumni Association in April 2018. With great passion and spirit, the team won every match in the group stage and got into the final, eventually finishing as the 1st runner up among 11 teams.

Taking a stroll together with your family is an easy and effective way to stay healthy and spend quality time together. In October 2018, we held the Health Walk 2018 at Science Park where participants enjoyed a 3 km walk together with family members, friends and colleagues. Before commencement, certificates and prizes were handed out to the winners of "Everyone is a Safety Leader" Colouring Contest for the children of staff.

Ngong Ping 360 held a "Wellness Dance x Positive Team Power Workshop" over four consecutive days to give colleagues an opportunity to get out of the office and exercise, through dancing. This workshop sought to induce a happy mood and foster positive energy among staff. Ngong Ping 360 also organised the first Movie Screening in May to convey the spirit of "Happy Work, Happy Life". Colleagues and their relatives and friends were invited to watch a popular movie for free at Olympian City.

Sense of MTR Community

We strive to build a connected workforce by developing strong ties among our employees through team building workshops and other initiatives. For example, members of the Materials & Stores Department organised two BBQ lunches where a total of six teams of seven to eight people participated in a cooking competition. Participants were able to enjoy the seaside view while engaged in friendly rivalries to show off their cooking skills. The contest also allowed members to build team spirit and to know each other through a relaxed and socialising activity.

As a member of the MTR community, we wish to support and take care of our employees through the important life transition to retirement. Our "We are MTR" initiative demonstrates our gratitude and helps us forge stronger connections with our retirees. At the "We are MTR" celebration lunch on 18 July, more than 160 retiring colleagues gathered together with senior management to share their happy memories. During the occasion, a Kung-Fu exercise was undertaken to encourage and remind retirees to maintain healthy lifestyles. Senior Management also shared a sincere message of thanks to those in attendance

for all their hard work and dedicated contributions to the Corporation. Following the launch of the High Speed Rail service, two visit sessions to the Hong Kong West Kowloon Station were organised for retirees in September with an aim to strengthen networking and communication. During the session, the retirees had an opportunity to experience the new station facilities and services of High Speed Rail, and were invited to attend a subsequent briefing session about the Corporation's current overseas business.

We are proud of being one of the most popular employers in Hong Kong, recognising our ability to appeal to and retain talented and skilled individuals. The Corporation was awarded the first runner-up in Randstad Group's "Hong Kong's Most Attractive Employer 2018", marking the sixth consecutive year we have been included in the top five and appeared in the top two for five years. The Award measures the overall brand awareness and attractiveness of Hong Kong's 75 largest employers based on an independent online survey capturing the opinions of over 4,200 local respondents. Over the past year, our voluntary staff turnover rate remained low at 4.7% in Hong Kong; while our average length of service of our employees was 13.1 years, which reflects our ability to attract and retain skilled and experienced people.

VOLUNTARY TURNOVER RATE BY LOCATION

Locations / Lines	%
Hong Kong	4.7
Shenzhen Metro Line 4	7.7
Melbourne's Metropolitan Rail Services	7.4
Stockholm Metro	4.9
Stockholms Pendeltåg	6.1
Stockholm's MTR Express	15.5
TfL Rail/Elizabeth Line	4.5



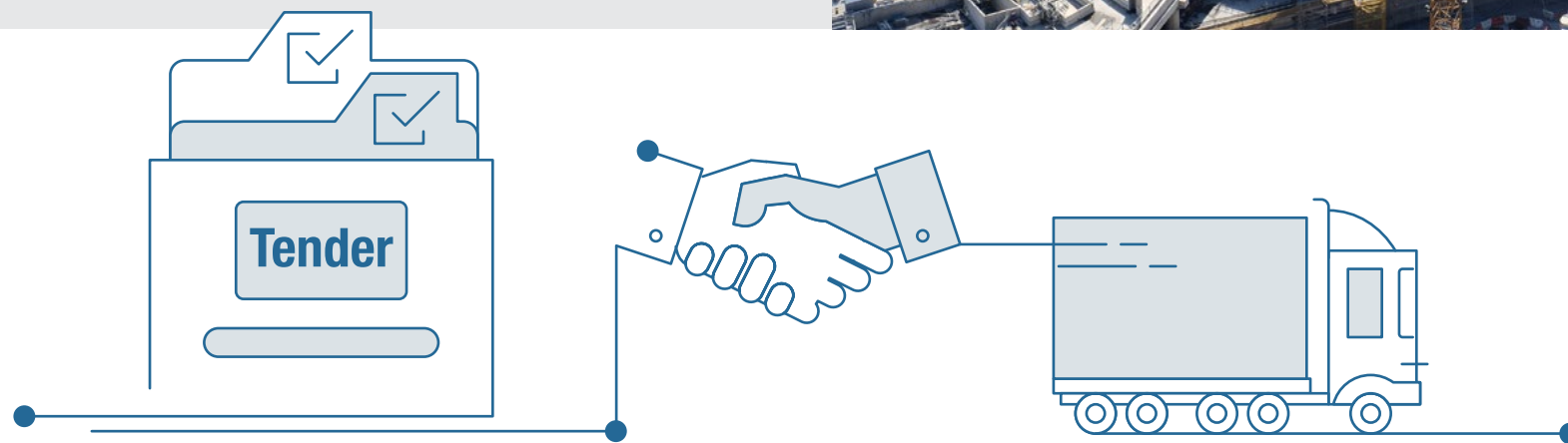
RESPONSIBLE PROCUREMENT

Managing Our Supply Chain

Our operation connects us to a wide range of stakeholders along the value chain. Committed to responsible and sustainable operations, we 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 which requires all employees to observe the highest standards of business integrity and to comply with relevant laws and regulations.

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.

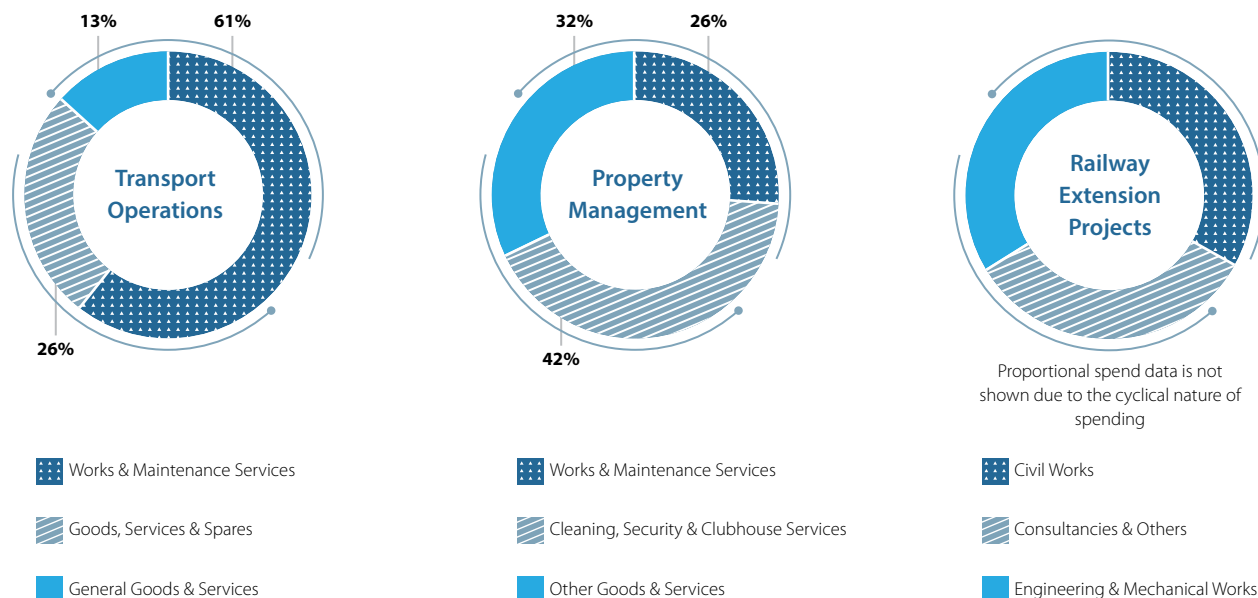
Please refer to our [sustainability website](#) for details on our overall approach to managing supply chain.



Supply Chain Assessment

We understand that products and services delivered by our suppliers may impact the quality of the services we provide as well as the infrastructures we build. To meet our high quality standards, we have developed a comprehensive set of supply chain assessment procedures to evaluate suppliers' performance. The following diagrams show the breakdown of our spending on products and services during 2018. Based on the procurement category as a proportion to their total spend, we assess three separate groups of suppliers for transport operations, property management and railway extension projects.

PERCENTAGE OF SPENDING BY MAJOR CATEGORIES IN 2018



Supplier Engagement

We believe maintaining effective bilateral communication with our diverse suppliers, contractors and consultants allows us to cultivate a sustainable value chain. Therefore, we actively engage our supply chain partners and support them to adopt and implement best sustainable practices beyond compliance.

Collaboration

MTR is one of the founding members of the Sustainable Procurement Charter launched by the Green Council in 2018. The Charter encourages signatories to develop, document and implement sustainable procurement practices with reference to the ISO 20400:2017 Sustainable Procurement Guidelines. There is also sharing of best practices through regular meetings and sharing sessions to promote sustainable procurement.

Enhancement Initiatives

To further enhance our procurement and supplier management practices, we have initiated a study to review our current approach to responsible procurement in 2018. The review covers studying and benchmarking our current approach and provision of improvement plans in relation to our procurement activities. A supplier mapping and risk assessment exercise will be conducted using ESG criteria to identify high risk suppliers and define the possible requirements and management actions that can strengthen our procurement practices.

Graduate Trainee Programmes for Our New Lines

To tackle the shortage of skilled construction workers faced by our railway extension projects, we initiated the Shatin to Central Link Contractors Cooperative Training Scheme ("SCL CCTS") in 2012. SCL CCTS aims to provide training and internship opportunities for various trades in the construction industry and requires all civil works contractors for the SCL to recruit a specified number of trainees, providing them with training and offering 12-month employment contracts to those who have passed relevant trade tests. As at the end of 2018, 764 trainees have received the training, with 520 of them completed the programme and resumed their careers in various trades including tunnel workers, carpenters and steel fixers.

Awards for Excellence in Quality, Safety, Environmental Management & Stakeholder Engagement

Launched in 2010, this annual awards scheme serves to commend and encourage good performance of our main contractors and subcontractors, and to promote continuous improvement during the delivery of new railway projects in Hong Kong.

The Gold winners in 2018 for different award categories are:

Award Categories		Winners	
Gold Quality Award	Civil	Dragages-Bouygues Joint Venture	Contract 1128 South Ventilation Building to Admiralty Tunnels
	Building Services and Electrical & Mechanical	Gammon E&M Limited	Contract 1164 Building Services for Diamond Hill Station
Gold Safety Award	Civil	Penta-Ocean - China State Joint Venture	Contract 1121 North South Line Cross Harbour Tunnels
	Building Services and Electrical & Mechanical	Gammon E&M Limited	Contract 1164 Building Services for Diamond Hill Station
Gold Environmental Award		Vinci Construction Grands Projets	Contract 1122 Admiralty South Overrun Tunnel
Gold Stakeholder Engagement Award		Leighton - China State Joint Venture	Contract 1123 Exhibition Station and Western Approach Tunnel

Initiatives at Our Subsidiaries

On-Board – Annual Supplier Day at MTR Crossrail

MTR Crossrail organised a supplier day “On-Board” annually to build closer and stronger ties with supply chain partners and, most importantly, to connect local supply chain with Small and Medium Enterprises. In 2018 event MTR Crossrail shared its challenges with key suppliers and provided participating organisations with a chance to introduce their businesses while gaining a deeper understanding of MTR Crossrail’s operation. This year, 16 existing and potential partners and suppliers attended the event where key projects and challenges were discussed covering sustainability topics including sustainable employment, environmental reporting, equality and diversity, waste management and so on.



COMMUNITY INVESTMENT

Connecting Communities

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. The use of our convenient and efficient mass transit railway services greatly reduces the reliance on road traffic and thus alleviates roadside emissions and noise problems.

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. Riding on our successful experience in enabling local progress, we also connect distant communities through our inter-city railways.

For details on our approach to community investment, please refer to our [sustainability website](#). For more on how we enable progress in communities along our railway lines, please refer to our [Annual Report](#).



High Speed Rail, Hong Kong

After 10 years of hard work and dedication, we are proud and excited to have commenced passenger service on the **Guangzhou-Shenzhen-Hong Kong High Speed Rail (Hong Kong Section) ("HSR")** on 23 September 2018. The 26-km HSR runs from the station in West Kowloon, heading north to the Shenzhen / Hong Kong boundary, where it connects to the national HSR network of over 29,000 km in length, reaching a large number of cities in the Mainland of China including a total of 44 short- and long-haul destinations without the need for interchange. The new cross-boundary HSR service significantly reduces journey times and cost for travelling between Hong Kong and major mainland cities, bringing a brand new travelling experience to passengers and generating positive impact on the city's socio-economic development and cultural exchange through enhancing Hong Kong's connectivity with the Greater Bay Area and beyond in the Mainland of China. During the initial period of operations at Hong Kong West Kowloon Station, we assigned a special task force to handle issues to smoothen passenger flow and ease queuing arrangements. As of December 2018, about 5.3 million passengers travelled on HSR.



Shatin to Central Link, Hong Kong

The 17-km SCL is a strategic line that extends the existing Hong Kong rail network to form an East West Corridor and a North South Corridor. In addition to enhanced connectivity, SCL aims to alleviate congestion pressures on existing rail lines and on the road. It is forecast that the lines will serve an estimated residential and working population of 640,000 and create HK\$4.1 billion worth of transport benefits per year. The project will enhance 11 community facilities and upgrade the existing railway systems including 15 new pedestrian walkway systems to improve the walking environment in the neighbourhood. The project continues to make progress, with all 11 immersed tube tunnel pre-cast units successfully installed in Victoria Harbour in 2018. Please refer to the [SCL project website](#) for details.

Please refer to the [sustainability website](#) for more information regarding incidents surrounding the SCL construction works.



Taipa Line, Macau

We have been awarded the operations and maintenance contract for the Macau Light Rapid Transit ("LRT") Taipa Line in April 2018. Being the first rapid transit system in Macau, Macau LRT serves to provide residents and visitors with convenient, reliable and environmentally friendly mass transport services. The 9.3 km Taipa Line will serve 11 stations connecting major spots such as the Cotai area and Taipa Ferry Terminal and is expected to commence services in 2019. Please refer to [MTR \(Macau\)'s website](#) for details.



Melbourne's Metropolitan Railway, Melbourne

Metro Trains Melbourne successfully secured a new seven-year contract to continue to operate [Melbourne's metropolitan railway](#). Metro Trains Melbourne also received the Operator Excellence award in the National Infrastructure Awards in Australia to acknowledge the dedication and expertise of the MR4 Project Team.



Elizabeth Line, London

Having been operating the Transport for London's ("TfL") Rail Service in the east of London for the past three years, we have extended our network to the west of London as well. Our MTR Crossrail commenced passenger service on the Paddington Station to Heathrow Airport route in May 2018 under the TfL Rail brand. TfL Rail services will become part of the **Elizabeth line** when it opens through central London. Upon completion of the tunnel section in central London, the Elizabeth line will extend to 118 km from Reading in the west to Shenfield and Abbey Wood in the east, connecting 41 stations and expecting to serve around 200 million people each year. The Elizabeth line will redefine transport in London with quicker, easier and more accessible journeys, which will add 10% to central London's rail capacity. Since operated in 2015, MTR Crossrail has increased the Public Performance Measure Moving Annual Average from 91.2% to 96.5%, indicating it is consistently one of the most reliable rail services in the United Kingdom.



Investing in Communities

As an integral part of our communities, we strive to create a vibrant civil society through proactive community investment. In parallel with our enduring efforts to build infrastructure for tomorrow, we leverage our assets, skills and resources to connect, grow and support communities.

In 2018, our Hong Kong staff contributed a total of 36,981 volunteer hours for 292 projects under the "More Time Reaching Community" Scheme, while the Corporation offered in-kind donations valued at HK\$ 26 million and invested HK\$ 28 million in support of diverse social segments including children, youth, elderly and underprivileged groups. Through our extensive community initiatives, we contribute to creating a positive and inclusive environment where individuals can thrive and enjoy a quality life.

Community Connect

"**Community Connect**" is our corporate platform supporting everyone from the young to the old through an array of social initiatives. Embedded in all the programmes is our dedication to fostering the communities we serve, so as to grow and thrive together in a sustainable Hong Kong. Specifically, our efforts focus on three core areas:

- investing in young people as they are our customers, future leaders, innovators, and game changers – supporting their development is an investment in our communities' futures
- contributing to making cities more connected and vibrant through staff volunteering and collaborating with non-governmental organisations (NGOs) and social enterprises to address evolving community needs
- enhancing the travelling experience through integrating art into our station architecture and facilitating artists to stage their art-related activities or displays in our stations and malls

Community Investment Programmes

Children

- Budding Station Master Programme
- MTR x People On Board: MTR Safety Experience Zone
- MTR x HKRep: Master of Railway Safeway "Railway Safety School Tour Programme"

Youth

- STEM Challenge
- 'Train' for Life's Journeys
- Youth Forum
- Uth Live Saturdays
- Pathways to Employment
- Hong Kong Athletes Career and Education Programme - Life Skills Programme

Elderly

- MTR x RTHK Elderly Programme
- Elderly Talks
- Elderly Ambassadors
- 18 Districts x MTR Ngong Ping 360 Elderly Programme

Leveraging Our Skills and Assets

- Art in MTR
 - Station artworks
 - Space for art exhibitions
 - Art events in MTR Malls
 - Community Art Galleries
 - Living Art Stage
- More Time Reaching Community Scheme
- Advertising space for NGOs
- MTR Shops NGO and Social Enterprise Support Programme

Community Investment Programmes

Children

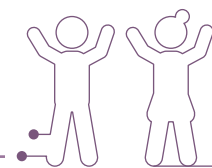
Budding Station Master Programme

We relaunched our Budding Station Master programme in November 2018, under which selected stations host behind-the-scenes tours for children, who act as station ambassadors handing out safety messages and gifts.



MTR x People On Board: MTR Safety Experience Zone

A new initiative to give children safety tips is the interactive MTR Safety Experience Zone, which was launched in March 2018 at Tsing Yi Station. This is a collaboration between MTR and People on Board (POB) Social Enterprise. In addition, MTR sponsored POB to participate in the Hong Kong Book Fair 2018 with a pop-up Safety Zone in August 2018. The safety zone programme has welcomed more than 43,500 children who role played train captains to learn about platform safety, escalator safety, proper use of lifts and good behaviour on trains.



Youth

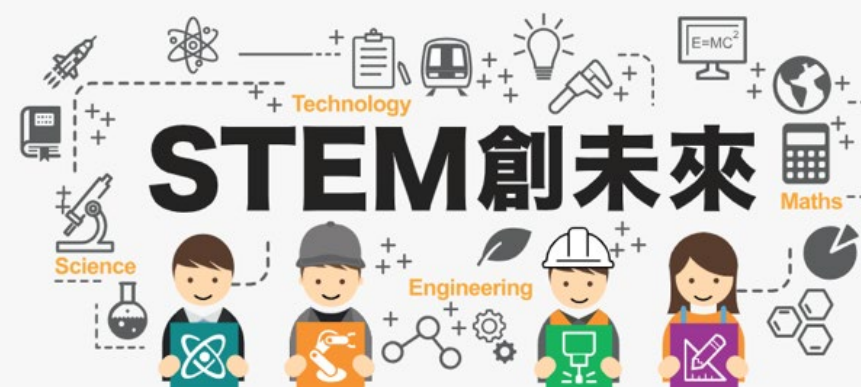
STEM Challenge

Launched in September 2017, our “STEM Challenge” programme aims to cultivate curiosity and heighten interest in STEM (Science, Technology, Engineering, and Mathematics) subjects amongst secondary school students. Using examples from our railway system, the programme illustrates the application of STEM subjects in our daily lives and offers students an opportunity to apply their creativity and technical skills to address real-world challenges. Between September 2017 and February 2018, our colleagues delivered talks to some 7,500 secondary schools students and shared the ways that STEM principles have been incorporated into the planning, construction and operations of our railway system. The talks received a positive response with over 95% of teachers agreeing that the talks enhanced students’ knowledge and application of STEM knowledge. Students were also invited to attend CAD drawing and 3D printing workshops. Under the theme of “Inclusive and Sustainable Communities”, we received 57 proposals, 14 teams were shortlisted to present their ideas and 3D-printed models to the judging panel on the inaugural Pitch Day. The three best performing teams were given an opportunity to join a study tour to Sweden in Summer to visit MTR’s railway operations and learn more about local sustainable development.

The STEM Challenge was launched again in September 2018 for the second year with the theme of “Innovation for Sustainable Infrastructure”. By equipping the next generation with STEM-related skills and knowledge, we hope to empower the youth to create a brighter future for themselves and the communities.



2018 / 2019



Youth

'Train' for Life's Journeys

Our ongoing youth summer programme "Train' for Life's Journeys" marked its 10th anniversary with over 200 participants from Form Three to Five students in 2018. Under this programme, we supported students in their career and life planning, and whole-person development through challenging themselves, learning about our operations and sampling various roles with the Corporation. Students were able to strengthen their confidence and interpersonal and leadership skills, and had a better understanding of their career preferences after participating in the eight-day programme including overnight camps, interactive workshops, community service and job tasting at MTR as well as receiving guidance from MTR's mentors. About 98% of participants said they would recommend this programme to their peers.

**Uth Live Saturdays**

In summer 2018, "Uth Live Saturdays" was introduced with an aim to foster the development of performing arts amongst young people. Collaborating with the Hong Kong Federation of Youth Groups, we invited young performers such as music bands, dance troupes and cappella groups to showcase their talents at the Living Art Stage in Hong Kong Station every Saturday from 2 to 3 pm. Through transforming Hong Kong Station into a performing arts stage for the youth, we hope to unleash the full potential of youth and bring about a fun-filled and energetic performing arts stage to showcase their talent every Saturday.



Elderly

MTR x RTHK Elderly Programme and Free Journeys on Senior Citizen's Day

MTR has teamed up with Radio Television Hong Kong ("RTHK") Radio 5 to co-organise an annual Elderly Programme for over 20 years. Apart from disseminating safety message to the elderly during the launching ceremony, we invited around 100 senior citizens to visit the Hong Kong West Kowloon Station this year to learn more about the High Speed Rail service. As a token of appreciation to the contributions of senior citizens, we continue to support Senior Citizen's Day by offering free rides on the MTR, the Light Rail and MTR Buses to Elder Octopus cardholders aged 65 or above.

**18 Districts x MTR Ngong Ping 360 Elderly Programme**

MTR continued to run the 18 Districts x MTR Ngong Ping 360 Elderly Programme starting from October 2018. This year, the programme expects to invite over 12,000 elderly people, through 18 district councils, to enjoy free cable car rides and lunch in Ngong Ping Village, with interactive games designed to reinforce their awareness on railway safety.



Leveraging our Skills and Assets

More Time Reaching Community Scheme

We are dedicated to supporting the sustainable development of the communities we serve. Along with our continual efforts in community engagement and development programmes, our employees have long contributed their own time to participate in volunteer activities. To consolidate our efforts to better support the community, we launched the “More Time Reaching Community” Scheme in 2005 to provide funding and support for our staff volunteers to organise community projects.

In 2018, a total of 292 volunteering projects were initiated and organised by our staff and retiree volunteers, covering a wide range of areas such as environmental protection and community empowerment. Involving more than 5,600 participating volunteer headcount comprising staff and their families and friends as well as retirees, benefited over 61,000 people including individuals with mental and physical challenges, underprivileged families, children, the youth and the elderly. As a public recognition of our commitment to caring for the community, our employees and the environment, MTR was awarded the “10 Years Plus Caring Company Logo” for the fourth consecutive year.

Some of our 2018 volunteering projects include:

• BeneFISHiaries – Fresh Fish Donation Project

In December, we donated about 1,400 kg of Tilapia and Grass Carp caught from the MTR managed Lok Ma Chau Wetland to Food Angel. These fishes were stocked to serve as food for birds in the wetland and used to control aquatic vegetation and the water quality of the wetland. Fish that had grown too large for birds to consume were caught and delivered to Food Angel. With assistance from our volunteering team, about 8,200 hot meals were prepared using the donated fresh fish and distributed to the community through meal box delivery and as dine-in hot meals. About 120 senior citizens enjoyed the nutritious hot meals at the Food Angel Community Centre. Our fish donation to Food Angel is a “win-win” achievement as we share the fruitful result of the wetland conservation with the community while maintaining the ecological balance of the fish ponds.



• Youth RunOurCity Programme

We sponsor the RunOurCity to provide free running training classes for secondary school students from districts all over Hong Kong to support the younger generation and strengthen community connections. Together with MTR volunteers, students ran into three districts including Sheung Shui, Kowloon City and Wan Chai and visited elderly centres in those districts. Participants shared information on the benefits of regular exercise, conducted stretching exercises with the elderly and distributed souvenirs to them to show their care for the elderly.

To enhance the leadership and event management skills of volunteer project leaders, “Volunteer Project Leader Training Workshops” were organised in March for the first time. Through a series of practical activities including a brief lecture, role play, games and case studies, participants had a better understanding on the roles and responsibilities of a project leader, which helped them organise future volunteering services effectively.



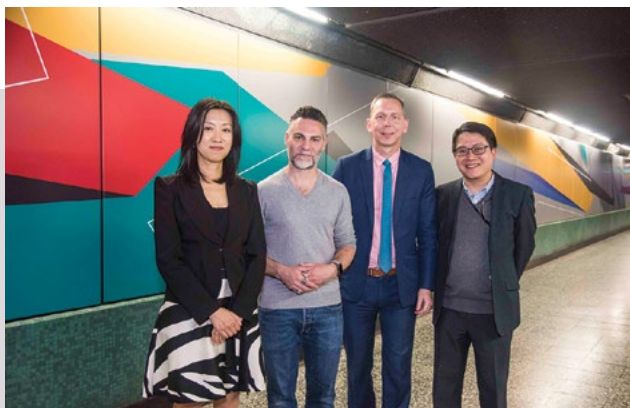
We would also like to express our gratitude to the Corporate Community Involvement Team (“CCIT”) for their outstanding achievements and contributions in volunteering services in the early years. The team was formed in 1993 by a group of caring colleagues to organise volunteering services to help people in need in the society, which was the foundation of the “More Time Reaching Community” Scheme. The last annual gathering of CCIT held in April marked a perfect ending of their significant achievements and contributions to MTR’s volunteering history. The spirit of the CCIT will live on through the Scheme as we will continually provide colleagues with resources to contribute to the community.



Art in MTR

The "Art in MTR" initiative aims to create vivid and engaging travelling experience as well as inspire customers' life journeys. Since 1998, we have introduced stimulating and attractive artworks, ranging from sculptures to roof hangings and mosaics, into the design of our station architecture. In 2018, we displayed a station artwork "Morning Dynamics" created by a British street artist at the subway near Exit A of the Quarry Bay Station bringing a brand new travelling experience filled with vibrant colours to passengers. We also exhibited upcycled art pieces under the collection "A Green Spring" on display at Entrance/Exit J of Central Station crafted by a local artist and upcycling enthusiast to enhance awareness in the community on waste reduction and environmental protection. The programme has been expanded to all MTR railway lines. At present, 82 works by local and international talents from Australia, Mainland of China, Japan, Malaysia, New Zealand, South Korea, Taiwan, United Kingdom and United States serve as memorable focal points in various stations around Hong Kong.

Artwork "Morning Dynamics" at Quarry Bay Station



We continue to provide space for art exhibitions at Central, Sheung Wan and Sai Wan Stations to showcase outstanding artworks from amateur artists, schools and non-profit-making organisations. The exhibits present diverse media including drawings, calligraphies, photographs and hand-crafted artworks. This initiative serves to support aspiring local artists and encourage public enjoyment of art for a more vibrant society. Besides, there are a total of 62 Community Art Galleries throughout MTR railway system where people from all walks of life and from all parts of the community can utilise our highly popular venues to display their artworks and talents to the community at large.

Following the official launch of the HSR, Hong Kong West Kowloon Station has become a new artistic landmark showcasing six stunning works created by artists from Hong Kong, Mainland of China, France, Morocco, and South Korea. For instance, in the Departure Concourse of the Station, a collection of metal sculpture maps constitutes one of our signature artworks, the "Map of Hong Kong Culture". Writing in Chinese and English, this metal wall captures the ins and outs of Hong Kong history and culture covering people, movies, food, literature, songs and history.



Upcycled art pieces "A Green Spring"



Artwork "Map of Hong Kong Culture" at West Kowloon Station

Advertising Space for NGOs

In 2018, we offered free use of our advertising spaces to over 60 organisations in support of diverse community volunteering and elderly care services. Leveraging our resources and assets, we aim to raise public awareness on important social issues while promoting these organisations and their services to the wider community.

"Train of Attention" App

We have worked with the Innovations in Learning & Teaching Limited (iLT Ltd.) to develop a free multimedia training App "Train of Attention" to support students with attention challenges. Users can visualise and experience what "attention control" is through a train-driving exercise. A test run was developed using South Island Line with very positive feedback from students, parents and teachers. We have provided information of two more railway lines for iLT Ltd. to develop the whole attention training which is targeted to be launched in the first quarter of 2019. iLT Ltd. is a charitable institution with a vision to promote the application of quality assistive technology in facilitating effective learning experience to all learners, particularly to the underprivileged children and youths with special educational needs.

MTR x Hong Kong Red Cross

Employing our extensive network of shopping malls and office buildings, we have hosted the blood donation activities with the Hong Kong Red Cross for more than 15 years. In recognition of our ongoing efforts, MTR was presented with the "GOLD Award of Give Blood Alliance" in 2018. As a responsible corporate citizen, we pledge to continue leveraging our skills and assets to aid persons in need.

Initiatives at Our Subsidiaries

Metro Trains Melbourne

Metro Trains Melbourne has formed a strong partnership with The Salvation Army to help vulnerable and disadvantaged people in their city. This important initiative sees trained volunteers head out onto the rail network and take care of people who are distressed, homeless, intoxicated, drug affected, lost or in need of support. In addition, Metro Trains Melbourne provides 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. To promote a safety culture among students and vulnerable groups, the Metro Trains Melbourne Community Education Unit visited more than 280 schools and 195 community groups, and shared safety tips about trains, tracks and stations in 2018.



MTR Crossrail

At MTR Crossrail, the "Station Adoption Programme" regularly invites primary school students to help us plant and maintain flowers in the flowerbeds at its local rail stations. This partnership encourages community members to take an active role in keeping their local stations and the railway clean and tidy. This year, 16 primary schools in close proximity of TfL Rail stations were invited to participate in the programme.

MTR Nordic

This year, MTR Nordic continued the partnership with My Dream Now to work against youth unemployment and social segregation. A total of 30 staff members took part in the programme mentoring high school students, organising field trips and visiting school classes. To further promote social inclusion, MTR Nordic actively supported the Järvaweek which was a recruitment event at one of the most segregated areas in Stockholm. Under the event, we have created 37 job opportunities for the local community. MTR Nordic also worked with "GeBlod" in Stockholm to recruit blood donors. Mobile blood centrals were set up in the commuter rail network, engaging commuters for blood donation.



My Dream Now



Järvaweek



Mobile blood central

Fundraising and Donations

While employees' active participation in volunteering is the key to our successful community programmes, our staff members also showed support to charitable organisations such as The Community Chest, Hong Kong Cancer Fund and Save the Children by making HK\$ 264,000 donations in 2018.

Some other fundraising and donation initiatives include:

- Home appliances donation to the Neighbourhood Advice-Action Council in Tung Chung for low-income families
- Participation in the Hong Kong 24-hour Charity Pedal Kart Grand Prix organised by the Hong Kong Round Table at Victoria Park and completed a total of 1,285 km within 24 hours by more than 200 colleagues
- Raised more than HK\$180,000 for Oxfam through completing the 100-km route within the time limit of the Oxfam Trailwalker 2018



Our commitments to and collaborative efforts in community investment have been well recognised. The Community Chest granted us the President's Award, the Diamond Award and the 10th Top Fundraiser Award in its Corporate & Employee Contribution Programme 2017/18.



MTR Academy

The **MTR Academy** provides training for young people who are interested in the railway industry to support the development of Hong Kong's professional transportation services. The Academy is keen to share with government officials, academics, industry counterparts and general public about its vision and mission on nurturing future railway executives and professionals. In June 2018, Kwun Tong District Council members visited the MTR Academy to learn more about its facilities, programmes and vision. A group of 56 visitors including top officials of Macau's Department of Education and Youth Affairs (Departamento de Enson) and school principals of secondary schools in Macau also visited the MTR Academy in October 2018.

As a globally recognised railway industry leader, the Corporation has been a trusted advisor for various railway companies and projects around the world. Based on this track record of success, the MTR Academy moved one step further by arranging three training programmes to share insights and best practices with railway executives and managers in March and April 2018, namely the Railway Executive Programme, Railway Professional Programme – Operation Management and Railway Professional Programme – Asset Management. Railway operators and authorities from 10 countries including Australia, Brazil, France, Germany, India, Japan, Malaysia, the Philippines, Singapore and Sweden sent a total of 35 representatives from different levels to attend the five-day programmes. Delegates indicated a high level of satisfaction and gave positive feedback in the programme evaluation, in particular to MTR's open-minded sharing of insights and valuable experience. Delegates were all satisfied with the programmes and 93% of the participants indicated that they will recommend the programmes to others.

During the year, the MTR Academy has expanded its academic footprint to the Philippines in its effort to support the Belt and Road Initiative and reach out to a wider audience. In April, a Memorandum of Understanding was signed with the FEATI University in Manila, whereby the MTR Academy will help the University develop its own training curriculum for railroad professionals and executives, and train instructors as well as support the development of a railway-related module. The Academy's railway-related module will be added into the University's existing engineering programmes at the Bachelor level to educate and train much needed local railway engineering professionals. To further expand its development and reach, the MTR Academy will continue to form strategic alliances with overseas academic organisations and professional bodies.



MTR Corporation Limited

MTR Headquarters Building,
Telford Plaza, Kowloon Bay,
Hong Kong.

Tel: (852) 2993 2111

Fax: (852) 2798 8822

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