

human RESOURCES

The skills, motivation and continuity of our employees contribute to sustain and enhance the high quality and reliability of our operations. MTR's company philosophy and culture enables us to attract, retain and develop high calibre people at all levels, through offering well-structured remuneration, training and career development, as well as a stimulating and caring working environment with open communication for employees, consultants and contractors.

Towards a multi-skilled workforce

With cost considerations to the fore in 2001, much of our efforts concentrated on raising productivity while maintaining high levels of job satisfaction. Staff costs have fallen continuously since 1998 and a hiring freeze is now in place for all but exceptional cases. We have achieved this with organisational restructuring and streamlining, some staff reductions, balanced by the steady development of a multi-skilled workforce encouraged through open and transparent communication, staff redeployment and outsourcing. Hence, we were able to operate the major Quarry

Bay Congestion Relief Works scheme without additional hiring. We have also planned effectively so as to be able to meet the operational manpower needs of the Tseung Kwan O Extension from existing resources. All initiatives have been carried out in a context of mutual agreement and a recognition that the challenges presented also offer opportunities for advancement, helping to ensure continued harmonious labour relations in 2001.

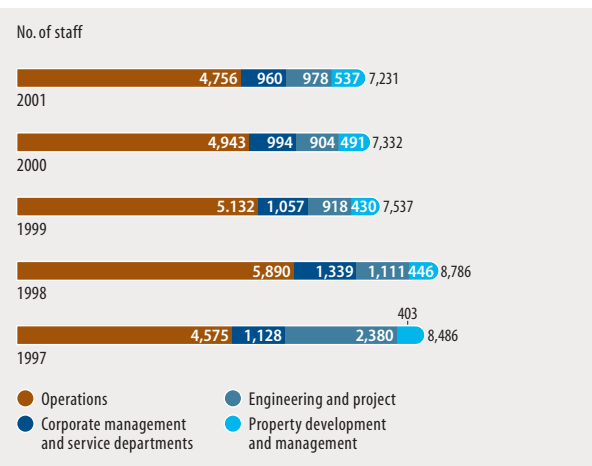
During the year, human resources processes were streamlined with the development of a new Human Resources Management Information System, which will be formally launched in 2002. The training component of our operations has increased. New equipment and a new e-learning centre helped improve the delivery of training in 2001, as did revised training methods. Our Training Departments received ISO9001 and ISO9002 certification, as well as the "International Excellence in Practice Award" from the American Society for Training and Development.

Service, Respect and Value

In line with the Company's development, our Core Values were officially launched during the year, through a series of activities at the corporate and departmental level. The three values of Service, Respect and Value are helping to foster a strong culture of continuous improvement among our people in support of business objectives.

To gauge staff's attitudes and opinions about the Company, in 2001 we conducted our fourth Staff Attitude Survey. This

Total staff strength



Development of a multi-skilled workforce and staff redeployment helped reduce headcounts while maintaining high levels of job satisfaction.



the people that matter

Apart from offering opportunities for staff to develop multi-skills and enrich their work experience, MTR also provides staff activities such as the Christmas Fun Day for families to participate and share the enjoyment.

provided essential input in formulating our future policies and plans while also demonstrating our success in handling the recent changes at the Company following its privatisation and in face of the economic downturn. Our people strongly support the Company and identify with its business and social objectives.

Our achievements were recognised with the "Good People Management Award 2001" being the second consecutive award received from the Hong Kong SAR Labour Department.

Code of Conduct

The Company's recently published Code of Conduct, which was drawn up during the year, formalises the policies and practices that we have developed to deal responsibly with our internal and external stakeholders. Its 12 sections include those covering employees, customers, contractors, the community, as well as health and safety. The Code applies to everyone working at the Company and in 2002 will be the subject of an extensive education campaign designed to ensure a full understanding throughout the organisation. Its aim is to ensure consistently high

standards of care and fair treatment of those involved with MTR. This ranges from fair competition in commercial transactions, through excluding all acceptance or solicitation of advantages and conflict of interests, to a commitment to transparency towards customers.