



Keep Cities
Moving Sustainably



Sustainability Report 2021

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Since joining the MTR Board of Directors in 2019, I have felt an enormous sense of pride in being part of this professional and dedicated team who are committed to delivering on our corporate purpose of “Keeping Hong Kong Moving” and to providing sustainable transportation services to connect and grow the communities we serve.

During the year, we made positive headway to transform the Corporation into a more environmentally and socially responsible company. As a key part of our Corporate Strategy, “Transforming the Future”, we have established three social and environmental objectives – Social Inclusion, Advancement and Opportunities, and Greenhouse Gas Emissions Reduction, which underpin our ten commitments to further embed social and environmental principles within the Corporation to ensure that we deliver value for all our stakeholders. We support social inclusion by committing to provide a safe, affordable and accessible transport system for all, to eliminating discrimination in our people practices and policies and to helping excluded and underserved populations access their fair share of opportunity. We enable advancement and opportunities by empowering our staff, our supply chain partners and the technology ecosystem to grow alongside us as we expand our network. As a low-carbon mass transit operator, we are well placed to make a positive contribution to the fight against climate change. These are all issues that are of high relevance to our business and also topics of concern for Hong Kong and the many other communities we serve. The MTR Board recently approved a set of 35 key performance indicators to gauge and drive our performance in each of these areas, including a gender diversity target for the MTR Board (one of the first numeric targets to be set by a Hong Kong listed company) and the setting of science-based carbon reduction targets for our railway and property businesses in Hong Kong by 2030, with a longer-term goal of achieving carbon neutrality by 2050.

Our new social and environmental objectives will direct the Corporation’s future environmental, social and governance (ESG) investments and efforts in a more focused manner. To this end, we have commenced a study to develop an ESG investment framework through which the Corporation will plan, assess, evaluate and monitor all our ESG related investments. The study will help us formulate a broader set of assessment criteria to make ESG a key consideration in our overall financial investment decision making process, enabling us to allocate financial resources to suitable ESG initiatives effectively.

To further strengthen Board governance on environmental and social issues, the Board level Corporate Responsibility Committee has been renamed as the Environmental & Social Responsibility Committee with a revamped Terms of Reference enabling it to provide strategic oversight of the Corporation’s environmental and social strategy. The Committee will also be responsible for tracking performance against the Corporation’s environmental and social key performance indicators and reporting to the MTR Board on these issues.

Over the past year, the COVID-19 pandemic has continued to impact the economy and people’s livelihoods. Many sectors are facing tremendous pressure in their operations with the latest wave of COVID-19 being particularly severe. To help the local community in its fight against COVID, we have set up the first Community Vaccination Centre in our Tsing Yi Station, allowing citizens in the vicinity to take vaccinations conveniently. Besides, additional measures have been rolled out to support specific groups in the community, such as the offering of 10,000 free MTR City saver tickets to Hospital Authority staff, partnering with two charitable organisations, Food Angel and ImpactHK to donate food vouchers and provide assistance to low-income families and the homeless and releasing some vacant parking spaces in the car park at the Hong Kong West Kowloon Station for use by COVID taxis. The fifth wave of the pandemic has dealt a heavy blow to Hong Kong and various sectors have been hard hit. We will continue to provide appropriate rental relief measures to affected tenants in our shopping malls and stations and do our utmost to continue to maintain a safe and reliable service for the public.

While we are facing many challenges under the prolonged global pandemic, we recognise that ESG is now more important than ever as a business imperative. The contribution of grassroots workers to the fight against COVID has shone a light on their importance to society and the impacts of climate change can be seen the world over. The Intergovernmental Panel on Climate Change of the United Nations issued a global red alert in its sixth Assessment Report, pointing out that global warming caused by human activities had led to more frequent and intense extreme weather events around the world. The increasing extreme weather events have caused various crises, such as more frequent heat waves, changes in precipitation, rises in sea levels, super typhoons and the flooding of metro systems, all of which can cause considerable human loss and significant economic damage. We will therefore continue to do our part to contribute to the fight against climate change and strengthen our bonds with the communities we serve.

ESG is a centre piece of our new Corporate Strategy. With the staunch support of the MTR Board, the Executive and our dedicated colleagues, we have made various notable achievements and received a number of awards during the past year, recognising our commitment to and relentless efforts in sustainability. Being a world class low-carbon public transport provider, we will continue to demonstrate our ESG leadership by embedding sustainable thinking in the different areas of our business to create long-term social, environmental and economic value for the cities we serve.

Dr Rex Auyeung Pak-kuen
Chairman
Hong Kong



CEO'S MESSAGE



During the year, I was honoured to be re-appointed as the Chief Executive Officer of the Corporation and look forward to continuing to partner with my dedicated MTR team to serve the cities we operate and contribute to their sustainable development.

The COVID-19 pandemic continued to adversely impact our businesses in 2021. Various social and travel restrictions continued, limiting our business activities to varying degrees in the markets where we operate. Since the outbreak of the pandemic, we have been implementing a series of measures to safeguard the health and safety of our passengers. We stepped up cleaning and disinfection efforts at all station facilities and passenger amenities and applied cutting-edge technologies to create a touch-free and smarter travel experience, such as by the deployment of robots to assist station staff in performing cleaning duties. Despite the enormous challenges posed by COVID-19, the MTR team is committed to serving the community with the purpose to keep Hong Kong moving and will do our utmost to maintain a safe and reliable service for the public. Our broader support for the community during these challenging times is highlighted in our Chairman's Message.

Internally, we have endeavoured to ensure the health and safety and protect the job security of our staff. Alongside the measures we have implemented to safeguard our employees' health and minimise the risk of infection at the workplace, we have also created an emotional wellness learning portal that includes a self-assessment on emotion, wellness videos and e-books and counselling service information. With assistance from the Government, we arranged a COVID-19 vaccination outreach service at Kowloon Bay for our staff and their dependents, making us the first public transport operator to participate in vaccination outreach.

Despite the challenges of COVID-19, we reached a number of remarkable achievements during the period. In June 2021, we opened the full Tuen Ma Line ("TML"), Hong Kong's longest railway which runs approximately 56 km and served 27 stations. The full TML not only provides a fast and convenient railway service for the residents nearby, but also enhances the connectivity of the east and west of the New Territories. In the Mainland of China, the full Beijing Metro Line 14 and the initial section of Beijing Metro Line 17 came into service at the end of last year. In our international businesses, we took over the Mälartåg operations in Sweden. We also launched our "Go Smart Go Beyond" campaign in Hong Kong, which articulates the Corporation's efforts to build a more connected, inclusive, community-centric tomorrow through the adoption of new technology and environmentally and socially friendly practices.

During the year, we continued to progress our large-scale chiller replacement project which, when completed, will see over 150 more energy-efficient chillers replaced in our stations and depots. Our Hin Keng Station has become the first railway station in Asia to achieve BREEAM certification, receiving a 'Very Good' rating under BREEAM In-Use. BREEAM is the most widely used sustainability assessment method for the built environment. We also continued to engage the public and work with the technology ecosystem to foster innovation on carbon reduction. For example, the "Carbon Wallet" mobile app launched in 2021 allows users who take carbon-conscious actions to earn points that can be redeemed for green products and services. We also joined hands with a growing innovation and investment platform to organise the "MTR x Carbonless Asia Challenge 2021" to find novel and scalable decarbonisation solutions for our systems and operations around the globe.

In 2021, we arranged HK\$4.8 billion of green finance to support our sustainable development and fund relevant projects to conserve energy, protect the environment, and enhance and expand low-carbon railway services. We were proud to receive the "Outstanding Award for Green and Sustainable Bond Issuer (Transportation industry) – Largest Single Green Bond" from the Hong Kong Quality Assurance Agency, which recognised our efforts to fund and support railway-related conservation and energy efficiency projects.

Our overall efforts in sustainability have led the Corporation to be listed in several top performance indices. For instance, we are a constituent of the Dow Jones Sustainability Indices Asia Pacific and were once again included in The Sustainability Yearbook 2022 for the third consecutive year, which covers the top 15% of companies in each industry. We have also achieved an AAA rating in the MSCI ESG Leaders Indexes, the highest rating under the scheme and received the Hong Kong Sustainability Award and other five special recognition awards in the Hong Kong Sustainability Awards 2020/21 organised by the Hong Kong Management Association.

I am thankful to the MTR Board for its steadfast support for our ESG strategy and especially its recent endorsement of the setting of science-based targets for our railway and property businesses in Hong Kong for 2030 with an objective to achieve carbon neutrality by 2050. This will also support the Government's pledge in the Hong Kong Climate Action Plan 2050.

The onslaught of the fifth wave of COVID-19 in Hong Kong has put our operations, people and community to the most difficult test. I want to express my heartfelt gratitude to all our colleagues who have maintained their commitment and professionalism to keep our cities moving and contributed to our steady business performance. I trust that, as long as we stay united, we shall overcome the challenges ahead.

Dr Jacob Kam Chak-pui
Chief Executive Officer
 Hong Kong



ABOUT THIS REPORT

We adopt a combined approach to disclose our sustainability management approach and performance. Long standing information such as our management approach to the identified material sustainability issues is available on the [Sustainability Website](#) (the “Website”) while annual updates on sustainability-related initiatives, performance and changes, together with our Task Force on Climate-related Financial Disclosures disclosures, are communicated through our annual Sustainability Report (the “Report”). The Website and the Report complementing information available from other publicly accessible information such as our [Annual Report](#) explain how sustainability is considered and integrated into our business strategies and decision-making processes.

We value your feedback on our sustainability performance and disclosures. Please send us your views and comments to [sdmng@mtr.com.hk](mailto:sdmngr@mtr.com.hk) or via [MTR website](#).

On MTR Sustainability Website: Read our Management Approach

- > [Reporting Framework](#)
- > [Stakeholder Engagement](#)
- > [Materiality Assessment](#)

On MTR Corporate Website:

- > [MTR Financial Highlights and Annual Reports](#)

In This Chapter:

GRI : 102-40, 102-42, 102-43, 102-44, 102-46, 102-47, 102-49, 102-50, 102-53, 102-54, 102-56

HKEX: MDR-Reporting Principles, MDR-Reporting Boundary



Reporting Frameworks

As a publicly-listed corporation, MTR abide by the listing rules of the Hong Kong Exchanges and Clearing Limited (“HKEX”) including Appendix 27 Environmental, Social and Governance Reporting Guide (“ESG Guide”). Our disclosure is in accordance with the Global Reporting Initiative (“GRI”) Standards: Core option and makes reference to internationally recognised guidelines and frameworks such as the United Nations Sustainable Development Goals (“SDGs”), the International Association of Public Transport (UITP) Sustainability Reporting Guide, ISO 26000 Guidance on Social Responsibility and World Economic Forum’s (WEF) Stakeholder Capitalism Metrics. We

also disclose climate-related information in line with the framework recommended by the [Task Force on Climate-related Financial Disclosures \(“TCFD”\)](#).

As a global citizen, we leverage our expertise and resources to contribute to the global sustainable development agenda. We have identified and notified the SDG Secretariat of our overall support for SDGs 8 (Decent Work and Economic Growth), 9 (Industry, Innovation, and Infrastructure) and 11 (Sustainable Cities and Communities) that are considered most relevant to the Corporation. We also support

several other SDGs through our diverse nature of business and operations. Our efforts to support different SDGs are shown in this Report.

A [Content Index for Sustainability Reporting Guidelines](#) has been prepared to list out the information reported against the recommended disclosures of the abovementioned guidelines and frameworks.

This Report also presents our response to the following three megatrends that bring along both opportunities and challenges to our operations:

Megatrends	Report Sections
System Resilience for Climate Change	Reducing Greenhouse Gas Emissions Climate-related Financial Disclosures
Ageing Population	Promoting Social Inclusion
Digital Transformation	Promoting Social Inclusion Fostering Advancement and Opportunities

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

Report Scope

The Report discloses details on issues identified as material to the Corporation covering the period from 1 January to 31 December 2021. Headquartered in Hong Kong, the Corporation has expanded railway-related projects and operations internationally with a presence in the United Kingdom, Australia, Sweden, Macao and the Mainland of China. MTR's property development and management services are based in Hong Kong and the Mainland of China. The scope of this Report incorporates data from all operations, including wholly or majority-owned subsidiaries where the Corporation exercises management control. However, quantitative data from Macao is not disclosed

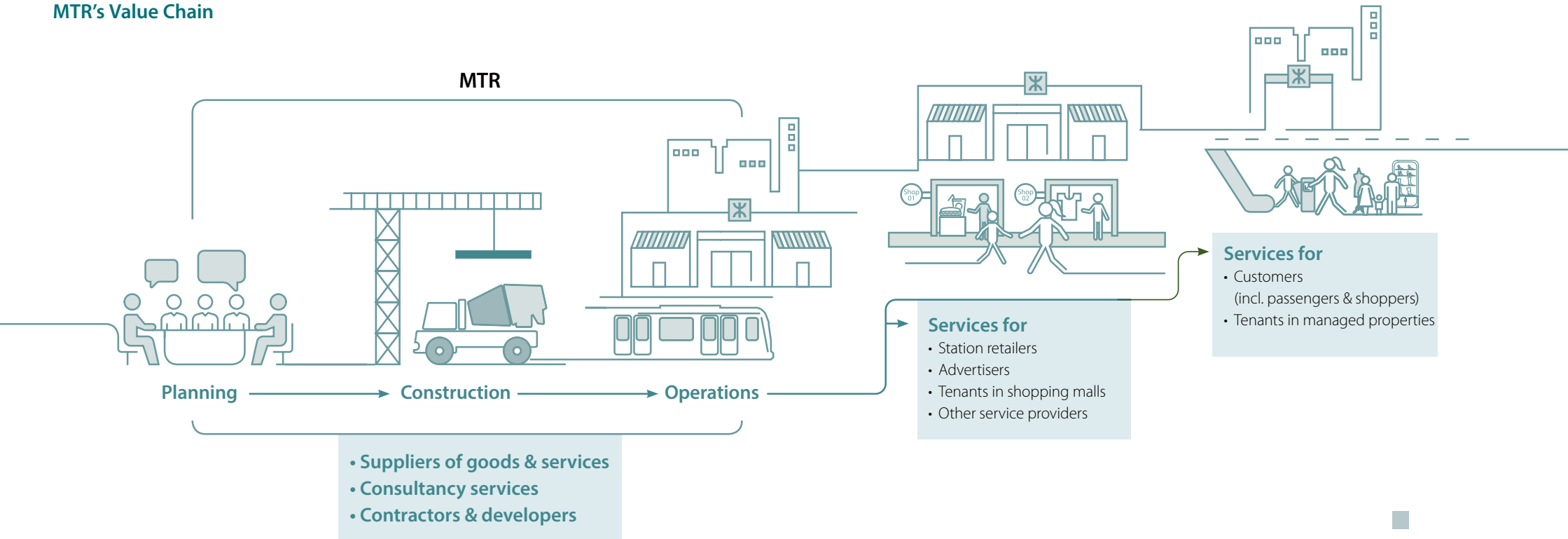
in this Report as the Corporation is not the sole owner of the data under the O&M service contract with the client in Macao. Please refer to the [Performance Metrics](#) section for our performance data. Key quantitative data disclosed in this Report has been independently assured by KPMG. Please refer to the [independent assurance report](#) for details.

Our Annual Report provides further details on our operations in Hong Kong and worldwide. Please also refer to the sustainability reports of our overseas subsidiaries, [MTR Nordic](#) and [Metro Trains Melbourne](#), for more details on their performance and latest initiatives.

Stakeholder Engagement

We regularly and proactively engage with a wide range of stakeholders along our value chain to identify possible risks and opportunities, balance different interests, make informed decisions, and gain valuable feedback on our initiatives in pursuit of operational excellence. For details on our stakeholder engagement, including the list of stakeholders, engagement approach and engagement channels, please refer to our [Website](#).

MTR's Value Chain



External Review Panel

This year, we continue to convene an external review panel to gather independent advice on our reporting approach and sustainability strategies, and to review the content of our Website and Report. Their valuable feedback facilitates us in enhancing the quality of our sustainability disclosures. Members of this year's External Review Panel include:



Mike Kilburn
Independent Sustainability
Adviser / Former Head of
Sustainability,
Airport Authority Hong Kong



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



Calvin Lee Kwan
Head of Sustainability &
Risk Governance,
Link REIT



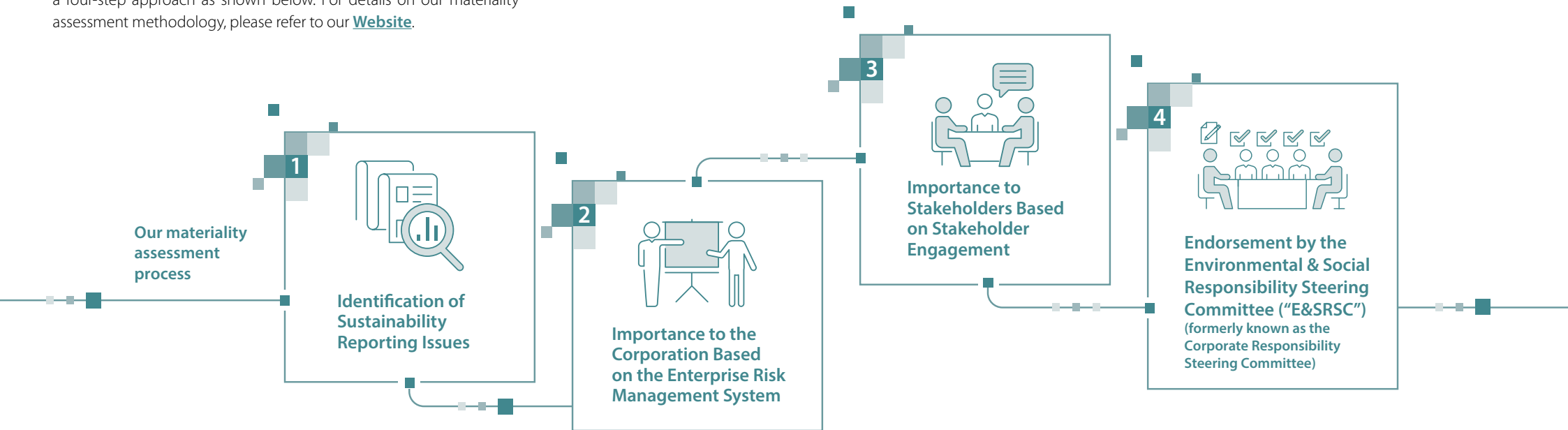
Agnes KY Tai
Director,
Great Glory Investment
Corporation



SK Wu
Risk Manager,
Alliance Construction
Materials Limited

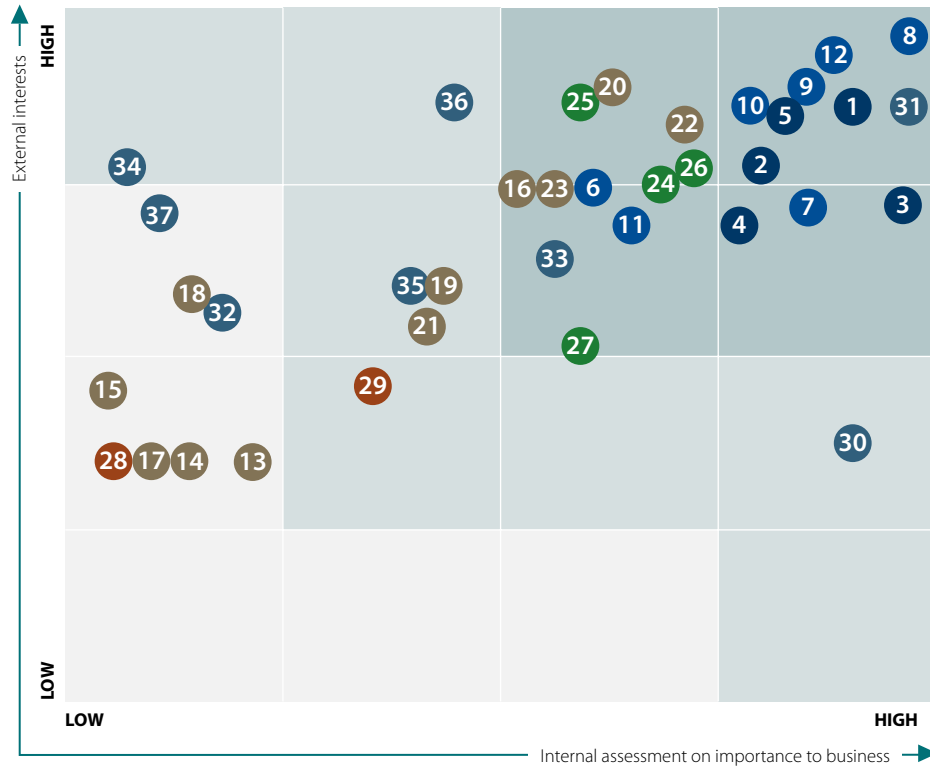
Materiality

To identify and prioritise sustainability issues which reflect MTR's significant economic, environmental and social impacts, or substantively influence the assessments and decisions of our stakeholders, we conduct an annual materiality assessment following a four-step approach as shown below. For details on our materiality assessment methodology, please refer to our [Website](#).



Materiality Matrix

Our materiality assessment results, which were considered by the External Review Panel and have been reviewed and validated by the E&SRSC, are presented in the following matrix.



The top right quadrant lists out highly material issues, while the least material issues are shown at the bottom left. The results for this year's assessment are largely the same as last year. Customers' health and safety remains the most material issue in the context of the ongoing COVID-19 pandemic. Highly material issues also reconfirm our commitment to the new social and environmental objectives to foster social inclusion and promote advancement and opportunities in the communities we serve, as well as reducing greenhouse gas emissions to fight against climate change.

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
- 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

SDGs, Highly Material Issues relevant to MTR's Social and Environmental Objectives and Our Responses

We also take the SDGs into account as part of our materiality assessment process to align our business strategies and disclosures with global sustainability priorities. The linkages between our three committed SDGs, other SDGs which we support through our diverse operations, our highly material issues relevant to MTR's social and environmental objectives and relevant disclosures in this report are illustrated below.

Cross Referencing SDGs to Highly Material Issues relevant to MTR's Social and Environmental Objectives, and to Sections of the Report covering these issues

Highly Material Issues	Sections of the Report covering the Highly Material Issues and the SDGs			
	Promoting Social Inclusion	Fostering Advancement and Opportunities	Reducing Greenhouse Gas Emissions	Climate-related Financial Disclosures
CUSTOMERS				
7 Customer education				
8 Customer health and safety				
9 Sustainable products and services				
10 Customer service, support and complaint handling				
12 Access to essential services				
EMPLOYEES				
16 Diversity and equal opportunity				
20 Conditions of work and social protection				

Cross Referencing SDGs to Highly Material Issues relevant to MTR's Social and Environmental Objectives, and to Sections of the Report covering these issues (cont'd)

Highly Material Issues	Sections of the Report covering the Highly Material Issues and the SDGs			
	Promoting Social Inclusion	Fostering Advancement and Opportunities	Reducing Greenhouse Gas Emissions	Climate-related Financial Disclosures
EMPLOYEES				
22 Employee and contractor health and safety				
23 Employee development and training				
ENVIRONMENT				
24 Prevention of pollution				
25 Sustainable resource use				
26 Climate change				
27 Biodiversity				
COMMUNITY				
31 Community involvement and development				
33 Employment creation and skills development				



On MTR Sustainability Website:

Read our Management Approach

- > [Corporate Governance](#)
- > [Risk Management](#)
- > [Financial Sustainability](#)
- > [Sustainable Investment](#)

Our Policies and Guidelines

- > [Board Diversity Policy](#)
- > [Code of Conduct](#)
- > [Corporate Responsibility Policy](#)
- > [MTR Modern Slavery and Human Trafficking Statement](#)
- > [Sustainable Finance Framework](#)
- > [Whistle-blowing Policy](#)

In This Chapter:

GRI : 102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-7, 102-11, 102-16, 102-18, 102-20, 201-1

HKEX: MDR-Governance Structure, GD-B7, KPI B7.2, KPI B7.3

ABOUT MTR



266.3 km
Hong Kong total railway route length

Over HK\$30 Billion
raised through sustainable finance arrangements since 2016

Member of The Sustainability Yearbook 2022 by S&P Global
for the third consecutive year



We aim to be an internationally-recognised company that connects and grows communities with caring, innovative and sustainable services. We have established a robust governance structure which enables the Corporation to achieve our business objectives in a fair and ethical manner and manage sustainability issues that reflect the Corporation’s significant economic, environmental and social impacts

Our Business at a Glance

Headquartered in Hong Kong, MTR is a world-class operator of sustainable rail transport services and listed on the Hong Kong Stock Exchange (SEHK: 66). The Corporation focuses on the construction and operation of mass transit railway systems in Hong Kong, the Mainland of China, Macao, Australia, Sweden and the United Kingdom. Since early 2020, the COVID-19 pandemic has had a serious impact on our business, causing a substantial decrease in patronage. In 2021, our rail networks carried 10 million passenger journeys worldwide every weekday.

In Hong Kong and the Mainland of China, our business portfolio also includes station commercial businesses, development and sale of residential and commercial properties in partnership with property developers and provision of property management services.

In November 2016, we established the [MTR Academy](#), a wholly owned subsidiary of the Corporation, which provides railway-related education and training with the aim of developing railway professionals and executives and advancing service and operational excellence of the railway industry worldwide.

For details on our businesses, rail networks and future extensions, please refer to our [Annual Report](#).

Performance in Sustainability Indices

As a listed corporation, MTR’s sustainability performance is assessed by different global and local leading independent investor rating agencies. Our performance in various indices and ratings is summarised below:

- Dow Jones Sustainability Indices (“DJSI”) – MTR has been a constituent of the DJSI Asia Pacific since 2013 and was once again included in The Sustainability Yearbook 2022 for the third consecutive year, which includes the top 15% of companies for each industry that achieved a score within 30% of the industry’s top performing company.



- MSCI ESG Leaders Indexes – On a scale of AAA-CCC, MTR has consistently achieved a AAA rating in the MSCI ESG Ratings assessment since 2015.



[Disclaimer](#)

[Disclaimer](#)

- FTSE4Good Index Series – MTR has been a constituent of this index since 2002.



[Note](#)

- CDP – MTR has once again received a B score in the climate change assessment in 2021. We were also included in the 2021 CDP Supplier Engagement Leaderboard, being the top 8% of companies who disclosed to the full climate questionnaire.



- ISS ESG Corporate Rating – MTR achieved a “Prime Status” indicating that our ESG performance fulfils ISS’ demanding ESG requirements in our sector.



- Hang Seng Corporate Sustainability Index – MTR has been selected as a constituent company, effective from 6 September 2021.



- Hang Seng ESG 50 Index – MTR has been selected as a constituent company, effective from 6 September 2021.

- 6th Hong Kong Business Sustainability Index (“HKBSI”) – Organised by the Chinese University of Hong Kong (“CUHK”), the HKBSI aims at charting the ongoing development and performance of Hang Seng Index constituent companies on business sustainability. MTR ranked #6 in the index in 2021.



- 2nd Greater Bay Area Business Sustainability Index (“GBABSI”) – The GBABSI covers Hong Kong listed companies with operations in the Greater Bay Area eligible for southbound trading under the Stock Connect scheme. MTR ranked #5 in the index in 2021.



- 1st Greater China Business Sustainability Index (“GCBSI”) – Launched by CUHK in 2021, the GCBSI covers 200 constituent companies of the Hang Seng Index, FTSE TWSE Taiwan 50 Index, Shanghai Stock Exchange SSE 50, and Shenzhen Stock Exchange SZSE 100 Index. MTR ranked #9 in the index in 2021.



Corporate Governance

A robust and sound governance framework is fundamental in ensuring the Corporation is managed properly and meets the interests of its key stakeholders while attaining long term sustainable growth. The Board of Directors is the highest governing body in the Corporation. Led by the Chairman of the Corporation, the Board is responsible for overseeing the overall management of the Corporation's business. As an integral part of good corporate governance, the Board has established six Board Committees and an Advisory Panel to oversee and provide advice on different aspects of the Corporation's affairs, including the Audit & Risk Committee, Capital Works Committee, Environmental & Social Responsibility Committee, Nominations Committee, Remuneration Committee, and Finance & Investment Committee as well as the Technology Advisory Panel.

Please refer to our Annual Report for more details on [corporate governance](#).

Board's Statement regarding Sustainability Matters Sustainability Governance

The Board has the overall responsibility for ensuring that the Corporation's governance framework enables it to oversee and address environmental and social issues that are material to the operations and businesses of the Corporation. To further strengthen Board governance on environmental and social issues, the Board level Corporate Responsibility Committee has been renamed as the Environmental & Social Responsibility Committee ("E&SRC") with a revamped Terms of Reference enabling it to provide strategic oversight of the Corporation's environmental and social strategy and investments. The Committee will also be responsible for tracking performance against the Corporation's environmental and social key performance indicators and reporting to the MTR Board on these issues. Led by the Chairman of the Corporation, the Committee meets twice annually to monitor and oversee the Corporation's sustainability performance, the related frameworks and initiatives, and the progress towards sustainability targets. At the management level, the Environmental & Social Responsibility Steering Committee ("E&SRSC") (formerly known as the Corporate Responsibility Steering Committee) focuses on driving and reviewing the implementation initiatives across all MTR business

units and corporate functions. Chaired by the Legal and Governance Director, the E&SRSC meets three times every year and is attended by Executive Directors and senior managers representing all major business units and corporate functions. For details of the composition of E&SRC and E&SRSC, please refer to our [Website](#).

Approach to Sustainability-related Issues Prioritisation and Risk Management

We identify, evaluate and prioritise issues, which reflect the Corporation's significant economic, environmental and social impacts, through a stakeholder-driven materiality assessment every year. The findings of the materiality assessment are validated by the E&SRSC and reviewed by the Board-level Environmental & Social Responsibility Committee as part of the sustainability reporting process.

The Corporation's Enterprise Risk Management ("ERM") framework provides an effective management process to identify and review risks, including sustainability-related risks, across all business units and prioritise resources to manage any emerging risks on a systematic basis. The Enterprise Risk Committee, the Executive Committee and the Board-level Audit & Risk Committee regularly review the Corporation's enterprise risk profile and brainstorm key emerging risks to ensure that key risks and those cutting across different areas of the business are captured.



Ethics and Integrity

The Corporation is committed to the highest standards of openness, probity and accountability. Our [Code of Conduct](#) clearly sets out the expectations of ethical behaviour along with cautionary warnings relating to open and fair competition. In all works involving the bidding for work and partnering with suppliers or customers, we follow the applicable laws concerning competition in each jurisdiction we operate.

All employees are required to complete mandatory computer-based training (“CBT”) programmes to ensure thorough understanding of the Code of Conduct and relevant legislations. New recruits must complete the same mandatory CBT programmes within three months of joining the Corporation and they are briefed on the Code of Conduct as part of the corporate induction workshop. In addition to the mandatory CBT programmes, we organise regular staff awareness programmes and seminars featuring speakers from the Hong Kong Independent Commission Against Corruption (“ICAC”) to clarify key sections of the Prevention of Bribery Ordinance and explain the most current anti-corruption measures. As at 31 December 2021, our staff has attended anti-corruption training through corporate induction workshops and two webinars, contributing to a total of 680 hours in 2021.

The Corporation has a Whistle-blowing Policy in place to provide a confidential channel to receive complaints to fraudulent acts, unethical acts or actual or potential non-compliances with laws and/or the Corporation’s policies without fear of victimisation, discrimination or disadvantage. The Policy is posted on [the Corporation’s website](#) and applies to all internal and external stakeholders. In 2021, the Whistle-blowing Panel evaluated 159 cases. Of those cases, 119 did not meet the definition of “whistle-blowing”. Investigations of 24 instances were completed resulting in 5 substantiated cases, 3 partially substantiated cases and 16 unsubstantiated cases. As at 31 December 2021, 16 incidents are still under investigation. Appropriate follow-up actions have been taken by management in response to the substantiated and partially substantiated cases.

The Learning and Development Department organised the following webinars related to ethics and integrity this year to boost internal awareness and refresh knowledge:

Titles	Purposes	Speakers
Preventing and Handling Sexual Harassment	<ul style="list-style-type: none"> Define sexual harassment and identify behaviours which may be unlawful Understand the legal liability of employers and employees Explore how to prevent sexual harassment in the workplace Updates on the latest amendments related to sexual harassment under the Ordinance 	Equal Opportunities Commission (EOC)
Understanding Personal Data (Privacy) Ordinance	<ul style="list-style-type: none"> Understand how to comply with the Ordinance at work Strengthen the understanding of the Ordinance and the key aspects to note when handling personal data Case discussion and practical tips to prevent unlawful acts 	The Office of the Privacy Commissioner for Personal Data Hong Kong
Understanding Anti-discrimination Ordinances in Hong Kong	<ul style="list-style-type: none"> Understand the key concepts under the anti-discrimination laws of Hong Kong Know the legal liability for the unlawful acts Understand the roles of the Equal Opportunities Commission 	Equal Opportunities Commission (EOC)
Understanding Prevention of Bribery Ordinance	<ul style="list-style-type: none"> Understand the details of the Prevention of Bribery Ordinance Understand the corruption prone areas and case discussion Ways to prevent corruption and conflicts of interest 	ICAC

Financial Sustainability

Economic Value Generated and Distributed

Long term financial sustainability is central to the maintenance and upgrades of our assets and the delivery of quality services. MTR's income is primarily generated from fares, and we follow a transparent Fare Adjustment Mechanism for fair and objective annual-fare adjustments which ensure affordable services for all passengers.

Supplementing our fare revenue is the capital generated from our "Rail plus Property" ("R+P") model which brings significant benefits in optimising the integration between our property development and rail expansion. Funds generated from property development are used to support railway operations and help bridge the funding gaps when building new railway lines.

The economic value we create is shared with our diverse stakeholders including suppliers, employees, lenders, shareholders, Government and the community.

Our [Annual Report](#) provides detailed information on our financial performance. Please refer to our [Performance Metrics](#) for past data of our economic value generated and distributed.

Sustainable Investment

Our Sustainable Finance Framework sets out how the Corporation uses the proceeds to fund initiatives for furthering the development of sustainable urban infrastructure in support of the United Nations Sustainable Development Goals. Since 2016, MTR has raised over HK\$30 billion through sustainable finance arrangements which are a key part of our financing strategy to fund railway asset replacements, energy efficiency improvements, railway service enhancements and nature conservation projects. In 2021, we arranged HK\$4.8 billion of green finance to fund relevant projects to conserve energy, protect the environment, and enhance and expand low-carbon railway services, including replacement of rail power lines, battery locomotives acquisition, station regenerative energy saving inverter system and biodiversity preservation for Lok Ma Chau Wetland. For details on our Sustainable Finance Framework, eligible projects and the impacts, please refer to our [Website](#).

Figure: Value Added and Distribution Statement in 2021 (HK\$ Million)

Economic Value Generated

Revenue from Hong Kong Transport Operations	13,177
Revenue from Hong Kong Station Commercial Businesses	3,208
Revenue from Hong Kong Property Rental and Management Businesses	5,036
Revenue from Mainland China and International Subsidiaries	25,398
Revenue from Other Businesses ¹	1,351
Hong Kong Property Development Profit from Share of Surplus and Interest in Unsold Properties ²	11,104

Total: 59,274

Economic Value Distributed

Staff Costs ³	Employees	15,537
Maintenance, Renewal and Upgrade Expenditure on Existing Hong Kong Railway System	Existing Hong Kong Railway System	10,893
Other Operating Costs ⁴	Suppliers & Business Partners	18,307
Fixed and Variable Annual Payments	KCRC	1,010
Interest & Finance Costs ⁵	Lenders	557
Taxes ⁶	Governments	2,178
Ordinary Dividends	HKSAR Government Other Shareholders	5,700 1,908
Community Investment ⁷	Community	15
Economic Value Retained for Reinvestment ⁸		3,169

56,105

Total: 59,274

Notes:

1. Includes share of profit of associates and joint ventures.
2. Before taking into account staff costs of HK\$7 million.
3. Excludes staff costs related to Hong Kong railway system maintenance of HK\$2,442 million, capitalised for asset creation of HK\$1,633 million and recoverable of HK\$576 million.
4. For simplicity reason, other operating costs include interest income, netted with non-controlling interests. Excludes operating costs related to Hong Kong railway system maintenance of HK\$2,547 million.
5. Excludes interest expenses capitalised for asset creation of HK\$322 million.
6. Represents current tax and excludes deferred tax for the year.
7. Includes donations, sponsorships and other community engagement contributions, and excludes in-kind donations of HK\$32 million given. In addition, there were (i) ongoing fare concessions and promotions of HK\$2,267 million, (ii) MTR's share of additional fare promotions offered to our Hong Kong passengers (including 20% rebate on every Octopus trip, 5% fare reduction & rebate and discounts on MTR City Saver and Monthly Pass Extras), and (iii) rental concessions granted to station and mall tenants that have not been accounted for in this amount.
8. 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.



In June 2020, the MTR Board approved a visionary new Corporate Strategy, “Transforming the Future”, to set out the direction of the Corporation’s future development. With the aspiration to “Keep Cities Moving”, we strive to connect and grow communities with inclusive, innovative and sustainable services and have set forth three social and environmental objectives which are both material to our business and to society: (1) fostering social inclusion, (2) reducing greenhouse gas emissions, and (3) providing opportunities to empower people and communities. Under these three social and environmental objectives, we have clearly defined 10 focus areas and a set of key performance indicators (“KPIs”) that will concentrate our efforts in the areas in which we can create a greater impact for society. They illustrate our approach to further embedding environmental and social principles within the Corporation to ensure that we deliver value for all of our stakeholders. We will continue to implement relevant initiatives to advance our social and environmental objectives and will regularly review our progress and performance and communicate with stakeholders through our annual sustainability report.

Gill Meller
Chair of Environmental & Social Responsibility
Steering Committee

Our Plan to Keep Cities Moving Sustainably



Social and Environmental Objective 1: **SOCIAL INCLUSION**

As a provider of public transport services for all, social inclusion lies at the very heart of who we are and what we do.



Universal Basic Mobility

We commit to providing access to a safe, affordable, accessible and sustainable transport system for all and ensuring our fare and other concessions target those who need them the most.



Diversity & Inclusion

We commit to eliminating discrimination in our practices and policies and to increasing the diversity of our workforce.



Equal Opportunities

We commit to helping excluded and underserved populations access their fair share of opportunity.

Short- and Mid-term:

- A **Social Inclusion App** to better serve the needs of elderly and Persons with Disabilities (“PwD”) will be launched in 2022
- **10 key initiatives** to improve age- and PwD-friendly facilities in our existing stations will be implemented in 2022
- **No less than 750,000 average daily passenger trips** will benefit from fare concessions in 2022
- **Injuries requiring hospitalisation** per 100 million passenger journeys in 2022



Heavy Rail
5.67



Light Rail
8.38



Bus
6.85

Long-term:

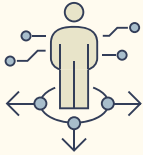
- **100%** of our **new stations** will be accessible (including barrier free entrances, wide gates, accessible toilet and baby care room)

Short- and Mid-term:

- **25%** of our Board of Directors will be **women** by 2025
- **3 initiatives** aimed at enhancing workforce diversity will be carried out in **collaboration with NGOs** in 2022
- **70 diversity, equity and inclusion (“DEI”) training events** for staff will be held in 2022
- **8%** of our **summer interns** will be ethnic minorities or PwD in 2022
- **Workplace inclusiveness** will be enhanced in 2022
- **DEI clauses** in our Code of Conduct and Equal Opportunities Policy will be reviewed in 2022

Short- and Mid-term:

- **HK\$100 million** will be spent on direct local **community investment and donations** from 2022 to 2025
- **200,000 people** will **benefit** from our community programmes and volunteering projects from 2022 to 2025



Social and Environmental Objective 2:

ADVANCEMENT & OPPORTUNITIES

As we fulfil our vision to connect and grow communities, we create opportunities for others to develop themselves and grow alongside us.



Employees

We commit to helping employees grow personally and professionally through learning and opportunities for career advancement, and to fostering their well-being.



Business Partners

We commit to enhancing and rewarding the environmental, social and governance (“ESG”) performance of our supply chain and increasing our spend on green procurement.



Future Skills & Innovation

We commit to collaborating with local schools and universities, as well as startups and the technology ecosystem to foster innovation.

Short- and Mid-term:

- At least **5 learning days** will be provided to employees on average every year
- **200+ employment and pre-employment opportunities** will be provided for young talents in 2022

Short- and Mid-term:

- **HK\$250 million** will be spent on **green procurement** in 2025, rising to **HK\$350 million** in 2030
- **50+ key suppliers** will attend training sessions on ESG best practices in 2022
- Major Contracts for New Railway Projects - an **incentive scheme** to measure and reward environmental and safety performance will be established by 2022
- A system to track **spend with small and medium sized enterprises** will be established in 2022

Short- and Mid-term:

- **50,000+ people** will benefit from our **future skills and innovation programmes** (including those by MTR Academy) from 2022 to 2025
- **HK\$300 million+** will be **invested in startups** from 2022 to 2025





Social and Environmental Objective 3: GREENHOUSE GAS EMISSIONS REDUCTION

As a low-carbon transport provider, we are committed to managing our environmental footprint and achieving carbon neutrality.



Carbon Emissions

We commit to integrating low-carbon measures into our policies, strategies and planning as well as strengthening our resilience and adaptation to climate-related risks.



Clean Energy & Energy Efficiency

We commit to adopting suitable energy efficiency measures in our operations and increasing the generation of renewable energy.



Waste Management

We commit to reducing waste at source, increasing our recycling rates and upcycling our waste.



Green and Low-carbon Designs

We commit to developing sustainable infrastructure with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies.

Short- and Mid-term:

- Set **2030 science-based targets** for our railway and property businesses in Hong Kong
- **200+ additional EV charging stations** will be installed across office buildings, malls and station car parks by 2025
- **50,000+ people** will actively participate in our **low-carbon initiatives** in 2022

Long-term:

- Strive to achieve **carbon neutrality** by **2050**

Short- and Mid-term:

- **1 million kWh of renewable energy** will be generated by 2023
- **100% shopping malls** will engage **tenants** in energy-saving initiatives in 2022
- A **building energy management system** will be piloted in our stations/shopping malls in 2022

Short- and Mid-term:

- **60%** of our **staff canteens** will send food waste to O-PARK for treatment in 2022
- **25%** of our shopping mall **food & beverage tenants** will join our food waste reduction programme in 2022
- **5 additional water dispensers** will be installed in our stations in 2022

Short- and Mid-term:

- **1,400+** more **bike parking spaces** will be provided around stations and properties managed by MTR by 2025
- **2.5% water** will be saved in **depots** in 2022 with 2021 level as baseline
- **2% water** will be saved in 2022 with 2018 level as baseline for our **shopping malls**, rising to **5% reduction** in 2025

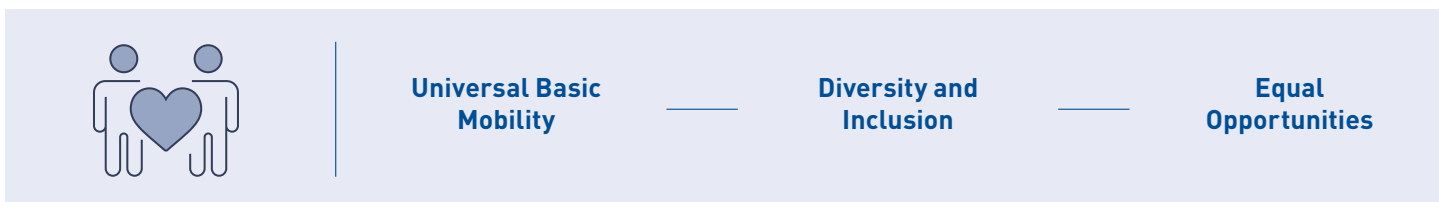
Long-term:

- **100%** future **new stations & new residential development projects** aim to attain **BEAM Plus Gold** or above certification





PROMOTING SOCIAL INCLUSION



On MTR Sustainability Website:

Read our Management Approach

- > [Safety First](#)
- > [Customer Experience](#)
- > [Human Capital](#)
- > [Community Contribution](#)

Our Policies and Guidelines

- > [Corporate Safety Policy](#)
- > [Customer Service Pledge](#)
- > [Caring for our Customers with Special Needs Booklet](#)
- > [Board Diversity Policy](#)
- > [Code of Conduct](#)
- > [Corporate Responsibility Policy](#)

In This Chapter:

GRI: 102-8, 203-1, 403-1, 403-2, 403-3, 403-5, 403-6, 403-7, 403-9, 405-1, 413-1, 416-1

HKEX: GD-B1, GD-B2, GD-B6, KPI B1.1, KPI B2.1, KPI B2.2, KPI B2.3, KPI B8.1, KPI B8.2

SDGs:



As a provider of public transport services for all, social inclusion lies at the very heart of who we are and what we do.

Universal Basic Mobility

To support the development of sustainable cities and communities, we commit to providing access to a safe, affordable, accessible and sustainable transport system for all and ensuring our fare and other concessions target those who need them the most.

Safety First

Safety of our employees, passengers, customers, tenants, contractors and business partners is an uncompromising pre-requisite underlying all aspects of our business. It is the responsibility and duty of all staff of the Corporation and should be always foremost in everything we do. We are committed to complying with all applicable statutory requirements, upholding a safety-first culture, and employing management systems to achieve the Corporation's safety goals for continuous improvement in safety performance.

Managing Safety

Our [Corporate Safety Policy](#), along with MTR's Corporate Safety Governance Framework, outline our safety management approach and objectives. The Corporate Safety Management Model, which lays down appropriate safety management processes and systems across eight core elements, further supports our approach to safety and constitutes an effective and robust system bespoke to our operations. To align our safety strategy with the latest global trends and best industry practices, we review and formulate a Corporate Strategic Safety Plan every four years. The latest 4-year Corporate Strategic Safety Plan ("the Plan") was launched in 2021. The Plan sets the path in safety for the Corporation under the "Transforming the Future" Corporate Strategy and promotes the aspiration of "Everyone is a safety leader" in reaching a goal of zero harm to all stakeholders. Stressing on team collaboration efforts, the Plan lists out the Safety Aspirations, Safety Goals and Strategic Focus Areas to guide our safety practices and drive safety improvements across all our businesses in Hong Kong, Mainland China and abroad.

Corporate Strategic Safety Plan 2021-2024



Safety Aspirations are our desired states in the long run

- A1 Everyone is a safety leader
- A2 The Corporation is a global model in safety management



Safety Goals are objective, measurable, and tangible targets to achieve over the next four years, guiding us towards our Safety Aspirations

- G1 Zero fatalities every year
- G2 Zero major safety system incidents every year
- G3 Reduction in injuries on our journey to zero injury
- G4 Zero convictions for safety offences
- G5 Targets of all safety performance leading indicators achieved



Strategic Focus Areas direct our efforts over the next four years to where we should give higher priority in order to achieve the defined Safety Goals

People

- S1 Cultivate a safety-first mindset
- S2 Develop competency and training
- S3 Foster an open safety reporting culture and a "Just Culture"
- S4 Enhance physical and mental health and well-being of the workforce

Management Systems

- S5 Improve efficiency and effectiveness in safety management
- S6 Apply innovation and technology to drive performance

Resilience

- S7 Identify hazards and control risks proactively and persistently
- S8 Strengthen three lines of defence in safety

Customer Safety

Our top priority has always been the health and safety of our passengers, customers, employees and contractors. Despite the enduring pandemic that has ushered in a tremendous and rapid change in our customers' daily routines, MTR is committed to operating a safe and hygienic railway network and keeping our city moving.

Throughout the COVID-19 outbreak, we have implemented a wide range of preventive measures to ensure the sanitary conditions of our trains, stations and facilities. Aside from stepping up the frequency of our cleansing and disinfection procedures, we have increased filter cleansing and air intake frequency for better air flow and ventilation at our stations. Anti-bacterial coating has been applied to the handrails with extra disinfection on a regular basis. We have also installed contactless proximity sensor buttons in more than 100 lifts across our stations and facilities to reduce indirect physical contact. Meanwhile, whenever our passengers feel the need to practise hand hygiene, they have easy access to our sanitisation points where hand sanitiser is provided. We have also worked to increase the number of these sanitisation points at stations to put our passengers at ease.

To keep our stations safe and hygienic, we have deployed 60 "Little Whale" and "Big Whale" cleaning robots to conduct deep cleaning



60 cleaning robots were deployed to conduct deep cleaning and decontamination in stations.

and decontamination in stations. In virtue of the adoption of robotic cleaning technologies, more social distancing could be implemented and the risk of exposure to the virus by our passengers and cleansing staff could be reduced.

Apart from protecting our customers from the potential risks associated with COVID-19, we continue to stress the importance of operational safety throughout all levels of the Corporation. We work to instil an uncompromising safety-first culture within MTR and provide our staff with proper training and hardware to ensure they have the knowledge and skills to conduct their daily duties with passengers' safety in mind.

Over the past decade, an average of over 10 MTR passengers were treated by Automated External Defibrillators (AEDs) – electronic devices that can be used to treat patients with cardiac arrest through defibrillation - within our railway facilities. As such, we found it vital to increase the accessibility of AEDs which could strengthen the protection of passengers with immediate needs. We are also conscious that every second counts when it comes to saving lives. In view of this, we have placed around 300 AEDs, including 120 additional ones acquired during 2021, at the concourses and platforms of all heavy rail stations and Hong Kong West Kowloon Station of High Speed Rail (Hong Kong Section). This allows our staff and members of public to provide timely response with accessible devices in emergencies. With the aim to better prepare our staff to assist passengers in need during unexpected incidents, we have arranged station staff to learn or refresh their knowledge to use AED.



AEDs are in place at the concourses and platforms of all heavy rail stations and Hong Kong West Kowloon Station of High Speed Rail (Hong Kong Section) for station staff and public use in case of emergency.

OVERSEAS HIGHLIGHTS

MTR (Shenzhen)

In 2021, MTR (Shenzhen) continued to step up its efforts to fight against the pandemic. We increased the frequency of the deep cleaning and disinfecting procedures at our stations and trains, and applied innovative technologies to safeguard the health of our passengers and employees. In addition to the deployment of autonomous sanitising robots for intense cleansing, automatic body temperature detection systems have been installed in all 23 stations to increase the accuracy

and efficiency of the temperature checking process. We have also commissioned new ventilation systems at all stations to help reduce the risk of virus transmission between passengers and our employees, and require all passengers to wear masks and execute the checking of health code when entering our stations.

Road and Track Safety

Our transport operations in Hong Kong continued to maintain world-leading safety performance in 2021. The number of customer and public injuries on our heavy rail network, light rail network and buses remain

the same level in 2021 compared to 2020 and met the safety targets. To maintain performance standards, we continue to benchmark our heavy rail network in Hong Kong with overseas counterparts through

the COMET Benchmarking platform against 30 top-level indicators, which includes Safety and Security. Please refer to [Performance Benchmarking](#) in our Performance Metrics for further information.

Number of Customer and Public Injuries Requiring Hospitalisation in Hong Kong

	Heavy Rail	Light Rail	Bus
2019	62	10	6
2020	29	2	2
2021	25	3	3

Customer and Public Safety – Fatalities in Hong Kong

	Heavy Rail	Light Rail	Bus
2019	0	0	0
2020	1	1	0
2021	0	0	0

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

	2019	2020	2021
Heavy Rail			
Target	8.56	7.60	6.64
Performance	3.67	2.51	1.76
Light Rail			
Target	13.08	11.67	9.89
Performance	6.41	1.79	2.12
Bus			
Target	6.88	6.85	6.85
Performance	9.52	3.99	4.99

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

	Shenzhen Metro Line 4	Melbourne's Metropolitan Rail Service	Sydney Metro North West Line	Stockholm Metro	MTRX	Stockholms Pendeltåg	TfL Rail / Elizabeth line
Target	0	0	0	0	0	0	0
Performance	0	3	1	1	0	1	0

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

	Shenzhen Metro Line 4	Melbourne's Metropolitan Rail Service	Sydney Metro North West Line	Stockholm Metro	MTRX	Stockholms Pendeltåg	TfL Rail / Elizabeth line
Target	1.42	2.00	5.40	1.00	19.00	0.80	4.71
Performance	0.98	1.63	3.06	1.10	29.10	0.68	4.80

Train Door Incident At Causeway Bay Station

On 2 December 2021, a train door incident took place at Causeway Bay Station which the first pair of train doors was dislodged when entering the platform. After the occurrence, passengers on board were arranged to alight from the train safely and no injury was reported. Train service between Wan Chai and Quarry Bay stations on the Island Line was temporarily suspended. Service resumed after the recovery work was completed.

An Investigation Panel with an external expert was set up to identify the cause of the incident and make recommendations to prevent recurrence of similar incidents. In January 2022, the Corporation made public the investigation report which concluded that the incident was caused by the leaning out of a movable access panel of a convertible trackside billboard which hit and dislodged a pair of train doors on the incident train entering the platform.

After the incident, the Corporation has permanently removed the access panels and their associated parts of all the eight convertible trackside billboards in the MTR network. The Corporation has also conducted a fleet check of some 5,000 trackside advertising panels in the network, for the majority of which posting is conducted by pulling up and down the posters, and they have been confirmed to be in order. The Corporation will enhance the existing maintenance regime for all trackside advertising panels, and preventive maintenance, particularly on components relating to the locking mechanism, will be introduced. Remote monitoring sensing devices with an alert function to ensure proper locking of about 300 advertising panels with front panels requiring pulling during operation or maintenance, despite their operating mechanism being different from the movable access panels in the incident, will also be provided as a prudent measure, while additional locking indication has been added on these panels.

The Corporation will also work with the contractor who will implement enhanced advertisement posting and panel locking procedures with staff training. Coaching and auditing the contractor will be conducted by the Corporation to further enhance their staff's quality of work and competency.

Building Safety Awareness in the Community

Our efforts to maintain a reliable and safe railway system extend beyond our own operations into the communities we serve. We seek to raise safety awareness throughout the community to ensure co-operation and support from our passengers in keeping our railways safe. It is important to impart key information about safety to our passengers so that they understand how to work with us to maintain safety within our premises.

In 2021, the Corporation continued to step up its efforts in promoting escalator safety messages, including launching the latest Escalator Safety Campaign in July with a set of new posters and a video featuring "T Chai", as a guardian of safety to promote key safety messages to passengers when travelling on escalators. Passengers are advised to "hold the handrail and stand firm" and stay alert when using escalators.

We also hosted the "MTR Safety Experience Zone" exhibition booth at the Hong Kong Book Fair in July, which offered visitors the chances to learn more about railway safety and courteous behaviour when travelling on the MTR through a series of games.

Collaborating with Radio Television Hong Kong ("RTHK"), an "Elderly Safety Promotion Campaign" has been organised starting from mid-November 2021 to promote a safe travelling environment for the elderly. A series of posters featuring RTHK Radio 5 DJs and illustrating safety tips was displayed in the MTR network to remind elders the key safety tips.



"MTR Safety Experience Zone" exhibition booth at the Hong Kong Book Fair in July 2021.



Escalator Safety Campaign featuring "T Chai" as a guardian of safety.

A series of posters was displayed in the MTR network to remind elders the key safety tips.

OVERSEAS HIGHLIGHTS

MTR Nordic

Together with Storstockholm Lokaltrafik (Stockholm Public Transport, "SL"), MTR Nordic has conducted a pilot activity for Women's Security in the Metro with an aim to increase women's sense of security by providing information about the security resources throughout the Metro. Train drivers and traffic information staff give security messages in the speakers on trains and stations. In a survey conducted among female passengers before and after the pilot, many respondents gave positive feedback on the messages and felt more secure. We will continue to collaborate with Women's Security to deliver similar messages in 2022.

MTR Nordic has also created a brand-new e-learning course for operative staff on how to prevent and de-escalate threatening and violent situations, and handle intoxicated and/or mentally ill persons. The training was first rolled out to our new Mälartåg staff in November 2021 and will cover the rest of our operative staff in 2022.

MTR Nordic organised regular visits to primary schools adjacent to metro stations or commuter rail stations to teach children about safe behaviour in the metro and commuter rail system. Students were educated to approach our employees in stations in case they need help when travelling. In 2021, 74 visits for 21 schools were organised.



In 2021, MTR Nordic organised 74 visits to 21 primary schools to teach children about safe behaviour in the metro and commuter rail system.

Staff and Contractor Safety

Safety best practices are actively shared across MTR and reinforced with our contractors and subcontractors. We ensure high risk activities are identified with a proper method statement and risk assessment to raise staff and contractor safety awareness and manage work-related risks. We also implement safety control measures to minimise or eliminate, where practicable, the risk before the commencement of works.

Since the outbreak of the pandemic, we have enhanced disinfection and cleaning at stations, shopping malls and workplaces, provided employees with masks and protective equipment, rapid antigen test kits, care packs, and implemented special work arrangements to safeguard the health of our employees and customers. We will continue to strengthen our support to ensure a safe working environment.

In 2021, the Corporation rolled out a set of Evolved Measures against COVID-19 on a risk-based and phased approach to safeguard personal and public health. Specified groups of our employees were identified based on public health consideration such as interactions with external parties including customers. They are required to receive the COVID-19 vaccine. If they opt not to take the vaccine for being medically unsuitable, pregnant or breast-feeding, or for untold reasons, they are required to undergo COVID-19 test every 14 days. The Corporation formulated a few measures to encourage staff to receive vaccination, including an additional day of well-being leave and lucky draws. By end of 2021, over 91% of specified groups of employees have completed 2 doses of COVID vaccine. Details of these staff well-being measures could be found in [Fostering Advancement and Opportunities](#) section.

In addition to the pandemic controls, frequent training has been arranged for staff representatives dealing with the management of infectious diseases, such as recording, reporting, and following up with the infected staff. The staff representatives are acting as Infectious Disease Response Coordinator (IDRC) and are recruited voluntarily from different departments in the Corporation to assist handling the infected reportings.

For a consistent approach to the workforce in applying the Evolved Measures concerning mandatory vaccination and regular testing, the Corporation has extended the exact requirements to the contractors.

In addition, the Corporation has rolled out a co-branded MTR-Institution of Occupational Safety and Health (IOSH) safety management training for our managerial staff in Hong Kong. Its objectives are to align the competence training for managers and to promote a common safety culture and inspiration across the Corporation. We aim to roll out this training to subsidiaries in phases in future.

Awards & Recognition

Organisation

19th Hong Kong Occupational Safety and Health Award

- Gold Award in Safety Management System Award (Other industries)
- Gold Award in OSH Promotion Award
- Excellence Award in Safety Performance Award (Other industries)
- Bronze Award in OSH Enhancement Programme Award (NP360)
- Certificate of Merit in Safety Management System Award (NP360)

8th Best Property Safety Management Award

- Gold Award in Best Safety Enhancement Programme (Wings at Sea)
- Silver Award in Best Property Management Award in OSH (Cullinan West)

16th Occupational Health Award 2020-21

- Excellence Award in the category of Joyful@healthy Workplace Best Practices Award (LP10)

13th Hong Kong Outstanding OSH Employee Award

- Merit Award (An employee from the Corporation's Investment Property Department)

20th Hong Kong Occupational Safety and Health Award

- Gold Award in Safety Culture Award
- Gold Award in Work Safe Behaviour Award
- Best Practices Award in Work Safe Behaviour Award (Pointing and Calling)
- Silver Award in Work Safe Behaviour Award (Caribbean Coast)
- Excellence Award in Safety Performance Award (Other industries)

22nd Construction Safety Award

- Gold Award of Best Method Statement (Yuen Long Station Property Development)

27th Considerate Contractors Site Award

- Bronze Award in the Considerate Contractors Site Award (LP10)
- Merit Award in the Outstanding Environmental Management & Performance Award (LP10)

Occupational Safety and Health Council

Construction Industry Council

We continue to monitor staff injuries across our operations and work to eliminate potential hazards as much as practicable.

Lost Time Injuries per 100,000 man-hours in Hong Kong

	2019	2020	2021
Corporate Support Functions	0.20	0.04	0.08
Hong Kong Transport Services Business Unit (formerly known as Operations Division)	0.65	0.43	0.46
Capital Works Business Unit (formerly known as Projects Division)	0.16	0.04	0.07
Hong Kong Property Business Unit (formerly known as Property Division)	0.04	0.16	0.20

Note: Lost time injury means a work-related injury results in medical sick leave for 1 day or more.

In 2021, we continued to achieve zero fatalities in our construction projects in Hong Kong. We have also met all safety targets for contractor staff lost time injury frequency rates for all business areas in Hong Kong. We continued to implement various safety initiatives in Hong Kong to protect the safety and health of our contractors, including provision of welfare facilities and proper care for construction site workers to prevent site accidents, direct engagements with workers through training, workplace campaigns, mentoring and a variety of communication initiatives. Capital Works Business Unit held a Quality, Safety, Environmental & Stakeholder Engagement Awards Ceremony in June 2021 to recognise the efforts of our construction contractors with outstanding quality and safety performance and achievements.

Safety Performance on Construction Site

	2019	2020	2021
Hong Kong Project Construction Site Fatalities			2021
Staff Fatalities	0	0	0
Contractor Fatalities	0	0	0

Lost Time Injuries⁽¹⁾ per 100,000 man-hours for Contractors in Hong Kong

	2019 ⁽²⁾	2020	2021
Corporate Support Functions	0.62	0.32	0.20
Operations Railway	0.25	0.24	0.27
Project Construction – Railway Extension Projects	0.26	0.49	0.26
Project Construction – Network Improvement Projects	0.00	0.00	0.15
Property Development and Investment Projects	0.05	0.03	0.03
Investment Property	0.18	0.21	0.13
Management Property	0.18	0.19	0.17

Note:

(1) Lost time injury means a work-related injury results in medical sick leave for 1 day or more.

(2) Before 2020, reportable accidents per 100,000 man-hours was used to measure the safety performance of contractors in Hong Kong.

Enhancing and Enabling Accessibility

At MTR, we make every effort to create a seamless and inclusive transportation network. Over the past few years, we have undertaken a number of improvement works to provide fit-for-purpose and easy-access facilities in our stations, trains and properties for the elderly, passengers with disabilities and those in need. These facilities include the provision of additional escalators, external lifts, stair lifts, wide gates, wheelchair aids, portable ramps, accessible toilets for mobility impaired passengers; and braille signs, tactile station layout maps, guide paths and dynamic route maps for visually impaired passengers. Multi-purpose spaces are also designated within train compartments for the convenience of wheelchair users and persons with special needs. In 2022, we will continue to implement initiatives to improve age-

and Persons with Disabilities (“PwD”)-friendly facilities in our existing stations and launch a Social Inclusion App to better serve the needs of elderly and PwD.

We started to install Board-Easy Mats at the platforms of some Light Rail Vehicle (“LRV”) stops from late-2020 to provide accessible facilities for passengers with disabilities. Board-Easy Mats are currently available at 26 Light Rail (“LR”) platforms, and with successfully results, we will install Board-Easy Mats or retrofit other selected LR platforms with a large vertical gap with a small ramp between 2022 and 2025.

All MTR malls have received the Barrier Free Accessibility (BFA) Certification by the Hong Kong Quality Assurance Agency (“HKQAA”) from 2016



We install Board-Easy Mats or a ramp at Light Rail platforms with a large vertical gap to enable wheelchair users or people in need to easily board and alight our LRVs.

onward. The LOHAS, the new mall opened in November 2020, has also received such certification in October 2021 after a year’s operation.

We also continuously optimise our in-mall facilities to better cater for the different needs of our shoppers. For instance, baby care rooms with breast-feeding facilities have been extended across all MTR Malls. We have also made progress to improve the barrier-free facilities in the MTR Malls portfolio, some of which have gone beyond current statutory requirements. In order to provide a sanitised environment for our shoppers and tenants, ELEMENTS also installed UV sanitisers to the handrails of all escalators and non-touch buttons in all passenger lifts.

Fare Concessions

Since 2012, we have been supporting the Government’s “Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities” to offer concessionary fares to senior citizens and eligible individuals with disabilities.

In view of the impact of pandemic to the economy, the Corporation not only made a fare reduction of 1.85% under the Fare Adjustment Mechanism (“FAM”) with effect from June 2021, various fare promotions have also been introduced as follows:

- Provide “5% Rebate for Every Trip” from 1 April to 26 June 2021, which is applicable to all MTR passengers travelling by Octopus or QR code tickets.
- Top-up the committed rebate for every trip under FAM from 27 June 2021 until 1 January 2022, which together with the fare reduction in late June, allows passengers to continue to save around 5% on the actual fares till 1 January 2022.
- Reduce the prices of “MTR City Saver”, “Monthly Pass Extra” and “Tuen Mun – Nam Cheong Day Pass” starting from July 2021. Passengers can also enjoy a HK\$50 flat reduction for every purchase of “Monthly Pass Extra” from July to December 2021, and of “MTR City Saver” from 1 July 2021 to 1 January 2022.
- Extend the 35% off “Early Bird Discount Promotion” for another year until 31 May 2022.

In 2021/22, over HK\$900 million in total was borne, including over HK\$200 million for passengers’ fare saving under fare reduction at 1.85%, over HK\$500 million for the series of fare promotions and over HK\$200 million for the special fare arrangements under the pandemic. Moreover, the Corporation continues to offer over HK\$2.2 billion-worth on-going fare concessions every year to customers from different walks of life, e.g., MTR Student Travel Scheme, etc.

OVERSEAS HIGHLIGHTS

MTR (Shenzhen)

During the year, we completed the upgrade of washrooms in our stations. The improvement works include increasing ventilation in toilets, replacing floor with non-slip surfaces and installing safety handrail for the elderly. In some washrooms, child sanitary facilities, such as child-friendly water closet and wash basin, were also installed to serve the needs of young children, making our network more family friendly. Our efforts on upgrading washrooms were well-recognised by local government officials and the Transport Bureau of Shenzhen Municipality.

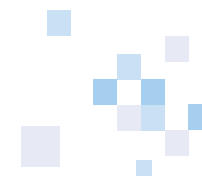
Diversity and Inclusion

We commit to eliminating discrimination in our practices and policies and to increasing the diversity of our workforce.

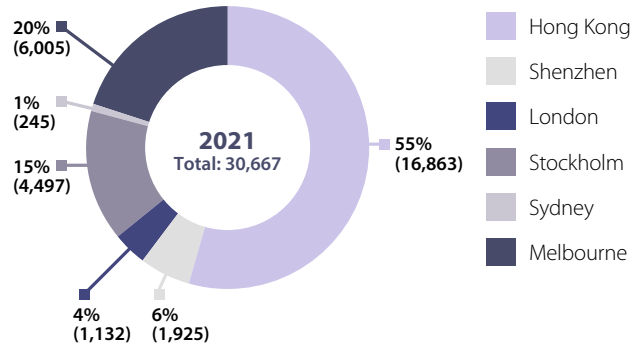
MTR is an equal opportunity employer and abides by relevant legislative requirements to ensure our workplace is free from discrimination on the grounds of gender, sexual orientation, disability, age, race, skin colour, national or ethnic origin, family status, religion, political beliefs or other characteristics. All employees are required to complete a set of mandatory computer-based training programmes which help them understand relevant legislation. In following the Corporation’s dedication to equality and diversity, we have set strict expectations for all staff members to treat all their colleagues with respect and dignity. All employees are encouraged to raise any issues, concerns or grievances without fear of reprisal through designated whistle-blowing communication channels. As part of our commitment to equal opportunities, MTR’s recruitment, reward and promotion decisions are based solely on occupational requirements, qualifications and job performance.

Recognising and embracing the benefits of diversity in the boardroom, we have established the [Board Diversity Policy](#) to demonstrate our commitment to ensure that the Board has the appropriate balance of skills, experience and diversity of perspectives that are required to support the execution of the Corporation’s business strategy and in order for the Board to be effective. The Corporation is committed to maintaining a Board with its majority made up of Independent Non-executive Directors, together with an appropriate level of gender diversity. Currently, we have 20% female members in our Board. We target to increase the number of female Board members to 25% by 2025.

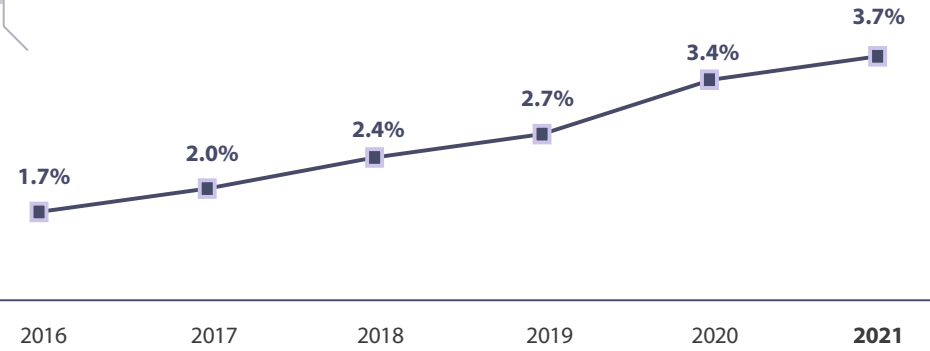
Within the Corporation, the Code of Conduct has been reviewed regularly to ensure appropriateness and compliance with corporate and regulatory requirements.



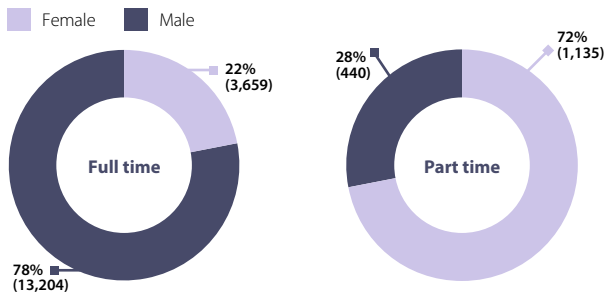
Breakdown of Full-time Employees by Location in 2021



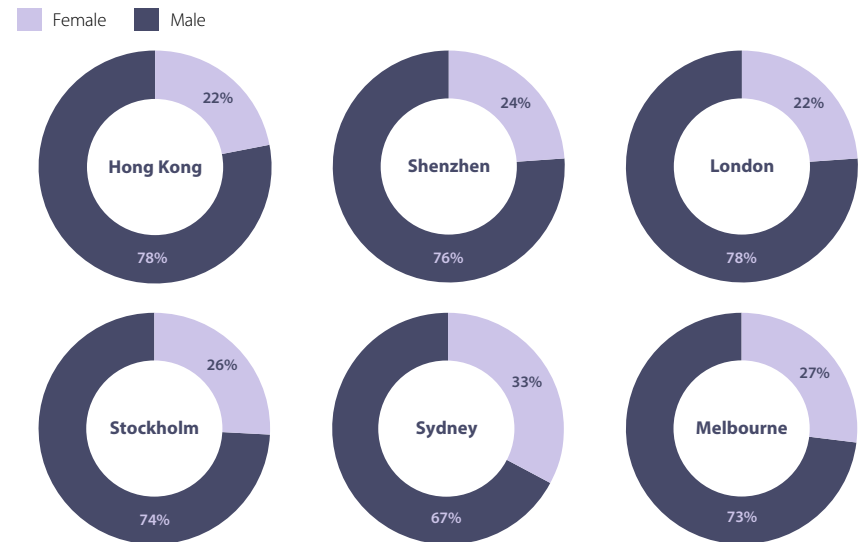
Persons with Disabilities Employed in Hong Kong



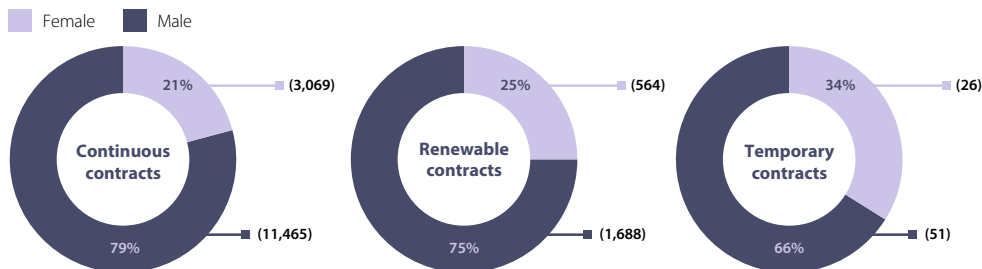
Breakdown of Total Workforce by Employment Type by Gender in Hong Kong in 2021



Gender Distribution of Workforce by Location (Full-time Employees) in 2021



Breakdown of Full-time Employees by Employment Contract by Gender in Hong Kong in 2021



Echoing the Corporation's commitment in diversity and inclusion, Learning and Development Department licensed In and Out the Box® training which was embedded in Corporate Development Ladder for newly promoted managers. This is a diversity and inclusion tool that brings awareness and empathy for others. In 2021, 145 participants went through the In and Out the Box® training.

We participated in the "Talent-wise Employment Charter and Inclusive Organisations Recognition Scheme" to offer internship opportunities to six students with disabilities. The interns were assigned to different business units for 8-14 weeks, after which they would be given a self-reflection assignment to reinforce their learning. A workshop ran by various local NGOs was arranged for our line managers and project leaders to provide them with practical tips on how to work and communicate with People with Disability.

Externally, we communicated with different minority groups through the engagement with different local NGOs. For example:

- Partnering with Yuen Long District Police and Light Rail operations, we organised a Tuen Mun Depot visit for ethnic minority in November 2021 to enhance social inclusion. The visit was attended by 16 South-Asian teenagers to understand how the Corporation connects with the community and the job opportunities at entry level in Hong Kong, and experience the depot ride and cab sim driving. Moreover, we participated in a job fair organised by Multi-cultural Employment Service Unit of Baptist Oi Kwan Social Service in December 2021. The job fair targeted the ethnic minority and people with mental illness.
- A series of NGO visits were arranged to understand the mobility needs of different groups with special needs, including New Life Psychiatric Rehabilitation Association, The Hong Kong Society for the Deaf, The Hong Kong Society for the Blind and Hong Kong Blind Union. Through these engagement efforts, we have stepped up training for employees in addressing the different needs and identified new collaboration opportunities with social enterprises. Tailor made visits were arranged for NGOs to showcase

inclusion elements in our facilities and operations such as visits to High Speed Rail facilities for some 30 members of ethnic minority families from Yau Tsim Mong District and 15 students with Special Education Needs ("SEN") from Heep Hong Society and their families.

A dedicated session of Sung Wong Toi Station Open Day received over 400 participants from NGOs and community groups, including youth groups, ethnic minorities, underprivileged families and SEN students.



Tailor made visits for NGOs to showcase inclusion elements in our facilities and operations.

OVERSEAS HIGHLIGHTS

MTR Elizabeth line

MTR Elizabeth line is committed to providing a socially inclusive environment for our employees, customers and communities. In 2021, we organised a number of activities to help improve social inclusion within MTR Elizabeth line. These include:

- **Second Language and Pronouns** – As part of our commitment to Excellent Service, we have given our frontline staff an option to add any additional languages, including sign language, on their name badges. This enables customers to easily identify staff who speak their preferred language. Our staff can also add pronouns to their name badges to ensure people use the correct pronoun; this is a positive way to support each other and act inclusively.
- **Neurodiversity** – Workplace inclusivity is important to MTR Elizabeth line, this extends to colleagues with neuro-variations such as Autism, ADHD, Dyslexia, Dyspraxia

and other conditions that fall within neurodiversity. MTR Elizabeth line have published neurodiversity guidance to improve employees' understanding of colleagues who have these conditions and recognise that everyone has different experiences and viewpoints. The guidance aims to help employees understand neurodiversity so they can carry out any reasonable adjustments, use inclusive language and show a positive attitude to neurodiverse/neurodivergent people.

- **Women In Rail** – Women In Rail offers an award winning mentoring programme with rail companies within the UK. In 2021, five mentors and five mentees from MTR Elizabeth line took part in the scheme which matches junior colleagues (mentees) with senior colleagues (mentors) from another rail company based on the needs of the mentee. The scheme helps career development as participants learn new skills, knowledge and gain confidence, the majority of participants in the scheme are women, but the scheme is open to men, which allows participants to break down gender biases.

OVERSEAS HIGHLIGHTS

Metro Trains Melbourne

Our proactive approach to social inclusion focuses on changing culture, expectations and behaviours and setting and exceeding realistic but ambitious employment targets. Metro Trains Melbourne has developed a Metro Diversity and Inclusion Strategy 2020-2024, which outlines our diversity and inclusion objectives. The Strategy covers Gender Equality, LGBTIQ+ Inclusion, and Social Inclusion and Aboriginal Employment. Our policies, procedures and professional development programmes are in line with being an employer of choice for all, including women, people with disabilities, Aboriginal and Torres Strait Islanders, mature age job seekers and asylum seekers.

The core of our Strategy is through consistent engagement with all employees who are responsible for defining roles, shortlisting and hiring on the business case for diversity, the company's determination to meet targets, and the impacts of stereotypes and assumptions, particularly around experience and merit. The vast majority of roles to which social inclusion candidates have been appointed are permanent posts, and most of them have come with recognised Australian Qualifications Framework (AQF) level III or IV qualifications.

The Metro Trains Melbourne Executive have endorsed a social inclusion target of 4.5% over the past two years, in excess of any contractual obligation to the State government which is 3% in 2020 and 4% in 2021. Our leadership team, supported by the social inclusion specialist, have exceeded the stretch target set by the Executive. Over the past two years, social inclusion has accounted for 5.1% and 6.2% of all recruitment activities.

The proportion of women in our workforce has increased from 23.1% in October 2019 to 28.9% in October 2021. In particular, the growth of women in frontline service delivery teams is significant.

Organisational Units in the frontline service delivery teams	Proportion of Women		Percentage Increase
	October 2019	October 2021	
Train Services	20.2%	33.4%	13.2%
Infrastructure	7.2%	12.3%	5.1%
Network Operations	17.5%	26.0%	8.5%
Authorised Officers	21.1%	28.3%	7.2%

Metro Trains Melbourne works closely with community partners to find and develop talent. We support a range of programmes which provide diverse candidates with greater industry awareness and experience. For example, we have run the Engineering Pathways Industry Cadetship Programme ("EPIC") to assist engineers from asylum seeker backgrounds by providing them with a pathway to local experience and recognised qualifications. Metro Trains Melbourne has placed seven refugees and asylum seekers in its Projects Division through the first round of this programme.

We will continue to support diverse employees by focusing on individual needs, measuring representation of diverse groups across employee outcomes such as recruitment, retention, development and promotion, and building our capability for adaptive leadership.



Husnia Maseri is part of the increasingly gender and culture diverse team of Metro Authorised Officers.

Equal Opportunities

We commit to helping excluded and underserved populations access their fair share of opportunity.

Investing in Communities

As an organisation deeply ingrained into our communities, we are strongly motivated to contribute to the sustainable development of our city. Our employees regularly contribute their own time to organise and participate in community services and activities. In view of the pandemic, the number of volunteering projects has greatly reduced as we have shifted our community outreach strategies to ensure the safety of our staff volunteers and members of the community by conducting online or socially distanced charity activities. We continue to offer free advertising space to over 70 NGOs to promote their services and lease shops to NGOs along the Tuen Ma Line at a concession rate to support their services for the community. In 2021, a total of 18 station shops were leased on this basis. We have also sponsored venues at MTR Malls for 16 events organised by NGOs.



Straphanger and handrail were repurposed for use at elderly homes.

In 2021, our Hong Kong employees contributed a total of 8,593 volunteer hours with 95 community projects, while the Corporation offered in-kind donations valued at HK\$32 million and invested HK\$15 million in various community programmes.

Donation of Retired Trains for Community Projects

In 2021, NGO members of the MTR Society Link were invited to provide ideas on how to properly manage the retired Mid-life Refurbished ("MLR") trains with an aim of reducing, reusing and recycling the useful components, including passenger seats, straphangers, handrails and door leaves. As a result, various ideas have been generated and put into trial. For example, straphanger and handrail were repurposed for use at elderly homes while passenger seats were installed in elderly centres and schools.



Passenger seats were installed in elderly centres and schools.

Awards & Recognition	Organisation
Hong Kong Sustainability Award 2020/21 <ul style="list-style-type: none"> Hong Kong Sustainability Award Special Recognition for Outstanding Sustainability Initiative (Economic Dimension) Special Recognition for Outstanding Sustainability Initiative (Social Dimension) Special Recognition for Outstanding Sustainability Initiative (Environmental Dimension) Special Recognition for Innovation Special Recognition for Best Response to COVID-19 	The Hong Kong Management Association
Greater Bay Area Corporate Sustainability Awards <ul style="list-style-type: none"> GBA's Outstanding Corporation – Social Sustainability Award – Sustainable Cities and Communities GBA's Outstanding Corporation – Environmental Sustainability Award – Climate Action 	Metro Finance
Hong Kong Service Awards 2021 <ul style="list-style-type: none"> Corporate Responsibility Award 	East Week magazine
2020/21 Corporate and Employee Contribution Programme <ul style="list-style-type: none"> Diamond Award 	The Community Chest
2020/2021 Top Donors <ul style="list-style-type: none"> Ninth Top Donor of the Year Award 	
15 Years Plus Caring Company Logo	The Hong Kong Council of Social Service
HK01 Gold Medal Award Ceremony 2021 <ul style="list-style-type: none"> Excellent Sustainable Shopping Mall Award (Maritime Square) 	HK01

Community Investment Programmes

“Exploring the MTR” School Talk Programme

We conducted one-hour talks about MTR history and safe and courteous behaviours while riding on MTR in primary schools across Hong Kong as part of our efforts to reach out to the children in our communities. In 2021, more than 7,100 students attended these talks with positive feedback received.

Collaboration with Arts with the Disabled Association Hong Kong and Audio Description Association (Hong Kong)

To foster social inclusion culture, we collaborated with Arts with the Disabled Association Hong Kong (“ADAHK”) to arrange a non-visual

photography workshop in April 2021 in which six visually impaired persons visited Hong Kong West Kowloon Station (“WEK”) to capture snapshots from their perspective as creative artworks. The photos taken were exhibited in Central Station between October and December 2021 and online as well. Besides, 14 students from the Hong Kong Academy for Performing Arts paired up and took turns to be blindfolded to experience non-visual photography and the perspective of visual impairment in July at WEK. The Corporation also collaborated with Audio Description Association (Hong Kong) to arrange an art appreciation tour in October 2021 for ten visually impaired persons with audio description supported by MTR volunteers to promote art appreciation without boundaries and the importance of inclusion for both sighted and non-sighted persons.



Visually impaired photographers captured photographic artworks through the perception of various senses such as light, sound and touch, and with the aid of audio description provided by volunteers.



With guidance from the Audio Description Association (Hong Kong) and the support of MTR volunteers, visually impaired persons participated in an Audio Description Art Tour to appreciate the artworks at WEK in October 2021.

Supporting Local Athletes

Since 2013, the Corporation has been cooperating with the Sports Federation & Olympic Committee of Hong Kong, China in the Hong Kong Athletes Career and Education Programme to provide life-skills training for retired and planning to retire athletes to strengthen their skills that are applicable to the workplace. Hundreds of local athletes from different sports have benefited from the training since the programme was launched.

Hong Kong athletes' remarkable performances and their strive for excellence at the Tokyo 2020 Olympic and Paralympic Games have uplifted the spirit of the whole city. To relive the excitement and show continuous appreciation to local athletes and their spirit of perseverance, the Corporation shared the shining moments of Hong Kong athletes at the two Games through a photo exhibition entitled "Shining at the Tokyo Games", held simultaneously at Hong Kong and Olympic stations from 23 September to 24 October 2021. Visitors were able to celebrate the glorious achievements and inspiring moments of Hong Kong athletes at Tokyo's sports arenas at two MTR stations, with some of the photos being shown to the public for the first time.



A photo exhibition entitled "Shining at the Tokyo Games" was held at Hong Kong and Olympic stations from 23 September to 24 October 2021.

Furthermore, to show the Corporation's support to Hong Kong athletes, train tickets for life-long unlimited free rides to the medallists and one-year unlimited free rides to the other athletes taking part in the two Games were presented. MTR also provided a total of 1,200 free Airport Express train tickets for athletes and supporting personnel of the Hong Kong Paralympic Committee & Sports Association for the Physically Disabled for the Tokyo 2020 Paralympic Games and similar competitions, such as Hangzhou 2022 Asian Para Games and the Paris 2024 Paralympic Games in the next three years.

Phil Your MTR Ride with Music

From March to April 2021, we collaborated with the Hong Kong Philharmonic Orchestra ("HK Phil") to organise the "Phil Your MTR Ride with Music" campaign to enrich passengers' travelling experience and integrate music into their daily lives. A series of publicities including station music and music videos were rolled out at stations and online platforms. We also supported the Ambassador Fund of the HK Phil to promote music to the community and embark on world tours to represent Hong Kong.



We collaborated with the HK Phil to organise the "Phil Your MTR Ride with Music" campaign.

The Ballet Encounters@MTR

In October 2021, we co-organised "The Ballet Encounters@MTR" with Hong Kong Ballet ("HKB") to create cheerful and energetic art experience for the community. Choi Hung and Wan Chai stations were transformed into stages where dancers from HKB perform around the iconic "Art in MTR" station artworks. The performance was captured in entertaining videos that offer passengers a fresh perspective to appreciate multiple forms of art at one glance.



The Ballet Encounters@ MTR – The Grace of Ballerinas



The Ballet Encounters@ MTR – This is Wan Chai

Highlights of Our Volunteering Initiatives and Projects in 2021

“More Time Reaching Community” Scheme

In support of the philanthropy of our employees, we established the “More Time Reaching Community” Scheme in 2005 to provide funding support and organise various projects to serve the community. The Annual Gathering and Awards Presentation Ceremony for the Scheme was held in August 2021 in which 46 awards were presented to recognise staff and retiree volunteers for their contributions in organising more than 60 volunteering projects in 2020, devoting 6,300 volunteer hours to serve over 25,000 individuals. The Chairman of the Corporation, Chief Executive Officer, Directors and “More Time Reaching Community” Steering Committee members attended the ceremony to show appreciation to over 100 staff and retiree volunteers.

Partnering with the Chinese YMCA of Hong Kong and the Hong Kong Council of Social Service, a day camp for little volunteers was organised under the “More Time Reaching Community” Scheme in August 2021. A total of 24 participants who are children of our employees and aged between 8 and 11, joined the camp to experience the challenges faced by the underprivileged. The day camp facilitated them to appreciate the value of volunteering and practice communication and problem-solving skills. The little volunteers also met with homeless people to understand their needs, tasted a typical meal taken by the underprivileged called “Imperfect Lunch”, and experienced the challenges faced by the visually impaired people. To turn learning into action, volunteer service for homeless people was held in September 2021 for the kids and their parents.



Little volunteers completing task with eyes covered to experience the challenges faced by visually impaired people.



The Annual Gathering and Awards Presentation Ceremony for “More Time Reaching Community” Scheme was held in August 2021 to recognise staff and retiree volunteers for their contributions.

MTR Volunteering Month (MVM) 2021

To help promote social inclusion and reduction of greenhouse gas emissions as defined in the Corporation’s new social and environmental objectives, the MVM with a theme of “Happy Rail Green & Love” was launched between June and July 2021 and included a series of three volunteering activities. 57 staff volunteers participated in the activities which were specifically designed to serve people with intellectual disabilities, visual impairment, as well as underprivileged and ethnic minority children. In addition to the partnership with NGOs like St James’ Settlement, Hong Kong Guide Dogs Association and the Boys’ and Girls’ Club Association of Hong Kong, we have also initiated cooperation with the Audio Description Association to offer new volunteering experience. Positive feedback was received from both the volunteers and beneficiaries.



“Wood” You Craft with Me?

MTR volunteers visited St. James’ Settlement Jockey Club Upcycling Centre and members of the Centre conducted reverse mentoring to teach our volunteers to assemble DIY products with unused wood from MTR.



Hear with heART

MTR volunteers accompanied visually impaired persons with their guide dogs to visit Kai Tak, Hin Keng and Diamond Hill stations and introduced the art pieces and the smart barrier-free facilities at the stations to them with audio description.



Children on Board

MTR volunteers engaged the underprivileged and ethnic minority children in designing, producing and participating in large boardgames to promote children’s understanding of MTR’s operations. The activity unleashed children’s creativity and fostered the interactions among children from different backgrounds.

SCC Volunteering Project to Support Social and Environmental Objectives

The Staff Consultative Council (“SCC”) Councillors initiated a volunteering project riding on the Mid-Autumn Festival to call for employees’ support in donating mooncakes and dry food to Food Angel. It aims to help the needy and avoid food waste for environmental protection. Positive responses from our employees were received, with 330 mooncakes and dry food collected for donation.



During the Mid-Autumn Festival, 330 mooncakes and dry food were collected among our employees for donation to Food Angel.

Art in MTR

The “[Art in MTR](#)” cultivates an appreciation of art in our communities whilst enriching passengers’ minds and enhancing their travelling experience along our extensive networks. Since its inception in 1998, we have introduced a wide spectrum of art pieces in station concourses and platforms, from photos, paintings, drawings, architectural fixtures and sculptures to roof hangings and mosaics. Over 90 artworks from established local and international talent from Australia, Japan, Malaysia, New Zealand, South Korea, the Mainland of China, Taiwan, the UK, the USA, Morocco and France have been showcased in over 50 stations under this initiative, as we hope to continue fostering an appreciation for artistic talent whilst building a vibrant city for all to enjoy. In 2021, we unveiled 3 new artworks that featured ancient relics, collective memories and personal belongings in Sung Wong Toi, To Kwa Wan and Hung Hom stations.

We also support local amateur artists, school children, and nonprofit organisations to elevate the works of local artistic talent and to cultivate the public enjoyment of local art through our open art exhibition spaces at Central, Sheung Wan and Sai Wan Ho stations. A total of 6 exhibitions were conducted to showcase the diverse creative talent of our local communities, including paper quilling, paintings, stitching, comics and cartoon creation, photo shooting by visually impaired photographers and upcycled craftworks. Currently, we have more than 60 Community Art Galleries throughout our railway network, presenting homegrown talent to the community.



On MTR Sustainability Website:

Read our Management Approach

- > [Human Capital](#)
- > [Responsible Procurement](#)
- > [Community Contribution](#)

Our Policies and Guidelines

- > [Board Diversity Policy](#)
- > [Code of Conduct](#)
- > [Supplier Code of Practice](#)
- > [Green Procurement Policy](#)
- > [MTR Corporation Modern Slavery and Human Trafficking Statement](#)
- > [Corporate Responsibility Policy](#)

In This Chapter:

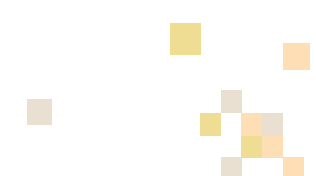
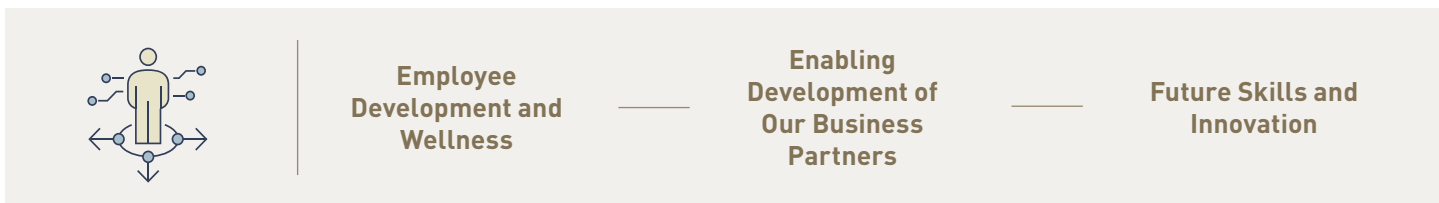
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HKEX: GD-B3, GD-B4, GD-B5, KPI B1.2, KPI B3.1, KPI B4.1, KPI B5.2, KPI B5.3, KPI B5.4, KPI B8.1, KPI B8.2

SDGs:



FOSTERING ADVANCEMENT AND OPPORTUNITIES



As we fulfil our vision to connect and grow communities, we create opportunities for others to develop themselves and grow alongside us.

Employee Development and Wellness

We commit to helping employees grow personally and professionally through learning and opportunities for career advancement, and to fostering their well-being.

Learning and Development

We foster a culture of continuous learning to drive the growth and success of our employees. We are committed to offering a wide range of learning resources, training programmes and schemes for the personal growth and professional development of our operating and technical staff as well as our management staff. In 2021, our average number of training days per employee in Hong Kong is 5.2 days, which is higher than the average number of annual training hours of 12.9 per employee revealed by a survey conducted by the Hong Kong Institute of Human Resource Management last year. Our target is to provide at least five learning days to our employees on average every year.

Our Learning & Development Department (“L&DD”) offers a college-based training and development curriculum on topics ranging from leadership, corporate effectiveness to customer services delivered in various learning modes including workshops, virtual classroom, webinar and experiential learning. Our Operations Training Department (“OTD”) offers a training curriculum covering operations and safety training, technical training and IT training to assist staff and contractors in performing their duties efficiently while meeting the operational, safety, technical and maintenance requirements of the Corporation.

With the pandemic and the need for remote working, Learning Management System (“LMS”) has enabled learning be available to staff anytime and anywhere. In the past year we have strengthened the content in all areas to allow self-learning and have included topics such as Environmental, Social and Corporate Governance (ESG), Diversity, Equity and Inclusion (DEI) and work ethics.

Moreover, we continued to make use of technology, such as virtual reality (VR) and mixed reality (MR), in enhancing the diversity and effectiveness of training. On top of the 10 VR training venues along the railway network, we opened a brand-new MR Training Centre for technical and maintenance training in 2021.



Brand-new MR Training Centre for technical and maintenance training opened in 2021.

Our commitment and efforts to provide learning and development opportunities for employees have been widely recognised in the territory. Our signature customer service training programme, “Driving Service Excellence for Service Ambassadors” won three recognitions in the HR Distinction Awards 2021 organised by Human Resources Online Magazine, namely Gold Award in Excellence in Employee Development, Gold Award in Excellence in Leadership Development and Silver Award in Excellence in Learning & Development.



Our signature customer service training programme, “Driving Service Excellence for Service Ambassadors” won three recognitions in the HR Distinction Awards 2021.

The training hours across our operations in Hong Kong and overseas saw a decreasing trend over the past two years due to social-distancing measures and work from home arrangement to combat the COVID-19 pandemic. To cope with the new normal, many more virtual classes and webinars have been organised for staff to acquire knowledge through the online channels. Self-learning resources have been greatly enhanced for self-curation and learning anytime anywhere.

We are also committed to developing and maintaining a robust talent pipeline through various apprenticeship schemes and graduate development programmes. In 2021, around 100 young people joined various development schemes in pursuit of a career in the railway industry and we recruited 55 high potential talents as Graduate In-takes to be developed as fast-track general management and professional talents for the Corporation. We also conducted the Management Potential Development Programme covering 30 senior supervisors, representing 3.6% of the eligible senior supervisor grade, to assess their potential and develop them as future general management leaders. In 2022, we aim to provide over 200 employment and pre-employment opportunities for young talents.

The outbreak of COVID-19 has presented a pressing need to safeguard the health and well-being of our employees. We are the first public transport operator to provide COVID-19 vaccination outreach service for employees and their dependents. To encourage employees to be vaccinated, a 5-week 'Road to Normality' Lucky Draws was organised and additional paid "Well-being Leaves" were offered to employees who have completed the second and third doses of vaccines. We also provide extra insurance coverage to employees for diagnosis associated with COVID-19. By end of 2021, over 91% of specified groups of employees have completed 2 doses of COVID vaccine.

Average Training Days per Employee

	2019	2020	2021
Locations / Lines	Days	Days	Days
Hong Kong	7.1	4.8	5.2
Shenzhen Metro Line 4	12.7	18.9	8.8
Melbourne's Metropolitan Rail Service	8.3	7.0	7.3
Sydney Metro North West Line <small>(Note)</small>	-	3.5	5.9
Stockholm Metro	3.3	3.4	2.7
Stockholms Pendeltåg	3.0	1.1	1.2
MTRX	2.5	2.8	2.2
TfL Rail / Elizabeth line	10.8	6.5	9.5

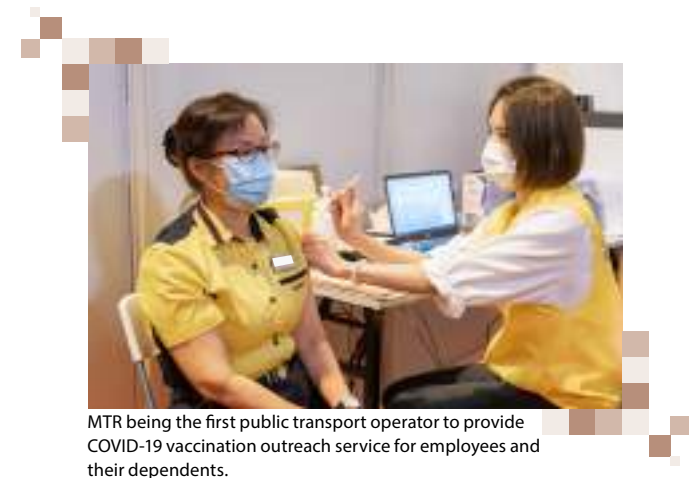
Note: Sydney Metro North West Line commenced service from May 2019.

Sense of MTR Community

We are honoured to be an employer of choice with over 50,000 dedicated staff globally. We begin with a market competitive remuneration package and benefits which allow employees and their families to maintain a decent standard of living. Our voluntary staff turnover rate remained low and the average length of service of our employees was 13.9 years in Hong Kong, which reflects our ability to attract and retain skilled and experienced talent.

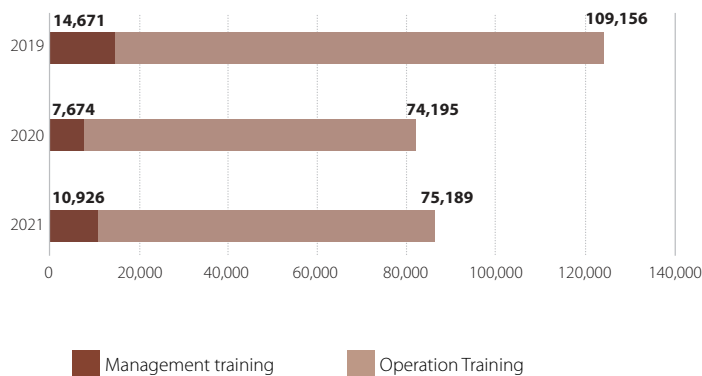
Voluntary Turnover Rate by Location

Locations / Lines	%
Hong Kong	5.6
Shenzhen Metro Line 4	9.9
Melbourne's Metropolitan Rail Service	7.0
Sydney Metro North West Line	12.6
Stockholm Metro	3.8
Stockholms Pendeltåg	3.4
MTRX	7.8
TfL Rail / Elizabeth line	7.2



MTR being the first public transport operator to provide COVID-19 vaccination outreach service for employees and their dependents.

Total Staff Training in Hong Kong (man-day)



To support our employees' total wellbeing, we organised a number of webinars under the Corporate Wellness Programme, namely "VitaMe", in 2021 covering topics on social, financial and physical wellnesses. A series of bite-sized online learning episodes under "Getting Ready for the New Normal" and a new "wellness blog sharing" corner where employees are free to share some of their personal thoughts and insights have been created and made available on the one-stop Emotional Wellness Portal via LMS. The L&DD also invited external speakers, including registered psychologist and other professionals, to share selected emotional healing therapy via two webinars in February and November 2021, attended by over 300 participants.

Enabling Development of our Business Partners

We commit to supporting small and medium sized enterprises with increased spend and setting social and environmental key performance indicators (KPIs) for business partners. For our existing suppliers, our near-term target is to provide training sessions on environmental, social and governance best practices for at least 50 of our key suppliers in 2022.

Managing our Supply Chain

We have robust procedures in place to ensure that the procurement process is conducted fairly with integrity and transparency. Our supply chain-related risks are identified and assessed through our Enterprise Risk Management System and we are carrying out a review of our supply chain risk management framework. We refer to the ISO 20400:2017 Sustainable Procurement Guidelines and have established a Green Procurement Policy which provides our employees with guiding principles when making sustainable procurement decisions and further promotes green initiatives in the supply chain. All of our suppliers are mandated to comply with our Supplier Code of Practice to ensure high standards for human and labour rights, environmental protection, supply chain management, and ethical business practices are met.

MTR extends its mindset of responsible procurement to cover the administrative and support functions, for instance, only FSC-certified paper is used at our offices. We also encourage our staff to consider environmentally friendly options when purchasing equipment or other office supplies. The Corporation targets to continue increasing the spending on green procurement to HK\$250 million in 2025 and rising to HK\$350 million in 2030.

OVERSEAS HIGHLIGHTS

Metro Trains Melbourne

In response to the COVID-19 pandemic, Metro Trains Melbourne continued to implement a series of measures in 2021 to support our employees. These include:

- Implementation of Early Intervention Leave up to 5 days paid leave to support our colleagues who contacted COVID-19 and may require leave to test, isolate or recuperate;
- Introduction of Flexible Work Policy for all employees;
- Rolling out of an Employee Vaccine Survey in August 2021 to seek employees' feedback regarding COVID-19 vaccinations, including vaccine uptake and any barriers to vaccination. The survey has helped inform Metro Trains Melbourne in how best to ensure our employees to access vaccinations;
- Metro Trains Melbourne's Chief Medical Office ("CMO") has hosted a 3-part live employee information session

to provide an opportunity for employees to hear the facts, bust the myths and ask questions about COVID-19 vaccine and understand the steps they can take to keep themselves and others, and the communities safe; and

- All-in virtual morning tea series known as "Stay Connected" was organised to deliver a range of topical subjects by industry experts, such as on physical, psychological and financial wellbeing to all employees on a monthly basis.

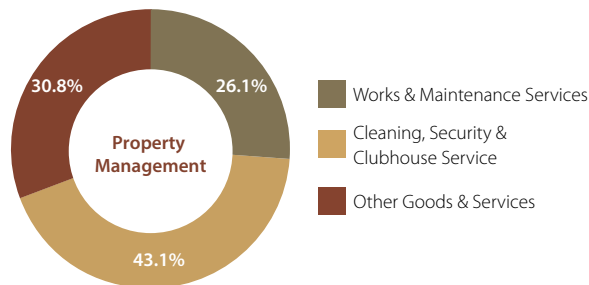
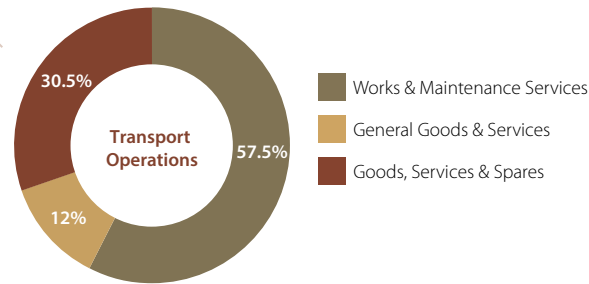
MTR Elizabeth line

MTR Elizabeth line launched the Wellness Station, an intranet platform to provide mental and physical health information for employees. The platform includes written information, tips, podcasts and videos on a range of topics from sleep, shift work to anxiety. MTR Elizabeth line has also participated in a number of events such as Suicide Prevention Day, Wellbeing Roadshow, Mental Health Awareness week to share knowledge and highlight the importance of good health and wellbeing.

Supply Chain Assessment

The Corporation diligently tracks relevant spending data as part of our procurement analytics within our comprehensive supply chain assessment procedures. Our suppliers are categorised under three separate groups based on the operation they serve, namely transport operations, property management and railway extension projects. The following charts represent our spending on products and services as a percentage of total spending by business operation category.

Percentage of Spending by Major Categories in 2021



Note: Proportional spend data of railway extension projects is not shown due to the cyclical nature of spending.

Supplier Engagement

We actively engage our business partners along our supply chain and support them to adopt and implement best sustainable practices beyond compliance to cultivate a sustainable value chain.

Enhancement Initiatives

Committing to sustainable supply chain collaboration, MTR is one of the founding members of the **Sustainable Procurement Charter** launched by the Green Council. We have established a sustainable procurement programme to guide our efforts in mitigating underlying risks in our supply chain.

Under the programme, we have completed a review of our present approach and policies to sustainable procurement, and performed a supplier segmentation analysis to gauge our supply chain risks and our capacity to influence behaviour and drive change. A data-driven approach was adopted for our supplier segmentation analysis to evaluate our business partners along the supply chain based on the inherent risks and company specific leverage. The findings of the analysis helped categorise more than 2,600 suppliers across over 100

product categories into four groups. The top two highest risk categories comprise approximately 6% suppliers, whilst the rest of our suppliers fall into the two lower risk levels.

To further promote good sustainability performance of our business partners, particularly our main contractors and subcontractors, we organise the Quality, Safety, Environmental and Stakeholder Engagement (QSE & SE) Award Scheme and Safety and Environmental Improvement Incentive Scheme to recognise high quality, safety, environmental, and stakeholder engagement performance from them.

In June 2021, an award ceremony was held to recognise the excellent QSE & SE performance of our contractors working on Shatin to Central Link and Operations Projects in the preceding year. A total of 21 QSE & SE awards were presented to our contractors and subcontractors to recognise their professionalism and commitment on pursuing and up-keeping a high standard of QSE & SE. Due to COVID-19 pandemic, we continued in the second year in combining both physical ceremony with live broadcast. Over 150 colleagues and contractors joined the Ceremony to share the joy with the awardees together.



A total of 21 QSE & SE awards were presented to our contractors and subcontractors to recognise their professionalism and commitment on pursuing and up-keeping a high standard of QSE & SE.



OVERSEAS HIGHLIGHTS

MTR (Macau)

MTR (Macau) has established a mechanism to evaluate its vendors' environmental performance as part of the procurement process. These include request certification to an environmental management system, development of an environmental policy, and submission of environmental management plan (EMP) for continuous improvement. We also encourage vendors to define a set of environmental key performance indicators. Regular site inspections are carried out to ensure site works are being undertaken and pollution control measures are in place which comply with the environmental regulations and requirements stipulated in EMP. Immediate improvement action(s) will be requested upon any environmental problems identified.

Future Skills and Innovation

We commit to collaborating with local schools and universities, as well as startups and the technology ecosystem to foster innovation.

Empowering the Youth

Complementing our efforts to support more interconnected communities with our infrastructure projects, we are actively investing in community programmes benefiting different social segments, in particular the youth. We adopt a multi-faceted approach to support youth development and to unlock their potential.

'Train' for Life's Journeys

We have been organising our annual signature programme 'Train' for Life's Journeys since 2009 to support secondary school students in their career and life planning as well as whole-person development. In 2021, we continued to organise a series of workshops and activities with MTR mentors and members from different NGOs and social enterprises. Under COVID-19, the programme was held online in August 2021, connecting 120 secondary school students who joined a series of workshops and sharing sessions on career-and-life planning, mindfulness talk, sharing on inclusive communities by various NGOs and a virtual MTR job-tasting experience. Our staff from more than 10 business units and corporate functions were invited as guest speakers

to share their experience on topical issues such as innovation, sustainability, and customer centricity. Young graduate trainees and functional associates also joined as mentors to the students during the four-day programme.

A smaller scale face-to-face version was also arranged in December 2021 for around 40 participants selected from the online version over the past two years. The four-day programme covering experiential learning, workshops, community visits and services as well as site visit to MTR stations and depots offered students a holistic career and life planning experience, which would help set their goals for future development.



Various NGOs shared with the students on the needs of different sectors of the society and the importance of building an inclusive community.



MTR colleagues introduced the Corporation's vision and various businesses.



During the year, we collaborated with universities and youth organisations in support of different programmes and initiatives which align with our social objective of “Advancement and Opportunities”. These include:

- Establishing the Corporation Scholarship Scheme for Children of Employees to encourage education in Hong Kong by awarding scholarship to children of employees who are studying in local schools or educational institutions and have active participation in volunteer activities. In 2021, around 270 applications were received, among which 62 secondary and 18 tertiary top academic achievers were awarded in addition to 2 students receiving the “Caring for Communities” Award. Besides, we have also sponsored MTR scholarship for 8 Vocational Training Council (VTC) Higher Diploma engineering students.
- Partnering with Lingnan University as an agency partner of a Service-Learning course on Corporate Social Responsibility (CSR). Our employees shared with the students about MTR’s social and environmental objectives and key sustainability initiatives, station design and environmental protection work, and provided feedback on students’ proposals on relevant CSR topics. We also provide environmental training for their students and recruit them as our Youth Ambassadors for reaching out to primary and secondary schools in Tung Chung and Tuen Mun to deliver school talks on Tung Chung Line Extension and Tuen Mun South Extension projects respectively.
- A career talk was arranged for some 30 secondary students from Wong Tai Sin District in June 2021. The sharing session covered various aspects of a career within MTR, as well as the latest social and environmental objectives and key CSR initiatives undertaken for the benefit of youth. The sharing session was part of Wong Tai Sin Youth Development Network’s career planning series.



Students from Lingnan University presented their proposals on various CSR topics at the end of the Service-Learning course.



30 secondary students from Wong Tai Sin District participated in a career talk to know more about various aspects of a career within MTR.

- A visit to the MTR Operations Control Centre was arranged in December for over 10 university students as part of the Hong Kong General Chamber of Commerce Pitch Perfect Programme. The visit covered sharing on career development and opportunities at MTR and an introduction to the railway business.



Students visiting MTR Operations Control Centre.

- A mentoring scheme was launched for over 10 secondary school students as part of the HKSAR Government's "Life Buddies" Mentoring Scheme, to provide students with exposure and information on industry and profession through group mentoring activities in the academic year. A visit to the school was arranged in December to introduce the programme.
- A visit to MTR Academy (MTRA) was arranged for some 20 secondary students from Eastern District in December 2021. The visit covered different career opportunities in the railway industry as well as a tour around the Integrated Training Facilities Room at MTRA, with Graduate Trainees shared their experience in career and life planning. The visit was part of the Eastern District Office's E-League Programme benefiting youth in the district.
- Co-hosting the 1st World Skills Competition (Railway Vehicle Technology) with VTC and attracted 120 contestants in the first round of competition including 34 MTR apprentices, secondary school students and VTC students. Through the competition platform, contestants can put into practice what they have learned as well as learn and share with the peer contestants.



Students attended a tour around the Integrated Training Facilities Room at MTRA to learn more about operations and maintenance of trains behind the scenes.



A mentoring scheme was launched for over 10 secondary school students as part of the HKSAR Government's "Life Buddies" Mentoring Scheme.



MTR co-hosted the 1st World Skills Competition (Railway Vehicle Technology) with VTC.

OVERSEAS HIGHLIGHTS

MTR Nordic

Being the only train operator in Sweden with a higher vocational education programme, MTR Nordic possesses a unique position for supplying the entire industry in Sweden with train drivers and train technicians. MTR Nordic founded a Higher Vocational Education programme in 2017 for train drivers and established an additional programme for train technicians in 2019. The programmes are governed by the Swedish national agency for higher vocational education and follow relevant Swedish laws and guidelines. The train driver programme lasts for one year and approximately 45% of the training consists of work placements with various train operators. In 2021, 30 students started the programme, whereof 26 of them graduated the following year. Among these graduates, 15 have been recruited by MTR Mälartåg and two have been recruited by MTR Pendeltågen.

Fostering Innovation

Innovation and technology are key enablers to help the Corporation realise its vision and create new growth opportunities. We work closely with both internal and external stakeholders to develop an ecosystem for innovation and technology.

Since June 2020, the Corporation has established the Technology and Innovation Steering Committee (TISC), which provides funding for piloting new technologies and innovation, along with process support and other assistance for the Corporation's innovation projects, thereby enhancing our market competitiveness and improving safety, customer experience and operational efficiency. Since its establishment, TISC has approved more than 45 innovative projects, including smart station facilities maintenance, artificial intelligence, blockchain, virtual reality (VR), etc. TISC has also inspired and enabled bottoms-up projects, where the idea, initiation, and implementation came directly from front-line and working level staff. One of the successful examples is Carbon Wallet, which was initiated by a group of young talents passionate about sustainability. The project was funded by TISC, starting from a part-time project to now one with dedicated staff.

We also support start-ups in different ways. For instance, we worked with Cyberport to support startup companies through their business matching programme, Cyberport Enterprise Network Programme (CEN). Through CEN, we connected with Cyberport's community of startups to help them grow and apply their technologies to metro operations. In addition, we joined hands with Carbonless Asia, a growing innovation and investment platform, to organise the "MTR x Carbonless Asia Challenge 2021". The Carbonless Asia Programme identified novel and scalable data-driven decarbonisation solutions for our systems and operations from start-ups around the globe.

With a view to fostering mutual learning of innovation ideas, we have devised an Externship Programme to provide external exposure to staff via job secondment or exchange with external companies for 3-6 months. The first externship has been successfully lined up with Hong Kong Productivity Council for a Design Support Engineer - System Integration in our Technical & Engineering Services Department for a secondment period between September and November 2021. Further externship opportunities will be explored with other potential companies.

MTR Academy

To build a talent pool in the railway industry, the **MTR Academy** (the "Academy") was established to act as a global training and research hub for railway management and operations. Drawing on MTR's world-class experience in the railway industry, the Academy develops its tailor-made education and training curricula to cultivate future railway professionals and leaders of the industry in Hong Kong and around the world.

The Academy now hosts 3 accredited Diploma and Advanced Diploma programmes under the Hong Kong Qualification Framework with more than 100 full-time and part-time students, producing 86 graduates in 2021. Another accredited programme on Security Training allowed almost 300 participants to attain the relevant qualification through the year. The Academy has also supported the provision of an Applied Learning subject under the Education Bureau since 2018 and the subject has been popular among the DSE candidates. More than 100 DSE students were on the enrolment list in 2021.

The Academy continued to explore new ways to expand our industry training support for those interested in railway-related careers amid the COVID-19 pandemic.





REDUCING GREENHOUSE GAS EMISSIONS



Carbon Emissions

Clean Energy & Energy Efficiency

Waste Management

Green and Low-carbon Designs

On MTR Sustainability Website: Read our Management Approach

- > [Environmental Protection](#)
- > [Sustainable Investment](#)

Our Policies and Guidelines

- > [Corporate Responsibility Policy](#)
- > [Climate Change Strategy](#)
- > [Practice Note for Managing Air Quality in Air-conditioned Public Transport Facilities: Railways](#)

In This Chapter:

GRI : 302-1, 302-3, 302-4, 302-5, 303-1, 304-1, 304-3, 305-1, 305-2, 305-3, 306-1, 306-2

HKEX: GD-A1, GD-A2, GD-A3, GD-A4, KPI A1.2, KPI A1.5, KPI A1.6, KPI A2.1, KPI A2.3, KPI A2.4, KPI A3.1

SDGs:



As a low-carbon transport provider, we are committed to managing our environmental footprint and achieving carbon neutrality. We will be setting 2030 science-based targets for our railway and property businesses in Hong Kong and strive to achieve carbon neutrality by 2050.

Reducing Carbon Emissions, Adopting Clean Energy and Enhancing Energy Efficiency

We recognise the importance of combating climate change and commit to integrating low-carbon measures into our policies, strategies and planning as well as strengthen our resilience and adaption to climate-related risks. Moreover, we are committed to enhancing our energy efficiency and increasing the generation of renewable energy.

Energy Reduction and Efficiency

Energy generated from non-renewable fuel sources represents the most significant inputs for the operation of our railway network. Our purchased energy is our biggest non-staff operating cost and the largest contributor to our carbon emissions. In 2021, we consumed 3,161 GWh of electricity worldwide^[Note], of which about two thirds were consumed by Hong Kong operations. In Hong Kong, our railway operations and property business accounted for 79% and 21% of our consumption, respectively. We continue to benchmark our heavy rail network in Hong Kong with overseas counterparts through the COMET Benchmarking platform against 30 top-level indicators, which includes Environment. Please refer to [Performance Benchmarking](#) in our Performance Metrics for further information.

Electricity Consumption of Heavy Rail Operations by Location (GWh)

Locations / Lines		2020	2021
Hong Kong	Hong Kong Operating Network	1,484.03	1503.68
Mainland of China	Shenzhen Metro Line 4	101.66	143.77
United Kingdom	TfL Rail / Elizabeth line	112.13	108.29
Sweden	Stockholm Metro	168.53	172.05
	MTRX	14.56	15.33
	Stockholms Pendeltåg	201.29	204.28
Australia	Melbourne's Metropolitan Rail Service	445.75	465.64
	Sydney Metro North West Line	87.74	84.62
Total		2,615.69	2,697.66

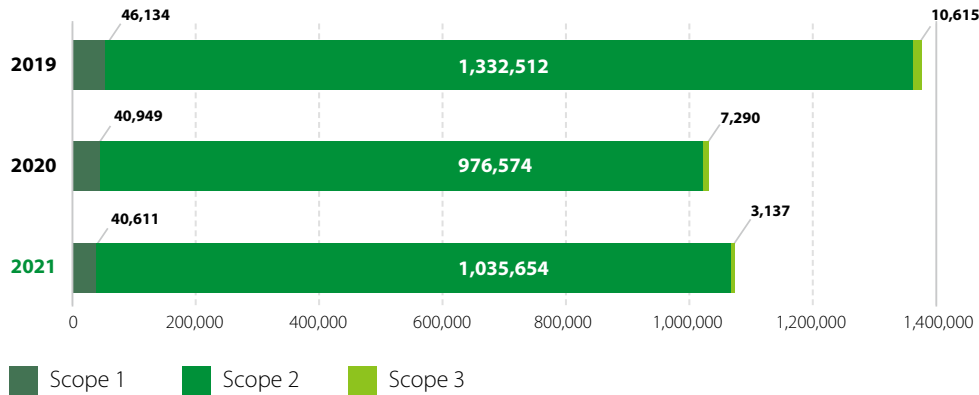
Note: Electricity consumption from our operation in Macao is not disclosed in this Report as the Corporation is not the sole owner of the data under the O&M service contract with the client in Macao.

Electricity Consumption in Hong Kong (MWh)

		2019	2020	2021
Railway Operations	Heavy Rail	1,559,734	1,484,030	1,503,677
	Light Rail and Bus	53,341	50,461	51,534
	Sub-total	1,613,075	1,534,491	1,555,211
Properties		400,824	376,220	411,914
Total		2,013,899	1,910,711	1,967,125

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

Total GHG Emissions In Hong Kong (in Tonnes CO₂e)

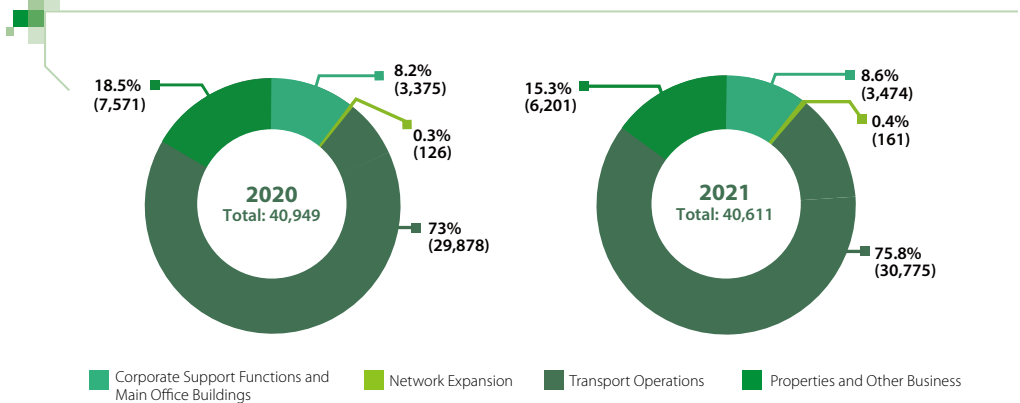


Scope 1 emissions are direct GHG emissions from sources that are owned or controlled by the Corporation, such as emissions from fossil fuels burned on site.

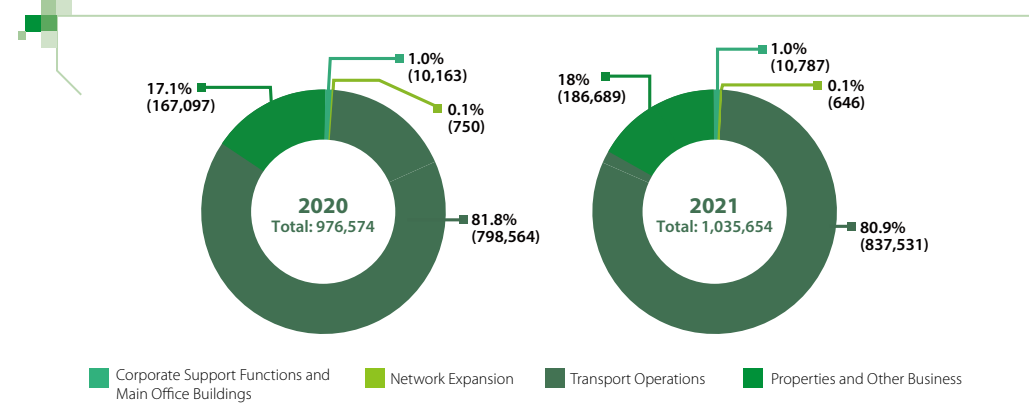
Scope 2 emissions are indirect GHG emissions resulting from the generation of electricity, heating and cooling, or steam generated off site but purchased by the Corporation.

Scope 3 emissions include indirect GHG emissions from sources not owned or directly controlled by the Corporation but related to our activities.

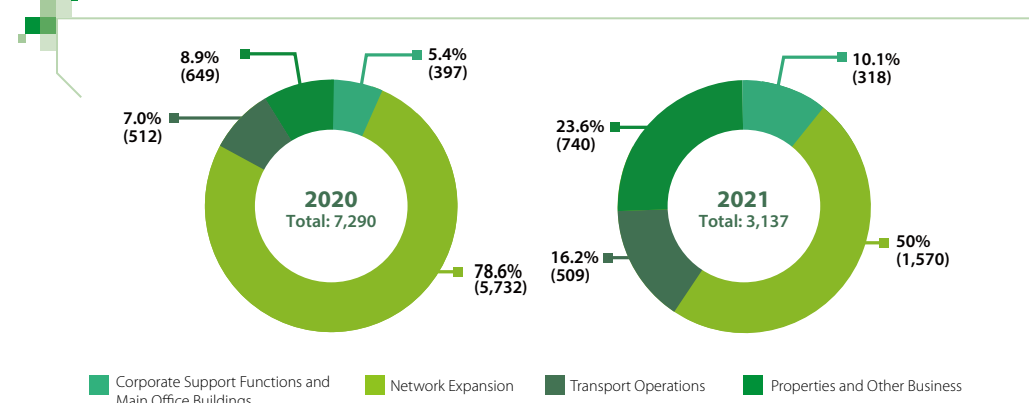
Breakdown of Scope 1 Emissions in Hong Kong (in Tonnes CO₂e)



Breakdown of Scope 2 Emissions in Hong Kong (in Tonnes CO₂e)



Breakdown of Scope 3 Emissions in Hong Kong (in Tonnes CO₂e)



Recently, we have completed a carbon reduction study that takes into account a comprehensive range of factors including the latest climate science, technology trends, Hong Kong's Climate Action Plan 2050, the risks and opportunities for our business, and the views of key internal and external stakeholders. The Study aims to develop a long-term decarbonisation roadmap for the operation and development of our railway and property businesses in Hong Kong through analysing our carbon footprint, reviewing feasible technical solutions and industry best practices around the world, and assessing their applicability to our operation.

Following the study, we will be setting science-based carbon reduction targets for the operation and development of our railway network and property portfolio in Hong Kong for 2030 with the longer-term goal of achieving carbon neutrality by 2050. We will implement a range of energy saving and carbon reduction initiatives, such as investing in the latest technologies, adopting innovative ways to enhance energy efficiency, and partnering with key stakeholders including the electricity suppliers in Hong Kong and tertiary institutions, to reduce our Scope 1, 2 and 3 emissions in line with the Paris Agreement.

Our Railway Operations

In our railway operations, we have continued our large-scale chiller replacement project at stations and depots. Up to 2021, 121 chillers were replaced, close to 78% completion. We continue to replace lighting into LED at our stations and trains. We have also implemented changes to our operating procedures to further optimise our energy efficiency. For example, we have switched off standby escalators during nonpeak hours and reviewed our electrical and mechanical systems, such as optimised operation schedule of environmental control system to suit operational demand without comprising passengers' comfort.

In Hong Kong, we have adopted regenerative braking technology to convert kinetic energy produced during train braking to 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 on the South Island Line (East) to make better use of the surplus energy produced from regenerative braking. To expand our usage of regenerative braking energy, we have commenced the installation works of two Station Energy Saving Inverter systems at Lai King Traction Substation at Airport Express and Tung Chung Line and at HKU Station on the Island Line. The systems can capture total estimated average of 1,700kWh of regenerative energy per day, which may be converted to low-voltage AC electricity to power station facilities such as lighting, escalators and lifts. The installation is scheduled for completion by end 2022.

Our Property Operations

With our ongoing efforts, we are proud to have achieved our target of a 12% reduction of energy used in our investment property portfolio in 2019, four years ahead of our target year. As of 2021, our Hong Kong investment property portfolio has achieved a reduction of 15% electricity consumption with 2013 as baseline. We have adopted a wide range of energy saving measures in our invested and managed properties, including:

- Replacement of traditional lights with LED lights;
- Installation of high energy efficient air conditioning systems for plant rooms, common areas and main lobbies, and installation of variable speed drive ("VSD") at the ventilation fans of air handling units;

- Installation of motion and optical sensor-controlled lighting with a dimming function for rear staircases and mechanical floors;
- Upgrade of lighting controls for our building management systems;
- Modernisation of lift and escalator;
- Proactive replacement with high efficiency equipment; and
- Upgrade of Building Management System.

We also continue to closely monitor air-conditioning usage and adjust temperatures in the main lobbies and club houses of our managed properties to reduce energy use. All of our shopping malls have pledged to engage tenants in energy-saving initiatives in 2022.

In our Headquarters, capacitor banks and active harmonic filters were introduced to improve power quality and hence overall energy efficiency. We also installed dimmable motion sensor LED tubes at the rear staircases to reduce unnecessary lighting. To widen the adoption of energy efficient lighting at our Headquarters, we launched a plan to gradually replace approximately 10,000 fluorescent light tubes with LED tubes, which consume 50% less energy. As at the end of 2021, around 70% of fluorescent light tubes at our Headquarters and all traditional downlights in the Kowloon Bay Depot canteen have been replaced by LED lights.



Solar panels installed at roof of Hin Keng Station.

Clean Energy Adoption and Innovation

We continued the Phase 1 Solar Facilities project in Hin Keng Station with the contract awarded in January 2021. Hardware installation of flexible solar PV panels, traditional mono at cladding, solar glass and the associated induction fan at platform levels and solar pavement were completed. The solar system is of the capacity of 60kW and the energy generated will be used to support station facilities. Testing and commissioning and grid connection are under arrangement.

We have further identified suitable locations for the installation of more solar panel systems at our premises. In August 2021, we have received formal approval from relevant government department for moving forward two pilot projects at Tai Wai Depot and Tuen Mun Depot and tendering for the installation works is in progress now. Our next phase will cover Pat Heung Depot, Chai Wan Depot, Sunny Bay Station and Siu Hong Station for the roll out of more solar energy projects, with contract awarded in end of December 2021. Our target is to increase our generating capacity of renewable energy to 1 million kWh by 2023.

We also explore possible measures to lower carbon emissions of our feeder bus fleet. In March 2021, our application for one double-decker electric bus to the New Energy Transport Fund was approved. The tendering process of the e-bus is in progress with contract award targeted by March 2022.





OVERSEAS HIGHLIGHTS

MTR Nordic

MTR Nordic is the first Nordic traffic operator that committed to setting a science-based target in line with the Science Based Targets Initiative. MTR Nordic continued to implement various energy saving and efficiency initiatives with the support of government policies and participation from local energy suppliers. For example:

- Adopted 100% renewable energy in its operations since 2019;
- Adopted biodiesel or HVO100 (Hydrotreated Vegetable Oil) fuel for 31 diesel vehicles. HVO100 fuel is made from 100% renewable items which can reduce up to 90% of carbon emissions compared to fossil fuel;
- Introduced three electric vehicles into its vehicle fleet; and
- Increased the use of renewable fuel in replacement traffic.

In 2021, MTR Nordic reduced energy consumption by 5.1% compared to the 2018 baseline, remaining on track to reach its 15% energy consumption reduction target by 2025.



MTR Nordic is the first Nordic traffic operator committed to setting a science-based target to reduce carbon emissions.

MTR Elizabeth line

Traction energy makes up approximately 90% of MTR Elizabeth line’s energy footprint, so we have been analysing data from the on-board meters and created dashboards to identify areas of high traction energy consumption. The data can then be used to establish if any changes can be made to reduce traction energy consumption, such as changing driving style and replacing problem units.

The carbon emissions of non-traction energy have continued to decrease due to the improvements made to stations on the East and the West such as installation of LED lighting, sensors on the lighting, more energy efficient ticket machines and the removal of gas central heating. In 2021, the carbon footprint of non-traction energy was reduced by 8% compared to the same period in 2020.

In response to employee demand, and in preparation for the government’s phasing out of petrol and diesel cars from 2030, MTR Elizabeth line has installed seven electric vehicle (EV) charging stations consisting of three dual and one single socket at our Gidea Park Depot to enable employees to charge their EVs whilst at work. The initiative has proved popular and we are looking to install more EV charging stations at other locations.



Seven EV charging stations installed at MTR Elizabeth line’s Gidea Park Depot to enable employees to charge their EVs whilst at work.



Community Participation

We take an active role in engaging the public and working with the technology ecosystem to foster innovation on carbon reduction.

Carbon Footprint Challenge

With the objectives of raising public awareness towards green transport, we launched a “Carbon Footprint Challenge” from August 2020 to September 2021 to encourage MTR Mobile registered users to achieve savings on carbon emissions by taking MTR rides and earn extra MTR Points as reward. More than 145,000 registered users participated in the Challenges, saving over 61,000 tonnes of carbon emissions, equivalent to the amount of carbon dioxide removed by over 2.6 million trees in a year.



Carbon Wallet

Carbon Wallet, a one-stop green lifestyle reward app, was introduced in March 2021 to encourage the public to adopt a low carbon lifestyle. The app promotes carbon reduction actions across four lifestyle categories: recycling, dining, shopping and mobility. Through practising carbon-conscious behaviour, users can earn points based on the carbon emissions saved, which may in turn be redeemed for green products and services from our participating partners. The app also provides an interactive map which allows users to find the nearest recycling point, drinking water stations, and vegetarian restaurants.

The number of downloads has reached over 20,000 since the launch of Carbon Wallet. In 2021, Carbon Wallet partnered with more than 20 sustainable businesses, vegetarian restaurants, cafés and green groups to promote carbon reduction actions. Overall, users have submitted more than 40,000 recycling records in total. Combining all green actions captured in the app, our community saved 30,000kg CO₂e, which is equivalent to the amount of carbon dioxide emitted by around 110 households’ electricity consumption in a month in Hong Kong. Carbon Wallet will continue to expand its ecosystem and co-organise campaigns with partners to engage our staff and the public to practice low-carbon lifestyle in their daily lives.



Carbonless Asia Challenge 2021

In 2021, we joined hands with Carbonless Asia, a growing innovation and investment platform, to organise the “MTR x Carbonless Asia Challenge 2021” to identify novel and scalable data-driven decarbonisation solutions for our systems and operations around the globe. The challenge topic “Carbon Reduction for MTR’s Daily Operations” attracted 142 teams from 23 countries to create tailor-made and innovative proposals for MTR. After months of intense screening and evaluation, a winning team has been selected to further discuss potential collaboration opportunities with MTR. A closing ceremony was organised in December 2021, with all the short-listed start-ups joining together for experience sharing and to celebrate the successful completion of the programme.



The closing ceremony was held at the MTR Headquarters Building to announce the winning team after months of intense screening and evaluation.

Waste Management

We recognise the importance of waste management and commit to reducing waste generation through prevention, reduction and recycling.

With millions of passengers and customers travelling along our extensive railway networks and through our integrated properties, responsible management of the waste generated is essential to our environmental stewardship. To minimise the amount of waste generated from our operations and ultimately disposed at landfill, we have put in place a variety of initiatives to encourage waste reduction and recycling at our stations, shopping malls and managed properties. Internally, we focus our efforts on driving staff behaviour change and promoting proper waste handling and recycling.

Our Railway Operations

We have placed three-colour recycling bin in the concourse of all MTR stations for collecting paper, cans and plastic bottles. Since 2018, we have been installing free drinking water dispensers and water vending machines at different MTR stations to encourage passengers to use refillable drinking bottles to reduce the use of single-use plastic beverage containers. In 2021, we installed two additional free drinking water dispensers at East Tsim Sha Tsui and Tai Po Market stations, making a total of 12 water dispensers available at our stations. An additional of five water dispensers will be installed in our stations in 2022. We will continue to review the effectiveness of this programme and consider further expansion, while hygiene and passengers' health and safety will continue to be given the highest priority.



Free drinking water dispensers installed at stations to encourage the use of reusable water bottles.

In addition, we conducted a trial on upcycling of spoil ballast generated from East Rail Line ballast replacement project for making eco-paver in February 2021. The trial was successful which recycled approximately 2,900 tonnes of spoil ballast. We will further explore other potential outlets. We also donated around 20 retired timber sleepers to Agriculture, Fisheries and Conservation Department for a trial of upcycling into recreational facilities in country parks. After a successful trial with two outdoor benches at MacLehose Trail (Section 10) at Tai Tong in March 2021, another bench was added at the iconic Hoi Ha Marine Park Visitor Centre in September 2021.



Trial on making eco-paver by upcycling spoil ballast generated from East Rail Line ballast replacement project.



Retired timber sleepers upcycled into recreational facilities in country park and Hoi Ha Marine Park Visitor Centre.

Our Property Operations

In our managed properties, we proactively seek opportunities to enhance the public awareness of proper waste management. We work closely with the Owners' Committees and Incorporated Owners to promote different source separation of waste programmes to residents. Various types of recyclables such as used papers, used clothes, glass bottles are being collected through recycling facilities in our managed properties. We also engage with our stakeholders in recycling campaigns for charitable donation.

In 2021, we partnered with a local environmental NGO to install three-colour waste separation smart machines and food waste recycling machines in Heng Fa Chuen for a two-year trial. Residents can enjoy earning electronic points and redeem gifts for recycling. Food waste collected is transported to the O-PARK1 for further processing, during which renewable energy and re-usable compost are generated.



Three-colour waste separation smart machines and food waste recycling machines were installed in Heng Fa Chuen for a two-year trial.

Since January 2021, there were an increasing number of our managed properties participating in the "Reverse Vending Machine (RVM) Pilot Scheme" rolled out by the Environmental Protection Department, including The Harbourside, Festival City, Grand Austin, Admiralty Centre, Maritime Square, Telford Plaza, The LOHAS and Paradise Mall. We

continue to engage our food and beverage tenants through the "MTR Malls Food Waste Reduction Pledge". 25% of our shopping mall food and beverage tenants will join our food waste reduction programme in 2022. In addition, residents of our managed properties are encouraged to join our "Central Food Waste Recycling for Improving Estate Environment" initiative to reduce their food waste through different programmes such as festive food donation. Composting machines are also being used in some of our managed properties to convert food waste into compost.

To raise staff awareness, we supported the "Get Redressed Month" in October 2021 to promote sustainable fashion as a means to reduce textile waste. Over 200 employees actively participated in staff briefing sessions and a Clothing Drive at MTR Headquarters with 360kg of clothes, equivalent to 2,400 T-shirts, collected for reuse or recycling within a week. Twenty MTR volunteers also joined a Sort-a-thon event together with other Redress volunteers and sorted around two tonnes of clothes collected from the campaign, for reuse by local charities and resale by Redress to promote second-hand fashion.

Through these schemes, we aim to reduce waste disposal to landfill by encouraging residents, tenants, customers and our colleagues to reduce and recycle waste and promoting the concept of source separation.



Installing reverse vending machines at our managed properties to encourage residents, tenants and customers to recycle plastic bottles, aluminium cans and beverage cartons to further promote the concept of source separation.



MTR supported the "Get Redressed Month" with a Clothing Drive at MTR Headquarters and participating in a Sort-a-thon event.



OVERSEAS HIGHLIGHTS

MTR Elizabeth line

MTR Elizabeth line has a target of zero waste to landfill, this is currently being achieved with 50% of waste getting recycled and 50% used for energy recovery. Influencing passengers to segregate waste at source remains challenging for a number of reasons, therefore we are working with our facility management contractor and waste service provider to improve recycling rates by introducing battery recycling, improving signage, and improving awareness via eLearning briefs and toolbox talks. We also held a Waste Roadshow at Eastern stations to increase customer awareness of proper waste segregation. These initiatives brought about an increase in recycling rates by 5-10% per station.

MTR Elizabeth line has been exploring different ways to reduce the amount of materials and goods we use as a business, by applying the first step of the waste hierarchy, prevention. In 2021, we organised an ‘ideas challenge’ for staff to suggest possible measures to reduce waste, four ideas were submitted and two are already completed. One of the examples is the removal of printer cover sheets, this reduces paper waste when printing.

Other initiatives to help reduce waste include:

- removal of plastic cups and roll out of reusable bottles;
- installation of distilled water taps (reducing plastic bottle use); and
- reducing paper waste at the ticket office in partnership with our ticketing software provider, which will be completed in 2022.

These activities have enabled the removal or reduction of plastic, reducing waste and the associated carbon footprint.

Green and Low-carbon Designs

We recognise the importance of adopting green and low-carbon designs to achieve carbon neutrality and commit to developing sustainable infrastructure with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies.

During the design, planning, construction and operation of new lines, buildings and properties, we work to integrate environmentally conscious features into our projects and the surrounding areas as far as practicable. We aim to attain BEAM Plus Gold or above certification for our future new stations and new residential development projects in the long run.



Solar shading devices made from environmentally friendly materials to shield passengers from sunlight, and the extensive green roof to reduce the indoor temperature at Hin Keng Station.

Hin Keng Station became the first railway station in Asia to achieve BREEAM certification

In 2021, Hin Keng Station became the first railway station in Asia to achieve BREEAM certification, receiving a 'Very Good' rating under BREEAM In-Use. BREEAM is the most widely used sustainability assessment method for the built environment worldwide. The assessment evaluates asset performance in eight categories, including Health & Wellbeing, Energy, Transport, Water, Materials, Waste, Land Use & Ecology and Pollution. Among the most notable design features are the semi-enclosed station design that allows optimal natural lighting and cross-ventilation, the solar shading devices made from environmentally friendly materials to shield passengers from sunlight, and the extensive green roof to reduce the indoor temperature. Hin Keng Station has been selected to pilot different solar PV systems including thin-film solar panels, mono-crystalline panels and solar glass, to support the development of renewable energy. All of these sustainability initiatives have collectively made Hin Keng Station a low carbon station.



In 2021, five properties in our property portfolio achieved Gold or Platinum rating under the Hong Kong Green Building Council's BEAM Plus – a well-recognised green building assessment scheme in Hong Kong.

Year	Property	BEAM Plus Standard Awarded
2021	Long Ping Station (South) Residential Development (Sol City) *	Final Gold
	LOHAS Park Package 6 (LP6)	Final Gold
	LOHAS Park Package 5 (MALIBU)	Final Platinum
	LOHAS Park Package 4 (Wings at Sea)	Final Gold
	Tsuen Wan West Station (Bayside) Residential Development (Ocean Pride and Ocean Supreme) *	Final Gold
2020	Nam Cheong Station (Residential) (Cullinan West, Cullinan West II, and Cullinan West III) *	Final Gold
2019	Tsuen Wan West Station (Cityside) Residential Development (PARC CITY) *	Final Gold
	Tsuen Wan West Station (Tsuen Wan 6) Residential Development (THE PAVILIA BAY)	Final Gold
2018	Long Ping Station (North) Residential Development (The Spectra) *	Final Gold
2017	Austin Station Residential Development (The Austin and Grand Austin)	Final Gold

*MTR act as agent for West Rail Developments.

Water Conservation

The main use of water in our railway operations and at our managed and investment properties is for cleaning trains, railway infrastructure, stations, our premises and greening of our premises. To manage and reduce our water usage, we have introduced water recycling systems and water saving devices across our railway and property operations. Water used to clean trains is collected and recycled for another round of train washing or as toilet flushing water in the depots. A grey water recycling system is available at LOHAS Park to recycle wastewater for landscaping and cleaning of outdoor public spaces. We also install sensor water taps, flow restrictors and dual flush toilets on our office premises and MTR Malls.

The Corporation supported Water Supplies Department's Enterprises Cherish Water Campaign launched in September 2021. All MTR office buildings, depots and shopping malls as well as management offices of our residential property have signed a pledge to cherish water through implementing water saving measures and setting water conservation targets.

Biodiversity

To conserve natural habitats and nurture biodiversity, we take great care to implement our [Corporate Responsibility Policy](#) particularly in ecologically sensitive areas. We strictly adhere to relevant environmental legislations and requirements and avoid and minimise adverse impacts on ecology and biodiversity relating to our operations and new development projects.

Our work at Lok Ma Chau wetland, which included 32 hectares enhanced wetland habitats and ongoing ecological monitoring, is an example of our commitment to conserving the natural habitat. The wetland consists of 3 main sections, namely Reedbeds, Marshlands and Fishponds. Over 280 bird species have been observed, including the endangered Black-faced Spoonbill. During the 2021 breeding season, over 123 pairs of birds representing 7 different species were spotted. The wetland also hosts dragonflies, reptiles, mammals and amphibians including those classified as endangered, vulnerable and near-threatened. For details of our work at the Lok Ma Chau wetland, please refer to the [Lok Ma Chau Wetland Website](#).

As part of our tree management strategy, we have conducted large-scale tree surveys once every two years as well as developed a stringent tree coding system with smart tags for trees along our railway network. Our Tree Management Team adopts Near-field Communication ("NFC") technology to conduct regular monitoring and maintenance for around 30,000 trees along the railway lines. We have also partnered with meteorologists at City University of Hong Kong to develop a Tree Risk Map which would correlate typhoon track and wind direction, facilitating our planning and preparation of preventive steps and execution of recovery plan more effectively.



Over 280 bird species have been observed in our Lok Ma Chau wetland.



**On MTR Sustainability Website:
Read our Management Approach**

- > [Environmental Protection](#)
- > [Sustainable Investment](#)

Our Policies and Guidelines

- > [Corporate Responsibility Policy](#)
- > [Climate Change Strategy](#)

In This Chapter:

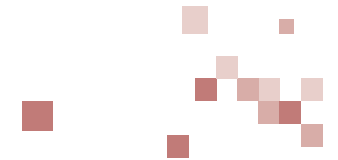
GRI : 201-2, 302-4, 302-5

HKEX: GD-A1, GD-A2, GD-A3, GD-A4, KPI A1.5, KPI A2.3, KPI A3.1, KPI A4.1

SDGs:



CLIMATE-RELATED FINANCIAL DISCLOSURES



MTR recognises climate change is highly material to our business, posing both risks and opportunities to our existing operations as well as future development. In 2020, we started to publish climate-related financial disclosures with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”) to provide our stakeholders with comparable and consistent information on how the Corporation is tackling climate change and managing its associated risks and opportunities. This year, we align our disclosures with the TCFD Recommendations again under the four core components of governance, strategy, risk management, and metrics and targets.

Governance

Our board-level Environmental & Social Responsibility Committee (formerly known as Corporate Responsibility Committee), led by the Chairman of the Corporation, meets twice a year to provide strategic guidance and review our sustainability practices and performance, including matters related to climate change, and reports to the Board of Directors. The responsibilities of the Committee and details on its work during the year are available in the [Corporate Governance Report](#) of the Annual Report. The Executive Committee, led by the Chief Executive Officer, is tasked with the day-to-day management of the Corporation. The Environmental & Social Responsibility Steering Committee (“E&SRSC”) (formerly known as the Corporate Responsibility Steering Committee), chaired by the Legal and Governance Director, meets three times a year with a focus on driving and reviewing the implementation of sustainability initiatives, including climate change, across all MTR business units and corporate functions. Members of the E&SRSC include members of the Executive Directorate and colleagues representing MTR’s major business units and corporate functions.

We will continue to strengthen our climate-related governance structure and practices with reference to international best practices such as the World Economic Forum Climate Governance Initiative.

Strategy

In response to climate change, we have developed a three-pronged approach [Climate Change Strategy](#), focusing our efforts to provide a low-carbon transport network, improve energy efficiency

and strengthen climate adaptation and resilience measures in our operations. Our [Corporate Responsibility Policy](#) and [Climate Change Strategy](#) supplement each other to provide high-level guidance and entrust each subsidiary to tailor their approach to climate change in accordance with specific regional standards, local context and priorities specific to their own operations.

Three-pronged Approach Climate Change Strategy

1. Low-carbon Transport Network

MTR strives to provide the communities where we operate with a low-carbon transport option. Our railway networks help connect communities with a greater carrying capacity than road-based transportation options. By building and expanding our railway systems, we can help reduce carbon emissions.

2. Carbon Reduction

Our carbon reduction measures focus on reducing energy consumption and improving energy efficiency throughout our operations. We will continue to explore suitable and practical opportunities to incorporate renewable energy and other approaches to reduce our carbon emissions. Details of our energy efficiency measures are available in [Reducing Greenhouse Gas Emissions](#) section.

3. Climate Adaptation and Resilience

Considering the enduring nature of our assets, we apply a life cycle approach to identify potential opportunities to adopt energy efficient and climate resilient elements at all project stages. We enhance our resilience to climate change by consistently reviewing and updating our design manuals. We also implement suitable adaptation measures such as protective installations and improved precautionary and emergency preparedness measures to minimise the impacts of extreme weather events on our assets.

Risk Management

Climate-related risks are monitored, reviewed and updated annually through our Enterprise Risk Management (“ERM”) Framework. We identify and review risks to our business units and corporate functions regularly and prioritise resources to mitigate and manage any emergent and significant risks. Representatives from business units and corporate functions report climate-related risks to the Enterprise Risk Committee (“ERC”) which is responsible for reviewing the Corporation’s top risks and key emerging risks (including climate-related risks) annually. The Chairman of the ERC will report the top risks to the Executive Committee and the board-level Audit & Risk Committee on a quarterly basis and to the Board on a six-monthly basis. The corporate-level climate-related risks map is reported to the ERC and the Executive Committee annually by the Head of Sustainability and the Chairman of the ERC respectively.

As part of our ISO 14001-certified environmental management system, we identify and manage environmental risks, including climate-related risks, arising from the operation of our railway facilities and property management. The Corporation has already identified several climate-related risks and opportunities that may potentially impact our business. Among the risks are the increased likelihood of extreme weather, changes in rainfall patterns and higher ambient temperature in Hong Kong. The impacts of these risks may severely damage our assets, increase maintenance and operating costs, delay construction activities, and negatively affect passenger and staff safety leading to service disruptions. To keep our facilities well maintained and regularly updated, we have allocated budget for facility works to ensure reliable service delivery. Conversely, through our assessment exercises, we have also identified opportunities to improve resource efficiency at our operations, which we plan to develop better sustainability and business performance.

Examples of Climate-related Risks & Opportunities Related to Our Operations

Risks & Opportunities	Timeframe	Impacts
Physical Risks		
Extreme weather	Long-term (>10 years)	Increased occurrence of extreme weather events may increase the chance of damaging power lines, obstructing railway tracks, damaging assets, and accelerating outdoor infrastructure deterioration, and hence, affecting railway operations.
Changes in rainfall patterns – Excessively heavy rain leading to flooding	Long-term (>10 years)	Excessive or heavy rain may expose our stations and facilities to flooding risk, which is especially significant for our underground stations, resulting in potential service disruptions.
Transition Risks		
Unforeseen regulatory pressure in responding to climate change	Medium-term (6-10 years)	More stringent requirements on energy reduction and resilience of new infrastructures to climate change, leading to increase in capex and programme delay.
Reputational impact	Medium-term (6-10 years)	Increased public concerns about climate change may lead to dissatisfaction and criticism from green groups on our carbon reduction efforts against their expectations.
Opportunities		
Supporting low-carbon transport	Long-term (>10 years)	MTR’s railway network has been commended as the backbone of Hong Kong’s low-carbon public transport network and will be encouraged to grow continuously.
Resource efficiency	Medium-term (6-10 years)	Increasing market trends for energy efficient products (e.g., LED lighting), renewable energy and advancement of their development would lead to lower prices for better products, resulting in a wider adoption across our portfolios.

In 2020, we conducted an Extreme Weather and Climate Change Impact Study to review how extreme weather and climate change related events could impact our railway networks and operations in Hong Kong. The Study has made reference to local meteorological data and simulated various scenarios to identify potential high-risk areas on our railway premises, systems and operations during heavy rainstorms and strong typhoons, covering aspects such as flooding, landslides, lightning, strong winds and temperature. The Study has also reviewed MTR’s current preventive measures and asset enhancement programmes, and assessed site conditions through surveys and inspections to evaluate and examine the resilience of our railway networks to extreme weather. Based on the Study results, we have developed a detailed adaptation and mitigation action plan to strengthen our climate resilience. Examples of key measure include provision of flood boards in areas with high flood risks, enhancement of the stability of a few man-made slopes along the East Rail Line and further investigation to improve our resilience measures.

We have commenced a high-level climate diagnostic study on our railway and property assets in Hong Kong to assess their exposures to climate-related physical risks under different time horizons and climate scenarios based on the Representative Concentration Pathways (RCP) designed by the Intergovernmental Panel on Climate Change. The Study will help us identify critical exposed assets at risk, which enables us to plan for a more in-depth scenario analysis where appropriate.

Flood Prevention Measures at MTR Stations

To tackle the threats of flooding at MTR stations and underwater tunnels caused by inclement weather, we have implemented the following measures:

- With regard to railway and road infrastructure, we carry out the design, construction and maintenance of the flood protection and drainage systems of the railway and its facilities in accordance with the requirements stipulated by Drainage Services Department. We also review and formulate the preventive measures regularly, and strengthen the protective equipment as needed;
- The entrances/exits of most MTR stations are by design at least 450mm above street level and equipped with 1.2m high flood boards; waterproof doors are installed at the underground entrances/exits connecting MTR stations and other facilities as needed; floodgates are also installed at the immersed tube tunnel of railway tunnels where necessary to prevent ingress of flood water; and



The entrances/exits of most MTR stations are by design at least 450mm above street level and equipped with 1.2m high flood boards.

- Emergency procedures for coping with catastrophic floods have been formulated to evacuate passengers from MTR stations as soon as possible in case of emergency, and drills are conducted on a regular basis.

Enhancing Preparedness for Typhoon at MTR Properties

Extreme weather events, such as rainfall, storm surge, lightning and typhoons, appear more frequently and become more threatening to Hong Kong. The Corporation has assessed geographic conditions of each property site and adopt suitable measures to deal with severe weather conditions.

The Super Typhoon Mangkhut in September 2018 brought severe storm surge to the territory, in particular the coastal areas such as Heng Fa Chuen. Since then, we have implemented a series of enhanced preventive measures in Heng Fa Chuen to strengthen its preparedness for extreme weather events in future. These include:

- Appointment of consultant to carry out technical studies to determine the preventive measures;
- Installation of floodgates at entrances and plant rooms in building blocks that are located near the coast and basement carpark;
- Installation of flap valves at the drainage pipe to avoid back flow of seawater;
- Construction of planter walls at Heng Fa Chuen Playground to prevent the influx of overtopping wave water;
- Replacement of the ordinary manhole covers to those with drainage holes to facilitate discharging the water surrounding club carpark;

- Installation of water sensor at the basement carpark and reservation of hourly parking spaces in the shopping mall nearby for emergency use when the basement carpark is closed in situations where flooding risk is high during typhoon;
- Designation of temporary parking areas at the Podium for vehicles parked at the reclamation areas;
- Arrangement of backup management office at the Podium multi-storey carpark to maintain services for the residents; and
- Conducting typhoon drill on a regular basis.

Upon receiving storm surge notification from the Home Affairs Department, we take immediate actions to get prepared and reduce flood risk as much as possible, including:

- Clearing drainage pipe inlet;
- Installing the floodgates for all blocks and basement carpark in reclamation area;
- Messaging the residents and carpark owners and draw their attention to weather condition;
- Informing the basement carpark owner to move their vehicles to temporary parking space in hourly carpark of Paradise Mall; and
- Allowing temporary parking in podium area.

In addition to physical risks, we are also aware of the transition risks and opportunities posed by climate change. Transition risks and opportunities are the adverse and beneficial effects that arise from a rapid or aggressive transition to a low-carbon economy, including those associated with policy and legislation change, and market and technology shifts as well as the potential reputational damage resulting from failing to respond to climate change. Please refer to our [CDP response](#) for more details on our climate-related risks and opportunities, and how we have incorporated them in our strategy and financial planning. For further details on our governance structure and risk management process, please refer to the [Corporate Governance](#) section on our sustainability website and the [Corporate Governance Report](#) in our Annual Report.

Metrics and Targets

We are committed to continuously improving our environmental performance and have established targets to reduce the GHG emissions from our operations in Hong Kong. The energy reduction target for our railway operations has expired in 2020, while we have achieved our target of a 12% reduction of energy used in our investment property portfolio (with 2013 as baseline) in 2019, four years ahead of our target year by 2023.

In 2020/21, we conducted a study to set long-term carbon reduction targets for both of our railway and property business in Hong Kong and develop a practical roadmap to continue our carbon reduction journey. The study has involved comprehensive review on our planned carbon reduction initiatives, extensive engagement with relevant business units and corporate functions, as well as exploring new and emerging carbon reduction measures that may be applicable to our operations, with an aim to set reduction targets which are in line with the climate science. Based on the study results and taking into account the HKSAR Government's pledge in the Hong Kong Climate Action Plan 2050, we are committed ourselves to:

- set 2030 science-based targets for our railway network and property portfolio in Hong Kong; and
- achieve carbon neutrality by 2050.



Floodgates were installed entrances and plant rooms in building blocks that are located near the coast and basement carpark



Installation of flap valves at the drainage pipe to avoid back flow of seawater.



Planter walls at Heng Fa Chuen Playground to prevent the influx of overtopping wave water.

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