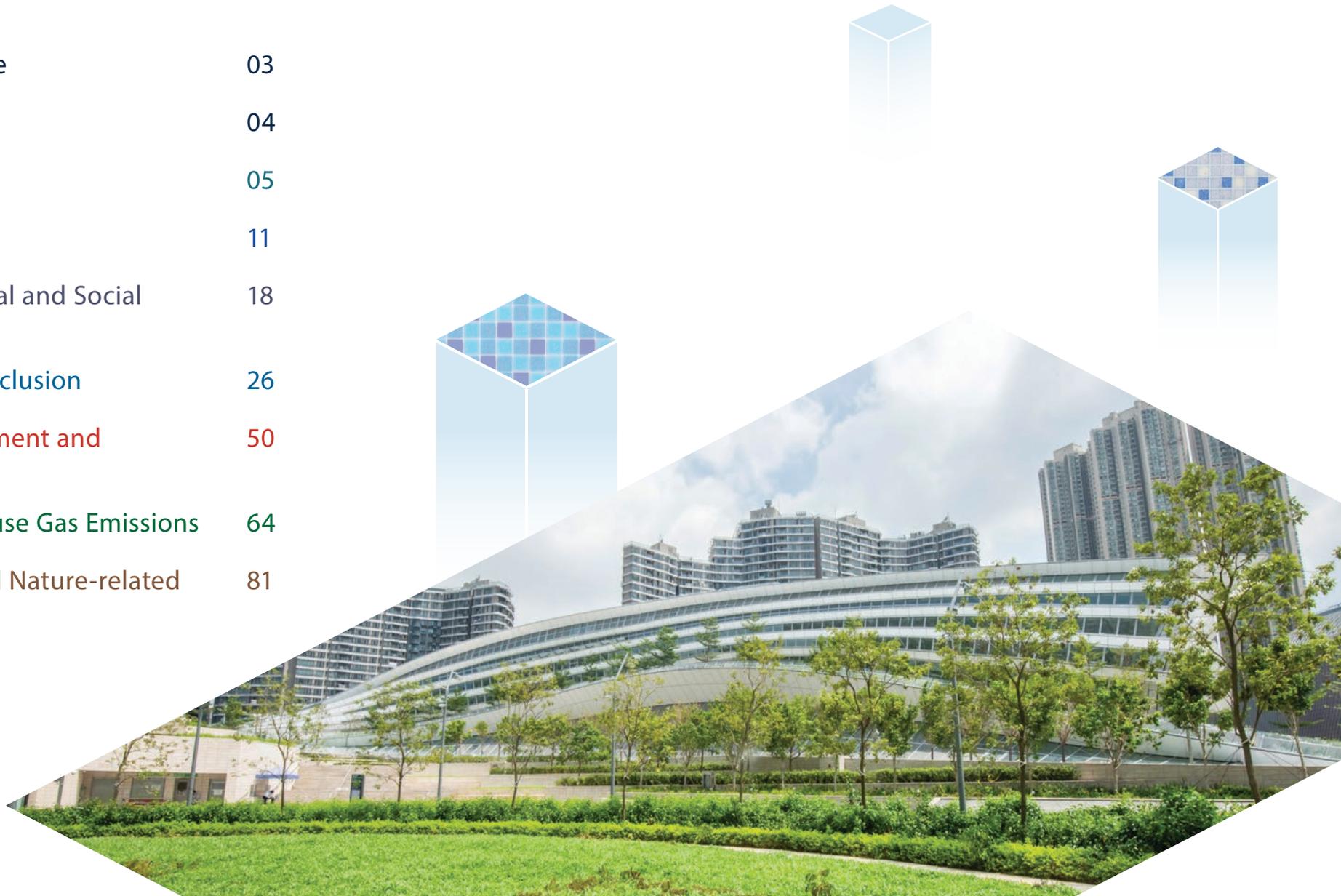


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CHAIRMAN'S MESSAGE



MTR has always been committed to its purpose of “Keeping Cities Moving” by providing environmentally friendly rail transit services that are safe, reliable, affordable and accessible. Our Corporate Strategy demonstrates a strong commitment to integrating environmental, social and governance (“ESG”) considerations into all aspects of our business and operations. By establishing three environmental and social objectives: social inclusion, advancement and opportunities, and greenhouse gas emission (“GHG”) reductions, the Corporation strives to create an MTR culture that promotes environmental protection, inclusivity and the growth of the younger generation and local enterprises.

Despite the challenges posed by the global pandemic over the past three years, I take great pride in the accomplishments we have achieved in upholding exceptional service standards. Serving millions of passengers every day, we have once again achieved excellent service reliability in Hong Kong, surpassing the world-class performance level of 99.9% for both train service delivery and passenger journeys on-time on our heavy rail network. We will continue to steadfastly deliver world-class service in Hong Kong, as well as Mainland China, Macao, Europe, the United Kingdom, and Australia, ensuring that we consistently meet passengers’ expectations for excellence.

ESG lies at the core of everything we do at MTR. We continually strive to meet the high standards of environmental and social responsibility expected by our stakeholders. For 2023, we have established 44 ambitious key performance indicators (“KPI”) to drive our performance across 10 focus areas under our three environmental and social objectives. This report details our achievement of these KPIs and how we continue to learn from the few KPIs that we were not able to meet.

Strong corporate governance serves as the foundation for building trust among shareholders and stakeholders. We adhere to the highest governance standards and regularly review our practices to ensure that they meet or exceed international benchmarks. I am proud that, in May 2023, we achieved over 25% female membership on the Board. Of course, this number will fluctuate over time as we refresh our Board, but we well recognise the benefits of having diverse views on our Board and the better decisions that we make as a result. Our new Board Committee structure, including our revamped Environmental & Social Responsibility Committee, is working well, allowing Directors to focus and provide their expertise on our ESG strategy and performance, including in the critical area of safety.

At MTR, we are committed to being a global leader in providing environmentally friendly mass transit services. We recognise the urgent need to address climate change. In April 2023, the Science Based Targets initiative (“SBTi”) approved our targets for reducing the Corporation’s GHG emissions for our railway and property businesses in Hong Kong. Under these targets, we aim to reduce about half of our GHG emissions by 2030, using 2019 as the base year for comparison. Meeting these targets will help us align with our long-term goal of achieving carbon neutrality by 2050. With this decarbonisation roadmap now in place, we will continue to implement various green initiatives and expand our efforts to reduce GHG emissions to meet these ambitious, yet attainable, targets.

One of MTR’s social objectives is to ensure that we address the social inclusion and accessibility needs of everyone, including Hong Kong’s rapidly growing senior population. In 2023, we introduced the “MTR • Care” mobile app, promoting Universal Basic Mobility, which features a clear and user-friendly interface to assist elderly customers and those with special needs. In November 2023, we launched Phase 2 of the app, which added a new function to check barrier-free facilities information at all our heavy rail stations and enhanced the Simplified Trip Planner function with real-time lift status information. During the year, we also continued to provide approximately HK\$2.9 billion in ongoing fare concessions for customers, including general commuters, the elderly, children, eligible students, and persons with disabilities. To support the “Happy Hong Kong” initiative, we launched the “Happy Together” Shopping Rewards programme from May to August, distributing shopping, dining, and parking vouchers worth over HK\$40 million.

We also strive to promote diversity, equity and inclusion within our workforce and equal opportunities for our communities. In 2023, we engaged with families and youth through several educational and artistic initiatives. Notable highlights included the transformation of Admiralty Station into the “Double Ducks-Themed Station”, the relaunch of the “Living Arts Stage” at Hong Kong Station and our sponsorship of an inclusive concert “Everyday Heroes All Around” featured differently-abled musicians.

With a focus on fostering innovation, we have signed various agreements and Memoranda of Understanding (“MoU”) with local and overseas academic institutions and business partners. These partnerships serve as invaluable resources in our quest to further enhance the quality of our world-class services. For instance, in June 2023, we signed an MoU with the Hong Kong Applied Science and Technology Research Institute to enhance “data-driven” and digitised asset management. We have also signed MoUs with business partners in the Greater Bay Area and Malaysia to promote railway development and seek new breakthroughs.

ESG is deeply ingrained in our Corporate Strategy. With the unwavering support of our MTR Board, executives, and dedicated employees, we will continue to embed ESG considerations into every aspect of our business and operations. By doing so, we will create long-term and sustainable value for the communities we serve.

In 2024, MTR Corporation will celebrate its 45th anniversary. We will persist in implementing ESG measures across all aspects of our businesses, encouraging the public to adopt a low-carbon lifestyle and promoting social inclusion. With the support of my committed and talented colleagues and the goodwill of the people of Hong Kong, I am confident that we can seize the opportunities ahead, and Keep Cities Moving towards a brighter future, thriving together with the community.

Dr Rex Auyeung Pak-kuen
Chairman
Hong Kong

CEO'S MESSAGE



2023 marked a significant year of transition and renewed hope for us. The easing of pandemic restrictions and the gradual reopening of links with Mainland China led to an increase in patronage and provided a boost to MTR's cross-boundary businesses. As Hong Kong's international borders fully reopened and we moved towards normalcy, our recurrent business began to recover with passenger numbers gradually returning to pre-pandemic levels. Although there are still significant external challenges like inflation and rising interest rates, we maintain cautiously optimistic.

Despite these challenges, we accomplished several significant milestones across the cities we serve. Construction began on new railway projects, including the Tung Chung Line Extension, Tuen Mun South Extension, Kwu Tung Station, and Oyster Bay Station. Hung Shui Kiu Station on the Tuen Ma Line and the Northern Link have also been gazetted. In addition, we set a new record by serving over 20 million passenger journeys on the High-Speed Rail (Hong Kong Section). In terms of property projects, The Wai atop Tai Wai Station and the inaugural phase of The SOUTHSIDE at Wong Chuk Hang were opened during the year. Beyond Hong Kong, the Elizabeth line railway service in the UK consistently performed well, and our concession to operate it was extended to May 2025. Additionally, our concession for the Melbourne metropolitan rail service in Australia was extended to mid-2026. Looking ahead, we are enthusiastic about the government's enhanced strategic railways plan as outlined in the "Hong Kong Major Transport Infrastructure Development Blueprint". Our railway network will continue to serve as the backbone of low-carbon transport in Hong Kong.

As a listed company, it is crucial for us to be prudent and maintain the Corporation's financial stability. In 2023, the Corporation concluded the review of the Fare Adjustment Mechanism with the HKSAR Government, strengthening our financial sustainability. We are committed to generating economic value that benefits our diverse stakeholders, including the HKSAR Government, to whom we made a total payment of about HK\$10.1 billion during the year. This adds to Government's ability to foster the overall well-being and development of Hong Kong. Going forward, we will continue to carefully manage our finances to ensure that we can continue to undertake new railway projects and allocate sufficient resources for maintaining, upgrading, and renewing existing railway assets, ensuring that the community can continue to enjoy our safe, reliable, efficient and high-quality railway services.

As a low-carbon public transportation operator, we are dedicated to combating climate change by minimising our greenhouse gas ("GHG") emissions. We are pleased to announce that the Science Based Targets initiative ("SBTi") approved our GHG reduction targets for 2030, which support our long-term goal of achieving carbon neutrality by 2050. We will continue to incorporate low-carbon and green elements into our operations and new railway projects. For example, we have installed solar photovoltaic systems at our stations, depots, and shopping malls. Notably, our Pat Heung Depot features the largest flexible solar panel system in a single building in Hong Kong, supporting the local development of renewable energy. We will also conduct a trial project on a hydrogen-fuelled Light Rail Vehicle, evaluating the feasibility and potential of hydrogen as a clean energy option for our network. In addition, we have successfully obtained BEAM Plus Provisional Gold (or better) accreditation for the seven upcoming new stations. When these new stations are put into service, it is expected that each station can achieve an average reduction of approximately 20% in carbon emissions per year when compared with traditional stations. Internally, we organised our first-ever Green Week for our Hong Kong colleagues, collaborating with over 20 green groups and partners to enhance their understanding of our environmental objectives. The Green Week received widespread support from over 4,500 colleagues, who actively participated and provided positive feedback.

To fulfil our social objectives, we have undertaken several initiatives that align with our vision and focus areas. In 2023, we launched the ESG Project Allies Programme, in collaboration with 12 NGOs and social enterprise partners to co-create impactful projects that address social challenges, making positive impact in our communities. Furthermore, we have introduced a new one-year traineeship programme to support the employment of young graduates who are differently-abled or from ethnically diverse backgrounds. We also established the Gender Equity Network ("GEN") as a platform to raise awareness of "unconscious bias" and facilitate discussions on gender issues. The GEN serves as a safe space for colleagues to share experiences, ideas and best practices related to gender equity and equal opportunities in the workplace. Through this network, we aim to promote personal growth, well-being, equal opportunities, and psychological safety for all our employees.

Our efforts to achieve our environmental and social objectives have continued to be recognised by top sustainability performance indices. MTR has once again been selected as a constituent of the Dow Jones Sustainability Asia Pacific Index, FTSE4Good Index Series, and the Hang Seng Corporate Sustainability Index. We have also been included in S&P Global's "The Sustainability Yearbook" for the fifth consecutive year and achieved the highest AAA rating in the MSCI ESG Leaders Indexes, as well as attaining a "Prime Status" in ISS ESG Corporate Rating.

I extend my sincere appreciation to the MTR Board and everyone at MTR for their devotion and support in achieving significant milestones over the years. I believe that we will continue to build upon the strong foundations we have established, providing world-class and eco-friendly services. As MTR celebrates its 45th anniversary in 2024, I am excited about the future and the opportunities that are ahead of us. MTR will continue to grow alongside Hong Kong, connecting people and building communities to Keep Cities Moving, and we will strive to "Go Smart Go Beyond" together with all the communities we serve.

Dr Jacob Kam Chak-pui

Chief Executive Officer

Hong Kong



ABOUT THIS REPORT

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: 2-2, 2-3, 2-5, 3-1, 3-2

HKEX: MDR-Reporting Principles, MDR-Reporting Boundary

ISSB: IFRS S1-30, S1-41, S1-44, S2-25

Since 2000, we have published Sustainability Reports to disclose our approach, strategy and performance regarding our material sustainability issues. We adopt a combined approach to communicate our sustainability management approach and performance with our stakeholders. While long standing information such as our management approach to the identified material sustainability issues is available on the [Sustainability Website](#) (the “Website”), annual updates on sustainability-related initiatives, performance and achievements, together with our climate-related and nature-related 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](#) and [Business Overview 2023-2024](#), explain how sustainability is considered and integrated into our business strategies and decision-making processes.

We value your feedback on our sustainability initiatives, performance and disclosures. Please send us your views and comments to sdmng@tr.com.hk or via the [MTR website](#).

REPORTING FRAMEWORK

As a publicly-listed company in Hong Kong, MTR abides by the listing rules of the Hong Kong Exchanges and Clearing Limited (“HKEX”) including Appendix C2 Environmental, Social and Governance Reporting Guide (“ESG Guide”). We also disclose our material sustainability issues in accordance with the Global Reporting Initiative Sustainability Reporting Standards (“GRI Standards”) and align with 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, World Economic Forum’s (“WEF”) Stakeholder Capitalism Metrics and the framework recommended by the Task Force on Climate-related Financial Disclosures (“TCFD”). To enhance our disclosure, we also prepare our Report with reference to the International Sustainability Standards Board’s (“ISSB”) new IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures released in June 2023 and the Recommendations of the Taskforce on Nature-related Financial Disclosures (“TNFD”) v1.0 released in September 2023.

As a global citizen, our approach to sustainability should align with the global agenda. MTR has been actively supporting the United Nations Sustainable Development Goals (“SDGs”). In particular, we have identified and notified the SDG Secretariat of our overall support for Goal 8 – Decent Work and Economic Growth, Goal 9 – Industry, Innovation and Infrastructure and Goal 11 – Sustainable Cities and Communities that are considered most relevant to our operations. We also support several other SDGs through our diverse nature of business and operations and 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 above-mentioned guidelines and frameworks.

This Report also presents our responses to the three strategic trends shaping the future of transport and properties globally that bring along both opportunities and challenges to our operations:

Strategic Trends	Report Sections
System Resilience for Climate Change	<ul style="list-style-type: none"> ◆ Reducing Greenhouse Gas Emissions ◆ Climate-related and Nature-related Disclosures
Ageing Population	<ul style="list-style-type: none"> ◆ Promoting Social Inclusion
Digital Transformation	<ul style="list-style-type: none"> ◆ Promoting Social Inclusion ◆ Fostering Advancement and Opportunities

Please refer to our [Website](#) for more details on our reporting framework and these three megatrends.

REPORTING SCOPE

The Report discloses details on issues identified as material to the Corporation covering the period from 1 January to 31 December 2023. Headquartered in Hong Kong, MTR has expanded railway-related projects and operations internationally with a presence in the United Kingdom, Australia, Sweden, Macao and Mainland China. Our property development and management services are based in Hong Kong and Mainland 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 operations and maintenance (“O&M”) service contract with the client in Macao. Key quantitative data disclosed in this Report has been independently assured by KPMG. Please refer to the following for further information:

- ◆ [Performance Metrics](#) for our performance data;
- ◆ [Independent Assurance Report](#) for the assurance scope and methodology;
- ◆ [MTR’s Annual Report](#) for details on our operations in Hong Kong and worldwide; and
- ◆ Sustainability Reports and disclosures of our overseas subsidiaries, including [MTR Nordic](#) and [Metro Trains Melbourne](#), for more details on their performance and latest initiatives.

STAKEHOLDER ENGAGEMENT

We proactively engage with a wide range of stakeholders along our value chain regularly and on-going basis to better understand and respond to their views, identify existing and emerging risks and opportunities, balance different interests, make informed decisions and gain valuable feedback on our initiatives in pursuit of operational excellence. Our major stakeholder groups include business partners, communities, customers and passengers, environmental interest groups, investors, media, political interests, regulators, staff and suppliers. For details on our stakeholder engagement, including the list of stakeholders, our engagement approach, engagement channels, key interests and our responses, please refer to our [Website](#).

EXTERNAL REVIEW PANEL

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



Agnes K Y Tai
PhD, Director,
Great Glory Investment
Corporation



Calvin Lee Kwan
Managing Director of
Sustainability & Risk Governance,
Link Asset Management Limited



Peter Lee
General Manager, Sustainability,
Airport Authority Hong Kong



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



Shelley W Zhou
Head of Corporate
Sustainability,
Hang Seng Bank



SK Wu
Head of ESG,
Alliance Construction
Materials Limited

MATERIALITY

Our materiality assessment was conducted with reference to the double materiality approach to identify material sustainability issues based on the GRI Standards and the principles of materiality from the ISSB's newly published IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information.

We conduct a stakeholder-driven materiality assessment to identify material issues that are important to our stakeholders and have significant impacts on people, the environment and the economy.

Financially material issues are evaluated according to their capacity to create or erode MTR's enterprise value. We have taken into account our Enterprise Risk Management approach to consider the impacts on the Corporation during the assessment. Our approach to and disclosures of the material issues are covered in this Report, whereas financial information, including those relevant to the highly material issues where appropriate, is covered in our Annual Report. For more information on our materiality assessment methodology, please refer to our [Website](#).

While the materiality assessment process mainly focuses on our operations and businesses in Hong Kong, the identified material issues also provide the overall direction of the sustainability priorities for our overseas operations. Please refer to the sustainability reports and disclosures of our overseas subsidiaries, [MTR Nordic](#) and [Metro Trains Melbourne](#), for more details on their sustainability focus. The process of our materiality assessment follows a four-step approach as shown below.

Our materiality assessment process



MATERIALITY MATRIX

Our materiality assessment results, which were reviewed by the External Review Panel, 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 similar to last year, with the major changes summarised below:

Issues	Change in Materiality Level Compared to Last Year	Remarks	
19	Employment practices	From medium to high	Level of importance to MTR increase due to the rise in the enterprise risk level
35	Wealth and income creation	From high to medium	Level of importance and impact on economy and society decrease as indicated in the stakeholder engagement results

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

TOP TEN MATERIAL ISSUES RELEVANT TO MTR'S ENVIRONMENTAL AND SOCIAL OBJECTIVES AND SDGs

The table below presented our top ten material issues covered in different sections of the Report and their respective SDGs. For other highly material issues that are not included in the table below, please refer to our [Annual Report](#) and [MTR Sustainability Website](#) for more information.

Top Ten Material Issues	Sections of the Report Covering our Top Ten Material Issues and Relevant SDGs			
	Promoting Social Inclusion	Fostering Advancement and Opportunities	Reducing Greenhouse Gas Emissions	Climate-related and Nature-related Disclosures
Governance				
1 Organisational governance structure and process				
5 Fair competition				
Customers				
8 Customer health and safety				
9 Sustainable products and services				
10 Customer service, support and complaint handling				
12 Access to essential services				

Sections of the Report Covering our Top Ten Material Issues and Relevant SDGs

Top Ten Material Issues	Promoting Social Inclusion	Fostering Advancement and Opportunities	Reducing Greenhouse Gas Emissions	Climate-related and Nature-related Disclosures
Employees				
22 Employee and contractor health and safety				
Environment				
25 Sustainable resource use				
26 Climate change				
Community				
31 Community involvement and development				



Key Highlights

HK\$60,581 million
economic value
generated in 2023

Over HK\$33 billion
raised through sustainable
finance arrangements
since 2016

Member of S&P Global's
Sustainability Yearbook for
the **fifth** consecutive year

ABOUT MTR

On MTR Sustainability Website

Read our Management Approach

- › [Corporate Governance](#)
- › [Financial Sustainability](#)
- › [Sustainable Investment](#)

Our Policies and Statements

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

In This Chapter

GRI: 2-1, 2-6, 2-8, 2-9, 2-12, 2-13, 2-14, 2-16, 2-23, 2-24, 2-25, 2-26, 2-29, 205-1, 205-2

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

ISSB: S1-27, S1-32, S1-34, S1-35, S1-44, S2-14, S2-16, S2-29

OUR BUSINESS AT A GLANCE

Headquartered in Hong Kong, MTR is a world-class operator of sustainable rail transport services and is listed on the Hong Kong Stock Exchange (SEHK: 66). MTR has extensive end-to-end railway expertise with more than 40 years of railway project experience from design to planning and construction through to commissioning, maintenance and operations. Going beyond railway delivery and operation, MTR also creates and manages dynamic communities around its network through seamless integration of rail, commercial and property development. With more than 54,000 dedicated staff*,

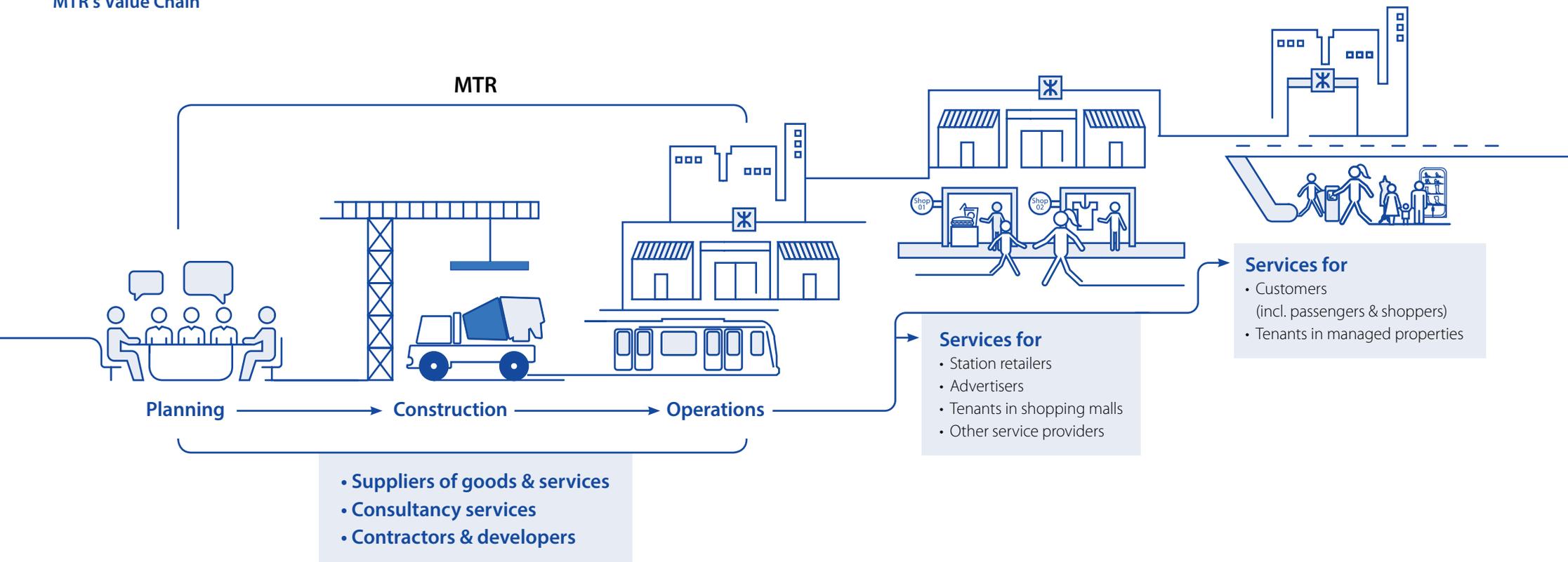
MTR carries over 12.5 million passenger journeys worldwide every weekday in Hong Kong, the United Kingdom, Sweden, Australia and Mainland China.

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

We have also 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**.

MTR's Value Chain



* includes our subsidiaries, associates and joint ventures in Hong Kong and worldwide

Performance in Sustainability Indices and Ratings

Every year, our sustainability performance is assessed by different global and local leading independent investor rating agencies. With a robust governance structure, well established strategies and policies and sound performance, MTR has been a constituent in various major international and local sustainability indices.

- ◆ Dow Jones Sustainability Indices (“DJSI”) – MTR has been a constituent of the DJSI Asia Pacific since 2013 and was once again included in S&P Global’s Sustainability Yearbook 2024 for the fifth consecutive year, which includes the top 15% of companies over 7,800 companies globally 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.



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



- ◆ CDP – MTR has once again received a B score in the climate change assessment in 2023, on a scale of A-D-.



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



- ◆ Hang Seng ESG Indexes – MTR has been selected as a constituent company of the following indices:



- Hang Seng Corporate Sustainability Index
- Hang Seng Corporate Sustainability Benchmark Index
- Hang Seng (Mainland and HK) Corporate Sustainability Index
- Hang Seng ESG 50 Index
- Hang Seng Index (“HSI”) ESG Index
- HSI ESG Enhanced Index
- Hang Seng Climate Change 1.5°C Target Index
- HSI Low Carbon Index
- HSI ESG Enhanced Select Index

- ◆ MTR was ranked top three in the following indices organised by the Chinese University of Hong Kong in 2023:

- 1st Global Business Sustainability Index - MTR ranked #3



- 8th Hong Kong Business Sustainability Index - MTR ranked #3



- 4th Greater Bay Area Business Sustainability Index - MTR ranked #2



- 3rd Greater China Business Sustainability Index - MTR ranked #3



CORPORATE GOVERNANCE

A robust and sound governance framework is a cornerstone to ensure the Corporation is managed properly and safeguards the interests of our shareholders and stakeholders while attaining long-term sustainable growth. The Board of Directors (the “Board”) 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. To optimise the decision-making processes under our strengthened governance organisation, the Board has established the following six Board Committees and an Advisory Panel to oversee and provide advice on different aspects of the Corporation’s affairs:

- ◆ Audit & Risk Committee;
- ◆ Capital Works Committee;
- ◆ Environmental & Social Responsibility Committee;
- ◆ Nominations Committee;
- ◆ Remuneration Committee;
- ◆ Finance & Investment Committee; and
- ◆ Technology Advisory Panel.

The Board has delegated the day-to-day management of the Corporation’s business to the Executive Committee, which is chaired by the Chief Executive Officer and consists of all the Members of the Executive Directorate. Please refer to our Annual Report for more details on [our corporate governance](#).

BOARD’S STATEMENT REGARDING SUSTAINABILITY MATTERS

Sustainability Governance

The Board has the overall responsibility for ensuring that the Corporation’s governance framework is able 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 Environmental & Social Responsibility Committee (“E&SRC”) provides strategic oversight of the Corporation’s environmental and social strategy and investments. The E&SRC will also be responsible for tracking performance against the Corporation’s environmental and social key performance indicators (“KPIs”) and reporting to the 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”) 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 four times every year and is attended by Executive Directors and senior managers representing all major business units and corporate functions. For details on the composition of the Board level E&SRC and E&SRSC, please refer to our [Website](#).

Sustainability factors are linked to remuneration of our senior management. In 2022, we have reviewed and enhanced our performance management process which enables us to better focus and deliver strategic priorities according to our Corporate Strategy. The enhanced process has linked sustainability performance to the remuneration of all management level in 2023.

Approach to the Prioritisation and Risk Management of Sustainability-related Issues

We identify, evaluate and prioritise issues which reflect the Corporation’s significant economic, environmental and social impacts through the [annual stakeholder-driven materiality assessment 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 corporate functions as well as prioritising resources to manage any emerging risks on a systematic manner. 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 and properly addressed. Please refer to our Annual Report for more details on our [ERM framework](#).

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. The Code of Conduct is reviewed and updated periodically to ensure its appropriateness and compliance with the corporate and regulatory requirements. To foster a more inclusive workforce, we have reviewed the diversity, equity and inclusion (“DEI”) clauses in the Code of Conduct and the latest version was released in February 2022.

All employees are required to complete mandatory online training programmes to ensure thorough understanding of the Code of Conduct and relevant legislations. New recruits are briefed on the Code of Conduct as part of the corporate induction workshop and are required to complete the same mandatory online training programmes within three months from joining the Corporation. In addition to the mandatory online training programmes, we organise regular staff awareness programmes and ethical 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. In 2023, our staff attended around 1,200 hours of anti-corruption training through corporate induction workshops and webinars.

This year, we organised various webinars related to ethics and integrity to reinforce awareness and refresh knowledge of staff, including:

- ◆ Preventing and Handling Sexual Harassment by Equal Opportunities Commission (“EOC”);
- ◆ Understanding Anti-discrimination Ordinances in Hong Kong by EOC;
- ◆ Understanding Personal Data (Privacy) Ordinance by The Office of the Privacy Commissioner for Personal Data Hong Kong; and
- ◆ Understanding Prevention of Bribery Ordinance by ICAC.

The Corporation has a [Whistle-blowing Policy](#) in place to provide a confidential channel to receive complaints of fraudulent acts, unethical acts or actual or potential non-compliance 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 2023, the Whistle-blowing Panel evaluated 150 cases. Of those cases, 121 did not meet the definition of “whistle-blowing”. Investigations of 25 instances were completed resulting in 8 substantiated cases, 1 partially substantiated case and 16 unsubstantiated cases. As at 31 December 2023, 4 incidents are still under investigation. Appropriate follow-up actions have been taken by management in response to the substantiated and partially substantiated cases.

To address future incidences, implementing robust remedial and preventive measures is crucial. This includes establishing effective reporting mechanisms, conducting thorough internal investigations, implementing stronger compliance frameworks, providing whistle-blower protection, and ensuring appropriate consequences for wrongdoing. These measures can help enhance transparency, accountability, and trust within the Corporation and mitigate the likelihood of similar incidences in the future.



FINANCIAL SUSTAINABILITY

Economic Value Generated and Distributed

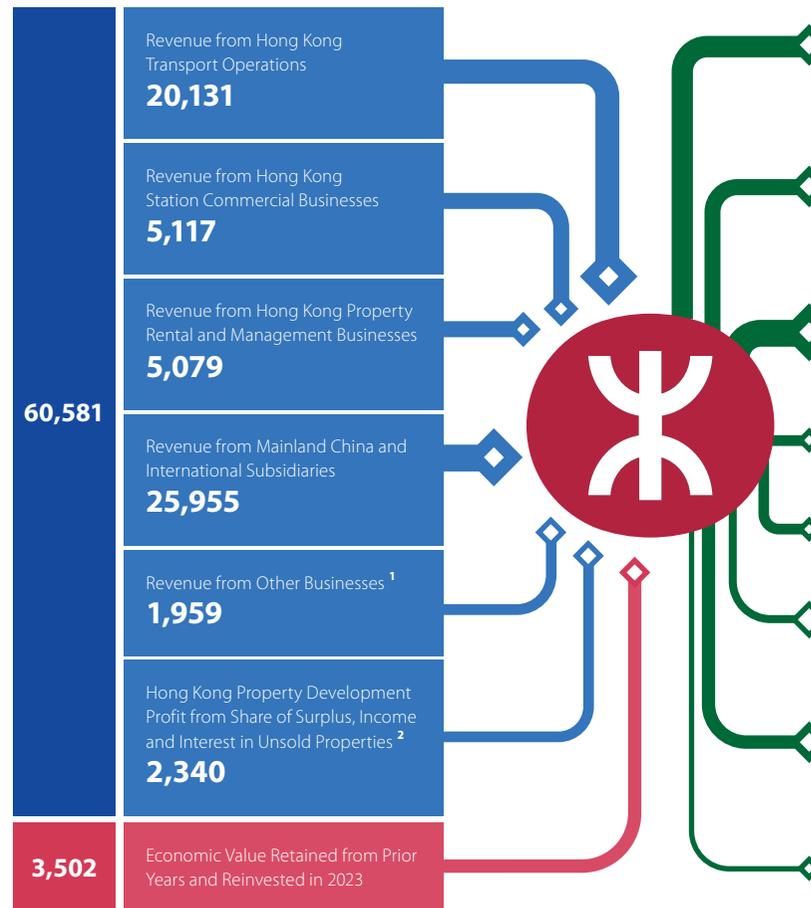
MTR's income is primarily generated from fares and we follow a transparent Fare Adjustment Mechanism for fair and objective annual-fare adjustments which ensure affordable services for all passengers. We need to ensure that direct-drive nature is intact to protect financial sustainability, while balancing public concerns. According to the latest Fare Adjustment Mechanism announced in March 2023, the overall adjustment rate for MTR fares in 2023/24 is calculated at +2.3% after a one-off special arrangement including a special reduction of 1.2% and a deferral of 1.85% adjustment will be implemented in the fare adjustment 2024/25 to support economic recovery after the pandemic.

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 employees, suppliers and business partners, lenders, governments, other shareholders and the community. Please refer to our [Annual Report](#) for more details on our financial performance.

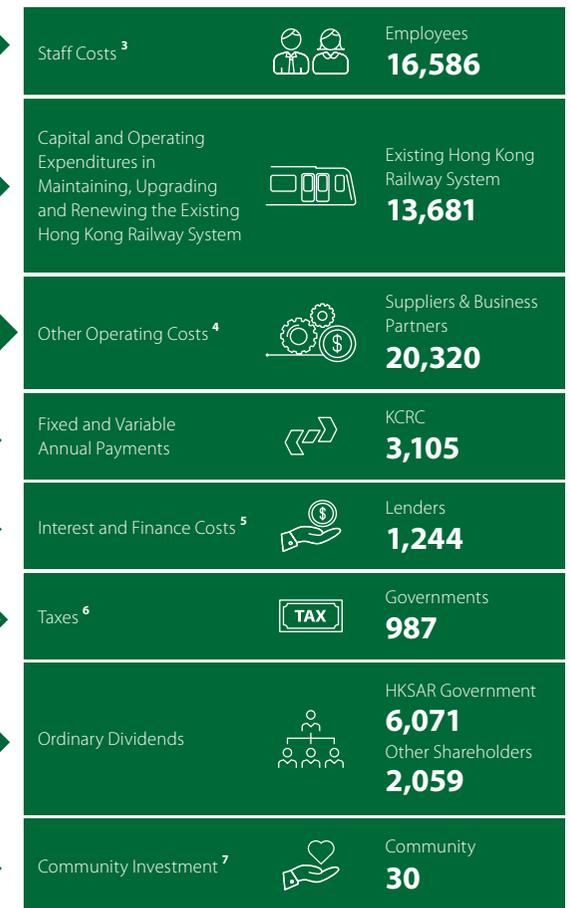
VALUE ADDED AND DISTRIBUTION STATEMENT IN 2023 (HK\$ MILLION)

Economic Value Generated



TOTAL: 64,083

Economic Value Distributed



TOTAL: 64,083

Notes

- Includes share of profit of associates and joint ventures.
- Before taking into account staff costs of HK\$11 million.
- Excludes staff costs related to Hong Kong railway system maintenance of HK\$2,654 million, capitalised for asset creation of HK\$2,644 million and recoverable of HK\$663 million.
- For simplicity, other operating costs include provisions for onerous contracts in respect of Stockholms pendeltåg and Mälartåg regional traffic totalling HK\$1,022 million in 2023 and interest income of HK\$777 million, netted with non-controlling interests of HK\$304 million. Excludes operating costs related to Hong Kong railway system maintenance of HK\$2,564 million.
- Excludes interest expenses capitalised for asset creation of HK\$667 million.
- Represents current tax and excludes deferred tax for the year.
- Includes donations, sponsorships and other community engagement contributions, and excludes in-kind donations of HK\$35 million given. In addition, there were (i) ongoing fare concessions of approximately HK\$2.9 billion and (ii) other fare promotions that have not been accounted for in this amount.

SUSTAINABLE FINANCE

Since 2016, MTR has raised sustainable finance of more than HK\$33 billion, which was a key part of our financing strategy for funding railway asset replacement, energy efficiency improvement and railway service enhancement projects.

In 2023, sustainable finance totalling HK\$1.3 billion was arranged to fund projects for energy conservation, environmental protection, as well as enhancement and expansion of low-carbon railway services.

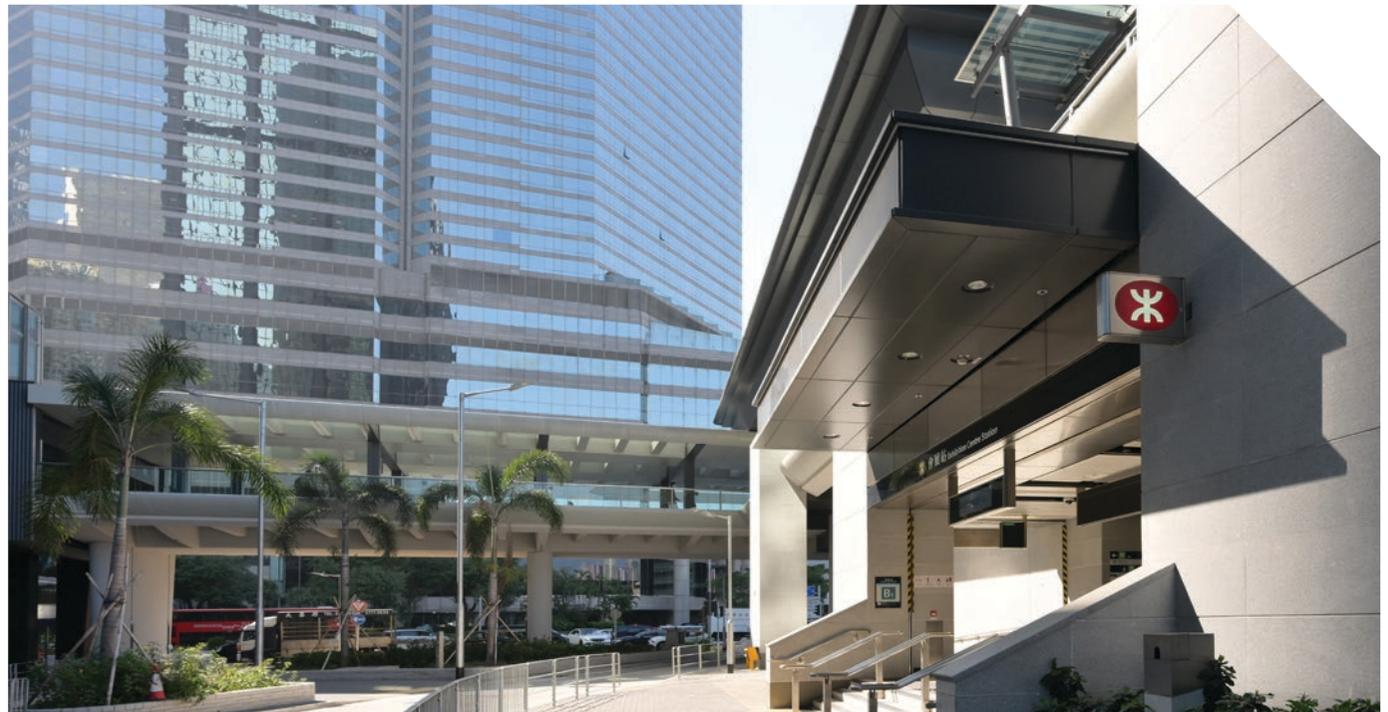
For details on our Sustainable Finance Framework, the eligible projects and their respective emission reduction impact estimation, please refer to our [Website](#).

ESG FUND

To support the three environmental & social objectives (“E&SO”) and the achievement of the associated KPIs, we have formulated an ESG Investment Framework to institutionalise environmental and social principles into the Corporation’s investment decision making process and to provide funding for business units and corporate functions for eligible ESG projects. The Framework enables us to make ESG a key consideration in our overall financial investment decision making process and to allocate financial resources to suitable ESG initiatives effectively. The E&SRSC is responsible for the oversight and implementation of the ESG Investment Framework.

A designated ESG Fund will be allocated annually by the MTR Board to support eligible ESG projects. This ESG Fund will be separated to the annual operational and capital expenditure budget (which includes funding for many large-scale projects with environmental

benefits, such as our asset replacement projects or our network enhancements) and will be used to finance unbudgeted ESG projects which may not have a viable financial business case or to fund the incremental cost of a budgeted item that requires additional investment to enhance its ESG performance. All eligible projects will be evaluated and assessed using environmental and social scorecards by the E&SRSC. The criteria in the scorecards will be reviewed periodically to ensure that they are fit-for-purpose. In 2023, a total of 12 applications were approved, including trial of Light Rail Vehicles (“LRV”) powered by hydrogen fuel, organising an internal campaign “Green Week” for colleagues, developing the In-station Navigation function of MTR · Care app, organising “EmpowerZ’ 1-year internship programme, supporting the Legacy Train Revitalisation Programme, etc. The progress and outcomes of the approved ESG projects will be reported to the E&SRSC and the Board level E&SRC regularly.





Key Highlights

3
Environmental and Social Objectives

10
focus areas

43
key performance indicators for 2024 and beyond

MTR'S ENVIRONMENTAL AND SOCIAL OBJECTIVES

On MTR Sustainability Website

Read our Management Approach

- > [Corporate Governance](#)
- > [Risk Management](#)

Our Policies and Statements

- > [Board Diversity Policy](#)
- > [Code of Conduct](#)
- > [Environmental & Social 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

ISSB: IFRS S1-33, S1-46, S1-51, S2-14, S2-33



With our corporate purpose being to “Keep Cities Moving”, we strive to connect and grow communities with inclusive, innovative and sustainable services. We have set forth three environmental and social objectives (“E&SO”) which are both material to our business and to society: (1) fostering social inclusion, (2) providing advancement and opportunities to empower people and communities and (3) reducing greenhouse gas emissions. Under these three E&SO, 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 E&SO. Our progress and performance will be reviewed by the E&SRSC and the Board level E&SRC regularly, and communicated with stakeholders through our annual sustainability report.



Environmental and Social 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.



Environmental and Social 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.



Environmental and Social 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



In 2023, we developed a set of 44 KPIs, consisting of short-, medium- and long-term initiatives, to gauge and drive our performance under the three E&SO. As of December 2023, most of the KPIs have either been achieved or are on track to being achieved. Our performance against these KPIs is detailed below.

2023 KPIs	Status	Remarks
Objective 1: Social Inclusion		
Universal Basic Mobility		
Launch of Social Inclusion App Phase 2 with the expansion of Visually Impaired function in 2023 and complete by 2025	On Track	Social Inclusion app Phase 2 was launched in 2023, with a new function providing the real time status of lifts and other barrier free facilities, and a trial of the ramp booking function. The In-station Navigation function will be expanded to all MTR stations on the Kwun Tong Line and the ramp booking function will be rolled out in 2024.
Continuous enhancements (1-2) in each identified area (accessibility / mobility / visibility) for passenger groups with special needs in 2023	Achieved	Additional seats in all bus stops, enlarged bus poles and flags were provided in 2023. Charging points for powered wheelchairs will be expanded to another 7 MTR stations in 2024.
100% of our new stations will be accessible (including barrier free entrances, wide gates, accessible toilet and baby care room)	On Track	All new stations will be equipped with the required facilities.
No less than 1 million average daily passenger trips will benefit from fare concessions in 2023	Achieved	About 1,294,000 average daily passenger trips benefited.
Number of injuries requiring hospitalisation per 100 million passenger journeys in 2023 <ul style="list-style-type: none"> ◆ Heavy Rail: ≤5.65 ◆ Light Rail: ≤7.31 ◆ Bus: ≤5.83 	Fell short <small>(Heavy Rail)</small> Achieved <small>(Light Rail and Bus)</small>	The injury rate for heavy rail was 10.84 in 2023. It was mainly due to escalator accidents and slips, trips or falls often involving elderly passengers. A series of measures were implemented in 2023 to raise passengers' safety awareness and to arrange station assistants to offer help to passengers, including the elderly. In addition, a trial was conducted on reducing the speed of escalators.

2023 KPIs	Status	Remarks
Objective 1: Social Inclusion		
Diversity & Inclusion		
25% of our Board of Directors will be women by 2025	On Track	26% of Board Directors were female as of end 2023.
A diversity, equity and inclusion ("DEI") workshop for all Executives will be conducted in 2023	Achieved	A DEI workshop was conducted for all Executives in 2023.
150 DEI training events for staff will be held in 2023	Achieved	380 DEI training events were held for staff in 2023.
8 secondary schools with diverse student bodies will be reached out for career sharing/job shadowing in 2023	Achieved	11 secondary schools with diverse student bodies were reached out to in 2023.
An internship programme for 10 students who are Persons with Disabilities ("PwD") or ethnically diverse will be launched in 2023	Achieved	In 2023, 8 students with special educational needs and 9 ethnically diverse students were recruited under the Talent-Wise Employment Charter and Inclusive Organisations Recognition Scheme.
10% of our interns will be PwD or ethnically diverse in 2023	Achieved	10% of our summer interns were PwD or ethnically diverse.
Workplace inclusiveness will be enhanced in 2023 through: <ul style="list-style-type: none"> ◆ Conducting a corporate-wide survey on DEI; and ◆ Reviewing recruitment requirement 	Fell short <small>(DEI Survey)</small> Achieved <small>(Recruitment requirement)</small>	The DEI survey will be completed by Q2 2024, and post-survey communications and follow-up actions will be completed in the second half of 2024. Review of the competency requirements for 50% of all job descriptions was completed.
Equal Opportunities		
HK\$100 million will be spent on direct local community investment and donations from 2022 to 2025	On Track	Around HK\$55 million was spent as of end-2023.
200,000 people will benefit from our community programmes and volunteering projects from 2022 to 2025	On Track	Around 194,000 people benefited as of end-2023.

2023 KPIs	Status	Remarks
Objective 2: Advancement & Opportunities		
Employees		
At least 5 learning days will be provided to employee on average every year	Achieved	Over 7 learning days were provided for employees on average in 2023.
200+ employment and preemployment opportunities will be provided for young talents in 2023	Achieved	A total of 258 young talents were hired in 2023.
At least 10 wellness related activities/ events will be organised for employees in 2023	Achieved	Over 30 wellness related activities were arranged in 2023.
Over 75% of our managed residential properties will sign the Heart Caring Charter and organise wellness activities to promote healthy lifestyles for employees by 2024	On Track	100% of residential properties signed the Charter. Around 50% have organised wellness activities.
Business Partners		
HK\$250 million will be spent on green procurement in 2025; rising to HK\$350 million in 2030	On Track	Around HK\$230 million was spent in 2023.
60+ suppliers will attend training sessions on ESG best practices in 2023	Achieved	A webinar was held in October 2023 attended by representatives from 86 suppliers.
15 supplier review audits will be completed in 2023	Achieved	18 supplier review audits were conducted in 2023.
At least 15 supplier review meetings will cover ESG in 2023	Achieved	17 supplier review meetings were conducted with ESG initiatives shared with suppliers.
Up to 55% increase in number of registered SMEs in the supplier database in 2023	Achieved	57 % of registered SMEs in the supplier database as of end 2023.

2023 KPIs	Status	Remarks
Objective 2: Advancement & Opportunities		
Future Skills & Innovation		
50,000+ people will benefit from our future skills and innovation programmes (including those by MTR Academy) from 2022 to 2025	On Track	Over 22,000 people have benefited as of end-2023.
HK\$300 million+ will be invested in startups from 2022 to 2025	On Track	HK\$292 million has been committed in investments, with HK\$141 million already invested as of end-2023.

2023 KPIs	Status	Remarks
Objective 3: Greenhouse Gas Emissions Reduction		
Carbon Emissions		
Science-based targets for the Corporation's railway and investment properties businesses in Hong Kong for 2030	On Track	The Corporation's science-based carbon reduction targets for the year 2030 for railway and property businesses in Hong Kong were approved by the Science Based Targets initiative in April 2023.
Targets initiative in April 2023.	On Track	Our first step towards carbon neutrality will be to achieve our 2030 science-based targets.
Develop a pilot battery energy storage system for our diesel engineering wagons by 2024	On Track	The feasibility study for the system was completed in 2023.
At least 30 e-buses will be introduced by 2026	On Track	The first electric bus was delivered in 2023 and is expected to be in service in 2024. The contract for the procurement of 30 e-buses was awarded and contractor design submissions are in progress as scheduled.
50% of executive private vehicles will be replaced by EV or be cancelled by 2024	On Track	69% of executive private vehicles were replaced by EVs or cancelled by 2023.
200+ additional EV charging stations will be installed across office buildings, malls and station carparks by 2025	On Track	127 EV charging stations installed as of end-2023.
Clean Energy & Energy Efficiency		
1 million kWh of renewable energy will be generated by 2023	Fell short	The total renewable energy generated by our solar systems in 2022 and 2023 was 729,619 kWh. As the installation works of the solar PV systems at 4 new sites were completed in mid-2023, slightly behind schedule due to some technical issues, the amount of renewable energy generated was less than 1 million kWh. As of end-2023, the total system size of solar systems in our office buildings, stations and depots is over 1,300 kWp. It is expected these systems can generate more than 1 million kWh of renewable energy per year given optimal sunlight.
20% chiller energy saving expected after completing Batch 2 chiller replacement project in our stations by 2026	On Track	The batch 2 chiller replacement works at stations is in progress. Section 1 was completed in 2023; Section 2 commenced in Q4 2023 and construction is in progress.
Around 20% chiller energy saving expected after completing chiller replacement programme in Headquarters in 2024 as compared with 2019	On Track	The chiller replacement in Headquarters was completed in mid-2023 and achieved around a 20% saving when comparing energy consumption from July to December 2023 with the same period in 2019.

2023 KPIs	Status	Remarks
Objective 3: Greenhouse Gas Emissions Reduction		
Clean Energy & Energy Efficiency (Cont'd)		
Over 70% of our managed residential properties will conduct energy audit for the common areas and develop energy saving plan by 2025	On Track	79% of our managed residential properties have conducted energy audits for the common areas; 30% of them have developed energy saving plans as of end-2023.
Conduct a pilot programme in a shopping mall to engage and assist tenants in identifying energy saving measures in 2023	Achieved	A pilot programme was conducted in Paradise Mall to assist tenants in identifying energy saving opportunities, with recommendations shared with tenants.
100% existing shopping malls (with full operation in 2022) will complete energy audit for the common areas and develop energy saving plan by 2025	On Track	The energy audit for all existing malls which were in full operation in 2022 is in progress and is expected to be completed by 2024. Each mall will develop an energy saving plan based on the audit results by 2025.
Waste Management		
Over 75% of our managed residential properties will collect glass containers for recycling in 2023	Achieved	86% of our managed residential properties have collected glass containers for recycling in 2023.
100% shopping malls will collect glass containers for recycling in 2023	Achieved	All shopping malls have collected containers for glass recycling.
8 additional water dispensers will be installed across stations in 2023-2024	On Track	2 water dispensers will be added at To Kwa Wan Station and Kwai Fong Station in Jan 2024. 6 more will be added by the end of 2024.
Green and Low-carbon Designs		
100% future new stations & new residential development projects will aim to attain BEAM Plus Gold or above certification	On Track	In 2023, we attained BEAM Plus Provisional Gold accreditation or above for seven new stations.
1,400+ more bike parking spaces will be provided around stations and properties managed by MTR by 2025	On Track	1,055 additional bike parking spaces were provided as of end-2023, comparing with the 2022 baseline.
2.5% water will be saved in depots in 2023 with 2022 level as baseline	Fell short	Water consumption has increased when compared to 2022 levels, mainly due to the recovery of services after COVID. Further water saving opportunities will be explored.
5% water will be saved in 2025 with 2018 level as baseline for our shopping malls	On Track	Over 3% of water was saved in 2023.

This year, we have identified a new set of KPIs to continue our efforts to drive the three E&SOs for 2024 and beyond. All the 43 KPIs, including both new and on-going items are listed below.



Environmental and Social Objective 1 SOCIAL INCLUSION







Universal Basic Mobility

Short- and Mid-term KPIs:

- ◆ Enhancements of **MTR - Care app** – roll out In-station Navigation function for the whole heavy rail network for visually impaired, call-for-assistance service for hearing impaired, and automatic ramp booking service for physically impaired by 2025
- ◆ Launch / expansion of **1-2 caring initiatives** in 2024
- ◆ **No less than 1 million average daily passenger trips** will benefit from **fare concessions** in 2024
- ◆ Completion of a **Safety Culture Survey** for Hong Kong-based MTR employees with **action plan** addressing relevant insights issued within 2024

Long-term KPI:

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

Ongoing fare concessions to different passenger sectors of the community, including Children, Students, Elderly and Persons with Disabilities. (Based on 2020 figure)



Diversity & Inclusion

Short- and Mid-term KPIs:

- ◆ **At least 25%** of our Board of Directors will be **women** by 2025
- ◆ **DEI training** will be provided to **managers and supervisors** involved in the traineeship programme for Persons with Disabilities ("PWD") or ethnically diverse in 2024
- ◆ **150 DEI training events** for staff will be held in 2024
- ◆ **10 secondary schools with diverse student bodies** will be reached out for career sharing/ job shadowing in 2024
- ◆ **10%** of our **interns** will be **PwD** or **ethnically diverse** in 2024
- ◆ **Workplace inclusiveness** will be **enhanced** in 2024 through:
 - Reviewing recruitment requirement
 - Enhancing accessible facilities in office buildings
 - Communicating results of DEI survey with stakeholders and prioritising 3 areas for follow up actions



Equal Opportunities

Short- and Mid-term KPIs:

- ◆ **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



Environmental and Social Objective 2

ADVANCEMENT & OPPORTUNITIES



Employees

Short- and Mid-term KPIs:

- ◆ At least **5 learning days** will be provided to employee on average every year
- ◆ **200+ employment and pre-employment opportunities** will be provided for young talents in 2024
- ◆ At least **10 wellness related activities/events** will be organised for employees in 2024
- ◆ **Over 75%** of our **managed residential properties** will sign the **Heart Caring Charter** and organise **wellness activities** to promote healthy lifestyles for employees by 2024



Business Partners

Short- and Mid-term KPIs:

- ◆ **HK\$250 million** will be spent on **green procurement** in 2025; rising to **HK\$350 million** in 2030
- ◆ **30+ suppliers** to attend **training** on calculation of carbon emissions
- ◆ **15+ supplier review audits** will be conducted in 2024
- ◆ **15+ supplier review meetings** will cover ESG in 2024
- ◆ Conduct a **preliminary survey** about **carbon emissions** from our major suppliers by 2024



Future Skills & Innovation

Short- and Mid-term KPIs:

- ◆ **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





Environmental and Social Objective 3

GREENHOUSE GAS EMISSIONS REDUCTION



Carbon Emissions

Short- and Mid-term KPIs:

- ◆ **200+** additional **EV charging stations** will be installed across office buildings, malls and station carparks by 2025
- ◆ At least **30 e-buses** will be introduced by 2026
- ◆ **100%** of executive private vehicles will be replaced by **EV** or be cancelled by 2027
- ◆ **50,000+ people** will participate in our **low-carbon initiatives** in 2024
- ◆ **Over 70%** of our **managed residential properties** will collaborate with other partners to **promote green lifestyles** to our residents in 2024

Long-term KPI:

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



Clean Energy & Energy Efficiency

Short- and Mid-term KPIs:

- ◆ **20% chiller energy saving** expected after completing Batch 2 chiller replacement project in our **stations** by 2026
- ◆ Around **20% chiller energy saving** expected after completing chiller replacement programme in **Headquarters** in 2024 as compared with 2019
- ◆ Over **70%** of our **managed residential properties** will conduct **energy audit** for the common areas and develop **energy saving plan** by 2025
- ◆ **100% existing shopping malls** (with full operation in 2022) will complete **energy audit** for the common areas and develop **energy saving plan** by 2025
- ◆ Conduct a programme in **4 MTR shopping malls** to engage and assist **tenants** in identifying **energy saving measures** by 2025
- ◆ **3** additional **solar PV systems** will be installed in depots and stations in 2024
- ◆ Conduct a **trial project** on **Hydrogen Fuelled Light Rail Vehicle** in 2024



Waste Management

Short- and Mid-term KPIs:

- ◆ **Over 50%** of **residential estates** will participate in the **Mulching Pilot Scheme** organised by Y-Park to uplift the use of wood chips in sites' landscaped areas by 2024
- ◆ **8** additional **water dispensers** will be installed across **stations** in 2023-24



Green and Low-carbon Designs

Short- and Mid-term KPIs:

- ◆ **1,400+** more **bike parking spaces** will be provided around stations and properties managed by MTR by 2025
- ◆ **5% water** will be **saved** in 2025 with 2018 level as baseline for our **shopping malls**
- ◆ Review and update contract specification to promote the use of **low-carbon concrete** in new railway projects by 2024

Long-term KPI:

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





PROMOTING SOCIAL INCLUSION

On MTR Sustainability Website

Read our Management Approach

- > [Customer Services](#)
- > [Social Inclusion](#)
- > [Advancement & Opportunities](#)

Our Policies and Statements

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

SDGs

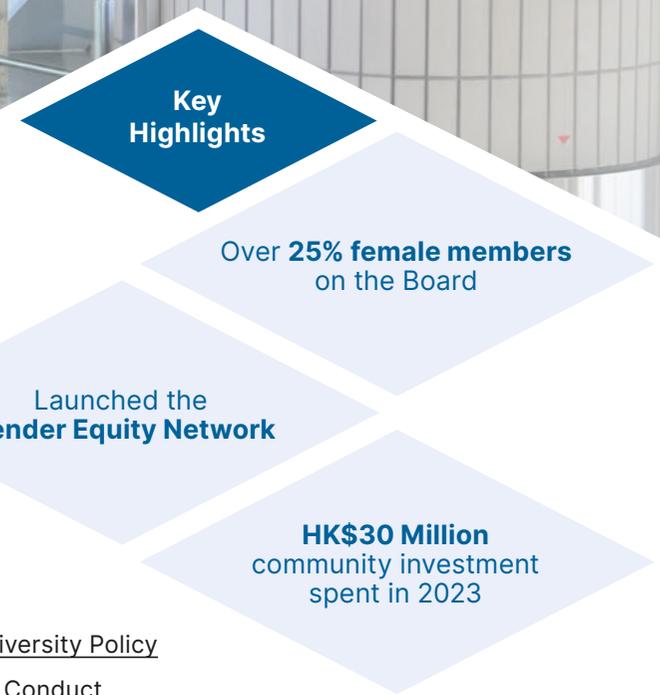


In This Chapter

GRI: 2-7, 203-1, 203-2, 403-1, 403-2, 403-3, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10, 405-1, 413-1, 413-2, 416-1, 416-2

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

ISSB: IFRS S1-41, S1-44



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 are committed to providing access to a safe, affordable, accessible and sustainable transport system for all and ensuring our fare concessions 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 of our staff. Safety is always foremost in everything we do. We are committed to complying with all applicable statutory requirements, upholding a safety-first culture and adopting management systems to achieve the Corporation's safety goals to continuously improve our safety performance.

Managing Safety

Our [Corporate Safety Policy](#), together with the Corporate Safety Governance Management, outlines our safety management approach and objectives. In addition, the Corporate Safety Standards across eight core elements of the Corporate Safety Management Model. The Standards provide objective based requirements for an effective safety management system while, allowing for local adaptation to unique operational and regulatory environments. The Recommended Means of Compliance ("RMoC") based on international best practice as well as MTR's operational experience worldwide provide guidance as to how the Corporate Safety Standards can be met. In principle, each Corporate Safety Standard is paired with an associated RMoC.

We review and formulate a Corporate Strategic Safety Plan every four years to ensure our safety strategy is up-to-date and aligns with the latest global trends and best industry practices. Launched in 2021, the latest 4-year Corporate Strategic Safety Plan ("the Plan") sets out our path in safety under the "Transforming the Future" Corporate Strategy and promotes the aspiration of "Everyone is a safety leader" to achieve zero harm to all stakeholders. Prioritising safety is everyone's responsibility with the importance of teamwork. The Plan lists out the Strategic Focus Areas to guide our safety practices and drive safety improvement 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

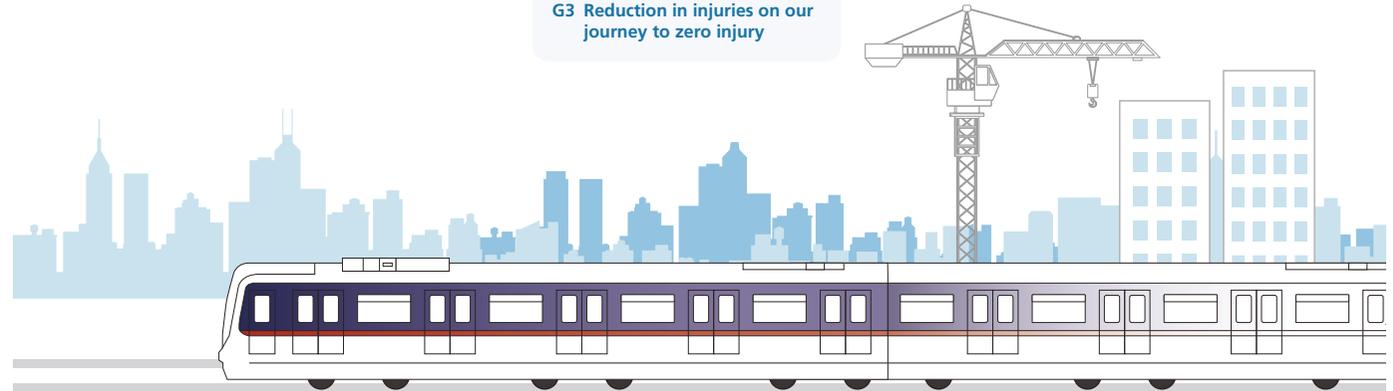
- A1 Everyone is a safety leader
- A2 The Corporation is a global model in safety management



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



In 2023, a Corporate Safety Management Framework has been established and implemented corporate-wide to enable us to deliver on our corporate safety commitments. The Framework specifies the governance and management arrangements of the Corporation's safety globally to ensure a coherent and consistent approach across the Corporation. It delineates the safety roles and responsibilities, sets out the Corporate Safety Standards and provides the RMoC to guide business units, subsidiaries and associates on the "how" in terms of conformance. It also aims to foster a culture of continuous improvement and learning on safety, leveraging our global experience and best practices.

Themed 'Vigilance Saves Lives', the aims of the year-long Corporate Safety Campaign ("CSC") 2023 were to promote self-initiated safety reporting, address the reported hazards timely, and raise awareness of our universal responsibilities in preventing Major Risk Scenarios ("MRS"). The CSC launch video reached over 1,100 employees, and over 2,800 employees participated in different safety activities and workshops conducted by the world's leading transportation safety experts from Mainland China and overseas. Through the workshop, the employees learned about MRS, modern risk management techniques and the benefits of a "just culture". The importance of focusing on the efficacy of safety defences can deal with major hazards in the future. As a part of the CSC, ten teams from different business units globally participated in the Global Safety Hackathon 2023 to develop innovative safety solutions and promote a culture of safety within the Corporation. Additionally, over 50 employees from various global business units were recognised as Safety Heroes for their advocacy efforts in promoting safety within the Corporation.

Customer Health and Safety

We are committed to providing a safe and hygienic railway service for our passengers to keep our city moving.

To ensure passenger hygiene, we have implemented a wide range of preventive measures to ensure the sanitary conditions of our trains, stations and facilities. To meet the needs of different customers, station facilities are continuously enhanced to make everyday travel experiences more convenient and pleasant. Toilets are one of the most valued station facilities by customers. In April 2023, we extended the smart toilet management system, which provides passengers with digital display information on toilet cubicle availability and indoor air quality, to all toilets in Hong Kong Station. These innovative facilities can also be found in Central, Admiralty, Exhibition Centre and Tsim Sha Tsui stations, and they will be introduced at Diamond Hill and Yau Tong stations by 2023.

A lively animation video has been produced to introduce the toilets in 65 MTR stations including all interchange stations.



New video introduces station toilets

Besides, we continue to emphasise the importance of operational safety throughout all levels of the Corporation. We work to instill an uncompromising safety-first culture within MTR and provide our staff with proper training and hardware to ensure that they have the knowledge and skills to perform their daily duties with passenger safety in mind.

To strengthen the protection of passengers who may experience cardiac arrest, we have installed around 300 Automated External Defibrillators ("AEDs") at concourses and platforms of all heavy rail stations and Hong Kong West Kowloon Station of the High-Speed Rail (Hong Kong Section). This allows our staff and the public to provide timely responses with accessible devices in emergencies. With the aim to better prepare our staff to assist passengers in need during unexpected incidents, we have arranged training courses for our station staff to learn or refresh their knowledge to use AED and apply Cardiopulmonary Resuscitation.



AED training courses conducted in Tuen Mun Depot for staff in Light Rail and Bus

In 2023, MTR recorded 181 injuries requiring hospitalisation, leading to our target of injury rate for heavy rail not being met. Most of the injuries were related to escalator accidents and slip, trip and fall that involved elderly and passengers' behaviours. The most common causes of accidents included loss of balance and carrying bulky luggage. In view of this, elderly citizens are one of the key focus groups of this year's safety campaign.

Our Escalator Safety Task Force continued to promote the importance of riding escalators safely to prevent accidents, including opening promotional information booths at stations and launching awareness campaigns. During the year, we continued to step up our efforts to promote escalator safety messages, including launching related social media video to promote escalator safety and enhance public awareness while travelling on escalators.

To raise public awareness of safety when using escalators, we launched this year's Escalator Safety Campaign featuring popular cartoon character "Chibi Maruko Chan" as ambassador. A series of activities and publicity have been rolled out to promote travelling safely and joyfully with six escalator safety rules. "Chibi Maruko Chan," her family, and friends have been featured in a series of posters, videos, and messages shown in stations to remind passengers of safety when using escalators. We will continue to promote escalator safety through public education and publicity, including school talks and recruitment of elderly caring ambassadors.

Six "Stay Safe" tips from Chibi Maruko Chan:

1. Hold the handrail and stand firm when using escalators;
2. Encourage elderly and people with disabilities to use lifts;
3. Use lifts or seek help from MTR staff if they feel unwell;
4. Use lifts when carrying bulky luggage;
5. Press the emergency stop in case of emergency; and
6. Take care of and assist the elderly and children when using escalators.



Chibi Maruko Chan, her family and friends acted as our Escalator Safety Ambassadors to promote escalator safety by providing practical guidance on using escalator properly

In addition, the Elderly Care Team has partnered with the Escalator Safety Special Task Force ("ESSTF") to host an Escalator Safety Briefing in aid of the elderly. The briefing was aimed at sharing safety precautions with elderly residents. The briefing received active participation and feedback from community residents and elderly people, enabling them to better understand how to travel safely and the precautions to take when using escalators. In the future, more similar activities will be held in the community, with targeted escalator safety briefings and promotional activities for residents and elderly people of different age groups to increase their understanding of travel safety and promote community inclusion. In addition, we regularly deliver elderly talks to elderly centres or organisations to provide railway and safety messages, reaching over 450 seniors in 2023.



Station staff conveyed safety information for travelling on escalators to the elderly

In addition, we benchmark our heavy rail network in Hong Kong with overseas counterparts through the COMET Benchmarking platform against top-level indicators, including Safety and Security. The latest benchmarking result indicates that our performance in terms of deaths from accidents per billion passenger journeys of 0.75 was much lower than the industry norms of 3.48. Please refer to [COMET Benchmarking Results](#) in our Performance Metrics for details.

Number of Customer and Public Injuries Requiring Hospitalisation in Hong Kong



	Heavy Rail	Light Rail	Bus
2021	25	3	3
2022	87	4	1
2023	181	3	3

Customer and Public Fatalities in Hong Kong



	Heavy Rail	Light Rail	Bus
2021	0	0	0
2022	1	0	0
2023	0	0	0

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

	2021	2022	2023
Heavy Rail			
Target	6.64	5.67	5.65
Performance	1.76	6.50	10.84
Light Rail			
Target	9.89	8.38	7.31
Performance	2.12	3.04	2.00
Bus			
Target	6.85	6.85	5.83
Performance	4.99	1.74	4.35

Customer and Public Fatalities for Operating Locations Other Than Hong Kong

	Shenzhen Metro Line 4	Hangzhou Metro Line 5	Melbourne's Metropolitan Rail Service	Sydney Metro North West Line	Stockholm Metro	MTRX	Stockholms Pendeltåg	Mälartåg	Elizabeth line
Target	0	0	0	0	0	0	0	0	0
Performance	0	0	0	0	0	0	0	0	0

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

	Shenzhen Metro Line 4	Hangzhou Metro Line 5	Melbourne's Metropolitan Rail Service	Sydney Metro North West Line	Stockholm Metro	MTRX	Stockholms Pendeltåg	Mälartåg	Elizabeth line
Target	1.38	1.11	1.66	3.10	1	19	0.72	0.80	1.33
Performance	0.75	0.16	1.47	2.59	0.98	31.33	0.45	0.58	1.60

"Caring for Elderly" Month

The Corporation launched "Caring for Elderly Month" which includes providing free rides for seniors aged 65 or above on Senior Citizen's Day on 19 November 2023, utilising virtual reality games and collaborating with local illustrator Ms Charlotte Lui from Moving Drawing and DJs from Radio Television Hong Kong ("RTHK") to promote caring and courteous behaviours and railway safety messages tailor-made for the elderly.

The age-friendly activities include inviting seniors to participate in virtual reality games designed by a local innovation and technology company that simulate scenarios, such as using escalators and tapping cards at entry gates at MTR stations. These games aim to help seniors get familiarised with railway safety tips, such as standing firm and holding the handrail when using escalators, in a relaxed and engaging manner. Jointly organised by the Corporation and the Elder Academy, the "Railway 101" classes have been launched since July 2023 with 80 seniors graduated as "caring ambassadors".

Collaboration with RTHK Radio 5 for "Elderly Safety Promotion Campaign"

As part of the efforts to promote a safe travelling environment for the elderly, we are once again collaborating with RTHK Radio 5 to organise the "Elderly Safety Promotion Campaign" and remind elders of the following four key safety tips with RTHK programme hosts:

1. Stand firm on either side, hold the handrail and don't walk when using escalators;
2. Use a lift when travelling with bulky items or having difficulty with mobility;
3. Do not exit or board trains when the door closing chimes sound, and
4. Seek help if you feel unwell.



Poster for reminding the elders of the four railway safety tips by the Corporation and programme hosts from RTHK Radio 5

Our Light Rail has also undertaken several safety improvement projects to enhance safety of the passengers and pedestrians. These projects focus on implementing various measures to improve accessibility, visibility and security within the light rail system. Examples of the safety improvement projects include:

- ◆ Modification of the edge of the platform to ramp;
- ◆ Installation of the convex mirror and black/white arrow sign;
- ◆ Installation of board easy mat;
- ◆ Strengthening platform lighting;
- ◆ Installation of yellow flashing bollards with ground LED lights with human voice;
- ◆ Deployment of additional stop assistants; and
- ◆ Distribution of safety leaflets and safety travelling tips.



Convex mirror



Flashing bollards

OVERSEAS HIGHLIGHTS

Metro Trains Melbourne – New Escalator Safety Campaign

Incidents are often the result of people rushing, not practising escalator, stair or platform etiquette, and carrying bikes, scooters or trolleys on escalators and stairs instead of using elevators. Launched in May 2023, a new escalator safety campaign highlighted the risks of using escalators and stairs, and has been calling on passengers to take simple steps to keep themselves and others safe.

- ◆ Paying attention to others and their environment;
- ◆ Taking their time (do not rush); and
- ◆ Holding onto the handrail.

In this campaign, Metro Trains Melbourne uses stark x-ray images showing some of the serious injuries causing by escalator incidents that may occur to highlight the danger of escalators and to encourage passengers practicing safe behaviours while travelling on the network.



Building Safety Awareness in the Community

We strive to promote the importance of railway safety to the public through different platforms. In July 2023, MTR hosted the “MTR Safety Experience Zone” and railway-themed game booth at the Hong Kong Book Fair. “Chibi Maruko Chan” and other ambassadors of the Escalator Safety Campaign joined forces to promote railway safety through interactive games and sharing railway fun facts.



“MTR Safety Experience Zone” exhibition booth at the Hong Kong Book Fair

We also relaunched a new round of the MTR Budding Station Master Programme for primary school students to have on-site job tasting through taking up MTR station staff duties and promoting safety messages. The 1.5-hour programme with training on station operations and station staff job duties is designed to provide young students with hands-on experience in customer service and understanding to learn about railway safety and courteous behaviour through an interactive and educational experience. Our goal is to inspire young minds and equip them with the knowledge and skills to navigate the MTR system safely through interactive sessions. This Programme was delivered to over 20 primary schools with more than 450 students from June to December 2023. Watch the [video](#) to learn more about the programme.



Primary school students were given a chance to participate in various interactive sessions, promoting safety messages to passengers on escalators and platforms

Staff and Contractor Safety

To foster a safety-first culture, we actively share safety best practices across the Corporation and reinforced the principle with our contractors and subcontractors. We strive to minimise or eliminate the risk before the commencement of works, where practicable, by identifying activities with high risk and mitigating them with proper method statements as well as implementing risk assessments and safety control measures.

In 2023, two Corporate Safety Management Training (“CSMT”) classes were held for 40 newly promoted/ recruited managers from different business units in Hong Kong. This training was also rolled out to our subsidiaries and associates in overseas. The objectives of the CSMT are to standardise the competence training for managers and to promote shared safety values and culture across our business units, subsidiaries and associates. In addition, two classes of five-day ISO 45001 Occupational Health and Safety Management System Lead Auditor training were held for 20 colleagues to enhance their safety auditing skills which are beneficial to our in-house safety assurance activities.

The “Strive for Zero” safety campaign was launched for Extension Projects, aiming at zero harm, zero injuries and zero fatalities. This campaign encourages everyone to walk the talk on safety, starting with top management. Apart from the “Strive for Zero” safety forum, the campaign was kicked off at the site level by signing the “Safety Pledge” by top management of the Corporation and contractors, and engaging the workers via monthly “Safety Breaks”. Two Millionaire safety quiz competitions for Operations Projects Department and Extension Projects were held in September and November 2023 respectively.

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

Joint Drill with Emergency Services Departments

The Corporation conducts annual joint exercises with emergency services departments, to enhance the coordination and efficiency in handling railway emergencies. A mega joint emergency drill was held in Tsim Sha Tsui Station in October 2023 with various government departments, including the Fire Services Department and Hong Kong Police, etc., in which more than 1,000 MTR staff with their relatives and friends as well as members from community partners had been recruited and participated. The focus of the drill included validating the effectiveness of using technology and telecommunication in responding to incidents, such as the “Travel QR Code” launched in May 2023 to get real-time service updates and information on alternative MTR routes, other transport options and MTR free shuttle bus.

Application of technology was also included in the drill, successfully testing the sensor for the detrainment ramp which can strengthen the real-time monitoring of train and assist MTR staff in handling incidents more efficiently, further protecting the safety of passengers and railways operations.

The drill simulated the operation of the detrainment ramp at the rear of the train by “passengers” to test the functions of a sensor recently added to the detrainment ramp of a train. The sensor was effective in sending an alert and real-time CCTV footage of the location to the Operations Control Centre. “Passengers” then walked safely along the tracks in the tunnel to a platform in Jordan Station for evacuation with the assistance of staff.



“Passengers” were guided to walk safely along the tracks in the tunnel to a platform in Jordan Station for evacuation with the assistance of staff



A temporary triage point was set up at the scene to ensure “injured passengers” could receive timely treatment

OVERSEAS HIGHLIGHTS

MTR Nordic – Technological Upgrade for Safer Trains

MTR Nordic has modernised its trains to improve the working environment of train drivers by installing new technical tools, such as cameras and monitors, to enable the driver to take full responsibility for closing the doors. As an employer, MTR Nordic is responsible for the working environment for the train drivers on board the commuter trains. Both work environment and safety have been in focus during the entire process of developing a technical and operational solution for running the commuter trains without a train attendant on board.

As the change enables the train conductor’s duties to be replaced by new technology or redistributed to other roles. All train attendants have been offered new roles within the MTR Group with their salary maintained. Since December 2022, when we started running commuter trains without a train attendant on board, no more incidents have been reported.

Lost Time Injuries ^[Note] per 100,000 man-hours in Hong Kong

	2021	2022	2023
Corporate Support Functions	0.08	0.17	0.11
Hong Kong Transport Services Business Unit	0.46	0.33	0.37
Capital Works Business Unit	0.07	0.00	0.00
Hong Kong Property Business Unit	0.20	0.16	0.04

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

In 2023, we continued to achieve zero fatalities in our construction projects in Hong Kong. Different safety initiatives have been implemented in Hong Kong to protect the safety and health of our contractors. These include the 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.

Work-related Fatalities for Construction Projects in Hong Kong

	2021	2022	2023
Staff	0	0	0
Contractor	0	0	0

On 24 September 2023, two subcontractor workers lost their lives while working inside the tunnel underneath the West Kowloon Cultural District. In response to this case, an independent investigation team was commissioned to identify recommendations and develop an improvement plan to prevent recurrence.

Lost Time Injuries ^[Note] per 100,000 man-hours for Contractors in Hong Kong

	2021	2022	2023
Corporate Support Functions	0.20	0.34	0.85
Operations Railway	0.27	0.28	0.25
Project Construction – Railway Extension Projects	0.26	0.22	0.13
Project Construction – Network Improvement Projects	0.15	0.00	0.05
Property Development and Investment Projects	0.03	0.01	0.02
Investment Property	0.13	0.20	0.17
Management Property	0.17	0.15	0.10

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

Enhancing and Enabling Accessibility

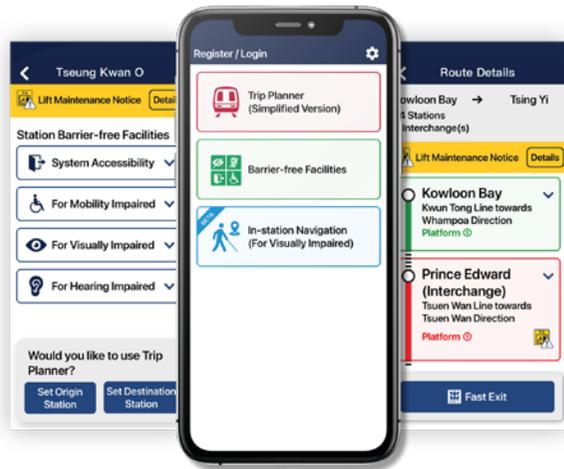
At MTR, we make every effort to create a seamless and inclusive transportation network. Over the past few years, we have undertaken a number of improvement works to provide fit-for-purpose and easy-access facilities in our stations, trains and properties for the elderly, passengers with disabilities and those in need. All newly constructed stations will be designed as accessible stations including barrier-free entrances, wide gates, accessible toilets and baby care rooms, to provide universal accessible mobility for all passengers. To facilitate the way-finding of our elderly customers, we have rolled out various age-friendly initiatives, including giant lift signage, giant exit signs, giant toilet signs in stations and overhead exit codes displayed at station entrance. In addition, new passenger information display systems have been equipped at the platforms of the Light Rail to enable passengers to obtain the arrival information of the light rail vehicles which synchronous with our “Next Train” app.



Sockets installed at stations for powered wheelchairs

We are committed to applying technology to assist the elderly and passengers with special needs to enjoy barrier-free travel. The MTR · Care app was launched last year. It was enhanced as Phase 2 in November 2023, adding a new function for checking barrier-free facilities information of all heavy rail stations, and enhancing the Simplified Trip Planner function with real-time lift status information. Through a clear, easy-to-understand and user-friendly interface, passengers with special needs can easily obtain relevant information for better trip planning in advance and travel with ease. To provide greater convenience for wheelchair customers, we also launched the beta version of "Wheelchair Portable Ramp Booking" services to allow reservation of the portable ramp within specific times in advance. The Corporation will maintain a close dialogue with relevant groups and continue to enhance the passenger experience of barrier-free travel.

To cater the needs of hearing impaired and visually impaired customers, the Corporation hosted the trial programme of pre-dooring closing alert indicators at platforms of strategic stations and will be extending the In-station Navigation function of MTR · Care app to all stations of the Kwun Tong Line by 2024. It is expected that Phase 2 of the app with the expansion of hearing and visually impaired function will be launched in 2024 and completed by 2025.



The MTR · Care app now enables users to check the barrier-free facilities information of MTR stations and the Trip Planner (Simplified Version) function is enhanced with lift status information

- ◆ Barrier-free Facilities and real-time lift maintenance information to facilitate trip planning by customers with different needs
- ◆ Three functions to support passengers with special needs

Setting up the First Self-Service Kiosk to handle lost and found at stations

MTR and the Police have jointly established a Self-Service Kiosk at Concourse L1/F, Admiralty Station to handle simple lost and found cases, with effect from 22 September 2023. This collaboration reflects the efficiency and convenience brought by technology in public services. As of the end of September, the self-service kiosk at Admiralty Station has handled 10 lost and found cases.

The operation of the "Self-Service Kiosk" follows a one-stop loss reporting concept, where lost item reports are transferred from the reporting person to MTR with their authorisation. The Corporation's lost and found system has been fully digitised since 2021, and upon receiving the data transferred by the police, the "MTR Online Lost Property Platform" analyses the data to identify any matching lost items. Citizens no longer need to separately register their lost items with MTR and the police, which is more convenient and also increases the chance of finding the lost items.



The "Self-Service Kiosk" provides a one-stop loss reporting service, allowing MTR to access the lost item report with the passenger's authorisation

OVERSEAS HIGHLIGHTS

MTR (Shenzhen) – Enhanced Services for Accessibility

We established a collaborative partnership to leverage resources and introduce the "Line Network Care Booking" service on the "MTR (Shenzhen) Live" WeChat mini-program. This service offers pre-booking options for individuals with disabilities and elderly passengers facing mobility challenges, ensuring their care and a seamless journey from the metro station to their residences. Moving forward, our focus remains on attending to the various aspects of commuters' travel experiences, thereby contributing to the establishment of a more accessible, efficient, and harmonious community railway system.

Fare Concessions

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 since 2012. The Scheme extends to aged 60 to 64 using JoyYou Card with effect from February 2022.

To ensure that the accumulative pool of "Service Performance Rebate" amount from the previous year is fully rebated to passengers, the Corporation has arranged five "Thank You Days", offering a half-fare discount to thank passengers for their support. Furthermore, we have offered fare promotions, including:

- ◆ 100,000 Airport Express Tickets and 100,000 Tourist Day Passes through the visitor exclusive gifting campaign "Hong Kong Goodies" starting from noon, 28 March 2023;
- ◆ 100,000 CNY30 Lai See to High-Speed Rail passengers;
- ◆ Extension of the "Early Bird Discount Promotion" until 30 June 2024; and
- ◆ Increase of the interchange discount with Green Minibuses (from HK\$0.3 to HK\$0.5 per trip), covering over 500 designated routes, starting from 5 November 2023.

To support the "Happy Hong Kong" campaign launched by the HKSAR Government, a lucky draw was arranged via MTR Mobile in June 2023 with 150,000 prizes, including MTR Annual Passes, MTR Domestic Ride Tickets, Ngong Ping 360 Cable Car tickets, and station shop coupons, worth over HK\$5.6 million. In addition, all MTR Malls launched the "Happy Together" Shopping Rewards from May to August, giving away shopping, dining and parking vouchers worth over HK\$40 million.

At the same time, we offered around HK\$2.9 billion-worth of on-going fare concessions in 2023 to customers from different walks of life, including commuters, the elderly, children, eligible students and persons with disabilities. It is our target to benefit no less than 1 million average daily passenger trips from our fare concessions in 2024.

OVERSEAS HIGHLIGHTS

MTR Elizabeth line – Inclusive Travel Initiatives

To support local people with employment and ensure social mobility, along with other London transport operators, MTR Elizabeth line has allowed free travel on its network for Londoners aged 60+, those with a Veterans Oyster photocard, those with a Freedom pass (disabled, visually or hearing-impaired Londoners) and children under 10 (excluding between West Drayton and Reading). MTR Elizabeth line has also offered discounted services for children over 10, students, apprentices and the unemployed. In collaboration with other British transport companies, MTR Elizabeth line has provided free travel rides for Ukrainian Refugees upon entering the UK, enabling them to get to their destinations safely and for free.

MTR (Hangzhou) – Fare Discounts and Free Travel Privileges

MTR (Hangzhou) introduced various initiatives to enhance the public's commuting benefits and adjust fare discount policies. These initiatives include the introduction of transport codes and cumulative discounts for monthly transport card holders, as well as free travel privileges for individuals who have shown acts of bravery and military veterans. During the year, MTR (Hangzhou) provided monthly ticket discounts for approximately 30.4 million individuals, while extending free travel services to around 630 individuals who have shown acts of bravery and around 30,600 military veterans.

Metro Trains Melbourne – Supporting Hidden Disabilities

To support passengers with invisible disability, Metro Trains Melbourne is a member of the international Hidden Disabilities Sunflower program. From early 2023, invisible disability training was assigned to our frontline station staff, Authorised Officers and InfoCentral staff. The training was designed to improve staff understanding of invisible disability and how to better support passengers. Passengers can now wear a Sunflower product to make an invisible disability visible to Metro Trains Melbourne team, indicating that they may need support or more time. Metro Trains Melbourne has promoted the Sunflower to the general public to raise awareness of the Sunflower and invisible disabilities among the community.



Passengers can look out for Metro staff members who wear a Sunflower supporter badge for further assistance

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 online training programmes which help them understand relevant legislations. Within the Corporation, the [Code of Conduct](#) is reviewed and updated periodically to ensure appropriateness and compliance with corporate and regulatory requirements. The review of diversity, equity and inclusion ("DEI") clauses in the Code of Conduct and Equal Opportunity Policy was completed and the revised Code was released to all staff in February 2022.

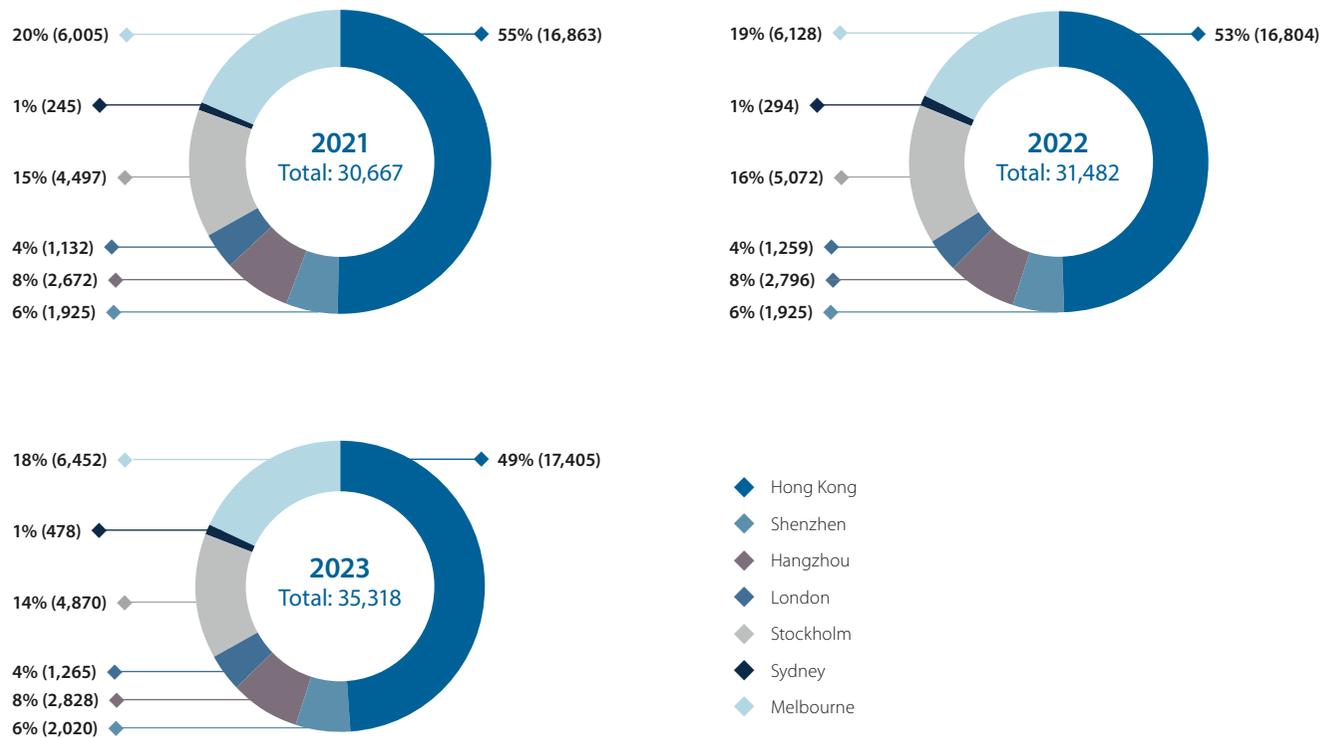
Recognising and embracing the benefits of diversity in the boardroom, we have established the [Board Diversity Policy](#) to demonstrate our commitment to ensure that the Board has the appropriate balance of skills, experience and diversity of perspectives that are required to support the execution of the Corporation's business strategy and in order for the Board to be effective. With the two new female members on board, the ratio of female members in the MTR Board is now over 25%, reaching the gender diversity target of having no less than 25% female members on the Board by 2025.

As part of our commitment to sustainable development and adopting responsible business practices, sustainability factors including gender diversity are linked to the remuneration of our senior management. In 2022, we have reviewed and enhanced our performance management process which enables us to better focus and deliver strategic priorities according to our Corporate Strategy. The enhanced process has linked sustainability performance to the remuneration of the management level, including Executive Managers and above. The enhanced Performance Management Framework will be introduced to all supervisors and general staff in Hong Kong in June 2024, building upon the successful implementation for all managers and Directors over the past two years.

This year, we have enhanced the disclosure of our gender equality-related data and information, covering Hong Kong and other operating regions. Please refer to [Gender Equality Data](#) for details.

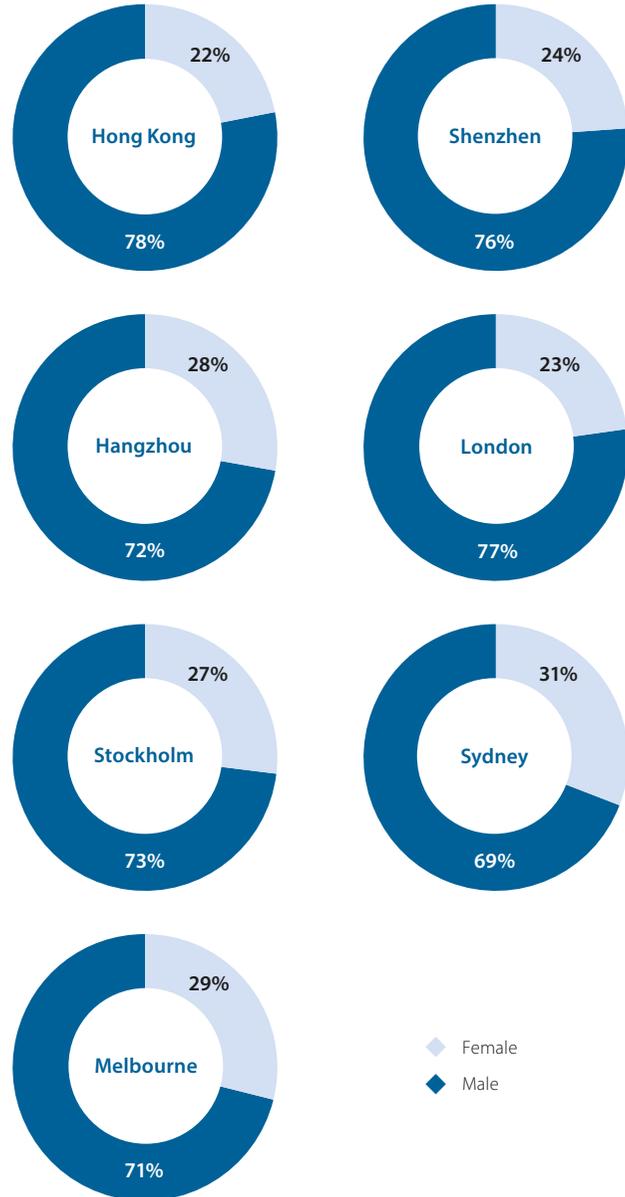
We have set high expectations for all staff members to treat their colleagues with respect and dignity. All employees are encouraged to raise any issues, concerns or grievances without fear of reprisal through designated whistle-blowing communication channels. As part of our commitment to equal opportunities, MTR's recruitment, reward and promotion decisions are based solely on occupational requirements, qualifications, work experience and job performance.

Breakdown of Full-time Employees by Location

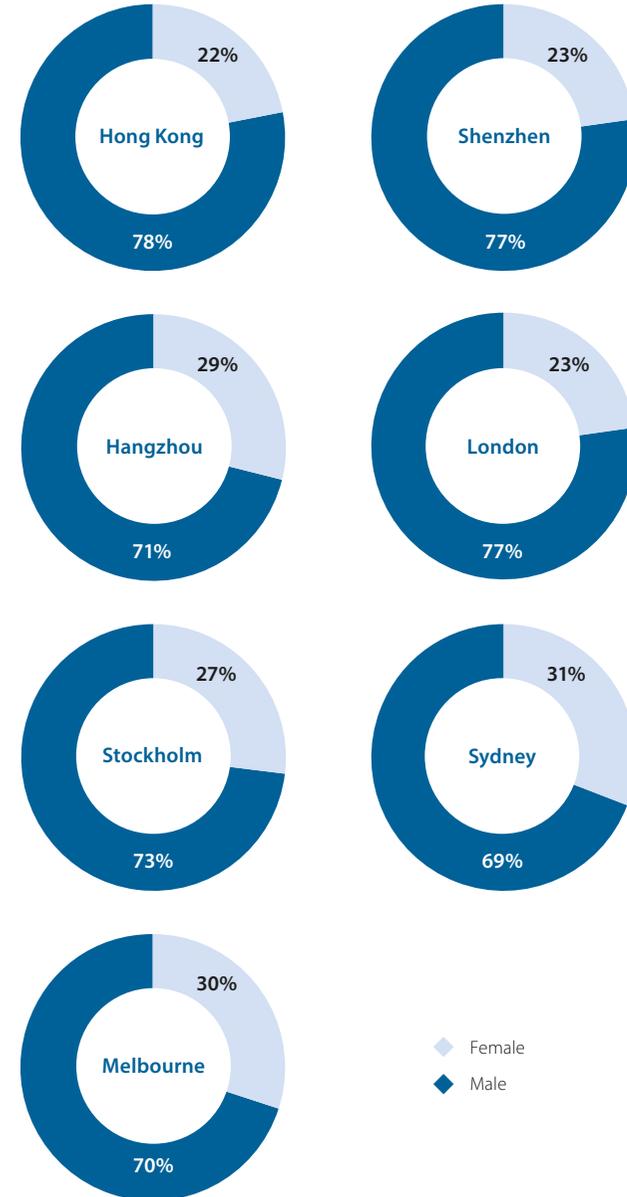


Gender Distribution of Workforce by Location (Full-time Employees)

2022

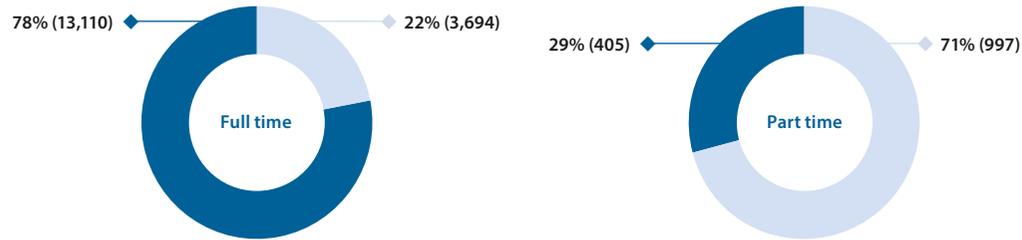


2023

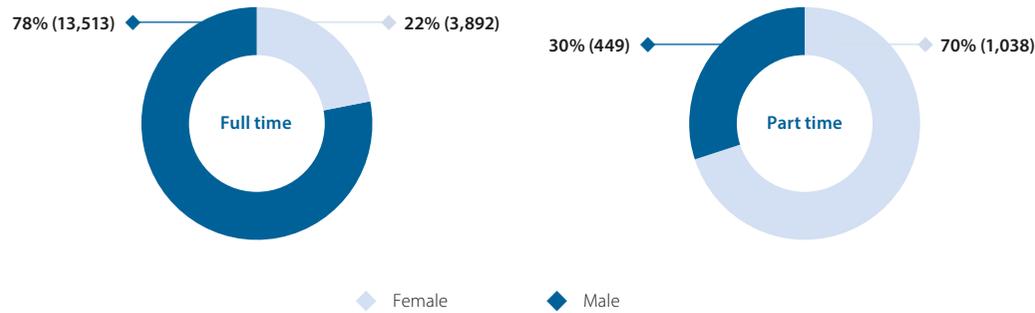


Breakdown of Total Workforce by Employment Type by Gender in Hong Kong

2022



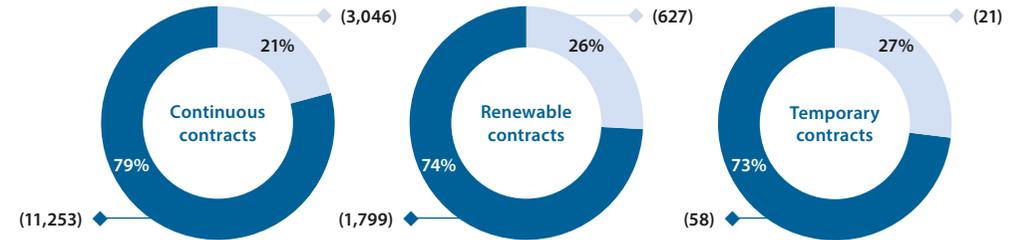
2023



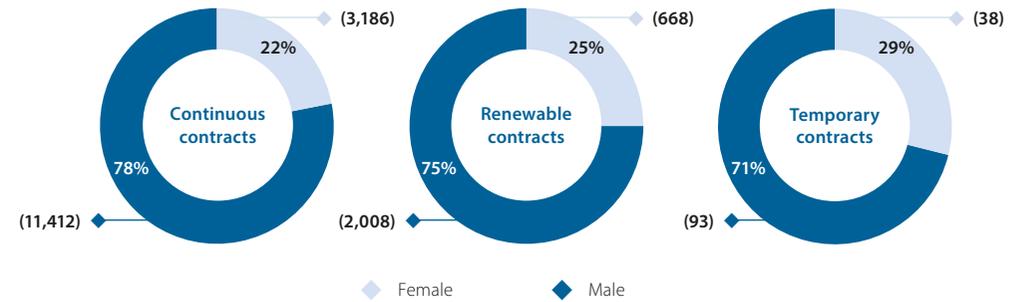
◆ Female ◆ Male

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

2022

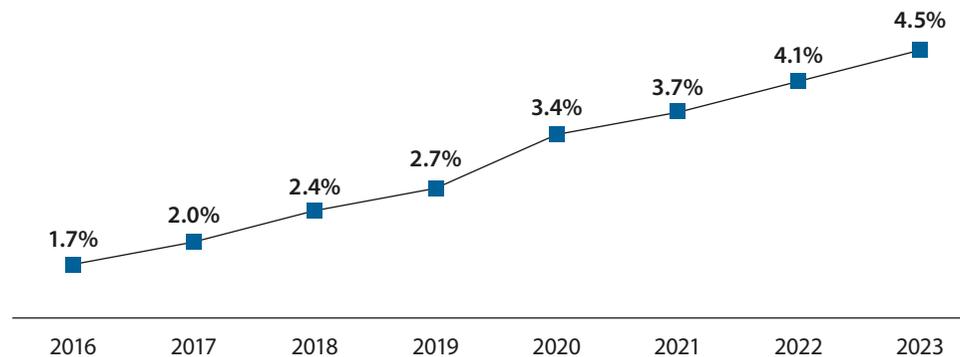


2023



◆ Female ◆ Male

Persons with Disabilities Employed in Hong Kong



OVERSEAS HIGHLIGHTS

MTR Elizabeth line – Promoting Workplace Diversity in Rail Industry

MTR Elizabeth line is committed to championing Equality, Diversity and Inclusion (“ED&I”) across the wider rail industry. We welcome applications regardless of background, disability or gender and are committed to creating a workforce as diverse as the communities we serve.

MTR Elizabeth line has actively participated in the Collaborative Workforce Diversity Data Benchmarking project, which aims to promote and enhance workforce diversity within the transportation industry, over the past five years. In previous years, MTR Elizabeth line has been highlighted as one of the top suppliers in terms of the proportion of colleagues that disclose their diversity data. During the supplier conference in Birmingham in December 2023, MTR Elizabeth line has been invited to participate in a panel discussion, further highlighting our commitment to fostering diversity and inclusion throughout the attraction and recruitment processes.

Metro Trains Melbourne – Increasing Female Representation among Train Drivers

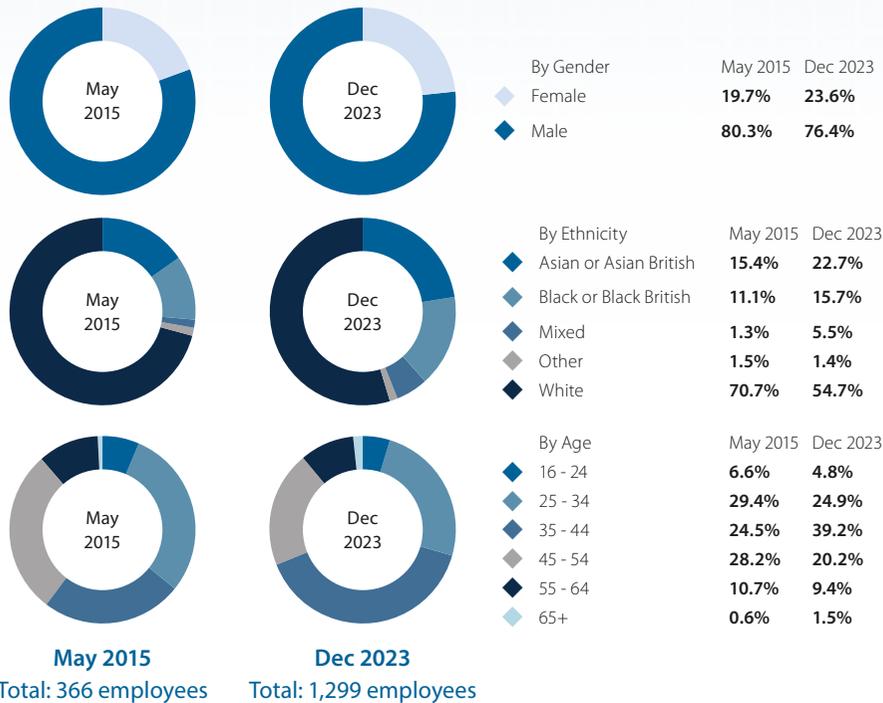
Metro Trains Melbourne is committed to creating greater diversity within the organisation and has been undertaking targeted recruitment strategies to increase representation of women among train drivers. These strategies include developing targeted advertising by using female centric wording and running the advertisement through a gender decoder to ensure the wording is inclusive. Metro Trains Melbourne also posts the advertisement on female-centric job boards such as Work 180 along with the other major job boards and the Metro Trains Melbourne Careers page and reaches out to various LinkedIn groups such as Women in Rail and Women in Construction for future collaboration. In 2023, Metro Trains Melbourne has increased its female qualified and trainee drivers to 565 compared to only 26 female train drivers in 2009.



Utilising marketing material such as images, videos, and testimonials of current female Train Drivers

MTR (Hangzhou) – Promoting Inclusive Employment Practices

MTR (Hangzhou) established a gender-equal employment environment during the recruitment and internal promotion processes. MTR (Hangzhou) also continued its efforts in diversity recruitment, with 51 employees from ethnically diverse groups in 2023. In response to national initiatives, MTR (Hangzhou) plans to recruit more individuals with disabilities, fulfilling its social responsibility.



The charts illustrate the status of MTR Elizabeth line’s current workforce diversity profile by gender, ethnicity and age in December 2023 compared to the diversity profile at the start of the concession in May 2015

To further enhance staff's understanding to support our diversity and inclusion commitment, we have conducted 380 DEI training events for staff, such as communication biases, cross-generational coaching and inclusive workplace for different groups of staff in 2023 to foster social inclusion and promote equality in MTR, well exceeding our target. DEI elements have also been added to a number of Corporate Development Programmes. For example, we offered more than 100 customer service training sessions to our Hong Kong Transport Services colleagues covering topics on how to offer assistance to passengers with special needs, such as Autism, Down Syndrome, Parkinson's Disease, intellectual disabilities or other disabilities. A Dark Experience session led by a visually impaired guide was organised to better understand the needs of differently-abled passengers. Our colleagues were also trained to learn communication skills with these passengers through different scenarios.

MTR is pleased to receive the Inclusive Employer Badge from participating in the CareER Disability Inclusion Index ("DII") and hiring people with disabilities in Hong Kong.

The Corporation is piloting a one-year traineeship programme, "EmpowerZ", to support the employment for people with disabilities or from ethnically diverse background. This programme reaches out to the community proactively via our ESG Project Allies, other NGO partners, The Hong Kong Council of Social Services and the Equal Opportunities Commission. We also offered internship opportunities to tertiary-level students and support diversity and inclusion. The Corporation has recruited 169 summer interns in 2023. Among them, 8 students with special educational needs and 9 ethnically diverse students were recruited under the Talent-Wise Employment Charter and Inclusive Organisations Recognition Scheme, accounting for 10% of our summer interns. They have been assigned to various business units or corporate functions to acquire practical work experience.



Karndeeep Singh
Undergraduate of The University of Hong Kong

My internship experience at MTR was an incredible learning opportunity. I was assigned to the international business division and had the privilege of working with a warm and welcoming team. While English served as the primary language, I also had the chance to utilise Cantonese when necessary. Throughout my internship period, I was involved in diverse projects, including organising visits for various delegates and conducting research on the Australian rail industry.

MTR fostered an inclusive environment where I felt genuinely valued and supported. Both my supervisors and colleagues were accepting and always willing to provide guidance, encouraging me to ask questions and seek clarification whenever needed. With their support, I was able to overcome my apprehension of making phone calls in Chinese, which significantly boosted my confidence.

I felt a strong sense of inclusion at MTR, allowing me to explore different roles and responsibilities. While steps are being taken to increase the ethnic diversity, MTR demonstrated efforts to create an inclusive workplace where individuals from diverse backgrounds can thrive. The Corporation cultivated a sense of belonging and provided a safe space for everyone, further honouring to their commitment towards equal opportunities.

My internship at MTR not only broadened my skills and knowledge but also instilled in me the confidence to face challenges and embrace diversity in my future career endeavours. I am truly grateful for the opportunities and supportive colleagues I had the pleasure of working with during my time at MTR.



Theo Wong
Undergraduate of The Hong Kong University of Science and Technology

My internship at MTR's light rail department in Tuen Mun provided me with an invaluable learning experience. I had the opportunity to contribute to various projects, including analysing data to propose a new bus route to the District Council, serving as a docent, and coordinating a safety promotion video project to be displayed at 99 MTR stations across Hong Kong. It was exhilarating to have such a crucial role in bringing the project to life.

The work environment at MTR was not only professional but also warm and inclusive. I was fortunate to have supportive colleagues who readily offered guidance and assistance. MTR also demonstrated a commitment to accommodating individuals with diverse needs, as there were other summer interns with different requirements including disabilities. This highlighted MTR's dedication to fostering an inclusive workplace.

I appreciated being assigned to a quieter corner of the office where I was able to perform to the best of my ability. This consideration for my sensitivity to noise demonstrated MTR's attention to creating a supportive environment. I trust that MTR will continue to enhance its support for individuals with diverse needs.

The internship at MTR provided me with valuable insights into the importance of diversity and inclusion in the workplace. The unwavering support from my colleagues greatly contributed to my personal and professional growth, and I am grateful for the experience.

The Corporation sponsored various events that aimed to enhance social inclusion and equality in the community. We are proud to be the Gold Sponsor of the SCMP's inaugural Hong Kong Diversity, Equity and Inclusion ("DEI") Summit in February 2023 which convened seasoned DEI professionals and new passionate advocates alike for inspiring discourse and thought-provoking sharing on DEI trends and best practices.

The Corporation sponsored the inclusive concert "Everyday Heroes All Around" organised by True Colors Symphony featuring differently abled musicians, with over 350 NGO beneficiaries, Corporate Partners and colleagues joining the choir and concert and community outreach to over 8,500 secondary school students to emphasise the importance of mental resilience. We also co-organised the "Beats Go Green" Multicultural Green Music Programme with True Colors Symphony and The Zubin Foundation, where more than 200 participants used musical instruments upcycled from retired MTR train parts to promote multicultural inclusion and raise environmental awareness.



Inclusive concert "Everyday Heroes All Around" organised by True Colors Symphony featuring differently abled musicians

We also supported The Zubin Foundation's second conference "Status of Racial Minorities in Hong Kong 2023: Journey to Racial Equality" held in March 2023. The conference brought together expert panels to share their views on the subject and provided an occasion for honest conversation from the audience about how life plays out for ethnically diverse communities, and what the community together and the private sector can do to become more inclusive.

To facilitate the understanding of different ethnicity groups in Hong Kong for the community, MTR partnered with Social Venture Hong Kong to host the Summer Chill Festival in Sham Shui Po and Shek Kip Mei area from June to August 2023 with multiple workshops.

Re-launch of HOK Living Art Stage

The HOK Living Art Stage was relaunched in June 2023 with an opening ceremony to kick off the year-round arts and culture performance for the public to share diverse talents every Friday evening. To promote diverse artistic cultures, the "Living Art Stage" features different performance themes including Diversity and Inclusion, Youth and Busking, etc. The programme was participated by 40 performance groups and organisations from June to December 2023.



The Hong Kong Enharmonica performed tuneful and melodious music to brighten up passengers' journeys and promote disability inclusion through musical exchange

"Beats Go Green" Multicultural Green Music Programme

As part of the "Beats Go Green" Multicultural Green Music Programme, the "Multicultural Green Music Show" was held at Maritime Square in June 2023 aiming to promote cultural diversity and inclusion, and to raise environmental awareness. Our colleagues and their families and friends, as well as families from diverse cultural backgrounds, were invited to perform music with upcycled musical instruments from MTR retired train parts. Local band Bombak Percussion also played music with percussion instruments, train parts and passenger seats from retired trains.

The music show provided an opportunity to foster cultural exchanges among our colleagues, the public and people from diverse cultural backgrounds. Participants made different upcycled musical instruments by adding plain washers and fruit seeds onto grab poles and straphangers from MTR retired trains and learned to play percussion music with the instruments.



Participants joined a series of upcycling workshops before the performance



Event participants played music for the public with upcycled musical instruments made from retired train parts

To promote gender equity and diversity in the workplace, a Gender Equity Network was established to provide a safe space for discussions on gender issues through a variety of programmes including topical seminars, workshops and networking events as well as a mentorship programme. We celebrated both the International Women’s Day and International Men’s Day to encourage colleagues to break gender biases and embrace the uniqueness of each other.

It is our plan to implement more DEI initiatives next year such as arranging 150 DEI training events for staff, providing DEI training for managers and supervisors involved in the traineeship programme for Persons with Disabilities (“PwD”) or ethnically diverse and enhancing assessable facilities in our office buildings.



Over 200 colleagues joined the celebration of International Women’s Day and the kick-off of MTR’s Gender Equity Network



Speakers shared their perspectives on the importance of challenging the status quo and celebrated the individual differences at the International Men’s Day celebration event

Co-chair of Gender Equity Network

Cheris Lee
Chief of Operating and Metro Segment



At MTR, we are dedicated to cultivating an inclusive and equitable workplace that values and empowers every individual to achieve their full potential. As the co-chair of the Gender Equity Network, I am honoured to be a part of an organisation that upholds diversity, equity and inclusion (“DEI”) as a foundational principle.

Our commitment to DEI goes beyond mere rhetoric. It is deeply ingrained in our organisational culture and drives our actions. I firmly believe that fostering an equitable workplace not only benefits our employees but also enhances our ability to serve our customers and make meaningful contributions to the wider community. By embracing diversity and promoting gender equity, we empower our frontline colleagues to deliver exceptional service to all passengers, thereby improving performance and customer satisfaction.

While I am proud of the progress we have made in achieving gender equity at MTR, my vision extends beyond gender alone. I strive for a workplace where everyone, regardless of their background, race, abilities, or job function, is treated with fairness and provided equal opportunities. Our goal is to create an environment where respect and inclusivity are the norm, enabling each individual to thrive and contribute their unique perspectives and talents. To realise this vision, the Gender Equity Network collaborates with other teams to champion equity, advocate for relevant HR policies, and raise awareness about DEI.

Our long-term objectives are to further embed DEI principles by expanding our workforce through initiatives such as promoting half-time jobs, tapping into the talents of individuals with caregiving responsibilities, and improving overall performance.

DEI serves as the driving force behind our sustainable growth and success at MTR. By recognising and eliminating our biases, we can build an organisation that thrives on diversity and embraces the strengths of each individual. Together, let us continue on this journey of promoting DEI, not only within MTR but also in the communities we serve.

Co-chair of Gender Equity Network

Andrew Mead
Head of Architecture



As the Co-Chair of the Gender Equity Network at MTR and a Male Ally affiliated with the Women’s Foundation, I am deeply motivated by my personal conviction to foster a world that is equitable and translate those beliefs into tangible actions.

One of our key aspirations is to shift MTR’s mindset from viewing ourselves solely as an engineering company to recognising that we are a people-centric organisation that provides transportation services and helps shape communities. This shift in perspective is crucial as we strive to become a more inclusive and equitable organisation.

We acknowledge the gender imbalances that exist across various departments within MTR. While departments like HR and marketing have a higher representation of women, areas such as construction and engineering remain predominantly male. I am dedicated to understanding the underlying reasons behind these imbalances and engaging in conversations with individuals to explore their experiences and strategies for success.

Open and honest conversations are essential for bridging the gap between those actively involved in DEI efforts and those who may dismiss its relevance. By sharing our own stories and experiences, we create a safe and supportive environment for others to open up and share their own perspectives, thereby fostering a culture of understanding and empathy.

Our long-term aspiration is for DEI to become deeply ingrained in MTR’s DNA and culture, making it an inherent part of how we operate rather than a separate initiative. By aligning our DEI programmes with MTR’s core business culture, we can promote equity and inclusivity while maintaining our core focus. With the collaboration of our employees, stakeholders, and the community, we are confident in making significant strides towards creating a more diverse, equitable, and inclusive organisation.

OVERSEAS HIGHLIGHTS

MTR Elizabeth Line- Honouring Diversity and Inclusion

At MTR Elizabeth line, we take immense pride in honouring and celebrating the diversity of our workforce and the communities we serve. Through our active participation in events like Pride Month, National Inclusion Week and Black History Month, we strive to create an inclusive environment and contribute to greater equality, diversity and inclusion in the rail industry.

MTR Elizabeth line celebrated Pride Month throughout June, showing our unwavering support for the LGBTQ+ community. Our weekly newsletter, Keeping Track, featured a series of articles dedicated to the importance of LGBTQ+ rights and inclusion. Additionally, three of our colleagues participated in Transport for London ("TfL")'s Portrait Pride Poster Campaign, with their posters displayed across multiple stations across the network.

During National Inclusion Week, we created a video titled 'We Are Better Together,' which showcased the rich linguistic diversity among our colleagues. The video featured 19 languages spoken by our team members, representing just a fraction of the over 60 languages spoken within MTR Elizabeth line.

MTR Elizabeth line celebrated Black History Month throughout October during which we featured a series of articles in our Keeping Track, shining a light on the contributions and achievements of Black individuals throughout history.



To celebrate Pride Month in London, the Elizabeth line unveils a very special bright and colourfully wrapped Class 345 train

EQUAL OPPORTUNITIES

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

Investing in Communities

With the mission to connect and grow the community, we strive to contribute to the sustainable development of the cities we serve. Our employees regularly contribute their own time to organise and participate in community services and activities. We continue to offer free advertising space to 79 NGOs to promote their services and rent NGOs certain station shops along Tuen Ma Line at a nominal rate to support their services for the community. In 2023, a total of 10 station shops were leased on this basis. We have also sponsored venues at MTR Malls for 20 events organised by NGOs.

In 2023, our Hong Kong employees contributed over 24,500 volunteer hours in 270 projects, while the Corporation offered in-kind donations valued at HK\$35 million and invested HK\$30 million in various community programmes. We target to spend HK\$100 million on direct local community investment and donations from 2022 to 2025 and 200,000 people will benefit from our community programmes and volunteering projects from 2022 to 2025.

Retired MTR Train Carriages Continue Mission to Serve the Communities

Since 2021, the Corporation has been working closely with social partners to give retired trains and relevant parts a second life under the "Legacy Train Revitalisation Programme" ("LTRP"). We have donated over 500 retired train parts to various organisations, including elderly centres and schools. This year, we were delighted to donate a retired Phase 2 Light Rail train to the Yan Oi Tong Ng Wai Kwong Memorial Day Care Centre for the Elderly. A recreated Light Rail carriage with retired parts, such as saloon seats, handrails, windows, and mirrors has established a unique "Wo Tin Station" in the centre for the memories of the elderly. The retired parts are reused and transformed as upper limb stretching exercise equipment to allow the elderly to relax while sitting in this familiar and peaceful area. For more information about the LTRP, please refer to the [Waste Management section](#) in this Report.



The Yan Oi Tong Ng Wai Kwong Memorial Day Care Centre for the Elderly's "Wo Tin Station" (Upper) and upper limb stretching exercise equipment (Lower)

Community Investment Programmes

Use of Property Trainside Villas for Operating Transitional Housing Project

We have actively contributed to addressing the housing needs of families in need by collaborating with the Hong Kong Housing Society ("HKHS") and the Task Force on Transitional Housing. In 2020, the Corporation entered into a license agreement with HKHS, granting the use of their property, Trainside Villas comprising a total of 252 units, for a transitional housing project. As of Jan 2023, over 180 flats are available for use of transitional housing. This initiative is set to continue for a period of five years, providing a temporary and supportive living environment for families waiting for public rental housing.



Transitional Housing Project, Trainside Villas

"Exploring the MTR" School Talk Programme

As part of our community outreach effort, we conduct a one-hour talk to primary schools in Hong Kong to deliver messages such as MTR's history, service performance, courtesy and safety messages, Rail plus Property development model, community engagement and new projects. In 2023, over 10,000 students attended these talks with positive feedback.

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. "Art in MTR" exhibitions have always provided a platform for local artists, bringing public attention to their artworks.

In 2023, 40 winning entries from the "Utility Safety – Slogan and Drawing Competitions" are on display at the "Art in MTR" exhibition at MTR Sheung Wan and Sai Wan Ho stations from July to October 2023 to educate the public about the importance of utility safety.



Champions of the Drawing Competition from the senior primary school group (Left), junior primary school group (Centre) and parent-children group (Right)

Sustainable traveller shares the beauty of nature at "Art in MTR" exhibition. Fourteen photos capturing remarkable moments in a sustainable journey of Mr CK Lee, an outdoor enthusiast and amateur photographer, are on display in an "Art in MTR" exhibition entitled "Be a Sustainable Traveller" at MTR Sheung Wan and Sai Wan Ho stations from October 2023 to January 2024. The photographic journey meticulously illustrates the beauty of biodiversity in the wilderness and addresses the alarming effects on the ecosystem caused by climate change.

Currently, we have over 60 Community Art Galleries throughout our railway network, presenting homegrown talent to the community.



"Madagascar – A World of the Indigenous Animals and Plants" (Upper), showing biodiversity with indigenous creatures in Madagascar and "Antarctica – To Accelerate Action to Protect the Environment" (Lower), sparking attention to alarming environmental changes in Antarctica and their detrimental effects to animals

MTR x Dutch artist Florentijn Hofman's Gigantic Rubber Duck

In collaboration with AllRightsReserved, we are delighted to transform Admiralty Station into the "Double Ducks-Themed Station" in June 2023 to share the happy vibes of Dutch artist Florentijn Hofman's Gigantic Rubber Duck via our railway network. It was also the first time for the Corporation to take public artworks and transform them into themed stations. Starting from Admiralty Station, the Rubber Duck Journey with the MTR spreads throughout the railway network in a total of 24 MTR stations across local communities. As the starting point closest to the pair of 18 meter-tall Gigantic Rubber Ducks paddling on Victoria Harbour, Admiralty Station has been transformed into a Rubber Duck-themed station. Signs of the duckies can be found across the platforms, stairs, escalators and walls, bringing passengers a blissful moment surrounded with art and spreading the joy and love of art to every corner.



Admiralty Station was transformed into the "Double Ducks-Themed Station"



The all-new series of 24 "DOUBLE DUCKS with Hong Kong Signature Icons" is infused with local history, landmarks, culture, heritage, and communal elements

Live Art Creation of Spaceship by World-renowned Artist Mr Doodle

In collaboration with Pearl Lam Galleries, the Corporation has presented the "Mr Doodle in Space" exhibition at the HOK Living Art Stage in Hong Kong Station. The reputed artist, Mr Doodle offered a rare live art performance at the station incorporating MTR elements into his creation and captivating MTR passengers and art enthusiasts alike. The collaboration with Mr Doodle has enabled MTR to introduce yet another unique artistic style to the public and the passengers, infusing everyday life with art.



Mr Doodle presented a live performance with some children, during which he doodled on a spaceship installation measuring 2 metres in width and 1.5 metres in height

Art Piece in The Wai

A number of art pieces created by artists and designers are placed throughout The Wai's indoor and outdoor spaces to better incorporate art into shoppers' everyday lives. "Reborn", designed by ZHENG Lu, is inspired by the MTR East Rail Line retired Mid-Life Refurbishment trains and their fine details, leading to the creation and reconstruction of a new form of artwork by reassembling metal parts from an obsolete train in an artistic form to bring back collective memories. Apart from giving a second life to the retired train and attracting visitors to examine the artistic details in the composition, the complex structure of the artwork can also encourage lots of curiosity and imagination.



"Reborn" by ZHENG Lu

Highlights of Our Volunteering Initiatives and Projects

“ESG Project Allies” Initiative

We have piloted a new ESG Project Allies Initiative in 2023 with 12 NGOs / social enterprise partners to co-create impactful projects in the areas of disability inclusion, ethnic diversity, gender equity, and intergenerational relationships.

MTR supported one of our ESG Project Allies, The Zubin Foundation, to provide scholarships for girls from ethnically diverse background who studied STEM subjects, distribute care boxes to ethnically diverse families who are unable to afford basic daily necessities, during Ramadan and Diwali and sponsored the Zubin Foundation’s first Mental Health of Ethnic Minorities Conference in Hong Kong. We also provided The Zubin’s Family Centre, which caters to special needs of ethnically diverse women and children, with a convenient shop location at a nominal rate in Austin Station, close to Hong Kong’s largest ethnically diverse community in Yau Tsim Mong District. Please also refer to the [Diversity and Inclusion section](#) in this Report for our collaboration with other ESG Project Allies.

“More Time Reaching Community” Scheme

In 2005, we established the “More Time Reaching Community” (“MTRC”) Scheme to provide funding support and organise various projects to serve the community. The Scheme had resumed full efforts to reach out to the community after the pandemic. In 2023, a total of 4,500 participating volunteers was involved in 270 projects for 69,300 beneficiaries across the community.

MTR Volunteering Month 2023

We launched the MTR Volunteering Month (“MVM”) under the theme of “Create Inclusive Community · Build a Greener Future” in March and April 2023, including a series of volunteering activities with MTR elements. Partnering with various NGOs, a total of five volunteering activities were organised with over 130 staff volunteers, enablers and project leaders participated. The MVM activities were specially designed to serve people with intellectual disabilities, visual impairment, underprivileged and ethnically diverse children as well as youngsters with special educational needs.



Discover the Century Railway

MTR Volunteers and The Hong Kong Federation of Youth Groups led primary school students from underprivileged families in Tin Shui Wai to visit East Rail Line (“EAL”) stations to learn railway knowledge and about the century-long history of the EAL through station hunt.



A Day in NP360 – Visit and Treasure Hunt

MTR Volunteers collaborated with the Chinese YMCA of Hong Kong to guide local and ethnically diverse children to enjoy an amazing treasure hunt day at Ngong Ping.



Transforming for the Future

A group of underprivileged secondary school students from Christian Action Long Ping Service Centre visited the Operations Training Centre and Kowloon Bay Depot and attended a career sharing about the railway industry and diverse employment opportunities, which inspired the students to prepare for their future career planning.



DIY Green Workshops

MTR Volunteers conducted two interactive green workshops for mature youth with disabilities from the Hong Kong Federation of Handicapped Youth. Volunteers joined hands with them to make bamboo massage candles and food waste upcycling accessories.

Inter-company International Volunteer Week

We also jointly organised the "Inter-company International Volunteer Week" in December of 2023 with five other companies, contributing around 500 volunteer hours in a week. Through cross-companies collaboration, colleagues could exchange volunteering experience and create more impactful outcomes in volunteering services.



Supporting Local Community along the New Railway Projects

When Tuen Mun South Extension ("TME") and Tung Chung Line Extension (TUE) project teams and community partners gathered to send warm blessings to the residents, they also took the opportunity to enhance stakeholders' understanding of the new railway projects. The project team has been working closely with the community and took this opportunity to thank the community for their support.



TME project sponsored and co-organised a Chinese New Year celebration event with Ching Chung Koon, a charitable organisation, at the Taoist Ching Chung Primary School (Wu King Estate) in January 2023. Together with the "New Railway Projects Youth Ambassadors" from Lingnan University, the TME volunteer team distributed 1,000 gift bags to the local community.



The TUE project team reached out to the community in January 2023 to add to the festive vibes of the Chinese New Year and to share the blessings. The team collaborated with local partners in Tung Chung to send warmth and care to the residents through visits and the distribution of "lucky bags" to elderly and residents of the Ma Wan Chung Village and other villages in Tung Chung.



The TUE project team also visited Yat Tung Estate, next to which the new terminus of the Tung Chung Line will be built, to fully support another festive event organised by the Harmonious Community Wellness Association. The team distributed festive food, face masks and TUE souvenirs to residents of Yat Tung and Mun Tung Estates to add even more joy to the festival.

OVERSEAS HIGHLIGHTS

Metro Trains Melbourne – Community Impact and Education Initiatives

Metro Trains Melbourne is dedicated to making a positive impact on the community through our support programmes and educational initiatives. Our community grants programme, Back on Track, focuses on mental health, an area of concern in the community and one which can impact our own employees and lead to delays on the network. Through our grants we support not-for-profit organisations working in that field. The programme focuses on three key mental health areas:

- ◆ **Wellness:** Organisations that offer preventative care programmes aimed at reducing the risk of poor mental health.
- ◆ **Education:** Activities that inform and raise awareness about good mental health.
- ◆ **Support Services:** Organisations that offer direct assistance, such as counselling, psychiatric support or crisis care, to individuals experiencing mental health challenges.

In 2023, we received a total of 170 applications, and we were pleased to support 10 not-for-profit organisations across various locations and support areas. The total grant pool for the year was AU\$100,000. Through this programme, we aim to contribute to the improvement of mental health outcomes in our community.

Additionally, we have a long-standing commitment to providing free education for schools and communities to promote safe and confident travel on the Melbourne train network. In 2023, we celebrated the 15th year of this programme. Our dedicated team delivered 322 sessions, reaching a total of 14,530 participants in 2022/23. This represented a 31% increase in participants compared to the previous year. The education sessions catered to diverse groups, including school students, seniors, culturally and linguistically diverse community members, and individuals with disabilities. By offering these educational sessions, we aim to empower individuals with the knowledge and skills to navigate the train network safely and confidently.

MTR (Shenzhen) – Volunteer Team

In 2023, the "Metro Shenzhen Volunteer Team" attracted volunteers who dedicated themselves to serving on the frontline of Metro Line 4. Up to November 2023, the number of volunteers involved in the service on Line 4 exceeded 600, with an impressive attendance record of nearly 17,000 instances and a cumulative service duration surpassing 35,000 hours. The "MTR Volunteer Team" has grown significantly, encompassing over 5,200 members, reflecting the distinctive allure of Shenzhen as a city renowned for its volunteerism.



Key Highlights

Over 54,000 staff globally

HK\$230 million green procurement spending in 2023

Invested HK\$141 million in startups as of end-2023



FOSTERING ADVANCEMENT AND OPPORTUNITIES

On MTR Sustainability Website

Read our Management Approach

- > [Social Inclusion](#)
- > [Advancement & Opportunities](#)

Our Policies and Standards

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

SDGs



In This Chapter

GRI: 2-6, 203-1, 203-2, 205-1, 404-1, 404-2, 404-3, 413-1, 413-2

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



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 to support the personal growth and professional development of our operating and technical staff as well as our management staff.

Educating and equipping our staff with the right skills and knowledge is critical to us. We offer a comprehensive learning and development curriculum on topics ranging from leadership, business and management skills to customer services. In addition to skill-based workshops, this curriculum is delivered in virtual classroom webinar, experiential learning and other learning platforms. Since 2020, the Corporate Development Ladder programme has fostered nearly 3,000 newly promoted and newly joined managers and senior supervisors, empowering them to become catalyst leaders in building teams and driving business excellence.

To strengthen corporate learning culture, our Learning Management System ("LMS") enables learning to be easily accessible to staff anytime and anywhere. In 2023, we have continued to provide curriculum programme covering ESG, DEI and work ethics topics through the LMS. Moreover, we continued to make use of technology, such as digitalisation, virtual reality ("VR") and mixed reality ("MR") to enhance the diversity and effectiveness of training.

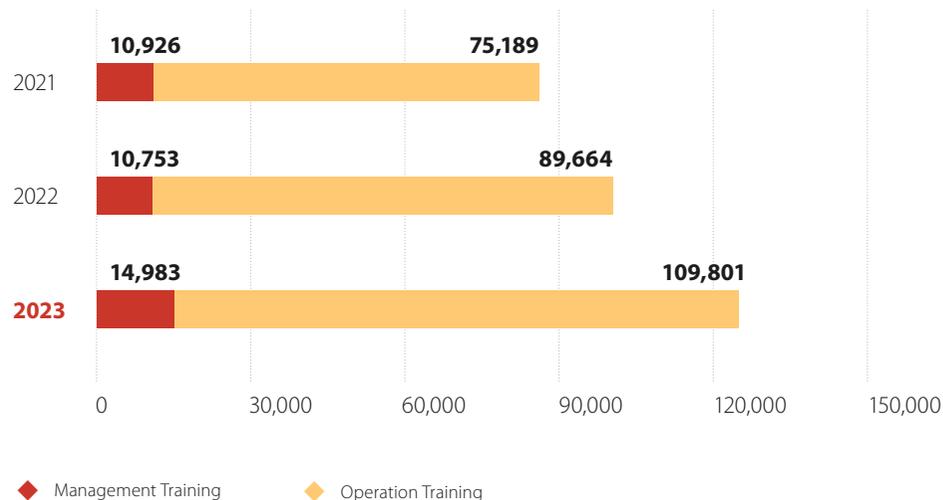
Our Operations Training Department ("OTD") offers a training curriculum covering operations and safety training, technical training and IT training to assist staff and contractors in performing their duties efficiently while meeting the operational, safety, technical and maintenance requirements of the Corporation.

According to the Manpower Forecast for Hong Kong Construction Industry issued by the Construction Industry Council in February 2023, a shortage of site supervisory personnel would double with a gap of 2,000+ in 2027. To tackle the challenge of insufficient site supervisory manpower, we will launch a two-year Assistant Works Supervisor Scheme in 2024. With the support of the Hong Kong Institute of Construction, we provide site practice training and continuous mentoring support for students identified through their two-year Advanced Diploma programmes. Students who graduate with satisfactory academic and site practice performance will be recruited by MTR as Assistant Works Supervisors.

Average Training Days per Employee

Locations / Lines	Days		
	2021	2022	2023
Hong Kong	5.2	6.1	7.4
Shenzhen Metro Line 4	8.8	8.7	8.6
Hangzhou Metro Line 5	9.4	15.7	9.6
Melbourne's Metropolitan Rail Service	7.3	9.4	11.7
Sydney Metro North West Line	5.9	3.6	17.6
Stockholm Metro	2.7	3.1	3.8
Stockholms Pendeltåg	1.2	2.6	2.9
MTRX	2.2	3.9	5.6
Mälartåg	n/a	2.8	5.1
Elizabeth line	9.5	1.9	1

Total Staff Training in Hong Kong (man-day)



Talent Management & Development

We strive to develop and maintain a robust talent pipeline through various apprenticeship schemes and graduate development programmes while providing career development opportunities for the youth in MTR. In 2023, around [.] young people joined various development schemes in pursuit of a career in the railway industry. We recruited 71 high potential talents as Graduate In-takes to be developed as fast-track general management and professional talents for the Corporation. We also conducted two high potential programmes, covering 45 junior managers and senior supervisors, to assess their potential and offered tailored-development to them as future general management leaders.

During the year, we have provided over 258 employment and pre-employment opportunities for young people in Hong Kong. In particular, we have participated in the Scheme on Corporate Summer Internship on the Mainland and Overseas 2023 organised by the Hong Kong SAR government. Aiming to broaden the exposure of youngsters in Hong Kong, we have selected 10 university students and offered them with internship opportunities in our business hubs in Beijing, Shenzhen, Hangzhou and London in July and August 2023. The interns gained work exposure and undergone structured development including on-boarding, orientation, career talks and presentation of learning gained in the programme. We have also taken part in the Pitch Perfect Programme organised by the Hong Kong General Chamber of Commerce, offering company visits, job shadowing opportunities and business pitching competition and equipping Hong Kong university students with skills and knowledge for embarking on the career journey.

To allow the graduates to have a comprehensive understanding of the Corporation's value, culture and business model, a Graduate Induction Programme 2023 was held for nearly 80 Graduates which included an executive meet-up session, where our senior management shared invaluable management insights. Sharing by department heads of different business units, a team-building overnight camp, as well as visits to various Corporation premises were organised.

In 2023, we joined hands with McDonald's, Towngas and AXA to lead the organisation of NewGen 2022 Learning Consortium, with the support of Microsoft. The NewGen 2022 was a remarkable journey of growth and transformation for the young talents. Themed around "Transformation", the NewGen participants embarked on a nine-month development programme. This immersive experience encompassed a series of unique training workshops, insightful management sharing sessions, enlightening company visits and engaging Action Learning Projects. Through these experiences, the NewGens not only expanded their network across diverse functions but also experienced personal and professional growth.

OVERSEAS HIGHLIGHTS

MTR Nordic – Talent Pipeline and Training Initiatives

MTR Nordic has launched different schemes and programmes to grow its talent pipeline. MTR's trainee programme for university engineers ranks as the very best among Swedish train companies according to the Career Companies' ambassadors. MTR Nordic is also awarded the Career Company 2023 award – an award for employers who offer unique career and development opportunities.

To continue dealing with the national train driver shortage for railway Sweden, YH Training, a one-year training programme, is provided for the 60 new train drivers. It is an important initiative with the combination of YH training courses collaborated with the University of Applied Sciences and train driver training courses under our own auspices.

MTR Elizabeth line – Coaching, Management, and Leadership Development

MTR Elizabeth line has continued its journey of bringing a coaching methodology and leadership style. Six employees received external training of coaching and are now qualified coaches able to provide coaching for employees across all departments and levels, while another six are currently undergoing training.

In addition, we have launched a Management Development Programme for all people managers. This comprehensive programme focuses on core management skills across four pillars. It incorporates self-development, workshops, scenario-based learning, and external courses to enhance managerial capabilities.

In October 2023, we introduced a new Leadership Development Programme aimed at empowering our current and future leaders with the necessary skills, knowledge and behaviours to effectively lead our business and achieve our objectives. This programme is designed to enhance leadership capabilities and equip our leaders with the tools they need to drive success within our organisation.

Sense of MTR Community

We are honoured to be an employer of choice with over 54,000 dedicated staff globally. We begin with a market competitive remuneration package and comprehensive benefits for employees as well as family-friendly practices and employee well-being initiatives to support their work-life balance. In 2023, our voluntary staff turnover rate in Hong Kong was 7.2%, which is much lower than the average turnover rate of 10.5% in Hong Kong as of mid-2022. During the year, the average length of service of our employees was 12.9 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	7.0
Shenzhen Metro Line 4	7.2
Hangzhou Metro Line 5	6.7
Melbourne's Metropolitan Rail Service	8.2
Sydney Metro North West Line	16.3
Stockholm Metro	3.5
Stockholms Pendeltåg	8.5
MTRX	9.0
Mälartåg	18.1
Elizabeth line	7.5

We maintain a close dialogue with our staff through different channels to build a sense of MTR Community. Two Management Communication Meetings ("MCM") were held in March and October 2023 respectively. With the theme "Shaping our Future" and with Hong Kong returning to normalcy, over 1,000 managers from Hong Kong, Mainland China, Macao, Australia, the UK and Sweden joined each of the meetings physically or virtually, where senior management shared the latest business highlights, future major projects and other business updates, in Hong Kong and overseas. The Employee Engagement Survey 2023 was conducted from November to December 2023. Eligible colleagues in Hong Kong and our wholly-owned subsidiaries outside Hong Kong were invited to participate in and provide feedback on various aspects of the Corporation.

To enhance the communication between Management and the team of Light Rail and Bus, a Fun Day with sharing session was held in 2023 to celebrate the incremental patronage growth of MTR bus.



In order to support the total well-being of our employees, we provided a wide range of health talks and programmes for them. We held our MTR Wellness Month in October 2023 with a focus on financial, mental, and physical well-being. We provided various initiatives to encourage reflection and self-care, including mindfulness workshops such as sound baths and Zentangle art, informative health talks and quiz challenges, as well as interactive activities like stretching and game booths. Over 6,500 participations were recorded.



To promote healthy lifestyle and raise employees' awareness of preventing communicable and non-communicable diseases, health talks were organised to cover topics addressing various staff's health needs, such as Understanding Your Cervical and Lumbar Health, psychological safety in the workplace and work force transition. Besides, "Fitness Walk" Campaign was held quarterly to encourage colleagues to maintain their physical and mental health. Over 2,300 staff participated in these talks and programmes. We plan to arrange at least 10 wellness-related activities or events for our colleagues in the coming year.

We continued to maintain an Employee Assistance Programme ("EAP"), supported by Christian Family Service Centre, to help employees cope with stress and anxiety arising from work, family and personal issues so as to support and enhance their personal well-being. Counselling services and wellness activities are provided for employees. In addition to the dedicated 24-hour telephone counselling hotline exclusively available for MTR staff and their families, we publish well-being articles and videos to provide useful references and advice for staff.

To enhance staff motivation and promote work-life balance, Hong Kong Property staff working in MTR malls, offices and managed properties could apply to work in office closer to their homes to reduce traveling time and increase their job exposures via job rotation and promotions. We supported the Heart Caring Charter initiative launched by the Occupational Safety & Health Council and Labour Department, which includes a range of wellness activities, such as provision of on-site Health Risk Assessment, subsidy for purchasing health check equipment and participation in "Keep Fit GO!" Class. All activities aimed at promoting healthy lifestyles among our employees.



The representatives of Occupational Safety and Health Council and Property Management Department co-signed the Heart Caring Charter and launched the Campaign

OVERSEAS HIGHLIGHTS

MTR Elizabeth line – Comprehensive Approach to Health and Wellbeing of Colleagues

MTR Elizabeth line prioritises the health and wellbeing of its colleagues by addressing musculoskeletal disorders ("MSDs") and mental health concerns, which are the top reasons for non-attendance. We have implemented measures such as the preparation of Musculoskeletal Guidance Document, which outlines roles and responsibilities in managing MSDs, and arranging an on-site physiotherapist with expertise in the assessment and treatment of MSDs occupational challenges in the railway sector.

For mental health management, we continually benchmark against comparable industries and investigate best practices in other occupational areas. Similar to our approach with Musculoskeletal health, we developed a guidance document to help our colleagues and management understand how to manage their own mental health, as well as that of their colleagues. Our roadmap focuses on maintaining good mental health and resilience, managing disruptions to mental health, and facilitating recovery from adverse mental health episodes.

Collaborating with our Employee Assistance Programme, we have ensured that our colleagues have access to the best possible early intervention services for mental health concerns. Our initiatives include training 40 new Mental Health First Aiders from across the company to provide peer-to-peer support, installing automatic blood pressure monitors ("ABPM") in our depots, encouraging open discussions around mental health using national charity initiatives as platforms for dialogue, and inviting specialists to speak to our workforce about conditions that may be affecting us.

We have also focused on promoting healthy lifestyle choices and removing barriers to exercise and healthy eating. Our efforts have seen an 11% improvement in the Health and Wellbeing Annual Employee Survey scores compared with the same period last year and ongoing positive feedback from our colleagues as well as national recognition at the Personnel Today Awards. The Personnel Today Awards recognised MTR Elizabeth line for exhibiting its high commitment to improving the health and wellbeing of its employees.

Establishment of Peer Support Cadre

Official staff communication channels are generally adequate to address work-related and operational matters. However, staff in particular those newly joined, may find it difficult to solicit assistance in issues of other nature, e.g. personal, social or emotional which may also indirectly impact their work performance and even service stability.

As an initiative to encourage closer collaboration and convey caring for the well-being among colleagues, we established the Peer Support Cadre in July 2023 to provide additional care for staff in the form of counselling, coaching, and emotional management support at working level. All 33 Cadre Members have undergone an “Effective Communication Skills Training Workshop” to facilitate their effective service delivery and they were formally appointed to the Cadre at a Presentation Ceremony of Appointment Certificate.



Colleagues attended the Presentation Ceremony of Appointment Certificate



Effective Communication Skills Training Workshop

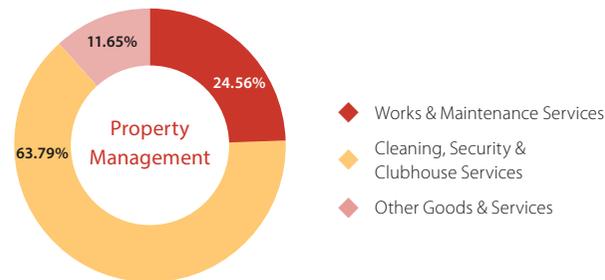
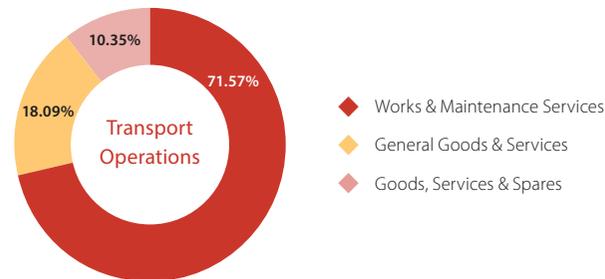
ENABLING DEVELOPMENT OF OUR BUSINESS PARTNERS

We commit to supporting small and medium-sized enterprises with increased spending and setting environmental and social key performance indicators for business partners.

Managing our Supply Chain

We diligently track our procurement-related expenditure as part of the analytics within our comprehensive supplier assessment procedures. Our suppliers are categorised under three separate groups based on the operation they serve – transport operations, property management and railway extension projects. For all of our new train purchases, we conduct lifecycle assessments on their performance, taking into consideration their future energy use and maintenance over an average lifespan of 40 years in addition to upfront capital costs.

Percentage of Spending by Major Categories in 2023



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

We identify and assess our supply chain-related risks through our Enterprise Risk Management System. The potential risks identified include delays to production and delivery of goods owing to extreme weather events associated with climate change as well as potential increases in insurance premiums for our infrastructure and property assets. Sustainability risks which may impact our critical suppliers are also identified through assessments which account for their business nature, geographic locations and past performance.

In 2023, we have developed a new comprehensive supply chain risk management framework to systematically manage different types of supply chain risks. To enhance risk monitoring across our supplier network, we implemented a new digital solution for supply chain risk management during the year. This solution is scheduled to officially launch in Q1 2024, offering real-time risk monitoring, alerting functions, and risk analytics to facilitate decision-making and recommend appropriate follow-up actions.

As part of our management approach, we have established a **Green Procurement Policy** by making reference to the ISO 20400:2017 Sustainable Procurement Guidelines to provide our employees with the key guiding principles when carrying out procurement practices. All of our suppliers are mandated to comply with our **Supplier Code of Practice** to ensure high standards in relation to human and labour rights, environmental protection, supply chain management and ethical business practices are met.

We have been monitoring our spending on green procurement and are committed to spending HK\$250 million on green procurement in 2025, rising to HK\$350 million in 2030. We have completed an analysis to define the green procurement items in 2022 and maintained the MTR Green Procurement List with reference to government guidelines and eco-labelling schemes. A total of 290 green products and services relevant to MTR procurement activities have been incorporated in the Green Procurement List. Our annual green procurement spending for 2023 was around HK\$230 million.

Supporting Local Designers, Young and Women Entrepreneurs

To promote the creative industry in Hong Kong and to make Hong Kong brands LOUDER in the market, we launched a new retail business, namely LOUDER in 2022. With the mission to provide an integrated Online-to-Offline retail platform for local designers and young entrepreneurs, LOUDER enables local artists to showcase their in-house designed or handmade products in MTR. In addition to our retail shops at Telford Plaza, The LOHAS and e-Shop, more branches are launched in 2023, including shops at two new MTR Malls, "The Wai" and "THE SOUTHSIDE". We have recruited over a hundred merchants and have accumulated over 5,000 products across 11 categories for this retail platform.



LOUDER retail shop at The Wai

"Make Eco LOUDER" Campaign

To support the Corporation's ESG strategy, raise awareness for environmental protection and promote the local agriculture industry, LOUDER partnered with a local recultivation organisation "Yi O Farm" to co-organise the "Make Eco LOUDER" campaign where six merchants (who are consignors of LOUDER) were invited to visit "Yi O Farm" to harvest frangipani and turmeric; these ingredients were subsequently used by the merchants to develop a series of exclusive products sold on LOUDER's retail platform. Six special-edition products have been launched, aiming to promote local creativity while spreading the message of environmental protection.



Exclusive products launched at LOUDER

OVERSEAS HIGHLIGHTS

MTR (Shenzhen) – Boosting Local Businesses and Advertising Innovations

During the summer of 2023, MTR (Shenzhen) launched the "Shopping During the Summer" promotion to support individual businesses and small-to-medium enterprises ("SMEs") operating in Line 4 stations. As part of this initiative, MTR (Shenzhen) provided subsidies in the form of merchant vouchers, stimulating passengers to shop at the station stores and boosting local businesses.

To meet the advertising needs of SMEs and individual clients for subway media placements, we introduced a short-term advertising contract plan for them in 2023. This plan aimed to leverage idle spaces within subway stations for media displays, providing affordable advertising solutions that cater for their needs.

MTR (Macau) – Creating Opportunities for SMEs

MTR (Macau) is supporting local businesses, particularly SMEs. We have expanded our vendor list, implemented fair practices, and encouraged environmental responsibility. We have actively expanded our vendor list and onboarded several new SMEs as suppliers. Through vendor rotation, we ensure fair opportunities for businesses to showcase their capabilities. We also incentivise vendors with good performance, motivating them to maintain high standards.

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.

As a founding member 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 approach and policies to sustainable procurement and performed a supplier segmentation analysis. 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% of suppliers, whilst the rest of our suppliers fall into the two lower risk levels.

In 2023, we continue to conduct a training session for suppliers to promote and raise awareness of ESG throughout our supply chain. The objective of the session was to enhance awareness and share best practices on relevant ESG topics. We had an attendance with over 180 participants, including representatives from 86 key suppliers. We invited external experts to provide valuable information on ESG-related subjects such as carbon reduction and fostering partnerships between corporations and the public to achieve carbon reduction goals. Furthermore, we shared the Corporation's carbon reduction roadmap with our suppliers, encouraging them to align with our corporate direction.

To promote good sustainability performance of our main contractors and subcontractors, we continued to carry out the Environmental Improvement Incentive Scheme to recognise high quality, safety, environmental and stakeholder engagement performance from them.

In 2023, we successfully conducted 18 supplier audits to assess the operations, quality, safety and ESG performance of our suppliers, achieving our target. We will maintain our momentum and aim to complete more than 15 supplier review audits in 2024 to check and drive suppliers' ESG performance.

OVERSEAS HIGHLIGHTS

Metro Trains Melbourne – Social Procurement and Sustainable Supply Chain

Metro Trains Melbourne is committed to promoting social procurement through its "Aware, Connect and Transact ("ACT")" action model, partnering with organisations like Supply Nation, Kinaway, and Social Traders to support Indigenous businesses and social enterprises. We conducted awareness sessions, engaged Social Benefits Suppliers ("SBS"), and developed a tracker to monitor social procurement activities. This tracker captures sourcing activities, onboarding of SBS, transactions and spending with SBS, as well as indirect spending with mainstream suppliers who procure from SBS. A significant portion of these social benefits suppliers are SMEs. Metro Trains Melbourne has successfully procured goods and services from 10 certified social enterprises, emphasising training and employment opportunities for people with disabilities and older individuals, amounting to a total direct spending of AU\$1.9 million.

Metro Trains Melbourne has also fulfilled 90% of its train network procurement requirements for 2023 through Australian and New Zealand suppliers. Throughout 2023, Metro Trains Melbourne has taken measures to foster a sustainable supply chain. Metro Trains Melbourne has explored technology-based solutions to assess, manage and monitor supply chain risks in a systematic and sustainable manner. The organisation has also strengthened probity and conflict of interest management, as well as supplier due diligence measures, with a particular focus on labour hire-related categories. Metro Trains Melbourne has reviewed its Modern Slavery Roadmap, aligning it with the findings and recommendations of the Modern Slavery Act Statutory Review and the Global Slavery Index Report 2023. These efforts reflect our commitment to social responsibility and creating a positive impact within the communities we serve.

MTR Nordic – Optimising Coffee Service Delivery

MTR Nordic and coffee service supplier Beans In Cup ("BIC") jointly implemented an innovative solution to optimise coffee service delivery, resulting in environmental gains and operational benefits. By insourcing the coffee service previously provided by BIC, excessive transportation was eliminated, reducing fuel consumption and carbon emissions. The annual driving distance decreased by 41,170 kilometres, representing an 86% reduction. This collaboration led to improved operational efficiency and lower costs for both MTR Nordic and BIC. The partnership showcases a shared commitment to sustainability, efficiency, and cost optimisation, highlighting the positive outcomes that can be achieved through strategic collaboration and innovative solutions.

FUTURE SKILLS AND INNOVATION

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

Empowering the Youth

We actively invest in community programmes benefiting different social segments and adopt a multi-faceted approach to support youth development and to unlock their potential.

‘Train’ for Life’s Journeys 2.0 youth programme with the theme of “On Track to Thrive” has been launched in October 2023. Entering its 15th year, the revamped programme focuses on future skills, including AI application, design thinking, entrepreneurship skills and financial literacy. It also features the “Social Innovation Challenge” competition, encouraging students to solve real-life challenges in the society with the knowledge they learnt in the programme. Over 2,000 students have participated in the online training modules and over 800 students have registered for the Social Innovation Challenge. The first workshop “Do Good and Do Well” was arranged in December to raise students’ understanding of MTR’s three environmental and social objectives, the design of inclusive customer services and experience, as well as social intrapreneurship. Over 200 secondary school students from more than 30 schools, participated in this workshop.

In 2023, for the first time, we have piloted a one-month working experience programme for six underprivileged secondary school students, with the support of various business units and corporate functions.

Go Green! Mini-Train STEAM Workshop

Launched in summer, the STEAM “Padlet Design Workshops” is a new initiative rolled out under the New Railway Projects Youth Ambassadors Programme in collaboration with Lingnan University. The MTR team shared with students about our consideration to determine stations’ location, such as serving the population and the surrounding environment, as well as stations’ sustainable architectural design. After learning the principles, students were invited to unleash their imagination to create new railways with the Padlet, an online interactive map platform. The artistic potential of students was further showcased through the creative transformation of recycled beverage carton boxes into a magnetic train model, enhancing the educational journey with an enjoyable touch.



Students joined the workshop to learn more about STEAM

Little Engineers Workshop

We have organised the Little Engineers workshops to enrich students’ understanding of the relationship between urban planning and railway development, allowing them to learn more about new railway projects in a lively and interesting manner. Around 40 students from schools near the Tuen Ma Line Extension alignment were invited to the workshop organised by JCI Bauhinia. Students also visited the Zero Carbon Park to furnish themselves with knowledge on the latest application of technologies in sustainable buildings and railway projects.

Metaverse Community Co-creation Programs

The “MTR Metaverse Future Station Facility Creation Competition” was held during the summer holidays for secondary school students and attracted the participation of nearly 200 teams. Drawing on their observations of daily railway operations, participants identified customer needs and utilised their imagination and creativity to design future station facilities for the MTR Metaverse. We also conducted workshops where the students were introduced to 3D modeling tools and techniques, strengthening their STEAM learning.



The winning students of the competition participating in the award ceremony

In September 2023, we organised the “MTR Metaverse Generative AI Train Competition”, inviting the public to design future trains with their creativity and imagination by adopting generative AI technology. The competition received over 10,000 submissions, which were largely incorporated with ESG concepts.



An in-station exhibition showcasing the winning designs was held at the MTR Hong Kong Station

Moreover, we collaborated with various institutions and organisations to support different programmes and initiatives which align with one of our social objectives “Advancement and Opportunities”. These programmes and initiatives include:

- A career talk with technical visit in Operations Training Centre – Kowloon Bay Depot was arranged for students from ethnically diverse groups in November 2023. In addition to introducing the Apprenticeship Scheme and Technician Associate Programme to them, we explained our daily maintenance tasks to enable better understanding about the railway industry.
- A Depot Visit with career talk in Tuen Mun Building was arranged for students from ethnically diverse group in August 2023. We introduced the career path and opportunities offered by MTR and promoted the Safety messages of Light Rail to arouse their awareness and alertness.
- In support of the government’s “Strive and Rise Programme”, a visit to the MTR Academy and Airport Express Train Tour for more than 160 participating students and their mentors was arranged in May 2023. The tour enabled the mentees to better understand the railway industry and the importance of transportation infrastructure. They had an opportunity to exchange views with our colleagues on career planning, inspiring them to explore more possibilities for personal development.



- A visit to Operations Training Centre was arranged for 20 university students from Food Angel’s internship programme in August 2023 to understand MTR’s services and its environmental and social objectives, as well as experiencing the train cab simulation and virtual reality training.
- We collaborated with the Vocational Training Council (“VTC”) to organise the second Rail Vehicle Technology Competition, aiming to help spark teenagers’ interest and uplift their skills in rail vehicle maintenance. They accomplished the tasks to a high standard, including maintenance works for train doors and pantographs. They will conduct further practical training in MTR and the VTC, fighting for a chance to represent Hong Kong in the 2024 World Skills Competition to be held in Lyon, France.
- We sponsored scholarship for 8 VTC Higher Diploma engineering students who can showcase innovation in their works and assignments.
- We sponsored the BEC x NESS Green Jobs Fair held in April 2023. Over 100 students attended the Green Jobs Fair to understand the career opportunities.

Throughout the year, we also supported various case competitions for youth. We continued to sponsor AIESEC Hong Kong’s 2023 Outlier ESG Innovation Challenge which attracted over 150 university students from multiple disciplines to participate in an intensive design thinking bootcamp and a case competition relating to health and wellbeing, green finance and sustainable communities over two weekends.

We supported CoCoon Foundation in its Corporate Challenge – STEP FOUR of Student Training in Entrepreneurship Programme in April 2023. A total of 27 students from diverse backgrounds formed six teams for a case competition and the winning team was invited to visit MTR for exposure to the business environment in the railway industry in July 2023.



Student participants showcased their creativity during the case competition

The Corporation sponsored the “She Loves Tech Global Conference and Competition 2023”, which aims to empower female entrepreneurs, groom future STEM talent and explore the positive impact of technology on humanity, with the participation of 2,000 start-ups from over 90 countries. We also supported the events as speakers, sharing the importance of accessible, safe, and affordable public transport for social inclusion with the participants.



“She Loves Tech Global Conference and Competition 2023” recorded a participation of 2,000 start-ups from over 90 countries

OVERSEAS HIGHLIGHTS

MTR Nordic – Inspiring Next Generation Women Engineers

Introduce a Girl to Engineering Day (“IGEday”) was held in March 2023 with the aim of inspiring more young girls and non-binary girls into the engineering profession. MTR Nordic has invited 20 curious junior and senior high school students to the subway depot in Norsborg, where they have gotten to test life as an engineer in one of Sweden's largest maintenance companies.

Allowing the students to experience the life of an engineer for a day, the students work with female engineers within MTR Nordic and got an insight into how the work in the depot is done, what an engineer in the subway can work with and how important the engineers are. The girls also needed to solve problems themselves and tried out some of the tasks that are carried out in the Norsborg depot.



Young girl worked together with female engineer on the IGEday

MTR Elizabeth line – Providing Work Opportunities for Disadvantaged Groups

Transport for London (“TfL”) invited MTR Elizabeth line to participate as a supporting employer in the ‘Women into Transport and Engineering (“WiTnE”)’ work placement programme. This initiative, open to women of all ages, was promoted through TfL's network of organisations assisting unemployed women or those returning from a career break.

MTR Elizabeth line offered four placements, out of a total of eleven offered by the four employers. Before starting their placements, successful candidates attended a pre-employment training course at CONEL College and received support from the charity Smart Works. During their placements at MTR Elizabeth line, candidates shadowed the Customer Experience Assistant role at various stations. Successful completion of the programme guarantees candidates an interview for a future Customer Experience Assistant role. This collaboration with TfL marks MTR Elizabeth line's fourth participation in the WiTnE scheme.



WiTnE scheme aims to provide work opportunities for disadvantaged or underrepresented groups

Fostering Innovation

Innovation and technology are key enablers to help the Corporation realise its vision and create new growth opportunities. Under the new corporate strategy "Transforming the Future", the MTR Corporation actively cooperates with research institutions, universities and start-ups, hoping to continuously promote smart railway services and operations while also contributing to local scientific research to keep Hong Kong moving. We work closely with both internal and external stakeholders to develop an ecosystem for innovation and technology.

Launch of the MTR Metaverse @ The Sandbox

As the world's first transport operator in The Sandbox Metaverse, MTR is proud to seize the opportunity to utilise Web3 technologies and the metaverse to interact with our customers from a new perspective, particularly with the younger generation. The MTR Metaverse takes players on a time-traveling journey, allowing them to explore the imaginary, futuristic, and extraordinary MTR Metaverse Station, as well as the nostalgic recreation of the 1980s Choi Hung Station.

The vision of the MTR Metaverse is to go beyond the real world and create new, immersive experiences in the virtual realm. This railway-focused virtual space has been built with the aim of taking customer experiences to a new arena and engaging creators to build this new community platform together in the future. The MTR Metaverse also presents commercial opportunities, with revenue generated from advertisements in the virtual station capturing the attention of potential customers in innovative and engaging ways. Through the metaverse exploration, the Corporation also promotes the popularisation of Innovation and Technology (I&T). For more information about MTR's Web3 development, please refer to our [MTR Web3 Website](#).



A player explores the MTR Metaverse Station (Left) and 1980s Choi Hung Station (Right)



In October 2023, we are pleased to announce the grand opening of MTR Smart Lab. The Smart Lab showcased a range of advanced technologies and innovations, including a high-resolution Computed Tomography ("CT") X-ray scanner for electronic boards, fully automatic electronic board diagnostics machine, overcarry reminder system, artificial intelligence-powered SACEM Remote Monitoring and Alarm Detection ("AI SACEM"), Digital Management System and many more.



Grand opening of the MTR Smart Lab

We have also been actively developing strategic partnerships, sponsoring and participating in tech conferences, and using our own innovation fund managed by the Technology and Innovation Steering Committee to enable pilot projects across the Corporation.

Externally, we have marked more milestones by signing collaboration agreements with various key players in the innovation and technology sector. For instance, in June 2023, to achieve “data-driven” and digitised asset management, we signed a Memorandum of Understanding (“MoU”) with the Hong Kong Applied Science and Technology Research Institute (“ASTRI”) to reserve an additional HK\$20 million to establish a framework for further exploring innovative solutions and technology applications. Since 2021, the Corporation has allocated approximately HK\$50 million to embark on collaboration projects with ASTRI. Multiple contracts and projects have commenced, including the use of precise automatic optical inspection technology to monitor railway safety, joint research and development of a portable escalator gap clearance inspection tool and application of digital twin for enhancing the operation efficiency of maintenance centre in the future. The Corporation and ASTRI will continue to jointly conduct research, develop and apply new technologies such as Internet of Things, artificial intelligence and data analysis to build a smarter railway system and to improve performance and efficiency of our railway operations.



An MoU with ASTRI to jointly conduct research, develop and apply innovative solutions and technology applications

To promote the development of railways and seek new breakthroughs in the Greater Bay Area, we have signed MoUs in Shenzhen with CRRC Qingdao Sifang Co., Ltd. and Traffic Control Technology Co., Ltd. to set up a collaboration framework. The focus of this collaboration is on railway technologies and innovation to strengthen our railway operations competitiveness, expanding our business horizons further and building a high-tech ecosystem. In addition, an MoU was signed with Huawei Technologies Co., Ltd. for collaboration in the areas of smart railway innovative technologies and green initiatives for the railway.



A group photo of the guests attending the MoU signing ceremony on Greater Bay Area Cooperation

For overseas business, we signed an MoU with Mass Rapid Transit Corporation Sdn. Bhd. (“MRT Corp”) in Malaysia in July 2023 to establish a business collaboration for setting out a framework for a Transit-oriented Development (“TOD”) project adjacent to the new terminal station of a new rapid transit line in Malaysia to build a new community integrating the railway, residential and commercial elements together with MRT Corp. The cooperation with MRT Corp is to develop cities along the railway for their citizens with our expertise in building new communities under the ‘Rail plus Property’ model and providing seamless experience of railway and property.



A group photo of the guests attending the MoU signing ceremony to establish a business collaboration for a TOD project adjacent to a new rapid transit station in Malaysia

MTR Academy

The MTR Academy (“the Academy”) was established in 2016 as a global education and research hub where railway management and engineering professionals can enhance their knowledge, further their careers and contribute to the long-term growth of the industry, with the aim of building a talent pool in railway industry and acting 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 training curricula to cultivate future railway professionals and leaders of the industry in Hong Kong and around the world.

The Academy now runs three accredited Diploma and Advanced Diploma programmes under the Hong Kong Qualification Framework with over 110 full-time and part-time students, nurturing 91 graduates in 2023. The Academy has also supported the provision

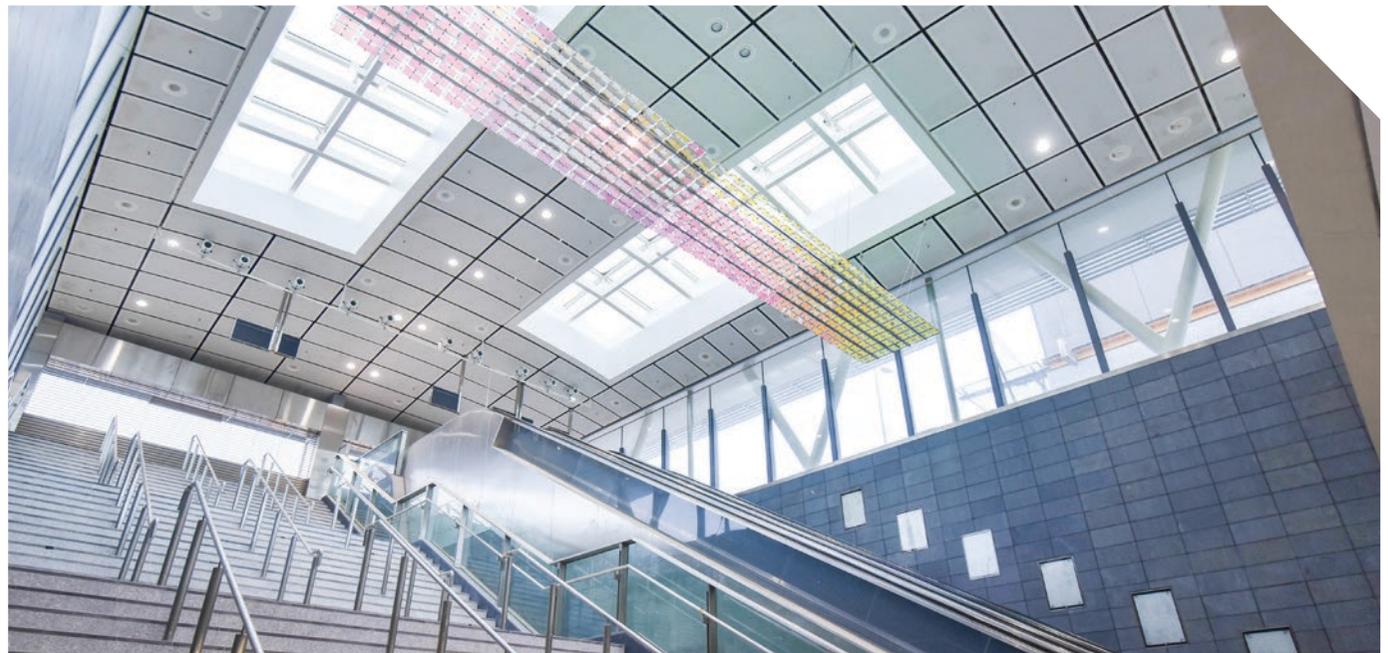
of an Applied Learning subject under the Education Bureau since 2018 and the subject has been popular among the Hong Kong Diploma of Secondary Education Examination (“HKDSE”) candidates, with a total of 190 HKDSE students on the enrolment list in 2023.

The Academy launched the Academy Alumni Network and held the 1st MTR Academy Alumni Gathering in April 2023. The gathering has provided a platform for our alumni to reconnect with their old classmates and mentors, sharing their achievements since graduation.

Starting from 2022, the Corporation, the Academy and The Hong Kong Polytechnic University have commenced a three-year collaboration to establish a partnership to explore advanced and innovative railway technologies and to facilitate smart railway asset

and operations management, as well as intelligent maintenance. In 2023, a Rail/Wheel Innovation Laboratory (“RWI Lab”) under this collaboration was set up in response to railway noise issues.

In addition, the Academy achieved a new milestone with the launch of the MTR Research Funding (“MRF”) Scheme with a maximum total funding of up to HK\$1.5 million for 3 years. The MTR supports forward-looking research projects at universities that aim to explore, shape and realise the mass public transport systems of tomorrow. It provides financial support for research projects whose outcomes will attribute significant long-term benefits and impacts on technology advances, service provision quality and system performance of the railway transport in general. The three themes of the MRF Scheme in 2023 focus on “ESG for Metro/ Rail Operators”, “Post-pandemic Public Transport” and “Smart Community/ Real Estate Management”.





REDUCING GREENHOUSE GAS EMISSIONS

On MTR Sustainability Website

Read our Management Approach

- › [Greenhouse Gas Emissions Reduction](#)
- › [Sustainable Investment](#)

SDGs



Our Policies and Statements

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

In This Chapter

GRI: 302-1, 302-2, 302-4, 303-1, 305-1, 305-2, 305-3, 305-4, 305-5, 306-1, 306-2, 413-2

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

ISSB: IFRS S2-14, S2-29, S2-33, S2-34, S2-35, S2-36

Key Highlights

Recorded 1,390 tonnes CO₂e saved through green actions captured in Carbon Wallet

A pilot project for **hydrogen-powered light rail vehicle** to be conducted

Seven new stations attained **BEAM Plus** Provisional Gold accreditation or above

MTR carries 49.6% of public transport commuting trips in Hong Kong, however it only accounts for 8.8% of total energy consumption by the sector, making it a low-carbon public transport option. As an operator of a reliable, efficient and environmentally friendly transportation system, we are playing our part in supporting Hong Kong's decarbonisation journey towards carbon neutrality by 2050. Apart from implementing climate mitigation and adaptation measures, we will continue to incorporate green and low-carbon measures in the planning, design, construction and operation of our railway network and properties.

CARBON REDUCTION TARGETS

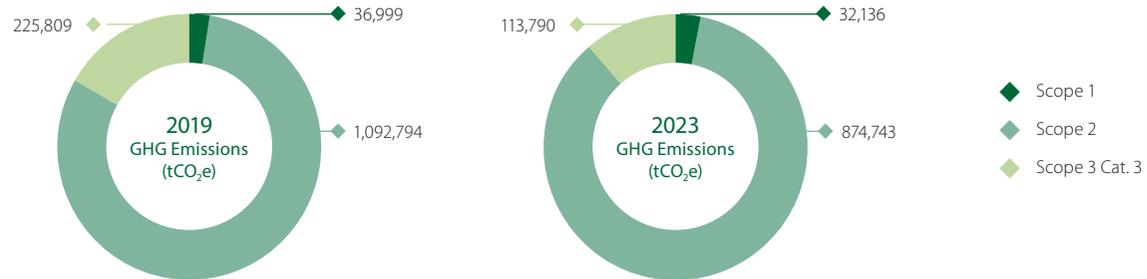
Aspiring to keep cities moving, we are committed to creating a sustainable future and supporting Hong Kong in achieving carbon neutrality by 2050. Following the endorsement of the decarbonisation roadmap by the MTR Board in early 2022, we have made an announcement of setting 2030 science-based targets ("SBTs") for our railway and property businesses in Hong Kong, with a long-term goal of achieving carbon neutrality by 2050.

In April 2023, the Science Based Targets initiative ("SBTi"), the international agency that defines and promotes best practices in setting science-based target ("SBT") for combatting global climate change, officially approved our targets for reducing greenhouse gas ("GHG") emissions by 2030. The approval is a recognition of the firm commitment to the Corporation's decarbonisation roadmap, supporting the long-term goal of achieving carbon neutrality by 2050.

Under the SBTi-approved reduction targets, scope 1, 2 and 3 well-to-wheel GHG emissions from rail transport of the Corporation will be reduced by 46.2% per passenger kilometre ("pkm"), while scope 1 and 2 GHG emissions from investment properties will be reduced by 58.6% per square metre ("sq m") of floor area by 2030, from a 2019 base year. In addition, the Corporation will reduce absolute scope 3 GHG emissions, which are not directly controlled by the Corporation but are a consequence of its activities, by 13.5% within the same timeframe. These targets are in line with a well-below 2°C trajectory.

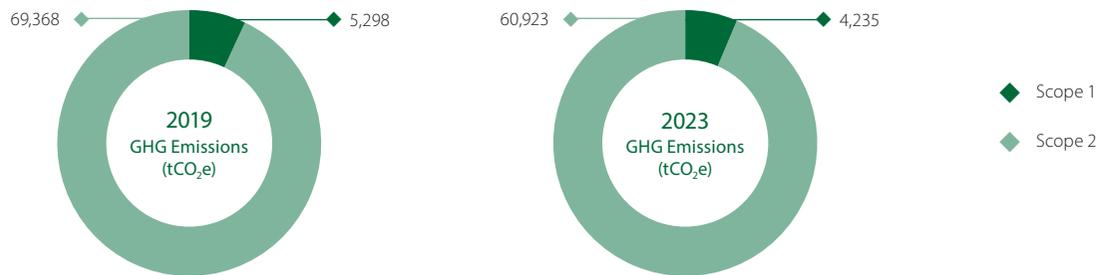
Performance

Railway (Scope 1, Scope 2 and Scope 3 Category 3 Emissions)



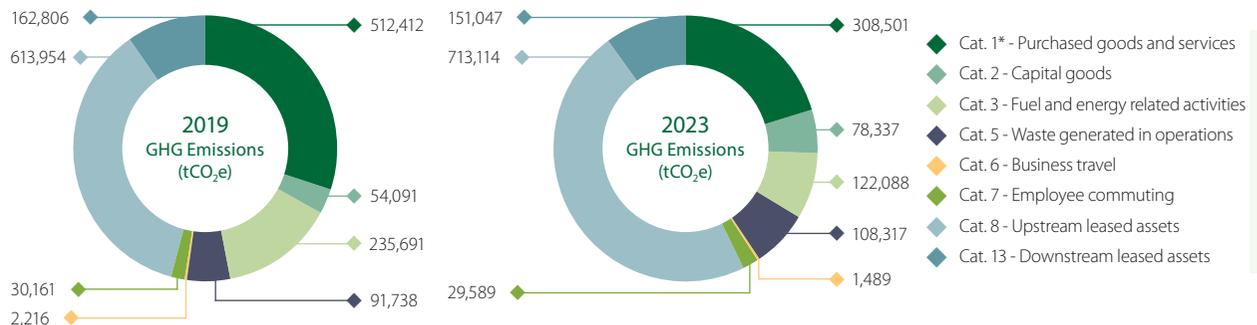
SBT Progress
(per pkm)
↓27.2%

Investment Properties (Scope 1 and Scope 2 Emissions)



SBT Progress
(per sq m floor area)
↓25.5%

Scope 3 Emissions



SBT Progress
(absolute)
↓5.3%

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

* Note: GHG emission associated with upstream transportation and distribution of purchased goods and services (category 4) has been included in the calculation of category 1.



This year, we started disclosing additional metrics for Scope 3 GHG emissions. We have expanded and adjusted our reporting scope to cover 9 out of 15 categories of Scope 3 emissions that are relevant to our operations to better align with GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard. We will continue to refine the calculation methodology for our Scope 3 emissions and enhance disclosure in our future reports.

In 2023, we achieved a reduction in carbon intensities for our railway and investment properties, as well as a decrease in our absolute Scope 3 emission compared to our 2019 baseline. This reduction has been recorded despite the expansion of our operations since the base year, including the commencement of the full Tuen Ma Line and the East Rail Line Cross-harbour Extension, as well as the opening of two shopping malls. This reduction was attributed to a combination of factors, including:

- ◆ Implementation of carbon reduction initiatives within our railway network and shopping malls;
- ◆ Improvement in grid emission factors compared to the 2019 base year; and
- ◆ Utilisation of updated and refined emission factors for calculating Scope 3 emissions, providing a more accurate assessment of the GHG emissions associated with activities in our supply chain.

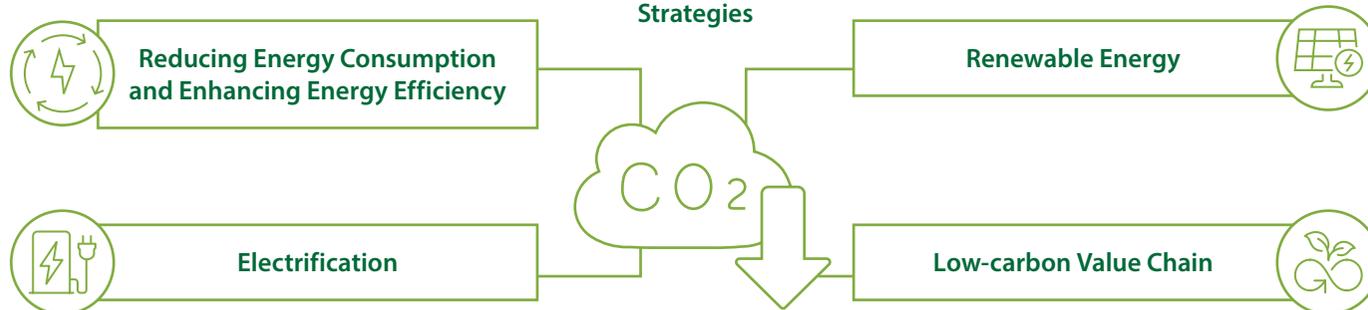
As the backbone of the low-carbon transport in Hong Kong, the Corporation will continue to put forward and implement various new railway projects in the coming years. However, we acknowledge

that these projects will inevitably contribute to our Scope 3 GHG emissions. To address this issue, we strive to implement different measures that balance the need for sustainable transportation development with our commitment to reducing carbon emissions. One of such measures is our collaboration with the Hong Kong University of Science and Technology ("HKUST") to develop a quantification software to track and benchmark the embodied carbon of our new railway development projects and to explore the utilisation of blockchain technology for carbon footprint reporting in our new railway construction projects. Through this collaborative initiative, we aim to measure our embodied carbon emissions and identify potential areas where further reduction is possible. This information will enable us to incorporate low-carbon construction plans effectively. In addition, we will conduct a review and update of our contract specifications to promote the use of low-carbon concrete in new railway projects by 2024.

Among Scope 1 and 2 emissions, purchased energy is the largest source of our carbon emissions. Our key decarbonisation strategies focus on four areas: (1) reducing energy consumption and enhancing energy efficiency, (2) electrification, (3) renewable energy, and (4) low-carbon value chain.

For further details regarding our carbon reduction initiatives, please refer to the subsequent sections in this Report. Our GHG inventory, including the scope and boundary, is provided in [Performance Metrics](#).

Our Key Decarbonisation Strategies



OVERSEAS HIGHLIGHTS

MTR Elizabeth line – Commitment to Achieving Net Zero

MTR Elizabeth line recognises the urgent need to address the carbon emissions associated with our operations and has announced the publication of its comprehensive Carbon Reduction and Net Zero Plan in December 2023. This plan represents a significant milestone in our commitment to mitigating climate change and transitioning towards a sustainable future. We have set ambitious targets to achieve Net Zero by 2030 in Scopes 1 and 2 based on our 2022/23 baseline. Furthermore, we are fully committed to reaching Net Zero across all three scopes by 2045 based on our 2022/23 baseline. This commitment signifies our long-term vision to minimise our carbon footprint and contribute to global efforts in combating climate change.

MTR Nordic – Approved Science-based Target

MTR Nordic is the first Nordic traffic operator that committed to setting a science-based target. It's SBT is to decrease carbon emissions in scope 1, 2 and 3 purchased goods and services, fuel and energy-related activities, and upstream transportation and distribution GHG emissions 25.2% by 2025 from a 2019 base year.

MTR Nordic has already adopted 100% renewable energy for railway operations and 100% renewable fuel in replacement buses.

Moving forward, MTR Nordic has set a target to reduce by 15% the total energy consumption by 2025.

REDUCING CARBON EMISSIONS, ADOPTING CLEAN ENERGY AND ENHANCING ENERGY EFFICIENCY

We are committed to integrating low-carbon measures into our policies, strategies, planning and operations as well as strengthening our resilience and adaptation to climate-related risks. Moreover, we are committed to improving our energy efficiency and increasing the generation of renewable energy in our operations.

Energy Reduction and Efficiency

In 2023, we consumed 3,188.65GWh of electricity to support our operations worldwide ^[Note 1]. In Hong Kong, our railway operations and property business accounted for 78% and 22% of our electricity consumption respectively. We continue to benchmark the electricity intensity and carbon intensity of our heavy rail network in Hong Kong with overseas counterparts through the COMET Benchmarking platform. Please refer to Performance Benchmarking in our [Performance Metrics](#) for further information.

Our Railway Operations

Chillers account for up to 17% of our total energy consumption in MTR stations and depots in Hong Kong. We have continued our large-scale chiller replacement project at stations and depots. Following completion of the first phase of our programme to replace 154 chillers with 133 new chillers of more energy efficient models, we have commenced the second phase including replacement of 31 chillers in our stations in 2023. There is an expected energy saving of at least 20% after the project completion by 2026.



Large-scale chiller replacement project

Electricity Consumption of Heavy Rail Operations by Location (GWh)^[Note 1]

Locations / Lines		2021	2022	2023
Hong Kong	Hong Kong Operating Network	1,503.68	1,495.53	1,591.13
Mainland of China	Shenzhen Metro Line 4	143.77	124.22	125.92
	Hangzhou Metro Line 5	192.52	186.66	194.83
United Kingdom	Elizabeth line	108.29	248.42	292.18
Sweden	Stockholm Metro	172.05	168.68	165.53
	MTRX	15.33	19.28	20.85
	Stockholms Pendeltåg	204.28	193.00	192.98
	Mälartåg	n/a	94.43	99.82
Australia	Melbourne's Metropolitan Rail Service	465.64	439.35	418.76
	Sydney Metro North West Line	84.62	82.10	86.67
Total		2,890.18	3,051.67	3,188.65

Electricity Consumption in Hong Kong (MWh)

		2021	2022	2023
Railway Operations ^[Note 2]	Heavy Rail	1,503,677	1,495,525	1,591,132
	Light Rail	51,534	49,821	50,812
	Sub-total	1,555,211	1,545,346	1,641,944
Properties ^[Note 3]		411,914	415,819	449,970
Total		1,967,125	1,961,166	2,091,914

Note 1: 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.

Note 2: This accounts for the energy usage from the revenue-generating activities only.

Note 3: This accounts for the energy usage in areas that we could control in our managed properties (i.e. it does not reflect energy consumed by our residents and tenants).

In Hong Kong, we continue to adopt regenerative braking technology to convert kinetic energy produced during train braking to electrical energy which is then fed back into the traction power supply network for use by other trains through the overhead system, maximising the use of resources. We have further expanded the usage of regenerative braking energy through the Station Energy Saving Inverter systems installed at Lai King Traction Substation on Airport Express and Tung Chung Line and at HKU Station on the Island Line, which can capture an estimated average of 1,700 kWh of regenerative energy per day. This regenerative braking energy is converted to low-voltage AC electricity to power station facilities, including lighting, escalators and lifts, etc.

In addition, we will introduce electric buses to our feeder bus fleets to reduce our Scope 1 emission. The first electric bus, funded by the New Energy Transport Fund, was delivered to Hong Kong in November 2023 and the charger and associated electrical and civil works were completed in December 2023. The electric bus will be put into passenger service in the second quarter of 2024 after undergoing a series of tests and obtaining relevant approval. It is our target to introduce at least 30 e-buses by 2026. We will also develop a pilot battery energy storage system for our diesel engineering wagons to electrify our engineering vehicles.



MTR's first electric bus was delivered to Hong Kong and will be put into passenger service in the second quarter of 2024

Our Property Operations

We have adopted a wide range of energy-saving measures in our invested and managed properties, including:

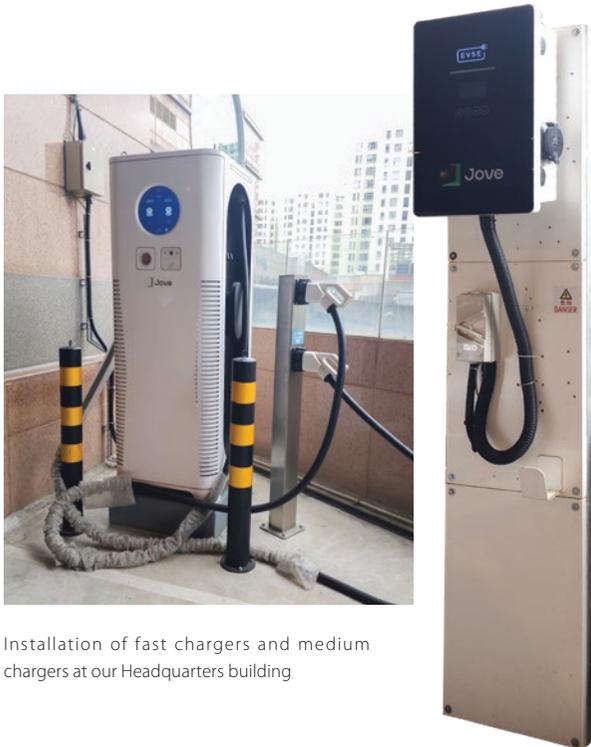
- ◆ Installation of high-efficiency air conditioning systems for plant rooms, common areas and main lobbies, and installation of variable speed drive ("VSD") and EC plug Fans for air handling units;
- ◆ Installation of automatic demand control to regulate air conditioning based on occupancy levels;
- ◆ Progressive replacement of traditional lights with LED lights;
- ◆ Installation of motion and optical sensor-controlled lightings with a dimming function for rear staircases and mechanical floors;
- ◆ Upgrade of lighting controls for our building management systems;
- ◆ Modernisation of lifts and escalators;
- ◆ Proactive replacement with high-efficiency equipment;
- ◆ Installation of smart meters and participation in energy audit conducted by power company; and
- ◆ Installation of Sun Control Window Films at Clubhouse.

We have invested in new technologies and solutions to enhance energy efficiency in our shopping malls. For instance, we have implemented a cloud-based big data analytic software platform at Two ifc and saved 8.6% annual energy consumption of the central chiller plant in 2023. Besides, we have commenced a pilot project to develop an integrated Artificial Intelligence ("AI") solution combining system energy efficiency and occupancy monitoring to achieve energy savings at Elements. It is expected to reduce electricity consumption of the chiller plant upon completion in 2024.

During the year, we have engaged tenants in various energy saving initiatives in all our shopping malls, such as WWF's Earth Hour, HKSAR Government Energy Saving Charter and No Air Con Night, and liaised with tenants in Elements to reduce shopfront lighting hours. 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. In addition, we have conducted energy audits for our managed residential properties for the common areas and existing shopping malls with full operation in 2022 and developed the associated energy saving plans progressively. We have also conducted a pilot programme in one of our shopping malls to engage and assist tenants in identifying energy saving measures in 2023. We target to engage and assist tenants in another 4 shopping malls in identifying energy saving measures by 2025.

In our Headquarters, we plan to gradually replace approximately 10,000 fluorescent light tubes with energy-efficient LED tubes, reducing about 50% energy consumption on lighting. By the end of 2023, all traditional fluorescent light tubes in our Headquarters and replaceable neon light tubes inside MTR rooftop logos were replaced with LED lights. To further lower our carbon emissions, we have upgraded and replaced the chiller plants in our Headquarters and Fo Tan Railway House with advanced and highly efficient models and achieved a 15% energy saving in 2023.

To support the use of electric vehicles ("EVs"), we are committed to installing over 200 additional EV charging stations across our office buildings, shopping malls and station carparks by 2025. As of 2023, over 127 EV charging stations were installed in our premises, including fast and medium chargers, enabling the wider adoption of EVs. As part of our commitment to sustainability, we target to replace 50% of our executive private vehicles with EVs by 2024. As of 2023, 69% of our executive private vehicles were replaced by EV or cancelled, ahead of our schedule. We will step up our plan to replace all executive private vehicles by EV or be cancelled by 2027.



Installation of fast chargers and medium chargers at our Headquarters building

OVERSEAS HIGHLIGHTS

MTR Nordic – Energy Saving Initiatives

MTR Nordic is committed to achieving our science-based target by reducing scope 1, 2, and 3 GHG emissions by 25.2% by 2025, based on the 2019 baseline. We are actively implementing various initiatives to meet this target.

As part of our commitment to reducing carbon emissions, MTR Nordic has transitioned our replacement buses to 100% renewable fuel. By decreasing the use of fossil fuels, we have significantly reduced Scope 1 carbon emissions associated with our bus fleet operations. We are also working towards phasing out the use of fossil fuels in our own cars and increasing the adoption of renewable fuels. We have implemented various energy-saving measures and adopted cleaner energy sources to reduce emissions. These measures include:

- ◆ 100% renewable energy sourcing since 2019;
- ◆ Installing of LED lighting in one depot and one train station;
- ◆ Deploying of motion sensors for light control in one depot to optimise lighting usage;
- ◆ Installing remote-controlled depot doors to minimise opening times during the cold winter season to reduce heat loss;
- ◆ Optimising of temperatures in parking garages for subway trains to save heating energy;
- ◆ Piloting of an eco-drive tool for subway drivers to reduce traction energy consumption;
- ◆ Conducting energy audits of switch heating in all depots and 64 escalators to identify opportunities for efficiency improvements;
- ◆ Conducting energy audits and live tests to evaluate the potential energy reduction benefits of deactivating parked subway vehicles in depots, planning to implement this measure in depots by 2024; and
- ◆ Conducting a pre-study to assess the feasibility of installing solar cells on the roofs of subway depots.

At MTR Nordic, we recognise the importance of collaborating with suppliers to achieve our sustainability objectives. To encourage emission reduction throughout our supply chain, we request that our suppliers set their own emission reduction targets and provide emission reports. By working together, we can drive collective action and make a greater impact in reducing emissions.

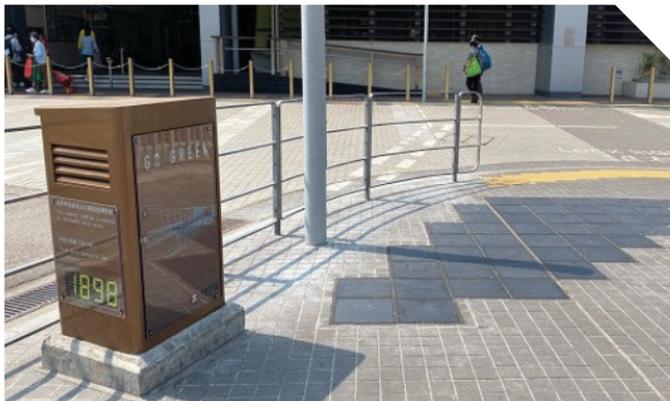
Clean Energy and Innovation

In June 2023, the HKSAR Government's Inter-departmental Working Group on Using Hydrogen as Fuel has given agreement-in-principle to our application of conducting a pilot project with a hydrogen-fuelled light rail vehicle in Tuen Mun not involved in passenger services. After completing the preparatory works, we will carry out the trial in 2024. This project enables us to evaluate the feasibility and potential of hydrogen as a clean energy option for our network.

We continued to make progress in supporting the generation of renewable energy in 2023, contributing to reducing carbon emissions. We have been actively looking for suitable sites to install solar photovoltaic ("PV") systems and a new batch of four solar PV projects, including Pat Heung Depot, Chai Wan Depot, Siu Hong Station and Sunny Bay Station, were completed and rolled out in 2023. The solar PV system at Pat Heung Depot comprises over 2,100 panels, which is the largest flexible system in a single building in Hong Kong. We plan to install three additional solar PV systems in our stations and depots in 2024.

For our office buildings, we successfully completed the solar panel installation project at Fo Tan Railway House and Kam Tin Building in 2023. As a result, we generated approximately 99,000 kWh of renewable energy from the solar panels installed at our office buildings, including Hung Hom Building, Headquarters, Fo Tan Railway House and Kam Tin Building. We have joined the Fit-in-Tariff ("FiT") Scheme for some of our solar PV systems, and part of these rebates have been spent on purchasing Renewable Energy Certificates ("RECs") to support the development of renewable energy in Hong Kong. In 2023, we have purchased a total of 112,490 kWh of renewable energy in the form of RECs.

Apart from our stations and depots, we have also installed solar PV systems to support the building facilities of two shopping malls, at Luk Yeung Galleria and Paradise Mall in 2023. We will keep exploring the feasibility of expanding the installation of solar PV systems in other stations, depots and shopping malls with the aim of driving the development of renewable energy in Hong Kong.



Installation of the solar panels at Paradise Mall

After installing all these solar PV systems, including the existing and newly installed, it is anticipated that about 1 million kWh of renewable energy can be generated every year, which is equivalent to electricity consumption of 2,300 households for one month.

Solar panel systems at Pat Heung Depot (Upper left). Hin Keng Station is our trial site to pilot different solar technologies including mono-crystalline photovoltaic panels (Upper right), solar glass (Lower right) and solar pavers (Lower left), to reduce the Corporation's carbon emissions and support the development of renewable energy in Hong Kong

OVERSEAS HIGHLIGHTS

Metro Trains Sydney – North West – City South West Project: Carbon Neutral and Renewable Energy

Metro Trains Sydney North West-City South West project is the first rail infrastructure project in Australian history to commit to being certified carbon neutral from the start of construction, all the way through to operations.

All carbon emissions generated during construction and operations will be reduced and offset. This includes carbon emissions from manufacturing materials like concrete and steel used to build tunnels and viaducts, the fuel used by excavators for earthworks, electricity in the site sheds.

To ensure full transparency and a robust third-party verification of net zero carbon, Metro Trains Sydney will seek recognition under the Infrastructure Sustainability Council rating system once the second phase of the project is complete.

All Metro Trains Sydney projects have committed to offsetting 100% of carbon emissions associated with electricity consumption during operations, thereby managing about 70% of carbon emissions generated over the project life cycle.



The project will have solar panels onsite and use renewable energy as part of the operational electricity offset commitment

MTR (Shenzhen) – Successful Implementation of Renewable Energy Project

MTR (Shenzhen) has been at the forefront of sustainable and innovative energy practices, making significant strides in adopting renewable energy. The Longhua Rolling Stock Depot successfully implemented the Distributed Photovoltaic Phase II project, which achieved grid connection in August 2023, furthering our commitment to green energy initiatives and exemplifying the fruitful collaboration between Shenzhen and Hong Kong.

By leveraging existing car parks in the subway as green energy bases, MTR (Shenzhen) maximises resource utilisation. The project smoothly connected to the grid, generating a stable output of green electricity, in line with our ESG principles. The estimated power generation of Phase II can produce 2,100 MWh of renewable energy annually. Over the collaboration period until June 2041, the project aims to reduce approximately 24,000 tonnes of carbon emissions, equivalent to the CO₂ removal by 1.4 million trees in a year.

Engaging the Community

ReThink HK 2023

The Corporation was the headline sponsor of the People & Purpose Theatre at ReThink HK 2023, one of the leading events on sustainable development in Hong Kong, for the third consecutive year. The two-day event enabled connection and engagement with various industry practitioners to exchange views, share best practices and foster collaboration in multiple sustainability aspects. Our colleagues were invited to participate in several discussion panels to share our experience and showcase MTR's sustainability initiatives. The conference and exhibition welcomed 4,583 attendees and a total attendance of 6,000+ over the two days. We also worked with Carbon Wallet to offer a free MTR ride for each visitor who travelled to the event venue by MTR, providing incentives to encourage using low-carbon transportation and practising green lifestyle.

Asia Pacific Business Forum

MTR sponsored the Asia Pacific Business Forum ("APBF") which is jointly organised by the United Nations Economic and Social Commission for Asia and the Pacific ("ESCAP") and the ESCAP Sustainable Business Network ("ESBN") with support from the Environment and Ecology Bureau of HKSAR Government in November 2023. With the theme "An Asia Pacific Green Deal for Business: Driving the Green Transformation", this year's APBF called for the private sector to lead the way towards greener and more sustainable business practices. Our CEO participated in one of the discussion panels to discuss priorities for the region and how to scale up business action in support of a green transformation. A site visit was arranged to our Pat Heung Depot for participants to learn about our green initiatives implemented for our railway operations.



Our CEO participated in one of the discussion panels to discuss priorities for the region and how to scale up business action in support of a green transformation

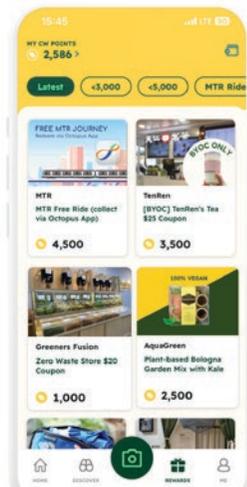
Carbon Wallet

Launched in March 2021, Carbon Wallet is a one-stop green lifestyle reward app aiming to encourage the public to take climate actions in an easy, light-hearted way. Sharing MTR Lab's vision of co-creating a carbon-neutral smart community, Carbon Wallet upholds the key principle of 'Green In, Green Out'. Carbon Wallet App users are given CW Points for their positive impact on the environment based on scientifically calculated Carbon Savings ('Green In'), and the rewards they redeem with those points are all eco-friendly ('Green Out') to drive circularity of the entire green ecosystem. The app also provides an interactive "Go Green Map" which allows users to find the nearest recycling point, drinking water stations, green dining and shopping points.

During Earth Month 2023, Carbon Wallet has collaborated with six participating beauty brands and a recycling partner to launch a flagship campaign - The Beauty in Recycling Programme. This first multi-group recycling scheme in Hong Kong has successfully raised public awareness and inspired actions among consumers in recycling beauty empties, with a total reduction of more than 4,000 kg CO₂e.

Since its launch, the number of downloads has reached over 120,000, with 51,000 registered users. Carbon Wallet has also partnered with more than 60 sustainable businesses, vegetarian restaurants, cafés and green groups to promote carbon reduction actions. Overall, users have submitted more than 2.5 million recycling records in total. Combining all green actions captured in the app, our community saved 1,390 tonnes of CO₂, which is equivalent to the amount of carbon dioxide emissions due to electricity consumption of around 1,730 households 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. It is our target to have over 50,000 participants in our low-carbon initiatives in 2024.

Carbon Wallet
Over 50
Green Lifestyle
Rewards



Partnering with beauty brands to promote recycling of beauty empties

Carbon Wallet - Hong Kong's one-stop green lifestyle reward app

Green T Baby Fun Day

Our green ambassador "Green T Baby" has been actively promoting green lifestyle to the public since its debut in 2023. To further enhance public awareness of green and low-carbon lifestyle, we will organise the "Green T Baby Fun Day" in March 2024, letting Green T Baby step into the community and engage the public through fun-filled family activities while promoting environmental protection and energy saving. The event will be led by Green T Baby together with the MTR Volunteer Team and 10 environmental groups, non-profit organisations, and green enterprises to educate the public, especially the younger generation, to embrace a low-carbon and green lifestyle through various game booths, green workshops, display boards and special performances.

We will also sponsor the "Green WALK Hong Kong 2024" campaign organised by the World Green Organisation ("WGO") on the same day. This event aims to raise awareness among Hong Kong residents about climate change and encourage the use of low-carbon transportation, promoting an energy-efficient and low-carbon lifestyle. Green T Baby will lend its support to promote the event to show our commitment to walking the green journey together with the community.



"Green T Baby Fun Day" to be organised in March 2024 to educate the public about low-carbon lifestyle

WWF's "Earth Hour"

We continued to support WWF's "Earth Hour" 2023 which was held on 25 March 2023. We have invited our business units and corporate functions to switch off external and façade lights of some of our managed buildings, and lightings of external logos on our office buildings and depot entrances for 1 hour on the event day. As part of the Earth Hour, we also supported the Second-hand Fashion Collection Programme organised by WWF and St. James' Settlement Green Social Enterprise – Green Ladies and Green Little to collect ladies and kids wear at our Headquarters Building and Fo Tan Railway House. Through supporting this programme, we aim to promote sustainable fashion and encourage our colleagues to donate unwanted clothes. A total of 9 carton boxes of clothes were collected from our colleagues, which have been distributed to underprivileged groups, recycled or upcycled by St James' Settlement.

MTR's First Green Week

Aiming to further enhance our colleagues' understanding of MTR's environmental objective on Greenhouse Gas Emissions Reduction and encourage them to adopt low-carbon measures in their work and daily life, we have organised our first-ever Green Week in mid-June 2023. In collaboration with over 20 green NGOs and partners, the Green Week comprised over 50 sessions with 17 different types of activities for colleagues, including an Opening Ceremony, a green marketplace to promote green and sustainable products, upcycling workshops, webinars, eco-tours, green movie appreciation and so on – all aimed at promoting eco-consciousness and sustainable living.

The Green Week was widely supported by over 4,500 colleagues with active participation and positive feedback. Out of the 719 colleagues who gave their feedback, 98% agreed that the Green Week has strengthened their understanding of MTR's environmental and social objectives, and 89% of the respondents agreed that the Corporation's commitment to sustainable development would enhance their sense of belonging. In addition, almost 100% of the respondents agreed with the Corporation's longer-term goal of achieving carbon neutrality by 2050. For more information of the Green Week, please visit here for the [event highlight video](#).



The Green Week Opening Ceremony kicked off an eventful week with an energetic green live music performance



The Green Marketplace hosted various pop-up stalls from local enterprises, selling different kinds of green and sustainable products



Colleagues joined upcycling workshops to DIY recycled glass lamps, fabric scraps coin purses, and bracelets made from fruit peels



A youth-led environmental organisation showcased the outcomes from their expedition to Antarctica, through a VR Experience



"Mil Mill Eco Bus" visited Kowloon Bay Depot to promote beverage cartons recycling



Participants appreciated local valuable marine resources during a visit at the Hoi Ha Wan Marine Park



The Green Week was concluded by a sharing session on climate change and decarbonisation with distinguished speakers including Mr K.S. Wong, GBS, JP, Former Secretary for the Environment of the HKSAR and Mr W.M. Leung, Former Assistant Director of the Hong Kong Observatory to share their views and insights on how individuals and business sectors can join hands to combat climate change



A series of webinars and movie appreciation were held during the week to raise awareness on the importance of biodiversity and promote a green lifestyle



A specially designed low-carbon menu was promoted at all our staff canteens during the week

WASTE MANAGEMENT

Waste contributes to about 8% of carbon emissions in Hong Kong, with the bulk of them being the greenhouse gas generated from decomposition of waste in landfills. Waste reduction and resource circularity would not only contribute to more sustainable use of resources, but also help reduce carbon emissions. The HKSAR Government has released “Waste Blueprint for Hong Kong 2035”, setting out Hong Kong’s strategy in tackling the waste challenge and the way forward for establishing a circular economy.

With millions of passengers and customers travelling along our extensive railway networks and through our integrated properties, we recognise the importance of waste management and our role in supporting Hong Kong’s transition to circular economy through:

- ◆ waste avoidance and reduction at source;
- ◆ facilitating waste recycling efforts; and
- ◆ upcycling to turn waste into resources.

In preparation for the upcoming waste management legislations including the municipal solid waste charging and control on disposable plastic products, we have put in place a variety of initiatives to encourage waste reduction and recycling at our stations, depots, shopping malls and managed properties.

Collaboration and engagement are important to waste management. Internally, we focus our efforts on driving staff behavioural change and promoting proper waste handling and recycling. We launched the “Zero Waste Challenge” in March 2023 at our Headquarters aiming to engage colleagues in waste reduction and recycling. This 11-month programme involved the use of smart meters to track waste generation and reduction progress, providing staff with real-time performance data, such as waste generation and landfill diversion quantity. Green messages and tips about waste reduction and recycling were also provided for colleagues through display screen installed on each floor. Starting August 2023, we have also expanded the collection of recyclable items to cover beverage cartons and toilet paper tubes in our Headquarters for recycling.

To minimise wastage during office renovation, we have donated some of our office furniture items to 21 corporate customers, 10 individual customers and 30 non-profit organisations in 2023. Around 3,500 kg of CO₂e was avoided in total due to purchasing of new furniture, packaging consumption and disposal to landfill.

We also collaborated with Food Angel, a local food rescue charity, to support the Hearty CNY Food Donation Programme. Food collection boxes were set up at MTR Headquarters right after the Chinese New Year holidays. Around 30 kg of festive food was collected and donated to Food Angel to prepare meals and food packs for the underprivileged in Hong Kong. We also supported Feeding Hong Kong to organise a Mooncake Donation Programme around Mid-Autumn Festival to collect surplus mooncakes from staff and donate them to charities, sharing the festive joy with low-income families and seniors. In total, we collected over 21 kg of mooncakes for donation.

Our Railway Operations

To drive reduced use of disposable plastic products, we launched a plastic reduction campaign in December 2023, inviting all food and beverage (“F&B”) shops across the MTR network to sign the Environmental Protection Pledge and encouraging takeaway F&B shops to accept customers to bring their own food containers. Besides, we have introduced green clauses to the tenancy agreement, calling for tenants to support environmental protection. Nearly 99%, over 280 takeaway F&B shops in the MTR network have signed the Environmental Protection Pledge, proactively committing not to providing disposable tableware and avoiding using polystyrene.



Green logo for F&B shops in MTR network who have signed the Environmental Protection Pledge

To encourage customers to use reusable food container when buying takeaway food, MTR joined hands with WWF and foodpanda Hong Kong to install a self-service reusable food container lending machine and returning machine with the support of the Environment and Conservation Fund. MTR has sponsored to provide an additional of 2,000 reusable food containers for lending. We have also successfully invited ten takeaway F&B shops in Hong Kong Station to join the plastic reduction initiative to accept customers’ borrowed food containers for takeaway meals, further expanding the programme’s coverage to 60 partner restaurants, working together to reduce the use of disposable plastic products.

Since 2018, we have been installing drinking water dispensers and water vending machines at different MTR stations to encourage passengers to use refillable drinking bottles and hence reducing the use of single-use plastic beverage containers. As of December 2023, water dispensers have been installed at 18 MTR stations, especially at interchange stations or stations close to gathering points of hikers, saving around 2.4 million pieces of bottles. Our plan is to install 8 more dispensers in 2024.

In addition, we will collaborate with the Environmental Protection Department ("EPD") on the opening of EPD's first GREEN@COMMUNITY recycling store in the MTR network, providing a convenient one-stop location for passengers and residents in the district to participate in clean recycling. Located at Tsing Yi Station, the recycling store is expected to commence service in early 2024. Carbon Wallet has also connected with EPD's GREEN\$ Electronic Participation Incentive Scheme to become the first point conversion partner of EPD's GREEN\$ Scheme to promote a green lifestyle. GREEN\$ members can convert GREEN\$ points into Carbon Wallet points to redeem various green rewards, including free MTR rides and green products, encouraging the public to participate in recycling and foster a green culture in the community.



MTR's Carbon Wallet linked to GREEN\$ of Environmental Protection Department providing green lifestyle reward platform

To promote digitalised and paperless operations in the stations, over 120 sets of promotional content across the entire network have been transformed from traditional print leaflet to digital formats by simply scanning the station specific QR codes to access to the latest information for customer convenience. Compared to 2019, a saving of 4 million sheets of paper has been achieved in 2023. A total of 158,000 page views have been recorded as of November 2023.

Around 60 retired timber sleepers were donated to WWF, to upcycle and create wooden seating benches at Mai Po Nature Reserve, providing visitors with a comfortable spot to rest and immerse themselves in the beautiful wetland landscape. We have also donated retired sleepers to the Agriculture, Fisheries and Conservation Department for upcycling into recreational facilities, such as benches with a simple yet durable design, in the country parks.



Retired timber sleepers were donated to WWF for upcycling into recreational facilities in the Reserve

OVERSEAS HIGHLIGHTS

Metro Trains Melbourne – Collaboration for Waste Reduction

Metro Trains Melbourne is dedicated to demonstrating its environmental stewardship and social responsibility through waste management. During the renewal of garden sidings at Newport, Metro Trains Melbourne reused concrete sleepers and rail from another project, saving approximately AU\$700,000. It also contributed to the preservation of Australia's railway heritage by donating 70-year-old ballast screenings, signals and structures to SteamRail Victoria, a non-profit-organisation focused on restoring and operating historic railway vehicles.

Metro Trains Melbourne also collaborated with a textile recycling company to launch a Personal Protective Equipment ("PPE") recycling initiative, significantly reducing waste disposal and achieving cost savings by reducing the demand for new PPE. This initiative has raised awareness throughout Metro Trains Melbourne, fostering a culture of sustainability and waste reduction.

Metro Trains Melbourne infrastructure maintenance team is also piloting a coffee ground composting programme in partnership with Reground, a social enterprise dedicated to collecting used coffee grounds for use in community and local gardens. The programme diverts organic waste from their daily coffee consumption, from going to landfill to be used as a resource for soil enrichment.

Our “Legacy Train Revitalisation Programme” – Giving a Second Life to Retired Train Parts

Serving Hong Kong for over four decades, MTR train has a great sentimental value to all Hong Kong people. Since 2021, we have been working closely with different partners to give our retired trains and relevant parts a second life and continue serving the public in different forms through our “Legacy Train Revitalisation Programme” (“LTRP”). This programme aims to revitalise and upcycle valuable resources for the betterment of the society through preserving the whole train cars, and recycling or upcycling train compartments and components. Retired trains are upcycled to divert operational waste from landfill while raising awareness of waste reduction and upcycling, and benefiting the community. Up to now, we have collaborated with more than 20 NGOs, social partners and government departments, jointly turning over 500 pieces of decommissioned train parts into different uses.

In October 2023, we officially handed over the retired Diesel Electric Locomotive No.60 (“L60”, a.k.a. “Peter Quick”), which served the East Rail Line for almost half a century, to the Hong Kong Railway Museum in Tai Po for permanent collection and display. Commencing operation in 1974, L60 was one of the last fleet of diesel electric locomotives introduced to Hong Kong on the East Rail Line. Following the full electrification of the railway line in 1983, L60 was withdrawn from passenger service and switched to hauling freight and maintenance trains until its official retirement in 2021. The locomotive helps educate the public about the history of passenger and freight railway services in Hong Kong as well as passing on invaluable stories about the city’s railway development.



Handover Ceremony of Diesel Electric Engine No.60 at the Hong Kong Railway Museum



We have also donated train doors and passenger seats of an MLR train to Pooi To Primary School to build a “Pooi To Express”, allowing a group of railway-loving students to fulfill their dream of learning in a train car environment

In addition, two retired Mid-life Refurbishment (“MLR”) train (also known as the “Fly Head” train) cars from the East Rail Line were donated to the Development Bureau, which have been open to the public at the Wan Chai Harbourfront since December 2023. This location not only becomes a new landmark with the scenery of Victoria Harbour, but also continues to serve the public as an open space for leisure. Part of a train car was also transformed into multi-purpose spaces for organising community activities.

Watch the [videos](#) to learn more about the LTRP.



The interior of the train car was transformed into a public space for leisure, where information about the LTRP and the “Fly Head” train was displayed

Our Property Operations

We continue to work closely with the Owners' Committees and Incorporated Owners to promote different source separation of domestic waste to residents. Various types of recyclables, such as paper, glass bottles and used clothes, are collected through recycling facilities in our managed properties. We have provided smart bins at nine residential properties to facilitate source separation and efficient collection of recyclables. Besides, 15 of our malls and 56 of our managed properties have joined the Glass Container Recycling Charter launched by the EPD, and set up designated points to collect glass bottles.

To drive reduction of single-use plastics, we continue to participate in the "Reverse Vending Machine ("RVM") Pilot Scheme" rolled out by the EPD. At present, 14 of MTR malls and managed properties have installed the RVMs, collecting close to 8 million plastic beverage bottles for recycling since 2021.

Food waste represents a remarkable portion of overall Hong Kong's waste generation. On food waste management, we continue with the implementation of Food Waste Reduction Programme to encourage and incentivise F&B tenants in MTR malls on food waste reduction. Through this programme, participating tenants are provided with enhanced information about food waste reduction on a regular basis, enabling tenants to evaluate their food waste reduction progress. Besides, we continue to participate in EPD's Pilot Scheme on Food Waste Collection, through which food waste collected from MTR malls are delivered to the Government O · PARK1 facility for turning into renewable energy and compost. Currently, we are exploring to conduct a trial of food waste pre-treatment technology at the ELEMENTS for efficient handling of food waste. Internally, all of our 14 staff canteens have been collecting and sending our food waste to the O-PARK1. We have also installed a Food Waste Digester at the LOHAS to treat food waste on site.

Our managed properties also supported "Environment and Conservation Fund: Choose to Reuse" pilot campaign launched by WWF and foodpanda Hong Kong. The campaign encourages users to choose reusable containers from participating restaurants when ordering takeaways, and return them after use through the smart collection machines at different collection points, including our World-wide House and Admiralty Centre. Furthermore, we have implemented various programmes in our managed properties to promote waste reduction, including

- ◆ partnering with EPD Green Outreach to arrange booths to promote reduce, reuse and recycling to our residents;
- ◆ joining EPD "Green Collect" programme to enhance the current recyclable collection services at our managed residential properties; and
- ◆ collaborating with Carbon Wallet to encourage our residents practising recycling.

We have also collaborated with a local startup to introduce self-service refill station for personal and home care products in our managed properties. These self-service refill stations were launched in The Waterfront and Sorrento, aiming to promote reuse of product containers to minimise packaging waste.

"Summer Ecoland" – an Upcycling Campaign in MTR Malls

In 2023 summer, we launched a collaborative campaign with seven local green artist collectives, known as "Summer Ecoland." Four of the MTR malls including Maritime Square, Telford Plaza, the LOHAS and PopCorn showcased a colourful journey with different themes through upcycled installations and a green-themed exhibition. This campaign was designed to actively engage the community in waste recycling and upcycling activities. Through the use of upcycled installations and exhibitions, we aimed to highlight the principles of environmental protection. This initiative aligns with the purpose of our ongoing "Art in MTR" programme, which seeks to integrate artistic expression into our commitment to environmental conservation.



Upcycled installations and exhibitions in Telford Plaza (Upper) and the PopCorn (Lower)

GREEN AND LOW-CARBON DESIGNS

Buildings account for about 90% of Hong Kong's total electricity consumption, and over 60% of our carbon emissions is attributable to generating electricity for buildings. In order to achieve carbon neutrality, we need to step up efforts to improve energy efficiency performance of buildings by integrating energy efficient facilities and adopting green and low-carbon designs in new development projects.

We recognise the importance of adopting green and low-carbon designs to achieve carbon neutrality and commit to developing sustainable infrastructure with better resource-use efficiency, greater adoption of clean and environmentally sound technologies, and enhanced ecological value of the surrounding environment.

To support MTR's greenhouse gas emissions reduction targets, we are committed to managing the environmental footprint through integrating low-carbon measures into the building facilities and adopting suitable energy efficiency measures in our operations.

We strive to integrate environmentally conscious features into our projects and the surrounding areas as far as practicable during the design, planning, construction and operation of new lines, buildings and properties. We are aiming to achieve a minimum of BEAM Plus Gold accreditation for all our future new stations and new residential development projects. Sustainable design of our new stations mainly focuses on two aspects: integrating with the community and making good use of natural resources; as well as incorporating eco-friendly design and innovative technologies.

In 2023, we attained BEAM Plus Provisional Gold accreditation or above for seven new stations, including Tung Chung East Station*

and Tung Chung West Station* of the Tung Chung Line Extension, Tuen Mun South Station* and A16 Station* of the Tuen Mun South Extension, Kwu Tung Station on the East Rail Line* and Oyster Bay Station, as well as Hung Shui Kiu Station on the Tuen Ma Line. When these new stations are put into service in future, it is expected that each new station can achieve an average reduction of approximately 20% in carbon emissions per year when compared with traditional stations, which is equivalent to approximately 900 tonnes of carbon emissions.

Opened in 2020, Hin Keng Station serves as a good display of a green railway station with features of natural lighting and cross-ventilation, an extensive green roof, and the use of renewable energy. The station achieved a 'Very Good' rating in 2021 under the Building Research Establishment Environmental Assessment Method ("BREEAM") In-Use certification and has been upgraded to BREEAM certification with an "Excellent" rating in April 2023 with the introduction of more green and low-carbon initiatives, making it the first railway station to receive this rating in the world. BREEAM is the world's first sustainability assessment method for the built environment and the most widely used rating scheme worldwide. The newly introduced measures to Hin Keng Station include the installation of bird boxes to provide habitats for nearby birds, the implementation of Ultrasonic Water Leakage Flowmeters to monitor water usage and prevent wastage, and the use of eco-brick planters made from over 1,000 pieces of spoil ballast to support upcycling and beautify the surroundings.

MTR has demonstrated its commitment to community well-being and environmental sustainability through the inclusion of green spaces in its Property Development projects. In our managed properties such as The LOHAS, The Wai and Maritime Square, we have incorporated extensive outdoor green spaces, such as green balconies and roof gardens. We will also add over 1,400 bike parking spaces around our stations and managed properties by 2025 to encourage low-carbon living. In 2023, we have added 330 new bike parking spaces to The Wai.

*Station names are working titles only.



Kwu Tung Station will adopt an open design to align with the proposed natural ventilation and green corridor nearby

More Recognition of Two ifc's Sustainability Achievements

Two International Finance Centre ("Two ifc") has implemented a cloud-based big data analytic software platform for central chiller plant optimisation. In 2022, Two ifc achieved a 12% annual energy saving which is equivalent to over 1.2 million kWh of electricity saving and a reduction of over 880 tonnes of CO₂. Also, it improved the Coefficient of Performance (CoP) of the central chiller plant by 50%.

With the achievements of this project, MTR has recently won two major building awards in Hong Kong, including

- ◆ Grand Award (Existing Building) of the Excellent Building Award organised by the Building Services Division of the Hong Kong Institution of Engineers, and
- ◆ Merit Award of the Energy Saving Championship Scheme organised by the Environment and Ecology Bureau and the Electrical and Mechanical Services Department.

These awards aim to recognise excellent building projects which have adopted advanced technology and achieved enhanced energy efficiency to contribute to carbon neutrality.

Apart from energy saving, we are dedicated to building an environment that supports the health of our customers at Two ifc. By following the standards of the WELL Performance Rating and third-party verification across key indoor environmental quality metrics related to air quality, water quality, thermal comfort, acoustics, lighting and occupant experience, Two ifc was awarded the WELL Performance Rating Certification presented by the International WELL Building Institute in June 2023. This is the first project in Hong Kong to achieve this rating.

We will continue to embed sustainability considerations into all aspects of our operations so as to create a long-term value for our customers and community.



Two ifc has achieved the WELL Performance Rating Certification

List of property in MTR's property portfolio achieved Gold or Platinum rating at the final assessment stage under the Hong Kong Green Building Council's BEAM Plus scheme is provided below:

Year	Property	BEAM Plus Standard Awarded
2023	LOHAS Park Package 10 (LP10)	Final Gold
	THE SOUTHSIDE Package 1 (Southland)	Final Gold
2022	LOHAS Park Package 9 (Marini, Grand Marini and Ocean Marini)	Final Gold
	LOHAS Park Package 8 (Sea to Sky)	Final Gold
	LOHAS Park Package 7 (Montara and Grand Montara)	Final Gold
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
2020	Tsuen Wan West Station (Bayside) Residential Development (Ocean Pride and Ocean Supreme) *	Final Gold
	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 acts as agent for West Rail Developments.

OVERSEAS HIGHLIGHTS

MTR (Shenzhen) – Integration of Energy-Saving and Green Design

MTR (Shenzhen) has integrated green and low-carbon design principles into their stations and buildings, achieving energy efficiency and environmental sustainability. These initiatives include:

- ◆ Installation of LED lighting in both stations and vehicles;
- ◆ Adoption of variable frequency designs for chillers, chilled water pumps, and cooling water pumps;
- ◆ Integration of the energy-saving and green design requirements into MTR (Shenzhen)'s asset management's Design Control Procedures;
- ◆ Consideration of green and environmental requirements during the construction and renovation of buildings, ensuring compliance with national building standards and achieving green benchmarks; and
- ◆ Employment of suitable construction methods and use of green and sustainable materials during new building design and renovation.

Through these measures, MTR (Shenzhen) aims to provide a more sustainable and environmentally friendly public transportation system to support the long-term goal of achieving carbon neutrality.

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 and premises in our operations. 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 for cleaning trains is collected through a recirculating system and recycled for another round of train washing or as toilet flushing water in the depots. Automatic sensor faucets have been installed in depot toilets to reduce water wastage. We have installed flow controllers on water taps in the depots to regulate the water flow, reducing water consumption and enhancing water efficiency. A grey water recycling system has been installed at LOHAS Park to recycle wastewater for landscaping and cleaning of outdoor public spaces. We have also installed sensors for water taps, flow restrictors and dual flush toilets in our office premises and MTR malls. Damaged or malfunctioning taps are replaced with more efficient models to prevent leaks and reduce water wastage throughout the network.

Besides, all MTR office buildings, depots and shopping malls as well as 48 management offices of our residential properties have pledged to support the Enterprise Cherish Water Campaign ("ECh₂O") initiated by Water Supplies Department ("WSD") and the Green Council to cherish water through implementing water saving measures and setting water conservation targets. Our target is to save 5% of water use in our shopping malls in 2025 with 2018 level as baseline.





CLIMATE-RELATED AND NATURE-RELATED DISCLOSURES

On MTR Sustainability Website

Read our Management Approach

- › [Greenhouse Gas Emissions Reduction](#)
- › [Sustainable Finance](#)

Our Policies and Statements

- › [Climate Change Strategy](#)
- › [Environmental & Social Responsibility Policy](#)

SDGs



In This Chapter

GRI: 302-4

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

ISSB: IFRS S1-30, S1-44, S1-46, S1-51, S2-6, S2-9, S2-10, S2-13, S2-14, S2-15, S2-22, S2-25, S2-33, S2-34, S2-36

Climate change is a material issue which poses both risks and opportunities to our existing railway operations and properties as well as future development. It is critical for us to integrate climate change into our overall business strategies and operational practices. We have been publishing climate-related financial disclosures with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”) since 2020.

In view of the emerging requirements on nature-related disclosures, we have started disclosing our nature-related information with reference to the Task Force on Nature-related Financial Disclosures (“TNFD”) v1.0.

CLIMATE-RELATED DISCLOSURES

Governance

Our Board level Environmental & Social Responsibility Committee (“E&SRC”), led by the Chairman of the Corporation, holds the ultimate responsibility for providing strategic guidance and reviewing our environmental and social practices and performance, including matters related to climate change. The Board level E&SRC meets at least twice a year to review and monitor corporate-wide implementation of the [Environmental & Social Responsibility Policy](#) and related environmental and social initiatives, including responses to climate change. The responsibilities of the Board level E&SRC and details on its work during the year are available in the [Corporate Governance Report](#) of the Annual Report.

The Executive Committee chaired by the Chief Executive Officer is tasked with the day-to-day management of the Corporation. The Environmental & Social Responsibility Steering Committee (“E&SRSC”), led by the Legal and Governance Director, meets four times a year focusing on driving and reviewing the implementation of environmental and social initiatives, including climate change, across all MTR business units and corporate functions. It is the guiding force at the operational level and monitors the progress of the Corporation’s environmental and social objectives and programmes. Members of the E&SRSC include members of the Executive Directorate and colleagues representing MTR’s major business units and corporate functions. Significant environmental and social issues, including climate change-related issues, will be reported to and sought advice from the Board.

Strategy

In response to the climate challenge, we have formulated a three-pronged approach [Climate Change Strategy](#), focusing our efforts on providing a low-carbon transport network, improving energy efficiency and strengthening climate adaptation and resilience measures in our operations.

Three-pronged Approach Climate Change Strategy

1. Serving as a Low-carbon Public Transport Network

In Hong Kong, MTR strives to support the HKSAR Government to utilise railway operations as the backbone of Hong Kong’s low-carbon public transport network. We have been working closely with the HKSAR Government in taking forward the railway expansion plans stipulated in the Railway Development Strategy 2014 to develop a safe, efficient, economically viable and environmentally friendly transport system in Hong Kong. We are committed to continuously looking for new opportunities in network expansion to secure a significant step towards the low carbon future and apply the Rail plus Property model, where appropriate, to enhance the walkability and connectivity of the city, as well as to promote low carbon urban mobility.

Apart from Hong Kong, MTR will also continue to seek opportunities to grow strategically into overseas and regional markets and leverage our experience to connect more communities with a low-carbon public transport system.

Details on our network expansion are available in our [Annual Report](#).

2. Implementing Carbon Reduction Measures

Recognising the extent of our portfolio and potential increase in carbon footprint, we will continue to focus our efforts on reducing energy consumption.

Apart from complying with applicable regulatory requirements, MTR is committed to taking a proactive approach in adopting more stringent energy efficiency requirements beyond compliance. The Corporation aims to achieve 100% of our new residential building development and new stations attaining the requirements of green building standards, such as BEAM Plus

Gold or above certification in Hong Kong, to reduce associated climate-related impacts arising from energy consumption, waste disposal and climate resilience. We will also work closely with our project partners in planning and constructing new rail and property development projects to incorporate low-carbon (including reduction of embodied carbon), energy efficient and climate resilient design in such long-standing infrastructure.

In the meantime, we will explore the possibility of generating more renewable energy, where feasible, and participate in communication with government and energy suppliers in Hong Kong to promote the decarbonisation of energy supply and improve access to low-carbon energy. We will also actively review the suitability and practicality of opportunities that can offset or remove our carbon emissions. Life cycle approach will be applied to assess the railway projects at different stages to look for opportunities to incorporate low-carbon designs and initiatives.

Details on our carbon reduction measures are available in the [Reducing Greenhouse Gas Emissions section](#) in this Report.

3. Climate Adaptation and Resilience

MTR will continue to improve our infrastructures’ resilience to the changing climate and take measures to adapt to different climate conditions. For example, the entrance/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/exist 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. We will constantly review our design manuals and incorporate appropriate measures to strengthen the climate resilience of our railway and property infrastructures. In addition, we will conduct a climate-related scenario analysis as recommended by TCFD to better understand the potential implications of climate-related risks and opportunities for the Corporation.

Examples of our flood prevention measures at MTR stations and preparedness for typhoons at MTR properties can be found on our [Sustainability Website](#).

Risk Management

Climate-related risks are monitored, reviewed and updated annually through our Enterprise Risk Management (“ERM”) Framework, which operates in a pyramid structure with the Board level Audit and Risk Committee at the top, the Executive Committee assisted by the Enterprise Risk Committee (“ERC”) in the middle, and the business units at the bottom. Representatives from business units and corporate functions report climate-related risks to the ERC who is responsible for reviewing the Corporation’s top risks and key emerging risks on an annual basis, including those risks related to or associated with climate change. The Chairman of the ERC will report the top risks to the Executive Committee and the Board level Audit & Risk Committee quarterly 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.

The Corporation has already identified several climate-related risks that may potentially impact our business. We categorise our risks as short-term (1-5 years), medium-term (6-10 years) and long-term (>10 years). These include the increased likelihood of extreme weather, changes in rainfall patterns leading to flooding and higher ambient temperatures 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 upkeep and enhancement works to ensure reliable service delivery. Conversely, through our assessment exercises, we have also identified opportunities to improve resource efficiency in our operations, which we plan to develop better sustainability and business performance.

In addition to physical risks, we are aware of the transition risks and opportunities posed by climate change, 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 into our strategy and financial planning.

We have completed a high-level diagnostic climate study of 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 reviewed the risk profiles of our assets at 320 locations and derived risk scores for the current state and future state based on different climate scenarios (RCP2.6, RCP4.5 and RCP8.5) in Years 2030, 2050 and 2100. Parameters including drought stress, fire, heat stress, precipitation stress, river flood, sea level rise and tropical cyclone, were assessed. The Study helped us identify critical exposed assets at risk, enabling us to plan for a more in-depth quantitative scenario analysis for our relatively high-risk assets.

With the increasing frequency of extreme weather conditions, we are bringing forward the “Extreme Weather and Climate Change Impact Study for MTR Premises” with due consideration of the lessons learnt from handling the rainstorm. The study will review the relevant design standards and operating procedures with a view to strengthening the protective measures against extreme weather and climate change.

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.



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

Risks & Opportunities	Timeframe	Impacts	Responses
<i>Physical Risks</i>			
Extreme weather	Short-term (1-5 years)	Increased occurrence of extreme weather events, such as extreme precipitation and super typhoons, may increase the chance of damaging power lines, increasing the risk of collision due to low visibility, obstructing railway tracks, damaging assets, and accelerating outdoor infrastructure deterioration, and hence, affecting railway operations.	Handling procedures for extreme weather in place, such as flooding handling procedures and foggy weather handling procedures.
Changes in rainfall patterns	Long-term (>10 years)	Excessive or heavy rain may increase the likelihood of flooding and landslides, posing risks to our stations and property asset, resulting in potential service disruptions and safety issues.	Flooding handling procedures in place as well as regular maintenance, regular review of flood protection measures and on-going improvement works for at-grade stations and critical equipment rooms.
Rising ambient temperature	Medium-term (6-10 years)	Higher temperature and/or heatwaves may increase electricity use and the strain on our ventilation and cooling systems and induce track deformation and defects leading to service disruptions and heat stroke of staff working outdoor.	Replacement of chillers with better Coefficient of Performance, monitoring of the outdoor equipment health conditions regularly, and issuing guideline on working under very hot weather.
<i>Transition Risks</i>			
Unforeseen regulatory pressure in responding to climate change	Medium-term (6-10 years)	More stringent requirements on compliance with the sustainability disclosure, energy reduction and resilience of new infrastructures to climate change, leading to an increase in capex and programme delay of new railway expansion projects.	Monitoring power consumption and adopting more stringent energy efficiency requirements beyond compliance, as well as reviewing design manuals and project programme/budget when regulations are updated.
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.	Enhancing publicity and disclosure of our actions and achievements in improving carbon reduction and energy efficiency, as well as commitment to carbon and energy reduction.
<i>Opportunities</i>			
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.	Supporting the government to continue serving as a low-carbon railway network and expanding our network as planned.
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.	Adoption of more energy-efficient products, where appropriate.

Climate Resilience and Adaptation Measures during Typhoons

Super Typhoon Saola

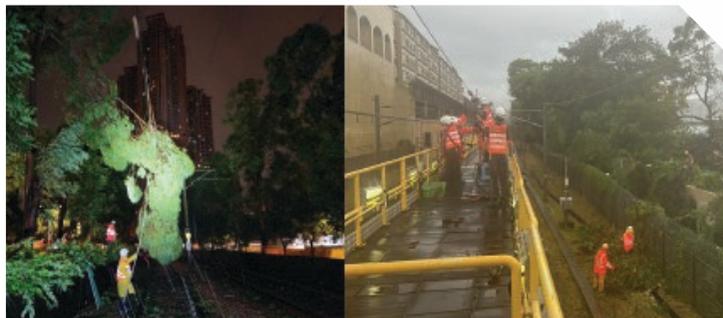
On 1-2 September 2023, Super Typhoon Saola, one of the most severe storms recorded in Hong Kong's history, hit Hong Kong. However, meticulous advance preparations and significant protective measures effectively minimised equipment damage and the impact on passengers. Train service in underground sections continued to operate during traffic hours, even under the No. 10 typhoon signal. Throughout the typhoon, various teams of MTR colleagues remained at their posts as far as safe and practicable. Our colleagues installed flood boards/barriers outside stations and a shopping mall parking lot respectively to prevent rainwater from entering. Colleagues spared no effort and stood their ground throughout the passage of the typhoon, ensuring the safety and reliability of our services.



(Left) Operating colleagues installed flood boards at stations, while (Right) colleagues from property installed flood barriers outside the parking lot at a shopping mall to prevent rainwater from entering

Furthermore, after the typhoon had passed, several hundred maintenance personnel worked tirelessly in adverse weather conditions and challenging environments. They cleared fallen trees and debris from the trackside and inspected the condition of overhead lines and other equipment in open sections to ensure safe train operations. Their unwavering efforts were instrumental in the swift recovery of normal railway services.

With the diligent work of our maintenance team members inspecting open sections and clearing fallen trees and debris on the trackside in the early hours of the morning, train service disruption was minimised during the typhoon



Severe Typhoon Koinu

On 8-9 October 2023, as Severe Typhoon Koinu hit Hong Kong, our colleagues remained steadfast at their posts, swiftly adapting to the situation after the Increasing Gale or Storm Signal No. 9 was issued and providing caring service for our passengers.

Throughout the typhoon, various teams of our colleagues remained at their posts as far as safe and practicable. Operating colleagues installed flood boards and put sandbags outside stations to prevent rainwater from entering. Besides, colleagues cleaned the drainage in the vicinity of railway premises during the typhoon to keep drains clear and effectively divert rainwater. Colleagues also conducted checking of tracks during the typhoon to ensure safe train operations. Colleagues spared no effort and stood their ground throughout the passage of the typhoon, ensuring the safety and reliability of our services.



(Left) Operating colleagues installed flood boards at stations; (Right) Operating colleagues placed sandbags outside stations to prevent rainwater from entering

In consideration of passenger safety, MTR immediately suspended all open sections and light rail services after the Observatory's issuance of the No. 9 signal. Knowing that train services and passengers' journeys would be affected, our colleagues quickly took action. Our colleagues at various stations assisted passengers whose journeys were impacted by the typhoon, allowing those in need to take shelter at the stations until weather conditions improved.



Station staff distributed water and dry rations to passengers in need

Examples of our preparedness for typhoon at MTR properties can be found on our [Sustainability Website](#).

Demonstrating Resilience of MTR's Operations during Extreme Weather Conditions

MTR station operations and train services were severely impacted by the heaviest rainfall on 7-8 September 2023 since records began in 1884. Due to the sudden rainstorm, several stations faced varying degrees of flooding threats.

As a result of the heavy rain, a large amount of rainwater rushed into Wong Tai Sin Station, causing flooding on the platform within a short period of time and subsequently entering the track area. The track is an essential infrastructure for railway operations, and ensuring its smoothness is crucial for safe train services.

To prioritise the safety of passengers, Station and Operations Control Centre colleagues quickly implemented emergency measures, including suspending train services through the Kwun Tong Line tunnel section and closing the stations along this section, with passengers safely evacuated.



MTR staff worked round the clock to manage the flood

The floodwater caused significant damage to various facilities in Wong Tai Sin Station, including escalators, lifts, entry/exit gates and platform screen doors ("PSD"). To address this, working teams were formed by station staff and additional colleagues from various teams across the Corporation.



Wong Tai Sin Station received thank-you cards from students for their determination and hard work

Colleagues also assisted in directing passengers within the station, reminding them to be cautious of water dripping, and ensuring that passengers lined up safely on platforms before the PSDs resumed normal operations. MTR staff have been working tirelessly overnight during non-traffic hours to address the flooding and conduct necessary maintenance works to restore train services.

The flooding also impacted several stations in other parts of the network, and MTR staff worked tirelessly overnight during non-traffic hours to manage the flooding and perform necessary maintenance work. Following their dedicated overnight efforts and clean-up, the majority of the affected stations were able to resume service on time in the morning of 8 September 2023.

We are committed to persistently implementing protective installations, strengthening our precautionary measures, and developing appropriate emergency preparedness plans to minimise the impact in the event of extreme weather conditions. To further strengthen our capability to cope with sudden extreme rainstorms and the associated flooding risks, we will implement relevant measures including:

- ◆ Formulate additional precautionary measures for the more vulnerable station entrances and exits;
- ◆ Complete a new round of catastrophic flooding drills at all stations;
- ◆ Enhance the provision of additional tools and gears to handle severe flooding;
- ◆ Explore the use of I&T to enhance alerts; and
- ◆ Bring forward the "Extreme Weather and Climate Change Impact Study for MTR Premises."

We will also explore the feasibility of using motorised gates or inflatable dams at individual vulnerable entrances and exits to prevent the ingress of flood water.

Examples of our flood prevention measures at MTR stations can be found on our [Sustainability Website](#).

OVERSEAS HIGHLIGHTS

MTR (Shenzhen) – Climate-related Response Procedures

MTR (Shenzhen) has implemented various measures to enhance its climate adaptation and resilience. These measures aim at reducing greenhouse gas emissions, enhancing energy efficiency and strengthening the ability to cope with climate-related challenges. Some of the key initiatives are provided below:

- ◆ Installing charging stations for electric vehicles in car parks;
- ◆ Promoting green travel and raising public awareness about energy conservation and emission reduction;
- ◆ Conducting internal training programmes on energy conservation and emission reduction to enhance employees' understanding and awareness of low-carbon concepts; and
- ◆ Encouraging employees to contribute innovative ideas for energy savings and consumption reduction.

MTR (Shenzhen) has optimised its environmental management systems and emergency response plans in office buildings, depots, parking lots, and stations by conducting regular reviews and revision. Drills and exercises are conducted to ensure preparedness in dealing with various emergency scenarios.

In addition, MTR (Shenzhen) has included tornado-related response procedures and content in the "Adverse Weather Special Emergency Plan". In July 2023, MTR (Shenzhen) has launched the "Station and Line Flood Inundation Special Emergency Plan" to specify response measures for flood inundation in depots, including parking lots. The updated plan includes principles for response, emergency staffing requirements, and response procedures.

Metrics and Targets

In 2022, we completed a study to set long-term carbon reduction targets for both of our railway and property businesses in Hong Kong and develop a practical roadmap to decarbonise our operations. The study involved a comprehensive review of 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. Following the study, we have committed ourselves to setting 2030 science-based targets (“SBTs”) for our railway and property businesses in Hong Kong and striving to achieve carbon neutrality by 2050.

Our carbon reduction targets have been approved by SBTi in April 2023. Under the SBTi-approved reduction targets, GHG emissions from our rail transport will be reduced by 46.2% per passenger kilometre, and GHG emissions from our investment properties will be reduced by 58.6% per square metre of floor area by 2030, from a 2019 base year. We also pledge to reduce absolute indirect GHG emissions, which are not directly controlled by the Corporation but are a consequence of its activities, by 13.5% within the same timeframe. For more details on our carbon reduction initiatives, please refer to the [Reducing Greenhouse Gas Emissions section](#) in this Report.

Apart from the SBTi-approved reduction targets, we also established and disclosed our targets related to greenhouse gas emissions reduction. For the progress of the KPIs, please refer to the [MTR’s Environmental and Social Objectives section](#) in this Report.

We continued to monitor and disclose our key metrics to measure GHG reductions, including electricity consumption for the heavy rail and light rail in absolute and intensity terms, electricity purchased for managed and investment properties in absolute and intensity terms, etc. For details on the methodology and metrics, please refer to the [Performance Metric](#).

NATURE-RELATED DISCLOSURES

Governance

To conserve natural habitats and nurture biodiversity, we adhere to our [Environmental & Social Responsibility Policy](#) including the protection of ecologically sensitive areas. We are committed to complying with relevant environmental legislations and requirements, and avoiding and minimising adverse impacts on ecology and biodiversity relating to our operations, in particular our new development projects.

Similar to our climate-related issues, the Board level E&SRC holds the ultimate responsibility for providing strategic guidance and reviewing our environmental and social practices and performance, including nature-related issues. It has the mandate to monitor and implement the Environmental & Social Responsibility Policy, identify emerging issues and provide regular updates for the Board.

The Board level E&SRC is supported by the E&SRSC to discuss sustainability and corporate responsibility issues. The E&SRSC is also responsible for developing and implementing sustainability initiatives, including biodiversity for the Corporation and the respective units and functions that members represent.

E&SR Department acts as a catalyst to support the Corporation in its drive to operate responsibly. It coordinates among different business units and corporate functions to ensure activities are consistent with the Environmental & Social Responsibility Policy, including managing and protecting natural capital across the Corporation.

Strategy

Our Environmental & Social Responsibility Policy provides guidance for the development and implementation of our sustainability initiatives, covering nature-related aspects, contributing positively to the development of our communities. We strive to be one of the most resource-efficient and ecologically sustainable railways and property service providers in the world. We manage and minimise the environmental impact of our business by conducting extensive assessments and broad stakeholder engagement programmes. Environmental management and monitoring plans are in place and implemented, covering water, biodiversity, and natural resources, etc.

We cautiously manage our impact on biodiversity by taking practical and appropriate measures to protect important natural habitats and maintain the diversity of flora and fauna within the areas in which we operate; implementing relevant mitigation measures to minimise our impact on the natural environment; and exercising special care for sites of special scientific interest and protected areas as defined by local statutory regulations and international convention.

We make reference to the integrated “Locate, Evaluate, Assess and Prepare” assessment approach (“LEAP” approach) to identify, assess, mitigate and report nature-related issues related to our operations:

- ◆ **Locate** our interface with nature;
- ◆ **Evaluate** our dependencies and impacts on nature;
- ◆ **Assess** our nature-related risks and opportunities; and
- ◆ **Prepare** to respond to the material nature-related issues and report with reference to the recommended disclosures.

Location

The nature-related risk assessment is mainly specific to the potentially affected areas. The bioregion of Hong Kong is South China Subtropical Evergreen & Monsoon Forests¹. The landscape in this ecoregion is dramatic, displaying a complex topography of forested mountains incised by a complex system of rivers and streams, lined with riparian forests. There are no completely dry months, with rainfall recorded throughout the year. This ecoregion also boasts rich fauna, especially with birds and amphibians. According to the World Resources Institute's latest version of Aqueduct Water Risk Atlas tool 4.0, Hong Kong is not located in regions with high or extremely high baseline water stress.



Evaluate

For companies, each business activity is directly or indirectly dependent on the ecosystem services provided by natural capital. The business activities also have impacts on the natural capital assets. We make reference to the Exploring Natural Capital Opportunities, Risks and Exposure ("ENCORE") tool to identify direct potential dependencies and impacts of our business activities on ecosystem services and natural capital assets. Among our operations, new railway development projects are more relevant to the ecosystem and natural capital.

The following table presents an overview of the dependencies of ecosystem services and impact drivers, categorised based on their materiality ratings of high or very high related to our new railway development projects.

Dependencies		
Ecosystem services	Direct Physical Input <ul style="list-style-type: none"> ◆ Groundwater ◆ Surface water 	Mitigates Direct Impacts <ul style="list-style-type: none"> ◆ Bio-remediation ◆ Filtration ◆ Mediation of sensory impacts
	Enables Production Process <ul style="list-style-type: none"> ◆ Soil quality ◆ Ventilation ◆ Water flow maintenance 	Protection from Disruption <ul style="list-style-type: none"> ◆ Climate regulation ◆ Flood and storm protection ◆ Mass stabilisation and erosion control
Impact Drivers with High or Very High Materiality Rating		
Terrestrial Ecosystem Use	Construction may result in habitat clearance, degradation and fragmentation, including along transportation corridors.	
Freshwater Ecosystem Use	Rail and tunnel construction may lead to the removal of vegetation and/or modification of surface and subterranean water flows, resulting in drying or flooding.	
GHG Emissions and Non-GHG Air Pollutants	Emissions of greenhouse gases and air pollutants may occur from the use of heavy machinery and vehicular traffic during construction.	
Solid Waste	Construction production processes may lead to the creation of large volume of solid waste.	
Disturbance	Rail construction can lead to disturbance of flora and fauna due to construction activities and habitat fragmentation.	

1. [Resolve Ecoregions 2017](#)

Assess

To protect important natural habitats and maintain the diversity of plants and animals within the areas where we operate, we manage our impact on biodiversity by taking practical and appropriate measures. One of our key strategies is the implementation of mitigation measures to minimise our impact on the natural environment. Furthermore, we exercise utmost care and consideration for sites of special scientific interest and protected areas as defined by the local statutory regulations and international conventions. We engage in habitat restoration and conservation initiatives, working in collaboration with local communities, environmental organisations, and relevant stakeholders.

Prepare

We have adopted a hierarchical approach, namely "Avoid, Minimise and Mitigate", to minimise the impacts on ecology and biodiversity associated with our operations, especially our new development projects. For more information, please refer to the Risk and Impact Management section below. We will continue reviewing and enhancing our approach to addressing nature-related issues.

Risk and Impact Management

In Hong Kong, our railway development projects are classified as Designated Projects (DPs) according to the Environmental Impact Assessment ("EIA") Ordinance (Cap. 499). The purpose of the EIA Ordinance is to avoid, minimise and control the adverse impact on the environment of DPs through the application of the EIA process and the environmental permit system. The EIA process provides a robust framework to address any nature-related risks of DP by requiring project proponents to identify, evaluate and mitigate any potential ecological impacts since early stage of the projects. The EIA process also provides the opportunity for engagement with public to collect inputs and comments on the proposed project in different project stages.

Under the EIA Ordinance, DPs are required to follow the statutory EIA process and require environmental permits for the construction and operation. Through the EIA process, potential environmental and ecological impacts, sensitive ecological areas and steps are assessed to avoid or minimise impacts on these habitats. Through a two-stage public consultation process, project profiles and EIA reports will be exhibited for the public to comment. Project proponents can address concerns, incorporate feedback, and ensure that the project aligns with the needs and aspirations of the local communities, affected and other stakeholders.

After assessing our impacts on nature and ecology through EIA, we employ the hierarchy of "Avoid, Minimise and Mitigate" (or Avoidance/ Minimisation / Mitigation Measures) to minimise adverse impacts. In early stage of our projects, we have identified and adopted schemes or designs to minimise the potential ecological impacts. For example, our Northern Link project will adopt an underground railway alignment and station design, avoiding or minimising potential impacts on nearby ecology during its construction and operation. We have also engaged consultant in conducting assessment of potential impacts on ecologically sensitive areas, such as natural habitats, Country Parks, as well as the wildlife which may be potentially affected due to implementation

of our projects, following the requirements of the Technical Memorandum on Environmental Impact Assessment Process. Based on the assessment, we have considered alternatives to avoid the impact and formulated mitigation measures to minimise or offset adverse ecological impacts arising from our projects through design modifications, eco-friendly construction practices and innovative technologies, etc.

After approval of the EIA and obtaining an environmental permit for construction and operation, the detailed environmental requirements are specified in our contract documents, including the employment of specialist environmental consultants, to ensure that project implementation is appropriately managed throughout its lifespan. During the construction phase, we implement the Environmental Monitoring and Audit ("EM&A") programme to monitor the environmental performance, ensuring any ecological impacts are carefully monitored and addressed appropriately. The environmental performance is closely monitored by an environmental team and validated by an independent checker, following documented framework. Validated EM&A monitoring results are also published on public domain through monthly EM&A reports and websites, ensuring transparent reporting of environmental performance.

Please refer to the EIA reports of the respective new railway development projects for more details about our approaches to managing and mitigating the associated nature-related risks.

Metrics and Targets

To achieve our goal of balancing the development and nature conservation, we have made public commitments related to biodiversity and manage and monitor environmental performance, including biodiversity, when implementing our railway development projects. The biodiversity preservation for Lok Ma Chau ("LMC") wetland managed by the Corporation is a good example to demonstrate our continued commitment to conserving the natural habitat. The Lok Ma Chau wetland included 32 hectares of enhanced wetland habitats consisting of 3 main sections: Reedbeds, Marshlands and Fishponds. All measures and recommendations, including detailed specifications for the habitats and ecological functions to be provided at Lok Ma Chau and the long-term management and ecological monitoring and audit requirements on these habitats described in the approved **Habitat Creation and Management Plan ("HCMP")** are fully implemented and properly maintained.

We conduct a Five-yearly Review of the approved HCMP to review the effectiveness of the ecological mitigation measures specified in the approved HCMP. The last review and update of the HCMP was approved in 2019. We are currently conducting the review and preparing the management review report. For more details about our progress review and implementation of the proposed mitigation measures for Lok Ma Chau wetland, please visit our [Lok Ma Chau Wetland Website](#) and [video](#).



Project Highlights

We are currently managing two wetlands, including the West Rail Kam Tin wetland and the Lok Ma Chau wetland. Over the years, we have invested substantial resources to manage the wetlands and improve the associated facilities. We strive to adopt a sustainable approach to enhance the biological diversity and ecological value of the wetlands, offering the best habitat for various wetland species.

Management of Lok Ma Chau Wetland

To provide a place for residence where the birds can breed their next generation, we have developed and followed the **Habitat Creation and Management Plan ("HCMP")** to manage the Lok Ma Chau wetland. We keep monitoring the number and species of the birds and communicating our initiatives with different stakeholders.

In 2023, over 280 bird species have been observed, including globally threatened bird species recorded, such as the Falcated Duck, Black-faced Spoonbill, Oriental Stork, Collared Crow and Greater Spotted Eagle, Eastern Imperial Eagle and Japanese Quail. To continue enhancing the habitat of our wetland, we installed over a hundred bird nest boxes at the Lok Ma Chau wetland, which observed a high occupancy rate. Most of the bird nest boxes provided were occupied, with 78 pairs of White-shouldered Starlings and other breeding birds recorded in the Lok Ma Chau wetland, including localised breeding species Cinnamon Bittern, Common Moorhen and Greater Painted-snipe. All of them are rare Hong Kong breeding species. The wetland also hosts dragonflies, reptiles, mammals and amphibians including those classified as endangered, vulnerable and near-threatened. In order to attract animals like Eurasian Otters, two artificial otter holts were constructed at the ponds. We also create paddy field in our wetland to attract migration birds such as Yellow-breasted bunting.

Our designated team supervises the daily maintenance of the wetland which includes water level management through artificial tides, water quality tests, fish stocking, pest control, and vegetation management. More details about our work at the Lok Ma Chau wetland could be found in the [Lok Ma Chau Wetland Website](#).

Protection of Ardeid Roosting Site in Tuen Mun Park

In the course of developing new railway projects, we consider environmental protection and biodiversity during all stages of the project cycle, including planning, design, construction and operational phases. Taking Tuen Mun South Extension Project as an example, we pay close attention to conserving local biodiversity, in particular to safeguard the Ardeid roosting site in Tuen Mun Park during the project design stage. We have assessed potential ecological impact, completed baseline and pre-construction monitoring to facilitate the formulation of mitigation measures that we should implement during the construction and operation phases. These include establishing buffer zones and controlling working hours, minimising noise and light disturbance from construction activities, adopting bird-friendly design features, etc. We will also conduct regular monitoring to track our performance.

Protecting Bird Species at Hin Keng Station

As part of our continued efforts in protecting bird species, we have installed three bird nest boxes in Hin Keng Station, targeting small-sized birds that inhabit the vicinity for nesting and breeding. Learning from the successful experience of Lok Ma Chau wetland, we hope to attract bird species, such as Crested Myna and Oriental Magpie Robin, with these installations at Hin Keng Station during their breeding season.



Bird nest box installed in Hin Keng Station

Enhancing Bird Protection at Mei Foo Station

Bird-window collisions refer to that birds fail to recognise a glass curtain wall or mirror as an obstacle and mistakenly think they can fly into it, thus hitting the building and causing injury or even death. Bird-window collisions is one of the major killers of birds in Hong Kong.

In view of the occurrence of some bird strikes outside Mei Foo Station, we have taken the initiative to make Mei Foo a bird-friendly station. With the advice from the Hong Kong Bird Watching Society, the bird strikes might have been caused by window facades at the station reflecting trees in the park nearby and birds hitting the glass panels by mistake. In response to this issue, we have applied anti-bird collision window films on over 100 window facades in Mei Foo Station to provide better protection for birds. Bird strikes outside the station were significantly reduced after the films were applied.

To raise awareness of bird protection amongst our commuters, we have decorated the windows with a set of stickers along the interchange walkway in the station with graphics resembling birds.



(Upper) A set of stickers along the interchange walkway with graphics resembling birds
(Lower) Installation of anti-bird collision window films on over 100 window facades in Mei Foo Station

Tree Management along our Network

As part of our tree management strategy, we conduct large-scale tree surveys once every two years, as well as developing a stringent tree coding system with smart tags for trees along our railway network. Our Tree Management Team conducts regular monitoring and maintenance for around 25,000 trees along the railway lines. We have adopted Near-field Communication (“NFC”) technology where each tree will be assigned an “electronic ID card” containing information such as height, health condition and distance from the rail line. This enables us to effectively retrieve and update information during their regular checks through a mobile phone or tablet equipped with NFC function and supports further analysis.

To continuously enhance our tree management initiatives, we have developed a Tree Intrusion Monitoring System (“TrIMS”) to monitor tree more effectively. With the use of 3D mapping technology, Light Detection And Ranging (“LiDAR”) and AI platform, the system is installed in our Light Rail Vehicles (“LRV”) to monitor tree intrusion. This system enables us to identify tree intrusion during LRV operations so as to plan for and carry out suitable mitigation measures. This system can further enhance our ongoing tree management regime.



Tree Intrusion Monitoring System (“TrIMS”) was installed in our Light Rail Vehicles (“LRV”)

OVERSEAS HIGHLIGHTS

Metro Trains Melbourne – Restoring and Safeguarding Significant Biosites

Metro Trains Melbourne has established the Biosites Management Program since 2018, aiming at restoring and maintaining 30 biosites of significance across its network. These ecologically significant sites, referred to as biosites, are home to threatened flora, fauna and ecological communities in Greater Melbourne. Currently, the programme has recorded 18 Commonwealth and Victorian listed threatened species and five ecological communities across 30 core sites.

Metro Trains Melbourne completed baseline assessments of the biosites to map their current condition and extent and validate historical records of threatened flora and fauna. A comprehensive Biodiversity Management Plan was developed to guide the programme's delivery throughout the franchise period.

Central to the programme's achievements is the introduction of a cool season ecological burning programme. This innovative approach reintroduces natural burning cycles, enabling the restoration of biosites and the conservation of threatened species. Metro Trains Melbourne now conducts 8-10 cool season ecological burns annually throughout the network. Other management activities include vegetation biomass removal, threatened flora management, pest control and installation of permanent protection fencing around biosites.

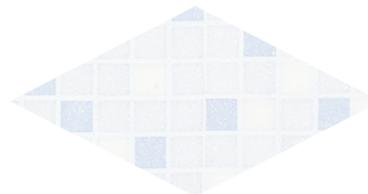
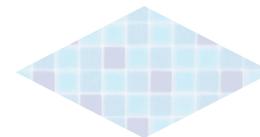
In 2022, a mid-term review of the progress against the 2018 baseline data was conducted. The review identified a range of positive outcomes, demonstrating the effectiveness of the programme. Notably, there has been a remarkable 314% increase in threatened species abundance across the biosites. Additionally, three ecological communities that were previously in decline have shown signs of recovery compared to the baseline records. Five threatened species have been recorded in biosites where they were previously not recorded.

Furthermore, Metro Trains Melbourne has also collaborated with the Green Infrastructure Research Group at the University of Melbourne to conduct a native grassland direct seeding research trial within the rail environment. This research aims to study different methods for rehabilitating degraded areas of native vegetation in the rail reserve. By connecting fragmented habitats, this initiative will protect, diversify and extend existing remnants, benefiting threatened species.

Metro Trains Melbourne's commitment to biodiversity conservation has been recognised by the Infrastructure Sustainability Council. In September 2023, Metro Trains Melbourne was a finalist in the Annual Awards for Excellence in Environmental, acknowledging the value and success of the Biosite Management Programme.



A grassland reserve (Upper) and season ecological burns (Lower)



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