



Sustainability Report

2019

Highlights

SUSTAINABILITY IN MTR

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Since our establishment in 1975, MTR Corporation Limited ("MTR" or the "Corporation") has adhered to our core philosophy of operating responsibly, using natural resources efficiently in all aspects of our business and contributing positively to the development of our communities. This is reflected in our Vision, Mission and Values and our commitment to align with the best corporate governance practices to ensure that MTR is well-managed in the interest of all our stakeholders. To achieve our vision as a responsible business that creates shared value for our society, we follow our Corporate Responsibility Policy supplemented by a number of policies focused on specific sustainability aspects. Please refer to our **Sustainability Website** for details and links on our policies and guidelines.

Our Sustainability Disclosure

We disclose the Corporation's strategies, initiatives and performance related to our material sustainability issues on a dedicated Sustainability Website and a Sustainability Report. The Sustainability Website serves as a central repository of the Corporation's sustainability information containing details on the Corporation's sustainability approach and on-going efforts that remain relevant, while the Sustainability Report provides an annual update on the Corporation's sustainability performance and challenges in the immediate past calendar year, complementing the details available from other publicly accessible sources such as our Annual Report and other corporate web content. We also keep our investors up to date on our latest sustainability plans and initiatives through investor-focused disclosures.

Please visit our Sustainability Website at <http://www.mtr.com.hk/sustainability/2019rpt/en/home.php>.

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



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MESSAGE FROM CHAIRMAN AND CEO.

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MTR is a household name that we, Hong Kong people, take pride in. In the past decade, we have earned much recognition which made MTR a renowned multinational railway operator.

Over the past 40 years, MTR has been tirelessly pursuing operational excellence and exceptional travel experience in a customer-focused manner. I am proud of MTR in creating values to the communities.

Sustainability is at the heart of our services. We have developed a Climate Change Strategy to support transforming Hong Kong to a low-carbon city. We will also continue to contribute to the communities through our well-established community programmes such as STEM Challenge and 'Train' for Life's Journeys.

Year 2019 was a challenging year for the Corporation, in particular, events challenging our safety record. MTR takes these unfortunate events very seriously and spare no efforts in making improvement to avoid re-occurrence of similar events. Safety is the top priority of MTR that we will never compromise. Amidst the COVID-19 epidemic, we arranged special reliefs for tenants at MTR stations and malls and donated surgical masks to those in need.

Looking forward, we will continue to strengthen our connections with the community, remain resilient to the changing environment, and reinforce MTR's reputation as a safe, reliable and efficient mass transit railway company.

Rex Auyeung Pak-kuen
Chairman
Hong Kong

The first year of my tenure as MTR CEO had been arduous! The Corporation weathered some unprecedented challenges on several fronts and faced the COVID-19 epidemic. We shall continue to walk with our city in this difficult journey with dedication and resilience.

The year of 2019 also commemorated 40 years of MTR services in Hong Kong. Through the Rail plus Property model, we have built many dynamic and vibrant communities with seamless connection between commuting and home. We have also grown from a local company to a multinational brand.

"Keep Hong Kong moving" is a mission we take to our heart. In 2019, we continued to upgrade our assets and make changes to continuously improve our management process. We also proactively leveraged our time, resources, expertise and efforts, contributing positively to the development of communities. 2019 also witnessed continued expansions of the MTR global brand.

In the years to come, we will continue to capitalise on innovation and technology to drive an enhanced mass transit system to serve communities in a sustainable way. I am confident the Corporation will emerge as a stronger team, working together to enhance our reputation as a safe, reliable and efficient railway operator.

Dr Jacob Kam Chak-pui
Chief Executive Officer
Hong Kong



ABOUT MTR

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262.6km

Hong Kong total railway route length



12.8 million

Passenger journeys every weekday globally in 2019



Total revenue in 2019

HK\$54.5 billion



104,000+

Residential units managed in Hong Kong



772,000m²+

Commercial and office space managed in Hong Kong



9 Green Bonds

in 3 different currencies

Headquartered in Hong Kong, MTR Corporation Limited is publicly-listed (SEHK: 0066) and has grown over its 40 years from a local rail company to a global leader in the industry. With over 2,600 kilometres of rail lines and more than 50,000 employees both in Hong Kong and internationally in the United Kingdom, Australia, Sweden and the Mainland of China, we deliver safe, reliable, efficient and customer-centric services. Our expertise extends through the entire lifecycle of railway projects from design to construction to commissioning, maintenance and operations. In addition to our core railway business, we foster the growth of dynamic communities across the network through our "Rail plus Property" model which seamlessly integrates rail, commercial and property development.

Rail Services at a Glance

SWEDEN

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

Stockholm

London

UNITED KINGDOM

- Elizabeth line
- South Western Railway

BEIJING

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

Beijing

Hangzhou

Shenzhen

Hong Kong

Macau

HANGZHOU

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

SHENZHEN

- Metro Line 4

HONG KONG

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

MACAU

- Light Rapid Transit Taipa Line

SYDNEY

- Sydney Metro Northwest

MELBOURNE

- Metropolitan Rail Service

Sydney

Melbourne



SAFETY FIRST.

5



0

Customer fatalities
in 2019
in Hong Kong



0

Staff and contractor
fatalities in 2019
in Hong Kong



-20%

Injuries requiring hospitalisation
per 100 million passenger journeys
on our heavy rail network in 2019
in Hong Kong compared to 2018

Safety is the top priority across all levels in MTR. We instil a Safety-First culture throughout all aspects of our operations which is supported and monitored through our **Corporate Safety Policy** and Corporate Safety Governance Framework. Every four year, we develop a Corporate Strategic Safety Plan with clear goals and focus areas. We also follow a Corporate Safety Management Model detailing the appropriate safety management processes across eight core elements to tackle all safety challenges across our diverse operations in Hong Kong and abroad.

In 2019, we continued to reinforce our Safety-First culture. Some of our initiatives include:

Customer Safety

- Introduced "T Chai", our new ambassador, in the annual Escalator Safety Campaign with a set of social media stickers, posters and a video providing passengers with safety tips.
- Collaborated with a social enterprise, People On Board, to deliver rail safety messages to the community through themed activities at the Hong Kong Book Fair.

Staff and Contractor Safety

- Joined the global Vision Zero Campaign focused on a strong prevention culture which integrates safety, health, and well-being at all levels of work for a safe environment for everyone.
- Held "Corporate Safety Month" with the theme "Health and Safety, in Heart and Mind" connecting physical and mental health and safety at work.
- Launched the "Safety Hero Award Scheme" to recognise frontline staff and contractors who live our safety-first culture.



CUSTOMER EXPERIENCE.

6



99.9%

Passenger journeys
on-time in Hong Kong



1.4 million+

Monthly active users
of MTR Mobile



23

Interchange stations with
breastfeeding facilities and
babycare rooms in Hong Kong

Our objective is to deliver safe, reliable and high quality services to our customers. Every year, we define and transparently share our **Customer Service Pledge** targets across 15 service areas and implement our Customer Experience Management Model to ensure we continue to meet the expectations of our customers. In case of any disruptions to regular train services, our staff and the supplementary support teams are ready to provide assistance for affected customers as specialised teams are mobilised to restore normal service operations quickly and safely.

In 2019, we continued to upgrade our assets and facilities and focus on customer education and awareness for a more pleasant travel experience. Some of our initiatives include:

Customer Services in our Rail Operations

- Launched the Customer Services and Revenue Protection Unit responsible for revenue protection (ticket inspection), by-law enforcement, customer services during major events with station teams, and providing emergency shuttle bus services during train service interruptions.
- Held Customer Service Month during which we reinforced MTR's commitment to a customer-centric service mindset.
- Added an extra 86 train trips per week to the Tsuen Wan Line, Kwun Tong Line, and Island Line, particularly on Fridays, weekends and public holidays.
- Introduced 15 additional trains on the East Rail Line during the morning peak periods on weekdays.

Asset and Facility Upgrades

- Introduced the "Alighting Reminder", "Trip Planner" and "Real-Time Schedule" features to the MTR Mobile app to provide timely guidance for efficient journeys for over 1.4 million monthly active users.
- Introduced "Scan to Go" in Mong Kok Station with QR codes on street maps and exit directories to provide passengers with instant directions to their destinations.
- Installed babycare rooms equipped with a nappy changing station, a sink and an independent breastfeeding area at seven interchange stations.



ENVIRONMENT PROTECTION.

7



-12%

Hong Kong heavy rail
electricity consumption
per passenger-km
compared to 2008



-12%

Electricity consumption
in our Hong Kong
investment properties
compared to 2013



270+

Bird species spotted
at the Lok Ma Chau wetland

Our **Corporate Responsibility Policy** guides our approach to managing environmental impacts, conserving resources, maintaining biodiversity and addressing climate risks. Our newly introduced **Climate Change Strategy** provides detail account of our commitment and approach to combat climate change. Environmental protection is a core part of our activities. All new projects begin with a statutory Environmental Impact Assessment to help us avoid, minimise and mitigate potential impacts. We systematically manage environmental impacts throughout project lifecycles from construction to operation through ISO 14001:2015 certified Environmental Management Systems.

In 2019, we continued on our quest to be a resource-efficient and ecologically sustainable railway and property service company. Some of our initiatives include:

Energy Reduction and Efficiency	<ul style="list-style-type: none">- Installed 189 solar panels at our Hung Hom office building with the system capacity of 58.6 kW which can last for around 15 years up to 2033.- Continued a large-scale chiller replacement project with the replacement of 32 chillers in 2019 resulting in savings of 7.2GWh.
Resource Conservation	<ul style="list-style-type: none">- Installed drinking water dispensers at Tung Chung, Tsuen Wan and Prince Edward stations and water vending machines at Kwun Tong, Causeway Bay and Shau Kei Wan stations providing a sustainable alternative to single-use plastic beverages containers.
Biodiversity	<ul style="list-style-type: none">- Initiated a Tree Risk Map with meteorologists of City University of Hong Kong which would co-relate typhoon paths and wind direction to enhance our tree management strategy through advance preventive steps and more effective recovery actions.- Observed over 270 bird species in our managed Lok Ma Chau wetland, and spotted six different bird species breeding on site during the 2019 breeding season in the Wetland.



HUMAN CAPITAL

8



50,000+

Dedicated staff globally
(including subsidiaries
and affiliates)



4.4%

Voluntary staff turnover
in Hong Kong



7.1

Average training days
per employee in Hong Kong

Our corporate culture encourages an inclusive and supportive workplace focused on organisational excellence and a growth mindset. Our **Code of Conduct** alongside the employment policies and practices we enact are designed to create a safe, trusting, ethical and cooperative work environment. We uphold the principles of fairness and equal opportunities and abide by relevant legislative requirements to ensure our workplace is free from discrimination.

In 2019, we continued to highlight our four key internal culture areas: Participative Communication, Effectiveness and Innovation, Agility to Change and Collaboration. Some of our initiatives include:

Nurturing Corporate Culture	<ul style="list-style-type: none">- Held "ID Pitch" to crowdsource staff ideas and initiatives for the improvement of our environmental performance resulting in 134 outstanding ideas out of which two were selected for the "Best Idea Award" and advanced for potential future implementation.
Training and Development	<ul style="list-style-type: none">- Built the "VR CAVE", a fully immersive virtual reality training platform in collaboration with the University of Hong Kong to provide trainees with nine interactive training modules covering select topics within the Possession Working and Station Operations training programme.
Work-Life Balance	<ul style="list-style-type: none">- Launched "VitaMe", our new corporate wellness programme with a pop-up yoga event in conference rooms and office lift lobbies across our major office buildings.- Organised our first MTR Wellness Day under VitaMe with more than 1,000 colleagues participating in various wellness activities including an indoor dragon boat challenge, on-site massages, instant health-checks, and three comprehensive health seminars covering physical, emotional, as well as financial well-being.



RESPONSIBLE PROCUREMENT.

9



100%

Suppliers required to comply with our Supplier Code of Practice*



764

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



94%

Suppliers fall in the lowest risk categories in the supplier segmentation analysis*

We extend our commitment to responsible and sustainable operations to our supply chain with a holistic approach to identify, evaluate and mitigate associated risks through our Enterprise Risk Management Framework. Policies and guidelines, including the [Green Procurement Policy](#) and the [Supplier Code of Practice](#), outline our expectations for employees and supply chain partners to ensure high standards for human and labour rights, supply chain management, and ethical business practices are met.

In 2019, we continued to mitigate the underlying risks in our supply chain and collaborate with our suppliers to explore and implement sustainable business practices. Some of our initiatives include:

Supplier Engagement

- Formulated a sustainable procurement programme starting with an initial review of our present approach and policies to sustainable procurement and an analysis and segmentation of our suppliers into four risk categories.
- Continued to assess suppliers for transport operations, property management and railway extension projects based on the procurement category as a proportion to their total spend.
- Provided training for 764 trainees under the Shatin to Central Link Contractors Cooperative Training Scheme.

*Note: performance data covers our Hong Kong operations only



COMMUNITY INVESTMENT.

10



HK\$21 million

Invested into
the community



259

Employee volunteering
projects in Hong Kong



about 22 million

Passenger trips on the
High Speed Rail since
commencement of service
in September 2018

We leverage our resources and expertise contributing to the development of the communities we serve. Our “Rail plus Property” model in conjunction with our charitable contributions and staff volunteering propel our aspiration to build sustainable, prosperous and inclusive communities which accommodate the needs of diverse social segments.

In 2019, we continued to build infrastructure to enhance connectivity and mobilise our collective efforts to make positive social impacts. Some of our initiatives include:

Connecting Communities	<ul style="list-style-type: none"> - Extended High Speed Rail coverage to 58 Mainland stations with 14 new destinations without the need for interchange and increased the number of long-haul trains per day to 17 reaching four additional cities.
Investing in Communities	<ul style="list-style-type: none"> - Re-launched the Budding Station Master Programme where primary school students are invited to visit our station control rooms and role-play the daily duties of station staff. - Attracted a record number of 260 participants in ‘Train’ for Life’s Journeys, our youth summer programme to support students’ career and life planning and whole-person development. - Launched “Social Career” – an e-volunteering platform which allows colleagues to browse, initiate and enrol in volunteering activities at their convenience. - Featured 82 artworks from talents around the world at different MTR stations.

INITIATIVES AT OUR SUBSIDIARIES.

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

Mainland of China - MTR Shenzhen

- Upgraded the entry/exit machines to accept QR code payment such as WeChat Pay and UnionPay QuickPass available at all eight metro lines, meeting different passengers' needs.
- Strictly complied with the Waste Management Procedures and followed the principles of "reuse and reduce", the amount of hazardous waste generated was reduced by 31% as compared to 2018 level.
- Partnered with the Transport Commission of Shenzhen Municipality to organise an outreach activity for the public to promote the convenience of public transportation and enabled a fun-filled and healthy day for the public.

Australia - Metro Trains Sydney

- Installed platform screen doors and in-train passenger emergency alarms directly connected to staff at the Operations Control Centre for fully-automated trains in the new Sydney Metro Northwest line.



Australia - Metro Trains Melbourne

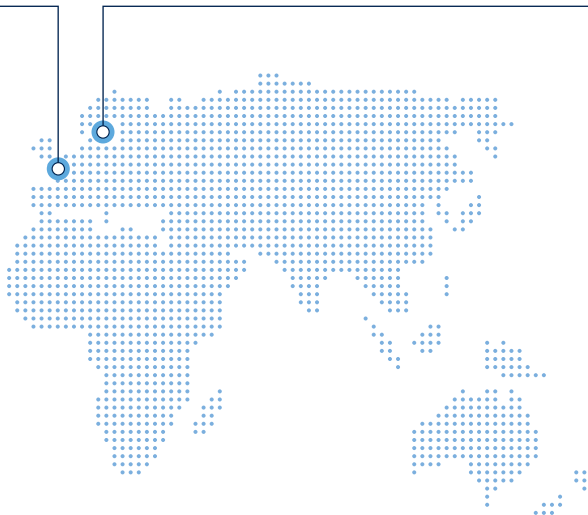
- Established an Accessibility Reference Group to directly gather public opinion which helped inform the 2019-2021 Accessibility Plan.
- Replaced saloon lighting with LED lights on 136 trains as part of the large-scale upgrades of the Comeng fleet and retrofitted LED lighting at all five Rolling Stock Maintenance Depots, which enables more than 50% in energy savings.
- Conducted a trial campaign to separate and recycle coffee cups at Flinders Street Station which account for 40% of passenger waste.
- Completed a water audit for 70 of the top water-using sites to identify additional opportunities to improve water efficiency, and introduced timer taps, dual flush toilets and vandal-proof taps and installed water meters at ageing infrastructure sites to better address water leaks.
- Took part in "Sleep at the 'G'", an annual sleepover event organised by Melbourne City Mission to raise funds and awareness of youth homelessness.

INITIATIVES AT OUR SUBSIDIARIES.

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United Kingdom - MTR Elizabeth line

- Hosted several Joint Safety Awareness Sessions, providing customers with basic safety tips when travelling on public transport and the most up-to-date information regarding station upgrade works and the opening of the Elizabeth line.
- Installed LED lighting at select station platforms, footbridges and under canopies, coupled with sensors to automatically reduce light levels at applicable times.
- Achieved an average recycling rate of 13% and reached the "0% to Landfill" target by sending the remaining waste to an Energy from Waste facility.
- Supported Transport for London to install water eco-dispenser in some of MTR Elizabeth line's stations.
- Conducted the annual Samaritans Charity Bike Ride inside the subway of Romford station to raise funds for people in need.



Sweden - MTR Nordic

- Held a Safety Month in October 2019 with over 200 participants in a range of activities to enhance awareness of preventive safety measures.
- Switched to 100% renewable electricity in its operations.
- Increased the use of renewable fuels in replacement traffic and its own cars to 61%.
- Partnered with Stockholms Stadsmission to raise HK\$ 149,283 for homeless people through selling lost-and-found items that were not collected from stations and donations from staff members.
- Arranged Security Education for operating staff to teach them how to handle aggressive and threatening situations and help them understand the theories of crime prevention and security.

