

# Keep Cities Moving Sustainably

**Sustainability Report 2021** 

Highlights

# COMPANY OVERVIEW



Refer to MTR Annual Report 2021 (https://www.mtr.com.hk/en/corporate/investor/financialinfo.html#02) for a full list of our Railway and Property Portfolio.

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# MESSAGE FROM CHAIRMAN AND CEO



During the year, we have established three social and environmental objectives – Social Inclusion, Advancement and Opportunities, and Greenhouse Gas Emissions Reduction, which underpin our ten commitments to further embed social and environmental principles within the Corporation. The MTR Board approved a set of 35 key performance indicators (KPIs) to gauge and drive our performance in each of these areas, including a Board gender diversity target, science-based carbon reduction targets for our railway and property businesses in Hong Kong for 2030, and a longer term aspiration to achieving carbon neutrality.

To direct the Corporation's future environmental, social and governance (ESG) investments in a more focused manner, we have commenced a study to develop an ESG investment framework, making ESG a key consideration in our overall financial investment decision making process.

The Board level Corporate Responsibility Committee has been renamed as the Environmental & Social Responsibility Committee with a revamped Terms of Reference enabling it to provide strategic oversight of our environmental and social strategy, and track performance against relevant KPIs.

To help the local community in its fight against COVID, we set up the first Community Vaccination Centre in our Tsing Yi Station. Other measures include the offering of free MTR City saver tickets to Hospital Authority staff, partnering with Food Angel and ImpactHK to donate food vouchers and provide assistance to low-income families and the homeless, and releasing some vacant parking spaces in the car park at the Hong Kong West Kowloon Station for use by COVID taxis. We will continue to provide appropriate rental relief measures to our affected tenants.

ESG is a centre piece of our new Corporate Strategy. We have made various notable achievements and received a number of awards during the past year. We will continue to demonstrate our ESG leadership by embedding sustainable thinking in the different areas of our business.

#### **Dr Rex Auyeung Pak-kuen**

*Chairman* Hong Kong The COVID-19 pandemic continued to adversely impact our businesses in 2021. Since the outbreak of the pandemic, we have been implementing a series of measures to safeguard the health and safety of our passengers and employees as well as supporting the community. For instance, we stepped up cleaning and disinfection efforts at all station facilities and passenger amenities, applied cutting-edge technologies to create a touch-free travel experience for passengers and arranged a COVID-19 vaccination outreach service for our staff and their dependents. We are committed to serving the community with the purpose to keep Hong Kong moving and will do our utmost to maintain a safe and reliable service for the public.



Despite the challenges of COVID-19, we reached a number of remarkable achievements during the period. We opened the full Tuen Ma Line in Hong Kong, the full Beijing Metro Line 14 and the initial section of Beijing Metro Line 17. We took over the Mälartåg operations in Sweden and launched our "Go Smart Go Beyond" campaign in Hong Kong.

During the year, our Hin Keng Station has become the first railway station in Asia to achieve BREEAM certification. Our "Carbon Wallet" mobile app allows users who take carbonconscious actions to earn points to redeem green products and services. We also organised the "MTR x Carbonless Asia Challenge 2021" to find novel and scalable decarbonisation solutions globally.

In 2021, we arranged HK\$4.8 billion of green finance to support our sustainable development projects. We received the "Outstanding Award for Green and Sustainable Bond Issuer (Transportation industry) – Largest Single Green Bond" and the Hong Kong Sustainability Award and five special recognition awards in the Hong Kong Sustainability Awards 2020/21.

I want to express my heartfelt gratitude to all our colleagues who have maintained their commitment and professionalism to keep our cities moving. As long as we stay united, we shall overcome the challenges ahead.

#### Dr Jacob Kam Chak-pui

*Chief Executive Officer* Hong Kong

# SUSTAINABILITY AT MTR

At MTR, we aim to be an internationally-recognised company that connects and grows communities with caring, innovative and sustainable services. Last year, we further strengthened Board governance on environmental and social issues. The Board level Corporate Responsibility Committee has been renamed as the Environmental & Social Responsibility Committee with a revamped Terms of Reference enabling it to provide strategic oversight of the Corporation's environmental and social strategy and investments. The Committee will also be responsible for tracking performance against the Corporation's environmental and social KPIs and reporting to the MTR Board on these issues.

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

This pamphlet provides the highlights of the Corporation's achievements in 2021 in our three social and environmental objectives. Please visit our Sustainability Website at <a href="https://www.mtr.com.hk/sustainability/en/home.html">https://www.mtr.com.hk/sustainability/en/home.html</a> for more information. We value your feedback on our sustainability performance and disclosures. Please send your views and comments to sdmngr@mtr.com.hk or via the MTR website

http://www.mtr.com.hk/en/customer/main/contact\_us.html.





With the aspiration to "Keep Cities Moving", we have set forth three social and environmental objectives and clearly defined ten focus areas and a set of 35 KPIs that will concentrate our efforts in the areas in which we can create a greater impact for society. We will regularly review our progress and performance and communicate with stakeholders through our annual sustainability report.

#### Gill Meller

Chair of Environmental & Social Responsibility Steering Committee

Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA Sustainability Yearbook Member 2022





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# OUR PLAN TO KEEP CITIES MOVING SUSTAINABLY



Social and Environmental Objective 1: SOCIAL INCLUSION



Universal Basic Mobility

#### Short- and Mid-term:

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

per 100 million passenger journeys in 2022



#### Long-term:

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



### **Diversity & Inclusion**

#### Short- and Mid-term:

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





#### **Equal Opportunities**

#### Short- and Mid-term:

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



# Social and Environmental Objective 2: ADVANCEMENT & OPPORTUNITIES



Short- and Mid-term:

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



**Business Partners** 

Short- and Mid-term:

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





8 DECENT WORK AND

**9** INDUSTRY, INNOVATION AND INDUSTRY, INNOVATION AND INFRASTRUCTURE

#### Short- and Mid-term:

3 GOOD HEALTH

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



# Social and Environmental Objective 3: GREENHOUSE GAS EMISSIONS REDUCTION



#### Short- and Mid-term:

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

#### Long-term:

Strive to achieve carbon neutrality by 2050





#### Short- and Mid-term:

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



#### Waste Management

• 60% of our staff canteens

• 25% of our shopping mall food

& beverage tenants will

ioin our food waste reduction

dispensers will be installed

water

will send food waste to O · PARK for

Short- and Mid-term:

treatment in 2022

programme in 2022

in our stations in 2022

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additional



#### Green and Low-carbon Designs

#### Short- and Mid-term:

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

#### Long-term:

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

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# **PROMOTING SOCIAL INCLUSION**

Universal Basic Mobility

Diversity and Inclusion Equal Opportunities

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

# Universal Basic Mobility

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

#### **Hong Kong**

Launched the latest **4-year Corporate Strategic Safety Plan** which sets the path in safety to promote the aspiration of "Everyone is a safety leader".

Deployed **60** "Little Whale" and "Big Whale" **cleaning robots** to conduct deep cleaning and decontamination in stations.

Installed **contactless proximity sensor buttons** in **more than 100 lifts** across our stations and facilities to reduce indirect physical contact.



Acquired **120** additional **Automated External Defibrillators** (AEDs), increasing the total number of AEDs placed within our railway facilities to **around 300** to strengthen the protection of passengers with immediate needs.



Received the **Barrier Free Accessibility Certification** by the Hong Kong Quality Assurance Agency for all MTR malls.

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

Offered over **HK\$900 million** in total fare reductions, fare promotions and special fare arrangements under the pandemic.



Arranged a series of visits to understand the mobility needs of different groups with special needs, such as people with mental illness, hearing and visually impaired persons, ethnic minorities and students with Special Education Needs.



#### Outside Hong Kong

#### MTR (Shenzhen)

Stepped up efforts to fight against the pandemic, including increasing the frequency of **deep cleaning and disinfecting** procedures, deploying autonomous **sanitising robots** for intense cleaning, installing automatic **body temperature detection systems** and commissioning **new ventilation systems** at all 23 stations.

Completed the **upgrade of washrooms** in stations, including installing safety handrails for the elderly and child sanitary facilities in some washrooms to serve the needs of young children.

#### MTR Nordic

Conducted a pilot activity for **Women's Security in the Metro** to increase women's sense of security by providing information about the security resources throughout the Metro.

Organised **74 visits** to **21 primary schools** to teach children about safe behaviour in the metro and commuter rail systems.



#### **MTR Elizabeth line**

Allowed frontline staff to **add additional languages** on their badges to enable customers to identify staff who speak their preferred language.

# Diversity and Inclusion

We recognise the value of a diverse and inclusive workforce and commit to ensuring that opportunities are open to all and that our employees feel respected and supported to bring their whole selves to work. We commit to eliminating discrimination in our practices and policies and to increasing the diversity of our workforce.

#### Hong Kong

Have 20% female members in our Board.

Participated in the "**Talent-wise Employment Charter and Inclusive Organisations Recognition Scheme**" to offer internship opportunities to six students with disabilities.

Provided the **In and Out the Box® training** for **145 newly promoted managers**, which is a diversity and inclusion tool that brings awareness and empathy for others.

### Outside Hong Kong

#### **MTR Elizabeth line**

- Published **neurodiversity guidance** to help employees understand neurodiversity so they can show a positive attitude to these people.
- Took part in **Women In Rail scheme** an award winning mentoring programme with rail companies within the UK to help participants' career development.

#### **Metro Trains Melbourne**

- Developed a **Metro Diversity and Inclusion Strategy 2020-2024**, which outlines diversity and inclusion objectives covering Gender Equality, LGBTIQ+ Inclusion, and Social Inclusion and Aboriginal Employment.
- Increased the proportion of women in workforce from 23.1% in October 2019 to 28.9% in October 2021.
- Run the **Engineering Pathways Industry Cadetship Programme** to provide engineers from asylum seeker backgrounds with a pathway to local experience and recognised qualifications.

## Equal Opportunities

We recognise the negative impact of social inequality and commit to lifting barriers and helping excluded and underserved populations access their fair share of opportunity.

#### **Hong Kong**

Contributed a total of **8,593 volunteer hours** with **95 community projects** and offered in-kind donations valued **HK\$32 million** and invested **HK\$15 million** in various community programmes.

Received the **Hong Kong Sustainability Award** and **five other special recognition awards** in the Hong Kong Sustainability Award 2020/21 organised by the Hong Kong Management Association.

Donated **useful components** of **retired Mid-life Refurbished trains** to the community, e.g. straphangers and handrails were repurposed for use at elderly homes while passenger seats were installed in elderly centres and schools.



Arranged a **non-visual photography workshop** and an **art appreciation tour** for **visually impaired persons** with audio description supported by MTR volunteers to promote art appreciation without boundaries and the importance of inclusion for both sighted and non-sighted persons.

Held a **photo exhibition** entitled "Shining at the Tokyo Games" at Hong Kong and Olympic stations, and presented train tickets for life-long unlimited free rides to the medalists of **Tokyo 2020 Olympic and Paralympic Games** to show appreciation to local athletes and their spirit of perseverance.

Launched the **MTR Volunteering Month** with a theme of "Happy Rail Green & Love", with activities specifically designed to serve people with intellectual disabilities, visual impairment, underprivileged and ethnic minority children.









# FOSTERING ADVANCEMENT AND OPPORTUNITIES

Employee Development and Wellness Enabling Development of Our Business Partners

Future Skills and Innovation

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 recognise the importance of enhancing workplace well-being and providing advancement opportunities for our employees. We commit to helping employees grow personally and professionally through learning and opportunities for career advancement, and to fostering their well-being.

#### **Hong Kong**

- Achieved an average number of **5.2 training days per employee** in Hong Kong.
- Strengthened the content of the **Learning Management System** to allow self-learning anytime and anywhere and included topics such as Environmental, Social and Corporate Governance (ESG), Diversity, Equity and Inclusion (DEI) and work ethics.
- Opened a brand-new **Mixed Reality Training Centre** for technical and maintenance training, on top of the 10 virtual reality training venues along the railway network.



Won **three recognitions** in the **HR Distinction Awards 2021** for our signature customer service training programme, "Driving Service Excellence for Service Ambassadors".



Recruited around **100 young people** to join various development schemes in pursuit of a career in the railway industry and **55 high potential graduates** to be developed as fast-track general management and professional talents.

Organised lucky draws and offered additional paid leave to encourage employees to be vaccinated and arranged a **COVID-19 vaccination outreach service** for employees and their dependents, being the first public transport operator providing such service.



### Outside Hong Kong

#### **Metro Trains Melbourne**

Continued to implement a series of measures to protect employees from COVID-19, including implementing an Early Intervention Leave up to **5 days paid leave**, hosting **employee information sessions** regarding vaccinations and a **virtual morning tea series** known as "Stay Connected" to deliver a range of topical subjects by industry experts, such as physical, psychological and financial wellbeing to all employees on a monthly basis.

#### **MTR Elizabeth line**

- Launched the **Wellness Station** an intranet platform to provide mental and physical health information for employees.
- Participated in a number of wellness events such as **Suicide Prevention Day, Wellbeing Roadshow**, and **Mental Health Awareness week** to share knowledge and highlight the importance of good health and wellbeing with employees.

### Enabling Development of our Business Partners

We recognise our role in creating value for communities through enabling the development of our business partners. We commit to enhancing and rewarding the environmental, social and governance performance of our supply chain and increasing our spend on green procurement.

#### **Hong Kong**

Completed a review of our present approach and policies on **sustainable procurement** and performed a **supplier segmentation analysis** to gauge our supply chain risks and our capacity to influence behaviour and drive change. Organised the Quality, Safety, Environmental and Stakeholder Engagement **Award Scheme** and Safety and Environmental Improvement **Incentive Scheme** to recognise contractors' performance.



#### **Outside Hong Kong**

#### MTR (Macau)

Established a mechanism to **evaluate vendors' environmental performance** as part of the procurement process, including requesting certification of an environmental management system, developing an environmental policy, and submitting an environmental management plan for continuous improvement.

## Future Skills and Innovation

We recognise the value of innovation and upskilling our citizens and the future generation to meet future challenges. We commit to collaborating with local schools and universities, as well as startups and the technology ecosystem to foster innovation.

#### Hong Kong

Continued to organise a series of workshops and activities under the annual signature programme **'Train' for Life's Journeys** to support secondary school students in their career and life planning as well as whole-person development.



Arranged a **visit** to the **MTR Operations Control Centre** for university students as part of the Hong Kong General Chamber of Commerce Pitch Perfect Programme.



Launched a **mentoring scheme** for secondary school students as part of the HKSAR Government's "Life Buddies" Mentoring Scheme.



Arranged a **visit to MTR Academy** (MTRA) for secondary students, covering different career opportunities in the railway industry and a tour around the Integrated Training Facilities Room at MTRA.



Co-hosted the **1st World Skills Competition (Railway Vehicle Technology)** with Vocational Training Council and attracted **120 contestants** in the first round of competition.



- Approved and funded **more than 45 innovative projects** including smart station facilities maintenance, artificial intelligence, blockchain, virtual reality, etc.
- Worked with **Cyberport** to support **startup** companies through their business matching programme, Cyberport Enterprise Network Programme, to help startups grow and apply their technologies to metro operations.
- Devised an **Externship Programme** to provide external exposure to staff via job secondment or exchange with external companies.
- Attracted more than **100 full-time and part-time students** attending MTR Academy's accredited Diploma and Advanced Diploma programmes under the Hong Kong Qualification Framework, producing **86 graduates** in 2021.

#### **Outside Hong Kong**

#### **MTR Nordic**

Run a **Higher Vocational Education programme** for train drivers and train technicians. **30 students** started the programme in 2021, where of **26** of them graduated the following year, and **15** of them have been recruited by MTR Mälartåg and **two** have been recruited by MTR Pendeltågen.



# REDUCING GREENHOUSE GAS EMISSIONS

Carbon Carbon Emissions Clean Energy Efficiency Clean Energy Efficiency Carbon Designs

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

## Reducing Carbon Emissions, Adopting Clean Energy and Enhancing Energy Efficiency

We recognise the importance of combating climate change and commit to integrating low-carbon measures into our policies, strategies and planning as well as strengthening our resilience and adaption to climate-related risks. We also commit to adopting suitable energy efficiency measures in our operations and increasing the generation of renewable energy.

#### **Hong Kong**

Completed a carbon reduction study to develop a long-term decarbonisation roadmap for the Corporation. Following the study, we will be **setting 2030 science-based targets** for our railway and property businesses in Hong Kong with the longer-term goal of achieving **carbon neutrality by 2050**.

Continued the large-scale **chiller replacement project** at stations and depots, replacing **121 chillers** up to 2021, close to **78%** completion.

Commenced the installation works of two **Station Energy Saving Inverter systems** at Lai King Traction Substation at Airport Express and Tung Chung Line and at HKU Station on the Island Line, which can capture total estimated average of **1,700 kWh** of regenerative energy per day. Replaced around **70% of fluorescent light tubes** at our Headquarters and all traditional downlights in the Kowloon Bay Depot canteen with **LED lights**.

Continued the Phase 1 **Solar Facilities project** in **Hin Keng Station** and received formal approval for moving forward two pilot solar projects at Tai Wai Depot and Tuen Mun Depot.



More than 145,000 registered users participated in the Carbon Footprint Challenge, saving over 61,000 tonnes of carbon emissions.

Reached **over 20,000 downloads** for our **Carbon Wallet** app, capturing green actions that saved **30,000kg CO<sub>2</sub>e** since its launch in March 2021.



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Organised the "**MTR x Carbonless Asia Challenge 2021**" to identify novel and scalable data-driven decarbonisation solutions for our systems and operations around the globe, attracting **142 teams** from **23 countries** to submit proposal.



### Outside Hong Kong

#### **MTR Nordic**

- Adopted 100% renewable energy in its operations.
- Adopted **biodiesel** or **HVO100** (Hydrotreated Vegetable Oil) fuel for 31 diesel vehicles, which can reduce up to 90% of carbon emissions compared to fossil fuel.
- Reduced energy consumption by **5.1%** compared to the 2018 baseline, remaining on track to reach its 15% energy consumption reduction target by 2025. MTR Nordic is the **first Nordic traffic operator** committed to setting a **science-based target**.

#### **MTR Elizabeth line**

- Reduced carbon footprint of **non-traction energy** by **8%** compared to 2020.
- Installed **seven electric vehicle (EV) charging stations** to enable employees to charge their EVs whilst at work.





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

#### Hong Kong

Installed **two additional free drinking water dispensers** at East Tsim Sha Tsui and Tai Po Market stations, making a total of 12 water dispensers available at our stations.



Conducted a trial on **upcycling** of **spoil ballast** generated from East Rail Line ballast replacement project for making eco-paver, with approximately **2,900 tonnes** of spoil ballast recycled.



Donated **retired timber sleepers** to Agriculture, Fisheries and Conservation Department for a trial of **upcycling** into two outdoor benches at MacLehose Trail and another bench at Hoi Ha Marine Park Visitor Centre.



Installed **three-colour waste separation smart machines** and **food waste recycling machines** in Heng Fa Chuen for a two-year trial, residents can earn electronic points and redeem gifts for recycling.



Participated in the "**Reverse Vending Machine (RVM) Pilot Scheme**" and installed RVMs in **eight MTR managed properties** to collect used plastic beverage containers.

### **Outside Hong Kong**

#### **MTR Elizabeth line**

- Achieved **zero waste** to landfill target with 50% of waste getting **recycled** and 50% used for **energy recovery**.
- Implemented **various initiatives** such as introducing battery recycling, improving signage, improving awareness via eLearning briefs and toolbox talks and hosting Waste Roadshow at stations to increase customer awareness of proper waste segregation, **increasing the recycling rates** by **5-10% per station**.
- Organised an "ideas challenge" for staff to suggest possible measures to reduce waste.

## Green and Low-carbon Designs

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

#### **Hong Kong**

Achieved **BREEAM certification** for our Hin Keng Station, the **first railway station in Asia** receiving such certification.



Achieved **Gold** or **Platinum rating** under the Hong Kong Green Building Council's **BEAM Plus** for **five properties** in our property portfolio.

Supported Water Supplies Department's **Enterprise Cherish Water Campaign** to sign a pledge to cherish water through implementing water saving measures and setting water conservation targets in all MTR office buildings, depots and shopping malls as well as management offices of our residential property.

Spotted **over 123 pairs** of **birds** representing **7 different species** at Lok Ma Chau wetland during the 2021 breeding season.





