

MTR Corporation Modern Slavery and Human Trafficking Statement

This statement details the steps MTR Corporation has taken to identify and mitigate the risks of modern slavery and human trafficking within our direct operations and supply chain. It also covers the measures we will implement to monitor the effectiveness of our actions and to drive continuous improvements in this area.

Introduction by the CEO

We are aware of the importance of tackling the presence of modern slavery and human trafficking and the misery caused by this global problem. We take our responsibilities as a corporate citizen very seriously and work with our suppliers to ensure positive labour standards across all of our supply chains.

Our business and structure

We have extensive end-to-end railway expertise from design to planning and construction through to commissioning, maintenance and operations. Going beyond railway project delivery and operation, we have a wide range of businesses including the development of residential and commercial properties, property leasing and management, advertising, telecommunication services and railway consultancy services.

We are listed on the Hong Kong Stock Exchange. In addition to our main business in Hong Kong, we have a number of subsidiaries operating in markets including the Mainland of China, the United Kingdom, Australia, Sweden and Macau.

Our employees

MTR provides an equal opportunity workplace governed by our inclusion policies. We work to promote a safe, open, and inclusive workspace, free of discrimination based on gender, sexual orientation, disability, age, race, skin colour, national or ethnic origin, family status, religion, or any other personal characteristics.

To ensure our employees are aware of our expectations and behave in an upright and ethical manner, we have set out corporate policies and guidelines relating to procurement and tendering activities. Our Code of Conduct stipulates our commitment to fair, transparent and competitive procurement processes which meet the highest standards of ethical behaviour and comply with all relevant laws and regulations.

Our supply chains, sourcing approach and due diligence

Our supply chains support our rail and property businesses through the procurement of goods and services such as rolling stock, infrastructure and electrical and mechanical equipment, stations and depot maintenance and estate and shopping mall management services. We are committed to ensuring that workers employed in our supply chains are treated fairly and equitably. We have in place various policies / procedures which are relevant to this objective, including:

- Code of Conduct
- Board Diversity Policy
- Procurement Procedures
- Whistle-blowing Policy
- Safety Management System Procedures
- Guidelines on Prevention of Bribery and Illegal Acceptance/Offer of Advantages
- Employee Handbook

We require our suppliers to comply with our Supplier Code of Practice which requests our suppliers to support the principles of the United Nations Universal Declaration of Human Rights, the International Labour Organization Declaration of Fundamental Principles and Rights at Work, the Organisation for Economic Co-operation and Development (OECD) Principles of Corporate

Governance and the United Nations Global Compact in the areas of forced labour and child labour. Our Suppliers are also required to ensure that their own suppliers, subcontractors and other business partners comply with our Supplier Code of Practice. We continue to raise awareness among our suppliers of the laws and regulations on modern slavery and our suppliers' individual obligations through constantly updating our requirements to ensure they adhere to the latest international standard. In mid-2020, we have updated the Supplier Code of Practice to require suppliers to support the principles of the United Kingdom Modern Slavery Act.

Risk analysis and monitoring

We recognise the complexity of modern slavery and the many different forms it can take. Through the risk assessments we undertake, we are able to identify the categories of products/services associated with our businesses that present an elevated level of risk. As a result, we gain a greater understanding of our supply chain network as a whole to bring it under closer management.

We have in place systems to:

- Assess potential suppliers' ability to deliver services to the required standards;
- Monitor the performance of our supply chains to verify they are delivering goods and services in accordance with our contract terms; and
- Protect whistle-blowers.

We have undertaken a third-party supplier risk segmentation, taking into consideration the level of risk exposure driven by the location of the supplier and the industry type in the delivery of goods/services, as a result of which a risk profile has been assigned to each individual supplier. This has been conducted on the suppliers we work with in our operations in Hong Kong, the Mainland of China and other international hubs. We are continually strengthening our risk monitoring and supplier relationships to reduce the risks of modern slavery and human trafficking. As part of our contract administration process, we have performed surveys on suppliers in compliance with our Supplier Code of Practice. Looking forward, we will review and further improve the mechanism by conducting independent audits and developing a grievance system.

Awareness across the business

We recognise that it is everyone's responsibility to ensure that working practices are in line with our company vision and objectives.

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our business and our supply chains, we conducted internal awareness building activities on these issues with the help of a modern slavery expert. We will continue to look at providing other relevant training for our staff.

Monitoring the effectiveness of our actions

To ensure we are able to effectively track our progress in the key areas outlined in this statement going forward, we are in the process of identifying relevant key performance indicators. We will also continue to assess our risks in this area, for example, as we work with new suppliers or in different international hubs, so that we can implement appropriate controls and mitigation.

This constitutes our company's Modern Slavery and Human Trafficking statement for the 2019/2020 financial year. The statement has been approved by the Executive Committee.

A handwritten signature in black ink, appearing to read "Jacob Kam", written in a cursive style.

Dr. Jacob Kam
CEO, MTR Corporation Limited
December 2020