



HK\$16.4 million

Donated and Sponsored to Charitable and Other Organisations

Setting **Science-Based Targets** for 2030 and striving to achieve **Carbon Neutrality** by 2050

ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

MTR is committed to meeting the highest environmental, social and governance (“ESG”) standards possible in order to deliver effectively and responsibly on its mission to “Keep Cities Moving”. In fact, the Company has made ESG the bedrock of its operations as it strives to achieve the sustainable, long-term growth goals detailed in its Corporate Strategy.

Shareholders and stakeholders may learn more about our ESG performance by reading our Sustainability Report, which is published annually as an account of our related activities during the year. The Sustainability

Report fulfils the disclosure requirements of the Hong Kong Stock Exchange ESG Reporting Guide and Global Reporting Initiative Sustainability Reporting Standards, and it follows the framework recommended by the Task Force on Climate-related Financial Disclosures (“TCFD”). The Report contains an Independent Assurance Report prepared by an external auditor, who performed limited assurance in relation to certain sustainability performance data. We also maintain a separate sustainability website that provides details of our management approach to our material sustainability issues.

KEEP CITIES MOVING SUSTAINABLY

In 2023, MTR set out 44 key performance indicators (“KPIs”) to guide its progress in 10 focus areas across three environmental and social objectives: Greenhouse Gas (“GHG”) Emissions Reduction, Social Inclusion, and Advancement and Opportunities. Most of the KPIs had

either been achieved or were on track to be achieved during the year. By regularly gauging our performance according to these criteria, we are better able to assess our strengths and areas for improvement as we work to build safe, efficient, accessible and environmentally friendly transportation networks around the world.

3 ENVIRONMENTAL AND SOCIAL OBJECTIVES AND 10 COMMITMENTS



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

Contribute to the following United Nations Sustainable Development Goals (“UN SDGs”):

5
GENDER EQUALITY

8
DECENT WORK AND ECONOMIC GROWTH

10
REDUCED INEQUALITIES

11
SUSTAINABLE CITIES AND COMMUNITIES

Commitments

- 1  Universal Basic Mobility
- 2  Diversity & Inclusion
- 3  Equal Opportunities



Advancement & Opportunities

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

Contribute to the following UN SDGs:

3
GOOD HEALTH AND WELL-BEING

4
QUALITY EDUCATION

8
DECENT WORK AND ECONOMIC GROWTH

9
INDUSTRY, INNOVATION AND INFRASTRUCTURE

Commitments

- 4  Employees
- 5  Business Partners
- 6  Future Skills & Innovation



GHG Emissions Reduction

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

Contribute to the following UN SDGs:

7
AFFORDABLE AND CLEAN ENERGY

9
INDUSTRY, INNOVATION AND INFRASTRUCTURE

11
SUSTAINABLE CITIES AND COMMUNITIES

12
RESPONSIBLE CONSUMPTION AND PRODUCTION

13
CLIMATE ACTION

Commitments

- 7  Carbon Emissions
- 8  Clean Energy and Energy Efficiency
- 9  Waste Management
- 10  Green and Low-carbon Designs



SOCIAL INCLUSION

Universal Basic Mobility

In 2023, we continued to introduce new features to our “MTR • Care” mobile app to assist the elderly and people in need. We also reached out to a variety of support groups to understand the needs of their communities and how to serve them better.

In celebration of Light Rail’s 35th Anniversary, around 180 service users and representatives from five NGOs, including our ESG Project Allies with service users from ethnically diverse or underprivileged families, students with special education needs, and people with disabilities were invited to join the Open Day at Tuen Mun Depot.

Safety First

As a world leader in mass transit services, MTR prioritises the safety and well-being of its passengers, staff and business partners. The Company invests significant resources each year into operational and workplace safety to ensure that its trains, stations and properties remain safe and accessible.

In 2023, important safety initiatives included the completion of an asset management system review of the Company’s railway operations and portfolio in Hong Kong; on-going reviews of our safety and health practices; and regular staff training on public and workplace safety fundamentals.

Our Corporate Strategic Safety Plan 2021 – 2024, which is under a four-year review cycle, helps us focus our safety efforts and meet our safety objectives across all our business units, subsidiaries and associates, both in Hong Kong and around the world.

To foster a safety-first culture, we launched the Corporate Safety Campaign 2023 to boost engagement through various initiatives, including the Global Safety Hackathon and seminars delivered by world-renowned safety experts. Such events enabled knowledge-sharing and helped build a proactive safety culture for the MTR community globally.

For details on the many ways that we enhance operations and customer safety, please refer to the “Hong Kong Transport Services – Transport Operations” section (page 34) of this Annual Report.

Diversity and Inclusion

At MTR, we believe that promoting diversity and inclusion is key to ensuring a harmonious environment for all, both in the workplace and community. As a joint effort across business units and corporate functions to promote disability inclusion, we were proud to receive the “CareER Inclusive Employer Badge” in 2023 for participating in their Disability Inclusion Index and hiring people with disabilities in Hong Kong.

To further support our commitment to diversity and inclusion, we sponsored various events that aimed to enhance social inclusion and equality in the community. The Company sponsored the inclusive concert “Everyday Heroes All Around” organised by True Colors Symphony, where differently abled musicians performed for 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.

Equal Opportunities

The year featured several highlights in MTR's efforts to help ensure level playing fields in society and the workplace. One was the new ESG Project Allies initiative, launched with 12 NGOs and social enterprise partners, to co-create impact in the areas of disability inclusion, ethnic diversity, gender equity and intergenerational relationships. The Company is also piloting a new one-year traineeship programme, "EmpowerZ", to support the employment of people with disabilities or from ethnically diverse backgrounds. This programme reaches out to the community proactively via our ESG Project Allies, NGO partners, The Hong Kong Council of Social Services and the Equal Opportunities Commission. We also provided support to NGOs through free advertising space and nominal rental rates at some of our station shops, as discussed in the "Hong Kong Transport Services – Station Commercial Businesses" section (page 45) of this Annual Report.

Elsewhere, MTR's "More Time Reaching Community" Scheme resumed full efforts to reach out to the community after the pandemic. In 2023, a total headcount of 4,539 participating volunteers were involved in 270 projects serving more than 69,000 beneficiaries across the community. During our annual "MTR Volunteering Month", held in March and April 2023 under the theme of "Create an Inclusive Community • Build a Greener Future", we organised various initiatives including a visit by primary school students from underprivileged families in Tin Shui Wai to East Rail Line stations; two interactive green workshops for physically challenged youths; a visit by underprivileged secondary school students to the Operations Training Centre and Kowloon Bay Depot to learn about careers at MTR and in the railway industry; and a treasure hunt at Ngong Ping 360 for local and ethnic minority children to enhance cross-cultural understanding.



During the year, MTR donated and sponsored approximately HK\$16.4 million to charitable and other organisations.

In 2023, the Company continued to promote artistic appreciation through "Art in MTR", a programme that showcases a variety of visual and performing arts. We partnered with AllRightsReserved to share the joy of Dutch artist Florentijn Hofman's Gigantic Rubber Duck, transforming Admiralty Station into a "Double Ducks-Themed Station" and decorating 23 other stations. The project received an overwhelming response from passengers and tourists, who came to capture joyful moments with the artwork in Admiralty Station. Throughout the year, we also utilised the space in our stations to host a number of exhibitions in Central, Sheung Wan and Sai Wan Ho stations. The "Living Art Stage", located in the Central Subway of Hong Kong Station, was relaunched in 2023 and is once again showcasing a diverse range of performances by talented individuals and groups from all walks of life for the enjoyment of passengers every Friday



evening and during festive seasons. Internationally renowned artist Mr Doodle also gave a live art performance at the “Living Art Stage” to let passengers experience the transformative power of art.

ADVANCEMENT & OPPORTUNITIES

Future Skills and Innovation

In 2023, MTR launched the 2.0 version of its long-running “Train’ for Life’s Journeys” youth programme for students. Now entering its 15th year, the revamped programme will focus on developing young people’s future skills and innovative capacity, including design thinking, entrepreneurship, financial literacy and AI usage. It features a “Social Innovation Challenge” competition that encourages students to apply their knowledge to solve societal challenges with support from our ESG Project Allies. To empower underserved secondary school students with the skills and attributes required in a business context, the Company also piloted a one-month workplace experience programme with SEED Foundation for six students.

During the year, we supported and sponsored various events and programmes to help promote technology and social innovation. The Company 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. The event received participation from 2,000 start-ups from over 90 countries. The Company also sponsored the 16th Social Enterprise Summit in November, which focused on exploring the role of holistic well-being in shaping a flourishing and sustainable society.

MTR Academy has been cultivating future railway professionals and industry leaders for years, and MTR Lab was established to invest in innovative technologies for sustainable future growth. Further details can be found in the “Other Businesses” section (page 70) of this Annual Report.

Enabling the Development of Our Business Partners

MTR expects suppliers and contractors to adhere to the same high standards of ethical business conduct that the Company demands of itself. The Supplier Code of Practice provides a compulsory behavioural framework covering ethical standards, human and labour rights, and supply chain management. The Green Procurement Policy advocates for high standards of environmental protection. The Modern Slavery and Human Trafficking Statement defines the Company's commitment to preventing any incidence of modern slavery or human trafficking within its business and supply chains.

GREENHOUSE GAS EMISSIONS REDUCTION

Carbon Emissions

Following the submission of our commitment letter and technical documents detailing our 2030 carbon reduction targets to the Science Based Targets initiative ("SBTi") in mid-2022, our targets covering our railway and property businesses in Hong Kong were approved in April 2023 and published on the SBTi website. Under the SBTi-approved reduction targets, scope 1, 2 and 3 well-to-wheel (i.e., both upstream and downstream emissions from the use of electricity) GHG emissions from MTR's rail transport activities are to be reduced by 46.2% per passenger kilometre, while scope 1 and 2 GHG emissions from the Company's investment properties are to be reduced by 58.6% per square metre of floor area by 2030, using 2019 as the base year for comparison. MTR has also pledged to reduce its absolute scope 3 GHG emissions – those that are not directly controlled by the Company, but which are a consequence of its activities – by 13.5% within the same timeframe. Meeting these targets will help us attain our long-term goal of achieving carbon neutrality by 2050.

We are currently conducting a trial project for a hydrogen-powered light rail vehicle. Our first electric bus will be put into service in mid-2024 after undergoing a series of tests and obtaining relevant approval.

In June 2023, we organised our first-ever Green Week in collaboration with over 20 green NGOs and partners. More than 4,500 colleagues participated, and a post-event survey revealed that 98% of respondents agreed that Green Week had strengthened their understanding of MTR's environmental and social objectives. Almost all of the respondents agreed with the Company's long-term goal of achieving carbon neutrality by 2050.

Clean Energy and Energy Efficiency

In 2023, we completed the installation of solar photovoltaic systems at Pat Heung Depot, Chai Wan Depot, Sunny Bay Station and Siu Hong Station. We also continued our large-scale chiller replacement project at stations and depots across Hong Kong. The second phase, which involves the replacement of 31 chillers at our stations, will be completed in 2025. After replacement, we expect chiller energy savings to be at least 20%. Our programme to replace the existing lighting in all depots with LED lights by 2026 is around two-thirds complete; once finished, we estimate recurrent savings of approximately 6,500MWh compared to 2019.

Waste Management

Through our Legacy Train Revitalisation Programme, we cooperate with various partners to preserve and revitalise carriages and components for other uses at schools, elderly centres and government departments. Over 500 decommissioned train parts have been repurposed since 2021. In addition, around 60 retired sleepers have been donated to WWF Hong Kong and upcycled into seating benches for use at the Mai Po Nature Reserve. Meanwhile, all of our malls and 49 managed properties joined the Glass Container Recycling Charter launched by the Environmental Protection Department.

Green and Low-carbon Designs

In 2023, we attained BEAM Plus Provisional Gold accreditation for Tung Chung East and Tung Chung West stations on the Tung Chung Line Extension, A16 Station on the Tuen Mun South Extension, and Oyster Bay Station and Hung Shui Kiu Station on the Tuen Ma Line as well as BEAM Plus Provisional Platinum accreditation for Kwu Tung Station on the East Rail Line and Tuen Mun South Station on the Tuen Mun South Extension. Our BREEAM In-Use certification rating for Hin Keng Station was upgraded to “Excellent” in April.

Sustainable Finance

In 2023, approximately HK\$1.3 billion in sustainable finance was arranged for a variety of railway-related, energy saving and energy efficiency projects. Details of our sustainable investments are provided in our annual Sustainable Finance Report, which is published on our sustainability website.

INDEX AND RECOGNITION

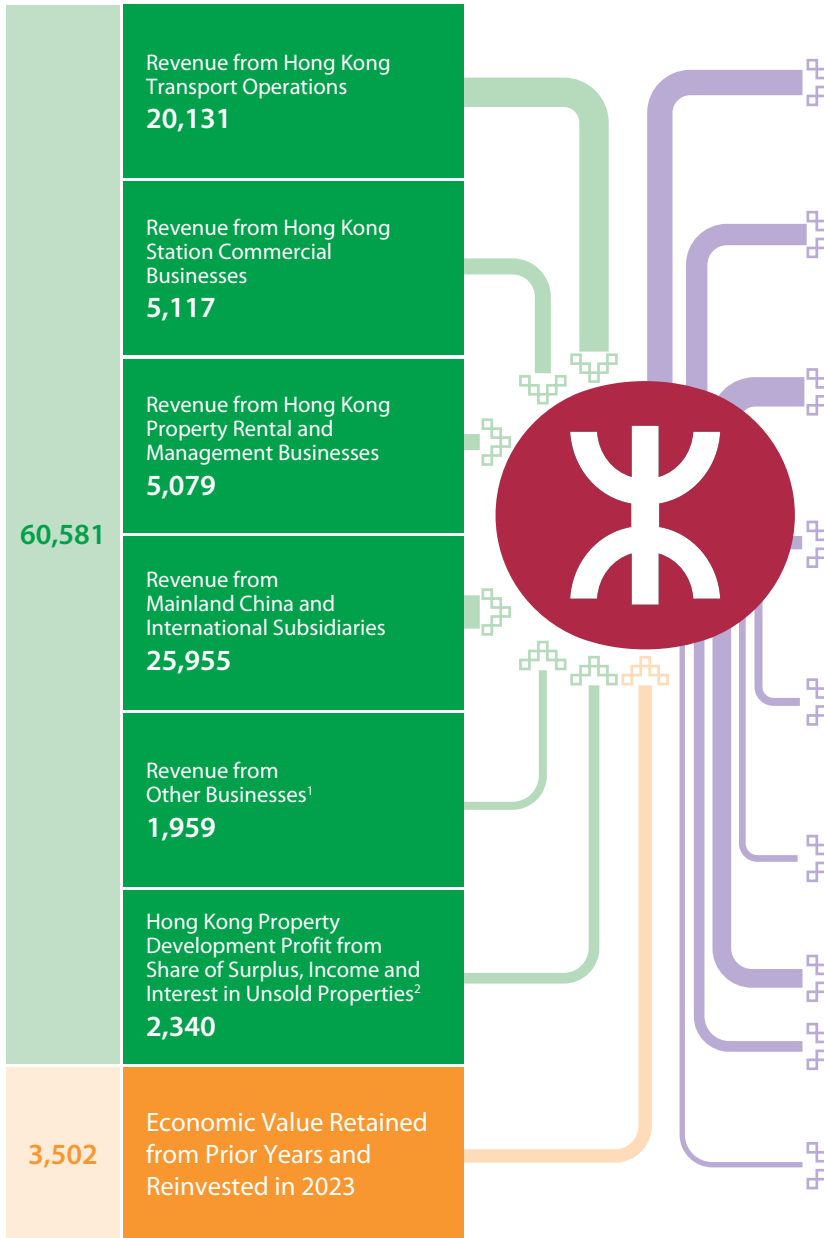
For the fifth consecutive year, MTR has been included in S&P’s Sustainability Yearbook 2024 for placing within the top 15% of its industry in terms of sustainability performance. More than 9,400 companies were reviewed globally, and MTR was one of just 759 companies selected for this year’s edition. The Company was also included in S&P’s Sustainability Yearbook (China Edition) 2023, which selected just 88 companies among the approximately 1,600 assessed. MTR was also included in the FTSE4Good Index Series.

In 2023, MTR continued to be a constituent company in three Hang Seng indices: the Hang Seng Corporate Sustainability Index, Hang Seng (Mainland and HK) Corporate Sustainability Index and Hang Seng Corporate Sustainability Benchmark Index.

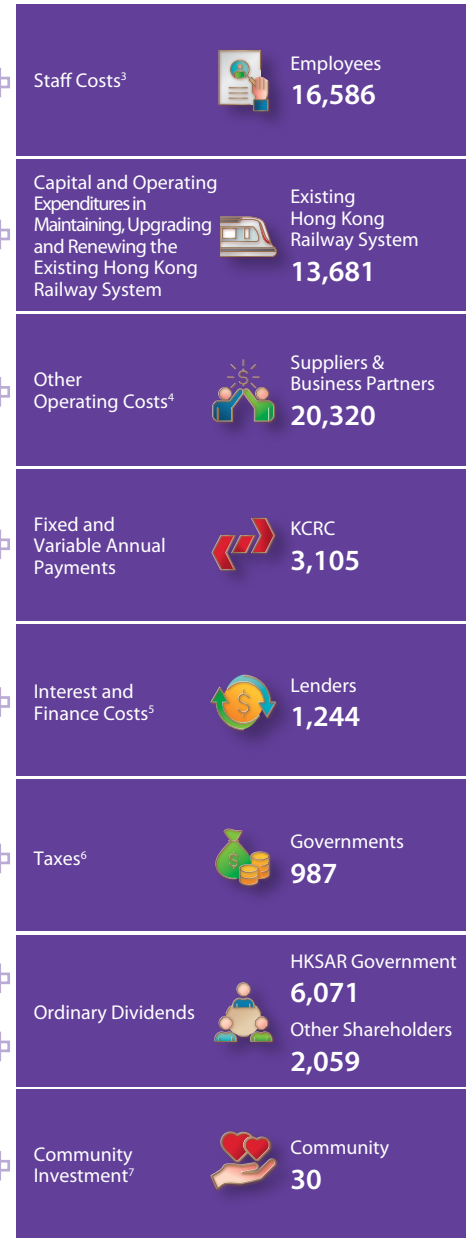


VALUE ADDED AND DISTRIBUTION STATEMENT IN 2023 (HK\$ MILLION)

Economic Value Generated



Economic Value Distributed



Total: 64,083

Total: 64,083

Notes:

- 1 Includes share of profit of associates and joint ventures.
- 2 Before taking into account staff costs of HK\$11 million.
- 3 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.
- 4 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.
- 5 Excludes interest expenses capitalised for asset creation of HK\$667 million.
- 6 Represents current tax and excludes deferred tax for the year.
- 7 Includes donations, sponsorships and other community engagement contributions, and excludes in-kind donations of HK\$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.