



MTR Corporation Modern Slavery and Human Trafficking Statement

This statement details the steps MTR Corporation Limited (“MTR”) 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 understand 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, operations and structure

MTR is a world-class operator of sustainable rail transport services headquartered in the Hong Kong Special Administrative Region and listed on the Hong Kong Stock Exchange. Our core operations consist of the construction and operation of a mass transit passenger railway network in Hong Kong. We also have a number of subsidiaries with similar core businesses of constructing and operating rail systems in markets including the Mainland of China, Macao, Australia, Sweden and the United Kingdom.

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

MTR is recognised as a global leader in safe, reliable and sustainable railway transit. With more than 50,000 dedicated staff around the globe, MTR carries over 10 million passengers worldwide every weekday. The MTR workforce comprises engineers, subject matter experts and non-engineer employees.

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. Our suppliers are categorised based on the part(s) of our business that they serve, including transport services, property businesses, railway extension projects and corporate support. 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
- Procurement Procedures
- Whistle-blowing Policy

We have clear procedures and guidelines in place setting out the process, responsibilities, approvals and authority levels for the procurement of works, goods, spares and services. Having regard to the complexity, value and risk of particular procurement activities, prospective tenderers are assessed before they are selected as MTR suppliers.

We require our suppliers to comply with our Supplier Code of Practice which obliges our suppliers to support the prohibition of forced labour, child labour and modern slavery. Our suppliers are also required to ensure that their own suppliers, subcontractors and other business partners comply with our Supplier Code of Practice. We reserve the right to terminate supplier contracts where a supplier engages in any activity, practice or conduct that would breach the Supplier Code of Practice.

Risk analysis and monitoring

We recognise the complexity of modern slavery issue and the many different forms it can take. As a business, we use risk assessments where appropriate to gain a greater understanding of our supply chain network as a whole.

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. This has been conducted by our operations in Hong Kong, the Mainland of China and other international hubs.

Looking forward, we are working on a plan to strengthen our supply chain risk management, including in relation to modern slavery. We will further improve supply chain risk monitoring through the development of an integrated risk management system using internal information and other third-party databases to identify, analyse, evaluate and mitigate potential supply chain risks.

Awareness across the business

It is everyone's responsibility to ensure that working practices are in line with our company vision and objectives. We look for opportunities for providing training for our staff and organising exchange sessions with our suppliers to share knowledge and best practices on the prevention of modern slavery.

Monitoring the effectiveness of our actions

To ensure that 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. In addition, supplier qualification and supplier reviews will be carried out via the category and supplier management system under the enhanced central procurement function. It is our plan to cover at least 15 supplier review audits and supplier review meetings covering ESG respectively in 2023.

This constitutes the Modern Slavery and Human Trafficking statement for the financial year ending 31 December 2022 for MTR. The statement has been approved by the Executive Committee.

A handwritten signature in black ink, appearing to read "Jacob Kam".

Dr. Jacob Kam
CEO, MTR Corporation Limited
26 June 2023