

The Company is committed to delivering our vision as a globally recognised leader in sustainable development that connects and grows the communities in which we operate with caring service. As our new rail lines reach out across Hong Kong and our operations expand into the Mainland of China and overseas, we have engaged across the Company with the community and stakeholders through awareness, listening and action on society's aspirations and the impacts we have on society and the environment. Through our property and related businesses, we also provide leadership in how the future Hong Kong urban environment will be built and how it will function.

### Climate Change

In committing to becoming a true community railway and reducing the impacts of climate change, we are not just thinking locally, but in terms of the challenges to the regional and global communities. Guided by our corporate Climate Change Policy issued in 2006, our focus on managing carbon emissions remains strong. Several of the key actions under the Policy have been adopted and measured for impact under our internal Enterprise Risk Management Framework, particularly in regard to electricity consumption.

In 2009, we proactively managed our greenhouse gas emissions from operating railways and managed properties. Several initiatives on electricity management were undertaken during the year. These included cooling reduction at stations, train speed optimisation and coasting. We began a pilot project in a MTR station in partnership with Clinton Climate Initiative to adopt world-class best practices in energy efficiency improvement.

The Company also expanded trials of environmentally friendly and energy-efficient High Brightness Light Emitting Diode (HB-LED) lights on board trains and in stations, which began in 2006. The new HB-LED system, consuming 30% less electricity and with improved reliability and lighting, was fitted in a Tsuen Wan Line train in February 2009 and on two additional trains in June 2009. It was tested for use in stations for the first time in August 2009, with Choi Hung Station as the pilot.

During construction of the Lok Ma Chau Spur Line, a "no net loss" compensation scheme was established so that the ecological value of the adjacent fishponds was compensated for any loss of wetland habitat. We also undertook active management of the wetland, including vegetation and water quality control, management of fish stocks, drain-down of ponds and construction of a water distribution network.

### Sustainability Leadership

In December, MTR Corporation supported the International Association of Public Transport (UITP) initiative entitled "Bridging the Gap" to ensure that public transport was placed on the agenda at the 15th United Nations Climate Change Conference

of Parties (COP15) in Copenhagen. Although no final binding agreement resulted from COP15, the Company continues to support efforts to demonstrate the climate benefits of electrically powered mass transit and the "rail plus property" business model to ensure financial sustainability. Locally, we chaired the Best Practice Committee of Hong Kong's Climate Change Business Forum. The Forum is a leadership platform to influence carbon-related policies and regulations in Hong Kong in addition to encouraging the public to understand and respond to climate change impacts.

Our efforts to incorporate sustainability best practices into all our business decisions continue to attract international recognition. In January 2010, we were again recognised as a Sustainability Leader within the global travel and tourism industry sector, and we won a Gold Class award and a Sector Mover award from Sustainable Asset Management (SAM). We were included as the only Hong Kong company in the 2010 Global 100 Most Sustainable Corporations in the World (the Global 100). We were also ranked first among local companies and second among 50 listed companies in Asia by Responsible Research in recognition of our public disclosure of environmental, social and governance issues.

### Sustainability Reporting

Since our first environmental report in 2000, we have published an annual corporate sustainability report that follows the Global Reporting Initiative (GRI) and reflects those material issues relevant to the Company. In June, we issued our award-winning Sustainability Report 2008, *Engagement*, with an A+ application level of the GRI G3 Guidelines ([www.mtr.com.hk/sustainability](http://www.mtr.com.hk/sustainability)). The Report provides a snapshot of the Company's sustainable growth with that of Hong Kong over the past three decades. Throughout its 30-year history, the Company has been committed to building and maintaining a sustainable railway that meets the needs of the present and future generations, facilitating sustainable development in Hong Kong and the Pearl River Delta region of the Mainland of China. The Report focuses on how stakeholder engagement has shaped our vision, mission and values. The Report was recognised as the best in Hong Kong in the Association of Chartered Certified Accountants (ACCA) Hong Kong Awards for Sustainability Reporting 2009.

### Global Benchmarks

We actively maintain our listings in global benchmarks that promote and measure sustainability such as the internationally recognised Dow Jones Sustainability Indexes (DJSI World, DJSI Asia/Pacific) and the FTSE4Good Index Series. We also participate each year in major best practice reporting exercises under the Global Reporting Initiative (GRI), CoMET (Community of Metros) and Carbon Disclosure Project (CDP).