

## **SHKP Sustainability Report FY2021/22 Supplementary Information**

- **Sustainable Supply Chain Management Guideline**

This year, we refined our sustainable supply chain management. A Sustainable Supply Chain Management Guideline is in place, which outlines general principles for vendor registration, tender selection, identification of critical suppliers, performance scoring and risk exposure. For the latest Sustainable Supply Chain Management Guideline, please visit [here](#).

- **Sensitivity analysis or stress testing on a group level on changes in water availability or water quality**

The Group integrate ESG (environmental, social and governance) risks into its risk management and internal control systems, and water risk is one of the ESG risks. To understand the impact of water risk and water availability of our portfolio and integrate water risk management into our business strategy, a water stress testing and analysis was conducted with the WRI's Aqueduct Water Risk Atlas tool. According to the Tool, we have a low to medium overall water risk and all of our operations in Hong Kong are with low (< 10%) baseline water stress.

- **Disclosure with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)**

We are enhancing our climate change management through progressive disclosure with reference to the recommendations of the TCFD. For the latest disclosure, please visit [here](#).

- **Our commitment to tenants' health and wellbeing is showcased by The Millennity**

The landmark commercial building in Kowloon East received platinum pre-certification from the International WELL Building Institute. It features multiple wellbeing elements.

- ✓ Indoor air quality: To create a comfortable environment for tenants, the air ventilation rate is 30% higher than the international standard requirement, and we aim to achieve an 'Excellent' rating from the IAQ Certification Scheme. The air-conditioning is equipped with MERV 14 filters, and UV-C lights on the ventilation ducts to kill bacteria and viruses. Products, and materials used in the project such as carpets, furniture and cleaning products, must not contain harmful substances
- ✓ Nourishment and health: We encourage healthy habits through the provision of healthy and diversified food choice. Approximately 20,000 square feet of gardening space is open to regular building occupants for them to grow their own plants. They can even take the crops home
- ✓ Visual comfort and adequate: The window area is larger than 10% of the floor area, allowing adequate sunlight to enter
- ✓ Physical activity: We promote exercise by providing facilities for physical activity. Aesthetically designed staircases and other active paths between

floors – with natural design elements such as plants and images of nature – are open to regular building occupants

- ✓ Thermal comfort: An AI system analyses energy usage and recommends parameters for the air-conditioning system, to achieve effective savings without compromising occupants' comfort. Humidity in working spaces is regulated at below 60% for most of the business hours, an optimal level for thermal comfort
- ✓ Acoustical comfort: The office floors have sound-absorbing false ceilings with a higher Noise Reduction Coefficient (NRC) value of more than 0.7. Noise pollution is therefore minimized
- ✓ Mental health: In addition to the garden space mentioned above, stress management training, fitness programmes and educational opportunities are promoted for employees. Gardening workshops, harvesting guidelines and planting supplies – including plants and gardening tools – are made available
- ✓ Accessibility: Barrier-free facilities accommodate the needs of customers and tenants
- ✓ Biophilic design: The project incorporates natural design elements, such as plants, water features, images of nature as part of its biophilic design. Additionally, a gardening space is provided and is accessible to regular building occupants.

- **Supplementary Data**

### Social Performance - Operations in Hong Kong

| <b>Total workforce by employee category</b>                |               | <b>2021/22</b>              | <b>2020/21</b> | <b>2019/20</b> |
|--|---------------|-----------------------------|----------------|----------------|
| Managerial   | no. of people | 1,399                       | 1,300          | 1,320          |
|  | %             | 5.11                        | 5.01           | 5.03           |
| Officer-grade  | no. of people | 2,936                       | 2,941          | 2,883          |
|  | %             | 10.73                       | 11.33          | 10.98          |
| Supporting   | no. of people | 3,407                       | 3,419          | 3,458          |
|  | %             | 12.45                       | 13.17          | 13.17          |
| Operational  | no. of people | 19,628                      | 18,304         | 18,593         |
|  | %             | 71.71                       | 70.49          | 70.82          |
| <b>Total workforce by employee nationality<sup>1</sup></b> |               |                             |                |                |
| Chinese  | no. of people | 26,407                      | -              | -              |
|  | %             | 96.41 (91.48 <sup>2</sup> ) | -              | -              |
| North, Central and South America                           | no. of people | 26                          | -              | -              |
|  | %             | 0.09 (0.79 <sup>2</sup> )   | -              | -              |
| European   | no. of people | 436                         | -              | -              |
|  | %             | 1.59 (6.35 <sup>2</sup> )   | -              | -              |
| Other Asian countries                                      | no. of people | 469                         | -              | -              |
|  | %             | 1.71 (0.43 <sup>2</sup> )   | -              | -              |
| Unclassified   | no. of people | 51                          | -              | -              |
|  | %             | 0.19 (0.94 <sup>2</sup> )   | -              | -              |
| <b>New hire by employee category</b>                       |               |                             |                |                |
| Managerial   | no. of people | 188                         | 89             | 95             |
|  | %             | 1.68                        | 1.02           | 1.03           |
| Officer-grade  | no. of people | 739                         | 455            | 417            |
|  | %             | 6.61                        | 5.20           | 4.52           |
| Supporting   | no. of people | 1,286                       | 862            | 1,036          |
|  | %             | 11.49                       | 9.86           | 11.23          |
| Operational  | no. of people | 8,974                       | 7,339          | 7,679          |
|  | %             | 80.22                       | 83.92          | 83.22          |

<sup>1</sup> North, Central and South America include American and Canadian, Panamanian and Honduran, etc. European includes British, German, Portuguese and Hellenic, etc. Other Asian countries include Indonesian, Japanese, Pakistani, Nepalese, Malaysian, Taiwanese, Filipino, Thai, Vietnamese and Singaporean, etc. Unclassified includes nationalities other than the above listed.

<sup>2</sup> Share in all management positions, including junior, middle and senior management (as % of total management workforce)

| <b>New hire by employee nationality<sup>3</sup></b>               |               | <b>2021/22</b> | <b>2020/21</b> | <b>2019/20</b> |
|---|---------------|----------------|----------------|----------------|
| Chinese   | no. of people | 340            | -              | -              |
|   | %             | 97.98          | -              | -              |
| North, Central and South America                                  | no. of people | 2              | -              | -              |
|   | %             | 0.58           | -              | -              |
| European  | no. of people | 2              | -              | -              |
|   | %             | 0.58           | -              | -              |
| Other Asian countries   | no. of people | 2              | -              | -              |
|   | %             | 0.58           | -              | -              |
| Unclassified  | no. of people | 1              | -              | -              |
|   | %             | 0.29           | -              | -              |
| <b>Turnover by employee nationality<sup>4</sup></b>               |               |                |                |                |
| Chinese   | no. of people | 264            | -              | -              |
|   | %             | 93.62          | -              | -              |
| North, Central and South America                                  | no. of people | 3              | -              | -              |
|   | %             | 1.06           | -              | -              |
| European  | no. of people | 12             | -              | -              |
|   | %             | 4.26           | -              | -              |
| Other Asian countries   | no. of people | 1              | -              | -              |
|   | %             | 0.35           | -              | -              |
| Unclassified  | no. of people | 2              | -              | -              |
|   | %             | 0.71           | -              | -              |
| <b>Ratio of basic salary of women to men by employee category</b> |               | <b>2021/22</b> | <b>2020/21</b> | <b>2019/20</b> |
| Executive level   | Ratio         | 1:1.13         | -              | -              |
| Management level  | Ratio         | 1:1.13         | -              | -              |
| Non-management level  | Ratio         | 1:1.21         | -              | -              |
| Overall average   | Ratio         | 1:1.14         | -              | -              |

<sup>3</sup> i) North, Central and South America include American and Canadian, Panamanian and Honduran, etc. European includes British, German, Portuguese and Hellenic, etc. Other Asian countries include Indonesian, Japanese, Pakistani, Nepalese, Malaysian, Taiwanese, Filipino, Thai, Vietnamese and Singaporean, etc. Unclassified includes nationalities other than the above listed. ii) The new hire by employee nationality in FY2021/22 include SHKP head office only.

<sup>4</sup> i) North, Central and South America include American and Canadian, Panamanian and Honduran, etc. European includes British, German, Portuguese and Hellenic, etc. Other Asian countries include Indonesian, Japanese, Pakistani, Nepalese, Malaysian, Taiwanese, Filipino, Thai, Vietnamese and Singaporean, etc. Unclassified includes nationalities other than the above listed. ii) The turnover by employee nationality in FY2021/22 include SHKP head office only.

| <b>Performance Review<sup>5</sup></b>                            |  | <b>2021/22</b> | <b>2020/21</b> | <b>2019/20</b> |
|--|--|----------------|----------------|----------------|
| Employees receiving performance reviews                          | no. of people  | 26,197         | 22,782         | 22,922         |
|  | %  | 95.71          | 87.74          | 87.31          |
| <b>Occupational health and safety</b>                            |  | <b>2021/22</b> | <b>2020/21</b> | <b>2019/20</b> |
| Work-related injuries - employees                                | no. of case  | 878            | 875            | 914            |
| Work-related injuries - contractors                              | no. of case  | 99             | 71             | 66             |
| Number of hours worked - employees                               | hours  | 141,238,282.03 | 145,963,309.46 | 141,603,873.80 |
| Number of hours worked - contractors                             | hours  | 29,315,470     | 20,564,987     | 22,156,028     |
| Lost time injury rate (LTIR) <sup>6</sup> - employees            | N.A  | 1.24           | 1.20           | 1.29           |
| Lost time injury frequency rate (LTIFR) <sup>7</sup> - employees | no. of lost time injury (N) per million hours worked | 6.22           | 5.99           | 6.45           |
| LTIR - contractors   | N.A  | 0.68           | 0.69           | 0.60           |
| LTIFR - contractors  | N per million hours worked                           | 3.38           | 3.45           | 2.98           |

<sup>5</sup> The performance review is complemented by open feedback channels, such as one-to-one conversations between employees and managers, to allow employees to express opinions and give recommendations. Approaches of management by objectives and team-based performance appraisal are usually adopted. Multidimensional appraisal process is adopted in our property management subsidiary to ensure a more accurate and holistic evaluation of performance, helping them better understanding on their strengths and areas for improvement. On-going performance review will take place and performance appraisals will be conducted at least once a year where applicable.

<sup>6</sup> Lost time injury rate (LTIR) represents the number of injuries per 100 employees/ contractors per year. It is calculated as "total number of injuries multiplied by 200,000 and then divided by total hours worked". The factor 200,000 is the annual hours worked by 100 employees/ contractors, based on 40 hours per week for 50 weeks a year.

<sup>7</sup> Loss-Time Injury Frequency Rate (LTIFR) (per million hours worked) represents the number of lost-time injuries per million hours worked. It is calculated as "total number of work-related injuries divided by total no. of hours worked and then multiplied by 1,000,000".

| <b>Supply Chain Management</b>   |                  | <b>2021/22</b> | <b>2020/21</b> | <b>2019/20</b> |
|--|------------------|----------------|----------------|----------------|
| Total number of significant suppliers in non-Tier 1  | no. of suppliers | 0              | -              | -              |
| Total number of significant suppliers (Tier-1 and non-Tier 1)  | no. of suppliers | 23             | -              | -              |
| Total number of suppliers assessed via desk assessments/on-site assessments                                      | no. of suppliers | 23             | -              | -              |
| % of significant suppliers assessed  | %                | 100%           | -              | -              |
| Number of suppliers assessed with substantial actual/potential negative impacts                                  | no. of suppliers | 0              | -              | -              |
| % of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan | %                | 0              | -              | -              |
| Number of suppliers with substantial action/potential negative impacts that were terminated                      | no. of suppliers | 0              | -              | -              |
| Total number of suppliers supported in corrective action plan implementation                                     | no. of suppliers | 0              | -              | -              |
| % of significant suppliers supported in corrective action plan implementation                                    | %                | 0              | -              | -              |
| Total number of suppliers in capacity building programs  | no. of suppliers | 23             | -              | -              |
| % of suppliers in capacity building programs   | %                | 100            | -              | -              |