
Shangri-La Hotels and Resorts 2013 UN Global Compact Communication on Progress

Executive Statement of Continued Support

Shangri-La Hotels and Resorts became a member of the United Nations Global Compact in 2011 with the desire of integrating its 10 Principles as a reference framework for sustainable operations across the group.

This is our second Communication on Progress (COP) Report, which aims to show how we continuously strengthen our policies and structures in line with the principles of human rights, labour, the environment and anti-corruption.

The group released its 2012 Sustainability Report in late April 2013, which includes direct responses to the principles and references to the GRI indicators for increased transparency. Please visit <http://www.shangri-la.com/corporate/about-us/corporate-socialresponsibility/sustainability/> for the full 2012 Sustainability Report.

This COP covers 1 January to 31 December 2013 and refers to the data of 81 operating hotels and one marina club with corporate social responsibility (CSR) and sustainability operations managed by the corporate office, Shangri-La International Hotel Management Limited (SLIM). This entity is the signatory to the UN Global Compact.

The report covers all the hotels within the group, including those that opened in 2013. Figures pertaining to water and energy consumption and carbon emissions are adjusted according to the hotels' individual year-to-date performance. New hotels in the planning and development stages and Shangri-La's business in property rentals are outside the scope of this report.

Shangri-La remains dedicated to both its social responsibility and overall ethical practice. It aims to ensure the highest level of integrity in all its operations. We see our commitment and participation in the United Nations Global Compact as a key driver for this goal. We will demonstrate our continued support and commitment through our annual COP.



GREG DOGAN
President and CEO
Shangri-La International Hotel Management Limited

Shangri-La Hotels and Resorts

Hong Kong-based Shangri-La Hotels and Resorts (www.shangri-la.com), one of the world's premier hotel companies, currently owns and/or manages more than 80 hotels under the Shangri-La, Kerry and Traders brands, with a room inventory of over 34,000. Over four decades, the group has established its brand hallmark of “hospitality from the heart.” The group has a substantial development pipeline with upcoming projects in mainland China, India, Malaysia, Mongolia, Myanmar, the Philippines, Qatar, Sri Lanka and the United Kingdom.

Our Core Values and CSR Mission Statement



Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Shangri-La Hotels and Resorts remains committed to observing the highest standards of human rights and aims to uphold its principles in the workplace and amongst relationships with various stakeholders.

This commitment is underscored best in our Company values of humility, courtesy, respect, helpfulness, sincerity and selflessness. Shangri-La's sense of hospitality comes from a caring company and it aims to deliver engaging experiences that come straight from the heart. This genuine sense of service governs the way Shangri-La runs its business and is strongly rooted in upholding human rights.

In living out our values of respect and courtesy, Shangri-La aims to keep a fair workplace that is governed by our Code of Conduct. This framework guides our various relationships, including issues regarding human rights, diversity, equality and equal opportunities. It is our policy to abide by the labour codes of and national laws in all countries in which we operate and to comply in general with the Fundamental Conventions of the International Labour Organization (ILO).

Any Shangri-La colleague that commences work, whether at the corporate or hotel level, is oriented on the articles of the Code of Conduct. It is imperative that every colleague has a perfect understanding of our expectations of behaviour, not just of our policies and manuals. To ensure the

best understanding, training programmes have been put in place and are made compulsory for all permanent colleagues to complete upon employment. Regular refresher training is also conducted during employment.

At every location, Shangri-La ensures that its properties extend the value of human rights and respect the rights of the communities that surround us. Through programmes within our social responsibility campaign, our hotels seek to respond to some of the most urgent human rights challenges in a consultative manner that is appropriate and respectful of local traditions and regulations.

Our business partners in particular share the journey by demonstrating compliance with our Shangri-La Supplier Code of Conduct. This requires suppliers to provide safe and healthy working conditions, use fair hiring practices, treat their workers with dignity and respect, and adhere to environmentally responsible practices in manufacturing. To that end, the code includes standards in the areas of labour and human rights, health and safety, environmental impact, ethics and management commitment.

We award business based on quality and price without personal favouritism. We endeavour to create long-term win-win relationships with quality suppliers that enable us to enjoy excellent quality and prices and supplier involvement in continuously improving our products, services and profitability.

Neither we nor our immediate family will own, have a vested interest in or be a director of any supplier of goods or services to Shangri-La, except by way of shares in a public company.

Shangri-La has only recently started aligning these policies directly under the UN Global Compact Principles, but we have long been monitoring compliance across our hotels through our Human Resources Department. Furthermore, there are many avenues in place for feedback, such as the Employee Engagement Survey (formerly known as the Staff Opinion Survey), which has been in place since 1996. The 2011 and 2012 surveys garnered a participation rate of over 98% and remained just as successful in 2013 with a 98.8% response rate. The survey serves as an honest barometer of the drivers for satisfaction for our biggest asset – our People.

Engagement of Colleagues

Shangri-La fosters an atmosphere of camaraderie and engagement through a system of open communication. Every hotel maintains a colleagues' notice board and conducts weekly meetings to keep colleagues abreast of hotel-level and other developments within the company. The senior management of each hotel engages all colleagues on matters of interest or concern via the State of Hotel Address and Executive Committee Dialogue. To complement these initiatives implemented by the hotels, SLIM operates an online system called E-Voice and a programme called Speak Up to facilitate structured feedback from hotel colleagues to SLIM about internal processes and business concerns. Shangri-La also utilises the yearly Employee Engagement Survey as a voluntary anonymous online survey of all Shangri-La colleagues; an independent organisation conducts the survey in at least 11 languages.

Security Operations

SLIM's Security Division oversees implementation of and operational compliance with the Security Operations, Crisis Management and Loss Prevention manuals. These manuals provide guidelines and procedures on the primary

considerations that should be taken when managing incidents in line with Shangri-La's commitment to integrity, anti-corruption and the protection of human rights. The policies and procedures cover the handling of attempted bribery, conflicts of interest and soliciting of advantages, among others. All hotel security personnel have received training in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations.

Corporate Purchasing Policy

SLIM's Group Purchasing Division is responsible for the procurement of products supplied, such as food and beverage products, cleaning supplies, bedding and room furnishing. In accordance with the Corporate Purchasing Policy, suppliers complete a questionnaire on the Supplier Code of Conduct. This code is included as an appendix to every supplier contract and SLIM conducts regular reviews to ensure compliance. The Supplier Code of Conduct is available on our website www.shangri-la.com/corporate/about-us/supplier-code-of-conduct/.

The revised code came into effect at the end of 2012 and incorporates new criteria that align closely with Shangri-La's Core Values and commitment to the 10 principles of the UN Global Compact. Suppliers are required to provide safe and healthy working conditions, use fair hiring practices, treat their workers and colleagues with dignity and respect and adhere to environmentally responsible practices in manufacturing. To that end, the code incorporates recognised international best practices in the areas of labour and human rights, health and safety, environmental impact, ethics and management commitment.

In 2011, SLIM Purchasing engaged an independent firm to commence the first comprehensive evaluation of compliance with the Code. Out of 44 suppliers, 17 were received a passing grade in the

initial assessments (passing rate of 39%). In 2012, 4 out of 11 suppliers passed the initial assessments (passing rate of 36%).

The initial assessments revealed that a majority of suppliers could not demonstrate full compliance with the code, often due to insufficient record keeping. Sixteen suppliers took corrective action to receive a passing grade following their reassessment before the end of 2012. This lifted the overall passing rate of suppliers to 37 out of 55 (67%).

From August to 31 December 2013, 4 out of 31 completed initial audits failed (passing rate of 86%). From January 2014 until the writing of this report, two audits have been completed and both passed (passing rate of 100%). Therefore, the passing rate from August 2013 to February 2014 increased to 87%.

Twenty-seven suppliers "passed" the audit (score of 50%-85%), but 16 needed reassessment to meet our compliance standards (score of 85% or above). Their follow-up audits are being scheduled. The initial assessment revealed that a majority of the suppliers could not demonstrate full compliance with the code due to insufficient record keeping. Currently, 23 other supplier audits have been postponed due to ongoing negotiations on their expiring contracts. No suppliers with a significant risk or evidence of child labour or forced or compulsory labour have been identified.

In 2013, we started distributing our corporate code of conduct declaration to the hotels' top 100 suppliers (80,000+ suppliers). Results will be tabulated and reviewed once the exercise is complete.

Notably, Shangri-La's chemicals contract has now adopted a "pay as you go system", lifting the ceiling cap once in place and now monitoring through actual consumption per hotel site. This was

designed specifically to drive operational efficiencies with more hands-on training, leading to the reduction and proper application of chemicals. Significant cost savings have also been achieved, as expected.

Responsible Procurement Programme

Towards the end of 2012, the Responsible Purchasing Programme was rolled out to encourage purchasing decision makers in all divisions of every hotel to consider the impact of their selection on the environment and people. SLIM provides information to the hotels about environmentally friendly selection criteria and provides recommendations about what hotels should be looking for when procuring paper and card products, IT equipment, chemicals and pesticides.

The hotels are also encouraged to evaluate local options to minimise the transportation distance for raw materials and final products to minimise landfill-bound waste. In light of Shangri-La's expansion and increasing hotel footprint, efforts are being made to increase local and regional sourcing, for example, in Europe, the Middle East and South Asia.

Due to our decentralised management approach, SLIM does not have oversight of all contracts entered into by Shangri-La subsidiaries and affiliates at the hotel level. SLIM does not currently have a policy or mechanism for checking all contracts for human rights issues.

Shangri-La recognises the need:

- to strengthen overall corporate governance, including training on human rights, overall ethics and anti-corruption.
- to address indigenous rights and negative impacts on communities.

Labour Principles

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Shangri-La is an equal-opportunity employer. All of our colleagues are made familiar with the group's commitment to non-discrimination on the grounds of gender, marital status, pregnancy, race, religion or disability. Colleagues also understand that equal employment opportunities are made available to all colleagues, irrespective of their gender, marital status, pregnancy or disability. No colleague is to be treated less favourably than any other in comparable circumstances and all are entitled to enjoy good working relationships with one another in an environment free from harassment.

We respect and support the protection of our colleagues' human rights, and our employment policies are designed to comply with all local labour laws. This includes our firm stance against human trafficking, sexual harassment and the exploitation of children. In cases where young adults are in hotel traineeship or internship programmes, we ensure that they are protected by contracts signed either by the institutions they represent or by their parents/ guardians.

As mentioned earlier in this report, suppliers and business partners are encouraged to operate sustainably and are audited based on the Shangri-La Supplier Code of Conduct. The document enforces strict regulations and zero tolerance on indentured labour, trafficking, slavery or child labour.

Any person who believes he or she may have been discriminated against in violation of these principles or observes any discrimination in violation of these principles should discuss the matter with the Human Resources Department. If for any reason the colleague does not want to discuss the matter with individuals in the Human Resources Department, he or she may discuss the matter with the Group Director of Human Resources, who has overall responsibility for the group's Equal Employment Opportunity policy.

Furthermore, the company ensures that all personnel actions, including compensation, benefits, transfer, lay-off, return from lay-off, company-sponsored training, education, tuition assistance, and social and recreation programmes, are administered without regard to race, colour, religion, natural origin, age, disability or history of disability (except where physical or mental abilities are a bona fide occupational requirement and the individual is not able to perform the essential functions of the position even with reasonable accommodation), sex (unless gender is a bona fide occupational qualification) or other protected characteristic.

Responsible Procurement Programme

Under the Responsible Procurement Programme, Shangri-La respects freedom of association and collective bargaining in accordance with national laws in every country of operation. Under the Responsible Procurement Policy, all group supplier contracts include the Supplier Code of Conduct and SLIM-initiated audits on compliance in 2011. No suppliers with which freedom of association and collective bargaining may be significantly at risk have been identified. No suppliers with a significant risk of incident of child labour or forced or compulsory labour have been identified.

The Highest Ethical Standards

The Code of Ethics outlines the common understanding of Shangri-La's expectations of behaviour for all colleagues. As Shangri-La continues to grow, it is imperative that our Core Values are understood and practiced by all. SLIM oversees a system of practical training to put our Core Values into daily practice. "Shang Care" is mandatory for all colleagues and consists of four modules called Shangri-La Hospitality from a Caring Family, Delighting and Engaging with Guests, Taking Ownership and Recovering to Gain Loyalty.

Colleagues are expected to behave towards each other, guests, suppliers, hotel owners and the community at large with high integrity, in the spirit as well as the letter of the code. Failure to comply may result in disciplinary action, which may include termination. In 2012, SLIM introduced the Whistleblowing Policy, which states that every Shangri-La colleague has the right and responsibility to act upon any incidence of behaviour running counter to the Code of Ethics by making a report directly to SLIM.

Shangri-La upholds the freedom of association and the right to collective bargaining for all colleagues. Within our hotels, the organisation of these activities take various forms, such as colleague unions, colleague councils and colleague welfare groups, depending on local legislation, culture and workplace norms. According to the information supplied by each hotel, from 2012 to 2013, approximately 13% of permanent colleagues in China and 17% of permanent colleagues outside of China participated in some form of collective bargaining agreement between workers and hotel management.

Shangri-La does not participate in forced and compulsory labour or child labour of any kind. Our policy on the age of employment is to strictly observe local laws and regulations in every country

of operation. If local law permits it, hotels may employ young people below the age of 18 in traineeship or internship programmes.

Shangri-La strives to eliminate discrimination in respect of employment and occupation. The Group Director of Human Resources at SLIM has overall responsibility for the Equal Employment Opportunity policy in recruiting, hiring, training and promoting without regard to race, colour, religion, national origin, age, disability or sex. As part of the routine Human Resource divisional audit of the hotels, SLIM monitors implementation of this policy to ensure that compensation, benefits, transfers, layoffs, trainings and social recreation programmes are administered without discrimination.

Occupational Health and Safety

Shangri-La continues to be committed to ensuring a healthy and safe workplace for its colleagues. It is estimated that 58% of colleagues in China hotels and 50% of colleagues in hotels located outside of China work in OHSAS 18001-certified hotels. As of end 2013, 42 hotels have been certified. All hotels with OHSAS 18001 certification have a formal Health and Safety committee with joint worker-management representatives.

Training and Development

Shangri-La aims to support its colleague in achieving their full potential. SLIM's guideline is that all permanent colleagues in every Shangri-La hotel, irrespective of service level, age or gender, will complete four hours of training per month. Compliance with this guideline is monitored by the hotels and reported back to SLIM on a quarterly basis. All colleagues receive regular performance reviews.

Environmental Principles

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Shangri-La mitigates impacts on the environment by ensuring that our day-to-day operations promote and implement responsible environmental practices and continual improvement. The SLIM Engineering Division primarily leads the CSR Focus Area Environment by conducting regular environment audits as part of the overall Engineering audits to ensure compliance with environment policies and procedures. ISO 14001 is the predominant, internationally recognised standard for the management of environmental impacts of businesses. It prescribes the procedures for measuring, monitoring and managing activities that affect the environment. At the end of 2013, 48 hotels have received ISO 14001 certification.

In 2013, Shangri-La commenced working with RESET Carbon, a Hong Kong-based carbon and energy management specialist. The rationale for engaging RESET Carbon reflects Shangri-La's continued journey towards ensuring that the highest standards of data collection, verification and analysis are utilised to effectively minimise and manage our environmental impacts. Through RESET Carbon, Shangri-La will achieve compliance with International Standards ISO 14064 and Green House Gas (GHG) Protocol. For more information on RESET Carbon, please visit <http://resetcarbon.com>

Shangri-La's total carbon, water and energy footprint increased in the past year as new hotels were added to its portfolio. Although its 2013 group carbon intensity increased since 2012, its

water intensity decreased. Further analysis into the footprint composition and intensity shows that emissions from electricity consumption contributed to over three quarters of the group's total carbon footprint. Shangri-La resorts have the lowest carbon intensity, while Shangri-La hotels in China have the highest carbon intensity, among other types of hotels in SLIM.

The results of the RESET Carbon 2013 Report are as follows:

Carbon

The total GHG emissions from 81 hotels are 889,263 tonnes CO₂e in 2013. This is 2.3% higher than the total emissions of 869,672 tonnes CO₂e in 2012 (72 properties and one marina club analysed at the time). The 2013 emissions for the same 72 properties (taking part in the 2012 Carbon Footprint programme, with the exception of the marina club) is 840,706 tonnes CO₂e, which is 2.0% lower than 2012's emissions from the same 72 properties (857,813 tonnes CO₂e).

Energy

The total energy consumption from 81 hotels is 6,397,740 GJ in 2013. This is 1.9% higher than the total consumption of 6,280,752 GJ in 2012 (72 properties and one marina club analysed at the time). The 2013 energy use for the same 72 properties (taking part in the 2012 Carbon Footprint programme) is 6,027,347 GJ, which is 2.6% lower than 2012's consumption from the same 72 properties (6,190,720 GJ).

Water

The total water consumption from 81 hotels is 14,780,925 KL in 2013. This is 1.4% lower than the total consumption of 14,988,586 KL in 2012 (73 properties). The 2013 water use for the same 72 properties (taking part in the 2012 Carbon Footprint

programme) is 14,173,243 KL, which is 4.1% lower than 2012's consumption from the same 72 properties (14,771,693 KL).

Waste Management

The hotels have implemented a number of programmes that are specific to local circumstances for water management, including waste segregation and recycling. In line with our approach to encouraging colleagues to participate actively in CSR campaigns, the hotels invite colleagues to recycle used hotel items and unwanted personal items that would otherwise be discarded.

Shangri-La continues to monitor and manage property-specific reduction targets and support the hotels that perform well. Notably, while only 49 hotels have completed ISO 14001 certification, all other hotels continue to strengthen initiatives in environmental management systems.

Shangri-La hotels have shown improvements in resource management, especially after introducing technologies that enhance efficiencies.

“Sanctuary, Shangri-La's Care for Nature Programme” was introduced in 2009. It aims to make a concerted effort to ensure that biodiversity conservation and habitat protection is consistent across all locations exceptionally rich in biodiversity. Properties with “Sanctuary” projects work on an individualised project that is further developed, tracked and monitored to engage stakeholders better. Yearly goals are defined by the individual hotel's CSR Committee. Each hotel is required to make a yearly budget for its SANCTUARY projects.

We currently have 12 “Sanctuary” projects:

- Shangri-La's Living Waters Project
 - o Shangri-La Hotel, Qingdao
 - o Shangri-La Hotel, Beihai
 - o Traders Hotel, Shenyang

- Shangri-La's Care for Panda Project
 - o Shangri-La Hotel, Chengdu

- Shangri-La's Reef Care Project
 - o Shangri-La's Mactan Resort & Spa, Cebu, Philippines
 - o Shangri-La's Fijian Resort & Spa, Yanuca Island, Fiji
 - o Shangri-La's Tanjung Aru Resort & Spa, Kota Kinabalu

- Shangri-La's Care for Nature Project
 - o Shangri-La Rasa Sentosa Resort & Spa, Singapore
 - o Shangri-La's Boracay Resort & Spa, Philippines

- Shangri-La's Turtle Care Project
 - o Shangri-La's Villingili Resort & Spa, Maldives
 - o Shangri-La's Rasa Sayang Resort & Spa, Penang / Golden Sands Resort, Penang

- Shangri-La's Orang-Utan Care Project
 - o Shangri-La's Rasa Ria Resort & Spa, Kota Kinabalu

Eco centres in four resorts enhance the experience of learning about the natural environment.

Shangri-La's Fijian Resort & Spa, Yanuca Island, Fiji maintains a Marine Education Centre that serves not only as an exhibit area of underwater species, but also as an assembly point for guest activities, such as mangrove planting, fish house building and coral tray planting.

Shangri-La's Rasa Sayang Resort & Spa, Penang's Eco Centre sits in a breezy hut of information exhibit showcasing the value of turtles in the ecosystem and the rest of Penang's natural environment.

At Shangri-La's Boracay Resort & Spa, Philippines, the modestly sized Eco Centre offers a wealth of

learning materials, from multimedia entertainment to replicas of various island species that need protection.

The Eco Centre at Shangri-La's Villingili Resort & Spa, Maldives is strategically located to entice every guest to learn about the underwater bounty surrounding the island. More importantly, it teaches about all the environmental conditions that make the Maldives a pristine, yet delicate ecotourism destination.

In 2012, "Sanctuary, Shangri-La's Care for Nature Project" was launched in various city hotels in China to encourage the protection of habitats. Shangri-La Hotel, Chengdu launched "Shangri-La's Care for Panda Project", which is set to officially begin in mid-2014. This flagship project supports the new Dujiangyan Panda Centre through the development of bamboo plantations and panda feeding facilities.

In 2013, Shangri-La Hotel, Beihai launched the "Sanctuary, Shangri-La's Living Waters Project." Beihai is one of the most important migratory routes for birds in China and unfortunately under threat by human impact. In response, the hotel has conducted a series of awareness-raising activities to educate local communities, colleagues and suppliers on how to conserve these unique bird species, rather than hunt them. Hand-in-hand with this, the hotel has been focused on protecting the migratory birds' habitat – the mangrove wetland areas that attract and serve as a stop-over point for the birds during migration.

Information on all "Sanctuary, Shangri-La's Care for Nature" projects are available at: <http://www.shangri-la.com/corporate/about-us/corporate-social-responsibility/csr-projects/sanctuary/> and on the individual hotel websites.

Shangri-La recognises the need to enhance the reporting of environmental data. In 2013,

concerted efforts were made to strengthen biodiversity data collection by using internationally recognised methodologies and survey standards, such as Reef Check; partnering with NGOs; and hiring two dedicated marine biologists to spearhead our marine conservation projects in Sabah and Cebu. Data collected include the IUCN Red List of Endangered Species and are expected to enable the hotels to more effectively manage projects and demonstrate measurable results in terms of biodiversity conservation.

of turtles in the ecosystem and the rest of the natural environment in Penang. At Shangri-La's Boracay Resort and Spa, Philippines, the Eco Centre may be modest in size, but it offers a wealth of learning material, from multimedia entertainment to replicas of various island species that need protection. Lastly, at Shangri-La's Villingili Resort and Spa, Maldives, the Eco Centre is strategically located to entice every guest to learn not only about the underwater bounty surrounding the island, but, more importantly, also about all the environmental conditions that make the Maldives a pristine yet delicate ecotourism destination.

In 2012, "Sanctuary, Shangri-La's Care for Nature Project" was launched in various city hotels in China to encourage the protection of habitats. Shangri-La Hotel, Xian and Golden Flower Hotel, Xian have launched "Sanctuary, Shangri-La's Care for Nature Project" to work with the Zhouzhi Nature Reserve located in the Qinling Mountains. The Qinling region is one of the areas with the richest biodiversity in China, and is home to the most well-known species of the giant panda and the golden monkey. The hotels have invested in the much-needed upgrading of the patrolling facilities to enable the nature reserve staff to better monitor species count and security. The project will also support alternative livelihood opportunities in the surrounding communities, including beekeeping and Ayurvedic herb farming.

Shangri-La Hotel, Qingdao and Traders Hotel, Shenyang have launched “Sanctuary, Shangri-La’s Living Waters Project.” Both hotels have committed to raising awareness on water issues, as the surrounding communities face a looming water crisis. Using best practices in water management, Shangri-La Hotel, Qingdao has commenced working with a rural community in order to secure a safe and reliable potable water supply. Traders Hotel, Shenyang has invested in an educational programme developed with the local environmental protection agency to target schoolchildren in particular to raise awareness of water issues.

By the end of 2012, the “Sanctuary, Shangri-La’s Care for Panda Project” was launched at Shangri-La Hotel, Chengdu. This flagship project supports the brand-new Du Jiangyan Panda Centre due to open in mid 2013. Shangri-La will support the development of bamboo plantations and panda feeding facilities. Information on all “Sanctuary, Shangri-La’s Care for Nature” projects can be found at <http://www.shangri-la.com/corporate/about-us/corporate-social-responsibility/csr-projects/sanctuary/> and on the individual hotel websites.

Anti-Corruption Principles

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Shangri-La maintains a steadfast commitment to ethical and governance standards. As the Code of Conduct governs the behaviour of all our colleagues, the Shangri-La Supplier Code of Conduct echoes the same principles and ensures responsible practices, including a zero tolerance policy on such practices as bribery and corruption.

Shangri-La is still working on strengthening its overall Ethics and Governance Campaign, which will include a review of its policies and standards, a gap analysis in training and enforcement measures

and a movement to revise and reissue policies in compliance with international standards, such as the Foreign Corrupt Practices Act.

Shangri-La has not made any systematic review of risks related to corruption. However, it recognises the need to strengthen corporate governance, including training on human rights, overall ethics and anti-corruption.

Summary

Shangri-La has pledged its commitment to conform, promote and integrate the Global Compact into its management strategy and day-to-day operations. This is our second COP Report. Shangri-La ensures that it will continue to meet its yearly COP and report its progress in implementing the 10 principles into its overall functions and performance.