



GLOBAL COMPACT END OF YEAR COMMUNICATION ON PROGRESS 2012

Company: **OUT-2 DESIGN** (Vietnam Representative Office)
Address: L6 Fafilm Building, #6 Thai Van Lung, District 1, HCMC, Vietnam
Contact Person: Andrew Currie, Managing Director
Telephone: +848 3824 7680
Website: www.OUT-2.com

Reporting period: From 1/2013 to 1/2014
Membership date: August 1st 2010
Sector: Architecture & Interior Design
No. of employees: 12

Brief Description of Nature of Business

OUT-2 Design is an international award winning design practice providing expertise in Briefing, Strategy, Design & Sustainability.

Our core design disciplines include:

- Briefing & Development Strategy,
- Architecture; and,
- Interior Design.

Our specialist division, Workplace-Asia provides further expertise, research and consultancy services in:

- Workplace Strategy,
- Workplace Design; and,
- Workplace Change Management.

Since establishing the firm we have built a reputation for professionalism, quality, creativity and reliability that has been recognised through regional and international awards and published works.

Availability of this COP

This COP is available on line at www.unglobalcompact.org and is available for on our public website. The document forms part of our Company Manual and selected content is also included in our Company Profile.

Statement of support

OUT-2 Design is committed to supporting the UN Global Compact and upholding its 10 stated principals as documented hereafter.

We strive to do this wherever possible within our sphere of influence by:

- Ensuring that our own activities serve as an exemplar to others in our industry; and by,
- Working together with our Clients, Suppliers and Contractors to educate and inform them such that they can improve their own performance and compliance.

Aligning our company goals and objectives with these stated principals and pursuing continuous improvement in our performance against them delivers benefits in three key areas for our business:

1. **AWARENESS:** Only by being more aware and better informed can we expect change to take place.



OUT-2 _UN Global Compact_COP_2013

Page 2 of 8

The UN Global Compact provides us with a means by which we are able to build awareness through our **Staff**, our **Clients** and finally the many suppliers, contractors and contributors that are involved in our **Projects**.

2. **LEADERSHIP:** Industry leadership is a core corporate value which extends not only to our core competencies of Briefing, Strategy, and Design, but also to social and environmental responsibility. The UN Global Compact provides us with both material resources and a network of like-minded people and organisations that enable us to improve our knowledge, performance and our actions.
3. **ADVOCACY:** To lead is admirable, but to enable others to change is the key to long-term sustainable change. The UN Global Compact strengthens the foundation that enables us to be an informed and responsible advocate for Corporate Social and Environmental Responsibility and in particular performance against the 10 key principals defined by the UNGC.

In summary, the UN Global Compact provides us with an independent, reputable and rational framework to ensure that integrity, responsibility and sustainability remain at the core of our business activities.

Dated 2014-05-16

Andrew Currie
Managing Director

A. HUMAN RIGHTS

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

Principle 2: Businesses should ensure that they are not complicit in human rights abuses

First and foremost OUT-2 Design is committed to full compliance with local labour law and regulations. Beyond this we have developed policies and programs to ensure that our staff and our actions actively support human rights within and outside our Company's activities. Our actions include:

- Mandatory compliance with applicable local labour laws,
- Our own workplace conditions and employment terms are enhanced beyond local regulatory requirements to provide a best-in-class workplace for all staff,
- Mandatory sighting of all original documentation including qualifications, licenses etc.,
- Employment policies are documented and issued to all staff immediately upon commencement of employment. They are further explained through our mandatory induction program and through our program of continuous learning and training (QCI). Our documented policies include:
 - Equal Opportunity,
 - Discrimination,
 - Business Ethics & Conduct,
 - Corruption,
 - Personal Relationships in the Workplace,
 - Conflicts of Interest,
 - Confidentiality,
 - Equal Access and opportunities for staff with disabilities,



OUT-2 _UN Global Compact_COP_2013

Page 3 of 8

- Our best-in-class employment conditions were recognised through the award of the ABA National Business Awards, 'Best Employer' Award,
- Beyond our own operations we actively seek to inform and educate our suppliers and contractors through:
 - Auditing of supplier / contractor factories and work conditions,
 - Establishing and implementing 3rd party safety and security services for project related on-site activities,
 - Advocacy of improved Human and Labour Rights within our industry through speaking engagements and conferences,
 - Support of NGO's and charities that work in these areas.

B. LABOR RIGHTS

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

Principle 4: Businesses should support the elimination of all forms of forced and compulsory labour

Principle 5: Business should support the effective abolition of child labour.

OUT-2 Design strives to create a safe and supportive workplace where staff are encouraged to discuss and contribute towards continuous improvement.

- Multiple avenues available for staff to report concerns and/or problems both internally and externally, including:
 - Confidential staff satisfaction surveys,
 - Confidential client satisfaction surveys,
 - Formal client, contractor and supplier review process carried out upon completion of each project.
- Educating staff on likely areas of abuse within our sphere of influence,
- Documented policies requiring staff to report all incidents and/or abuses,
- Auditing of supplier / contractor factories and work conditions,
- Authority to question contractors and/or suppliers on suspected abuses (eg. age of workers etc.),
- Authority to stop-works (of contractors etc.) where unsafe work practices are observed
- Advocacy of improved Human and Labour Rights within our industry through speaking engagements and conferences,
- Support of NGO's and charities who work in these areas.

Principle 6: Businesses should support the elimination of discrimination in respect of employment and occupation

OUT-2 Design strictly complies with all applicable laws and regulations with respect to labourers' employment and rights, working conditions, health and safety, wages and benefits, working hours, anti-discrimination, child labour, full time fair employment, equal opportunities for all employees within a working environment that is safe, supportive, collaborative, friendly and professional.

The personal and professional growth and well-being of our people is a stated goal and we structure our operations to encourage and facilitate this. Our policies and benefits include:

- Staff career-path planning and continuous professional development (CPD),
- Weekly training workshops for all staff,
- Weekly personal coaching for all staff,
- Additional paid leave for personal issues,



OUT-2 _UN Global Compact_COP_2013

Page 4 of 8

- Access to additional leave for education & self development,
- Social, medical, accident and workers compensation insurances from commencement of employment,
- Full private medical insurance for full-time staff,
- Professional Indemnity Insurance,
- Annual strategic review process that includes policies and workplace conditions.

Furthermore, OUT-2 Design is registered with the Architects Accreditation Council of Australia (AACAA) and we operate in compliance with their defined professional standards.

C. ENVIRONMENT

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

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibilities

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

Since establishing OUT-2 Design in 2004, we have been considered a pioneer and a leader in environmental responsibility; both in terms of our own operations and in the projects that we have completed. Our actions include:

Our Operations:

- First design firm in Asia to receive WWF Green Office Certification,
- Established and implemented an Environmental Management System (EMS) including:
 - Staff Education,
 - Consumption monitoring,
 - Waste minimisation policies,
 - Electricity minimisation policies,
 - Waste minimisation including the installation and use of water-saving devices,
 - Recycling,
 - Use of recycled paper for company stationary,
 - Policies supporting electronic issuance of documents in preference to hard-copy, Eco-rated office equipment,
 - Resource minimisation (shared stationary etc.),
 - Yearly auditing & improvement processes.

Our Projects & Clients:

Whilst our projects are mostly driven by Client requirements, we maintain a policy of encouraging and suggesting improved environmental performance wherever possible. We do this through:

- Continuous education of our own staff to enable stewardship and leadership,
- Client education,
- Actively participating activities within our own industry and further into the community:
 - Organiser of the Lean & Green Environmental conference in Vietnam,
 - Founding member of the Vietnam Green Building Council (VGBC),
 - Attendance at major conferences and seminars,
 - Speaking at major conferences and seminars.
- Project-specific achievements include:
 - Responsible for the Briefing & Design of Vietnam's first 3 buildings to be designed and built to international environmental standards,
 - Responsible for the Briefing & Design of Vietnam's first interior-fitout projects to be designed and





OUT-2 _UN Global Compact_COP_2013

built to international environmental standards; including the use of no/low VOC materials throughout,

- o Involved in the first Zero net Energy Building (ZEB) project in Vietnam.

Furthermore we are regularly published in and consulted for article and publications regarding environmental matters in Vietnam. We also support a number of NGO's and charities who's activities are focussed in this area.

D. ANTI-CORRUPTION

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

Since establishing our offices in Vietnam in 2004, our operational model and services have been structured to support full transparency in order to minimise the risk of corruption. When dealing with contractors and suppliers we require full disclosure of costs and do our own cost-benchmarking to ensure that pricing is fair and competitive.

Our polices include:

- Identification of general and project-specific risks,
- Mandatory reporting of any confirmed or suspected breaches,
- Acceptance and distribution of gifts and benefits including traditional Lunar New Year and Christmas gifts,
- Education on how to deal with risks and attempted breaches,
- Consequences for both breaches and on-reporting of breaches.

With our integrated approach towards competitive advantage based on sustainable development, we aim at embracing the UN Global Compact principles in strict manner and at reporting as stipulated by the organisation (The Global Reporting Initiative (GRI) indicators). The overview of our actions taken in 2013 to meet our UNGC commitment and highlights our commitment at a new high level in comparison to that of the previous year 2012 is shown in the following table. OUT-2 is firmly committed to the UNGC principles in the upcoming time as a guideline for our business activities and development.

GRI INDICATOR	ACTIONS TAKEN IN 2012 / MEASURES IN 2012
HUMAN RIGHTS	
<ul style="list-style-type: none"> • Principle 1: Supporting human rights • Principle 2: Prevention of human rights violations 	
HR1, HR2, HR3, HR4	<p><u>LINK TO OUR WEBSITE.</u></p> <p>➔ It is stated that “We recognise that our people are the crucial link between knowledge and application. We are committed to providing a supportive workplace that enables them to be the best in our industry”.</p> <p><u>LINK TO OUR EMPLOYEE HANDBOOK/INTERNAL POLICIES & PROCEDURES SPECIFIED IN OUR QUALITY ASSURANCE MANUAL / COMPANY'S CHECK-LISTS</u></p> <p>➔ OH&S: OUT-2 to maintain a workplace free of illegal drugs, alcohol, abuse, firearms, explosives or other improper materials by prohibiting the possession, transfer , sale or use of such materials on its premises. All employees are required to cooperate in administering this policy (Item 6.7 _page 30 of the Employee Handbook)</p>





OUT-2 _UN Global Compact_COP_2013

- ➔ Workplace monitoring: may be conducted by OUT-2 to ensure quality control, employee safety, security and customer satisfaction (Item 6.5 _page 28 of the Employee Handbook). We also have a policy on how to deal with incidents at the workplace (Quality Assurance Manual_QA_POLICY_AD#34_Office infrastructure issues_2012) which has just been released this year for the highest safety of the office.
- ➔ Workplace violence prevention: OUT-2 is highly committed to preventing violence in the workplace and to maintaining a safe work environment based on the following guidelines: (Item 6.6 _pages 28, 29 of the Employee Handbook)
 - Treating all employees with courtesy and respect at all times
 - All employees to refrain from any conduct that might be dangerous to others and/or lead to fighting/violence
 - Conduct that threatens, intimidates or coerces others will not be tolerated
 - Violation of these guidelines will be subject to prompt disciplinary action up to and including termination of employment
 - Employees are encouraged to raise their disputes or differences with other staff prior to potential violence in the office and the Company is eager to assist in dealing with such concerns
- ➔ In 2012: Conduct a workplace performance survey based on Leesman model (focusing on physical facilities) to understand how much staff members are satisfied with the facilities provided to improve their work productivity

LABOUR STANDARDS

- Protection of freedom of association and the right to collective bargaining
- Elimination of all forms of forced and compulsory labour
- Abolition of child labour
- Elimination of discrimination

HR5, HR6, HR7, LA3,
LA4, LA10, LA11

- ➔ Disability accommodation: Ensuring equal employment opportunities for qualified persons with disabilities. All employment practices and activities are conducted on a non-discriminatory basis (Item 2.9 _ page 12 of the Employee Handbook)
- ➔ Equal employment opportunity: Discrimination by any forms is strictly prohibited at OUT-2. This policy governs all aspects of employment including selection, job assignment, compensation, discipline, termination and access to benefits and training. All employees undergo a 7-day comprehensive induction program as a base for them to understand about the company as well as their obligations and rights (Item 2.3_pages 9 & 10 of the Employee Handbook)
- ➔ Thoroughly auditing all suppliers/contractors factories and work conditions prior to cooperating with them in any projects
- ➔ Rewarding employee performance (Item 3.8_page 15 of the Employee Handbook)
- ➔ Employees are encouraged to protect their rights to speak for themselves





	through positive intercommunication (Item 2.2 _Employee relations _Page 9 of the Employee Handbook)
ENVIRONMENT <ul style="list-style-type: none"> • Precautionary environmental protection • Promote greater environmental responsibility • Diffusion of environmentally friendly technologies 	
3. 13 , FROM EN1 TO EN 17, 1.1	<p>→ OUT-2 aspires to be a leader in Corporate Sustainability. We value the health and well-being of our people, our planet and its finite resources. We are committed to effecting change towards more sustainable and responsible development through our own actions and through our projects.</p> <p>We endeavour to achieve this through the key Social, Environmental and Corporate Governance.</p> <p>→ Our CSER principles (LINK TO OUR WEBSITE)</p> <ol style="list-style-type: none"> 1. Define CSER as it related to our field of influence 2. Identify our CSER risks and opportunities 3. Define policies to address our risks and opportunities 4. Fully disclose our position and our policies <p>→ Apart from what is disclosed in the COP in 2012, OUT-2's achievements have recently been recognised by the International Property Awards thanks to our endless efforts and high commitment towards CSER and UNGC principles.</p> <p>→ Mr. Andrew Currie as the Managing Director took part in a number of events as follows: (LINK TO OUR WEBSITE)</p> <p>At the invitation of the RMIT International University, Andrew Currie presented a paper entitled: "Sustainable Design in Vietnam_A Practical Approach" at their first ever Eco-Charette</p> <p>Following the presentation Andrew participated in the Campus-Wide sustainability Workshop as week as providing a review and advisory role for the preparation of the Charette's written outcomes report.</p> <p>Participation in a number of UNGC Workshops in Ho Chi Minh City, Vietnam.</p>
ANTI-CORRPTION <ul style="list-style-type: none"> • Against all forms of corruption 	
SO2	<p>→ Conflicts of interest: All transactions outside the firm must be conducted within a framework established and controlled by OUT-2's executive level. All business dealings outside the firm should not result in unusual gains (bribes, product bonuses, special fringe benefits, unusual price breaks, other windfalls, etc. targeted at the employer, employee or both) for those firms. Personal gain is absolutely prohibited. (Item 2.6_Page 11 of the Employee Handbook)</p> <p>→ Business ethics and conduct: OUT-2 to comply with all applicable laws and</p>



OUT-2 _UN Global Compact_COP_2013

regulations that exist. All actions against the business ethics and conduct might lead to disciplinary action up to and including possible termination of employment

- ➔ OUT-2's corporate culture: INTEGRITY is one of our 8 criteria that constitute our values and culture at the workplace. This value is measured by HONESTY AND TRANSPARENCY.

QUANTITATIVE MEASUREMENT OF OUTCOMES

OUT-2 employs a number of quantitative measures including:

- ➔ Recording time invested in QCI activities and staff development,
- ➔ Measuring perceived and actual benefits of QCI activities,
- ➔ Recording and monitoring of project related compliance incidents,
- ➔ Monitoring analysis of all office consumables in order to establish strategies and programs for reduction.