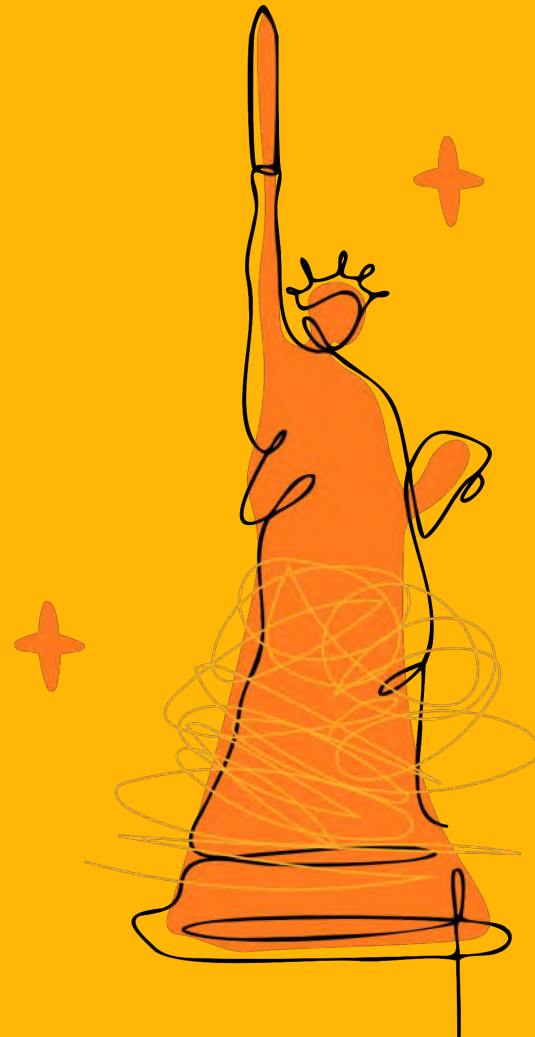


# Pencil Group sustainability report

→ Q4/2023

→ never run out of ink



# Leadership and board accountability

Behind our great projects are +99 members with diverse talent and 21 leaders of 8 departments - They are the ones “doing good by doing well” as demonstrated through project and team collaboration.

We hold regular meetings with leadership team every two weeks to monitor, report, and evaluated the company's activities.

With each meeting lasting 120 minutes and the participation from 80% - 100% of the members, it ensures that information is effectively and synchronously communicated to each employee. This helps ensure that everyone is updated on the company's status and has the opportunity to contribute their opinions and suggestions.

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## Sustainable Governance

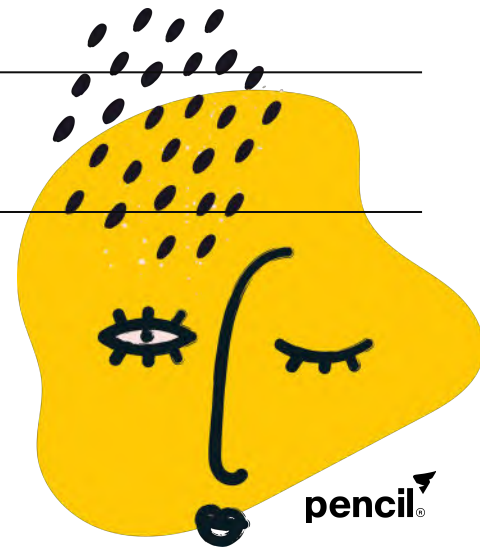
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- Core Values & Code of Conduct
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## What's next

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# Pencil Group takes action

In recent years, amid challenges and transformative shifts impacting the economy, public health, and the living environment, such as the COVID-19 pandemic, social unrest, economic crises, and catastrophic natural disasters, Pencil prompts the inquiry of how we can contribute to a sustainable future.

*Individual Actions Shape the Global Narrative*

At Pencil, a deep understanding of human behavior, the formulation of solutions, and the commitment to action are intrinsic to our organizational identity. We seamlessly fuse technology with cultural underpinnings to unlock innovative and progressive strategies for our valued clients.

*Pencil is compassion*

*Pencil is curious*

*Pencil is courageous*

*Pencil is creative and candid in our ACTIONS*

With 9 years of a 'never run out of ink' streak in the creative marketing fields, Pencil stands alongside our key stakeholders—our people, suppliers, and clients—not only in producing communication products but also in applying communication to create positive and tangible impacts on the climate and society.

This report encompasses the assessed and managed data of Pencil's activities related to Sustainability in Environment, Social, and Governance over the past 3 years.

# highlights

environment  
action

social action

sustainability  
governance



- For the Nha Chong Lu Project, AR art promotes flood-resistant housing awareness.
- Specific actions to reduce waste and emissions within Pencil's business.

## Internal:

- +12 training sessions/ year
- 02 trips/ year
- Full employee benefits

## External:

- Collaborate with organizations on communication, storytelling, advocacy, and campaigns.
- Creating 17 education products for children and parents of Project AnNa.

## Gender equality:

- |   |                              |
|---|------------------------------|
| • <b>Over 99 employees in the workforce</b> | • <b>21 Management level</b> |
| • 57% Female                                | • 62% Female                 |
| • 29% Male                                  | • 23% Male                   |
| • 14% Undeclared                            | • 15% Undeclared             |



Pencil Group is a cultural marketing agency group of 99+ diverse talents, including strategists, creatives, artists, and technologists. We decode hidden cues within consumer culture to ignite potent bonds between brands and their audiences.

- > 99+ talents
- > strategists, writers, poets
- > designers...





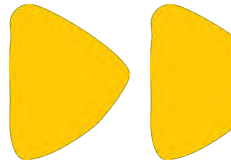
01



about us

we are structured as 4 agencies in 1 group

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Pencil Creative offers brand strategy consulting, integrated marcom services and creative production.



DigiPencil develops immersive experiences using the latest creative technologies.



Performix by Pencil offers insightful performance solutions by combining consumer insight-driven content with full funnel journey tracking, to connect marketing metrics with business metrics.



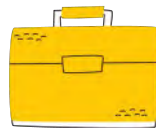
Pencil Network invests in building cultural creative companies, with Vietnam Legacy Branding Center and creative tech company AVAS Creative Studio





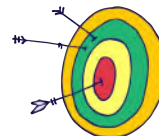
## vision

To be a force to shape  
culture for good



## mission

Decode hidden cues  
within consumer culture  
to ignite potent bonds  
between brands and  
their audiences



## purpose

Foster the sustainable  
progress of both our  
clients and society



## inspiration

Culture is our inspired guide, revealing a simple yet profound belief: culture forms products



## enabler

Our strength stems from a diverse team of talents, including strategists, writers, artists, and technologists



## strategy

Our strategy centers on harnessing subcultures' potential in the digital age

*\*By leveraging cultural niches, we rapidly develop profound brand relationships. Prioritizing cultural alignment, we infuse each offering with distinct values, resonating deeply within the consumer community.*



We believe that when **culture** come first,  
**products** follow

The digital revolution expanded culture into an interesting world of subcultures, allowing brands to connect deeper and faster. We believe that when culture comes first, products follow. Every product and service carries the potential to build its own cultural values that are meaningful to its consumer community.

# message from the Group CEO



Mr Nguyen Tien Huy

We, as a cultural marketing agency, are committed to integrating the principles of ESG (Environmental, Social, and Governance) into our business strategy. We view this as a cultural responsibility and a guiding principle for all our employees. Our sustainable development strategy places the role of communication, branding, and marketing within the framework of sustainable development objectives.

# message from the Group CEO



Mr Nguyen Tien Huy

[pencil.vn/sustainability](https://pencil.vn/sustainability)

We fully understand the profound impact of our work on society, and therefore, we are committed to developing our media enterprise by delivering high-quality products to clients, end-users, contributing to shaping positive and responsible behavior towards the environment, society, and the community.

# message from the Group CEO



Mr Nguyen Tien Huy

[pencil.vn/sustainability](https://pencil.vn/sustainability)

We strive for diversity, equity, and inclusion within our workforce and client engagements, fostering a culture of respect, equal opportunities, and empowerment. We actively support community initiatives, philanthropic causes, and organizations that address social issues, working towards a more just and inclusive society.



# message from the Group CEO



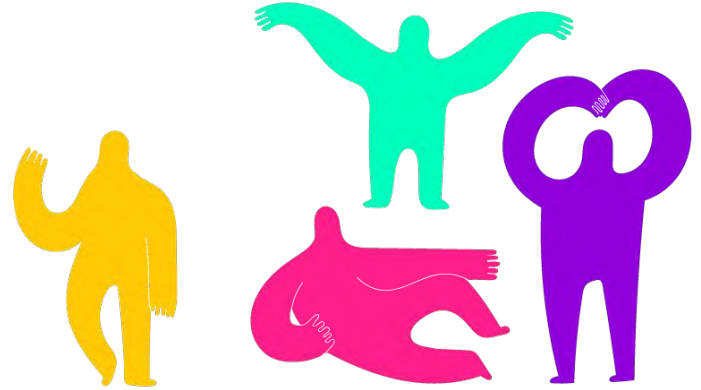
Mr Nguyen Tien Huy

[pencil.vn/sustainability](https://pencil.vn/sustainability)

We also uphold the highest transparency, accountability, and ethical decision-making standards. We ensure compliance with relevant regulations, prioritize data privacy and security, and promote a culture of integrity and responsible governance at every level of our organization.

With a clear vision and a strong commitment to ESG, we hope to become a role model in the media industry and contribute to building a better future for all and the planet we share

diversity  
united under  
authenticity



our culture

[pencil.vn/sustainability](https://pencil.vn/sustainability)

Our ability to attract a diverse range of talents and resources empowers us to engage with clients across a multitude of industries and sectors. From finance to FMCG, technology, and lifestyle, Pencil possesses extensive experience in partnering with a wide array of brands. We tailor our approach to precisely align with the distinct requirements and objectives of each client.

02

# our Sustainability statement



# Our ESG strategy is closely aligned with the United Nations Sustainable Development Goals (SDGs) framework

Strengthening partnerships with our key stakeholders is a crucial approach for us to bring about the shift in attitudes and behaviours needed to reach the SDGs by 2030.





Foster the **sustainable** progress of both our **clients** and **society**

- Contribute to client's prosperity, doing well by doing good.
- Improve consumers' wellbeing via brand's storytelling and storydoing
- Marketing for Vietnam nation brand and Vietnam's heritage brands

**ESG vision**

**to foster the sustainable progress of both our clients and society**

**ESG Pillars**

Contribute to client's prosperity, doing well by doing good

Improve consumers' wellbeing via brand's storytelling and storydoing

Marketing for Vietnam nation brand and Vietnam's heritage brands

- Partnership for prosperity
- Doing well by doing good

- *Climate action*
- *Wellbeing*

- *For the development of cultural economy in Vietnam*
- *Dedication to making Vietnam a destination in the field of marketing*
- *For the development of Vietnamese cultural heritage*

**Actions**

Strengthen the value chain in marketing services beneficial for multi-stakeholders

Leverage marketing as a vehicle to promote good behavior, decent thinking

Aiding Vietnam in achieving its 2050 net-zero emissions target

Take action for mental wellbeing in creative industry and society

Engaging in Creative Roundtable Community Initiatives

Working alongside government tourism departments to promote Vietnam

Vietnam Heritage Branding Center

**Our responsible business fundamentals**

Employee wellbeing

Business integrity

Responsible creativity

Open collaboration

Diversity, Equity & Inclusion

Constantly learning

Purpose driven

## 1. Workplace Safety

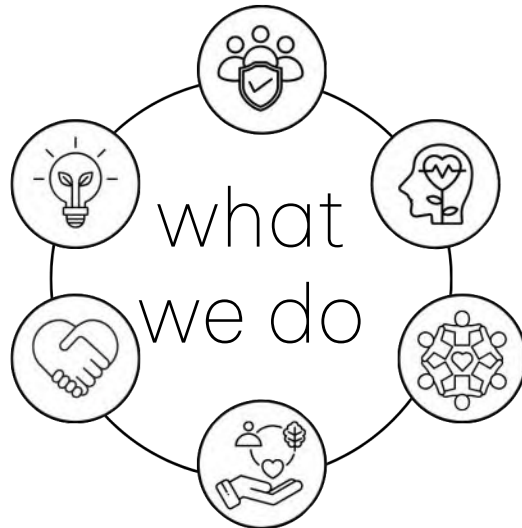
- Ensure that everyone's safety and health are the top priority.
- Comply strictly with the provisions of the Labor Law 2019.

## 6. Measuring emissions in business operations

- Evaluating the level of energy consumption within our business.
- Implementing emission reduction strategies to support Vietnam in achieving its 2050 net-zero emissions target.

## 5. Transparency and fairness

- Ensuring Transparency and fairness in the recruitment process and performance evaluation and career progression of employees.
- Security and transparency in commitment to stakeholders.



## 4. Responsible creativity

- Delivering high-quality products to stakeholders, contributing to shaping positive and responsible behavior towards the environment, society, and the community.

## 2. Workplace Wellbeing

- Annual health check-ups are provided at the hospital once a year.
- Creating a healthy workplace wellbeing for all.

## 3. Diversity

- Building a diverse, equitable, and inclusive workplace where employees can work, showcase their talents, and express their true personalities and cultures

03

# environment action





## our commitments to fight climate change

Climate change in Vietnam is happening earlier and more intensely than expected, leading to frequent and unpredictable extreme weather events nationwide. This includes severe droughts and heavy rainfall in the Central region, cold spells and frost damage in the northern mountains, and droughts with saltwater intrusion in the south. This issue is not unique to Vietnam; it is a global concern

# our commitments to fight climate change

For us, “Aiding Vietnam in achieving its 2050 net-zero emissions target” serves as a guiding principle that shapes the environmentally friendly mindset and sustainable thinking in the creative process and lifestyle of Pencilers in the offices.

We aim to build zero impact workspaces, raise awareness people about Climate action internal and external.

Our commitment to combating climate change and supporting Vietnam's aspiration to achieve net-zero emission by 2050 is prominently showcased in our communication strategies with stakeholders.

### The Series AR Artwork x Nha Chong Lu Project (Flood resistant house project)

Pencil collaborated with Sống Foundation to create the Series AR Artwork for the Nha Chong Lu Project, aiming to rebuild community trust regarding the effectiveness and sustainability of different flood-resistant house models offered by the Nha Chong Lu Project, addressing misconceptions and concerns among the public. The project leverages Augmented Reality and artistic elements to visually explain the functionality of nine flood-resistant house models in various terrains, combating misconceptions and enhancing the effectiveness of fundraising campaigns during a challenging flood season and the COVID-19 pandemic.



*\*Responded government goals 13.3 Education, awareness-raising, and institutional capacity in early warning, coping with climate change, and reducing natural disasters.*



In our pursuit of building zero impact workspaces, it is crucial for us to have a comprehensive understanding and take action to effectively offset the environmental impact caused by our own operations.

### **Fuel-and energy-related activities**

Our office operates from Monday to Friday, with working hours from 9:00 to 18:00. We always remind our members to practice energy and water conservation by turning off lights, air conditioners, and checking faucets before leaving the company.

We have designed an open-space office layout without partitions or enclosed rooms between departments. This not only creates a spacious and dynamic working environment but also helps save energy consumption from air conditioning and lighting.



## Business travel

Moreover, we do not restrict remote work or working from home requests from our team members. This not only provides flexibility for employees but also recognizes the opportunities for optimizing remote work to reduce commuting while ensuring work efficiency.

During our work process, we prioritize online communication and collaboration with partners through online platforms. We also encourage our employees to use electric cars (specifically Vinfast cars) provided by the Be app for commuting when business travel.



Collaborating with [Nuoa.io](https://nuoa.io) to measure emissions within Pencil's business.

In November 2023, Pencil began collaborating with Nuoa.io to measure the consumption of electricity, business travel, and monthly purchases of goods and services on a platform that supports greenhouse gas inventory for businesses. Pencil's goal is to use the greenhouse gas measurement results from their business operations to manage and plan actions to minimize waste and emissions.



Collaborating with  
[Nuoa.io](https://nuoa.io) to measure  
emissions within  
Pencil's business.

Using the Nuoa.io platform allows Pencil to measure greenhouse gas emissions according to widely accepted international standards such as the GHG Protocol, ISO 14064, and E-liability/Green Ledger. Through Nuoa.io, we can have an overview of the emissions generated by our business activities and daily consumption behavior for employees, enabling us to gradually identify and prioritize areas for improvement and implement appropriate emission reduction measures.



Collaborating with  
[Nuoa.io](https://nuoa.io) to measure  
emissions within  
Pencil's business.

As part of Pencil's commitment to action towards the Net Zero target by 2050, we are utilizing the Nuoa.io platform to track and manage our carbon footprint, contributing to a more sustainable future.





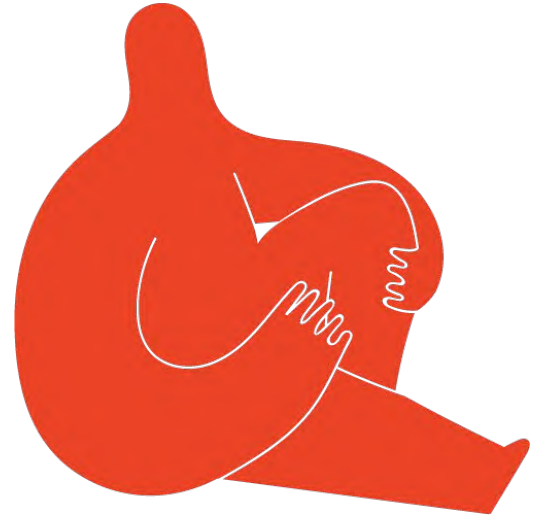
## Waste reduction

Starting in 2023, we ceased the use of plastic water bottles for serving clients during office visits.

Instead, we have adopted the use of glass water cups, offering a sustainable and environmentally-friendly alternative.



pencil.vn sustainability



We have established a well-equipped pantry area with bowls, plates, spoons, and a microwave to encourage members to bring their own lunches. We also understand the need for coffee, so we've installed a coffee machine in the office, allowing employees to save on costs and reduce plastic waste by using glass cups for their beverages



pencil®

04



social action

# our top priority is ensuring and promoting individual rights

We uphold one of our five core values, which is "compassion," as a guiding principle for our actions, aimed at fostering an inclusive culture within our workspace and broader society. This core value finds expression in the various programs, policies, activities, and practices we implement on a daily basis.

## Compassion: Empathy and Taking Action for Others.

At Pencil, our core value of “compassion” drives us to empathize and take action for the benefit of others. This commitment is at the heart of our “Doing good by doing well” strategy, which seeks to guide our clients in achieving their business objectives while simultaneously creating positive social and environmental impacts.



We are unwavering in our dedication to align our business initiatives with specific Sustainable Development Goals (SDGs). Our focus areas encompass gender equality, quality education, healthcare, and sustainable economic development, as detailed in the social action section.

By harnessing our marketing expertise throughout the creative process, we design promotional campaigns, innovative products, and technologies that promote positive behavior and foster thoughtful thinking among people. This integrated approach allows us to make a meaningful difference in both the business and social spheres.

## Diversity, equity and inclusion

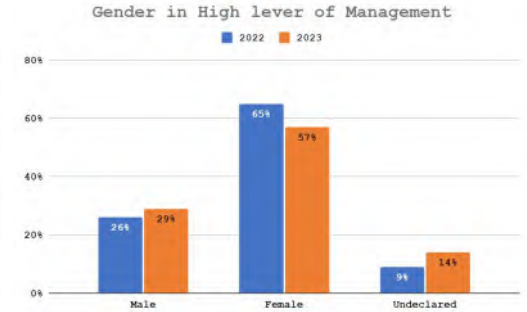
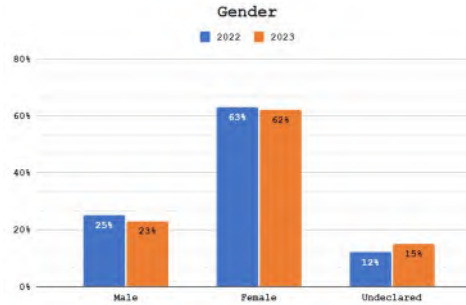
At Pencil, the principle of equality is deeply ingrained in our culture. We acknowledge the importance of gender equality and strive to create a workplace where women, men, and individuals with undeclared gender identities are treated equitably. Pencil recognizes that achieving gender balance is an ongoing process, and the company remains dedicated to realizing this goal.

+99 Employees in total

- 57% Female
- 29% Male
- 14% Undeclared

21 Management level

- 62% Female
- 23% Male
- 15% Undeclared



### Gender Balance at Pencil

Pencil Group has made significant progress in promoting gender equity within its ranks, with the majority of employees in both staff and management positions being women. This highlights our commitment to providing equal opportunities for professional growth and advancement regardless of gender.



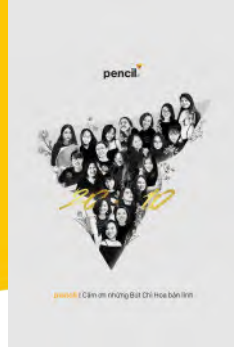
*\*Responded government goals 5.5. Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life*



## Pencil's Commitment to Mental Health

Pencil acknowledges that the working environment within the creative agency industry can generate significant pressures for employees. In response, we have implemented a range of strategies to support the well-being of our team members. Our steadfast commitment revolves around fostering a culture of compassion, dedicated to nurturing the creativity, curiosity, and happiness of our employees.

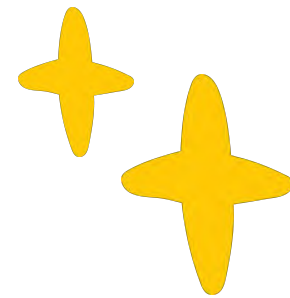




To uphold this commitment, Pencil has initiated various practices:

- **Team-Building Activities and Company Trips:** We organize annual team-building activities within Vietnam and company trips to other countries. These initiatives provide Pencil team members with opportunities to unwind and forge deeper bonds outside of the traditional work setting.
- **Engaging Internal Events:** Our internal events team consistently organizes exciting activities during special occasions. These events ensure that all employees enjoy memorable experiences that contribute to their overall well-being.

These practices underscore Pencil's unwavering commitment to fostering a supportive and compassionate environment that prioritizes the mental health and happiness of our valued team members.



# Employee well-being at Pencil

At Pencil, the well-being of our employees is of paramount importance.

We are wholeheartedly dedicated to maintaining a healthy work-life balance that allows all our team members to flourish both personally and professionally.

Our resolute commitment to prioritizing employee health and well-being is exemplified through a comprehensive array of initiatives and policies. Pencil is unwavering in its pursuit of cultivating a work environment that nurtures the holistic well-being of our employees.





# To underscore our dedication to employee well-being, we have implemented several practices:



**2-Hour Lunch Break with a Rest Area:** We provide a generous 2-hour lunch break accompanied by a designated rest area, ensuring our team members have ample time to recharge and relax during their workday.

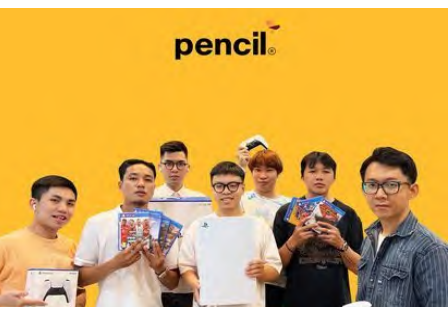
**Respect for Personal Time:** Our policy restricts work-related texts and messages before 8 AM and after 8 PM, safeguarding personal time for our employees and respecting their work-life boundaries.

**Annual Health Checks:** We have an annual health check policy for employees, and we buy the PTI international insurance package, which includes both medical and accident coverage to protect the health of personnel within the company.

**Monthly Free Massage Tickets:** We collaborate with blind massage centers to provide free monthly massage vouchers for employees at Pencil, aiming to promote physical well-being, help employees relax and relieve stress, and also contribute to supporting income for the blind.

These practices are a testament to our unwavering commitment to nurturing the well-being of our valued Pencilers.





## Office Amenities

Pencil's office space is designed with employee well-being in mind. We offer a massage chair for employees to relax and de-stress. Our office is also equipped with entertainment options, including the latest gaming console, the PS5, and various board games. In addition, we provide convenient food and beverage options within the office premises, ensuring employees have access to refreshments throughout their workday.



## Support during COVID-19

During the challenging COVID-19 lockdown period, Pencil reaffirmed our commitment to employee welfare. We initiated a program that involved providing weekly vegetable boxes to our employees. This initiative aimed to ensure a steady supply of fresh and nutritious food for our team members, demonstrating Pencil's unwavering support during difficult times.

## Utilization of Google Classroom

To facilitate convenient and accessible learning, we have integrated Google Classroom as a platform for hosting training materials. This centralized repository empowers employees to access educational resources at their convenience, encouraging self-paced learning and personal development. Through this technology, Pencil ensures that our team has the essential tools to continually improve their skills and knowledge.

*\*Responded government goals 3.4. By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being*



## Frequent Training Sessions

Recognizing the significance of ongoing professional development, Pencil regularly organizes training sessions for all employees. These sessions, held at least once a month, are designed to enhance the skills and knowledge of team members at all levels of the organization. By addressing specific areas of improvement and staying abreast of industry trends, these training sessions significantly contribute to the overall quality of education and professional growth.

The Board of Management at Pencil actively promotes knowledge sharing, benefiting all employees. Through the sharing of their expertise and insights, board members foster a culture of learning and growth within the organization. This approach ensures the dissemination of valuable knowledge and experiences throughout Pencil, enriching the quality of education and professional development opportunities.



We also provide support for employee course enrollment to encourage continuous skill enhancement. This initiative underscores our commitment to employee growth by offering financial assistance for their participation in relevant courses. Such support enables employees to pursue specialized training and educational programs that align with their career aspirations. By investing in quality education, we empower our employees with the skills and knowledge necessary to meet the evolving needs of our clients.

*\*Responded government goals 3.4. By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being*



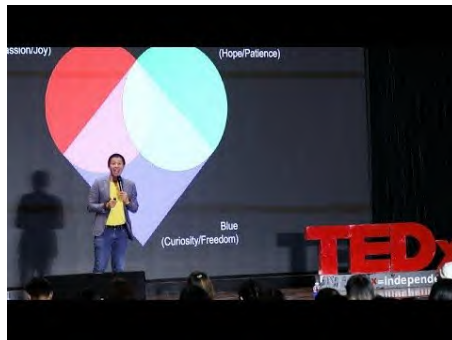
## Engaging with the industry

We not only foster knowledge development for all Pencil team members but also actively cultivate a network for individuals outside the industry.

This engagement with our stakeholders extends across various platforms, including social media, articles, books, and workshops.

The pursuit of continuous learning is an ongoing process of both acquiring and disseminating knowledge.

Our subject matter experts and leaders frequently share their insights and expertise, participating as panelists and keynote speakers in various forums.



## Strengthen relationships with Non-profit organizations

### Pencil Collaborates with RED Communication (Institute for Research on Development Communication)

Pencil's management team takes great pride in our partnership with RED on the "Marketing for Development Award" project.

This collaborative endeavor is centered around augmenting communication engagement in pressing social matters, with a focus on gender equality (2021-2022) and carbon reduction (2023-2025).

Our combined efforts include a spectrum of initiatives, ranging from workshops to impactful campaigns and community projects, all geared towards advancing positive change in these vital areas.







A notable initiative within our collaboration with RED is the workshop entitled "Understanding Gender Equality Among Vietnamese People." The primary aim of this workshop is to raise awareness among Pencil's team members regarding gender biases, gender equality, and their implications in language, behavior, and Vietnamese culture. By integrating these essential messages into our daily practices, we foster a deeper understanding and respect for gender diversity, which we subsequently apply to our marketing campaigns



## Strengthen relationships with Non-profit organizations

### Pencil Collaborates with Maison Chance

Commencing in August 2023, Pencil has entered into a partnership with Maison Chance, an organization founded by Ms. Aline Rebeaud in 1993. Maison Chance serves as a catalyst for individuals with disabilities, orphans, and children facing challenging circumstances in Vietnam, offering them a platform for growth and empowerment.

Our collaboration with Maison Chance focuses on bolstering their brand development strategy, particularly in the domains of artwork, textiles, and various products crafted by individuals with disabilities. Leveraging our extensive experience in partnering with diverse business brands, we are actively engaged in supporting Maison Chance in the areas of visual product presentation, packaging, and crafting compelling marketing messages. Our collective aim is to bring Maison Chance's remarkable story and the exceptional quality of their projects closer to their customers.

Maison Chance envisions a substantial increase in revenue, with a target of achieving a 30% growth rate compared to the performance in 2023.



## ***Strengthen relationships with Non-profit organizations***

The collaborative project between **Pencil and CCD (Center for Children and Development under The Vietnam Child Rights Protection Association)** is titled "Building a Creative Community for Comprehensive Sexuality Education Content for Children." This initiative aligns closely with Sustainable Development Goal 4 (SDG4).

Our endeavor involves establishing a community comprising nearly 1,000 teachers and parents who share a common interest in fostering comprehensive education for young children. This community-building effort is in direct support of SDG4, which aims to advance sustainable and high-quality education for all.

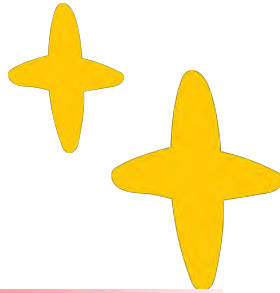
Pencil and CCD have joined forces to organize an online workshop series known as "Growing Up Smart: Safety & Comprehensive Education." In collaboration with Family Minigames, these workshops are designed to impart knowledge and skills to families, empowering them to ensure the safety and comprehensive education of their children.



## Partnerships for the goals

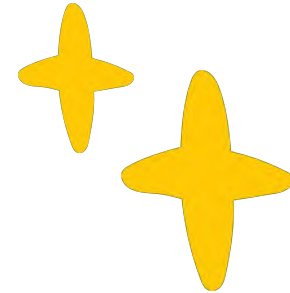
### Pencil x AnNa Project (Sex Education and Safety for Children)

The AnNa project has been a significant recipient of Pencil's resources and support since 2017. This initiative primarily addresses pressing concerns related to gender inequality, child sexual abuse, physical abuse, and the complexities associated with providing comprehensive sexuality education to children.



Pencil has forged a partnership with AnNa, leveraging our proficiency and experience in the realms of communication to devise innovative educational products and digital platforms dedicated to sex education and life skills.

The collaboration with AnNa serves as a compelling testament to Pencil's ability to deploy its resources and expertise within the domains of communication and education to contribute to the resolution of critical social issues. These include but are not limited to non-discrimination, the mitigation of bullying, the prevention of violence, countering sexual harassment, and addressing gender-based violence, all with the overarching goal of promoting self-esteem and fostering happy, fulfilling lives.





## Positive Content Influence

To raise awareness of the importance of breast cancer screening, our “We Care for Her 2023” initiative aims to help the Bright Future Fund expand its reach to not only women but also all individuals in their social circles, encouraging them to prioritize regular check-ups for breast cancer screening.

As part of our commitment to community development, Pencil has joined forces with the Cancer Support Fund’s “Bright Future Fund” to spearhead this awareness campaign. Our goal is to motivate women aged 40 and above in Vietnam to take proactive measures.

In this endeavor, we embrace a creative approach, incorporating the perspective of young talents. We convey medical information and screening encouragement through a language that is not only modern but also relatable and compassionate, resonating with the youthful spirit of our audience.

## Pencil's Collaboration with the City Department of Tourism

In 2022, Pencil proudly sponsored the creation of a promotional video titled "Ho Chi Minh City - Vibrant City" for the Ho Chi Minh City Tourism Department. This video was broadcast on the international television channel CNN and played a pivotal role in boosting tourism in Ho Chi Minh City. The project garnered significant recognition and was honored at the ASEAN PR Excellence Awards 2023. Pencil's involvement was instrumental in showcasing the vibrancy and allure of the city to a global audience.



## Partnerships for the goals

### Pencil x HOZO Festivals

Pencil played a key role as a Creative Lead in Hozo Festival 2022, an international music festival with a distinct Vietnamese identity, organized in collaboration with Vietfest & Beyond and the Ho Chi Minh City Department of Culture. Our involvement included creating Key Visuals (KV) and our Group CEO was the moderator for the HOZO panel discussion. This event achieved tremendous success, drawing over 150,000 attendees to two locations, Thủ Thiêm and Nguyễn Huệ.



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## **VLBC (Vietnam Legacy Branding Center)**

The VLBC, or Vietnam Legacy Branding Center, is founded with a primary objective of cultivating a long-term vision and offering essential resources to Vietnamese family businesses. Our goal is to support these businesses in not only enduring for centuries but also in evolving into cultural legacy brands that epitomize sustainable development and the capacity to be passed down through multiple generations.

VLBC is dedicated to providing a range of services, including research, consulting, and training, to empower these businesses on their journey towards becoming enduring cultural icons in the rich tapestry of Vietnamese legacy.

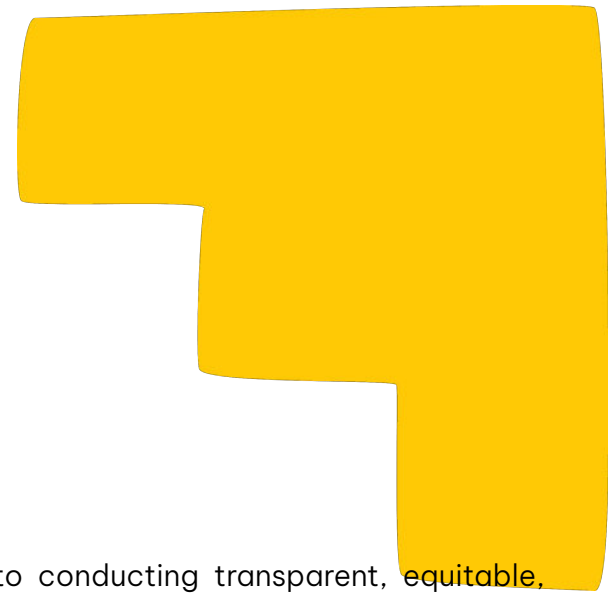


05

sustainability  
governance



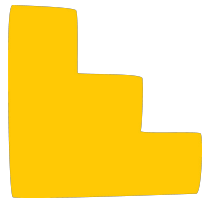
Our company is unwaveringly committed to transparency, equality and inclusion



We are committed to conducting transparent, equitable, and inclusive work process for our key stakeholders, where the rights of people are ensured and they are treated equally, with opportunities for personal growth.

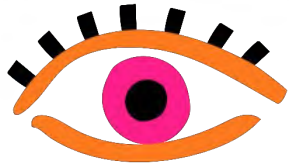
For us, we value diversity and nurture the unique individuals expressed through different perspectives, skills, also personal cultures.

In the sustainability governance section, we address how we build organization structures, internal communication, and establishing transparent policies and procedures for security and accountability for stakeholders.

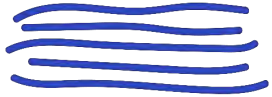


# Core value

# Code of conduct



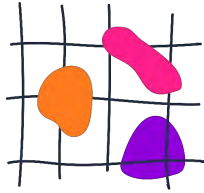
curious



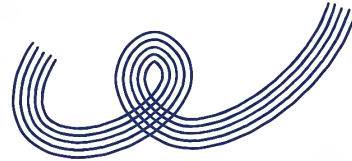
candour



courage



creative



compassion

→ 5c  
→ core values



candour

honest as a pen stroke

creative

write and draw with innocence  
like the first time

courage

as stubborn as a pencil's core, if  
you fail, sharpen it and try again

curiosity

ask until you find, wield the  
pen to move forward

compassion

empathize and take action for  
others

Being kind to each other

When you angry, refrain from shooting hurtful words.  
So that no one's heart - breaking.  
Because Pencil always know how to be kind!

Speaking sincerely

Kindness needs to be expressed sincerely to avoid unnecessary misunderstandings.  
Because Pencil always know how to be genuine.

Being united in all matters

People can break a single pencil, but they cannot break a bundle of pencils. Pencils always stick together.  
Because Pencil always know how to be united.

Resolving minor issues

No matter who you are, whether an account or designer, junior or BOD, we all share a common task: solving problems. Great ideas can come from anyone, so don't let your position limit your voice.  
Because Pencil always know how to untangle any situation.

Helping teammates

When help is needed, please open up and ask!  
When a colleague is facing difficulties, don't let them feel alone!  
We can experience brilliant success or devastating failure, but together is always better than being alone.  
Because Pencil always know how to support each other.

## Embedding an Equitable, Inclusive Culture into Our DNA

At Pencil, we have embraced the mission of weaving an equitable and inclusive culture into the very fabric of our organization. Our Code of Conduct serves as the compass, delineating the standards and principles to guide each and every one of us, regardless of our role within the company.

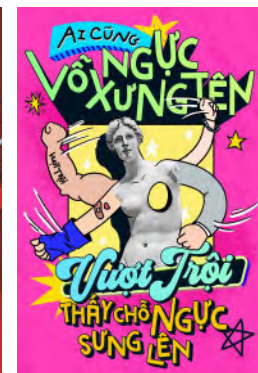
These principles are not merely words on a page; they are actively and effectively communicated through various channels. Internal events, team meetings, and company merchandise, including items such as notebooks, pens, gifts, art walls, and instructional books like "Huong dan su dung Pencil," serve as constant and tangible reminders for all Pencilers. They serve as reminders to cultivate a collaborative environment rooted in the 5C values—Curious, Candor, Courage, Creative, and Compassion. These values represent the cornerstone of our inclusive culture, and we actively embody them in our day-to-day interactions and operations.





Our commitment extends to providing every Penciler with the opportunity to express their individuality within the creative process. This commitment is demonstrated through our provision of funding and mentor support for internal projects that allow our team members to showcase their unique, diverse selves.

This approach not only empowers our team but also contributes to the cultivation of a diverse and inclusive working environment by nurturing personalized development abilities. We value and celebrate the distinctive contributions of each member of our team.



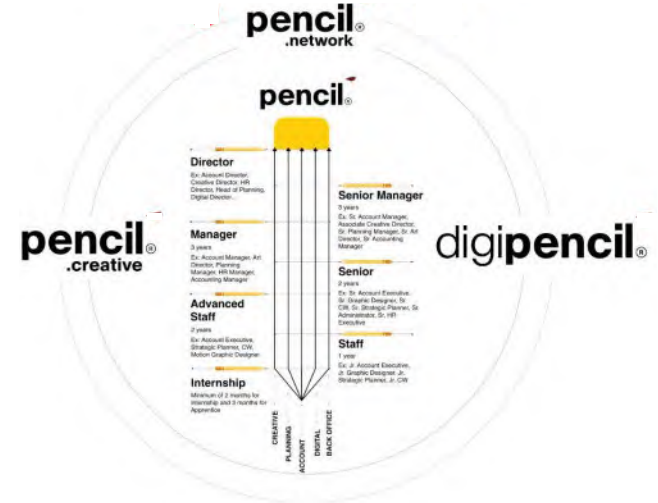
## Sustainable and Personalized Human Resource Management

At Pencil, our human resource management process is intricately linked to a distinctive strategy focused on fostering partnerships and collaborations, thereby creating a multitude of development avenues for our employees both within and outside the company. This approach encompasses several key activities:

- **Regular Performance Evaluations:** Pencil conducts biannual evaluations of employee job performance. These evaluations serve as a mechanism to provide constructive feedback and career development guidance to each individual, aiding in their professional growth.
- **Building a Pencil Network:** Pencil Network invests in investing creative companies in the cultural field. These companies span a wide spectrum of sectors, including fashion, publishing, music, technology, gaming, non-profit organizations, and various other fields. Pencil Network provides opportunities for employees to work and learn in a diverse environments.

Pencil Network plays a pivotal role in broadening our employees' network connections, granting them access to fresh knowledge, skills, and prospects. It creates a dynamic and enriching backdrop for personal development and career advancement in a creative and adaptable manner.

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# three principles in the career journey at Pencil

## From Zero to Hero

Regardless of the starting position, every employee has a career path that can achieve the highest positions if they make enough effort.

## Transitioning Between Teams

Employees in the Account department can switch to Creative roles, Creatives can move to the Planning team, Planners can transition to Creative roles, and even Back Office staff can shift to the Planning department. There are no limitations on changing disciplines if you have the potential

## Experience in Different Fields

Pencil has the network of creative companies within the Pencil Network that Pencil invests in, employees can explore opportunities on client-side roles and engage in creative fields beyond advertising and communications.



## Fostering culture and innovation

Creating a culture of belonging is a collective effort that starts from the top, and all across the working and creative process we need to be aligned and work together.

For new employees and junior staff members, we have established a safety and freedom zone where they can confidently raise their voices and share their.

*We challenge ourselves*

*We defy the norm*

*We rebel prejudice*

*We confront fears*

*We fight complacency*

*We are Eraser by Pencil.*

Eraser Group is in a parallel world with Pencil Group, where young people truly take the lead and the experienced generation join to support.

We are diverse by age, talent, and skill sets.

We are united by a single mission to erase.

No matter if it's a 19-year-old boy who drops out from university,

or a 37-year-old father of two daughters, anyone in Eraser can raise up their point of view, initiating a seed for change.

[pencil.vn/sustainability](https://pencil.vn/sustainability)



### Pet Marketing #1: Khi các "boss" xâm chiếm thế giới quảng cáo

21/09/2023 · 1,477 · 0



Không chỉ "xâm lăng" túi tiền của các "con sen", thú cưng ngày nay còn đốn tim bao người khi tham gia các chiến dịch truyền thông của thương hiệu. Liệu thú cưng đem lại hiệu ứng truyền thông thế nào và thương hiệu cần cân nhắc gì khi "chọn mặt gửi vàng"?



pencil®

For several years, Pencil has been actively engaged in various Sustainability activities. However, recognizing the increasing significance of ESG principles, Pencil took a momentous step this year by establishing a dedicated Sustainability Department.

This strategic move aims to structure our ESG efforts comprehensively and formulate a coherent, forward-looking strategy for sustainable development. With this new department, Pencil is poised to align its Sustainability activities more closely with our organizational goals, values, and stakeholders' expectations

Department Involved		Detail
<b>Strategy</b>	BOD + Sustainability Dept + Consultant	Initiate a discussion to outline and establish our ESG (Environmental, Social, and Governance) strategy for the upcoming year. This involves defining mid-to long-term ESG management objectives and shaping our decision-making process
<b>Execution</b>	Sustainability Dept + Back Office	Establish an agenda and activation plan to execute ESG strategies and advance ESG initiatives
<b>Review</b>	BOD + Sustainability Dept	Conduct a quarterly review, make necessary plan adjustments and extract key insights

# stakeholder's commitment



## **Penciler (Employees)**

Pencil is deeply committed to the well-being and growth of our employees. We pledge to provide a safe, inclusive, and supportive work environment that promotes diversity, equality, and personal development for all our employees.

## **Penciler outside the box (Freelancer)**

At Pencil, we're committed to empowering our Penciler outside the box by providing them with direct involvement in our internal workflows, granting them a deep understanding of each department within the Pencil. We prioritize efficiency by simplifying paperwork processes and ensuring swift processing times. Moreover, we offer the opportunity for them to participate in training sessions and workshops specially tailored for our Pencil community members.

## **Supplier**

Pencil is committed to fostering transparent, responsible partnerships with suppliers. We prioritize open communication about work methods and statuses, actively seek opportunities to reduce our environmental footprint, enhance social responsibility, and maintain ethical standards. We aim for transparency in work processes and job statuses, simplifying documentation procedures, and expediting processing times as well as fosters mutual understanding and support.

# stakeholder's commitment



## **Client**

Pencil is committed to integrating sustainable development principles considerations into our client engagements. We will collaborate closely with our clients to comprehend and harmonize their sustainability objectives, integrating sustainable approaches, advocating social responsibility, and upholding ethical governance throughout our joint endeavors. We ensure the protection of privacy and data security, a focus on quality and cost-effectiveness, as well as a deep understanding of our clients' corporate culture.

## **Government**

We commit to the government to adhere to labor laws, business regulations, fulfill tax obligations, and contribute to the development of the cultural services sector for sustainable growth.

[pencil.vn/sustainability](https://pencil.vn/sustainability)

## **Society**

Pencil is dedicated to actively supporting and collaborating with nonprofit organizations, community initiatives, and social impact projects that resonate with our values and areas of focus. Together with our clients, vendors, and employees, we aim to drive meaningful change, address social issues, and create sustainable solutions that benefit society as a whole.

Our commitment is to ensure that our communications with society are consistently honest and appropriate, promoting positive cultural values, and actively participating in community project communication strategies. We endeavor to bridge the gap between communication concepts and brand integration, aligning them with community messages.

06



what's next



# what's next

## Areas for improvement

## Goal orientation

### Environment

We are currently implementing a greenhouse gas measurement system and promoting environmentally friendly consumption habits among staff. Therefore, the specific effectiveness has not yet been measured

Coordinating ESG personnel specialized in reporting greenhouse gas emissions data on a monthly basis. Promoting eco-friendly activities among staff through workshops and experiential activities at community such as planting, cleaning up.

### Social

Communication is a high-stress work environment, and employee often face excessive workloads during peak periods.

Connecting with mental health care centers to organize workshops for healing, recharging, nurturing personal values and potentials.

### Governance

There is no code of conduct for stakeholders, including clients, suppliers, and partners. Risk management has not been implemented yet.

Developing a code of conduct for stakeholders. Building risk management framework.

# Thank you



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pencil<sup>®</sup>