



Noel Gifts International Ltd.

Embracing Sustainability



Contents

Contents	2
Board Statement	3
About This Report	4
Our Business.....	5
Embracing Sustainable Growth	5
Stakeholder Engagement.....	7
Materiality Assessment: Managing Risks and Opportunities	8
Building Our Workforce.....	10
Improving Quality and Service	14
GRI Content Index	15

Board Statement

Dear Stakeholders,

We are pleased to present our inaugural Sustainability Report for the financial year ended 30 June 2018. The purpose of this report is to encapsulate our ongoing commitment towards sustainability, which is integral to our business strategy and mission. Sustainability reporting gives us an opportunity to look into the Environmental, Social and Governance (ESG) impact of our organisation that affects our business performance. Through data collection, we have identified strategic priorities and key topics that are material to our organisation, and which impacts our employees, customers, as well as our business presence.

One of our strategic priorities is our internal stakeholders – our employees. At Noel Gifts, we seek to attract and retain employees by creating a great place to work. We provide a conducive work space for all our employees, support their career growth through training opportunities, and provide them with deserving benefits. In FY2018, we achieved an average of 8.46 hours of training per employee. Also, performance reviews and career development reviews were given to at least 67% of employees in all employee categories, and parental leave benefits will be introduced in 2019.

Another top priority is our customers who allow us to explore new business opportunities. Hence, we consider it of utmost importance to safeguard their privacy and data. In FY2018, there were no reports of substantial complaints on breaches in customer privacy and data loss. We hope to ensure the continuation of our efforts in protecting our customers' privacy.

As key business influencers, the community we work closely with is also a significant priority. We consider it our duty to follow regulations concerning marketing communications and labelling, to keep our customers better informed of our products and services. For the reporting period, we fully complied with regulations and codes concerning marketing communications. We hope to continue our efforts of using fair and responsible practices in our business and dealings with our customers.

We see sustainability as a continuous journey to better business performance and bring added value to you: our stakeholders. Through our first sustainability report, we hope to provide you with a holistic view of the key impact of our business and our sustainability performance. We look forward to reporting our sustainability performance on an annual basis to chronicle our year-to-year progress.

We sincerely hope you enjoy reading our inaugural Sustainability Report.

Alfred Wong Siu Hong (Managing Director) [102-14]

About This Report

Noel Gifts International Ltd. (“Noel Gifts”, “We”, “Our” or “Us”) is proud to present its inaugural sustainability report. Corporate responsibility has always been a part of our business strategy. This year, we have taken a more formal approach to publish our sustainability data.

Noel Gifts operates through two segments, Gifts and Properties. This report outlines sustainability data gathered and reported over a 12-month period (the financial year from 01 July 2017 to 30 June 2018) only for our Gifting businesses in Singapore. The methodology used to gather and report sustainability data is in accordance with the Global Reporting Initiative (GRI) Standards: Core option. With our inaugural sustainability report as a start, we look forward to progressively publish our sustainability performance annually.

[102-01] [102-50] [102-54] [102-52]

Defining Report Content and Topics: This report follows GRI-defined reporting principles for defining report content. These principles include:

- **Stakeholder Inclusiveness** – Identifying our key stakeholders and considering their expectation and interest in defining the report content
- **Sustainability Context** – Presenting our performance in the context of the limits and demands of economic, social and environmental conditions at the local, regional, and global level
- **Materiality** – Determining which topics significantly impact our performance and influence the decisions of the stakeholders, are required to be reported.
- **Completeness** – Reporting covering all aspects of key material topics, where their impacts occur, and in which time period. [102-46]

External Assurance: For this report, we have not sought for external assurance. However, we may seek to externally assure our future sustainability reports. [102-56]

Report queries and feedback: We strive to be transparent and to provide regular opportunities for review of our report. For questions or to deliver feedback about this report, please contact sustainability@noel.com.sg. [102-53]

Our Business

Noel Gifts is one of Singapore's leading hampers, flowers and gift's company with an extensive offering of chic floral arrangements and gifting ideas for the stylish and discerning. In 2008, Noel Gifts was listed on the SGX Mainboard. [102-5]

Noel Gifts operates through two segments, Gifts and Properties. We have been bringing people closer with premium quality gift selections for all occasions. We are a major player in the local festive hamper market and have transformed plain functional hampers into today's creative and quality-packed hampers.

In the mid-80s, we diversified into gift-related areas such as floral arrangements and gift packages. We create more than 400 new gift designs and packages throughout the year to cater to the gifting needs of our increasingly discerning customers. We have also forayed into the real estate industry through investment and development of properties.

With the headquarters in Singapore, Noel Gifts has, in 1991, ventured abroad through franchising and is the first local gifts company to have done so.

[102-02] [102-03] [102-4] [102-06]

Embracing Sustainable Growth

At its root, our business is built on bringing people closer and making every day better. To achieve this, we recognise the importance of looking after our people (our customers and our employees), their needs and their environment. By embracing a sustainable growth model, we not only care for our people, and their environment, but also maintain a competitive edge in the market. We are at the start of our sustainability reporting journey that we hope would maximise our human capital potential and ensure sustained business growth. [102-16]

Managing Sustainability-related Risks

Managing risks that arise in our operations through a precautionary approach is the first step towards embracing sustainable growth.

The Board of Directors (the “Board”) is responsible for overseeing the processes for risk management. The Board, with assistance from the Management, ensures a sound system of internal controls, and determines the nature and extent of the significant risks. The Management is responsible to review the Company’s business and operational activities to identify areas of significant business risks as well as identify appropriate measures to control and mitigate these risks within the Company’s policies and strategies. [102-11]

Sustainability in Supply Chain

Our supply chain consists of multiple suppliers and vendors that supply the raw materials for our operations. Risks and opportunities arise in our supply chain around our supplier and vendor operations. We aim for our suppliers and vendors to enjoy good working conditions, benefits and opportunities that would resonate to provide a positive impact on the wider community. The General Manager of Supply Chain oversees the overall supply chain operations of the Group and ensures all these risks and opportunities are effectively managed. [102-9] [102-10]

Organisational Structure and Sustainability Governance

The Operations and Management team under the oversight of the Board, work together to manage sustainability matters in Noel Gifts. [102-18]

External Charters and Principles

Noel Gifts follows all relevant regulations under the Singapore Exchange (“SGX”) and all other applicable regulations.

Where possible, the corporate governance practices at Noel are in line with the Code of Corporate Governance 2012 (the “2012 Code”). The Board and the Management ensure that Noel Gifts remain in compliance with other regulations, notices, circulars, and guidelines that may be released by regulators from time to time. [102-12] [102-13]

Stakeholder Engagement

We believe that building strong relationships with our stakeholders through effective communication is essential for the success of our business. Effective communication with our stakeholders helps us to understand how best to improve customer services, maintain our long-term growth, as well as help us to serve our community better.

We communicate regularly with our stakeholders by providing an open and transparent channel for their concerns, reviewing and considering those concerns, as well as responding in a timely manner. The table below shows our relationship and interaction with stakeholders during the financial year 2018. [102-40] [102-42] [102-43] [102-44]

Stakeholders	Mode of Engagement	Frequency of Engagement
Customers	<ul style="list-style-type: none">• Online feedback channel• Newsletter• Social media• Bi-annual surveys	Frequently
Suppliers	<ul style="list-style-type: none">• Supplier Performance Feedback	Frequently
Regulators	<ul style="list-style-type: none">• Electronic Communications	Regularly
Management	<ul style="list-style-type: none">• Board Meetings• Management Meetings	Regularly
Employees	<ul style="list-style-type: none">• Email Communications• Employee engagement programmes• Town hall meetings• Departmental meetings	Regularly

Materiality Assessment: Managing Risks and Opportunities

To report our sustainability performance, we first understood the concerns and expectations of our stakeholders. This was done in 2018, in the Stakeholder Engagement and Materiality Assessment workshop, where we mapped topics that hold significance to our business and those that influence our stakeholders. Through this exercise, we identified key topics that we prioritized for our reporting. In this report, we highlight our performance for each of these topics, including how these topics are managed in the organisation and the goals we have set for performance improvement, in subsequent years. [102-47]

We identified six topics that impact our business. These six topics also hold significance to our stakeholders. These topics are given in the table below.

Material Aspects and Indicators Identified

Category	Topic	Sub-topics we have reported	Impact of the Sub-topic
Economic	GRI 201: Economic Performance	Disclosure 201-1: Direct economic value generated and distributed	Within and outside the organisation
		Disclosure 201-2: Financial implications and other risks and opportunities due to climate change	Within and outside the organisation
		Disclosure 201-3: Defined benefit plan obligations and other retirement plans	Within the organisation
		Disclosure 201-4: Financial assistance received from government	Within the organisation
Social	GRI 404: Training and Education	Disclosure 404-1: Average hours of training per year per employee	Within the organisation
		Disclosure 404-2: Programs for upgrading employee skills and transition assistance programs	Within the organisation
		Disclosure 404-3: Percentage of employees receiving regular performance and career development reviews	Within the organisation
	GRI 401: Employment	Disclosure 401-1: New employee hires and employee turnover	Within the organisation
		Disclosure 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	Within the organisation
		Disclosure 401-3: Parental leave	Within and outside the organisation

Category	Topic	Sub-topics we have reported	Impact of the Sub-topic
	GRI 418: Customer Privacy	Disclosure 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	Within and outside the organisation
	GRI 202: Market Presence	Disclosure 202-1: Ratios of standard entry level wage by gender compared to local minimum wage	Within and outside the organisation
		Disclosure 202-2: Proportion of senior management hired from the local community	Outside the organisation
	GRI 417: Marketing and Labelling	Disclosure 417-1: Requirements for product and service information and labeling	Outside the organisation
		Disclosure 417-2: Incidents of non-compliance concerning product and service information and labeling	Within and outside the organisation
		Disclosure 417-3: Incidents of non-compliance concerning marketing communications	Within and outside the organisation

Building Our Workforce

Management Approach

Each individual carries with them their unique strengths and capabilities. Creating a workplace where our employees are dedicated and where they realise their full potential, would allow them to work with a sense of worth and achievement.

At Noel Gifts, we believe it is important to implement fair recruitment practices, be cognizant of the quality of benefits offered to our staff, and ensure equitable gender choice for leave entitlements. To show our commitment for these practices, Noel Gifts will sign the Tripartite Alliance for Fair & Progressive Employment Practices (TAFEP), which promotes the adoption of fair, responsible and progressive employment practices among employers, employees and the general public.

We also consider it essential to provide our employees with regular training and career development reviews to equip them with the right skills, build efficiency and keep our staff motivated. [103-1] [103-2] [103-3]

In FY2018, we hired 45 new employees. Women, who were hired during this period were 42% more than men hired during the same period.

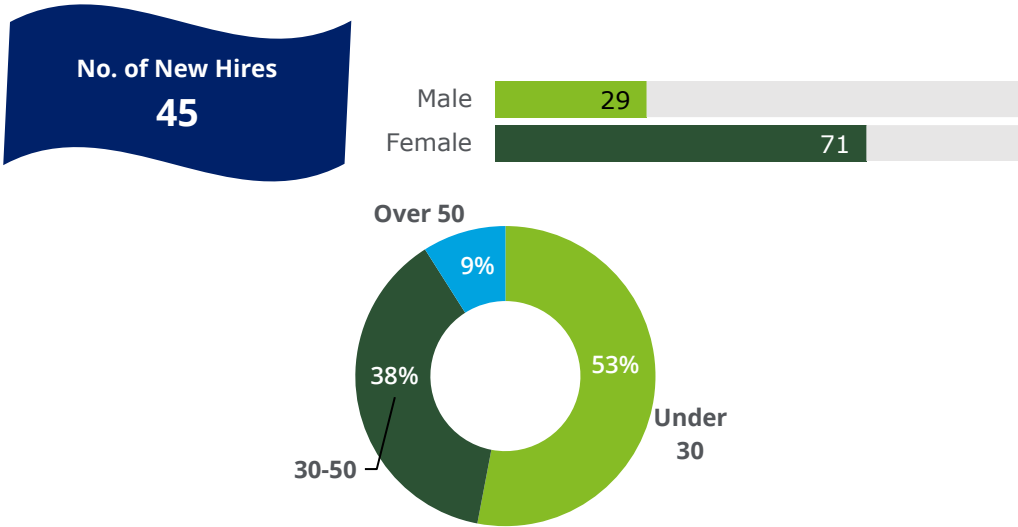
At Noel Gifts, we seek to attract and retain employees by creating a great place to work. We engage employees regularly and take care of our full-time employees* by providing staff welfare and medical and healthcare benefits. Our staff receives healthcare benefits and other care packages such as health screening and dental. They are also covered for Disability and Invalidity. In addition, to make our staff feel included and special, we provide them with gifts on special occasions. Our staff also receive discounts and credit for staff purchases.

We also understand the importance of family life and support our employees in all phases of their lives. To support new mothers and fathers, we will introduce parental leave benefits to our staff in FY 2019, which supplements the existing leave entitlements. [401-1] [401-2] [401-3]

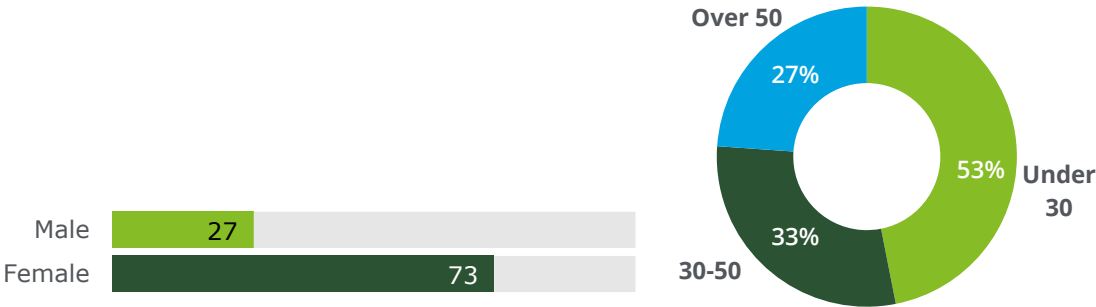
Total number of permanent full-time employees



Rate of Employee Hire by Gender and by Age



Rate of Employee Turnover by Gender and by Age



Training and Education

We place great emphasis on training our employees. In FY2018, we delivered a total of 846 hours of training, with an average of 8.46 hours of training received per employee. Training programmes designed for employees were primarily to upgrade their skills and included internal training courses, and funding support for external training or education. [404-1] [404-2]

Apart from training, we also place emphasis on regular review of our employee's performance and support them in building their career. In FY2018, 128 employees (67% of all employees) received performance and career development reviews. [404-3]

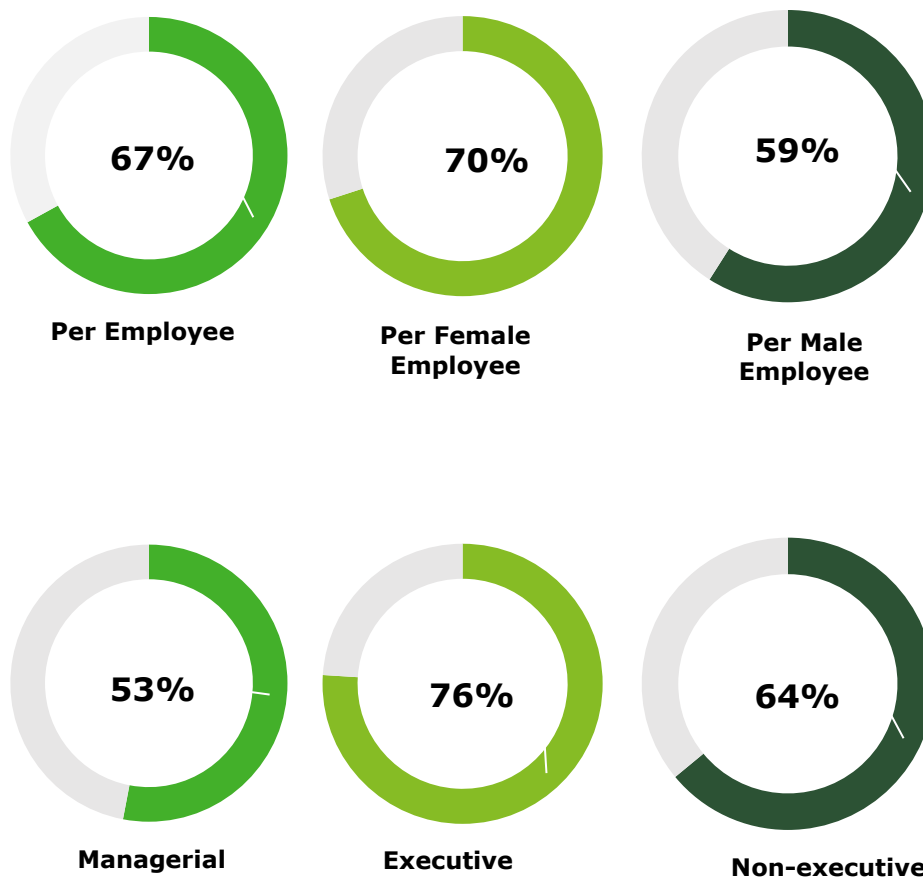
Average Training hours per Employee: 8.46



Average Training hours per Employee Category:



Percentage of employees receiving regular performance reviews and career development reviews



Improving Quality and Service

Management Approach

Our customer's needs and demands are evolving with the ever-changing trends. The level of our customer satisfaction is dependent on the quality of our operations, and by understanding our customer's evolving needs. We are aware of the importance of ensuring customer privacy, complying with marketing and labelling requirements and establishing our market presence.

By engaging with our customers frequently, we are finding new and better ways of executing new ideas, exploring new business opportunities and segments, creating new products, and innovating new services to delight our customers. We strongly believe that our customer-centric focus will allow us to establish a good market presence and ensure effective marketing of our products.

[103-1] [103-2] [103-3]

We safeguard our customer's privacy, and ensure that we are compliant with regulations and codes concerning products and services. In FY2018, we reported zero cases of substantiated complaints concerning breaches of customer privacy and losses of customer data. [418-1]

We are happy to report that we saw no incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labelling, in the reporting period. Noel Gifts was not charged with any case of non-compliance to regulations and/or voluntary codes concerning marketing communication, including advertising, promotion and sponsorship.

[417-2] [417-3]

GRI Content Index

GENERAL DISCLOSURES			
General Standard	GRI Disclosure	Page number(s) and/or Remark(s)	Omissions
ORGANISATIONAL PROFILE			
GRI 102: General Disclosures 2016	102-1 Name of the organisation	4	
	102-2 Activities, brands, products and services	5	
	102-3 Location of headquarters	5	
	102-4 Location of operations	5	
	102-5 Ownership and legal form	5	
	102-6 Markets served	5	
	102-7 Scale of the organisation	5,11	
	102-8 Information on employees and other workers	11	
	102-9 Supply chain	6	
	102-10 Significant changes to organisation and its supply chain	6	
	102-11 Precautionary principle or approach	6	
	102-12 External initiatives	<i>Not Available</i>	
	102-13 Membership of associations	6	
STRATEGY			
GRI 102: General Disclosures 2016	102-14 Statement from senior decision-maker	3	
ETHICS AND INTEGRITY			
GRI 102: General Disclosures 2016	102-16 Values, principles, standards, and norms of behaviour	5	
GOVERNANCE			
GRI 102: General Disclosures 2016	102-18 Governance structure	6	
STAKEHOLDER ENGAGEMENT			
GRI 102: General Disclosures 2016	102-40 List of stakeholder groups	7	
	102-41 Collective bargaining agreements	<i>Not Applicable</i>	
	102-42 Identifying and selecting stakeholders	7	
	102-43 Approach to stakeholder engagement	7	
	102-44 Key topics and concerns raised	8	

REPORTING PRACTICE			
GRI 102: General Disclosures 2016	102-45 Entities included in the consolidated financial statements	<i>Refer to Annual Report</i>	
	102-46 Defining report content and topic boundaries	4	
	102-47 List of material topics	8,9	
	102-48 Restatements of information	<i>Not Applicable</i>	
	102-49 Changes in reporting	<i>Not Applicable</i>	
	102-50 Reporting period	4	
	102-51 Date of most recent report	<i>Not Applicable</i>	
	102-52 Reporting cycle	4	
	102-53 Contact point for questions regarding the report	4	
	102-54 Claims of reporting in accordance with the GRI Standards	4	
	102-55 Content Index	17–21	
	102-56 External assurance	4	
CATEGORY: ECONOMIC			
ECONOMIC PERFORMANCE			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	<i>Refer to the Annual Report</i>	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed		
	201-2 Financial implications and other risks and opportunities due to climate change		
	201-3 Defined benefit plan obligations and other retirement plans		
	201-4 Financial assistance received from government		
MARKET PRESENCE			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	14	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	<i>Not Applicable in Singapore</i>	
	202-2 Proportion of senior management hired from the local community	10	

CATEGORY: SOCIAL			
TRAINING AND EDUCATION			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	10	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	12, 13	
	404-1 Average hours of training per year per employee		
	404-2 Programs for upgrading employee skills and transition assistance programs		
EMPLOYMENT			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	10	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	10, 11	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		
	401-3 Parental leave		
CUSTOMER PRIVACY			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	14	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	14	

MARKETING AND LABELLING			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	14	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 417: Marketing and Labelling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	14	
	417-3 Incidents of non-compliance concerning marketing communications		