



OSSIA INTERNATIONAL LIMITED

(Company Registration No: 199004330K)

SUSTAINABILITY REPORTS 2019

1.0 CORPORATE PROFILE

Established in 1982, Ossia has grown from a footwear manufacturer to a leading regional distributor and retailer of luxury fashion apparel, bags, footwear and sporting goods in the Asia Pacific region. Listed on the main board of Singapore Exchange Securities Trading Limited (SGX-ST) on 20 November 1996.

The Group also holds an effective 19.8% stake in Pertama Holdings Limited, a leading retailer of consumer electronics and home furnishings under Harvey Norman brand of retail stores in Singapore and Malaysia.

2.0 BOARD MESSAGE

The Sustainability Report (“Report”) focuses on the sustainability practices and strategies of the Group. The management recognizes that sustainability is a key component of the Group’s long term business strategy.

In today’s investment climate, non-tangible financial factors are becoming increasingly important to our stakeholders. Stakeholders are beginning to look beyond economic and operational factors in evaluating management and corporate accountability. We seek to meet the interests of our stakeholders by providing nonfinancial information of the Group and demonstrate our efforts to report to shareholders of the Company (“Shareholders”) and other stakeholders on the steps that we are taking to achieve a sustainable business model and our achievements and action plans to contribute to the society and a more sustainable environment.

3.0 VISION

Our vision is to be recognized as the “INDUSTRY LEADER” with a flair and passion in Luxury, Fashion and Sports, dominating all the markets we operate in. Trend setter, leading retailer and distributor, we will continue to grow and continue to endeavor to stay ahead in these challenging markets, focus and grow our core business activities, as well as, create and maintain the value of our people, customers and shareholders and ensuring long-term growth and profitability.

4.0 MISSION

Our mission is to ensure the highest level of product value, excellence in service, a customer-orientated and focused environment of the industry’s finest level. Leadership of people in process and products, leveraging the highest principals and personal skill sets. The Mission is one of excellence in every aspect of our business, which ultimately benefits our consumer.

5.0 ABOUT THIS REPORT

This Report is based on economic, social and environmental issues that are material to our Group and serve as a platform for us to communicate our achievements and plans to our Stakeholders

5.1 REPORTING FRAMEWORK

This report has been prepared in accordance with the Global Reporting Initiative (“GRI”) Standards. The report complies with the SGX-ST Listing Rules (711A and 711B) and the SGX Sustainability Reporting Guide.

5.2 REPORT CONTENT AND QUALITY

GRI’s principles of stakeholder inclusiveness, sustainability context, materiality, and completeness have been applied to determine the content of this report. GRI’s principles of accuracy, balance, clarity, comparability, reliability and timeliness have been used to help stakeholders assess our sustainability performance.

5.3 ASSURANCE

We did not seek external assurance for this sustainability report. We have relied on internal verification to ensure the accuracy of data. Our ESG performance is reported in good faith and to the best of our knowledge.

6.0 Four (4) key pillars as part of our Corporate Sustainability.

1. Corporate Social Responsibility (CSR),

Commitment to corporate social responsibility is an important element of good corporate citizenship, alongside sustainability and good governance. Ossia International is committed in meeting Singapore and Asia Pacific region’s social needs with a variety of charities and causes to initiatives geared towards sports, health and community welfare, among others, issues that are of importance to our staffs.

Our Vision

To improve the quality of life of the people residing in Singapore and Asia Pacific region and empowering them to better themselves and their communities

Our Mission

A constant and responsive company that supports and involves in relevant and sustainable community activities and partnerships which will effect meaningful change to the community

2. Governance,

(a) Business Strategy

The retail climate conditions in the region that we operate remain challenging. The Group will continue to focus on its core business, tightening operations by closing non-performing outlets and brands

(b) Board Composition and Guidance

The Board comprises an appropriate mix of businessmen and professionals with core competencies and diversity of experience, all of whom as a group, provides the Board with the necessary experience and expertise to direct and lead the Group. The diversity of the Directors' experience allows for the useful exchange of ideas and views. The Board is satisfied that no individual member of the Board dominates the Board's decision making and that there is sufficient accountability and capacity for independent decision-making. Taking into account the scope and nature of operations of the Group, the Board considers its current size to be adequate for effective decision making.

The Board has identified a number of areas for which the Board has direct responsibility for decision-making. Interested Persons Transactions and the Group's internal control procedures are also reviewed by the Board. Major investments and funding decisions are approved by the Board.

The Board will also meet to consider the following corporate matters: -

- Approval of Quarterly and Year End Result Announcements;
- Approval of the Annual Reports and Accounts;
- Convening of Shareholder's Meetings;
- Approval of Corporate Strategies; and
- Material Acquisitions and Disposal of Assets

(c) Investor Relations

We manage investors' expectations and promote a positive investment environment in the following manner:

- Annual General Meetings
- SGX Net announcements
- Annual Reports
- Website updates
- Investors can request to be on the Mailing List of the Company
- Maintain a database of email addresses of our Investors.

As part of good governance and to ensure gender diversity our Company's constitution stipulates that at any point in time, at least one member of the Board should be a female and this has been duly implemented by the Company.

3. Risk Management**Internal control**

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost-effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than to eliminate the risk of failure to achieve business objectives, and can provide only reasonable but not absolute assurance against material misstatement or loss.

The Group's internal controls and systems are designed to provide reasonable assurance to the integrity and reliability of the financial information and to safeguard and maintain accountability of its assets. The Audit Committee through the assistance of external auditors, reviews and reports to the Board on the adequacy of the Company's system of controls including the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulation and best practice, and the identification and management of business risks.

The Board is satisfied that the Company's framework of internal controls is adequate to provide reasonable assurance of the integrity, effectiveness and efficiency of the Company in safeguarding its assets and Shareholders' investments. Such framework serves to provide reasonable assurance against material misstatement or loss.

Audit Committee ("AC")

The AC undertook the following key activities:

- reviewing with the external auditors the audit plan, their evaluation of the system of internal controls, their audit report, their management letter and the management's response;
- reviewing the quarterly and annual financial statements and balance sheets and income statements before submission to the Board for approval;
- reviewing the internal control and procedures and ensuring co-ordination between the external auditors and the management;
- reviewing and discussing with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the management's response;
- reviewing the independence of the external auditors and recommending to the Board the appointment or re-appointment of the external auditors; and
- reviewing interested person transactions to ensure that they are on normal commercial terms and not prejudicial to the interests of the Company or its shareholders.

The AC reviewed the effectiveness of the Group's system of internal controls in the light of key business and financial risks affecting the operations. Based on the reports submitted by the external auditor and the various controls put in place by the management, the AC is satisfied that there are adequate internal controls to meet the needs of the Group in its current business environment.

4. Customer Satisfaction.

It is a fact that customer satisfaction can make or break a business. We always emphasize the importance of good customer service to all our employees and we continuously provide in house training.

In conclusion we will continue to play our part by improving and ensuring our Corporate Sustainability.