



OSSIA INTERNATIONAL LIMITED

(Company Registration No: 199004330K)

SUSTAINABILITY REPORTS 2022

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1. ABOUT US

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. ABOUT THE REPORT

Reporting Boundary

As a guide, this report covers operations and all subsidiaries for which Ossia International Limited (“Ossia” or together with its subsidiaries, the “Group”) has management control, unless otherwise stated. It seeks to provide an overview of our approach, practices, commitment and performance of the Group’s material Environmental, Social and Governance (“ESG”) topics.

Reporting Period & Standard

The reporting period is the same as that of the financial year of the Group (1 April 2021 to 31 March 2022). This report was prepared in accordance with the Global Reporting Initiative (“GRI”) Standards – “Core” reporting requirements. The GRI Standards is the most widely used and internationally accepted sustainability reporting framework. A GRI Index at the end of the report specifies the location of the relevant disclosures.

Independent Assurance

The ESG performance data presented in the report have mainly been extracted from internal information systems and original records to ensure accuracy. The Group has not sought external assurance for this sustainability report but has relied on internal verification to ensure the accuracy of data.

3. FEEDBACK

We are fully committed to our stakeholders and welcome feedback from them with regards to our sustainability efforts as this enables us to improve our policies, systems and results. Kindly address all feedback to contact@ossia.com.sg. Your feedback is vital to us in achieving our goals to build a sustainable and thriving business. In line with our efforts to promote environmental conservation, there will be no hard copies of this report.

4. BOARD STATEMENT ON SUSTAINABILITY

The Board of Directors (the “Board”) of Ossia International Limited. (the “Company”) and together with its subsidiaries (the “Group”) is pleased to present its Sustainability Report for FY 2022 prepared in accordance with the GRI Standards and in compliance with the SGX-ST guidelines on sustainability reporting.

The Board believes in the importance of sustainability reporting and is responsible for considering sustainability issues such as Environmental, Social and Governance factors as part of its strategic formulation. The report seeks to present an accurate and even account of our practices and performance in our quest to be a sustainable, responsible corporate citizen.

The Board aims for its businesses and operations to be conducted in a responsible and sustainable manner. The ESG topics in this report reviewed by the Board and Management are assessed to be material and relevant. The Group will continue to take a phased approach to progress along our sustainability journey as we grow our business. We look forward to progressively enhance our sustainability performance to strengthen the growth of our business in the long-term.

5. GOVERNANCE STRUCTURE

Sustainability is integrated into our business and embedded across various roles and functions. Though the Group does not have a formal SR Committee, the Board and the Audit Committee review and oversee the management and monitoring of the material ESG factors of the Group to ensure that sustainability matters are considered as part of its business strategy.

The Group maintains its benchmark through an annual audit which includes emphasis placed on its subsidiary in Taiwan, conducting Internal Audit which comprises of document reviews and interview with key personnel and inspection of operations focused on Management and Environment. The audit ensures that systems are firmly in place to allow for effective planning and accountability of the Group.

6. STRATEGIC APPROACH FOR SUSTAINABILITY & STAKEHOLDER ENGAGEMENT

The Group recognises the importance of our stakeholders’ interests and expectations in driving the success of our business as well as our sustainability performance. An important starting point in our sustainability journey is to identify our stakeholders and material aspects relevant to our business.

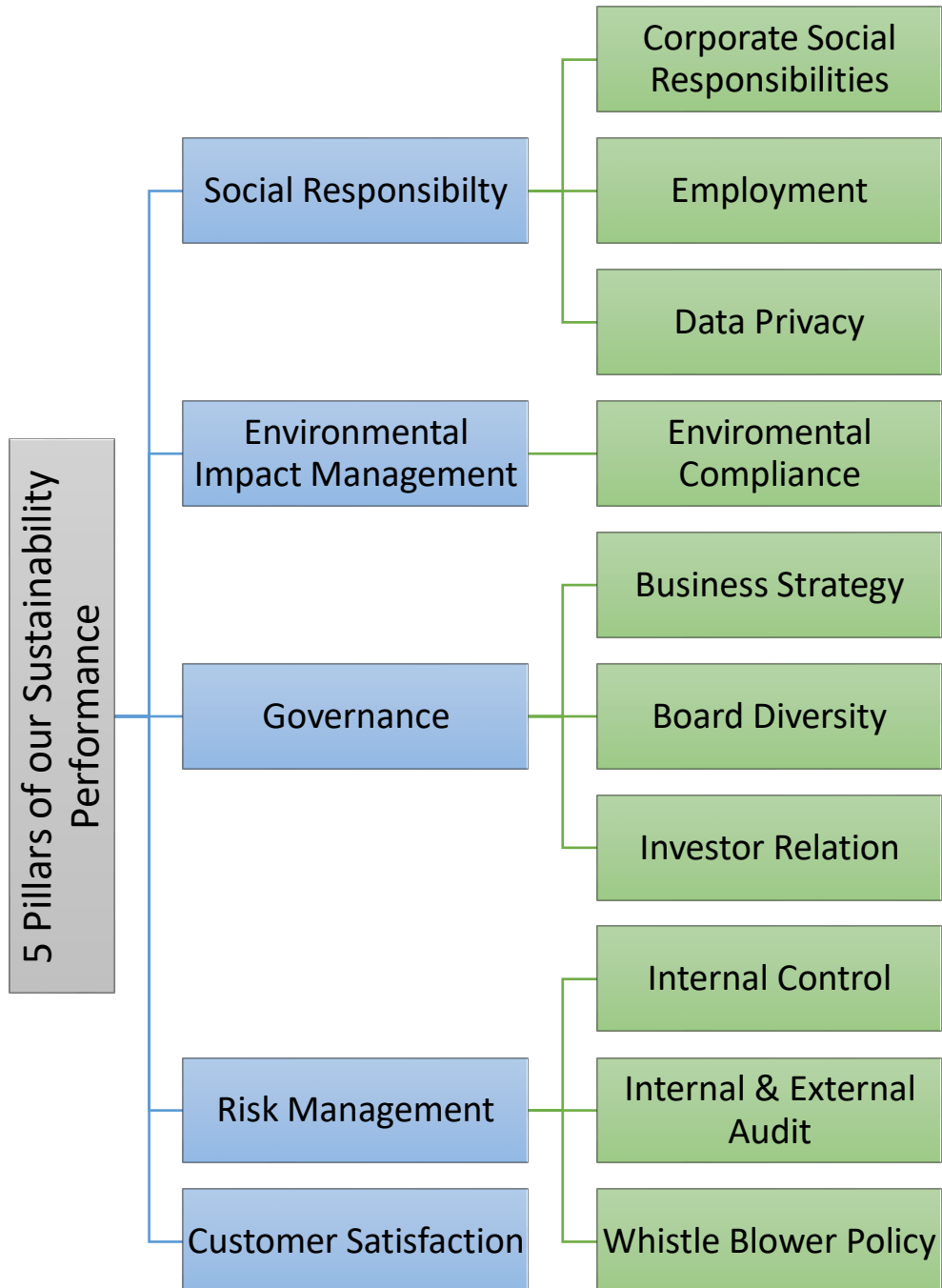
6. STRATEGIC APPROACH FOR SUSTAINABILITY & STAKEHOLDER ENGAGEMENT (continued)

The stakeholders of the Group who are notably the shareholders, employees, customers and suppliers whose concerns on the environment are always addressed especially on the usage of environmentally friendly products.

Stakeholders	Engagement and Communication channels	Key concerns and expectations	Our Responses and Actions
Shareholders	<ul style="list-style-type: none"> • Group Annual Reports • Annual General Meetings • Half yearly announcements • Regular announcements via SGXnet 	<ul style="list-style-type: none"> • Increase earning capacity • Improve corporate governance structure 	<ul style="list-style-type: none"> • Strive towards healthy growth • Establish shareholder communication mechanism • Issue Annual reports and other information on regular basis
Employees	<ul style="list-style-type: none"> • Regular dissemination of information • Open dialogues with employees 	<ul style="list-style-type: none"> • Promote career development • Protection of their basic rights and interests • Sense of belonging and recognition 	<ul style="list-style-type: none"> • Provide a good working environment • Regular training to employees • Provide avenues for career development • Protection of employee rights and interests
Customers	<ul style="list-style-type: none"> • Email queries • Customer visit to stores 	<ul style="list-style-type: none"> • Providing quality products • Customer rights protection 	<ul style="list-style-type: none"> • Providing quality products • Customer data protection • Promptly addressing customer complaints
Suppliers	<ul style="list-style-type: none"> • Email communication • Contracts and agreements 	<ul style="list-style-type: none"> • Providing quality products 	<ul style="list-style-type: none"> • Open communication • Ethical business practices

7. MATERIALITY ASSESSMENT

Material topics have been identified based on both risks and opportunities arising from our business activities, the environmental, social and governance impacts that are most significant to our stakeholders, as well as with reference to our current risk management framework. Applying the guidance from GRI, we have identified the following material aspects:



8. SOCIAL RESPONSIBILITY

(a) 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.

(b) Employment

We believe in fair employment practices as well as upholding human rights principle. In line with this commitment, we continue to promote diversity and equal opportunities at workplace. There is no discrimination based on religion, age, ethnicity or gender.

As at 31 March 2022, the Group has in total about 245 employees in its retail outlets and corporate office. No incidence of workplace discrimination or grievance was reported in FY 2022.

Employee Remuneration and Benefit

We are of the view that the current remuneration structure for all employees is appropriate to attract, retain and motivate them to manage the business and operations of the Group. In addition to the competitive remuneration offered, the Group has in place a term life and hospital and surgical insurance as well as provision for free annual medical check-up for all its key executive employees.

We recognize the need to stay informed and accordingly both on-the-job and ad-hoc trainings are made available to our employees.

Covid-19 Compliance

The Group has put in place safeguards to ensure health and safety of all employees specially during the current times when the Covid-19 pandemic has significantly impacted the global economy. Recording body temperature at regular intervals, arranging free ART test kits for employees and conducting safety checks on visitors to our premises are some steps taken in this direction. Employees are made to undertake ART test once a week.

(c) Data Privacy

We are committed to follow and comply with all applicable data privacy laws. Various systems have been put in place so that information related to our customers and employees are protected. Customers can be rest assured that their personal data that are collected are handled and protected in a responsible and secure manner.

We are pleased to report that there was no incident of non-compliance with the applicable data privacy laws in FY 2022.

9. ENVIRONMENTAL IMPACT MANAGEMENT

Our Group is committed to do our best to care for the environment that we operate in and has carried out the following:

- a) Optimising electricity and water usage in our stores.
- b) Progressively replacing all lighting with energy efficient light fittings. Also, lights are switched off when rooms are unoccupied.
- c) We have reduced excessive paper usage by adopting measures such as e-filing of documents wherever the option is available instead of printing them. Meeting papers are being reduced and reused by printing on both sides of the page. At the same time, we are recycling our papers and will also cut down any excessive papers used such as filings in our half-yearly meeting files. We have stopped circulating hard copy files for quarterly financial reports and instead use email to communicate the same to all Directors.
- d) Since last year, in line with Company's corporate social responsibility initiatives and sustainability strategy, we have implemented the use of electronic means of communication for purpose of serving notices to the Company's shareholders and encourage our shareholders to support our sustainability efforts by embracing electronic communications.

Regular practice is conducted for all our employees on the proper usage of fire extinguishers in the building. We also regularly make sure that all extinguishers are in proper working order and ready to be used when required.

We practise and encourage the principle of "Reduce, Reuse & Recycle" of resources such as paper. All employees are encouraged to reuse paper and minimize printing wherever possible.

No fines or non-monetary sanctions have ever been imposed on the Company for non-compliance with environmental laws and regulations.

10. 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.

The Group has undertaken a careful review of its operations in order to align operating costs and strategies with market expectations in the new normal. The Group will also explore ways to diversify into other businesses or markets to provide alternative revenue and income streams while managing costs prudently.

10. GOVERNANCE (continued)

(b) Board Diversity

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 half yearly 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
- 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.

11. Risk Management

We take Risk Management seriously to ensure the sustainability of the Group.

(a) 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.

11. Risk Management (continued)

(a) Internal control (continued)

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.

11. Risk Management (continued)

(b) Internal & External Audits

Internal audits

The Group engages an independent external accredited firm to conduct regular internal audits every year. The internal auditor reviews the internal controls in place and the proper implementation of the controls as well as any improvements suggested across various areas from IT operations to different business sectors to the management.

External audits

An External audit is conducted annually by an accredited Certified Audit Firm. In every half-yearly Audit Meetings, the Committee discusses, and updates risk matters related to the Group, to ensure that any inherent risks are identified and handled promptly and appropriately.

(c) Whistle Blower Policy

A Whistle-Blowing Policy is also in place to provide an avenue through which employees may report or communicate, in good faith and in confidence, any concerns relating to financial and other matters, so that independent investigation of such matters can be conducted, and appropriate follow-up action taken. The Audit Committee Chairman is in charge of managing this specific area. The Whistle-Blowing Policy has been reviewed by the Audit Committee to ensure that it has been properly implemented.

The Board is accountable to the shareholders while the management is accountable to the Board. The Board is mindful of the obligation to provide timely and fair disclosure of material information and avoids selective disclosure.

The Group undertakes to investigate complaints of suspected fraud and unethical undertakings in an objective manner and has put in place, with the Audit Committee's endorsement, arrangements by which staff of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The objective for such arrangements is to build up independent and transparent investigation of matters raised and to allow appropriate actions to be taken.

All cases reported are objectively investigated and appropriate remedial measures are taken where warranted. All whistle blowing matters are reviewed annually by the Audit Committee.

On an ongoing basis, the whistle-blower policy is covered during staff training and periodic communication to all staff as part of the Group's efforts to promote awareness of fraud control. Further to this, any staff member having any specific concerns can contact the Audit Committee Chairman directly through email or via his handphone.

12. Customer Satisfaction.

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

Recognising the benefits of ESG factors in business, we will continue to play our part by improving and ensuring our Corporate Sustainability.

13. GRI STANDARDS CONTENT INDEX

GRI Standard	Disclosure	Reference/ Description
GENERAL DISCLOSURE		
GRI 102: General Disclosures	102-1 Name of organization	Ossia International Limited
	102-2 Activities, brands, products and services	Page 2 – About Us
	102-3 Location of headquarters	Singapore
	102-4 Location of operations	Singapore, Taiwan
	102-5 Ownership and legal form	Public Listed Company on the Mainboard of Singapore Stock Exchange
	102-6 Markets served	Singapore, Taiwan
	102-7 Scale of the organisation	Pages 1 of Annual Report 2022
	102-8 Information on employees and other workers	Page 6 – Employment
	102-9 Supply chain	Not applicable
	102-10 Significant changes to the organisation and its supply chain	None
	102-11 Precautionary Principle or approach	Ossia does not specifically address the precautionary approach
	102-12 External initiatives	Page 6 – Corporate Social Responsibility
	102-13 Membership of associations	None
	102-14 Statement from senior decision maker	Page 3 – Board Statement
	102-16 Values, principles, standards and norms of behaviour	Page 3 and 4 – Strategic Approach for Sustainability & Stakeholder Engagement
	102-18 Governance structure	Page 3 and 4 – Strategic Approach for Sustainability & Stakeholder Engagement
	102-40 List of stakeholder groups	Page 3 and 4 – Strategic Approach for Sustainability & Stakeholder Engagement
	102-41 Collective bargaining agreements	None

	102-42 Identifying and selecting stakeholders	Page 3 and 4 – Strategic Approach for Sustainability & Stakeholder Engagement
	102-43 Approach to stakeholder engagement	Page 3 and 4 – Strategic Approach for Sustainability & Stakeholder Engagement
	102-44 Key topics and concerns raised	Page 3 and 4 – Strategic Approach for Sustainability & Stakeholder Engagement
	102-45 Entities included in the consolidated financial statements	Page 1 of Annual Report
	102-46 Defining report content and topic boundaries	Page 2 – About the Report
	102-47 List of material topics	Page 5 – Materiality Assessment
	102-48 Restatement of information	None
	102-49 Changes in reporting	None
	102-50 Reporting period	1 April 2021 to 31 March 2022
	102-51 Date of most recent previous report	15 July 2021
	102-52 Reporting cycle	Annually
	102-53 Contact point for questions about the report	Page 1
	102-54 Claims if reporting in accordance with the GRI Standards	This report was guided by the GRI standards, Core option.
	102-55 GRI content index	Page 12 to 13 - GRI Standards Content Index
	102-56 External Assurance	Not Applicable. We did not seek external assurance for the Sustainability Report
	MATERIAL TOPICS	
GRI 201: Economic performance	201-1 Direct economic value generated and distributed	Page 3 of Annual Report
GRI 205: Anticorruption	205-1 Operations assessed for risks related to corruption	Page 8 to 10 – Risk Management
GRI 302: Energy	302-1 Energy consumption within the organization	Page 7 - Environmental Impact Management

GRI 405: Diversity and equal opportunity	405-1 Diversity of governance bodies and employees	Page 8 - Governance
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development program	Page 5 – Social Responsibility
GRI 413: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data development programs	Page 5 – Social Responsibility