

FY2023 SUSTAINABILITY REPORT



OXPAY FINANCIAL LIMITED
(COMPANY REGISTRATION NO.
200407031R)

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This sustainability report has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "Sponsor"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalyst.

This sustainability report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this sustainability report, including the correctness of any of the statements or opinions made or reports contained in this sustainability report.

The contact person for the Sponsor is Ms. Goh Mei Xian, Director, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.

Board Statement

Dear Stakeholders,

OxPay Financial Limited (the “**Company**”, together with its subsidiaries, the “**Group**” or “**OxPay**”) is pleased to present its third Sustainability Report (the “**Report**”) for the financial year ended 31 December (“**FY**”) 2023. This report encapsulates what we have achieved in the Economic, Environmental, Social and Governance (“**EESG**”) domains over the previous year, and areas of improvement.

With climate change increasingly proving to be the defining issue of our times, the Board of Directors (the “**Board**”), who holds overall responsibility for OxPay’s sustainability governance, and the Company’s senior management (the “**Senior Management**”) remain committed to ensuring climate resilience is embedded into OxPay’s operations and that the Company plays its part in addressing climate change.

Given our aspirations to become the leading digital payment services firm in ASEAN, we recognise the responsibilities we have in ensuring our businesses are conducted in environmentally and socially responsible ways, as well as our potential to be an exemplar for others in demonstrating that business success can be achieved hand-in-hand with sustainability.

Guided by the four pillars of Prosperity & Growth, Ethics & Integrity, Our People, and Our Environment, we have continued to integrate sustainability into our operations by upholding strong and robust levels of corporate governance, ensuring the responsible use of digital payments, providing a safe and inclusive workplace for our employees, and focusing on reducing our environmental footprint, all while progressing in our efforts to grow the business.

As we take yet another step forward in our endeavours to becoming a truly sustainable business, we would like to take this opportunity to thank our stakeholders for their continued support in walking this journey with us. Our stakeholders are at the centre of all that we do at OxPay and their valued support and input will be indispensable in propelling us towards the achievement of our ambitions.

Warmest Regards,

Ching Chiat Kwong

Non-Executive Non-Independent Chairman

Yick Li Tsin

Executive Director and
Chief Executive Officer

About this Report

Reporting Scope

This Report covers the sustainability-related strategies, measures and performance of OxPay's Singapore, Malaysia, and Thailand operations for the period between 1 January 2023 to 31 December 2023. Singapore serves as the Group's headquarters, while Malaysia and Thailand are our other core markets. The sustainability-related performance data of our Indonesian affiliate is excluded from this Report as we have no significant control or influence over its operations.

Reporting Framework

This Report has been prepared with reference to the Global Reporting Initiative ("GRI") Universal Standards 2021 as well as the Task Force on Climate-Related Financial Disclosures ("TCFD") framework. We have continued to use the GRI standards for our reporting requirements as it is a widely adopted standard that provides extensive guidance on assessing and presenting organisational sustainability-related information, allowing our reports to be credible, transparent, informative, and comparable across time to our stakeholders.

Meanwhile, our use of the TCFD framework commenced in FY2023 in line with the Singapore Exchange Securities Trading Limited's ("SGX-ST") climate reporting requirements. As this is the first year we are using the TCFD framework, we have taken a phased approach to the adoption of the TCFD recommendations and as such, we shall perform and include our climate risks and opportunities assessment and related financial disclosures in our next sustainability report. The respective GRI and TCFD content indexes can be found at the end of this Report.

In preparing this Report, we have adhered to Rules 711A and 711B of the SGX-ST Listing Manual Section B: Rules of the Catalist ("**Catalist Rules**") and all applicable provisions set out in Practice Note 7F of the Catalist Rules on sustainability reporting, particularly the inclusion of the six primary components of a sustainability report on a "comply or explain" basis.

Data Assurance

We have not sought external assurance for this Report. All information and data presented herein has been reported to the best of our knowledge and in good faith, with internal verification and review processes conducted by our internal auditor to ensure their accuracy.

Accessibility and Feedback

Digital versions of this Report can be accessed on SGXNet and from our Company's corporate website at <https://oxpayfinancial.com/downloads/>. Your feedback is important to us. If you have any comments, insights or suggestions pertaining to this Report or our sustainability policies, practices, and initiatives, please contact us at: ir@oxpayfinancial.com.

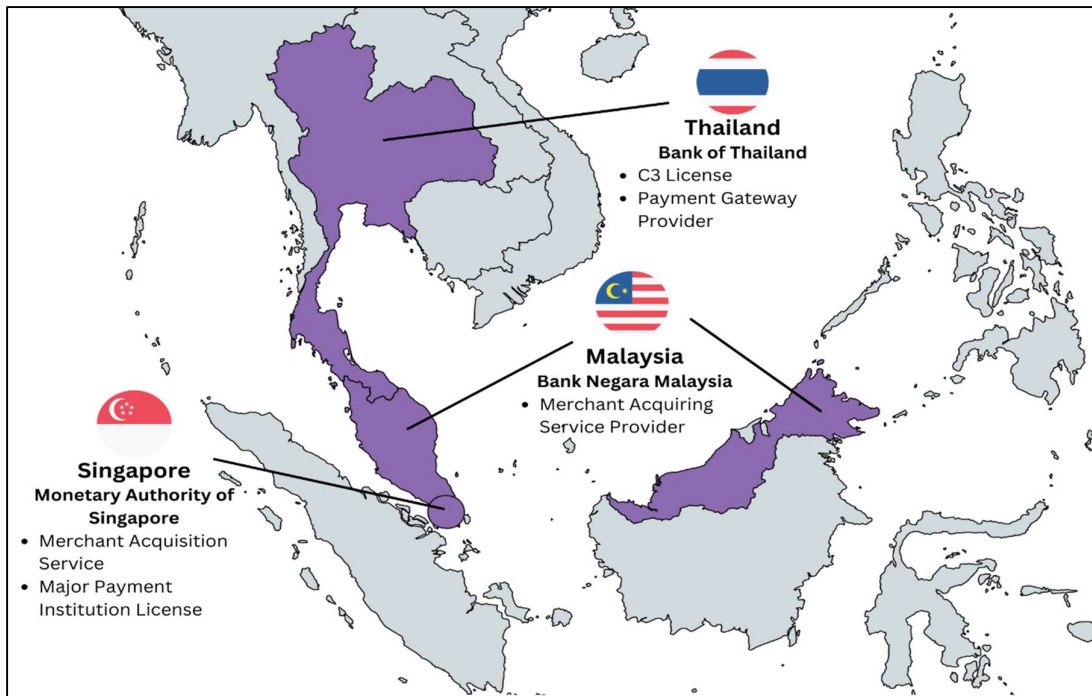
Corporate Profile

OxPay is an online-to-offline financial services technology provider with a fully integrated platform, that helps online and offline merchants to run and grow their businesses easily. We play the role of an enabler in the payment ecosystem, with the aim of allowing merchants to seamlessly manage payment collection, improve operational efficiency and increase their sales completion rate. We specialise in two areas: merchant payment services (“MPS”) and digital commerce enabling solutions (“DCES”), with a particular focus on serving the needs of merchants in the retail, transportation, and food and beverage sectors. A brief explanation of what our business consists of is provided below.

MPS – The Group provides payment processing services through its unified platform and smart software, which can be (a) installed in or integrated with any smart devices (including mobile phones, tablets, and smart point-of-sales (“POS”) terminals) for merchants with physical stores or (b) integrated into websites and applications of online merchants.

DCES – The Group provides ancillary services, such as the sale/lease of smart POS terminals, provision of proprietary and licensed software-as-a-service, white-labelling of its proprietary or licensed software, development of bespoke software for its merchants, and tokenisation/detokenisation services.

As part of our goal to establish ourselves as a regional player in the global payments industry, OxPay is currently licensed to operate in three Southeast Asian countries, namely Singapore, Malaysia, and Thailand. The licensing authority and service offering we provide in each country is displayed below.



Our Sustainability Approach

Establishing an ethical, inclusive, and resilient business alongside the sustainable growth of our merchant partners is our primary objective. To do so, we have anchored our sustainability strategy on the following four key pillars, which in turn serve as a broad umbrella grouping for our material EESG topics.



Sustainability Governance

We believe that a strong and effective sustainability governance structure is fundamental in not only advancing the growth and development of the Group but also to safeguard the interests of our stakeholders. Our sustainability governance structure comprises both the Board as well as Senior Management. The Board is responsible for charting the overall direction of the Group's sustainability programme, strategies, and commitments, which in turn helps to guide Senior Management in devising and implementing sustainability measures and initiatives for the Group. To ensure that the Board is sufficiently equipped to exercise its sustainability governance mandate, all Directors (except Mr Yick Li Tsin who has been appointed as Executive Director and Chief Executive Officer on 31 January 2024) who sit on our Board have completed the Sustainability Training for Directors of listed companies as required by the SGX-ST.

The roles and responsibilities of the Board and Senior Management as it pertains to our sustainability governance regime are outlined as follows:

Board of Directors

- Consider sustainability issues in the Group's business and strategy
- Provide clear strategic direction on sustainability-related matters
- Determine what EESG factors identified are material to the Group's business
- Validate all previously identified material EESG factors for their continued relevance and significance to the business and our stakeholders
- Oversee the management and monitoring of all identified material EESG factors
- Assess the Group's sustainability performance and suggest areas for improvement
- Ensure the adequacy of the Group's sustainability reporting processes

Senior Management

- Systematically assess all relevant risks and opportunities to identify, rank and prioritise material EESG factors
- Manage the Group's sustainability matters, including the reporting and monitoring of EESG-related issues
- Ensure that all identified material EESG factors are monitored on an ongoing basis and properly managed
- Implement sustainability initiatives that are well-aligned with the Group's strategic direction
- Establish internal controls to manage the organisation's impacts on the economy, environment, and people

For more details on our governance structure, composition, nomination and selection processes and remuneration policies for our Board members, as well as OxPay's overall risk management framework, please refer to our FY2023 Corporate Governance Report section published as part of our FY2023 Annual Report.

Stakeholder Engagement

The perspectives, concerns and expectations of our stakeholders are an indispensable part of our sustainability strategy, and we are committed to remaining receptive to their feedback and actively engaging them throughout our sustainability journey. Our key stakeholders are defined as those who have a significant impact on the Group, and *vice versa*. This includes our employees, customers, contractors and suppliers, shareholders and investors, as well as government and regulators. Interactions with our stakeholders and the insights we draw from their views help mould our thinking on and methods to achieve the Group's long-term growth and sustainable development.

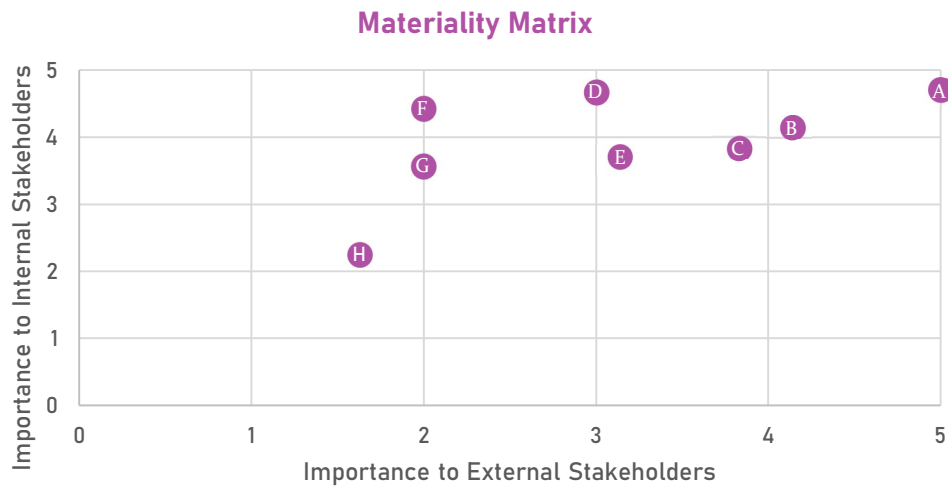
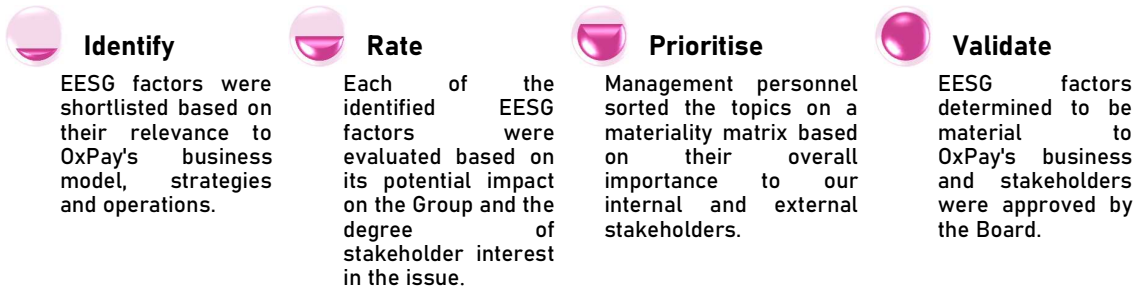
The following table summarises how we have engaged with our stakeholders as well as the interests, concerns and priorities relating to EESG issues they have raised in FY2023.

Stakeholder Groups	Engagement Channels	Engagement Frequency	Stakeholders' Expectations
Employees	<ul style="list-style-type: none"> • Orientation and training • Performance appraisal 	<ul style="list-style-type: none"> • Ongoing • Annual 	<ul style="list-style-type: none"> • Supportive and empowering work environment • Fair employment practices
Customers	<ul style="list-style-type: none"> • Enquiry calls • Know-your-customer checks • Tracking of customers' complaints 	<ul style="list-style-type: none"> • Ongoing • Ongoing • Ongoing 	<ul style="list-style-type: none"> • Pricing and quality of products and service offerings • Enhanced user experience
Contractors and Suppliers	<ul style="list-style-type: none"> • Supplier evaluation forms • Meetings and discussions 	<ul style="list-style-type: none"> • Annual • Regularly 	<ul style="list-style-type: none"> • Competitive pricing and transparent tender process • Compliance with terms and conditions
Shareholders and Investors	<ul style="list-style-type: none"> • Announcements • Corporate website • Annual General Meeting • Annual Report • Sustainability Report 	<ul style="list-style-type: none"> • Ongoing • Ongoing • Annual • Annual • Annual 	<ul style="list-style-type: none"> • Financial performance • Corporate governance • Long-term business strategies
Government and Regulators	<ul style="list-style-type: none"> • Meetings and dialogues • Annual Report • Sustainability Report 	<ul style="list-style-type: none"> • Ongoing • Annual • Annual 	<ul style="list-style-type: none"> • Regulatory compliance • Corporate governance • Sustainable business practices

Materiality Assessment

Bringing together the deliberations and perspectives of our Board and Senior Management as well as the feedback we have obtained from our various internal and external stakeholders, we have assessed that the material topics identified in FY2022 remain relevant to our business and stakeholder interests for FY2023.

The process we have undertaken to determine our material topics is outlined below:



Legend:
[A] Customer Data Privacy
[B] Cyber Security
[C] Anti-Corruption
[D] Economic Performance
[E] Code of Conduct
[F] Training and Education
[G] Fair Employment Practices
[H] Energy Usage

The following table summarises our material topics according to the pillar they belong to, their associated positive and negative impacts, as well as the short-, medium-, and long-term goals we have established for each.

Material Topics	Associated Positive and Negative Impacts	Our Targets		
		Short-term (1-2 years)	Medium-term (2-5 years)	Long-term (more than 5 years)
<i>Pillar 1: Prosperity and Growth</i>				
Economic Performance	Strong economic performance can lead to improved value creation for our key stakeholders, including our shareholders, employees, and business partners. We would also be able to contribute to better financial accessibility and convenience for financial transactions. Poor economic performance could lead to the Company becoming less competitive and losing market share to competitors.	We aim to break-even in near future.	We aim to achieve sustainable and positive financial results.	We will set more long-term targets once we achieve our short-term target.
<i>Pillar 2: Ethics and Governance</i>				
Customer Data Privacy	Efficient management of customer data privacy can lead to positive impacts like the improved credibility of our systems, trust with our merchant partners and branding. Conversely, poor or ineffective management of customer data privacy can lead to a decrease in customer confidence, reputational and monetary losses, as well as legal penalties.	We aim to continuously update our customer data management systems, ensure all employees have good awareness and adherence to our customer data privacy policies, as well as maintain zero reported cases of breaches of customer data privacy.		
Cyber Security	Good cyber security will allow us to protect our business while reducing the risk of our digital systems becoming compromised. Poor or ineffective cyber security may lead to business disruptions and its associated economic loss, a reduction in customer trust,	We aim to ensure the continued readiness of our cyber security system through simulated stress tests and keeping it up-to-date with best practices and relevant standards. We will continue to be vigilant and responsive to evolving cybersecurity landscape.		

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Material Topics	Associated Positive and Negative Impacts	Our Targets		
		Short-term (1-2 years)	Medium-term (2-5 years)	Long-term (more than 5 years)
	as well as the penalties associated with the non-compliance of security and privacy laws.			
Anti-Corruption	Acts of corruption, fraud or any other criminal deed can harm our reputation and the relationships we have with our stakeholders.	We aim to maintain zero confirmed cases of corruption, fraud or any other form of criminal misconduct.		
Code of Conduct	Violations of our Code of Conduct, which specifies the minimum standards of professional ethics and integrity. We seek to uphold and represents our commitment to abide by all applicable laws and regulations. Not doing so can lead to significant risk of reputational loss in the public eye.	We aim to maintain zero reported cases of non-compliance with applicable laws and regulations.		
<i>Pillar 3: Our People</i>				
Training and Education	By enhancing our employees' skills, knowledge, and expertise, we can not only develop their potential to contribute to the Company, but also improve their perception of a "win-win" employer-employee relationship.	We are in the process of setting more definitive and measurable targets for this material topic.		
Fair Employment Practices	By ensuring we are an equal opportunity employer and treating our employees well, we can keep employee motivation high and reap the rewards of their productive contributions. Conversely, if we have a poor reputation on employment practices and working conditions, our existing employees may leave while we may experience increased difficulty in attracting new talent.	We aim to have zero reported cases of workplace harassment, bullying or discrimination.		
<i>Pillar 4: Our Environment</i>				

Material Topics	Associated Positive and Negative Impacts	Our Targets		
		Short-term (1-2 years)	Medium-term (2-5 years)	Long-term (more than 5 years)
Energy Usage	Energy usage forms the bulk of our environmental footprint. By improving our energy usage through adopting more energy-efficient technology, we can not only achieve cost-savings in the long run, but also reduce the environmental footprint of our business operations at the same time.	We aim to improve our energy-efficiency through the installation of more energy-efficient appliances and equipment.	We aim to keep our energy intensity ratio relatively constant ($\pm 5\%$).	We will set more long-term targets once we have obtained more data over time.

Prosperity and Growth

Economic Performance

In FY2023, the Group faced a difficult operating landscape, including the termination of the PayFac Agreement by Worldpay, as announced on 30 May 2023. The Group recorded a net loss of S\$1.41 million for FY2023, as compared to a net loss of S\$0.43 million in FY2022, which benefitted from a one-time reversal of impairment loss on trade and other receivables of S\$2.28 million. Notwithstanding multiple challenges faced during the financial year, the Group was still able to notch several significant milestones.

Firstly, OxPay SG Pte. Ltd. (“**OxPay SG**”) (the Company’s wholly-owned subsidiary) established a partnership with NomuPay to offer integrated payment solutions in four markets in Southeast Asia and Hong Kong. The partnership facilitates OxPay SG’s aim to expand its revenue sources by entering new markets in Southeast Asia, thereby allowing the Group to continue driving innovation and growth in the quickly evolving financial services landscape.

Secondly, OxPay SG secured approval from the Monetary Authority of Singapore (“**MAS**”) to offer e-money and account issuance services under its major payment institution license in Singapore. This approval is expected to enable OxPay SG to further expand its service offerings to include e-wallets, non-bank issued stored-value cards or payment accounts that store e-money, as well as issue e-money for the purpose of paying for a transaction. As the Group explores growth opportunities in new geographical markets, the increased payment service offerings are anticipated to broaden and deepen its customer base. Considering its established digital infrastructure and track record, the Group believes that it is well-positioned to capitalise on the growth that this approval from MAS offers.

Thirdly, OxPay SG entered into a one-year collaboration with Green Link Digital Bank Pte. Ltd. (“**GLDB**”) in December 2023 to explore collaboration opportunities in merchant acquisition that will mutually benefit our business expansion goals. GLDB is a licensed wholesale digital bank in Singapore, providing banking, supply chain financing and working capital financing services to business enterprises in Singapore. The collaboration will offer a comprehensive suite of payment solutions and financing services to prospective merchants and business entities, with the aim of creating synergies to drive significant value for both our customers and the market.

Fourthly, in November 2023, the Company entered into a non-binding term sheet for a proposed investment by the Company or its affiliate in PT Diners Payment Indonesia¹, a company mainly engaged in being the agency for Discover and Diners Club network in Indonesia, and in the merchant acquiring

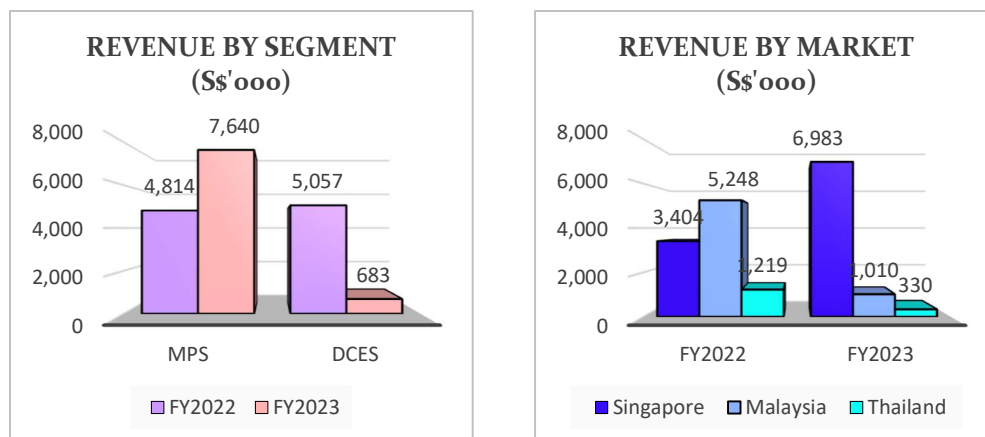
¹ The Group’s Executive Director and Chief Executive Officer, Mr Yick Li Tsin, is one of the founders, shareholders and the Commissioner of PT Diners Payment Indonesia.

payment processing businesses. The parties are still in the midst of performing due diligence and negotiating the definitive agreements for the proposed investment.

Lastly, in March 2024, OxPay SG entered into an agreement with DCS Card Centre Pte. Ltd. (“DCS”) to be their payment facilitator. This will allow us to process credit cards and charge cards issued by DCS, as well as resume international payments through Visa, Mastercard, Diners Club International and China UnionPay. Additionally, the Group offers alternative payment methods such as PayNow, GrabPay, Singtel Dash, and other wallets, proving merchants with a complete range of payment solutions. We look forward to working with DCS to provide other forms of products and solutions to make credit more accessible to its customers.

Given that most of the above business initiatives only came into effect around the last quarter of FY2023, their positive impact on our economic performance was not fully reflected in our financial figures for FY2023. Overall, the Group’s revenue decreased by 16%, from S\$9.9 million in FY2022 to S\$8.3 million in FY2023. In turn, the Group’s gross profit also decreased by 4%, from S\$2.6 million in FY2022 to S\$2.5 million in FY2023. Meanwhile, our administrative expenses decreased by S\$0.4 million, from S\$5.5 million in FY2022 to S\$5.1 million in FY2023, mainly due to decreases in employee compensation and professional services fees, but partially offset by an increase in directors’ fees.

The following diagram outlines our economic performance in FY2023 and FY2022 by business segment and geographical market:



Please refer to OxPay’s FY2023 Annual Report for more information on our financial performance in FY2023.

Looking Ahead to 2024

OxPay remains committed to its expansion plans and is working vigorously to grow its business with merchant acquirers. We believe that we are also strategically positioned to leverage buoyant, multi-year growth prospects in the ASEAN digital payments market.

In Southeast Asia, the prevalence of digital payments through e-wallets has already surpassed physical card payments and is poised to become the predominant method across point-of-sale systems overall². Cash is no longer king, as digital payments now make up 50% of the Southeast Asian region's transactions³. Consequently, ASEAN is the world's fastest-growing region for mobile wallets, with the number of active accounts among the ASEAN-5 + Vietnam countries forecast to grow more than threefold to about US\$440 million by 2025⁴.

We believe that OxPay is strategically positioned to capitalise on these industry growth trends through the establishment of international payment alliances with key players in the region. As merchants embrace omnichannel payments to enhance convenience for their consumers, the selection of the right payment partner has, in turn, become a critical factor in securing a competitive advantage within the industry. In line with its expansion strategy, the Group is prioritising the stabilisation of its existing business operations in Singapore, Malaysia and Thailand, while simultaneously enhancing its service offerings to attract a larger customer base. These goals are expected to be achieved through strategic partnerships and potential acquisitions.

² <https://www.oliverwyman.com/our-expertise/insights/2023/jan/how-digital-payments-will-evolve-in-2023.html>

³ <https://www.temasek.com.sg/content/dam/temasek-corporate/news-and-views/resources/reports/google-temasek-bain-e-conomy-sea-2023-report.pdf>

⁴ <https://sponsored.bloomberg.com/article/hsbcasean/open-for-business-southeast-asia-s-digital-payments-revolution>

In FY2023, OxPay continued to execute the following “E-Growth” strategies, which were formulated over the past year, to achieve consistent growth in the digital payments and e-commerce sectors.

Expand Customer Base

- OxPay is committed to exploring more opportunities as part of the initiative to expand the customer base.

Enhance Products and Services

- OxPay is exploring options for enhancing our offerings of the products and services on our secured intergrated payment platform. In FY2023, OxPay secured E-Money and Account Issurance Services license with MAS.

Extend Geographical Reach

- With our current presence in Singapore, Malaysia, and Thailand, our ambition to become the market player in the global payment sector does not diminish. The Group is seeking to further position itself in the Asian markets of Cambodia and the Philippines through the international payment alliances with players in the respective regions.

While we received a small number of customer complaints during FY2023, all have been successfully resolved to date. Moving forward, we aim to have zero customer complaints for FY2024 and if not, to be able to resolve any such complaint promptly and amicably.

Ethics and Governance

Code of Conduct

All OxPay employees are expected to comply with the applicable laws and regulations of the countries we operate in as well as to conform with the stipulations set out in our Code of Conduct (the “Code”). The Code conveys the high standards of professionalism and personal integrity that all employees should abide by, and their acknowledgement of the Code is obtained upon their joining the Company and refreshed thereafter on an annual basis or whenever updates to the Code are made.

To ensure accountability, all employees found to have deliberately engaged in misconduct or unethical behaviour will be subject to formal disciplinary measures, including the possibility of having their employment terminated. We will also cooperate with the relevant authorities in upholding the law should any of our employees be charged with a criminal act.

In FY2023, OxPay SG received a formal notice from Worldpay (UK) Limited, Worldpay Limited, Worldpay AP Ltd and Worldpay Pte Ltd (collectively “Worldpay”) to terminate the PayFac Agreement dated 15 February 2021 (the “Agreement”) between Worldpay and OxPay SG⁵. The Company believes that the termination was due to issues arising from its merchants, and the termination created significant challenge for the Group as it impacted the Group’s ability to process Visa and Mastercard payments. We remain in the process of communicating with Worldpay to understand its concerns and have lodged an appeal against its decision to terminate the Agreement⁵. Notwithstanding the above, we are pleased to report that we had zero reported cases of non-compliance with all applicable laws and regulations in FY2023 and we are committed to ensuring this remains the case moving forward.

Anti-Corruption

Corrupt and unethical acts, like the giving or receiving of bribes or the defrauding of customers, can cause significant harm to the Company, our employees and our other stakeholders. Therefore, preventing and reporting the occurrence of corruption is a top priority for us and we have zero-tolerance towards any acts which contravene the law or our Code of Conduct. This is enforced through the Group’s Whistleblowing Policy and upon its activation, follow-up action by members of our Audit Committee.

The Group’s Whistleblowing Policy stipulates the formal procedures employees can take if they encounter any suspected instance of impropriety in the Group. This includes potential instances of

⁵ For further details on OxPay SG’s position regarding the termination of the Agreement with Worldpay, please refer to the official announcement here: [Microsoft Word - Announcement - Termination by Worldpay \(Final\).docx \(sgx.com\)](#)

insider trading, employee misconduct, discrimination, unsafe work practices or corruption. To ensure employees can access the Group's Whistleblowing Policy, its details are displayed physically at the Company's premises. Any concerns or complaints received through the Groups Whistleblowing Policy will be thoroughly investigated by the Audit Committee.

To ensure each concern or complaint received is handled meticulously and effectively, they are categorised according to their nature and type and assigned a specific person-in-charge who will investigate further. The Audit Committee oversees this process and ensures that the identity of whistle blowers and any information disclosed by them is protected and kept strictly confidential. If concerns or complaints are proven to be substantiated over the course of investigations, proper corrective action will be taken against the offending person or persons that is commensurate with the severity of the offense. The email address for submission of reports can be found on the Company's corporate website at <https://oxpayfinancial.com/>.

In FY2023, OxPay's Chief Financial Officer ("CFO"), Mr Ng Kok Peng ("Mr Ng"), was the subject of an investigation by the Commercial Affairs Department of the Singapore Police Force for suspected offences under Section 203 read with Section 331 of the Securities and Futures Act 2001 of Singapore. These suspected offences relate to matters concerning TEE International Limited, a distinct business entity with no relation to OxPay, of which Mr Ng served as CFO from November 2020 to August 2021. Having reviewed all publicly available information regarding the investigation and considering, *inter alia*, that no charges have been brought against Mr Ng, OxPay's Nominating Committee and the Board are of the view that no adverse findings have been made against Mr Ng's character and integrity at this time and he remains suitable to continue as OxPay's CFO. Nonetheless, as an additional safeguard, any transaction or settlement subject to the approval of Mr Ng is to be reviewed and jointly approved by OxPay's Chief Executive Officer or another suitable person appointed by the Board before they may be undertaken by the Group⁶.

Notwithstanding the above, we had zero confirmed cases of corruption, fraud or any other form of criminal conduct in FY2023, and we aim to have similarly good track record in FY2024.

Cyber Security

As a digital payments solutions provider, cyber security is of paramount importance to our business. Our customers and merchant partners rightly expect the services and solutions we offer, which facilitates the transference of money in their business transactions, to be reliable and secure. Only through establishing a robust, resilient, and well-protected digital infrastructure can we inspire the

⁶ For further details on OxPay's position regarding Mr Ng, please refer to the Group's official announcement on the matter here: [Microsoft Word - Announcement - CAD Investigation \(Final\).docx \(sgx.com\)](#)

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necessary confidence and loyalty of our customers and merchant partners in our platform to grow our business.

Our information security and cyber security policies are informed by the Technology Risk Management Guidelines published by the MAS. These guidelines provide us with a risk management framework that allows us to have effective oversight over our digital infrastructure while exposing us to industry best practices pertaining to information technology management and cyber resilience. Key aspects of our cyber security measures include the proactive monitoring of threats and vulnerabilities through regular vulnerability scans, penetration tests, and log management; the implementation of digital safeguards such as firewalls and antivirus protection software; having Business Continuity Plans and Disaster Recovery Plans in place in the event of cyber security incidents; and conducting forensic investigations to determine the cause of these cyber security incidents and how they can be prevented in the future, the findings of which will be communicated transparently to all stakeholders. Recognising the importance of the human element in preventing cyber security from being compromised, we also conduct regular cyber awareness and simulated phishing tests on our workforce to ensure everyone in the Company takes ownership of their personal cyber hygiene.

To provide an additional layer of assurance to the effectiveness of our cyber security efforts, we are audited annually for compliance with the Payment Card Industry Security Standards Council's Data Security Standard, which is a well-established industry standard for cyber security used by payment service providers around the world. We worked hard to remain secured in FY2023, and endeavour to stay vigilant and responsive to an ever-evolving cybersecurity landscape.

Customer Data Privacy

While we are not involved in the handling or storage of our customers' personal data, we recognise the importance of ensuring such data, as well as that of our employees and other external stakeholders, is not inadvertently compromised by inadequate data protection measures on our end.

To ensure whatever personal data that passes through our business operations is effectively protected, we have in place a Group-wide Personal Data Protection Policy that closely adheres to the regulations established by Singapore's Personal Data Protection Act 2012 ("PDPA"). Employees are kept abreast of developments to the Group's Personal Data Protection Policy on a regular basis through newsletter circulations on our intranet, while the importance of safeguarding personal data is routinely reinforced via lessons on our employee e-learning platform and reminders for our employees to not collect personal data belonging to customers or their fellow employees, unless strictly necessary. We successfully protected the data in our care in FY2023 and aim to continue being a good custodian of data entrusted to us in the next reporting period and beyond.

Our People

At OxPay, our employees are integral to our success. The knowledge, skills, and expertise of our workforce is the decisive factor allowing us to strive to become a heavyweight in the competitive global payments arena. Therefore, it is a top priority for us to attract and retain the best talents in the industry and we aim to do so via a holistic human capital strategy that embraces diversity and ensures fair opportunity for all to succeed.

Fair Employment Practices

The Group's commitment to diversity and providing employees with equal opportunities means that we hire based on merit and the unique capabilities and perspectives each individual can bring. Prospective and existing employees' age, gender, race, marital status, nationality, or religion have little to no bearing on how they are evaluated for work opportunities as well as the employee benefits made available to them. These principles of fairness and equity are kept top of mind during OxPay's interactions with employees, from the recruitment process to the remuneration packaged offered, as well as when it comes to employee retention. All our full-time employees, which constitute the vast majority of our workforce, are eligible for comprehensive benefits including life insurance, healthcare, disability and invalidity coverage, parental leave and opportunities for stock ownership. For FY2023, two female and four male employees were entitled to parental leave, with both female employees and two male employees returning to work after their parental leave ended. The two other male employees who were entitled to parental leave in FY2023 have since departed from their roles in OxPay.

The Group's recognition of the importance of diversity also extends to the composition of the Board. As the Group's top leadership and decision-making body, the range of different but no less valuable viewpoints available to it matters in the scoping of the Group's strategic objectives as well as how it should go about achieving them. Our Board Diversity Policy is the main mechanism underpinning our efforts to ensure the composition of the Board remains fit-for-purpose and well-optimised to look after OxPay's overarching interests. It establishes a framework of both qualitative and quantitative measurements to provide the Board with a strong mix of skills, industry background, business experience, age, ethnicity, and culture. For FY2023, the Nominating Committee of the Board, having reviewed the Board's composition was satisfied that it was consistent with the metrics established by our Board Diversity Policy.

Our commitment to fair employment practices also means ensuring our employees can participate in a workplace free of harassment, bullying and discrimination. We take a zero-tolerance approach to such matters and our human resource department is empowered to thoroughly investigate and respond to any reported instances of the above. We are pleased to announce that there were no

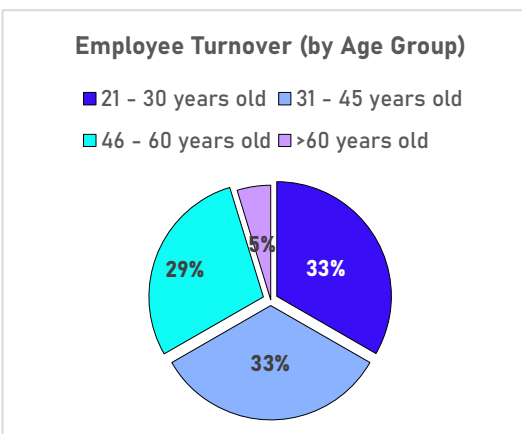
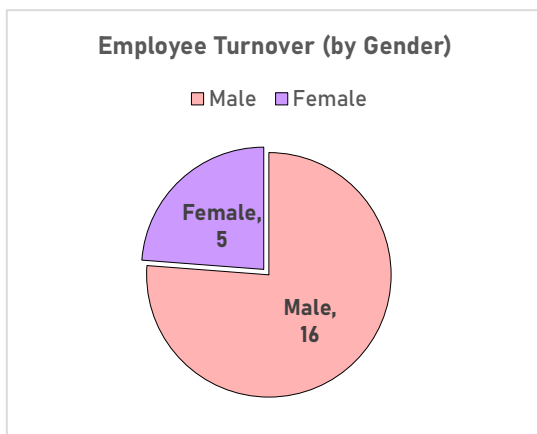
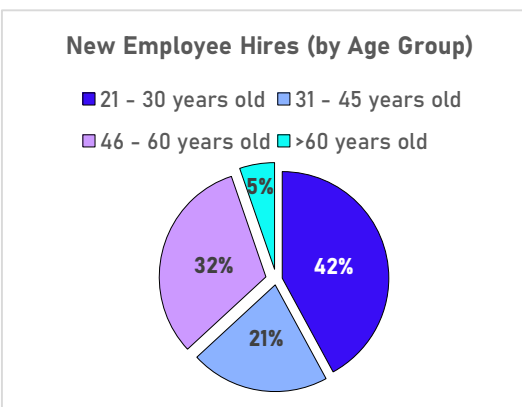
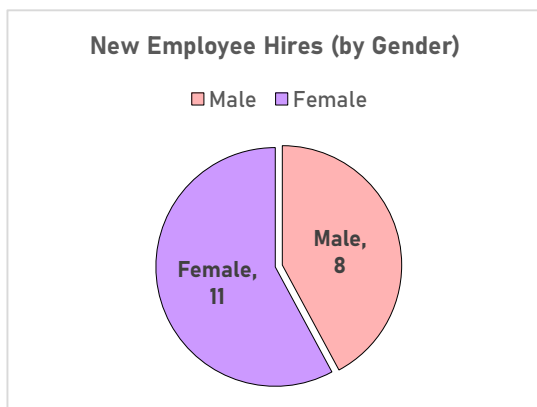
reported incidents of any form of workplace harassment, bullying and discrimination in FY2023, and we are committed to ensuring the same applies for FY2024 and beyond.

Please refer to the following tables and diagrams for an overview of our key employment metrics.

Gender	FY2022 Number of Employees	FY2023 Number of Employees
Male	26	20
Female	13	17
Total	39	37

Type of Employment	FY2022 Number of Employees		FY2023 Number of Employees	
	Male	Female	Male	Female
Full Time	26	12	20	16
Part Time	-	1	-	1
Total	26	13	20	17

Country	FY2022 Number of Employees	FY2023 Number of Employees
Singapore	27	24
Malaysia	8	10
Thailand	4	3
Total	39	37



Training and Education

At OxPay, we believe that the lifelong learning and upskilling of our employees is not only beneficial to the Group's performance but also to our employees' upward job mobility, employability, and job satisfaction. As such, we actively encourage and support all our employees, irrespective of their employee category, to undergo vocational trainings and skills upgrading courses.

Some of the training and education programmes our employees have previously participated in include SGTech's Career Conversion Programme and the Workforce Singapore Career Conversion Programme, which supports mid-careerists to transition to a role in tech, and to re-skill themselves into a role in a different industry respectively.

In FY2023, OxPay did not have any employee under a skill upgrading or employment transition assistance programme. However, we have continued to organise industry-specific training in areas like data protection, which was attended by 34 employees (92% of the total number of employees), and anti-money laundering, which involved 37 employees (100% of the total number of employees). We remain committed to supporting our employees in their lifelong learning and upskilling endeavours and will establish more concrete targets for this material topic over time.

Our Environment

Energy Usage

Due to the nature of our business, most of our energy consumption originates from electricity supplied by the national grids of the countries in which we operate. Energy consumption also constitutes the bulk of our environmental footprint, which is why we are taking active steps to manage it carefully.

To reduce our energy consumption and thus our environmental footprint, we have adopted energy conservation measures like reminding and encouraging our employees to switch off office appliances when not in use, while also normalising less energy-intensive work arrangements like reducing business travel and allowing our employees to work from home. The following table illustrates the Group's overall energy consumption by geographic region for FY2022 and FY2023.

Energy Consumption in kilowatt-hours (kWh)	FY2022	FY2023
Singapore	22,651	21,014
Malaysia	29,952	31,347
Thailand	800	1,077
Total	53,403	53,438

In FY2023, OxPay's total energy consumption was 53,438 kWh, compared to 53,403 kWh in FY2022. Taking into consideration our employment figures, where we had 36 full-time employees in FY2023 and 38 full-time employees in FY2022, our energy intensity ratio (defined as the average energy consumption of each employee⁷) was calculated to be 1,484 kWh per employee in FY2023 and 1,405 kWh per employee in FY2022. Collectively, the above represents less than 1% increase in absolute energy consumption and a 6% increase in the energy intensity ratio from FY2022 to FY2023, mainly attributable to more employees returning to work on our office premises.

We are working towards making incremental improvements to our energy-related performance metrics, with greater energy-efficiency being our primary focus for now. We aim to achieve this by gradually phasing in more energy-efficient office equipment and infrastructure. Looking towards the future, we will continue to monitor how our energy consumption correlates with the growth of the business and explore opportunities for further improvement beyond energy-efficiency gains. At the same time, we will also strive to keep our energy intensity ratio relatively constant ($\pm 5\%$) over the medium term.

⁷ One part-time employee was excluded from the calculation of the energy intensity ratio in both FY2022 and FY2023.

GRI Content Index

Statement of Use	OxPay Financial Limited has reported with reference to the GRI Standards for the period from 1 January 2023 to 31 December 2023.
GRI 1 used	GRI 1: Foundation 2021

GRI DISCLOSURES		PAGE NUMBER
GRI 1: Foundation 2021		
GRI 2: General Disclosures 2021		
The Organisation and its Reporting Practices		
2-1	Organisational details	6
2-2	Entities included in the organisation's sustainability reporting	4
2-3	Reporting period, frequency and contact point	4 – 5
2-4	Restatements of information	No restatements
2-5	External assurance	4
Activities and Workers		
2-6	Activities, value chain and other business relationships	6
2-7	Employees	21 – 22
2-8	Workers who are not employees	Nil
Governance		
2-9	Government structure and composition	FY2023 Annual Report, page 15
2-10	Nomination and selection of the highest governance body	FY2023 Annual Report, pages 21 – 23
2-11	Chair of the highest governance body	FY2023 Annual Report, pages 20 – 21
2-12	Role of the highest governance body in overseeing the management of impacts	8
2-13	Delegation of responsibility for managing impacts	8
2-14	Role of the highest governance body in sustainability reporting	8
2-15	Conflicts of interests	FY2023 Annual Report, pages 16, 21 and 38
2-16	Communication of critical concerns	FY2023 Annual Report, pages 21 and 34 – 37
2-17	Collective knowledge of the highest governance body	7
2-18	Evaluation of the performance of the highest governance body	FY2023 Annual Report, page 25
2-19	Remuneration policies	FY2023 Annual Report, pages 25 – 26
2-20	Process to determine remuneration	FY2023 Annual Report, pages 26 – 27
2-21	Annual total compensation ratio	Not reported due to commercial sensitivity and confidentiality constraints
Strategy, Policies and Practices		
2-22	Statement on sustainable development strategy	3
2-23	Policy commitments	14 – 24

GRI DISCLOSURES		PAGE NUMBER
Strategy, Policies and Practices		
2-24	Embedding policy commitments	14 – 24
2-25	Processes to remediate negative impacts	14 – 24
2-26	Mechanisms for seeking advice and raising concerns	18 – 19
2-27	Compliance with laws and regulations	18 – 20
2-28	Membership associations	Singapore FinTech Association
Stakeholder Engagement		
2-29	Approach to stakeholder engagement	9
2-30	Collective bargaining agreements	Not applicable
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	10
3-2	List of material topics	10 – 13
3-3	Management of material topics	14 – 24
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	14 – 15
202-4	Financial assistance received from government	Not applicable
GRI 205: Anti-Corruption 2016		
205-1	Confirmed incidents of corruption and actions taken	18 – 19
205-2	Communication and training about anti-corruption policies and procedures	18 – 19
205-3	Confirmed incidents of corruption and actions taken	19
GRI 302: Energy 2016		
302-1	Energy consumption within the organisation	24
302-3	Energy intensity ratio	24
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	22
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	21
401-3	Parental leave	21
GRI 404: Training and Education 2016		
404-2	Programs for upgrading employee skills and transition assistance programs	23
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	19-20

Task Force on Climate-Related Financial Disclosures (TCFD) Content Index

TCFD PILLARS	RECOMMENDED DISCLOSURES	RESPONSE	PAGE NO.
Governance			
Disclose the organisation's governance around climate-related risks and opportunities	a) Describe the board's oversight of climate-related risks and opportunities.	The Board is responsible for sustainability integration into the Group's strategy and provides an advisory role as well as supervision on the Group's sustainability-related business strategies, performance, and progress of climate-related goals and targets.	7 – 8
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	The Group Executive Director approves policies and targets, guides sustainability strategies, oversees their implementation, evaluates general and climate-related risks, and suggests revisions to the Board.	7 – 8
Strategy			
Disclose the organisation's governance around climate-related risks and opportunities.	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	<p>Extreme weather events such as heatwaves, floods, and storms, which may lead to power outages, data loss and potential financial losses.</p> <p>The Company is taking a phased approach to TCFD adoption. The Company shall perform a comprehensive climate risks and opportunities assessment, which will be disclosed in our FY2024 sustainability report.</p>	N/A
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	<p>Facilitating the adoption of eco-friendly and green energy practices and spreading awareness of climate change impacts across the Company.</p> <p>The Company is taking a phased approach to TCFD adoption. The Company shall perform a comprehensive climate risks and opportunities assessment, which will be disclosed in our FY2024 sustainability report.</p>	N/A
	Describe the resilience of the organisation's strategy, taking into	The Company has yet to perform the climate scenario analysis on the physical and transitional risks as the Company is taking a phased approach to TCFD	N/A

TCFD PILLARS	RECOMMENDED DISCLOSURES	RESPONSE	PAGE NO.
	consideration different climate-related scenarios, including a 2°C or lower scenario.	adoption. This will be performed in FY2024 and disclosed in our FY2024 sustainability report.	
Risk Management			
Disclose how the organization identifies, assesses, and manages climate-related risks	a) Describe the organisation's processes for identifying and assessing climate-related risks.	The Company is taking a phased approach to TCFD adoption. The Company shall perform a comprehensive climate risks and opportunities assessment, in line with Company's broader ERM framework in FY2024, which will be disclosed in our FY2024 sustainability report.	N/A
	b) Describe the organisation's processes for managing climate-related risks.		N/A
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.		N/A
Metrics and Targets			
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	a) Disclose the metrics used the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	The Company uses its energy consumption, energy intensity ratio, and Scope 2 emissions to assess its climate-related risks and opportunities. Please refer to the "Our Environment" section of this Report for more details.	24
	b) Disclose Scope 1, Scope 2 and if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	Due to the nature of the Company's business activities, our Scope 1 emissions are negligible and will not be disclosed. Additionally, at present, the Company has no plans to disclose our Scope 3 emissions. The Company shall evaluate the need to quantify and monitor Scope 3 emissions in our subsequent sustainability reports.	N/A

TCFD PILLARS	RECOMMENDED DISCLOSURES	RESPONSE	PAGE NO.
		The Company's Scope 2 emissions for FY2023 is 32.96 tCO ₂ e.	24
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	The Company has yet to establish climate-related targets as the Company is taking a phased approach to TCFD adoption. This will be disclosed in our FY2024 sustainability report.	N/A