



**Sustainability
Report
2023**

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This Sustainability Report has been reviewed by the Company’s Sponsor, SAC Capital Private Limited (the “Sponsor”). This Sustainability Report has not been examined or approved by the Singapore Exchange Securities Trading Limited (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 Charmian Lim (Tel: 6232 3210) at 1 Robinson Road, #21-00, AIA Tower, Singapore 048542

BOARD STATEMENT

We are pleased to present the Sustainability Report of TOTM Technologies Limited (“TOTM Technologies”, or the “Company” and together with its subsidiaries, the “Group”) for the financial year ended 31 May 2023 (“FY2023”). The Group’s sustainability report summarises the expectations from various stakeholders, the general business environment that the Group is operating in and what the Group has done in order to ensure the sustainability of the Group over the years.

Reporting Scope and Framework

This report is prepared in compliance with the Rules 711A and 711B of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“SGX-ST”) (“Catalist Rules”) and is referenced to the guidance set out in SGX-ST’s Sustainability Reporting Guide under Practice Note 7F of the Catalist Rules. It is also prepared with reference to the Global Reporting Initiative (“GRI”) Standards 2021. We have chosen to report using the GRI Standards because it is an internationally recognised reporting framework that covers a comprehensive range of sustainability disclosures. It provides the Group with a flexible and future-proof reporting structure as the approach advocated by GRI ensures its processes and topics are always up-to-date and relevant.

This report highlights the key economic, environmental, social and governance (“EESG”) related initiatives carried throughout the 12-month period, from 1 June 2022 to 31 May 2023. The sustainability report covers all entities within our organisation to fully understand our sustainability efforts.

The Group recognises that preparing climate-related disclosures aligned with the recommendations of the TCFD has been recommended by the Singapore Exchange in its Practice Note 7F. However, after consideration, the senior management team believes that the climate-related disclosure framework recommended by the TCFD is not relevant to the Group’s operations at this time, as the Group is not materially exposed to climate-related risks or opportunities due to the nature of its business. The Group will continue to monitor any emerging climate-related risks or opportunities relating to its supply chain and operations regularly and will review and consider the disclosure requirements based on TCFD recommendations in its subsequent Sustainability Report.

Sustainability Governance

The Board of Directors (the “Board” or “Directors”) oversees the management and monitoring of the material EESG factors affecting the Group and considers them in the determination of the Group’s strategic direction and policies while the key

management team are responsible for the implementation of sustainability initiatives. In the purpose of carrying out sustainability management duties, the Board has attended a comprehensive sustainability training course recommended by SGX-ST. This training is aligned with our commitment to incorporating sustainable practices into our business operations.

Our senior management team, including our Executive Directors and Group Deputy Chief Financial Officer, leads our sustainability efforts. They ensure that our business objectives align with our commitments to sustainable development. We maintain ongoing communication with the Board to inform them of our progress toward achieving our sustainability goals.

Sustainability is a part of the Group's wider strategy to create long-term value for all its stakeholders. As such, the key material EESG factors for the Group have been identified by management. An independent third party has not verified the data and information provided. We have relied on internal data monitoring and verification to ensure the accuracy of the data and information provided.

We have subjected our sustainability reporting process to an internal review, pursuant to Rule 711B (3) of the Catalist Rules. The internal review has been conducted in accordance with the International Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors. Where required and as the Group's sustainability reporting matures, the Group will consider seeking external independent assurance for its sustainability report.

We welcome feedback from our stakeholders concerning our sustainability efforts, enabling us to improve our policies, systems, and results consistently. Please send your comments and suggestions to ir@totmtechnologies.com.

On behalf of the Board of Directors,

Prunier Pierre Olivier Marc Yves
Chief Executive Officer and Executive Director

26 September 2023

CORPORATE PROFILE

TOTM Technologies Limited provides end-to-end identity management and biometrics products, powering Digital Identity and Digital Onboarding Solutions. The Group's multi-modal range of technologies includes internally developed technologies as well as technology licensed from strategic partners such as National Institute of Standards and Technology ("NIST")-rated core biometrics matching software that is proven in ultra large-scale identity deployments. The Group's in-house expertise comprises innovators, disruptors and technologists providing the full technology suite in biometrics such as multi-modal technologies (face, finger, iris), eKYC, real-time liveness detection, age classification and patented cryptograph that stores data encrypted with biometrics.

Leveraging on its strong execution experience and the robust technology platforms from its own subsidiaries and strategic technology partners, the Group's Digital Identity and Biometrics Business Unit currently serves mainly ministries and government agencies. The Company's solutions have processed over 370 million IDs worldwide, facilitating some of the world's largest national ID programs and immigration proceedings. The Group has a presence across North America, Europe, Asia-Pacific and Latin America.

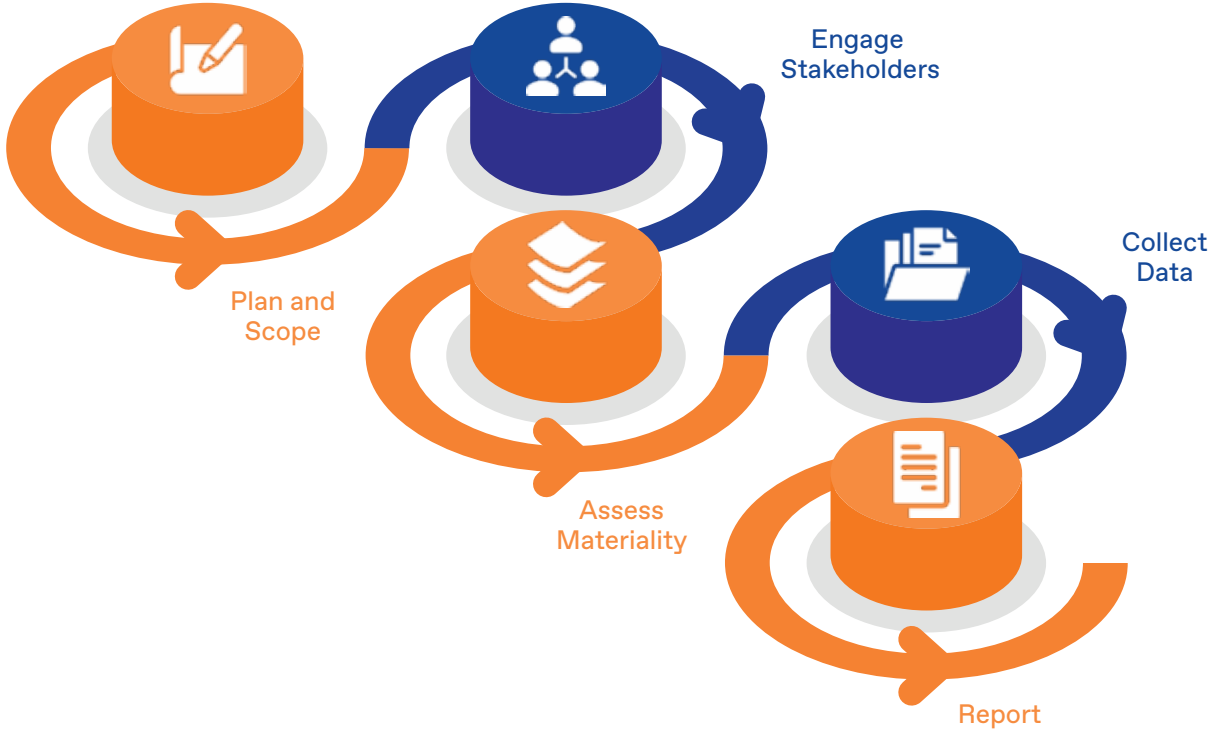
In September 2022, Incode Technologies ("Incode"), a next-generation identity verification platform, has formed a valuable partnership with TOTM Technologies as its reseller. This collaboration aims to introduce Incode Omni, one of the world's most powerful identity solutions, to the Indonesian market as part of Incode's Asia Pacific expansion. By joining forces with TOTM Technologies, Incode is further strengthening its presence in the region and offering innovative identity solutions to meet the growing demand.

Additionally, the Company's ongoing partnership with Presight.AI Ltd, a G42 company, to drive digital transformation and deploy their combined proprietary technologies allows the Company to deliver exceptional biometric and AI capabilities, as well as high-performance solutions, to partners and clients across the Middle East, North Africa ("MENA"), and Southeast Asia. By expanding its global footprint in the digital identity space, the Company aims to continuously enhance its presence and contribute to the advancement of the industry. The Group is constantly looking to expand its coverage to more commercial sectors such as medical insurance, healthcare, banking electronic payments, transport, and telecommunications-related applications.

The Company was listed in August 2015 on the Catalist Board of the SGX-ST. In December 2021, TOTM Technologies was included in the MSCI Singapore Micro Cap Index, designed to measure the performance of the micro-cap segment of the Singapore market.







SUSTAINABILITY APPROACH

OUR SUSTAINABILITY METHODOLOGY



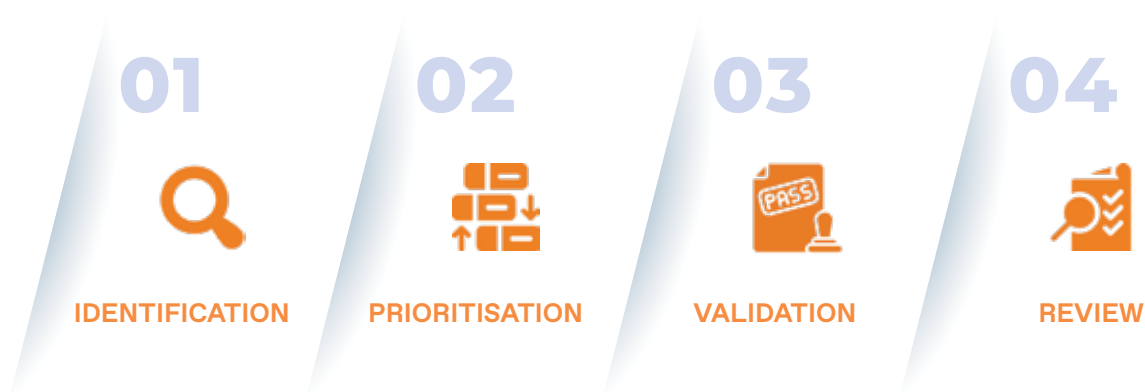
STAKEHOLDERS ENGAGEMENT

An important starting point in our sustainability journey is to identify our stakeholders and material aspects relevant to our business. The interests and requirements of key stakeholders are also taken into account when formulating corporate strategies. These key stakeholders include, but are not limited to, customers, suppliers, shareholders, employees, and regulators. We adopt both formal and informal channels of communication to understand the needs of key stakeholders and incorporate these into our corporate strategies to achieve mutually beneficial relationships.

Stakeholders	Engagement Platforms	Frequency	Key Concerns Raised
 Suppliers	Vendor assessment	Annually	Joint development Contracts fulfilment Fair and transparent procurement
	Emails/Calls	Continuously	
	Face-to-face meetings	Continuously	
 Shareholders	Annual General Meeting/ Extraordinary General Meeting	Annually and when required	Ensure compliance with SGX rules and regulations Realise healthy growth Timely and adequate disclosures and updates
	Annual Report	Annually	
	Announcement	Continuously	
	Corporate Website	Continuously	
 Customers	Face-to-face meetings and virtual meetings	Continuously	Quality Service Rights protection
	Email feedback	Continuously	
	Customer cold calls	Continuously	
 Employees	Staff appraisal	Continuously	Guarantee of basic rights and interest Employee capabilities and career development
	Whistleblowing policy updates	Annually	
	Department & Management meetings	Continuously	
	Staff engagement sessions	Continuously	
 Board	Board meetings	Half yearly and when required	Financial sustainability and business viability of operations Regular updates on operational activities
	Board circulation via e-mails	Continuously	
 Government and Regulators	Regular reports	Continuously	Strengthen safety management Compliance with regulations
	Websites	Continuously	
	Calls	Continuously	

MATERIALITY ASSESSMENT

Our sustainability reporting process begins with the identification of relevant EESG factors. In order to determine if a factor is material, we assessed its potential impact on the economy, environment and society and its influence on the stakeholders. When a factor is deemed to be material, it will be prioritised for further review. Processes are as shown below:



Subject to validation by the Board, the result of this process is a list of material factors disclosed in the Sustainability Report. Applying the guidance from GRI and the Catalyst Rules, the following are our material aspects:



ECONOMIC

ECONOMIC PERFORMANCE

In terms of direct economic value generated, distributed and retained, please refer to the following sections in our Annual Report 2023:

- Financial and Operational Review, page 10 to 11.
- Financial Highlights, page 8 to 9.
- Financial Statements, page 67 to 138.

ANTI-CORRUPTION

We do not tolerate corruption in any form and strive to conduct our business with utmost integrity and transparency. This has been made clear to all Group's Directors, officers and employees. The Directors and senior management team have attended the relevant trainings provided by Singapore Institute of Directors ("SID") which inculcated business ethics and integrity. Our whistleblowing email was set up so that anyone who wants to report any issue on corruption can do so confidentially. Any report of corruption will be escalated to the attention of the Audit Committee ("AC").

Whistleblowing Policy

The Group has implemented a whistleblowing policy. The policy aims to provide an avenue for employees and external parties to raise concerns about misconduct or improprieties in the Group and at the same time assure them that they will be protected from victimisation for whistleblowing in good faith. Significant cases are reviewed by the AC for adequacy of investigation actions and resolutions. The Company has provided the email address whistleblow@totmtechnologies.com which is accessible by the AC on the Company's website to allow local community and external parties to raise any concerns they may have.

Similar to FY2022, there were no reported incidents of whistleblowing and corruption in FY2023. No employees were dismissed or disciplined for corruption nor did the Group face any contract termination or non-renewal due to violations related to corruption. There were also no public legal cases regarding corruption brought against the Group and its employees.

In FY2024, we target to have zero incidents of corruption that leads to disciplinary actions, termination of contracts and legal disputes brought against the Group.

ENVIRONMENTAL

TOTM Technologies endeavors to minimise the potential impact of our operations on the environment. We are committed to reducing any environmental footprint and consumption of natural resources in all possible aspects of business operations. We encourage the use of renewable materials and resources, and where possible, reduce waste through reusing and recycling. We avoid any unnecessary use of hazardous materials and products and take all reasonable steps to protect the environment when such materials must be used, stored or disposed of.

SUPPLIER ENVIRONMENTAL ASSESSMENT

TOTM Technologies will continue to reduce its environmental impact and encourage its stakeholders, including suppliers and trading partners, to meet the same expectations. We will assess suppliers' environmental responsibility performance and compliance with relevant laws and regulations and engage them to determine EESG focus areas in the pursuit of co-creating sustainable value.

We aspire to continuously promote and integrate sustainability in our business operations and consider stakeholders' interests. Environmental performance is being considered as our sustainability reporting process matures. We pledge to uphold sustainable business practices across our value chain, from subsidiaries to suppliers, and trust that sustainable supply chain management drives organisational excellence to deliver desirable business results to the stakeholders.

We will conduct a new major supplier environmental assessment to ensure equipment or materials suppliers are following our requirements and ensuring the stability of the materials supplied to reduce the procurement risks further.

In FY2023, zero assessment was performed as there were no new major suppliers this financial year (FY2022: Nil). In FY2024, we aim to ensure that all new major suppliers will be assessed against environmental responsibility performance and compliance with relevant laws and regulations.

SOCIAL

Our employees are our greatest assets. Their contributions and support are valued at all times. As such, we conduct regular reviews on compensation and benefits policies according to the industry benchmark, financial results as well as individual performance of employees. Furthermore, the Group places great emphasis on the training and development of employees and regards excellent employees as a key factor in remaining competitive.

We respect human rights and support the elimination of all forms of forced and compulsory labour, especially child labour. The Group does not tolerate any discrimination in respect of employment and occupation. We are committed to embedding the human rights principles to ensure that our operations are devoid of any negative human rights impact.

DIVERSITY AND EQUAL OPPORTUNITY

Board Diversity

We take pride in fostering a diverse and inclusive Board. We firmly believe that a Board comprising members with varied backgrounds, experiences, and perspectives is essential to our Company's growth and success as we can timely and strategically respond to the market shifts and changing customers' demands.

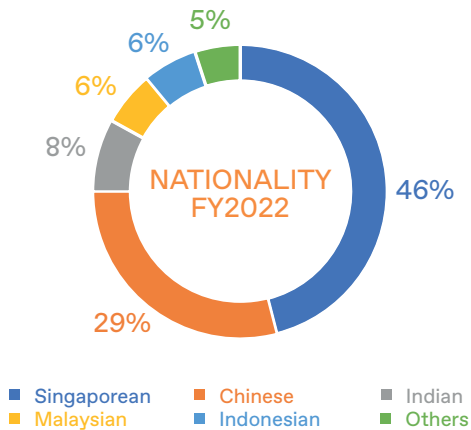
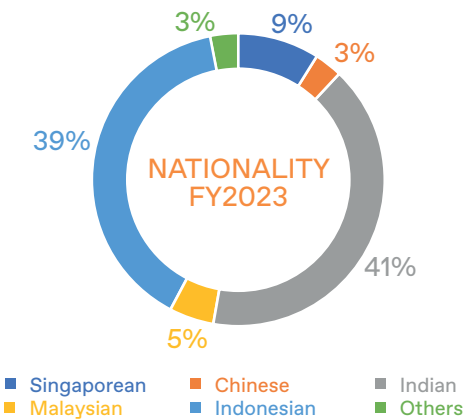
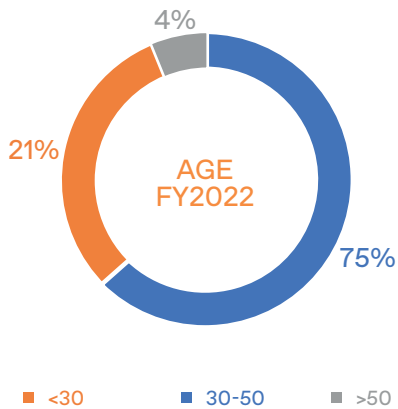
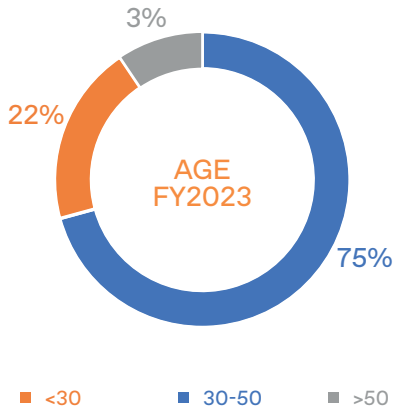
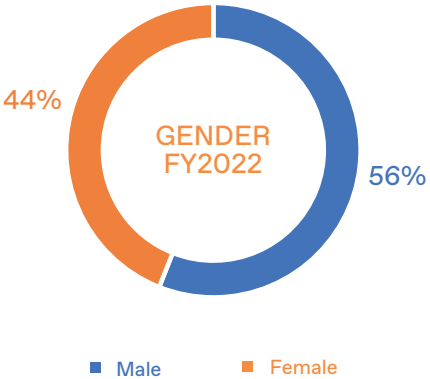
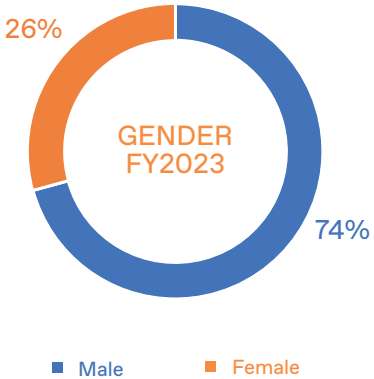
Our Board diversity policy is designed to ensure that the Board's composition reflects a wide range of skills, expertise, and viewpoints. We continuously assess our Board's composition and actively seek qualified individuals who can bring unique insights and contribute to a more inclusive decision-making process.

All Board appointments are made based on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective. For more detailed information about our Board Diversity, please refer to page 28 of our Corporate Governance Report in the Company's Annual Report 2023.

Employee Diversity

A diverse workforce is an asset in today's ever-changing global marketplace. We cultivate an inclusive culture where employees with wide-ranging backgrounds and qualities are highly motivated, engaged and connected. We do not discriminate against one's race, age, gender, religion, ethnicity, disability, or nationality.

As of 31 May 2023, we had a workforce of 76 full-time employees for our operations across the Group (FY2022: 72) with 97% length of service under 5 years (FY2022: 99%), 38% of our employees hold managerial positions, while 62% are non managerial. Our headcounts were distributed as follows:



Equal Opportunity

Our recruitment of staff is based solely on merit and qualifications, without discrimination of race, age, gender, religion, or ethnicity. Every employee plays an essential role in our Company, and we pay the utmost attention to our employees’ general well-being. To promote equal opportunity, employees are recruited as either permanent team members or on a contractual basis, utilizing a diverse array of avenues such as online job platforms, professional consultants, and internal endorsements.

The recruitment procedure diligently follows established protocols, encompassing initial screenings, technical assessments, dialogues, offers and comprehensive onboarding procedures for selected individuals. Acknowledgment of staff contributions takes shape through routine salary evaluations and celebratory bonuses. The recruitment framework encompasses application evaluation, candidates shortlisting, interviews, and HR-facilitated compensation deliberations for the selected candidates.

Team Building



In FY2023, the Indonesia Team embarked on a team-building venture. The entire India Team enjoyed a bonding trip to Goa, complete with team-building activities and performance-based rewards. We regularly host team lunches/dinners post-project completion, hold weekly two-hour badminton games, and celebrate festivals at the office with families. The Singapore Team observes New Year, welcomes new employees, and acknowledges birthdays.

In FY2024, we aspire to engage our employees through an array of team-building and motivational initiatives and ensure diverse employee within our headcounts in terms of skills and experience.

OCCUPATIONAL HEALTH AND SAFETY

We are committed to safeguarding our employees’ health and safety against any potential workplace hazards. Ensuring our employees’ safety and health in the workplace is one of our top priorities, and our ultimate target is to have a zero-accident workplace. We are committed to reducing any risks related to safety and health through effective risk management. In FY2023, notwithstanding the ease of safe-distancing measures and regulations imposed by the Singapore Government amidst the current COVID-19, the Company is still practicing hybrid working arrangement to help reduce the spreading of COVID-19 thus preventing significant negative occupational health and safety impacts within our operations.

Occupational Health and Safety	FY2022	FY2023
The number and rate of fatalities as a result of work-related injury	Nil	Nil
The number and rate of high-consequence work-related injuries	Nil	Nil
The number and rate of recordable work-related injuries	Nil	Nil

In FY2024, we will continuously work towards maintaining zero occurrence of workplace fatality and non-fatal workplace injuries.

GOVERNANCE

CORPORATE GOVERNANCE

We believe that strong governance is the key to a sustainable business. The Board and Management of TOTM Technologies are committed to maintaining a high standard of corporate governance. The Group understands that good corporate governance is an integral element of a sound corporation, enabling it to be more transparent and forward-looking. Please refer to our Corporate Governance Report on page 20 to 49 of Annual Report 2023.

Our overall Singapore Governance and Transparency Index (“SGTI”) score assessed by the National University of Singapore Business School is 74 for FY2023 (FY2022: 60).

We believe that our constant drive for corporate excellence will allow us to establish a more transparent, accountable, and equitable system, thereby increasing the value of the Company and its value to our stakeholders. We will continue to comply with the Code of Corporate Governance and meet all requirements that are expected of us by our stakeholders.

In FY2024, we strive to continuously adhere to the Code of Corporate Governance.

BUSINESS ETHICS AND COMPLIANCE

TOTM Technologies takes serious consideration of any possibilities of conflict of interest during our hiring procedures. Our Code of Conduct clearly states our expectations from our staff and the consequences if any of the rules are violated or standards are not met. We also have clear and fair grievance procedures. Our target is to ensure all allegations received are promptly addressed. There were no allegations received in FY2023 and FY2022.

Business ethics are communicated to all our heads of business units regularly and they must fully understand that compliance with rules and regulations is a key part of running a responsible business. Topics covered under the ethics training are comprised of the following:

HONESTY

To act honestly and in the best interest of the Company.

INTEGRITY

By doing what they think is right even when there is great pressure to do otherwise; they are principled, honorable, and upright.

PROMISE-KEEPING & TRUSTWORTHINESS

Make every reasonable effort to fulfil the letter and spirit of their promises and commitments.

ACCOUNTABILITY

Ethical executives acknowledge and accept personal accountability for the ethical quality of their decisions and omissions to themselves, their colleagues, their companies, and their communities.

Cyber security and data privacy are not only important for compliance, but also in safeguarding both our data and that of our customers. We have taken measures to guard against cyber risks for both our internal and external stakeholders by complying with the Personal Data Protection Act Policy. This policy also applies to our employment process where the privacy of all applicants is safeguarded and access to personal data is restricted to authorised persons or senior management on a need-to-know basis.

TOTM Technologies regularly updates key staff on recent developments of international and local regulations. We ensured that we were fully compliant with all rules and regulations, confidentiality clauses, and anti-competitive behavior laws. We also have put in place controls to ensure compliance with regulations across the jurisdictions in which we operate. In instances where gaps were identified, we undertook prompt remediations to fully comply with applicable regulations. In FY2023, there were no fines or non-monetary sanctions for noncompliance with laws and regulations.

In FY2024, we will continue to maintain and ensure no significant fines or non-monetary sanctions for non-compliance with laws and regulations.

ENVIRONMENTAL COMPLIANCE

Here at TOTM Technologies, we view compliance with relevant codes and regulations on environmental issues as mandatory. The Group has implemented policies and procedures designed to ensure compliance with the relevant laws and regulations and prevent

environmental pollution and resource depletion with due diligence. We have compiled a Legal & Other Requirements Register for relevant legal and other requirements that the Group needs to comply with. For example, we are in compliance with the Environmental Public Health Act and Regulations, Environmental Protection and Management Act and Regulations and Smoking Act. We have taken steps at all worksites to ensure the requirements are met throughout the duration of the projects.

Compliance with environmental laws and regulations	FY2022	FY2023
Instances for which fines were incurred	Nil	Nil
Instances for which non-monetary sanctions were incurred	Nil	Nil

In FY2023, we achieved our target of zero incidence of non-compliance with laws, environmental rules and regulations resulting in significant fines or sanctions (FY2022: Nil). In FY2024, we strive to continue being in full compliance with laws, environmental rules and regulations as to not result in significant fines or sanctions.

ENTERPRISE RISK MANAGEMENT

The Board acknowledges its responsibilities for the overall internal control framework and governance of risk, ensuring that the management maintains a sound system of risk management and internal controls to safeguard the interests of the Company and its shareholders.

The Board, assisted by the AC, reviews annually, and ensures that a sound system of risk management and internal controls is maintained by the Group to safeguard shareholders' interests and the Group's assets and determines the nature and extent of the significant risks which the Group is willing to take in achieving its strategic objectives. The Group has implemented a system of internal controls designed to provide reasonable assurance that assets are safeguarded, proper accounting records are maintained, operational controls are adequate and business risks are suitably managed as we implement the commitments made to a responsible business conduct. The Board, with the assistance of the AC, oversees the management in the design, implementation and monitoring of the risk management and internal control systems, and reviews the adequacy and effectiveness of such systems at least annually. Please refer to pages 39 to 40 of the Group's Corporate Governance Report 2023 for more detailed information.

In FY2023, sustainability-related risks are not yet integrated but are considered when we make business and operational decisions. In FY2024, we strive to identify, manage, and respond timely to any gaps in sustainability reporting regulatory compliance.

GRI CONTENT INDEX

<p>Statement of Use</p>	<p>TOTM Technologies Limited has reported the information cited in GRI Content index for the period of 1 June 2022 to 31 May 2023 (“FY2023”) with reference to the GRI standards 2021</p>	
<p>GRI 1 Used</p>	<p>GRI 1: Foundation 2021</p>	
<p>GRI STANDARD</p> <p>GRI 2: General Disclosures 2021</p>	<p>DISCLOSURE</p> <p>2-1 Organizational details 2-2 Entities included in the organization’s sustainability reporting 2-3 Reporting period, frequency and contact point 2-4 Restatements of information 2-5 External assurance 2-6 Activities, value chain and other business relationships 2-7 Employees 2-8 Workers who are not employees 2-9 Governance structure and composition 2-10 Nomination and selection of the highest governance body 2-11 Chair of the highest governance body 2-12 Role of the highest governance body in overseeing the management of impacts 2-13 Delegation of responsibility for managing impacts 2-14 Role of the highest governance body in sustainability reporting 2-15 Conflicts of interest 2-16 Communication of critical concerns 2-17 Collective knowledge of the highest governance body 2-18 Evaluation of the performance of the highest governance body 2-19 Remuneration policies 2-20 Process to determine remuneration 2-21 Annual total compensation ratio 2-22 Statement on sustainable development strategy 2-23 Policy commitments 2-24 Embedding policy commitments 2-25 Processes to remediate negative impacts 2-26 Mechanisms for seeking advice and raising concerns 2-27 Compliance with laws and regulations 2-28 Membership associations 2-29 Approach to stakeholder engagement 2-30 Collective bargaining agreements</p>	<p>LOCATION</p> <p>4 2 2-3 None 3 4 10-11 None AR 26 to 28 AR 31 AR 29 to 30 2-3 2-3 2-3 AR 55 5-6 2-3 AR 34 AR 36-37 AR 35 AR 37-39 2-3 10 10 8 8 14-16 None 5-6 None</p>
<p>GRI 3: Material Topics 2021</p>	<p>3-1 Process to determine material topics 3-2 List of material topics 3-3 Management of material topics</p>	<p>7 7 8-16</p>
<p>GRI 201: Economic Performance 2016 GRI 205: Anti-corruption 2016 GRI 308: Supplier Environmental Assessment 2016 GRI 403: Occupational Health and Safety 2018 GRI 405: Diversity and Equal Opportunity 2016</p>	<p>201-1 Direct economic value generated and distributed 205-3 Confirmed incidents of corruption and actions taken 308-1 New suppliers that were screened using environmental criteria 403-9 Work-related injuries 405-1 Diversity of governance bodies and employees</p>	<p>8 8 9 13 10-13</p>



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