

Sust repo

A bold vision of tomorrow

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2021-
2022

Sustainability
Report



TOTM
TECHNOLOGIES

TABLE OF CONTENTS

BOARD STATEMENT	2
ORGANISATIONAL PROFILE	3
SUSTAINABILITY APPROACH	4
ECONOMIC	7
ENVIRONMENTAL	11
SOCIAL	13
GOVERNANCE	17
GRI STANDARDS CONTENT INDEX	20

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, #2100, 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”) (formerly known as Yinda Infocomm Limited) for the financial year ended 31 May 2022 (“FY2022”). 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. This Sustainability Report is prepared based on the Guidelines of the Global Reporting Initiative (“GRI”) Standards 2016: Core Option. 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 a flexible and future-proof reporting structure as the forward-looking and rigorous approach advocated by GRI ensures its processes and topics are always up-to-date and relevant.

The Group’s sustainability report summarises the expectation from various stakeholders, 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. This report highlights the key economic, environmental, social and governance (“EESG”) related initiatives carried throughout the 12-month period, from 1 June 2021 to 31 May 2022. For this report, we will be focusing on our sustainability approach, initiatives and performance in respect of the Group’s operations in Singapore. The Group intends to expand the scope of its sustainability report in the future to include its sustainability practices in other geographical regions, including Thailand, as the Group expands in those markets. The Group adopts the precautionary principle to minimise negative effects of conducting its business whenever feasible.

On 8 April 2022, the Group has announced the completion of the disposal of Yinda Technology Singapore Pte. Ltd. and Yinda Technology (Thailand) Co., Ltd., and exited from the entire telecommunication business (“Telecommunication Business”) which is in line with the Company’s diversification into business of development and provision of identity management biometric technology solutions announced earlier on 6 April 2021 (“Biometrics Business”). This report does not include information from Telecommunication Business as it was disposed during the financial year.

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 and cautiously reviewed by the management. The data and information provided have not been verified by an independent third party. We have relied on internal data monitoring and verification to ensure the accuracy of the data and information provided.

Where required and as the Group's sustainability reporting matures, the Group will consider seeking external independent assurance for its sustainability report. 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.

We welcome feedback from our stakeholders with regards to our sustainability efforts as this enables us to consistently improve our policies, systems and results. Please send your comments and suggestions to ir@totmtechnologies.com.

On behalf of Board of Directors
Mr. Pierre Prunier
Chief Executive Officer and Executive Director
28 October 2022

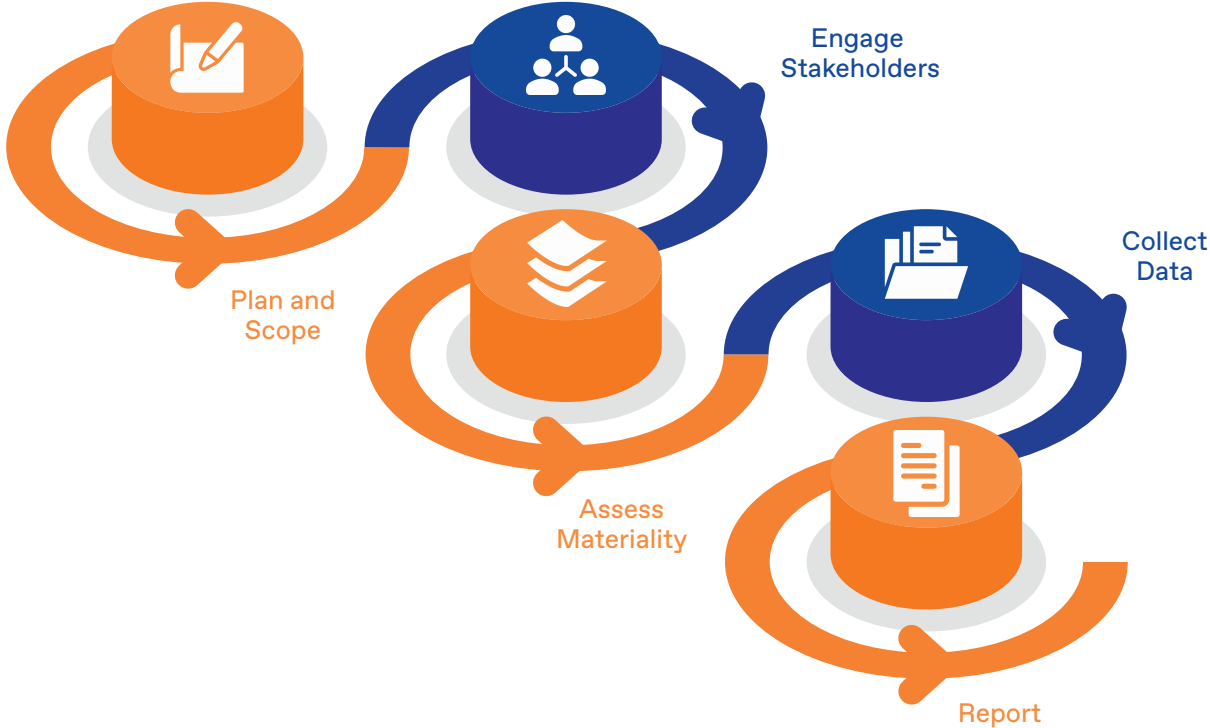
ORGANISATIONAL PROFILE

TOTM Technologies is a regional integrated solutions and services provider in digital identity management and biometric technology. The Company was listed in August 2015 on the Catalist Board of the SGX-ST.

In January 2021, the Group embarked on a business transformation exercise, having identified growth opportunities in the digital identity management space. By early April 2021, the Group completed the acquisition of a 51% controlling stake in International Biometrics Pte. Ltd. ("InterBIO") and an investment in TECH5 SA, marking the Group's official entry and diversification into the field of developing and providing digital identity management and biometric solutions.







SUSTAINABILITY APPROACH

OUR SUSTAINABILITY METHODOLOGY



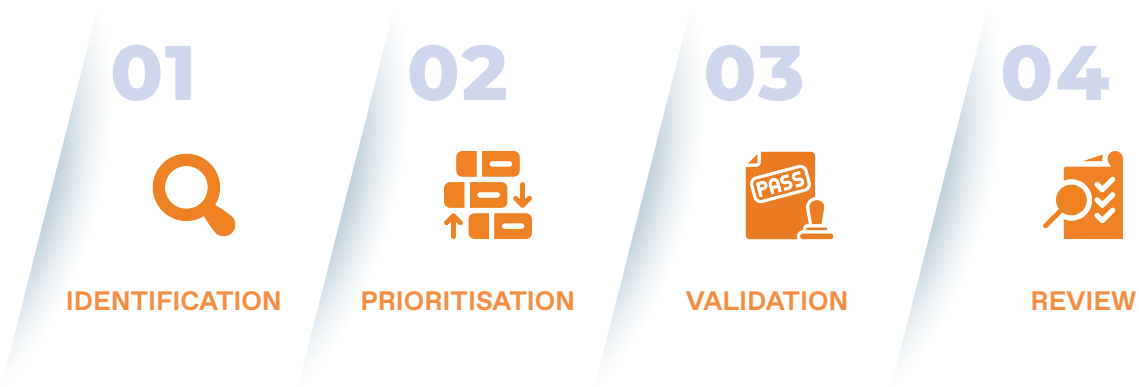
STAKEHOLDERS ENGAGEMENT

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 assesment	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	
	Websites-investor relationship	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	

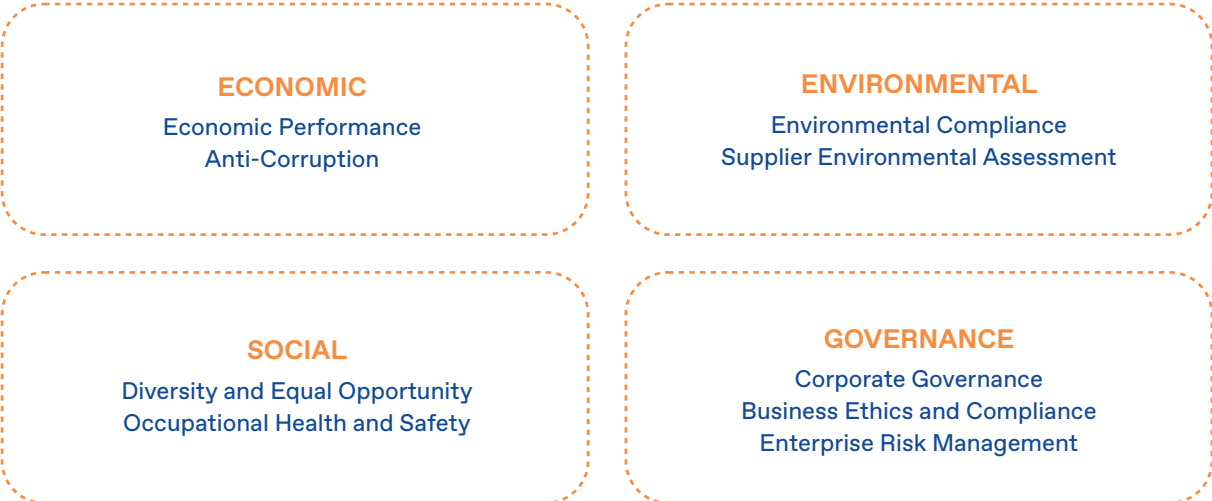
MATERIALITY ASSESSMENT

Our sustainability reporting process begins with the identification of relevant EESG factors. Such factors are then prioritised to identify material factors which are subjected to validation. The end result of this process is a list of material factors disclosed in the Sustainability Report. Processes are as shown below:



The Group has conducted a materiality assessment during the year. We engaged our employees from different departments and sought their feedback for ranking of these topics according to priority. Materiality review is conducted every year, incorporating inputs gathered from stakeholders’ engagements.

In order to determine if an aspect is material, we assessed its potential impact on the economy, environment and society and its influence on the stakeholders. Applying the guidance from GRI, we have identified the following as our material aspects:



ECONOMIC

ECONOMIC PERFORMANCE

Since February 2022, the external economic environment has deteriorated, due in part to the onset of the Russia-Ukraine conflict which has disrupted the global supply of energy, food and other commodities, which has in turn exacerbated global inflationary pressures and adversely affected the growth of many economies. The COVID-19 pandemic continued to weigh heavily on the global economy in FY2022 with the emergence of new variants and the reimposition of lockdown measures across major markets to contain the spread of the virus. The Group has received support from the Singapore Government such as Job Support Schemes and foreign worker levy rebates, which provide wage support to employers to help them retain their local employees (Singapore Citizens and Permanent Residents) during this period of economic uncertainty and ease labour costs of firms that employ foreign workers in this period. With our sights set on positioning TOTM Technologies for the pending recovery and long-term growth, we conducted a strategic business review of our business during the year and announced our commitment to focus on building our presence in the digital identity and biometrics industry.

TOTM Technologies firmly believes that focusing on financial sustainability is critical and we are fully committed to the highest standards of corporate governance. The Group's basic principle is to ensure long-term profitability and shareholders' value is ensured by taking into account the interests of all stakeholders, such as shareholders, employees, suppliers and society as a whole.

The Group recorded total revenue of approximately S\$11.1 million for the full year ended 31 May 2022. For FY2022, revenues from the Biometrics business segment of approximately S\$6.2 million and S\$4.9 million were derived from Indonesia and Singapore respectively. The revenue from Biometrics business was mainly derived from:

- (i) provision of technical support to Indonesia's Ministry of Home Affairs and maintenance of Indonesia's current biometric national identity system which contributed S\$6.2 million; and
- (ii) a project to provide system integration service for a security platform to the Indonesian government, which contributed S\$4.9 million.

The comparative figures for FY2021 are solely relating to 2 months of revenue generated from the Biometrics business following the Group's acquisition of InterBIO and its subsidiary, PT International Biometrics Indonesia in April 2021. The financial performance of the Group's Telecommunication business, including those reported have been restated under the discontinued operation in the audited financial statements for FY2021.

FUTURE PROSPECTS

According to Markets and Markets, the global digital identity solutions market size is projected to grow from US\$27.9 billion in 2022 to US\$70.7 billion by 2027, recording a CAGR of 20.4% from 2022 to 2027.¹ PwC Strategy& opined that the double-digit growth will principally result from a greater focus on customer experience, the escalating risk of cyber fraud and identity theft, and the increasing use of biometrics. The swift adoption of e-government platforms shows the potential of the digital ID market and creates an ideal foundation for considerable expansion for online services in the private sector as well.²

The Group envisages the Biometrics business to be the main growth driver going forward and is proactively building its sales pipeline and bidding for medium to large-scale end-to-end digital identity projects. The Group is currently in discussions with potential parties to provide turnkey solutions for national identity and digital identity systems as well as working towards launching the Group's digital onboarding business. The Group will continue to explore new investment targets or partners across the digital identity space and biometrics industry value chain in order to build new identity management capabilities, products and markets. For detailed financial results, please refer to our FY2022 Annual Report, pages 64 to 143.

1. Digital Identity Solutions Market by Component (Solutions and Services), Solution Type (Biometrics and Non-Biometrics), Authentication Type, Deployment Mode, Organization Size, Vertical, and Region - Global Forecast to 2027, <https://www.marketsandmarkets.com/Market-Reports/digital-identity-solutions-market-247527694.html>

2. Digital Identity: Opportunities and challenges, <https://www.strategyand.pwc.com/jp/ja/publications/digital-identity-e.pdf>

REGIONAL PRESENCE

Our presence expanded into these markets enables us to secure projects on providing end-to-end identity management and biometrics products, powering digital identity and digital onboarding solutions at a global level.



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 of the Group's Directors, officers and employees. The Directors and senior management team have attended the relevant trainings provided by Singapore Institute of Directors 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").

Similar to FY2021, there were no reported incidents of corruption in FY2022.

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 external parties to raise any concerns they may have.

We have zero whistleblowing cases in FY2022 and in FY2021. We have achieved our target to maintain zero incidence of corruption. We will continue to regularly review our whistleblowing and anti-corruption policies.

ENVIRONMENTAL

TOTM Technologies endeavors to minimise the potential impact of our operations on the environment. We are committed to reduce any carbon 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.

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.

In FY2022, we have achieved our target of zero incidence of non-compliance with laws, environmental rules and regulations resulting in significant fines or sanctions (FY2021: Nil). We will aim to continue full compliance with all environmental rules and regulations.

SUPPLIER ENVIRONMENTAL ASSESSMENT

TOTM Technologies will continue to reduce its environmental impact and encourage its stakeholders, such as suppliers and trading partners, to meet the same expectations. The Group also performs an assessment when screening new major suppliers (with more than S\$100,000 worth of transactions per month), to check that they are providing high quality and green products. Supplier evaluation forms are prepared by the procurement team for gathering and verifying information on new suppliers in terms of quality of products and services, having resources to meet requirements, responsiveness of the vendor or subcontractors, product certification and records, et cetera.

The Group aspires to continuously promote and integrate sustainability in our business operations and taking stakeholders' interest in our consideration. EESG factors are integrated into our value and supply chain as our sustainability efforts progressively mature. Moreover, TOTM Technologies pledges to uphold sustainable business practices across its supply chain, from our subsidiaries to suppliers.

The Group trusts that sustainable supply chain management drives organisational excellence and delivers desirable business results to the stakeholders. This includes completion of supplier evaluation procedure to reduce the risk that a supplier's products do not meet the Company's requirements. We will perform assessment on new major suppliers to ensure that suppliers for important telecommunications equipment or materials are selected in accordance to their conduct and to ensure the stability of the supply of goods to further reduce the procurement risks.

There was no assessment performed as there were no new major suppliers this financial year (FY2021: Nil). Going forward, our target is to ensure that all new major suppliers will be screened and selected in accordance to their conduct which can be evaluated against an environmental assessment.

SOCIAL

Our employees are our greatest assets. Their contributions and support are valued at all times. As such, we conduct regular reviews on compensations and benefits policies according to the industry benchmark, financial results as well as individual performance of employees. Other fringe benefits and pension funds contributions are provided to retain loyal employees with the aim to form a professional staff and management team that can bring the Group to new levels of success. 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.

DIVERSITY AND EQUAL OPPORTUNITY

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.

The Group also considers the benefits of the diversity of skills, experience, background, gender, age, ethnicity and other relevant factors when we determine the optimum composition of the Board. 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.

As of 31 May 2022, we had a workforce of 72 full-time, permanent employees for our operations across the Group (FY2021: 51 for our operations in Singapore). The increase is mainly due to the expansion of the Group for the new business. Our headcounts were distributed as follows:

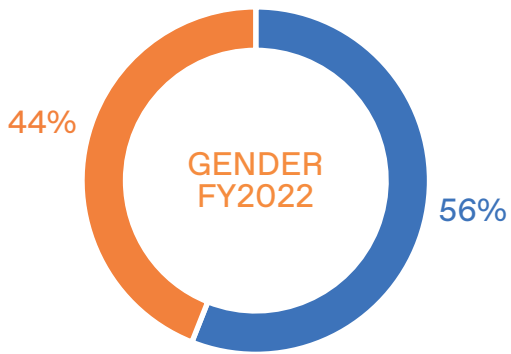


Figure A: Headcount distribution by gender FY2022

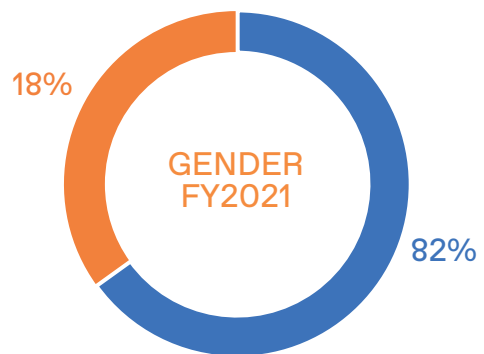


Figure B: Headcount distribution by gender FY2021

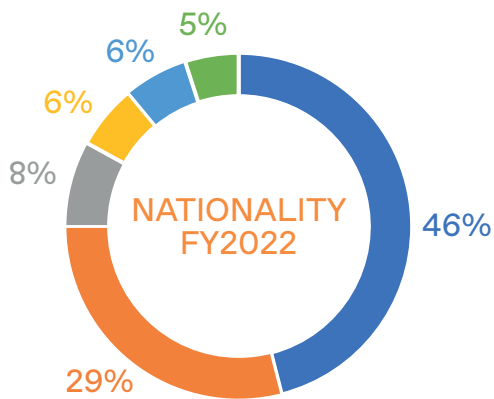


Figure C: Headcount distribution by nationality FY2022

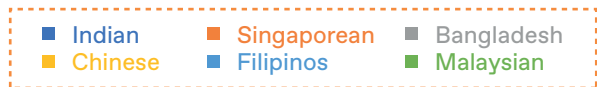
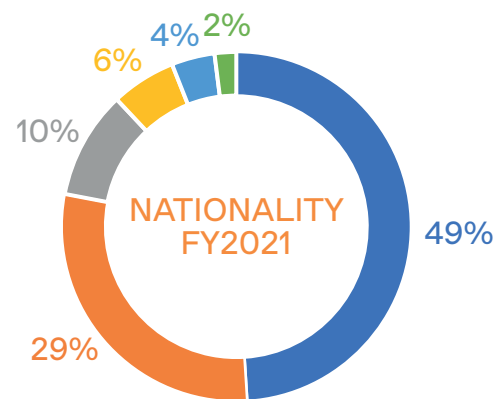


Figure D: Headcount distribution by nationality FY2021

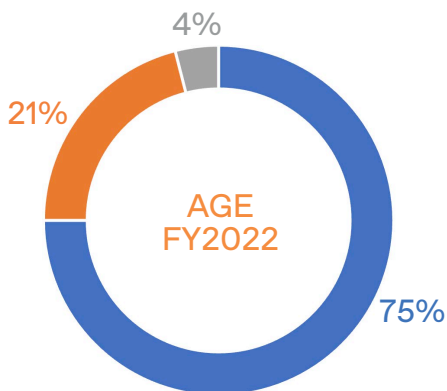


Figure E: Headcount distribution by age FY2022

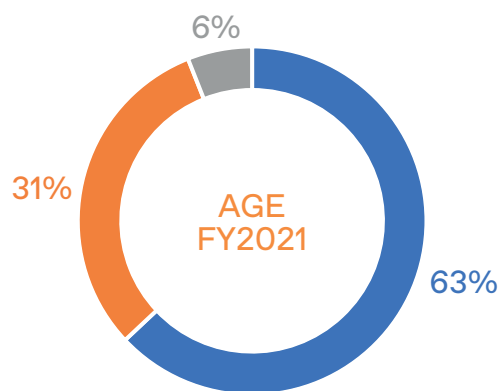


Figure F: Headcount distribution by age FY2021

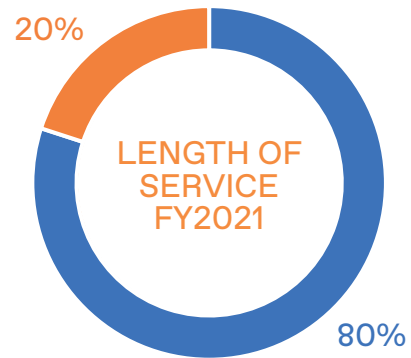
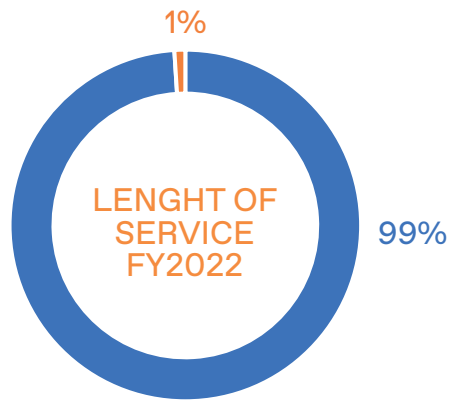


Figure G: Headcount distribution by length of service FY2022

Figure H: Headcount distribution by length of service FY2021

Our recruitment of staff is based solely on merit and qualifications, without discrimination of race, age, gender, religion or ethnicity. There was no non-compliance incident reported in the current year, as targeted. We will continue to aim to maintain zero incident of non-compliance of manpower related rules and regulations, as well as complaints.

To promote equal opportunity, we have implemented various human resource measures as follows:

01 Staff Assessment

Staff assessment is performed annually, and upon-completion of probation for new staff to evaluate their performance and provide them with a sense of self-awareness on their work performance to identify training opportunities that will improve their skills and abilities

02 Employment Terms

Employment terms in the employment letter are explained to staff when they join the Group

03 Staff Recruitment

Staff recruitment advertisements do not state age, race, gender or religious preferences as requirement

Every employee plays an essential role in our Company and we pay utmost attention to our employees' general well-being.

OCCUPATIONAL HEALTH AND SAFETY

We are committed to safeguard 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 reduce any risks related to safety and health through effective risk management.

In FY2022, 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 to reduce the spreading of COVID-19.

The Group has recorded zero workplace fatality and non-fatal workplace injuries in FY2022 and in FY2021, as targeted. We will continuously work towards maintaining having 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 Company 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 Annual Report for FY2022, pages 21 to 56 for the Group's Corporate Governance Report.

Our overall Singapore Governance and Transparency Index ("SGTI") score assessed by the National University of Singapore Business School is 60 for FY2022 (FY2021: 63).

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.

BUSINESS ETHICS AND COMPLIANCE

TOTM Technologies takes serious considerations 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 FY2022 and FY2021.

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, honourable 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

TOTM Technologies regularly updates key staff on developments in international and local regulations.

We are fully compliant with all environmental rules and regulations, confidentiality clauses, anti-competitive behaviour laws and all requirements on health and safety.

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 are restricted to authorised persons or senior management on a need-to-know basis.

There were no incident of non-compliance in FY2022 (FY2021: one incident of non-compliance to law and regulations due to the late payment of staff salary). In FY2022, there were no significant fines or non-monetary sanctions for non-compliance with laws and regulations. We will continue to maintain and ensure no significant fines or non-monetary sanctions for non-compliance with laws and regulations.

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. 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 our Annual Report for FY2022, pages 21 to 56 for the Group's Corporate Governance Report.

GRI STANDARDS CONTENT INDEX

GRI Standard	Disclosure	Reference / Description	
GRI 101: Foundation 2016			
GENERAL DISCLOSURE			
GRI 102: General Disclosures	102-1	Name of organization TOTM Technologies Limited (formerly known as Yinda Infocomm Limited)	
	102-2	Activities, brands, products and services SR Page 3	
	102-3	Location of headquarters Singapore	
	102-4	Location of operations SR Page 7	
	102-5	Ownership and legal form Annual Report Pages 15, 104-110, 144-145	
	102-6	Markets served SR Page 7	
	102-7	Scale of the organisation SR Page 3	
	102-8	Information on employees and other workers SR Pages 13-15	
	102-9	Supply chain SR Page 12	
	102-10	Significant changes to the organisation and its supply chain SR Pages 2-3	
	102-11	Precautionary principle or approach SR Page 2	
	102-12	External initiatives None	
	102-13	Membership of associations None	
	102-14	Statement from senior decision maker SR Pages 2-3	
	102-16	Values, principles, standards and norms of behaviour SR Pages 15-16	
	102-18	Governance structure SR Pages 17-19, Annual Report Pages 21-56	
	102-40	List of stakeholder groups SR Page 5	
	102-41	Collective bargaining agreements None	
	102-42	Identifying and selecting stakeholders SR Pages 4-5	
	102-43	Approach to stakeholder engagement SR Pages 4-5	
	102-44	Key topics and concerns raised SR Page 6	
	102-45	Entities included in the consolidated financial statements Annual Report Pages 14, 104-110	
	102-46	Defining report content and topic boundaries SR Pages 2-3	
	102-47	List of material topics SR Page 5	
	102-48	Restatement of information None	
	102-49	Changes in reporting None	
102-50	Reporting period SR Page 2		
102-51	Date of most recent previous report 29 October 2021		
102-52	Reporting cycle Annually		
102-53	Contact point for questions about the report SR Page 3		
102-54	Claims of reporting in accordance with the GRI Standards SR Page 2		
102-55	GRI content index SR Pages 20-21		
102-56	External Assurance We may seek external assurance in the future.		
MATERIAL TOPICS			
GRI 201: Economic performance	201-1	Direct economic value generated and distributed SR Pages 7-9	
	GRI 205: Anti-corruption	205-1	Operations assessed for risks related to corruption SR Page 9
		205-2	Communication and training about anti-corruption policies and procedures SR Page 9
	205-3	Confirmed incidents of corruption and actions taken SR Page 9	
GRI 307: Environmental compliance	307-1	Non-compliance with environmental laws and regulations SR Pages 11	

GRI STANDARDS CONTENT INDEX

GRI Standard	Disclosure		Reference / Description
GRI 308: Supplier environmental assessment	308-1	New suppliers that were screened using environmental criteria	SR Page 12
GRI 403: Occupational Health and Safety	403-9	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	SR Page 16
GRI 405: Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	SR Pages 13-15



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