

# TechNova International ESG Report – Fiscal Year 2024

## 1. Executive Summary

TechNova International, a global technology leader operating in 38 countries with 72,000 employees, made significant progress across its Environmental, Social, and Governance (ESG) priorities during fiscal year 2024. Substantial reductions in greenhouse gas emissions, increased renewable energy utilization, enhanced workforce diversity, and a strengthened commitment to ethical business practices and community engagement highlight the year's achievements. This report details key performance indicators (KPIs) and outlines strategic initiatives for continued improvement, aligning with global best practices and regulatory expectations. Key achievements include a 17% reduction in Scope 1 and 2 greenhouse gas emissions, a 61% utilization rate of renewable energy for global electricity consumption, and a 15% improvement in the total recordable incident rate (TRIR). The report also addresses areas for future focus, including further reductions in Scope 3 emissions and expansion of digital inclusion programs.

## 2. Organizational Profile

TechNova International is a global technology company operating across 38 countries, employing 72,000 individuals. Our operations span diverse sectors, and we are committed to operating responsibly and sustainably across all our global activities. This commitment is reflected in our comprehensive ESG strategy, which guides our efforts to minimize our environmental impact, foster a positive social impact, and uphold strong governance principles.

## 3. Stakeholder Engagement

Engaging with stakeholders is central to TechNova's ESG strategy. We actively seek input from employees, investors, customers, suppliers, communities, and governmental agencies to understand their concerns and expectations. This input informs our materiality assessment and guides our ongoing ESG initiatives. We utilize various communication channels, including surveys, focus groups, and direct engagement, to ensure a diverse range of perspectives are considered and integrated into our decision-making processes. This collaborative approach ensures our ESG performance aligns with the needs and expectations of all our stakeholders.

## 4. Material Topics

Based on our stakeholder engagement and materiality assessment, TechNova has identified key ESG issues impacting our business and stakeholders. These include greenhouse gas emissions reduction, renewable energy utilization, employee well-being and diversity, ethical supply chain management, and robust governance structures. These material topics form the basis of our ESG reporting and strategic planning, ensuring our efforts focus on areas of greatest impact.

## 5. Management Approach

TechNova's approach to ESG is integrated into our overall business strategy and overseen by the Board of Directors. We have established clear targets, measurable KPIs, and accountability mechanisms to track our progress. Our ESG initiatives are embedded within functional departments, promoting ownership and accountability at all levels. Regular reporting and performance reviews ensure continuous improvement and alignment with our strategic goals. This integrated approach ensures that ESG considerations are not treated in isolation but are instead woven into the fabric of our daily operations.

## 6. Environmental Performance

TechNova achieved a 17% reduction in Scope 1 and 2 greenhouse gas (GHG) emissions, totaling 410,000 metric tons of CO<sub>2</sub>e. Scope 3 emissions decreased by 6%, reaching 1.85 million metric tons of CO<sub>2</sub>e. The organization is committed to a 30% reduction in Scope 3 emissions by 2030 and achieving net-zero emissions by 2040. Detailed methodologies for emission calculation and verification are available upon request. Furthermore, the utilization of renewable energy sources for global electricity consumption increased to 61%, up from 47% in the prior year. Several facilities in the United States, Germany, and Japan achieved 100% renewable electricity utilization. The company diverted 74% of operational waste from landfills and reduced water consumption by 9%, resulting in a reduction of 2.8 million cubic meters. Ongoing initiatives focus on further optimization of resource efficiency and the implementation of a circular economy strategy.

## 7. Social Performance

TechNova invested \$62 million in employee training, averaging 42 hours per employee, leading to a 3-percentage-point increase in employee engagement scores, reaching 81%. A hybrid/remote work model is implemented for 68% of the workforce. The total recordable incident rate (TRIR) improved by 15%, reaching 0.23 per 100 full-time equivalents (FTEs). TechNova also reached 1.2 million individuals through partnerships with non-profit organizations and an additional 420,000 through digital inclusion programs. Employee volunteer hours totaled 138,000. Human rights due diligence was conducted on 97% of Tier 1 suppliers, and spending with women- and minority-owned businesses increased by 21%.

## 8. Governance

The eleven-member Board of Directors comprises 45% women and 36% diverse ethnic representation, maintaining a 98% attendance rate at board meetings. 22% of executive bonuses are linked to the achievement of sustainability goals. 100% of employees and 96% of suppliers completed ethics training. The company's whistleblower hotline received 138 reports, resulting in 17 disciplinary actions and 4 terminations. TechNova invested \$136 million in cybersecurity measures, maintaining a record of zero major data breaches. All major data centers are certified to ISO 27001 standards.

## 9. Conclusions and Future Outlook

TechNova's fiscal year 2024 ESG performance demonstrates a strong commitment to responsible business practices. The organization

remains dedicated to environmental sustainability, social responsibility, and robust governance, ensuring long-term value creation for all stakeholders. Key priorities for fiscal year 2025 and beyond include significant reductions in Scope 3 emissions, expansion of circular economy initiatives, reaching 2 million beneficiaries through digital inclusion programs by 2027, and enhanced transparency through increased third-party assurance and alignment with the UN Sustainable Development Goals (SDGs) and TCFD recommendations.

**10. Appendices**

*(This section would contain detailed data tables, charts, methodologies for emission calculations, and other supporting documentation.)*