

# TechNova International Environmental, Social, and Governance Report – Fiscal Year 2024

## 1. Executive Summary

TechNova International, a global technology company operating in 38 countries with 72,000 employees, made significant progress in its Environmental, Social, and Governance (ESG) performance during fiscal year 2024. Key accomplishments include substantial reductions in greenhouse gas emissions, increased renewable energy utilization, enhanced workforce diversity, and strengthened ethical and governance frameworks. While considerable progress has been made, TechNova remains committed to addressing ongoing challenges, particularly concerning Scope 3 emissions and the expansion of its digital inclusion initiatives. This report details our performance against key ESG metrics and outlines our strategic priorities for the coming year.

## 2. Organizational Profile

TechNova International is a global technology company operating in 38 countries with 72,000 employees. [Optional: Add brief description of company's core business and mission statement, if relevant and concise.]

## 3. Stakeholder Engagement

[This section requires further information to be meaningfully populated. Consider adding details on how TechNova engages with its stakeholders – employees, investors, communities, governments, etc. Include methods of engagement, feedback mechanisms, and responses to stakeholder concerns.]

## 4. Material Topics

Based on stakeholder engagement and materiality assessment, TechNova has identified the following key ESG topics as material to its business: Greenhouse Gas Emissions, Renewable Energy, Waste and Water Management, Workforce Development and Engagement, Workplace Safety, Community Engagement, Supply Chain Responsibility, Board Composition and Oversight, ESG-Linked Compensation, Ethics and Compliance, and Cybersecurity.

## 5. Management Approach

TechNova integrates ESG considerations into its overall business strategy, risk management framework, and decision-making processes. [Optional: Briefly describe the company's ESG governance structure, including relevant committees and responsibilities. Mention any relevant frameworks adopted (e.g., GRI, SASB).]

## 6. Environmental Performance

- **6.1 Greenhouse Gas Emissions:** Scope 1 and 2 greenhouse gas (GHG) emissions were reduced by 17%, totaling 410,000 metric tons of CO<sub>2</sub>e. Scope 3 emissions decreased by 6%, amounting to 1.85 million metric tons of CO<sub>2</sub>e.
- **6.2 Renewable Energy:** Sixty-one percent of TechNova's global electricity consumption originated from renewable sources, a significant increase from 47% in the prior year. Several facilities in the U.S., Germany, and Japan achieved 100% renewable energy utilization.
- **6.3 Waste and Water Management:** Seventy-four percent of operational waste was diverted from landfills. Water consumption decreased by 9%, resulting in a total consumption of 2.8 million cubic meters.

## 7. Social Performance

- **7.1 Workforce Development and Engagement:** TechNova invested \$62 million in employee training, averaging 42 hours per employee. Employee engagement scores reached 81%, reflecting a 3-point year-over-year improvement. Sixty-eight percent of employees participate in hybrid or remote work arrangements.
- **7.2 Workplace Safety:** The workplace injury rate improved by 15%, reaching 0.23 injuries per 100 full-time equivalents (FTEs).
- **7.3 Community Engagement:** TechNova reached 1.2 million individuals through non-profit partnerships and 420,000 through digital inclusion programs. Employees contributed 138,000 volunteer hours.
- **7.4 Supply Chain Responsibility:** Ninety-seven percent of Tier 1 suppliers underwent human rights due diligence. Spending with women- and minority-owned businesses increased by 21%.

## 8. Governance

- **8.1 Board Composition and Oversight:** The 11-member Board of Directors maintained a 45% female representation and 36% diverse ethnic representation. The Board held 11 meetings, achieving a 98% attendance rate.
- **8.2 ESG-Linked Compensation:** Twenty-two percent of executive bonuses were tied to the achievement of sustainability goals.
- **8.3 Ethics and Compliance:** One hundred percent 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.
- **8.4 Cybersecurity:** TechNova invested \$136 million in cybersecurity measures, resulting in zero major data breaches. All major data centers maintain ISO 27001 certification.

## 9. Conclusions and Future Outlook

TechNova is committed to integrating ESG principles into its core business strategy. We recognize the importance of responsible business practices and our role in contributing to a sustainable future. We will continue to refine our approach and enhance our transparency to meet the evolving expectations of our stakeholders. Key priorities for the coming year include:

- **9.1 Scope 3 Emissions Reduction:** Targeting a 30% reduction by 2030.
- **9.2 Net-Zero Target:** Commitment to achieving net-zero emissions by 2040.

- **9.3 Circular Economy Initiatives:** Prioritizing the incorporation of recycled materials in products and scaling product take-back programs.
- **9.4 Expansion of Digital Inclusion Programs:** Aiming to reach 2 million beneficiaries by 2027.
- **9.5 Enhanced Transparency and Reporting:** Expanding third-party assurance of ESG performance, aligning with the UN Sustainable Development Goals (SDGs) and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

**Appendices (if applicable)**

[Include supplementary data, charts, or technical notes here. Examples might include detailed GHG emission breakdowns, supplier diversity data, or information on methodology used for data collection and assurance.]