

TechNova

Executive Summary

This Environmental, Social, and Governance (ESG) report presents a comprehensive overview of TechNova International's sustainability performance for the fiscal year ending December 31, 2024. Prepared in accordance with the Global Reporting Initiative (GRI) Standards, this report details our progress, challenges, and future commitments across key ESG dimensions. As a global technology leader, TechNova International recognizes its responsibility to drive positive change, foster innovation, and uphold ethical standards in all aspects of its operations. This year, we achieved a 17 percent reduction in Scope 1 and 2 greenhouse gas emissions, increased the representation of women and underrepresented minorities in our workforce by 8 percent, and strengthened our governance framework to enhance transparency and accountability. We engaged with over 2,000 stakeholders worldwide to identify material topics and inform our sustainability strategy. Our commitment to sustainable growth is reflected in our ongoing investments in renewable energy, employee well-being, digital inclusion, and robust governance practices. This report outlines our achievements, areas for improvement, and strategic priorities for the coming years.

Organizational Profile

TechNova International is a publicly traded multinational corporation specializing in cloud computing, artificial intelligence, and digital infrastructure solutions. Headquartered in San Francisco, California, the company operates in 38 countries with a workforce of 72,000 employees as of December 2024. Our core business segments include enterprise software, data analytics, cybersecurity, and hardware manufacturing. In 2024, TechNova generated USD 24.6 billion in revenue, with 62 percent derived from North America, 24 percent from Europe, 10 percent from Asia-Pacific, and the remaining 4 percent from Latin America and Africa. Our supply chain comprises over 1,200 suppliers, with 78 percent of procurement spend directed towards partners who have adopted our Supplier Code of Conduct. TechNova is listed on the New York Stock Exchange and is included in the Dow Jones Sustainability Index, FTSE4Good, and the MSCI ESG Leaders Index. The company's mission is to empower individuals and organizations through transformative technology while ensuring responsible stewardship of environmental and social resources.

Stakeholder Engagement

TechNova's approach to stakeholder engagement is rooted in transparency, inclusivity, and responsiveness. We recognize that our long-term success depends on understanding and addressing the expectations of diverse stakeholder groups, including employees, customers, investors, suppliers, regulators, communities, and non-governmental organizations. In 2024, we conducted a comprehensive stakeholder mapping exercise, followed by a series of engagement activities such as online surveys, focus groups, town hall meetings, and bilateral consultations. Over 2,000 stakeholders participated in these activities, providing valuable feedback on our ESG performance and priorities. Key themes raised included climate action, data privacy, diversity and inclusion, supply chain responsibility, and ethical innovation. Stakeholder input directly informed our materiality assessment and the development of our 2025-2027 sustainability strategy. We also established a Stakeholder Advisory Panel, comprising representatives from civil society, academia, and industry, to provide ongoing guidance and independent perspectives on our ESG initiatives.

Material Topics

Following the GRI Standards, TechNova conducted a formal materiality assessment in 2024 to identify the ESG topics most significant to our business and stakeholders. The assessment process included internal workshops, external stakeholder consultations, and a review of emerging trends and regulatory developments. The following material topics were identified as priorities for reporting and management: climate change and greenhouse gas emissions, energy efficiency and renewable energy, responsible supply chain management, diversity, equity, and inclusion (DEI), employee well-being and development, data privacy and cybersecurity, innovation and digital inclusion, business ethics and anti-corruption, and board oversight and accountability. Each material topic was evaluated based on its potential impact on TechNova's business performance, reputation, and stakeholder trust. The results of the materiality assessment are reviewed annually and inform our ESG strategy, risk management, and performance measurement.

Management Approach

TechNova's management approach to ESG is guided by our Sustainability Policy, which is approved by the Board of Directors and implemented by the Executive Sustainability Committee. The committee, chaired by the Chief Sustainability Officer, includes senior leaders from operations, human resources, legal, procurement, and risk management. ESG objectives are integrated into our

corporate strategy, business planning, and performance management systems. Each material topic is assigned to a responsible executive, who oversees the development and execution of action plans, monitors progress, and reports on outcomes. We employ a risk-based approach to ESG management, incorporating scenario analysis, stress testing, and regular audits. Our Supplier Code of Conduct, Human Rights Policy, and Code of Business Ethics set clear expectations for employees, suppliers, and partners. Training on ESG topics is mandatory for all employees, with specialized programs for high-risk roles. TechNova's ESG performance is regularly reviewed by the Board's Sustainability and Ethics Committee, which meets quarterly and provides guidance on emerging risks and opportunities.

Environmental Performance

TechNova is committed to minimizing its environmental footprint and advancing the transition to a low-carbon economy. In 2024, our total Scope 1 and 2 greenhouse gas emissions were 410,000 metric tons of CO₂ equivalent, representing a 17 percent reduction from our 2023 baseline of 494,000 metric tons. This achievement was driven by energy efficiency measures, increased use of renewable energy, and process optimization across our operations. Scope 3 emissions, primarily from our supply chain and product use, totaled 1.85 million metric tons of CO₂ equivalent, a 6 percent reduction year-over-year. We have set a science-based target to achieve net-zero emissions across our value chain by 2040.

Renewable energy accounted for 61 percent of our global electricity consumption in 2024, up from 47 percent in 2023. Major facilities in the United States, Germany, and Japan transitioned to 100 percent renewable energy through power purchase agreements and on-site solar installations. Our energy intensity, measured as megawatt-hours per million USD revenue, decreased by 14 percent compared to the previous year. Water consumption across our operations was 2.8 million cubic meters, a 9 percent reduction from 2023, achieved through water recycling and efficiency projects at our manufacturing sites. We diverted 74 percent of our operational waste from landfill, with 36,000 metric tons recycled or reused.

TechNova's product stewardship program focuses on designing energy-efficient hardware, increasing the use of recycled materials, and promoting circularity. In 2024, 28 percent of materials used in our products were recycled content, and 91 percent of products met Energy Star or equivalent standards. We collected and responsibly recycled 18,000 metric tons of end-of-life products through our global take-back program. Environmental compliance was maintained across all jurisdictions, with no significant fines or violations reported.

Social Performance

TechNova's social strategy centers on fostering an inclusive, safe, and empowering workplace, supporting local communities, and advancing digital inclusion. As of December 2024, our global workforce comprised 72,000 employees, with 43 percent women and 29 percent from underrepresented minorities. Women held 38 percent of management positions and 24 percent of executive roles, reflecting an 8 percent increase in overall diversity representation compared to 2023. Our Board of Directors included 45 percent women and 36 percent members from diverse backgrounds.

Employee well-being and development are strategic priorities. In 2024, we invested USD 62 million in training and development, averaging 42 hours of learning per employee. Our global employee engagement survey recorded an 83 percent participation rate, with an overall engagement score of 81 percent, up 3 percentage points from the previous year. We expanded our flexible work policies, with 68 percent of employees utilizing hybrid or remote work arrangements. Health and safety performance remained strong, with a total recordable injury rate of 0.23 per 100 full-time employees, a 15 percent reduction from 2023.

TechNova's community engagement initiatives focused on digital literacy, STEM education, and economic empowerment. Through the TechNova Foundation, we supported 312 nonprofit organizations and reached 1.2 million beneficiaries in 2024. Our Digital Inclusion Program provided access to technology and training for 420,000 individuals in underserved communities across Africa, Asia, and Latin America. Employee volunteering totaled 138,000 hours, with 41 percent of employees participating in at least one community service activity.

Human rights are integral to our operations and supply chain. We conducted human rights due diligence for 97 percent of Tier 1 suppliers and provided training on labor rights, anti-discrimination, and grievance mechanisms. No substantiated cases of child labor, forced labor, or significant human rights violations were identified in 2024. Our Supplier Diversity Program increased spend with women-owned and minority-owned businesses by 21 percent year-over-year.

Governance

TechNova's governance framework is designed to promote ethical conduct, accountability, and long-term value creation. The Board of Directors comprises

11 members, 45 percent of whom are women and 36 percent from diverse ethnic backgrounds. The Board is led by an independent Chair and includes three standing committees: Audit, Compensation, and Sustainability & Ethics. In 2024, the Board met 11 times, with an average attendance rate of 98 percent. The Sustainability & Ethics Committee is responsible for overseeing ESG strategy, risk management, and performance, meeting quarterly to review progress and provide guidance.

Executive compensation is linked to ESG performance, with 22 percent of annual incentives tied to sustainability targets such as emissions reduction, diversity representation, and data privacy. The company's Code of Business Ethics sets out clear expectations for integrity, anti-corruption, and compliance, and is reviewed annually. In 2024, 100 percent of employees and 96 percent of suppliers completed mandatory ethics training. Our whistleblower hotline received 138 reports, all of which were investigated, resulting in 17 cases of disciplinary action and 4 terminations for breaches of policy.

Data privacy and cybersecurity are top priorities for TechNova. In 2024, we invested USD 136 million in cybersecurity infrastructure and achieved ISO/IEC 27001 certification for all major data centers. We experienced no material data breaches and maintained compliance with global data protection regulations, including GDPR and CCPA. Our Privacy by Design framework ensures that data protection is embedded in all products and services.

Risk management is integrated into our governance processes, with regular scenario analysis and stress testing for ESG-related risks such as climate change, supply chain disruptions, and regulatory changes. The company's internal audit function conducted 27 ESG-related audits in 2024, with findings reported to the Board and management.

Conclusions and Future Outlook

In 2024, TechNova International made significant progress in advancing its ESG agenda, achieving measurable improvements in environmental performance, workforce diversity, employee well-being, and governance practices. Our achievements reflect the dedication of our employees, the support of our stakeholders, and the leadership of our Board and management team. However, we recognize that challenges remain, particularly in reducing Scope 3 emissions, advancing supply chain sustainability, and addressing the evolving risks associated with digital transformation.

Looking ahead, TechNova is committed to accelerating its journey towards net-zero emissions, with interim targets of 75 percent renewable energy use and a 30

percent reduction in Scope 3 emissions by 2030. We will expand our circular economy initiatives, increase the use of recycled materials in our products, and scale up our take-back and recycling programs. Our social priorities include deepening our commitment to diversity, equity, and inclusion, enhancing employee well-being, and expanding digital inclusion efforts to reach 2 million beneficiaries by 2027.

Governance will remain a cornerstone of our ESG strategy, with continued focus on board diversity, ethical conduct, and robust risk management. We will enhance transparency through expanded ESG disclosures, third-party assurance, and ongoing stakeholder engagement. TechNova will continue to align its sustainability strategy with global frameworks such as the United Nations Sustainable Development Goals, the Task Force on Climate-related Financial Disclosures, and the Science Based Targets initiative.

We thank our stakeholders for their trust and partnership, and we look forward to working together to create a more sustainable, inclusive, and resilient future. This report reflects our ongoing commitment to responsible business practices and our belief that technology can be a force for good in society and the environment.