2024 ESG Reporting Highlights

2024 ESG Report Highlights

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Overview

CEO Letter

From the very beginning, Bodraum started with a vision that deeply considers people, the environment, and society. We aim to do more than just provide good products; we want our actions to have a positive impact on the world. Knowing how much our customers, partners, and team members care about sustainability, it was natural for us to embed this value into every part of our business.

The results of these efforts are particularly clear in our environmental performance. Bodraum received a high score of 90.0 in the Environment category, significantly exceeding the industry average. We are already providing eco-friendly products and services and are consistently making concrete efforts to reduce energy consumption at our business sites. We believe we can contribute to solving environmental problems through our business.

Furthermore, as our perfect score of 100.0 in Governance proves, we operate on the principles of transparency and ethical management. From our founding vision to our system for overseeing sustainability, we know that sound governance is essential for long-term growth.

Of course, we still have a ways to go. In the Social category, in particular, we want to work harder to create a better environment for our team members and build a culture that embraces diversity. As the company grows, we will create educational opportunities for all members to develop together and continue to create meaningful activities with our local community.

We are proud of what we have achieved so far and are genuinely excited for the better future we will create. Thank you for being a part of Bodraum's journey.

With gratitude,
Grace K.
CEO

ESG Strategy

Environmental

Bodraum is internalizing ESG strategies into our product Life Cycle Assessment (LCA). To this end, we aim to minimize carbon emissions generated from the product planning stage to the final shipment. We also establish long-term sustainability strategies through close partnerships with our supply chain collaborators.

SOCIAL

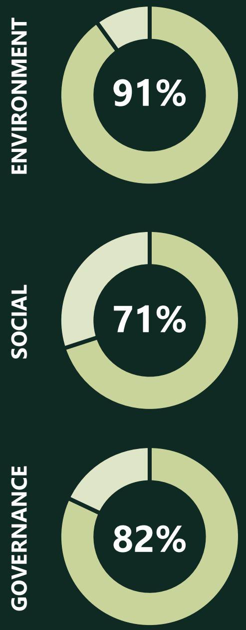
At the heart of our business lies a commitment to social impact. We allocate a portion of our sales to building schools in developing nations. Our CEO's ethos prioritizes ESG goals and CSR missions, inspiring this initiative. Collaborating with INGOs(Global Vision), we fund school construction projects.

Governance

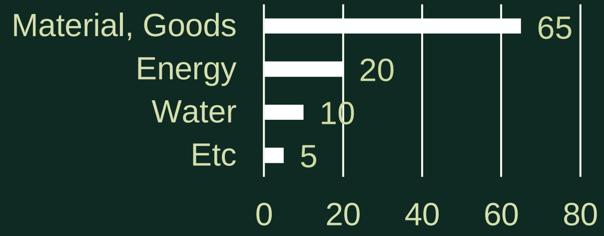
Bodraum promote a workplace culture where collaboration is encouraged and diversity is celebrated, valuing every team member without regard to race, gender, age, or position.

Summary

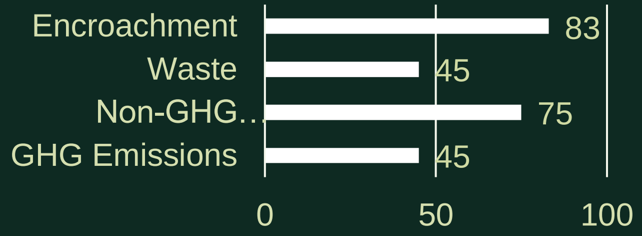
ESG Summary



Impacts of Inputs



Impacts of Operations and Products



Risks of Negative Impact list

GHG EMISSION	LOW
AIR QUALITY	LOW
ENERGY MANAGEMENT	MEDIUM
SOCIAL IMPACT	MEDIUM
WASTE	HIGH
HAZARDOUS MATERIAL MANAGENEBT	HIGH

Environmental

- Reduced Scope 1 and 2 (market-based) GHG emissions by more than 10% year-over-year.
- Implemented an automated data management process to analyze GHG emissions and systematically track progress toward our goal of reducing Scope 1 and 2 emissions by 20% by 2030, against a 2021 baseline.
- Expanded our sustainability supplier assessment program, strengthening collaboration on sustainability matters with over 10 key supply chain partners.
- Internalized sustainability values into our product design and production processes; these products are currently available in the United States.
- Ensured transparency in ESG disclosures by aligning our reporting with the recommendations of the and the Sustainability Accounting Standards Board (SASB).

Social & Governance

- Invested in Total Rewards & Wellbeing, with initiatives aimed at advancing the physical, emotional, financial, and social well-being of our employees.
- Achieved $5 million in Tier 1 diverse supplier spend, representing an increase of more than 10% from the previous year.
- Provided ESG platform training to suppliers and conducted human rights education programs to strengthen ethical practices across our value chain.
- Committed a percentage of annual sales to social impact initiatives, signing Memorandums of Understanding (MOUs) with local NGOs to establish schools in developing countries.
- Reinforced our talent strategy with a focus on employee engagement and career development, expanding investments in related programs. This includes partnering with Diversity, Equity, and Inclusion (DE&I) organizations on leadership programs to build a more diverse talent and supplier pipeline.

ESG Assessment

[General] Detailed Assessment Items

1. Company's growth stage: Series B
2. Company's industry: Retail Service
3. Number of employees: Less than 100
4. Are the services and products provided by the company closely related to ESG?

– As various social issues like environment and inequality worsen globally, startups with innovative technologies to solve these social problems (e.g., energy/carbon-efficient products, services for the socially vulnerable) are gaining significant attention. Accordingly, startups closely related to ESG receive advantages in investment and government support programs.)

5. Does the company disclose its ESG goals and performance to stakeholders? Score: 0 points

– Recently, investors and financial/government institutions seek to verify companies' ESG goals and performance. To respond proactively, companies need to disclose information transparently in line with global disclosure standards. A commonly used disclosure standard for startups is the UN SDGs, through which they can explore ways to contribute to global sustainability goals through their business and disclose this externally.

ESG Assessment

[Environment] Detailed Assessment Items

1. Are environmental goals and policies included in the core objectives of the business?

- Answer: Possesses both goals and related internal policies
- Score: 100 points
- Feedback: According to the Taxonomy guidelines from the EU/ISO/Ministry of Environment, companies are encouraged to achieve one or more of the six environmental objectives (greenhouse gas reduction, climate change adaptation, water, circular economy, pollution, biodiversity). Establishing environmental goals is the foundation of environmental management, and it is better for the goals and achievement plans to be specific and phased.

2. Do you provide or plan to develop eco-friendly (green) products/services? (e.g., high-efficiency energy products, products using eco-friendly materials)

- Answer: Already providing
- Feedback: To address the climate crisis, there is a global demand for eco-friendly products and services that can contribute to reducing greenhouse gases. Therefore, startup companies are expected to create environmental value and provide products/services that solve social problems with innovative ideas.

* Supported by Oi-ESG Experts

ESG Assessment

[Environment] Detailed Assessment Items

3. Are you measuring and making efforts to reduce energy consumption at your business sites?

– Answer: Measuring consumption and actively making specific efforts for reduction

– Feedback: Companies must strive to reduce energy consumption, which is directly linked to greenhouse gas emissions. For this, it is necessary to regularly measure energy consumption in the short term and, in the long term, reduce the related environmental load by increasing energy efficiency or using renewable energy. Besides reducing energy in processes, practices like turning off fluorescent lights in the office during lunchtime can be implemented.

4. Are you measuring and making efforts to reduce water consumption at your business sites?

– Answer: Not applicable

– Feedback: It is necessary to measure water usage to manage environmental load and risks in the production process, and in the long term, water consumption per unit should be reduced by increasing related production efficiency. To reduce water consumption, practices such as introducing a rainwater recycling system or recycling water through wastewater purification facilities can be implemented.

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ESG Assessment

[Environment] Detailed Assessment Items

5. Are you measuring and making efforts to reduce waste emissions at your business sites?

– Answer: Measuring emissions

– Feedback: Companies need to reduce negative environmental impacts by managing inputs and outputs in their processes. When treating waste, recycling is encouraged over incineration or landfill. To reduce waste emissions, in addition to reducing waste in processes, practices like using personal cups in the office to reduce disposable cup usage can be implemented.

ESG Assessment

[Social] Detailed Assessment Items

1. Do you have an internal human rights policy?

 - Answer: No

 - Feedback: Human rights management means 'management that respects and protects human dignity and value in the process of running a business,' and companies must actively strive to protect the human rights of all stakeholders related to their business operations. It is recommended to formalize human rights management through an internal human rights policy.

2. Are employees paid above the minimum wage, and are there education and training programs in place?

- Answer: Pay above minimum wage, but no education/training programs

- Feedback: Companies must adhere to appropriate wage levels and labor practices based on the Labor Standards Act, and they should enhance employee satisfaction and professionalism by introducing education and training programs that can boost employee job satisfaction and skills.

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ESG Assessment

[Social] Detailed Assessment Items

3. Do you pursue diversity in your employee composition?

– Answer: No related items

– Feedback: Diversity and Inclusion (D&I) in the workplace are considered essential values for a healthy organizational culture. In foreign countries with diverse racial compositions, increasing the proportion of minorities and eliminating racial discrimination have become important corporate values. For domestic companies, the employment of socially vulnerable groups such as women, the disabled, and foreigners is encouraged.

4. Have you established an information security system to protect customers' sensitive information?

– Answer: Information security system established, with no cases of customer sensitive information leakage

– Feedback: As cases of information leakage have recently increased, information security is emerging as a major ESG risk. An information security system must be in place to prevent the leakage of customers' personal information and the company's core technology information.

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ESG Assessment

[Social] Detailed Assessment Items

5. Do you have social contribution programs that can contribute to the local community?

- Answer: Yes

- Feedback: Continuous exchange with the local community and social contribution are important for a company's reputation and sustainability. It is recommended to develop social contribution programs that are needed by local residents and are closely related to the business model, rather than one-off, donation-based programs. For example, IT companies can prepare coding education programs for underprivileged children to bridge the digital divide or develop smartphone education programs for the elderly.

* Supported by Oi-ESG Experts

ESG Assessment

[Governance] Detailed Assessment Items

1. Does the company's founding background and vision include consideration for people, the environment, and society?
- Answer: Yes
- Feedback: A company vision that includes consideration and concern for people, the environment, and society promotes sustainable growth from a long-term perspective.

2. Have the founders or board members ever been in trouble for unethical conduct?
- Answer: No
- Feedback: Management transparency and social responsibility of the CEO and board members are essential elements for sound governance. In the case of startups, it is necessary to prevent unethical conduct by the founder and resolve owner risk.

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ESG Assessment

[Governance] Detailed Assessment Items

3. Do you include ESG-related policies, such as a code of ethics, as internal regulations? (e.g., internal whistleblowing system, anti-corruption policy)

- Answer: Yes
- Feedback: To build a transparent governance structure for a startup, both preventive measures against unethical conduct and post-incident response measures must be prepared. Examples include establishing an anti-corruption policy and implementing an internal whistleblowing system.

4. Has the company ever been subject to legal sanctions?

- Answer: No
- Feedback: A company needs to demonstrate its commitment to legal compliance by preparing a system for compliance and socially responsible management, and it needs to have measures in place to prevent the recurrence of unethical incidents.

5. Do you have a system in place to oversee sustainability-related issues?

- Answer: Yes
- Feedback: To resolve a company's ESG risks, it is encouraged to have a professional system that can identify and supervise related issues. This requires professional personnel who can make decisions on sustainability-related agendas and execute the work. Additionally, companies can set up a dedicated ESG organization or form an independent ESG committee within the board of directors.

* Supported by Oi-ESG Experts