

CLASSYS

SUSTAINABILITY

REPORT

2023

About This Report

CLASSYS SUSTAINABILITY REPORT 2023

Reporting Scope

The scope of this report encompasses the outcomes of ESG management activities across all operations at Classsys.

Reporting Period

The primary period covered in this report is the calendar year 2023, from January 1st to December 31st, with some data extending to the first half of 2024. For comparative analysis, the performance of the last three years, from 2021 to 2023, has been included when available.

Report Standards

This report has been prepared according to the GRI (Global Reporting Initiative) Standards 2021, which provides global reporting guidelines for sustainability reports. Financial data complies with K-IFRS (Korean International Financial Reporting Standards).

Third-Party Assurance

The reliability and accuracy of the disclosed data and content have been verified by a third-party verification agency, Korea Management Registrar (KMR). The independent third-party assurance report can be found in the Appendix.

Contact

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SUSTAINABILITY REPORT 2023

A Global Aesthetics Business Leader

Aspiring to become a 'global aesthetic business leader,'
we are committed to fostering continuous customer-oriented
innovation to deliver top-notch aesthetic products and solutions,
enabling customers to pursue a beautiful and fulfilling life.

Overview

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CEO Message

Dear Classys Stakeholders, I am Seung-han Baek, CEO of Classys.

It is with profound gratitude that I thank all of you for your steadfast support and trust in Classys, as it has been pivotal in driving the sustained growth of our company. Your backing has enabled Classys to consistently achieve new milestones, which have been fueled by our commitment to customer-focused innovation. As leaders in the global medical aesthetic device market, our flagship high-intensity focused ultrasound (HIFU) devices—Ultraformer III (Shurink) and Ultraformer MPT (Shurink Universe)—have propelled our growth. Our products are now available in over 70 countries, with significant demand increases for equipment and consumables in key countries that include Brazil and Thailand, not to mention Korea. I am especially proud to report that our international sales exceeded KRW 100 billion in 2023 for the first time in our history.

In the global market, cumulative sales of the Ultraformer (Shurink) series alone have exceeded 15,000 units, with procedure counts surpassing four million annually. In particular, sales in Brazil and Thailand surpassed 3,000 and 1,000, respectively, recording impressive compound annual growth rates (CAGR) of 71% and 63%, respectively, over the last three years.

Our dedication to meet a wide range of customer needs led to the successful launch of the 6.78MHz Monopolar RF, Volnewmer, in Korea, Japan, and Hong Kong in late 2022. In just its second year on the market, Volnewmer achieved a milestone of 500 units in global cumulative sales in 2023.

We are also expanding our reach in the energy-based devices (EBD) market through strategic country-specific licensing. Noteworthy achievements include the licensing of Ultraformer MPT (Shurink Universe) in the CIS, Australia, and Taiwan, as well as Volnewmer in Thailand and Indonesia. Additionally, Scizer received FDA approval in the U.S., further validating our HIFU technology and licensing prowess. As a result, Classys' innovative products and brand story are achieving exponential growth in corporate value.

In 2023, we developed and then published a roadmap to achieve carbon neutrality and committed ourselves to transparent progress reporting. The board's responsibility for responding to the climate crisis has been strengthened as well. Notably, despite an increase in sales and production, we successfully reduced our greenhouse gas emissions by 3.2% from the previous year. Our efforts extend through the product cycle, focusing on developing recyclable products and enhancing repairability in order to minimize our products' environmental impact. Our industry-leading refurbishment process exemplifies our commitment to post-consumer recycling.

Our FDA-approved Scizer product in the U.S. is a testament to Classys' excellence in HIFU technology. At present, we are actively pursuing additional FDA approvals, particularly for Ultraformer MPT (Shurink Universe), to expand our market presence.

We remain committed to fostering a diverse and inclusive organizational culture that attracts and develops professionals, thereby driving continuous innovation and growth. Our efforts are reflected in the high positive feedback from our recent organizational health survey, which saw a 93.4% participation rate, as we continue to create a healthy and safe corporate culture on our way to bringing about meaningful changes. Today, we are ready to share this positive organizational value with our partners and pursue mutual growth.



A healthy corporate culture is grounded in a transparent and trustworthy governance structure. As such, we have established a council composed of independent directors and provide all the required support the Compensation Committee and Nomination Committee need to make practical and professional decisions. More importantly, we fulfilled our commitment to buy back and cancel treasury shares worth KRW 20 billion in early 2024.

In all these activities, sustainability remains a cornerstone of our strategy, as it enhances our competitiveness and innovation. As a leader in the medical aesthetic device industry, Classys is dedicated to exploring and implementing ways to foster mutual growth with society, ensuring a beautiful and fulfilling life for all. We value your ongoing support and look forward to your continued partnership as we enhance our ESG management practices into tomorrow and beyond.

Thank you.

Seung-Han Baek
CEO, Classys Inc.





About CLASSYS

Founded in 2007, Classys went public on the KOSDAQ market in 2017. The company develops and manufactures medical devices tailored for both medical procedures and aesthetic applications. At the heart of its innovation measures is an in-house technology research lab where Classys not only meticulously plans and designs its products to meet specific technological requirements but also oversees the procurement of materials and the production of high-quality devices and consumables. This process is supported by state-of-the-art facilities and a rigorous quality control system. Furthermore, Classys boasts a robust sales network, encompassing distributors in over 70 countries, domestic hospitals and clinics, and direct end users. To further elevate its brand presence, Classys is committed to continuous product enhancement, the introduction of new offerings, and the execution of diverse marketing strategies.

The largest shareholder of Classys is BCPE Centur Investments, LP, an investment consortium under Bain Capital, which owns a 60.8% stake in Classys. Bain Capital highly values the competitiveness of Classys' existing and upcoming products, as well as its potential for global expansion, which led to a stock purchase agreement with Classys' founder, a dermatologist by profession, in April 2022. The founder and affiliated persons still hold 12.9% of the shares, ensuring their ongoing support as shareholders. With the new major shareholder's global capabilities added to the established brand trust and differentiated product competitiveness, Classys is rapidly expanding as a leading platform company in the global medical aesthetic device market, setting new benchmarks for innovation and quality.

Company Overview

(As of December 31, 2023)

Company Name	Classys Inc.
CEO	Seung-Han Baek
Incorporated/Listing Date	January 10, 2007 / December 28, 2017
Equity Capital	KRW 6,478 million
Total Assets	KRW 375,443 million
Sales Revenue	KRW 180,123 million
Net Income	KRW 74,225 million
Headcounts	383 employees
Business Areas	Manufacturing medical aesthetic devices / Sales of cosmetics
Brands	 Cluederm  / SKEDERM
Subsidiaries	Skederm, Inc. (U.S.) Skederm Shanghai co., Ltd. (China)
Website	http://classys.com
Contacts	+82-2-1544-3481

Business Premises and Business Purposes

Company Name	Purpose	Location
Classys Inc.	Headquarters	Classys, 208 Teheran-ro, Gangnam-gu, Seoul, Republic of Korea
	Plant 1	A-15F, A-8F, A- #B301 ~ 302, B-7F H Business Park, 25 Beobwon-ro 11-gil, Songpa-gu, Republic of Korea
	Plant 2	#717~724, 725~728, 747~752 7F Misa Testa Tower, 25 Misagangbyeonseo-ro, Hanam-si, Gyeonggi-do, Republic of Korea
Subsidiaries	Purpose	Location
Skederm, Inc.	Sales of cosmetics	1140 Avenue of The Americas FL 9, New York, NY 10036
Skederm Shanghai co., Ltd.	Sales of cosmetics	1, 6F #1235 Wuzhong Road, Minhang District, Shanghai, China

About CLASSYS

Business Portfolio

Classys' business portfolio consists of three main operations: CLASSYS is the flagship brand, targeting the medical device market with innovative solutions; Cluederm specializes in the distribution of beauty devices in international markets; and SKEDERM (Shurink RX) sells home care devices and cosmetics in the retail market. Through these three brands, Classys supplies differentiated products to the medical, aesthetic, and retail consumer markets. As the sales of our flagship device increase and diversify into new devices, related consumables (cartridges, tips, and gel pads) are also becoming an established revenue source.

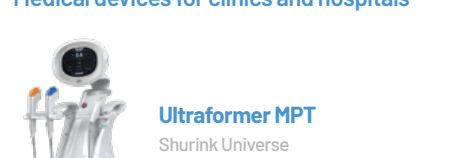

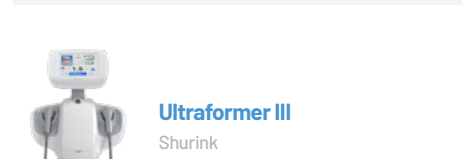
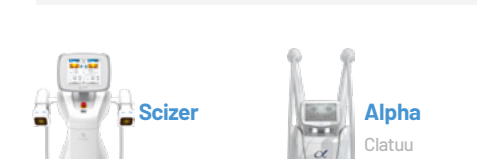

The CLASSYS brand, which accounts for 50% of total sales, specializes in beauty medical devices that leverage advanced HIFU¹⁾, RF²⁾, and cooling control technologies. These devices are distributed to hospitals after obtaining the requisite medical device approval in each respective country. Today, Classys sells its products in over 70 countries worldwide, leading trends in HIFU and RF procedures, while also expanding the beauty medical device market in each region where it operates. The company's most recent three-year CAGR stands at 64% in Latin America, 38% in Asia, 22% in Korea, and 17% in Europe and the Middle East.

1) HIFU: high-intensity focused ultrasound

2) RF: radio frequency

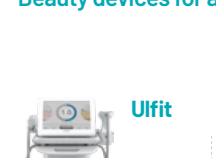
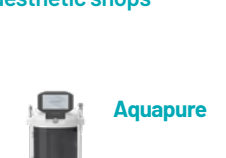
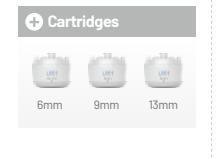

CLASSYS

Medical devices for clinics and hospitals

 <p>Ultraformer MPT Shurink Universe</p> <p>+ Cartridges</p> <table border="0"> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Ultraformer MPT 1.5mm</td> <td>Ultraformer MPT 2.0mm</td> <td>Ultraformer MPT 3.0mm</td> <td>Ultraformer MPT 4.5mm</td> <td>DERMA Booster 1.5mm</td> <td>CELL UP Booster 3.0mm</td> <td>LINE UP Booster 4.5mm</td> </tr> </table>								Ultraformer MPT 1.5mm	Ultraformer MPT 2.0mm	Ultraformer MPT 3.0mm	Ultraformer MPT 4.5mm	DERMA Booster 1.5mm	CELL UP Booster 3.0mm	LINE UP Booster 4.5mm	 <p>Volnewmer</p> <p>+ Tips</p> <table border="0"> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Eye Area I Tip (0.25cm²)</td> <td>Face F Tip (3.0cm²)</td> <td>Multi V Tip (4.0cm²)</td> <td>Body S Tip (16.0cm²)</td> </tr> </table>					Eye Area I Tip (0.25cm ²)	Face F Tip (3.0cm ²)	Multi V Tip (4.0cm ²)	Body S Tip (16.0cm ²)
Ultraformer MPT 1.5mm	Ultraformer MPT 2.0mm	Ultraformer MPT 3.0mm	Ultraformer MPT 4.5mm	DERMA Booster 1.5mm	CELL UP Booster 3.0mm	LINE UP Booster 4.5mm																	
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 <p>Ultraformer III Shurink</p> <p>+ Cartridges</p> <table border="0"> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>1.5mm</td> <td>2.0mm</td> <td>3.0mm</td> <td>4.5mm</td> <td>6.0mm</td> <td>9.0mm</td> </tr> </table>							1.5mm	2.0mm	3.0mm	4.5mm	6.0mm	9.0mm	 <p>Scizer</p> <p>+ Cartridges</p> <table border="0"> <tr> <td></td> <td></td> </tr> <tr> <td>9.0mm</td> <td>13.0mm</td> </tr> </table>  <p>Alpha Ciatuu</p> <p>+ Gel Pads</p> <table border="0"> <tr> <td></td> </tr> </table>			9.0mm	13.0mm						
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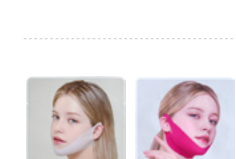

Cluederm

Beauty devices for aesthetic shops

 <p>Ulfit</p> <p>+ Cartridges</p> <table border="0"> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td>6mm</td> <td>9mm</td> <td>13mm</td> </tr> </table>				6mm	9mm	13mm	 <p>Aquapure</p> <p>+ Solution</p> <table border="0"> <tr> <td></td> <td></td> </tr> <tr> <td>REJUVE+</td> <td>CLEANSYS</td> </tr> </table>			REJUVE+	CLEANSYS
6mm	9mm	13mm									
REJUVE+	CLEANSYS										
 <p>Refit</p> <p>+ RF Lotion</p> <table border="0"> <tr> <td></td> </tr> </table>		 <p>Volium</p>									

SKEDERM

Home care beauty devices and cosmetics

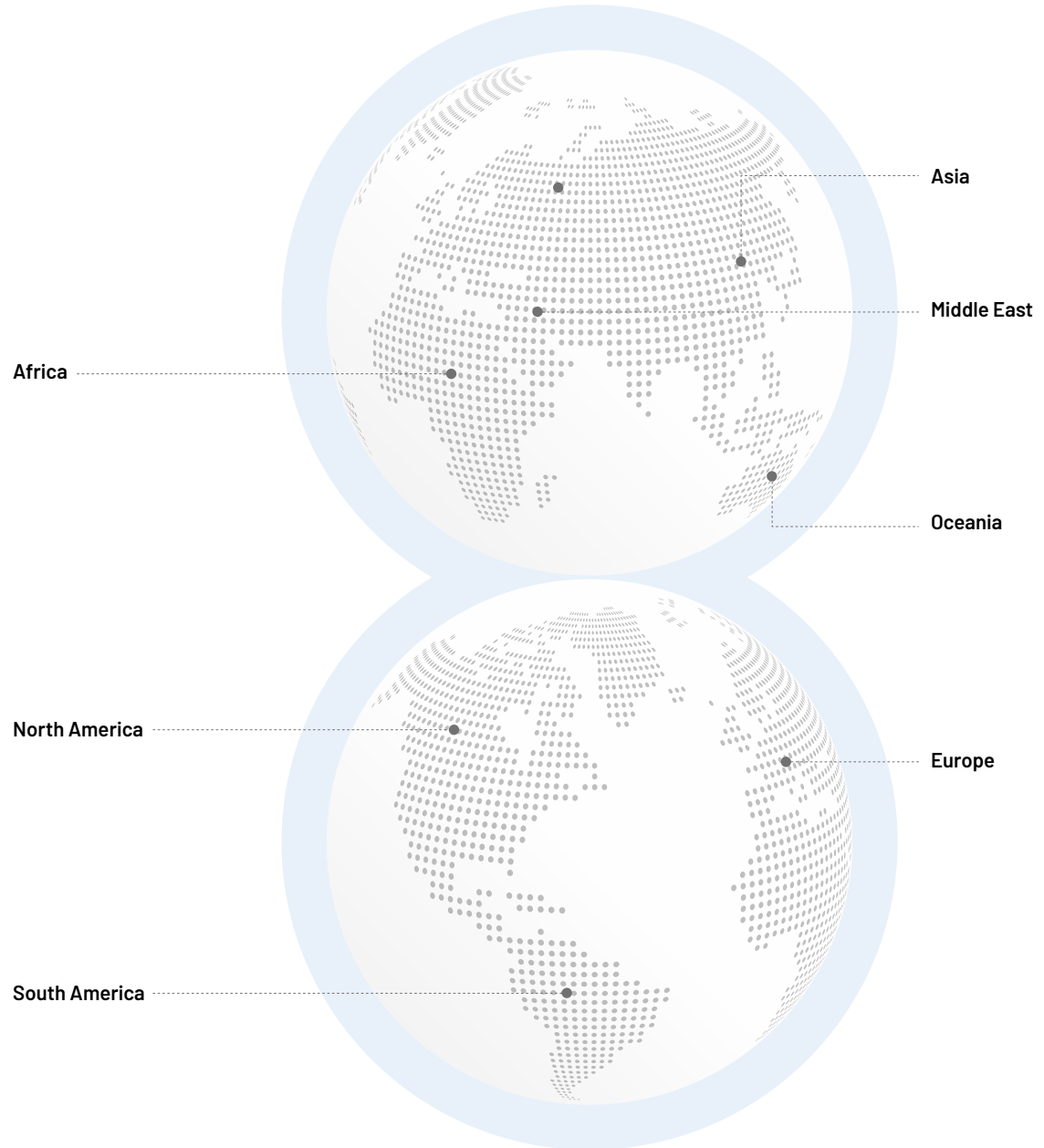
 <p>Collagen Shot Volume Reboot Gel Cream</p>	 <p>Volium</p>
 <p>Lifting Patch</p>	 <p>Shiftage High Intense Anti-aging Cream Duo</p>

About CLASSYS

Global Network

Expanding Classsys' Global Footprint

Classsys is thriving in the domestic market and has expanded its reach to over 70 countries worldwide, from Asia and the Middle East to Europe, Oceania, South America, and Africa. With strategically developed products backed by extensive research and development, Classsys is aggressively marketing its products worldwide.



History

2007 - 2014



Foundation

- Jan. 2007 • Establishment of Classys
- May 2011 • Launch of Cryolipo
- Feb. 2012 • Approval of Ultraformer by MFDS and KGMP
- Aug. 2014 • Launch of Ultraformer III (Shurink)

2015 - 2016



Product/Regional Diversification

- Mar. 2015 • CE certification of Ultraformer III (Shurink) in Europe
- June 2015 • CE certification of Clatuu in Europe
- Nov. 2015 • Awarded the \$5 Million Export Tower
- Apr. 2016 • Approval of Scizer by MFDS and KGMP

2017 - 2021



Infrastructure Expansion

- Dec. 2017 • Listed on KOSDAQ/Headquarters relocated to Classys Tower
- Sep. 2018 • Acquisition of Munjeong-dong Plant 1
- Sep. 2019 • Completion of Misa Plant 2
- Oct. 2021 • Approval of Ultraformer MPT (Shurink Universe) by MFDS and KGMP
- Dec. 2021 • Ultraformer III (Shurink) surpasses 3,500 units in cumulative domestic sales
 - Awarded the \$50 Million Export Tower

2022 ~



Global Expansion

- Jan. 2022 • Release of Ultraformer MPT (Shurink Universe)
 - Headquarters relocated to the new Classys Tower at 208 Teheran-ro, Seoul
- Mar. 2022 • Selected as one of the best practices for disclosure on the KOSDAQ market
 - Largest shareholder changed to BCPE Centur Investments, LP (a Bain Capital fund)
- Apr. 2022 • Inauguration of the new CEO, Seung-Han Baek
- Aug. 2022 • Approval of Volnewmer by MFDS and KGMP
 - Named a 2022 KOSDAQ Rising Star
- Nov. 2022 • Included in the KOSDAQ Global Segment
 - Awarded the Financial Supervisory Service Governor's Prize at the 14th Korea KOSDAQ Awards
- Dec. 2022 • Recognized as an Excellent Company in Governance by the Korea Institute of Corporate Governance and Sustainability (KCGS)
- May 2023 • Ultraformer MPT (Shurink Universe) topped the laser lifting medical device category at the *Chosun Daily's* 2023 Top Consumer Recommended Brand Awards
- July 2023 • Named a 2023 KOSDAQ Rising Star
- Oct. 2023 • Awarded the Grand Prize in the KOSDAQ category at the Korea IR Awards
 - Obtained a BBB rating in ESG assessment by MSCI (Morgan Stanley Capital International)
- Nov. 2023 • Obtained a AA grade in SUSTINVEST's ESG assessment
 - Awarded the Minister of SMEs and Startups Prize at the 15th Korea KOSDAQ Awards
 - Approval of Scizer by the U.S. FDA
- Dec. 2023 • Awarded the \$70 Million Export Tower

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ESG Strategy



ESG Strategy

ESG Initiatives and Progress

Key Initiatives	Risks & Opportunities	2023 Progress	Short-Term (2024) and Long-Term Goals	
E Climate Action	<ul style="list-style-type: none"> Risks <ul style="list-style-type: none"> - Stricter regulations on carbon neutrality - Increase in production costs due to higher energy and raw material prices - Damage to production facilities from extreme weather Opportunities <ul style="list-style-type: none"> - New opportunities in environmental businesses - Operational cost savings from reduced energy use and transition to renewable energy - Process and technological innovations leading to higher productivity - Enhanced resilience to physical and transitional risks of climate change 	<ul style="list-style-type: none"> Declaration of 2050 carbon neutrality goal <ul style="list-style-type: none"> - Establishment of Scope 1 & 2 Roadmap 3.2% reduction in 2023 carbon emissions compared to the previous year Linking sustainability performance indicators to the compensation scheme Redefining the Environmental Management Policy Redefining the roles and responsibilities of the EHS Team Establishing a refurbishment process <ul style="list-style-type: none"> - Sales and distribution approval in each specific country - 60 units sold 	<ul style="list-style-type: none"> Short-term (2024) <ul style="list-style-type: none"> - Reduce emissions intensity to sale by 1% compared to the previous year - Obtain ISO 14001 certification Mid/Long-term <ul style="list-style-type: none"> - Reduce Scope 1 & 2 emissions to 515 tons by 2030 through intensity reduction - Review the implementation of an internal carbon pricing scheme - Review the purchase of external carbon offset credits - Build Scope 3 inventory and set targets - Participate in value chain reduction activities - Gradually expand markets for refurbished products - Establish eco-friendly product stewardship 	
	S Human Rights Management	<ul style="list-style-type: none"> Risks <ul style="list-style-type: none"> - Brain drain and labor shortages impeding growth Opportunities <ul style="list-style-type: none"> - Drive innovation and growth by nurturing and attracting top talent - Foster mutual growth through local human resources development via industry-academia collaboration 	<ul style="list-style-type: none"> 100% return-to-work rate after parental leave Organizational health survey response rate at 93.4% (up 0.9%p) with higher positive feedback in all criteria Internalized staggered working hours program Conducted leadership workshops Increased participants in industry-academia collaboration programs for local human resources development 	<ul style="list-style-type: none"> Short-term (2024) <ul style="list-style-type: none"> - Maintain the return-to-work rate after parental leave above 90% - Conduct annual organizational health survey and improve positive feedback - Provide leadership programs to all tiers at least once - Enhance local human resources development through industry-academia collaboration Mid/Long-term <ul style="list-style-type: none"> - Enhance evaluation and compensation systems - Expand job competency-building programs - Obtain Great Place to Work certification
		S Human Rights Management	<ul style="list-style-type: none"> Risks <ul style="list-style-type: none"> - Management disruptions, productivity undermined, and reputation damage in the event of human rights issues Opportunities <ul style="list-style-type: none"> - Build a culture of mutual trust based on diversity, inclusion, and fairness - Retain top talent and reduce turnover 	<ul style="list-style-type: none"> Expanded and activated ombudsman channels for female employees Achieved 100% resolution of 6 reports of grievances received Held 4 labor-management council meetings
S Information Security	<ul style="list-style-type: none"> Risks <ul style="list-style-type: none"> - Stricter data security regulations Opportunities <ul style="list-style-type: none"> - Increase customer trust through enhanced information security 		<ul style="list-style-type: none"> Conducted information security risk assessments <ul style="list-style-type: none"> - Eliminated loopholes in the network - Eliminated loopholes in all computers Revised and distributed 8 information security guidelines 	<ul style="list-style-type: none"> Short-term (2024) <ul style="list-style-type: none"> - Conduct internal audits on information security - Strengthen database security - Enhance information security manager skills: support for obtaining the ISO 42001 auditor certification Mid/Long-term <ul style="list-style-type: none"> - Enhance personal data protection training - Disclose information security practices

ESG Strategy

ESG Initiatives and Progress

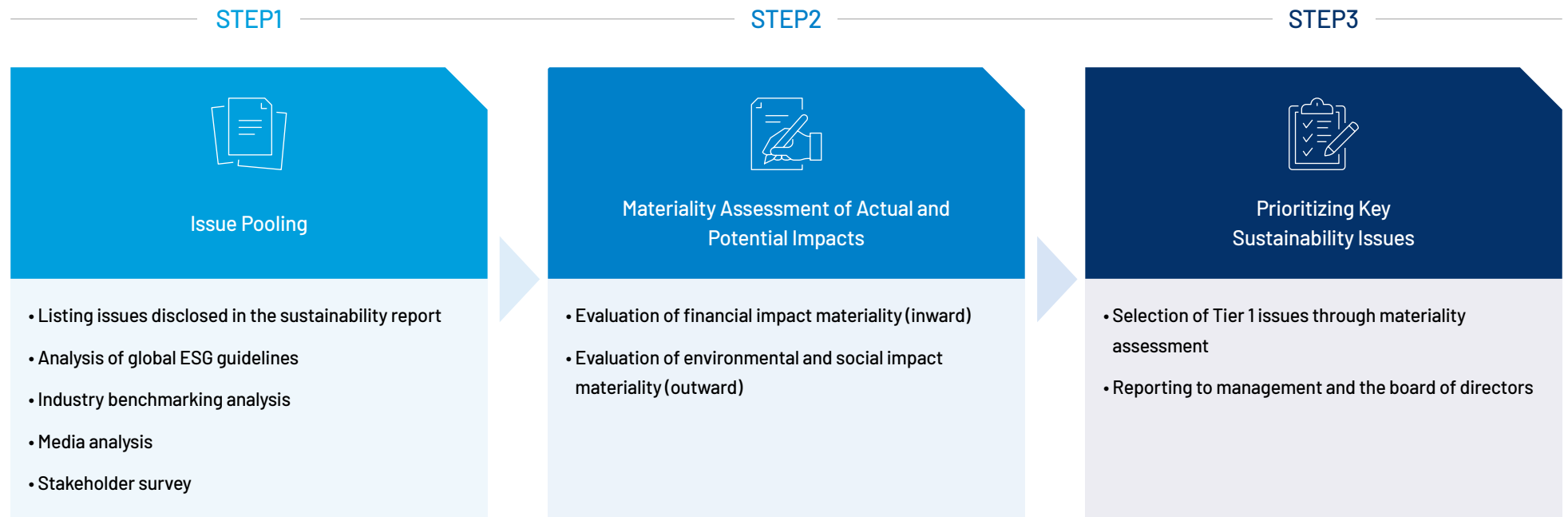
Key Initiatives	Risks & Opportunities	2023 Progress	Short-Term (2024) and Long-Term Goals
S	Occupational Health & Safety Management <ul style="list-style-type: none"> • Risks <ul style="list-style-type: none"> - Reputation damage in the event of industrial accidents - Productivity erosion due to poor working conditions • Opportunities <ul style="list-style-type: none"> - Create a safe and comfortable work environment for higher productivity - Strong reputation as a safety management leader attracting high-caliber talents 	<ul style="list-style-type: none"> • Revised health & safety management regulations • Increased health & safety training frequency and campaigns • Mandated different personal protective equipment (PPE) according to the production process • Implemented 5S project guidelines for each worksite • Prevented accidents through near-miss programs <ul style="list-style-type: none"> - 40% YoY drop in accidents (5 in 2022, 3 in 2023) - Completed 356 improvement tasks out of 405 identified 	<ul style="list-style-type: none"> • Short-term (2024) <ul style="list-style-type: none"> - Obtain ISO 45001 certification - Hold 4 occupational health & safety committee meetings annually - Reduce safety accidents • Mid/Long-Term <ul style="list-style-type: none"> - Sustain health & safety management certification - Enhance health & safety training and linking evaluation/compensation
	Supply Chain Management <ul style="list-style-type: none"> • Risks <ul style="list-style-type: none"> - Supply chain disruptions and delays due to climate change - Supply chain damage from suppliers' ESG issues - Regulatory risks • Opportunities <ul style="list-style-type: none"> - Support suppliers to promote co-prosperity - Optimize strategic sourcing and supplier management 	<ul style="list-style-type: none"> • Conducted supply chain risk assessments • Strengthened education and support for high-risk supply chains 	<ul style="list-style-type: none"> • Short-term (2024) <ul style="list-style-type: none"> - Conduct annual supply chain risk assessments and improvements • Mid/Long-Term <ul style="list-style-type: none"> - Enhance supplier capability programs through technical support and education
	Quality Management <ul style="list-style-type: none"> • Risks <ul style="list-style-type: none"> - Brand damage from product defects, recalls, and regulatory violations - Consumer misinformation from off-label marketing • Opportunities <ul style="list-style-type: none"> - Differentiate products and capture premium markets through proactive quality management - Enhance customer loyalty 	<ul style="list-style-type: none"> • Strengthened marketing compliance • Established and distributed internal guidelines for interactions with healthcare professionals • Held high performance team (HPT) events four times 	<ul style="list-style-type: none"> • Short-term (2024) <ul style="list-style-type: none"> - Digitize quality management systems - Expand HPT participation • Mid/Long-Term <ul style="list-style-type: none"> - Obtain FDA approval for Ultraformer/Volnewmer - Strengthening scientific evidence capabilities
G	Governance <ul style="list-style-type: none"> • Risks <ul style="list-style-type: none"> - Depreciation in corporate value and reputation from poor management and illegal practices • Opportunities <ul style="list-style-type: none"> - Transparent management boosting trust and corporate value 	<ul style="list-style-type: none"> • Established and operated the Nomination Committee, Compensation Committee, and Outside Directors Council • Built a board evaluation system • Published the company's first sustainability report 	<ul style="list-style-type: none"> • Short-term (2024) <ul style="list-style-type: none"> - Conduct board of directors performance evaluation - Diversify shareholders' voting options • Mid/Long-term <ul style="list-style-type: none"> - Strengthen shareholder returns
	Ethical Management <ul style="list-style-type: none"> • Risks <ul style="list-style-type: none"> - Corporate value depreciation arising from corruption, unfair trade, and environmental law violations - Unethical corporate culture impeding corporate growth • Opportunities <ul style="list-style-type: none"> - Minimize risks through advanced internal controls - Increase stakeholder trust 	<ul style="list-style-type: none"> • Reviewed corruption risks and established board reporting system • Reviewed financial and non-financial risks and established board reporting system • Diversified whistleblowing channels and achieved 100% resolution rate 	<ul style="list-style-type: none"> • Short-term (2024) <ul style="list-style-type: none"> - Appoint compliance officer - Establish compliance program - Announce anti-money laundering (AML) policy • Long-Term <ul style="list-style-type: none"> - Increase diversity in board composition

Materiality Assessment

Materiality Assessment Results

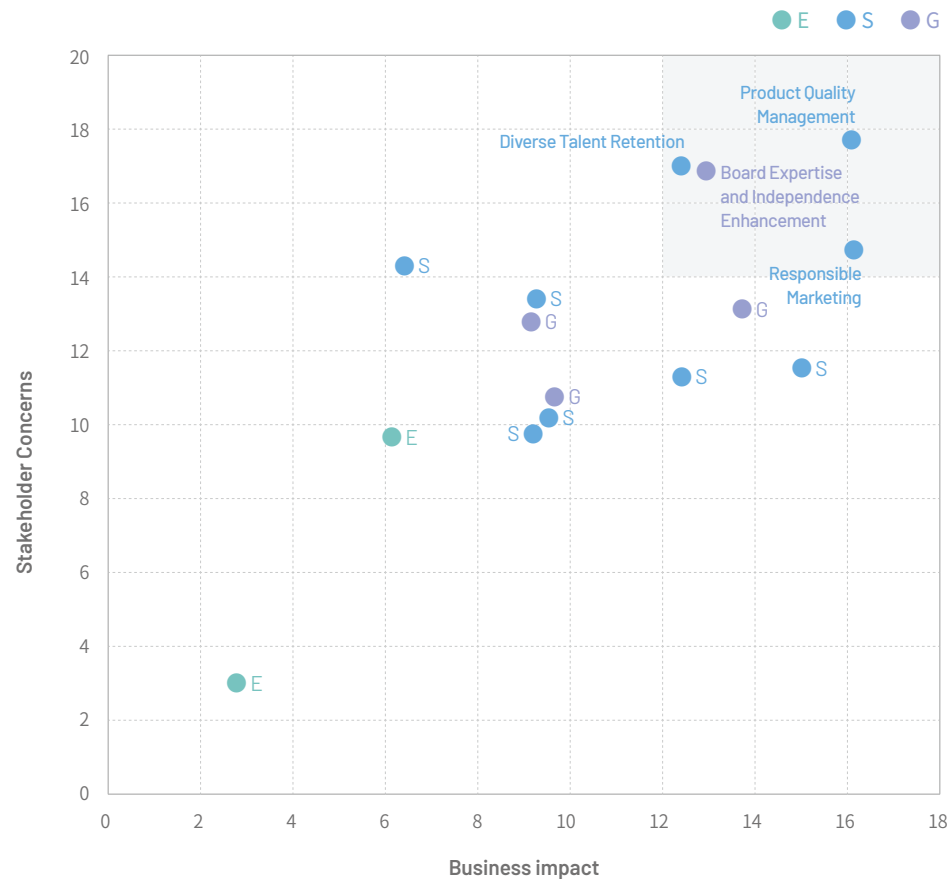
Classys has identified four material issues related to sustainability management based on stakeholder concerns and business impact, following the GRI Standards' principles for determining topic relevance. The identified key sustainability issues are quality management, responsible marketing, enhancing the expertise and independence of the board, and talent management. Through extensive media analysis, expert evaluation, stakeholder surveys (April 2024), and GRI Standards analysis, we identified issues of high stakeholder concern. Additionally, we identified issues with a high business impact through internal data analysis, industry benchmarking, and employee interviews.

Materiality Assessment Process



Materiality Assessment

Materiality Assessment Matrix



Materiality	Material Topics	Category	GRI
Tier 1	Product Quality Management	S	GRI 416
	Responsible Marketing	S	GRI 417
	Diverse Talent Retention	S	GRI 401, 403, 405, 406
	Board Expertise and Independence Enhancement	G	
Tier 2	Energy Management for Low Carbon Emissions	E	
	Environmental Regulation Compliance	E	
	Work-Life Balance	S	
	Employee Competency-Building	S	
	Supply Chain Management	S	
	Employee Satisfaction Enhancement	S	
	Information Security Strengthening	S	
	Health and Safety Management	S	
	ESG Management System	G	
	Ethics and Compliance Management Enhancement	G	
	Shareholder Returns	G	

Materiality Assessment

Stakeholder Definition and Communication

Classys defines stakeholders based on their impact on business activities, categorizing them into major groups: shareholders and investors, suppliers, employees, customers, and local communities. Classys recognizes stakeholder communication as a crucial process and operates various communication channels to engage with them. Through these channels, we identify and address stakeholders' diverse key interests, striving to create value by incorporating their feedback.

Stakeholder	Shareholders and Investors	Suppliers	Employees	Customers	Local Communities
Key Concerns	<ul style="list-style-type: none"> • Sustainable growth of corporate value • Stable financial performance • ESG risk management • Transparent governance 	<ul style="list-style-type: none"> • Mutual growth and cooperation • Environmental, health & safety, and human rights protection • Fair trade and competition 	<ul style="list-style-type: none"> • Fair performance evaluation and compensation • Safe and comfortable work environment • Employee fringe benefits • Training and career development 	<ul style="list-style-type: none"> • Product quality • Product safety management • Accurate product information • Customer satisfaction 	<ul style="list-style-type: none"> • Revitalization of local economies and indirect economic effects (investment and employment) • Industry-Academia collaboration
Communication Channels	<ul style="list-style-type: none"> • General shareholders' meeting • IR and disclosure materials • Investor presentations • Website 	<ul style="list-style-type: none"> • Supplier visits • Win-win partnership activities • Cyber reporting system 	<ul style="list-style-type: none"> • Town hall meetings • Surveys • Dialogue with management • Labor-management councils, occupational health & safety committees • Ombudsman channel, cyber reporting system 	<ul style="list-style-type: none"> • Customer center • Website • Social media • Cyber reporting system 	<ul style="list-style-type: none"> • Media • Press releases • Website • Cyber reporting system

Environmental

Climate Action 19

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Climate Action

Climate change poses a number of significant threats, such as energy shortages and resource depletion, which can impact human society. As a leading medical aesthetics device manufacturer, Classys recognizes the critical importance of corporate awareness and proactive action in response to climate change, and is therefore committed to actively participating in these efforts.

Climate Change Response Governance

At Classys, our board of directors is at the core of our strategy to effectively manage climate change risks. The board reviews ESG material issues and environmental management performance results, ensuring that our business strategies integrate climate change-related issues. Additionally, the board makes decisions on climate change agendas and collaborates with top management and working-level teams to achieve company-wide goals.

Climate Change Response

Classys acknowledges the global risks posed by climate change and is committed to contributing to overcoming this crisis. To that end, we have reevaluated our business strategy to better address climate change risks. With a keen sense of our social responsibility, we aim to develop creative and innovative solutions for how we respond to climate change. The process of setting carbon emission targets, monitoring policy implementation, and carrying out performance reviews involves both internal and external personnel. Today, our dedicated EHS team is taking the lead in our efforts to address climate change risks.



Climate Action

Climate Action

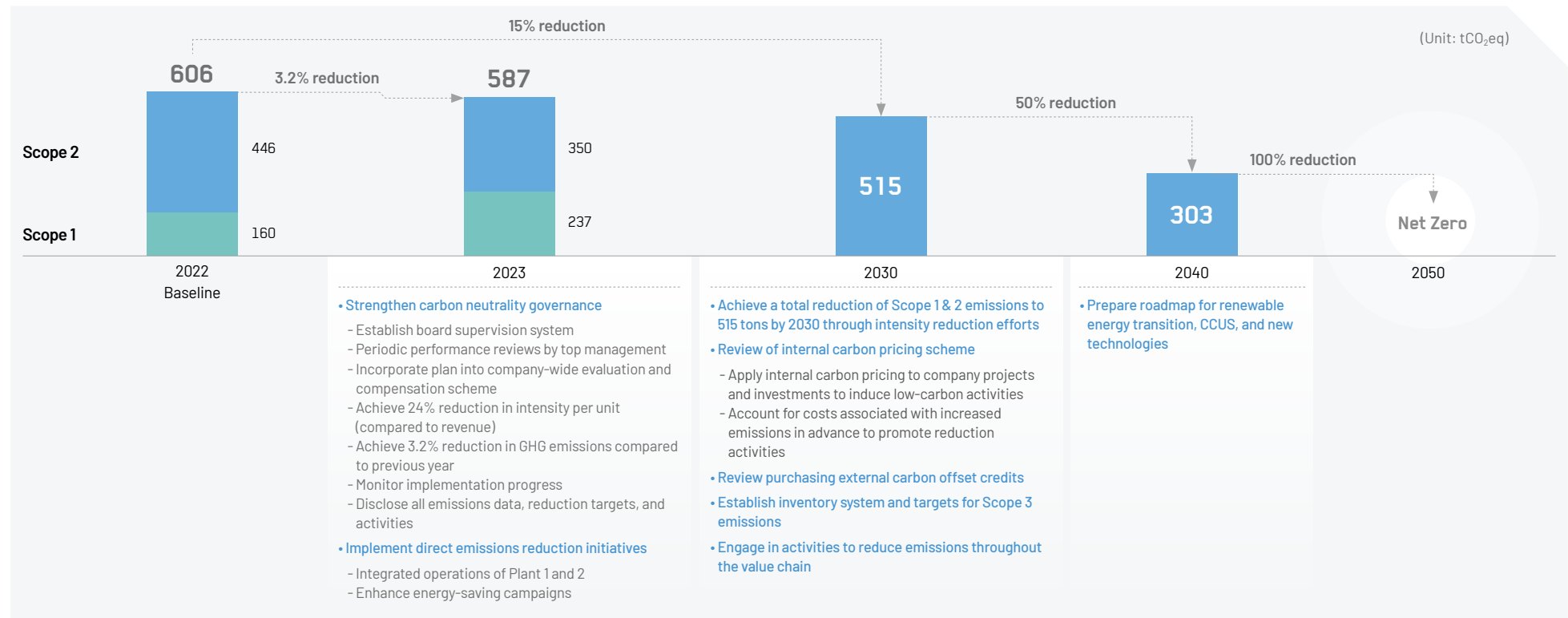
Carbon Neutrality Roadmap

Sustainable business growth inevitably brings rising energy demand. However, as we are fully aware of the severity of the climate crisis, Classys is committed to achieving carbon neutrality through energy efficiency and greenhouse gas emissions reduction.

In 2023, we developed an inventory system for Scope 1 and 2 emissions, using 2022 emissions as the baseline, and devised a mid- to long-term carbon neutrality roadmap. Initially, we set unit intensity targets and have been striving to achieve short-term goals through lean production and process optimization since then. We also strengthened our BOD-centered climate risk response governance structure in 2023, with top management regularly reviewing progress and integrating performance

results into the company's evaluation and compensation schemes. Consequently, despite a 27% increase in sales revenue, we successfully reduced total emissions by 3.2% and unit intensity by 24% compared to the previous year.

Moving forward, we aim to offset our total emissions by adopting future technologies to reduce process emissions at the source as we transition to renewable energy. We are also committed to expanding our emissions control to Scope 3, encouraging suppliers to participate in reduction activities to achieve carbon neutrality across our supply chain. Classys is dedicated to creating a sustainable future by balancing corporate growth and climate crisis response measures.



Climate Action

Greenhouse Gas and Energy Reduction Activities

Classys is implementing a wide array of initiatives to reduce carbon emissions and utilize resources efficiently, contributing to environmental protection and economic value creation.

Streamlining the Production Line and Process Innovation

For sustainable business operations, Classys has adopted lean production and process innovation to reduce carbon emissions. By streamlining the production line, we consistently improve the space efficiency of production facilities, thus enhancing energy efficiency and minimizing energy consumption and CO₂ emissions.

In 2023, we consolidated the warehousing function of Plant 2 into Plant 1, and vacated approximately 528 m² of leased warehouse space, which subsequently created idle space through process innovation. This consolidation also reduces transportation distance and combustion emissions, significantly impacting future production capacity.

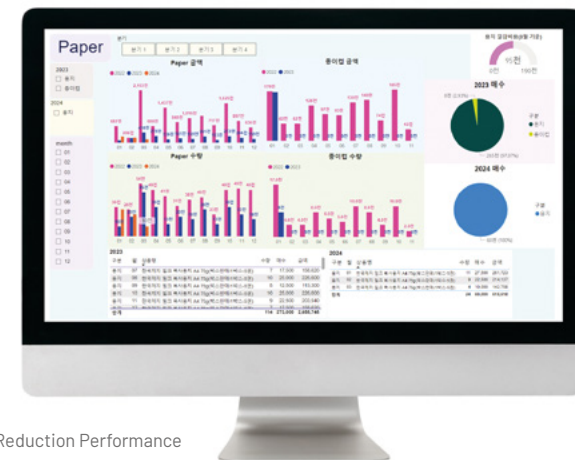
Automation of repetitive tasks has enhanced production process efficiency, improving productivity without increasing workforce size, and thus contributing to both environmental protection and economic value creation.

Resource Conservation Activities

As part of Classys' commitment to reducing single-use items, we have expanded our reduction campaign with notable success. The company-wide use of disposable paper cups has markedly decreased due to our initiatives encouraging employees to use reusable cups and personal tumblers. Reusable cups are also available for guest use. In our ongoing effort to adopt more environmentally friendly practices, meeting materials are now presented on TV panels rather than printed on paper. Additionally, a real-time monitoring system displays the impact of these campaigns, fostering employee engagement and direct participation in our eco-friendly measures.



Reusable cups for guests



Single-use Item Reduction Performance Monitoring Panel

Climate Action

Year-Round Campaigns for Resource Conservation and Environmental Protection

Classys conducts a variety of training programs to ensure that its entire workforce understands the importance of resource conservation and efficient usage to minimize waste. We raise employee awareness of various resource-saving methods in both production and office environments. Energy-saving posters displayed in work areas serve as reminders for employees to practice energy conservation. In addition, we assign responsible personnel to manage energy use and safety for major power-consuming devices. Classys also enhances waste segregation to improve recycling rates, effectively reducing our environmental burden and promoting sustainable business operations.



Energy-saving campaigns

Improvement of Building Energy Efficiency through LED Replacement

We recently completed replacing the remaining high-voltage white lights with low-voltage LED lights, significantly reducing power consumption. Furthermore, we have implemented efficient scheduling for central heating and cooling systems as part of our energy conservation efforts.

Balancing Environmental Responsibility with Growing Exports

Exports account for approximately 65% of Classys' total sales, with a year-on-year export growth rate of about 34% in 2023, highlighting the importance of expanding overseas markets. However, the use of air transport poses a significant environmental challenge due to its high energy consumption and pollution. Recognizing this, we are taking measures such as replacing some air transport with sea transport.

Firstly, Classys is strengthening communication with overseas distributors to seek ways to minimize our environmental impact. We aim to reduce the environmental burden of transporting our products by pursuing sustainable transport methods. By improving our sales and inventory management capabilities, we ensure smooth distribution through efficient management planning, thereby enhancing energy efficiency. These efforts are expected to contribute to both cost savings and environmental protection. Today, Classys remains dedicated to pursuing continuous growth and expansion while also fulfilling its environmental responsibilities.

Increase in Sea Transport

	2022	2023	Growth Rate*
TOTAL PALLET	113	308	172.6%
TOTAL CBM	70.823	213.189	201.0%

* (2023-2022) / 2022*100

Climate Action

Refurbishment Process for Waste Resource Circulation

Classys recognizes the severity of resource depletion and environmental pollution from waste resources and strives for a circular economy to recycle waste resources. We promote a wide range of activities across the product lifecycle, including developing resource-circulating products, improving reparability, retrieving used device, and exploring recycling opportunities.

Our primary business, medical devices, consists of platform device and consumables. As more platform devices are installed, customer influx increases, thus leading to more sales of consumables—and creating a virtuous cycle in the process. By integrating this business model with waste resource circulation, Classys has established a refurbishment process for end-of-life (EOL) device, contributing to post-consumer resource recycling. Selling refurbished products, with safety and quality warranty by the manufacturer, lowers barriers to entry for our devices and procedures, thereby providing safer access.

However, since medical devices directly affect patient health and safety, strict quality control and safety assurance are necessary for the distribution of used medical devices. Most countries have stringent regulations and procedures for the sale and distribution of used medical devices.

To protect patient health and safety, the sale and distribution process of used medical devices must be transparently and safely managed. Used medical devices must be approved by the medical device regulatory authorities of the respective country or region in question, ensuring they can be used safely and effectively. Additionally, accurate information on the condition and performance of products must be provided to customers for proper understanding and use. Maintenance and warranty responsibilities for used products must also be considered, and a tracking system for the source and history of used products must be established. Processes for verifying the safety and effectiveness of used products must also be implemented.

After evaluating all of the various opportunities and risks, we began selling refurbished products in the second half of 2023, with a total of 60 refurbished products exported. Classys is committed to safe and sustainable resource circulation.

Refurbishment Process



Climate Action

Environmental Performance Indicators

Greenhouse Gas Emissions

Category	(Unit)	2021	2022	2023	Remarks
Total Greenhouse Gas Emissions	(tCO ₂ eq)	413	606	587	
Direct Emissions (Scope 1)	(tCO ₂ eq)	140	189	237	
Indirect Emissions (Scope 2)	(tCO ₂ eq)	273	417	350	
Sales Revenue	(KRW billion)	100.6	141.8	180.1	
Carbon Intensity per Unit	(tCO ₂ eq/KRW billion)	4.1	4.3	3.3	

* Sales revenue is based on consolidated financial statements.

Energy Usage

Category	(Unit)	2021	2022	2023	Remarks
Sales Revenue	(KRW billion)	100.6	141.8	180.1	-
Before Conversion	Mobile Combustion	67	76	83	Scope 1, **
	LNG	-	13	28	Scope 2, **
	Electricity	680	908	762	Scope 2, **
After Conversion	Mobile Combustion	2.0	2.3	2.5	
	LNG	-	0.6	1.3	
	Electricity	6.5	8.7	7.3	
Total	(TJ)	8.5	11.6	11.1	
Carbon Intensity	Mobile Combustion	0.0200	0.0161	0.0139	
	LNG	-	0.0041	0.0070	
	Electricity	0.0649	0.0615	0.0406	
Total	(TJ/KRW billion)	0.0849	0.0817	0.0615	

* Sales revenue is based on consolidated financial statements.
 ** Energy use data on overseas operations are not available yet.
 *** The data on renewable energy use is currently under review.

Waste Emissions

Category	(Unit)	2021	2022	2023	Remarks
Target	(tons)	-	10.0	10.0	
Waste Generation	General	-	3.7	15.0	
	Designated	0.1	-	-	
	Construction	-	-	-	
Waste Treatment	Recycling*	-	3.7	15.0	
	Sales Revenue	(KRW billion)	100.6	141.8	180.1

* Waste is incinerated by external companies capable of energy recovery.

** Waste generation in 2023 temporarily increased due to the consolidation and environmental improvements carried out at Plant 1 and Plant 2.

Water Usage

Category	(Unit)	2021	2022	2023	Remarks	
Water Usage by Location	Headquarters	1,789	3,214	3,461	Tap water	
	Plant 1	142	167	218	Tap water	
	Plant 2	56	63	50	Tap water	
Total	(tons)	1,987	3,445	3,729		
Total	Sales Revenue	(KRW billion)	100.6	141.8	180.1	
	Water Use Intensity	(tons/KRW 100 million)	2.0	2.4	2.1	
	Intensity Reduction Target	-1%	2.5	2.4	2.3	

* Sales revenue is based on consolidated financial statements

** Water intake and usage are identical.

*** Most of the water used by the company is for domestic purposes.

**** The usage data for 2022 has been corrected due to a tabulation error.

Environmental Management

Environmental Management

In response to the growing social demand for environmental management, Classys practices sustainability and environmental management so that it can play its part in global initiatives for environmental protection and climate crisis mitigation. Our primary focus is on minimizing our environmental impact and reducing carbon emissions across all our operations.

[Environmental Management Policy](#)

Environmental Management Policy

Classys has adopted an environmental management system with specific performance targets and a commitment to continuous improvement. As part of this effort, we engage our employees in environmental management through comprehensive training programs. All new business and investment reviews are preceded by environmental management plans and impact assessments to minimize their environmental risks.

Through these endeavors, Classys aims to contribute to environmental protection and climate crisis mitigation. Our Environmental Management Policy applies to the entire Classys workforce and are recommended for adoption across our supply chain.

Dedicated Environmental Management Team

Classys' board of directors reviews and approves all ESG plans and performance results. The dedicated EHS Team sets goals, manages objectives, and organizes environmental campaigns. It collaborates with the Compliance Team to proactively address new and revised environmental laws and regulations. All departments work together to achieve the established targets, with the EHS Team monitoring progress and reporting to the CEO.

Environmental Management Compliance System

Classys regularly identifies EHS risks at business sites and within production processes, deriving key tasks for improvement. We monitor task implementation through indicator reviews and regular assessment. A regional environmental regulations database tracks legislative trends in real time, allowing us to proactively assess and address compliance risks.

We help employees cultivate environmental compliance capabilities through regular training and awareness campaigns, while EHS personnel receive specialized training and benchmark best practices from leading environmental businesses. These accomplishments in our environmental management practices are then published in our annual sustainability reports, ensuring transparent communication with stakeholders.

Although Classys is not directly regulated by laws such as the Act on the Allocation and Trading of Greenhouse Gas Emission Permits, the Framework Act on Low Carbon, Green Growth, the Clean Air Conservation Act, or the Malodor Prevention Act, we recognize our social responsibility towards sustainability management and proactively participate in climate action.

However, Classys is directly regulated by the Act on the Promotion of Saving and Recycling of Resources, under which we comply with the Extended Producer Responsibility (EPR) system. We have identified products subject to EPR compliance and recycling obligations, established an end-of-life (EOL) product retrieval system, and continue to manage our recycling performance.

Through this proactive framework, Classys has not experienced any violations of environmental regulations, incidents, or related lawsuits to date. We remain committed to ongoing compliance and risk management in adherence to environmental laws.

Environmental Management

Environmental Management Implementation Process

At Classys, all significant investment decisions are made based on a thorough review of non-financial risks. When an investment proposal is made, relevant departments conduct a risk assessment before the proposal is reviewed and approved by senior management or, if necessary, the board of directors.

The risk assessment process considers both financial factors—such as current and expected revenue streams and their impact on cash flows—and non-financial factors, including ESG risks and their impact on investment decisions. Environmental risks are comprehensively scrutinized, including regulatory compliance history, performance on improvement tasks, energy efficiency, pollutant emissions, and the use of green energy.

For example, our most recent equity investment was made after a comprehensive review of both financial and non-financial risks. The target company demonstrated an excellent environmental compliance track record and confirmed low environmental pollution risks over the past three years. This approach allows Classys to systematically incorporate environmental risks into investment decisions and actively seek opportunities to enhance environmental value.

Environmental Management Education

Classys conducts a wide variety of training programs to enhance employees' environmental awareness and capabilities. At the same time, the dedicated EHS team receives advanced training for professional environmental management implementation. In addition, company-wide training on environmental protection and environmental management responsibility encourages voluntary participation in environmental management.

 <p>Online</p> <p>ESG Compliance Letter (monthly)</p> <ul style="list-style-type: none"> - August: CEO Message on ESG Management - November: Environmental protection and management responsibility 	 <p>Offline</p> <p>Special ESG Training (company-wide annual)</p> <ul style="list-style-type: none"> - August: CEO Message on ESG & Ethical Management
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Employee Compensation Linked to Environmental Performance

Classys has integrated ESG goals into the performance and compensation system for executives and employees. ESG value enhancement indicators are used as KPIs in performance evaluations, with detailed KPIs established for each department, including energy-saving and campaign enhancement activities. Linking environmental performance to evaluations and compensation encourages voluntary participation in environmental management.

Social

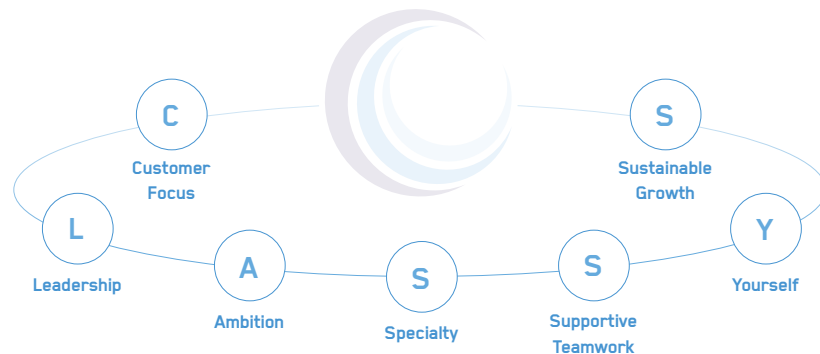
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Human Rights Management	38
Information Security	41
Occupational Health and Safety Management	43
Supply Chain Management	45
Quality Management	47

Talent Management

People are the foundation of any sustainable business. Recognizing this, Classys prioritizes talent management to secure and nurture exceptional talent. We employ various strategies to attract and retain the best minds. These include industry-leading compensation packages, a cafeteria plan, and diverse career development opportunities. We also promote a positive work culture that encourages a healthy work-life balance. In addition, we offer commendation programs, training and development programs, and foster an inclusive and diverse workplace environment.

Who We Want

Classys aims to achieve sustainable growth with talents who excel in upholding and practicing our core values: customer focus, leadership, ambition, specialty, supportive teamwork, and yourself (respect), and sustainable growth.



CLASSYS Core Values

- C** Customers are our main business focus, so we ensure all tasks start with addressing customer needs and end with ensuring customer satisfaction.
- L** Leadership that prioritizes initiative and a positive attitude is what our business pursues.
- A** Ambition for excellence sparks continuous innovation at our company.
- S** Special expertise has propelled us to grow into a leading global company.
- S** Supportive teamwork between and among employees helps realize the highest sense of customer value.
- Y** Yourself: Our employees embrace self-respect with a deep sense of understanding.
- S** Sustainable growth of the company, employees, and shareholders is brought about by our employees' ambition and specialties.

Fair Recruitment

Classys recruits talented individuals who embody our core values. Our transparent and fair recruitment procedures prohibit discrimination based on gender, race, religion, or any other prejudicial factor. On the contrary, we have established HR policies to promote diversity and to eliminate corruption in the hiring process. Furthermore, we maintain the utmost respect for applicants and sincerely communicate with them so as to attract and retain exceptional talent.

Fair Performance Evaluation

Classys operates a performance evaluation and compensation system that provides reasonable rewards based on fair assessments. By setting key performance indicators (KPIs) that reflect our sustainable management goals, we fairly evaluate employee performance and distribute performance-based bonuses. The results of each employee's performance and competency evaluations are combined to determine individual salary increases and regular promotions.

KPIs are categorized by job types, such as office and technical positions, to set relevant evaluation criteria, ensuring alignment between business plan achievements and individual goals. Detailed evaluation metrics combine quantitative assessments linked to performance, such as sales, with qualitative assessments that measure the timeliness and accuracy of work, thus enhancing evaluation accuracy.

Additionally, Classys holds regular performance evaluation briefings to instill trust and fairness in the evaluation system, which also serves to better motivate employees. At the same time, we provide individual feedback on evaluation results to foster continuous growth.

Classys continually assesses and improves the performance evaluation process to meet organizational needs, thereby strengthening the connection between personal and organizational goals and incorporating employee feedback to maximize the effectiveness of performance evaluations.

Talent Management

Comprehensive Reward System Linked to Performance and Competency

Classys motivates employees by linking performance and competency with a comprehensive reward system. We consider performance-based bonuses tied to individual, team, and company achievements, as well as rewards for personal skill development. In addition to monetary rewards, we offer recognition awards, leadership acknowledgement, and opportunities for further training and development. This holistic reward system enhances employees' sense of belonging and satisfaction.

Providing Development and Growth Opportunities

High-performing employees are given special projects or tasks to showcase their abilities. We offer specialized education and training programs to develop personal strengths, and direct supervisors to provide mentoring and coaching for areas needing improvement. This approach ensures that employees can directly contribute to their own development and growth based on performance evaluation results.

Enhancing Transparency in the Performance Evaluation Process

By emphasizing the transparency of the performance evaluation process, Classys ensures that evaluation criteria and methods are clearly communicated to employees. We hold annual detailed briefings on the evaluation process, including criteria, methods, goal setting, and evaluation cycles, which are also shared via the company's internal portal and by email. Evaluation criteria and methods are applied consistently and objectively to all employees, while goals are set through employee participation and discussion, helping employees track and understand their performance regularly. Also, feedback channels have been established for employees to express their views on the evaluation process, maintaining fairness and transparency.

Performance Evaluation and Feedback

Classys conducts regular performance evaluations to assess employee performance and competencies. Direct supervisors provide ongoing feedback and regularly review performance with team members, identifying strengths and potentials, with a focus on goal setting and career development. All employees participate in goal setting and exchange mutual feedback to align with the company's mission and vision continuously.

Moreover, we strengthen communication with executives and employees to promote engagement and prevent any chance of a brain drain, offering various benefits that support their growth and self-development. We provide training on leadership roles, effective communication techniques, and the importance of feedback meetings. Internal newsletters further reinforce these topics with examples and methodologies for clear communication, strengthening bonds between employees during interactions. Additionally, goal setting and progress reviews offer alternative methods and motivational guidance. Constructive feedback helps employees understand how to improve their performance, enhancing organizational communication and alignment. Currently, semiannual communication sessions are mandatory for the entire workforce and we plan to increase this frequency starting in 2024.

Employee Performance Evaluation

Category	2022	2023	Remarks
Percentage of employees evaluated	100%	100%	(Note 1)
Systematic use of measurable goals agreed upon with managers	100%	100%	
Performance evaluations within the same group (division/position)	100%	100%	
Provision of feedback above the annual minimum requirement	100%	100%	

(Note 1) Performance and competency evaluations are conducted for all employees (excluding contract workers), including executives, without exception.

Talent Management


Performance Feedback Conversation Process Manual

02

평가 및 피드백


★1단계 : 사전준비 필수★

팀원의 지난 성과와 역량, 알하는 방식, 작년과의 변화, 인정/피드백받을 구체적인 내용, 최근 고민 등에 대한 정보 수집



**2단계
사전안내**

- ①**면담 일정 공유**
- 최소 1~2일 전 날짜/장소
- 면담 목적 안내
- ②**사전 질문 공유**
- 면담 목적에 맞는 사전 질문 공유
- ③**면담 매세지 준비**
- Fact체크
- 개인 성장과 알라인
- 인정/칭찬, 피드백 매세지 준비
- 핵심 질문 2~3개 준비
- ④**마인드 셋팅**
- Growth mind set
- 긍정



**3단계
피드백**

Rapport 대화

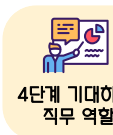
①**지시적 피드백**
잘하고 있는 행동과 반복되는 긍정적인 행동을 인정/격려/칭찬

②**발전적 피드백**
부정적인 행동 및 성과 결과에 대해 전달

③**성장을 위한 행동 변화 요청(피드 포워드)**
개선사항에 대해 구체적인 액션플랜, 목표 합의

④**중점 공유(예:기대초과/중속/개선 필요, ABC)**
총평과 근거 공유, 합의

⑤**기존 대비**
성장, 변화한 것은 무엇인지 웨어랑 (성과, 태도, 역량 등)




**4단계 기대하는
직무 역할**

①**직무와 과업에 대한 정의**

②**직무 역할 단계 전달**

- 해당 직무에서 팀원이 해야하는 레벨을 이해하고 있는가?
- 레벨에 맞게 목표가 설정되어 있는가?
- 레벨에 맞는 성과가 나오고 있는가?

③**성장을 위한 학습 계획**
팀원이 성장이기 위해 필요한 역량, 스킬, 자격 등을 어떻게 향상시킬 것인지 제안 및 요구



**5단계
Follow up**

①**알아차림**
성장을 위한 행동과 학습을 통한 구성원의 변화를 수시로 피드백하기

- 긍정적 변화 있을때: 인정, 칭찬
- 변화 없거나, 부정적 변화가 보일 때 : 피드백

②**지원**
구성원이 혼자 해결하지 못하는 변화를 위해 장애물을 제거해주는 서포팅

(references/백중과 저자 원운원)

Recognition Program

We operate a recognition program based on employee recommendations to foster a positive organizational culture. This program promotes mutual trust, acknowledges strengths, and encourages cooperation and understanding among colleagues, leading to more efficient work and a greater sense of fulfillment. Recognition and praise among employees help create a trusting and safe atmosphere within the organization, allowing us to positively influence each other. Through this, we aim to attract and grow talent together.



Talent Management

Organizational Health Survey

Classys conducts an annual organizational health survey through an external professional agency. The survey aims to identify the characteristics and performance factors of Classys' organization, including its performance, culture, and systems. The results guide our mid- and long-term HR objectives, helping us explore directions and improvement measures for organizational development. This includes identifying areas for improvement and assessing employee satisfaction with implemented actions, thus serving as a benchmark for creating a better workplace.

In the 2023 survey, 93.4% of all employees participated, an increase of 0.9% from the previous year. Overall employee satisfaction continues to trend positively, demonstrating Classys' commitment to improving the work environment, addressing concerns, and implementing HR initiatives based on employee feedback.

Organizational Health Survey Results

Category	2022	2023	Remarks
Number of Employees Surveyed	308	331	(Note 1)
Number of Respondents	285	309	(Note 1)
Response Rate	92.5%	93.4%	
Survey Results	Organizational effectiveness	4.71	5.49
	Positive organizational practices	4.87	5.29
	Organizational growing pains	4.97	4.93

(Note 1) The survey encompasses the entire workforce. However, discrepancies between the number of employees surveyed and the number of respondents arise because adjustments are made to preserve anonymity and prevent result distortion.

Respect for Diversity in the Workforce

Recognizing the diversity of all its members, Classys is committed to fostering a culture of mutual respect and understanding. To attract and retain diverse talent, we cultivate an inclusive culture that values diverse backgrounds and perspectives, driving sustained growth through collaboration. We regularly conduct mandatory human rights training for all employees to prevent discrimination based on gender, age, race, disability, religion, political affiliation, and other potential biases in recruitment, performance evaluation, salary increases, promotions, welfare, and educational opportunities. This includes training on sexual harassment prevention, disability awareness, and workplace bullying prevention. Classys strives to internalize and practice a culture of respect by providing diversity education and related activities to all employees. We ensure equal treatment for both majority and minority groups under equal conditions, with no discrimination in our hiring and ample opportunities for advancement for social minorities.

Workforce Breakdown by Position, Gender, and Employment Type (as of Dec. 31, 2023)

Category		Gender		Nationality		Employment Type		Disabled Employees
Type	Total	Male	Female	Korean	Non-Korean	Permanent	Contractual	
Executives	10	7	3	10	-	-	10	-
Team Leaders	48	37	11	47	1	48	-	-
Team Members	325	188	137	319	6	317	8	4
Total	383	232	151	376	7	365	18	4

* Excluding board members

Workforce Breakdown by Age (as of Dec. 31, 2023)

Category		Gender		Nationality		Vulnerable Workers	
Age	Total	Male	Female	Korean	Non-Korean	Non-disabled	Disabled
Under 30	56	32	24	54	2	56	-
30 to 49	283	181	102	278	5	280	3
50 and above	44	19	25	44	-	43	1
Total	383	232	151	376	7	379	4

Talent Management

Classys also makes a concerted effort to attract and retain key talent. We present the corporate vision and ideal employee profile, supporting employee development through various programs, including onboarding, leadership development, expert training, and external education. By fostering a culture that respects diversity and inclusion, we aim to secure and maintain top talent. These efforts have significantly improved our employee turnover rate.

Turnover Rate

Category	2021	2022	2023
Turnover Rate	22.0%	21.5%	12.6%

* The ratio of voluntary resignation to the average number of employees during the fiscal year

** Involuntary retirements, such as due to age limit, have been excluded from the turnover rate.

Work-Life Balance

Classys supports employees with a cafeteria plan offering a variety of perks and benefits to help them achieve a healthy work-life balance in a stable work environment. These benefits include staggered working hours, vacation programs, health check-ups, and support for club activities, all available to full-time workers, including non-permanent employees.

Staggered Working Hours

Employees can adjust their working hours based on their role or personal preference. This flexibility helps them maintain a healthy balance between their work and personal life.

Health and Well-Being Programs

To promote employee health and well-being, Classys supports memberships for gyms and wellness programs. We also provide regular health check-ups.

Education Support

We support the professional development of our employees by covering costs for education, seminars, and workshops.

Parental Leave Programs

Classys offers parental leave so that employees can spend valuable time with their families. In 2023, four employees took parental leave, and 100% of those eligible to return to work after parental leave came back to work in 2023.

Resort Facilities

We provide resort facilities for employees to refresh and relax from daily stress. Long-term employees receive additional leave days for rest and rejuvenation.

Retirement Pension Plan

Classys operates a retirement pension plan to ensure long-term employees' financial stability after retirement. Under the defined contribution (DC) plan, the company contributes a fixed amount monthly, which is paid out to employees along with investment returns upon their retirement.

Classys' Cafeteria Plan

Programs	Descriptions	Remarks
Cafeterias and Lounges	In-house cafeterias and lounges reserved for employees	
Long-Service Awards	Rewards and bonus leave for 10 years of service	
Holiday Bonuses	Subsidies for holiday bonuses and summer vacation expenses	
Condominium Membership	Support for reservations at major resort condominiums	
Club Activities	Club activity subsidies of up to KRW 320,000 per employee annually	
Health Check-Ups	Covering specialized health check-up bills of up to KRW 300,000 per employee annually	
Self-Development Subsidies	Covering up to KRW 1 million per employee annually for self-development, including education and skill enhancement	
Meal Subsidies	Preset amount of subsidies for lunches and dinners	
Subsidies for Team-Building Expenses	Funding for team-building activities	
Commuter Benefits	Subsidies for off-site work transportation and overtime	
Corporate Vehicle Support	Corporate vehicles for employees on off-site assignments	
Family Event Allowances	Support for congratulatory goods, condolence money, and leave programs, as well as other forms of support for family events	
2023 Support Total	Total of KRW 1.9 billion	

Talent Management

Employee Clubs

In support of team-building and communication, Classsys supports employee club activities in various fields and interests, promoting refreshing and enjoyable cultural experiences.

Club Activity Participation

	Category	Participants (persons)
Sports	Futsal	29
	Billiards	20
	Golf	34
	Climbing	15
	Tennis	20
	Hiking	15
Competency-Building	Smart Work	22
	Economy	14
Total		169



Labor-Management Council for Improving Working Conditions

The Classsys Labor-Management Council promotes mutual benefits through participation and cooperation. The council addresses labor issues, improves working conditions, and develops perks & benefits programs. In 2023, the council held four meetings and discussed eight key issues. The council contributes to enhancing efficiency and productivity by protecting employee rights and aligning its aims with management goals.

In 2023, the council agreed to pilot a Hobby Day, encouraging early leave for club activities or family time in support of a healthy work-life balance for employees.

Labor-Management Council Agenda

Date	Agenda
Mar. 25, 2023	<ul style="list-style-type: none"> • Appointment process for new employee representatives due to term expiration and vacancies
May 27, 2023	<ul style="list-style-type: none"> • Appointment of new representatives for employees and the employer • Appointment of the new Ombudsman • Hosting the 1H town hall meeting
Aug. 26, 2023	<ul style="list-style-type: none"> • Expanded the Ombudsman channels: helpyou@classsys.com, withyou@classsys.com • Discussion on the 2023 Year-End Party
Oct. 31, 2023	<ul style="list-style-type: none"> • Agreement on providing ceremonial supplies, including tableware, for employees. • Agreement on piloting the early leave (Hobby Day) program

Talent Management

Talent Development

Classsys is dedicated to developing professionals who will grow into future leaders of the company, ensuring mutual growth for both employees and the organization. We offer tailored leadership development programs by identifying essential leadership skills and competencies for various levels. Comprehensive job training and career advancement opportunities are provided through regular skill assessments and feedback, helping us recognize and nurture potential talent.

We prioritize internal talent and promote a culture of growth, while also considering external candidates when necessary. To enhance talent acquisition and retention, we continuously improve our recruitment processes, expand opportunities, and strive to build an inclusive organizational culture.

We invest in diverse educational programs to foster a culture of continuous learning and development, which strengthens employees' capabilities. This includes ethics training, anti-corruption education, fair competition education, and human rights protection training, such as anti-bullying, anti-discrimination, and sexual harassment prevention. Leadership development programs are regularly conducted for different tiers as well, and professional development programs are offered through online and offline platforms to enhance job-specific expertise.

Probation Programs

Classsys runs a probation program for all job positions. During the three-month probation period, employees receive on-the-job training on Classsys' culture and areas of job expertise. After completing probation, they embark on their career development journey with Classsys.

Onboarding Program

We offer thorough onboarding training to instill Classsys' identity in our new employees and cultivate their foundational skills. This program helps new hires understand the organization's culture and systems, allowing them to quickly integrate Classsys' values and work processes. We actively support the smooth transition of our new members.

Core Values Sharing Program

The Core Values Sharing Program is a vital platform for communicating the company's current status and reinforcing understanding and leadership around core values. Regular town hall meetings are held to share employee efforts and achievements, collaborate on future strategies, and discuss the core values we uphold.

This program aims to provide a comprehensive vision for the evolving business environment, fostering unity and camaraderie by sharing individual tasks and achievements. Employees gain a clear understanding of the company's vision and goals, while also recognizing how their work contributes to the organization's overall success. By sharing experiences and successes, we strengthen our knowledge-sharing culture and collaboration within the organization. This initiative promotes communication, collaboration, and a collective passion for achieving shared goals.



Talent Management

Leadership-Building Programs

Classys offers customized leadership programs for the entire workforce, including executives, team leaders, and team members. The programs are designed to develop the leadership skills required for their respective roles. They support leaders at all levels, guiding the organization's growth and advancement.

The programs for managers focus on cultivating leadership that drives organizational growth and on fostering future leaders who will develop strategies to realize the company's vision and effectively lead their teams. The programs for team members emphasize collaboration and the leadership skills needed to maximize individual performance. Newly appointed leaders are provided with onboarding programs to help them learn their roles and responsibilities in driving organizational growth and achieving top results.

These diverse leadership programs help Classys people understand the organization's vision and goals, manage change and challenges effectively, build strong relationships with colleagues, and create synergies within the organization to maximize performance.

* Total hours for onboarding, leadership-building, and core values sharing programs: 4,126 hours



Expert Training Program

Classys' expert training program is essential for enhancing the skills and expertise of employees across various roles. In response to the rapidly changing industry environment, Classys aims to secure job-specific expertise and flexibility, thereby realizing sustainable value. This program is a key driver for sustainable growth, strengthening research competitiveness, improving product quality, and identifying next-generation growth opportunities.

Classys offers expert development programs tailored to the specific requirements of each role. The programs focus on bolstering the practical skills and knowledge needed in the field based on job requirements and competencies. Our training and analysis of the latest technologies and industry trends support trainees in quickly adapting to industry changes.

Expert Training Programs ^(Note3)

Topics	Target Departments ^(Note 1)									Annual Trainees ^(Note 2)	Total Training Hours
	①	②	③	④	⑤	⑥	⑦	⑧	⑨		
ESG - environmental and social issues	●									6	15
Marketing - policies and compliance			●	●				●		126	225
Finance - accounting, tax, internal controls, external audits	●		●		●	●		●	●	158	237
Product/Quality - Medical Device Act, clinical, quality, ISO certifications			●		●	●	●	●	●	791	3,019
Compliance - Audit, Capital Markets Act, privacy policy	●	●	●	●	●	●	●	●	●	117	594

(Note 1) ① Business Management ② Customer Innovation ③ Domestic Business ④ Marketing ⑤ Production ⑥ R&D ⑦ Quality & Regulatory ⑧ Global Business ⑨ Homecare

(Note 2) The annual trainee figure represents the cumulative number of trainees over the year and may include instances where the same individual has completed multiple training sessions.

(Note 3) Excluding ethics, human rights, and onboarding programs

Talent Management

For specific roles that require certification, we offer comprehensive training and financial assistance to help employees obtain the necessary qualifications and foster self-directed growth. The company covers the self-development expenses for all employees, including fees and tuition for acquiring degrees and certifications. In 2023, 53 employees benefited from this support program to develop their job competencies, with a total of 71 instances of support provided.



Employee Training Programs in Partnership with Educational Institutions

Classys, a regular Korea Medical Devices Industry Association (KMDIA) member, offers comprehensive training on regulatory science and marketing strategies. These programs aim to deepen employees' understanding of regulatory environments, such as medical device licensing and approvals, quality control, and after-sales services, as well as to enhance their marketing capabilities to respond effectively to market changes. Additionally, we provide thorough training across research and development, production, and sales to improve job-specific expertise.

Personalized Competency-Building Plans and Opportunities

Classys' customized competency-building programs and diverse opportunities are essential for developing individual skills and supporting successful careers. We assess personal strengths and growth potential through performance evaluations and interviews with management, crafting personalized development roadmaps.

To strengthen each employee's expertise, we provide diverse job experiences and specialized training opportunities. We also offer opportunities for job expansion and job changes when

necessary to develop their skills. This approach maximizes employees' strengths, enhances their expertise, and fosters understanding and flexibility across various organizational roles.

These personalized competency-building programs promote individual growth, prevent a brain drain from occurring, and strategically secure essential competencies. Furthermore, they improve job satisfaction and performance, significantly contributing to organizational competitiveness.

Performance Evaluation, Feedback and Reward Integration

Classys implements performance evaluations to strengthen employees' positive attributes. Feedback from management is provided and linked to rewards. Based on these evaluations, we award performance-sharing bonuses. Comprehensive assessments of leadership, ambition, specialty, supportive teamwork, and yourself, in line with Classys' core values, are considered for salary increases and promotions.

Effectiveness Evaluation and Continuous Improvement of Talent Development Programs

Classys is committed to evaluating and continuously improving the effectiveness of its talent development programs. After the completion of each program, we methodically gather and analyze feedback, job performance, and skill advancements to gauge effectiveness. This approach aids in pinpointing areas for improvement and guarantees the ongoing enhancement of our talent development initiatives.

Training Programs

Category	(Unit)	2022	2023	Remarks
Total training hours	(hours)	18,671	17,323	
Total workforce	(persons)	350	383	
Per-employee average training hours	(hours/employee)	53	45	(Note 1)

(Note 1) Per-employee average training hours: Total training hours/FY-end workforce

Talent Management

Industry-Academia Collaboration Education and Training Programs

Classys is dedicated to contributing to the community and nurturing talent through industry-academia collaboration, offering a diverse range of education and training programs. Our on-the-job (OJT) training programs offer trainees with opportunities to build practical skills and expertise over a specified period of time, thus helping local youth adapt to technological advancements and industry changes so that they can secure quality jobs.

To bridge the gap between the academic knowledge and job competencies required in the field, Classys collaborates with local educational institutions to design and deliver job training programs tailored to the medical device industry. These programs aim to foster skilled professionals with specialized knowledge and practical experience.

Industry-Academia collaboration OJT training



Our program design includes detailed job and development plans that cover training procedures, objectives, time allocation, and methods of guidance and supervision. This comprehensive approach ensures trainees gain a clear understanding of their roles and can perform their tasks efficiently. Additionally, our extensive curricula encompass worksite and facility safety management, human rights, and organizational culture. As these programs are paid trainings, trainees can concentrate on developing their competencies in a secure environment. This holistic program is complemented by regular performance evaluations and feedback to support continuous improvement.

Upon completion of the program, trainees can apply for transition to permanent positions. We continually refine our programs by incorporating feedback from partner educational institutions and trainees in line with current educational and business trends. Through these efforts, we contribute to the sustainable development of the communities we operate in and support the future of their young people.

Industry-Academia Collaboration Education and Training Programs

Category	Target	Purpose	Number of Participants	Instructors/Mentors
Industry-Academia Collaboration	High Schools	Industrial site visits to provide context and motivation in technical learning	35	Production Division
	High Schools	Training skilled professionals for the medical device industry	3 *	Production Division
	Universities	Research projects related to the medical device industry, integrated with business studies and career development mentoring	12 **	Strategic Planning Center
Industry-Academia Collaboration Competition	Universities	Competition for research projects in the medical device industry, integrated with business studies and career development mentoring	24	Strategic Planning Center

* All three trainees transitioned to permanent positions after acquiring skills through our industry-academia collaboration program.

** Of the twelve trainees, four continued with additional internship opportunities through university societies and two transitioned to permanent positions.

Human Rights Management

Classys respects human rights and practices company-wide human rights management to minimize human rights risks that may arise in the normal course of business activities. In addition to the Classys Code of Ethics, we have established a Human Rights Policy, operate online and offline grievance handling systems, and offer a wide variety of education and training programs to promote respect for human rights.

Human Rights Management Policy

Classys is committed to respecting human rights and building positive relationships with stakeholders, thereby laying the foundation for the protection and promotion of human rights.

As the guidelines in managing human rights risks across all our business operations, we have established a comprehensive policy encompassing seven fundamental principles: prohibition of discrimination and harassment, prohibition of human trafficking, prohibition of forced labor, prohibition of child labor, protection of vulnerable workers, guarantee of minimum wage, and protection of other rights. Guided by these principles, we strive to prevent human rights violations at source and minimize any negative human rights impact.

Dedicated to upholding human rights, Classys has implemented a human rights policy to manage risks, including potential violations, that may occur during normal business operations. The following key principles guide our enterprise-wide approach to managing human rights risks, ensuring we fulfill our commitment to respecting human rights.

[Human Rights Policy](#)

Human Rights Risk Management and Monitoring

To strengthen human rights management, Classys regularly evaluates human rights risks and assesses our responsiveness. Through outsourced surveys, internal assessments, and analysis of employee suggestions and grievance submissions, we identify human rights risk factors and implement preventive measures.

The 2022 organizational health surveys indicated a need to enhance communication and mutual understanding within the organization. In response, we held education sessions and workshops in 2023 focused on promoting communication, mutual understanding, and the respect required for team building. The workshops, which target executives and team leaders, emphasized the importance of communication and mutual understanding for creating synergy, and included training to prevent human rights violations.

Furthermore, we provide regular human rights education to all employees and offer communication guides to foster trust. These efforts resulted in significant improvements in the “positive organizational practices” category of the 2023 organizational health survey. We are also committed to creating a safe and transparent organizational culture where employees can freely speak. Our ongoing commitment to human rights risk management and enhanced protection remains a top priority for Classys.

Human Rights Risk Management Process

Procedure	Content
1. Identification of human rights risk factors	<ul style="list-style-type: none"> Conduct outsourced surveys through independent external agencies (organizational health surveys), internal surveys (ethical awareness surveys), and grievance submissions to verify key human rights risks and impacts Identify human rights violation cases in personnel actions or work environments, analyze case types and frequencies to determine key risk factors Case studies of other entities
2. Establishment of human rights risk mitigation measures	<ul style="list-style-type: none"> Periodically review the necessity of revising policies and procedures for the prevention of human rights violations Strengthen human rights education, improve organizational culture, and enhance processes for handling human rights violation cases
3. Monitoring	<ul style="list-style-type: none"> Evaluate the effectiveness of mitigation measures by assessing the frequency of human rights violations and satisfaction of reporters Assess the effectiveness of actions and identify improvements through periodic surveys and feedback on education satisfaction

Human Rights Management

Human Rights Policy-Based Risk Assessment

Category	Non-compliance	Improvement Required	Corrective Actions Completed
Prohibition of discrimination and harassment	0	-	-
Prohibition of human trafficking	0	-	-
Prohibition of forced labor	0	-	-
Prohibition of child labor	0	-	-
Protection of vulnerable workers	0	Expansion of hiring vulnerable workers	Employment of workers with disabilities
Guarantee of minimum wage	0	-	-
Occupational health and safety	0	-	-
Privacy policy	0	-	-
Consumer rights protection	0	-	-

Enhancement of Human Rights Education

We conduct annual human rights education for all employees, covering topics such as sexual harassment prevention and disability awareness. Additionally, we offer a range of basic skills and ethics education to protect employee rights and prevent discrimination. Our comprehensive training efforts include anti-discrimination training, workplace harassment prevention training, and gender equality education. We are committed to ongoing human rights education and management to prevent workplace misconduct, forced labor, child labor, and rights violations.

Human Rights Education

Category	Per-employee Training Hours	Total Trainees	Completion Rate
Personal data protection	1 hour	373	100%
Sexual harassment prevention	1 hour	373	100%
Workplace bullying prevention	1 hour	373	100%
Disability awareness	1 hour	373	100%
Effective communication strengthening	12 hours	12	-

Grievance Handling

Overview

Classys has established an ombudsman program to promptly address various human rights issues, such as workplace sexual harassment and bullying. Anyone can anonymously make a report through online or offline channels, with the identity of the whistleblower and all related information strictly protected under our Whistleblower Policy. Any attempt to uncover the identity of the reporter or access related information will be met with severe disciplinary action. The content of reports and the identities of reporters are handled as confidential and managed within a secure system by only authorized personnel who have pledged to maintain confidentiality.

Grievance handlers promptly verify the details and facts of the reports and take appropriate measures accordingly. The outcomes of grievance handling and related actions are then reported to top management, including the CEO.

[Whistleblower Policy](#)

Grievance Handling Process

Procedure	Content
1. Reception of Grievance Report	• Issues or complaints reported by employees to their supervisor or through a grievance handling channel(s)
2. Investigation and Analysis	• Quickly investigate and analyze the reported grievance to understand the cause and nature of the issue(s)
3. Development of Improvement Plans and Implementation	• Develop and implement appropriate actions and plans to resolve the issue • Reassign tasks if necessary
4. Evaluation and Feedback	• Assess the effectiveness of the resolution • Provide feedback to the relevant employee(s) • Develop and implement measures to prevent the recurrence of similar issues
5. Documentation and Reporting	• Record all procedures and results, and report to top management

Human Rights Management

Strict Confidentiality, Identity Protection and Anti-retaliation Policies

Classys is dedicated to a corporate culture where employees can voice their concerns and report issues without hesitation. Our strict confidentiality, identity protection, and anti-retaliation policies play a crucial role in maintaining the credibility and transparency of our grievance handling system.

First, our strict confidentiality policy ensures that grievances or issues raised by employees are protected from external leakage. Employees can voice their concerns without worrying about their privacy rights or personal information being compromised, which is essential for protecting an organizational culture built firmly on trust.

In addition, our robust identity protection policy ensures that all employees are shielded from any potential retaliation or discrimination after raising questions or filing a grievance. Employees who report a grievance are treated fairly, regardless of their identity or position, which is critical to upholding justice and fairness within the organization, while also enhancing mutual trust among employees.

Furthermore, our anti-retaliation measures guarantee that employees who report a grievance do not suffer any form of retaliation. This policy is vital in creating an environment where employees can freely express their opinions and report issues. A secure atmosphere to raise grievances without fear of retaliation helps identify and address organizational issues early on.

The safety and well-being of our employees is our top priority, which is why we continuously strive to maintain a fair and transparent organizational culture. A corporate culture where employees feel secure and comfortable voicing their concerns and raising issues ultimately contributes in a positive way to the growth and development of the organization.

Ombudsman Channels

Procedures	Details
1. Public Channels	<ul style="list-style-type: none"> • 24/7 • Address: https://classys.co.kr/cs-center/audit/audit-information/ • Email address 1: compliance@classys.com • Email address 2: helpyou@classys.com (exclusively for women) • Email address 3: withyou@classys.com (exclusively for human rights issues) • Contact: +82-2-1544-3481
2. Internal Mailbox	<ul style="list-style-type: none"> • 24/7
3. Ombudsman	<ul style="list-style-type: none"> • 24/7 • Appointment of an ombudsman (investigations, resolutions, grievance and complaint counselling)
4. Organizational Health Survey	<ul style="list-style-type: none"> • Annually
5. Ethical Awareness Survey	<ul style="list-style-type: none"> • Annually
6. Labor-Management Committee	<ul style="list-style-type: none"> • Quarterly

Grievance Handling Results

Procedures	Details
1. Number of Reports	<ul style="list-style-type: none"> • Total eight cases • Reports by channel: 3 reports via "withyou," 2 reports via the ombudsman, 3 reports via the website • Reports by type: 6 employee grievances and 2 customer suggestions
2. Process Speed	<ul style="list-style-type: none"> • 3 days on average
3. Resolution Rate	<ul style="list-style-type: none"> • 100%
4. Recurrence Rate	<ul style="list-style-type: none"> • 0%
5. Resolutions	<ul style="list-style-type: none"> • Identify and analyze the cause of the report; conduct interviews with involved parties if necessary; provide appropriate feedback or implement improvement measures

Information Security

With the express purpose of enhancing our information protection infrastructure, Classys has established a systematic security framework to protect the information that represents the source of our corporate competitiveness.

Information Security Policy

Classys strictly adheres to domestic privacy laws, including the Act on the Promotion of Information and Communications Network Utilization as well as the Information Protection and Personal Information Protection Act. We have also established our own Information Security and Privacy Policy and a Privacy Policy to ensure compliance. These policies are publicly available on the Classys website (classys.com) for stakeholders, and detail the collection, retention, use, and disposal of personal information, allowing information subjects to check the management status of their personal information at any time.

[Information Security and Privacy Policy](#)

Information Security Management Framework

To safeguard customer personal information and enhance business stability, Classys has established a dedicated information security department staffed with trained specialists. This department is responsible for developing and disseminating information security policies and procedures, ensuring that all employees are aware of and comply with their security responsibilities. We identify and evaluate all information security risks, implement appropriate security measures when necessary, and verify the effectiveness of these measures. By adopting flexible security strategies, we have equipped ourselves to respond to emerging threats. Additionally, we comply with all relevant laws and regulations to maintain customer trust and prevent potential issues.

Information Security Education and Training

We provide annual information security training to all employees to promote compliance with security policies and procedures, raise security awareness, and enhance our responsiveness to cyber threats. Employees with significant management responsibilities receive additional training. This minimizes the risk of security incidents or data breaches due to human error and reinforces the importance of security within our corporate culture. Any violation of information protection regulations by employees results in disciplinary action according to internal policies. Since our inception, there have been no incidents of customer information leaks.

Information Security Training

Content	Per Employee Training Hours	Number of Trainees	Remarks
Personal Information Security	1 hour	373	Company-wide
ISO27001:2022 revision	16 hours	1	Information Security Manager*
Microsoft 365 & EMS (enterprise mobility-security)	4 hours	2	Information Security Personnel
Microsoft 365 Copilot & Microsoft 365 Security	4 hours	2	Information Security Personnel

* Certified ISO27001 auditor




Information Security

Information Security Risk Assessment and Improvement Results


Classys identifies and manages key risks related to information and personal information protection through the following activities. We conduct regular internal risk assessments and implement improvement measures to mitigate identified risks. In the 2023 risk assessment, we identified vulnerabilities in our network and user computers. We implemented the following improvements, with subsequent risk assessments confirming that all vulnerabilities had been resolved.

These risk management activities demonstrate Classys' high level of commitment and responsibility towards information and privacy protection, thereby contributing to the safeguarding of our information assets and ensuring their security.




Network Loopholes at Production Headquarters

- Established Firewalls at Plant 1: To detect and prevent external intrusions via the network
- Work carried out to establish a secure wireless environment



User Computer Loopholes

- Established an Endpoint Protection Platform (AhnLab EPP): Strengthened user computer security by maintaining the latest antivirus status through AhnLab EPP, preventing personal information leaks, applying OS security patches, and conducting security vulnerability checks through centralized monitoring



Institution and Revision of Information Security Guidelines

- 1 Information Security Education Guidelines
- 2 Document and Media Security Guidelines
- 3 User Account and Password Guidelines
- 4 PC Security Guidelines
- 5 Security Incident Response Guidelines
- 6 IT Disaster Recovery Management Guidelines
- 7 Development Security Guidelines
- 8 Security Audit Guidelines

Occupational Health and Safety Management

At Classsys, the health of our employees and the safety of our workplaces are paramount. As such, we have implemented a comprehensive occupational health and safety policy designed to protect our employees and ensure a safe working environment. This policy forms the foundation of our health and safety management practices, through which we assess and mitigate harmful and hazardous factors, establish robust management systems, set specific performance goals, and strive for continuous improvement. Our management team is actively involved in making key decisions regarding the implementation and maintenance of this system, thereby ensuring that all employees understand its importance and receive regular training to effectively uphold these standards.

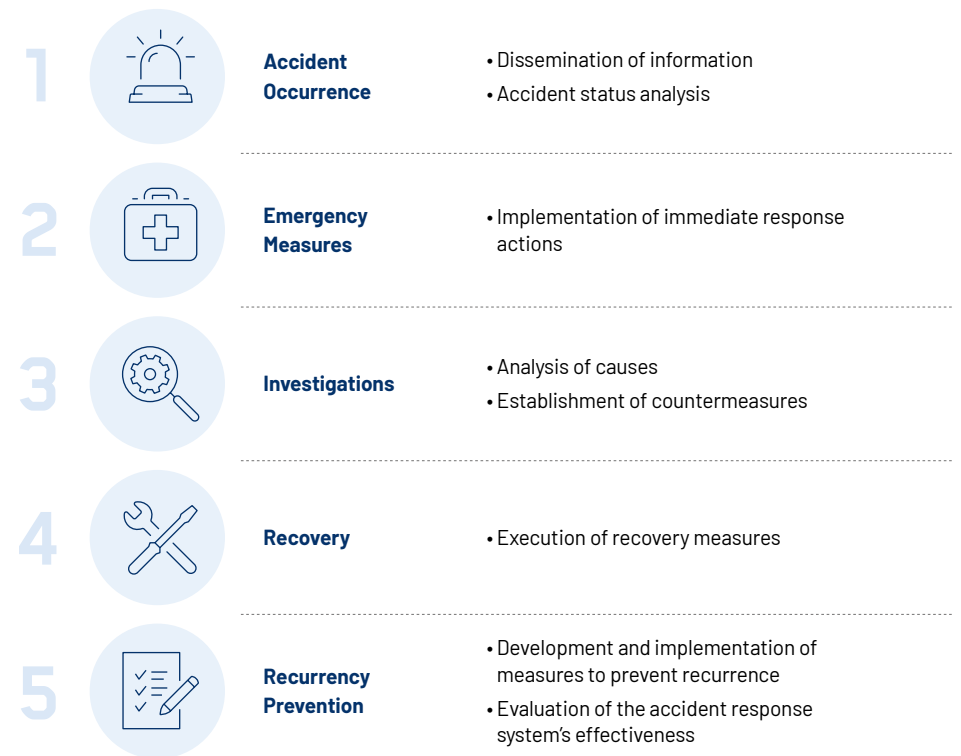
[Occupational Health and Safety Policy](#)

Health and Safety Risk Management Process

Accident Prevention Process



Accident Response Process



Occupational Health and Safety Management

Risk Assessment

Classys develops and implements risk assessment plans for hazardous and harmful factors, conducting these assessments regularly and on an ad-hoc basis with employee participation. For risk factors that exceed permissible limits, we establish and execute improvement action plans. All risk assessment activities and outcomes are documented to ensure accountability and continuous improvement.

Risk Improvement Activities

Category	Improvement Points Identified	Improvements Completed
Near miss	114 Cases	109 Cases
Risk Assessment/Working Condition Improvements/ESG	247 Cases	203 Cases
Research Center	44 Cases	44 Cases
Total	405 Cases	356 Cases

Health and Safety Activities

Classys regularly conducts general and special health check-ups for employees, followed by any necessary post-check-up management. At the same time, our Environmental Health and Safety (EHS) team provides ongoing guidance and advice on safety and health matters, conducts regular safety inspections, and manages emergency responses to continuously identify and mitigate risk factors. We also collaborate with our compliance team to proactively review and update relevant laws and regulations, minimizing any and all potential risks.

Health and Safety Training

Classys regularly conducts health and safety training for all employees. In 2023, 4,284 hours of training were provided with a completion rate of 99.7%. New employees receive additional safety training, including safety education for new hires, training upon task changes, and material safety data sheets (MSDS) training. Also, separate job-specific training is provided for safety managers, health managers, and supervisors through external professional institutions.

Safety Accident Control and Prevention

Classys places a particularly strong emphasis on accident prevention. In the event of any incident, we promptly analyze the root cause and implement preventive measures to avoid recurrence in the future.

Occupational Accident Statistics

Category	2021	2022	2023
Number of Accidents	1	0	1
Occupational Accident Rate*	0.6%	0.0%	0.3%
Accident Type	Slip and fall	-	Workplace safety accident
Recurrence Prevention Measures	<ul style="list-style-type: none"> • Installation of anti-slip mats • Installation of warning signs • Guidance on slowing down when moving 	-	<ul style="list-style-type: none"> • Re-education on personal protective equipment (PPE) compliance and safety rules • Awareness enhancement by disseminating information on accident cases

* Accident rate per 100 workers

** The 2021 occupational accident rate has been corrected due to a reporting error.

Emergency Response System

Classys has established an emergency response plan to manage operational emergencies such as fires and power outages and natural disasters like floods and typhoons. We have also developed detailed scenarios and conducted regular evacuation drills to minimize loss of life and property. Each business site has a tailored recovery manual to ensure rapid and effective response and recovery in the event of a disaster. This proactive approach strengthens our ability to protect our employees and assets, thus allowing for business continuity and resilience.

Supply Chain Management

Classys fosters a transparent and sound industrial ecosystem based on mutual trust with business partners. We promote a culture of shared growth through fair trade and technological enhancement, allowing for mutual prosperity with our partners.

Supply Chain Management Strategies

Classys has an established system for regular supplier audits to ensure sustainable supply chain management. Based on the audit results, we develop and manage a strategic collaboration framework with existing partners while also exploring pathways to securing new business partners.

Our key strategies include evaluating organizational management and financial stability, the condition of raw materials and equipment management, manufacturing capabilities, and utilization rates. We have also established standards for compliance with generally accepted documents such as standard operating sheets (SOS) and inspection criteria, as well as guidelines on applying good manufacturing practices (GMP) and SOS. Transactions and partnerships with suppliers who are identified as having severe quality issues or significant supply instability risks are terminated to enhance our cost efficiency and risk management.

All new suppliers are subject to environmental assessment reviews before final selection. Any existing suppliers identified with an actual or potential adverse environmental impact are advised and recommended to comply with environmental standards. As a result of our efforts, many of our suppliers have agreed to improvement plans to obtain ISO 14001 certification.

In addition, as labor practices and social norms constitute our qualitative evaluation factors, we continually provide improvement guidance and recommendations to ensure that our partners are not having an actual or potential negative social impact. This includes measures such as the regular distribution of CEO letters inviting partners to adopt the same rigid ESG management practices as Classys strictly adheres to.

Through these strategies, Classys systematically supports business partners in maintaining a sustainable supply chain and developing long-term business strategies.

Selection of New Partners

Classys has established a new partner registration process to select excellent partners. From the research and development stage, the Procurement Team and Quality Control Team jointly discover excellent partners according to a common evaluation form, which includes ESG audits and standard document screening, to approve them from the development stage to mass production.

The partner selection procedure consists of auto-screening and preliminary due diligence, factoring in research and development, mass production responsiveness, quality control systems, ISO 9001 and ISO 14001 certifications, and ethical ESG management. Evaluation grades, which range from A to D, ultimately determine whether the graded company is registered as a new partner.

Supply Chain Code of Conduct

Classys has an established Supply Chain Code of Conduct. This code encourages all Classys partners to be sustainable companies practicing responsible ESG management, while also respecting and upholding the dignity of workers, as well as operating environmentally friendly and ethical businesses. The code covers six areas: human rights, health and safety, environment, ethics and anti-corruption, fair trade, protection of trade secrets and intellectual property, and quality management. All Classys partners are required to sign a compliance agreement to adhere to this code.

[Supply Chain Policy](#)

Enhancement of Supply Chain Capabilities and Education

The sustainable management of suppliers is crucial to building a stable supply chain ecosystem. Therefore, Classys' quality, procurement, research, and materials teams conduct annual audit evaluations to enhance partner capabilities. They establish proactive response systems to major quality issues, monitor the causes of non-conformities and improvement plans monthly, and support procurement and quality competitiveness through education and consulting.

Specifically, for all raw material suppliers, Classys produces and provides ① standard samples and ② technical guidance and training on crucial quality control criteria and operational standards. The Quality Control Team also selects the five worst-performing partners monthly and conducts quality and procurement improvement presentations. Furthermore, all partners are encouraged to participate in annual compliance screenings to support ethical management within the supply chain.

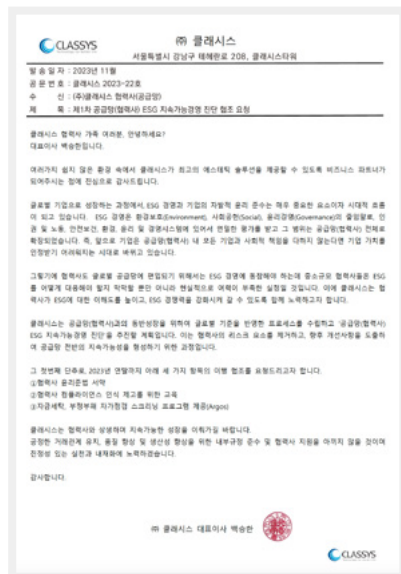
Supply Chain Management

Partner ESG Evaluation and Management/Support

Classys conducts regular partner evaluations based on ISO 13485 vendor assessment procedures to proactively prevent potential risks. Conducted at least once a year, these evaluations target all raw material suppliers and broadly cover criteria such as quality management, business management, development management, equipment management, credit, delivery, price, quality, and ESG risk factors.

Specifically, Classys has set evaluation criteria and incorporated environmental management risks into the regular audit evaluation items, assessing the management status based on ① the presence of ISO 14001 certification and ② the existence of dedicated departments or standard documents for environment, health, and safety. In 2023, Classys supported partners in improving their environmental management practices and establishing eco-friendly management systems by recommending they acquire ISO 14001 certification and share all relevant information. Additionally, to promote the practice of carbon emissions reduction, Classys financially supported partners in switching from single-use packaging to recyclable corrugated plastic boxes.

Through such measures, Classys verifies partners' ESG capabilities and evaluates the possibility of sustainable transactions, thereby reinforcing its building of a stable and sustainable supply chain.



Official Letter to Partners for ESG Management Cooperation

Quality Management

Classys has implemented a comprehensive quality management system to consistently produce high-quality, reliable products, while also ensuring continuous quality improvement.

Quality Control

Classys prioritizes customer satisfaction as its core value, emphasizing the provision of stable and high-quality products essential for sustainable corporate growth. To that end, we have established robust quality control systems and processes to manage product safety and quality.

Quality Certifications and Approvals

To enhance the reliability of our product manufacturing process and product quality, Classys has obtained several international quality certifications for all of our production lines. These include ISO 13485 for medical device quality management systems, GMP certification for medical device manufacturing and quality management, as well as MDASP and CE certifications. Products manufactured under these highly quality-controlled systems demonstrate superior quality and stability.

As a manufacturer of medical aesthetic devices, Classys must comply with stringent regulatory requirements for the design, development, manufacturing, and distribution of our products and services. Regulations affecting Classys' business are set by agencies such as the Korean Ministry of Food and Drug Safety (MFDS), relevant European authorities, similar agencies in other countries where our products are manufactured and distributed, and international standard-setting bodies like the International Organization for Standardization (ISO). Regulatory approvals and applicable certifications are subject to audits of Classys' quality system by regulatory authorities, notified bodies, and other independent external auditors.

Classys has designed an enterprise-wide quality management system managed by the Quality Management Team and the Quality Control Team, as defined in our quality manual. This ensures our products and services meet customer demands and regulatory requirements in all countries where we operate. The regulatory requirements we comply with include, but are not limited to, the KGMP quality system, ISO 13485 quality system, MDSAP, and CE-MDD.

ISO 13485, in particular, is a widely recognized standard for compliance with international laws and regulations in the field of medical devices and related services. The standard defines comprehensive requirements for quality management systems, thus enabling consistent results. In fact, all of Classys' manufacturing facilities are 100% ISO 13485 certified. Classys' ISO 13485 certification covers the design, development, production, sales, distribution, and service of HIFU devices, cooling therapy devices, laser procedure devices, electrical stimulators, and radio frequency (RF) devices. The scope of the certification also covers our headquarters and both our Plant 1 and Plant 2.

Certification Scope

Category	Headquarters	Plant 1	Plant 2
KGMP Quality System	○	○	○
CE-MDD	○	○	○
ISO 13485 Quality System	○	○	○
MDSAP Quality System	○	○	○



GMP Certification for Medical Device Manufacturing and Quality Control



ISO 13485 Certification for Medical Device Quality Management Systems



Ministry of Food and Drug Safety

MFDS Approval and International Quality Certifications, including CE

Quality Management

Quality Inspection

Classys produces high-quality products through optimized operating systems and processes, conducting in-house quality evaluations according to international standards (ISO, KGMP, MDSAP, and CE). The dedicated Quality Control Team manages and ensures that raw materials, in-process products, finished products, packaging materials, and serial labels meet all these quality control standards. At the same time, the team also supervises the quality of all devices and consumables.

In addition, the Quality Control Team reviews all specifications, standard operating sheets (SOSs), quality control processes, and manufacturing records according to Classys' quality manual and performs periodic inspections of its products and facilities. The team also regularly trains relevant workers to ensure they have sufficient expertise for related job functions and conducts regular internal audits to correct non-conformities, thereby enhancing the reliability of the in-house quality management system.

Quality evaluations cover the entire production process, from raw materials and production processes to finished products.

To improve product safety and quality, Classys conducts stress tests exceeding legal requirements and identifies internal improvement goals, forming task forces to carry out quality enhancement activities when necessary. All relevant departments, including the Quality Control Team, Domestic Customer Service Team, Global Technical Support Team, Production Team, Production Technology Team, Procurement Team, Materials Team, and Research Center, collaborate to stabilize major products and improve their quality. In 2023, the quality improvement task force held a total of 19 meetings and completed 80 improvement tasks.

Classys plans and conducts audits to improve partner companies' quality management practices, develops methodologies for partner selection, and discusses and implements activities to improve process defect rates. Furthermore, we share customer service cases received from customers with partners to enhance understanding and satisfaction regarding product quality as we strive for continuous improvement.

Defect rates are monitored at each inspection stage and efficiently managed on dashboards that are prominently displayed at all worksites. In the event of significant defect rates, specific quality inspections are conducted, followed by corrective and preventive actions, with all results closely monitored.



Quality Management

Enhanced Quality Management Activities

P-FMEA (Process Failure Modes and Effects Analysis) Process

Classys conducts P-FMEA process activities to analyze and prevent potential failure modes (severity/ occurrence/detection) that may impact product and process functions, from raw material input to the final product release.

To further prevent operator errors and defects, we have strengthened the poka-yoke system within processes. Additionally, based on validated Vision AI automation equipment, we ensure a high standard of inspection capabilities and traceability, and have established a Q-Gate that enables real-time monitoring.

These activities are continuously maintained to provide high-quality products to our customers.

CAPA Process (Corrective Action Preventive Action)

To provide customers with stable and high-quality products, Classys has established a CAPA process system to address issues and prevent recurrence. This system facilitates rapid corrective and preventive actions with thorough problem definitions and detailed root cause analyses. By reviewing related upstream and downstream processes, we reinforce proactive problem-prevention activities throughout the overall production process.

Supplier Quality Improvement Activity

Classys conducts forward inspections on key raw material suppliers that impact the performance and quality of our finished products, ensuring effective incoming quality control (IQC) activities that meet our specifications. We also engage in monthly quality improvement activities and CAPA process systems with partners, addressing current issues and anticipating potential future risks for continuous quality improvement.



Quality Management

Suggestions and Rewards

All employees are encouraged to suggest improvements to the company's products and manufacturing processes. This can be done by regularly sharing improvement results during team activities and task force initiatives. Outstanding proposal teams are publicized and rewarded with cash prizes to continuously motivate process improvement and collaboration.



Unique Device Identifier (UDI) and Serial Numbers

We manage UDIs and serial numbers to efficiently record and organize medical device-related information. This information is managed according to a standardized system to ensure consistency and efficiency. UDI management enables tracking individual device production and distribution processes, facilitating effective quality control and problem-solving efforts.

Quality Management Training

We offer comprehensive quality management training for all employees to support their development into quality management experts. Quality management training is an integral part of the orientation program for new hires, with all employees receiving training on our products. In particular, manufacturing workers, materials staff, designers, and risk managers receive quality management training tailored to the specific quality procedures for their respective fields.

Quality Management Training

Target	Topics	Frequency
Production Division, R&D Division, Quality & Regulatory Division, Domestic Business Division, Global Business Division, Home Care Business Department	<ul style="list-style-type: none"> In-depth job training in regulatory science, marketing strategies, clinical management, quality management, and risk management 	<ul style="list-style-type: none"> At least once a year Cumulative: 791 participants, 3,019 hours
Entire workforce	<ul style="list-style-type: none"> ESG letters Distribution of product descriptions 	<ul style="list-style-type: none"> Annually, continuously
New hires, experienced employees, contract workers	<ul style="list-style-type: none"> Product orientations and ESG letters Distribution of product descriptions 	<ul style="list-style-type: none"> Monthly

Zero Product Recalls By Regulatory Authorities

Thanks to our stringent quality management, which emphasizes high product quality and stability, we have maintained a record of zero product recalls initiated by regulatory authorities, including the Ministry of Food and Drug Safety (MFDS) and CE.

Quality Management

Responsible Marketing

Responsible Marketing Policy

Classys strictly adheres to domestic and international marketing regulations through our Responsible Marketing Policy. To enhance our brand value as a global brand, we manage legal risks associated with advertising, promotional materials, and other marketing activities. We also closely monitor relevant legal amendments and policy trends of industrial ethics, medical professionals, medical devices, and fair trade.

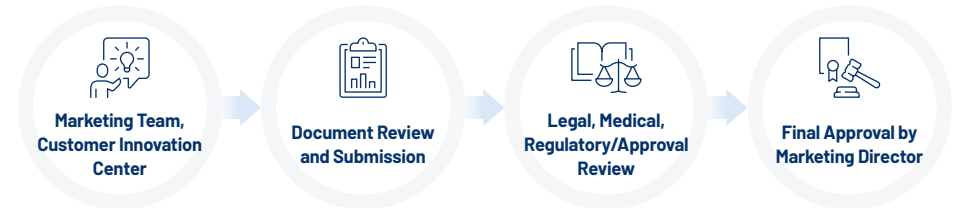
In addition, we provide clear, transparent information about our products' features, functions, and performance so that consumers can make informed choices. At the same time, we listen to consumer feedback through various channels as we continuously strengthen trust and strive to protect consumers' fundamental rights. We also ensure that medical device labeling and descriptions are clear, avoiding misleading expressions that could cause consumer misunderstanding due to missing or exaggerated information. In collaboration with our partners, we adhere to all relevant conduct standards as well.

Furthermore, we disclose all significant legal and regulatory procedure statuses through our annual reports. In 2023, we incurred no financial losses from false marketing legal procedures.

[Responsible Marketing Policy](#)

Marketing Monitoring Procedures and Regular Audits

Under a strict marketing management framework, we review legal, medical, regulatory, and approval risks, with only approved content being used in marketing activities.



To most effectively implement our marketing policy, we have established an internal control process and regularized self-check procedures through continuous education. Employees can verify compliance with the marketing policy using established processes such as drafting medical expenditure reports and conducting advertisement self-checks. High-priority issues are separately reviewed to understand internal response statuses and develop improvement measures. We have also significantly strengthened our compliance system by establishing a compliance program (CP) that meets all legal requirements and carrying out annual audits and effectiveness evaluations.

In accordance with the marketing ethics violation reporting process, all employees must immediately report any marketing-related violation(s) directly to the marketing department manager, who must then promptly address the reported issue(s).

Quality Management

Training and Activities for Responsible Marketing, Advertising, and Promotions

Classys operates a systematic training program to ensure that all members and relevant partners understand the company’s policies on responsible marketing. Orientation training (OT) is conducted at least once a year for new hires, experienced employees, and contract workers. Specialized job training is provided to the Marketing Team, Sales Team, and Customer Innovation Center, as they are involved in all our product promotional activities. The specialized job training content includes specific guidelines on marketing codes of conduct, fair competition policies, anti-corruption and bribery prevention, conflict of interest, social media management, and interactions with healthcare professionals and public officials.

Marketing Compliance Training

Target	Topic	Frequency
Domestic Marketing Team, Customer Innovation Center, Domestic Sales Division (80 employees)	<ul style="list-style-type: none"> In-depth job training Self-check with checklists 	<ul style="list-style-type: none"> Annually
Entire workforce	<ul style="list-style-type: none"> ESG letters Distribution of marketing guidelines 	<ul style="list-style-type: none"> Annually, continuously
New hires, experienced employees, contract workers	<ul style="list-style-type: none"> Marketing policy OT training and ESG letters, distribution of marketing guidelines 	<ul style="list-style-type: none"> Monthly for new hires, experienced employees, and contract workers Annually for the entire workforce

Relationship Management with Healthcare Professionals

Classys continuously develops cooperative relationships with healthcare workers to provide customers with high-quality, balanced product information. To eliminate any conflict of interest that could negatively impact fair, professional judgment or research activities, Classys steadfastly adheres to Marketing Fair Trade Compliance Regulations. This includes anti-corruption behavior standards and prohibits illegal rebates to healthcare professionals, ensuring all members comply without exception.

Off-Label Marketing Management and Product Labeling Management

Off-label marketing refers to practices that encourage using products for unapproved purposes to boost sales and revenue. Recognizing the potential harm to customer health and market order, Classys strictly prohibits any off-label marketing activities, all of which are dictated by both our domestic and international compliance programs.

Classys strictly adheres to each country’s medical device labeling regulations. Labels must include the company and product information, batch/lot numbers, manufacturing date, expiration date (if applicable), capacity or weight, storage conditions, and other required information per each country’s regulations. Internal procedures are established and followed to ensure proper label management, with labels managed by product and country for easy identification. Additionally, inspections of attached labels are conducted before final product shipment to confirm compliance with product- and country-specific labeling requirements.

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Governance

Classys fulfills its governance responsibilities through strict policies that ensure a transparent and sound governance structure.

General Shareholders’ Meeting and Shareholder-Friendly Policies

Shareholder-Friendly Policies

Classys respects shareholders’ opinions and supports their participation in general shareholders’ meetings (GSM) and the exercise of their voting rights in a wide variety of ways.

To ensure shareholders have sufficient time to review agenda items before exercising their voting rights, Classys discloses the date and location of the GSM, along with explanatory materials for each agenda item, on the Financial Supervisory Service’s electronic disclosure system (DART) and the Korea Exchange disclosure system (KIND) two weeks in advance. In addition, for shareholders’ convenience, notices of convocation, business reports, and audit reports are posted on the company website. To provide comprehensive corporate information to foreign shareholders, most disclosures are also available in English, with English IR books and annual reports posted on our website.

To maximize shareholder participation in decision-making, a number of different methods are considered. From the 8th GSM in March 2023, electronic voting was introduced. At the 9th GSM in March 2024, we scheduled the GSM date to avoid overlapping with the GSM of other companies, and electronic proxy voting was provided. For the sake of convenience, proxies are distributed in various ways, including direct delivery, mail, facsimile, and the internet.

Furthermore, Classys is committed to providing timely and sufficient information to shareholders through active IR activities, thorough disclosures, and an array of information provisions on the website to enhance understanding of the company’s business.

Shareholder Return Policy

Classys continuously strives to enhance shareholder value through shareholder returns, while also strengthening the competitiveness of products such as Ultraformer III (Shurink) and Volnewmer. To meet investor expectations, Classys bases its shareholder return policy on business performance and determines dividends accordingly. Dividends are proposed by the board of directors and finalized through approval at the general shareholders’ meeting, in accordance with the Articles of Incorporation. The dividend scale is determined by considering business performance for competitive expansion, future strategic investments for sustainable growth, cash flow plans for appropriate financial soundness, and distributable profits under the Commercial Act.

As sales and profits grow, the scale of shareholder returns is also expanding. Since going public, Classys has provided dividends for seven consecutive years, with the dividend per share steadily increasing from KRW 66 in 2021 to KRW 116 in 2022 and KRW 200 in 2023. Additionally, the total cash dividend amount has increased from KRW 4.3 billion in 2021 to KRW 7.5 billion in 2022 and KRW 12.8 billion in 2023.

Moreover, following the decision to acquire treasury shares through a trust in 2022, Classys acquired 777,183 shares worth approximately KRW 20 billion by the end of 2023, and all treasury shares were canceled in February 2024, demonstrating several different policies for shareholder returns.

Dividend History for the Last 5 Years

(Unit: KRW)

Category	Cash Dividend per Share	Total Cash Dividend	Consolidated Payout Ratio	Dividend Yield
2019	46	2,960,761,480	8.9%	0.3%
2020	60	3,882,550,080	10.2%	0.4%
2021	66	4,271,313,024	9.8%	0.3%
2022	116	7,471,451,656	9.9%	0.6%
2023	200	12,799,903,800	17.2%	0.5%

Governance

Results of the 9th Annual General Shareholders' Meeting

At the 9th annual general shareholders' meeting held on March 28, 2024, all three reported agenda items and thirteen proposed agenda items were approved as originally proposed. A total of 75.5% of the issued shares, excluding shares without voting rights such as treasury shares, attended the GSM and exercised their voting rights.

Results of the 9th Annual General Shareholders' Meeting

Category	Approval/Disapproval	Percentage to the Total Number of Issued Shares with Voting Rights			Remarks
		Attendance Rate	Approval Rate	Disapproval/Abstention Rate	
Agenda Item 1. Approval of the 9 th Consolidated and Separate Financial Statements (cash dividend of KRW 200 per share)	Approved	75.5%	75.1%	0.4%	
Agenda Item 2-1. Appointment of Baek Seung-han as an Executive Director	Approved	75.5%	73.3%	2.2%	
Agenda Item 2-2. Appointment of Kim Dong-wook as a Non-executive Director	Approved	75.5%	72.9%	2.6%	
Agenda Item 2-3. Appointment of Kim Hyun-seung as a Non-executive Director	Approved	75.5%	73.8%	1.7%	
Agenda Item 2-4. Appointment of Choi Yong-min as a Non-executive Director	Approved	75.5%	75.3%	0.2%	
Agenda Item 2-5. Appointment of Park Wan-jin as a Non-executive Director	Approved	75.5%	72.9%	2.6%	
Agenda Item 2-6. Appointment of Park Jun-hong as an Outside Director	Approved	75.5%	75.5%	0.0%	
Agenda Item 2-7. Appointment of Kim Dong-ju as an Outside Director	Approved	75.5%	74.7%	0.8%	
Agenda Item 3. Appointment of Kwon Hyuk-jin as an Outside Director to Become an Audit Committee Member	Approved	49.3%	99.4%	0.6%	(Note 1)
Agenda Item 4-1. Appointment of Park Jun-hong as an Audit Committee Member	Approved	49.3%	99.9%	0.1%	(Note 1)
Agenda Item 4-2. Appointment of Kim Dong-ju as an Audit Committee Member	Approved	49.3%	95.8%	4.2%	(Note 1)
Agenda Item 5. Approval of Directors' Remuneration Limit	Approved	75.5%	75.4%	0.1%	
Agenda Item 6. Approval of Stock Option Grant by the BoD	Approved	75.5%	75.3%	0.2%	

(Note 1) Shares with voting rights restricted by the Commercial Act are excluded.

Board of Directors

Appointment and Composition of the Board of Directors

The board of directors (BoD) determines the company's management goals and strategies to promote growth and protect stakeholder interests, while also overseeing management without incident. To perform these functions effectively, the board is transparently composed and operated according to the relevant legal procedures. The BoD consists of directors appointed by the general meeting of shareholders in accordance with the Commercial Act and the Articles of Incorporation. As of the end of April 2024, the BoD comprises eight directors: one executive director, four non-executive directors, and three outside directors. For a more objective review, all outside director candidates are recommended by the Nomination Committee.

During the nomination of directors, detailed information about the candidates is provided through the general meeting notice and electronic voting system, with approvals then obtained at the general meeting. According to Article 363 of the Commercial Act and Article 21 of Classys' Articles of Incorporation, shareholders are notified in writing or electronically two weeks prior to the meeting, including the date, location, and purpose of the meeting. If the agenda includes the nomination of a director(s), details such as the candidates' names and resumes are provided.

Candidates for director position(s) are recommended through various channels, including shareholders and stakeholders. The evaluation and selection criteria for the candidate pool consider the diversity and expertise of BoD members, as well as the company's direction. The focus is on whether candidates can exercise independent judgment from a wide range of perspectives without limiting race, nationality, gender, place of origin, religion, or professional field. After taking into consideration the evaluation content, candidates who share in the company's vision and management philosophy and can suggest a meaningful developmental direction are selected and recommended. These selection criteria for outside director candidates are reviewed annually for appropriateness.

Governance

Main Career Details of BoD Members (as of April 2024)

Name	Gender	Position	Key Experience	Term Expiry Date
Baek Seung-han	Male	CEO Chair of the Board	Bachelor's in Health Sciences, Yonsei University MBA, Helsinki School of Economics 2017-2022 CEO, Beckman Coulter Korea 2017-2022 Director, Danaher Korea 2019-2021 Chair, In Vitro Diagnostic Products Committee, Korea Medical Devices Industry Association 2022-present CEO, Classys	Mar. 27, 2026
Kim Dong-wook	Male	Non-executive Director Member of Compensation Committee	Bachelor's in Electrical Engineering, Seoul National University MBA, Columbia Business School 2006-2020 Managing Director of Citigroup Global Markets Securities 2020-present Partner, Bain Capital Private Equity 2022-present Non-executive Director, Classys	Mar. 27, 2026
Kim Hyun-seung	Male	Non-executive Director Member of Nomination Committee	Bachelor's in Industrial Engineering, Seoul National University 2014-2018 Director, Unison Capital 2018-present Senior Director, Bain Capital Private Equity 2022-present Non-executive Director, Classys	Mar. 27, 2026
Choi Yong-min	Male	Non-executive Director	Bachelor of Science in Applied Mathematics & Economics, Brown University 2014-2022 Principal, Bain Capital Private Equity (Asia), LLC (Hong Kong) 2022-present Managing Director, Bain Capital (Korea) Co., Ltd. 2024-present Non-executive Director, Classys	Mar. 27, 2026
Park Wan-jin	Male	Non-executive Director Member of Compensation Committee	BA in Economics, Stanford University MS in Management Science & Engineering, Stanford University 2016-present Managing Director, Bain Capital Private Equity 2022-present Non-executive Director, Classys	Mar. 27, 2026

Name	Gender	Position	Key Experience	Term Expiry Date
Park Jun-hong	Male	Lead Outside Director Member of Audit Committee Chair of Outside Directors Council	Bachelor's in Business Administration, Seoul National University MBA, Seoul National University MBA, University of Michigan—Ann Arbor 2017-2020 Vice President/Managing Director, Johnson & Johnson Vietnam 2022-present Outside Director, Ildong Holdings Co., Ltd. 2022-present Outside Director, Classys	Mar. 27, 2026
Kwon Hyuk-jin	Male	Outside Director Chair of Audit Committee Chair of Compensation Committee Member of Outside Directors Council	Bachelor's in Economics, College of Social Sciences, Seoul National University MBA/Finance, Seoul National University PhD in Business Administration/Accounting, Dongguk University 1993-2015 Partner/Financial Industry Leader Group, Samil PwC 2015-2019 Head of Consulting Division, Namu Corp. 2020-2021 Director (Vice-President), Jungin Accounting Corporation 2021-2024 Full-Time Auditor, Kolon Life Science Co., Ltd. 2021-present Adjunct Professor, Accounting Department, Dongguk University 2022-present Outside Director, Classys	Mar. 27, 2026
Kim Dong-ju	Female	Outside Director Member of Audit Committee Chair of Nomination Committee Member of Outside Directors Council	Master's in Psychology, Yonsei University MBA, Wharton, University of Pennsylvania 2017-2018 General Manager, Chanel Korea Beauty & Fragrance 2018-2021 General Manager, Sephora Korea 2021-present CEO, L'Oréal 2022-present Outside Director, Classys	Mar. 27, 2026

Governance

Responsible Management Led by an Independent and Professional BoD

The Board of Directors continually requires strategic judgment capabilities that consider rapidly changing opportunities and risks from multiple perspectives to enhance the company's growth and the interests of its stakeholders. Therefore, each director's expertise and diversity is crucial.

Outside directors are experts in a wide range of fields, including management and accounting, medical devices, healthcare, and sales and marketing. They guide and oversee the company's management across all areas. By composing the board with experts from diverse fields, objective decision-making is supported through the participation of different perspectives. Independence is ensured by fundamentally excluding the appointment of individuals who may have difficulty faithfully performing their duties or may exert undue influence on management.

Executive directors, selected for their expertise in the medical and healthcare industries, are appointed to make quick and accurate decisions considering the myriad changes taking place in the industry and the business on a constant basis. All executive directors are committed to responsible management to enhance corporate value.

BoD Skill Matrix

Category	Baek Seung-han	Kim Dong-wook	Kim Hyun-seung	Choi Yong-min	Park Wan-jin	Park Jun-hong	Kwon Hyuk-jin*	Kim Dong-ju**
Medical Device Industry	○	○	○	○	○	○		
Beauty & Healthcare Industry	○	○	○	○	○	○		○
Accounting & Finance		○	○	○	○		○	
Sales & Marketing	○					○		○
Diversity								○
M&A		○	○	○	○			

* Certified public accountant

** Female

BoD Operation

Classys has in place and adheres to the Articles of Incorporation and the Board Operating Policies to clarify the efficient operation, authority, and responsibilities of the BoD. Regular BoD meetings are held quarterly, in principle, according to board policies, with ad-hoc meetings held as needed when circumstances arise. The board chair convenes the meetings, and notification of the meeting date, time, location, and agenda is provided at least seven days in advance. Directors can participate in resolutions using communication means that allow simultaneous voice transmission and reception, while directors with a special interest in an agenda item are restricted from exercising their voting rights on that particular item.

The BoD effectively performs strategic management decision-making and management oversight functions by deliberating on significant management matters as well as those required by law. Additionally, significant matters recognized as necessary by the board or individual directors or those delegated by the shareholders' meeting are included for board deliberation.

2023 BoD Performance



* Meetings held on the same date are counted as one meeting.

Governance

Key Resolutions

Session	Date	Agenda	Approval/ Disapproval
1	Feb. 15, 2023	Report Agenda 1) Report by the CEO on the Internal Controls Operation Status over Financial Reporting	(Report)
		Agenda 1. Approval of the 8 th Financial Statements	Approved
		Agenda 2. Approval of the 8 th Business Report	Approved
		Agenda 3. Approval of the Introduction of Electronic Voting	Approved
2	Mar. 13, 2023	Agenda 4. Approval of Bonus Payments	Approved
		Report Agenda 1) Report by the Audit Committee on the Internal Controls Evaluation over Financial reporting	(Report)
		Agenda 1. Amendment of the Articles of Incorporation	Approved
		Agenda 2. Resolution on Dividends	Approved
	Mar. 13, 2023	Agenda 3. Amendment of Stock Option Regulations	Approved
Agenda 4. Granting of Stock Options		Approved	
Mar. 13, 2023	Agenda 5. Convening of Regular General Shareholders' Meeting	Approved	
3	Mar. 30, 2023	Agenda 1. Approval of the Extension of the Trust Contract for the Acquisition of Treasury Stock	Approved
		Report Agenda 1) Report on Adjustments to Financial Statements Before and After Auditing	(Report)
	Mar. 30, 2023	Report Agenda 2) Report on the Audit Committee's Evaluation of Audit Activities	(Report)
4	May 04, 2023	Agenda 1. Approval of Remuneration for Registered Directors	Approved
		Agenda 1. Granting of Stock Options	Approved
5	May 18, 2023	Agenda 1. Acquisition of Redeemable Convertible Preferred Stock of Another Company	Approved
		Report Agenda 1) Q1 Settlement Results	(Report)
		Report Agenda 2) ESG Strategy Report	(Report)
		Agenda 1. Partial Amendment of Board Operating Policies	Approved
		Agenda 2. Selection of Lead Outside Director	Approved
6	Aug. 10, 2023	Agenda 3. Establishment and Appointment of Members of the Compensation Committee	Approved
		Agenda 4. Establishment and Appointment of Members of the Nomination Committee	Approved
		Agenda 5. Approval of Asset Management Plan	Approved
		Report Agenda 1) Q2 Settlement Results	(Report)
7	Sep. 04, 2023	Agenda 1. Approval of ESG Materiality and Business Performance	Approved
		Agenda 1. Decision to Purchase Shares Issued by Another Company	Approved
		Agenda 2. Approval of Extension of Trust Contract for the Acquisition of Treasury Stock	Approved

Session	Date	Agenda	Approval/ Disapproval
8	Nov. 07, 2023	Report Agenda 1) Q3 Settlement Results	(Report)
		Report Agenda 2) Succession Plan	(Report)
		Report Agenda 3) Risk Management Activities of the Chief Risk Officer (Financial/ Non-financial)	(Report)
9	Nov. 07, 2023	Report Agenda 4) Anti-corruption Plan Implementation Results According to Classys' Code of Ethics	(Report)
	Dec. 20, 2023	Agenda 1. Approval of Termination of Trust Contract for the Acquisition of Treasury Stock	Approved
		Agenda 1. Approval of New ERP Development	Approved

Key Resolutions Post-2023

Session	Date	Agenda	Approval/ Disapproval
1	Feb. 14, 2024	Report Agenda 1) Report by the CEO on the Internal Controls Operation Status over Financial Reporting	(Report)
		Agenda 1. Approval of the 9 th Financial Statements	Approved
		Agenda 2. Approval of the 9 th Business Report	Approved
		Agenda 3. Approval of Bonus Payments	Approved
2	Feb. 27, 2024	Agenda 4. Amendment of Internal Accounting Management Regulations and Guidelines	Approved
		Agenda 1. Approval of the Cancellation of Treasury Stock	Approved
3	Mar. 13, 2024	Agenda 2. Resolution on Dividends	Approved
		Report Agenda 1) Report on the Internal Controls Evaluation over Financial Reporting by the Audit Committee	(Report)
		Agenda 1. Partial Amendment of Board Operating Policies	Approved
		Agenda 2. Cancellation of Stock Option Grant	Approved
	Mar. 29, 2024	Agenda 3. Nomination of Director and Audit Committee Member Candidates	Approved
Agenda 4. Convening of Regular General Shareholders' Meeting and Submission of Agenda		Approved	
4	Mar. 29, 2024	Agenda 5. Evaluation of the Board of Directors, Board Committees, and Individual Directors	Approved
		Agenda 1. Appointment of CEO	Approved
		Agenda 1. Appointment of Compensation Committee Members	Approved
		Agenda 2. Appointment of Nomination Committee Members	Approved
		Agenda 3. Selection of Lead Outside Director	Approved
		Agenda 4. Approval of Remuneration for Registered Directors	Approved
		Report Agenda 1) Report on the Evaluation of the Audit Committee's Audit Activities	(Report)
		Report Agenda 2) Report on Adjustments to Financial Statements Before and After Auditing	(Report)

Governance

Evaluation of the BoD, BoD Committees, and Individual Directors

Purpose of the BoD Evaluation

Classys strives for sound management, shareholder rights protection, and social trust enhancement. To achieve long-term growth and continuous improvement of corporate governance, Classys conducts comprehensive evaluations of the entire board and individual directors to assess their capabilities and objectivity. The results of these evaluations may then be reflected in the deliberation of director compensation and reappointment.

Evaluation of Board and Committee Activities

Classys conducts an annual self-evaluation of the board, with a focus on five areas: roles and responsibilities, operation, quality, diversity, and composition and qualifications. Both quantitative and qualitative methods are used. The evaluation criteria and items are established based on suggestions from the Outside Directors Council, and the BoD conducts evaluations according to these established criteria.

The evaluation of BoD activities is conducted using a five-point scale at a BoD meeting attended by all directors. If the overall average score is 4 or above, it is rated as "Excellent"; 3 or above as "Good"; 2 or above as "Needs Improvement"; and below 2 as "Replacement Needed."

In addition, committees within the BoD (excluding the Audit Committee) and individual directors are also evaluated. Striving for sound management, shareholder rights protection, and social trust enhancement, the Audit Committee independently assesses its own independence and activities and reports to the board.

Evaluation Results

Category	Evaluation Areas	Evaluation Results
Board of Directors	Roles and Responsibilities	Excellent
	Operation	
	Quality	
	Diversity	
	Composition and Qualifications	
Compensation Committee	Operation	Excellent
	Composition and Qualifications	
Nomination Committee	Operation	Excellent
	Composition and Qualifications	

Individual Director Performance Evaluation

Classys annually evaluates individual directors at the board level based on criteria such as contribution, expertise, and independence. Evaluations are conducted using both quantitative and qualitative methods across three areas—contribution, expertise, and independence—using a five-point scale. If the overall average score is 4 or above, it is rated as "Excellent"; 3 or above as "Good"; 2 or above as "Needs Improvement"; and below 2 as "Replacement Needed."

Individual Director Evaluation Results

Name	Evaluation Results
Baek Seung-han	Excellent
Lee Jung-woo	Excellent
Kim Dong-wook	Excellent
Kim Hyun-seung	Excellent
Park Wan-jin	Excellent
Park Jun-hong	Excellent
Kwon Hyuk-jin	Excellent
Kim Dong-ju	Excellent

Governance

Director Remuneration Policy

Remuneration Policy Overview

Classys is committed to ensuring objectivity and fairness in decisions regarding the compensation of executive directors. To that end, we have established a Compensation Committee composed exclusively of directors who have no personal or professional ties to the executive directors. This committee is tasked with aligning the executive compensation package with the company's long-term goals and interests.

The Compensation Committee employs a holistic approach in evaluating compensation packages. This includes consideration of both short-term and long-term goals as well as a blend of financial and non-financial indicators. It conducts regular reviews and evaluations to check if compensations are appropriately made, considering both financial indicators—business performance, profitability, and stock performance—and non-financial indicators—sustainable management factors and productivity. This comprehensive evaluation guarantees that compensation for executive directors is in line with the company's strategy and performance in both financial and non-financial areas.

Additionally, the committee reviews the balance between financial and non-financial incentives. Financial incentives include short-term performance-based bonuses and long-term performance-based rewards such as stock options, which are directly linked to pre-defined performance goals and the company's long-term growth. Non-financial incentives include recognition of leadership, supportive work environments promoting innovation, and career growth.

The Compensation Committee and the BoD actively discuss evaluating and adjusting the compensation structure as needed. Through this approach, Classys aligns the interests of executive directors with those of the company, thus promoting sustainable long-term value creation.

CEO Stock Ownership Policy

The Classys Compensation Committee has deliberated and approved its own "Stock Ownership Guidelines" to align the CEO's interests with those of the company. These guidelines ensure the CEO focuses on both short-term and long-term goals while also promoting continuous shareholder value enhancement at the same time.

According to the "Stock Ownership Guidelines" approved by the Compensation Committee, the CEO is encouraged to invest substantially in Classys stock. The CEO must own Classys stock equivalent to five times their annual base salary, achieving this ownership level within five years of appointment following the policy's implementation date. Since Classys believes that direct stock ownership

harmonizes the CEO's financial interests with those of the company, the value of unexercised stock options is not considered in meeting this guideline. Until this requirement is met, the CEO cannot sell shares acquired through executive incentive plans, such as stock options, except for sales needed to cover option exercise costs or taxes.

The CEO must report their current stock ownership status to the Compensation Committee on an annual basis. The committee conducts a thorough review of the CEO's compliance with the "Stock Ownership Guidelines" each year. Currently, the tenure of the existing CEO has not yet reached the five-year deadline for achieving the required stock ownership level.

The Compensation Committee evaluates stock ownership status under the "Stock Ownership Guidelines" alongside short-term and long-term performance, considering both financial and non-financial outcomes using quantitative and qualitative methods. These evaluation results then influence final decisions concerning the CEO's compensation package.

Variable Performance-Based Compensation & Clawback Provisions

At Classys, compensation for the CEO and executive management is structured to balance annual short-term and long-term evaluations for long-term bonuses based on performance evaluation periods. This system is designed to ensure that the compensation for the CEO and executive management is highly performance-based, ensuring that rewards are closely tied to the company's success.

Classys employs a performance-linked stock option scheme in which the number of shares granted can be adjusted based on financial and non-financial performance. However, in cases where clawback reasons are applicable, compensation may be reclaimed according to established criteria. These measures are designed to adjust compensation amounts naturally if the company's value deteriorates, leading to a decline in stock price. The policy explicitly states that variable performance compensation can be reclaimed if unethical behavior, legal violations, or losses occur.

The Compensation Committee mainly guards against financial statement distortions due to accounting fraud or errors, ensuring inappropriate performance links are avoided. If significant accounting fraud or errors require restatement of financial statements, variable performance compensation may be adjusted or reclaimed according to the set criteria. Classys ensures, through institutional measures, that management achieves maximum ethical performance with appropriate performance-linked compensation.

Governance

Outside Directors Council

To strengthen the independence of outside directors in supervising and supporting executive management, Classys operates an Outside Directors Council consisting of all our outside directors. Its composition is made up solely of outside directors, excluding management, ensures free and objective discussions within the council, and promotes the company's growth and shareholder rights. In 2023, the Outside Directors Council discussed the need for periodic evaluations of the effectiveness of the board of directors and its committees, as well as the contribution of individual directors, and recommended the implementation of such evaluations to the board.

As decided by the outside directors, Park Jun-hong, an outside director who had previously served as the vice president of a global pharmaceutical and healthcare company, was appointed to lead the Outside Directors Council in 2023. The council collects opinions from outside directors and communicates them to the board and/or management. Additionally, Classys supports the operation of the council by providing all the necessary resources and, if needed, covers the costs of any consulting experts.

2023 Outside Directors Council Performance Results



* Meetings held on the same date are counted as one meeting.

Key Resolutions

Session	Date	Agenda	Approval/ Disapproval
1	Nov. 29, 2023	Agenda 1. Discussion on the Board Evaluation Proposal	Approved

Board Committees

Overview

To enhance governance transparency, Classys has established a Nomination Committee and a Compensation Committee. Each committee operates under policies established by board resolution, which define its purpose, authority, responsibilities, composition, operations, and the appointment and dismissal of members. Resolutions made by the committees are communicated to each director.

Compensation Committee

Classys' Compensation Committee determines the compensation packages for executive directors after review and deliberation. The committee considers comprehensive compensation packages and focuses on ensuring that these packages align with the company's strategy and goals, while also appropriately considering stakeholders' interests. In addition, it ensures that compensation packages are competitive and managed transparently.

2023 Compensation Committee Performance Results



* Meetings held on the same date are counted as one meeting.

Key Resolutions

Session	Date	Agenda	Approval/ Disapproval
1	Nov. 22, 2023	Agenda 1. Criteria for Short-term Incentive Payments for Executive Director(s)	Approved

Governance

Key Resolutions Post-2023

Session	Date	Agenda	Approval/ Disapproval
1	Feb. 27, 2024	Agenda 1. Stock Ownership Guidelines Agenda 2. Clawback Policy for Variable Compensation Agenda 3. Review of Individual Performance and Performance-based Compensation for Executive Director(s) Agenda 4. Review of Remuneration Limits for Registered Directors to be Proposed at the General Shareholders' Meeting	Approved Approved Approved Approved

Nomination Committee

Classys' Nomination Committee reviews and evaluates candidates for outside director positions. Candidates must meet the qualifications required by relevant laws and the company's articles of incorporation, have no significant conflicts of interest with Classys, and be able to make independent management decisions and supervise management effectively. The committee selects candidates with extensive knowledge and experience in areas such as the medical device industry, healthcare and beauty industries, accounting and finance, sales and marketing, diversity, and M&A. It prioritizes candidates who can independently make assessments from diverse perspectives, regardless of their race, nationality, gender, region of origin, religion, or professional background.

To ensure fairness in the recommendation and appointment process of outside directors, Classys provides detailed information about candidates, including their key career achievements, relationship with the company, and reasons for the recommendation, through a shareholders' meeting notice and proxy materials.

2023 Nomination Committee Performance Results



* Meetings held on the same date are counted as one meeting.

Key Resolutions

Session	Date	Agenda	Approval/ Disapproval
1	Nov. 29, 2023	Agenda 1. Establishment of Criteria for Selecting Outside Director Candidates	Approved

Key Resolutions Post-2023

Session	Date	Agenda	Approval/ Disapproval
1	Mar. 12, 2024	Agenda 1. Recommendation of Outside Director Candidates	Approved

Governance

Audit Committee

Audit Committee members, who are initially screened by considering factors such as legal requirements and independence, are finally appointed at the general shareholders' meeting after being reviewed by the board of directors. The Audit Committee is composed of experts in accounting and finance as well as industry specialists who have no conflicts of interest with the company or management, allowing them to independently supervise management.

The committee deliberates on and supervises major management tasks, including auditing accounting operations, evaluating the internal accounting control system, checking the operation status of internal monitoring systems, reviewing shareholders' meeting agenda items, and other matters prescribed by the company's articles of incorporation. It also ensures that directors and management make reasonable decisions. In 2023, the Audit Committee held six meetings to deliberate and resolve a host of agenda items, such as selecting the committee chair, discussing internal accounting controls, and reviewing audit results.

Classys provides management data to the committee to enable a thorough review of all necessary information and offers regular updates on major company issues. Furthermore, to enhance management understanding and auditing expertise, two training sessions were conducted in 2023.

2023 Audit Committee Performance Results



* Meetings held on the same date are counted as one meeting.

Key Resolutions

Session	Date	Agenda	Approval/Disapproval
1	Feb. 15, 2023	Report Agenda 1) Final Report on Internal Controls over Financial Reporting	(Report)
		Report Agenda 2) In-person Report by the CEO on the Internal Controls Operation Status over Financial Reporting	(Report)
		Report Agenda 3) Report on the Business Report and Financial Statements Settlement	(Report)
		Report Agenda 4) Report on External Audit Contract Conclusion	(Report)
		Report Agenda 5) Report on Internal Audit Results	(Report)
		Report Agenda 6) Operation Status of the Whistleblower System	(Report)
		Report Agenda 7) Report on the Status of Disclosure Compliance	(Report)
2	Mar. 22, 2023	Agenda 1. Evaluation of the Internal Controls Operation Status over Financial Reporting	Approved
		Report Agenda 1) Communication with the External Auditors	(Report)
		Agenda 1. Review of Agenda Items for the Regular General Shareholders' Meeting	Approved
3	Mar. 30, 2023	Agenda 2. Evaluation of Audit Activities	Approved
		Agenda 3. Approval of the Audit Report and Audit Committee's Opinion	Approved
		Agenda 1. Post-evaluation of the External Auditor	Approved
4	May 18, 2023	Agenda 2. Approval of Three Agenda Items, Including the Audit Committee's Operational Plan	Approved
		Agenda 3. Appointment and Dismissal of the Audit Committee Support Team	Approved
		Report Agenda 1) Q1 Settlement Results	(Report)
		Report Agenda 2) Interim Report on Internal Accounting Controls	(Report)
		Report Agenda 3) Report on the Evaluation of the Qualifications of Internal Accounting Control Personnel	(Report)
		Report Agenda 4) Operational Status of the Whistleblower System	(Report)
5	Aug. 10, 2023	Report Agenda 5) Report on the Status of Disclosure Compliance	(Report)
		Report Agenda 6) Communication with the External Auditor	(Report)
		Report Agenda 7) Report on the Enactment and Revision of Four Items, Including Accounting Regulations	(Report)
		Agenda 1. Approval of Partial Revisions to the Audit Committee Policy and Whistleblower Policy	Approved
		Report Agenda 1) Q2 Settlement Results	(Report)
		Report Agenda 2) Interim Report on Internal Accounting Controls	(Report)
		Report Agenda 3) Internal Audit Results	(Report)
6	Nov. 07, 2023	Report Agenda 4) Report on the Status of Disclosure Compliance	(Report)
		Report Agenda 5) Communication with the External Auditor	(Report)
		Report Agenda 1) Q3 Settlement Results	(Report)
		Report Agenda 2) Interim Report on Internal Accounting Controls	(Report)
		Report Agenda 3) Operational Status of the Whistleblower System	(Report)

Governance

Key Resolutions Post-2023

Session	Date	Agenda	Approval/ Disapproval
1	Feb. 14, 2024	Report Agenda 1) Final Report on Internal Accounting Controls	(Report)
		Report Agenda 2) In-Person Report by the CEO on the Internal Controls Operation Status over Financial Reporting	(Report)
		Report Agenda 3) Report on the Financial Statements Settlement and the Business Report	(Report)
		Report Agenda 4) Report on External Audit Contract Conclusion	(Report)
		Report Agenda 5) Report on Internal Audit Results	(Report)
		Report Agenda 6) Report on the Operation Status of the Internal Reporting System	(Report)
		Report Agenda 7) Report on the Status of Disclosure Compliance	(Report)
		Agenda 1. Evaluation of the Internal Controls Operation Status over Financial Reporting	Approved
		Agenda 2. Revisions to the Internal Control over Financial Reporting Regulations and Guidelines	Approved
2	Mar. 13, 2024	Agenda 1. Review of Agenda Items for the Regular General Shareholders' Meeting	Approved
		Agenda 2. Evaluation of the Effectiveness of the Audit Committee, Its Support Team, and Internal Accounting Control System	Approved
		Agenda 3. Approval of the Audit Report and Auditors' Opinion	Approved
3	Mar. 18, 2024	Report Agenda 1) Communication with the External Auditors	Approved
4	Mar. 29, 2024	Agenda 1. Appointment of the Audit Committee Chair and Designation of the Order of Acting Chair in Case of Vacancy	Approved
		Agenda 2. Appointment and Dismissal of the Audit Committee Support Team	Approved
		Agenda 3. Post-evaluation of the External Auditors	Approved
		Agenda 4. Approval of Annual Plans for the Audit Committee, Internal Audits, and Internal Control over Financial Reporting	Approved

Audit Committee Support Team

Classys operates a support team dedicated to assisting the Audit Committee. The team consists of employees with a deep understanding of internal controls and compliance, helping to support the committee's smooth operation. Appointments and dismissals of support team members are approved by the Audit Committee, and the performance evaluation results of the Audit Committee are also reflected in the personnel evaluations of the support team.

The support team conducts audits according to the annual audit plan approved by the Audit Committee and assists with evaluating the internal control over financial reporting. It continuously reports to the Audit Committee on necessary matters, such as the company's management status, whistleblower system status, compliance management status, and progress of the support team's tasks.

In 2023, the support team reported the results of two internal audits and three whistleblowers' reports to the Audit Committee, while also implementing additional improvement measures as directed by the Audit Committee.



Ethical Management

Classys builds trust and fulfills its corporate social responsibility through ethical and compliant management practices and adherence to fair trade practices. Our commitment to ethical management is—and always has been—ongoing.

Compliance Management System

Organization

Classys' compliance organization consists of an Audit Committee, Audit Committee Support Team, and ESG Compliance Team. Established and operated in accordance with all relevant laws and regulations (Article 542-11 of the Korean Commercial Code), the Audit Committee audits the company's business and accounting activities independently from the company's management and controlling shareholders. The committee plays a central role in ensuring management transparency through activities such as developing compliance management policies and compliance control. The Audit Committee Support Team assists the Audit Committee in performing efficient audit tasks, while the ESG Compliance Team oversees compliance control at the departmental level.

The results of compliance control activities and internal audits for all Classys business sites, including the headquarters and plants, are periodically reported to top management and directly to the audit committee twice a year to ensure independence from management.

Compliance Policies

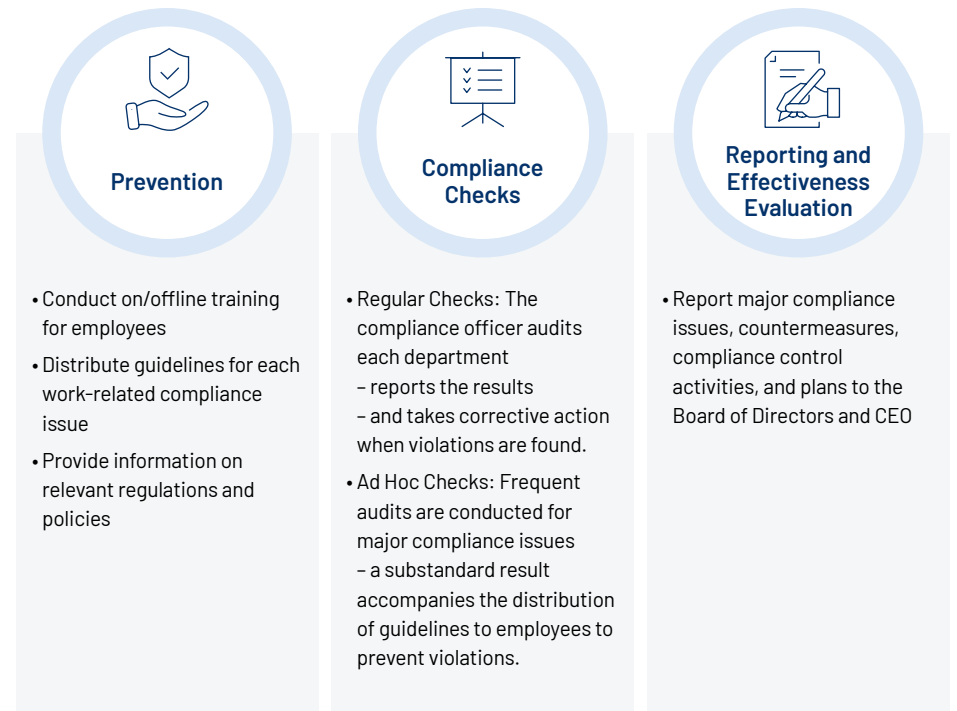
Classys has a total of 15 ethical management regulations and policies (5 corporate regulations, 10 policies), including the Code of Ethics, CLASSYS Compliance Policy (Anti-Corruption, Anti-Money Laundering, Trade Sanctions, Fair Trade), CLASSYS ESG Policy (Human Rights, Supply Chain, Marketing, Environment, Occupational Safety, Information Security), Fair Trade Compliance Regulations, Audit Committee Policy, Whistleblower Policy, and Internal Control over Financial Reporting Regulations. The ESG Compliance Team is in charge of the relevant corporate regulations and policies and continuously conducts adequacy reviews.

- [Classys Code of Ethics](#)
- [Anti-Corruption Policy](#)
- [Anti-Money Laundering Policy](#)
- [Fair Competition Policy](#)
- [Whistleblower Policy](#)

Compliance Management System

Classys uses a three-step procedure of prevention, compliance checks, and reporting/effectiveness evaluation to support the ethics compliance activities necessary in various areas, including fair trade and anti-corruption. The compliance officer conducts self-directed audits of the compliance activities twice a year and reports the results to the CEO. The 2023 audit found no significant defects or risks.

Compliance Management System



Ethical Management

Major Compliance Activities

Ethical and Compliance Management Practices

Classys sends CEO messages on ethics and compliance management twice a year, in the first and second half of the year. For its part, the ESG Compliance Team sends ESG letters every month by topic and raises employees' awareness of ethics and compliance management through in-depth ethics and compliance job training as well as special training on sexual harassment. All executives and employees take an ethics and compliance pledge to comply with fair trade and anti-corruption standards, once a year, with violations subject to disciplinary action. In addition, Classys incorporates its ethics and compliance ESG indicators into company-wide KPIs to maintain a resilient compliance culture.

Compliance Diagnosis and Change Management (Education)

Classys conducts regular training and meetings to enhance compliance responsiveness and deepen employees' understanding and practice of ethics and compliance.

An annual survey of all employees assesses risks of unethical behavior, workplace bullying, sexual harassment, and human rights violations in the course of their work. A detection of such risks is followed by additional monitoring and investigations, with the findings then communicated to the HR department for further auditing.

The compliance diagnosis categorizes the ethics/anti-corruption management capacity into four levels and establishes tailored management plans for each level to detect and improve ethical risks in advance. The status and improvement plans of the annual compliance diagnosis are finalized through a report to the CEO, and subsequently reported to the board of directors and the Audit Committee.

Ethics and Compliance Pledge and Training

Ethics and Compliance Pledge	All employees, including contract workers, participate in an electronic pledge-signing every March (annually)
Ethics and Compliance Training	Annual ethics training for all employees, including contract workers

2023 Ethics and Compliance Training and Meetings

Category	Description
Online	E-learning on understanding Classys' ethical management, prevention of workplace sexual harassment, and workplace bullying (once a year, 3 hours total)
	Monthly Compliance ESG Letter distribution
	Management training (twice: September and November in 2023)
Offline	Compliance training for new hires, experienced employees, and contract workers during orientation (monthly, 1 hour per session)
	Job-specific advanced training (anti-corruption, fair trade, trade sanctions, anti-money laundering) differentially by job requirements (annually, 4 areas of training, 2-hour group training per area, with external expert instructors)
	Special sexual ethics training (3 sessions, with external expert instructors, 2-hour group training per session for all employees)

Ethics and Compliance Infrastructure on the Supply Chain

To promote ethical and compliance management, Classys includes ESG management as an evaluation factor for key business partners and requires them to sign ethics and compliance pledges, supporting their competitiveness enhancement through consulting and other means.

Whistleblowing System

Classys operates an online whistleblowing system for reporting unethical behavior by employees. Stakeholders can report and seek consultation on unethical behavior, workplace bullying, and sexual harassment. The system includes three channels: an online whistleblowing system, an HR Ombudsman Channel, and a dedicated women's sexual harassment grievance channel, all of them managed and supervised by dedicated departments from intake to follow-ups. There were three reports via the online whistleblowing system and five through other channels, each of which was investigated and addressed.

[Whistleblower Policy](#)

Ethical Management

Compliance Program

Fair Trade Compliance Program

The ESG Compliance Team is responsible for fair trade compliance, performing a variety of compliance activities, such as employee education, consultations, and compliance checks. Through the Compliance Program, we proactively prevent risks and establish a fair and transparent corporate culture.

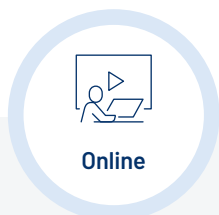
As part of the Compliance Program, we analyze the results of inspections and responses to internal whistleblowing to develop process improvements and recurrence prevention measures. When violations occur, corrective actions such as education are implemented according to internal standards. Additionally, to systematically respond to legal risks, we have established compliance control standards and evaluate the effectiveness of the compliance control system and report the results to the board of directors annually.

Compliance Training

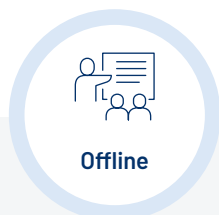
To prevent violations of fair trade-related laws and regulations, we conduct educational and compliance checks. Customized compliance training and coaching are provided to all the relevant departments, including the Domestic Business Division, Global Business Division, Customer Innovation Center, and Procurement Team. We also carry out group training on the compliance program for new hires during orientation and for employees in various departments, sharing key issues and providing compliance guidelines to prevent risks.



Fair Trade Compliance Training



- **Distribution of Monthly ESG Compliance Letter**
 - July: Preventing unfair trade practices
- **Annual E-learning on Classys Fair Trade**
 - December: 1 hour, 373 participants



- **Job-Specific Group Training, 3 Sessions Annually**
 - HCP marketing fair trade education: total of 6 hours per employee, 53 participants from Customer Innovation Center, sales and marketing teams

Risk Management

Classys manages risks to ensure stable operations. We practice risk management both at the departmental level and through enterprise-wide integrated risk management.

Risk Management Framework

To enhance risk response and follow-ups, Classys has established a continuous monitoring and response system. Our risk management system, which reflects the characteristics and strategies of our business, addresses both financial and non-financial risks. The board of directors and the Audit Committee are among the organizations responsible for risk management, with the CRO leading all responses to potential financial and non-financial risks across various departments.

Enterprise-Wide Risk Management Culture

Classys prevents and handles potential risks that could impact the business by reflecting the characteristics and strategies of all operations in our management practices. Risks at Classys are categorized into financial risks (financial, business) and non-financial risks (operational). Each department manages and monitors the specific risks they are responsible for.

The CFO also serves as the CRO, regularly monitoring and systematically managing risks with each particular risk management department.

The Audit Committee periodically reviews ethical, fraud, and compliance risks and selects high-risk items for special audits. The committee then presents improvement recommendations based on regular reviews and audit results and verifies the implementation of corrective actions. In addition, the CRO and Audit Committee can forward information about these risks to the board of directors as needed.

The board of directors and the Audit Committee appoint individuals with the capability and expertise to manage and supervise risks, while also ensuring they have no conflicts of interest with the company. The Audit Committee is composed entirely of outside directors for transparent and independent duties. Financial risks are managed by Chairman Kwon Hyuk-jin, an expert in finance and accounting, with non-financial risks overseen by Park Jung-hong, a pharmaceutical and healthcare expert, and Kim Dong-ju, a beauty and healthcare expert.

Departmental Risk Management

Classys manages risks in three categories: financial, business, and operational.

Financial Risks

We analyze financial risks such as exchange rates, interest rates, credit, and liquidity, and subsequently develop appropriate financial strategies to address these risks. For tax risk management, we engage external experts through tax advisory contracts to address potential tax risks arising from corporate tax filings and payments.

Business Risks

Given our involvement with medical devices, we continuously monitor changes in related regulations, laws, and systems to address business risks that could impede our sales activities.

Operational Risks

By managing human resources and human rights, we minimize operational risks that may arise internally. We also strengthen pre-emptive monitoring of crises and accidents that may occur in the quality and research stages. Additionally, we conduct field monitoring based on environmental regulations and international standards, hold regular training for environmental accident prevention, and update an array of certifications to reduce potential operational risks.

Appendix

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GRI Content Index	71
Independent Assurance Statement	76
Associations and Memberships	78
Awards	78

Financial Performance

Summary of Consolidated Statement of Financial Position

(Unit: KRW million)

	2021	2022	2023
Assets			
Current Assets	73,140	147,789	185,737
Non-Current Assets	143,239	183,622	189,706
Total Assets	216,379	331,411	375,443
Liabilities			
Current Liabilities	16,793	36,225	29,247
Non-Current Liabilities	35,842	65,632	62,696
Total Liabilities	52,635	101,857	91,943
Equity			
Equity Attributable to Owners of the Parent Company	163,744	229,554	283,500
Non-Controlling Interests	-	-	-
Total Equity	163,744	229,554	283,500

Summary of Consolidated Statement of Comprehensive Income

(Unit: KRW million)

	2021	2022	2023
Revenue	100,597	141,803	180,123
COGS	22,744	33,636	39,674
Gross Profit	77,853	108,167	140,449
Operating Profit	51,713	68,876	89,622
Net Income Before Income Tax	55,625	96,758	93,842
Net Income	43,805	75,379	74,225
Total Comprehensive Income	43,856	75,394	74,250

GRI Content Index

Disclosure indicators		Reporting location	Remarks
Organizational and reporting practices			
2-1	Organizational details	7	
2-2	Entities included in the organization's sustainability reporting	7	
2-3	Reporting period, frequency and contact point	3	
2-4	Restatements of information	N/A	Not applicable
2-5	External assurance	76~77	
Activities and employees			
2-6	Activities, value chain and other business relationships	7~10	
2-7	Employees	28~37	
2-8	Workers who are not employees	28~37	
Governance			
2-9	Governance structure and composition	57~64	
2-10	Nomination and selection of the highest governance body	57~64	
2-11	Chair of the highest governance body	57~64	
2-12	Role of the highest governance body in overseeing the management of impacts	57~64	
2-13	Delegation of responsibility for managing impacts	57~64	
2-14	Role of the highest governance body in sustainability reporting	57~64	
2-15	Conflicts of interest	57~64	
2-16	Communication of critical concerns	57~64	
2-17	Collective knowledge of the highest governance body	55~57	
2-18	Evaluation of the performance of the highest governance body	59	
2-19	Remuneration policies	60	
2-20	Process to determine remuneration	60	
2-21	Annual total compensation ratio	Annual Report	No data is provided on the ratio of the annual total comprehensive increase rate of the highest-paid individual to the median annual total compensation increase rate of all employees (excluding the highest-paid individual).

GRI Content Index

Disclosure indicators		Reporting location	Remarks
Strategies, policies, and practices			
2-22	Statement on sustainable development strategy	6	
2-23	Policy commitments	25, 38, 39, 41, 43, 45, 51, 65, 66	
2-24	Embedding policy commitments	25, 38, 39, 41, 43, 45, 51, 65, 66	
2-25	Processes to remediate negative impacts	31, 33, 38-40, 43-44, 46, 66, 68	
2-26	Mechanisms for seeking advice and raising concerns	31, 33, 38-40, 43-44, 46, 66, 68	
2-27	Compliance with laws and regulations	25, 38, 39, 41, 43, 45, 51, 65, 66	
2-28	Membership associations	78	
Stakeholder engagement			
2-29	Approach to stakeholder engagement	17, 31, 33, 37-40, 46, 54-56	
2-30	Collective bargaining agreements	33	
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	15-16	
3-2	List of material topics	15-16	
3-3	Management of material topics	13-16	

GRI Content Index

Major Issues

Disclosure indicators		Reporting location	Remarks
GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	36	
404-2	Programs for upgrading employee skills and transition assistance program	34~37	
404-3	Percentage of employees receiving regular performance and career development reviews	28~30	
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	31~32, 56	
405-2	Ratio of basic salary and remuneration of women to men	31	
GRI 406: Non-discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	N/A	Not applicable
GRI 416: Customer Health and Safety 2016			
416-1	Assessment of the health and safety impacts of products and service categories	47~51	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	47~51	
GRI 417: Marketing and Labeling 2016			
417-1	Requirements for product and service information and labeling	51~52	
417-2	Incidents of non-compliance concerning product and service information and labeling	51~52	
417-3	Incidents of non-compliance concerning marketing communications	51~52	

GRI Content Index

Potential Issues

Disclosure indicators		Reporting location	Remarks
GRI 205: Anti-corruption 2016			
205-1	Operations assessed for risks related to corruption	58, 65-66	
205-2	Communication and training about anti-corruption policies and procedures	66	
205-3	Confirmed incidents of corruption and actions taken	N/A	Not applicable
GRI 302: Energy 2016			
302-1	Energy consumption within the organization	24	
302-2	Energy consumption outside the organization	N/A	Not applicable
302-3	Energy intensity	24	
302-4	Reduction of energy consumption	24	
302-5	Reductions in energy requirements of products and services	N/A	
GRI 303: Water and Effluents 2018			
303-1	Interactions with water as a shared resource	24	Not managed, as it only contains domestic wastewater
303-2	Management of water discharge-related impacts	24	
303-3	Water withdrawal	24	
303-4	Water discharge	24	
303-5	Water consumption	24	
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	20, 24	
305-2	Energy indirect (Scope 2) GHG emissions	20, 24	
305-3	Other indirect (Scope 3) GHG emissions	N/A	Under review
305-4	GHG emissions intensity	24	
305-5	Reduction of GHG emissions	20, 24	
305-6	Emissions of ozone-depleting substances (ODS)	N/A	Not applicable
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	N/A	Not applicable

GRI Content Index

Potential Issues

Disclosure indicators		Reporting location	Remarks
GRI 306: Effluents and Waste 2016			
306-1	Waste generation and significant waste-related impacts	N/A	
306-2	Management of significant waste-related impacts	N/A	
306-3	Waste generated	24	
306-4	Waste diverted from disposal	24	
306-5	Waste directed to disposal	24	
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	28, 31-32	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	N/A	Not applicable
401-3	Parental leave	32	
GRI 403: Occupational Health and Safety 2016			
403-1	Occupational health and safety management system	43-44	
403-2	Hazard identification, risk assessment, and incident investigation	43-44	
403-3	Occupational health services	32, 44	
403-4	Worker participation, consultation, and communication on occupational health and safety	44	
403-5	Worker training on occupational health and safety	44	
403-6	Promotion of worker health	32, 43-44	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	32, 43-44	
403-8	Workers covered by an occupational health and safety management system	32, 43-44	
403-9	Work-related injuries	44	
403-10	Work-related diseases	44	

Independent Assurance Statement

To Readers of CLASSYS 2023 Sustainability Report

Introduction

Korea Management Registrar (KMR) was commissioned by CLASSYS to conduct an independent assurance of its Sustainability Report 2023 (the "Report"). The data and its presentation in the Report is the sole responsibility of the management of CLASSYS. KMR's responsibility is to perform an assurance engagement as agreed upon in our agreement with CLASSYS and issue an assurance statement.

Scope and Standards

CLASSYS described its sustainability performance and activities in the Report. Our Assurance Team carried out an assurance engagement in accordance with the AA1000AS v3 and KMR's assurance standard SRV1000. We are providing a Type 2, moderate level assurance. We evaluated the adherence to the AA1000AP (2018) principles of inclusivity, materiality, responsiveness and impact, and the reliability of the information and data provided using the Global Reporting Initiative (GRI) Index provided below. The opinion expressed in the Assurance Statement has been formed at the materiality of the professional judgment of our Assurance Team.

Confirmation that the Report was prepared in accordance with the Core Options of the GRI standards was included in the scope of the assurance. We have reviewed the topic-specific disclosures of standards which were identified in the materiality assessment process.

- GRI Sustainability Reporting Standards
- Universal standards
- Topic specific standards
 - Management approach of Topic Specific Standards
 - GRI 401: Employment
 - GRI 403: Occupational Health and Safety
 - GRI 405: Diversity and Equal Opportunity
 - GRI 406: Non-Discrimination
 - GRI 416: Customer Health and Safety
 - GRI 417: Marketing and Labeling

As for the reporting boundary, the engagement excludes the data and information of CLASSYS' partners, suppliers and any third parties.

KMR's Approach

To perform an assurance engagement within an agreed scope of assessment using the standards outlined above, our Assurance Team undertook the following activities as part of the engagement:

- reviewed the overall Report;
- reviewed materiality assessment methodology and the assessment report;
- evaluated sustainability strategies, performance data management system, and processes;
- interviewed people in charge of preparing the Report;
- reviewed the reliability of the Report's performance data and conducted data sampling;
- assessed the reliability of information using independent external sources such as Financial Supervisory Service's DART and public databases.

Limitations and Recommendations

KMR's assurance engagement is based on the assumption that the data and information provided by CLASSYS to us as part of our review are provided in good faith. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied. To address this, we referred to independent external sources such as DART and National Greenhouse Gas Management System (NGMS) and public databases to challenge the quality and reliability of the information provided.

Conclusion and Opinion

Based on the document reviews and interviews, we had several discussions with CLASSYS on the revision of the Report. We reviewed the Report's final version in order to make sure that our recommendations for improvement and revision have been reflected. Based on the work performed, it is our opinion that the Report applied the GRI Standards 2021. Nothing comes to our attention to suggest that the Report was not prepared in accordance with the AA1000AP (2018) principles.

Independent Assurance Statement

To Readers of
CLASSYS 2023 Sustainability Report

Inclusivity

CLASSYS has developed and maintained different stakeholder communication channels at all levels to announce and fulfill its responsibilities to the stakeholders. Nothing comes to our attention to suggest that there is a key stakeholder group left out in the process. The organization makes efforts to properly reflect opinions and expectations into its strategies.

Materiality

CLASSYS has a unique materiality assessment process to decide the impact of issues identified on its sustainability performance. We have not found any material topics left out in the process.

Responsiveness

CLASSYS prioritized material issues to provide a comprehensive, balanced report of performance, responses, and future plans regarding them. We did not find anything to suggest that data and information disclosed in the Report do not give a fair representation of CLASSYS' actions.

Impact

CLASSYS identifies and monitors the direct and indirect impacts of material topics found through the materiality assessment, and quantifies such impacts as much as possible.

Reliability of Specific Sustainability Performance Information

In addition to the adherence to AA1000AP (2018) principles, we have assessed the reliability of economic, environmental, and social performance data related to sustainability performance. We interviewed the in-charge persons and reviewed information on a sampling basis and supporting documents as well as external sources and public databases to confirm that the disclosed data is reliable. Any intentional error or misstatement is not noted from the data and information disclosed in the Report.

Competence and Independence

KMR maintains a comprehensive system of quality control including documented policies and procedures in accordance with ISO/IEC 17021:2015 – Requirements for bodies providing audit and certification of management systems. This engagement was carried out by an independent team of sustainability assurance professionals. KMR has no other contract with CLASSYS and did not provide any services to CLASSYS that could compromise the independence of our work.

April 2024 Seoul, Korea



SRV1000
Sustainability Committee Assurance



AA1000
Licensed Report
000-129/V3-YH3KG

CEO *E. J. Hwang*

Associations and Memberships

Organization	Team in Charge	Membership Year
Seoul Chamber of Commerce and Industry	Overseas Trading Team	2013
Korea International Trade Association	Overseas Trading Team	2013
Korea Medical Devices Industry Association	Human Resources Department	2022
Korea Medical Devices Association	Marketing Team	2012
Korea Electric Engineers Association	Human Resources Department	2022
Korea Fire Safety Institute	Human Resources Department	2022
Korea Exchange	Investor Relations Team	2015
KOSDAQ Listed Companies Association	Investor Relations Team	2018
Korea Investor Relations Service	Investor Relations Team	2018

Awards

Award	Year of award	Organization
Prime Minister's Award on 54 th Invention Day	2019	Prime Minister's Commendation
2019 KOSDAQ Rising Star	2019	Korea Exchange
Excellent Company at 2020 Korea IR Awards	2020	Korea Investor Relations Service
30 Million Dollar Export Tower	2020	Ministry of Trade, Industry and Energy
2020 KOSDAQ Rising Star	2020	Korea Exchange
Global IP Star Company	2021	Korea Invention Promotion Association
Global Small Giant Company of Korea	2021	Ministry of SMEs and Startups
50 Million Dollar Export Tower	2021	Ministry of Trade, Industry and Energy
2021 KOSDAQ Rising Star	2021	Korea Exchange
Excellent Disclosure Company in the KOSDAQ market	2022	Korea Exchange
2022 KOSDAQ Rising Star	2022	Korea Exchange
Top Prize (Beauty Category) at Money Today IR Awards	2022	Money Today
14 th Financial Supervisory Service Chairman's Award for KOSDAQ-listed Companies	2022	KOSDAQ Listed Companies Association
Excellent Corporate Governance Award at 2022 Korea Institute of Corporate Governance and Sustainability (KCGS) Awards	2022	Korea Institute of Corporate Governance and Sustainability
Ultraformer MPT (Shurink Universe) selected as the No. 1 Consumer Recommended Brand in 2023	2023	Chosun Daily
2023 KOSDAQ Rising Star	2023	Korea Exchange
Grand Prize (KOSDAQ Market Category) at Korea IR Awards	2023	Korea Investor Relations Service
Top Prize (KOSDAQ Global Segment) at the Money Today IR Awards	2023	Money Today
Minister of SME and Startups Award at 15 th Korea KOSDAQ-Listed Company Awards	2023	KOSDAQ Listed Companies Association
\$70 Million Export Tower	2023	Ministry of Trade, Industry and Energy
Excellent Brand (Skin Beauty Medical Devices Category) at 8 th Korea Brand Hall of Fame Awards	2024	Korea Institute for Industrial Economics and Trade



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