

# **CLASSYS**

## SUSTAINABILITY

## REPORT

## 2024

# About This Report

## CLASSYS SUSTAINABILITY REPORT 2024

### Reporting Scope

This report outlines the sustainability performance of Classsys Inc., covering operations at our headquarters, our Munjeong Plant, and our Anyang Plant.

### Reporting Period

The primary reporting period is from January 1 to December 31, 2024. Select performance data from the first quarter of 2025 is also included, and where applicable, data from 2022 and 2023 are presented for time-series analysis.

### 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).

### Report Assurance

To ensure the credibility and accuracy of this report, the contents have been verified by the Korea Management Registrar (KMR), an independent third-party assurance agency. The assurance statement can be found in the Appendix.

### Contact Information

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## SUSTAINABILITY REPORT 2024

# The World's #1 Provider of Medical Aesthetic Platform

To help people around the globe discover their best,  
most natural selves through relentless customer-centric innovation



# Overview

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# CEO Message



Dear Valued Stakeholders, I'm Seung-Han Baek, CEO of Classys Inc.

Guided by our vision to be the world's No. 1 provider of medical aesthetic platforms and our mission to help people discover their best, most natural selves through relentless customer-centric innovation, Classys is leading the democratization of aesthetic medical technology while championing sustainability across environmental, social, and governance practices.

## Strengthening the Foundation for Sustainable Growth

Looking back on 2024, the year marked a significant milestone for Classys, particularly in enhancing our global presence. Our strategic merger with Ilooda has bolstered our portfolio across essential energy-based device (EBD) platforms—HIFU, RF, MNRF, and lasers—laying the groundwork for next-generation treatment solutions. Notably, our flagship platform, Volnewmer, received FDA clearance eight months ahead of schedule and entered the U.S. market under the brand name Everesse, receiving strong interest from key opinion leaders.

Today, Classys remains focused on sustainability while pursuing sizeable growth. In 2024, we delivered a record-high revenue of KRW 242.9 billion, marking a 34.8% year-on-year increase. Despite this remarkable growth, we achieved a 6.8% year-on-year reduction in emissions intensity—and a 28.9% reduction compared to 2022—through continuous process innovation and energy conservation initiatives. We also introduced a refurbished equipment program in support of the circular economy, exporting 37 refurbished devices in 2024 alone, while simultaneously ensuring resource conservation and achieving economies of scale. Our transition to eco-friendly packaging further reflects our commitment to minimizing our environmental impact across the product lifecycle.

## Global Standard Quality Management and Sustainability Management Certification

Our uncompromising commitment to quality has earned Classys a trusted name in the global medical aesthetics market. In addition to our consistent R&D investments and rigorous quality control to provide customers with the best-in-class products, we have obtained certifications for our environmental management system (ISO 14001) and health and safety management system (ISO 45001), further solidifying our sustainability management system. These achievements reinforce not only our commitment to product quality but also our responsibility in workplace safety and environmental consciousness. In short, we meet global standards in all aspects of our sustainable growth.

## People-Oriented Corporate Culture and Sustainable Growth

Our growth is built on people—our employees, partners, customers, and the communities we serve. Keeping this in mind, we consistently strive to establish a harmonious and sustainable ecosystem that highly values individual development as much as we prize maintaining a healthy organizational culture.

Our 2024 organizational health survey recorded a 93.6% participation rate, up 0.2%p from the previous year. As the across-the-board improvements in feedback showed, we are working tirelessly to develop a great workplace. As a result of all our efforts, we were honored to be named a Best Job-Creation Company from the Ministry of Employment and Labor in 2024.

On top of that, we also actively support ESG improvements across our supply chain by assessing the ESG risks on our supply chain and helping these companies enhance their ESG capabilities. This is part of our strategy to share growth with partners and engage in responsible supply chain management.

## Moving Forward Together into a Sustainable Future

Furthermore, we are determined to achieve more than just steady growth in our business results. We aim for responsible management that will help bring about a better future for all. Our progress has been made possible by your trust. In 2024, we were honored with the USD 100 Million Export Tower, Silver Tower of Industrial Service Merit, and achieved an 'A' MSCI ESG rating. Going forward, we will continue our sustainable innovation efforts to remain a pioneer in the global medical aesthetic healthcare market.

Looking ahead, we will accelerate our growth across key markets. In the U.S., we will strengthen the Everesse brand. In Europe and the Middle East, we will expand our footprint through dual launches of Ultraformer MPT and Volnewmer. In Japan, we have established a direct sales subsidiary to solidify our local presence for the more systemic and stable operation of the local market.

With innovative product development and sustainable growth serving as two main pillars of our core values at Classys, we will also be launching Quadessy, an upgraded MNRF device, expanding Volnewmer brand awareness to boost consumables sales, and enhancing margins through quality and cost innovation. Put succinctly, innovation and sustainability are the values that best define Classys.

As we embark on this exciting new chapter of our history, we pledge to grow together with our stakeholders while leading the global aesthetics healthcare market through responsible innovation.

We thank you for your continued trust and support in Classys.

Seung-Han Baek  
Chief Executive Officer  
Classys Inc.

# About Classys

Classys is a global leader in medical aesthetic platforms, spearheading the popularization of aesthetic procedures through consistent R&D and innovative marketing strategies.

Founded in 2007 by a practicing dermatologist, Classys has consistently developed and manufactured state-of-the-art medical devices for both clinical and aesthetic use—and always designed to meet the evolving needs of patients and practitioners alike.

In 2024, the company expanded its technology and product portfolio through a strategic merger with Ilooda, securing core competencies across energy-based device (EBD) platforms, including high-intensity focused ultrasound (HIFU), radiofrequency (RF), microneedle RF (MNRF), and laser modalities. Leveraging this integrated portfolio, Classys continues to pioneer combination protocols that deliver customized treatments across multiple skin layers.

Committed to safety, efficacy, and customer satisfaction as its highest priorities, Classys is setting new standards in the medical aesthetics industry and shaping the future of advanced, patient-centric treatment solutions.

## Company Overview

Company Name	Classys Inc.	
CEO	Seung-Han Baek	
Incorporated/ Listing Date	January 10, 2007 / December 28, 2017	
Headcounts	527 employees <sup>1)</sup>	
Business Premises	Headquarters	Classys, 208 Teheran-ro, Gangnam-gu, Seoul, Republic of Korea
	Munjeong Plant	15F/ 8F/ B3F, Unit A, and 7F, Unit B, H Business Park, 25, Beobwon-ro 11-gil, Songpa-gu, Seoul, Republic of Korea
	Anyang Plant	9F, Building A, Anyang IS Biz Tower Central, 25, Deokcheon-ro 152 beon-gil, Manan-gu, Anyang-si, Gyeonggi-do, Republic of Korea

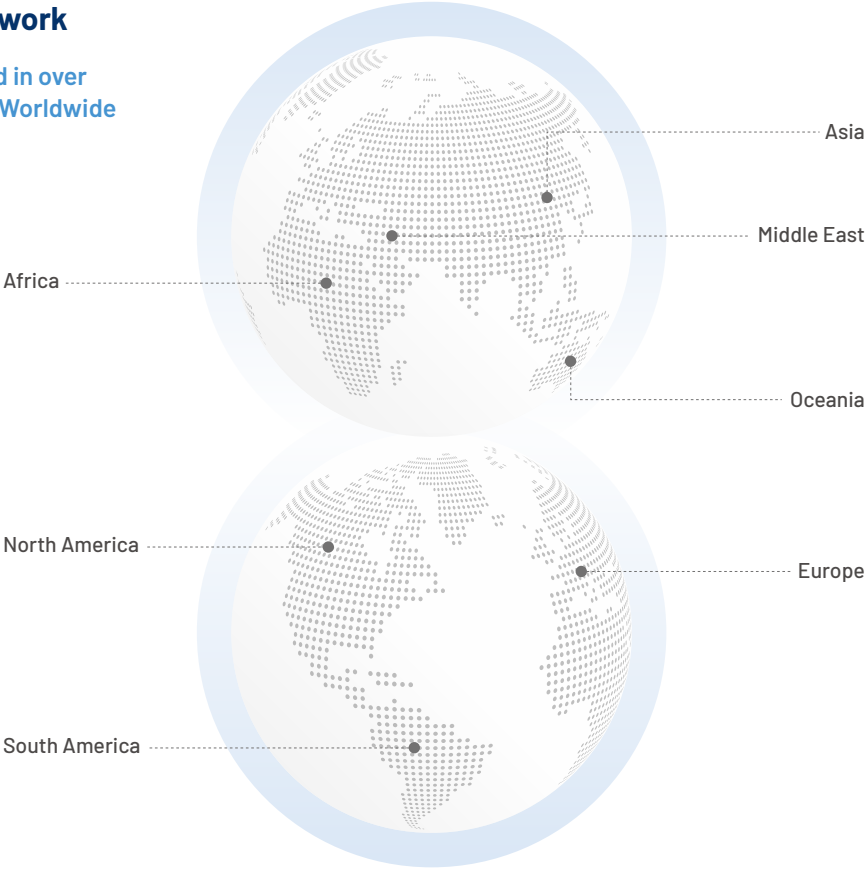
1) Employee figures exclude board members as of the end of 2024.

## ESG Ratings



## Global Network

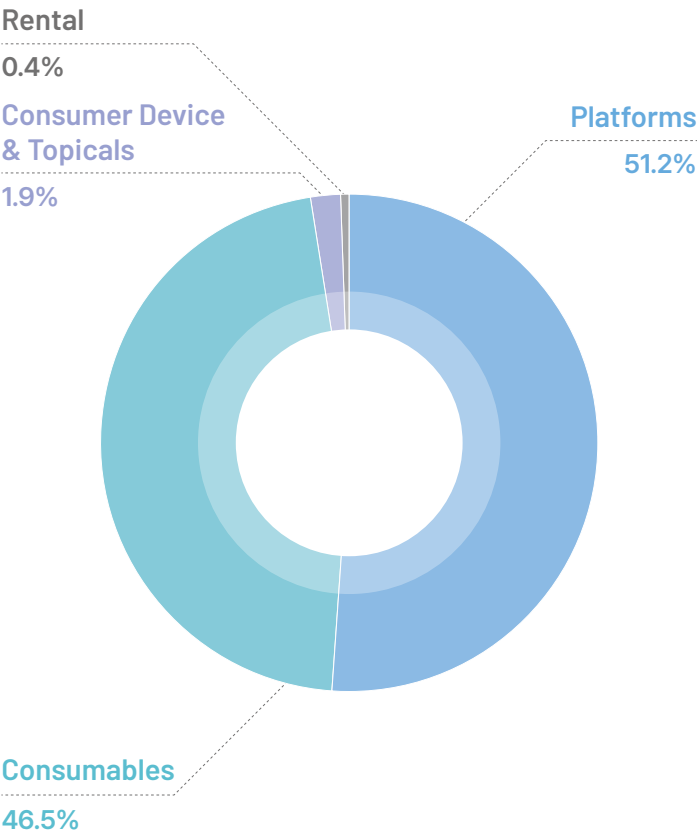
Products Sold in over 80 Countries Worldwide



# About Classys

## Business Portfolio

Powered by its core energy-based technologies—including HIFU, RF, microneedle RF, and laser devices—and a diverse product portfolio, Classys leads the market in combination treatments by offering tailored solutions optimized for various skin concerns and types.



### HIFU



### MNRF & Laser



### MRF



### Other Platforms





# History

## Foundation 2007 - 2014



- 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)

## Product/Regional Diversification 2015 - 2021



- 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
- Dec. 2017 • Listed on KOSDAQ/Headquarters Relocated to Classys Tower
- Sep. 2018 • Acquisition of Munjeong Plant
- Oct. 2021 • Approval of Ultraformer MPT (Shurink Universe) by MFDS and KGMP
- Dec. 2021 • Awarded the \$50 Million Export Tower

## Global Expansion 2022 - 2023



- Jan. 2022 • 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
- Nov. 2022 • Included in the KOSDAQ Global Segment
- Dec. 2022 • Recognized as an Excellent Company in Governance by the Korea Institute of Corporate Governance and Sustainability (KCGS)
- Oct. 2023 • Awarded the Grand Prize in the KOSDAQ category at the Korea IR Awards
- Nov. 2023 • Awarded the Minister of SMEs and Startups Prize at the 15<sup>th</sup> Korea KOSDAQ Awards
  - Approval of Scizer by the U.S. FDA
- Dec. 2023 • Awarded the \$70 Million Export Tower

## Reinforced Global Leadership 2024 ~



- Jan. 2024 • Release of Volium
- Apr. 2024 • Approval of Volnewmer by the U.S. FDA
- May 2024 • Establishment of Classys Japan Inc.
- July 2024 • Release of Ultragro and Ultraintimi
- Aug. 2024 • Obtained an A ESG Rating from MSCI
  - Selected as a 2024 KOSDAQ Rising Star
- Sep. 2024 • Named a Best Job-Creation Company by Korea's Ministry of Employment and Labor
  - Obtained ISO 14001 and ISO 45001 Certifications
- Oct. 2024 • Official Launch of the Merged Entity of Classys Inc. and the Former Illooda
  - Obtained an A+ ESG Rating from KCGS
- Nov. 2024 • Obtained a AA ESG Rating from Sustainvest
  - Named a KOSDAQ Company with Excellent IR Practice at the Korea IR Awards
- Dec. 2024 • Awarded the Prime Minister's Grand Prize at the 16<sup>th</sup> Korea KOSDAQ Awards
  - Awarded the \$100 Million Export Tower
  - Recognized as an Excellent Company in Governance by KCGS
- Mar. 2025 • Named an Exemplary Disclosure Company on the KOSDAQ
  - Volnewmer honored as the Best Laser Lifting Device Brand at the 2025 Korea Consumer Brand Awards

# ESG Management

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# ESG Strategy

Mission

To help people around the globe discover their best, most natural selves through relentless customer-centric innovation.

Core Values



# ESG Strategy

## ESG Initiatives and Progress

Key Initiatives		Risks & Opportunities	2024 Progress	Short-Term (2025) and Long-Term Goals
E	Climate Action and Environmental Management	<ul style="list-style-type: none"> <li><b>Risks</b> <ul style="list-style-type: none"> <li>Strengthened domestic and international regulations on carbon neutrality</li> <li>Rising energy and raw material costs leading to increased production expenses</li> <li>Higher risk of damage to production facilities due to extreme weather events</li> </ul> </li> <li><b>Opportunities</b> <ul style="list-style-type: none"> <li>Growing market demand and customer accessibility for eco-friendly and recycled products</li> <li>Operational cost savings through improved energy efficiency</li> <li>Productivity gains through process optimization and technological innovation</li> <li>Enhanced resilience to physical and transitional risks of climate change</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Carbon emissions intensity reduced by 6.8% YoY</li> <li>Improved energy efficiency through process optimization</li> <li>First-time ISO 14001 certification (environmental management system)</li> <li>Refurbishment program launched (37 units sold)</li> <li>Reduced resource usage by expanding cartridge capacity through technological innovation</li> <li>Phase-in shift to eco-friendly packaging materials</li> </ul>	<ul style="list-style-type: none"> <li><b>Short-Term Goals (2025)</b> <ul style="list-style-type: none"> <li>Reduce carbon intensity (emissions per unit revenue) by 1%</li> <li>Maintain ISO 14001 certification (environmental management system)</li> </ul> </li> <li><b>Mid-/Long-Term Goals</b> <ul style="list-style-type: none"> <li>Cut total Scope 1 and 2 emissions to 515 tons by 2030 through intensity-based reductions</li> <li>Transition to renewable energy</li> <li>Establish Scope 3 inventory and reduction targets</li> <li>Participate in value chain emissions reduction activities</li> <li>Increase the number of products eligible for refurbishment to promote resource circularity</li> <li>Establish green product standards (environmental stewardship criteria)</li> </ul> </li> </ul>
	Talent Management	<ul style="list-style-type: none"> <li><b>Risks</b> <ul style="list-style-type: none"> <li>Possible brain drain and talent shortage constrains growth</li> <li>Localization of HR strategies in tandem with global expansion</li> </ul> </li> <li><b>Opportunities</b> <ul style="list-style-type: none"> <li>Improved employee satisfaction and productivity through a healthy organizational culture</li> <li>Continuous talent development via job-specific competency building</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Selected as a Best Job-Creation Company by Korea's Ministry of Employment and Labor</li> <li>Organizational health survey participation rate at 93.6%, up 0.2%p YoY</li> <li>Stronger performance across all organizational health categories</li> <li>Leadership development programs offered to managers and team leaders</li> <li>Onboarding programs for inherited personnel following the merger</li> <li>Industry-academia partnerships supporting talent development</li> </ul>	<ul style="list-style-type: none"> <li><b>Short-Term Goals (2025)</b> <ul style="list-style-type: none"> <li>Expand talent development through job rotation programs</li> <li>Conduct an annual organizational health survey and improve positivity scores</li> <li>Expand leadership and capability-building programs by job grade</li> <li>Promote local talent development through industry-academia partnerships</li> </ul> </li> <li><b>Mid-/Long-Term Goals</b> <ul style="list-style-type: none"> <li>Expand global hiring and increase local hiring ratio at overseas subsidiaries</li> <li>Advance performance evaluation and reward systems</li> <li>Attain certification as a Great Place to Work</li> </ul> </li> </ul>
	Human Rights Management	<ul style="list-style-type: none"> <li><b>Risks</b> <ul style="list-style-type: none"> <li>Potential for cultural conflicts during global expansion</li> <li>Reputational risks from human rights violations</li> </ul> </li> <li><b>Opportunities</b> <ul style="list-style-type: none"> <li>Strengthen global talent competitiveness through diversity, inclusion, and respect</li> <li>Retain and attract top talent through fair HR and recruitment processes</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Resolution of all 3 reported employee grievances</li> <li>5 labor-management council meetings held, strengthening cooperative relations</li> <li>Anti-discrimination and workplace harassment prevention training conducted regularly</li> <li>Expansion of the Smart Meeting campaign</li> <li>Increased employment opportunities for underprivileged groups</li> </ul>	<ul style="list-style-type: none"> <li><b>Short-Term Goals (2025)</b> <ul style="list-style-type: none"> <li>Expand internal campaigns promoting a culture of mutual respect</li> <li>Hold 4 labor-management council meetings</li> <li>Maintain 100% grievance resolution rate</li> </ul> </li> <li><b>Mid-/Long-Term Goals</b> <ul style="list-style-type: none"> <li>Human rights due diligence practices across global business sites</li> <li>Introduce human rights protection guidelines for suppliers</li> <li>Strengthen diversity through the inclusive hiring of underprivileged groups</li> </ul> </li> </ul>
S	Information Security	<ul style="list-style-type: none"> <li><b>Risks</b> <ul style="list-style-type: none"> <li>Tighter regulations around data security</li> </ul> </li> <li><b>Opportunities</b> <ul style="list-style-type: none"> <li>Enhanced corporate competitiveness through advanced security systems</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Completion of improvement measures based on information security risk assessments <ul style="list-style-type: none"> <li>Reduced cyber risks by establishing CLASSYS IDC</li> </ul> </li> <li>Security audits conducted and findings reported to the Audit Committee</li> </ul>	<ul style="list-style-type: none"> <li><b>Short-Term Goals (2025)</b> <ul style="list-style-type: none"> <li>Conduct two security audits</li> <li>Strengthen database security</li> </ul> </li> <li><b>Mid-/Long-Term Goals</b> <ul style="list-style-type: none"> <li>Enhance personal data protection training</li> <li>Acquire global information security certifications</li> <li>Disclose information security initiatives and performance</li> </ul> </li> </ul>

# ESG Strategy

## ESG Initiatives and Progress

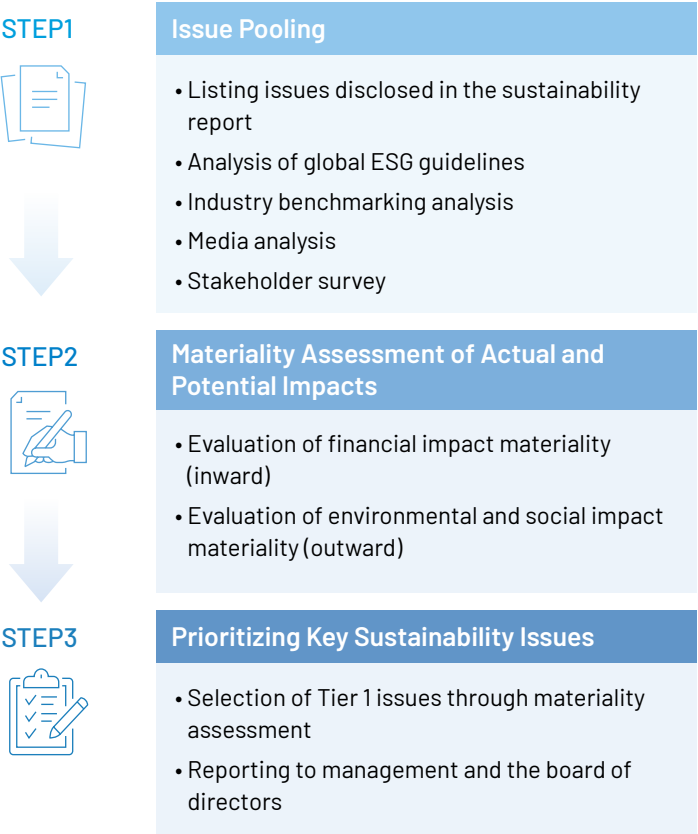
Key Initiatives		Risks & Opportunities	2024 Progress	Short-Term (2025) and Long-Term Goals
S	Occupational Health & Safety Management	<ul style="list-style-type: none"> <li><b>Risks</b> <ul style="list-style-type: none"> <li>Decline in corporate reputation and productivity due to industrial accidents</li> <li>Decreased employee satisfaction and productivity from poor working conditions</li> </ul> </li> <li><b>Opportunities</b> <ul style="list-style-type: none"> <li>Boost satisfaction and productivity through safe workplaces</li> <li>Enhance talent attraction with strong safety credentials</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Enhanced safety training frequency and participation</li> <li>First-time ISO 45001 certification (health &amp; safety management system)</li> <li>Implementation of occupational accident prevention programs and risk reduction measures                             <ul style="list-style-type: none"> <li>242 safety issues resolved out of the 252 identified from regular and unscheduled risk assessments</li> </ul> </li> <li>4 Occupational Health &amp; Safety (OHS) Committee meetings held to hear the voices of on-site workers</li> </ul>	<ul style="list-style-type: none"> <li><b>Short-Term Goals (2025)</b> <ul style="list-style-type: none"> <li>Maintain ISO 45001 certification (health &amp; safety management system)</li> <li>Achieve zero-accident workplace record</li> <li>Hold regular high performance team (HPT) meetings for employee feedback</li> <li>Increase risk identification by 15% from 2024 and achieve 95%+ resolution rate</li> <li>Develop and utilize internal OHS training content</li> </ul> </li> <li><b>Mid-/Long-Term Goals</b> <ul style="list-style-type: none"> <li>Maintain ISO 45001 certification</li> <li>Upgrade OH&amp;S training systems and link them to evaluations and rewards</li> <li>Build a self-regulatory safety system (labor-management collaboration)</li> <li>Establish a global-level safety management system</li> </ul> </li> </ul>
	Supply Chain Management	<ul style="list-style-type: none"> <li><b>Risks</b> <ul style="list-style-type: none"> <li>Global supply chain disruptions and raw material price volatility</li> <li>ESG-related risks from suppliers</li> <li>Risks of unfair trade and regulatory violations</li> </ul> </li> <li><b>Opportunities</b> <ul style="list-style-type: none"> <li>Build sustainable supply chains with supplier support</li> <li>Mitigate risks via strategic sourcing</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Supplier risk assessments and corrective actions conducted</li> <li>Training and support for high-risk suppliers</li> <li>Reaffirmed quality commitments and upgraded quality agreements</li> </ul>	<ul style="list-style-type: none"> <li><b>Short-Term Goals (2025)</b> <ul style="list-style-type: none"> <li>Annual supplier risk assessment and corrective actions</li> <li>Strengthen supplier training and technical support</li> </ul> </li> <li><b>Mid-/Long-Term Goals</b> <ul style="list-style-type: none"> <li>Strengthen eco-friendly and ethical supply chain governance</li> <li>Establish early risk detection and a real-time response system</li> </ul> </li> </ul>
	Quality Management	<ul style="list-style-type: none"> <li><b>Risks</b> <ul style="list-style-type: none"> <li>Product defects or recalls damaging brand trust</li> <li>Decline in consumer confidence from off-label marketing</li> </ul> </li> <li><b>Opportunities</b> <ul style="list-style-type: none"> <li>Differentiation through proactive quality management and market share expansion</li> <li>Strengthen competitiveness via R&amp;D-driven quality</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Completion of QMS digitalization and streamlining of internal process</li> <li>Strengthened compliance training with healthcare professionals</li> <li>4 High Performance Team contests held with expanded participation</li> <li>FDA approval secured for Volnewmer and global market launches initiated</li> <li>Strengthened internal quality standards and reduced defect rates</li> <li>Company-wide education on product and market insight</li> </ul>	<ul style="list-style-type: none"> <li><b>Short-Term Goals (2025)</b> <ul style="list-style-type: none"> <li>Strengthen global quality systems and expand FDA certifications</li> <li>Enhance company-wide quality training</li> <li>Increase HPT participation</li> </ul> </li> <li><b>Mid-/Long-Term Goals</b> <ul style="list-style-type: none"> <li>Strengthen scientific evidence capabilities</li> <li>Expand the premium market through quality upgrades</li> <li>Increase R&amp;D investment and secure next-gen technologies</li> </ul> </li> </ul>
G	Corporate Governance	<ul style="list-style-type: none"> <li><b>Risks</b> <ul style="list-style-type: none"> <li>Reputational damage from poor management or unethical practices</li> </ul> </li> <li><b>Opportunities</b> <ul style="list-style-type: none"> <li>Build corporate trust through transparent governance</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Board and committee evaluations conducted</li> <li>100% attendance rate for outside directors</li> <li>Operation of Outside Directors' Council to enhance independence and transparency</li> <li>Introduction of electronic proxy voting system at the GSM</li> </ul>	<ul style="list-style-type: none"> <li><b>Short-Term Goals (2025)</b> <ul style="list-style-type: none"> <li>Strengthen board leadership on ESG topics, including OH&amp;S</li> </ul> </li> <li><b>Mid-/Long-Term Goals</b> <ul style="list-style-type: none"> <li>Enhance board diversity</li> </ul> </li> </ul>
	Ethical Management	<ul style="list-style-type: none"> <li><b>Risks</b> <ul style="list-style-type: none"> <li>Corporate value undermined by unethical management practices</li> <li>Growth dampened by unethical practices</li> </ul> </li> <li><b>Opportunities</b> <ul style="list-style-type: none"> <li>Ensure sustainable growth through strong ethics and controls</li> <li>Strengthen stakeholder trust</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Review and reporting of legal and compliance risks (e.g. corruption) to the board</li> <li>Appointment of a compliance officer; Board-approval of compliance guidelines</li> <li>Official declaration of anti-money laundering policy</li> <li>Implementation and assessment of compliance program</li> <li>100% resolution rate of internal reports; zero corruption cases</li> </ul>	<ul style="list-style-type: none"> <li><b>Short-Term Goals (2025)</b> <ul style="list-style-type: none"> <li>Advance the compliance program (CP)</li> <li>Strengthen compliance training</li> </ul> </li> <li><b>Mid-/Long-Term Goals</b> <ul style="list-style-type: none"> <li>Reinforce compliance due diligence</li> <li>Build a global regulatory response framework</li> </ul> </li> </ul>

# Materiality Assessment

## Materiality Assessment Results

Classys has identified five material issues related to sustainability management based on stakeholder concerns and business impact, following the principles for topic selection outlined in the GRI Standards 2021. These key sustainability issues include quality management and responsible marketing, talent management (attracting and retaining diverse talent, supporting work-life balance, enhancing employee satisfaction, and developing employee competencies), strengthening board expertise and independence, and ethical management. We identified issues of significant concern to stakeholders through media analysis, expert evaluations, stakeholder surveys (conducted in March 2025), and analysis based on the GRI Standards 2021. Additionally, internal data analysis, industry benchmarking, and interviews with our employees helped us pinpoint issues with a significant business impact.

### Materiality Assessment Process



### Materiality Assessment Results

Materiality	Category	Topics Identified	Contents	GRI
Tier1	S	Product Quality Enhancement	Quality Management, Supply Chain Management	416
	S	Diverse Talent Retention	Talent Management, Human Rights Management, Health and Safety Management	401, 403, 404, 405, 406
	S	Work-Life Balance Support		
	S	Employee Satisfaction Enhancement		
	S	Employee Competency-Building		
	S	Responsible Marketing Practices	Quality Management	417
	G	Ethics and Compliance Management	Ethical Management	205
	G	Board Expertise and Independence	Corporate Governance	
Tier 2	E	Enhancing Energy Efficiency		
	E	Reducing Carbon Emissions		
	E	Responding to Environmental Regulations		
	S	Supply Chain Management		
	S	Health & Safety Management		
	S	Human Rights Management		
	S	Information Security System		
	G	Stakeholder Returns		

# Materiality Assessment

## Stakeholder Engagement

Classsys identifies its primary stakeholders as shareholders and investors, business partners, employees, customers, and local communities. We value communication with stakeholders and maintain various channels to understand and strategically respond to their key concerns in relation to our sustainability management. In short, stakeholder feedback plays a crucial role in our efforts to create sustainable value.

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

# Environmental

Climate Action and Environmental Management

17



# Climate Action and Environmental Management

In pursuit of our vision to become the world's No. 1 provider of medical aesthetic platforms, we place sustainability for future generations among our top priorities. That is why we set the detailed goal for reducing our carbon footprint and other environmental impacts, and actively participate in numerous green transition initiatives.

## Climate Action and Environmental Management Governance

Classsys operates structured governance to effectively develop and implement environmental management strategies. The board of directors reviews environmental management issues and evaluates opportunities and risks related to climate change at least twice annually, supervising the appropriate execution of strategies.

Our dedicated EHS (environmental, health, and safety) team implements strategies and works to reduce any present or potential environmental impact from our operations. The team also develops and maintains our environmental management system, manages certifications, assesses risks, and develops countermeasures. Another important task of the team is environmental awareness training for employees to strengthen organizational environmental competencies.

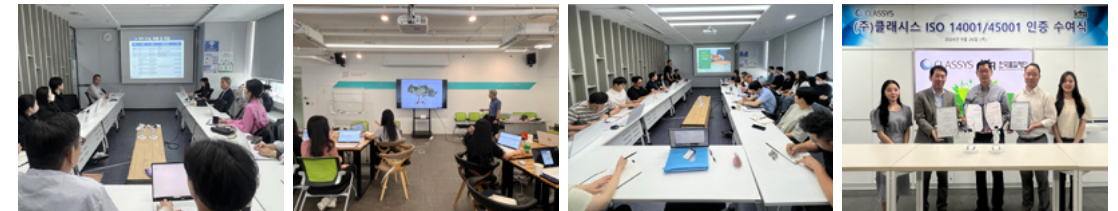
## Environmental Management Policies

Classsys implements a number of campaigns and activities to minimize our carbon footprint and environmental impact from the company's operations. These policies apply to all employees and are encouraged among our business partners as well. We have also established an environmental management system with clear performance goals and are committed to achieving them.

### Environmental Management Policy

## ISO 14001 Certification

Classsys has strengthened its environmental management capabilities for years. We have strived for energy efficiency, carbon reduction, and resource circulation through consistent internal system upgrades. As a result, Classsys obtained the ISO 14001 certification in 2024. Compliance with ISO 14001 standards demonstrates our commitment to sustainable, responsible global management.



Kick-off meeting ..... Keyman training ..... Certification verification ..... Certification awarded



# Climate Action and Environmental Management

## Environmental Compliance Management System

Classsys regularly monitors EHS risks at our sites and production processes and devises key tasks to timely address identified risks. We keep these tasks in check through regular monitoring and indicator tracking to ensure that these tasks are substantially implemented. At the same time, we maintain environmental legal databases, monitor regulatory changes, and proactively address compliance risks. Periodic training and awareness initiatives enhance our employees’ compliance capabilities, while EHS staff are supported with specialized training. Furthermore, we constantly enhance our EHS management system by continuously benchmarking environmental best practices and transparently communicating sustainability performance through regular reporting.

We also fully comply with the Act on the Promotion of Saving and Recycling of Resources, fulfilling obligations under the Extended Producer Responsibility (EPR) system. In addition, we keep track of our EPR products and recycling accomplishments as well as monitor our recycling performance results through an end-of-life product retrieval system. As a result of these fastidious efforts, Classsys maintained zero environmental violations or incidents in 2024.

## Environmental Management Process

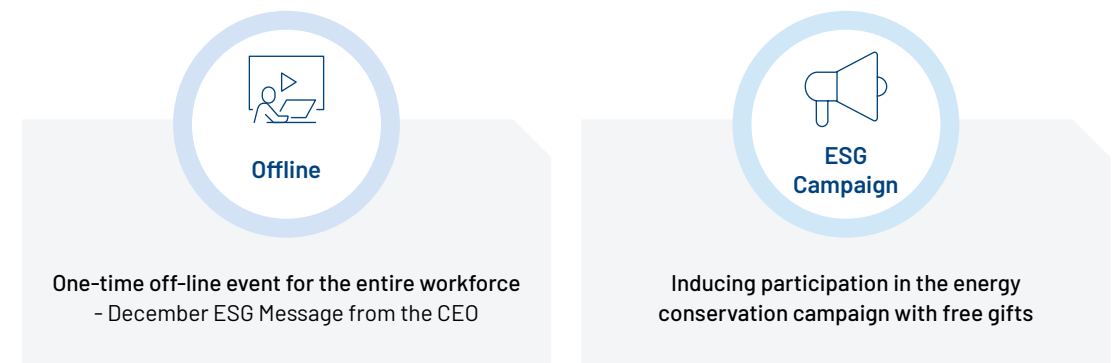
At Classsys, all major investment decisions are made only after a meticulous review of non-financial risks. Relevant departments review risks and then top management, or the BOD when necessary, reviews and approves the investment plans after careful consideration.

Risks are evaluated comprehensively in consideration of both financial and non-financial impacts, such as regulatory compliance, energy efficiency, pollutant emissions, and renewable energy usage.

Specifically, these assessment protocols systematically incorporate environmental risks into investment decisions as we seek opportunities for enhancing our environmental values in the process.

## Environmental Education and Campaigns

Classsys provides extensive environmental management training to employees to help them raise their environmental consciousness and incorporate the environmental policies into their daily business activities. In particular, the EHS team separately receives advanced course instruction to cultivate expertise in their environmental management practices. We also encourage employees to participate in volunteer activities through various campaigns and promote an organizational culture of mutual respect and support. Classsys’ CEO conveys in person the company’s commitment to environmental management practices to the entire workforce as well. In 2024, we provided an eight-hour Keyman training session to 13 members of the project team handling all matters related to ISO 14001 and 45001 certifications, with seven of those same members also receiving an additional eight-hour internal auditor training session.



## Employee Compensation Linked to Environmental Performance

Classsys integrates environmental and sustainability goals into employee performance indicators to promote their active participation. Key performance indicators (KPIs) for the entire workforce, including executive managers, involve sustainability value enhancement. Each department has also developed more detailed KPIs for their evaluation purposes, including reduction targets for resource intensity.

# Climate Action and Environmental Management

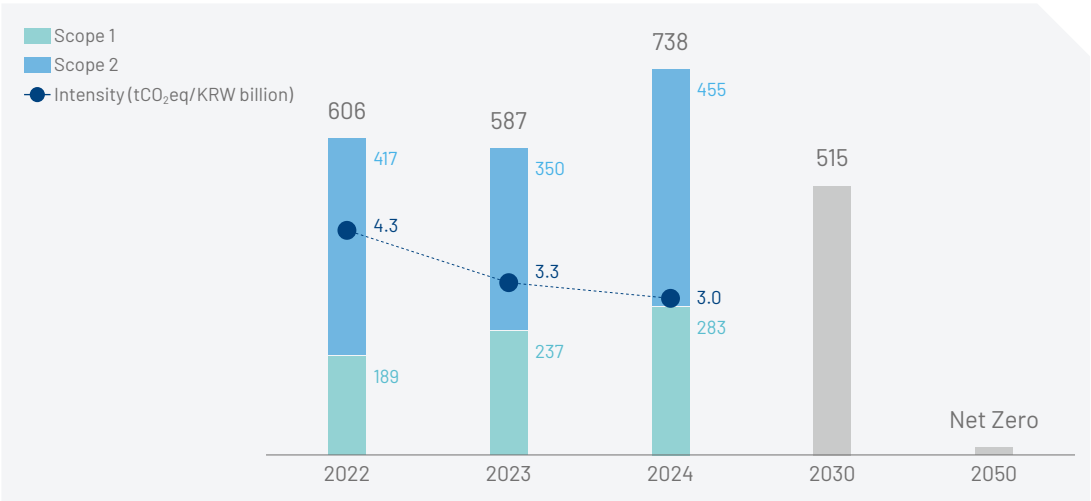
## Climate Action

### Net Zero Roadmap

Classsys is rapidly expanding its operations, with a compound annual growth rate (CAGR) of more than 30% over the past three years, naturally leading to increased energy demand. As part of our growth strategy, Classsys emphasizes energy efficiency and a reduction in our carbon footprint.

Using 2022 as the baseline, Classsys established an inventory system for Scope 1 and 2 emissions and formulated a mid- to long-term net zero roadmap. We also set short-term integrity-based emission targets and have been striving to achieve them through lean production and enhanced energy efficiency. As a result, despite a 34.8% YoY increase in revenue, we successfully reduced our emissions intensity by 6.8%. This represents a 28.9% reduction compared to the base year of 2022.

Going forward, Classsys aims to fundamentally reduce process emissions and transition to renewable energy, thereby decreasing overall greenhouse gas emissions. In the mid- to long-term, we plan to expand our management scope to include Scope 3 emissions, reducing our greenhouse gas impact across the entire value chain and ultimately contributing to the global goal of Net Zero 2050 through sustainable growth strategies.



### Greenhouse Gas and Energy Reduction Initiatives

Classsys is committed to pursuing environmental protection and economic value creation simultaneously by reducing carbon emissions and improving resource efficiency.

#### Optimization of Production Facilities and Processes

Classsys is dedicated to energy conservation and carbon emission reduction through efficient production facilities and processes. By automating operations, optimizing workspaces, and enhancing operational efficiency, we are increasing productivity while minimizing our environmental impact.

In particular, the consolidation of our Misa Plant into the Munjeong Plant in 2023 has significantly reduced logistics costs associated with inter-factory transportation and, in the long run, is expected to positively impact our long-term production capabilities.

Furthermore, by automating repetitive production tasks and optimizing workflow layouts, we have improved space utilization, which has allowed us to maximize productivity without increasing workforce numbers while reducing production area requirements even as output increased.



#### Transitioning to Green Packaging

Classsys is phasing in green packaging for its products, transitioning the packaging to eco-friendly certified materials such as FSC-certified packaging, thus demonstrating our commitment to resource circulation. Beyond waste reduction, this initiative promotes recyclability, establishes a virtuous resource cycle, provides sustainable products to customers, and actively reduces resource waste.

# Climate Action and Environmental Management

## Product Refurbishment Process

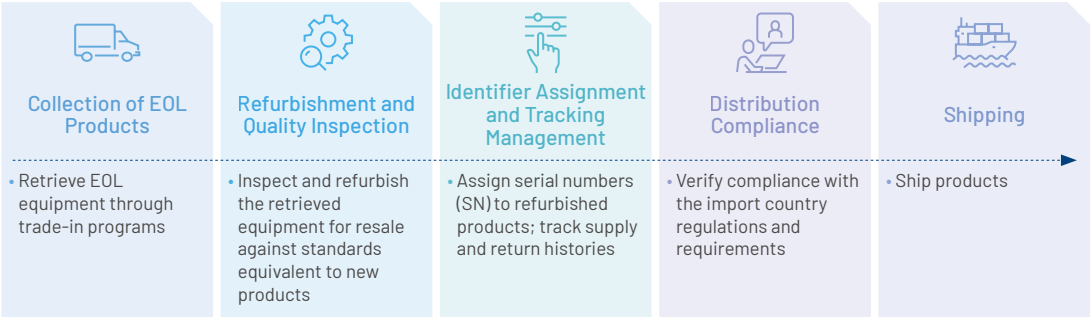
Recognizing the severity of resource depletion and environmental pollution caused by waste, Classsys promotes circular economy principles throughout the product lifecycle. Activities include developing resource-efficient products, improving repairability, retrieving used equipment, and exploring recycling opportunities.

Classsys’ primary medical device business comprises equipment platforms and consumables, forming a positive feedback loop wherein increased equipment installations drive customer influx and consumables sales. Integrating climate action into our business model, Classsys has established a refurbishment process using end-of-life (EOL) equipment. This not only contributes to resource circulation but also allows the sale of manufacturer-certified refurbished products, lowering the barrier to entry for devices and treatments and thus providing safer and more economical access for patients.

However, given that medical devices have a direct impact on patient health and safety, strict quality management and safety assurances are essential when distributing second-hand devices. Accordingly, Classsys strictly complies with stringent regulations and processes governing the sale and distribution of refurbished medical equipment. All refurbished products undergo rigorous safety and effectiveness verification approved by local regulatory bodies, ensuring transparent communication about product conditions and performance. In addition, we prioritize patient safety by establishing robust maintenance and warranty responsibilities, product origin tracking, and safety verification processes.

In 2024, Classsys exported a total of 37 refurbished devices. Moving forward, Classsys remains committed to environmentally responsible and sustainable resource circulation, ensuring broader access to high-quality services.

### Refurbishment Process



## Environmental Responsibility in Tandem with Growing Exports

Exports constitute 67% of Classsys’ total revenue, with a YoY export growth rate of 40%, underscoring the significance of overseas market expansion. In acknowledgement of environmental concerns associated with high energy consumption from air transportation, we are transitioning part of our logistics to sea freight. As such, we are working closely with global distributors to enhance inventory forecasting and optimize shipping routes, reducing the environmental burden of transportation while concurrently boosting sales and inventory management efficiency and optimizing energy consumption.

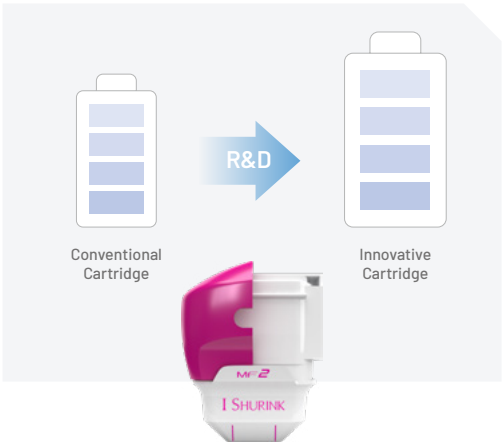
### Increase in Sea Transport

	2023	2024	Growth Rate*
TOTAL PALLET	308	341	10.71%
TOTAL CBM**	213.189	244.961	14.90%

\* YoY percentage change formula: (2024–2023)/2023 \* 100  
\*\* CBM (cubic meter): A unit used to measure the volume of cargo by multiplying its length, width, and height.

## Resource Efficiency and Production Innovation

Classsys has developed innovative technology that has nearly doubled cartridge capacity without altering product size or design, significantly reducing resource consumption and waste. Maximizing capacity within restricted dimensions resulted from our enhanced R&D capabilities. By allowing for increased production volumes with the same resources and production lines, the new technology minimizes our environmental impact during the manufacturing process while simultaneously optimizing our time-to-market performance. Additionally, the resultant cost reduction and resource efficiency objectives contribute to a sustainable production structure.



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# 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.

## Promoting Diversity, Equity, and Inclusion

At Classys, we foster a culture that values diversity and mutual understanding across the board. We are committed to cultivating an inclusive work environment that respects diverse backgrounds and perspectives, which enables our people to collaborate effectively and drive sustained growth. To attract and retain top talent, we ensure a discrimination-free workplace across all processes—recruitment, performance evaluation, compensation, promotions, benefits, and training—regardless of gender, age, race, disability, religion, or political beliefs.

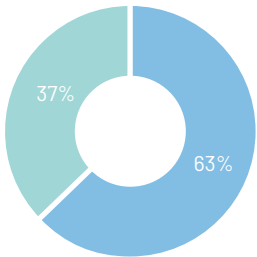
To that end, we conduct mandatory, company-wide human rights training on a regular basis, including programs on sexual harassment prevention, disability awareness, and workplace bullying. These efforts help embed a culture of respect and inclusion into our organizational fabric.

Classys does not discriminate in hiring or provisions of opportunity based on minority status. We are committed to equitable treatment for both majority and minority groups, ensuring equal conditions and fair access for all.

Moreover, we are actively investing in talent acquisition and retention strategies. By clearly defining our corporate vision and talent philosophy, we offer a broad spectrum of development programs, which range from onboarding and leadership training to expert development and external education support. Through these initiatives, we aim to nurture high-potential individuals and build a corporate culture rooted in diversity and inclusion, enabling us to secure and retain top talent over the long term.

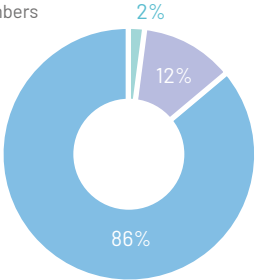
### By Gender

- Male
- Female



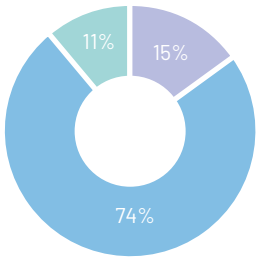
### By Position

- Executives
- Team/Group Leaders
- Members



### By Age

- Under 30
- 30-49
- 50 and above



# Talent Management

## Organizational Health Survey

Classys conducts an annual organizational health survey in partnership with an external agency to diagnose key organizational attributes and performance drivers across areas such as culture, systems, and overall effectiveness. The survey serves as a foundation for identifying areas of improvement and establishing long-term HR development strategies.

The survey is administered once per year to all employees, and results are excluded in cases where anonymity may be compromised or data distortion is suspected. Insights gained from the survey guide our improvement initiatives and help us assess employee satisfaction with the actions taken, thus providing a valuable benchmark for workplace improvement.

In the 2024 survey, 93.6% of all employees participated, marking a 0.2%p increase from the previous year. The survey evaluated three key categories: organizational effectiveness, positive practices, and organizational growing pain. Overall satisfaction continues to trend upward, reflecting Classys' commitment to enhancing the work environment, resolving concerns, and advancing HR initiatives based on employee feedback.

### Organizational Health Survey Results

Category		2022	2023	2024	Remarks
Number of Employees Surveyed		308	331	378	(Note 1)
Number of Respondents		285	309	354	(Note 1)
Response Rate		92.5%	93.4%	93.6%	
Survey Results	Organizational Effectiveness	4.71	5.49	5.79	
	Positive Organizational Practices	4.87	5.29	5.48	
	Organizational Growing Pains	4.97	4.93	4.75	* Positive if decreased

(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.

## Work-Life Balance

Classys is committed to fostering a healthy and stable working environment where employees can thrive both professionally and personally. To support a healthy work-life balance, we offer a comprehensive range of employee welfare programs. These benefits are extended to all employees, including part-time and contract workers.

### Classys Cafeteria Plan

Category	Key Benefits Offered	Remarks
In-House Cafeteria	Complimentary coffee and beverages	
Employee Lounge	Equipped with massage chairs and body composition analyzers	
Long-Service Awards	Rewards and bonus leave for 10 years of service	
Holiday Bonuses	Bonuses provided for Lunar New Year and Korean Thanksgiving (Chuseok)	
Summer Vacation	Paid summer leave and vacation allowance	
Condominium Membership	Support for reservations at major resort condominiums	
Club Activity Support	Subsidies for in-house club activities	
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 selfdevelopment, 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	
2024 Support Total	Total of KRW 2.7 billion	



# Talent Management

## 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 the health and well-being of our employees, Classsys provides personal development subsidies that can be used for gym memberships or wellness programs. Regular health checkup bills are also covered by the company.

## Education Support

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

## 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	35
	Billiards	18
	Golf	29
	Climbing	13
	Tennis	31
	Bowling	15
Competency-Building	Economy	23
	Reading	12
Total		176

## Parental Leave Programs

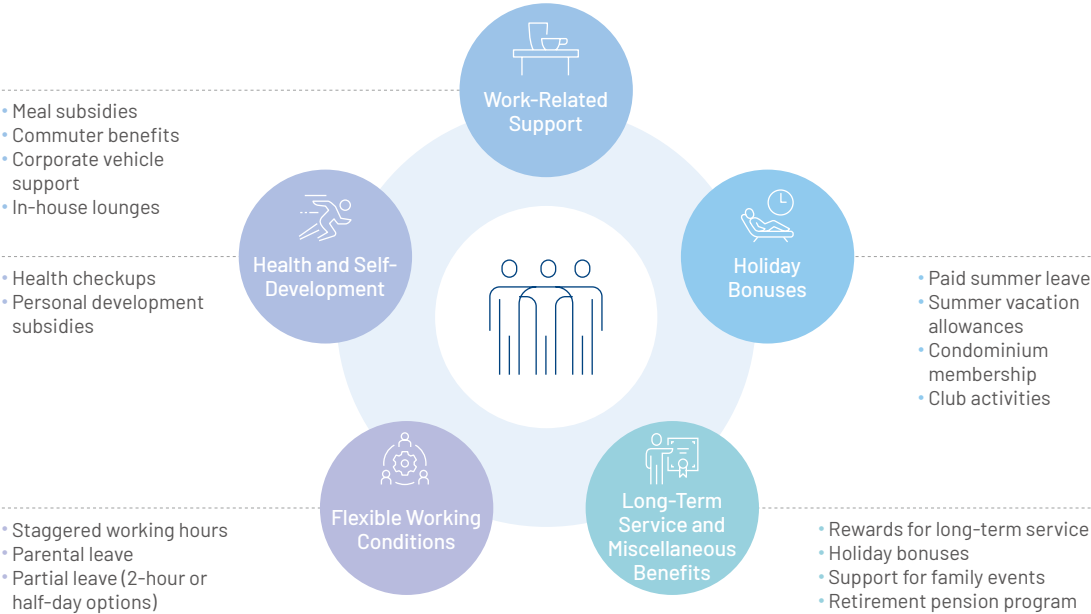
Classsys offers parental leave so that employees can spend valuable time with their families.

## 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

To help ensure our employees' post-retirement financial stability, Classsys operates a defined contribution (DC) retirement pension plan. The company makes monthly contributions, which are accumulated along with investment returns and paid out at retirement.





# Talent Management

## Labor-Management Council for Improving Working Conditions

The Classys Labor-Management Council promotes mutual benefits through participation and cooperation. The council addresses labor issues, improves working conditions, and develops perks & benefits programs. In 2024, the council held five 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.

### Labor-Management Council Agenda Items

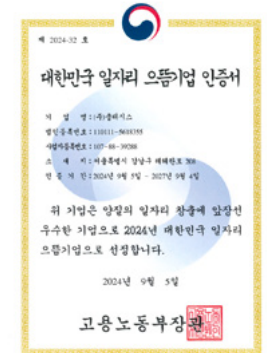
Date	Agenda Items
Feb. 20, 2024	<ul style="list-style-type: none"> <li>Extension of early leave program</li> </ul>
May 9, 2024	<ul style="list-style-type: none"> <li>Addition of three paid summer leave days</li> <li>Expanded family event support</li> <li>Additional categories/places to use personal development subsidies</li> </ul>
June 28, 2024	<ul style="list-style-type: none"> <li>Explanation of expected synergies, vision, and goals following merger decision</li> </ul>
Aug. 7, 2024	<ul style="list-style-type: none"> <li>Additional categories/places to use development subsidies</li> <li>Summer dress code</li> <li>Introduction of 2-hour leave</li> </ul>
Nov. 28, 2024	<ul style="list-style-type: none"> <li>Appointment of additional labor representatives</li> </ul>

## 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.

## A MOEL-designated Best Job-Creation Company

Classys was named a Best Job-Creation Company by Korea's Ministry of Employment and Labor (MOEL) in 2024. We believe the honor reflects the recognition of our continuous efforts to create quality jobs through structured welfare programs, a stable and positive work environment, and inclusive hiring practices for underprivileged groups. We remain committed to fulfilling our corporate social responsibilities while driving sustainable growth. Moving forward, Classys will further reinforce its people-first culture and strive to grow in step with our employees.



## Talent Management

To ensure long-term sustainability, Classys is strengthening its leadership pipeline to stay responsive to future business environments. We support employees in realizing their full potential through strategic goal-setting, fair evaluations, career development support, and performance-linked rewards.

### Performance Evaluation Timeline

Beginning of Year	Establish organizational and individual KPIs aligned with corporate goals
End of the Month	Monitor KPI progress and provide executive feedback
August	Conduct mid-year reviews, feedback, and coaching sessions for goal attainment and competency-building
Jan.-Feb.	Conduct performance evaluation Provide feedback on performance evaluation results
Late February	Determine compensation based on performance results Conduct competency evaluation Provide feedback on competency evaluation
Late March	Make compensation and promotion decisions based on performance and competency

# Talent Management

## Setting of KPIs and Regular Feedback

Classys aligns individual, team, and company-wide performance by setting key performance indicators (KPIs) that reflect our core values. Through initiatives such as value-based education, town hall meetings, and executive dialogue, we reinforce alignment between personal contributions and organizational goals. Feedback from managers helps employees understand and connect with the company’s mission and values. We promote a culture of open, respectful, and inclusive communication. Furthermore, our feedback loop is designed to be both robust and effective, allowing employees to track and understand their own performance through dedicated systems. Monthly feedback sessions with managers and executives ensure continuous engagement and help drive success on key assignments. In addition to informal coaching, we conduct formal evaluations twice a year to ensure fairness, consistency, and predictability in our performance review process.

## Performance Evaluation

Classys employs a structured and objective performance evaluation system that links individual goals to the company’s overarching mission. Through goal cascading—from corporate objectives to organizational units and individuals—we ensure that every employee contributes to the company’s strategic direction. At the same time, evaluations consider both quantitative and qualitative metrics and offer constructive feedback and development guidance.

## Competency Evaluation

Our competency evaluation assesses employees based on current capabilities and future potential. Evaluations are grounded in core values and cover technical skills, leadership potential, and value-driven behavior. The results are then used to formulate personalized development plans, helping employees further their strengths and improve areas for growth.

## Internal Career Mobility

Classys promotes internal mobility to support career growth and facilitate knowledge sharing across the organization. Employees are encouraged to pursue diverse experiences through promotions, job rotations, interdepartmental transfers, project assignments, and overseas postings. This approach helps optimize talent utilization, enhance job satisfaction, and increase employee engagement.

## Compensation and Motivation

Classys fosters sustained engagement and growth through a competitive and equitable compensation structure and diverse incentive programs. Our compensation system integrates results from both performance and competency evaluations, with a mix of fixed and variable pay. Rewards are differentiated based on individual and organizational performance.

We also recognize and motivate talent through leadership acknowledgments, awards for outstanding employees, participation in global conferences, and other career development and recognition opportunities.

## Transparent Evaluation Process

To ensure transparency and fairness, we conduct regular HR briefings that clearly explain the performance evaluation process, criteria, and timing. Evaluation standards are disclosed in advance and applied consistently across all employees. KPI targets, which form the basis for evaluations, are determined in collaboration with individual employees. Each employee receives direct feedback on their evaluation results, supporting their ongoing development. Classys continually reviews and enhances its evaluation process to meet evolving organizational needs. In addition, we actively incorporate employee feedback to maximize the effectiveness of our performance management practices.

## Recognition Program

Classys promotes a culture of appreciation through a peer-nominated recognition program. This initiative fosters a positive organizational culture where strengths are acknowledged, collaboration is encouraged, and mutual trust is reinforced. Peer recognition contributes to a psychologically safe environment and heightens positive influence across the organization. Through this program, we aim to retain top talent and grow together as a unified team.



# Talent Management

Training Coverage **100.0%** (Entire Workforce)

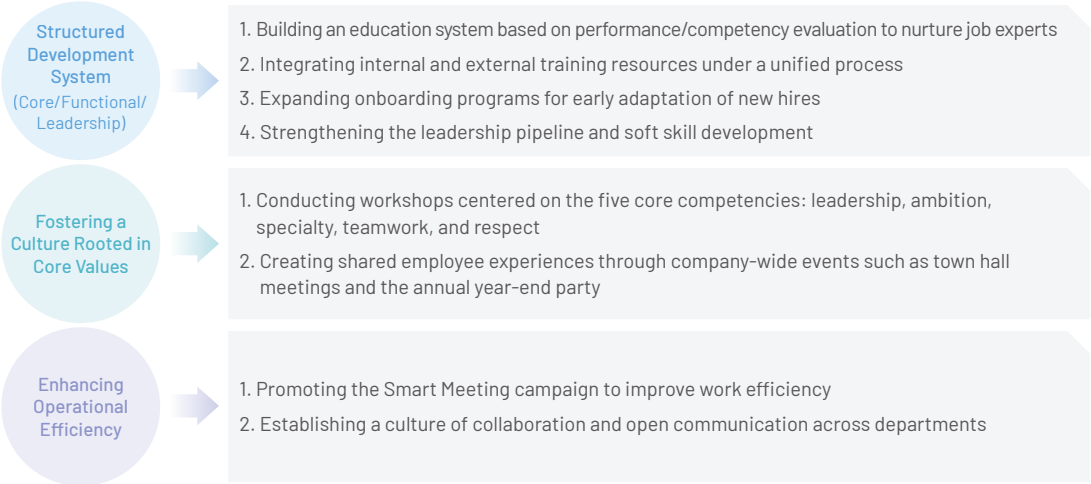
Per-employee Avg. Training Hours **46** hours

## Talent Development

Talent Development Program Framework	Common Competencies			Functional Competencies		Leadership Competencies		Enhancing Job Engagement								
	Mandatory Courses	New Hires	Company-Wide	Function-Specific	Industry-Specific	Supervisors	By Role Hierarchy	Internalization of Core Values Phase 1		Organizational Culture						
Executives	On	Off	On	On	On	Off	Leadership training for executives	On	Off	Off						
	Sexual harassment prevention  Workplace bullying prevention  Personal information protection  Disability awareness  Occupational Health & Safety  Retirement plans  Compliance training	Executive onboarding 1:1 OJT	Office Automation	Off	Off	People & Performance Leadership		Senior Leadership	Organizational culture diagnosis & analysis	Do's & Don'ts of Core Value Behavior Pledges		Year-End Party  Town Hall Meeting	Smart Meeting Project			
Off					Off		Off									
Classsys Onboarding Development:		Facilitative Leadership		Medical device training (regulatory affairs, process validation, ISO, monitoring)	Equipment training (Basic, Advanced)	ISO 14001	ISO 45001	Quality management systems			Bridge Leadership					
Welcome OT														Followership		
↓																
Associate (Managers, Researchers, Engineers)		Classsys On														
Junior (Researchers, Engineers, Technicians)																

# Talent Management

## Talent Development Program



Classys takes a strategic and systematic approach to human capital management, ensuring leadership continuity through a robust leadership pipeline. We evaluate the competencies and potential of all employees to identify future leaders and implement personalized development plans accordingly.

Tailored training programs are offered for every level in the organization—from new hires to executives—based on clearly defined role-specific competencies. Our career development framework is closely integrated with performance and competency evaluations, providing structured pathways for both leadership advancement and professional specialization.

All these initiatives are designed to empower employees to chart long-term careers within the organization, fostering continuous personal and professional growth.

## Probation Program

All new employees at Classys participate in a structured probation program. During the three-month probation period, new hires are introduced to the company’s culture, core values, and job-specific expertise, while receiving ongoing feedback to support their successful integration within the organization. Upon completion, performance evaluations help define the direction of each individual’s career path at Classys.

## Onboarding & Core Competency Programs

Core Competencies	• To enhance organizational capabilities through regular, year-round online and offline training programs.		
	Program	Target	Objectives & Curriculum Highlights
	New Hire Onboarding	New Hires	• Early adaptation through the understanding of our business and peer networking
	Office Automation Skills	All Employees (Optional)	• Basic/Advance Excel courses for enhanced data literacy
	Development of Core Competencies	All Employees (Mandatory)	• Deriving actionable behavioral pledges based on departmental characteristics to drive performance

To ensure the successful integration and growth of external recruits, Classys runs a robust onboarding program. This helps both new and experienced employees quickly internalize the company’s core values and working principles, gain a deep understanding of business operations, and form meaningful peer relationships.

The onboarding curriculum includes sessions such as CEO and executive meet-and-greets, training on Classys’ vision and values, ethical management, product and service knowledge, and peer dialogues. After onboarding, continuous support is provided to facilitate the smooth adaptation of external recruits into the organization.

We also offer optional office automation (OA) training for all employees, with courses in Excel (basic and advanced) to strengthen data-handling skills. In addition, a mandatory core competency program is provided to help teams articulate behavior-based pledges that reflect their functional strengths and link directly to performance outcomes.

These programs aim to cultivate an environment at Classys whereby both new and existing employees can grow effectively within the organization.

## Core Value Sharing Program

Classys regularly communicates its strategic direction and core values to employees to ensure alignment between individual growth and organizational success. Company-wide town hall meetings are held to share business updates and our long-term vision, while fostering a culture of recognition and feedback. Workshops are also conducted to reinforce collaboration and value alignment across teams.

These initiatives help employees better understand the company’s goals and how their individual contributions drive collective success. By encouraging the sharing of experiences and achievements, we promote a culture of knowledge sharing and teamwork. As such, the company mobilizes diverse initiatives to enhance internal communication and collaboration, and inspires passion and commitment toward achieving shared goals.

# Talent Management

## Leadership-Building Program

Leadership Competencies	• To strengthen soft skills—such as mindset, communication, and collaboration—tailored to employees’ roles and responsibilities.		
	Position	Target	Objectives & Curriculum Highlights
	Executive	C-Level & Executives	• Goal alignment through interdepartmental communication and collaboration
	Leader	Supervisors & PMs	• Roles and responsibilities expected of organizational leaders • Performance management via one-on-one skillsets
	Senior	Senior-Level	• Strengthening facilitative leadership
	Junior	Entry-Level	• Fostering positive work attitudes and followership competencies

Classsys operates a tiered leadership development program designed to equip employees at every level with the leadership capabilities needed to drive organizational growth and innovation. Programs are tailored to the leadership expectations of each career stage.

For senior leaders and managers, the program focuses on strategic thinking, decision-making, and the ability to develop and coach future leaders. It also ensures that these leaders are equipped to translate vision into strategy and lead their teams effectively. For team-level employees, the emphasis is on enhancing interpersonal effectiveness, fostering collaboration, and maximizing individual contributions through leadership in action. A dedicated onboarding program is also offered for newly appointed leaders to help them transition smoothly and assume their new responsibilities with confidence.

Through a diverse array of leadership programs, Classsys empowers its people to align with the company’s vision, navigate change, manage interpersonal dynamics effectively, and create organizational synergy that drives performance.



## Expert Training Programs



Functional Competencies	• To develop technical and field expertise through structured in-house and external training systems.		
	Type	Target	Objectives & Curriculum Highlights
	Function-Specific (Product)	Sales/R&D/Quality	• Practical insights into HIFU, RF, MNRF, and laser products • Basic & Advanced technical training as necessary • Fostering field experts
	Industry-Specific (Job Function)	All Employees	• Training to fulfill mandatory job qualifications • Continuous professional development support

Based on our established core competency models, we support employees in their pursuit to keep abreast of the latest technological trends, which is fully in step with the evolving industrial environment.

Employees are encouraged to participate in technical training to deepen their expertise, while also attending global industry conferences and seminars to gain broader insights as well as to stay ahead of market and technology shifts.

## Competency & Technology Matrix by Function

	Business Management	Strategy/ Customer Innovation	Manufacturing	R&D	Sales & Marketing	Quality & Certification
QMS						
Regulatory Compliance						
R&D						
Quality Control						
Sales						

 Expertise skills  General understanding

Classsys places particular emphasis on product quality training and offers structured programs to deepen cross-functional understanding. These programs help our employees cultivate their respective expertise and the agility to contribute across organizational functions.

# Talent Management

## Classys Core Competency Model by Function

### Top Leaders:

Experts who demonstrate excellence in leadership, regulatory insight, business operations, organizational culture building, and team management, with all of these traits grounded in strategic thinking and market analysis, to lead innovation efforts in the global medical aesthetics device market.

### Sales/Marketing Leaders:

Professionals with expertise in market analysis, sales strategies, digital marketing, customer relationship management, regulatory knowledge, and who are equipped to enhance brand value and drive the company's competitive advantage in the global marketplace by expanding and optimizing global market share.

### Regulatory Affairs/Clinical Leaders:

Specialists with a deep understanding of and proven experience in global medical device regulations (FDA, NMPA, CE), clinical trial management, and post-market surveillance, these leaders ensure global healthcare compliance and assurance through a strong command of regulatory frameworks.

### R&D Leaders:

Innovation leaders in the medical aesthetics device industry with expertise in product development and core technologies such as HIFU and RF, these individuals combine extensive engineering knowledge with proficiency in regulatory standards (FDA, NMPA, CE), technological innovation, and intellectual property management.

### Manufacturing Leaders:

Professionals who drive global quality assurance and cost competitiveness by optimizing production processes, enhancing quality control, reducing costs, and improving supply chain and automation systems to maximize productivity and operational efficiency.

### Strategic Planning Leaders:

Experts in business strategy, M&A, partnerships, portfolio management, and market trend analysis who possess the capabilities to secure and sustain a competitive advantage in the global medical aesthetics device industry through long-term strategic development.

### Customer Innovation Leaders:

Professionals focused on elevating customer satisfaction and cultivating lasting relationships, they lead customer-centric innovation by managing customer service, clinical applications, training programs, key opinion leader (KOL) engagement, and feedback analysis.

### Business Management Leaders:

Corporate professionals with expertise in global financial management, human resources strategy, and IT risk management, these individuals are committed to maximizing organizational efficiency and driving sustainable corporate growth through robust governance and integrated business operations.

## Personalized Development Plans and Diverse Growth Opportunities

To systematically support employee career development, Classys offers differentiated internal mobility and career paths. Based on performance evaluations and feedback, we establish individualized development plans and operate two distinct career tracks: one for management roles and one for subject-matter experts (Masters). We also encourage the development of versatile competencies by offering a broad range of role experiences, including opportunities to transition into different roles or work at overseas subsidiaries when needed.

For specialized roles that require professional certifications, we provide the necessary training and cover certification-related expenses. At the same time, and to promote self-directed learning, we support all employees through self-development subsidies that can be used for degree programs, certifications, and job-related education.



## Ongoing Advancement of Talent Development

To foster both individual growth and organizational sustainability, Classys continuously advances its talent acquisition, development, retention, and management strategies. We systematically evaluate the effectiveness of our training programs by incorporating employee feedback, performance outcomes, and progress in professional development. Programs are regularly updated to reflect evolving industry trends and corporate growth strategies. Through these ongoing enhancements, we are strengthening a talent development framework that enables the company and its people to grow together, while strategically cultivating next-generation leaders who will shape the future of Classys.



# Talent Management

## Industry-Academia Cooperative Training Programs

To foster talent and contribute to local communities, Classsys operates practical, work-based training programs through partnerships with educational institutions. These programs are designed to help participants build hands-on experience and technical skills alongside their academic studies over a fixed period. By equipping local youth with capabilities aligned with technological advancement and industry shifts, we support their transition into stable and high-quality employment.

To address the gap between theoretical knowledge acquired through formal education and the practical skills required in the workplace, Classsys collaborates with regional institutions to co-design training programs tailored to the medical device industry. These initiatives aim to cultivate skilled professionals who are equipped with relevant job competencies and industry-specific know-how.

Each program is structured with detailed training procedures, objectives, allocated hours, coaching methods, and supervision plans, enabling participants to clearly understand and effectively carry out their roles. In addition to job-specific and technical training, the curriculum includes workplace safety, facility management, human rights, and organizational culture. As these are paid education programs, they ensure a stable environment for learning. Regular performance evaluations and feedback are provided to facilitate well-rounded skill development as well.

Upon program completion, high-performing trainees may be offered a full-time position at Classsys. We also incorporate feedback from participants and partner institutions to improve the program and align it with evolving educational and business trends. Through this initiative, Classsys actively supports the development of future talent and the growth of local communities.



### Industry-Academia Education Programs

Target Group	Courses	No. of Participants	Mentor/Lead Department
High School Students	Site visits to provide industrial exposure and motivation for technical studies	10	Production Division
High School Students	Development of skilled professionals in the medical device industry	4	Production Division
High School Students	Job training and employment support to vocational high school apprentices	2	Production Division
University Students	Industry-linked research projects and career mentoring	21	Strategic Planning Center

Classsys also operates a P-TECH (pathways in technical education, oriented convergent high-technology) program for select outstanding graduates of dual-track vocational training schools. In partnership with government-accredited local universities, P-TECH supports employees in pursuing associate or bachelor's degree programs while continuing their work responsibilities.

This initiative allows high school graduates of apprenticeship programs to continue their education, thus nurturing them into highly skilled professionals who are well aligned with Classsys' long-term workforce needs. As of year-end 2024, three employees were enrolled in associate degree programs and three in bachelor's degree programs as part of the dual-track system.

Through industry-academia partnership, Classsys is cultivating future-ready talent and fulfilling its social responsibility to drive sustainable growth.



# Human Rights Management

Classsys is committed to respecting human rights. To minimize potential human rights risks across its business activities, the company practices comprehensive human rights management. In addition to establishing a code of ethics, Classsys has implemented a company-wide human rights policy, operates both online and offline grievance handling systems, and provides a variety of training programs to promote a culture of respect for human rights.

## Human Rights Policy

One way Classsys builds and maintains positive relationships with stakeholders is by upholding human rights. Our human rights policy is founded on seven key 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 fundamental rights. We are committed to the proactive prevention of human rights violations and the minimization of adverse human rights impacts. Under the principle of human rights management, we systematically manage potential human rights risks across our operations and diligently fulfill our responsibility to respect human rights.

 [Human Rights Policy](#)

## Human Rights Risk Management and Monitoring

To strengthen our human rights management system, Classsys conducts regular human rights risk assessments for all employees and continuously evaluates our response capabilities. We identify potential human rights risks through external surveys, internal questionnaires, and analysis of grievance reports, after which we implement preventive measures based on these findings.

Through organizational health surveys and other tools, we have recognized the need to enhance internal communication and mutual understanding. Accordingly, we host communication and respect-building training sessions and workshops on a regular basis. At leadership workshops targeting executives and team leaders, we emphasize communication for heightened synergy and mutual understanding, coupled with training on the prevention of human rights violations.

Furthermore, we provide regular human rights training for all employees and distribute communication guides to foster a culture of trust within the organization. Classsys also strives to create a transparent and safe organizational culture where employees can freely express their voices. Going forward, we will continue to enhance our human rights risk management efforts and actively promote human rights protection.

## Human Rights Risk Management Process

Procedure	Content
Identification of Human Rights Risk Factors	<ul style="list-style-type: none"><li>• Identification of major human rights risks and impacts through independent external surveys, internal surveys, and grievance reports</li><li>• Analysis of incidents related to personnel actions and working environments to categorize violation types and frequencies</li><li>• Analysis of major external cases</li></ul>
Establishment of Human Rights Risk Mitigation Measures	<ul style="list-style-type: none"><li>• Periodically review the necessity of revising policies and procedures for the prevention of human rights violations</li><li>• Strengthen human rights education, improve organizational culture, and enhance processes for handling human rights violation cases</li></ul>
Monitoring	<ul style="list-style-type: none"><li>• Assessment of the effectiveness of mitigation measures through analysis of violation frequency and whistleblower satisfaction with the reporting program</li><li>• Continuous monitoring through regular surveys and feedback, including education satisfaction assessments, to improve human rights management practices</li></ul>

## 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	-	-
Guarantee of Minimum Wage	0	-	-
Occupational Health and Safety	0	Strengthening worker safety	Process automation to prevent musculoskeletal disorders
Privacy Policy	0	Reinforcement of cybersecurity to mitigate cyber risks	Establishment of the CLASSYS Infrastructure Development Center (IDC)
Consumer Rights Protection	0	-	-



# Human Rights Management

## Strengthening Human Rights Education

Classsys conducts annual human rights-related training sessions for all employees, including sexual harassment prevention training and disability awareness training. In addition, we provide various foundational and ethics education programs to safeguard human rights and prevent discrimination within the organization. We are committed to ongoing education and management to prevent workplace misconduct such as sexual harassment, bullying, forced labor, child labor, and other violations of labor rights and human rights. As of 2024, all employees had successfully completed mandatory training courses in sexual harassment prevention, workplace bullying prevention, and disability awareness.

## Grievance Handling Framework

### Overview

Classsys operates a year-round grievance handling system to respond promptly to human rights-related issues. Anyone can submit a report through online and offline channels, and under our whistleblower policy, we rigorously protect the identity of whistleblowers as well as all related information. All reports, the handling process, and outcomes are managed through strict security protocols, accessible only to authorized personnel designated under the company's internal regulations. Unauthorized access or disclosure of such information is strictly prohibited, and any attempt to identify a whistleblower is subject to severe disciplinary action. No information is disclosed externally without the explicit consent of the whistleblower. Throughout the grievance process, we take comprehensive measures to ensure that whistleblower identities are protected and to block any unnecessary sharing of sensitive information.

Grievance officers promptly review and process reported issues, and if needed, arrange additional protective measures to ensure the whistleblower feels safe. All outcomes and actions taken are reported to the CEO, while strictly limiting any unnecessary disclosure of information during the reporting process.

### [Whistleblower Policy](#)

### Grievance Handling Process

Procedures	Details
Grievance Reporting	<ul style="list-style-type: none"><li>Employees can raise issues or concerns through their supervisors or designated grievance channels.</li><li>Protection measures are applied to safeguard the identity of the whistleblower and the confidentiality of the report.</li></ul>
Investigation and Analysis	<ul style="list-style-type: none"><li>Prompt investigation of the grievance to identify the root cause and nature of the issue</li><li>Engagement of external experts, if necessary</li></ul>
Action Plan Development and Implementation	<ul style="list-style-type: none"><li>Formulation of an action plan to resolve the identified issue and implementation of appropriate corrective measures</li></ul>
Result Notification and Feedback	<ul style="list-style-type: none"><li>Communicating investigation results and corrective actions to the whistleblower and relevant parties &amp; collecting feedback from them</li></ul>
Post-Monitoring and Recurrence Prevention	<ul style="list-style-type: none"><li>Implementing preventive measures to avoid recurrence of similar incidents</li><li>Monitoring for retaliation and taking additional protective actions if necessary</li></ul>
Documentation and Reporting	<ul style="list-style-type: none"><li>Keeping detailed records of all procedures and reporting outcomes to senior management</li><li>Applying strict security measures to all records</li></ul>



# Human Rights Management

## Strict Confidentiality, Whistleblower Protection, and Anti-Retaliation Policies

Classsys is committed to fostering an environment where employees can safely and transparently raise concerns and report issues. To ensure the trust and effectiveness of the grievance system, we strictly protect all whistleblower information and reports. All personal and report-related information is securely stored and processed in compliance with the Personal Information Protection Act. Authorized personnel with access to any information pertaining to the grievance are obligated to uphold strict confidentiality.

Moreover, we enforce a strong whistleblower protection policy to ensure that no employee who raises a grievance suffers retaliation or discrimination. The identity of whistleblowers is accessible only to the minimum number of authorized individuals necessary for grievance processing, and we take rigorous measures to prevent unauthorized disclosure.

We have also implemented an anti-retaliation policy that guarantees employees can report concerns without fear of adverse consequences. By enabling employees to raise issues freely, we strengthen our ability to detect and address organizational risks early.

The safety and trust of our employees remain a top priority, so Classsys will continue to uphold the most stringent confidentiality protections and fairness throughout the grievance handling process.

## Ombudsman Channels

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

## Grievance Handling Results

Procedures	Details
Number of Reports	<ul style="list-style-type: none"><li>• Total four cases</li><li>• Reports by type: 3 employee grievances and 1 customer suggestions</li></ul>
Process Speed	<ul style="list-style-type: none"><li>• 3 days on average</li></ul>
Resolution Rate	<ul style="list-style-type: none"><li>• 100%</li></ul>
Recurrence Rate	<ul style="list-style-type: none"><li>• 0%</li></ul>
Resolutions	<ul style="list-style-type: none"><li>• Identify and analyze the cause of the report; conduct interviews with involved parties if necessary; provide appropriate feedback or implement improvement measures</li></ul>

# 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 System

Classys has established a dedicated information security division staffed with specialized personnel to safeguard customer data and enhance business resilience. We have formulated comprehensive information security policies and procedures which are disseminated across the organization to ensure that every employee is aware of their security responsibilities and fully compliant. Classys proactively identifies and assess information security risks, implementing appropriate countermeasures accordingly. We also verify the effectiveness of security measures and adopt flexible security strategies to respond to evolving threats. Since our inception, we have maintained full compliance with relevant laws and regulations without any incidents of information leakage or regulatory sanctions. Through rigorous information protection practices, we uphold customer trust and preempt potential risks.

## Information Security Training and Awareness

To foster a security-conscious culture, Classys provides annual information security training to all employees, increasing their understanding of security policies and strengthening their capabilities against cyber threats. Tailored additional training is provided to employees with heightened responsibilities. These initiatives minimize the risk of security incidents and data breaches due to human error, embedding security as a core organizational value.

### Information Security Training for IT Personnel


Training Topic	Hours	Participants	Remarks
Infrastructure Modernization Strategy Seminar	4 hours	1 person	-
Practical Training on the Management and Operation of Nutanix Prism Hyperconverged Infrastructure (HCI)	4 hours	1 person	-

## Risk Assessment and Mitigation Outcomes

Classys actively manages key risks related to information security and personal data protection through regular self-assessments and subsequent improvement actions. In 2024, reflecting risk assessment outcomes, we established the Classys infrastructure development center (IDC) server environment and adopted Nutanix hyperconverged infrastructure (HCI), significantly enhancing IT infrastructure stability and security.


These efforts underscore our unflinching commitment to protecting information assets and personal data.

### Reducing Cyber Risks through Classys IDC Deployment




Enhancing Network Security

- Detecting and blocking external attacks via firewalls
- Blocking unnecessary access and internal spread through network micro-segmentation



Strengthening Data Protection and Monitoring

- Enabling rapid data recovery with snapshot and redundancy configurations
- Enhancing operational efficiency through centralized monitoring via Prism



CLASSYS Infrastructure Disaster Drills

- Conducting regular drills to maintain service continuity during infrastructure failures

# Occupational Health and Safety Management

Classsys is committed to creating a healthy and safe work environment through systematic safety management and continuous improvement initiatives.

## Occupational Health and Safety Policy

Classsys has established occupational health and safety policies and implements a safety and health management system to protect employee well-being and ensure workplace safety. Hazard and risk factors are systematically evaluated, and a robust safety management system is in place with clear performance targets to drive continuous improvement. Senior management leads major decision-making on health and safety initiatives, while periodic training promotes employee awareness and engagement in safety activities.

### Occupational Health and Safety Policy

## ISO 45001 Certification

As part of its consistent endeavors towards a healthier and safer work environment, Classsys has reinforced its internal systems to secure employee safety, prevent occupational accidents, and improve working conditions. As a result of our efforts, we obtained ISO 45001 certification, a globally recognized standard for occupational health and safety management. We are dedicated to sustaining a safe workplace and maintaining compliance with stringent international standards.



## Health and Safety Risk Management Process

### Accident Prevention Process



### Accident Response Process



# Occupational Health and Safety Management

## Risk Assessments

Classsys has established a risk assessment framework to systematically manage hazardous and harmful factors and conducts regular and ad hoc risk assessments with active employee participation. For any risk factors that exceed permissible thresholds, specific corrective actions are promptly established and implemented. All assessment processes and results are systematically documented and managed. Through this robust risk management approach, we continue to cultivate a safer, healthier work environment where the well-being of our employees is our highest priority.

## Risk Improvements

Activity	Improvements identified	Improvements Completed
Near Miss	16 cases	16 cases
Ad Hoc Risk Assessments	71 cases	64 cases
Regular Risk Assessments	94 cases	94 cases
Environmental Improvements	71 cases	68 cases
Total	252 cases	242 cases



Secret RF

## Employee Participation in Health and Safety Activities

At Classsys, employee health and safety are fundamental values. We conduct regular general and special health examinations and ensure rigorous follow-up management based on examination results. The EHS team provides guidance and advice, identifies potential risks through regular inspections and emergency response management, and implements continuous improvements to maintain a safe working environment.

We proactively review changes in relevant laws and regulations to minimize potential risks and operate various participatory programs and incentive schemes to enhance employees' health awareness and encourage active engagement.

By adopting "Safety First" as a core principle, we are fostering a culture of mutual protection among employees and promoting voluntary compliance with safety rules. Based on occupational accident analyses, we set clear safety targets and behavioral guidelines, provide systematic training, and strive to maintain a zero-accident workplace.





# Occupational Health and Safety Management

## Health and Safety Education

Classsys regularly conducts health and safety training for all employees. As of 2024, a total of 7,764 hours of regular health and safety training was provided, achieving a completion rate of 99.9%.

We also conduct safety orientation and material safety data sheet (MSDS) training for new hires to instill safety awareness from the outset, and delivered a total of 792 hours of training in this regard in 2024. For safety managers, health managers, and supervisors, we provide specialized job training through accredited external institutions to continuously enhance their expertise. In addition, we have updated operation manuals for automated facilities and provide training on safe operation practices to proactively prevent potential hazards in the workplace.

## Creating a Safe and Comfortable Work Environment

Classsys continually invests in improving the workplace environment to ensure that employees can work safely and comfortably. We conduct regular inspections of facilities and equipment and carry out objective environmental assessments through third-party workplace environment measurements.

To minimize exposure to hazardous factors, we provide electrostatic dissipative (ESD) footwear and install local exhaust ventilation systems. Furthermore, we have added more lounge areas for employee relaxation and recovery, and we reinforce workplace safety through facility upgrades such as the maintenance of firefighting equipment and ventilation systems.



## Accident Management and Prevention

Classsys has established a rigorous management system to steer clear of accidents at work. In the event of an incident, we take prompt measures to prevent recurrence by means of a thorough root cause analysis. In particular, through company-wide sharing of accident case studies, we strengthen preventive actions and, when necessary, reinforce the accident prevention framework through additional safety training and improvements to personal protective equipment (PPE).

### Industrial Accident Statistics

Category	2022	2023	2024
Cases	0	1	1
Occupational Accident Rate *	0%	0.31%	0.24%
Accident Type	-	Work-related accidents	Off-site accidents (workshops)
Preventive Measures	-	<ul style="list-style-type: none"><li>• Re-training on PPE compliance</li><li>• Raising alertness through awareness campaigns</li></ul>	<ul style="list-style-type: none"><li>• Raising awareness through accident case study training</li><li>• Safety training and warm-up exercises before group activities</li><li>• Refraining from extreme sports activities during any company-wide group events</li></ul>

\* Occupational accident rate=(Number of accident victims/Number of workers covered by industrial accident insurance) x 100

## Emergency Response System

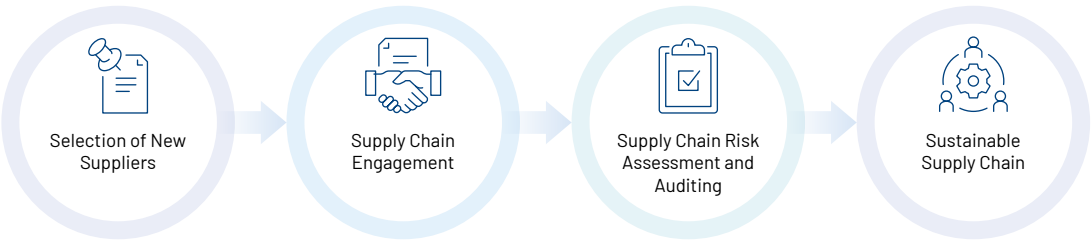
Classsys has established comprehensive emergency action plans to address both operational crises (fires, power outages, etc.) and natural disasters (floods, typhoons, etc.). We have also developed a variety of response scenarios to ensure preparedness. To minimize potential loss of life and property damage, we conduct evacuation drills to strengthen our emergency response capabilities. Moreover, we have developed and implemented site-specific and situation-specific recovery manuals to enable rapid restoration in the event of a disaster.



# Supply Chain Management

Classys is committed to fostering a transparent and sound industrial ecosystem based on trust with its partners. We strive to build a culture of mutual growth through fair trade practices and technological advancement, promoting shared prosperity with all of our partners.

## Supply Chain Management Strategy



To ensure the sustainability of our supply chain, Classys operates a systematic evaluation system to proactively identify and mitigate risks. We conduct risk assessments across the entire supply chain, including raw material suppliers, and carry out regular audits for high-risk suppliers.

These audits comprehensively assess quality management, operational management, manufacturing capabilities, and materials management to evaluate not only product safety and quality but also internal management competencies and production reliability. Suppliers who receive outstanding evaluations are rewarded with expanded order volumes or new product development opportunities. Conversely, those failing to meet our standards are provided with improvement targets and supported through the corrective action and preventive action (CAPA) process. Post-improvement, suppliers are re-evaluated to confirm progress. Suppliers facing persistent quality issues or high instability are subject to strict measures, including potential termination of business relations. Additionally, we recommend ISO 14001 certification to suppliers deemed to have a significant environmental impact and closely monitor their certification progress.

## New Supplier Selection



Classys operates a structured process for selecting competitive new suppliers. At Classys, suppliers are classified by risk levels based on procurement volume, the nature of supplied items, and the availability of substitutes. Selection is based on comprehensive evaluations covering compliance with quality standards, manufacturing capabilities, quality systems, and ISO 9001 and ISO 14001 certifications. Differentiated criteria are applied according to the supplier’s risk level to maintain a stable supply chain.

# Supply Chain Management

## Supply Chain Policy and Engagement

In promotion of ESG practices on our supply chain, Classsys has established a Supply Chain Code of Conduct and promotes responsible transactions with all partners. Through this, we encourage suppliers to respect human rights, ensure worker dignity, and operate in an environmentally friendly and ethical manner. This Code of Conduct covers six areas: human rights, health and safety, environmental protection, ethics and anti-corruption, fair trade, and protection of trade secrets and intellectual property. All suppliers must sign an agreement to comply with these standards and participate in annual compliance screenings to verify ethical management and anti-corruption practices across the supply chain.

 [Supply Chain Policy](#)

Furthermore, we operate a production part approval process (PPAP) to pre-define quality standards for mass production components through quality assurance agreements with each supplier. We clearly communicate key management points, inspection agreements, certificates, and packaging specifications to ensure their full understanding and compliance. When quality standards change, we collaborate with suppliers through prior consultations and conduct validation tests to manage transitions smoothly.

We also reiterate our quality management commitment annually to all suppliers to maintain a sustainable supply chain and support their mid- to long-term business planning.

## Strengthening Supply Chain Support and Development

Ensuring a stable supply chain requires that suppliers possess sustainable management capabilities. Through regular audits, Classsys supports the enhancement of supplier quality and operational capabilities while also proactively preparing for major quality issues. Based on comprehensive evaluations, including supplier feedback (VOC) and risk assessments, we provide targeted support to suppliers requiring advanced quality management.

We engage in monthly re-negotiations of quality standards with high-risk suppliers to assist their improvement efforts and ensure alignment between manufacturers and suppliers regarding quality expectations. We also analyze the root causes of quality nonconformities, jointly establish improvement plans, and offer consulting to strengthen suppliers' sourcing and quality competitiveness. In addition, we provide reference samples to help maintain consistent quality and analyze deviations for any corrective actions, as well as offer technical guidance on key quality control points. To further support supply chain optimization, we even subsidize the cost of standardized delivery boxes to reduce waste and promote procurement process standardization, continuously upgrading quality management systems across the supply chain.





# Quality Management

Classys builds customer trust by reliably delivering products of the highest quality and integrity. Quality management is one of our core values, with customer satisfaction and continuous quality improvement set as our top priorities.

## Quality Management System

Classys has implemented a comprehensive and systematic quality management system based on international standards such as ISO 13485 (Medical devices—Quality management systems) and MDSAP (medical device single audit program). We enhance our quality assurance through regular precautionary testing aimed at preventing potential quality and safety concerns across all products and services. This includes critical elements such as incoming material inspections, in-process inspections, process control and validation, and final product inspections.

Through our quality risk management process, we also assess and mitigate the potential health and safety impacts of our products and services. This systematic approach involves evaluating, controlling, communicating, and reviewing risks that could affect quality throughout the product lifecycle.

Detailed quality management procedures are specified in our Quality Manual, ensuring product quality and safety at every stage—from design and development to procurement, manufacturing, sales, distribution, and post-market activities. Classys demonstrates thorough regulatory compliance through documented procedures and records.

All of Classys’ manufacturing facilities are certified under global standards that include ISO 13485, GMP, MDSAP, and CE-MDD. We continuously validate the effectiveness of our quality management system through regular internal audits and third-party audits. In addition, we conduct periodic training programs to ensure employees performing related duties maintain the required competencies, thereby strengthening the credibility of our in-house quality management system.

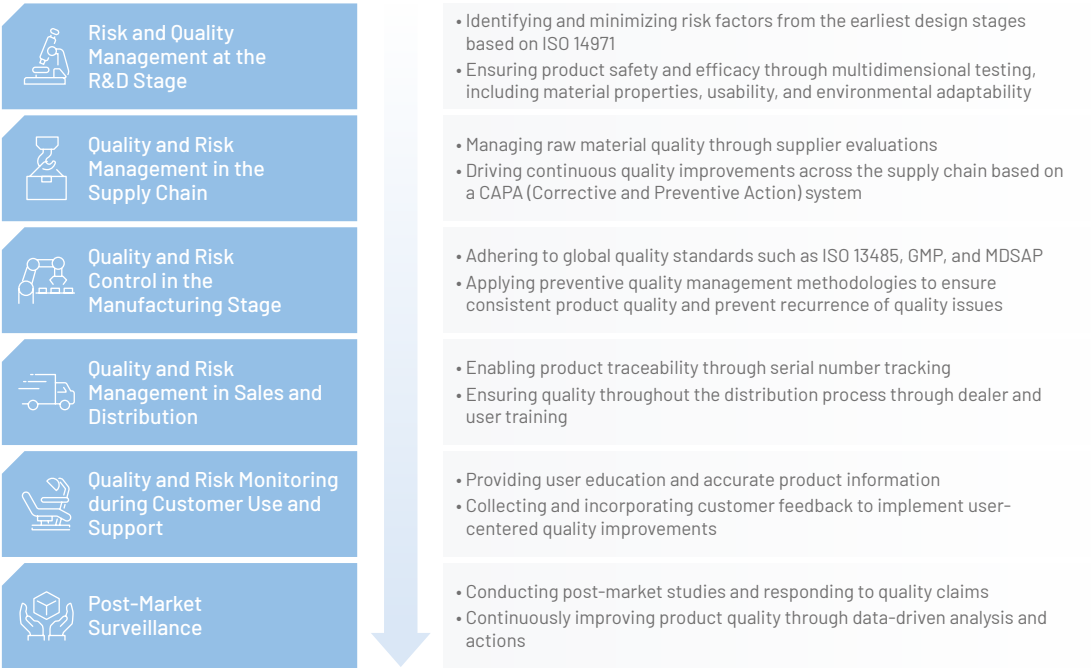
### Certification Scope

Category	Headquarters	Munjeong Plant	Anyang Plant
KGMP Quality System	○	○	○
CE-MDD	○	○	○
ISO 13485 Quality System	○	○	○
MDSAP Quality System	○	○	○

## Risk and Quality Management

Classys implements a risk management process that systematically identifies, evaluates, and controls risks in accordance with ISO 14971 (Medical Devices—Application of Risk Management to Medical Devices) across the entire product lifecycle—from R&D through production, distribution, and post-market activities. We proactively manage potential quality and safety issues, identifying and addressing risks arising from new technologies, materials, and changes in intended use environment at an early stage. All risk assessment protocols, evaluation results, and design change records are meticulously documented. When necessary, clinical evaluations or clinical trials are conducted to verify the safety and effectiveness of the product.






### End-to-End Quality Management Process



# Quality Management

## Risk and Quality Management at the R&D Stage

Classys implements rigorous risk and quality management from the initial research and development (R&D) phase—the starting point of the product lifecycle—to ensure product safety and efficacy at the design stage, and preemptively mitigate risks that may arise during production and distribution. Specifically, we apply a systematic risk management system based on ISO 14971 to identify and minimize potential hazards from the early design stages. Comprehensive testing, including new material assessments, usability testing, and accelerated aging tests, verifies product stability and effectiveness.

	<b>New Material Testing</b>	Biocompatibility testing results evaluating the long-term impact of new materials on the human body
	<b>Usability Testing</b>	Test results identifying potential user errors across diverse user groups
	<b>Accelerated Aging Testing</b>	Test results predicting potential performance degradation of devices during long-term storage, such as test data simulating storage conditions over a period of five years
	<b>Environmental Adaptability Testing</b>	Performance testing under anticipated extreme conditions, such as high temperature and humidity
	<b>Cybersecurity Testing</b>	Test results identifying cybersecurity vulnerabilities in medical devices connected via wireless communication

## Quality and Risk Management in the Supply Chain

Classys operates a comprehensive supplier evaluation system to ensure quality management throughout the entire supply chain. Suppliers undergo regular quality evaluations and audits to proactively prevent potential issues and comply with Classys’ quality standards and regulatory requirements. Effective incoming quality control (IQC) activities are conducted through pre-delivery inspections of key raw material suppliers influencing finished product performance and quality. In addition, Classys engages suppliers in monthly quality improvement activities and the corrective and preventive action (CAPA) process to systematically address immediate concerns and potential future risks, thus promoting continuous quality enhancement.

## Quality and Risk Control in Manufacturing

Classys adheres to quality management systems such as ISO 13485, GMP, and MDSAP, ensuring rigorous quality control from raw material intake through finished product shipment. Consistency in the manufacturing process is secured through design verification and validation, while potential failure modes are proactively identified and mitigated through process failure mode and effects analysis (PFMEA). Furthermore, changes to manufacturing processes undergo a formal change management procedure to evaluate and approve impacts on quality and safety.

Classys also employs a real-time quality data analysis system to comprehensively verify compliance with quality standards for raw materials, in-process components, finished goods, packaging materials, and serial labels. This system enables real-time quality monitoring abnormalities during production and triggering immediate corrective action where needed. Moreover, all products undergo stringent inspection according to predefined specifications prior to market release. Classys rigorously conducts quality inspections of raw materials, processes, and finished products from procurement to shipment, maintaining and ensuring consistent product performance, safety, and quality.

Regular maintenance and calibration of manufacturing facilities, internal quality audits, and systematic CAPA processes are carried out to analyze and resolve production-related issues, thereby reinforcing problem-solving capabilities and recurrence prevention.



# Quality Management

## Enhanced Quality Management Activities

### Process Failure Modes and Effects Analysis (PFMEA)

Classsys conducts PFMEA from raw material input through to finished product shipment, identifying potential failure modes based on severity, occurrence, and detectability. This proactive approach mitigates risks that could impact product functionality and process reliability.

Additionally, Classsys reinforces production processes with robust poka-yoke systems to prevent human errors and defects, utilizes validated vision AI automated inspection equipment to ensure inspection capability and traceability, and employs real-time monitoring via established Q-Gate systems.

These integrated activities support the delivery of consistent, high-quality, and traceable products to customers.

### Corrective and Preventive Action (CAPA) Process

Classsys swiftly implements corrective and preventive actions to resolve issues and proactively prevent recurrence, safeguarding customer safety and product quality. A structured CAPA system thoroughly defines issues, analyzes root causes, and develops fundamental solutions. By reviewing interconnected processes, Classsys enhances proactive quality management capabilities across every stage of production.

#### CAPA Process



## Quality and Risk Management in Sales and Distribution

Classsys efficiently manages medical device information through serial number tracking, enabling comprehensive traceability throughout production and distribution processes. Distributor training and adherence to domestic and international regulatory standards further enhance quality assurance.

## Quality and Risk Monitoring during Customer Use and Support

Classsys provides comprehensive user manuals and training programs to ensure correct product usage, and follows responsible marketing practices that reflect regulatory approvals and truthful communication. Internal procedures systematically collect and analyze customer feedback to continually enhance product quality and user satisfaction.

## Post-Market Surveillance and Quality Improvement

Classsys carries out post-market surveillance activities that draw on customer feedback, quality claims, and recall risk analyses to continuously refine quality management processes.

# Quality Management

## Suggestion and Reward System



All employees are encouraged to propose improvements regarding our products, manufacturing methods, and work processes. Various collaborative structures are in place to facilitate the practical implementation of these suggestions.

Specifically, task force (TF) teams can be formed around topics or issues of particular interest. Through TF activities, diverse improvement projects are executed to enhance productivity, optimize process efficiency, and reduce defect rates. Throughout these projects, continuous feedback and collaboration help identify optimal solutions.

To share the results and achievements of these improvement initiatives, we regularly organize a High Performance Team (HPT) Contest. During HPT events, employees have the opportunity to showcase their contributions and achievements, promoting a culture of mutual understanding and respect for colleagues' work. Classsys motivates its employees by fostering a culture of improvement, thus driving continuous innovation.

## Quality Management Training for Employees

Classsys systematically provides quality management training for all employees, including part-time and contract workers, fostering their growth into quality management experts. Basic quality training is included in the orientation process for new employees, with ongoing regular training sessions for all personnel on product quality and relevant regulations.

Customized training is also offered according to specific job requirements. For sales and marketing personnel, training covers product approvals, clinical evidence, safe usage methods for medical devices, and policies prohibiting off-label marketing to ensure ethical and accurate information dissemination. For employees in design, risk management, manufacturing, and quality control roles, advanced training reflecting regulatory changes and the latest technological trends is provided to continuously enhance product quality and safety.

Classsys identifies employees in quality-critical roles and monitors their training progress through the Quality Management System (QMS), requiring a minimum passing score to verify understanding.

Through these comprehensive training programs, Classsys enhances the organization's overall quality management competencies, ensures regulatory compliance, and establishes a culture focused on product safety.

### Quality Management Training Overview

Targets	Programs	Frequency
All employees, including new hires, part-time, and contract workers	<ul style="list-style-type: none"><li>• Product quality briefings</li><li>• Distribution of product quality guidance materials</li></ul>	<ul style="list-style-type: none"><li>• At least once annually</li></ul>
Job-specific quality management training	<ul style="list-style-type: none"><li>• Manufacturing: Production and service delivery, non-conforming product management</li><li>• Procurement: Purchasing, managerial responsibilities</li><li>• R&amp;D: Design, development, data analysis</li><li>• Regulatory/Clinical: Design, development, regulatory approvals</li><li>• Sales-related: Quality management system, manuals, customer relationship management</li></ul>	<ul style="list-style-type: none"><li>• Ongoing</li><li>• Conduct training to ensure understanding verification</li></ul>

# Quality Management

## Zero Recalls Initiated by Regulatory Authorities

Classys has maintained an impeccable record of zero product recalls initiated by regulatory authorities such as Korea's Ministry of Food and Drug Safety (MFDS) and CE due in large part to rigorous quality management practices that prioritize high product quality and stability.

## Responsible Marketing

### Responsible Marketing Policy

Classys operates a responsible marketing policy aimed at systematically managing legal and ethical risks arising from marketing activities, thus enhancing our global brand value. We fastidiously comply with both domestic and international marketing regulations across all advertising and promotional activities, actively preventing false or exaggerated claims. At the same time, Classys provides accurate information to consumers regarding product purposes, indications, and usage methods, thereby avoiding misleading statements. In collaboration with business partners, we also apply our responsible marketing policy to mitigate ethical risks, while doing our utmost to integrate consumer feedback through various channels to maintain high levels of trust.

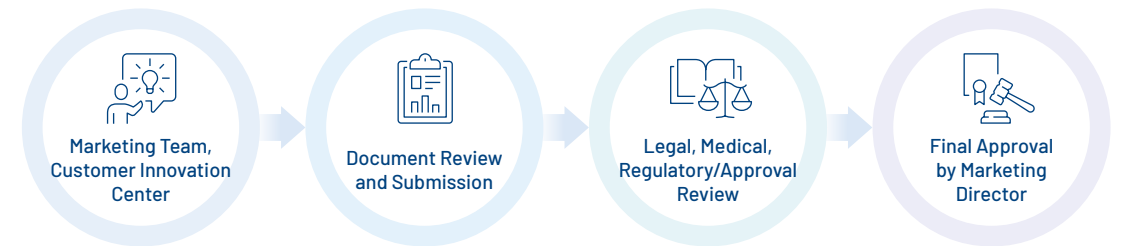
### Responsible Marketing Policy



Ultraformer MPT

## Marketing Monitoring Procedures and Regular Audits

Under a stringent marketing management framework, we proactively review legal, medical, regulatory, and approval-related risks, ensuring that only pre-approved materials are used in all marketing activities.



To ensure effective implementation of our responsible marketing policy, we have established detailed internal control procedures and a self-monitoring system supported by ongoing education. We have therefore developed processes such as expenditure reports of economic benefits to healthcare professionals and self-reviews of advertising materials to enable employees to verify compliance independently. High-priority issues are subject to additional oversight, and follow-up actions are taken to assess the internal response status and identify any necessary improvements.

We further strengthen our compliance framework through an established compliance program (CP), including annual audits and effectiveness evaluations. All employees are required to immediately report any suspected or confirmed violations of the responsible marketing policy to the marketing department head, who subsequently takes prompt action to address the issue. All stakeholders, including customers and business partners, may anonymously report unethical marketing practices through our online whistleblowing system, with every report being thoroughly investigated and reporters' identities fully protected.

Classys continuously monitors product distribution domestically and internationally by analyzing customer feedback, service requests, and whistleblower reports to detect unauthorized use. If inappropriate practices are identified, corrective actions are promptly taken, and in cases involving illegal or criminal activities, Classys reports this to the relevant authorities after seeking legal advice.

# Quality Management

## Education and Activities for Responsible Marketing, Advertising, and Promotion

Classys operates structured training programs to ensure that all employees—including part-time and contract workers—as well as business partners fully understand and comply with our responsible marketing policy. New hires, whether full-time, contract, or experienced professionals, undergo onboarding training. In addition, job-specific training is regularly provided to employees in sales, marketing, and customer innovation—functions directly involved in promotional activities. This specialized job-specific training covers a wide range of compliance topics, including the marketing code of conduct, fair competition policy, anti-corruption and anti-bribery measures, conflict of interest management, social media governance, and interactions with healthcare professionals and government officials. To promote company-wide alignment, annual training on product indications and intended uses is also delivered to employees across other functions, ensuring that all personnel have a clear understanding of and ability to comply with responsible marketing standards. Furthermore, Classys conducts an annual ethical awareness survey to assess employees’ understanding of internal policies and reinforce a culture of ethical conduct throughout the organization.

### Responsible Marketing Education Overview

Targets	Programs	Frequency
Sales and Marketing Teams	<ul style="list-style-type: none"><li>• Understanding accurate usage purposes, indications, and methods for products and services</li><li>• Understanding responsible marketing policies and anti-corruption policies</li><li>• Interactions with healthcare professionals</li></ul>	<ul style="list-style-type: none"><li>• At least once annually</li><li>• Self-monitoring through marketing compliance guidelines and checklists</li></ul>
All Employees (including part-time and contract workers)	<ul style="list-style-type: none"><li>• Understanding accurate usage purposes and indications of products and services</li><li>• Overview of responsible marketing policies</li></ul>	<ul style="list-style-type: none"><li>• Annually</li></ul>
New Employee Onboarding	<ul style="list-style-type: none"><li>• Responsible marketing policy orientation</li></ul>	<ul style="list-style-type: none"><li>• Monthly, 1-hour sessions</li></ul>

## Interactions with Healthcare Professionals

Classys is committed to providing customers with accurate and balanced information about our products by continuously strengthening our collaborative relationships with healthcare professionals. All employees are required to comply with fair marketing and trade practices when engaging with healthcare professionals, ensuring that such interactions do not compromise their independent clinical judgment or research integrity.

We strictly prohibit the offering of illegal rebates to medical professionals and conduct ongoing monitoring to ensure that all marketing activities adhere to ethical standards.

To assist healthcare professionals in gaining a thorough understanding of our products, covering everything from intended use and indications to proper application, Classys operates regular educational programs. We also host user meetings and symposiums in both domestic and international markets to share the latest medical technologies and clinical insights.

Through expert-led lectures, panel discussions, and interactive sessions, we provide comprehensive training on the safe and effective use of our devices, enabling more medical professionals to access up-to-date knowledge and best practices.



## Off-Label Marketing and Product Labeling Management

Classys recognizes that off-label marketing can pose risks to patient safety and market integrity, and therefore strictly prohibits any promotional activities that deviate from approved indications as part of both internal and external compliance protocols.

We also ensure full compliance with medical device labeling regulations in each country where we operate. All product labels include essential information such as the company and product name, batch or lot number, manufacturing date, expiration date (if applicable), volume or weight, and storage conditions. Additional information required under local regulations is also incorporated accordingly. To ensure proper labeling management, we have established internal procedures that support systematic oversight by country and by product. Labels are inspected prior to final product release to verify compliance with applicable labeling requirements and to identify and resolve any discrepancies before shipment.



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# Corporate Governance

Classys is committed to establishing a transparent and sound governance structure by implementing appropriate policies and fulfilling its governance responsibilities with integrity.

## General Shareholders’ Meetings and Shareholder-Friendly Policies

### Shareholder-Friendly Policies

Classys values shareholder input and works hard to reflect this input in corporate decision-making. To that end, we encourage shareholders’ participation and their exercise of voting rights at general shareholders’ meetings (GSM).

To ensure that shareholders can exercise informed voting decisions, Classys discloses meeting details—such as the date, venue, and agenda descriptions—via Korea’s DART and KIND platforms at least two weeks in advance. For added convenience, notices of convocation, business reports, and audit reports are also made available on the company website. For international shareholders and investors, we make disclosures whenever needed in English and publish investor relations (IR) materials and annual reports in English.

Classys also mobilizes multiple initiatives to encourage shareholder engagement. Since the 8<sup>th</sup> GSM held in March 2023, we have implemented electronic voting. The 9<sup>th</sup> and 10<sup>th</sup> GSM, held in March 2024 and March 2025, respectively, were scheduled to avoid peak days typically crowded with other companies’ shareholder meetings. Additionally, Classys supports proxy voting by distributing proxy forms via in-person delivery, mail, fax, and the company website.

To enhance shareholder understanding of our business and operations, Classys maintains open communication through active investor relations, prompt and accurate public disclosures, and diverse information channels on its website.

### Shareholder Return Policy

Classys strives to maximize shareholder value by strengthening the competitiveness of its flagship products, notably Shurink and Volnewmer. Our shareholder return policy is determined based on our business results. Dividends are proposed by the board of directors and finalized with shareholder approval at the general meeting in accordance with Classys’ Articles of Incorporation. Dividend amounts are finalized after considering business results, strategic investments for sustainable growth, financial soundness, and the legally distributable surplus.

As revenue and profits have grown, so too have shareholder returns. Classys has issued dividends for eight consecutive years since its listing, with per-share dividends increasing from KRW 66 in 2021 to KRW 116 in 2022, KRW 200 in 2023, and KRW 257 in 2024. The total cash dividend payout also grew from KRW 4.3 billion in 2021 to KRW 7.5 billion in 2022, KRW 12.8 billion in 2023, and KRW 16.8 billion in 2024.

To enhance shareholder value, Classys actively pursues share buybacks and cancellations. Following the BOD’s resolution to repurchase treasury shares through a share buyback trust arrangement in 2022, Classys repurchased 777,183 shares worth KRW 20 billion by the end of 2023 and subsequently canceled the entire amount in February 2024. At the end of December 2024, we announced an additional share buyback trust worth KRW 50 billion, thereby continuing its commitment to return value to shareholders.

### Dividend History for the Last 5 Years

(Unit: KRW)

Category	Cash Dividend per Share	Total Cash Dividend	Consolidated Payout Ratio	Dividend Yield
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%
2024	257	16,833,843,352	17.2%	0.5%

# Corporate Governance

## Results of the 10<sup>th</sup> Annual General Shareholders’ Meeting

At the 10<sup>th</sup> annual general shareholders’ meeting (GSM) held on March 31, 2025, all three reports and six resolutions on the agenda were approved as originally proposed. Shareholders holding a total of 75.9% of issued shares with voting rights, excluding treasury shares and other non-voting shares, participated in the meeting and exercised their voting rights.

### Results of the 10<sup>th</sup> Annual GSM

Agenda Item	Approval/ Disapproval	Ratio to Total Voting Shares			Remarks
		Attendance Rate	Approval Rate	Dissent/ Abstention Rate	
Agenda Item 1. Approval of the 10 <sup>th</sup> Consolidated and Separate Financial Statements (Cash Dividend of KRW 257 per Share)	Approved	75.9%	74.8%	1.1%	
Agenda Item 2. Partial Amendment to the Articles of Incorporation	Approved	75.9%	75.9%	0.0%	
Agenda Item 3. Appointment of Shin Kyung-ja as an Outside Director	Approved	75.9%	75.9%	0.0%	
Agenda Item 4. Appointment of Shin Kyung-ja as an Audit Committee Member	Approved	47.3%	99.9%	0.1%	
Agenda Item 5. Approval of Remuneration Ceiling for Directors	Approved	75.9%	75.9%	0.1%	
Agenda Item 6. Approval of Stock Option Grant by BOD Resolution	Approved	75.9%	75.9%	0.1%	

Note 1) The number of shares with restricted voting rights under the Commercial Act was excluded.

## Board of Directors

### Appointment and Composition of the Board of Directors

The board of directors (BOD) is responsible for determining the company’s management objectives and strategies, as well as effectively supervising management to promote growth and protect stakeholders’ interests. To fulfill these functions effectively, the BOD is organized and operated with transparency in accordance with all legal procedures.

The BOD consists of directors appointed by the GSM in accordance with the Korean Commercial Act and Classsys’ Articles of Incorporation. As of the end of March 2025, the BOD comprised eight directors: one executive director, four non-executive directors, and three outside directors.

Information on director candidates is disclosed in detail in the notice of convocation and the electronic voting system, with final appointments confirmed at the GSM. In accordance with Article 363 of the Commercial Act and Article 21 of the Articles of Incorporation, shareholders are notified at least two weeks prior to the meeting by written or electronic notice, specifying the date, location, and agenda. When the appointment of directors is included on the agenda, candidate names, backgrounds, and relevant information are provided.

Director candidates are recommended from various channels, including shareholders and stakeholders. Evaluation and selection criteria comprehensively consider diversity, expertise, and alignment with the company’s direction. Factors such as race, nationality, gender, place of origin, or religion are not limiting. Rather, independence of judgment is a key criterion. Candidates who share the company’s vision and management philosophy and can provide meaningful insights are selected.

For independent directors, candidates undergo additional review and recommendation by the Nomination Committee to ensure objectivity. The committee also reviews selection criteria annually to ensure appropriateness and continuous improvement.

# Corporate Governance

## Key Profiles of BOD Members (as of March 2025)

Name	Gender	Position	Key Experience	Term Expiry Date
Baek Seung-han	Male	CEO Chair of the Board Nomination Committee Member	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 Compensation Committee Member	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 Nomination Committee Member	B.S. in Industrial Engineering, Seoul National University 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) 2022-2025 Managing Director, Bain Capital (Korea) Co., Ltd. 2024-present Non-executive Director, Classys	Mar. 27, 2026
Park Wan-jin	Male	Non-Executive Director Compensation Committee Member	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 Audit Committee Member Chair of Outside Directors Council Nomination Committee Member	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 Outside Directors Council Member	Bachelor's in Economics, College of Social Sciences, Seoul National University MBA/Finance, Seoul National University PhD in Business Administration/Accounting, Dongguk University 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
Shin Kyung-ja	Female	Outside Director Audit Committee Member Outside Directors Council Member	B.A./M.A. in English Lit., Ewha Womans University MBA, The Fuqua School of Business, Duke University 2016-present Head of Marketing, Asia Pacific Platform & Device, Google 2025-present Outside Director, Classys	Mar. 30, 2026

# Corporate 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 provide expert guidance and independent oversight across the company’s operations. 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.

The executive director was appointed for their expertise in the medical device and healthcare industries, with the professional capability to make swift and accurate decisions by taking into account the diverse dynamics of the industry and business environment, thereby upholding responsible management aimed at enhancing 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	Shin Kyung-ja
Medical Device Industry	○	○	○	○	○	○		
Beauty & Healthcare Industry	○	○	○	○	○	○		
Accounting & Finance		○	○	○	○		○ *	
Sales & Marketing	○					○		○
Diversity								○
M&A		○	○	○	○			

\* Certified public accountant

## BOD Operations and Performance Results

The Board operates efficiently and transparently in strict accordance with the Articles of Incorporation and internal regulations, clearly defining its roles and responsibilities. Regular BOD meetings are held at least once per quarter, while extraordinary meetings are convened as needed. Notices specifying the meeting date, location, and agenda are distributed at least seven days in advance.

Directors may participate in meetings via telecommunication means that allow for simultaneous audio transmission and reception. Directors with conflicts of interest on specific agenda items are restricted from voting.

Beyond legally required matters, the BOD deliberates on other key management issues to strengthen its strategic oversight and decision-making role. The BOD also deliberates on significant matters proposed by any director or the BOD itself, in addition to those delegated by the GSM.

### 2024 BoD Performance



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

# Corporate Governance

## Key Resolutions

Session	Date	Agenda	Approval/Disapproval	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	Reported	6	June 25, 2024	Agenda 1. Cancellation of Stock Option Grant Agenda 2. Approval of Stock Option Grant	Approved Approved
		Agenda 1. Approval of the 9 <sup>th</sup> Financial Statements	Approved		June 25, 2024	Agenda 1. Approval of Merger Agreement Agenda 2. Determining the Record Date for Shareholders	Approved Approved
		Agenda 2. Approval of the 9 <sup>th</sup> Business Report	Approved		June 25, 2024	Agenda 1. Approval of Special Bonus Agreement	Approved
		Agenda 3. Approval of Bonus Payments	Approved	7	Aug. 13, 2024	Report Agenda 1) Q2 Financial Results Report Agenda 2) Compliance Program Operation Plan	Reported Reported
		Agenda 4. Amendment of Internal Controls over Financial Reporting Policy and Guidelines	Approved		Aug. 13, 2024	Agenda 1. Approval of a Small-Scale Merger	Approved
2	Feb. 27, 2024	Agenda 1. Approval of the Cancellation of Treasury Stock	Approved	8	Sep. 14, 2024	Agenda 1. Approval of Supplemental Special Bonus Agreement Agenda 2. Approval of Supplemental Agreement on Post-Closing Adjustment for Share Purchase Agreement Agenda 3. Approval of Non-Exercise of Termination Right and Continuation of Merger	Approved Approved Approved
		Agenda 2. Resolution on Dividends	Approved			Agenda 1. Approval of Change in GSM Date for Final Merger Report	Approved
3	Mar. 13, 2024	Report Agenda 1) Report on the Internal Controls Evaluation over Financial Reporting by the Audit Committee	Reported		Sep. 19, 2024	Agenda 1. Approval of Loan to Ilooda Co., Ltd.	Approved
		Agenda 1. Partial Amendment of Board Operating Policies	Approved	10	Sep. 25, 2025	Agenda 1. Approval of Settlement Agreement for Damages	Approved
		Agenda 2. Cancellation of Stock Option Grant	Approved		Sep. 25, 2025	Agenda 1. Approval of Settlement Agreement for Damages	Approved
		Agenda 3. Nomination of Director and Audit Committee Member Candidates	Approved	11	Oct. 2, 2024	Agenda 1. Report and Disclosure of Merger Progress Report Agenda 2. Notification of Registration of Branch Office	Approved Approved
		Agenda 4. Convening of Regular General Shareholders' Meeting and Submission of Agenda	Approved			Report Agenda 1) Q3 Financial Results Report Agenda 2) Succession Plan Report Agenda 3) Financial and Non-Financial Risks Activities of Chief Risk Officer	Reported Reported Reported
4	Mar. 29, 2024	Agenda 5. Evaluation of the Board of Directors, Board Committees, and Individual Directors	Approved	12	Nov. 8, 2024	Report Agenda 4) Report on Environmental and Occupational Health & Safety Management Performance Results Report Agenda 5) Evaluation of Compliance Controls and Programs Effectiveness	Reported Reported Approved Approved
		Agenda 1. Appointment of CEO	Approved			Agenda 1. Appointment of Compliance Officer Agenda 2. Approval of Concurrent Service as Director and Auditor at Subsidiaries	
		Agenda 1. Appointment of Compensation Committee Members	Approved			Agenda 1. Approval of Branch Office Establishment	Approved
		Agenda 2. Appointment of Nomination Committee Members	Approved			Agenda 1. Approval of Treasury Stock Trust Agreement	Approved
		Agenda 3. Selection of Lead Outside Director	Approved	13	Dec. 10, 2024	Agenda 1. Approval of Additional Capital Contribution and Debt Guarantee for the Japan Subsidiary	Approved
5	May 8, 2024	Agenda 4. Approval of Remuneration for Registered Directors	Approved				
		Report Agenda 1) Report on the Evaluation of the Audit Committee's Audit Activities	Reported	14	Dec. 17, 2024		
		Report Agenda 2) Report on Adjustments to Financial Statements Before and After Auditing	Reported				
		Reporting Agenda 1) Q1 Financial Results	Reported				
		Reporting Agenda 2) Business Plan	Reported				
		Reporting Agenda 3) Anti-Corruption Plan	Reported				
		Agenda 1. Establishment of Compliance Program guidelines	Approved				
		Agenda 2. Appointment and Dismissal of Compliance Officer	Approved				
		Agenda 3. ESG Materiality Assessment Results	Approved				
		Agenda 4. ESG Management Performance Results	Approved				
		Agenda 5. Establishment of a Local Subsidiary in Japan	Approved				

# Corporate Governance

## Evaluation of the BOD, Committees, and Individual Directors

### Purpose of the BOD Evaluation

Classys is committed to fostering sound management, safeguarding shareholder rights, and enhancing public trust. To support our long-term growth and strengthen our governance structure, we conduct annual evaluations of both the collective board of directors and each individual director to assess board competency and objectivity. The results of these evaluations may be considered in deliberations on director compensation and reappointment.

### Evaluation of the BOD and Committee Activities

Classys conducts a self-assessment of the BOD and its committees once a year, using a combination of quantitative and qualitative methods across five key areas: roles and responsibilities, operations, quality, diversity, and composition and qualifications. The evaluation framework and criteria are established based on recommendations from the Outside Directors Council and subsequently approved by the BOD.

The BOD evaluation is conducted at a meeting attended by all directors and uses a five-point scale. Scores are interpreted as follows: an average score of 4.0 or higher is rated as “Excellent”; 3.0 or higher as “Good”; 2.0 or higher as “Needs Improvement”; and below 2.0 as “Replacement Consideration.”

Evaluations are also conducted for each committee—except for the Audit Committee—and individual directors. The Audit Committee independently evaluates its own activities and independence, and reports its results to the BOD to further Classys’ commitment to sound management, shareholder protection, and public trust.

### 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 conducts an annual evaluation of each director at the BOD level, assessing three core criteria: contribution, expertise, and independence. The evaluation combines both quantitative and qualitative measures and is scored on a five-point scale: “Excellent” for 4.0 or above; “Good” for 3.0 or above; “Needs Improvement” for 2.0 or above; and “Replacement Consideration” for scores below 2.0.

### Individual Director Evaluation Results

Name	Results
Baek Seung-han	Excellent
Kim Dong-wook	Excellent
Kim Hyun-seung	Excellent
Choi Yong-min	Excellent
Park Wan-jin	Excellent
Park Jun-hong	Excellent
Kwon Hyuk-jin	Excellent
Kim Dong-ju	Excellent

# Corporate Governance

## Director Remuneration Policy

### Overview

Classys has established an independent Compensation Committee to ensure fairness and objectivity in decisions regarding executive remuneration. The committee focuses on aligning the compensation package with the company's long-term goals and sustainable value creation.

To ensure a holistic compensation scheme, the committee maintains a balanced approach that considers not only financial and non-financial indicators but also short- and long-term performance metrics, and conducts regular reviews to ensure appropriateness.

Financial indicators include business results, profitability, and share price, while non-financial indicators cover ESG achievements and productivity. This holistic evaluation ensures that executive compensation aligns with the company's strategic objectives across both financial and non-financial dimensions.

The committee also reviews the balance between financial incentives—such as bonuses and stock options linked to the company's short- and long-term goals—and non-financial incentives, including leadership recognition, innovation support, and career development opportunities. The Compensation Committee and the BOD regularly evaluate and adjust the remuneration scheme as necessary to align executive interests with the company's sustainable value creation efforts.

### CEO Stock Ownership Policy

To align the CEO's interests with those of the company and shareholders, Classys' Compensation Committee has adopted Stock Ownership Guidelines requiring the CEO to hold company shares equal in value to five times their annual base salary within five years of their appointment. Until this ownership requirement is met, the CEO is prohibited from selling shares acquired through executive incentive plans, except for covering option exercise costs and taxes.

The CEO must report their ownership status to the Compensation Committee annually, and the committee reviews compliance. As of the end of 2024, the tenure of the incumbent CEO had not yet reached the five-year deadline for achieving the required stock ownership level, with the CEO reporting no shares held.

### Clawback Provisions

Classys operates a performance-based compensation system with short-term and long-term incentives tied to evaluation periods.

The number of shares initially granted under the performance-linked stock compensation plan is subject to adjustment based on both financial and non-financial performance. The plan is designed to include mechanisms for automatic adjustment of compensation in the event of significant value deterioration—such as share price decline caused by unethical behavior, legal violations, or substantial financial loss.

The Compensation Committee ensures that accounting fraud or errors do not lead to financial statement misstatements, stipulating that variable compensation may be adjusted or clawed back in the event of any restatements. Classys maintains a strict ethical standard in administering its performance-linked compensation.





# Corporate Governance

## Outside Directors Council

Classys operates an Outside Directors Council composed entirely of outside directors to enhance independent oversight and advisory functions. By excluding management from participating, the council fosters open and objective discussions that support corporate growth and shareholder interests.

In 2024, the council deliberated on the management of the newly integrated entity post-merger, providing recommendations to the BOD. By resolution of the council, Park Jun-hong—former country manager of a global pharmaceutical and healthcare company—was appointed as Lead Outside Director to chair the Outside Directors Council.

The council may compile and communicate its collective recommendations to the BOD or management, thereby improving transparency and governance effectiveness. Classys provides the council with all the necessary resources and allows it to retain outside experts at company expense if needed.

### 2024 Outside Directors Council Performance Results



#### Key Resolutions

Session	Meeting Date	Agenda Item	Approval/Disapproval
1	Sep. 25, 2024	Agenda 1. Report and Discussion on PMI Outcomes	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.

### 2024 Compensation Committee Performance Results



#### Key Resolutions

Session	Meeting Date	Agenda Item	Approval/Disapproval
1	Feb. 27, 2024	Agenda 1. Approval of Stock Ownership Guidelines	Approved
		Agenda 2. Approval of Clawback Policy for Variable Performance-Based Compensation	Approved
		Agenda 3. Review of Individual Executive Performance and Remuneration	Approved
		Agenda 4. Review of Director Remuneration Ceiling for the GSM	Approved
2	Nov. 8, 2024	Agenda 1. Appointment of Committee Chair	Approved
		Agenda 2. Short-Term Incentive Criteria for Executive Directors	Approved

# Corporate Governance

## 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, 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.

In addition, key details on each candidate—including key career achievements, relationship with the company, and reasons for recommendation—are disclosed at least two weeks prior to the general shareholders’ meeting to ensure shareholders have ample opportunity for review.

### 2024 Nomination Committee Performance Results



### Key Resolutions

Session	Meeting Date	Agenda Item	Approval/ Disapproval
1	Mar. 12, 2024	Agenda 1. Nomination of Outside Director Candidate	Approved
2	Nov. 8, 2024	Agenda 1. Appointment of Committee Chair	Approved
		Agenda 2. Establishment of Criteria for Selecting Outside Director Candidates	Approved

## Audit Committee

Members of the Audit Committee are appointed at the general shareholders’ meeting following deliberation by the BOD, with due consideration given to legal requirements and independence. The Audit Committee is composed of individuals who possess expertise in accounting, finance, and relevant industry knowledge, and who are free from any material interests with the company or its management, thereby maintaining independence in their supervisory role.

The committee reviews and oversees key management activities, including financial audits and assessments of the internal accounting control system, while also monitoring the operation of internal control mechanisms and deliberating on matters presented to the GSM, as well as other duties specified under the Articles of Incorporation. In 2024, the Audit Committee convened a total of nine times, deliberating on agenda items such as internal accounting controls and internal audit results, all while maintaining regular communication with external auditors.

Classys provides the Audit Committee with the management data necessary for fulfilling its duties and regularly shares updates on key corporate issues to support the committee’s oversight. To further enhance members’ understanding of the business and maintain their auditing expertise, the company also conducted two training sessions in 2024.

### 2024 Audit Committee Performance Results



# Corporate Governance

## Key Resolutions

Session	Meeting Date	Agenda Item	Approval/Disapproval
1	2024.02.14	Report Agenda 1) Final Report on Internal Accounting Controls	Reported
		Report Agenda 2) In-Person Report by the CEO on the Internal Controls Operation Status over Financial Reporting	Reported
		Report Agenda 3) Report on the Financial Statements Settlement and the Business Report	Reported
		Report Agenda 4) Report on External Audit Contract Conclusion	Reported
		Report Agenda 5) Report on Internal Audit Results	Reported
		Report Agenda 6) Report on the Operation Status of the Internal Reporting System	Reported
		Report Agenda 7) Report on the Status of Disclosure Compliance	Reported
		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	Reported
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
5	May 8, 2024	Report Agenda 1) Q1 Financial Results	Reported
		Report Agenda 2) Interim Report on Internal Accounting	Reported
		Report Agenda 3) Operational Status of the Whistleblower System	Reported
		Report Agenda 4) Disclosure Compliance Report	Reported
6	May 29, 2024	Report Agenda 1) Communication with External Auditor	Reported

Session	Meeting Date	Agenda Item	Approval/Disapproval
7	Aug. 13, 2024	Report Agenda 1) Communication with External Auditor	Reported
		Report Agenda 2) Q2 Financial Results	Reported
		Report Agenda 3) Interim Report on Internal Accounting	Reported
		Report Agenda 4) Outcome of Amendments to Accounting Guidelines for Tangible and Intangible Assets	Reported
		Report Agenda 5) Internal Audit Results	Reported
		Report Agenda 6) Operational Status of the Whistleblower System	Reported
		Report Agenda 7) Disclosure Compliance Report	Reported
8	Nov. 8, 2024	Report Agenda 1) Q3 Financial Results	Reported
		Report Agenda 2) Interim Report on Internal Accounting	Reported
		Report Agenda 3) Operational Status of the Whistleblower System	Reported
		Report Agenda 4) Report on the Status of Disclosure Compliance	Reported
		Report Agenda 5) Ad Hoc Internal Audit Results	Reported
9	Dec. 17, 2024	Report Agenda 1) Communication with the External Auditor	Reported

## Audit Committee Support Team

Classys operates an Audit Committee support team staffed by personnel with a strong understanding of internal controls and compliance to facilitate the effective functioning of the Audit Committee. Members of the support team are appointed and dismissed with the approval of the committee, and performance evaluation outcomes of the committee are reflected in their personnel assessments.

The support team conducts audits based on the annual audit plan approved by the Audit Committee and assists in the committee's duties, including evaluations of the internal accounting control system. It continuously reports key matters necessary for the committee's oversight, such as the company's management status, whistleblower reports, compliance status, and the progress of support activities.

In 2024, the support team reported the results of three internal audits and one whistleblower case to the Audit Committee and implemented additional corrective measures as directed by the 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 Governance

Classys’ compliance governance comprises the BOD, the CEO and executive management (Compliance Leads), the Compliance Officer and Compliance Team, Compliance Managers in each business unit (team/group leaders), and the Audit Committee.

The BOD serves as the highest decision-making and supervisory body for ethical and compliance management, approving and overseeing overall strategies and direction. The CEO and executive management implement compliance standards approved by the BOD and foster an organizational culture of ethics and compliance.

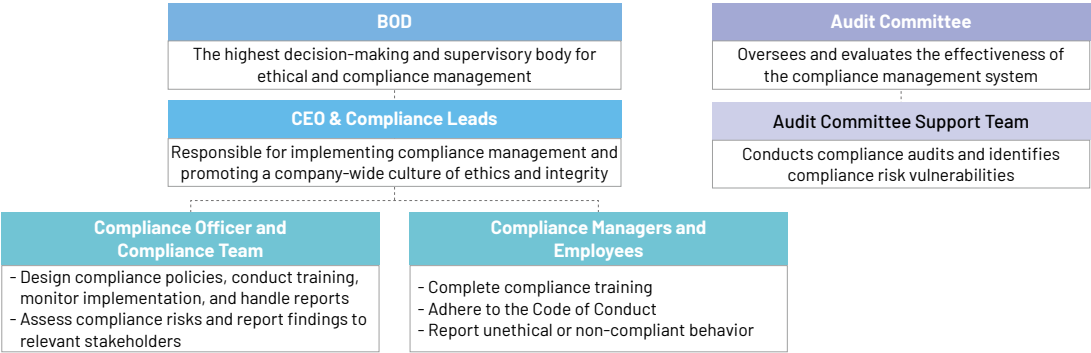
The Compliance Officer and Compliance Team are responsible for the practical execution of compliance management, which includes designing compliance policies and procedures that reflect all relevant laws, regulations, and ethical standards; investigating compliance violations; recommending corrective measures; and overseeing policy implementation and monitoring.

Compliance managers in each business unit lead the implementation of compliance practices within their team/group. They complete compliance training, adhere to the Code of Conduct, report any suspected unethical or illegal activities to senior management or the compliance team, and supervise compliance adherence among their team members.

The Audit Committee independently reviews and evaluates the compliance management system, monitors policy implementation and procedural compliance, and identifies risk vulnerabilities. The committee may request the BOD and executive management to establish and enforce corrective measures as necessary.

The Audit Committee support team conducts internal audits twice annually under the approved audit plan and reports audit outcomes to the Audit Committee and senior management.

### Compliance Governance Structure



## Compliance Policies

To achieve sustainable management, Classys operates a comprehensive compliance framework encompassing ethical management, anti-corruption, and fair competition. We also uphold our legal and ethical responsibilities and are committed to continuous growth and maintaining a high level of stakeholder trust. Our key compliance policies include:

- **Classys Code of Ethics**
- **CLASSYS Compliance Policy: Anti-Corruption, Anti-Money Laundering, Trade Sanctions, Fair Competition**
- **CLASSYS ESG Policy: Human Rights, Supply Chain, Marketing, Environment, Occupational Health and Safety, Information Security**
- **Compliance Regulations: Compliance Control Standards, Compliance Guidelines, Compliance Guidelines for Marketing**
- **Whistleblower Policy**



# Ethical Management

## Compliance Risk Management

Classys takes a three-step approach to manage compliance risks through a comprehensive system led by the Compliance Officer and the Compliance Team, encompassing preventive measures (education, distribution of checklists), compliance checks (periodic and ad-hoc audits), reporting, and effectiveness evaluation.

Twice annually, the Compliance Officer and Compliance Team audit the compliance program performance and report their findings to the CEO and the BOD. The audit process involves a company-wide risk assessment, covering anti-corruption, fair competition, and marketing compliance. In the event of a violation, an investigation is carried out, followed by corrective actions. Severe violations may be referred to the Disciplinary Committee. Additional training and policy enhancements are implemented to prevent recurrence.

Furthermore, the Audit Committee establishes an annual internal audit plan covering all sites and departments at Classys, auditing corruption and compliance risks through fraud risk assessments and other evaluations.

In 2024, no material risks were identified. Moreover, Classys had no corruption-related litigation and no penalties or sanctions imposed by regulatory authorities.

### Compliance Management System



## Key Compliance Activities

### Fostering Compliance and Ethical Management

Classys fosters an ethical culture by sending biannual CEO messages and offering advanced ethics and compliance training, including sexual harassment prevention. Every year, employees sign an ethics and compliance pledge that includes commitments to fair competition and anti-corruption compliance.

### Ethics Awareness Survey

Classys conducts an annual ethics awareness survey in which all employees evaluate their adherence to ethical values and compliance with the company's Code of Conduct. The results are used as a foundational resource for enhancing the organizational culture at Classys. The survey is designed not only to strengthen ethical decision-making and foster a lasting culture of ethics but also to proactively identify and mitigate potential ethical risks. Insights from the survey are then used to enhance ethics training and policies, reinforcing the company's sustainable governance framework. The survey covers topics including the Code of Ethics, anti-corruption, and fair competition, and is structured to gather candid feedback from employees, thereby enabling the development of practical and effective improvement measures.

### Compliance Audits and Training

To strengthen compliance readiness and promote ethical and compliant behavior, Classys provides regular compliance training to all employees, including part-time and contract workers.

In addition, each year, a survey is conducted with all employees to assess any risks related to unethical practices, workplace bullying, sexual harassment, and human rights violations in business operations. If any risks are detected, further investigation and corrective actions are taken.

### Ethics and Compliance Pledge and Training

Ethics and Compliance Pledge	Annual electronic pledge for all employees, including part-time and contract workers
Ethics and Compliance Training	Annual ethics training for all employees, including part-time and contract workers

# Ethical Management

## 2024 Ethics and Compliance Training Summary

Type	Description
Online	Ethics and prevention of workplace sexual harassment and/or bullying (annually)
	Compliance letters (twice annually)
Offline	Executive training (twice annually)
	Onboarding compliance training (monthly, 1 hour each)
	Job-specific advanced training on anti-corruption, fair trade, trade sanctions, and anti-money laundering (annually with external experts)

We are especially vigilant when it comes to carrying out education and monitoring activities to prevent violations of fair trade laws. As such, we provide universal fair trade training to all employees, achieving 100% completion. Customized fair trade training is also delivered to relevant departments such as the Domestic Business Division, International Business Division, Customer Innovation Center, and Procurement Team. In addition, we share key fair trade compliance issues and offer compliance guidelines to proactively manage risks.

## Fair Trade Compliance Training

Type	Description
Online	Annual compliance letter on unfair trade prevention
Offline	Job-specific advanced group training
	- Annual HCP/Marketing/Fair trade education: employees in customer innovation, sales, and marketing functions - Annual unfair trade prevention training

## Ethics and Compliance Infrastructure for the Business Partners

Classys prioritizes ethical and legal compliance in its business transactions with business partners. Therefore, ESG management practices constitute a core component of our partner evaluation criteria. To that end, we provide business partners with guidance on ethics and compliance requirements and encourage them to sign pledges. To ensure accountability, we conduct annual screenings and monitoring of business partners for corruption and money laundering risks. In addition, we operate a cyber whistleblowing system to enable the reporting of unethical behavior by business partners.

## Whistleblowing and Protection Mechanisms

Classys operates a 24/7 cyber whistleblowing system that allows stakeholders to report unethical behavior, workplace bullying, sexual harassment, or other misconduct. Multiple channels—including the online whistleblowing system, ombudsman channels, and a dedicated women’s grievance channel—are managed by specialized teams responsible for end-to-end handling and oversight. All reports are processed anonymously, and protective measures are in place to ensure whistleblowers and informants do not face any retaliation or disadvantages.

In 2024, four reports were submitted via the online whistleblowing system and grievance channels, with all of them investigated and appropriately addressed. No reports were related to corruption risks.

 [Whistleblower Policy](#)



# Risk Management

Classys implements risk management at both the departmental and company levels to ensure stable operations.

## Risk Management Framework

Classys maintains a proactive risk monitoring and response system, reinforcing risk management and post-incident controls. We operate a risk management framework that reflects the company’s business characteristics and strategy, addressing both financial and non-financial risks. The BOD sets the strategy and oversight framework, with the Chief Risk Officer (CRO) and individual departments managing specific risks.

## Company-Wide Risk Management Culture

Classys cultivates a company-wide risk management culture to prevent, identify and mitigate potential risks that could impact the business. Risks are categorized into financial risks, business risks, and non-financial (operational) risks, with departments managing and monitoring their respective risks.

The CFO concurrently serves as the CRO, systematically reviewing risks with relevant risk management departments on a regular basis.

The Audit Committee regularly reviews risks related to ethics, fraud, and compliance, and may initiate special audits for high-risk areas. Based on the audit results, the committee then issues recommendations and monitors the implementation of corrective actions. If necessary, the CRO and Audit Committee refer the risk issues to the BOD.

Independent members with expertise in risk management and no conflicts of interest with the company are appointed to the BOD and Audit Committee. To ensure transparency and independence, all Audit Committee members are independent outside directors.

## 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

We continue to monitor changes in regulations, laws, and systems that may have an impact on the medical device industry and market to proactively identify and deal with potential business risks that may impede our business activities.

## Operational Risks

We minimize operational risks related to human resources management and human rights by fostering a responsible workplace culture. We proactively prevent potential crises and incidents in the quality control and R&D stages through continuous monitoring. Compliance with environmental laws and international regulations is ensured through site inspections, regular safety training, and timely certification renewals to reduce potential operational risks.

## Risk Management Governance





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# Financial Performance

Summary of Consolidated Statement of Financial Position (Unit: KRW million)

	2022	2023	2024
<strong>Assets</strong>			
Current Assets	147,789	185,737	234,202
Non-Current Assets	183,622	189,706	374,177
Total Assets	331,411	375,443	608,379
<strong>Liabilities</strong>			
Current Liabilities	36,225	29,247	128,904
Non-Current Liabilities	65,632	62,696	26,831
Total Liabilities	101,857	91,943	155,735
<strong>Equity</strong>			
Equity Attributable to Owners of the Parent Company	229,554	283,500	453,965
Non-Controlling Interests	0	0	(1,321)
Total Equity	229,554	283,500	452,644

Summary of Consolidated Statement of Comprehensive Income (Unit: KRW million)

	2022	2023	2024
Revenue	141,803	180,123	242,939
COGS	33,636	39,674	51,811
Gross Profit	108,167	140,449	191,128
Operating Profit	68,876	89,622	122,443
Net Income Before Income Tax	96,758	93,842	127,931
Net Income	75,379	74,225	97,544
Total Comprehensive Income	75,394	74,250	97,629

# Non-Financial Performance

## Environmental

### Greenhouse Gas and Energy

#### Greenhouse Gas Emissions

Category	Unit	2022	2023	2024
Direct Emissions (Scope 1)	tCO <sub>2</sub> eq	189	237	283
Indirect Emissions (Scope 2)	tCO <sub>2</sub> eq	417	350	455
Total Greenhouse Gas Emissions	tCO <sub>2</sub> eq	606	587	738
Carbon Intensity per Unit	tCO <sub>2</sub> eq / KRW billion	4.3	3.3	3.0
Sales Revenue *	KRW billion	141.8	180.1	242.9
Greenhouse Gas Emissions Goals **	tCO <sub>2</sub> eq	Baseline	719	783
Greenhouse Gas Emission Reduction (Increase) ***	tCO <sub>2</sub> eq	Baseline	19	(151)

\* Sales revenue is based on consolidated financial statements.  
\*\* The target is to reduce emission intensity by 1% compared to the previous year.  
\*\*\* Reduction (Increase) compared to the previous year's emissions

#### Energy Consumption

Category		Unit	2022	2023	2024	Remarks
Sales Revenue *		KRW billion	141.8	180.1	242.9	
Energy Consumption Goals		TJ	Baseline	13.90	14.79	
Before Conversion	Mobile Combustion	kL	76	83	91	Scope 1
	LNG	1,000 m <sup>3</sup>	13	28	42	Scope 2
	Electricity	MWh	908	762	991	Scope 2
After Conversion	Mobile Combustion	TJ	2.29	2.50	2.74	
	LNG	TJ	0.58	1.26	1.88	
	Electricity	TJ	8.72	7.32	9.51	
	Total	TJ	11.59	11.07	14.14	
Energy Intensity	Mobile Combustion	TJ/KRW billion	0.0161	0.0139	0.0113	
	LNG	TJ/KRW billion	0.0041	0.0070	0.0078	
	Electricity	TJ/KRW billion	0.0615	0.0406	0.0392	
	Total	TJ/KRW billion	0.0817	0.0615	0.0582	

\* Sales revenue is based on consolidated financial statements.  
\*\* The data on renewable energy use is currently under review.

# Non-Financial Performance

## Environmental

### Waste

#### Waste Emission

Category	Type	Unit	2022	2023	2024
Waste Emission Target		ton	10.0	10.0	10.0
Waste Emission by Waste Types	General Waste	ton	3.7	15.0	10.2
	Designated Hazardous Waste	ton	0.0	0.0	0.0
	Construction Waste	ton	0.0	0.0	0.0
Waste Emission by Location	Munjeong Plant	ton	3.7	15.0	10.2
	Anyang Plant *	ton	N/A	N/A	0.0

\* Due to the merger on October 1, 2024, data for the Anyang Plant has been collected only from that date onward.

#### Waste Recycling

Category	Unit	2022	2023	2024
Waste Recycling Rate	%	100.0	100.0	100.0
Waste Recycling Volume *	ton	3.7	15.0	10.2

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

### Water

#### Water Usage

Category	Type	Unit	2022	2023	2024	Remarks
Water Usage by Location	Headquarters	ton	3,214	3,461	4,959	Tap water
	Munjeong Plant *	ton	167	218	293	Tap water
	Misa Plant *	ton	63	50	N/A	Tap water
	Anyang Plant **	ton	N/A	N/A	130	Tap water
Total	Total Usage	ton	3,444	3,729	5,382	
	Sales Revenue	KRW billion	141.8	180.1	242.9	
	Water Use Intensity	tons/KRW billion	24.3	20.7	22.2	
Water Usage Targets and Performance	Intensity Reduction Target	tons/KRW billion	24.0	23.8	23.5	
	Performance in Achieving Water Usage Targets	%	101.2	87.1	94.2	
	Increase in Water Usage	ton	1,457	285	1,653	

\* Misa plant was integrated with the Munjeong plant in 2023.

\*\* Due to the merger on October 1, 2024, data for the Anyang Plant has been collected only from that date onward.

\*\*\* Water intake and usage are identical.

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

# Non-Financial Performance

## Social

### Workforce Status

#### Workforce Breakdown by Age, Nationality, and Gender

Category	Type	Unit	2022	2023	2024
Total Number of Employees *		persons	350	383	527
Gender	Male	persons	219	232	330
	Female	persons	131	151	197
Nationality	Korean	persons	343	376	518
	Non-Korean	persons	7	7	9
Age	Under 30	persons	55	56	85
		%	15.7	14.6	16.1
	30 to 49	persons	258	283	383
		%	73.7	73.9	72.7
	50 and above	persons	37	44	59
		%	10.6	11.5	11.2

\* Excluding board members

#### Workforce Breakdown by Employment Type \*

Category	Type	Unit	2022	2023	2024
Total Permanent Employees *		persons	339	365	491
Gender	Male	persons	210	224	314
	Female	persons	129	141	177
Total Contractual Employees **		persons	11	18	36
Gender	Male	persons	9	8	16
	Female	persons	2	10	20
Total Full-Time Employees		persons	350	381	517
Gender	Male	persons	219	231	329
	Female	persons	131	150	188
Total Part-Time Employees		persons	0	2	10
Gender	Male	persons	0	1	1
	Female	persons	0	1	9

\* Excluding board members

\*\* Including executives

# Non-Financial Performance

## Social

### Workforce Status

#### Number of External Workers

Category	Type	Unit	2022	2023	2024
Number of External Workers		persons	0	0	4
Employment Type	Dispatched	persons	0	0	4

\* 4 dispatched workers(non-Classys Employees) in 2024 were all converted to full-time positions in 2025.

#### Percentage Distribution by Employment Type

Category	Type	Unit	2022	2023	2024
Percentage Distribution by Employment Type	Permanent	%	96.9	95.3	92.5
	Contractual	%	3.1	4.7	6.8
	Dispatched	%	0	0	0.8

#### Turnover (Turnover Based on Permanent Employees)

Category	Unit	2022	2023	2024
Voluntary Turnover Rate *	%	21.5	12.6	8.4

\* Involuntary retirements, such as contract expiration, have been excluded from the turnover rate.

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

### Diversity and Equal Opportunities

#### Workforce Diversity by Position

Category	Type	Unit	2022	2023	2024
Total Number of Employees		persons	350	383	527
Total Number of Executives		persons	8	10	13
Gender	Male	persons	7	7	10
	Female	persons	1	3	3
Total Number of Managers *		persons	40	48	61
Gender	Male	persons	29	37	42
	Female	persons	11	11	19
Total Number of Team Members		persons	302	325	453
Gender	Male	persons	183	188	278
	Female	persons	119	137	175

\* Team leaders and group leaders

#### Female Workforce

Category	Type	Unit	2022	2023	2024
Percentage of Female Employees and Executives		%	38.1	38.6	36.0
By Positions	Managers *	persons	11	11	19
		%	27.5	22.9	31.1
	Executives **	persons	1	3	3
		%	12.5	30.0	23.1

\* Team leaders and group leaders

\* Number of female managers / total number of managers

\*\* Number of female executives / total number of executives

# Non-Financial Performance

## Social

### Diversity and Equal Opportunities

#### Vulnerable Groups

Category	Unit	2022	2023	2024
Number of Disabled Employees	persons	2	4	11

#### Parental leave

Category	Type	Unit	2022	2023	2024
Number of Employees Who Took Parental Leave		persons	5	4	6
Gender	Male	persons	0	0	2
	Female	persons	5	4	4
Number of Employees Who Returned to Work		persons	N/A	8	2
Gender	Male	persons	N/A	0	1
	Female	persons	N/A	8	1

### Average Compensation

#### Average Compensation of Employees

Category	Type	Unit	2022	2023	2024
Average Compensation of Employees		KRW million	53	59	67
Gender	Male	KRW million	60	68	74
	Female	KRW million	40	46	57
Ratio of Women's to Men's Average Compensation		%	66.7	67.6	77.0

### Employee Training and Evaluation

#### Employee Training

Category	Unit	2022	2023	2024
Total Training Hours	hours	18,671	17,323	24,672
Per-employee Average Training Hours *	hours	53	45	46

\* Per-employee average training hours: total training hours/FY-end workforce

#### Partial List of Training

Category	Type	Unit	2022	2023	2024
Ethical Management	Ethics, Anti-corruption, Fair trade, etc.	hours	2,629	1,719	471
	Workplace Bullying Prevention	hours	404	373	485
Human Rights Education	Sexual Harassment Prevention	hours	404	373	485
	Disability Awareness	hours	404	373	485
	Personal Information Protection	hours	404	373	485
Leadership	Leadership, Organizational Culture, Onboarding, etc.	hours	2,926	4,126	4,821

#### Performance Evaluation

Category	Unit	2022	2023	2024
Percentage of Employees Subject to Regular Performance Evaluation *	%	100.0	100.0	100.0

\* KPI goal management, performance evaluation by organizational unit/individual, and conducting interviews



# Non-Financial Performance

## Social

### Occupational Health and Safety

#### Occupational Accident Statistics (A)

Category	Unit	2022	2023	2024
Number of Fatalities	persons	0	0	0
Number of Accidents	persons	0	1	1
Occupational Accident Rate *	%	0.00	0.31	0.24

\* Based on the Industrial Accident Investigation Report  
\*\*(A) = (B) + (C)

#### Employee Work-Related Accidents (B)

Category	Unit	2022	2023	2024
Number of Fatalities	persons	0	0	0
Work-Related Serious Injuries	persons	0	0	0
Other Work-Related Injuries *	persons	0	1	0

\* In response to one work-related injury that occurred in 2023, re-education on personal protective equipment (PPE) compliance and safety rules was conducted, along with awareness enhancement by disseminating information on accident cases.

#### Employee Non-Work-Related Accidents (C)

Category	Unit	2022	2023	2024
Non-Work-Related Injuries *	persons	0	0	1

\* In response to one non-work-related injury that occurred in 2024, measures were implemented, including awareness enhancement by disseminating information on accident cases, safety education and warm-up exercises before group sports activities, and discouraging excessive physical activities.

#### Number of Employees Subject to Safety and Health Management System

Category	Type	Unit	2022	2023	2024
Number of Employees Subject to Safety and Health Management System	Number of Employees *	persons	350	383	531
	Ratio	%	100.0	100.0	100.0
Employees Subject to the Occupational Safety and Health Management System Audited Internally *	Number of Employees *	persons	350	383	531
	Ratio	%	100.0	100.0	100.0
Employees Subject to the Occupational Safety and Health Management System Audited/Certified by External Organizations **	Number of Employees *	persons	N/A	N/A	204
	Ratio	%	N/A	N/A	38.4

\* Including employees and external workers  
\*\* The major manufacturing facilities obtained ISO 45001 (Health and Safety Management System) certification for the first time in 2024.

#### Employee Training

Category	Unit	2022	2023	2024
Occupational Health and Safety	hours	7,734	4,540	8,921

# Non-Financial Performance

## Social

### Enhancing Market Trust

#### Violations of Customer Data Privacy and Information Loss

Category	Unit	2022	2023	2024
Complaints Related to Personal Data Protection Violations	cases	0	0	0

#### Violations of Labeling and Marketing Commuication Regulations

Category	Unit	2022	2023	2024
Percentage of Significant Products and Services Subject to Information and Labeling Procedures and Assessed for Compliance	%	100.0	100.0	100.0
Number of Violations	cases	0	0	0

#### Product Safety

Category	Type	Unit	2022	2023	2024
Percentage of Products and Services for which Health and Safety Impacts were Assessed		%	100.0	100.0	100.0
Number of Regulatory Violations Resulting in Fines or Sanctions		cases	0	0	0
Number of Regulatory Violations Resulting in Warnings		cases	0	0	0
Number of Incidents of Non-compliance with Internal Standards	Recommendation	cases	2	2	0
	Minor Non-conformity	cases	0	0	2
Percentage of Internal Non-compliance Cases with Corrective Actions Completed		%	100.0	100.0	100.0

#### Employee Training

Category	Type	Unit	2022	2023	2024
Product Quality Management	QMS General	hours	1,565	560	554
	Regulatory Affairs	hours	85	205	223
	R&D	hours	92	432	235
	Manufacturing Quality	hours	327	1,695	2,386
	Product Sales	hours	234	699	1,477

# Non-Financial Performance

## Social

### Anti-Corruption Policy

#### Assessment of Corruption Risks at Business Sites

Category	Type	Unit	2022	2023	2024
Business Sites Assessed for Corruption Risk	Number of Sites	sites	N/A	3	3
	Ratio	%	N/A	100.0	100.0

\* Data collection has been conducted since 2023

#### Communication of Anti-corruption Policies and Procedures

Category	Unit	2022	2023	2024
Percentage of Governance Body Members Informed	%	100.0	100.0	100.0
Percentage of Employees informed	%	100.0	100.0	100.0

### Anti-Corruption Training

Category	Unit	2022	2023	2024
Percentage of Employees Trained	%	100.0	100.0	100.0

### Legal and Regulatory Violations

Category	Unit	2022	2023	2024
Number of Regulatory Violations	cases	0	0	0
Total Amount of Fines and Penalties	KRW	0	0	0
Liabilities Related to Legal Proceedings	KRW	0	0	0

\* Fines or penalties imposed are included in the number of regulatory violations.

### Supply Chain Management

#### Supply Chain Assessment

Category	Unit	2022	2023	2024
Percentage of New Suppliers Assessed	%	N/A	100.0	100.0
Percentage of Suppliers Subject to Assessment	%	N/A	100.0	100.0
Percentage of Suppliers Audited	%	N/A	21.6	25.8
Number of Suppliers that Agreed to Corrective Action Plans After Audit	suppliers	N/A	0	3

\* Data collection has been conducted since 2023

# Non-Financial Performance

## Governance

### Enhancing Governance Capabilities

#### Board of Directors

Category	Type	Unit	2022	2023	2024
Total Number of Directors *		persons	8	8	8
Gender	Male	persons	7	7	7
	Female	persons	1	1	1
Age	Under 30	persons	0	0	0
	30 to 49	persons	3	4	4
	50 and above	persons	5	4	4

\* Number of directors as of year-end

#### Board Activities

Category	Type	Unit	2022	2023	2024
Number of Meetings Held		number of meetings	12	9	14
Total Number of Agendas		cases	38	34	54
Type of Agendas	Discuss	cases	26	23	14
	Report	cases	12	11	40
Review of ESG-Related Agenda Items *		cases	0	2	3
Average Attendance Rate of Directors		%	89.7	95.8	100.0

\* Based on whether the agenda titles include ESG and occupational health & safety.

#### Director Compensation

Category	Unit	2022	2023	2024
Total Number of Directors *	persons	14	8	9
Fixed Compensation	KRW million	584	397	407
Variable Compensation	KRW million	0	61	76
Total Compensation	KRW million	584	458	483
Average Compensation per Person	KRW million	42	57	54
Attendance Rate of Independent Directors of Compensation Committee **	%	N/A	100.0	100.0

\* Includes resigned or term-expired directors.

\*\* Compensation Committee established in 2023.

# 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	2	
2-3	Reporting period, frequency and contact point	2	
2-4	Restatements of information	N/A	Not applicable
2-5	External assurance	78-79	
Activities and Employees			
2-6	Activities, value chain and other business relationships	7-8	
2-7	Employees	7, 66-68	
2-8	Workers who are not employees	67	
Governance			
2-9	Governance structure and composition	48-57	
2-10	Nomination and selection of the highest governance body	48-57	
2-11	Chair of the highest governance body	48-57	
2-12	Role of the highest governance body in overseeing the management of impacts	48-57	
2-13	Delegation of responsibility for managing impacts	48-57	
2-14	Role of the highest governance body in sustainability reporting	48-57	
2-15	Conflicts of interest	48-57	
2-16	Communication of critical concerns	48-57	
2-17	Collective knowledge of the highest governance body	50-51	
2-18	Evaluation of the performance of the highest governance body	53	
2-19	Remuneration policies	54	
2-20	Process to determine remuneration	54	
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	17, 32, 33, 35, 36, 40, 45, 58, 60	
2-24	Embedding policy commitments	17, 32, 33, 35, 36, 40, 45, 58, 60	
2-25	Processes to remediate negative impacts	23, 25, 32-34, 36-38, 40, 58-61	
2-26	Mechanisms for seeking advice and raising concerns	23, 25, 32-34, 36-38, 40, 58-61	
2-27	Compliance with laws and regulations	17, 32, 33, 35, 36, 40, 45, 58, 60	
2-28	Membership associations	80	
Stakeholder Engagement			
2-29	Approach to stakeholder engagement	15, 23, 25, 31-34, 39-40, 43, 48-49, 60	
2-30	Collective bargaining agreements	25	
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	14	
3-2	List of material topics	14	
3-3	Management of material topics	11-13	

# GRI Content Index

## Material Topics

Disclosure Indicators		Reporting Location	Remarks
GRI 205: Anti-Corruption 2016			
205-1	Operations assessed for risks related to corruption	59, 71	
205-2	Communication and training about anti-corruption policies and procedures	58-60, 71	
205-3	Confirmed incidents of corruption and actions taken	59, 71	None
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	22, 25, 67	Planned for future disclosure
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	24, 68	
GRI 403: Occupational Health and Safety 2016			
403-1	Occupational health and safety management system	23-24, 36-38	
403-2	Hazard identification, risk assessment, and incident investigation	36-38	
403-3	Occupational health services	23-24, 37	
403-4	Worker participation, consultation, and communication on occupational health and safety	36-38	
403-5	Worker training on occupational health and safety	38, 69	
403-6	Promotion of worker health	23-24, 37	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	23-24, 36-38	
403-8	Workers covered by an occupational health and safety management system	36-38, 69	
403-9	Work-related injuries	38, 69	
403-10	Work-related diseases	38, 69	None
GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	27, 68	
404-2	Programs for upgrading employee skills and transition assistance program	25-31, 68	
404-3	Percentage of employees receiving regular performance and career development reviews	25-26, 68	



# GRI Content Index

## Material Topics

Disclosure Indicators		Reporting Location	Remarks
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	22, 50-51, 67-68	
405-2	Ratio of basic salary and remuneration of women to men	68	
GRI 406: Non-Discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	32-34	None
GRI 416: Customer Health and Safety 2016			
416-1	Assessment of the health and safety impacts of products and service categories	41-43, 70	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	45, 70	
GRI 417: Marketing and Labeling 2016			
417-1	Requirements for product and service information and labeling	45-46, 70	
417-2	Incidents of non-compliance concerning product and service information and labeling	70	
417-3	Incidents of non-compliance concerning marketing communications	70	

# GRI Content Index

## Potential Topics

Disclosure Indicators		Reporting Location	Remarks
GRI 302: Energy 2016			
302-1	Energy consumption within the organization	19-20, 64	
302-2	Energy consumption outside the organization	N/A	Planned for future management
302-3	Energy intensity	19, 64	
302-4	Reduction of energy consumption	19-20, 64	
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	65	Not subject to separate management (domestic water only)
303-2	Management of water discharge-related impacts	65	Not subject to separate management (domestic wastewater only)
303-3	Water withdrawal	65	
303-4	Water discharge	65	Not subject to separate management (domestic wastewater only)
303-5	Water consumption	65	
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	19, 64	
305-2	Energy indirect (Scope 2) GHG emissions	19, 64	
305-3	Other indirect (Scope 3) GHG emissions	N/A	Planned for future management
305-4	GHG emissions intensity	19, 64	
305-5	Reduction of GHG emissions	19, 64	
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 306: Effluents and Waste 2016			
306-1	Waste generation and significant waste-related impacts	18-20	
306-2	Management of significant waste-related impacts	18-20	
306-3	Waste generated	65	
306-4	Waste diverted from disposal	65	
306-5	Waste directed to disposal	65	

# Independent Assurance Statement

## To Readers of CLASSSYS Sustainability Report

### Introduction

Korea Management Registrar (KMR) was commissioned by CLASSSYS to conduct an independent assurance of its Sustainability Report 2024 (the “Report”). The data and its presentation in the Report is the sole responsibility of the management of CLASSSYS. KMR’s responsibility is to perform an assurance engagement as agreed upon in our agreement with CLASSSYS and issue an assurance statement.

### Scope and Standards

CLASSSYS 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 GRI standards 2021 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 2021
- Universal standards
- Topic specific standards
  - Management approach of Topic Specific Standards
  - GRI 205: Anti-Corruption
  - GRI 401: Employment
  - GRI 403: Occupational Health and Safety
  - GRI 404: Training and Education
  - 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 CLASSSYS 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 CLASSSYS 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 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 2025 Seoul, Korea



CEO *E. J. Hwang*

# Associations and Memberships

Organization	Team in Charge	Membership Year
Seoul Chamber of Commerce and Industry	Overseas Trading Team	2015
Korea International Trade Association	Overseas Trading Team	2018
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
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 <sup>th</sup> 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 <sup>th</sup> 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 <sup>th</sup> Korea Brand Hall of Fame Awards	2024	Korea Institute for Industrial Economics and Trade
2024 KOSDAQ Rising Star	2024	Korea Exchange
Korea's Best Job-Creation Company in 2024	2024	Ministry of Employment and Labor
Excellence Award Winner in IR (KOSDAQ Market Category) at the Korea IR Awards	2024	Korea Investor Relations Service
Prime Minister's Grand Prize at the 16 <sup>th</sup> Korea KOSDAQ-Listed Company Awards	2024	KOSDAQ Listed Companies Association
\$100 Million Export Tower	2024	Ministry of Trade, Industry and Energy
Excellent Corporate Governance Award at the 2024 Korea Institute of Corporate Governance and Sustainability (KCGS) Awards	2024	Korea Institute of Corporate Governance and Sustainability
Named an Exemplary Disclosure Company in the KOSDAQ Market	2025	Korea Exchange
Volnewmer: Named the Best Brand in the Laser Lifting Medical Device category at the 2025 Korea Consumer Evaluation Awards	2025	Dong-A Ilbo Daily



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