

Sustainability Report 2023



About This Report

Report Summary

This report marks Lunit's first publication its Sustainability Report. Seeking active communication with its stakeholders, Lunit is fully committed in transparently disclosing the company's aim and performance in sustainable management. From the first publication in June 2024 onwards, each annual Sustainability Report will be published both in Korean and English. We will continue to actively collect stakeholders' opinions through the Sustainability Report and reflect them in our management activities.

Reporting Period and Scope

This report covers the period from January 1, 2023 to December 31, 2023, with some activities extending into the first half of 2024. All quantitative achievements include data from the past 3 years for the identification of yearly trends. Economic performances are reported on a consolidated basis, including those of Lunit's headquarters and subsidiaries (Lunit USA, Inc., Lunit China Co., Ltd., Lunit Europe Holdings B.V., Lunit Europe GmbH). Environmental, social, and governance (ESG) performances only include Lunit's headquarters, with few social performances extending to its subsidiaries. We have enhanced stakeholder communication by providing separate annotations where reporting scope and boundaries require attention.

Reporting Standards

This report is in accordance with the principles of the Global Reporting Initiative (GRI) Standards 2021. Additionally, to reflect activities aimed at achieving the United Nations Sustainable Development Goals (UN SDGs) and addressing significant industry issues, the report considers the industry standards of the Sustainability Accounting Standards Board (SASB). Financial information is on a consolidated basis and reporting standards, definitions are in accordance to the Korean International Financial Reporting Standards (K-IFRS) for reporting standards and definitions.

Third-Party Assurance

This report has been subjected to third-party assurance by an independent third party to ensure the reliability and impartiality of the reporting process and information. Refer to 'Third Party Assurance' (p.61) for more details.

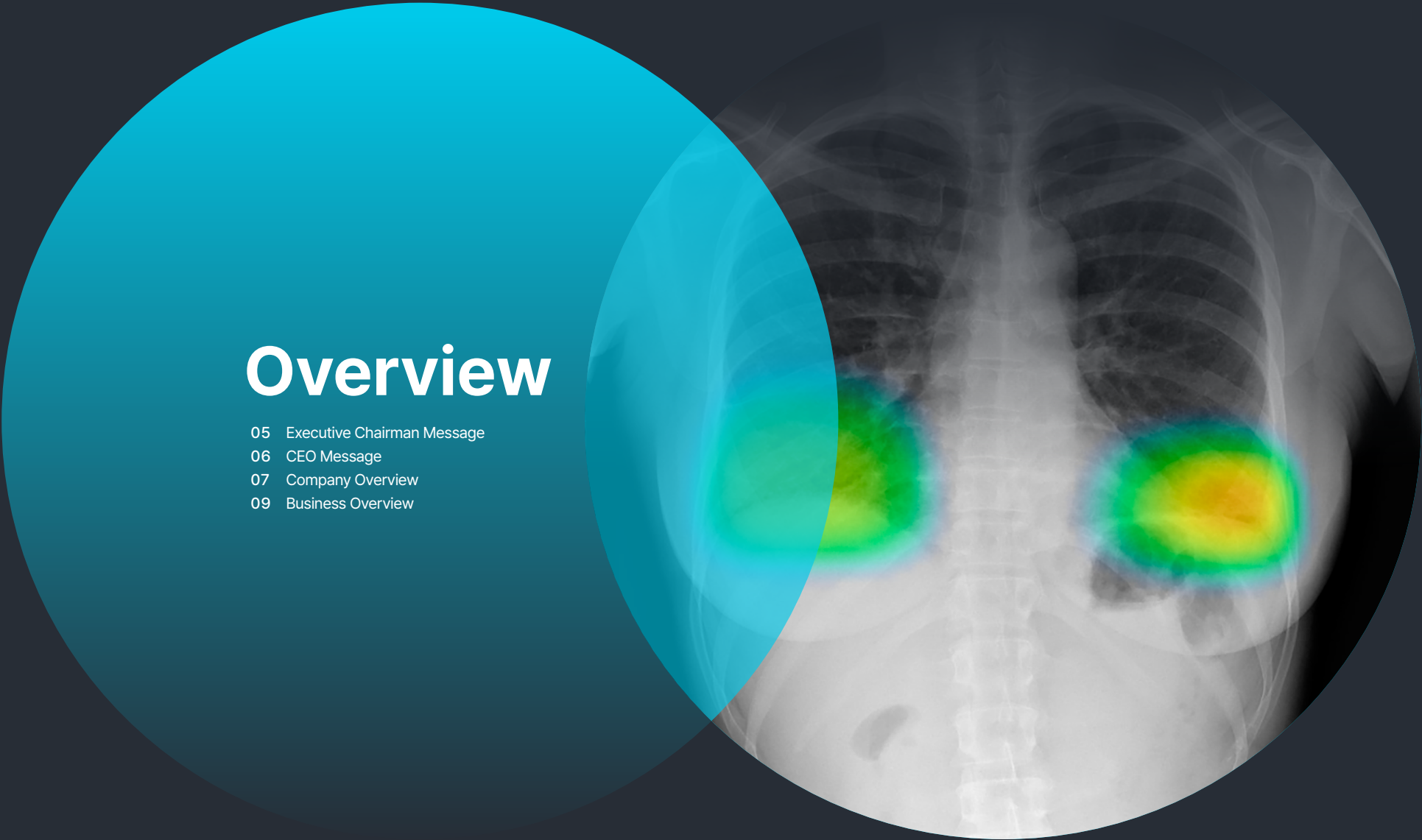
SUSTAINABILITY REPORT 2023

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Publisher	Lunit Inc. / 5th floor, 374 Gangnam-daero, Gangnam-gu, Seoul, Republic of Korea
Department in charge	IR & Governance Team
E-Mail	ir@lunit.io
Website	www.lunit.io

Interactive user guide: This sustainability report has been published in interacted PDF, including links to the relevant pages and websites.

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Telephone. 82-70-8853-0558
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Executive Chairman Message



Dear Stakeholders,

At Lunit, our mission to “Conquer Cancer through AI” extends beyond mere economic growth. It embodies our commitment to creating a healthy society, taking environmental responsibility, and ensuring equal and fair opportunities for all our employees.

To uphold this mission, we have implemented measures to enhance transparency and independence in governance. Since 2018, we have separated the roles of CEO and Chairman of the Board and established a Compensation Committee within the Board of Directors. Additionally, at our 11th Annual Shareholders Meeting, we proactively established the Audit Committee to strengthen management oversight and support functions in all areas, thereby enhancing governance transparency.

Our commitment to sustainability extends beyond governance, encompassing a holistic approach to responsible management. We actively develop internal policies that incorporate the perspectives of our diverse stakeholders, ensuring our initiatives are inclusive and well-rounded. This dedication drives our efforts in environmental initiatives, social responsibility, and ethical management, reflecting our comprehensive strategy for sustainable growth.

With this report, we transparently disclose Lunit’s progress in sustainable management to our stakeholders. We will continue to proactively respond to market changes and demands to maximize corporate value.

Thank you for your continued interest and support.

Thank you.

Co-Founder, Executive Chairman of the Board
Anthony Paek

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CEO Message



Dear Respected Stakeholders,

Greetings. We sincerely thank you for accompanying Lunit on its journey of growth.

The year 2023 was a significant milestone in Lunit’s growth journey since its foundation. We achieved a remarkable milestone in the emerging market of conquering cancer through AI, recording a revenue of 25.1 billion KRW and achieving a five-year CAGR of 235%. Additionally, for the first time since our founding, we saw a decrease in operating losses, as we continue to pioneer new markets. These achievements underscore our leadership in early cancer diagnosis and personalized treatment in the field of medical AI.

Building upon the successes of the past decade, Lunit is unveiling “Vision 2030,” a long-term roadmap that will propel us from a simple medical AI solution development company to an AI-based ‘medical big data platform’ company. We aim to lead innovation in cancer treatment through AI.

At Lunit, we are committed not only to financial performance but also to sustainable management. Since 2018, we have separated the roles of CEO and Chairman of the Board and established a Compensation Committee to enhance transparency and independence in governance. This year, we have formed a Sustainability Management Council to prepare for our leap into a global AI company through sustainable management practices. We are also swiftly responding to climate change by planning a long-term roadmap to achieve Net Zero by 2040 and fulfilling our social and environmental responsibilities through government projects and industry-academia collaborations.

We are expanding our commitment to sustainable management to solidify our position as a leader in the medical AI industry. With this commitment in mind, we are proud to present our first sustainability report, which reflects our determination to embark on new challenges toward sustainability. We kindly ask for your warm affection and interest.

Sincerely,

CEO Brandon Beomseok Suh

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Company Overview

About Us

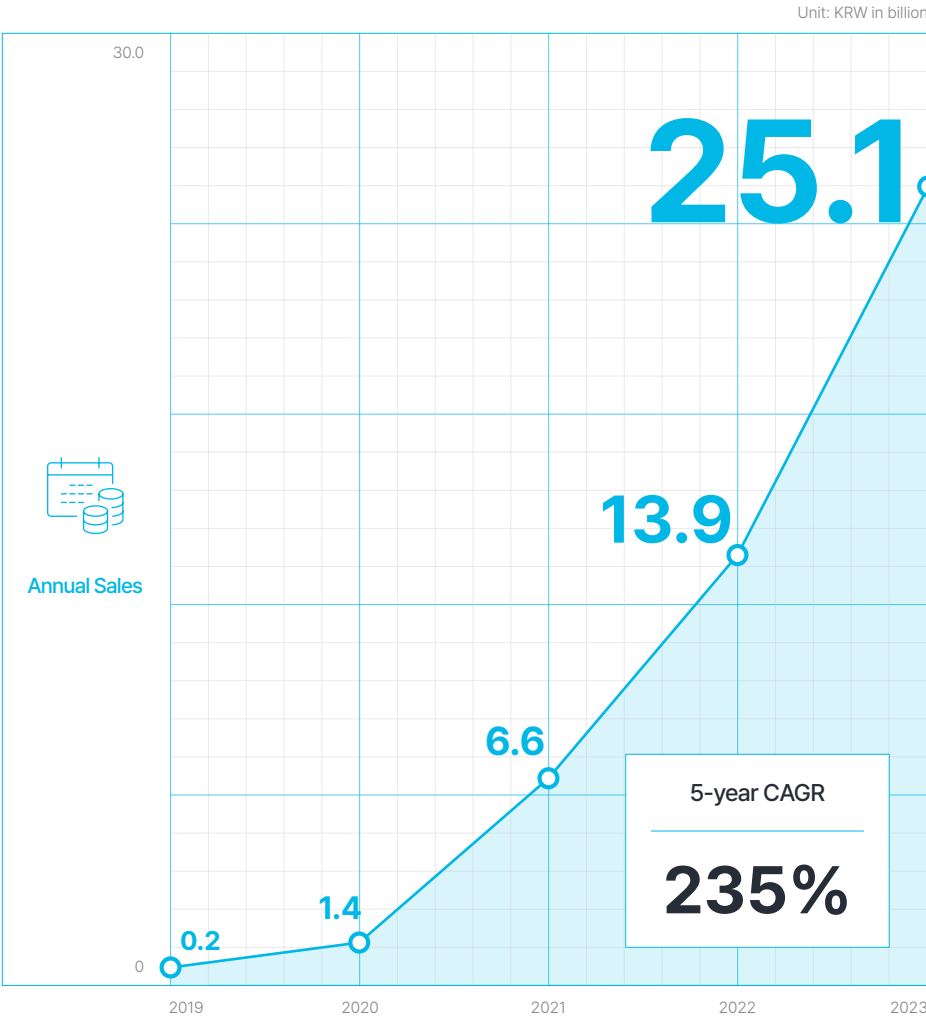
Lunit, founded in 2013 as a deep learning startup, has established itself as a global first-generation medical artificial intelligence (AI) company since 2014, focusing on medical imaging. With the goal of contributing to the diagnosis and treatment of cancer through AI, Lunit aims to lead the future where technology is used to benefit humanity.

CEO	Brandon Beomseok Suh
Date of Foundation	2023.08.27
Date of IPO	2022.07.21
Address of HQ	4F-9F, Gangnam-Daero 374, Gangnam-Gu, Seoul, Republic of Korea
Number of Employees	266(as of December, 2023)
Website	http://www.lunit.io
Business Area	Medical AI technology
Capital	KRW 14,351 million(as of December, 2023)
Total Assets	KRW 267,921 million(as of December, 2023)

Vision & Mission

Conquer Cancer through AI
We develop AI that detects early-stage cancer and optimizes cancer treatment.

 Number of employees	266	 Number of full-time physicians at Lunit	14
 Number of research papers	200+	 Number of paying sites worldwide	3,000+
 Number of countries	40+	 Number of approvals	40+



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Company Overview

Company History

2013~2017

- 2013. 08 ▪ Foundation of the company (as CLDI)
- 2014. 05 ▪ Seed investment by Kakao Ventures (\$0.1M)
- 2015. 10 ▪ Pivots to medical imaging—Changes name to Lunit
 - Series A investment led by Softbank Ventures Asia (\$2M)
- 2016. 09 ▪ Series A1 investment led by Softbank Ventures Asia (\$3.3M)
- 10 ▪ Ranked 1st place in MICCAI Tumor Proliferation Assessment Challenge 2016
- 2017. 01 ▪ Top 100 AI startup, by CB Insights
- 08 ▪ Ranked 1st place in CAMELYON Grand Challenge 2017

2018~2019

- 2018. 06 ▪ Series B investment led by Intervest (\$15M)
- 08 ▪ Ministry of Korea Food and Drug Safety clearance Lunit INSIGHT CXR-Module
 - Established Lunit US subsidiary, Lunit USA
- 2019. 07 ▪ Ministry of Korea Food and Drug Safety clearance Lunit INSIGHT MMG
 - 08 ▪ Partnership agreement with Fujifilm
 - Series B1 investment led by Fujifilm (\$5M)
 - 10 ▪ Ministry of Korea Food and Drug Safety clearance Lunit INSIGHT CXR-MCA
 - Digital Health 150 by CB Insights
 - Ranked 1st place in Visual Domain Adaptation Challenge
 - 12 ▪ Series C-Tranche A investment led by Shinhan Investment (\$27M)

2020

- 2020. 05 ▪ CE marked Lunit INSIGHT MMG in Europe
- 06 ▪ Selected as a Technology Pioneer 2020 by World Economic Forum (Davos Forum)
 - Partnership agreement with GE Healthcare
- 08 ▪ Digital Health 150 by CB Insights

2021

- 2021. 01 ▪ Partnership agreement with Agfa
- 03 ▪ Partnership agreement with Philips
- 06 ▪ Partnership agreement with Guardant Health
 - Series C-Tranche B investment by Guardant Health (\$26M)
- 11 ▪ FDA clearance Lunit INSIGHT CXR Triage, Lunit INSIGHT MMG
 - Certified as World Class Product of Korea by Korea Mistry of Trade, Industry, and Energy Lunit INSIGHT
 - The 1st Government award for Innovative Medical Devices
 - Commendation of the Minister of Health and Welfare
 - Pre-IPO round investment led by HealthQuest and Naver (\$61M)
- 12 ▪ Digital Health 150 by CB Insights

2022

- 2022. 04 ▪ CE marked Lunit SCOPE PD-L1 TPS in Europe
- 06 ▪ Partnership agreement with Hologic
- 07 ▪ Initial Public Offering (KOSDAQ)
- 10 ▪ Joined as Unicorn community by World Economic Forum (Davos forum)
- 11 ▪ Selected as the preferred AI technology for Australian National Breast Screen New South Wales (BSNSW)

2023

- 2023. 03 ▪ Launched Lunit INSIGHT DBT in Europe
 - Established Lunit subsidiary, Lunit Europe Holdings in Europe
- 04 ▪ 2023 Science and Information and Communication Day Science and Technology Promotion Division Presidential Commendation
- 06 ▪ CXR-AID officially included as an eligible solution for health insurance reimbursement in Japan
- 11 ▪ FDA clearance Lunit INSIGHT DBT
 - Lunit INSIGHT CXR Authorized as Innovative Medical Technology
 - Joined as Associate Partner by World Economic Forum (Davos forum)

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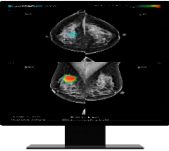
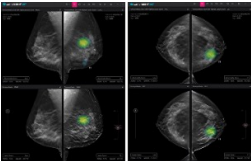
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Business Overview

Cancer Screening

Lunit’s flagship products in cancer screening are Lunit INSIGHT CXR and Lunit INSIGHT MMG. Lunit INSIGHT CXR received approval from the South Korean Ministry of Food and Drug Safety in August 2018 and Lunit INSIGHT CXR Triage, which automatically classifies normal and abnormal findings of emergency conditions such as pneumothorax and pleural effusion, received approval from the U.S. FDA in November 2021. Additionally, Lunit INSIGHT MMG obtained approval from the South Korean Ministry of Food and Drug Safety in July 2019 and received FDA approval in November 2021. In November 2022, both Lunit INSIGHT CXR and Lunit INSIGHT MMG obtained CE certification in accordance with the new European Medical Device Regulation (MDR), proactively addressing future regulatory requirements in the European market. Lunit have introduced Lunit INSIGHT DBT, a new product that assists in detecting suspicious areas of breast cancer from digital breast tomosynthesis images and laid the groundwork for entry into the U.S. market by receiving FDA approval in November 2023.

Lunit INSIGHT’s business model consists of two approaches: the Platform model which integrates AI solutions into Picture Archiving and Communication Systems (PACS), and the Modality model which integrates with or embeds into medical imaging devices. Under the Platform model, fees are based on a fixed amount per image analyzed, with regular subscription fees billed monthly or quarterly. The Modality model charges a fixed amount per unit of imaging equipment, along with annual maintenance fees. Lunit consistently collaborates with global manufacturers of X-ray imaging equipments, mammography equipment, and PACS sectors, offering technical products, package configurations, and sales. As a result, Lunit has signed various distribution and sales contracts with international companies such as Fujifilm, GE Healthcare, AGFA, and Philips. With Lunit’s global partners holding close to 50% market share in each market, the pace of market dominance and business expansion is expected to accelerate. In fact, as of November 2023, Lunit announced that over 3,000 medical institutions worldwide have already adopted Lunit INSIGHT.

Lunit INSIGHT				
Category	 CXR	 CXR Triage	 MMG	 DBT
Starting Date of Production (Sales)	2018.08	2021.11	2019.07	2023.03
Usage, Functions, Characteristics, etc	An AI solution which assists physicians in diagnosing more than ten anomalies in chest X-ray images. Major functions • Localization of abnormal findings • Indication of the possibility of abnormal findings • Categorization of abnormal findings	Assists in quick diagnosis on urgent abnormalities in chest X-ray images.	An AI solution assisting physicians in detecting suspicious areas for breast cancer and classifying breast density from mammography images. Major functions • Localization of suspicious areas for breast cancer • Indication of the possibility of breast cancer presence • Categorization of breast density	Assisting the detection of suspicious areas for breast cancer from digital breast tomosynthesis images. Major functions • Localization of suspicious areas for breast cancer • Indication of the possibility of breast cancer presence • Categorization of types of lesions
Countries Available for Sale	South Korea, United States, EU, Thailand, Indonesia, Australia, New Zealand, Brazil, South Africa, Malaysia, Chile, Singapore, Turkey, Japan, Saudi Arabia, Argentina, El Salvador, Israel, Philippines, Canada, Colombia, Peru, Taiwan, Hong Kong	United States	South Korea, EU, Thailand, Indonesia, Australia, New Zealand, South Africa, Kenya, Turkey, Brazil, Singapore, Argentina, Philippines, Israel, United States, Saudi Arabia, Hong Kong, Canada, Taiwan, Colombia, United Kingdom, Peru, Malaysia	United States, EU

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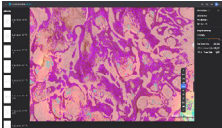
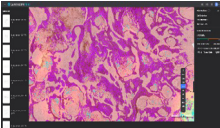
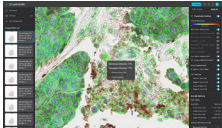
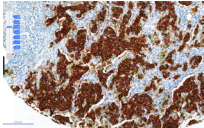
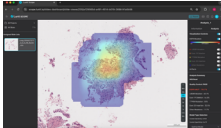
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Business Overview

Oncology

Lunit’s flagship product on Oncology, Lunit SCOPE, is currently being utilized as a biomarker to predict the therapeutic efficacy of immune checkpoint inhibitors by quantifying the expression rates of PD-L1 and TIL. Research and development have been completed for a product capable of predicting the response to immune checkpoint inhibitors for lung cancer and 15 other types of cancer. Lunit has achieved the first research sales during the third quarter of 2023, paving the way for expectations of expanded sales through research contracts with global pharmaceutical companies. Lunit SCOPE has conducted joint research with leading hospitals and research institutions domestically and has been recognized for its technological capabilities through various clinical publications.

In June 2021, Lunit signed a partnership contract with Guardant Health, a world-leading company in the liquid biopsy field, enabling the development of potential biomarkers and utilization of an optimal network for real-world clinical settings. Through collaboration with Guardant Health, Lunit has generated milestone revenues in 2023 in research and development and successfully conducted joint product development and launch. Moreover, we are presenting various studies to expand beyond immune checkpoint inhibitors and include targeted therapies and antibody-drug conjugates (ADCs).

Category	Lunit SCOPE					
						
	PD-L1 TPS	PD-L1 CPS	ulHC	HER2	IO	Genotype Predictor
	2022.04	2023.06	2023.12	-	2022.12	2023.12
	Quantifying PD-L1 expression rates based on Tumor Proportion Score (TPS) from digital pathology slides to assist in determining diagnostic decisions	Quantifying PD-L1 expression rates based on Combined Positive Score (CPS) from digital pathology slides to assist in determining diagnostic decisions	Quantifying various IHC expression rates from digital pathology slides	Quantifying various HER2 expression rates from digital pathology slides	Analyzing immune phenotypes from digital pathology slides to predict the response to immune checkpoint inhibitors for 16 cancer types including lung cancer, melanoma, head and neck cancer, and liver cancer patients	Predicting diverse genomic information from digital pathology slides
	United States, EU, etc. (Research sales)	United States, etc. (Research sales)	United States, etc. (Research sales)	United States, etc. (Research sales)	United States, etc. (Research sales)	United States, etc. (Research sales)

*Lunit SCOPE IO Pan Cancer, Lunit SCOPE ulHC, Lunit SCOPE Genotype Predictor are available in the market for research purposes, and the date of first revenue generation is specified as the date of production (sales) commencement.

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Business Overview

Partnership

Partnership status with global medical device companies



Name of Company	Ownership Status		Location	Fiscal Month	Business Type
	2023.12.31	2022.12.31			
Lunit USA, Inc.	100%	100%	United States	December	Development and distribution of application software
Lunit China Co., Ltd.	100%	100%	China	December	Development and distribution of application software
Lunit Europe Holdings B.V.	100%	0%	Netherlands	December	Development and distribution of application software
Lunit Europe GmbH	100%	0%	Germany	December	Development and distribution of application software

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Lunit Sustainable Management

Declaration of Sustainable Management

Lunit celebrates its 10th founding anniversary under the mission of “Conquer Cancer through AI.” Cancer incidence and mortality rates are consistently increasing in our society, even though the expenses for treating cancer are incomparably higher than for other diseases. Lunit is dedicated to achieving better medical accessibility through precise examination and early diagnosis of cancer using AI technology, and providing superior medical services to patients.

Based on past business achievements and research, Lunit has been committed to pursuing future goals of improvements in survival rates and minimizing the financial burdens on patients undergoing cancer treatment. This endeavor not only alleviates the financial burden on individual patients and society, but also contributes to providing optimal medical services for those suffering from cancer. In planning our business strategy for the next 10 years based on sustainable growth, we believe that our environment, governance, and people must always be the utmost priority.

In our first ESG (Environmental, Social, and Governance) report, we aim to address the current impacts on stakeholders and outline our future strategies and goals, particularly in the focus of achieving greater positive impacts. Promoting health and improving the quality of life (SDG 3) under the UN Sustainable Development Goals (SDGs) is one of our core values that we aim to pursue. Furthermore, we collectively form Lunit’s ESG vision by contributing in climate change responses (SDG 13), job opportunities, and economic growth (SDG 8).

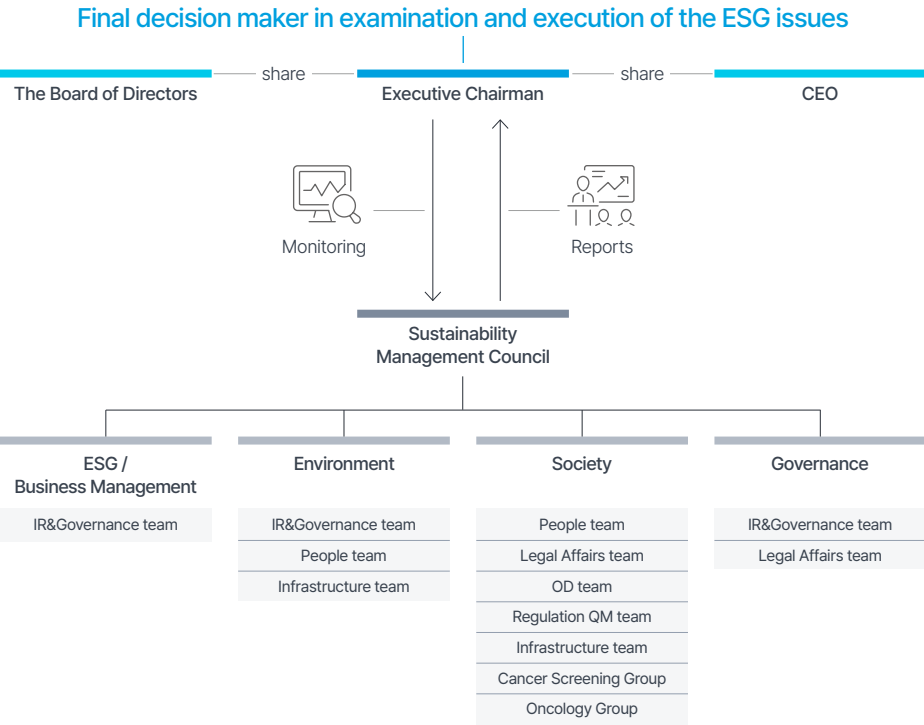
At Lunit, we are also setting specific long-term ESG goals such as achieving Net Zero emissions by 2040, and establishing detailed and comprehensive business strategies to reinforce sustainable principles, policies, and leadership. In terms of short to mid-term goals, we are continuously strengthening our greenhouse gas monitoring system, guidelines on human rights, code of ethics, and communication system with stakeholders.

Apart from our efforts in leading the industry, we also highlight the balanced welfare of employees, customer rights, and social values, thereby transparently disclosing of our strategies and achievements in sustainable development. With these efforts, we believe that sustainable growth in the cancer diagnosis and treatment industry and the establishment of a responsible healthcare ecosystem can be achieved based on sustainable management principles that consider the environment, society, and ethical codes.

Sustainability Management Council

Lunit has established a Sustainability Management Council comprising 8 different departments related to major criteria of ESG issues and core tasks, for the internalization of sustainable development. The council will be mandated to convene meetings every six months, with additional meetings to be held as needed. Sustainability issues discussed in the meetings will be reported to the chairman of the board, who will review and share them with the board of directors and the CEO for the implementation of necessary actions. Additionally, critical sustainability issues selected from the annual materiality assessment process will be examined and authorized each year. During the inaugural sustainability management council meeting held in May 2024, the new sustainable development vision and strategy were introduced, and preparations for the 2024 Sustainability Report were initiated, outlining the operational plans for the sustainability management council. The council of Lunit will be systematically operated, continually deliberating on the expansion of sustainable development pursuits.

Sustainable Development Organization



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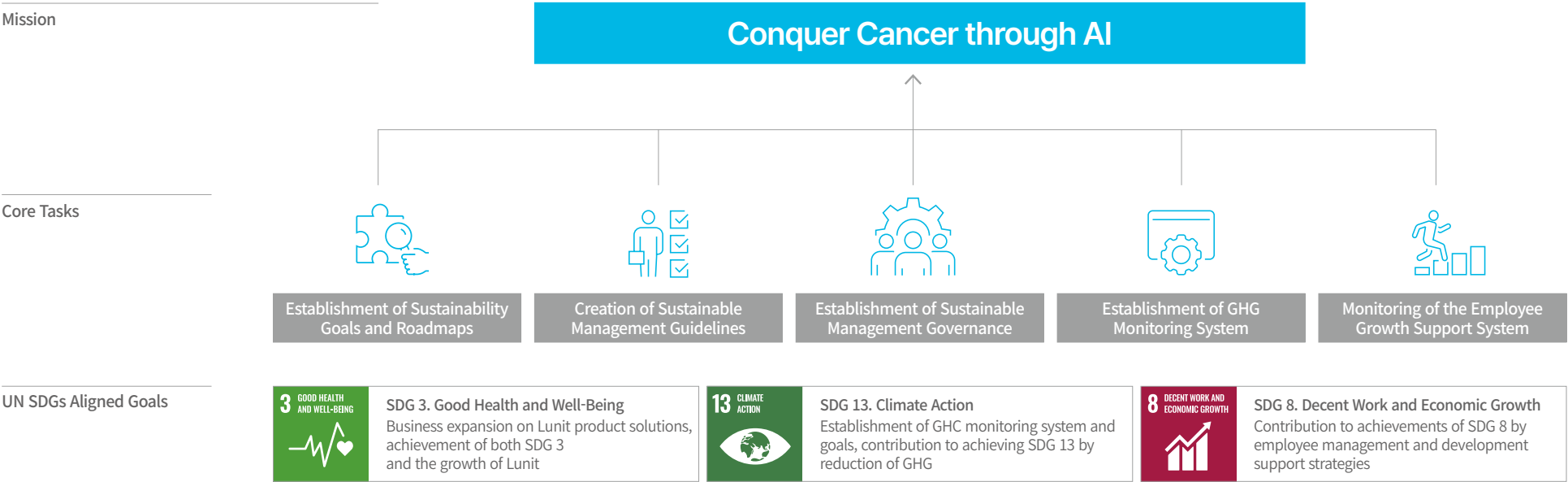
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Lunit Sustainable Strategy

Sustainable Development Strategy

Lunit has established the 2024 Sustainable Strategy for a better world based on sustainable development. Under the mission “Conquer Cancer through AI,” Lunit aims to achieve a global standard for optimized cancer treatment based on AI. By actively promoting the 5 strategic tasks encompassing Environment, Society, and Governance

associated with the Sustainable Development Goals (SDGs), Lunit foresees worldwide sustainable development. Lunit will continue its efforts toward the internalization and advancement of sustainable development, with firm cooperation with stakeholders on sustainability vision and strategies.



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Materiality Assessment

Materiality Assessment Process

To identify the core issues necessary to promote sustainable management, Lunit has conducted a materiality assessment, applying the double materiality assessment outlined in the EU Corporate Sustainability Reporting Directive (EU CSRD). Double materiality refers to the impacts of management activities related to sustainable corporate management issues on society (inside-out) and the impacts of the respective sustainable management issues on corporate management activities (outside-in). We have identified 6 priority areas from the 15 issue pools by comprehensively analyzing the interrelated impacts of the corporation and society through a double materiality assessment.

Step 1

Formation of Issue Pool

- **Analysis of international standards and assessment factors:** Examination of standards such as GRI Standards, UNGC, SASB, MSCI, KCGS and reporting requirements of the assessment factors
- **Media Analysis:** Examination of Lunit related news articles for better understanding of external recognition
- **Benchmarking:** Identification of the shared critical issues of the industry by analyzing Sustainability Reports of domestic and global competitors

Step 2

Materiality Assessment

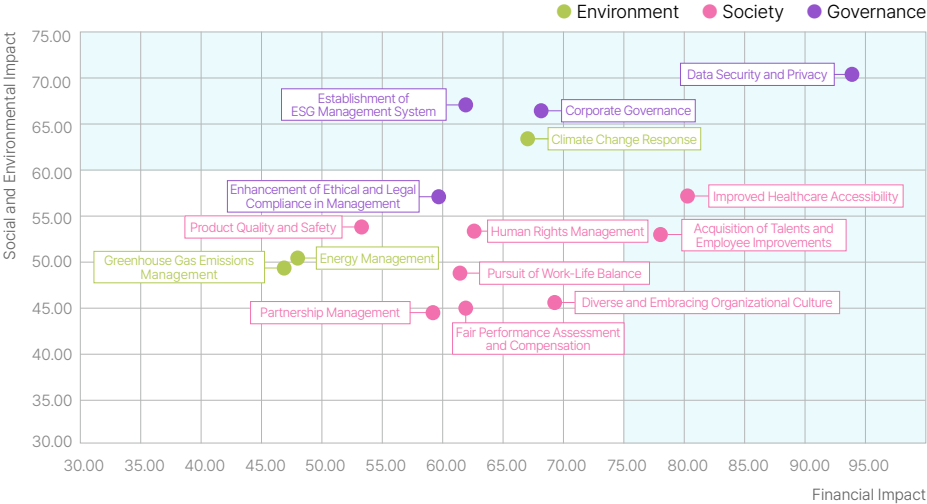
- **Analysis of the social and environmental impacts**
 - Relevance recognition of sustainable management issues by internal/external factor analysis such as international standards, assessment factors, media and benchmarking
 - Stakeholder participation in On-line survey (22nd February 2024 – 18th March 2024) for better understanding of level of materiality in each issue pool
- **Analysis on Financial impacts**
 - Assessment on internal management issues and financial impacts by different ESG issues

Step 3

Selection of Materiality Issues

- Selection of 6 material issues from the assessments of board
- Detailed planning of scope and period for each material issue
- Assessment and approval of the executive chairman

Materiality Assessment Results



NO	Category	Materiality Issue	Financial Impacts	Social and Environmental Impact	GRI Topic	Page
1	Governance	Date Security and Privacy	●●●	●●●	GRI 418-1	P. 43-45
2	Society	Improved Healthcare Accessibility	●●●	●●	GRI 203-1, 203-2	P. 29-30
3	Governance	Corporate Governance	●●	●●●	Non-GRI	P. 35-41
4	Environment	Climate Change Response	●●	●●●	GRI 302-1, 305-1, 305-2	P. 47
5	Society	Acquisition of Talents and Employee Improvements	●●●	●●	GRI 401-1, 404-1	P. 21-22
6	Governance	Establishment of ESG Management System	●●	●●●	Non-GRI	P. 13-14

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Materiality Issues

Prior to the publication of the Sustainability Report, Lunit has identified stakeholder interests and business significance through surveys conducted by internal/external stakeholders and professionals and selected 6 materiality issues. The detailed materiality assessment for the identification of materiality issues are specifically disclosed on page 15. The major areas identified by Lunit for sustainable development are related to the organization's business activities, such as "Improved Healthcare Accessibility" and "Data Security and Privacy." Additionally, criteria such as "Acquisition of Talents and Employee Improvements," "Establishment of ESG Management System," "Corporate Governance," and "Climate Change Response" demonstrate Lunit's desire in promoting sustainable development by internalizing sustainable development within the corporate structure.

Lunit will actively communicate with the company's stakeholders by publishing annual Sustainability Reports and transparently disclosing the results of the company's responses and performances to the identified materiality issues. Materiality assessments will be thoroughly conducted prior to the annual publication of Sustainability Reports for the continuous identification and application of stakeholder interests to the corporate decision-making process and business strategies, thereby empowering and reinforcing sustainable development accordingly. The detailed background of the selection of the 6 materiality issues has been shared below, and Lunit's response to the issues, results, and further achievable goals related to the UN SDGs are analyzed as follows. Details can be found in the "Our Society, Our Organization, Our Planet" sections of this report.

Category	Materiality Issue	Background of Selection	Strategy	Major Activities	UN SDGs
Society	Acquisition of Talents and Employee Improvements	- Development and implementation of effective and innovative employee development program is required for the better acquisition of competitive talents - Maintenance and management of talent pools by managing employee turnover and retirement, and impartial staffing by skill and competency	- Strategic planning of job openings and of recruiting programs - Supports and development on effective and innovative employee development programs - Advanced employee expertise programs and job training opportunities	- On-Boarding, Leadership, Global competitiveness programs for employee developments - Operation of equitable recruiting processes - Discovering talents for competitive recruitment	 
	Improved Healthcare Accessibility	- Increased demand in social responsibility of healthcare companies such as medical aid for underprivileged social groups and overall healthcare equity - Growth in revenue and profitability by improving product accessibility to global consumers and markets	- Expansion of partnerships (i.e. M&As) by improving product accessibility to global consumers and markets - Setting pricing strategies considering the medical accessibility of the underprivileged social groups and providing robust patient management programs	- Signing contracts with medical organizations and healthcare companies across the world such as in the Middle East Asia, Southeast Asia and North America - Healthcare programs for the underprivileged social groups both in Korea and overseas - Establishment and operation of the C-level pricing committee	     
Governance	Establishment of ESG Management System	- Growth in corporate value through sustainability management - Enhanced corporate financial stability through remediation of ESG related risks - Strengthened market competitiveness through increased competitiveness in the global market and investment opportunities - Increased corporate social value and presence through local contributions	- Establishment of sustainable governance structure - ESG trainings and awareness activities	- Establishment of sustainable management strategies - Operation of sustainability management council - Corporate-level ESG training - Publishing of the Sustainability Report	  
	Corporate Governance	- Investor confidence through transparent and fair corporate governance - Maximization of corporate growth by improved management efficiency - Minimization of legal risks through appropriate internal regulations and audits	- Expansion of the operation management disclosure and forming of the board of directors for strengthened corporate governance transparency - Diversification of shareholder-friendly management policies and shareholder participation opportunities - Strengthened internal controls and risk management system for the prevention of fraudulent activities and protection of corporate assets	- Electronic voting system to encourage shareholder participation - Implementation of stakeholder communication channels such as SNS and IR letters - Establishment of audit committee for corporate compliance and risk management monitoring	
	Data Security and Privacy	- Achieving consumer confidence is crucial through safe data processing and privacy protections - Prevention of data leakage and loss by infringement on sensitive data such as medical data and personal information	- Establishment of data security policies - Enhanced data security and IT systems - Regular inspection of potential risks through data security systems and reports to the board of directors - Prevention of infringement of personal information and protection of intellectual properties of the company	- Acquisition of ISO 27001 world standard information security management systems - Systematic establishment and operation of leakage and crisis response protocols - Establishment of personal data management policies and continuous data security trainings programs	 
Environment	Climate Change Response	- Establishment of climate change risk management and response system is crucial according to the current international Net Zero trend - Corporate brand revaluation is required by promoting the eco-friendly corporate image - Increased demand for social responsibility on environmental risk recognition and prevention for minimization of natural disasters due to the climate change	- Declaration of climate change response objectives and road maps and establishing climate change response governance - GHC monitoring systems	- Declaration of 2040 Net Zero objectives and mid-to-long-term roadmaps - Contemplations of climate change response strategies and plans in the sustainability management council - Gradual usage of renewable energy through purchase of Renewable Energy Certificates (REC) and greenhouse gas reduction plans	 

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Major Stakeholders and Communications

Lunit defines its major stakeholders based on their influences and interests. Through various communication channels, the issues of interest and needs are identified and analyzed. Specifically, Lunit earns credibility through transparent disclosure of management strategies and results such as the disclosure of corporate data, website, IR briefings, and the Sustainability Report.

Stakeholders	Employees	Shareholders, Investors and Analysts	Media	Customers and Partners	Government and Local Communities
 Major Stakeholder Interests	• Healthy organizational culture • Employee benefits • Robust labor-management relations • Equitable evaluation and compensation • Employee skill development support	• Increased corporate value • Sound corporate governance • Risk management • Disclosure of corporate information	• Major business status	• Product and service quality • Enhanced protection on customer information • Ethics management • Transparent communication	• Social responsibilities on local communities and environment • Job creation • Industry-Academic cooperation
 Communication Channels	• Joint labor-management conferences • Business briefings • Internal communication channels such as employee meetings	• Board of directors • General meetings of shareholders • Regular disclosure of corporate information • IR briefings • Corporate Website	• Press Release	• Regular meeting sessions with customers • Regular meeting sessions with partners	• Discussions and briefings • Promotion of government objectives • Job creation and maintenance
 Major Activities	• On-boarding programs • All Hands Meeting • Joint labor-management conference • Grievance committee • CEO communication channel (ABA) • People Express, etc.	• General meetings of shareholders • Corporate performance briefings • Disclosure of corporate information such as business reports • IR Newsletter	• Press Release • Press conference	• Collection of VOC and responses • Customer satisfaction survey • Partner training • Regular assessment of the partners	• Attending medical related conferences in-and-outside of Korea and promotion of government objectives. • Recruitment programs for professional researchers, high school students and college students • Handicapped employment

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Human Rights Management

Human Rights Management System

Declaration of Human Rights Management

Since its foundation in 2013 under the mission of ‘Conquer Cancer through AI’, Lunit has been challenging both the domestic and global markets, thanks to the devotion and enthusiasm of the members. Lunit respects, pursues, and protects the human rights of all stakeholders, including employees, customers, shareholders/ investors, business partners, local communities, and the environment. Furthermore, Lunit is eager to prevent any actual and potential infringement risks of human rights and will always respond quickly to such issues, providing fundamental solutions. As an international corporation, Lunit supports international standards on human rights such as the Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights, and International Labor Organization declarations, and will abide by the Acts and subordinate statutes of the Republic of Korea.

Lunit Human Rights Guidelines

1. Compliance with working conditions and creation of safe working environments

- Lunit strictly manages employee working hours to ensure that the maximum working hours regulated by labor laws in respective countries and regions are not exceeded, and complies with standards related to laws such as working hours, minimum wage, and overtime.
- Lunit respects employee privacy and prohibits any unlawful treatments such as mental and physical coercion, abuse, sexual harassment, threats, and confinement.
- Lunit protects the moral rights, right to health, and right to rest of all employees, and provides a safe and pleasant working environment.

2. Prohibition of forced labor and child labor

- Lunit strictly prohibits child labor under the age of 15, and when unavoidable circumstances require the employment of individuals aged 15 to under 18, Lunit follows proper procedures to ensure education opportunities are not restricted and that they do not work in environments, including night or overtime shifts, that jeopardize their safety or health.
- Lunit does not allow any form of forced labor against employee's free will, including human trafficking, etc.

3. Freedom of association and collective bargaining

- Lunit guarantees freedom of association and collective bargaining protected by labor laws of respective countries and regions and will not refuse collective bargaining without legitimate reasons.
- Lunit ensures that communication opportunities for employees are protected.

4. Anti-Discrimination

- Lunit does not discriminate against employees based on gender, pregnancy, race, ethnicity, nationality, religion, disability, political views, skin color, etc., in the company's recruitment, work processes, promotion, incentives, and training opportunities. Self-development and training opportunities are granted fairly and assessed and reimbursed based on righteous standards. All employees must respect each other and be treated fairly.

5. Protection of partner and customer human rights

- The human rights of partners and customers are considered and protected within the same standards of Lunit.
- Lunit puts utmost effort into ensuring customers can safely and conveniently use Lunit's products and services, and therefore will quickly and precisely respond to customer requirements for customer satisfaction.

Human Rights Activities

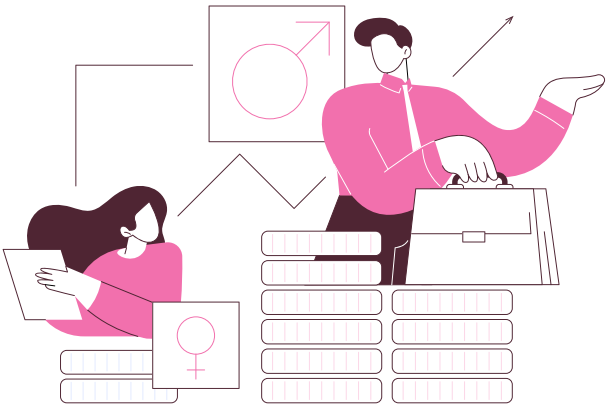
Human Rights Training

Lunit endeavors to enhance understanding of human rights and diversities and minimize human rights risks by conducting human rights training regularly, once a year, through both online and offline channels. Lunit will continue developing and providing better human rights training sessions to effectively manage human rights-related risks.

Human Rights Training and Improvements on Recognition

Unit: People

Name of Training	2021	2022	2023
Sexual harassment prevention	234	279	262
Workplace bullying	234	279	262
Disability awareness	234	279	262



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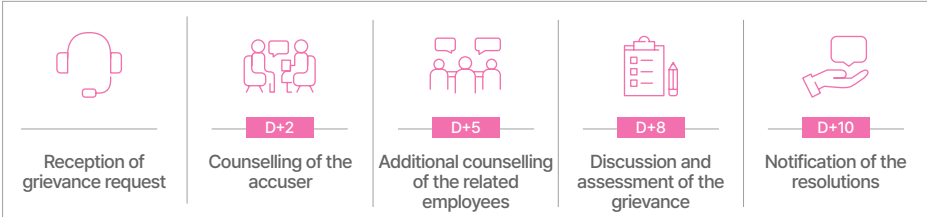
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Grievance Process

Lunit appoints one employee as the member of the grievance committee to address grievance issues and create a working environment where employees can concentrate fully without hardship or difficulty. The appointed personnel is responsible for listening to employee opinions on matters such as internal conflicts, unfair working conditions, infringement on employee rights, and any other personal grievances, and for considering potential improvements. Employees can file grievances with the appointed personnel by completing a grievance request form and can also express their opinions through preferred channels such as verbal communication, In-house messenger program, DMs, or email. All grievances filed through these communication channels will be kept strictly confidential. The appointed member of the grievance committee will notify employees of resolutions and results within 10 days of receiving requests and will provide updates on the status of unresolved requests within the same timeframe. If necessary, the appointed member of the grievance committee may bring issues to the attention of the Lunitian Committee (Joint labor-management conference).



Number of Accusations by Category

Unit: Cases			
Category	2021	2022	2023
Working conditions	0	0	0
Discriminations and bullying	0	0	0
Infringement on privacy	0	0	0

Robust Labor-Management Relations

A Joint labor-Management Conference

Lunit respects the freedom of association and collective bargaining as stipulated in the Convention of the International Labor Organization and Korean labor law. To safeguard these rights, a joint labor-management conference has been established to foster organizational culture and address grievances. The conference comprises up to 5 user members and labor council members and is typically held quarterly. Additionally, ad-hoc conferences may be convened when representatives of labor and management raise agenda items. The conference chairman notifies members of the conference of the date, location, and agenda at least 7 days in advance, and any agenda items agreed upon during the conference are promptly implemented and communicated to all employees through appropriate channels. Lunit is committed to fostering open communication and cooperation between labor and management to resolve internal disputes and enhance the working environment.



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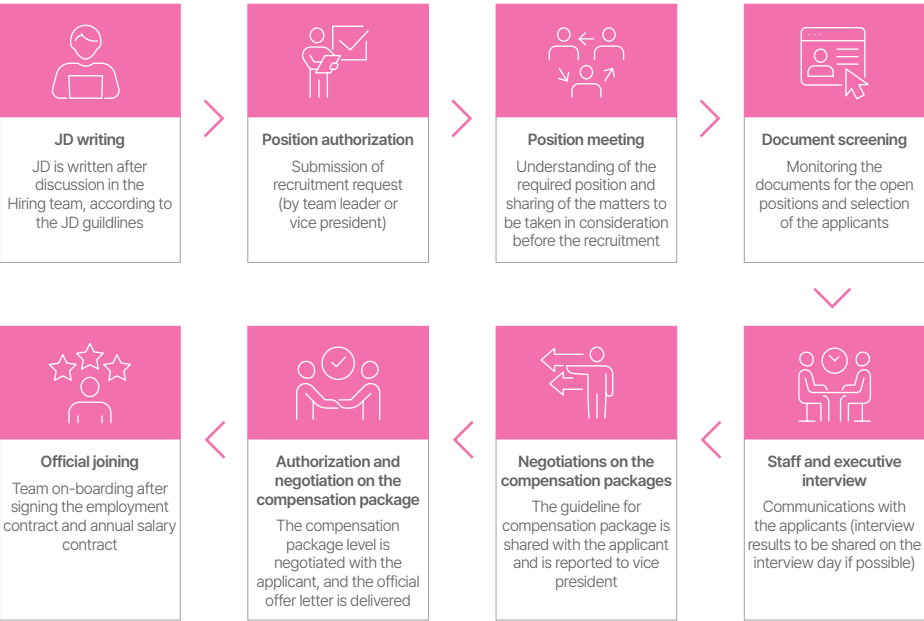
Acquisition of Talents and Employee Improvements

Talent Acquisition

Transparent Recruitment Process

Lunit establishes its recruitment policies to ensure an equitable hiring process for both newly hired and experienced candidates. The required number of new employees for each team and department is determined, and a pool of applicants is gathered through job postings, references, and recommendations before the screening of application documents and interviews. Interviewers assess applicants using rubrics designed for fairness and optimal recruitment, and additional tasks such as presentations may be assigned to evaluate suitability for the company's culture code when necessary. This transparent and fair recruitment process contributes to the development and growth of Lunit.

Recruitment Process



Discovering Talents

The biggest asset towards Lunit's future are employees with competitiveness and enthusiasm. To be fully prepared for the growing innovation and upcoming transitions and to recruit competitive talents, Lunit operates its talent discovering systems as below.

Category	Description
Talent recommendations	We highly encourage personal recommendations of suitable candidates for full-time job openings and internships (recruitment-linked). Recommenders will receive financial awards if their recommended applicants successfully complete the probation period.
Talent pools	Applicants matching talent and skills to Lunit's interest will be considered even after job opening periods end.
Designated research positions	Lunit offers applicants with pending military service obligations alternative opportunities in our AI research labs.
Industry-academic linked internship	We discover potential talents by providing job experiences to university students through partnership programs with universities.
Recruitment briefing	Promoting Lunit to acquire talent by conducting on and off-line recruitment briefing sessions at educational institutes such as universities.

Hiring Status

Unit : People			
Category	2021	2022	2023
Total recruitments	153	90	78
Newly hired	23	19	12
Experienced	130	71	66
Male	87	44	43
Female	66	46	35
Under 30	75	44	26
30-50	77	44	52
Over 51	1	2	0

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Employee Development

On-Boarding Programs for The Newly Hired Employees

Lunit continuously operates on-boarding programs for newly hired employees. These programs aim to facilitate the adaptation of newcomers through sessions covering company introduction, comprehensive training on Lunit's vision, organization, products, and services for a thorough understanding of the company, as well as an orientation specific to their positions. Newcomers will gain insight in terms of Lunit's employee benefits through introductions to personnel systems and employee welfare, while training sessions on Lunit's organizational culture will help them adapt effectively into the company. Additionally, necessary working tools and systems at Lunit will be explored through simulation activities, followed by data security training sessions, office tours, and seat assignments. Lunit's on-boarding programs motivate newcomers to swiftly grasp the company's essence and actively contribute to its success.

Employee Training

Category	Unit	2021	2022	2023
Total training hours	Hours	6,921	6,949	6,690
Number of employees	People	272	304	293
Average amount of time per employee	Hours	25.4	22.9	22.8

* Compulsory educations, Internal trainings (Onboarding, Leadership development, Organizational effectiveness training, Compliance training, Medical device training), and Other trainings, Excluding external trainings upon individual requests of employees.

Leadership Program

Lunit offers comprehensive on-boarding programs tailored for newly promoted leaders, focusing on instilling leadership principles, honing essential leadership skills, and imparting crucial management insights. Additionally, Lunit runs a leadership competency program designed to empower leaders in enhancing their leadership prowess by leveraging their strengths and unlocking their full potential.

Category	Intended Group	Contents
On-boarding programs for new leaders	Newly promoted leaders	Training sessions on HR, finance, accounting knowledges, corporate principles and values, 1 on 1 meeting with the teammates and case studies
Leadership competency program	Leaders and above	Self-understanding with the strength analysis, Trainings on the leadership principles and values

Global Talents Program

To enhance the global competitiveness of our employees, Lunit has launched the Luniversal (Lunit + Universal) English training program. Led by our company's dedicated English instructors, this program offers personalized one-on-one or group English classes. Through professional coaching, employees develop fluency in English, enabling them to effectively communicate in the international business arena. The Luniversal program is instrumental in nurturing the global competitiveness of Lunit by immersing participants in diverse cultural environments, fostering cross-cultural communication skills.

Knowledge Exchange Program

Lunit highly encourages collaboration and knowledge exchange among different teams and departments through a variety of internal sessions. These sessions, which are conducted voluntarily across various fields, serve as platforms for sharing ideas and work insights to support one another through idea sharing and mutual training. Additionally, Lunit organizes the AI Research Conference led by the AI division, where the outcomes of internal research activities are regularly shared. These internal sessions enable different parts of the company to actively collaborate and share expertise, empowering all members to contribute to the growth and development of Lunit.



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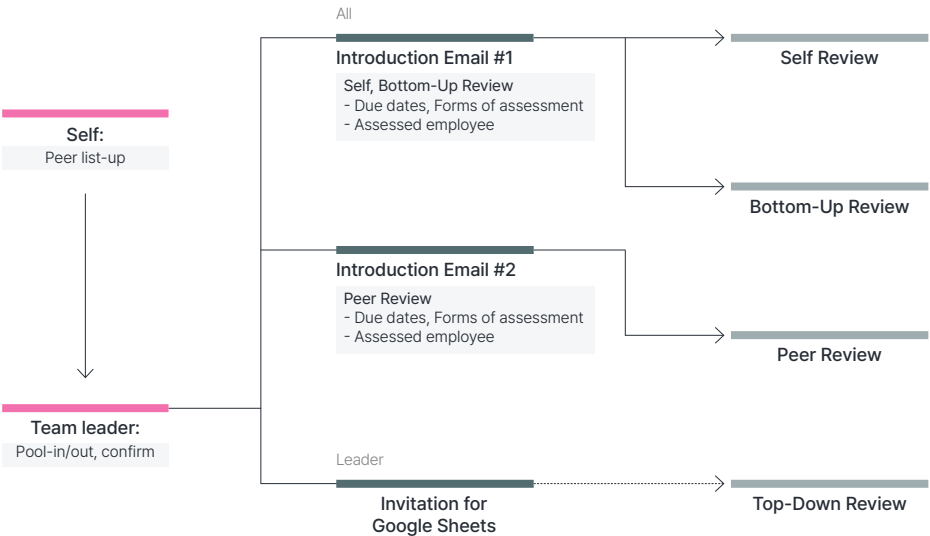
Fair Performance Assessment and Compensation

Fair Assessment and Compensation

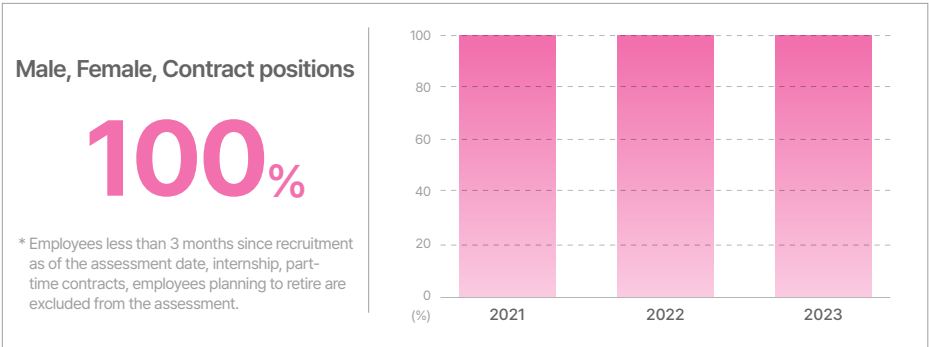
Long-Term Performance Assessment and Feedback Process

Lunit conducts performance assessments biannually for all permanent positions, while temporary positions are assessed based on the contracted period. These assessments utilize various tools such as Airtable forms, Google surveys, and Google Sheets across different sectors. The assessment criteria include primary duties, leadership, cooperation, strengths, and weaknesses, which are evaluated based on the organization's culture and values. To ensure fairness, a 360-degree feedback system is employed, incorporating self-assessment, bottom-up feedback, peer evaluation, and top-down feedback. Review and feedback sessions are facilitated by leaders, with the opportunity for input from the next level of authority if needed. Employees receive detailed written comments on their assessment results, which emphasize on the recognition of performance and areas for improvement rather than just scores or grades. Furthermore, feedback on the assessment process is gathered through satisfaction surveys to drive continuous improvement. Through systematic performance assessment and feedback collection, Lunit enhances organizational performance and employee satisfaction by leveraging the diverse potentials and strengths of its workforce.

Performance Assessment Process



Employee Performance Assessment Rates



Reasonable Compensation System

Lunit implements a fair and effective compensation system to recognize and reward employee performance. This system comprises of two main components: financial compensation based on individual performance grades and financial compensation awarded at the leader's discretion. Individual performance grades determine the financial compensation, with higher grades correlating to higher compensation amounts. These grades are given based on individual performance evaluations. Additionally, leaders have the authority to award financial compensation based on factors such as project contributions, level of effort, creativity, and other relevant considerations. By fairly recognizing individual efforts and contributions, Lunit's compensation system incentivizes employees to excel in their roles and fosters a motivating work environment conducive to high performance.

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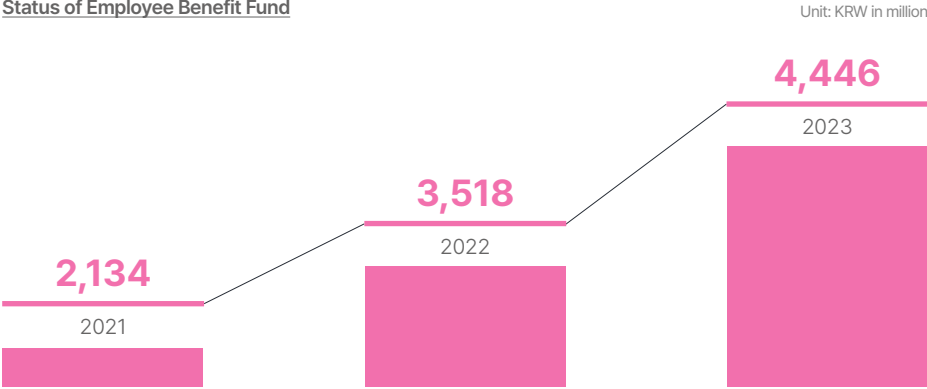
Pursuit of Work-Life Balance

Work-Life Balance

Diverse Employee Benefit Packages

Lunit fosters a positive and supportive work environment by offering a range of employee benefits packages. Our flexible working hours for the purpose of promoting work-life balance, enable employees to manage their schedules effectively, including remote working options and flexible leave days. In addition, our company café offers a variety of beverages at affordable prices, and employees are given benefit points (Seluv-be) that can be redeemed for various perks tailored to their needs. Newly joined employees receive a Desk-terior bonus to personalize their workspaces, and holiday gifts are provided on national holidays. We prioritize employee health and a safe work environment by providing annual medical checkups and company-level group accident insurance. Lunit invests in employee development through lectures, training sessions, and support for attending educational events and workshops. Employees are encouraged to expand their knowledge through book purchases as creative inventions are rewarded with financial incentives. We also offer financial tribute support for life events, as well as pregnancy/birth benefits. Long-serving employees are recognized with additional leave days and financial gratitude, along with stock options, membership in the employee stockholders' association, and pension plans for long-term stability. Through our comprehensive employee benefits packages, we aim to prioritize employee happiness and satisfaction, which in turn contributes to the overall improvement of organizational performance.

Status of Employee Benefit Fund



Various Employee Benefit Packages

Category	Name of the Benefit	Contents
Happy Life	Flexible working hours	• Flexible management of individual working hours, remote working days and leave days
	Company café	• Coffee and beverages provided at a reasonable price
	Seluv-Be	• Employee benefit points
	Desk-terior	• Bonus for the newly joined employee to design their own working space to their likings
	Holiday gifts	• Gifts for Korean Lunar new year / Choosuk
	Snack bar	• Snacks provided for all employees
	Relax room	• Relaxing room with massage chairs and recliners
	Small group assistance	• Employee community supports
	Company events	• 1-2 company events a month (snacks/presents)
	Meal assistance	• Lunch and dinner support
Healthy Life	Medical checkups	• Medical checkup support once a year
	Group accident insurance	• Group accident insurance support for safe working environment and healthy life
Growing Life	Lectures and special training sessions	• Supports on special lectures from outside experts when required
	Education sessions and academic gatherings	• Financial assistance for attending the event
	Financial award for the employee invention	• Financial rewards on the technology, design and findings of employees during work hours
	Workshop	• Supports for team level workshop events
Stable Life	Books	• Book rentals and purchases
	Tribute	• Flowers, required goods, financial aid support
	Pregnancy and birth	• Pregnancy gifts, maternity leaves, special bonuses, birth gifts
	Long-term service rewards	• Paid leave days for loyal employees (5 years), holiday bonuses, gold coin
	Stock options	• Upon approval of the board of directors
	Employee stockholders' association	• Upon approval of the board of directors
	Retirement pension	• DB pension plans

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Maternity Protection

Lunit strictly adheres to the Maternal Protection Act to safeguard and support the work-life balance of employees during pregnancy, childbirth, and parenting. We prohibit night shifts, holiday work, and overtime hours for pregnant employees, and reduce working hours as necessary during pregnancy. Employees are granted leave days for prenatal appointments, miscarriages, and stillbirths. Both mothers and fathers are entitled to leave days to support childbirth and fulfill caregiving responsibilities. We provide various supportive measures to create a flexible working environment for employees during parenting periods, including maternity leave, reduced working hours, family care leave, and holidays. These measures ensure that employees can take care of their children's growth and development while maintaining a professional career.

Maternity Leave Status

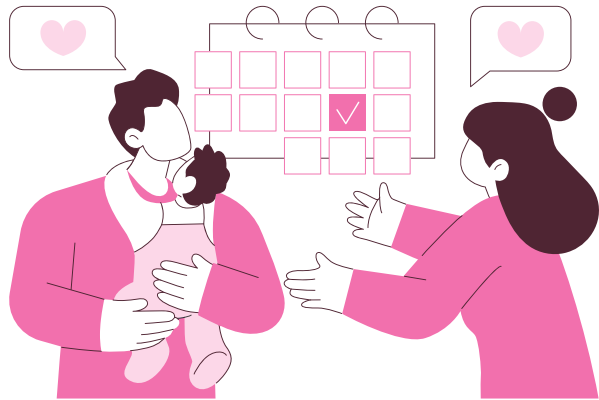
Category	Unit	2021	2022	2023
Paternity leaves	People	0	0	1
Maternity leaves	People	3	1	4
Returning to work after paternity leave	People	0	0	0
Returning to work after maternity leave	People	1	3	1
Number of employees past 12 months after returning to work from paternity leave	People	0	0	0
Number of employees past 12 months after returning to work from maternity leave	People	1	1	1
Return rates of paternity leave	%	-	-	-
Return rates of maternity leave	%	100.00	100.00	100.00
Retention rates after paternity leave	%	-	-	-
Retention rates after maternity leave	%	100.00	100.00	34.00

Retirement Pension Plans

Lunit manages a retirement pension system for all employees to support their retirement planning. In 2023, Lunit appointed additional pension plan provider to support employees to prepare for a stable future. Lunit is committed to continuously evaluating and enhancing employee benefits and options for a brighter future.

Stock Options and Employee Stockholders' Association

Lunit offers stock options and an Employee Stockholders' Association to enhance employee welfare. Through stock options, eligible employees can exercise their rights to purchase company shares at a predetermined price within a specific period. This allows employees to directly contribute to the company's growth, development, and future value. The Employee Stockholders' Association is a platform provided to employee shareholders. Employees with vested interest in the company's success may proudly and collectively contribute to its growth and development. Lunit prioritizes employee welfare and is committed to recognizing and protecting the value of its employees.



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Diverse and Embracing Organizational Culture

Organizational Culture

Lunit Culture Code

We are an organization full of motivated individuals eager to grow. The organizational culture of Lunit is rooted in the Lunit Culture Code, a set of core values that serve as a guiding principle for corporate growth and advancement. Members of Lunit highly value the learning opportunities and actively pursue both individual and organizational development through knowledge sharing. They are committed to collaborating with global markets and showing respect for diverse languages and cultures worldwide. Additionally, Lunit creates an environment of individual responsibility and autonomy, prioritizing the delivery of high-quality products and services. A spirit of teamwork prevails, characterized by mutual respect, a unified mindset and effective communication. Lunit embeds a culture of continuous improvement, where each and every member is valued, respected, and contributes to a harmonious and supportive work environment.



Live to learn and grow together



Lunitians are self-motivated individuals with a passion for learning and growth. Be proactive in your growth, while aligning with your team's needs, to grow together. Lunitians' growth is Lunit's growth.

Win, united as one team



The only way to achieve our goal and be successful in our mission is to work as one team, together. Strong teamwork starts with professional work ethic and ownership and is completed by collaborating with others. Rather than focusing only on your individual tasks, put Lunit's success as a whole into perspective.

Work with global DNA



Lunit is a global company working on a universal mission. Embrace our global perspective, including serving our customers, patients, partners, markets, and fellow peers at a global scale, as well as practicing inclusive communication, even if inefficient at times.

Lunitians, talk to each other



Lunit's success starts with communication. We are open to receiving and giving feedback—proactively sharing our thoughts and opinions constructively and transparently. We persevere to confront our differences in opinion with confidence there is mutual trust.

Thrive with responsible autonomy



At Lunit, there is minimum structure, maximum flexibility. Lunitians are empowered and trusted to choose how they work as individual professionals and make the right decisions on behalf of what's best for Lunit, while being responsible for their actions and decisions.

Respect one another, with love



Lunitians are sincere and good-hearted. Showing respect and love for one another will bring out the best in us. Because of love, we care for each other, support each other and communicate respectfully.

Obsess over timely craftsmanship



It is Lunit's identity to obsess over craftsmanship and command best-in-class status. Aim and plan to consistently achieve excellence in quality, and make sure to deliver on time. We must not forget that timely delivery is also a core pillar of excellence.

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Telephone. 82-70-8853-0558
E-Mail. ir@lunit.io
Website. www.lunit.io

Organizational Revitalization

Reinforced Internal Communication

Lunit employs a variety of internal communication channels to trigger discussions on diverse topics. With a focus on cultivating an organizational culture that promotes the mutual growth of both the company and its members, we conduct monthly “All hands meetings” to disseminate critical information to all employees. Following the corporate level gathering, these meetings cascade down to team and individual levels every month or every two weeks.

Internal Communication Channels

Name of The Channel	Subjects	Speaker&Attendees	Application & Form of Communication
All hands meeting	Corporate status, product and business updates, sharing important issues of the company such as the OKR progress	All employees	Meeting
1:1 meeting	Regular 1:1 meetings with CXO-VP, VP-TL, TL-members *	All employees	Meeting
Ask Brandon Anything	QnA session with the CEO on the direction, system, ways of working of the company	CEO	Slack Workflow, Google forms
People Express	Discussion session on Lunitian's life such as HR policies, office, benefits, life in Lunit, personal experiences on the interviews, etc.	· People Dept TL & Managers · VP of People / CFO	Google forms
The employee committee	Free topics on overall company life and working environment	Employee representative	· Slack / In-person · Knock-Knock@lunit.io · Office hour · Inbox
Grievance committee	Grievance in company and hardships	2 grievance committee members (1 user representative, 1 employee representative)	· Google forms · E-mail · In-person
Whistle-blowing channels (bullying)	Hierarchy exploitation and misuse of workplace relationships, mental and physical bullying exceeding appropriate boundaries and degrading of the working environment	· HR team member · HR TL · VP of People	· Slack · E-mail · In-person
Whistle-blowing channels (sexual harassment)	Undesired verbal, visual and physical sexual harassment related to work, or abusing workplace hierarchy	· HR team member · HR TL · VP of People	· Slack · E-mail · In-person
Slack #Channels	Simple requests for workplace supports, company tools, software inquiries, building and facility inquiries	Related departments	· Slack #operation · Slack #support-tools · Slack #space-and-facility

* CXO : CFO, CEO, etc., VP : Vice President, TL : Team Leader

Employee Engagement Survey

Since 2019, Lunit administers biannual engagement surveys to all employees, spanning both headquarters and international branches. These surveys comprehensively evaluate employee engagement with their duties, teams, and company, focusing on 8 key engagement factors. The results directly correlates to the current corporate status assessment and guide the formulation of improvement strategies, which are subsequently translated into action plans and initiatives.

Team Workshop

Lunit is building a productive and healthy team culture through Team Communication Workshops and Cross-Functional Collaboration Team Workshops. Additionally, ways to analyze team strengths and generate synergy are explored through Team Strengths Workshops. Through these efforts, Lunit aims to maximize collaboration and performance between teams and establish an efficient work culture throughout the company.

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Respecting Diversity

Efforts Towards Diversity

Lunit upholds the unique identities of all its members and maintains a zero-tolerance policy towards any form of discrimination, hatred, or bias based on religion. We are committed to fostering a safe and respectful working environment for all employees. With a diverse workforce consisting of members from various nationalities, we actively work to minimize language barriers within the company. To facilitate effective communication, all internal communications are encouraged to be shared in both Korean and English, and we provide corporate interpretation services for interactions between members from different regions. Additionally, we offer diverse language classes and programs led by professional full-time Korean and English instructors to enhance language fluency among both Korean and international members. Lunit remains dedicated to protecting diversity and promoting a culture of respect, ensuring that all Lunitians work in a fair and respectful environment.

Global Culture Exchange

Lunit fosters cultural exchange through a variety of company events aimed at promoting mutual understanding and participation among its members. For instance, during special occasions such as the 10th-anniversary celebration, vegan and halal food options were included alongside regular meals to allow members to share their food cultures. Additionally, events like the 'World Food Gathering' provide opportunities for Lunitians to introduce food and snacks from their respective hometowns and cultures, enriching the overall cultural experience. Furthermore, traditional Korean culture and snacks are showcased during events like Jeongwol-Daeboreum days. Through these diverse events, Lunit actively promotes an inclusive and embracing atmosphere that encourages cultural exchange among employees.



Cultural Exchange Events

Company Café with Embracing Atmosphere

Lunit has established its own company café and has undertaken a commendable initiative by recruiting four baristas through disability recruitment programs. This initiative reflects Lunit's commitment in supporting the financial independence and stability of individuals with disabilities by providing them with job opportunities and necessary aids to work in an environment that promotes independence and autonomy. During the on-boarding process, the baristas receive comprehensive training, including company introductions, building walkthroughs, orientation on work procedures and salary systems, as well as guidance to communication and support channels. These measures are aimed to ensure that the baristas seamlessly integrate into the company and feel comfortable in their roles. The presence of the company café not only enhances the working environment at Lunit but also provides a diverse and inclusive workplace culture.



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Improved Healthcare Accessibility

Global Healthcare Network

Lunit INSIGHT Partnership

Lunit is actively expanding its global strategic partnerships to advance sustainable development and enhance healthcare accessibility worldwide. Our AI diagnostic solution, Lunit INSIGHT CXR, which covers 10 lung diseases, has been developed and provided to leading global X-ray manufacturers including AGFA, FujiFilm, GE Healthcare, Philips, among others. Recently, we have also entered into a partnership agreement with Samsung Electronics, a prominent market leader in Korea.

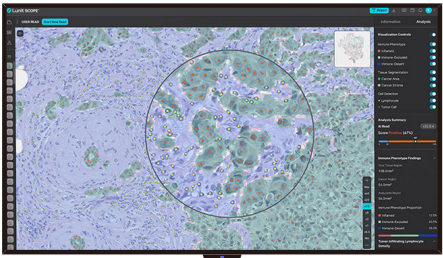
Furthermore, Lunit INSIGHT MMG, our AI diagnostic solution for breast cancer, has garnered attention for its technological prowess in alleviating the shortage of medical experts in many countries. This is particularly crucial given the complexity of breast cancer screening and diagnosis, which typically requires high levels of expertise beyond standard X-ray images.

In order to globally compete in the Digital Breast Tomosynthesis sector, our newly CE and FDA approved product, Lunit INSIGHT DBT solutions, has succeeded in demonstrating superior AI reading performances in more complex 3D images than the already advanced 2D screening technology of INSIGHT MMG. This product addresses the growing importance of 3D imaging in breast cancer detection and has successfully pioneered various global markets, including Breast Screen New South Wales and St. Goran's Hospital, one of the largest private hospitals in Sweden.

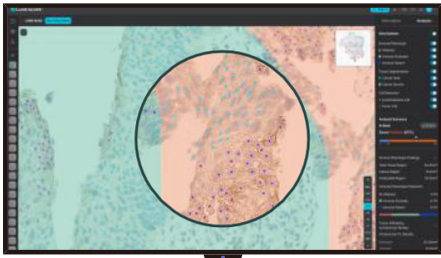


Lunit SCOPE Partnership

Lunit has forged a strategic partnership with Guardant Health, a prominent player in the American liquid biopsy industry, centered around our proprietary product, “Lunit SCOPE PD-L1 TPS”. This partnership is anticipated to boost sales and expand our customer network through joint development efforts and ongoing collaboration with other industry leaders. Furthermore, Lunit has engaged with another strategic partnership with Indica Labs, a leading digital medical platform in the United States. This partnership aims to explore new distribution channels for Lunit’s products by leveraging the hospital network utilizing Indica Labs’ medical analysis solution software.



Lunit SCOPE IO



Lunit SCOPE uIHC

Global M&A

The Acquisition of Volpara Health, a leading software and tech-solution provider for breast cancer listed on the Australian stock market in December 2023, has enabled Lunit to leverage the major distribution channels of major breast examination centers in the US market. This acquisition stimulates the synergy maximization of Lunit to provide a more diversified range of solutions to global customers.

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Improvements in Medical Infrastructure

Through relentless efforts in earning global recognition and certification, authentication for medical devices, Lunit plays a pivotal role in enhancing medical infrastructure as it has achieved several significant milestones such as signing distribution contracts with over 3,500 medical institutions and healthcare providers across the globe in the US, Southeast Asia, and the Middle East.

In the Middle East, Lunit has solidified its presence by offering AI screening solutions for breast cancer to the Dubai Academic Health Corporation, in collaboration with strategic partner Agfa Healthcare. Additionally, Lunit has installed Lunit INSIGHT CXR and Lunit INSIGHT MMG in the world's largest public virtual hospital of the Saudi Arabian Ministry of Health (MoH), enabling comprehensive cancer and tuberculosis screening programs for over 170 public and private virtual hospitals throughout Saudi Arabia.

In Singapore, Lunit has provided Lunit INSIGHT CXR to Radlink, the largest imaging center in the country, and integrated the product into the nation's AI platform. Furthermore, Lunit secured an exclusive provider position for AI solutions in the BSNSW program bidding by the state government of New South Wales, Australia, marking its first selection for a nation-level cancer screening project globally, valid until 2029.

Back in Korea, Lunit participated in a private-led e-government project and offered pilot services of Lunit INSIGHT CXR to 29 public health centers to support professional manpower and enhance medical services. During the post-project period, Lunit continues to support select public health centers through commercial contracts for lung disease screening services. Lunit INSIGHT CXR has also been recognized as the first innovative Korean medical technology through integrated reviews and assessments by the Korean Ministry of Health and Welfare, facilitating selective and non-beneficial health insurance compensation for suspected patients over the age of 14 with thoracic-cardiovascular diseases.

Price Accessibility and Medical Supports

Lunit operates a designated C-level pricing committee comprising stakeholders such as customers within and outside Korea, as well as medical professionals. This committee deliberates on pricing policies for products, diagnostic costs, pricing limits, weighted averages for price increases, and more. Additionally, Lunit offers free screening services as part of a patient support program aimed at individuals who may not have sufficient purchasing capabilities.

 Covid 19 diagnosis support	Lunit supplied Lunit INSIGHT CXR, an AI-assisted detection tool for lung diseases, to medical institutions in regions heavily affected by COVID-19, including France, Portugal, Italy, Brazil, Panama, Indonesia, Thailand, and others, along with comprehensive product instructions.
 Assistance in medically deprived regions	Lunit extends support to medical services, including tuberculosis check-ups, in developing countries with limited medical infrastructure like Nepal and Cambodia, by providing the company's products such as Lunit INSIGHT CXR. In Korea, Lunit INSIGHT CXR is utilized for the Tuberculosis diagnosis program for seniors in a contracted project with the Korea Tuberculosis Association, aiding in the diagnosis of new patients with such disease.
 Introducing AI solutions for the military	Lunit provides chest X-ray screening for military personnel regarding infectious and emergency diseases by participating in the government AI convergence project, AI+X. Lunit INSIGHT CXR has completed military data learning and has been deployed in medical military units in remote tactical areas and military hospitals. Additionally, support has been extended to units deployed in countries such as Uzbekistan.

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Product Quality and Safety

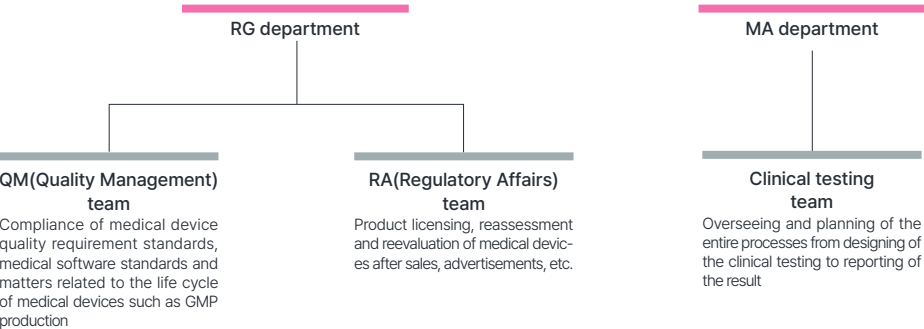
Quality and Safety

Quality Control

As a SaMD (Software as a Medical Device) company, Lunit prioritizes customer satisfaction and safety above all else, striving for prosperity and sustainable development. The company's quality control system and processes are intricately designed to ensure the safety and quality of its products.

Lunit has obtained ISO 13485 and GMP authorization for all production facilities, underscoring the robust credibility of its production processes and product quality. Moreover, Lunit INSIGHT products have been cleared by the EU MDR and UKCA CE, marking a significant milestone as the first case in the software medical device market in Pan-Pacific and Asian regions.

Lunit systematically operates and maintains its quality control system within the RG/MA department. Additionally, various quality data, including sales figures, guest feedback, customer dissatisfaction, and CAPA (Corrective and Preventive Action) status, are meticulously analyzed through quarterly quality data summaries. This proactive approach ensures continuous improvement in service quality and customer satisfaction.



Quality Test Management

Lunit has developed and implemented an inspection system during the production and shipping stages to ensure the quality and safety of its products. This system complies to stringent regulations set forth by domestic and international regulatory agencies. The QM(Quality Management) team meticulously handles the testing results by examining them in detail to uphold the company's commitment to delivering products of the highest quality and safety standards.

Responsible Marketing

The RA(Regulatory Affairs) team at Lunit is responsible for ensuring the company's marketing and advertising practices compliant to both domestic and international laws and regulations. The marketing team verifies that all advertised products comply with the requirements of the Medical Appliances Act and align with the intended use and contents specified in the product license. This ensures that Lunit's marketing efforts are credible, responsible, and compliant with industry standards.

Quality Control Trainings

Lunit has designated individuals responsible for overseeing the internal development and production processes of its products to ensure the maintenance of high standards in sustainable quality management. Annual training sessions on production processes and quality qualifications are conducted to keep these individuals up to date. Regular exams and assessments are administered to assess their knowledge, and those who pass all courses are granted audit permissions. This rigorous process helps to uphold the integrity and quality of Lunit's products.

Quality Control Training Status (2023.1.1~2023.12.31)

Training Type	Department Intended	Numbers of Attendees	Completion Rate
Production management	Enhancement engineering team	2	100
Production assessment	Enhancement engineering team	10	100

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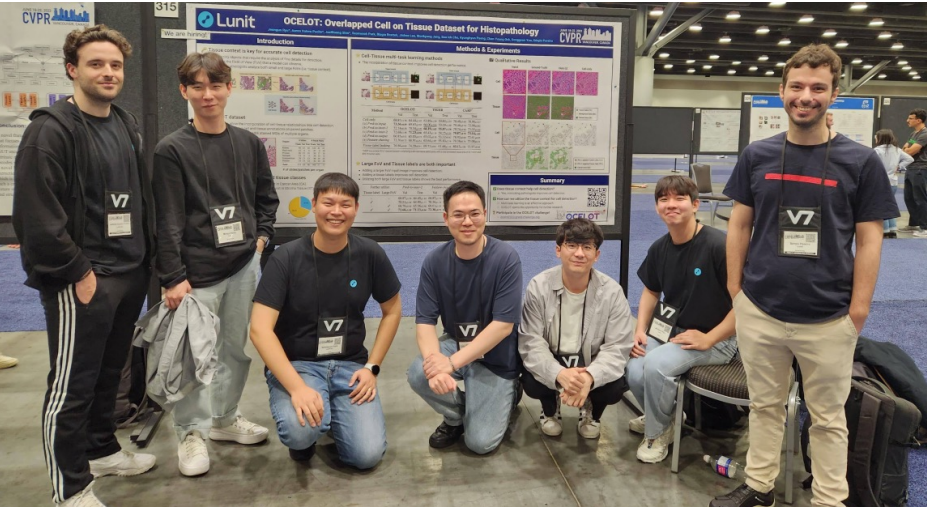
Research and Patents

To demonstrate the superiority of our products and technologies over competitors, we are actively publishing journals and applying for patents based on medical trials conducted in leading medical institutions both in Korea and abroad. For instance, in October 2023, Lunit published the results of applying Lunit SCOPE, an AI-based diagnostic tool as an exploratory biomarker in a phase 3 clinical trial study of immunotherapy-chemotherapy for non-small cell lung cancer (NSCLC) patients with gene mutations in the prestigious international journal of Oncology, the Journal of Clinical Oncology (JCO). In June 2023, Lunit participated in CVPR 2023, the most prestigious conference in the field of AI, and presented two AI papers specialized in the field of pathology.

A prospective study led by Dr. Fredrik Strand of the Royal Institute of Karolinska Institute in Sweden, published in the international journal Lancet Digital Health, found that the combination of Lunit AI and a single human physician resulted in a higher CDR (Cancer Detection Rate) and lower recall rate—patients being called back for a second opinion—than when read by two human physicians. Based on these findings, Capio St. Göran Hospital in Stockholm, Sweden, implemented Lunit INSIGHT MMG, becoming the first hospital in Europe to use an AI solution to replace one of its doctors when performing breast cancer screenings.

In September 2023, Lunit was successfully granted a patent for methods and devices providing immunophenotype information on medical slide images. This patent is closely related to Lunit SCOPE and we plan to utilize it to gain exclusive rights to our imaging biomarker solution technology for cancer treatments not only in Korea but also in the US, Europe, Japan, and potentially other countries. Information on Lunit's current patents is available on the company website.

[Go to Lunit Research](#)



Domestic & International Patent Status

Category		2021	2022	2023
Domestic	Registration of patents	51	59	71
	Application of patents	78	95	125
International	Registration of patents	16	19	35
	Application of patents	51	87	128

Unit: Cases

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Partnership Management

Partnership Management Process

Selection of Partners

Lunit diligently oversees the assessment process of partnership to ensure product quality and safety. Partnership proposals are meticulously reviewed and segregated based on their merits and minimum requirements, and subject to initial evaluation of the partners based on the risk and partnership classification table delivered with the request.

Upon final approval by the relevant authority, the selected partners are listed and separately managed in the partnership management ledger. Our partner selecting process allows us to thoroughly select and manage partners to maintain stable cooperation and provide better products and services to our customers.



Partner Assessment

In accordance with the Partnership and Purchase Management Procedure, Lunit periodically evaluates and manages both the financial and non-financial quality levels of partners in consideration of their risk levels. Various criteria such as financial health, network, quality, and human resource management are evaluated regularly, while additional assessments are assigned as needed based on partner risk levels and compliance standard.

Detailed evaluation standards are determined using partner scorecards, and grades according to their risk levels. Through these processes, Lunit ensures and maintains stable partnerships to safeguard customer safety and product quality.

Partners that do not meet the standards are required to implement corrective measures for quality improvement. This may involve establishing quality maintenance plans, implementing and maintaining measurement systems, statistical production control, reinforcing assessments and their results, establishing corrective actions, and making ongoing efforts to improve product quality and enhance partnership credibility.

Partners Status

Category	Unit	2021	2022	2023
Number of partners	numbers	17	22	26
Number of major partners	numbers	6	7	7
Number of partners assessed	numbers(%)	7 (41.2)	11 (50.0)	13 (50.0)

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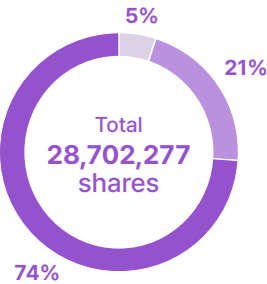
Corporate Governance

Shareholder Status and Stock Certificates

Shareholder Status

In accordance with the Commercial Law and Articles of Incorporation, Lunit guarantees the voting rights for all shareholders except those of treasury shares. As of December 31, 2023, the company held 28,702,277 outstanding shares, of which minority shareholders held approximately 74.03% (21,248,519 shares).

Shareholder Ratio



Shareholders	Type of Stock	Ratio	Number of Shares
Related party	common stock	20.57	5,903,758
Guardant Health, Inc.	common stock	5.40	1,550,000
Minor shareholders	common stock	74.03	21,248,519
Total	common stock	100.00	28,702,277

Protection of Shareholder Rights

Lunit upholds shareholder rights and ensures equal treatment for all shareholders, including minor and foreign shareholders, in accordance with relevant constitutional provisions and the Articles of Incorporation. Shareholders are notified of general meetings at least two weeks in advance, allowing them time to review the agenda and exercise their voting rights. The notification includes comprehensive details on each agenda item, along with disclosures of previous business reports and audit reports to provide shareholders with insight into the company's performance and status. Proxy voting rights are granted to shareholders unable to attend the meeting, facilitating convenient exercise of voting rights. Additionally, an electronic voting system have been implemented to maximize shareholder participation. Going forward, we plan to continue to accelerate shareholder-friendly management through various policy initiatives.

Efforts Towards Communication

Lunit makes various efforts to strengthen transparent and effective communication with all stakeholders, including shareholders. In 2023, Lunit held 232 investor relations (IR) meetings and 264 IR events for institutional investors worldwide, sharing key business status, vision, products and services, global market positioning, roadmaps, and financial performance. To deliver clear and concise information to shareholders and investors, Lunit publishes quarterly IR letters and offers additional commentary when necessary for press releases. Moreover, Lunit maintains active communication channels, such as SNS (Telegram) channels, to engage with shareholders. Major business achievements and corporate updates are disclosed through annual, semi-annual, and quarterly publications, providing shareholders with comprehensive and timely information.

IR Meeting Status

Quarter	Type of Meeting	Number of Meetings
2023 1Q	IR meeting	106
	IR events	34
2023 2Q	IR meeting	50
	IR events	76
2023 3Q	IR meeting	49
	IR events	137
2023 4Q	IR meeting	27
	IR events	17
Total	IR meeting	232
	IR events	264

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Board Composition and Activities

The Board of Director

Lunit's Board of Directors consists of 2 inside directors, 3 outside directors, and 1 non-executive director. Given the decision-making authority, the board oversees critical management affairs stipulated by pertinent laws or Articles of Incorporation, delegated mandates from the general meetings of shareholders, fundamental management principles. Additionally, the board supervises the directors' execution of duties. As the highest decision-making entity, the board holds the authority to appoint the CEO.

The Current Board of Directors

Type	Names	Gender	Position	Date of Birth	Full-time Status	Assigned Role	The End of Tenure	Career Summary	Shares	Nationality
Inside director	Anthony Paek	Male	Director	1983.07	Full-time	Executive chairman	2026.03.30	• Current executive chairman of Lunit • Previous CIO of Lunit • Previous member of 4th industrial revolution committee • Previous CEO of Lunit • PH.D in electrical and electronic engineering, KAIST	6.86%	Korea
Inside director	Brandon Beomseok Suh	Male	CEO	1983.06	Full-time	CEO, Corporate management	2027.03.29	• Current CEO of Lunit • Previous CMO of Lunit • Doctor in family medicine at Seoul National University Hospital • Master's in medical management at Kyunghee University • Master's in health policy at Yonsei University	1.15%	Korea
Outside director	Nami Chung	Female	Director	1983.07	Part-time	Advisor, Compensation Committee Member	2024.09.10	• Current outside director of Lunit • Current executive director at the Asan Nanum Foundation • Previous planning team leader at Asan Nanum Foundation • Master's in business management at MIT	-	Korea
Non-executive director	Garheng Kong	Male	Director	1975.06	Part-time	Advisor, Audit committee member, Compensation committee member	2025.03.30	• Current non-executive director of Lunit • Current managing partner at HealthQuest Capital • Previous general partner at Sofinnova Capital • Previous general partner at Intersouth Partners • PhD in biotechnology at Duke University	-	United States
Outside director	Wonbok Lee	Male	Director	1970.10	Part-time	Advisor, Audit committee member	2027.03.29	• Current outside director of Lunit • Current outside director of NIBEC • Current professor of EHLA law school • Previous auditor of Lunit • Previous member of ethics committee at Brigham and Women's Hospital • Previous attorney at Kim&Chang law firm • PhD in Law at Harvard law school	-	Korea
Outside director	Jungwon Kim	Female	Director	1968.11	Part-time	Advisor, Audit committee member	2027.03.29	• Current outside director of Lunit • Current outside director of SK Hynix • Current advisor of Kim&Chang law firm • Previous treasury GOP and managing director of Citibank America • Previous CFO at Citibank Korea • Master's in business management at University of Chicago	-	Korea

As of 2024.03.31

The Independence of the Board

Lunit ensures transparency and accountability of the BOD by separating the roles of Chairman and CEO to strengthen fair and independent decision-making. Furthermore, Lunit complies with corporate law by appointing more than a quarter of the board members as outside directors, enabling the board to function independently from management and significant shareholders. Lunit appoints outside directors based on their qualifications, ensuring fairness and independence. Lunit prioritizes on the diversity of the Board, considering factors such as age, gender, race, and nationality without discrimination. Currently, the board comprises 1 American and 2 female directors, with further plans to progressively enhance diversity in the future.

Prevention of Conflict of Interest

To ensure independent and transparent board operations, Lunit adheres to the regulations on the board operation stating that "The Directors with specific conflicts of interest regarding the board resolutions cannot exercise voting rights." This practice safeguards against any undue benefits or disadvantages for individuals involved. Additionally, a transaction limit policy ensures clarity and transparency in the decision-making and execution of the company's business activities by stipulating the requirements for transactions with all stakeholders, including directors and related parties. Based on these regulations, the board of directors determine the independence and appropriateness of stakeholder transactions and decides on the execution and scale of the transactions.

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Appointment and Operation of the Directors

All directors at Lunit are appointed via resolutions at the general shareholders’ meeting, following the guidelines outlined in the Articles of Incorporation. When appointing two or more directors, the concentrated voting system stipulated by the Commercial Code is not applied. Major decisions are deliberated and decided upon by the board of directors, which serves as the highest decision-making body. In 2023, Lunit held a total of 6 board meetings and deliberated on and resolved 14 agendas.

Expertise of the Board of Directors and Opportunities for Management Participation

Lunit’s board of directors consists of members with professional experience in various fields such as finance, accounting, management, law, and biotechnology to enable rational decision-making amid the dynamic landscape of the IT healthcare industry. Lunit also appoints directors with various knowledge and practical experience in areas such as business strategy and global operations. Regular training sessions are conducted to bolster the board’s capabilities and expertise, with a recent focus on sustainability enhancement in May 2024. In order to maintain the board’s competence and expertise, Lunit regularly encourage professional training.

Lunit also supports its outside directors in fulfilling their duties effectively within the board such as providing agenda information in advance for thorough review before meetings or offering separate briefings when needed. Furthermore, Lunit regularly provides information on internal management issues to ensure directors are well-informed.

Training Status of the Board

Date of Training	Organizations in Charge	Outside Directors Attending	Role	Major Training Contents
2023.10.16	KOSDAQ Listed Companies Association	Wonbok Lee	Auditor	• Key Cases Related to Corporate Disclosures • Matters of Insider Trading under the Capital Market Act • Recent Judgments on Director’s Responsibilities in Listed Companies
2023.10.17	KOSDAQ Listed Companies Association	Nami Chung	Outside director	• Key Cases Related to Corporate Disclosures • Matters of Insider Trading under the Capital Market Act • Recent Judgments on Director’s Responsibilities in Listed Companies

Board Activities

Category	Unit	2021	2022	2023
Number of board meetings	numbers	15	10	6
Attendance rates	%	94	94	92
Number of reports and agendas	cases	42	25	19
Number of agendas agrees and approval rates	cases (%)	37(100)	18(100)	14(100)

Meeting Rounds	Date of Meeting	Agenda	Agreements
1	2023.02.16	Agenda 1. Report on the operational status of internal accounting management 2. Business status report, 2022 4th quarter Decisions 1. Authorization of the 10th financial statements 2. Authorization of the 10th business report 3. Convocation of the 10th general meeting of shareholders 4. Establishment of the European branch (holding company) 5. Cancellation of stock options 6. Approval of 2023 Business Plan (Budget Plan, Financial Plan)	Agreed
2	2023.03.30	Decisions 1. Election of the executive chairman of the board	Agreed
3	2023.05.03	Agenda 1. Reports on the business status and performance of 1st quarter 2023 Decision 1. Cancellation of stock options	Agreed
4	2023.08.23	Agenda 1. Reports on the business status and performance of 2nd quarter 2023 Decision 1. Granting of stock options 2. Cancellation of stock options 3. Resolution on public offering of new shares to existing shareholders after allotment 4. Resolution on free share issuance	Agreed
5	2023.11.02	Agenda 1. Reports on the business status and performance of 3rd quarter 2023 Decision 1. Cancellation of stock option	Agreed
6	2023.12.14	Agenda 1. Acquisition of shares of other corporations	Agreed

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Board Committees

Lunit has established and currently operates sub-committees of the board of directors to enhance the expertise and efficiency of the decision-making process.

Compensation Committee

In 2023, Lunit established a compensation committee to ensure the objectivity and transparency of director compensation. Comprised entirely of non-executive and outside directors, this committee is responsible for setting compensation limits, designing the compensation system based on key performance indicators (KPIs), and determining individual compensation packages.

Composition of Compensation Committee

Name of Committee	Composition	Name of the Directors	Purpose and Authority of Installation
Compensation committee	1 Non-executive director 1 Outside director	Garheng Kong (Chairman), Nami Chung	The purpose of the committee Transparency and objectivity on the decisions of director compensation Major authority • Matters related to the compensation of directors that are to be presented in the general meeting of shareholders • Matters related to the compensation system of registered directors • Other matters related to director compensation as determined by the board of directors

Compensation Committee Activities

Date	Subject	Decision
2023.02.28	1. Determination of director compensation limits	Agreed (100% attendance rate)
2023.04.04	1. Determination of compensation limits of the CEO 2. Determination of compensation limits of the chairman 3. Finalization of the compensation committee policies [Agenda] adjustment on the compensation of outside directors	Agreed (100% attendance rate)
2023.07.07	1. Resolution on establishing eligibility criteria for participation in the short-term incentive system 2. Setting KPIs for the chairman and CEO for 2023 3. Establishing performance criteria and compensation amount range 4. Setting individual performance adjustment ranges 5. Decision on short-term incentive scenarios	Agreed (100% attendance rate)

Audit Committee

In 2024, Lunit established a new audit committee to uphold transparency and fairness in accounting operations and overall company practices. Composed of over two-thirds of independent outside directors, the committee ensures independence and transparency. These outside directors examine whether they fall under disqualifying criteria outlined in the Commercial Act or their relationships with the company and major shareholders are scrutinized. To bolster the audit committee’s expertise, the board of directors nominates candidates with a comprehensive understanding of corporate management, industry knowledge, and practical experience in accounting, finance, economics, and related fields. Additionally, at least one committee member is a financial or accounting expert.

Annual training sessions on internal accounting are conducted for audit committee members to enhance their expertise. The appointment of the external auditor by the committee ensures legitimate and practical independence. Lunit prohibits additional compensation for audit committee members beyond their duties to maintain independent audits free from management and major shareholders’ influence. Compensation for audit committee members is determined based on their time, effort invested in performing duties, and the level of legal responsibility associated with their tasks as directors.

Composition of Audit Committee

Name of Committee	Composition	Name of The Directors	Purpose and Authority of Installation
Audit committee	2 Outside directors, 1 Non-executive director	Wonbok Lee(Chairman), Jungwon Kim, Garheng Kong	The purpose of committee Compliance of transparency and fairness on the accountings and operation of the company Authorities • Requests for business reports and investigations on the operations and financial status of directors and subsidiaries • Approval and evaluation of the implementation of internal accounting management regulations and their amendments • Selection and dismissal requests for the outside directors

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Performance and Compensation System

Lunit conducts annual performance evaluations and compensation reviews for the CEO and executives through resolutions of the Compensation Committee, aimed at enhancing long-term management performance and increasing corporate value. These evaluations utilize quantifiable KPI indicators, including financial metrics such as revenue, operating profit, and corporate value. Through this process, Lunit aims to strengthen the long-term accountability of its management and align interests with shareholders. Additionally, Lunit holds monthly All hands meetings where company updates, departmental KPI progress, and other key company-related information are shared not only with the CEO and executives but with all employees.

For outside directors, compensation is granted within the total director compensation limit approved by the shareholders' meeting in accordance with the Commercial Act and the Articles of Incorporation. The compensation levels of CEO and key executives are disclosed separately in accordance with disclosure regulations, thereby enhancing trust with shareholders.

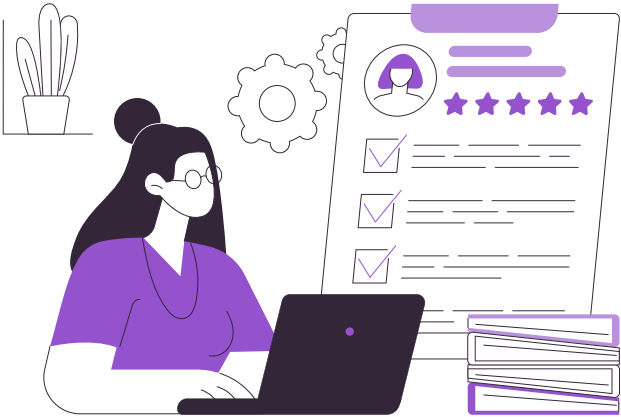
This compensation system supports the management's effort in increasing the company's long-term profits, value, and efficient operation considering shareholders' interests. Lunit endeavors to incentivize the competence and performance of management through a transparent and fair compensation system, contributing to the competitiveness and value enhancement of the company.

Transparent Disclosure of Compensation

Lunit ensures equitable compensation for inside and outside directors according to guidelines established by the Compensation Committee, and the total compensation amount for key board members is transparently disclosed in the company's annual report. For registered directors, the compensation level is determined within the approved amount in the general meeting of the shareholders, considering their position and duties.

Annual Total Compensation Ratio

Category	Unit	2021	2022	2023
Highest salary amount	KRW in million	350	453	480
Average employee salary (excluding highest salary)		74	80	90
Highest salary / Average employee salary	Times	4.71	5.65	5.30



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Integrated Risk Management

Risk Management Governance

Lunit has implemented a robust monitoring and management system to reinforce risk management and post-management efforts. The designated committees for risk management are the board of directors and the audit committee. Lunit conducts Quarterly reporting on key business decisions and associated risks, along with corresponding response measures and additional meetings as needed.

Lunit's Audit Committee performs independent risk management monitoring and ensures independence and active participation by specifying relevant duties and authorities in accordance with the Audit Committee Regulations.

The Audit Committee convenes at least once every quarter to review the performance of risk management monitoring which covers internal assessments, matters requiring pre-reviews, and compliance checks. Regular communication with external auditors occurs at least once a quarter, and when necessary, the committee recommends the external auditors, heads of internal audit departments, financial executives, and management to participate. Minutes are recorded in all meetings and approved by the audit committee members.

Audit Committee Duties

1. Examination of the legality of the activities of directors and management	8. Appointment and dismissal of external auditors and reporting to shareholders at the general meetings
2. Examination of the soundness and validity of the company's financial activities	9. Evaluation of the external auditors' audit activities
3. Review of the appropriateness of the financial reporting process and the accuracy of financial reporting	10. Evaluation of the independence of external auditors and the appropriateness of non-audit activities
4. Review of the validity of significant changes in accounting policies or accounting estimates	11. Confirmation of actions taken regarding internal and external audit findings
5. Evaluation of the internal control system	12. Formalization of committee regulations and disclosure of their contents
6. Assessment of the activities of the internal audit department	13. Regular disclosure of information regarding the activities and independence of the committee
7. Review of financial risk factors	

Management of Potential Risks and Opportunities

Lunit categorizes risks into financial and non-financial categories. Financial risks include factors such as foreign exchange, credit, liquidity, and interest rates risks all related to the capital flow and value within the domestic and international markets. Non-financial risks include aspects related to business operations, such as compliance, ethics, technology, research and development, regulation, and new investments. Lunit maintains a comprehensive monitoring system to assess both financial and non-financial risks, and continuously evaluate potential impacts on the business stemming from changes in the external management environment. These risks are managed and overseen at both the executive management and board levels, ensuring that proactive measures are taken to mitigate potential adverse effects and safeguard the company's interests.

Category	Business Expansion Opportunities
Population growth and population aging	Increase in long-term medical care demand due to aging population growth
Increase in patients with chronic diseases	Increase in chronic disease patients due to westernized dietary habits, growth of income and urbanization
Rising demand for personalized treatment	Increasing demand for patient-centered and personalized medical care
Lowered regulation barriers	Activation of new treatments and personalized therapies due to the lowered global regulations

Category	Business Risks
Patent expiration	Negative impact on revenue and technology due to patent expiration
Legal risk	Financial and non-financial losses incurred from lawsuits on technology patent infringements and medical accidents
Increased patient burdens on medical expenses	Increased healthcare burden due to reduced insurance reimbursements and deductions as part of austerity measures in many countries

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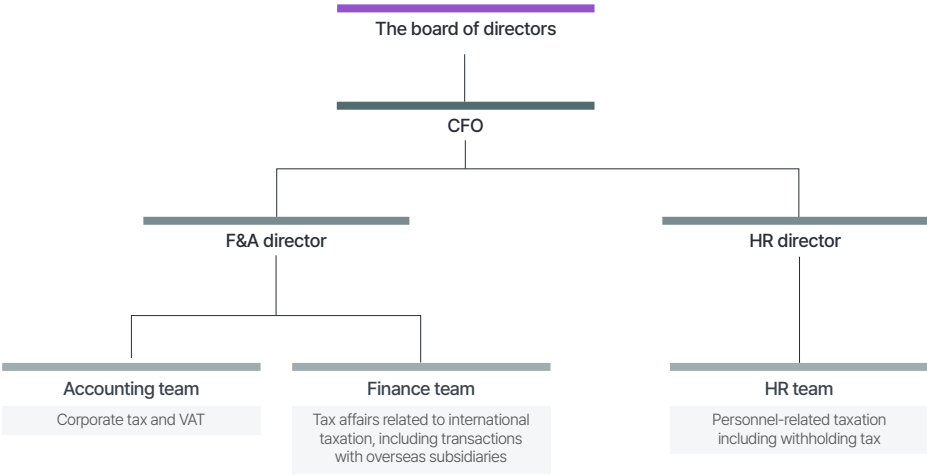
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Tax Management Organization

At Lunit, we fully comply to the tax laws through lawful tax practices and understand that taxation is a significant factor that can influence national and local communities. To prevent related tax risks, Lunit fulfills all social responsibilities regarding lawful taxation and reporting obligations from various perspectives. Lunit has structured organized departments to efficiently manage all domestic and international tax risks associated with its business. Important tax items such as corporate tax and withholding tax are categorized and managed by the respective responsible departments. Each responsible individual in the department carefully evaluates all tax-related issues through consultation from external experts, and relevant matters are regularly and irregularly reported to the CFO and the Board of Directors for management.

Tax Risk Management Organization



Tax Risk Management Process

Along with its business expansion domestically and abroad, Lunit has established and operates management processes for tax laws, regulations, and compliance to efficiently prevent and respond to tax risks that constantly fluctuate due to the rapidly changing business environment.

 Tax Filing and Payment	Lunit establishes authorization procedures and internal control activities to ensure that tax returns are filed in accordance with entitled laws and regulations and that any amendments are promptly reflected in the process.
 Compliance with Tax Laws and Tax Policies	Lunit diligently fulfills its tax obligations by complying with the tax regulations and systems of each country in which it operates, including the United States, China, and the Netherlands. Moreover, Lunit continuously conducts monitoring activities related to tax risks through close cooperation and exchange with the tax authorities in each country.
 Transaction Price Risk Management	In order to prevent and respond to transfer pricing risks in all international transactions arising from transactions with overseas subsidiaries, Lunit has established transfer pricing guidelines in line with the transfer pricing policies of domestic and foreign tax laws as of 2023.
 Management of International Tax Risks	In order to respond to and prevent all tax risks, including withholding taxes, arising from the establishment and acquisition of new overseas subsidiaries, Lunit actively utilizes the advice of external authorized experts in decision-making.

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Enhancement of Ethical and Legal Compliance in Management

Ethical and Legal Management System

Establishment of Charter of Ethics

Lunit has newly established a Charter of Ethics to protect corporate integrity, promote a healthy organizational culture, and establish guidelines for ethical values and behaviors for all employees. The Charter of Ethics applies universally across all countries where Lunit operates, encompassing not only all categories of employees, including part-time and contract employees, but also the partner companies working on behalf of Lunit, and dispatched employees.

Lunit Charter of Ethics (Excerpt)

Employee Ethics Lunit respects the privacy of all members and prohibits any unfair treatment, including mental or physical coercion, abuse, sexual harassment, threats, and confinement.
Responsibilities and Obligations Towards Customers and Market Lunit will adhere to ethical, legal, and professional rules and principles in all business transactions, and will act honestly and fairly.
Business partners, Suppliers and Competitors Lunit endeavors to act with a respectful and ethical attitude in all interactions with business partners and others.
Government and Regulatory Agent Compliances Lunit strives to interact with government agencies and regulatory agents in an honest, independent, and transparent manner while adhering to current laws and regulations and pays meticulous attention to complying with ethical and legal standards worldwide where Lunit conducts business activities.
Relationships with Shareholders Lunit treats all shareholders fairly and equally. Lunit protects the shareholders' rights and respects their legitimate requests and suggestions, ensuring the interests and rights of shareholders are not infringed upon.
Environmentally Sustainable Management Lunit fulfills the social responsibility by protecting the environment for the sustainable future.
Contributions to the Local Community Lunit actively employs individuals with disabilities to enhance disability awareness and provides equal employment opportunities to everyone without discrimination.
Protection of personal information Lunit, as a global company located in Korea, complies with domestic and/or international laws regarding the protection of personal information.
Reports on Violations and Grievance Handling Procedures Anyone who becomes aware of an employee's violation of regulations or encounters any other grievances may report to the relevant department officials. Lunit ensures that the reporting individuals are not mistreated, discriminated or given any sort of disadvantage in return for their reports.

Ethical Management and Compliance Training

Lunit aims to promote and internalize the ethical management of the company by conducting ethical management and compliance trainings for employees engaged in promotional and clinical activities targeting healthcare professionals in Korea, medical institutions, and healthcare organizations at least once a year. The training includes regulations, trends in regulatory agencies related to the characteristics and regulatory status of the healthcare industry, compliance with global partnerships, and anti-corruption (including FCPA, introduced in 2023).

Ethical Management Training Status

Category	2023	
	Attendees(People)	Attend rates (%)
Employees having completed ethical management training	76	100
Board members having finished ethical management training (C-Level)	5	100

Implementation and Operation of Ethical Management Reporting Channel

Lunit has recently implemented and commenced the operation of a new reporting channel accessible to both internal and external stakeholders via company website to foster and monitor an ethical corporate culture. This channel allows reporting and submissions of any unethical or illegal activities related to the company, such as bribery, human rights violations, infringement of trade secrets, and unfair trade practices. To ensure the confidentiality and safety of the reporters, all reported incidents and information about the reporters are strictly confidential and handled with utmost security measures.

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Data Security and Privacy

Data Security

Information Security Declaration

Lunit recognizes the importance of protecting key information assets such as patient imaging data and information system infrastructure for the ongoing development through communication with patients and client organizations. To securely protect and maintain these key information assets, Lunit has established and operates an information security management system. Through such system, Lunit strives to achieve the following objectives.

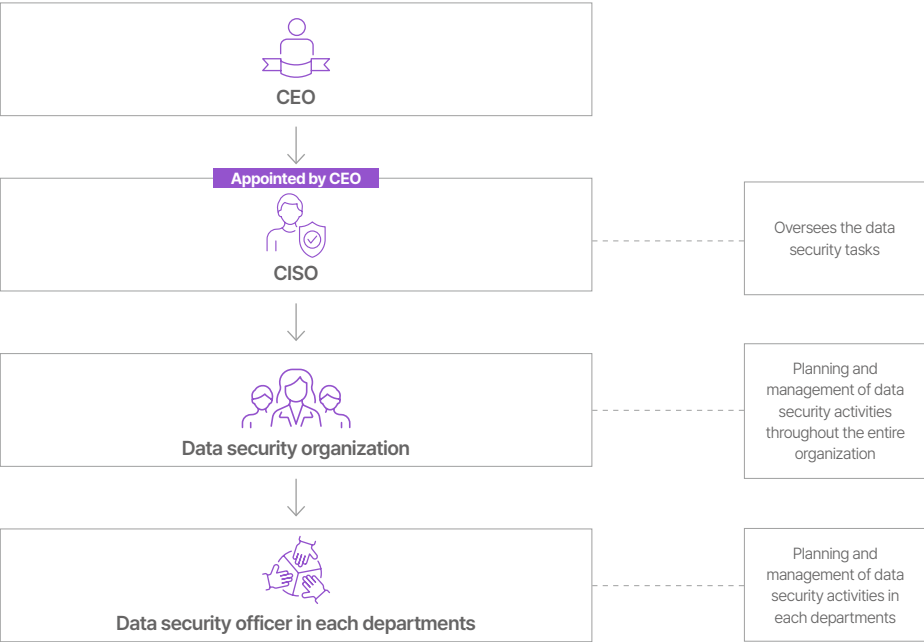
- Safeguarding key information assets of company such as customer personal data and information system infrastructure.
- Utilizing all information and information assets only within the scope necessary for performing duties.
- Prohibiting the use or disclosure of all information and information assets unrelated to business.
- Protecting all information and information assets from unauthorized access and alterations.
- Compliance with regulations related to personal information and information security.

Information Security Regulations and Policies

Lunit's information security policy guidelines have been established for all members, including permanent and temporary employees, dispatched workers, visitors, and external company employees. The information security policy and regulations are reviewed proactively by the Chief Information Security Officer (CISO) and the information security organization, confirming the validity of the policy at least once a year and taking necessary actions as needed. Amendments to the policy and regulations are subject to review by a committee after consultation and require approval from the CEO. The policy is easily accessible to all members, while the management system is continuously monitored and updated. Appropriate measures are taken for identified vulnerabilities, communicated to relevant members, and consulted for expert advice. The CISO and the information security organization annually conduct both reviews to ensure the adequacy of the management system, and audits of information security policies and systems to protect the company's information assets safely meeting the standards required for certification.

Information Security Organization

Lunit has established an information security organization to systematically manage information security. First, the Chief Information Security Officer (CISO) oversees all information security tasks. The CISO manages comprehensive information security tasks such as establishing information security regulations, forming and operating the information security committee, conducting risk analysis and management, and managing security incident response and recovery. Additionally, each department designates an officer and a designee for management and operation of information security. These individuals have the appropriate skills to plan and manage information security activities across the organization, with clear responsibilities and roles defined. The key role of the information security organization is to operate the information security committee. This committee has been established to efficiently manage the company's information security management and make policy decisions on key matters. The information security committee deliberates on and resolves major security issues, formulates and implements strategies and policies necessary for information security. Through this, the company effectively protects its information assets and enhances resilience to cybersecurity threats.



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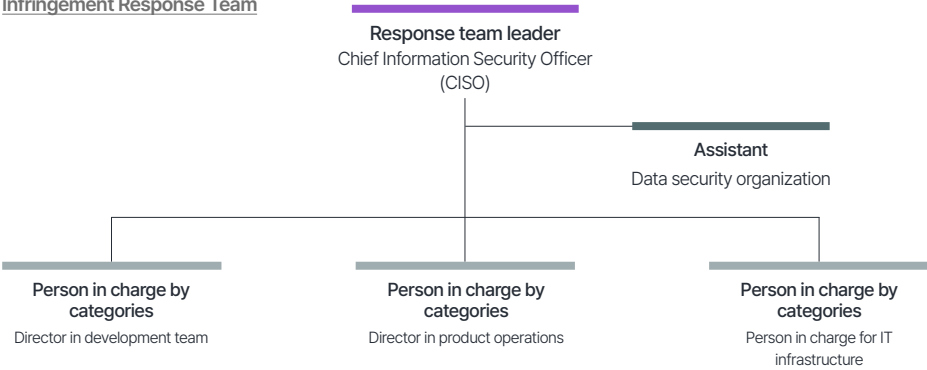
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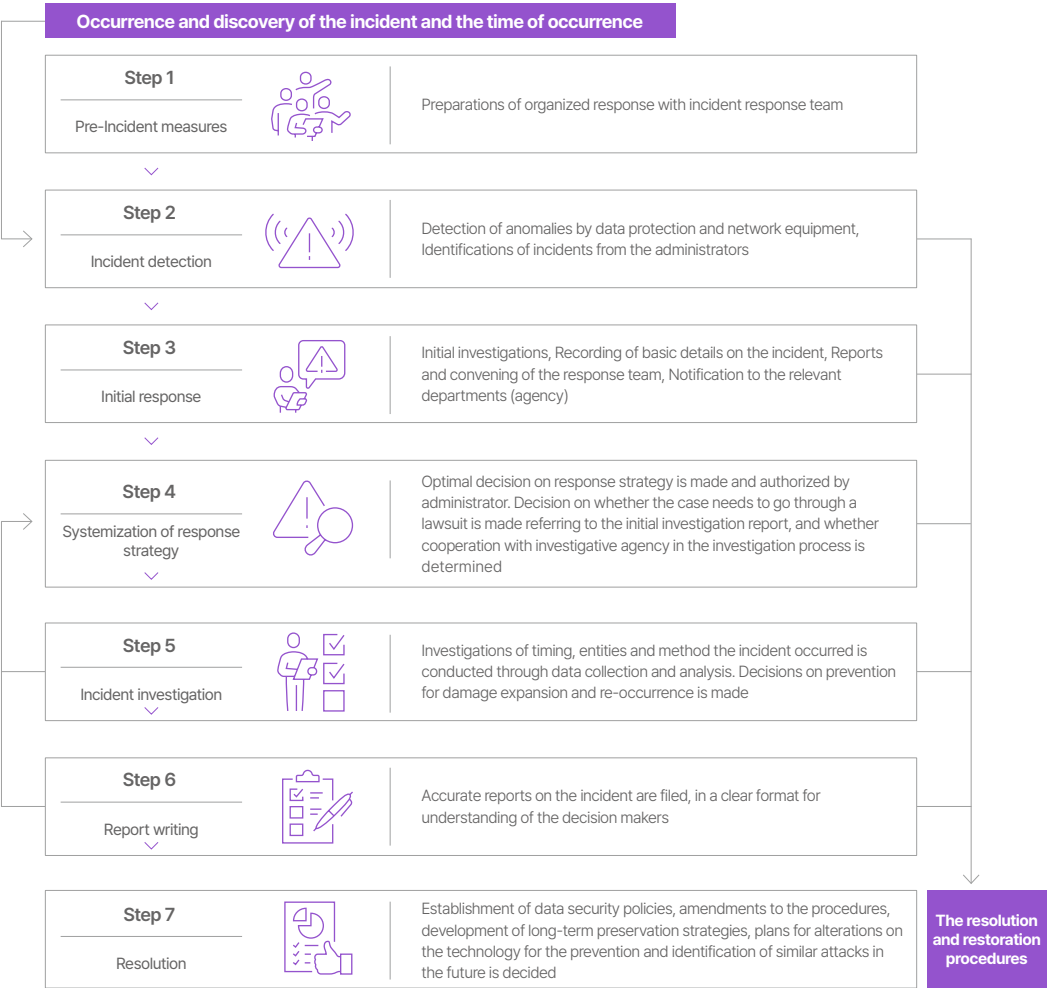
Data Breach and Incident Response System

Lunit has a comprehensive security incident management system in place to ensure swift and effective responses to data breach incidents. The potential types of security incidents are defined in advance and security incident prevention activities such as simulated drills and training are conducted. In case of a security incident, we take measures such as forming a security incident response team and establishing an initial response plan. Additionally, prompt and effective responses are made through secure management of evidence. After an incident occurs, we take measures such as establishing a post-incident management plan, educating and informing employees of the contents, and periodically reviewing and revising security incident response procedures. Furthermore, to strengthen our response to cyber-attacks, we take measures such as conducting our own response drills, organizing an emergency response team, and reporting to relevant authorities for assistance, if necessary. Through these measures, Lunit effectively protects its information assets by responding promptly and appropriately to data breaches and incidents.

Infringement Response Team



7 Steps of Data Infringement Response



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Information Security Training

Lunit operates a robust training and management system for information security. All employees, employees of external companies, and project personnel are required to sign a security pledge to maintain the security of the company's information assets to ensure compliance with security-related regulations. Lunit establishes and implements education plans to enhance information security awareness and carry out operational tasks effectively. These plans target all employees, including employees of subsidiaries and temporary workers. The content of the training is tailored to the job characteristics of the trainees, with records kept, and evaluation results reflected in future training plans. New hires undergo security training and sign a security pledge for the importance of information security. Upon resignation, interviews are conducted to obtain a signed security pledge and manage access to information assets and information systems. Through these efforts, Lunit promotes awareness and practices of information security and continuously strengthens capabilities to prevent security incidents.

Reinforced Information Security

Lunit has strengthened information security by obtaining ISO 27001 international standard certification and the Cyber Essentials (Plus) Certificate of Assurance. Additionally, Lunit has implemented data loss prevention (DLP), network access control (NAC), and antivirus/antimalware solutions for detecting malicious codes and software on employees' devices to enhance security levels.



Protection of Personal Data

Personal Data Management Policy

Lunit has established and implemented policies related to personal data management for the protection of personal information, which apply to all employees and staff of affiliated companies. Lunit minimizes the collection of personal information to the extent necessary to achieve specific purposes and chooses methods to minimize infringement upon the privacy of data subjects, even when processing personal information within the scope required for the processing purpose. Handling sensitive information such as health information, sexual activity, or sexual orientation is generally prohibited, and personal information deemed to pose a high risk of leakage is secured through encryption and anonymization. Additionally, access controls are implemented to prevent illegal access and security breaches in information and communication networks. Lunit does not use or provide collected and stored personal information for purposes other than service provision, nor does it rent or sell it to third parties. Furthermore, personal information is deleted without delay due to the expiration of retention periods, achievement of processing purposes, or expiration of the processing period for pseudonymous information.

Ensuring the Rights of Data Subjects

Individuals whose personal information is processed by Lunit have the right to obtain confirmation from the data controller as to whether their personal data is being processed, and if so, to access that information. Additionally, individuals have the right to supplement incomplete personal information or provide additional statements based on the purpose of personal data processing. If inaccurate personal data is processed, individuals have the right to request rectification, and they may also request deletion without undue delay. Data controllers must respond promptly to such requests and ensure the rights of the data subjects are upheld.

Personal Data Protection Organization and Trainings

Lunit operates a personal data protection system centered around the Personal Data Protection Officer (DPO) which ensure systematic management of data protection tasks. Supporting staff members assist the DPO to ensure smooth operations. Each department handles personal data processing through its designated personal data handling department and receive relevant training and guidance. The data protection officer establishes a personal data protection education plan and conducts training sessions for data handlers at least once a year. The education program covers relevant laws, regulations, internal policies, protection measures, and undergoes continuous improvement through evaluation processes. Additionally, a Personal Data Protection Committee has been established to enhance the company's personal data management system and address personal data-related issues. Through these measures, Lunit continually improves to ensure the protection of individuals' personal information.

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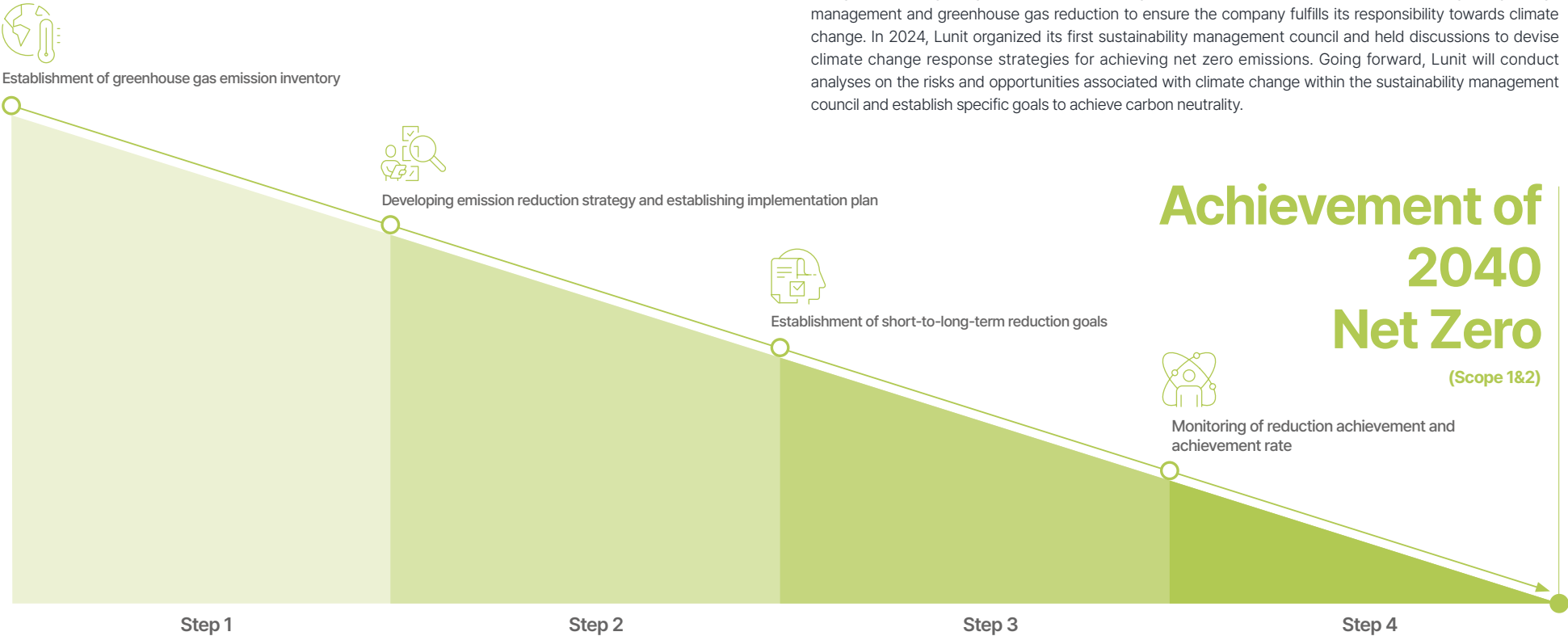
Climate Change Response

Climate Response Strategy and Organization

Scope 1&2 2040 Net Zero

Major countries around the world , including Korea have declared carbon neutrality by 2050. As a result, the role of companies in reducing greenhouse gas emissions is more emphasized than ever. In response, Lunit is planning a medium to long-term roadmap aiming to achieve carbon neutrality by 2040 for greenhouse gases corresponding to scopes 1 and 2, considering the nature of AI-based environmentally friendly businesses.

Four Steps to Achieving Scope 1&2 Net Zero



Climate Change Response Strategy

Lunit plans to develop climate change response strategies to effectively address the challenges of climate change and conduct related activities. Specifically, Lunit plans to gradually transition the energy to renewable energy through Renewable Energy Certificates (RECs) for the reduction of greenhouse gas emissions.

Climate Change Response Organization

The risks and opportunities arising from climate change can significantly impact a company's profitability and growth. Recognizing this fact, Lunit's management has decided to implement policies regarding energy management and greenhouse gas reduction to ensure the company fulfills its responsibility towards climate change. In 2024, Lunit organized its first sustainability management council and held discussions to devise climate change response strategies for achieving net zero emissions. Going forward, Lunit will conduct analyses on the risks and opportunities associated with climate change within the sustainability management council and establish specific goals to achieve carbon neutrality.

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Greenhouse Gas and Energy Management

Greenhouse Gas Emission Management

Establishment of Greenhouse Gas Management System

Lunit currently manages greenhouse gas emissions from two sources within its operations: emissions resulting from the consumption of energy by vehicles, including road vehicles (Scope 1), and emissions from the electricity consumption in the company's office premises (Scope 2). With the increasing global sense of urgency surrounding climate change, response to climate change, particularly among healthcare companies, is becoming increasingly important. In response, Lunit plans to regularly measure and disclose carbon emissions data, despite not being subject to carbon emission regulations such as emissions trading schemes or carbon emission target management. Furthermore, to further reduce greenhouse gas emissions, Lunit plans to prioritize the establishment of an inventory system that identifies greenhouse gas emissions from all revenue-generating business sites. This initiative marks the initial step towards Lunit's goal of achieving carbon neutrality by 2040.

Environmental Data

Category	Unit	2023
Scope 1 emissions*	tCO ₂ eq	0.77
Scope 2 emissions*	tCO ₂ eq	289.91
Electrical usage in Seoul office	MWh	606.38
Water usage in Seoul office	m ³	2,203.5

*Scope 1 emissions: Greenhouse gas emissions from vehicles (company owned vehicles, etc.)

*Scope 2 emissions: Greenhouse gas emissions from electricity consumption in Seoul office

Energy Management

Plans to Increase Operational Efficiency and Energy Consumption Management

Lunit has implemented LED lighting, highly efficient and less power consuming, for some of the general lighting within the office premises. Additionally, Lunit has established an efficient lighting system by performing office-wide illuminance simulations to install lighting fixtures only in amounts sufficient to maintain the appropriate level of illuminance. Moving forward, Lunit will continue to pursue eco-friendly business practices aimed at reducing energy consumption and contribute to sustainable management.

LED Lightings in Lunit's Offices



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ESG Facts & Figures

Economy

Consolidated Statement of Comprehensive Income

Unit: KRW in million

Subjects	2021	2022	2023
Revenue	6,639	13,866	25,080
Operating expense	52,339	64,517	67,297
Operating income (loss)	(45,700)	(50,651)	(42,217)
Financial income	563	13,642	10,257
Financial expense	28,909	2,060	4,764
Other gains	461	43	80
Other Losses	91	92	119
Profit (loss) before tax	(73,676)	(39,118)	(36,764)
Tax expense (income)	0	0	35
Profit (loss)	(73,676)	(39,118)	(36,799)
Other comprehensive income	(365)	305	100
Comprehensive income (loss)	(74,041)	(38,813)	(36,699)

Economic Value Creation, Allocation, Surplus (Consolidated Basis)

Unit: KRW in million

Subjects	2021	2022	2023
Domestic business revenue	6,639	13,866	25,080
Overseas business revenue	0	0	0
Direct economic value generated (A)	6,639	13,866	25,080
Operational expenses	32,095	32,895	36,243
Employee compensation and welfare	20,244	31,621	31,054
Cost of capital acquisition	0	0	0
Corporate tax expenses by country	0	0	35
Investments on local community	24	43	75
Distributed economic value (B)	76,149	64,559	67,407
Retained economic value (A-B)	(45,724)	(50,694)	(42,327)

Consolidated Statement of Financial Statements

Unit: KRW in million

Subjects	2021	2022	2023
Current assets	89,619	68,050	230,418
Cash and cash equivalents	15,741	14,498	31,655
Trade receivables	1,262	3,316	5,381
Other	72,616	50,236	193,381
Non-current assets	4,230	29,103	37,503
Property, plant and equipment	1,644	3,831	4,115
Right-of-use assets	883	20,851	18,949
Intangible assets	448	1,578	1,670
Other	1,254	2,843	12,770
Total assets	93,849	97,153	267,921
Current liabilities	87,626	9,446	12,794
Non-current liabilities	4,185	18,797	20,017
Total liabilities	91,811	28,243	32,811
Equity attributable to owners of parent	2,038	68,910	235,110
Issued capital	4,635	6,114	14,351
Additional paid-in capital	216,650	320,857	515,518
Elements of other stockholder's equity	5	142	181
Retained earnings	(219,253)	(258,202)	(294,941)
Non-controlling interests	0	0	0
Total equity	2,038	68,910	235,110
Total equity and liabilities	93,849	97,153	267,921

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ESG Facts & Figures

Social

Work-Related Injuries and Diseases

Category	Unit	2021	2022	2023
Number of Employee Fatalities due to Work-related Injuries	Cases	0	0	0
Rate of Employee Fatalities due to Work-related Injuries	%	0	0	0
Number of Serious Work-related Injuries (Excluding Fatalities)	Cases	0	0	0
Rate of Serious Work-related Injuries (Excluding Fatalities)	%	0	0	0
Number of Recorded Work-related Injuries	Cases	0	0	0
Rate of Recorded Work-related Injuries	%	0	0	0
Number of Fatalities due to Work-related Injuries of Non-Employees	Cases	0	0	0
Rate of Fatalities due to Work-related Injuries of Non-Employees	%	0	0	0
Number of Serious Work-related Injuries of Non-Employees (Excluding Fatalities)	Cases	0	0	0
Rate of Serious Work-related Injuries of Non-Employees (Excluding Fatalities)	%	0	0	0
Number of Recorded Work-related Injuries of Non-Employees	Cases	0	0	0
Rate of Recorded Work-related Injuries of Non-Employees	%	0	0	0
Number of Fatalities due to Work-related Illnesses	Cases	0	0	0
Number of Recorded Cases of Work-related Illnesses	Cases	0	0	0
Number of Fatalities due to Work-related Illnesses on Non-employees	Cases	0	0	0
Number of Recorded Cases of Work-related Illnesses of Non-employee	Cases	0	0	0

Composition of Members by Gender and Region

Category	2021	2022	2023
Total number of employees	271	301	297
Female	113	136	128
Male	158	165	169
Korea	250	281	266
Overseas	21	20	31

Composition of Members by Employment Contract

		Unit: people		
Category		2021	2022	2023
Regular Contract	Male	104	132	121
	Female	143	160	161
	Korea	236	277	256
	Overseas	11	15	26
Temporary(Part-time) Contracts	Male	9	4	7
	Female	15	5	8
	Korea	14	4	10
	Overseas	10	5	5
Full-Time Employees	Male	104	132	121
	Female	143	160	161
	Korea	236	277	256
	Overseas	11	15	26
Part-time Employees	Male	9	4	7
	Female	15	5	8
	Korea	14	4	10
	Overseas	10	5	5

Employee Turnover and Retirement Status

Category	2021	2022	2023
Total Turnover	30	83	76
Non-voluntary Turnover	0	2	0
Voluntary Turnover	30	81	76
Retirement	0	0	0
Under 30	8	31	25
30-50	22	49	51
Over 50	0	3	0
Male	16	42	40
Female	14	41	36

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ESG Facts & Figures

Social

Diversity of Members and Employees in Governance Structures

Unit: %

Category			2021	2022	2023
Render Ratio of Board	Male		71.4	80.0	80.0
	Female		28.6	20.0	20.0
Age Ratio of Board	Under 30		0.0	0.0	0.0
	30-50		85.7	80.0	80.0
	Over 50		14.3	20.0	20.0
Employee ratio (Gender)	Regular Employees	Male	52.8	53.2	54.2
		Female	38.4	43.9	40.7
	Temporary Employees	Male	5.5	1.7	2.7
		Female	3.3	1.3	2.4
	Administrative Employees	Male	67.2	66.3	69.0
		Female	32.8	33.8	31.0
Employee ratio (Age)	Regular Employees	Under 30	29.5	29.9	20.5
		30-50	60.1	65.8	73.1
		Over 50	0.7	1.3	1.4
	Temporary Employees	Under 30	4.1	1.3	2.4
		30-50	3.7	1.7	2.4
		Over 50	1.1	0.0	0.3
Employee ratio (Minorities, Vulnerable social group)	Regular Employees	Disabilities	0.0	0.0	0.3
		Foreigners	9.6	13.6	17.9
		National Beneficiaries	0.4	0.7	1.0
		Sexual Minorities	0.0	0.0	0.0
	Temporary Employees	Disabilities	0.0	0.0	0.0
		Foreigners	3.7	1.7	1.7
		National Beneficiaries	0.0	0.0	0.0
		Sexual Minorities	0.0	0.0	0.0

Hiring and Management of Various Global Experts

Unit: %

Category	2021	2022	2023
Rate of foreign employee	6.3	9.3	9.4
Rate of employees residing outside of Korea	7.8	6.6	10.4

The Ratio of Starting Wage to Minimum Wage in The Location of The Business Establishment

Unit: Times

Category	2021	2022	2023
The ratio of starting wage to minimum wage in the location of the business establishment (Male)	1.46	1.39	1.37
The ratio of starting wage to minimum wage in the location of the business establishment(Female)	1.46	1.39	1.37

Employee Working Hours

Unit : Hours

Category	2021	2022	2023
Employee total working hours	546,336	598,272	582,120

Ratio of Basic Salary and Compensation Between Male and Female Employees

Unit: %

Category	2021	2022	2023
Ratio of basic salary and compensation between male and female employee	70	67	67

* The compensation ratio calculated based on the average salary reported in the financial statements can be different due to variances in how the base salary is calculated and whether salaries from global offices are included in the calculation.

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ESG Facts & Figures

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Data Management and Security Status

Category		Unit	2023
Number of substantiated complaints received	Complaints received and substantiated by the organization	Cases	0
	Complaints from regulative agency	Cases	0
Total cases of customer data infringement, theft and loss verified		Cases	0
Data privacy and freedom of expression	The number of users for whom information has been utilized for secondary purposes	Numbers	0
	Financial loss resulting from legal proceedings related to privacy	KRW	0
	The number of times user information has been requested by law enforcement agencies	Numbers	0
	The number of users targeted for information requests	Numbers	2
	Rate of disclosure	%	100
Data security	Number of infringements	Cases	0
	The proportion related to personally identifiable information	Numbers	0
	Number of users affected	Numbers	0
Activity indicators	The outsourcing ratio of data processing	%	100
	Amount of data saved	Numbers	14,050
	The outsourcing ratio of data saving	%	100

* Only data for 2023 are disclosed, since data for 2021 and 2022 were unable to be collected.

Health and Safety Impact Assessment of Products/Services and Related Violations

Category		Unit: Cases		
		2021	2022	2023
Violations resulting in fines or penalties		0	0	0
Violations resulting in warnings		0	0	0
Number of voluntary compliance breaches		0	0	0

Product/Service Information and Labeling Violations

		Unit: Cases		
Category		2021	2022	2023
Violations resulting in fines or penalties		0	0	0
Violations resulting in warnings		0	0	0
Number of voluntary compliance breaches		0	0	0

Marketing Communications Violations

		Unit: Cases		
Category		2021	2022	2023
Violations resulting in fines or penalties		0	0	0
Violations resulting in warnings		0	0	0
Number of voluntary compliance breaches		0	0	0

Status of Product Safety, Design, and Lifecycle Management

Category	Unit	2021	2022	2023
Number of recalls disclosed	Numbers	0	0	0
Total amount of recall	Amount	0	0	0
Number of products listed on MedWatch Safety Alerts for Human Medical Products of FDA	Numbers	0	0	0
Number of fatalities reported to MAUDE database of FDA	Numbers	0	0	0
Number of FDA enforcement actions taken in response to violations of the current Good Manufacturing Practices (cGMP) for pharmaceuticals	Numbers	0	0	0
Total number of products authorized for recycling, reusing and donations	Ton	0	0	0

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Related Party Transaction Status

Unit: KRW in million

Category	2021	2022	2023
Total transaction amount of related parties	4,303	11,482	9,441
Total outstanding balance with related parties	4,019	4,403	799

Tax Status

Unit: KRW in million

Category	2021	2022	2023
The total revenue from sales to third parties	2,539	4,377	25,080
The total revenue from transactions with subsidiaries located in other tax jurisdictions within the group	0	0	0
Profit/Loss before tax	(73,676)	(39,118)	(36,764)
Assets excluding cash and cash equivalents	1,644	3,831	4,115
Net profit before corporate tax	(73,676)	(39,118)	(36,764)
Corporate tax rate	0	0	34,589

Intellectual Property Rights Infringement, Business Ethics, and Marketing-Related Violations

Unit: KRW

Category	2021	2022	2023
Total financial loss incurred from legal proceedings related to anticompetitive behavior regulation	0	0	0
Total financial loss incurred from bribery or corruption	0	0	0
Total financial loss incurred from legal proceedings related to false marketing	0	0	0

Compliance of Law and Policies

Category	단위	2021	2022	2023
Amount of major fines	KRW	0	0	0
Number of non-financial regulation	Cases	0	0	0
Number of fines paid due to legal and regulatory non-compliance	Cases	0	0	0
Total amount of fines paid due to legal and regulatory non-compliance	KRW	0	0	0

Confirmed Cases of Corruption and Actions Taken

Unit: Cases

Category	2021	2022	2023
Confirmed number of corruption cases	0	0	0
Numbers of dismissals and penalties from bribery	0	0	0
Number of closures of partnership and contract renewal due to corruption	0	0	0

Status of Communication and Training Regarding Anti-Corruption Policies and Procedures

Category		Unit	2022	2023
Number of governance committee members finished anti-corruption training	Korea	People	5	5
	Overseas	People	0	0
Rate of governance committee members finished anti-corruption training	Korea	%	100	100
	Overseas	%	0	0
Number of employees having completed anti-corruption training	Korea	People	84	76
	Overseas	People	0	0
	Regular	People	80	76
	Contracted	People	4	0
Rate of employees having completed anti-corruption training	Korea	%	95	100
	Overseas	%	0	0
	Regular	%	95	100
	Contracted	%	5	0

* Intended for employees engaged in promotional and clinical activities targeting healthcare professionals in Korea, medical institutions, and healthcare organizations.
Only data for 2022 and 2023 are disclosed, since data for 2021 were unable to be collected.

Lawsuits On Anti-Competition and Antitrust

Unit: Cases

Category	2021	2022	2023
Number of pending lawsuits	0	0	0
Number of lawsuits completed	0	0	0

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GRI Index

GRI 1 : Foundation

Certificate of usage	Lunit has reported the sustainable management activities of the company from January 1st 2023 to December 31st 2023, in accordance with the GRI Standards 2021.
GRI 1 utilized	GRI 1:Foundation 2021
Applicable GRI Sector Standards	As of June 2024, Lunit does not have applicable GRI Sector Standards for its sustainability reporting.

GRI 2 : General Disclosures 2021

Topic		Indicator	Page	Remarks
Organizational and reporting Practices	2-1	Organizational structure	p.7-11	
	2-2	Reporting boundaries	p.2, p.7-11	
	2-3	Reporting terms, period and inquiry contacts	p.2	
	2-4	Information re-writing	-	No relevant matters since this is the inaugural report
	2-5	External authentication	p.58	
Activities and employees	2-6	Organizational activities, value chain, and other business relations	p.7-11	Reference to chapter II. business overview of our 11th annual business report
	2-7	Employees	p.7, 51	
	2-8	Non-employee workers	-	Reference to chapter VIII. matters regarding executives and Employees - 1. status of executives and employees – c). Employee Status
Governance	2-9	Governance composition	p.36, 38, 52	
	2-10	Recommendation and selection of the Board of Directors	p.37	
	2-11	Chairman of decision-making body	p.36	
	2-12	Roles of decision-making body	p.13, 36	
	2-13	Delegation of responsibility for impact management	p.13, 36	
	2-14	Roles of decision-making body related to reports on sustainable development	p.13	
	2-15	Conflict of interest	p.36	Reference to Chapter VI. Matters regarding the company's institutions - 1. matters concerning the Board of Directors – c). Independence of directors for information on relationships with major shareholders.
	2-16	Communications on key concerns	p.37	
	2-17	Collective knowledge of the decision-making body	p.36-37	
	2-18	Assessment of decision-making body's performance	p.39	
	2-19	Compensation policies	p.38-39	Reference to Chapter VIII. matters regarding executives and employees - 2. executive compensation and benefits
	2-20	Compensation determination process	p.38-39	Reference to Chapter VIII. matters regarding executives and employees - 2. executive compensation and benefits
	2-21	Rate of total annual compensation	p.39	

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GRI 2 : General Disclosures 2021

Topic		Indicator	Page	Remarks
Strategies, policies and execution	2-22	Statement on sustainable development strategy	p.5-6	
	2-23	Declaration of policies	p.19, 42	
	2-24	Internalization of declaration of policies	p.19, 42	
	2-25	Procedures for addressing negative impacts	p.20, 42	
	2-26	Procedure for requesting advice and re-evaluating concerns	p.20, 42	
	2-27	Compliance with laws and regulations	p.54	
	2-28	Registered associations	p.57	
Stakeholder participation	2-29	Stakeholder engagement approach	p.17	
	2-30	Collective bargaining agreement	p.20	

GRI 3 : Material Topics 2021

Topic		Indicator	Page	Remarks
Disclosure of materiality issues	3-1	Selection process for materiality issue	p.15	
	3-2	List of materiality issues	p.15	
	3-3	Management of materiality issues	p.16	
		- Data security and privacy	p.43-45	
		- Improved healthcare accessibility	p.29-30	
		- Corporate governance	p.35-41	
		- Climate change response	p.47	
		- Acquisition of talents and employee development	p.21-22	
		- Establishment of ESG management system	p.13-14	

Economic Standards

Topic		Indicator	Page	Remarks
Economic performance	201-1	Direct generation of economic value and distribution	p.50	
Market norms	202-1	The ratio of starting wages to the minimum wage in the location of the business establishment	p.52	
Non-direct economic influence	203-1	Investment and service support for social infrastructures	P.30	
	203-2	Major non-direct economic influence	P.30	
Anti-corruption	205-2	Communication and training on anti-corruption policies and procedures	p.54	
	205-3	Confirmed cases of corruption and actions taken	p.54	
Anti-competitive activities	206-1	Lawsuits on anti-competition and antitrust	p.54	
Tax	207-1	Approaches to tax	p.41	
	207-4	Inter-country reporting	p.54	

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Environmental Standards

Topic		Indicator	Page	Remarks
Energy	302-1	Energy consumption in the organization	p.48	
	305-1	Scope 1 direct greenhouse gas emissions	p.48	
Emissions	305-2	Scope 2 indirect greenhouse gas emissions	p.48	
	308-2	Negative environmental effects on supply chain and response	p.33	
Supplier environment assessment				

Social Standards

Topic		Indicator	Page	Remarks
Employment	401-1	New hires and retention rates	p.21, 51	
	401-3	Maternity / Paternity leaves	p.25	
	403-6	Employee health promotion	p.24	
Occupational health and safety	403-9	Duty-related injuries	p.51	
	403-10	Duty-related Disease	p.51	
	404-1	Average hours of education per 1 employee	p.22	
Trainings and education	404-3	Percentage of employees undergoing regular performance and career development reviews	p.23	
	405-1	Governance and employee diversity	p.52	
Diversity and equal opportunity	405-2	Ratio of basic salary and compensation between males and females	p.52	
	406-1	Cases of discrimination and corrective actions	p.20	
Social reputation of suppliers	414-2	Negative social impacts in the supply chain and corrective actions	p.33	
Customer health and safety	416-2	Cases of health and safety impacts of products/services related violation	p.53	
Marketing and labeling	417-2	Cases of information of product/service and labeling violations	p.53	
	417-3	Cases of marketing communication violation	p.53	
Customer personal information	418-1	Proven complaints regarding violations of customer privacy and incidents of customer data loss	p.53	

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SASB Index

Lunit voluntarily discloses sustainability issues based on the SASB framework, developed by the Sustainability Accounting Standards Board, to provide useful information for decision-making to various stakeholders, including investors. The SASB Index is prepared in accordance with industry-specific standards closely related to key businesses, such as Software & IT Services and Healthcare – Medical-equipment-and-supplies industries.

Software & IT Services

Topic	Code	Indicator	Page
Environmental footprints of hardware based facilities	TC-SI-130a.1	(1) Total energy consumption	p.48
	TC-SI-130a.2	(2) Total water consumption	p.48
Data privacy and right of expression	TC-SI-220a.1	Description of policies and practices related to behavioral advertising and user privacy	p.43, 45
	TC-SI-220a.2	Number of users whose information has been utilized for secondary purposes	p.53
	TC-SI-220a.3	Total amount of financial loss resulting from legal proceedings related to user privacy	p.53
	TC-SI-220a.4	(1) Number of times user information has been requested by law enforcement agencies	p.53
		(2) Number of users targeted for information requests	p.53
		(3) Rate of cases disclosed	p.53
Data security	TC-SI-230a.1	(1) Number of data infringements	p.53
		(2) Personally Identifiable Information(PII) related ratio	p.53
		(3) Number of influenced users	p.53
	TC-SI-230a.2	Description of the approach to identifying and addressing data security risks, including the use of third-party cybersecurity standards	p.44
Recruitment of various global talents and management	TC-SI-330a.1	(1) Employees from foreign nations	p.52
		(2) Employees residing in foreign countries	p.52
	TC-SI-330a.2	Employee participation rate	p.27
	TC-SI-330a.3	(1) Management	p.52
		(2) Technicians	p.52
		(3) Gender/race/ethnicity ratio of all other employees	p.51-52
Protection of intellectual property and competitive activities	TC-SI-520a.1	Total financial loss incurred as a result of lawsuits related to anti-competitive behavior regulation	p.54

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SASB Index

Healthcare – Medical-Equipment-and-Supplies

Topic	Code	Indicator	Page
Product safety	HC-MS-250a.1	Number of recalls disclosed, total recalls	p.53
	HC-MS-250a.2	Number of products listed on MedWatch Safety Alerts for Human Medical Products of FDA	p.53
	HC-MS-250a.3	Number of fatalities reported to MAUDE database of FDA	p.53
	HC-MS-250a.4	Number of FDA enforcement actions taken in response to violations of the current Good Manufacturing Practices (cGMP) for pharmaceuticals	p.53
Ethical marketing	HC-MS-270a.1	Total amount of financial loss resulting from legal proceedings related to false marketing representations	p.54
Business ethics	HC-MS-510a.1	Total amount of financial loss resulting from legal proceedings related to bribery or corruption	p.54
	HC-MS-510a.2	Description of the code of ethics governing interactions with healthcare professionals	p.42

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Awards and Association Activities

Awards

Awards	Year	Awarding association
K-Global Overseas Expansion Support Program Grand Prize	2021	Ministry of Science and ICT of Korea
4th Industrial Revolution Award	2020	Korea Data Agency
Innovative Medical Device Company Certification	2021	Ministry of Health and Welfare
Selection of Promising Companies for Overseas Procurement Market Entry	2024	Public Procurement Service
NIPA Nice Partner Commendation	2023	National IT Industry Promotion Agency
Innovative Medical Device Company Commendation	2021	Ministry of Health and Welfare
Innovation Icon Selection	2020	Credit Guarantee Fund
World-Class Product Certification	2023	Ministry of Trade, Industry and Energy
Korea Industrial Intelligence Association Commendation	2021	Korea Industrial Intelligence Association
Digital Transformation Promotion and Industrial Innovation Commendation	2022	National IT Industry Promotion Agency
Presidential Commendation for Advancement in Information and Communication Technology	2023	Presidential Commendation Office
2017 MK BioHealth Star Audition Venture of the Year Award	2017	Korea Bio Association
Korea IR Awards Special Prize	2023	Korea ESG Technology Institute
Selection of Outstanding Achievements Generating Companies in ICT Fund Projects	2022	Ministry of Science and ICT

Registered Associations

Registrations	Year
Korea Medical Device Industry Association	2018
Korea Medical Device Cooperative Association	2022
Korea Intellectual Property Association	2022
Korea IR Association	2022
KOSDAQ Association	2022

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Third-Party Assurance

The Stakeholders of Lunit Inc.

Overview

BSI (British Standards Institution) Group Korea (hereinafter referred to as the “Assurer”) was requested to verify the Lunit Sustainability Report 2023 (hereinafter referred to as the “Report”). The Assurer is independent of the Lunit and has no major operational financial interest other than the assurance. This assurance opinion statement is intended to provide information related to the assurance of the Lunit report relating to the environment, social and governance (ESG) to the relevant stakeholders and may not be used for any purpose other than the purpose of publication. This assurance opinion statement was prepared based on the information presented by the Lunit and the assurance was carried out under the assumption that presented the information and data were complete and accurate.

Lunit is responsible for managing the relevant information contained within the scope of assurance, operating the relevant internal control procedures, and for all information and claims contained in the report. Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to Lunit only.

The Assurer is responsible for providing Lunit management with an independent assurance opinion containing professional opinions derived by applying the assurance methodology to the scope specified, and to provide the information to all stakeholders of Lunit. The Assurer shall not bear any other responsibility, including legal responsibility, to any third party other than Lunit in providing the assurance opinion and shall not be liable to any other purpose, purpose or stakeholders related thereto for which the assurance opinion may be used.

Scope

The scope of engagement agreed upon with Lunit includes the following:

- Reporting contents during the period from January 1st to December 31st 2023 included in the Report, Some data included half of 2024.
- Major assertion included in the Report, such as sustainability management policies and strategies, goals, projects, and performance, and the Report contents related to material issues determined as a result of materiality assessment.
- Appropriateness and consistency of processes and systems for data collection, analysis and review.
- In Accordance with the four principles of AA1000 AccountAbility in the Report, based on the type of Sustainability Assurance based on AA1000AS v3 and if applicable, the reliability of the sustainability performance information contained in the Report.

The following contents were not included in the scope of assurance.

- Financial information in Appendix.
- Index items related to other international standards and initiatives other than the GRI.
- Other related additional information such as the website and other report.

Assurance Level and Type

The assurance levels and types are as follows;

- Moderate level based on AA1000 AS and Type 1 (confirmation to the four principles as described in the AA1000 Accountability Principle 2018)



Description and sources of disclosures covered

Based on the scope and methodology of assurance applied, the assurer reviewed the following Disclosures based on the sampling of information and data provided by Lunit.

[Universal Standards]

2-1 to 2-5 (The organization and its reporting practices), 2-6 to 2-8 (Activities and workers), 2-9 to 2-21 (Governance), 2-22 to 2-28 (Strategy, policies and practices), 2-29 to 2-30 (Stakeholder engagement), 3-1 to 3-3 (Material Topics Disclosures)

[Topic Standards]

201-1~2, 203-1~2, 205-2~3, 206-1, 207-1, 207-4, 302-1, 305-1~2, 308-2, 401-1, 401-3, 403-6, 403-9~10, 404-1, 404-3, 405-1~2, 406-1, 414-2, 416-2, 417-2~3, 418-1

Methodology

As a part of its independent assurance, the Assurer has used the methodology developed for relevant evidence collection in order to comply with the verification criteria and to reduce errors in reporting. The Assurer has performed the following activities;

- A top-level review of issues raised by external parties that could be relevant to organizations policies to provide a check on the appropriateness of statements made in the report.
- Discussion with managers and staffs on organization's approach to stakeholder engagement.
- Review of the supporting evidence related to the material issues through interviews with senior managers in the responsible departments.
- Review of the system for sustainability management strategy process and implementation.
- Review of materiality issue analysis process and prioritization by reviewing materiality issue analysis process and verifying the results.
- Verification of data generation, collection and reporting for each performance index and document review of relevant systems, policies, and procedures where available.
- An assessment of the company's reporting and management processes concerning this report against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000 AccountAbility Principles Standard (2018).
- Visit of the Seoul HQ of Lunit to confirm the data collection processes, record management practices.

Limitations and approach used to mitigate limitations

The Assurer performed limited verification for a limited period based on the data provided by the reporting organization. It implies that no significant errors were found during the verification process, and that there are limitations related to the inevitable risks that may exist. The Assurer does not provide assurance for possible future impacts that cannot be predicted or verified during the verification process and any additional aspects related thereto.

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Telephone. 82-70-8853-0558

E-Mail. ir@lunit.io

Website. www.lunit.io

Third-Party Assurance

Competency and Independence

BSI (British Standards Institution) is a leading global standards and assessment certification body founded in 1901. BSI is an independent professional institution that specializes in quality, health, safety, social and environmental management with almost 120 years history in providing independent assurance services globally. No member of the assurance team has a business relationship with Lunit. The Assurer has conducted this verification independently, and there has been no conflict of interest. All assurers who participated in the assurance have qualifications as an AA1000AS assurer, have a lot of assurance experience, and have in-depth understanding of the BSI Group's assurance standard methodology.

Opinion Statement

The assurer was carried out by a team of sustainability report assurers in accordance with the AA1000 Assurance Standard v3. Assurer planned and performed this part of our work to obtain the necessary information and explanations assurer considered to provide sufficient evidence that Lunit's description of their approach to AA1000 Assurance Standard and their self-declaration of compliance with the GRI standards were fairly stated. On the basis of our methodology and the activities described above, it is our opinion that the information and data included in the Report are accurate and reliable and the Assurer cannot point out any substantial aspects of material with mistake or misstatement. We believe that the economic, social and environment performance indicators are accurate and are supported by robust internal control processes.

Conclusions

The Report is prepared in accordance with the GRI Standards. (Reporting in accordance with the GRI standards). The detailed reviews against the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness and Impact and the GRI Standards are set out below.

Inclusivity: Stakeholder Engagement and Opinion

Lunit defined employees, shareholders/investors and analysts, media, customers/partners, and government/ local communities as a Key Stakeholder Groups. In order to collect opinions by each stakeholder groups in the context of sustainability, operated the stakeholder engagement process. Lunit was conducting a review of the stakeholder engagement process at the monitoring the status of improvement activities, in order to reflect the major issues derived through the stakeholder engagement process in sustainability strategy and goals. Lunit disclosed the results related to the process in the Report.

Materiality: Identification and reporting of material sustainability topics

Lunit implemented its own materiality assessment process in consideration of the major business and operational characteristics to derive important reporting issues related to sustainability. Lunit conducted global reporting standards analysis, benchmarking and media analysis, identified financial impact and social/environmental impact, and determined key issues for the reporting year through expert review of the impact. Lunit derived 6 materiality issues through the relevant process, and disclosed GRI topic standards disclosures related to materiality issues in the Report.

Responsiveness: Responding to material sustainability topics and related impacts

Lunit operated a management process for materiality issues in the context of sustainability derived from the materiality assessment. Lunit established mid- to long-term sustainability plans and goals in according to the management methodology established to effectively reflect the expectations of key stakeholders. Lunit disclosed the process including policy, indicator, activity and response performance on materiality issues in the Report.

Impact: Impact of an organization's activities and material sustainability topics on the organization and stakeholders

Lunit identified the scope and extent of the impacts to the organization and key stakeholders in the context of the sustainability of the materiality issues reported. The impact of each materiality issue was reviewed by the ESG governance system. Lunit established sustainability strategies and objectives based on the analysis results of major impacts, including risks and opportunities for materiality issues, disclosed mid- to long-term plans and strategic system in the Report.

Recommendations and Opportunity for improvement

The assurer will provide the following comments to the extent that they do not affect the result of assurance;

- Lunit published its 1st sustainability report, clarifys its commitment to the introduction and establishment of an ESG management system. In future reporting, It may be helpful to advance the sustainability management system by internalizing sustainability management systems such as ESG committees at the governance level and ESG management departments, and defining roles and responsibilities for the management of sustainability issues by function.
- It may be helpful to advance the sustainability management system by specifying mid- to long-term sustainability strategies and goals that take into account key business characteristics and value chains, as well as disclosing sustainability performance indicators for each sustainability goals, such as environmental, social and annual performance.

GRI-reporting

Lunit provided us with their self declaration of compliance within GRI Standards. Based on our review, The Assurer confirm that social responsibility and sustainable development indicators with reference to the GRI Index. The Assurer confirmed that the Report was prepared in accordance with the GRI Standards and the disclosures related to the Universal Standards and Topic Standards Indicators based on the data provided by Lunit and the sector standard was not applied.

Issue Date: 28/06/2024
For and on behalf of BSI (British Standards Institution):

BSI representative



Jungwoo Lee, Lead Assurer, ACSAP



Seonghwan Lim, Managing Director of BSI Korea

BSI Group Korea Limited: 29, Insa-dong 5-gil, Jongno-gu, Seoul, South Korea
Hold Statement Number: SRA 807465



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