



2024

Environmental, Social and Governance Report

Yatsen Holding Limited

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CEO's Message

From a brave explorer as a start-up to its present role as a steadfast practitioner of sustainability in China's beauty sector, Yatsen has stayed true to its original aspiration of "creating value for our consumers" in every step.

2024 marked the eighth anniversary of Yatsen's establishment. It was an important milestone in our development and a pivotal moment to reaffirm our path of high-quality growth and dedication to sustainable practices. With the vision of "World-Class Tech Beauty Pioneer", we have woven sustainability into the fabric of our R&D, operations, talent development, and philanthropy, comprehensively advancing ESG governance to achieve high-quality and sustainable growth of the beauty industry.



Founder, Chairman of the Board, and CEO of Yatsen
Huang Jin Feng

黄锦峰

Science-based Governance for Robust Growth

Science-based governance is the cornerstone of resilient corporate growth. From the top down, we have built a sustainability governance system with clear responsibilities, standardized decision-making processes, and continuously improved management transparency, laying a solid foundation for long-term development.

In daily operations, we embed business ethics across the value chain, working with partners to build a compliant and trustworthy ecosystem. For data security, we have established a multidimensional data protection system to safeguard user privacy and digital assets, fostering a secure and reliable digital environment. Thanks to the governance system underpinned by integrity and compliance and a solid foundation of trust, Yatsen makes relentless efforts to strengthen corporate resilience and safeguard the healthy growth of the industry.

Exquisite Craftsmanship with Innovative Products

Amid the trend of deep integration of beauty and technology, we hold fast to R&D innovation as the core driver of brand growth. Guided by the strategic framework of the "Yatsen Technology Road", we aggregate global scientific research resources, develop an independent innovation system, and continuously transform cutting-edge scientific achievements into brand competitiveness, constantly expanding the boundaries of beauty.

Our scientific research achievements have garnered many international accolades, with three consecutive appearances at the International Federation of Societies of Cosmetic Chemists (IFSCC) Congress and multiple innovation awards for many research outcomes, which are a testament to our continued breakthroughs in scientific research excellence and global layout.

In terms of quality, we always put consumers at the core, adhere to responsible marketing, and rigorously oversee product quality and user experience throughout the entire supply chain. From raw material selection to production processes, from finished product testing to post-sales feedback, we continuously refine our quality management system, striving to ensure that every consumer genuinely experiences the craftsmanship and sincerity of Yatsen.

Green Development Toward a Better Future

In response to the challenge of climate change, we have embedded carbon management into our core strategy. In 2024, we launched a full value-chain carbon inventory to identify key emission sources, advance energy saving and emission reduction measures, and partner with suppliers to jointly lower carbon footprints.

In terms of green packaging, we minimize environmental impact through optimized design and the use of eco-friendly materials. Regarding energy efficiency and pollution control, we continuously strengthen resource recycling and green procurement practices to reduce our environmental footprint. We are committed to building a development model that coexists harmoniously with nature and embedding green principles into every detail.

People-Oriented Philosophy for Shared Prosperity

Guided by a people-oriented philosophy, we are committed to fostering a diverse, inclusive, and respectful corporate culture. By virtue of robust talent development mechanisms and an incentive system, we empower employees to reach their potential and grow alongside the organization.

We listen to our employees' voices, prioritize their physical and mental well-being, optimize compensation and benefits, and foster a sense of belonging and cohesion through diverse cultural activities. At key moments such as our annual conference, we honor the dedication and growth of every Yatsen colleague, ensuring that every effort is seen, and striving to make work a journey where value is realized and passion endures.

Social Engagement for Graceful Advancements

Born of beauty and guided by goodwill, we consistently integrate corporate development with social responsibility and propel business for good in adherence to our mission to “discover, protect, and create beauty”.

Through our “Create Better Life with Beauty Makeup” public welfare beauty makeup training program, we provide women with skills training and career development support, empowering them to achieve personal growth and self-worth. In ecological protection, we explore new paths to safeguard biodiversity. Meanwhile, we devote ourselves to volunteer services such as caring for children and rural development, giving back to society, and keeping warmth and kindness ever-present.

Conclusion

Looking ahead, in an era marked by globalization and sustainable transformation, Yatsen is committed to long-termism and anchored in its strategic goal of “World-Class Tech Beauty Pioneer”. With science as our bridge, sustainability as our foundation, and responsibility as our core, we will continue to improve ESG governance and build a new ecosystem where humanity and nature, businesses and society grow and thrive, writing an innovative chapter in Chinese beauty with all global partners!

About This Report

As a leading player in China's beauty market, Yatsen Holding Limited ("Yatsen", "we" or the "Company") is committed to becoming a world-class tech beauty pioneer. We regard our product excellence, brand reputation, and operational capability as our core competencies, and we position our research and development (R&D) capabilities and data-driven consumer insights as our long-term strongholds. Since inception, we have been making unremitting efforts to serve our consumers, employees, and the society at large. We have integrated environmental, social, and governance (ESG) considerations into our decision-making process, remained highly attuned to the needs of our stakeholders and communities, and placed ESG at the forefront of our long-term development strategy.

This is our fourth ESG report, covering information and data of Yatsen Holding Limited and its subsidiaries from January 1 to December 31, 2024 (the "Reporting Period"). For certain significant matters closely related to our business, the Reporting Period has been appropriately extended before or after the above timeframe. This report aims to provide our stakeholders with a comprehensive view of Yatsen's ESG concepts, practices, and achievements in 2024.

This report primarily refers to the Global Reporting Initiative *Sustainability Reporting Standards* (GRI Standards), the sustainability disclosure standards published by the International Sustainability Standards Board (ISSB), and the United Nations Sustainable Development Goals (SDGs). We have also referenced topics of concern to S&P Global, a leading global rating agency, as well as the best practices adopted by peers in related fields at home and abroad. In addition, this report incorporates recommendations from our directors and investors, and reflects Yatsen's current stage of development and its practical fulfillment of social responsibility.

This report has been prepared according to a set of established procedures, including identifying and prioritizing material ESG topics, determining reporting boundaries, collecting relevant information, compiling the report, and reviewing the information contained therein.

This report is published in both Simplified Chinese and English for readers' reference, and the electronic version is available on the official website of the Company (www.yatsenglobal.com). In the event of any inconsistency between the English and Chinese versions, the English version shall prevail.

Our Highlights in 2024

ESG Highlights in 2024

Corporate Governance

100%

of employees took part in business ethics training



Environmental Responsibility

100%

All outer packaging cartons of *EVE LOM* products are made entirely from FSC-certified recycled paper

100%

All outer packaging of *Galénic* products in the Chinese market has eliminated plastic film and blister components.



1,773.46 tCO₂e

Our operational greenhouse gas emissions, a **61.7%** decrease compared with 2023

0.01 tons per RMB 10,000 revenue

The packaging material use intensity , a **74%** decrease compared with 2023



Product Quality

109 million (RMB)

R&D expenses

3.2%

of our total net revenues



5,307,741 person-times

The number of one-on-one customer contacts with the customer service team



94.44%

The average customer satisfaction rate of all brands on Tmall, Douyin, and JD.com platforms



100%

The annual and unannounced inspection pass rate of our finished product suppliers



245

applied for patents

210

obtained granted patents



including **9** utility model patents, **137** design patents, and **64** invention patents

Responsibility for Employees

78.6%

of employees were female

61.5%

of senior managers were female



16.1%

of employees participated in the Share Incentive Plan

21,801 hours

The total training hours reached



Social Influence

22.57 RMB 10,000

Yatsen recorded an annual total charity donation



ESG Honors in 2024

ESG Enterprise of the Year 2024

www.china.com.cn



Mingzhu Cup Climate-friendly Enterprise Outstanding Project Case

Xinhua News Agency



ESG Award

WWD BeautyInc Awards



2024 “Embroidery Spirit” New Era Model Corporate Social Responsibility (CSR) Innovation Pioneer Project

Yangcheng Evening News



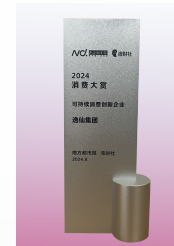
Outstanding Low-Carbon and Sustainable Development Case in China’s Consumer Market

National Business Daily



2024 Consumption Awards Sustainable Consumption Innovation Enterprise

Southern Metropolis Daily



2024 China Cosmetic Industry Top 100

Cosmetics Newspaper



Outstanding ESG Report Award

GuanCha.cn



Intelligent Manufacturing, Green and Sustainable Enterprise of the Year

Information Times



Brand Honors in 2024

Perfect Diary

C-Beauty Innovation Award

WWD BeautyInc Awards



Red Dot Brands & Communication Design 2024 Best of the Best

The Red Dot



Muse Design Award Gold Winner 2024

Muse Design Awards 2024



French Design Award 2024 Gold Award

French Design Award



American Good Design Award – 2024 Gold Award

American Good Design Award



ELLE Beauty Star 2024

ELLE



Galénic

Tmall Beauty Award 88VIP User's Choice of the Year

Tmall



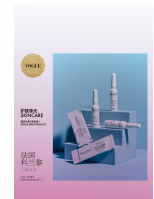
Leading Brand in Anti-aging Technology

Chaileedo



Beauty Awards

VOGUE



Research and Innovation Paper Award

IFSCC



ELLE Beauty Star 2024

ELLE



Brand Honors in 2024

Little Ondine

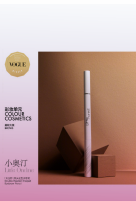
2023 New Product Incubation Store

JD.com



VOGUE Beauty Awards 2024 BROWS

VOGUE Beauty Awards



Tmall Beauty Award "Best Eyebrow Make up of the Year"

Tmall



The Most Trusted Eyebrow Styling Product Award

Sohu Fashion



Pink Bear

Newcomer of the Year

WWD BeautyInc Awards



2024 Beauty Awards Makeup List

VIVI



2024 Super Newcomer Award in the Beauty Industry

Tmall



Top 3 in the Word-of-Mouth List

Sina Beauty



EVE LOM

Clean Beauty Award

WWD BeautyInc Awards



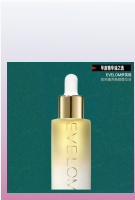
Annual Integrated Nourishing and Cleansing Make up Remover Cream Award

Wonderland



Essence Oil of the Year

V Magazine



DR.WU

June Sunscreen List

Sohu Fashion



About Us

Company Profile

Founded in 2016, Yatsen is a rising beauty group leading in China with multiple brands incubated and grown domestically. The Company has received various honors, including Outstanding Enterprise in the Fragrance & Cosmetics Industry, 2024 Top 100 Cosmetics Manufacturers (China), the Technological Innovation Contribution Award by Guangzhou Daily, the Mingzhu Cup Climate-friendly Enterprise Outstanding Project Case by Xinhua News Agency, the Most Socially Valuable Enterprise of 2024 DoNEWs Award, and the ESG Innovative Practice Case of the Year 2024 by Xueqiu. In November 2020, Yatsen was listed on the New York Stock Exchange (NYSE) and has since continued its journey as a young Chinese beauty company listed on the market.

With the mission of being “the leader of Chinese beauty”, Yatsen is committed to becoming “World-Class Tech Beauty Pioneer”. We have launched and acquired multiple fast-growing color cosmetics and skincare brands, including *Perfect Diary*, *Little Ondine*, *Pink Bear*, *DR.WU* (Chinese mainland business), *Galénic*, and *EVE LOM*.

At Yatsen, we persist in tapping the full potential of innovation and enhancing our R&D capabilities, intending to offer consumers a broader range of high-quality and innovative products and experiences. Since FY2020, Yatsen has been at the forefront of the industry, with cumulative R&D investment exceeding RMB 550 million over five years. The Company has established the Shanghai Global Innovation R&D Center, the Guangzhou R&D Center, and the Toulouse R&D Center in France. As outlined in the “Yatsen Technology Road” strategy, we have been integrating world-class R&D resources to empower four major areas: biotechnology, scientific skincare, emotional skincare, and the expert in skincare data. Yatsen has also maintained in-depth cooperation with numerous renowned domestic and international institutions, including the Yatsen-Ruijin Medical Skincare Joint Laboratory, Yatsen-Sun Yat-sen University Joint Laboratory, and Yatsen-Saint Louis French Hospital (HFSL) Joint Laboratory in France. As of the end of 2024, Yatsen had been granted 210 patents worldwide, including 64 invention patents.

Corporate Culture

Corporate Vision

World-Class Tech Beauty Pioneer



Corporate Mission

The leader of Chinese beauty



Values

Create values for customers,
partners, and employees

Results-oriented, respect KPI

Focus on getting things done,
de-hierarchy, and de-bureaucracy

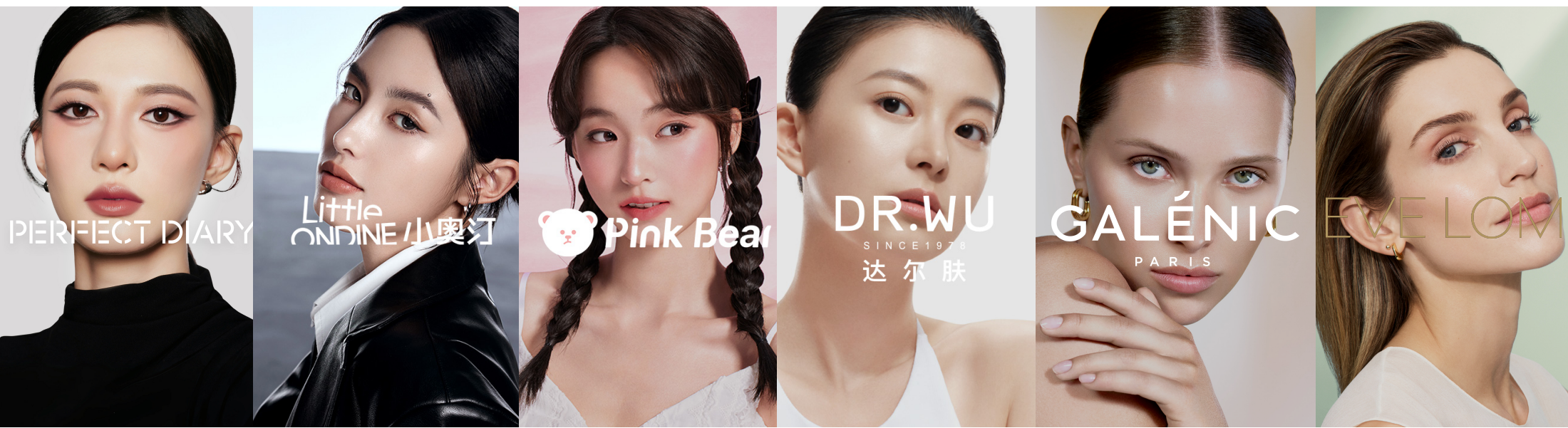
Drive, Smart, Beauty

All In

Keep young, Be happy



Brand Matrix



Perfect Diary



Little Ondine



Pink Bear



DR.WU



Galénic



EVE LOM

Scan the QR code to get the latest news from brands

SDGs covered in this chapter:



ESG issues covered in this chapter: Corporate Governance, Business Ethics, Information Security and Privacy

01

Science-based Governance for Robust Growth

Yatsen upholds the principles of science-based governance, establishing a standardized, sustainable development governance framework. We continuously optimize corporate governance, strengthen the foundation of business ethics, enhance information security, and steadily improve governance effectiveness to support robust growth.

Sustainability Governance

Yatsen focuses on the environmental and social impacts of our operations, continuously improving our sustainable development governance system. We actively engage and collaborate with stakeholders to promote the symbiotic and sustainable development of the company, society, and the environment.

Sustainability Governance Structure

Yatsen has established a three-tier sustainable development governance framework with the Board of Directors at its core, forming a closed-loop management system for strategic guidance, coordination, and specialized execution. The Board, as the highest decision-making body, is responsible for formulating ESG governance strategies and action plans, and for regularly overseeing major ESG matters and performance. The Public Relations team acts as the coordination group, managing ESG-related affairs and assisting in the preparation of the ESG report. Cross-departmental project execution teams cover departments related to corporate governance, environmental management, production safety, chemical safety, employee management, and customer service. They are responsible for coordinating and implementing ESG matters and reporting progress regularly.



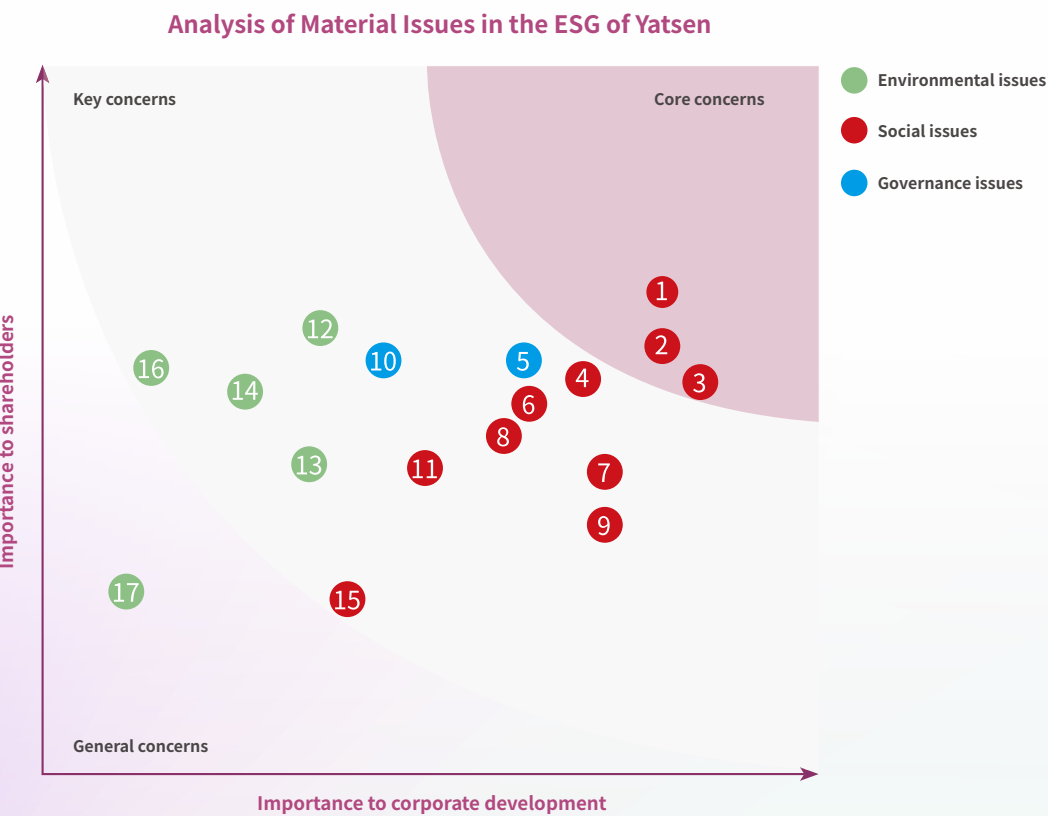
Communication with Stakeholders

Yatsen actively expands dialogue channels with key stakeholders, building a diversified communication mechanism. We proactively understand and respond to stakeholder needs and suggestions, and work together to explore a sustainable future.

Stakeholders	 Consumers	 Investors	 Employees	 Suppliers	 Government and regulatory agencies	 Community and public
Expectations and demands	• Better products and services • Customer privacy protection • Diverse product needs satisfaction • Customer rights and interests guarantee	• Sustained and stable returns • Sound corporate governance • Information disclosure and transparency	• Protection of the legitimate rights and interests of employees • Healthy and safe working environment • Employee training and development	• Fair trade • Integrity and reciprocity • Sustainable partnerships building	• Compliance operation • Workplace safety • Energy saving and emission reduction, and environmental protection • Healthy development of the industry	• Environmental responsibility • Social welfare • Community building and development
Communication methods	• Customer feedback channel • Satisfaction surveys • Company official website • Social media interaction	• Investor meetings • Periodic reports • Company official website • News media	• Internal office system • Employee training • Employee activities • Employee satisfaction surveys	• Supplier evaluation • Cooperation agreement • Site visits • Supplier meetings	• Periodic reports • Regulation and supervision • Daily communication	• Community activities • Charitable activities • Media reports • Company official website

Materiality Assessment

The Company reviewed the issues based on the materiality matrix formed from previous material issue questionnaire surveys, combined with stakeholder communication in 2024, peer benchmarking, and trends in focus by regulatory and capital markets, and finally prioritized the material issues as an important reference for the disclosure of our 2024 ESG Report.



Prioritization of Yatsen's Material ESG Issues

Core concerns	1	Product Quality and Safety
	2	Information Security and Privacy
	3	Chemical Safety
	4	Labor Management
Key concerns	5	Business Ethics
	6	Diversity, Inclusion, and Respect for Human Rights
	7	Occupational Health and Safety
	8	Customer Service and Responsible Marketing
	9	Human Resource Development
	10	Corporate Governance
	11	Sustainable Supply Chain
	12	Sustainable Packaging
	13	Water Management
	14	Emissions and Waste
	15	Social Welfare
	16	Carbon Management
General concern	17	Addressing Climate Change

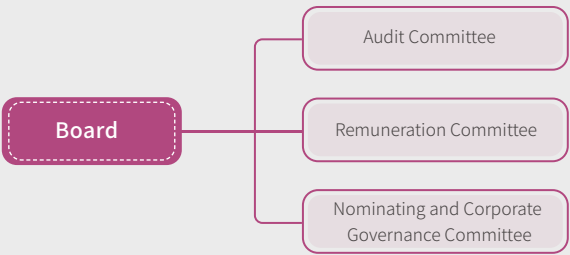
Corporate Governance

Yatsen has put in place a governance framework that complies with the requirements of the U.S. Securities and Exchange Commission (SEC), the New York Stock Exchange (NYSE), and local laws and regulations in its operating regions. This framework ensures compliant and efficient corporate governance, supporting the Company’s stable development.

Governance Structure

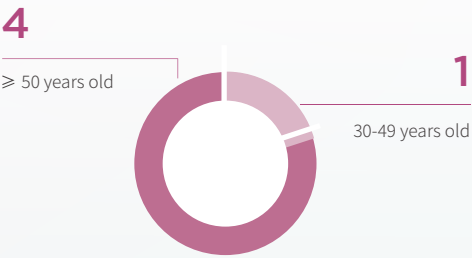
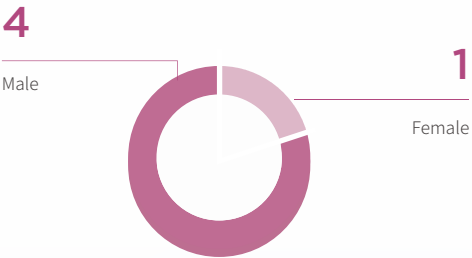
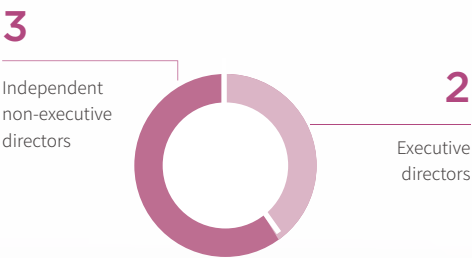
We have established our Board and its Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee according to listing rules in the United States. Information about our Board and each director is accessible to investors upon request on our Investor Relations Website.

Governance Structure of Yatsen



Board Diversity

Yatsen is committed to enhancing Board diversity. We focus on the proportion of female and independent directors and emphasize diversity in composition and background to continuously meet the needs of strategic development and market changes. In the process of nominating and appointing Board members, we consider multiple factors, including gender, age, industry experience, professional background, and education, to ensure directors possess the expertise and decision-making capability necessary to provide strong governance support for sustainable development.



Risk Management

Yatsen continuously optimizes our risk management and internal control review mechanisms, strengthening legal and compliance governance capabilities to ensure effective risk identification and control, thereby safeguarding stable and sustainable business operations.

Risk Management Framework

The Company maintains a robust risk management framework and implements regular risk reporting. An internal control and supervision mechanism has been established under Board authorization and Audit Committee oversight, with collaboration across dedicated departments including Audit, Risk Control, Legal, and Finance. Department-level risk officers review business-related risks quarterly. Significant risks are reported to the Chief Financial Officer (CFO) at quarterly risk meetings, with discussions on preventive or remedial plans. Risk management covers business ethics and internal controls to comprehensively prevent potential compliance risks in operations.

Management System Optimization

The Company continues to strengthen its risk management system, with a focus on investment, mergers and acquisitions (M&A), and capital market operations. During M&A, a multi-dimensional due diligence mechanism covering commercial, legal, and financial aspects ensures potential issues are identified early and mitigation plans are formulated. To ensure dynamic risk control, multi-level reporting mechanisms are implemented at key project stages, with risk assessment reports regularly submitted to the decision-making committee for iterative optimization of control measures. For capital market operation risks, third-party professional institutions are engaged to continuously monitor relevant regulations and industry standards, ensuring all operations comply with the latest regulatory requirements and align with international best practices.



Performance Highlights

- ✓ In 2024, we conducted self-assessments on internal control, covering **16** core business procedures, with **541** control items identified.
- ✓ **2** general control deficiencies related to information system management processes were identified in 2024, corrective measures have been implemented for both items.

Effective and Responsive Public Relations Management

The Company attaches great importance to monitoring and responding to public opinion. An efficient daily monitoring and early-warning system enables dynamic alerts and timely responses, effectively mitigating reputation risks. Additionally, internal risk points are proactively inspected, with preemptive attention, communication, and contingency planning to prevent potential issues.

Public Opinion Response Process



Investor Communication

Yatsen regularly discloses financial performance, business results, and strategic plans according to applicable laws and regulations, ensuring investors can access timely updates on core company developments. Multiple communication channels, including telephone, email, online and offline meetings, enable efficient interaction with investors, addressing their questions and collecting feedback to strengthen mutual trust and cooperation.

The Company continuously improves the quality of information disclosure, providing quarterly and annual reports in compliance with laws and regulations, and updating material developments through dynamic announcements. This ensures transparency, enables investors to accurately understand the Company's performance and trends, and safeguards their rights.



Performance Highlights

✓ In 2024,
we held **4** quarterly results meetings
and participated in approximately **70** analyst or investor
communication meetings.

Business Ethics

Our Strategy

Yatsen adheres to a code of integrity and ethical business conduct, strictly complying with the *Anti-monopoly Law of the People's Republic of China*, the *Law Against Unfair Competition of the People's Republic of China*, and other relevant laws and regulations in its operating regions. We require every employee to uphold these principles, building a strong compliance foundation for sustainable development. Together with our partners, we strive to create a compliant and trustworthy business environment, promoting a fair, just, honest, trustworthy, open, and transparent commercial ecosystem.

Our Governance

Yatsen has established an internal control and supervision mechanism authorized by the Board of Directors and overseen by the Audit Committee, with collaboration across dedicated departments, including audit, risk control, legal, and finance, to effectively manage business ethics and internal control matters.

We continuously improve our business ethics and anti-corruption management mechanisms and have publicly issued the *Code of Business Conduct and Ethics* to meet the legal and regulatory requirements of our listing and operating regions, ensuring integrity and compliance in our operations. We have developed the *Integrity and Anti-Corruption Regulations for Employees*, which set strict rules regarding anti-bribery, anti-corruption, and internal reporting management, and all employees, including part-time and contract staff, sign the *Employee Handbook* to standardize conduct. In addition, we require all suppliers to sign the *Integrity Commitment*, *Code of Business Conduct*, or *Code of Conduct of Business Partners*, reinforcing our business ethics principles and anti-corruption policies while maintaining a fair, competitive market environment.

Our Actions

To establish a comprehensive compliance management system, Yatsen continuously strengthens the depth and breadth of compliance reviews, improves the whistleblowing mechanism while protecting whistleblowers' rights, enhances compliance audits and integrity education, and promotes the values of business ethics among all employees. Through these multi-dimensional measures, we build a robust compliance defense and collaborate with partners to foster a transparent, responsible, and sustainable business ecosystem.

Strengthening Compliance Reviews

The Company continually strengthens internal compliance reviews to ensure standards and employee behavior meet the latest regulatory requirements. The internal audit and control departments conduct a comprehensive audit of the implementation of business ethics policies every three years and maintain the policies' timeliness and applicability. Additionally, regular internal and external compliance audits are carried out across all operating sites. High-risk areas, such as personal data protection and office system access management, receive dedicated reviews. Annual spot checks are conducted at stores, warehouses, and other units to identify potential issues and implement timely corrective actions, reinforcing internal business ethics controls and ensuring compliant and secure operations.

Cultivating a Culture of Business Ethics

We regularly invite external experts to provide legal risk education for all employees, including full-time, part-time, contract staff, and interns. This enhances understanding of the Company's values and code of conduct while improving the ability to identify and mitigate business risks.

Protecting Whistleblowers' Rights and Interests

Yatsen provides multiple reporting channels, including hotlines, email, and mailing addresses, to ensure accessibility. These channels are listed on the company website, supplier contracts, and the *Code of Business Conduct and Ethics*, allowing stakeholders to report misconduct efficiently. A dedicated team investigates and follows up on reports, informing whistleblowers of the outcomes. Before implementing penalties, the Company provides subjects the opportunity to appeal, ensuring full protection of their rights. Whistleblower privacy is strictly safeguarded; investigations are handled on a case-by-case basis, and retaliation against whistleblowers is strictly prohibited. Any violations are subject to severe legal and regulatory consequences.

Performance Highlights

- ✓ In 2024, we conducted training on business ethics in the form of special training, orientation training, releasing integrity announcements, and signing the letter of commitment, with **100%** employee coverage.
- ✓ In 2024, **no** violations of the *Code of Conduct* were identified, including corruption or bribery, discrimination or harassment, customer data breaches, money laundering, or insider trading.
- ✓ In 2024, **no** litigation cases involving embezzlement, bribery, extortion, fraud, insider trading, or money laundering occurred.

Information Security

Our Strategy

Yatsen regards information security as a cornerstone of sustainable development and is committed to building a safe and reliable digital business environment. We strictly comply with the *Cybersecurity Law of the People’s Republic of China*, the *Data Security Law of the People’s Republic of China*, the *Personal Information Protection Law of the People’s Republic of China*, and other relevant laws and regulations in our operating regions. We implement a multi-layered protection system to safeguard data assets and customer privacy comprehensively, establishing a robust digital defense for stable business operations.

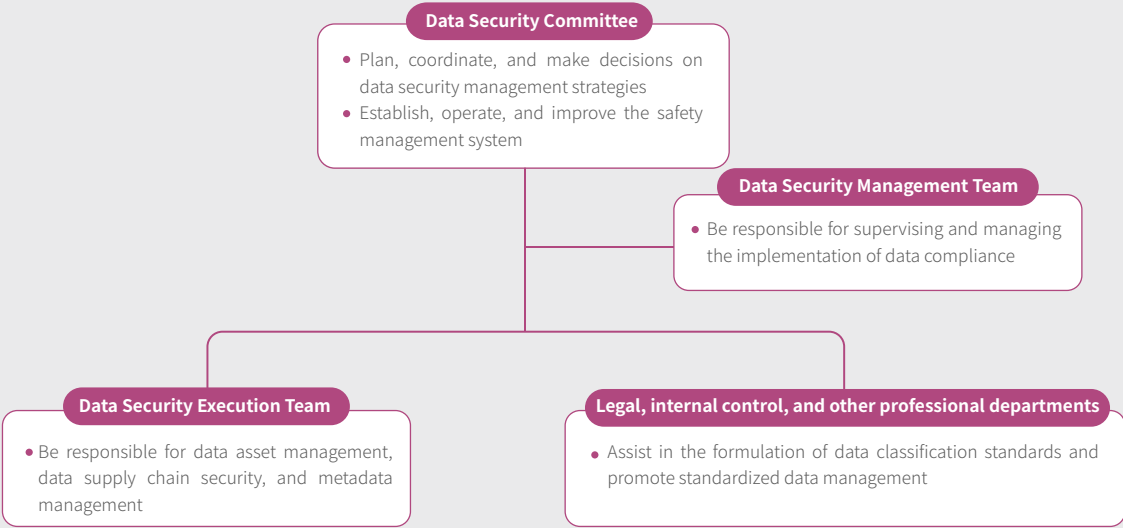
Our Actions

Yatsen continuously upgrades its technical protection system through regular security assessments, combined with a flexible response mechanism to quickly address information security challenges. We provide company-wide data security training to enhance awareness, adopt a dual-track data management strategy covering both user and enterprise sides, and construct a three-dimensional defense network encompassing technology, processes, and awareness, protecting user privacy throughout the data lifecycle from storage to usage.

Our Governance

Yatsen has established a three-tier information security management framework, covering the Data Security Committee, the Data Security Management Team, and the Data Security Execution Team. Internally, we have developed and implemented management standards and codes of conduct, including the *Data Security Management System*, *Data Classification Table*, and *System Account and Authority Security Management Standard*, to ensure enterprise data security and user privacy comprehensively.

Organization Structure of Information Security Management System



Information Security Assessment

The Data Security Execution Team conducts annual information security assessments, testing key processes involving the collection, storage, usage, and transmission of personal data to ensure the effectiveness and compliance of internal information systems.

To further strengthen data and network security, we regularly engage third-party security service providers to inspect and evaluate our information systems and networks, iteratively updating the systems. In 2024, Yatsen introduced third-party penetration testing services. The results identified no high-risk vulnerabilities, and medium- and low-risk vulnerabilities were promptly addressed and remediated.

Emergency Response Mechanism

Yatsen has established a scientific and effective emergency response mechanism for information security incidents, standardizing data handling activities and safeguarding the Company’s legal rights. We continuously optimize the procedures for handling data security incidents and emergency plans for personal information security events, enhancing our ability to respond to information security emergencies and ensuring a rapid, effective, and structured response system.

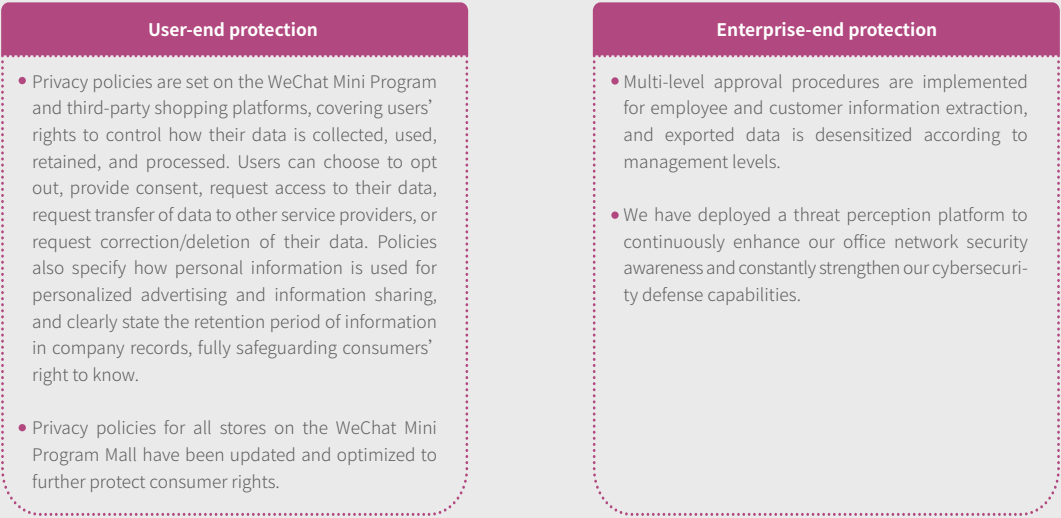
Data Security Handling Mechanism



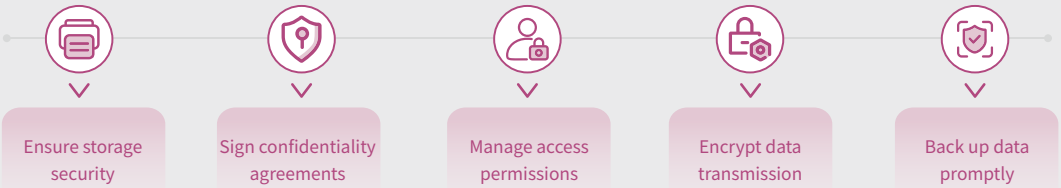
Data and Privacy Protection

Yatsen attaches great importance to user data security and privacy protection. Strict management standards and procedures are implemented for both the user and enterprise ends, ensuring that personal information collected from consumers and potential consumers through online channels is securely managed. Our goal is to provide users with a safe and reliable service environment.

End-to-End Privacy Protection



Measures of Data Security Management



Information Security Awareness Training

Yatsen regularly conducts cybersecurity training to raise all employees' awareness of the importance of information security and to strengthen their skills. Going forward, we plan to carry out multiple information security-themed training sessions for all employees, covering various work scenarios, including phishing attacks, password security, data protection, and customer information safeguarding, in order to enhance employees' ability to identify and respond to cybersecurity incidents.

Performance Highlights

- ✓ In 2024, Yatsen's core systems obtained **Level III Certification in Cybersecurity Graded Protection Assessment from the Guangzhou Public Security Bureau.**
- ✓ In 2024, **no** information security incidents occurred, and the Company did **not** face any litigation or complaints related to personal information protection.

SDGs covered in this chapter:



ESG issues covered in this chapter: Product R&D and Innovation, Product Quality and Safety, Chemical Safety, Customer Service and Responsible Marketing, Sustainable Supply Chain

02

Exquisite Craftsmanship with Innovative Products

Providing customers with safe and high-quality products and services is Yatsen's unwavering pursuit. Through innovative R&D, we build core product competitiveness, strictly control product quality and chemical safety, and follow a consumer-driven approach to improve our customer management system while practicing responsible marketing. Meanwhile, we are committed to building a sustainable supply chain, promoting responsible procurement, and working collaboratively with suppliers to enhance ESG performance, achieving the shared growth of both commercial and social value.

R&D and Innovation

Our Strategy

R&D is the core driving force of Yatsen's growth. Under the strategic framework of the "Yatsen Technology Road", we have developed the "1-3-4-6-20" global R&D strategy, continuously enhancing our R&D system, strengthening our technological reserves, and fueling innovation, thus enhancing our core competitiveness through scientific breakthroughs.

1 One world-leading beauty factory

We have joined forces with COSMAX, one of the world's largest Original Design Manufacturer (ODM) companies, to create a world-leading beauty factory - Yatsen Biotechnology.

3 Three global independent R&D centers

We have established three global independent R&D centers at home and abroad, namely, the Shanghai Global Innovation R&D Center, the Guangzhou R&D Center, and the Toulouse R&D Center in France.

4 Four R&D areas

We focus on "biotechnology," "scientific skincare," "emotional skincare," and "expert in skincare data" to lead industry innovation and support the high-quality development of Yatsen.

6 Six open labs

Yatsen-Ruijin Medical Skincare Joint Laboratory, Yatsen-Sun Yat-sen University Joint Laboratory, Yatsen-HFSL Joint Laboratory, Yatsen-Sensient Joint Laboratory, Yatsen-National Engineering Research Center for Nanomedicine, and Yatsen Biotechnology Joint Laboratory.

Over 20 joint projects

National Nanomedicine Engineering Technology Research Center for innovative nanocarrier technology development, Sensient Innovative Color Lab for advanced color research, Fudan University for the study of the Chinese skin microbiome, and Sun Yat-sen University for the development of biotech ingredients...

Our Governance

Strong R&D capabilities are the foundation of technological innovation. Yatsen has built a systematic R&D management framework that covers eight dimensions, from frontier research, formulation development, packaging design, to safety assessments, ensuring efficient coordination and scientific management throughout the R&D process.

Yatsen’ s R&D Structure



To reinforce innovation incentives, we have formulated the *Incentive and Reward Management Policy for R&D and Innovation* to encourage the creation of technologies and products that hold market, scientific, and economic value, further strengthening Yatsen’ s independent innovation capabilities and sustainable competitive advantages.

Our Actions

Yatsen continues to integrate top-tier global scientific resources, deepening the “Yatsen Technology Road” strategic blueprint, accelerating innovation, and promoting the industrial application of breakthrough technologies.

Establishing the Global Innovation R&D Center

In 2024, Yatsen’s high-investment, high-standard Global Innovation R&D Center officially commenced operations, providing powerful support for product development and technological advancement.

Case

Yatsen Global Innovation R&D Center Was Officially Inaugurated, Shaping a Full-Chain Independent R&D Technology System

In May 2024, the Yatsen Global Innovation R&D Center was inaugurated in Shanghai, becoming a leading and globally competitive scientific innovation platform in China’s cosmetics industry. The center is equipped with multiple fully functional laboratories and world-class top-tier equipment, enabling end-to-end R&D management. In addition to significant hardware investment, the center has assembled outstanding R&D talent from around the world, forming a highly professional and efficient innovation team. Through a systematic innovation strategy, Yatsen has built a self-sufficient, full-industry-chain R&D technology system, integrating frontier science, novel ingredients, safe formulations, sensory and clinical research, and sustainable packaging, laying a solid foundation for continuous innovation and further advancing the “Yatsen Technology Road”.



Yatsen Global Innovation R&D Center



Opening Ceremony of the Yatsen Global Innovation R&D Center

Pursuing Technological Innovation-Driven Development

Technological innovation serves as the core engine of Yatsen’s sustainable growth. We remain committed to identifying, researching, and translating cutting-edge technologies in the fields of skincare and beauty on a global scale, driving the innovation and upgrading of high-quality products through sustained R&D investment. In 2024, we officially launched our R&D system, fully optimizing 34 core workflows across 13 departments within the R&D structure. This significantly enhanced the efficiency of R&D management while achieving seamless integration with several key internal systems, thereby establishing a digital management platform that spans the entire R&D process and provides robust systemic support for innovation.

In 2024, we achieved important breakthroughs across multiple technological fields:

In raw material development

Our self-developed “Bifidobacterium/Lactobacillus/Soybean Seed Extract Fermentation Product Filtrate” successfully obtained registration with the National Medical Products Administration (NMPA), marking the Company’s first registered new cosmetic raw material. This ingredient has now been widely applied across product lines of brands such as *Perfect Diary*, *Galénic*, and *DR.WU*, and is protected under a comprehensive patent system.

Regarding innovative technological concepts

We introduced the concept of “integration of makeup and skincare”, which systematically addresses the technical limitations of traditional makeup products. This concept has been successfully transformed into several best-selling products.

As for product innovation

Perfect Diary launched our second-generation Biolip™ Essence Lipstick, featuring Biotec™ biomimetic membrane technology, and our Blue Loose Powder, incorporating the “Little Blue Lock™” triple-anti patent technology, both representing significant functional breakthroughs in makeup efficacy.

Building a Scientific Research Ecosystem

Establishing an open and mutually beneficial scientific research ecosystem is a key pillar of Yatsen’s innovation strategy. We actively participate in industry exchange activities, sharing and learning innovative R&D practices, and establishing research collaborations with universities and scientific institutions both domestically and internationally, thereby contributing to the joint development of the industry’s research ecosystem. In 2024, leveraging the “Yatsen Open Lab” collaborative R&D platform, we further deepened industry-academia-research cooperation, working with partners such as Sun Yat-sen University to advance critical technology projects in multiple fields. We also initiated new in-depth collaborations with institutions, including the Kunming Institute of Botany, thereby continuously enhancing our open innovation ecosystem.

Key Collaborative Projects and Achievements in 2024

Publication of Research on Patented
Active Microecological Ingredients

Yatsen and Sun Yat-sen University co-developed a proprietary patented active microecological ingredient, with the research results shortlisted for the 34th IFSCC Research and Innovation Paper Award.



Launch of the Second Acne
Research Fund



DR.WU, in collaboration with 14 leading dermatology professors in China, launched the Second Acne Research Fund, resulting in 18 funded projects. Through the integration of clinical and practical approaches, the initiative continues to expand the application boundaries of “medical treatment + functional skincare products”.

Release of Innovative Technology
for Improving Skin Hypoxia

The Yatsen-Ruijin Medical Skincare Joint Laboratory unveiled an innovative technology for improving skin hypoxia on the Stop PI Day and launched skincare products based on the “Let the Skin Breathe” theory.



Publication of Biotec™ biomimetic membrane Technology-Related
Academic Papers in Two Leading Scientific Journals



Based on the second-generation Biotec™ biomimetic membrane technology from *Perfect Diary*, the brand’s joint laboratory with Sun Yat-sen University published two related academic papers in top-tier scientific journals *Nature Medicine* and *Science Bulletin*.

Case EVE LOM Led the Development of China's First Group Standard for Emotional Skincare

In September 2024, at the "Global Summit on Emotional Skincare," *EVE LOM* officially released China's first group standard - *Guidelines for the Development and Technical Evaluation of Emotional Skincare Cosmetics*. As a pioneering brand in the emotional skincare sector, *EVE LOM* spearheaded the development of this standard in collaboration with industry experts and institutions, drawing upon our in-depth research in neurocosmetology and aromatherapy. This standard fills the gap in China's scientific evaluation system for emotional skincare and sets a benchmark for standardized industry development.

For the first time, this standard systematically defines the development principles, sensory evaluation, and efficacy verification methods for emotional skincare products, emphasizing the dual value of "healing emotions internally and healing skin externally". We elevate emotional skincare from a subjective concept to a scientifically quantifiable system. The release of this standard not only reflects the brand's self-pleasing philosophy of "EVE LOM, LOVE ME," but also propels the beauty industry into a new stage of "technology + emotion" dual-driven growth.



Group Standard Guidelines for the Development and Technical Evaluation of Emotional Skincare Cosmetics Developed by *EVE LOM*

Sustainable Product Design

Yatsen integrates the sustainability concept into product design innovation, considering to reduce environmental impacts across the entire product lifecycle. We prioritize the use of ingredients with a low environmental footprint, adopt lightweight packaging designs, and enhance the recyclability and biodegradability of packaging materials at the end-of-life stage.

While ensuring product efficacy, we give priority to sustainable ingredients derived from biosynthesis and fermentation technologies, which not only meet consumer demand for high-quality beauty products but also reduce the environmental impact of our products. Environmentally friendly ingredients such as collagen and *Lactobacillus* fermentation lysates have been successfully applied to multiple product lines, including the *Perfect Diary* biomimetic membrane series and the *DR.WU* professional skincare series, achieving a synergistic balance between environmental stewardship and product performance.

Intellectual Property Protection

Yatsen systematically advances the protection of intellectual property arising from product innovation. We have established a dedicated intellectual property management team responsible for the application, maintenance, and risk control of patents, trademarks, and copyrights. Through the creation of standardized management procedures, we have achieved centralized management of registered patents in both domestic and overseas markets, ensuring that our innovations receive effective protection. In 2024, through our online self-inspection channels, we successfully lodged complaints against 22,169 infringing links, swiftly stopping online intellectual property violations and effectively safeguarding our product innovations.

Meanwhile, we continue to conduct company-wide intellectual property training to strengthen awareness of innovation protection. Building upon an improved internal management system, we rigorously respect third-party intellectual property rights, thereby fostering a healthy environment for sustained innovation.

Performance Highlights

Scientific Research Achievements

✓ At the 34th IFSCC Congress:

☆ The research on *Galénic* “No. 2” VA Essence was **shortlisted for the IFSCC Innovation Breakthrough Award and showcased at the Congress Forum**.

☆ Four research achievements were **shortlisted for the IFSCC Research and Innovation Paper Award**:

- Research achievements on *Perfect Diary*’s color-lock lip care technology
- Research achievements on *Galénic* “No. 1” VC Essence
- Clinical research achievements on the efficacy of the *DR.WU* Compound Acid Acne Treatment Gel in treating acne
- A proprietary, patented active microecological ingredient developed by Yatsen-Sun Yat-sen University Joint Laboratory

✓ The *DR.WU* Acne Research Fund attracted **362** project proposals, supported a total of **18** research projects, and achieved a significant academic breakthrough with the publication of **1** SCI-indexed article.

Key Performance

✓ In 2024, our R&D expenses were RMB **109** million, which count for **3.2%** of our total net revenues.

✓ In 2024, we had over **100** R&D personnel, including **34** with a master’s degree and **6** with a doctor’s degree.

✓ In 2024, we conducted **6** internal R&D training sessions.

✓ As of the end of the Reporting Period, we had held **245** registered patents, with **210** patents granted, including 9 utility model patents, 137 design patents, and 64 invention patents .

✓ As of the end of the Reporting Period, we had held **2,111** registered trademarks in China, **2,223** registered trademarks overseas, and **182** registered copyrights.

Product Quality and Safety

Our Strategy

Yatsen is committed to providing consumers with beauty products that combine high quality and safety. We strictly comply with the *Regulations on Supervision and Administration of Cosmetics*, the *Measures for the Supervision and Administration of Production and Distribution of Cosmetics*, the *Regulations on Production Quality of Cosmetics*, the *Technical Specification for Cosmetic Safety*, the *Measures for Adverse Reaction Monitoring of Cosmetics*, as well as relevant local and industry regulations in our operating regions. We ensure the safe and compliant use of chemicals and the stable, reliable quality of our products, thereby upholding our dual commitment to consumer health and environmental protection.

Our Governance

Product Quality

Yatsen has established a specialized quality management team and developed nearly 30 quality management policies, including the *Quality Manual* and the *Raw Material Acceptance Management System*, along with over 80 Standard Operating Procedures (SOPs) and more than 1,500 material specifications. From raw material acceptance to finished product release, we conduct quality control throughout the entire process to ensure the safety and effectiveness of the product. We have also established an annual quality system review mechanism, conducting both internal audits and external audits by professional third-party institutions to ensure continuous improvement of our quality management standards.

Chemical Safety

In terms of safety management, Yatsen has implemented a clear, three-tier safety management structure. We have formulated dedicated policies such as the *Laboratory Management Regulations* and the *Chemical Safety Policy*, and established an adverse reaction monitoring mechanism to ensure continuous tracking of product safety across the full life cycle, providing consumers with safe and reliable beauty products.

Chemical Safety Management Structure

EHS Department

It is the core management department responsible for overseeing the entire life cycle of chemical management, including hazardous chemical identification and assessment, as well as the flow management of precursor and explosive chemicals.

Operations Department

It consists of procurement specialists and warehouse managers, and is responsible respectively for supplier qualification review and chemical inventory management.

Use Departments

They strictly implement chemical purchase and usage protocols to ensure safety and control throughout the usage process.

Our Actions

Yatsen exercises rigorous control over quality risks, standardizes the selection and use of chemicals, educates consumers on the safety and functionality of chemicals, and systematically advances product quality enhancement and chemical safety initiatives to deliver safe and reliable product experiences.

Quality Risk Control

We have introduced a Quality Management System (QMS) to digitize quality management processes through computerized systems, accumulate quality data assets, and empower quality analysis and decision-making in business operations.

Product Development Stage

We have established a risk management mechanism covering new product development. In 2024, we added 29 new risk entries, expanding the total risk database to over 500 entries, thus providing systematic risk alerts for product development. In addition, we organized quality risk experience-sharing sessions, enabling product and supply chain teams across our brands to exchange knowledge and learn from each other, thereby effectively improving cross-departmental collaboration efficiency and the quality of new product development.

Supplier Quality Management

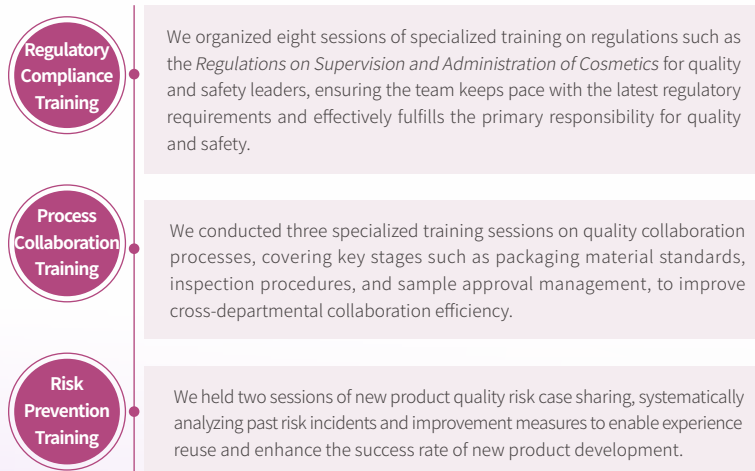
For ODM/Original Equipment Manufacturer (OEM) suppliers, we enforce strict admission requirements. In addition to holding a cosmetics production license, suppliers must also obtain ISO 9001 and ISO 22716 certifications. In line with the *Regulations on Supervision and Administration of Cosmetics*, the *Regulations on Production Quality of Cosmetics*, and other relevant regulations, we conduct entry audits of ODM/OEM suppliers' quality management systems, including plant facilities, environment and personnel hygiene, raw material acceptance, production process control, laboratory management, and nonconformance handling, ensuring product quality and safety at the source. We also conduct consistency checks between registered filings and actual production at contract manufacturers to ensure compliance. During the Reporting Period, our warehoused product qualification rate reached **99.99%**.

Product Recall

To maintain an efficient response to quality issues, Yatsen has established a comprehensive Product Recall Emergency Mechanism, conducting regular simulation drills and continuously optimizing response procedures. When potential market quality risks are identified, the dedicated recall team works in coordination with the quality department to initiate a tiered response mechanism according to risk level, ensuring rapid traceability and resolution of affected products. In 2024, we successfully conducted a full-process recall drill covering all stages of cosmetic registration and filing, with a particular focus on testing the effectiveness of recall decision-making and cross-departmental coordination. During the reporting period, there were no mass recalls due to product quality and safety issues.

Quality Management Enhancement

To continuously strengthen our quality management capabilities, we regularly organize internal and external cosmetic regulatory training for quality and safety leaders and conduct regular quality-focused training activities for employees. In 2024, the Company carried out three core types of training to further raise quality awareness across the organization:



Yatsen actively participates in industry quality exchange activities, learning from and sharing quality management experiences, and contributing to quality advancement in the cosmetics sector. In 2024, we took part in events such as the Quality and Safety Officer Training Class organized by the Guangdong Medical Products Administration Society, a related cosmetics safety assessment seminar by the Guangdong Medical Products Administration, the Shanghai cosmetics government-enterprise exchange meeting, and the Seminar on Compatibility Testing and Evaluation Methods for Cosmetics Packaging Materials. Through in-depth exchanges with regulators, industry experts, and peers, we explored pathways to improve cosmetics industry quality and promoted high-quality industry development.

Chemical Safety Control

Yatsen enforces strict laboratory safety management standards, fully complying with national regulations such as the *Regulation on the Safety Management of Hazardous Chemicals*, and adhering to internal policies, including the *Safety and Internal Management Procedures* and the *Chemical Management Procedures* to ensure rigorous control of chemicals throughout their lifecycle. Our laboratories are staffed with dedicated chemical administrators and operate under a “dual persons and dual locks + surveillance” mechanism for hazardous chemical management, standardizing storage, use, and disposal processes. All waste chemicals are registered and logged, with a complete hazardous waste ledger in place, and are disposed of by certified environmental service providers, ensuring the safety and compliance of R&D operations.

Chemical Ingredient Management



Define prohibited and restricted ingredients:

Yatsen continuously monitors global regulatory requirements for cosmetic ingredients. None of our products contains substances restricted under Annex XVII of the REACH regulation. We formulated the *Yatsen Raw Material Control Requirements*, prohibiting or restricting ingredients with potential carcinogenicity, reproductive toxicity, or environmental hazards. A strict *Chemical Raw Material Control List* has been developed, explicitly banning or restricting 600 ingredients, such as 4-Methylbenzylidene camphor and diacetone.



Replace controversial ingredients:

We have implemented a chemical phase-out program to research and identify alternatives for potentially controversial substances, promoting the use of more environmentally friendly and biologically safe ingredients.

Chemical Elimination Plan

Name of chemical eliminated	Reason for elimination	Type of elimination	Scope of restriction	Name of substitute
Fluorinated Chemistries	Regarding safety issues: hazards of Per- and polyfluorinated alkyl substances (PFAS)	Prohibited use	Excluded from all types of products	/
Cyclopentadimethylsiloxane (D5)	D5 may contain cyclotetrasiloxane (D4), which is classified as a substance toxic to reproduction in the European Union	Restricted use	Avoid using it whenever possible	Polydimethylsiloxane, isododecane, etc.
Polymethyl methacrylate (PMMA) Polyamide-11 Polyamide-12 Polyamide-6 Polyamide-6/12 Polyamide-66 Polystyrene Polypropylene Polyethylene terephthalate Polytetrafluoroethylene Polyethylene	Cosmetic products containing plastic microbeads are harmful to the environment. When applied to the skin and washed away, these microbeads are carried into sewers and water recycling systems with the wastewater. Even the most advanced sewage treatment plants are unable to completely remove them. As a result, they end up in the ocean, where they become permanent pollutants as they are insoluble in water and difficult to degrade	Restricted use	Excluded from washable products Avoid using it in residual products whenever possible	Silica powder

Evaluate the safety of raw materials:

We conduct testing for potential hazardous substances based on raw material properties, assess each ingredient’s potential risks, and determine safe maximum concentrations according to product type, usage frequency, and skin suitability. We also apply stricter quality testing for finished products to ensure product safety.

Monitor negative feedback:

During the R&D stage, we have a standardized cosmetics testing process and enforce the *Adverse Reaction Event Handling Procedures* to regulate identification, reporting, and management of adverse reactions in human trials, ensuring participant safety. For market products, we continuously improve our adverse reaction monitoring system, gather consumer feedback through multiple channels, and implement a rapid response mechanism for timely issue analysis and corrective action to enhance product safety.

Disclosure ingredients in a compliant way:

We strictly comply with the *Cosmetics Label Management Regulations*, listing all ingredient standard Chinese names in descending order of concentration on the smallest sales unit (content > 0.1%). Ingredients present at or less than 1% are listed in order of perceived importance. All our cosmetics are filed with the NMPA, and ingredient information is publicly accessible at:
<https://www.nmpa.gov.cn/datasearch/home-index.html?3jfdxVGGVXFo=1756956566735#category=hzp>.



Popularizing Knowledge to Consumers

Yatsen believes consumer understanding of cosmetic safety and functionality is an important safeguard. During product launches and exhibitions, we provide detailed ingredient explanations to help more consumers understand product composition.

Case DR.WU Launched Acne Knowledge Popularization Campaign During China Acne Week

Since 2020, DR.WU has partnered with over 13,000 dermatologists in acne knowledge popularization campaigns via expert videos, nationwide free clinics, and campus skincare programs to promote scientific skincare knowledge during China Acne Week.

In 2024, DR.WU presented 5 patents, 4 proprietary ingredients, and 11 clinical study results at the National Acne Academic Conference, showcasing that our Mandelic Acid Complex can effectively improve acne redness and reduce recurrence. The brand also partnered with top-tier hospitals in Jiangsu, Zhejiang, and Shanghai for public clinics, offering consumers safe trial products and professional guidance to build safe-use awareness of acid-based ingredients, upgrading from “fighting acne” to “understanding acne”.



DR.WU Participated in the 2024 National First Acne Academic Conference

Performance Highlights

- ✓ In 2024, we continued to ensure product safety and compliance, with **0** product recalls during the Reporting Period.
- ✓ In 2024, we completed **1** internal compliance audit of our quality management system and passed **3** NMPA inspections.
- ✓ In 2024, we conducted **658** batches of third-party testing on raw materials and finished products at the raw material approval stage.
- ✓ In 2024, we carried out **29** supplier admission audits and unannounced inspections during the production stage.
- ✓ In 2024, we completed **9,215** batches of pre-market finished product sampling inspections, achieving a **99.99%** pass rate.
- ✓ In 2024, we conducted **552** batches of re-inspections for imported products.

Customer Service

Our Strategy

We are committed to building long-term trust with our consumers. We strictly comply with national laws, regulations, and industry standards, including the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, the *Advertising Law of the People's Republic of China*, and the *Standards for Cosmetic Efficacy Claim Evaluation*, and the *Measures for the Supervision and Administration of Online Cosmetics Operations*, among other applicable local regulations. We ensure that all marketing content is truthful and compliant, and we place customer experience at the core, continuously delivering an exceptional service experience to consumers.

Our Governance

We have formulated management documents such as the *Advertising Compliance Manual* and the *Cosmetics Promotion Specifications*, along with a strict internal review mechanism. Through multi-departmental collaboration, we standardize advertising and product promotion practices to eliminate false or misleading information.

We implement a rigorous marketing content review system. All product promotional materials and advertisements must pass four layers of review by our R&D, regulatory, legal, and corporate communications teams. This ensures that all product ingredient descriptions, efficacy claims, and marketing language fully comply with national laws and regulations, preventing violations or exaggerated claims.

Cosmetics Promotion Specifications

Do not guarantee or promise efficacy

- ✓ Do not exaggerate product effects through before-and-after comparisons.
- ✓ Do not use absolute terms or make explicit or implicit efficacy promises.
- ✓ Do not use elements that may cause visual or psychological discomfort to other users to imply or guarantee efficacy, or exaggerate product performance.



Do not promote beyond scope

- ✓ Do not claim special efficacy for general cosmetics.
- ✓ For special cosmetics, claimed special efficacy must correspond to the designated special-purpose category and must not cross categories.
- ✓ Do not include medical or disease-related elements in the external release of materials for cosmetics.



Do not disparage third-party brands or products

- ✓ Do not share products by praising one party and disparaging another, including but not limited to: disparaging, insulting, or negatively evaluating third-party brands or products.



Do not use unverifiable data or information

- ✓ All cited references must come from publicly published scientific research, surveys, evaluation reports, or literature, or from scientifically obtained test data relevant to product efficacy.

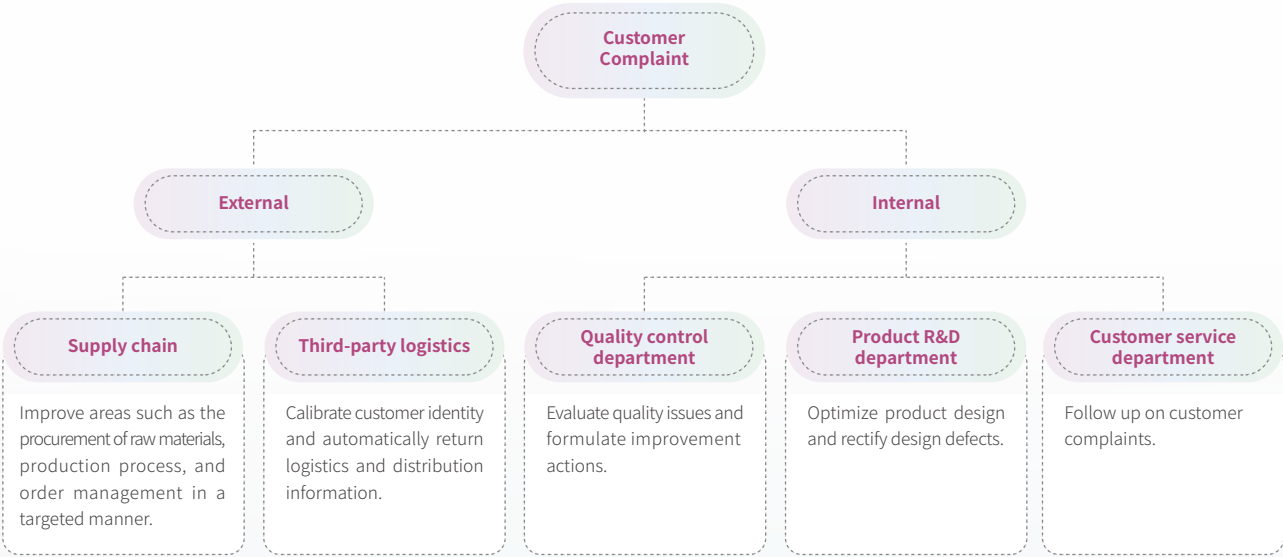


Internal Review Process for Marketing



We have established customer complaint management standards such as the *Customer Complaint Reporting Process* and the *Customer Complaint Grading System*, continuously optimizing the complaint-handling mechanism to ensure efficient and professional responses to consumer issues. We have built a comprehensive complaint management system covering all channels, collecting consumer feedback through e-commerce platforms, Weibo Black Cat private communities, and the 12315 hotline. Internally, we have established a cross-department collaboration mechanism linking quality management, product R&D, and customer service teams, while also coordinating with external supply chain and logistics partners. This allows us to systematically analyze complaint data and drive continuous improvement in products and services, enhancing customer satisfaction and brand loyalty.

Customer Complaint Management Structure



Our Actions

We systematically advance customer service quality through multiple dimensions, including marketing compliance, staff training, consumer education, and complaint optimization, effectively safeguarding consumer rights.

Practicing Responsible Marketing

We are committed to providing consumers with truthful, accurate, and complete product and marketing information. Our customer service and sales staff are required to ensure the accuracy of marketing content in all consumer interactions and are strictly prohibited from exaggerating product efficacy.

The professional competence of our marketing staff is directly related to consumer rights protection. We integrate marketing compliance training into all training programs, ensuring that Beauty Advisors (BAs) master correct product presentation methods. In product training, new product training, and onboarding sessions, we emphasize marketing compliance and professional ethics, systematically explaining regulatory requirements from the *Advertising Law of the People's Republic of China* and *Regulations on Supervision and Administration of Cosmetics*. We clarify boundaries and standards for efficacy claims, cultivate professional ethics, and emphasize factual product presentation to prevent any potentially misleading statements, ensuring that all marketing personnel follow compliance requirements and effectively protect consumer rights.

We popularize across multiple channels the knowledge about scientific skincare to consumers, including product ingredient analysis, usage instructions, and chemical safety guidance, helping them make informed decisions. Usage instructions and precautions are displayed on product packaging and e-commerce product pages. We also provide educational handbooks with products, conduct campus activities, and other initiatives to disseminate skincare knowledge.



Quality Customer Services



Efficient Complaint Handling

We prioritize customer concerns and continuously advance the intelligent construction of our customer service system.

 We develop differentiated handling protocols based on complaint types and scenario characteristics, clearly defining response times, handling standards, and closure requirements for each stage, covering major complaint scenarios such as product quality, logistics, and service commitments.

 We have developed an intelligent complaint mini-program that allows users to submit complaints autonomously. We automatically identify standardized issues and initiate rapid handling processes. The system is equipped with a real-time monitoring and alert mechanism that uses a dynamically updated keyword library to detect potential risks, ensuring urgent complaints receive priority responses.

 We also have dedicated complaint quality control personnel who use the intelligent system to monitor and evaluate the entire complaint-handling process, continuously optimizing our complaint service standards.



Service Experience Guarantee

 We place customer satisfaction at the core of our operations. We collect real-time satisfaction scores from e-commerce platforms regarding store services, human customer service, and intelligent chatbots. We also conduct the “Yiqiwen” Net Promoter Score (NPS) surveys to build a multi-dimensional customer experience monitoring network and continuously track customer satisfaction. Based on satisfaction data, we implement a systematic analysis and improvement mechanism. Business departments conduct regular reviews, perform root-cause analysis on low-score cases, and develop targeted optimization plans. We continuously collect frontline customer service feedback to iterate service processes and explore optimal service models.

 In 2024, to further enhance customer experience, we established effective implementation mechanisms for scripts related to new and core products, ensuring consistency between customer service communication and product marketing. We link script execution to individual performance assessments and conduct undercover quality inspections to ensure accuracy across all service channels. We also track customer acceptance rates and provide feedback to training teams for further optimization.



Customer Service Training

To provide better service for customers, we conduct multiple customer service training programs to improve the capabilities and professionalism of our service staff:

New Employee Onboarding Training:

We provide comprehensive pre-job training for new retail employees, covering company culture, value inheritance, basic skincare knowledge, and product ingredient analysis. All training includes assessments to ensure employees master essential knowledge and can provide accurate product recommendations.

New Product Training:

For each product launch, we organize 2–3 days of intensive training for all BAs, covering key selling points, ingredient characteristics, and professional sales scripts. Post-training assessments reinforce BA knowledge and ensure consistent service quality at the point of sale.

Performance Highlights

- ✓ In 2024, we engaged in one-on-one customer service contacts with **5,307,741** customers, achieving an average response time of **17** seconds and a three-minute reply rate of **99.4%**.
- ✓ In 2024, average satisfaction scores across our brands on Tmall, Douyin, and JD platforms reached **94.44%**.
- ✓ In 2024, we collected **70,438** “Yiqiwen” NPS survey responses, achieving a net promoter score of **99.8%**.
- ✓ In 2024, we conducted **344** customer service training sessions, covering **7,135** participants.
- ✓ In 2024, we organized **17** targeted responsible marketing training sessions, with **1,003** participants.



Responsible Supply Chain

Our Strategy

We integrate the sustainable development concept deeply into our supply chain management system and have established a rigorous full-cycle supplier management framework. We emphasize the sustainable sourcing of raw materials, promote the “Clean Beauty” concept, and systematically advance full-chain sustainability from raw material procurement to production and delivery through supplier ESG management, evaluation, and capacity building. Our goal is to build a green, transparent, and responsible supply chain ecosystem.

Our Governance

We have established comprehensive *Supplier Management Regulations* to implement full life-cycle management, from supplier admission, evaluation to exit, ensuring the standardized operation of the supply chain system. At the supplier admission stage, we adopt a multi-dimensional review mechanism, focusing on supplier qualifications, financial conditions, production capacity, and quality management systems. For cosmetics OEM/ODM suppliers, we require them to hold a cosmetics production license and to be certified under ISO 9001 Quality Management System, ISO 22716 Cosmetics - Good Manufacturing Practices, and other international standards. During cooperation, we continue to conduct supplier performance evaluations, regularly organize targeted training sessions, enhance supplier capabilities, and deepen sustainable supply chain development. At the procurement stage, we have formulated and publicly released our *Sustainable Procurement Policy*, giving priority to eco-friendly materials such as Roundtable on Sustainable Palm Oil (RSPO)-certified palm oil and paper products with sustainable forestry certification, effectively reducing the environmental impact of procurement activities.

Our Actions

We have established strict supplier evaluation standards, carried out targeted empowerment training, prioritized the purchase of natural raw materials, and systematically built a green and sustainable supply chain ecology.

Supplier ESG Management

We focus on suppliers’ ESG performance. In the supplier selection process, we assign additional scoring weight to suppliers holding environmental management and quality management system certifications, encouraging the selection of suppliers with outstanding environmental management performance. We require all suppliers to sign the *Integrity Commitment*, strictly adhering to business ethics, intellectual property protection, and information confidentiality to jointly build a compliant and transparent supply chain system.

List of Additional Scoring Items for Supplier Certifications

ISO	ISO 9001 Quality Management System Certification
	ISO 14001 Environmental Management System Certification
	ISO 45001 Occupational Health and Safety Management System Certification
	ISO 22716 Cosmetics - Good Manufacturing Practices Certification
	ISO 14064 Greenhouse Gases Certification
	ISO 50001 Energy Management System Certification
OHSAS	OHSAS 18001 Occupational Health and Safety Management System Certification
SA	SA 8000 Social Accountability Standard

Supplier Evaluation

We conduct supplier evaluations and assessments regularly. Every six months, we carry out comprehensive performance evaluations for core suppliers such as cosmetics manufacturers, packaging material suppliers, and raw material providers. Our multi-dimensional evaluation approach includes document reviews, on-site assessments by procurement specialists, and industry-standard benchmarking. We focus on key indicators such as new product development capability, on-time delivery rate, and quality pass rate. Based on evaluation results, we classify suppliers into four levels: A, B, C, and D. For C/D-level suppliers, we formulate targeted improvement plans and provide training support. For suppliers with consistently poor performance, we suspend cooperation and set deadlines for rectification. Suppliers failing to meet standards after rectification are terminated. We continuously promote improvements in suppliers’ quality management and delivery capabilities to ensure a stable and reliable supply chain.

Supplier Empowerment

We actively empower suppliers through multi-faceted initiatives. We hold regular supplier training covering quality management, environmental management, occupational health and safety, business ethics, and labor rights. We also establish an industry best-practice sharing mechanism to raise overall supply chain standards. In parallel, we organize specialized training for our internal procurement teams to continuously enhance supplier management capabilities and foster a win-win supply chain ecosystem.

Natural Raw Materials

We pay close attention to the sustainability of raw materials and are committed to reducing environmental and social impacts from the source.

We do not directly use palm oil but do use certain palm oil derivatives as raw materials. We have set the sustainable procurement target of “100% of core product raw materials to use sustainable palm oil by 2035” and actively advocate for upstream supply chains to adopt sustainable palm oil. During the Reporting Period, we collected RSPO certification status from our suppliers. Palm oil and its derivatives accounted for 10% of our total raw materials, of which 71% of the palm oil derivatives were RSPO certified.

We prioritize natural plant-based ingredients such as natural coconut oil and oat extract in our products, effectively reducing environmental impact while being gentle on the skin to meet consumer demand for clean beauty products. For example, in the *EVE LOM* Renewal Treatment Oil, natural botanical ingredients account for as much as 90%, demonstrating our commitment to natural formulations.

Going forward, we will continue to increase the proportion of products using sustainable palm oil and natural formulations, offering consumers more environmentally friendly product options.

Natural-origin Ingredients in *EVE LOM* Renewal Treatment Oil (Part)

- Cetiol C5C-BASF
- AlgaPur HSHO Algae Oil-Lubrizol
- Squalane-A&E Connock
- Grape Seed Oil Refined-Natura-Tec
- FANCOR® ABYSSINIAN OIL-Elementis
- Passionflower Oil RBD-IMCD
- Rosehip Refined Oil-KERFOOT
- Meadowfoam XPR-Natural Plant Products
- Argan Oil-DSM
- Viamerine 2500 Deodorized-ALDIVIA SAS

Performance Highlights

- ✓ In 2024, we maintained a total of **131** direct suppliers.
- ✓ In 2024, all **7** core suppliers¹ passed our environmental impact assessment and social impact assessment.
- ✓ In 2024, **53** suppliers passed our environmental impact assessment².
- ✓ In 2024, **65** suppliers passed our social impact assessment³.

- ✓ In 2024, over **60%** of our total procurement volume was sourced from suppliers holding environmental or social certifications.
- ✓ In 2024, we evaluated **35** key suppliers, representing **13%** of our total supplier base, achieving a **100%** pass rate.

1. Core suppliers refer to those suppliers which in aggregate accounted for 70% of the Company’s total procurement spending in 2024.
2. The Company’s supplier environmental assessment standards include ISO 14001, ISO 14064, ISO 50001 and other certifications.
3. The Company’s supplier social assessment standards include ISO 9001, ISO 45001, SA 8000 and other certifications.

SDGs covered in this chapter:



ESG issues covered in this chapter: Carbon Management, Climate Change Mitigation, Sustainable Supply Chain, Sustainable Packaging, Water Management, Emissions and Waste

03

Green Development Toward a Better Future

Yatsen consistently upholds an environmentally friendly development philosophy, continuously strengthening climate and environmental management, and actively integrating sustainability into every aspect of its operations. The Company focuses on key areas such as packaging reduction and green alternatives, energy efficiency optimization, and pollutant emission control, continuously promoting resource conservation and circular utilization, reducing the environmental impact of operations, and fostering sustainable lifestyles and ecological civilization.

Pursuing Carbon Neutrality

Our Strategy

In active response to China's "dual carbon" strategy, Yatsen closely monitors its carbon emissions, sets carbon neutrality goals, and steadily advances its low-carbon transition. Energy management is incorporated into the Company's sustainable development strategy. Through optimizing the energy mix, promoting the application of energy-saving technologies, and establishing long-term management mechanisms, Yatsen continuously improves energy efficiency, reduces its operational carbon footprint, and contributes to ongoing improvements in environmental performance.

Our Governance

Yatsen strictly complies with the *Energy Conservation Law of the People's Republic of China* and other relevant laws and regulations, while extending its sustainability practices to its supply chain. We have formulated a *Carbon Emission Policy for Suppliers*, setting clear emission reduction targets and management requirements to drive our partners to jointly enhance their energy management performance and emission reduction capabilities through standardized systems.

Our Actions

Yatsen integrates carbon management deeply into its entire value chain, covering core business activities including offices, retail terminals, production, warehousing, and logistics, while also extending management to supply chain partners to jointly achieve carbon goals. In 2024, we carried out a comprehensive carbon inventory, systematically calculating Scope 1, Scope 2, and Scope 3 GHG emissions to provide a data foundation for setting carbon targets, while advancing emission reduction measures across all business segments in an orderly manner to steadily progress toward low-carbon transition.

Carbon Reduction Targets

To accelerate our low-carbon transition, Yatsen has officially set a carbon neutrality target along with interim emission reduction goals. Using 2021 as the baseline year, we commit to:

- ✓ **Achieve 100% use of clean energy within our operations by 2035.**
- ✓ **Achieve net-zero carbon emissions across own operations by 2040, reduce carbon emission intensity in upstream transportation by 50%, and reduce carbon emission intensity of core suppliers by 50%.**
- ✓ **Achieve carbon neutrality across the entire value chain by 2050.**

Carbon Management in Operations

Yatsen continues to implement energy-saving and emission-reduction initiatives across daily operations in offices, retail stores, and warehousing/logistics to reduce its carbon footprint.



In the office environment, through behavioral controls and awareness campaigns, Yatsen fosters a green workplace culture. Designated staff conduct regular inspections to promptly switch off idle lighting and adjust air-conditioning temperatures, minimizing unnecessary energy consumption. The Company promotes waste sorting, paperless operations, and organizes training on paperless reimbursement to reduce paper usage. A “Green Office” infographic is published on the internal network, advocating energy conservation, water saving, and reduced food waste to raise employee awareness.



In retail stores, energy-saving requirements are embedded into employee management processes to strengthen daily execution. New employee onboarding includes specific guidelines for switching off lighting and power after closing. All retail stores nationwide hold meetings online, reducing business travel-related emissions.

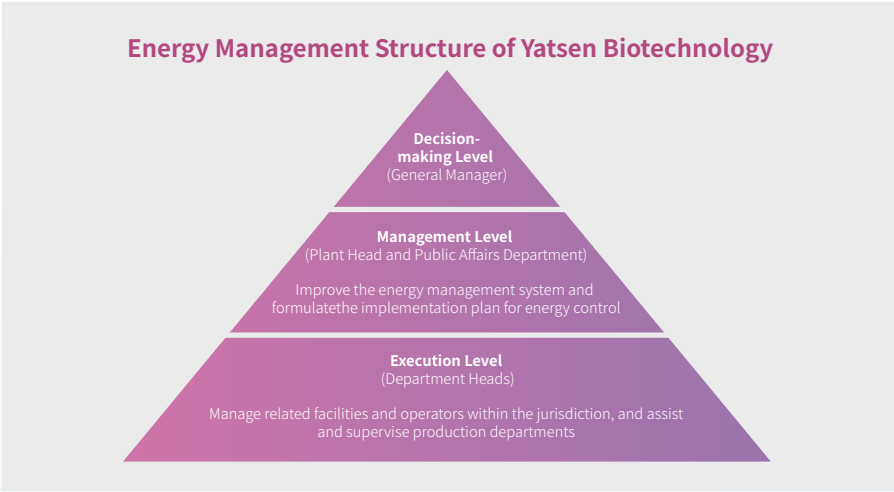


In the warehousing and logistics sector, the Company upgrades facility energy efficiency and adopts clean energy alternatives. All warehouses have replaced lighting with energy-saving fixtures and installed skylights to maximize natural lighting. Traditional forklifts have been replaced with electric models to reduce fossil fuel use. Electric vehicles are now fully deployed in cross-border logistics and domestic last-mile delivery, further driving the low-carbon transition of logistics.

Supplier Carbon Management

In the supplier management process, Yatsen integrates energy efficiency and carbon emission performance into its evaluation system, encouraging suppliers to establish energy management systems and obtain relevant certifications. Looking ahead, the Company plans to incorporate suppliers’ carbon inventory results as an additional scoring factor, progressively enhancing the mechanism for building a low-carbon supply chain. Meanwhile, through policy guidance, training support, and technology sharing, the Company continues to promote initiatives such as energy-saving retrofits, energy efficiency monitoring, and green certification among suppliers, thereby improving the overall emission reduction capacity and resource efficiency of the supply chain.

As a core manufacturing plant, Yatsen has invested in the establishment of Yatsen Biotechnology (Guangzhou) Co., Ltd., which has formulated the Energy and Resource Management System to systematically regulate the usage standards and management processes of water, electricity, and gas. The Company has also implemented a three-tier energy management structure with clearly defined responsibilities across all levels, ensuring the effective operation of its energy management system and further advancing the practical implementation and refinement of the Company’s low-carbon supply chain.



Case Yatsen Biotechnology - Driving Green Production Through Energy Management

As a key product supplier of Yatsen, Yatsen Biotechnology (Guangzhou) Co., Ltd. continues to optimize its energy structure and efficiency, actively building a clean, efficient, and green production system.

In 2024, the plant launched a distributed photovoltaic power generation project, utilizing rooftop spaces (including concrete roofs, color steel sheets, and building-integrated photovoltaics (BIPV) carports) to achieve an installed capacity of 2,324.34 kWp. This generated 2.0525 million kWh annually, equivalent to a reduction of 1,785.68 tonnes of CO₂ emissions. The facility also installed 46 solar-powered streetlights and electric vehicle charging stations, expanding clean energy usage scenarios. In the future, it will procure green electricity, gradually building a diversified low-carbon energy system of “self-generation and self-consumption supplemented by green electricity”.

In terms of energy efficiency improvements, the factory introduced a smart Energy Management System (EMS) for real-time monitoring and precise control of water, electricity, and gas consumption. By dynamically adjusting air compressor operations and optimizing multi-split air conditioning systems, the facility saved 146,000 kWh in 2024. Equipment upgrades included low-nitrogen boilers, variable frequency air compressors, and the phasing out of high-energy-consuming drying equipment, systematically improving energy utilization efficiency and steadily advancing operational emission reduction goals.



Yatsen Biotechnology (Guangzhou) Co., Ltd.

Carbon Footprint of Products

Product carbon footprint certification has become an important means for companies to demonstrate environmental responsibility, strengthen sustainable management, and respond to climate change. It helps systematically identify sources of carbon emissions throughout a product's life cycle. Since 2021, Yatsen has continuously carried out product carbon emission assessments, focusing on raw material acquisition, manufacturing, logistics, usage, and disposal stages. This work extends carbon management from operational activities to the product level, uncovering more opportunities for emission reduction.

Our product carbon footprint verification follows the requirements of ISO 14040:2006 Environmental management - Life cycle assessment - Principles and framework, ISO 14044:2006 Environmental management - Life cycle assessment - Requirements and guidelines, and ISO 14067:2018 Greenhouse gases - Carbon footprint of products - Requirements and guidelines for quantification. A life cycle model is established from raw material production to product disposal, using the European Life Cycle Database (ELCD) and the widely used global database Ecoinvent to calculate the product's full life cycle carbon emissions.

Product Carbon Footprint Verification Results

By the end of 2024, the Company had commissioned third-party professional agencies to complete carbon footprint verification and certification for three products, *Perfect Diary* Weightless Velvet Lip Stain 299, *Perfect Diary* Translucent Blurring Loose Powder, and *Perfect Diary* Slim Heel Lipstick, laying a solid foundation for sustainable beauty.

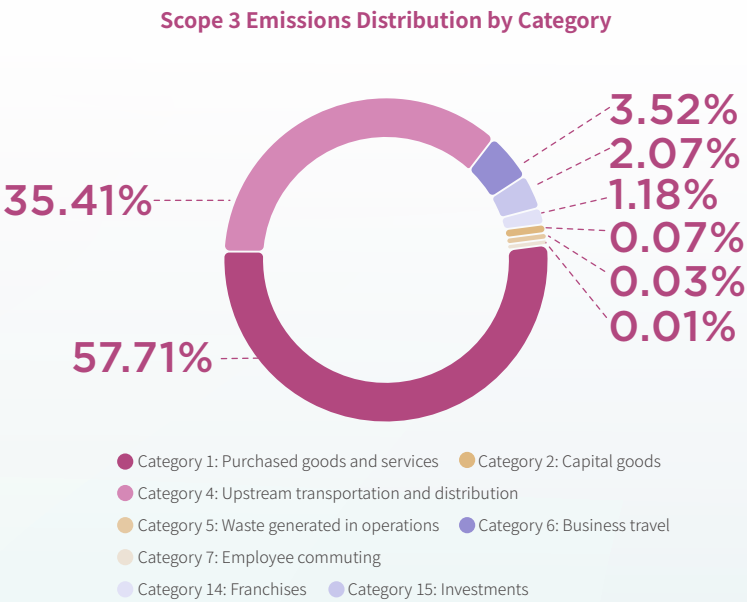
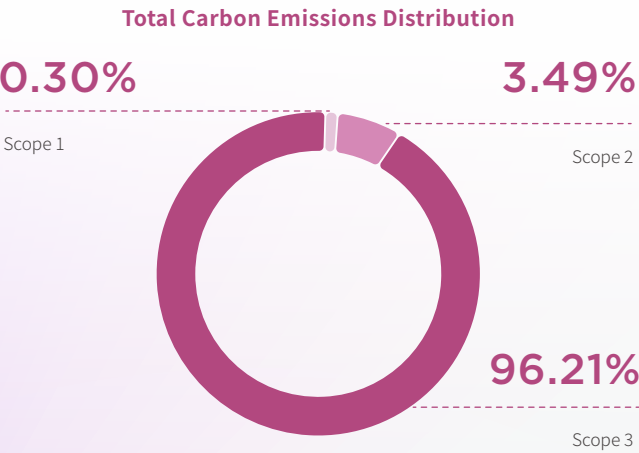


The Company is also actively encouraging key suppliers to carry out product carbon footprint certification. As of 2024, A&H International Cosmetics has completed verification and certification of the Crystal Jelly Lipstick (shade 309), marking a substantial step forward for Yatsen in promoting upstream-downstream collaborative decarbonization.

Performance Highlights

In 2024, Yatsen’s GHG emissions were as follows:

- ✓ Scope 1: **141.07 tCO₂e**
- ✓ Scope 2: **1,632.39 tCO₂e**
- ✓ Scope 3: **45,031.42 tCO₂e**
- ✓ In 2024, our operational greenhouse gas emissions totaled **1,773.46 tCO₂e**, a decrease of **61.7%** from 2023.



Addressing Climate Change

Our Strategy

Yatsen closely follows global trends in climate change and incorporates climate action into our strategic development framework. Referring to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we address governance, strategic planning, risk identification, and metrics management, comprehensively assessing climate-related risks and opportunities, and continuously enhancing climate resilience.

Our Governance

Yatsen has established a systematic climate governance framework, consisting of a three-tier management structure involving the Board of Directors, a coordination group, and cross-departmental execution teams. Roles and responsibilities are clearly defined at each level to ensure the institutionalized implementation of climate risk management and other sustainability initiatives. The Board supervises climate-related governance, regularly reviewing policies, management mechanisms, and performance targets to ensure strategic continuity. Corporate Communications serves as the coordination group for climate risk management, formulating strategies, coordinating cross-departmental resources, and reporting progress to the CFO. The cross-departmental execution team, composed of various functional units, is responsible for implementing sustainability tasks, including climate-related initiatives, ensuring effective company-wide execution.

Our Actions

Yatsen takes the potential impacts of climate change on sustainable operations seriously. Based on different scenarios, we systematically identify and analyze risks, and actively formulate and implement response measures to reduce the potential disruption of climate-related risks to our business.

Climate Risk and Opportunity Identification and Response

Climate change-related risks	Key risk categories	Potential climate change-related risks related to Yatsen	Response initiatives
Transition risks	Policy and legal risks	The international community is increasingly aware of the risks posed by climate change. Therefore, the Company has to meet more compliance requirements, including climate change-related regulatory and disclosure requirements, to develop a global business.	● Tracking and interpreting the dynamics of domestic and international regulations and policies promptly to get to know the requirements for the sale of products in different locations; ● Timely and compliant disclosure of sustainability report (ESG report) according to international disclosure standards.
	Market risks	Consumers are concerned about the natural raw materials of products, plastic reduction, and lightweight packaging, and meeting their requirements for product sustainability has become a key focus of enterprise development.	● Gradually expanding the scope of carbon footprint assessments on our products to lay a foundation for developing lower-carbon products; ● Encouraging upstream supply chains to explore more methods for energy conservation and emission reduction, such as using renewable energy, low-carbon raw materials, and packaging materials.
	Low-carbon technology transition risks	With the acceleration of the global green transition, the Company faces pressure to upgrade technology for the low-carbon transition of production equipment, processes, and supply chains. Failure to adopt green and low-carbon technologies in time may affect product competitiveness and long-term compliance.	● Monitoring developments in green technologies within the industry and assessing the applicability of energy-saving and carbon-reducing innovations to our business; ● Promoting gradual adoption of energy-efficient equipment and clean energy in production and across the supply chain, and exploring the use of digital carbon footprint tools to support energy efficiency evaluations.
	Reputational risks	Public and consumer sensitivity toward brands' environmental responsibilities is increasing. If a company lacks transparency in climate change responses, environmental friendliness of raw materials, or decarbonization actions, or engages in inappropriate practices, it may face public criticism, damaging brand image, and market trust.	● Improving the comprehensiveness and timeliness of climate-related disclosures, strengthening communication of sustainability achievements; ● Proactively participating in environmental public welfare and industry initiatives to build a responsible corporate image; ● Optimizing public opinion monitoring systems to respond promptly to consumer concerns and feedback on environmental issues.
Physical risks	Extreme weather risks	Due to global warming, extreme weather events, such as extreme heat, extreme cold, rainstorms and floods, and typhoons, will increase, which may lead to supply chain disruption or operation suspension of our stores, as well as increased operating costs and business risks.	● Developing emergency plans for different extreme weather impacts, clarifying preventive and response measures, conducting extreme weather drills, and issuing timely warnings to ensure the safety of our employees and stores; ● Appropriately increasing the number of quality suppliers to reduce the impacts of extreme weather events on the supply chain.

The impact of climate change on the external environment not only poses new risks for the Company, but also presents new opportunities.

Opportunity categories	Opportunities	Response initiatives
Market opportunities of green packaging	Consumers have increasing demands for recyclable and biodegradable packaging materials.	Yatsen insists on lightweight packaging, plastic reduction, and recycling of packaging. Its brands continuously carry out green packaging projects and optimize their packaging process. In the future, we plan to gradually promote green packaging and expand the range of brands covered by green packaging, in a bid to provide a solid foundation for enhancing market acceptance.
Using more efficient and eco-friendly transport methods	We can have logistics costs reduced while effectively reducing carbon emissions and meeting national policy requirements.	Optimizing logistics solutions, transforming transport modes, and replacing traditional energy with clean energy.

Climate Risk Management

The Company has established a routine risk communication mechanism to ensure that potential risks are promptly identified and addressed through regular information collection and reporting. Each quarter, we hold dedicated risk meetings where functional departments report key risk matters to the CFO, discuss response strategies, and promote cross-departmental coordination and management efficiency. Building on existing risk management practices, we are steadily integrating climate-related topics into the overall risk governance framework, improving evaluation processes and response mechanisms, and gradually enhancing our ability to identify, manage, and adapt to climate change risks.

Performance Highlights

To actively address climate change and clarify the direction for a low-carbon transition, Yatsen has set carbon emission targets (Please refer to the “Pursuing Carbon Neutrality” section for details). We have also established an environmental performance indicator system to continuously track and evaluate target progress. Each year, we disclose key data in our ESG report, including total greenhouse gas emissions, emission intensity, and energy use, to demonstrate progress in the climate change domain and to receive oversight from stakeholders.

Sustainable Packaging

Our Strategy

Against the backdrop of the beauty industry's accelerated transition toward low-carbon operations, green packaging has become an important driver of sustainable development. The new generation of consumers is increasingly focused on environmental friendliness and health safety, making the environmental performance of packaging a key factor in product selection.

Yatsen is actively advancing a sustainable packaging strategy, focusing on continuous improvements in packaging material sustainability, reduction in volume and weight, plastic reduction, and reusability. The Company encourages the use of renewable or recyclable materials, reducing packaging weight and volume, cutting down single-use plastics, and exploring circular packaging solutions. These efforts aim to minimize the environmental impact of packaging while maintaining product quality and consumer experience.

Our Governance

To systematically promote sustainable management of product packaging, Yatsen has developed and implemented the *Sustainable Packaging Management Policy* in August 2024, which sets out management requirements and phased targets across areas such as material selection, packaging reduction, recyclability, and environmental performance. The Company provides a unified guidance framework for environmentally friendly practices throughout the packaging life cycle, driving each brand to integrate green principles into packaging design and application. By strengthening governance mechanisms, Yatsen is gradually building a comprehensive, sustainable packaging management system that covers the entire process from design and procurement to usage and recycling, promoting the coordinated development of “beauty” and “environmental protection.”

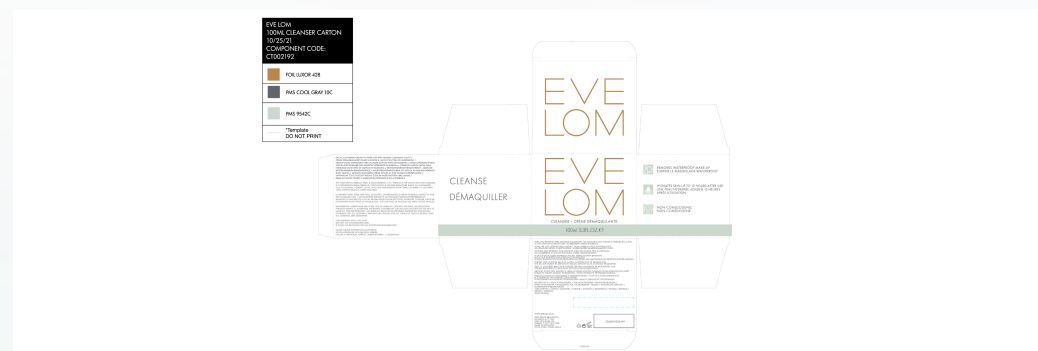
Our Actions

In 2024, Yatsen continued to drive the sustainable transition of product packaging, steadily implementing multiple initiatives in areas such as environmentally friendly colors, plastic reduction, and circular usage, actively putting green packaging concepts into practice.

Using Environmentally Friendly Paper

Yatsen has been advancing the sustainable management of packaging paper, prioritizing the use of Forest Stewardship Council (FSC)[®]-certified paper to ensure legal and traceable sourcing, reduce irresponsible deforestation, and protect ecosystems and biodiversity.

In 2024, the Company further expanded the scope of FSC-certified paper usage, large cartons used in transportation were fully FSC certified, and overseas product gift boxes used certified paper while reducing weight to lower resource consumption and carbon footprint. Multiple brands jointly practiced the green packaging concept: *Galénic* continued to use FSC-certified paper for product boxes in China, and adopted soy-based and water-based inks for all printing to reduce VOC emissions. *EVE LOM* achieved 100% use of FSC-certified recycled paper for outer packaging boxes across its entire product line. While ensuring packaging quality and user experience, the Company continuously optimizes packaging design to fulfill its low-carbon and environmental responsibilities.



FSC-certified Packaging Used in EVE LOM Cleanser

Reducing Plastic Packaging

Yatsen is committed to the green transformation of packaging materials by reducing plastic use and increasing material renewability to minimize environmental impact.

For example, *Galénic* focuses on eco-friendly design across the packaging life cycle, exploring biodegradable and recyclable material alternatives. In 2024, its China-market products removed shrink wrap from outer packaging and eliminated plastic blister components inside, effectively reducing single-use plastic. Its Secret d' Excellence line uses 100% recyclable glass, combining premium quality with environmental performance. The newly launched "No. 2" VA Essence adopts paper-plastic material for inner trays, replacing traditional plastic blister designs to further cut plastic use.

For example, *EVE LOM* is fully transitioning its packaging plastics toward greener alternatives. Outer packaging across the entire product range now uses recyclable or recycled plastics, with a growing proportion of post-consumer recycled (PCR) plastics and bio-based materials. This reduces reliance on virgin plastic and supports the creation of a circular packaging system.

Packaging Reduction

While ensuring functionality and consumer experience, Yatsen continually optimizes packaging structure and material usage through lightweighting and streamlined design to effectively cut resource consumption:

DR.WU launched the Mandlik Oil Control Balance Essence Toner (200ml) **with redesigned packaging that eliminates brown spray coating, thereby reducing the use of coating materials and mitigating environmental impact.**



Little Ondine "Idol" Four-color Eye Palette adopted a faux-magnet design, reducing the use of traditional magnets and composite materials like plastics, **achieving simplified and resource-efficient packaging.**



Galénic further optimized its classic products. Its "Snow Algae" cream introduced a refillable inner jar design, significantly reducing the repeated production of glass jars and **cutting overall packaging by more than 50%**. For its VC series, paper leaflets, envelopes, and labels were removed, and the packaging size for eco-friendly 3-pack and 12-pack formats was reduced, **cutting paper usage by 67% and 32% respectively.**



Promoting Green and Circular Development

Yatsen actively advances the implementation of the “green and circular development” concept across the entire packaging value chain, encouraging consumers, stores, and supply chain partners to participate together in building a more eco-friendly and low-carbon consumption and logistics system. We firmly believe that a truly sustainable packaging system cannot be achieved without broad consumer engagement and recognition.

In 2024, several of the Company’s brands continued to promote and practice packaging recycling advocacy. *Galénic*’s China products uniformly feature the PAP⁴ logo along with sorting instructions on the packaging, recommending consumers place VC ampoules, aluminum foil bags, and gift boxes into recycling bins, raising environmental awareness and promoting resource recycling and reuse. *EVE LOM* participates in international packaging recycling programs and has obtained the Green Dot⁵ symbol to continuously convey the brand’s commitment to environmental protection.

In logistics and warehousing, Yatsen continues to strengthen the reuse of packaging, encouraging directly-operated stores and offline channels to prioritize recyclable cartons, reducing waste from disposable packaging. Looking ahead, the Company will gradually extend the concept of green packaging recycling to more suppliers and partners, jointly expanding the boundaries of sustainable practices.



A Recyclable Logo is Added to the Package of a New *Galénic* Product

A PAP Logo is Added to the Gift Boxes of *Galénic* Products

4. It refers to materials made from recyclable and degradable cellulose fibers.

5. The Green Dot is a packaging recovery and recycling program boasting a Europe-wide network and it is established by PRO Europe (Pro-E), a European packaging recycling organization. The Green Dot symbol on product packaging means that the packaging complies with the requirements of the European packaging directive, the manufacturer has paid the appropriate recycling fee for the packaging, and the product packaging is recovered by Pro-E through its own network.

Performance Highlights

✓ **100%**

EVE LOM’s entire product line uses FSC-certified recycled paperboard for all outer packaging gift boxes.

✓ **100%**

Galénic’s China product outer packaging has 100% eliminated plastic wrap and blister components.

✓ **0.01** tons per RMB10,000 revenue

The packaging material use intensity was 0.01 tons per RMB10,000 revenue, a 74% decrease compared with 2023.

Green Operations

Our Strategy

Yatsen adheres to environmental sustainability as a core priority, continuously advancing green operational practices, striving to build a corporate development model that coexists in harmony with nature, and working with stakeholders to address growing environmental challenges. In 2024, Yatsen Biotechnology (Guangzhou) Co., Ltd. maintained its ISO 14001 Environmental Management System certification, with zero major environmental violations throughout the year.

Our Governance

Yatsen places high importance on managing water resources, waste, and emissions within its operations, continually improving environmental management standards and promoting suppliers to establish sound environmental management systems to strengthen environmental responsibility across the value chain.

As a key upstream partner, Yatsen Biotechnology has established a relatively comprehensive environmental management system, implementing the *Environmental Management Policy*, which clearly defines environmental protection responsibilities and management processes, guiding standardized green operations. Its *Energy and Resource Management System* covers energy use, water resource management, and conservation measures, promoting efficient resource utilization. In terms of pollution control, it has enacted the *Waste Gas Management Standards*, the *Wastewater Management Standards*, and the *Noise Pollution Management Standards* to set emission control requirements, treatment measures, and compliance responsibilities, ensuring that operations meet environmental regulations. Through systematic, standardized management, Yatsen Biotechnology provides strong support for green supply chain construction.



Our Actions

Yatsen continues to strengthen the efficiency of water resource utilization and pollutant discharge control, and continuously optimizes management measures in key areas such as water resource management, waste gas, and waste treatment to promote green operation in daily management practices.

Water Management

- Yatsen continues to strengthen water management, establishing a water usage monitoring and recording system to track daily consumption, enabling timely action to address anomalies or waste, and reducing water loss.
- The Company controls water consumption at the source by promoting water-saving retrofits in offices and operations, using water-efficient toilets, faucets, and shower heads, and conducting conservation campaigns and employee education to raise awareness and promote efficient water use.
- The Company actively promotes practices in water resource recycling among its upstream supplier, Yatsen Biotechnology (Guangzhou) Co., Ltd. Yatsen Biotechnology has continuously advanced reclaimed water reuse initiatives and established a real-time water monitoring system, enabling timely response and corrective actions in the event of abnormalities. These measures have effectively improved water resource efficiency and supported the Company in achieving its full-cycle conservation and circular management objectives.

Waste and Pollutant Management

- Yatsen continues to standardize the management of waste gas, wastewater, and solid waste, equipping facilities with VOC treatment and wastewater treatment systems to ensure compliant emissions. The Company promotes both resource recovery and harmless disposal of waste, properly handling general waste and recyclables, and working with local authorities to collect and process household and kitchen waste. Some kitchen waste is converted into animal feed, and scrap products are used for waste-to-energy incineration, improving waste resource utilization efficiency.
- Moreover, under Yatsen's guidance, upstream supplier Yatsen Biotechnology (Guangzhou) Co., Ltd. actively promotes waste reduction, from source minimization and process control to end-stage disposal. It has continuously improved its waste management system and successfully obtained "Zero-Waste Factory" certification, demonstrating Yatsen's progress in building a green supply chain and enhancing upstream environmental performance.

Performance Highlights

✓ 0 environmental violation incidents

In 2024, Yatsen recorded zero major environmental violations.

✓ 94,120 kg

In 2024, Yatsen's return logistics warehouses recycled and reused 94,120 kg of carton waste.

SDGs covered in this chapter:



ESG issues covered in this chapter: Labor Management, Diversity, Inclusion, and Respect for Human Rights, Human Resource Development, Occupational Health and Safety

04

People-Oriented Philosophy for Shared Prosperity

Yatsen actively promotes a people-oriented philosophy and builds a workplace culture that is diverse, fair, and inclusive. We continuously focus on employee development pathways and well-being, optimize our compensation and benefits system, and develop a rich and diversified cultural activity matrix. These efforts comprehensively support employee development and enable the joint realization of employee value and corporate growth.

Diverse, Equal, and Inclusive Workplace

Our Strategy

Talent is the driving force behind corporate growth. Yatsen upholds a “people-oriented” philosophy and strictly complies with local labor laws and regulations, including the *Labor Law of the People’s Republic of China*, the *Labor Contract Law of the People’s Republic of China*, and the *Provisions on the Prohibition of Using Child Labor of the People’s Republic of China*. We are committed to providing a workplace environment that is diverse, equitable, and inclusive.

Our Governance

We have developed a series of human resource governance documents, including the *Guidelines for Recruitment and Employment Management* and the *Yatsen Headhunting Management Specifications*, and continuously refine the *Employee Handbook*, *Working Hours and Leave Management System*, and the *Internal Referral Program*. This creates a comprehensive and standardized HR system that fully safeguards employees’ legal rights and interests.

We practice the concept of diversity and inclusion by implementing an *Employee Handbook* applicable to all employees, which emphasizes respect for individual dignity and prohibits discrimination based on gender, ethnicity, religion, age, or other factors. We actively protect employee physical and mental health, enabling employees to integrate confidently into the Company. The Company strictly prohibits the use of child labor and forced labor, maintains a zero-tolerance stance toward sexual harassment, and continuously conducts anti-workplace discrimination and anti-sexual harassment training, fostering an open and equitable working environment.

Our Actions

We adhere to principles of compliant employment, safeguard employees’ basic rights through diverse measures, strengthen communication mechanisms, and continuously promote the construction of a diverse, fair, and inclusive workplace.

Compliant Employment

We provide equal opportunities to all job candidates and maintain multiple recruitment channels. Talent is sourced through online platforms, campus recruitment, internal and external referrals, and headhunting. We employ scientific interview procedures to comprehensively assess candidates, follow the decentralized hiring approval process defined in the *Human Resources Approval Authority*, and conduct pre-employment background checks for key candidates to ensure fairness and accuracy in talent acquisition. During the Reporting Period, the Company employed eight people with disabilities through dispatching, providing work positions, and opportunities matching their abilities.

In 2024, Yatsen optimized the *Internal Referral Program*, expanded recruitment channels, established a targeted senior talent search mechanism, introduced additional incentive tiers, and launched dedicated talent acquisition incentives, effectively shortening recruitment cycles and efficiently delivering key talent.

Protection of Rights and Interests

The Company is committed to safeguarding equal rights and interests for all employees and fostering a diverse, fair, and inclusive work environment. Special attention is given to female employees' career development and well-being, providing targeted support and health care. In 2024, we launched the Women-friendly Workplace Program, incorporating pay equity into our Diversity, Equity, and Inclusion strategy, establishing an anonymous monitoring mechanism to track pay disparities, and systematically reducing barriers for women in the workplace, including equal access to promotion opportunities.

Additionally, we actively improve accessibility facilities and service processes to provide equitable and convenient working conditions for persons with disabilities. Through systematic support and continuous optimization, we ensure that every employee is respected, empowered, and able to grow alongside the Company.

Case "Women-friendly Workplace Program"

In March 2024, the Company launched the industry's first "Women-friendly Workplace Program", establishing a support system across three dimensions: health care, diverse benefits, and future growth. For health care, pregnant employees are offered flexible leave, female-specific medical examinations are added to routine checkups, commercial insurance is supplemented to cover female-specific illnesses, and multiple health education activities are organized. In terms of diverse benefits, we host Women's Day fairs with interactive games and gifts, provide priority meal service for pregnant employees and lactation rooms, and the Women's Committee of the labor union advocates for female rights while organizing physical and mental wellness activities. For future growth, targeted support is provided to employees returning from maternity leave to facilitate women's career development.



Launch Ceremony of the Women-friendly Workplace Program

Employee Communication

Yatsen places high importance on actively listening to employee feedback, continuously expanding diversified communication channels, and strengthening two-way communication mechanisms.

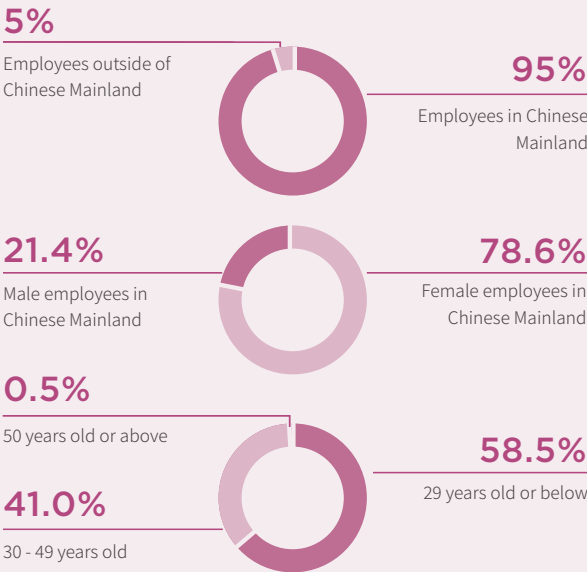
Employee Communication Channels

Townhall Meeting	The management communicates the latest company strategy and medium- to long-term plans to all employees, deepening understanding and engagement in company development.
Strategy Alignment/ Quarterly Management Meeting	The Company holds quarterly strategy alignment meetings and quarterly management meetings to communicate information to management and employees regarding strategy execution, major business decisions, and lessons learned, ensuring organizational alignment.
Labor Unions	The Company has legally established a labor union, elects employee representatives to address staff needs, and safeguards employee rights through an agenda-based mechanism; during the Reporting Period, one employee representative meeting was held.
Employee Grievance Systems	The Company provides dedicated employee grievance channels to handle violations and rights infringements, responding efficiently to complaints while strictly protecting personal privacy.

In 2024, the *Perfect Diary* brand division conducted a satisfaction survey and organizational diagnosis involving nearly 200 employees. Through in-depth employee engagement, organizational health was systematically assessed, management improvement directions were identified, and organizational effectiveness and employee experience were enhanced. Refined methodologies from this survey have been promoted across divisions to elevate overall organizational management capabilities.

Performance Highlights

In 2024, the total number of employees (including overseas employees) of Yatsen reached **1,350**. The distribution of employees by region, gender, and age is as follows:



- 61.5% of senior managers on the Chinese mainland were female
- 16.1% of employees participated in the Share Incentive Plan
- The employment contract signing rate of all employees: 100%
- No major violations of labor or employment laws occurred during the year

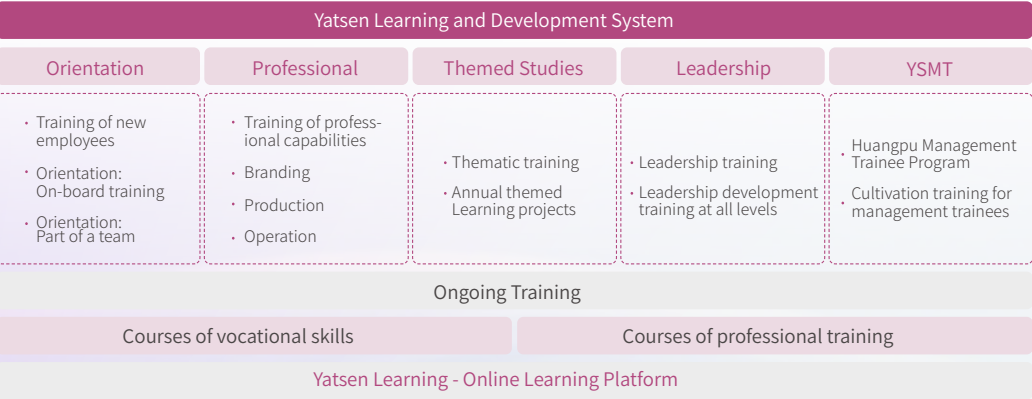
Growth of Talent

Our Strategy

Yatsen places talent development at a strategic priority and systematically builds mechanisms for employee training and growth, continuously driving the full realization of talent value. We are committed to providing clear career development pathways, equal growth opportunities, and diverse platforms for professional advancement.

Our Governance

The Company has established the “Yatsen Learning and Development System” and continuously optimizes it based on employee feedback and corporate development needs. This system addresses diverse skill enhancement requirements and provides high-quality learning and development opportunities for employees.



Our Actions

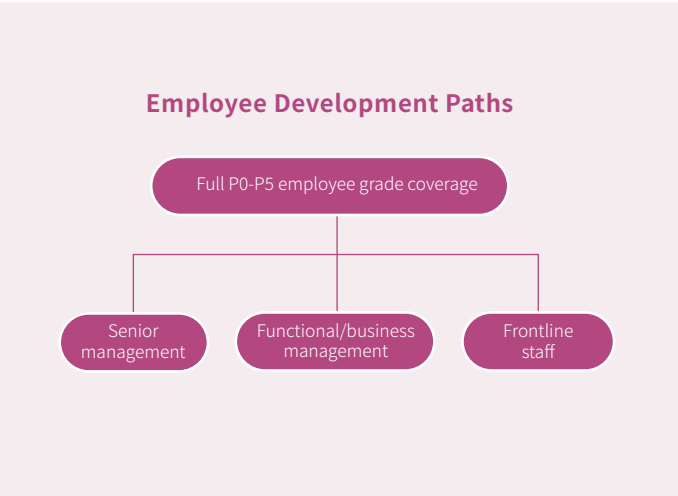
Yatsen continuously refines our training and empowerment system as well as promotion mechanisms, using a dual-track approach to drive employee growth and organizational advancement.

Employee Training

We have built a comprehensive training system covering the full cycle of employee career development. Training is delivered through four main modules: new employee onboarding, quarterly compliance, product updates, and business enablement. Divisional and management-level specialized training programs support management and business upgrades. We have established an innovative knowledge platform, collaborating with external resources to provide cross-disciplinary knowledge sharing and broaden employee perspectives. Internal workshops and business review sessions facilitate experience exchange. In addition, we actively practice social responsibility by opening public training resources to support the inclusive development of talent in the beauty industry.

Employee Development

Yatsen is committed to equitable career development, maintaining a transparent promotion system that broadens pathways for all employee types and aligns talent supply with business development needs. The Company implements regular performance assessments and goal management, providing feedback and coaching to support continuous improvement. In 2024, we continued to use the Balanced Scorecard (BSC) strategic evaluation system to comprehensively assess the performance of the Company, divisional, and functional levels, ensuring goal alignment and focused execution. Additionally, we optimized the individual performance rating system and conducted systematic talent reviews to evaluate employees’ capabilities, potential, and values, matching high-potential employees with fast-track promotion opportunities and strengthening the talent pipeline.



Case Management Improvement Empowerment Courses

In 2024, Yatsen’s brand divisions designed customized courses based on business needs to improve managerial capabilities.

✔ Little Ondine Leadership Training

Targeted 25 newly promoted managers through four modules, coaching-style leadership, high-performance team building, key situational leadership dialogues, and innovative thinking, to enhance lateral influence and problem-solving skills.

✔ DR.WU Core Management Courses

Empowered five brand general manager-level participants using role-play, open sharing, and knowledge Q&A to strengthen role awareness, team building, and cross-department collaboration skills.

✔ Yatsen Premium Skincare Management Training Camp

Covered 32 middle- and junior-level managers, focusing on role awareness, responsibility building, and practical management skills, addressing selfish departmentalism and collaboration challenges.



Divisional Management Improvement Empowerment Classes

Performance Highlights

- ✔ Total employee training hours: **21,801** hours
- ✔ Total trained participants: **5,005** participants

Employee Care

Our Strategy

Yatsen places employee care at the core of our operations, striving to create a safe and healthy working environment. The Company strictly adheres to the *Work Safety Law of the People's Republic of China*, the *Fire Protection Law of the People's Republic of China* and the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, as well as other applicable local laws and regulations, to comprehensively safeguard employees' occupational health and safety. We also offer competitive compensation and benefits, and organize diverse themed activities to enhance employees' sense of belonging and happiness, thereby building a solid talent foundation for sustainable corporate development.

Our Governance

Health and Safety System

Yatsen has established dedicated safety management departments and supervisory bodies to systematically safeguard employee health and safety. We provide employees with safety tools and equipment, conduct regular safety inspections, fire drills, and EHS training. We immediately implement air quality management measures after office renovations to ensure a consistently healthy workplace.

Remuneration System

Yatsen continuously improves our remuneration and benefits system through internal policies such as the *Remuneration Management Manual* and *Performance Appraisal Guidelines*, which clearly define salary structures and management processes to protect employee rights.

We strictly uphold equal pay for equal work, providing a comprehensive remuneration package covering base salary, position allowances, performance bonuses, year-end double pay, and statutory social insurance. Our system mandates the payment of living wages, avoidance or minimization of overtime, payment of overtime wages, compliance with maximum working hours, and provision of paid annual leave. Remuneration is regularly adjusted in line with market benchmarks to maintain competitiveness. Outstanding employees receive bonuses and recognition based on performance evaluations, while key talent are awarded stock options, combining short- and long-term incentives to retain high-quality talent.

Our Actions

We provide employees with a comprehensive remuneration and benefits package, safeguard their physical and mental well-being through diversified initiatives, and organize a variety of activities to ensure holistic care.

Employee Remuneration and Benefits

Yatsen regards diversified employee benefits as a core initiative for enhancing well-being. In addition to fully implementing statutory social insurance and leave entitlements, we offer birthday and holiday gift boxes, complimentary cafeteria meals, commuter shuttle services, flexible attendance arrangements, exclusive employee purchase privileges, wellness space support, various subsidies, and cultural care activities, continuously enhancing our all-around benefits protection system.

As a beauty company filled with female power, we strengthen the competitiveness and fairness of our remuneration and benefits through multi-dimensional policy design, with a particular focus on women's care and dynamic remuneration adjustment mechanisms. In 2024, through our Women-friendly Workplace Program, we provided enhanced health protection for female employees, including free screening for cervical and breast cancers, commercial insurance covering female-specific illnesses, and gynecological health checkups. Our maternity support policy also includes flexible leave for prenatal checkups, offering female employees more inclusive benefits.

Physical and Mental Health of Employees

Yatsen fully safeguards the physical and mental health of our employees, partnering with professional institutions to establish an in-house medical clinic that provides free professional medical services. The Company has fitness centers and sports venues for all employees to use, regularly organizes sports meets and team-building sports activities, and conducts mental health training sessions on topics such as emotional management and stress relief. In addition, we occasionally organize diverse wellness activities such as yoga, singing bowl therapy, and intangible cultural heritage experiences to continuously enhance employee well-being.

To effectively protect employees’ occupational health rights, the Company continues to implement regular health check-up programs. In 2024, based on the Company’s actual conditions and analysis of past health check-up survey results, Yatsen selected a leading domestic health examination institution and, considering the attributes of the e-commerce industry and the age profile of employees, developed a customized health check-up plan, serving a total of 843 employees throughout the year.

In 2024, the Company launched the Ping An Health Commercial Insurance Program, covering 1,257 employees, with an annual claim payout ratio exceeding 90%, including two major illness payouts (RMB 200,000 each). This effectively addressed the difficulties employees face in seeking medical treatment for serious illnesses, significantly improving their well-being and sense of belonging.

Employee Activities

Yatsen adheres to a philosophy of humanistic care, striving to create a healthy and balanced work environment, support work-life balance, and continuously foster employee happiness.

The Company has consistently organized activities such as regular team-building events and afternoon tea parties, and has established employee clubs, including basketball, badminton, and handicrafts. These activities actively engage employees, adding more joy and warmth to their work and life.



Perfect Diary X Le Petit Prince New Product Launch Afternoon Tea



DR.WU Hundred-Person New Year’s Eve Dinner Team-building Activity



Little Ondine Division Team-building Trip



User Operations Division WeChat Video Account Team-building Activity

Case Yatsen Annual Gala

In January 2025, Yatsen held its annual gala under the theme “Your Shining Gala by YSG” (YSG BY YSG), paying tribute to the shining moments of every Yatsen employee. During the event, the Company honored employees who had served for five years, as well as the annual “Love The Moment” award-winning teams. Each honor recognized the dedication and outstanding achievements of employees. In addition to the main venue, the Shanghai and Zhuhai offices simultaneously hosted Spring Festival dinners, where all employees looked ahead to the future and welcomed more glory together.



Your Shining Gala

Performance Highlights

- ✓ We aimed for **0 casualty accidents**, making every effort to protect the health and safety of every employee.
- ✓ In 2024, Yatsen recorded **0** working days lost due to work injury and **0** work-related fatalities.

SDGs covered in this chapter:



ESG issues covered in this chapter: Social Welfare

05

Social Engagement for Graceful Advancements

Yatsen is committed to creating value for society by integrating its own resource advantages and social influence to actively develop and implement social welfare projects in areas such as women's empowerment, nature conservation, and child care. Partnering with governments, universities, and non-profit organizations, the Company takes concrete actions to convey the power of beauty and build a beautiful society with sincerity.

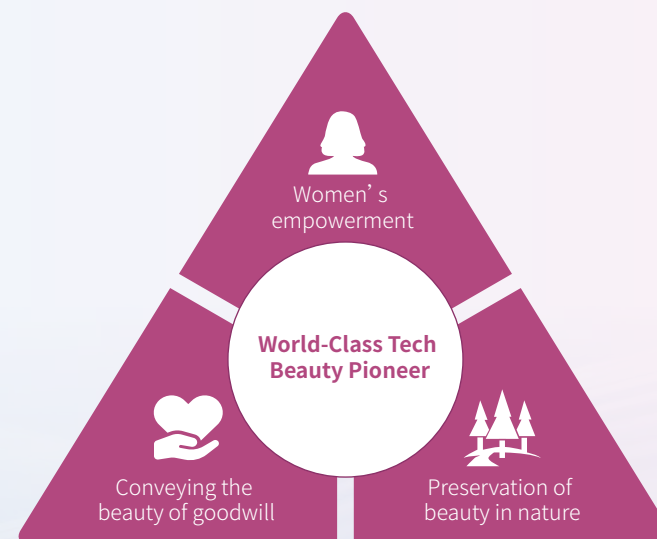
CSR Strategy

In the course of beauty exploration, Yatsen remains committed to discovering, protecting, and creating beauty, and has developed a social responsibility strategy system with its characteristics, which centers on women's empowerment, preservation of beauty in nature, and conveying the beauty of goodwill. Staying true to social responsibility, Yatsen relentlessly increases the breadth and depth of charitable activities, supports the achievement of SDGs, and lets the warmth of responsibility ripple outward to reach farther places.

We have established a public welfare project impact assessment system, setting performance indicators for ongoing projects and continuously tracking them. Evaluation metrics cover dimensions such as direct beneficiaries, indirect impact groups, media exposure, and social recognition, including awards from government and media, as well as public feedback. At key project milestones and upon project completion, we conduct regular impact review assessments to provide important references for optimizing the design and implementation of subsequent projects, ensuring that social responsibility practices are precise and effective.

CSR Strategy of Yatsen

Use Innovation and Know-how to Discover, Protect, and Create Beauty



Women's Empowerment

Yatsen is dedicated to championing the strength of women and creating a broader platform for them to shine. Since 2021, Yatsen has partnered with the China Women's Development Foundation to launch the "Create Better Life with Beauty Makeup" public welfare beauty training program, offering makeup training courses for women. Using an innovative public welfare model of enabling them to master professional beauty skills, the program helps low-income, disadvantaged, and entrepreneurial women acquire professional beauty skills, rekindling their aspirations for a better life.

Over the past four years, nine public welfare beauty training sessions were held in Sichuan, Guangdong, Guizhou, and other regions under the "Create Better Life with Beauty Makeup" public welfare beauty training program, benefiting a total of 362 female participants. In 2024, *Perfect Diary* announced a new chapter of the program, pledging to invest RMB 2 million over the next three years to provide vocational skills training for women in underprivileged areas, improving their employment competitiveness and enabling both employment and entrepreneurship.

Case "Create Better Life with Beauty Makeup" Program Enabled Women in Guizhou to Advance with Their Power

In November 2024, the third season of Yatsen's "Create Better Life with Beauty Makeup" public welfare beauty training officially kicked off in Guizhou, with two training sessions supporting the growth of 80 women. Building on the success of the previous two seasons, the Guizhou program further optimized its training scope. This season's curriculum combined "theory classes + hands-on practice" and added a new course on Internet influencer-style travel makeup, creating a new, locally relevant employment pathway for participants.



The Third Season of Yatsen's "Create Better Life with Beauty Makeup" Public Welfare Beauty Training

Case Plateau Beauty Workshop, Sustainable “Her” Power at 3,500 Meters

In August 2024, at the invitation of the Rangbala Intangible Cultural Heritage Institute, *Perfect Diary* brought products “integrating makeup and skincare” worth hundreds of thousands of RMB and a full set of makeup equipment to Rangtang County, Sichuan, at an altitude of 3,500 meters, to establish the highest-altitude public welfare makeup studio in China for 20 disadvantaged Tibetan women with no prior training.

Three makeup instructors overcame altitude sickness to deliver a one-week systematic training program, covering everything from color theory and 3D base makeup to custom ethnic-style looks. Upon graduation, participants were able to take orders for local festivals and travel photography sessions, also boosting intangible cultural heritage experiences and local cultural tourism. The project, following the model of enabling them to master professional beauty skills, created flexible employment opportunities for Tibetan women and became a sustainable public welfare example of the brand’s “Chinese Beauty” philosophy, contributing to rural revitalization.



Perfect Diary’s First “Public Welfare Makeup Studio” Was Set Up in Rangtang

Case Galénic Co-presented “LA SCIENCE TAILLE XX ELLES” Exhibition, Witnessing “Her” Power in the Scientific Research Field

In November 2024, on the occasion of the 60th anniversary of diplomatic relations between China and France, *Galénic* partnered with the French Embassy in China, the Centre National de la Recherche Scientifique (CNRS), and Femmes & Sciences to jointly host the “LA SCIENCE TAILLE XX ELLES: EXPOSITION FRANCO-CHINOISE” exhibition. The event paid tribute to the critical roles and outstanding contributions of women in scientific research. For the first time, portraits of 20 Chinese female scientists and 20 French female scientists were displayed together, each accompanied by a symbolic object from their respective fields to highlight their personal characteristics and research focus. The exhibition called on the public to break gender stereotypes in science, provide visible role models for women, and promote inclusivity within the industry.



Opening Ceremony of “LA SCIENCE TAILLE XX ELLES” Exhibition

Performance Highlights

- ✓ In 2024, the third season of the “Create Better Life with Beauty Makeup” Program was successfully implemented in Guangzhou with two sessions completed, which empowered **80** disadvantaged women from different cities in Guangdong. The pass rate of the assessments for special skills certificates was over **90%**.
- ✓ Since the launch of the “Create Better Life with Beauty Makeup” program, **9** sessions of beauty training public welfare courses have been held over the past four years in Sichuan, Guangdong, Guizhou, and other regions, benefiting a total of **362** women.

Preservation of Beauty in Nature

Yatsen cherishes nature and continuously explores the beautiful possibilities of harmonious coexistence with all living things. We integrate low-carbon and environmental protection concepts into product design and other processes, promoting our sustainable transformation. Since 2020, we have consistently carried out public welfare activities related to endangered animal protection, stray animal care, and the inheritance of natural cultural heritage, working hand in hand with the public to raise ecological awareness. To further protect the natural ecosystem, we have formulated the *Biodiversity Statement*, publicly disclosing our commitments and action strategies on biodiversity conservation, to promote effective ecological protection.

In collaboration with professional institutions and like-minded partners, Yatsen protects the habitats of endangered and stray animals. We actively participate in industry exchanges, continuously optimizing our communication with the government, media, employees, consumers, and suppliers. Through transparent reporting, vivid projects, and subtle public education, we share every step and reflection in our biodiversity protection efforts. We extend our care to every life in need through funding targeted programs and conducting local rescue operations.



Charity Program of Selling Cat and Dog Eyeshadow Palettes for Animal Protection Launched by Perfect Diary



Charity Program of Retaining Beautiful Colors of China for Red-Crowned Crane Protection Launched by Perfect Diary



Feeding Program for Stray Animals Supported by Pink Bear Joining Hands with Luo Wangyu and TA Foundation

Conveying the Beauty of Goodwill

While driving corporate growth, Yatsen remains steadfast in fulfilling its public welfare responsibilities, continuously investing in children's care, rural development, and volunteer activities. Through diverse public welfare practices, we give back to society, convey the warmth of our brand, and foster the symbiosis of commercial value and social value, allowing the beauty of goodwill to flow continuously.

Care for Children

The comprehensive development and rights protection of children are fundamental to the nation's future and the foundation of social civilization. Yatsen is committed to creating a better growth environment for children in hardship by working with government departments, charitable organizations, and professional institutions. Through diverse measures, such as educational support, psychological care, and livelihood assistance, we sow seeds of hope and warmth for their future.

Before the 2024 Spring Festival, Yatsen brands *Perfect Diary* and *Pink Bear*, in partnership with the Guangzhou House of Hope Charity Service Center, dispatched a team of employee volunteers to visit impoverished families of children with serious illnesses, as well as social workers at Guangzhou House of Hope. They prepared 100 New Year's gift packages worth over RMB 80,000, personally delivering them to the children and extending heartfelt greetings, bringing the warmth and care of the festive season to children and their families living far from home.



New Year Gift Packages Were Delivered to Impoverished Families of Children with Serious Illnesses and Social Workers at Guangzhou House of Hope

Rural Development

In response to the national rural revitalization strategy, and focusing on educational empowerment and resource accessibility, Yatsen organized employee volunteer teams to visit designated schools for targeted assistance. We have continued to advance the "Green Love Computer Classroom" public welfare project by building eco-friendly multifunctional classrooms and implementing a public welfare reuse plan for idle equipment, transforming upgraded corporate electronic devices into educational resources for rural informatization. Beyond building digital teaching infrastructure, we also provide systematic equipment donations and training support to help rural education overcome geographical limitations, injecting lasting momentum into local students' growth and regional sustainable development.

Since 2022, Yatsen has visited rural schools in remote areas of Shaoguan City, Qingyuan City, Zhaoqing City, and three other cities, donating nearly **450** sets of computers, projectors, and other equipment, and building **7** "Green Computer Rooms" for rural schools in mountainous areas of Guangdong Province.



Green Computer Rooms Were Built with Our Donations

Volunteer Activities

Yatsen harnesses the combined strength of its brands and employees, integrating public welfare into brand DNA and deeply engaging through employee volunteer initiatives. These efforts provide sustainable support to diverse social groups, delivering warmth through concrete public welfare actions.

Case

Public Welfare Initiative for Scientific Skincare at Universities

To promote scientific skincare among young people, *DR.WU* launched the “Igniting Youth with *DR.WU*, Shaping the Future through Renewal” Scientific Skincare Campus Public Welfare Program in collaboration with the Brand Expert Committee and the charity organization E-Youth. The first event was successfully held in May 2024 at South China Agricultural University. The project brought together medical research expertise, offering professional acne treatment guidance to university students through dermatologists’ free consultations, innovative MBTI-based skincare scenario interactions, and other engaging formats. A special “Skin Renewal Public Welfare Package” with trial skincare products was prepared for on-site distribution, allowing students to personally experience skin renewal.



“Igniting Youth with *DR.WU*, Shaping the Future through Renewal” Free Medical Consultation

Appendix

Tables of Key ESG Performance

Environmental Performance					
Category	Indicator	Unit	2022	2023	2024
Greenhouse gas emissions	Total greenhouse gas emissions ⁶	ton of carbon dioxide equivalent	64,303.29	44,561.22	46,804.88
	Greenhouse gas emission intensity	ton of carbon dioxide equivalent/RMB10,000 of revenue	0.17	0.13	0.14
	Scope 1 total greenhouse gas emissions ⁷	ton of carbon dioxide equivalent	286.00	242.44	141.07
	Scope 2 total greenhouse gas emissions ⁷	ton of carbon dioxide equivalent	7,163.03	4,388.16	1,632.39
	Scope 3 total greenhouse gas emissions	ton of carbon dioxide equivalent	56,854.26	39,930.63	45,031.42
Use of energy	Total purchased electricity ⁷	kWh	13,348,919.40	8,177,708.96	3,042,105.92
	Total gasoline consumption ⁷	ton	3.79	2.91	13.01
	Total diesel consumption ⁷	ton	55.00	42.00	0
Use of water resources	Total operational water consumption	ton	32,429.76	23,971.33	14,955.30
	Operational water consumption intensity	ton/ RMB10,000 of revenue	0.09	0.07	0.04

6. The greenhouse gas emissions are calculated in accordance with the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard* and the *Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard*, covering Yatsen’s business operations within China. Electricity-related carbon emissions are calculated based on geographical location. The coefficient used in the calculation is the national average carbon dioxide emission factor for electricity in 2022, which is 0.5366 kg CO₂/kWh, as mentioned in the *Announcement on the Release of the 2022 Carbon Dioxide Emission Factors for Electricity* (《关于发布 2022 年电力二氧化碳排放因子的公告》) issued by the Ministry of Ecology and Environment.

7. In 2024, we further refined the statistical criteria and revised the data for 2022 and 2023 under the same criteria.

Environmental Performance					
Category	Indicator	Unit	2022	2023	2024
Nitrogen Oxides (NO _x)	NO _x Emissions	ton	0.20	0.14	0.14
Hazardous waste	Total hazardous waste ⁸	ton	0.31	0.19	0.14
Non-hazardous waste	Total non-hazardous waste ⁹	ton	13.47	7.71	7.00
Use of packaging materials	Total packaging material used	ton	13,446.26	13,021.61	3,400.11
	Packaging material use intensity	ton/ RMB10,000 of revenue	0.04	0.04	0.01
	Packaging material used – Paper-based ¹⁰	ton	10,657.50	10,368.40	2,144.30
	Packaging material used – FSC certified paper-based ¹¹	ton	23.00	35.00	48.00
	Packaging material used – Plastic-based ¹²	ton	2,327.54	2,198.33	878.67
	Packaging material used – Metal-based	ton	263.42	312.34	276.20
	Packaging material used – Wood-based	ton	0.00	0.00	0.00
	Packaging material used – Glass-based	ton	46.30	65.80	71.50
	Packaging material used – PU Leather-based	ton	127.00	75.00	27.00
	Packaging material used – Cloth-based ¹³	ton	1.50	1.74	2.44

8. The scope of statistics includes waste toner cartridges and ink cartridges and covers Perfect Diary’s directly-operated offline stores in China, EVE LOM’s directly-operated offline stores in China, and Galénic’s directly-operated offline stores in China.

9. The scope of statistics includes office paper, marketing receipts (thermal paper), domestic waste, and kitchen waste, and covers employee office premises, Perfect Diary’s directly-operated offline stores in China, EVE LOM’s directly-operated offline stores in China, and Galénic’s directly-operated offline stores in China.

10. The scope of statistics for paper packaging materials covers seven OEM/ODM factories, directly-operated warehouses, Perfect Diary’s directly-operated offline stores in China, EVE LOM’s directly-operated offline stores in China, and Galénic’s directly-operated offline stores in China. As all shipping operations were outsourced in 2024 and directly-operated warehouses only handled return logistics, the consumption of paper packaging materials decreased significantly compared with 2023.

11. The scope of statistics covers seven OEM/ODM factories.

12. The scope of statistics covers seven OEM/ODM factories and directly-operated warehouses. As all shipping operations were outsourced in 2024, the directly-operated warehouses were only responsible for return logistics, leading to a significant decrease in plastic consumption compared with 2023.

13. The scope of statistics covers six OEM/ODM factories.

Social Performance					
Category	Indicator	Unit	2022	2023	2024
R&D	R&D investment	RMB million	About 130	112	110
	Total number of intellectual property rights acquired domestically and abroad	/	4,052	4,693	4,726
Employee composition	Total number of employees(Including the overseas employees)	person	1,837	1,505	1,350
	Number of employees in China	person	1,772	1,430	1,277
	Number of male employees in China	person	381	308	273
	Number of female employees in China	person	1,391	1,122	1,004
	Number of employees aged 29 or below in China	person	1,250	914	747
	Number of employees aged between 30 and 49 in China	person	515	510	523
	Number of employees aged 50 or above in China	person	7	6	7
	Number of junior managers in China	person	/	/	67
	Number of junior female managers in China	person	/	/	42
	Number of junior male managers in China	person	/	/	25
	Number of senior managers in China	person	/	/	52
	Number of senior female managers in China	person	/	/	32
	Number of senior male managers in China	person	/	/	20

Social Performance					
Category	Indicator	Unit	2022	2023	2024
Employee composition	Total number of new employees	person	/	/	707
	Total number of new female employees	person	/	/	544
	Total number of new male employees	person	/	/	163
	Total number of employees left	person	/	/	871
	Total number of female employees left	person	/	/	675
	Total number of male employees left	person	/	/	196
Employees' rights and interests	Labor contract signing rate	%	100	100	100
	% of employees who owned outstanding shares of Yatsen	%	15.5	21.6	16.1
Employee training	Total hours of training received by employees	hour	14,012	4,342	21,801
	Total hours of training received by male employees	hour	2,802	1,097	4,521
	Total hours of training received by female employees	hour	11,210	3,245	17,280
	Total hours of training received by management staff	hour	1,618	165	1,962
	Total hours of training received by general staff	hour	12,394	4,177	19,839
	Percentage of full-time employees receiving training on business ethics	%	100	100	100

Social Performance					
Category	Indicator	Unit	2022	2023	2024
Occupational health and safety	Total number of days lost due to work-related injury	day	84	0	0
	Number of work-related fatalities	person	0	0	0
Supplier composition	Number of direct suppliers in China	/	151	145	131
	Number of core suppliers in China	/	7	7	7
Public welfare investment	Total amount of charitable donations	RMB10,000	474	219.7	225.7

Appendix

GRI Indicator Index

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organizational details	About Us
	2-2 Entities included in the organization’s sustainability reporting	About This Report
	2-3 Reporting period, frequency and contact point	About This Report
	2-6 Activities, value chain and other business relationships	About Us Exquisite Craftsmanship with Innovative Products
	2-7 Employees	People-Oriented Philosophy for Shared Prosperity
	2-9 Governance structure and composition	Science-based Governance for Robust Growth
	2-10 Nomination and selection of the highest governance body	Science-based Governance for Robust Growth
	2-25 Processes to remediate negative impacts	Science-based Governance for Robust Growth Exquisite Craftsmanship with Innovative Products People-Oriented Philosophy for Shared Prosperity
	2-26 Mechanisms for seeking advice and raising concerns	Science-based Governance for Robust Growth
	2-29 Approach to stakeholder engagement	Science-based Governance for Robust Growth

GRI Standard	Disclosure		Location
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Science-based Governance for Robust Growth
	3-2	List of material topics	Science-based Governance for Robust Growth
	3-3	Management of material topics	Science-based Governance for Robust Growth Exquisite Craftsmanship with Innovative Products Green Development Toward a Better Future People-Oriented Philosophy for Shared Prosperity Social Engagement for Graceful Advancements
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Appendix-Tables of Key ESG Performance
	201-2	Financial implications and other risks and opportunities due to climate change	Green Development Toward a Better Future
	201-3	Defined benefit plan obligations and other retirement plans	People-Oriented Philosophy for Shared Prosperity
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Exquisite Craftsmanship with Innovative Products Social Engagement for Graceful Advancements
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Exquisite Craftsmanship with Innovative Products
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Science-based Governance for Robust Growth
	205-2	Communication and training about anti-corruption policies and procedures	Science-based Governance for Robust Growth
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Green Development Toward a Better Future Appendix-Tables of Key ESG Performance
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Green Development Toward a Better Future Appendix-Tables of Key ESG Performance
	302-3	Energy intensity	Appendix-Tables of Key ESG Performance

GRI Standard	Disclosure		Location
GRI 303: Water and Effluents 2018	303-5	Water consumption	Appendix-Tables of Key ESG Performance
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Appendix-Tables of Key ESG Performance
	305-2	Energy indirect (Scope 2) GHG emissions	Appendix-Tables of Key ESG Performance
	305-3	Other indirect (Scope 3) GHG emissions	Appendix-Tables of Key ESG Performance
	305-4	GHG emissions intensity	Appendix-Tables of Key ESG Performance
	306-1	Waste generation and significant waste-related impacts	Green Development Toward a Better Future
GRI 306: Waste 2020	306-2	Management of significant waste-related impacts	Green Development Toward a Better Future
	306-3	Waste generated	Appendix-Tables of Key ESG Performance
GRI 308: Supplier Environmental Assessment 2016	308-2	Negative environmental impacts in the supply chain and actions taken	Exquisite Craftsmanship with Innovative Products
GRI 401: Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	People-Oriented Philosophy for Shared Prosperity
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	People-Oriented Philosophy for Shared Prosperity
	403-5	Worker training on occupational health and safety	People-Oriented Philosophy for Shared Prosperity
	403-6	Promotion of worker health	People-Oriented Philosophy for Shared Prosperity
	403-9	Work-related injuries	Appendix-Tables of Key ESG Performance
	403-10	Work-related ill health	People-Oriented Philosophy for Shared Prosperity
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Appendix-Tables of Key ESG Performance

GRI Standard	Disclosure		Location
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	People-Oriented Philosophy for Shared Prosperity Appendix-Tables of Key ESG Performance
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Social Engagement for Graceful Advancements
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Exquisite Craftsmanship with Innovative Products
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Exquisite Craftsmanship with Innovative Products

Feedback

Dear Readers,

Hello! Thank you very much for taking the time to read the 2024 Environmental, Social and Governance Report of Yatsen. This is the fourth report published by Yatsen to the public since its listing. In order to continuously improve the preparation of our sustainability report and enhance the sustainability of the Company, we especially hope to listen to your opinions and suggestions. Please fill in the feedback form and return to us as follows.

Please scan the QR code below and provide your opinions and suggestions on this Report:



You can give your opinions or suggestions through the following channels:

 Company address: 39F, Poly Development Plaza, No. 832 Yuejiang Zhong Road, Haizhu District, Guangzhou 510330, the People's Republic of China

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YSG逸仙