



2025

**Environmental, Social and Governance Report
Yatsen Holding Limited**

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CEO's Message

At Yatsen, sustainable development has never been an add-on to the business, but an integral pillar to creating long-term corporate value.

2025 marked the ninth anniversary of Yatsen. We have come to recognize even more clearly that long-term corporate value is shaped not only by business growth, but also by its enduring responsibilities to consumers, employees, partners, and society. Over the past year, we further clarified our vision of becoming a “World-Class Tech Beauty Pioneer”. For us, “world-class” means more than taking our business global. It denotes earning consumers’ trust through innovation and outstanding products, and building a business that can thrive responsibly for the long term.

黄锦峰

Founder, Chairman of the Board, and CEO of Yatsen
Huang Jinfeng



Realizing long-term value starts with a strong foundation of sound governance.

Yatsen has established a sustainable governance system centered on the Board of Directors, integrating business ethics, risk management, information security, and compliance into day-to-day decision-making. As artificial intelligence and digital technologies become increasingly embedded in our operations, we are paying greater attention to data security and to the boundaries of responsible technology use. Scientific governance is not a set of rules that sits apart from the business; it is the groundwork on which we build trust and pursue robust sustainability.

Driving long-term value lies in competitive strength built through scientific innovation. It is also the most important pillar underpinning Yatsen's ambition towards a "World-Class Tech Beauty Pioneer".

In recent years, we have drawn on our R&D capabilities in Guangzhou, Shanghai, and Toulouse, France, together with the "Yatsen Open Lab" open innovation platform, to build an end-to-end R&D system. In 2025, we garnered fruitful achievements in new ingredient filings, core technology research, and industry-academia collaboration, and released the first systematic innovation white paper in China's beauty industry. Our intensive investment in R&D and innovation is ultimately about creating better products and greater value for consumers in a consistent, sustainable, and dependable way. From my perspective, that is the most meaningful measure of a company's growth.

Creating long-term value denotes pursuing greener and more sustainable development. We integrate environmental considerations into product design, packaging, and supply chain partnerships. In 2025, we continued to promote lightweight packaging, the use of recyclable materials, and plastic reduction. True green transformation means moving the entire value chain toward a lower-carbon and more sustainable future. Looking ahead, we will make relentless efforts to achieve net zero and carbon neutrality.

Generating long-term value ultimately rests on our talents. One of our core values is "Keep Young, Be Happy", a commitment to staying curious, open-minded, and eager to learn. We strive to nurture a workplace where our employees can find a sense of fulfillment and achievement while creating value for consumers and pursuing their growth. Continued investment in learning and development, coupled with a strong focus on employee well-being, helps build an organization capable of learning, adapting, and remaining resilient in the face of change.

Long-term value understands boundaries beyond products and business. Anchored by our philanthropic vision of "Use Innovation and Know-how to Discover, Protect, and Create Beauty," we are devoted to supporting female development, caring for children, rural education, and other areas. In 2025, we continued to advance initiatives such as the "Create Better Life with Beauty Makeup" public welfare training program and Guangzhou House of Hope Charity Service Center. Even helping one person acquire a new skill can make a meaningful difference. It is through these seemingly small changes that the true meaning of giving back to society comes to life.

Looking back on 2025, our continued efforts across scientific governance, technological innovation, green development, talent development, and social impact have reinforced a fundamental belief: **corporate resilience is not just weathering change but staying true to a long-term vision through it.** Remaining user-centric and innovation-driven, we commit ourselves to excellence in products, environmental stewardship, respect for talent, and social care in everything we do every day. Greater attention will be paid to the voices of our consumers, employees, partners, and society at large. In the spirit of openness and collaboration, long-term value will be built for all.

We believe that **becoming a "World-Class Tech Beauty Pioneer" is not merely about how far we go, but about how responsibly and sustainably we get there.**

About This Report

▲ Introduction

This report is the fifth Environmental, Social and Governance (ESG) Report released by Yatsen Holding Limited (“Yatsen”, “we” or the “Company”). As a leader in China’s beauty industry, Yatsen builds on its research and development and data capabilities to steadily enhance product competitiveness, brand influence and operational efficiency, striving to become a world-class pioneer in beauty innovation. The Company fully integrates ESG principles into business decisions and daily management, maintains ongoing communication with stakeholders, and addresses concerns of consumers, employees and the public with tangible actions to drive long-term and robust corporate development.

▲ Preparation Basis

This report references 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 international rating agencies including S&P Global, alongside outstanding domestic and international industry practices. Meanwhile, the report is compiled with consideration of feedback from stakeholders such as the Company’s directors and investors, as well as Yatsen’s current stage of development and actual performance in social responsibility.

This report has been compiled in accordance with established procedures. Key steps cover identifying and prioritising material ESG issues, defining the reporting boundary, gathering and verifying relevant data, drafting the report, and conducting reviews of all contained information.

▲ Reporting Boundary

This report covers information and data of Yatsen and its subsidiaries for the period from January 1 to December 31, 2025 (the “Reporting Period”). For material matters closely tied to the Company’s operations, reporting coverage is reasonably expanded to include periods preceding and following the reporting period. The reporting scope aligns with the scope of the Company’s consolidated financial statements, highlighting the Company’s ESG management and practices during the Reporting Period.

▲ Access to This Report

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 2025

ESG Highlights in 2025

Corporate Governance



100%

of employees took part in business ethics training



137

million(RMB)

R&D expenses

3.2%

of our total net revenue



269

applied for patents

240

obtained granted patents

Environmental Responsibility



100%

of folding cartons for *Galénic* products in the Chinese market and *EVE LOM* products are made from FSC-certified paper and printed with soy-based ink.



153

R&D personnel

We employed

49

with master's degree

6

with doctor's degree

including 10 utility model patents

158

design patents

72

invention



1,139.63

tCO₂e

Our operational greenhouse gas emissions, a **35.74%** decrease compared with 2024

0.01

tons per RMB 10,000 of revenue

The packaging material use intensity



4,523,560

person-times

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



92.86%

The average customer satisfaction rate of all brands on Tmall and Douyin was

Our Highlights in 2025

ESG Highlights in 2025

Responsibility for Employees



60.7%

of senior managers in Mainland China were female



63%

of employees in STEM-related positions were female



12,575

hours
The total training hours reached

72%

of managers in revenue-generating functions were female

11.3%

of employees participated in the Share Incentive Plan

Social Influence



1.50 million(RMB)

Yatsen recorded an annual total charity donation



482

female participants
Since its launch of the “Create Better Life with Beauty Makeup” program, we have delivered 12 public welfare training sessions in Sichuan, Guangdong, Guizhou and other regions, benefiting

¹STEM: Science, technology, engineering and mathematics.

✦ ESG Honors in 2025 ✦

“Green Influence Award” of Shanghai International Carbon Neutrality Expo in Technologies, Products and Achievements

Council for the Promotion of
International Trade Shanghai



Sustainable Development Practice Achievement of Fourth “Xinhua Credit Jinlan Cup”

China Economic Information
Service



Iyiou 2025 China Top 10 Enterprises in New Consumption Sustainable Development

Iyiou



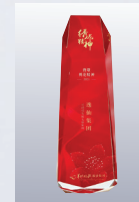
Golden Lion Good Reputation “Annual Model of New Quality Development”

Information Times



Embroidery Spirit - “Sustainable Development Pioneer Case”

Yangcheng Evening News



2025 City Brand Influence Award “Outstanding Partner for Urban Development”

Guangzhou Daily



ESG Award

WWD BeautyInc Awards



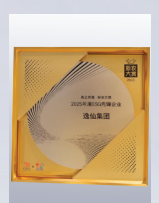
2025 SIA Alliance Enterprise Qualification

SIA Alliance



ESG Pioneer Enterprise Award

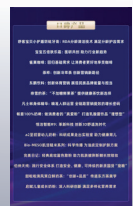
C2CC Media



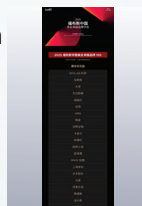
✦ Brand Honors in 2025 ✦

▲ Perfect Diary

2024 National
Consumption ·
Word-of-Mouth
Product Award
people.cn



2025 Forbes China
Beauty Industry
Excellence Brand
100
Forbes



Color Cosmetics
“Product Innovation
Breakthrough of the
Year” Award
WWD BeautyInc Awards



The “Assurance
Award” for
Domestic Makeup
Brands of 2025
Jiemian News

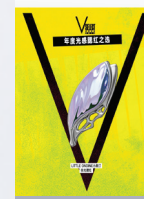


VOGUE “Innovation
Makeup Formula
Award”
VOGUE



▲ Little Ondine

V SELECT 2025
Luminous Blush of
the Year
V Magazine



2025 Fashion Consumption
Trendsetter Award
2025 Outstanding Product
Innovation Award
China Consumer
Innovation Conference



2025 Vanity Teen
New Year's List
Vanity Teen



2025 New Domestic
CoolTop100 Product
Award
lyiou



ViVi 2025 Beauty
Awards — Makeup
Category
ViVi



✦ Brand Honors in 2025 ✦

▲ *Pink Bear*

Annual Water-Glow Plumping Lip Gloss Award

BEAUTY



2025 FMagazine Beauty Art Awards - Summer Eyeshadow Award

FMagazine



2025 Fashion Consumption Leadership Award

2025 China Consumption Innovation Conference



VOGUE Beauty Awards 2025 Nominee

VOGUE



2025 Vanity Teen New Year's Ranking List: Annual Vibrant Iridescent Makeup Rankings

Vanity Teen



2025 Trendsetting Product Innovation Award

2025 China Consumption Innovation Conference



▲ *DR.WU*

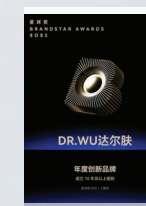
Award for Innovative Research Contributions in the Field of Acne

Umer



2025 Planet Awards "Innovative Brand of the Year"

VRAR Planet



ViVi 2025 Annual Beauty Awards Skincare List

ViVi



✦ Brand Honors in 2025 ✦

▲ Galénic

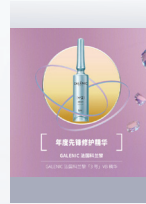
ECO-INNOVATION & CIRCULARECONOMY AWARD - 2025 AWARDS

CCI FRANCE CHINE



2025 Year-End Fashion COSMO Beauty Awards Annual Pioneer Repair Serum

Fashion.COSMO



L'OFFICIEL 2025 Beauty Awards · Luxury Anti-Aging Pioneer Award

L'OFFICIEL



BAZAAR Art Awards 2024: Sci-Tech Skincare Aesthetic Space of the Year

BAZAAR



2024 ELLE Beauty Star Prestigious Scientific Research High-Energy Award

ELLE



Galénic's VA, VB, and VC serums have been selected as a scientific innovation paper for the IFSCC

IFSCC Congress



▲ EVE LOM

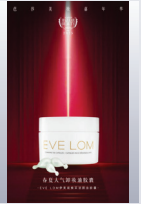
JD Beauty "Joy of Beauty Award" Treasure Product of the Year

JD Beauty



2025 BAZAAR Beauty Awards — Spring/Summer Beauty Awards

BAZAAR



L'OFFICIEL 2025 Beauty Awards · Luxury Healing Wrinkle-Smoothing Eye Oil Award

L'OFFICIEL



EVE LOM "Qianjin Cream" Research Paper Selected for IFSCC

IFSCC Congress



2025 SpaChina Most Popular Spa Product of the Year

SpaChina



About Us

Company Profile

Founded in 2016, Yatsen (NYSE: YSG) is a multi-brand beauty group born in China with a global footprint. In November 2020, Yatsen was officially listed on the New York Stock Exchange, making history as the first Chinese beauty company to go public on the US stock market. Guided by its vision of becoming a world-class pioneer in beauty innovation, the Company manages a portfolio of high-growth color cosmetics and skincare brands, including *Perfect Diary*, *Little Ondine*, *Pink Bear*, *DR.WU* (its Chinese Mainland business), *Galénic*, and *EVE LOM*. Through this diversified brand matrix, Yatsen not only meets the personalized needs of consumers worldwide but also continuously drives Chinese beauty brands toward the global stage.

R&D is the core driving force of Yatsen. Since 2020, the Company has continuously increased its investment in scientific research, with cumulative R&D expenses nearly RMB 700 million. For four consecutive years, R&D expenditure has accounted for more than 3% of total net revenues, placing Yatsen in the top tier of the global beauty industry. The Company has established multiple R&D centers in Guangzhou, Shanghai, and Toulouse (France), integrating world-class scientific resources through its strategic "1-3-4-6-20" global R&D innovation framework. To date, Yatsen has formed deep collaborative partnerships with renowned domestic and international institutions, such as Ruijin Hospital, Sun Yat-sen University, Hôpital Saint-Louis, and Lubrizol, while pioneering the "Yatsen Open Lab" global R&D ecosystem. As of December 31, 2025, the Company has filed 269 patents worldwide, including 84 invention patent applications and 72 authorized invention patents. On the supply chain front, Yatsen and COSMAX, a world-leading beauty manufacturer, have established a joint-venture production base that is leading in Asia. This facility possesses advanced manufacturing capabilities across multiple categories, ensuring international first-class standards for product quality.

As part of its steady global expansion, Yatsen's business now spans core markets across Asia, Europe, and North America. The Company has established offices in Guangzhou, Shanghai, Toulouse, London, New York, Tokyo, and Paris, building a highly internationalized operations team. Meanwhile, Yatsen regards sustainable development as a fundamental long-term responsibility. Driven by its outstanding ESG performance, the Company was awarded an "A" rating by MSCI, the world's largest index company, for two consecutive years, making it the only Chinese beauty company to achieve this distinction. Moving forward, Yatsen will continue to integrate high-quality global scientific resources and deepen brand equity, dedicating itself to bring more technologically advanced and innovative beauty experiences to consumers worldwide.

Corporate Culture



Corporate Vision

World-Class Tech Beauty Pioneer

Values

Drive, Smart, Beauty
All In
Keep young, Be happy

Create values for customers,
partners, and employees

Results-oriented, respect KPI

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



Brand Matrix



Perfect Diary



Little Ondine



Pink Bear



DR.WU



Galénic



EVE LOM

Scan the QR code to get the latest news from brands.

01

Science-based Governance Nurturing the Foundation of Beauty

Yatsen upholds the principles of science-based governance, has established a standardized sustainability governance framework, and continuously improves the management mechanisms for corporate governance, business ethics and information security. The Company consolidates operational foundations with prudent compliance, safeguards data and privacy security through systematic protection, and steadily improves governance effectiveness, thus laying a solid foundation to support robust growth.

SDGs covered in this chapter



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

Sustainability Governance

Sustainability Governance Structure

Yatsen has established a three-tier sustainable development governance framework with the Board of Directors at its core, along with the Planning and Coordinating Group and the Cross-departmental Project Execution Team jointly driving ESG work. The Board, as the highest decision-making and oversight body, is responsible for reviewing ESG governance strategies, action directions and major matters, and for regularly overseeing relevant work progress and performance. The Public Affairs Department acts as the coordination group, managing day-to-day ESG administration and assisting in the preparation of the ESG report. The Cross-departmental Project Execution Team covers departments related to corporate governance, environmental management, production safety, chemical safety, employee management, and customer service. It coordinates and executes ESG deliverables and makes regular progress reports.

The Board



- Oversee major ESG-related issues
- Formulate ESG governance strategies and action plans

Planning and Coordinating Team



- Plan, coordinate, and manage ESG-related issues
- Assist in the preparation of ESG reports

Cross-departmental Project Execution Team



- Take charge of the communication, implementation, and execution of ESG issues according to work modules

Communication with Stakeholders

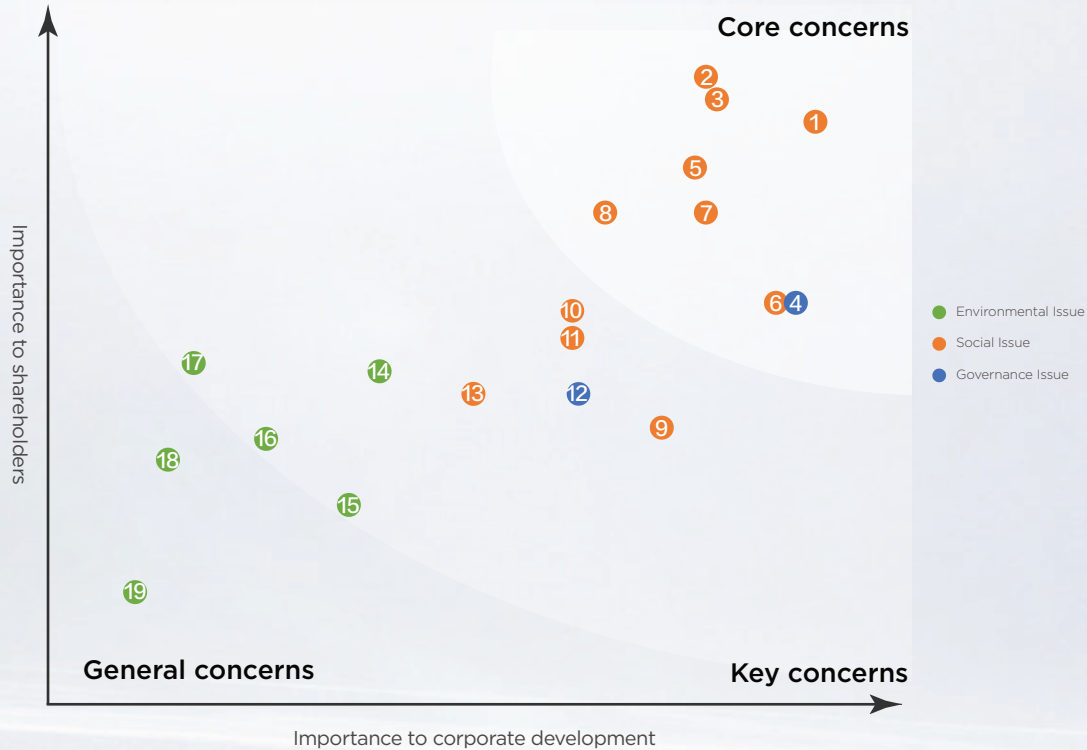
Yatsen keeps optimizing dialogue channels with major stakeholders and collects opinions through investor communication, customer feedback, employee engagement, supplier collaboration and community interactions. The Company actively listens to and responds to stakeholder concerns. The Company incorporates stakeholder demands and proposals into ESG issue management and practice optimization, collaborating with all stakeholders to jointly explore a sustainable future.

Stakeholders	 Consumers	 Investors	 Employees	 Suppliers	 Government and regulatory agencies	 Community and public
Expectations	- 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	- 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

During the Reporting Period, the Company identified 19 material ESG issues based on stakeholder engagement, peer benchmarking, capital market ESG priorities, and best practices of domestic and international peers. Based on these material ESG issues, we conducted materiality assessments via questionnaire surveys, resulting in ESG priorities incorporating feedback from directors, senior management, employees, consumers, investors, suppliers, media and other stakeholders, which serve as the foundation for compiling this year's ESG report and determining key disclosure priorities.

Analysis of Material Issues in the ESG of Yatsen



Prioritization of Yatsen's Material ESG Issues

Core concerns	1	Labor Management
	2	Product Quality and Safety
	3	Diversity, Inclusion, and Respect for Human Rights
	4	Business Ethics
	5	Chemical Safety
	6	Product R&D and Innovation
	7	Occupational Health and Safety
	8	Human Resource Development
Key concerns	9	Social Welfare
	10	Information Security and Privacy
	11	Customer Service and Responsible Marketing
	12	Corporate Governance
	13	Sustainable Supply Chain
	14	Emissions and Waste
	15	Biodiversity
	16	Addressing Climate Change
	17	Sustainable Packaging
General concerns	18	Water Management
	19	Carbon Management

Based on the above materiality assessment results, Yatsen prioritizes core issues that garner significant stakeholder attention and bear close relevance to corporate operations and long-term growth. In line with the Company's business characteristics and daily management practices into consideration, we have sorted out the potential impacts of relevant issues as well as their correlations with long-term corporate development. This enables us to better understand stakeholder concerns, clarify management priorities for sustainable development, and provide references for subsequent management initiatives.

Impact Analysis of Core Concerns of Yatsen in 2025

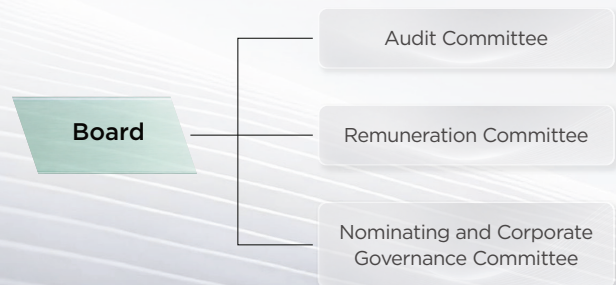
Core concerns	Impact analysis
Labor Management	Standardized labour management helps safeguard employees' legitimate rights and interests and foster a fair and stable workplace. In addition, it stabilizes the talent pool, improves organizational efficiency, and reduces costs and risks stemming from staff turnover and labour disputes.
Product Quality and Safety	Sound full lifecycle quality management safeguards consumers' health rights and interests, enhances product safety and quality stability, strengthens consumer confidence and underpins business growth. Meanwhile, it cuts costs and risks associated with product returns, exchanges, recalls and indemnities.
Diversity, Inclusion, and Respect for Human Rights	A diverse, equitable and inclusive workplace safeguards employees' fundamental rights and fair opportunities for career advancement. It boosts talent attraction, team innovation capacity and consumer insight. Additionally, it mitigates compliance and reputational risks arising from employee turnover as well as incidents of discrimination, harassment and other related misconduct.
Business Ethics	Honest and transparent business practices protect the rights and interests of stakeholders and foster a fair and orderly market environment, building greater trust among business partners and investors. Meanwhile, it mitigates legal, financial and reputational risks triggered by corruption, bribery, unfair competition and conflicts of interest.
Chemical Safety	Robust chemical management safeguards the health and safety of consumers and relevant personnel, minimizes potential ecological impacts, improves product safety, and effectively protects consumers' health rights and interests. Concurrently, it reduces operational costs and business risks arising from product rectification, recalls and other remedial actions.
Product R&D and Innovation	Sustained R&D and innovation capability serves as the core driving force enabling the Company to capture industrial development opportunities and retain competitive advantages. R&D and innovation help boost product efficacy and user experience, deliver higher-quality, diversified products to consumers, and expand avenues for product and business growth.
Occupational Health and Safety	Sound occupational health and safety management safeguards the physical and mental well-being of employees and relevant operating staff, fosters a secure and stable workplace, and underpins business operation stability.
Human Resource Development	A robust talent development system helps improve employees' professional capabilities and career development, enhances organizational innovation capacity and strategic execution. Meanwhile, it alleviates talent shortages, reduces staff turnover and external recruitment costs, delivering reliable talent safeguards for long-term corporate development.

Corporate Governance

Governance Structure

We have established our Board and its Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee in compliance listing rules in the United States. Investors may access information including directors' profiles and the responsibilities of each specialized committee via the Company's investor relations website. In 2025, the attendance rate for all board meetings was 100%, with all directors present at every session.

Governance Structure of Yatsen



Board Diversity

Yatsen attaches importance to the diversity and professionalism of the Board composition. In the process of nominating and appointing directors, the Company comprehensively takes into account factors including gender, age, industry experience, professional background and educational experience. We maintain ongoing monitoring of the proportion of female directors and independent directors. Drawing on diverse knowledge systems and perspectives, it facilitates sound decision-making by the Board to align with the Company's strategic development and market changes.



Risk Management

Sustainable corporate development hinges upon stable and robust operations. Yatsen keeps optimizing frameworks covering risk management, internal control and compliance governance. The Company reinforces the full-cycle management including identification, assessment, response and monitoring of critical risks, thereby safeguarding stable business operations.

Risk Management Framework

The Company continues to refine the internal control and risk supervision mechanism jointly implemented by functional departments including Audit, Risk Control, Legal and Finance under Board authorization and Audit Committee oversight. As the Company's independent internal audit department, the Internal Audit and Internal Control Department participates in internal risk control, inspection and supervision, and provides independent assurance for risk management and compliance procedures. Department-level risk officers review business-related risks of their respective departments 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, internal controls and other operational compliance matters to comprehensively prevent potential compliance risks in operations.

Management System Optimization

The Company continues to strengthen the development of its risk management system and enhance risk management in the fields of investment, mergers and acquisitions (M&A) and capital market operations. In the M&A process, the Company carries out due diligence covering commercial, legal and financial dimensions, identifies potential risks and develops response plans at the project initiation stage. A multi-level reporting mechanism is established at key project stages, with risk assessment results regularly submitted to the decision-making committee. For capital market operation risks, the Company engages third-party professional institutions to continuously track changes in policies, regulations and industry standards, interpret and update relevant operational requirements, ensuring business compliance with applicable regulatory provisions. The Company organizes full-process internal reviews of risk management each year and commissions third-party audit institutions to conduct special inspections and evaluations, so as to ensure the effectiveness and objectivity of the risk management system.



Performance Highlights

- ✓ In 2025, we conducted self-assessments on internal control, covering **16** core business procedures, with **541** control items identified.
- ✓ In 2025, we identified **3** internal control deficiencies and carried out corresponding remediation. As of December 31, 2025, **2** deficiencies had been fully remediated, while remediation of the remaining **1** was partially completed.

Emerging Risk Identification

Yatsen continuously monitors potential impacts brought by the macro environment, industry trends and technological changes. In light of its business characteristics and development strategies, the Company proactively identifies emerging risks that may affect its long-term development, and actively addresses potential challenges by refining risk management mechanisms and enhancing operational resilience.

Emerging



Long-term restructuring of global supply chains driven by the regionalization of global supply networks and shifts in geopolitics

Over the next three to five years and in the longer term, the global supply chain may undergo further restructuring affected by shifts in the geopolitical landscape, adjustments to international trade policies, export controls, sanctions and the trend of supply chain regionalization. For the cosmetics industry, certain raw materials, packaging materials and production resources may face challenges including fluctuating supply cycles, rising procurement costs or reduced supply stability. In addition, changes in the international trade landscape may exert impacts on the Company's overseas brand operations and global market expansion.

Description

Mitigation

The Company keeps abreast of shifts in global trade policies and geopolitics, bolsters the monitoring and early warning mechanisms for supply chain risks, and proactively promotes diversified management of suppliers. Meanwhile, the Company consistently strengthens its capacity for localised and regionalised supply chain layout, enhances the assurance of supply for critical raw materials, and improves supply chain resilience and business continuity, so as to address potential impacts arising from changes in the external environment.



The rapid advancement of artificial intelligence (AI) technology reshapes the competitive landscape of the cosmetics industry

Over the next three to five years and in the longer term, generative AI and other digital technologies will rapidly transform the research and development, marketing, consumer engagement and operational models of the cosmetics industry. If the Company fails to keep pace with technological trends, it may face competitive pressures in terms of R&D efficiency, marketing frameworks, consumer reach capacity and operational efficiency.

The Company closely follows AI development trends and other emerging technologies, and actively explores AI application opportunities in fields including product research and development, consumer insights, digital marketing, content generation and operational management. Meanwhile, the Company presses ahead with the development of digital capabilities, improves data governance and technical capacity, so as to raise the efficiency of product innovation and business operation, thus consolidating long-term competitive advantages.

Effective and Responsive Public Relations Management

The Company puts in place a normalized public opinion monitoring and response mechanism to conduct dynamic tracking, classified assessment and timely disposal of important public opinion. Meanwhile, the Company regularly screens potential risks and reduces the likelihood of occurrence or escalation of public opinion incidents through preemptive communication and contingency planning.



Timely monitoring

We engage professional institutions to conduct public opinion monitoring. Potential risks are identified via keyword tracking, full-network information collection and data analysis. Manual verification is adopted to boost the accuracy and timeliness of risk assessment.



Rapid reporting

In the event of a negative public opinion incident, we rapidly report it under the principle of “confirming facts, reporting in detail, and communicating with the higher-level authority”, clarify the basic facts, and categorize the incident according to its severity.



Timely feedback

We develop and implement a public opinion response strategy based on factors such as the cause, investigation results, and stakeholders’ interests. A detailed execution plan is then put in place.



Continuous monitoring

We distribute the execution plan to the relevant departments responsible for implementing it in stages. We also continue to monitor the situation and refine our response strategy and plan as needed.



Post-incident review

After the public opinion incident has been resolved, we reflect on the effectiveness of our response in time and facilitate the optimization and updating of public opinion handling tools and processes.

Investor Communication

Yatsen regularly discloses the Company's financial position, business results, strategic plans and other relevant information according to applicable laws and regulations of the listing jurisdiction, ensuring investors can access timely updates on core company developments. The Company maintains communication with investors via multiple communication channels including telephone conferences, email, online meetings and offline exchanges to enable efficient interaction with investors, addressing their concerns and collecting relevant feedback as references for continuous corporate governance improvements.

The Company continuously improves the quality of information disclosure, releasing quarterly and annual performance reports in compliance with laws and regulations, and updating material developments through dynamic announcements in a timely manner. This ensures disclosure is truthful, accurate and complete, enables investors to accurately understand the Company's operating conditions and development trends, and safeguards investors' right to know and legitimate rights and interests.



Performance Highlights



In 2025, we participated in approximately
90 analyst or investor communication
meetings.

Tax Management

Yatsen adheres to tax payment in accordance with the law and integrity-based operation, strictly complies with applicable tax laws and regulations in locations where its businesses operate, and commits to boosting the transparency of tax management. The Company establishes tax administration and filing mechanisms tailored to its business realities. The finance department coordinates routine tax management, tax filing and tax risk identification. Material tax matters are reviewed pursuant to the Company's internal authorization procedures and submitted to the Board of Directors for approval when necessary, to guarantee tax administration aligns with the Company's overall business principles.

We keep track of updates to tax laws, regulations and regulatory policies on an ongoing basis, regularly identify potential tax risks arising from business activities, and boost tax compliance management capacity via internal reviews, professional consultations, staff training and other approaches. We strictly comply with the tax laws and regulations of the jurisdictions in which we operate and continuously improve our tax governance system. We adhere to the principles of compliance-first and commercial substance, and fulfill obligations concerning related-party transactions and transfer pricing as required by applicable rules. For information including our income tax expenses and effective tax rate, please refer to our 2025 Annual Report.

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 all staff to observe compliance bottom lines and enhance awareness of integrity. Together with our partners, we strive to build a business ecosystem grounded in fair competition, integrity and transparency.

Our Actions

Yatsen improves its whistleblowing mechanisms, ramps up efforts to protect whistleblowers, expands the coverage of compliance reviews, deepens integrity education and compliance training, steadily improves business ethics management, and drives partners to jointly build a transparent and responsible business 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 continue to improve and refine our business ethics development and anti-corruption management mechanisms, and publicly release the *Code of Business Conduct and Ethics* which serves as the behavioral benchmark supporting the Company's integrity-oriented compliant operations, in strict adherence to the laws, regulatory provisions and compliance mandates applicable to our listing venues and all geographic markets of operation. The Company has formulated the *Integrity and Anti-Corruption Regulations for Employees*, which specifies detailed provisions concerning anti-bribery, anti-corruption, internal reporting and other related matters, and mandates all employees (including part-time and contract staff) to sign the *Employee Handbook*. Meanwhile, the Company requires suppliers and business partners to sign the *Integrity Commitment Letter*, *Code of Business Conduct*, or *Code of Conduct of Business Partners*, extending business ethics and anti-corruption requirements to value chain partners.

Strengthening Compliance Reviews

The Company makes continuous efforts to strengthen internal compliance reviews to ensure relevant systems and employee behavior meet the latest regulatory requirements. The internal audit and control departments conduct comprehensive audits and assessments of the implementation of business ethics policies every three years to guarantee their timeliness and applicability. Additionally, regular internal and external compliance audit programs are carried out across all operating sites of the Company. Special inspections are also launched targeting high-risk links including personal data protection and office system access management. Annual spot checks are implemented at stores, warehouses, and other entities, with timely formulation and execution of corrections for identified issues.

Cultivating a Culture of Business Ethics

We continuously advance the cultivation of business ethics culture. We regularly invite external experts to deliver legal risk and compliance training targeting full-time employees, part-time employees, contract employees and interns. Such training helps employees under diverse employment forms understand our values and code of conduct, and enhances their capacity to identify and prevent business ethics risks.

Protecting Whistleblowers' Rights and Interests

Yatsen has established a standardized and transparent reporting management mechanism, putting in place 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*, enabling all stakeholders to conveniently and efficiently exercise their reporting rights upon discovering misconduct.

We continuously optimize the reporting handling process. A dedicated team conducts investigations and follow-ups on reported matters and feeds back handling outcomes to whistleblowers. Prior to imposing penalties, the Company provides relevant subjects with time and channels to file appeals. Reports are managed on a case-by-case basis. Whistleblower privacy is strictly safeguarded, and retaliation of any form against whistleblowers is prohibited. Verified violations shall incur accountability in accordance with applicable laws and regulations.

Performance Highlights

- ✓ In 2025, 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 2025, **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 2025, **no** litigation cases involving embezzlement, bribery, extortion, fraud, insider trading, or money laundering occurred.

Information Security

Our Strategy

Yatsen regards information security as an essential foundation for safeguarding business continuity and stable operation. The Company strictly complies 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 applicable laws and regulations. The Company continuously improves the information security protection system covering institutions, technologies and employee awareness, so as to protect the security of data assets and customers' privacy rights and interests.

Our Governance

Yatsen has established a three-tier management framework consisting of the Data Security and Trade Secret Protection Committee, the Data Security Management Team and the Data Security Execution Team. The Board of Directors oversees the disclosure of cybersecurity matters in the Company's periodic reports; the Chief Executive Officer (CEO), the Chief Financial Officer (CFO) and cybersecurity lead review and sign off on major cybersecurity incidents or threats to ensure adequate assessment of relevant information; the CEO supervises management's performance of information security duties.

The Company appoints a Data Protection Officer (DPO), who accepts privacy-related complaints, oversees personal information processing activities, and conducts regular Privacy Impact Assessment (PIA) to continuously identify and manage privacy risks. In terms of specific division of management responsibilities, the Legal Department and the Internal Audit and Internal Control Department act as the lead departments for privacy protection, responsible for formulating relevant policies and conducting compliance reviews; the IT Department implements technical protection measures; heads of all departments are the primary accountable parties for privacy protection within their respective departments.

We have formulated systems and standards including the *Data Security Management System*, *Data Classification Table*, *System Account and Authority Security Management Standard*, and the *Data Security Management Standard for the Use of Large AI Models*, so as to lay management groundwork for data security and personal information protection, thus comprehensively safeguarding our data security and user privacy.

Organization Structure of Information Security Management System



Our Actions

Yatsen conducts regular security assessments and continuously upgrades its technical protection system, combined with a flexible response mechanism to quickly address information security challenges. The Company enhances employees' protection awareness through company-wide data security training, implements classified management for data on both the user and enterprise sides, and develops a comprehensive protection mechanism covering data storage, transmission, usage and other links.

Risk Identification and Technical Protection

The Company has deployed a Threat Detection Platform (TDP). Leveraging the platform's extensive threat intelligence database, it continuously monitors internal and external network traffic, DNS behavior, and server operations. Through multi-source data correlation analysis, the platform identifies compromised hosts, reconstructs attack chains, and establishes baseline alerting rules to enable real-time detection and early warning of advanced threats such as APT attacks, ransomware, and the Silver Fox Trojan. It also coordinates with security devices such as firewalls and EDR (Endpoint Detection and Response) systems for automated threat blocking and response. In parallel, the Company conducts regular information asset inventories, vulnerability scanning, and patch updates to drive closed-loop vulnerability management, thereby continuously reducing potential attack risks.

Security Assessment and Vulnerability Management

The Company establishes full-time roles including information security engineers, responsible for daily vulnerability monitoring as well as the analysis and handling of security incidents. The Data Security Execution Team carries out annual information security assessments, focusing on testing the security and compliance of personal data collection, storage, usage and transmission, to verify the effective operation of internal information systems and relevant control measures.

To further enhance data and network security, the Company engages third-party security service providers annually to inspect and evaluate information systems and networks, and continuously optimizes systems based on assessments. In 2025, the Company commissioned external partners to conduct penetration testing on core business systems, with no high-risk vulnerabilities identified. Remediation plans were formulated promptly for all detected medium- and low-risk vulnerabilities, achieving a 100% remediation rate for medium and high-risk vulnerabilities. In addition, the Company deploys threat detection appliances and continuously updates threat intelligence databases to strengthen capabilities for identifying unknown attacks and malicious connections.

Emergency Response and Business Continuity

Yatsen continuously improves its emergency response mechanism for information security incidents, puts in place procedures for handling data security incidents and emergency plans for personal information security events, and clarifies requirements for incident identification, graded response, escalation and post-incident review to enhance capabilities in handling unexpected information security incidents and safeguarding business continuity.

In accordance with the *Measures for the Administration of Information Security Incidents and Emergency Response*, the Company categorizes information security incidents into four tiers (Tier I Extraordinarily Major Incidents to Tier IV General Incidents), and specifies the identification criteria, response obligations, handling time limits and escalation channels applicable to incidents under each tier.

Classification and Handling Process for Information Security Incidents

Tier IV General Incidents

Handled directly by information security engineers, with reporting filed upon completion of disposal.

Tier III Serious Incidents

The head of the Security Operation Team will be notified synchronously upon incident occurrence, with emergency response initiated within four hours.

Tier II Major Incidents

The incident will be reported to the head of the IT Department, with emergency response initiated within two hours.

Tier I Extraordinary Major Incidents

The incident will be reported to the Information Security Committee and the CEO within 15 minutes, with company-wide emergency activation launched

Data Security Handling Mechanism



Verify and confirm

The IT information security team and the business department work together to verify and confirm any data security incidents that occur and determine their level of severity, and record truthfully the content of the incidents.



Take measures

Further action will be taken to verify and assess the incident, including its cause, time, and scope. Based on the severity and impact of the incident, relevant departments will hold discussions and take emergency measures to prevent any further damage or loss. This may include temporarily blocking the source of the leak, repairing any vulnerabilities, and strengthening the security of the affected system.



Evaluate and record

A thorough evaluation will be conducted to determine whether the incident poses any harm to individuals or organizations. A data security incident report will be prepared in a timely manner, documenting the incident's details such as the security incident, risk status, relevant consequences, remedial measures, and any other pertinent aspects.



Notify

The notification of the data security incident report will be made to the relevant parties within three working days of the incident occurring. This notification can be made via telephone, SMS, instant messaging tool, email, or any other appropriate means. In cases where notification is not possible, a public announcement can be made.



Review

After reviewing the data security incident, the IT information security team will identify the root causes of the protection failure, propose solutions to address the identified problems, and coordinate resources for reinforcement and protection. In addition, the team will take actions to strengthen daily compliance review of data handling, investigation of information system security, and employee training on data protection awareness and skills.

Data Backup and Disaster Recovery

The Company builds its disaster recovery system leveraging the high availability, backup and recovery capabilities of cloud platforms. For critical cloud servers and database instances, the Company executes daily automatic snapshots and full backups. Backup data is stored in different availability zones within the same region to ensure data recoverability in the event of physical failures. In cases of system outages or data loss, the technical team can shorten business downtime via snapshot rollback and backup recovery functions. Critical business services adopt multi-replica or active-active deployment architectures, supporting automatic failover upon single-node failures to further mitigate the impacts of service disruptions.

Information Security Training

The Company conducts regular cybersecurity training to enhance employees' awareness and response capabilities regarding cybersecurity and personal information protection. Starting from 2026, the Company plans to incorporate information security and privacy protection into mandatory onboarding training for new hires. The information security and human resources departments jointly deliver offline training focusing on personal privacy protection, compliant use of customer data and consequences of violations. In addition to abiding by the *Employee Handbook*, new hires are required to sign an information security commitment letter to clarify their information security responsibilities.

Data Security and Privacy Protection Awareness Training



Management

The head of the IT Department shall deliver special publicity training to heads of all departments, clarifying the accountability mechanism that the top leader of each department serves as the primary person responsible for information security. Combined with typical industry cases, the management's awareness of data security risks will be strengthened.



All employees

Online courses covering data classification, compliance requirements under the *Personal Information Protection Law of the People's Republic of China* (PIPL), phishing email identification and other topics are distributed via the internal training system. Participants are required to complete the training and pass assessments. Those failing to meet standards shall take supplementary examinations, driving the shift of employees from "passive compliance" to "active risk prevention".

Data Security and Privacy Protection

Yatsen places high priority on user data security and privacy protection, with a clear accountability framework governing management duties, supervision mechanisms and violation sanctions established. We put in place dedicated management policies for user-facing and enterprise-facing scenarios to strictly regulate personal information of consumers and prospective consumers obtained through online channels, thus ensuring a secure and reliable service environment for users. Our privacy protection requirements span all business divisions and apply to third-party suppliers and partners processing personal information, who must adhere to our data security and privacy protection standards to collectively protect personal information.

The Company integrates privacy protection into its enterprise-wide risk management and compliance management systems. Personal information protection requirements are embedded in key links including business operations, product development, supplier management and information system construction. The Company continuously carries out privacy risk identification, assessment, monitoring and remediation, promotes the implementation of privacy protection requirements throughout the full data lifecycle, and steadily improves data security governance.

The Company adopts a zero-tolerance policy toward any violations of data security and privacy protection policies. As clearly stipulated in the *Employee Handbook*, any act causing privacy breaches due to negligence or willful misconduct shall, upon verification, result in disciplinary sanctions including circular reprimand, demotion and termination of employment depending on the circumstances. Conduct constituting illegal acts or criminal offenses shall be referred to judicial authorities in accordance with law. No privacy-related violations by internal personnel occurred within the Company in 2025.

End-to-End Privacy Protection

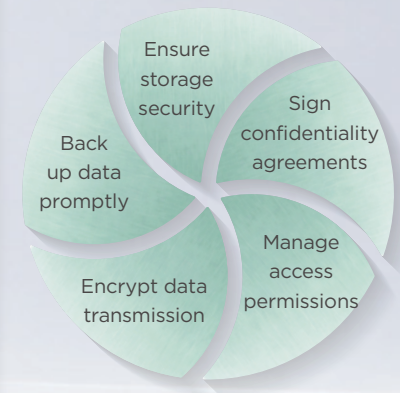
User-end protection

- Privacy policies are set on the WeChat Mini Program and third-party shopping platforms, covering users' rights to control how their data is collected, used, retained, and processed. Users can choose to opt out, provide consent, request access to their data, request transfer of data to other service providers, or request correction/deletion of their data. Policies also specify how personal information is used for personalized advertising and information sharing, and clearly state the retention period of information in company records, fully safeguarding consumers' right to know.
- Privacy policies for all stores on the WeChat Mini Program Mall have been updated and optimized to further protect consumer rights.

Enterprise-end protection

- Multi-level approval procedures are implemented for employee and customer information extraction, and exported data is desensitized according to management levels.
- We have deployed a threat awareness platform to continuously improve the security detection capabilities of office networks and strengthen network security defense capabilities.
- We have deployed a data leakage prevention (DLP) system and a transparent file encryption system, establishing a two-tier protection framework featuring "real-time monitoring + encryption protection" to continuously shore up the line of defense for data security.

Measures of Data Security Management



Responsible AI

Yatsen highly values the compliant use of AI and adheres to the following principles for relevant applications: protect data privacy and follow information security requirements during tool selection and data interaction; refrain from deploying AI systems involving sensitive personal information such as facial recognition and surveillance. Our currently adopted tools are mainly general office and collaboration applications. Human judgment and intervention are retained for key business decisions. AI is primarily deployed to boost efficiency and support decision-making rather than replace final human review and accountability.

The Company has formulated the *Data Security Management Standard for the Use of Large AI Models*, which defines data security requirements for employees when utilizing AI tools. With client software, the Company identifies actions where employees upload data to large models and delivers security reminders to prevent improper leakage of sensitive information. The Company also leverages content filtering and labeling functions provided by service providers and establishes internal feedback channels. Employees and relevant stakeholders may promptly report any issues identified during usage. The Company will assess and resolve such issues, and urge service providers to make improvements where necessary.

In 2025, the Company adopted AI tools in business operations and daily office scenarios, including built-in intelligent applications within Lark, to enhance team collaboration and work efficiency. The Company has promoted such applications under the principle of “prudent application and controllable security” and signed agreements with service providers including Lark to specify liabilities for data security protection.

At present, the Company is still in the exploratory stage with respect to AI model fairness assessment, environmental impact management, labeling of generated outputs, appeal mechanisms, quantitative evaluation of application effectiveness, as well as special training on AI ethics and safety, with certain capabilities relying on external service providers. The Company will continuously track technological advances and evolving regulatory requirements, gradually improve the AI governance framework, and strengthen risk management while improving efficiency.

Performance Highlights

- ✓ In 2025, Yatsen's core systems obtained **Level III Certification** in Cybersecurity Graded Protection Assessment from the Guangzhou Public Security Bureau.
- ✓ In 2025, **no** information security incidents occurred, and the Company did not face any litigation or complaints related to personal information protection.

02

Tech-Led Excellence Empowering the Pioneer of Innovation

Providing consumers with safe, high-quality products and services has always been Yatsen's long-term commitment. The Company drives product upgrades through technological innovation and has established a comprehensive quality management system covering research and development, manufacturing, and post-market management to ensure rigorous control over product quality and chemical safety. At the same time, Yatsen remains focused on consumer needs by continuously enhancing customer service and responsible marketing practices, fostering long-term trust through authentic and transparent communication, and promoting the coordinated advancement of innovation, product quality, and customer experience.

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 Packaging

R&D Innovation

Our Strategy

Yatsen regards innovation as a key driver of product competitiveness. Through its “Yatsen Technology Road” and the “1-3-4-6-20” Global R&D Strategy, the Company continuously strengthens its R&D system, expands its technological capabilities, and accelerates the commercialization of scientific research achievements.

1 One world-leading beauty factory

We have joined forces with COSMAX, one of the world's leading 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 Chinese skincare” 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.

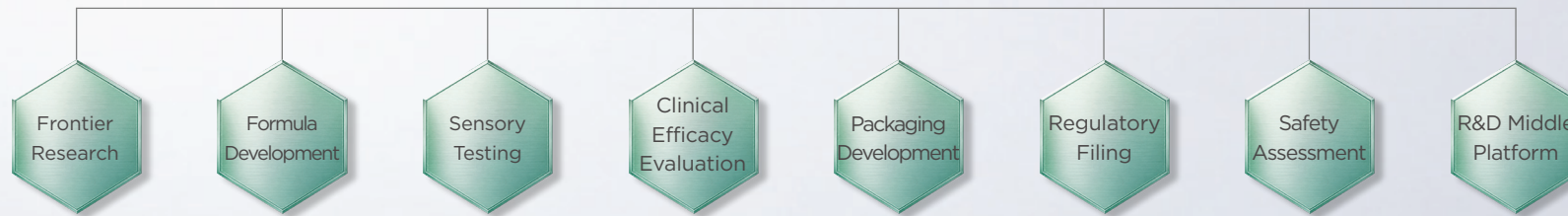
Over 20 joint projects

National Engineering Research Center for Nanomedicine, Sensient Laboratory, Key Laboratory of Molecular Nanostructure and Nanotechnology, Institute of Chemistry, Chinese Academy of Sciences, etc.

Our Governance

R&D capability is a fundamental pillar of technological innovation. Yatsen has established and continuously refined a systematic R&D management framework. The Company's research organization covers eight core dimensions including cutting-edge research, formula development, packaging development, and safety assessment, fully covering the entire chain from basic scientific exploration to product engineering transformation. By clearly defining the responsibilities and collaboration mechanisms of each dimension, it ensures that the R&D work is carried out scientifically and orderly.

Yatsen's R&D Structure



To stimulate innovation within its R&D teams, Yatsen has established the *Incentive and Reward Management Policy for R&D and Innovation*, which strengthens innovation-oriented incentives and encourages the development of technologies and products that deliver market value, scientific excellence, and commercial benefits, thereby enhancing the Company's independent innovation capability and differentiated competitive advantage.

In 2025, the Company continued to improve its R&D management system by reviewing and optimizing new product development processes for brands including *Galénic* and *EVE LOM*, while refining efficacy summary documentation and OA-based label review standards for product registration. Meanwhile, Yatsen strengthened collaboration among its global R&D teams by issuing standardized management documents, including the *Standard Operating Procedure (SOP) for Finished Product Specifications (SPEC)* and *Certificates of Analysis (COA) for Premium Brands*. Led by the Quality Department in collaboration with the R&D Department, these initiatives established a closed-loop management process and institutionalized case-based knowledge sharing, providing robust management support for R&D innovation. In addition, the Yatsen Jiyan Laboratory obtained CNAS Laboratory Accreditation from the China National Accreditation Service for Conformity Assessment (CNAS) and was certified as a High and New Technology Enterprise by the Shanghai Municipal Commission of Science and Technology and the Shanghai Municipal Finance Bureau, demonstrating authoritative recognition of the Company's R&D management capabilities.



CNAS Laboratory
Accreditation Certificate



National High-Tech Enterprise Certificate

Our Actions

Yatsen continues to integrate global scientific research resources, deepen the implementation of its “Yatsen Technology Road” strategy, and accelerate the development and commercialization of innovative technologies, leveraging scientific innovation to drive the sustainable evolution of its brand portfolio.

Technological Innovation-driven Development

Technological innovation is the core engine of the Company’s long-term development. We remain committed to identifying, researching, and translating cutting-edge skincare and beauty technologies worldwide. Through sustained investment in research and development, we continuously enhance our products and deliver beauty solutions with greater technological sophistication to consumers. In 2025, we further increased investment in laboratory equipment by introducing precision balances, laboratory reaction and mixing systems, multifunctional 3D skin analyzers, and other advanced instruments, significantly strengthening our testing and R&D capabilities.

During the reporting period, the Company achieved significant progress in raw material innovation and core technology research:

In terms of innovative ingredients, the Company completed the regulatory filings for two new cosmetic ingredients: *Bifidobacterium longum* subsp. *infantis*/Lactose Ferment Filtrate and *Bifidobacterium longum* subsp. *infantis*/Lactose Ferment Lysate. The former is derived from probiotic strains isolated from the infant gut microbiome and has been evaluated for multiple skincare benefits, including soothing, repairing, firming, moisturizing, and keratin conditioning. The latter utilizes a cell lysis process to release and preserve intracellular and extracellular bioactive components. Together, these ingredients further expand the Company’s proprietary R&D capabilities in microbiome- and fermentation-based ingredients while enriching its portfolio of patented cosmetic ingredients.

Regarding core technologies, in 2025, *Perfect Diary* introduced its third-generation biomimetic membrane technology, *Biotech™*, which combines a patented pomegranate peptide complex with pigment micro-locking technology to support long-lasting makeup performance while helping maintain the lip barrier. The brand also collaborated with the Shanghai Institute of Ceramics, Chinese Academy of Sciences, to further investigate the lipid composition of oily skin and incorporated its *SmartLOCK™* technology into the *Perfect Diary* Translucent Blurring Loose Powder launched in 2025. Leveraging its long-standing collaboration with Huazhong University of Science and Technology and the National Engineering Research Center for Nanomedicine, *DR.WU* developed the proprietary *Nanoxinfuse™* delivery technology, which encapsulates PDRN in lipid nanoparticles to enhance ingredient stability and delivery efficiency. This technology was subsequently applied to the PDRN Hydro Radiance Serum, launched in September 2025.



Perfect Diary
Biotech™Biomimetic
Membrane Technology



SmartLOCK™Technology



DR.WU Proprietary
Nanoxinfuse™
PDRN Delivery Technology

Open Innovation Ecosystem

Building an open and collaborative innovation ecosystem is a key pillar of Yatsen's innovation strategy. The Company actively engages in industry exchanges and collaborates with universities, hospitals, and research institutions in China and abroad to advance fundamental research, efficacy validation, and product commercialization. In 2025, Yatsen continued to leverage its "Yatsen Open Lab" collaborative R&D platform, working closely with long-term partners including Sun Yat-sen University, Ruijin Hospital, and the National Engineering Research Center for Nanomedicine to advance joint research initiatives and further strengthen its integrated industry-academia-research-clinical innovation ecosystem.

Case

Yatsen Released China's First Beauty Industry Innovation White Paper to Advance Sustainable Development Through Scientific Innovation

In October 2025, Yatsen released the Yatsen Group Beauty Innovation Insights at the Beauty Nova Tech Hub in Jing'an District, Shanghai. As the first comprehensive innovation white paper published by China's beauty industry, it presents a systematic overview of the Company's global R&D network, technological innovation, efficacy validation, and sustainable development across six key themes. The publication highlights Yatsen's accumulated scientific capabilities and global R&D achievements, marking the emergence of China's beauty technology among the world's leading innovators. In August 2025, the English edition of the White Paper was unveiled at the 35th International Federation of Societies of Cosmetic Chemists (IFSCC) Congress, sharing the innovation practices of Chinese beauty companies with the international scientific community.

The White Paper collectively showcases Yatsen's long-term accumulation in R&D investment, technology verification and industry-university-research collaboration, and incorporates sustainable development into its core business. It reflects the Company's development strategy of combining innovation capabilities with responsible operation based on science and empirical evidence.



Launch Event for the *Yatsen Beauty Innovation Insights*

Yatsen's brand portfolio continued to maintain a strong presence on the global academic and cultural stage.



Perfect Diary collaborated with Professor Chang Jiang's team at the Shanghai Institute of Ceramics, Chinese Academy of Sciences, to investigate the unique lipid composition of oily skin among Chinese consumers. The resulting research was shortlisted for the IFSCC Congress scientific paper awards, widely regarded as the "Nobel Prize of Cosmetics", for two consecutive editions. Powered by the third-generation Biotec™ biomimetic membrane technology, the Biolip™ Essence Lipstick was also recognized as the "world's best-selling Chinese serum lipstick".



Galénic's research findings on its three serums—Vitamin C, Vitamin A, and Vitamin B—have been selected as an innovative scientific paper for the 35th IFSCC Congress. In addition, the brand has secured multiple invention patents in areas including B vitamins, snow algae, and cyanobacteria. In October 2025, the *Galénic* ABC Cellular Skincare Solution Product Launch was held in Paris, bringing together internationally renowned dermatologists and longevity leading experts to witness the global debut of the brand's latest cellular-level skincare technology.



EVE LOM continued to expand its cutting-edge skincare research with a focus on emotional skincare. The brand introduced its study, "Holistic Assessment of the Emotional Impact of Cosmetic Products," which systematically evaluates the overall emotional effects of skincare products by integrating AI-based facial expression recognition, electroencephalography (EEG), and psychological questionnaire assessments. Complementing this research, the brand also conducted salivary cortisol testing for its facial oil to explore multidimensional approaches to evaluating consumers' emotional experiences.



DR.WU further strengthened its clinical collaborations with leading medical institutions. Together with the Hospital for Skin Diseases, Institute of Dermatology, Chinese Academy of Medical Sciences and Peking Union Medical College, the brand co-authored the paper titled "*Cutibacterium Acnes* Promotes Inflammation in Acne by Inducing Gasdermin E-mediated Pyroptosis in Keratinocytes". In collaboration with Henan Provincial People's Hospital, *DR.WU* conducted China's first clinical study on 45% high-concentration mandelic acid, demonstrating significant efficacy in the treatment of acne and melasma while providing enhanced skin barrier repair. In addition, the brand continued to advance the *DR.WU* Acne Research Fund, partnering with organizations including the Chinese Research Hospital Association and Huashan Hospital, Fudan University. During the year, the program invited research proposals from more than 20,000 dermatologists, selected six innovative research projects for rolling funding, and promoted the translation of mechanistic acne research and clinical findings into product innovation.

Sustainable Product Design

Yatsen integrates sustainability throughout the entire product life cycle, progressively incorporating environmental considerations into product R&D, raw material selection, manufacturing, packaging design, warehousing and logistics, consumer use, and end-of-life management. During product development, the Company evaluates key environmental factors, including raw material sourcing and resource consumption, energy and water use, greenhouse gas emissions, packaging material consumption and circularity, waste generation, and potential impacts on ecosystems and biodiversity, and uses the assessment results to guide product design, raw material and packaging selection, and continuous supplier improvement.

Yatsen has established a preliminary sustainability assessment framework covering the entire product life cycle. At different stages of the product life cycle, the Company focuses on the following environmental considerations:

Raw Material and R&D Stage

raw material sourcing, renewability, resource consumption, application of green chemistry, and potential impacts on ecosystems and biodiversity.



Manufacturing Stage

energy and water consumption, greenhouse gas emissions, and the management of wastewater, exhaust emissions, and solid waste.



Packaging Stage

packaging material usage, adoption of certified and recycled materials, as well as packaging reduction, recyclability, reusability, and biodegradability.



Warehousing and Logistics Stage

transportation distance and mode, loading efficiency, and warehouse energy consumption.



Use and End-of-Life Stage

potential environmental impacts during consumer use, together with the feasibility of packaging recycling and resource recovery.

In selecting raw materials, we prioritize naturally derived botanical ingredients, including coconut oil, oat extract, and fermentation-derived ingredients, to meet consumers' demand for clean beauty while reducing the environmental footprint of production. For example, *EVE LOM* Restorative Skin Essence contains more than 91% naturally derived botanical ingredients. These ingredients are produced using innovative plant cell culture technology, eliminating the need for agricultural land, pesticides, or chemical fertilizers, thereby conserving high-quality land resources while supporting the preservation of rare plant species. The botanical ingredients are commonly certified under internationally recognized sustainability standards, including Roundtable on Sustainable Palm Oil (RSPO) and COSMetic Organic and natural Standard (COSMOS), ensuring supply chain transparency and traceability while supporting local communities through localized sourcing and benefit-sharing mechanisms.

In addition, without compromising product efficacy, we prioritize sustainably sourced ingredients produced through biosynthesis and fermentation technologies to achieve both superior product performance and improved environmental outcomes. Environmentally friendly ingredients such as collagen and *Lactobacillus* fermentation lysate have already been incorporated into products including the *Perfect Diary* Biomimetic Membrane Series and the *DR.WU* Professional Skincare Series. Meanwhile, some new *Galénic* products launched in 2025, including the VB Serum, Active Light Cream, Brightening Micro Mask, and Recovering Micro Mask, feature naturally derived and plant cell culture-based ingredients such as madecassoside, cornflower extract, *Chlamydomonas* extract, grape flower cell extract, white lily flower extract, and prickly pear cactus flower extract. The *Chlamydomonas* used in the Active Light Cream is cultivated entirely under laboratory conditions, eliminating the need for commercial harvesting of wild algae and thereby protecting natural populations. This reflects the Company's commitment to sustainable innovation at the raw material level.

Going forward, we will continue expanding the use of certified sustainable palm oil and naturally derived formulations, optimize our raw material portfolio, progressively enhance the sustainability profile of our products, and provide consumers with a broader range of environmentally responsible beauty solutions.

Naturally Derived Ingredients Used in *EVE LOM* Products (Partial)

- Aurafirm (Oat Kernel Extract)
- Celyscence (Milk Thistle Extract)
- Neurophroline (Moth Bean Seed Extract)
- Hyafactor-NAG (N-Acetyl Glucosamine)
- Rose Otto Bulgarian 1409133 (Rose Otto Essential Oil)
- Cell Pulse (*Coffea Arabica* Cell Extract)
- Unwind Sacred Lotus (Sacred Lotus Cell Extract)
- MYRAMAZE-ESSENCE (Resurrection Plant Extract)
- IBR-TCLC (Tomato Fruit Extract)
- Sepibliss Feel (Coriander Seed Oil)

Intellectual Property Protection

Yatsen strictly complies with all applicable intellectual property laws and regulations, continuously strengthens its intellectual property management system, and enhances the protection of innovation outcomes to support technological innovation and product development. The Company has established a dedicated intellectual property management team responsible for coordinating the application, maintenance, and risk management of patents, trademarks, copyrights, and other intellectual assets. Standardized management procedures have also been implemented to centrally administer domestic and international patent portfolios, ensuring timely and effective legal protection for the Company's innovations.

Yatsen also actively promotes a culture of intellectual property protection by respecting third-party intellectual property rights and strengthening employees' awareness of IP protection and compliance through company-wide intellectual property training programs.

Performance Highlights



Scientific Research Achievements

✓ *Perfect Diary* obtained **2** new patents and published **3** research papers in 2025.



✓ *DR.WU* obtained **4** new patents and published **5** research papers in 2025.



Performance Highlights

✓ In 2025, our R&D expenses were RMB **137** million, accounting for **3.2%** of our total net revenues. From 2020 to 2025, our cumulative R&D investment reached RMB **694** million.

✓ In 2025, we had **153** R&D personnel, including **49** with a master's degree and **6** with a doctor's degree.

✓ In 2025, Yatsen showcased its latest scientific achievements at the IFSCC Congress for the fourth consecutive year. A total of **11** research papers were selected for poster presentation at the 35th IFSCC Congress, representing more than a threefold increase compared with 2024. The selected research covered multiple brands, including *Perfect Diary*, *DR.WU*, *Galénic*, *EVE LOM*.

✓ As of the end of the Reporting Period, we had filed **269** patent applications, with **240** patents granted, including **10** utility model patents, **158** design patents, and **72** invention patents.

✓ As of the end of the Reporting Period, we had held **2,197** registered trademarks in China, **2,256** registered trademarks overseas, and **184** registered copyrights.

Product Quality

Our Strategy

Yatsen places consumer safety and product quality at the core of its quality management system. The Company strictly complies with applicable laws, regulations, and industry standards, including the *Regulations on Supervision and Administration of Cosmetics*, *Measures for the Supervision and Administration of Production and Distribution of Cosmetics*, *Regulations on Production Quality of Cosmetics*, *Technical Specification for Cosmetic Safety*, and *Measures for Adverse Reaction Monitoring of Cosmetics*. We continuously strengthen our quality management mechanisms throughout product development, manufacturing, product testing and release, and post-market management to ensure product safety, stability, and regulatory compliance.

Our Governance

Yatsen has established a dedicated quality management team and developed a hierarchical quality documentation system comprising management policies, Standard Operating Procedures (SOPs), and material specifications. The Company has formulated nearly 30 quality management policies, including the *Quality Manual*, *Raw Material Acceptance Management System*, *Management System for Standard Samples of Semi-finished and Finished Products*, *Management System for Initial Trial Production and First Production of Finished Products*, and *Management System for Finished Product Acceptance and Release*. In addition, the Company has established more than 100 SOPs and over 1,000 material specifications, covering key quality control processes such as raw material acceptance, manufacturing process control, and finished product release. To ensure the effectiveness of the quality management system, Yatsen conducts annual quality system reviews through a combination of internal audits and independent third-party audits, while continuously implementing corrective actions and management improvements.

Our Actions

Yatsen manages quality risks across product development and manufacturing, supplier management, product testing, quality system audits, and product recall and emergency response. Through employee training, supplier quality reviews, and industry exchanges, the Company continuously enhances its quality management capabilities to safeguard product quality and consumer safety.

Full-process Quality Risk Control

Yatsen leverages its Quality Management System (QMS) to digitalize quality management by consolidating and analyzing quality data across the organization. The system supports anomaly detection, issue tracking, and management decision-making while improving the standardization and traceability of quality management.

Product Development and Manufacturing Stage

- ✓ During new product development, the Company evaluates raw material compliance, formulation stability and safety, and packaging compatibility to identify and mitigate potential quality risks. During mass production, Yatsen conducts pilot production assessments, develops product specifications, validates manufacturing processes, and oversees contract manufacturers to ensure compliance with Company requirements for raw material inspection, formulation and process execution, critical control point management, batch testing, and product release.

Supplier Quality Management

- ✓ For Original Design Manufacturer/Original Equipment Manufacturer (ODM/OEM) suppliers, the Company implements rigorous qualification assessments, requiring suppliers to hold valid cosmetics manufacturing licenses and relevant management system certifications such as ISO 9001 and ISO 22716. In accordance with applicable laws and regulations, Yatsen audits suppliers' manufacturing facilities, environmental and personnel hygiene, raw material acceptance, production processes, laboratory controls, and nonconforming product management, while verifying the consistency between regulatory filing information and actual production practices to mitigate quality risks at the source.

Product Testing and Audits

- ✓ The Company performs incoming inspections and third-party sampling tests for every production batch, covering all quality and safety requirements stipulated by product specifications and applicable regulations. For imported products, Yatsen's domestic quality team conducts incoming inspections, laboratory sensory evaluations, and third-party sampling tests following product release by the overseas quality team, ensuring that product quality fully complies with the required standards. The Company also conducts regular internal audits on the quality management system of each brand, performs periodic audits and unannounced inspections of suppliers and contract manufacturers, and tracks issue rectification through to final completion and effectiveness verification.

Product Recall Management

- ✓ Yatsen has established a product recall emergency response mechanism and conducts regular recall simulation exercises. In the event of potential product quality risks identified in the market, a dedicated recall task force, together with the quality management team, initiates a risk-based response, carrying out product traceability, recall implementation, and subsequent corrective actions.

Quality Capability Building

The Company regularly organizes internal and external training on cosmetics regulations for quality and safety management personnel and provides dedicated quality training programs for employees. In 2025, Yatsen conducted 11 supplier quality review sessions with selected suppliers, analyzing inspection results, manufacturing processes, and quality incidents to identify root causes, define corrective actions, and enhance suppliers' quality management capabilities.

Yatsen also actively participates in industry exchanges to learn from and share best practices in quality management. In 2025, the Company attended the Seventh Cosmetics Quality and Safety Conference and Exhibition and other industry exchanges, organized under the guidance of the Research Center for Development and Regulation of Food and Drug Industry of the Chinese Academy of Social Sciences and hosted by the Beijing Zhongpei Scientific Testing Information Technology Center. The event brought together regulators, industry experts, and industry peers to exchange quality management practices and jointly explore pathways for improving quality across the cosmetics industry.

Performance Highlights

- ✓ During the Reporting Period, we did not have any product recalls resulting from product quality or safety issues.
- ✓ In 2025, we completed **12,075** batches of in-house finished product inspections for domestic products, **200** batches of in-house compatibility testing, **710** batches of third-party product testing, and **63** batches of export product inspections.
- ✓ In 2025, we achieved a warehoused product qualification rate of **99.99%**.
- ✓ In 2025, we completed inspections for **510** batches of imported products under the *Galénic* and *EVE LOM* brands.
- ✓ In 2025, we achieved an overall finished product testing qualification rate of **99.75%**.
- ✓ In 2025, we underwent and passed **2** inspections conducted by drug regulatory authorities.

Chemical Safety

Our Strategy

Yatsen is committed to safeguarding consumer health and minimizing chemical-related risks associated with its products and R&D activities. The Company strictly complies with applicable laws, regulations, and industry standards, including the *Regulations on Supervision and Administration of Cosmetics*, *Measures for the Supervision and Administration of Production and Distribution of Cosmetics*, *Regulations on Production Quality of Cosmetics*, *Technical Specification for Cosmetic Safety*, and *Measures for Adverse Reaction Monitoring of Cosmetics*. We also continuously monitor international regulatory developments, including Annex XVII (Restricted Substances) and the Candidate List of Substances of Very High Concern (SVHC) under the EU REACH *Regulation*, as well as the EU *Regulation on Cosmetic Products* (EC) No. 1223/2009. Beyond compliance with applicable regulations, the Company adopts more stringent internal control standards by proactively prohibiting ingredients that have been banned in the European Union, even where such ingredients remain permitted under Chinese regulations.

Our Governance

Yatsen has established a three-tier chemical safety management structure, with clearly defined responsibilities for the Environment, Health and Safety (EHS) Department, the Operations Department, and all chemical-using departments. The Company has established management policies, including the *Hazardous Chemicals Safety Management System*, *Laboratory EHS Management System*, and *Chemical Management Procedures*, to govern the entire life cycle of chemicals, covering supplier qualification, procurement and acceptance, inventory registration, classified storage, issuance and use, and waste disposal. In addition, the Company has established an adverse reaction monitoring mechanism to continuously monitor product safety risks.

Chemical Safety Management Structure



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.



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



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

Our Actions

The Company manages chemical risks throughout the entire product life cycle, including raw material and chemical qualification, product development and safety assessment, laboratory chemical management, post-market safety monitoring, and information disclosure. Closed-loop management is achieved through measures such as controlled substance lists, risk assessments, inventory records, and incident response mechanisms.

Raw Material and Chemical Admission

Management of prohibited and restricted ingredients

- ✓ The Company continuously monitors domestic and international chemical regulations and manages restricted substances in accordance with the conditions specified in Annex XVII of the EU REACH Regulation. We have established the *Yatsen Raw Material Control Requirements and the Chemical Raw Material Control List*, under which raw materials with potential carcinogenic, reproductive toxicity, or environmental hazards are prohibited or restricted. The control list currently prohibits or restricts the use of more than 600 ingredients, including 4-methylbenzylidene camphor and diacetone alcohol. In 2025, the Company further added seven categories of prohibited substances, including HC Blue No. 18, HC Red No. 18, HC Yellow No. 16, hydroxypropyl-p-phenylenediamine and its dihydrochloride salts, thioglycolate esters, α -arbutin, and 6-amino-m-cresol.

Acceptance management for hazardous chemicals

- ✓ Upon receipt of hazardous chemicals, warehouse administrators and EHS personnel jointly conduct acceptance inspections to verify product names, quantities, and specifications against procurement requests, while checking package integrity and the consistency of safety labels with the Material Safety Data Sheet (MSDS). After successful inspection, both parties complete and sign the *Hazardous Chemicals Registration Form*. Chemicals failing to meet acceptance requirements are rejected and returned to the procurement function for further handling.

Product Development Stage

Raw material safety assessment

- ✓ We identify and test potential hazardous substances based on the characteristics of each raw material, assess safety risks, and determine appropriate usage concentrations according to product category, frequency of use, and intended skin type. Finished products also undergo enhanced quality testing to ensure product safety.

Controversial ingredients replacement

- ✓ The Company has established a chemical elimination plan to replace ingredients associated with potential safety or environmental concerns. Candidate alternatives are comprehensively evaluated for safety, formulation compatibility, and product performance, promoting the adoption of ingredients with lower environmental impact and improved biosafety.

Adverse reaction management during testing

- ✓ During the R&D testing stage, we implement standardized cosmetic testing procedures and manage the identification, reporting, and handling of adverse reactions during human testing in accordance with the *Adverse Reaction Event Handling Procedures*, thereby safeguarding the health and safety of study participants.

Chemical Elimination Plan

Name of chemical eliminated	Reason for elimination	Type of elimination	Scope of restriction	Name of substitute
Fluorinated Chemistries	Potential health and environmental risks associated with Per- and Polyfluoroalkyl Substances (PFAS)	Prohibited use	Excluded from all types of products	/
Cyclopentadimethylsiloxane (D5)	It is toxic to the human reproductive system and accumulates in the environment with unpredictable long-term effects.	Restricted use	Avoid using it in principle	Polydimethyl siloxane, isododecane, etc.
Polymethyl methacrylate (PMMA) Polyamide-11 Polyamide-12 Polyamide-6 Polyamide-6/12	Polyamide-66 Polystyrene Polypropylene Polyethylene terephthalate Polytetrafluoroethylene Polyethylene	Cosmetics containing plastic microbeads may enter the sewage treatment system along with the water flow when being washed. Because they are difficult to be completely removed by sewage treatment facilities and are not easily degraded in the natural environment, microbeads may eventually enter water bodies and become permanent pollutants.	Restricted use Excluded from washable products Avoid using it in residual products in principle	Silica powder

Product Manufacturing Stage

Laboratory chemical safety management

- ✓ In accordance with internal policies such as the *Hazardous Chemicals Safety Management System* and the Laboratory EHS Management System, the Company implements classified storage, standardized issuance and use, and regular inspections for chemicals. Dedicated chemical administrators are assigned to manage hazardous chemicals under a dual-person, dual-lock control system. Chemicals are stored in accordance with the principles of segregated storage, separated storage, and isolated storage, as appropriate to their hazard characteristics. Storage facilities are equipped with ventilation, sun protection, temperature control, fire and explosion prevention, and anti-static systems. Responsible personnel conduct regular inspections and promptly address any abnormalities, including changes in chemical quality and damaged packaging.

Chemical waste management

- ✓ The Company requires all waste chemicals to be registered upon storage and collected by category. General solid waste and hazardous waste are managed separately, and the disposal or discharge of chemical waste is strictly prohibited. A hazardous waste inventory management system has been established, under which expired or obsolete hazardous chemicals are managed as hazardous waste and disposed of in compliance with applicable regulations by qualified third-party service providers.

Post-product Launch Management

Post-product launch adverse reaction monitoring

- ✓ For products already launched on the market, we continuously improve our adverse reaction monitoring system by collecting consumer feedback through multiple channels and operating a rapid response mechanism to ensure the timely investigation of reported issues and implementation of corrective measures, thereby continuously enhancing product safety.

Compliant ingredient disclosure

- ✓ The Company strictly complies 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 lower concentrations are listed thereafter in no particular order. All cosmetic products are duly registered or filed with the competent regulatory authorities in accordance with applicable regulations. Consumers may access information on all Yatsen products and their ingredients through the official platform of the National Medical Products Administration (NMPA).

Knowledge popularization to consumers

- ✓ Yatsen is committed to improving consumers' scientific understanding of cosmetic ingredients, product safety, and product functions. During product purchase, delivery notifications, new product launches, and industry exhibitions, the Company provides consumers with information on key ingredients, product features, and proper usage to help them make informed purchasing decisions based on their individual needs. In 2025, Yatsen organized a series of science communication initiatives focused on new products and innovative technologies, highlighting topics such as bio-fermented skin-rejuvenating ingredients, PDRN, Cellpolypid® cell phospholipid technology, and the third-generation Biotec™ biomimetic membrane technology. These initiatives helped consumers understand the mechanisms, technological advantages, and product applications of these innovations. The Company also promoted public awareness of integrated makeup-and-skincare ingredient science, encouraging evidence-based skincare practices and rational purchasing decisions.

Case

DR.WU to Validate Real-World Skincare Results with Consumers

To further deepen consumers' understanding of scientific skincare, DR.WU launched new online programs, "Skin Renewal Research Lab" and "Skin Renewal Practice Camp", led by R&D experts who provide personalized product recommendations based on consumers' skin types. To demonstrate product performance, DR.WU invited consumers to participate in an online skincare challenge, with skincare outcomes objectively documented using VISIA skin imaging analysis through standardized imaging and measurements. More than 100 consumers participated in the program. In addition, DR.WU invited dermatology experts to deliver online educational sessions on topics of consumer interest, including summer skincare, oily and acne-prone skin management, and sunscreen selection. Through professional scientific explanations, the brand helped consumers understand the underlying principles of skincare, enabling them to "understand the science behind skincare and apply products correctly", while transforming them from passive recipients of product information into informed consumers equipped with scientific skincare knowledge.

Performance Highlights

- ✓ More than **600** ingredients, including 4-methylbenzylidene camphor and diacetone alcohol, are explicitly prohibited or restricted.
- ✓ In 2025, the Company added **7** categories of prohibited chemical substances to its internal control list.

Customer Service

Our Strategy

Yatsen is committed to protecting consumer rights and enhancing the customer experience. The Company strictly complies with applicable laws and regulations in the jurisdictions where it operates, 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*, the *Standards for Cosmetic Efficacy Claim Evaluation*, and the *Measures for the Supervision and Administration of Online Cosmetics Operations*. Through continuous improvements in product quality, service quality, and customer satisfaction, Yatsen strives to deliver an outstanding consumer experience.

The Company adheres to the principles of fair, honest, and responsible marketing, providing consumers with accurate and truthful product information. Yatsen does not exaggerate or misrepresent product performance, efficacy, or the Company's environmental and social practices, nor does it engage in marketing by disparaging competitors or disseminating misleading information. The Company also pays particular attention to children, minors, and consumers with limited experience in beauty products. Product communications are presented in clear and accessible language, avoiding misleading practices arising from information asymmetry and encouraging consumers to make informed and rational purchasing decisions.

Our Governance

Yatsen has established a governance framework linking marketing content review with consumer feedback management through policies such as the *Advertising Compliance Manual*, *Cosmetics Promotion Specifications*, *Customer Complaint Reporting Process*, and *Customer Complaint Grading System*. Product claims and promotional materials are jointly reviewed by the R&D, regulatory, legal, and public affairs departments, while consumer feedback is handled collaboratively by the customer service, quality, R&D, and supply chain teams. This cross-departmental governance mechanism helps prevent false or misleading communications while driving continuous improvements in products and services.

The Company operates a formal marketing content review process under which all product promotional materials and advertising content must be reviewed by the R&D, regulatory, legal, and public affairs departments. Reviews focus on ingredient claims, evidence supporting product efficacy, and marketing language to ensure compliance with applicable laws, regulations, and internal requirements, while preventing non-compliant, exaggerated, or misleading statements.

Internal Review Process for Marketing

R&D review	Compliance	Legal review	Public relations
Information and efficacy (efficacy support) about products and ingredients on advertising pages	Information about words, cosmetics labels, and efficacy records on advertising pages	Words banned by the <i>Advertising Law of the People's Republic of China</i>	Public opinion risks

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 non-special-purpose cosmetics.
- ✔ For special-purpose 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 product sharing for cosmetics.

Do not disparage third-party brands or products

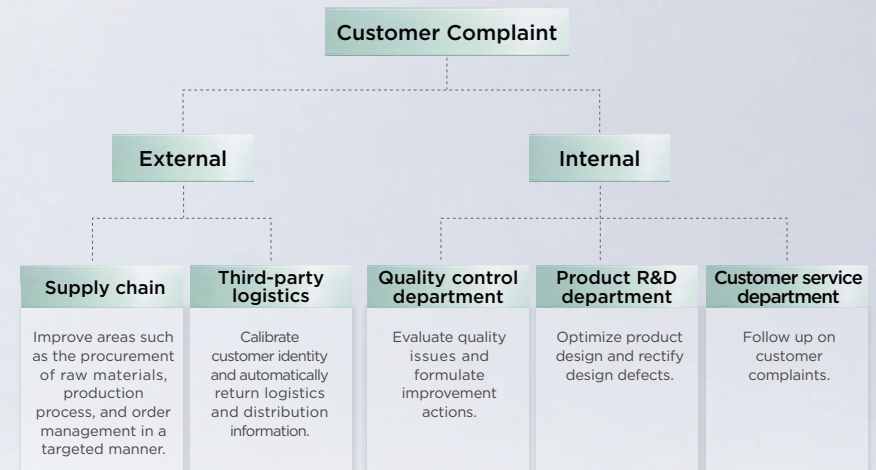
- ✔ Do not share products by praising one party and disparaging another, including but not limited to: disparaging, insulting, or negatively evaluating third-party brands or products.

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.

In managing consumer feedback, the Company has established management specifications such as the *Customer Complaint Reporting Process* and *Customer Complaint Grading System*. Consumer feedback is collected through multiple channels, including e-commerce platforms, the Black Cat complaint platform, private consumer communities, and the 12315 consumer complaint hotline. The Company has also established a cross-departmental collaboration mechanism under which the quality, R&D, and customer service teams work closely with supply chain and logistics partners to analyze the root causes of complaints, implement corrective actions, and ensure timely response, continuous follow-up, and closed-loop resolution of consumer concerns.

Customer Complaint Management Structure



Our Actions

Yatsen continuously enhances its customer service by strengthening responsible marketing, complaint management, customer experience monitoring, digital service capabilities, and customer service team development, thereby safeguarding consumers' right to know and other legitimate rights and interests.

Practicing Responsible Marketing

The Company is committed to responsible marketing by providing consumers with truthful, accurate, and complete product information while continuously improving its marketing content review process. Customer service representatives are required to communicate with consumers using approved scripts, accurately describing product features and efficacy without exaggeration or misleading claims, thereby protecting consumers' right to make informed purchasing decisions.

For new product launches, the Company has established a standardized customer service script review process. Before launch, customer service personnel receive dedicated product training. Initial scripts are prepared by the customer service team, reviewed and refined by product trainers, and approved before being put into use. Newly hired customer service representatives must complete product training and pass an assessment before serving consumers. The customer service team also regularly analyzes frequently asked consumer questions and provides feedback to product teams, ensuring that communication materials across all channels remain accurate, consistent, and up to date. During the Reporting Period, the Company continued to provide responsible marketing training covering topics such as product efficacy claims and advertising compliance. The training was delivered to employees engaged in brand operations, content production, livestreaming, customer service, beauty advising, and other marketing-related functions, further strengthening compliance awareness and responsible communication practices.

To better serve consumers, the Company leverages intelligent customer service chatbots and large language model (LLM)-based AI to provide timely responses to common inquiries regarding product features, suitable skin types, usage instructions, and promotional campaigns. More complex inquiries are transferred to human customer service representatives. In addition, the Company has introduced Robotic Process Automation (RPA) and AI-assisted tools to support services such as order tracking, delivery address modification, and refund processing, improving both communication efficiency and operational effectiveness.

Enhancing Customer Service Quality



Closed-Loop Customer Complaint Management

The Company has established a closed-loop complaint management process comprising “acceptance - classification - response - analysis - improvement - follow-up”, with clear requirements defined for each stage to ensure that consumer concerns are addressed promptly, professionally, and efficiently.

During the complaint acceptance and classification stage, consumer feedback is centrally collected through multiple channels, including e-commerce platforms, official customer service channels, the 400 hotline, the 12315 consumer complaint hotline, the Black Cat complaint platform, and social media. Complaints are categorized according to their type and risk level. General service-related issues are handled promptly by the customer service team, while high-risk matters involving product safety or adverse reactions trigger a dedicated response mechanism. Under this mechanism, the marketing, R&D, quality, and customer service departments jointly investigate the issue, assess potential risks, and develop appropriate risk control measures and product improvement plans.

During the analysis and continuous improvement stage, the Company regularly consolidates customer reviews, inquiries, and complaint data to prepare Voice of the Customer (VOC) analysis reports. Dedicated analyses are conducted on issues relating to product quality, packaging design, logistics and delivery, service processes, and user experience, with responsible departments implementing corresponding improvement measures. For key products and new product launches, Yatsen has established anomaly warning and periodic review mechanisms. Individual brands also develop tailored response procedures for scenarios including logistics disruptions, damaged packaging, product quality issues, returns and exchanges, allergy-related feedback, and consumer misunderstandings, ensuring that every complaint remains traceable and is resolved through a closed-loop process.



Customer Experience Improvement



The Company continuously evaluates customer experience across the pre-sales, sales, and after-sales journey through customer satisfaction surveys, service quality monitoring, and targeted research, while developing improvement initiatives for scenarios with lower satisfaction levels to optimize the overall consumer experience. During the Reporting Period, *Galénic* commissioned an independent third party to conduct a customer satisfaction survey covering pre-sales consultation and after-sales service. The results indicated consistently high levels of customer satisfaction with customer service responsiveness, product usage guidance, and explanations of after-sales procedures. In 2025, both *EVE LOM* and *Galénic* maintained customer satisfaction ratings of above 90% on Tmall and Douyin.



The Company also continues to promote scientific skincare education through brand-exclusive events, offline professional training courses, scientific skin analysis services, and online educational content. Consumers are provided with information on ingredient mechanisms, evidence-based skincare knowledge, and proper product usage. Supported by professional beauty consultants and customer service representatives, the Company offers personalized product recommendations and usage guidance to help consumers better understand product efficacy and appropriate use scenarios, reducing consumer risks arising from insufficient information or improper product use while further strengthening consumers' right to know and awareness of evidence-based consumption.



Customer Service Capabilities Building



The Company continues to improve its customer service talent development system by providing ongoing training on product knowledge, service standards, communication skills, complaint handling, and the application of intelligent customer service tools. In 2025, *Perfect Diary* conducted 51 customer service training sessions. The Premium Skincare Business Unit also organized monthly best-practice sharing sessions, using case reviews, consumer perspective simulations, and AI-assisted analyses to capture and disseminate effective communication practices, thereby strengthening the professionalism of customer service representatives and their ability to resolve complex customer issues.



The Company also continues to deepen the application of AI in customer service by establishing full-process AI customer service management mechanisms on platforms including Tmall and Douyin. AI capabilities, including chatbot knowledge bases, multi-turn dialogue comprehension, image recognition, and intelligent product recommendations, are continuously optimized. *Perfect Diary* has further expanded the scope of consumer voice collection by integrating analyses of product reviews, customer inquiries, online public opinion, and complaint data, while leveraging AI models to improve chatbot response quality. Through an enhanced human-AI collaboration model, AI customer service handles standardized inquiries and routine after-sales services, enabling human customer service representatives to focus on complex issues and personalized consumer support.

Performance Highlights

- ✓ In 2025, we engaged in one-on-one customer service contacts with **4,523,560** customers, achieving an average response time of **15.54** seconds and a three-minute reply rate of **99.01%**.
- ✓ In 2025, average satisfaction scores across our brands on Tmall and Douyin platforms reached **92.86%**.
- ✓ In 2025, *Galénic* commissioned an independent customer satisfaction survey, which reported an average satisfaction rate of **95.0%** across response speed, product usage guidance, return and exchange procedures, and after-sales solutions.
- ✓ In 2025, *Perfect Diary* conducted **51** customer service training sessions.

03

Green Synergy Preserving the Beauty of Nature

Yatsen integrates the principles of green and sustainable development into its business operations and value chain management. Focusing on sustainable packaging, climate action, green operations, and responsible supply chains, the Company advances its environmental management efforts while minimizing the environmental footprint of its own operations. At the same time, Yatsen actively collaborates with suppliers on ESG management, joint carbon reduction initiatives, and biodiversity conservation practices, driving the green transformation of its value chain, promoting sustainable consumption, and contributing to ecological conservation.

SDGs covered in this chapter



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

Sustainable Packaging

Our Strategy

As modern consumers place increasing importance on the environmental and health attributes of products, packaging sustainability has become an increasingly influential factor in purchasing decisions. Yatsen regards reducing the environmental impact of packaging throughout its life cycle as the core objective of its sustainable packaging strategy. While ensuring product safety, packaging functionality, and a positive consumer experience, the Company continuously optimizes its packaging through the adoption of greener materials, packaging reduction, plastic reduction, and the use of recyclable and reusable packaging solutions, thereby progressively improving the environmental performance of its product packaging.

Our Governance

Yatsen has established and implemented the *Sustainable Packaging Management Policy*, which sets management requirements and phased targets covering packaging material selection, reduction, recyclability, and overall environmental performance. These requirements are embedded throughout the packaging life cycle, including design, procurement, application, and recycling. Each brand incorporates these requirements into product development and packaging material selection according to product characteristics, ensuring the standardized implementation of sustainable packaging practices.

Our Actions

In 2025, Yatsen continued to improve its packaging by promoting the use of environmentally friendly materials, reducing reliance on plastics, lightweighting packaging, and enhancing circularity. As a principal drafting organization, the Company also participated in developing the *Sustainable Packaging Guidelines - Cosmetics*, a group standard led by the China Health Care Association, transforming its practical experience into industry references.

Adopting Environmentally Friendly Packaging Materials

Yatsen prioritizes the use of paper certified by the Forest Stewardship Council (FSC®) to improve the legality and traceability of paper sourcing while mitigating the risks of forest ecosystem degradation and biodiversity loss associated with irresponsible logging.

All large cartons used for the Company's logistics and transportation operations have achieved FSC certification, and FSC-certified cartons are also used for overseas gift boxes. The folding cartons of *Galénic* products in the Chinese market and *EVE LOM* products are made from FSC-certified paper and printed with environmentally friendly soy-based inks, reducing the environmental impact of both materials and printing while maintaining packaging functionality and consumer experience.

Reducing Dependency on Plastics

Yatsen continues to advance the transition toward more sustainable packaging materials by reducing plastic consumption and increasing the use of biodegradable and recycled materials, thereby lowering the resource consumption and environmental impact of packaging across its entire life cycle.



Some *Galénic* products sold in China use 100% biodegradable bio-based paper-plastic materials to replace conventional plastics for product boxes. The brand has also eliminated plastic shrink wrap, significantly reducing plastic consumption and dependence on plastic packaging.



EVE LOM continues to transition to more sustainable packaging materials, with all outer packaging now made from recyclable or recycled materials. To address the environmental concerns associated with single-use portable packaging, *EVE LOM* has adopted 100% plant-based, biodegradable capsule materials. For example, the *EVE LOM* Youth Radiance Recovery Capsules employ capsule shells made from sustainably sourced red algae. Scientifically verified to be biodegradable, the capsules are 100% plant-based and completely plastic-free. In addition, *EVE LOM* is progressively eliminating single-use shrink wrapping from new product launches to further reduce its reliance on virgin plastics.



EVE LOM Youth Radiance Recovery Capsules
Using Biodegradable Capsule Technology

Case

Collaborating with Product Supplier to Reduce Packaging

As part of its efforts to extend green packaging requirements throughout its supply chain, Yatsen collaborated with its key product supplier, Yatsen Biotechnology (Guangzhou) Co., Ltd. (“Yatsen Biotechnology”), on a packaging reduction initiative. Together, the two parties redesigned the packaging structure of selected products, eliminated unnecessary shrink wrapping, and explored biodegradable alternatives for products where protective film remained necessary. These improvements reduced the use of single-use plastics while maintaining product protection.

The initiative reduced shrink film consumption by 26,664 meters, equivalent to approximately 350 kg of plastic. By eliminating the heat-shrinking process, the project also saves approximately 2,500 kWh of electricity annually, resulting in an estimated reduction of 2.5 metric tons of CO₂ emissions each year. These achievements not only reduced the consumption of raw and auxiliary materials and simplified packaging design, but also demonstrate the factory's continued commitment to green manufacturing.

Promoting Lightweight Packaging

While ensuring packaging functionality and consumer experience, Yatsen reduces resource consumption by optimizing packaging structures and material usage, developing refill solutions, and simplifying packaging layers.



EVE LOM pioneered the introduction of a refillable design for the *EVE LOM* Renewal Intensive Treatment, allowing consumers to retain the original jar and replace only the refill. Over the long term, this approach can reduce plastic usage by 34% and glass usage by 67%².



DR.WU optimized the packaging process for *DR.WU* Renewal Essence Toner 2.0 by replacing the spray-coated bottle with an integrally molded amber glass bottle, thereby reducing paint usage. The bottle cap decoration was simplified from hot stamping and clear coating to silk-screen printing, while the facial cotton packaging was changed from a boxed format to a pouch, further reducing packaging materials and processing steps.



Perfect Diary's products such as Long Lasting Mattifying Foundation, Glamour Select Velvet Liquid Lipstick and Nine-Color Eyeshadow Palette reduced packaging coatings and materials by simplifying coating processes and removing top-panel designs; products including Radiance Cleansing Balm, and Renewal Essence Cleansing Balm adopted refillable structures to reduce repeated production of outer packaging.



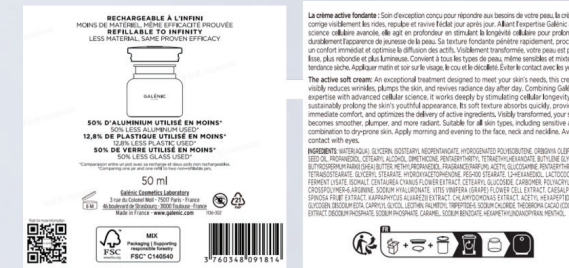
Galénic's products such as the Active Soft Cream and Reviving Cream reduced the use of aluminum, plastic, and glass through refill systems; products including selected sizes of the Couture Secret D'Excellence Active Cream and Active Eye Cream, and Reviving Cream, the internal tray packaging inside paper cartons was replaced with bulk packaging, further reducing packaging materials.

Building a Circular Packaging System

Yatsen believes that a sustainable packaging system depends on broad consumer recognition and active participation. We incorporate circular economy principles into packaging design, consumer guidance, and logistics management, engaging consumers, retail stores, and supply chain partners to jointly build a lower-carbon and more circular packaging system.

The Company's brands continue to promote packaging recycling initiatives and practices. *Galénic* has added the PAP³ recycling mark to the folding cartons for products sold in China, together with instructions encouraging consumers to dispose the folding cartons in recyclable waste bins, thereby enhancing recycling awareness. *EVE LOM* continues to communicate its environmental commitment by participating in international packaging recovery and recycling programs and has obtained The Green Dot⁴ symbol.

In logistics and warehousing, the Company continues to promote the reuse of cartons and other packaging materials, encourages self-operated stores and offline sales channels to reduce the consumption of single-use packaging materials, and prioritizes the use of recyclable cartons. Going forward, the Company will gradually extend its green packaging recycling requirements to more suppliers and business partners, jointly expanding the adoption of sustainable packaging practices.



A PAP Logo is Added to the Folding Cartons of *Galénic* Products

²It is based on a comparison between using one original container with two refill packs and purchasing three fully packaged products.

³PAP refers to materials made from recyclable and biodegradable cellulose fibers.

⁴The Green Dot is a packaging recovery and recycling program established by PRO Europe (Pro-E). Packaging bearing The Green Dot symbol indicates that it complies with European packaging directives and that the producer has paid the required packaging recovery fee, enabling Pro-E to organize the collection and recycling of the packaging through its network.

Case

Collaborating with Product Supplier to Promote Packaging Material Circularity

Regarding the circular use of packaging materials, Yatsen has supported its key product supplier, Yatsen Biotechnology, in establishing a packaging material recovery and reuse system. The factory assesses the recyclability of packaging materials based on factors including material value, recycling feasibility, and quality risks, and has established standardized procedures covering collection, cleaning, disinfection, and reuse. It has also developed quality inspection standards for recovered packaging materials to ensure they meet production requirements. Following successful validation, the model has gradually been extended to packaging materials for other products with relatively large production volumes and multiple production batches.

This mechanism has reduced the disposal of reusable packaging materials and the consumption of raw materials while ensuring product quality and safety. It has also improved the circular utilization of packaging materials and provided a replicable model for packaging resource management across the supply chain.

Performance Highlights

- ✓ **100%** of folding cartons for *Galénic* products in the Chinese market and *EVE LOM* products are made from FSC-certified paper and printed with soy-based ink.
- ✓ In 2025, the packaging material use intensity was **0.01** tons per RMB 10,000 of revenue.

Addressing Climate Change

Our Strategy

In response to the growing urgency of global climate governance, Yatsen has incorporated climate change into its strategic planning and is exploring business models aligned with the low-carbon transition. Drawing on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the Company identifies climate-related risks and opportunities across four dimensions: governance, strategy, risk management, and metrics and targets. It has established targets for clean energy adoption, net-zero operational emissions, and carbon neutrality across the entire value chain, while advancing climate governance, risk identification, and transition initiatives. The Company strictly complies with applicable laws and regulations, including the *Energy Conservation Law of the People's Republic of China*, and advances climate action by promoting low-carbon transformation in its own operations, collaborative emissions reduction across the value chain, and low-carbon product innovation. Through these efforts, Yatsen manages climate-related risks while seizing opportunities arising from green development.

Our Governance

Yatsen has established a three-tier climate governance structure comprising the Board of Directors, a coordination group, and cross-departmental execution teams. The Board reviews climate-related policies, management mechanisms, and performance targets, and oversees implementation progress. The Public Affairs Department serves as the coordination group, responsible for formulating management strategies, coordinating cross-departmental resources, and reporting to the Chief Financial Officer. Cross-departmental execution teams, consisting of representatives from relevant functions, are responsible for climate risk management, carbon emissions data management, and emissions reduction initiatives within their respective areas of responsibility.

We have established a risk monitoring system integrated into our day-to-day operations. Through routine information collection and feedback mechanisms, the Company ensures that various risk factors are identified promptly and addressed effectively. Cross-departmental risk management meetings are held regularly, during which each functional department reports key risk issues to the Head of Risk Management (the Chief Financial Officer) and discusses corresponding response measures to strengthen organizational coordination. As the risk management system continues to evolve, the Company is systematically integrating dedicated climate-related assessments into its overall risk management framework. By continuously optimizing its governance structure and operating mechanisms, Yatsen enhances its ability to anticipate and adapt to climate change, thereby establishing a more robust risk management foundation for sustainable development.

The Company is progressively establishing a carbon emissions data collection, accounting, and reporting system covering offices, retail stores, manufacturing and warehousing facilities, and logistics and transportation operations. Through supplier communication and evaluation, carbon management requirements are also being gradually extended to value chain partners.



Our Actions

Guided by its climate strategy, Yatsen has undertaken actions in climate risk and opportunity identification, operational emissions reduction, supply chain collaboration, and product carbon footprint management to advance the achievement of its climate goals.

Climate Risk and Opportunity Identification and Response

Facing the business challenges posed by climate change, Yatsen has established a comprehensive risk assessment mechanism based on multi-scenario analysis. After identifying the transition risks and physical risks that climate factors may pose over the short, medium, and long term, the Company actively evaluates their potential impacts on its operations, supply chain, and markets, and develops corresponding response plans to ensure business resilience under changing climate conditions.

Climate Risks and Response Initiatives of Yatsen

Climate change-related risks	Key risk categories	Risks	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 reports (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 transformation 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	Extreme weather events, including extreme heat, rainstorms, floods, and typhoons, may disrupt supplier production, logistics, and store operations, resulting in supply chain interruptions, higher operating costs, or risks to employee safety.	Developing emergency response plans for different types of extreme weather events, defining preventive and response measures, and conducting early warning and emergency drills to safeguard store operations and employee safety; Improving alternative supplier arrangements and supply assurance mechanisms to reduce the impact of extreme weather on supply chain continuity.

While climate change presents business risks, it also creates opportunities in areas such as green products, low-carbon packaging, and efficient logistics. Yatsen incorporates climate considerations into its business planning and seeks to identify value creation opportunities that align with its capabilities while responding to climate-related risks.

Climate Opportunities and Response Initiatives of Yatsen

Opportunity categories	Opportunities	Response initiatives
Market opportunities of green packaging	Consumer demand for recyclable, reusable, and biodegradable packaging materials continues to grow.	Continuing to promote packaging reduction, plastic reduction, and circular packaging practices; expanding the application of green packaging across brands and products; and enhancing both product environmental performance and consumer recognition.
Using more efficient and eco-friendly transport methods	Improving transportation efficiency and adopting low-carbon transportation methods can reduce logistics costs and greenhouse gas emissions.	Optimizing logistics solutions and transportation structures, and gradually introducing new energy vehicles where appropriate.

Based on the results of its climate risk and opportunity assessments, the Company integrates key response measures into relevant business processes and advances its low-carbon transition through operational emissions reduction, supplier collaboration, and product carbon footprint management.

Carbon Management in Own Operations

Yatsen improves energy efficiency across its operations, including offices, retail stores, warehousing, and logistics, to promote energy conservation and emissions reduction, thereby progressively reducing the carbon emissions associated with its day-to-day business activities.



In its office operations, the Company systematically promotes green office practices. Dedicated personnel conduct routine inspections to ensure that unused lighting is switched off promptly and that air-conditioning temperatures are appropriately controlled, thereby effectively reducing energy consumption. Environmental awareness among employees is further enhanced through internal campaigns promoting electricity and water conservation.



The Company has incorporated energy conservation requirements into the management of its retail stores by requiring that lighting and electrical equipment be switched off after business hours and by promoting paperless reimbursement. It also encourages the use of digital collaboration tools, such as online meetings, to reduce carbon emissions from unnecessary business travel.



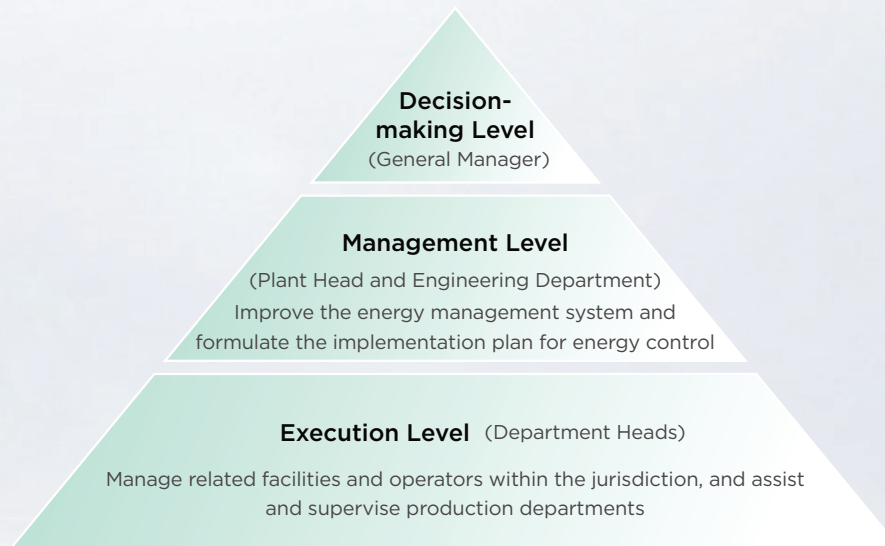
In warehousing and logistics, the Company advances energy-efficient lighting, equipment electrification, and the adoption of new energy vehicles. Initiatives include replacing conventional lighting with energy-efficient fixtures, installing daylighting facilities, replacing fuel-powered forklifts with electric forklifts, and progressively introducing new energy vehicles for cross-border logistics and last-mile delivery to reduce fossil fuel consumption.

Supplier Carbon Management

Yatsen considers energy efficiency and carbon emissions performance as key factors in supplier evaluation and encourages suppliers to establish energy management systems and conduct carbon emissions accounting. Through policy guidance, training, and knowledge sharing, the Company supports suppliers in implementing energy-saving technology upgrades, energy efficiency monitoring, and green certification, thereby progressively strengthening low-carbon management capabilities throughout the supply chain.

As the Company's core production base, Yatsen Biotechnology has established a comprehensive energy management system through documents such as the *Energy and Resource Management System*. It has implemented a three-tier energy management structure comprising decision-making, management, and execution levels, with clearly defined requirements and responsibilities for the use of energy and resources, including water and electricity. This ensures the effective operation of its energy management system, continuously advances energy conservation and the low-carbon transition in manufacturing operations, and has enabled the Company to obtain ISO 50001 Energy Management System Certification.

Energy Management Structure of Yatsen Biotechnology



Case

Yatsen Biotechnology Steadily Advanced Green and Low-carbon Development

To extend the Company's climate goals throughout the supply chain, Yatsen has identified Yatsen Biotechnology as a key collaboration partner and supported it in developing the *Medium- and Long-term Green and Low-carbon Development Plan (2025-2030)*. Based on its manufacturing characteristics, Yatsen Biotechnology has promoted clean energy utilization, energy efficiency improvement, and product carbon footprint management.

During the Reporting Period, Yatsen Biotechnology continued to expand its photovoltaic facilities and optimize its energy mix. The second phase of its rooftop photovoltaic project was successfully connected to the grid, increasing the annual renewable energy utilization rate to 41%, thereby meeting the annual target. Through continuous monitoring of production energy consumption and strengthened energy management, the factory's carbon emissions intensity has declined year by year, while both clean energy utilization and operational energy efficiency have continued to improve.

Yatsen Biotechnology has also carried out product carbon footprint assessments to identify major emissions hotspots throughout product life cycles. In 2025, product carbon footprint assessments achieved the Company's preset target of 100% coverage, and the first batch of product carbon footprint reports was completed. These practices have provided valuable experience for supporting more suppliers in carbon management, energy efficiency improvement, and product carbon footprint assessment in the future.

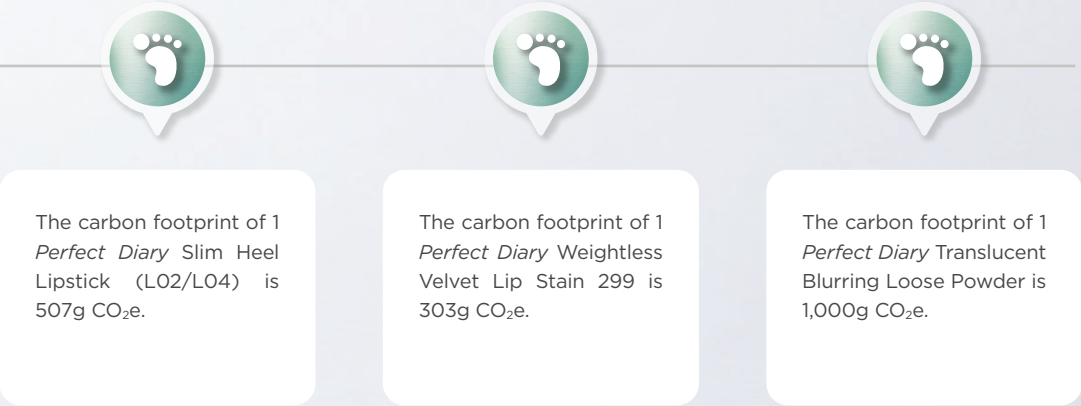
Carbon Footprint of Products

Based on the life cycle assessment (LCA) methodology, Yatsen quantifies greenhouse gas emissions generated throughout the product life cycle, including raw material acquisition, manufacturing, logistics and transportation, product use, and end-of-life disposal. Since 2021, the Company has progressively expanded the scope of its carbon management from operational activities to the entire product life cycle in order to identify major emissions sources and opportunities for emissions reduction.

Product carbon footprints are quantified in accordance with 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. By integrating data from internationally recognized databases, including the European Life Cycle Database (ELCD) and the Ecoinvent life cycle database, together with local operational data, the Company quantifies carbon emissions across the entire product life cycle, providing a basis for identifying emissions reduction priorities and formulating improvement measures.

Product Carbon Footprint Verification Results

By the end of 2025, the Company had commissioned third-party professional agencies to complete carbon footprint verification for three products, *Perfect Diary* Weightless Velvet Lip Stain 299, *Perfect Diary* Translucent Blurring Loose Powder, and *Perfect Diary* Slim Heel Lipstick.



Yatsen continues to promote collaborative carbon reduction across its supply chain. Our core supplier, A&H International Cosmetics, has completed a full life cycle carbon footprint verification for a certain lipstick product, providing a data foundation for identifying future emissions reduction priorities within the supply chain.

Performance Highlights

Yatsen's Carbon Reduction Targets

Yatsen has established carbon neutrality and interim emissions reduction targets. With 2021 as the base year, we are committed 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.

2025 Progress

Compared with the base year:

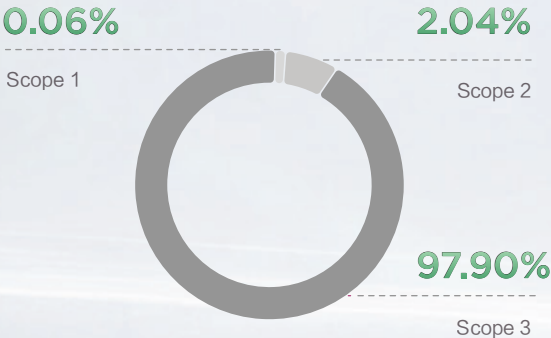
- ✓ Carbon emission intensity in upstream transportation decreased by **19.75%**.
- ✓ Carbon emission intensity of core suppliers decreased by **71.66%**.

Performance Highlights

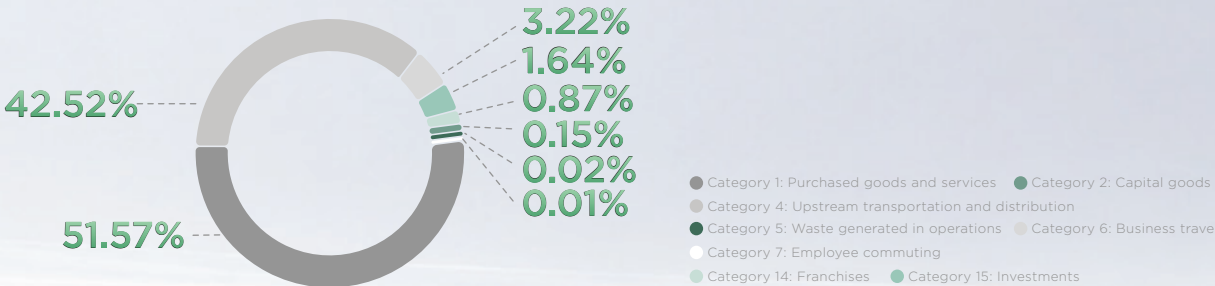
In 2025, Yatsen's GHG emissions were as follows:

- ✓ Scope 1: **34.43tCO₂e**
- ✓ Scope 2: **1,105.20tCO₂e**
- ✓ Scope 3: **53,095.07tCO₂e**
- ✓ In 2025, our operational greenhouse gas emissions totaled **1,139.63tCO₂e**, a decrease of **35.74%** from 2024.

Total Carbon Emissions Distribution



Scope 3 Emissions Distribution by Category



Green Operations

Our Strategy

Yatsen adopts compliant operations, resource conservation, and pollution prevention as the core principles of its green operations strategy. The Company focuses on the management of water resources, waste, and pollutant emissions while reducing environmental impacts across office operations, retail stores, warehousing and logistics, and manufacturing activities. Environmental management requirements are also progressively extended to key suppliers.

We do not directly engage in the manufacturing of cosmetics. The environmental impacts of our own operations primarily arise from offices, retail stores, warehousing and logistics, and other routine business activities, while the environmental impacts associated with product manufacturing mainly originate from OEM and ODM suppliers as well as the Company's core manufacturing suppliers. Based on these business characteristics, the Company has established an environmental management boundary that integrates its own operations with value chain manufacturing. On the one hand, it promotes the use of clean energy, improves energy efficiency, and reduces greenhouse gas emissions across our own operations. On the other hand, through supplier qualification, performance evaluation, target alignment, and capability building, it progressively extends management requirements relating to energy, water resources, pollutants, waste, and carbon emissions to the manufacturing stage of the value chain.

Our Governance

Yatsen incorporates water resource management, waste disposal, and pollutant emissions control into its day-to-day environmental management. Through institutional requirements, data monitoring, facility operation management, and compliance inspections, the Company ensures that all operational activities comply with applicable environmental laws and regulations. For environmental impacts associated with manufacturing, the Company manages these issues through the environmental management system and dedicated policies implemented by its core manufacturing suppliers. Taking Yatsen Biotechnology as its primary collaborative partner, the Company supports the establishment of energy and resource management systems, the formulation of phased environmental targets, and continuously monitors the progress against these targets and related performance indicators.

Yatsen Biotechnology has established a series of management policies, including the *Environmental Management Policy*, *Energy and Resource Management System*, *Waste Gas Management Standards*, *Wastewater Management Standards*, and *Noise Pollution Management Standards*, which define environmental management responsibilities, operational requirements, and pollutant emissions control procedures. During the Reporting Period, its ISO 14001 Environmental Management System remained effectively implemented, and no major environmental violations occurred.

Our Actions

Yatsen implements green operations by promoting water conservation and recycling, waste segregation and disposal, and pollutant emissions control, embedding environmental management requirements into both its daily operations and manufacturing activities.

Water Management

Yatsen monitors and tracks daily water consumption through water use data collection and analysis, enabling the timely identification of abnormal water use and waste and the implementation of corresponding improvement measures.

The Company has upgraded water-saving facilities in its offices by replacing certain conventional sanitary fixtures with intelligent water-efficient equipment. It also enhances employees' awareness of water conservation through ongoing communication and training, thereby improving the overall effectiveness of water resource management.

In manufacturing, the Company supports its core production base, Yatsen Biotechnology, in implementing water recycling initiatives, including the construction of reclaimed water reuse systems and water consumption monitoring platforms. These measures strengthen the identification of abnormal water usage and improve the efficiency of water recycling in manufacturing operations.

Waste and Pollutant Management

Yatsen has established a comprehensive pollutant management system to systematically strengthen the standardized management of waste gas, wastewater, and solid waste. In terms of waste management, the Company implements waste segregation. Household waste and kitchen waste are collected and treated by qualified professional service providers, with a portion of the kitchen waste converted into animal feed for resource recovery, while household waste is treated through waste-to-energy incineration, thereby improving the overall resource recovery rate. In addition to strengthening end-of-pipe treatment, the Company also emphasizes reducing resource consumption at the source. It promotes paperless office practices, organizes dedicated training on electronic reimbursement to reduce paper consumption, and conducts internal awareness campaigns on topics such as reducing food waste, thereby enhancing employees' environmental awareness from multiple dimensions.

The Company also supports its core production base, Yatsen Biotechnology, in optimizing waste management throughout the entire process. The production base is equipped with specialized organic waste gas treatment systems and wastewater treatment facilities, while the operation of these facilities and pollutant emissions are subject to routine monitoring. Management has been strengthened across all stages, including source reduction, waste segregation, process control, and compliant disposal. Yatsen Biotechnology has obtained "Zero-Waste Factory" certification, demonstrating the Company's phased progress in promoting green operations among its core suppliers.

Performance Highlights

- ✓ In 2025, Yatsen recorded **zero** major environmental violations.
- ✓ Yatsen Biotechnology obtained "Zero-Waste Factory" certification.

Responsible Supply Chain

Our Strategy

We incorporate product quality, reliable delivery, compliance operations, environmental performance and social responsibility into our supply chain management, striving to build a stable, transparent, responsible and resilient supply chain. We prioritize sustainable procurement of raw materials, embrace the “Clean Beauty” concept and motivate suppliers to jointly improve sustainability performance with the help of our mechanisms covering supplier admission, performance evaluation, capability development and sustainable sourcing.

Our Actions

We promote comprehensive improvement of environmental and social responsibility management among supply chain partners through initiatives including supplier ESG evaluation, performance assessment, capacity building and sustainable raw material procurement, so as to build an industrial ecosystem geared toward sustainable development.

Our Governance

Yatsen has established a supply chain management structure, with the board of directors serving as the highest decision-making and supervisory body responsible for overseeing the effective implementation of sustainable supplier management; the procurement department is responsible for specific implementation, including supplier admission, performance evaluation, daily management, and implementation of ESG-related requirements, to continuously promote standardized operation and sustainable development of the supply chain. We have built a supply chain management mechanism covering supplier admission, performance evaluation, capability advancement and exit management, and have standardized relevant procedures in compliance with the *Supplier Management Regulations*. At the supplier admission stage, we conduct reviews covering qualification certification, financial status, production capacity and quality management systems, and require all cosmetic OEM/ODM manufacturers to hold a cosmetics production licence and attain certifications including the ISO 9001 Quality Management System and ISO 22716 Cosmetics – Good Manufacturing Practices. During cooperation, we regularly organize supplier performance evaluations, on-site audits and capability training, and conduct tiered management and rectification follow-up based on evaluations.

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.

We publicly released and implemented our *Sustainable Procurement Policy*. We prioritize the procurement of eco-friendly raw materials including RSPO-certified palm oil-derived ingredients and FSC-certified paper products. The initiatives minimize environmental impacts at the procurement source and advance the development of a responsible supply chain.

Supplier ESG Management

We incorporate ESG performance into supplier evaluation. During supplier screening, we give priority to suppliers holding environmental, quality and occupational health and safety management system certifications, and encourage suppliers to lift relevant performance by setting bonus scoring items. We require all partners to sign the *Integrity Commitment* and satisfy requirements regarding business ethics and intellectual property protection, to jointly maintain compliant and transparent cooperative relations.

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

Case

In Partnership with Key Product Suppliers to Enhance Sustainable Operation Capabilities

Yatsen Biotechnology (Guangzhou) Co., Ltd. serves as Yatsen's primary product supplier and core production base, as well as an important practice carrier for the Company to drive supplier sustainable performance management. In 2025, we carried out collaborative management with Yatsen Biotechnology covering resource utilization, environmental compliance and operational efficiency, embedded green manufacturing requirements into the whole production process and steadily improved resource utilization efficiency, cleaner production performance and lean operation capabilities.

- In terms of resource utilization, Yatsen Biotechnology optimizes water recycling facilities, carries out water-saving renovations and strengthens waste sorting and resource-based disposal to boost resource utilization efficiency and cut resource consumption during production.
- In terms of environmental management, Yatsen Biotechnology continuously maintains and upgrades production and environmental protection facilities, tightens process control over sewage treatment, pollutant discharge and facility operation to ensure stable running of environmental equipment and lower the environmental impacts of production activities.
- In terms of operational efficiency, Yatsen Biotech integrates green concepts into product design and production management. It keeps optimizing production line layout, warehouse space and internal management modes, raising operational efficiency while enabling intensive utilization of production space and resources.

Through collaborative management of key product suppliers, we further strengthen tracking and improvement of environmental performance across the supply chain and accumulate experience in supplier sustainable performance management. Going forward, we will keep supporting suppliers to improve resource efficiency, environmental compliance and green operation capabilities, to jointly build a more efficient, eco-friendly and resilient supply chain.

Supplier Evaluation and Assessment

We conduct evaluations for core suppliers such as cosmetics manufacturers, packaging material suppliers, and raw material suppliers every six months. Through document reviews, on-site assessments and industry-standard benchmarking, the cross-functional review team focuses on evaluating indicators including 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 and adopt differentiated management measures. Targeted improvement plans are formulated and training support is provided for C-level and D-level suppliers. For suppliers that fail to complete rectification as required, measures including suspending cooperation, setting deadlines for rectification or terminating cooperation will be implemented.

Supplier Capability Building

We deliver training programs for suppliers covering quality management, environmental protection, occupational health and safety, business ethics and labour rights, and build experience-sharing platforms to support suppliers in upgrading their management capabilities. Meanwhile, we boost training for our internal procurement team and disseminate procurement policies to drive collaborative improvement across the supply chain.

⁵Core suppliers refer to those suppliers which in aggregate accounted for 70% of the Company's total procurement spending in 2025.

⁶The Company's supplier environmental assessment standards include ISO 14001, ISO 14064, ISO 50001 and other certifications.

⁷The Company's supplier social assessment standards include ISO 9001, ISO 45001, SA8000 and other certifications.

Biodiversity Protection

We take raw material sustainability as the focus of sustainable procurement. We have issued the *Yatsen Biodiversity Statement* and the *Sustainable Procurement Policy*. Ecological considerations are embedded at the raw material selection stage. We prioritize eco-friendly raw materials that impose less harm on the natural environment and encourage the adoption of renewable resources throughout production processes.

In terms of palm oil management, we do not directly procure palm oil, yet we have set clear targets for palm oil-derived raw materials. We plan to achieve 100% sustainable palm oil raw material adoption for core products by 2035 and drive the transition of upstream suppliers. In 2025, palm oil and its derivatives used by us accounted for 16% of total raw materials, among which 71% hold valid RSPO sustainability certifications. For packaging paper, we prioritise FSC®-certified paper materials to improve the legality and traceability of paper sources and help reduce irresponsible deforestation. Furthermore, we actively support suppliers that join sustainable industry organizations and initiatives as well as their certified products. We prioritize raw materials meeting environmental and social sustainability standards, encouraging upstream and downstream supply chain partners to jointly protect ecosystems and biodiversity.

Performance Highlights

- ✓ In 2025, we maintained a total of **120** direct suppliers.
- ✓ In 2025, we had a total of **7** core suppliers⁵.
- ✓ In 2025, over **87%** of total procurement volume was sourced from suppliers holding environmental or social certifications.
- ✓ In 2025, **53** suppliers passed our environmental impact assessment⁶.
- ✓ In 2025, **65** suppliers passed our social impact assessment⁷.
- ✓ In 2025, we evaluated **40** key suppliers, representing **16.3%** of our total supplier base, achieving a **97.5%** pass rate.
- ✓ In 2025, **7** core suppliers passed on-site assessments with a **100%** compliance rate, with no material actual or potential adverse impacts identified.

04

Thriving Talent Shaping the Future of Growth

Yatsen is committed to a people-oriented philosophy and strives to provide employees with a diverse, inclusive, and equitable workplace. Focusing on talent development, employee rights and interests, and physical and mental well-being, the Company continuously enhances its compensation and benefits system, career development support mechanisms, and employee engagement programs, fostering mutual growth between employee development and the Company's long-term value creation.

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

Diverse, Equal, and Inclusive Workplace

Our Strategy

Putting people first is the core philosophy underpinning Yatsen's talent management. The Company strictly complies with the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Provisions on the Prohibition of Using Child Labor*, and other applicable laws and regulations in the jurisdictions where it operates. Recognizing talent as the cornerstone of sustainable business development, the Company is committed to fostering a diverse, equitable, and inclusive workplace for all employees.

Our Governance

Yatsen has established a comprehensive human resources management system covering recruitment and hiring, working hours and leave, employee conduct, and internal referrals. This system includes institutional documents such as the *Guidelines for Recruitment and Employment Management*, *Yatsen Headhunting Management Specifications*, *Employee Handbook*, *Working Hours and Leave Management System*, and *Internal Referral Program*. The Company also extends its employee rights protection requirements to business partners and suppliers, encouraging them to employ workers in compliance with applicable laws and regulations.

The Company actively embraces the principles of diversity and inclusion. Through the *Employee Handbook*, which applies to all employees, Yatsen clearly stipulates respect for and protection of employees' dignity and prohibits discrimination based on gender, ethnicity, religion, age, or other protected characteristics. In employment management, the Company strictly prohibits child labor and forced labor and adopts a zero-tolerance policy toward workplace sexual harassment. It regularly conducts anti-discrimination and anti-sexual harassment training, has established reporting mechanisms for discrimination and harassment, provides internal reporting channels, and takes corrective or disciplinary actions against relevant misconduct, thereby fostering an equal, open, and mutually respectful workplace.

Our Actions

Yatsen adheres to lawful and compliant employment practices and continues to advance a diverse, equitable, and inclusive workplace through equal employment, employee rights protection, human rights risk management, and two-way communication.

Compliance and Equal Employment

Yatsen upholds the principle of equal employment and provides fair employment opportunities to job applicants through multiple recruitment channels, including online recruitment platforms, campus recruitment, internal and external referrals, targeted talent attraction incentive programs, and executive search firms. Yatsen has established a scientific interview evaluation system and implements hiring approvals in accordance with the delegated authority requirements outlined in the *Human Resources Approval Authority*. Pre-employment background checks are also conducted for certain key candidates to improve recruitment quality, mitigate employment risks, and ensure the accuracy and fairness of talent acquisition. In managing employment relationships, the Company strictly complies with the laws and regulations of each jurisdiction where it operates. Where significant operational changes require the termination of employment relationships with certain employees, the Company communicates with affected employees in advance to ensure a compliant and orderly transition. During the Reporting Period, we employed 10 persons with disabilities through labor dispatch arrangements, providing them with positions and employment opportunities commensurate with their abilities.

Protection of Employee Rights and Interests and Human Rights

Yatsen places great importance on protecting the legitimate rights and interests of all employees while paying particular attention to the career development and labor rights of female employees. The Company incorporates pay equity into its diversity, equity, and inclusion management, establishes an anonymous monitoring mechanism to track pay disparities, ensures equal opportunities for promotion, and provides female employees with career development support and health care initiatives.

The Company continues to improve accessible facilities and service processes to provide employees with disabilities with equal and convenient working conditions, enabling them to fully realize their potential and participate in the Company's development.



The Company identifies potential human rights risks through employee communication, internal inspections, whistleblowing and complaint mechanisms, and supplier management. For complaints received or issues identified, the Company conducts investigations in accordance with internal procedures and adopts corrective, remedial, and preventive measures as appropriate. The Company also pays close attention to the rights and interests of workers throughout its supply chain and encourages suppliers to comply with applicable labor and human rights laws and regulations.

Employee Communication and Grievance Mechanisms

Yatsen has established an open, two-way communication mechanism to understand employees' views through various channels, respond to reasonable concerns, and use the feedback received to improve talent management and the working environment.

Employee Communication Channels

Townhall Meeting	The management regularly communicates the Company's latest strategic developments and medium- to long- term plans to all employees, enhancing employees' understanding of and engagement in the Company's development.
Strategy Alignment/ Quarterly Management Meeting	The Company holds Strategy Alignment Meetings and Quarterly Management Meetings every quarter to share information with management and employees on topics including strategy execution, major business decisions, and lessons learned, ensuring alignment across the organization.
Labor Unions	The Company has established a labor union and elected employee representatives in accordance with the law. Through agenda collection, communication, and consultation mechanisms, it understands employees' needs and safeguards their rights and interests. During the Reporting Period, one Employee Representative Congress was convened.
Employee Grievance Systems	The Company has established a dedicated employee grievance channel to handle misconduct and rights infringement cases, ensuring prompt responses to complaints while strictly protecting personal privacy.

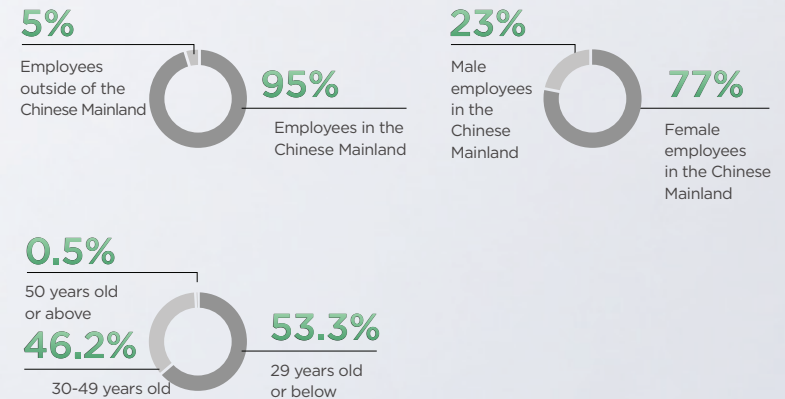
In 2025, the Company incorporated employees' grievance rights into the *Employee Handbook* and established accessible grievance channels. Employees who believe they have been treated unfairly or disagree with their performance evaluation results may file a grievance in accordance with the relevant procedures to safeguard their legitimate rights and interests and promote fairness and transparency in the workplace.

To continuously enhance the employee experience and organizational performance, Yatsen regularly conducts employee engagement surveys. During the reporting year, the survey covered 316 employees and collected feedback primarily on organizational support, management communication, employee development, and work experience. Combined with key indicators such as job satisfaction, sense of purpose at work, well-being, and work-related stress, the survey systematically assessed employee engagement and provided a basis for the continuous improvement of talent development, employee care, and organizational management.

Performance Highlights

✓ In 2025, the total number of employees (including overseas employees) of Yatsen reached **1,623**.

The distribution of employees by region, gender, and age is as follows:



- ✓ Percentage of women in senior management positions in Mainland China: **60.7%**
- ✓ Percentage of women in revenue-generating management roles: **72%**
- ✓ Percentage of women in STEM-related positions: **63%**
- ✓ Employee share ownership participation rate: **11.3%**
- ✓ Labor contract signing rate: **100%**
- ✓ Number of labor union participants: **1,286**
- ✓ **No** major violations of labor or employment laws occurred during the year.

Growth of Talent

Our Strategy

Yatsen adheres to its talent strategy of “World-class Innovation, Thriving Talents”. The Company has established career development pathways and talent development mechanisms to provide diversified growth opportunities for employees across different functions, supporting the alignment of employees’ capabilities with the Company’s organizational development needs.

Our Governance

Leveraging its multi-tiered and digitalized “Yatsen Learning and Development System”, the Company coordinates programs covering new employee onboarding, professional capability development, leadership development, and management trainee cultivation. It continuously optimizes training courses and learning resources based on employee feedback and evolving business needs.

Yatsen Learning and Development System

Orientation	Professional	Themed Studies	Leadership	YSMT
• Training of new employees • Orientation: On-board training • Orientation: Part of a team	• Training of professional capabilities • Branding • Production • Operation	• Thematic training • Annual themed Learning projects	• Leadership training • Leadership development training at all levels	• Huangpu Management Trainee Program • Cultivation training for management trainees

Ongoing Training

Courses of vocational skills	Courses of professional training
Yatsen Learning - Online Learning Platform	

Our Actions

Yatsen regards talent development as a key pillar of its long-term organizational growth. Through tiered and role-specific training, performance feedback, career development pathways, and succession planning, the Company continuously enhances employee capabilities and strengthens its talent pipeline.

Tiered and Categorized Training

Yatsen has established a comprehensive employee training system comprising four key pillars: new employee onboarding, leadership development, professional capability enhancement, and online self-directed learning. Complemented by business unit training and management-focused development programs, the system supports employees in strengthening both professional expertise and managerial capabilities. In creating social value, the Company actively fulfills its corporate citizenship responsibilities by making public-interest training resources available to the industry, promoting broader capability development across the beauty industry, and fostering a sustainable talent ecosystem.

Employee Training Content

New Employee Training	It focuses on corporate culture, organizational structure, information security, compliance, and business ethics to help new employees integrate quickly.
Leadership Training at All Levels	It is tailored for senior executives, business leaders, and newly appointed managers across business units to systematically enhance strategic thinking, leadership, and decision-making capabilities.
Professional Capability Training	It strengthens expertise in specialized fields and keeps employees informed of the latest market trends to maintain industry competitiveness.
Online Learning Platform	It integrates resources covering essential knowledge, product and business expertise, and AI skills, enabling employees to learn anytime and anywhere.

Case AI Capability Development and Practical Application

In 2025, under its “All in AI” strategy, Yatsen integrated AI into research and innovation, product development, marketing and operations, consumer insights, and organizational collaboration. Through initiatives including the YSG AI Supercharge competition, AI Workshops for collaborative innovation, and the establishment of an AI learning and application ecosystem, the Company enhanced employees’ understanding and practical application of AI, supporting its digital transformation and boosting organizational collaboration and operational efficiency.



YSG AI Supercharge Competition

Case Hogan Assessments for Leadership Development

In 2025, the Company officially introduced Hogan Assessments, an internationally recognized leadership assessment tool, and established a management development framework centered on Identification - Feedback - Action - Review. The program covers all business units as well as core management teams in corporate functions. Through one-on-one report interpretation and coaching, together with pilot team workshops in the Premium Skincare Business Unit, the Company extended individual development insights to team collaboration, helping managers identify development priorities and improve collaborative effectiveness.



Pilot Team Workshop of the
Premium Skincare Business Unit

Career Development and Performance Management

Yatsen has established an open and transparent career development framework that provides diversified career pathways for employees in different functions. Through periodic performance evaluations, objective management, and coaching and feedback, the Company supports employees in continuously improving their performance and job competencies.

In 2025, the Company continued to adopt the Balanced Scorecard (BSC) methodology to comprehensively evaluate the performance of the Company, its business units, and functional departments. Based on performance outcomes, employees receive feedback, recognition, and corresponding development opportunities, helping them clarify career directions and strengthen job capabilities.

Performance Evaluation System



Evaluation Dimensions

Performance is evaluated through quantitative KPI-based assessments. Employees are assessed across two major dimensions: individual objectives and values, with individual objectives accounting for 85% of the overall evaluation.



Performance Objectives

At the beginning of each month/quarter, employees are required to set objectives for the corresponding month/quarter. Employees are encouraged to align their goals with those of their supervisors. Objectives only become effective after submission and approval by the supervisor.

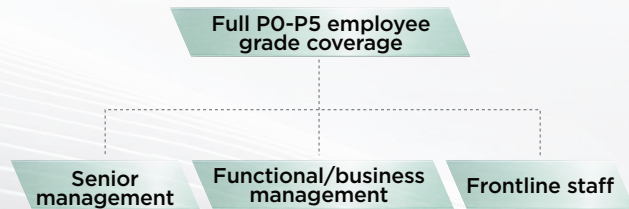


Evaluation Frequency

New employees undergo monthly performance evaluations during their probationary period. Regular P-sequence employees receive quarterly performance evaluations, as well as an annual evaluation, which serves as the basis for annual bonus allocation.

In addition, the Company continues to advance its talent succession program for key management and critical professional positions. Through the ongoing identification, assessment, and cultivation of high-potential talent, Yatsen has established a structured succession pipeline at different levels. Supported by targeted development programs, on-the-job assignments, and mentoring, the Company enhances the competency of succession candidates, ensures a smooth transition for critical positions, strengthens its talent pipeline, and lays a solid talent foundation for its long-term, sustainable development.

Employee Development Paths



Case

Huangpu Management Trainee Program Empowering Young Talent Development

In the spring of 2025, the Company launched the 12th cohort of the Huangpu Management Trainee Program, selecting outstanding young talent worldwide. From more than 13,000 resumes, nearly 20 high-potential young professionals were carefully selected and officially assembled in early July. The Company developed a phased and progressive training and development system tailored to their growth needs. Under the theme of “Exploring · Beauty Planet,” the program conducted three rounds of intensive training. Through the three stages of “Encountering · New Hire Onboarding,” “Understanding · Yatsen Exploration,” and “Deepening · Professional Development and Strategic Understanding,” the program established a development pathway from organizational integration to professional capability building and strategic understanding. It helped management trainees transition from campus to the workplace while building a pipeline of young talent for the Company.



12th Management Trainee
Intensive Training Activity

Performance Highlights

- ✓ Total employee training hours: **12,575** hours
- ✓ Total trained participants: **4,024** participants
- ✓ In 2025, total investment in employee training: RMB **1.5705** million.

Employee Care

Our Strategy

Yatsen integrates employee health, safety, and well-being into its daily management practices. The Company strictly complies with applicable laws and regulations, including the *Workplace 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*. It has established occupational health and safety, compensation and benefits, and employee care mechanisms to provide employees with a safe, healthy, and supportive working environment.

Our Governance

Health and Safety System

The Company has established safety management departments and supervisory bodies to continuously identify health and safety risks in office premises, warehousing and logistics operations, laboratories, and other business activities. It regularly conducts safety inspections, fire drills, and EHS training, and provides protective and safety equipment based on job requirements. The Company also encourages business partners to comply with applicable occupational health and safety requirements. Following the completion of office renovation projects, the Company promptly conducts air quality treatment and testing to ensure that the working environment meets relevant standards.

Remuneration System

Yatsen defines its compensation structure and management processes in accordance with internal policies including the *Remuneration Management Manual and Performance Appraisal Guidelines*, safeguarding employees' compensation and benefit rights.

The Company strictly fulfills its commitment to equal pay for equal work and has established a compensation system consisting of base salary, position allowances, performance bonuses, year-end double salary, and statutory social insurance. The Company explicitly requires the payment of living wages to employees, seeks to avoid or reduce overtime and excessive working hours, provides overtime compensation, sets maximum working hours, and offers paid annual leave. The Company adjusts compensation periodically with reference to market salary levels and position value. Based on performance evaluation results, employees may receive bonuses, recognition, or career development opportunities. For key employees, the Company strengthens talent retention through long-term incentives such as stock options.

Our Actions

Yatsen addresses employees' diverse needs through benefits programs, health support, and employee activities, supporting employees' physical and mental well-being and work-life balance.

Diverse Benefits Guarantee

In addition to statutory social insurance and leave arrangements, the Company provides employees with benefits including birthday and holiday gifts, employee cafeterias, flexible attendance arrangements, employee purchase discounts, wellness spaces, various subsidies, and cultural activities to meet diverse employee needs.

As a beauty company filled with female power, the Company has launched the "Women-Friendly Workplace Program" based on universal employee benefits and tailored to the needs of female employees. The program provides health support including free cervical and breast cancer screenings, commercial insurance for women's specific diseases, and specialized gynecological examinations. Through benefits such as flexible prenatal check-up leave, the Company strives to create a more inclusive workplace environment for female employees.



Physical and Mental Health Support

Yatsen collaborates with professional institutions to establish internal medical clinics, providing employees with basic medical services. The Company has also established fitness centers and sports facilities, and regularly organizes sports events and activities. In addition, the Company provides mental health training on emotional management and stress adjustment, as well as activities such as yoga, singing bowls, and intangible cultural heritage experiences, supporting employees' physical and mental well-being.



Organizational Yoga Activity



Therapeutic Shoulder and Neck Massage

The Company has established an employee health examination mechanism. In 2025, the Company organized health examinations for all active employees and developed differentiated examination packages based on factors such as gender and age. Additional targeted programs, including gynecological examinations and cardiovascular and cerebrovascular screenings, were provided. The Company also offered interpretation of examination results, reminders regarding abnormal indicators, and health education to enhance early identification and management of health risks.

In 2025, the Company continued implementing its commercial insurance program, with 1,550 employees covered, achieving full coverage for core employees. The Company improved its protection plans based on the health risks of different employee groups to better address diverse medical protection needs. During the year, no major claims involving critical illnesses or fatalities occurred. Supplementary coverage, including outpatient care, hospitalization, and critical illness protection, was provided throughout the year to reduce employees' medical expenses.

Employee Activities

The Company enriches employees' cultural life and supports work-life balance through daily team activities, afternoon tea sessions, and employee clubs featuring basketball, badminton, handicrafts, and other activities. It also organizes annual celebrations and anniversary events to strengthen employee communication and organizational belonging.

In 2025, the Company's labor union organized cultural and sports activities including basketball, badminton, and taekwondo, providing employees with opportunities for interaction and physical exercise. Among these activities, 20 basketball sessions were held with more than 180 employee participants, over 30 badminton sessions were organized with more than 300 employee participants, and more than 20 taekwondo sessions were conducted with over 160 employee participants.



Badminton Activity



Taekwondo Activity



Little Ondine New Makeup Business Unit Double 11 Campaign



Premium Skincare Business Unit Team Building

Case Yatsen Annual Gala

The Company hosted the annual “Your Shining Gala” with the theme “With You as the Light, Illuminate the Next Decade.” Through recognition ceremonies, team collaboration activities, and vision sharing sessions, the event reviewed the Company’s development journey and looked ahead to the future. The event recognized employees’ contributions, reinforced a culture of appreciation through ceremonial experiences, and strengthened organizational alignment around the vision of “moving forward together.”



Yatsen Annual Gala

Case Yatsen Ninth Anniversary Celebration

In August 2025, Yatsen celebrated its ninth anniversary with the theme “Focus on Business with Steady Progress towards Success.” The anniversary event connected the main venue with domestic and overseas offices through online and offline formats. During the Town Hall session, management reviewed annual progress, shared the Company’s vision and operating principles, and facilitated two-way communication through employee Q&A sessions. Domestic and overseas teams participated simultaneously in related activities, further strengthening strategic communication and employee connections.



Yatsen Anniversary Celebration

Performance Highlights

- ✓ We aimed for **0** casualty accidents, making every effort to protect the health and safety of every employee.
- ✓ In 2025, Yatsen recorded **0** working days lost due to work injury and **0** work-related fatalities.

05

Good-Oriented Endeavors Building a Brighter Shared Future

Yatsen focuses on social issues such as women's development, nature conservation, child care, rural education and emergency disaster relief. Partnering with non-profit organizations, professional institutions and employees, the Company carries out relevant projects and responds to social needs with concrete actions.

SDGs covered in this chapter



ESG issues covered in this chapter: Social Welfare

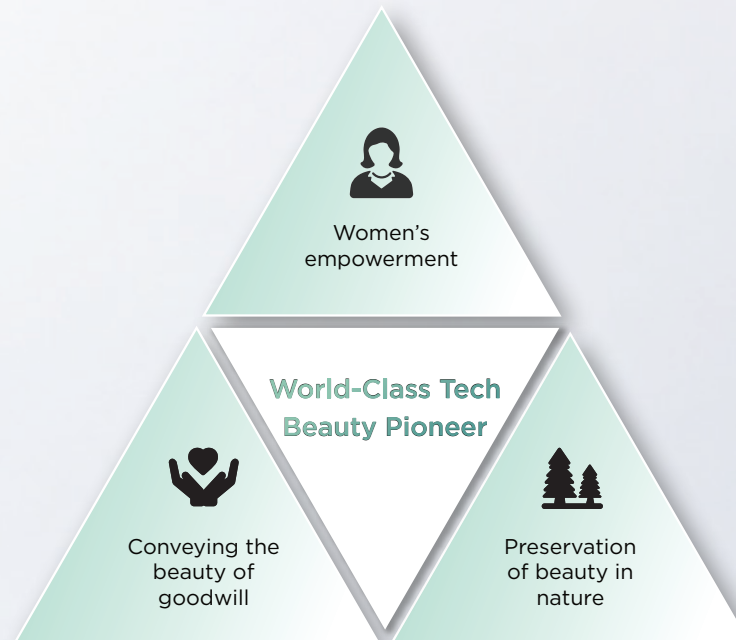
CSR Strategy

Yatsen upholds its public welfare vision of “Using Innovation and Know-how to Discover, Protect, and Create Beauty”. Centered on discovering, protecting and creating beauty, Yatsen engages in public welfare practices focusing on fields including women’s employment and entrepreneurship, rural education, nature conservation, emergency disaster relief, and supports the SDGs with concrete actions.

We have built an impact assessment mechanism for public welfare projects, setting performance indicators for completed initiatives and tracking progress. Assessment content covers the number of direct beneficiaries, indirect beneficiary groups, media reach and external evaluation. We conduct reviews at key project milestones and upon project completion, and apply assessment outcomes to optimize the design and implementation of follow-up projects.

CSR Strategy of Yatsen

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



Women's Empowerment

Yatsen makes unremitting efforts to promote vocational skill support programs for women. Since 2021, Yatsen has partnered with the China Women's Development Foundation to launch the "Create Better Life with Beauty Makeup" public welfare makeup training program. It provides cosmetic makeup skill training for low-income women, women in disadvantaged circumstances and those with entrepreneurship demands, helping participants master professional beauty knowledge and hands-on skills and expand access to employment and income growth.

Since the launch of the "Create Better Life with Beauty Makeup" program, 12 sessions of public welfare training have been delivered in Sichuan, Guangdong, Guizhou and other regions, benefiting a total of 482 female participants. In 2025, we added three new training sessions in Guizhou to further expand the program's coverage. Moving forward, we will keep optimizing courses based on the needs of beneficiary groups to help more women enhance their vocational capabilities.



Performance Highlights

- ✓ In 2025, three sessions of the "Create Better Life with Beauty Makeup" Program were successfully implemented, which empowered **120** disadvantaged women. 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, 12 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 **482** women.

Case

"Create Better Life with Beauty Makeup" Program Keeps Composing the Journey of Female Rebirth in Guizhou

In December 2025, the Guizhou leg of Yatsen's "Create Better Life with Beauty Makeup" public welfare beauty training program wrapped up three training sessions with a graduation ceremony, with a total of 120 women completing the training. Building on conventional bridal makeup courses, the program incorporated a new travel makeup teaching module. Tailored to local cultural tourism needs, it empowered participants to build capabilities for nearby employment and flexible income generation. During the graduation ceremony, former participants shared their experience of skill application, showcasing how training results have been translated into tangible service capabilities.



Participants of "Create Better Life with Beauty Makeup" Program Awarded Graduation Certificates

Case

The "Women in the World of Science" Exhibition Highlights Women's Strength in Scientific Research

During International Women's Day in March 2025, Galénic co-hosted the "Women in the World of Science" thematic event together with the Consulate General of France in Shanghai, the French National Centre for Scientific Research (CNRS), and the China Association for Women in Science and Technology. The exhibition displayed portraits and landmark research achievements of 20 Chinese female scientists and 20 French female scientists, showcasing the contributions of women researchers to scientific exploration and innovation.



Speech Delivered at the Women in the World of Science Exhibition

Preservation of Beauty in Nature

Yatsen integrates ecological conservation philosophy into product design and public welfare practices. Since 2020, we have consistently carried out activities including endangered animal protection, stray animal rescue and natural cultural heritage conservation, and boosted ecological protection awareness via public communication. We have formulated and publicly released the *Yatsen Biodiversity Statement*, disclosing our biodiversity conservation commitments and action directions.

In partnership with professional institutions and non-governmental organizations, we carry out biodiversity conservation programs, and advocate eco-friendly lifestyles through consumer engagement. Meanwhile, we support animal welfare public welfare initiatives, conduct publicity campaigns for endangered species protection as well as stray animal rescue activities, encouraging the public to pay attention to animal welfare and ecological conservation.



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

Yatsen maintains ongoing focus on public welfare areas including children's care, rural education and emergency disaster relief. Leveraging brand resources and employee participation to address social needs, we drive mutual reinforcement between corporate growth and social value creation.

Care for Children

Since 2020, Yatsen has partnered with Guangzhou House of Hope, consistently attending to the practical needs of children and their families and delivering long-term caring in a targeted manner. Yatsen extends care to families of sick children by donating daily supplies including milk powder, diapers and picture books, fulfilling children's wishes, and organizing condolence activities on traditional festivals.

During the 99 Charity Day in 2025, Yatsen collaborated with its brand *Perfect Diary* to donate household supplies and skincare goods adapted to meet the regular living demands of Guangzhou House of Hope. The donated goods were worth more than RMB 15,000, offering tangible daily support to households raising children with illnesses.



Daily Supplies Delivered to Impoverished Families with Critically Ill Children and Social Workers at Guangzhou House of Hope

Rural Development

Yatsen has assembled employee volunteer teams to steadily carry out the "Green Love Computer Classroom" initiative. After professional processing, idle electronic devices phased out during corporate hardware upgrades are put into service for IT-based teaching at rural schools. Since 2022, Yatsen has donated nearly 450 sets of equipment including computers and projectors to rural schools across six cities such as Shaoguan, Qingyuan and Zhaoqing, with eight "Love Computer Classrooms" constructed in total.

In March 2025, joining hands with the Guangdong Education Foundation, Yatsen hosted a computer donation event at Yihe Middle School in Dongyuan County, Heyuan City. Yatsen donated 41 sets of computer equipment to the school to upgrade its digital teaching environment and shore up IT-enabled instruction in rural campuses.



Green Love Computer Equipment Donated to Yihe Middle School

Emergency Response and Disaster Relief

Yatsen has put in place an emergency response mechanism for public welfare. In the event of emergencies such as major natural disasters, we actively coordinate with charitable organizations and all sectors of society to deliver financial or material support to disaster-hit regions.

A magnitude-6.8 earthquake struck Tingri County, Shigatse City, Xizang Autonomous Region on January 7, 2025. Right after the disaster, Yatsen partnered with the China Women's Development Foundation to donate RMB 1 million to the affected areas, earmarked exclusively for post-disaster reconstruction and recovery.

Volunteer Activities

By leveraging brand resources and employee engagement, Yatsen delivers support to diverse social groups through brand-based public welfare programs and employee volunteer services, and promotes the integration of public welfare philosophies into corporate culture and brand practices.

Case

Public Welfare Initiative for Scientific Skincare in Guangzhou Higher Education Mega Center

In June 2025, the skincare public welfare activity "Igniting Youth with *DR.WU*, Shaping the Future through Renewal" in Guangzhou Higher Education Mega Center entered its third consecutive year. Cooperating with Guangdong Provincial Skin Disease Hospital, Southern Medical University, Yatsen delivered dermatological free medical consultations, skincare science popularization, interactive Q&A sessions and other skin health services for university students. The campaign has cumulatively reached more than 200,000 college students, helping young people boost awareness of scientific skincare and skin health.



"Igniting Youth with *DR.WU*, Shaping the Future through Renewal" Charitable Medical Consultation

Appendix

Tables of Key ESG Performance

Environmental Performance					
Category	Indicator	Unit	2023	2024	2025
Greenhouse gas emissions	Total greenhouse gas emissions ¹	ton of carbon dioxide equivalent	44,561.22	43,405.33	54,234.70
	Greenhouse gas emission intensity	ton of carbon dioxide equivalent/RMB 10,000 of revenue	0.13	0.13	0.13
	Scope 1 total greenhouse gas emissions	ton of carbon dioxide equivalent	242.44	141.07	34.43
	Scope 2 total greenhouse gas emissions	ton of carbon dioxide equivalent	4,388.16	1,632.39	1,105.20
	Scope 3 total greenhouse gas emissions	ton of carbon dioxide equivalent	39,930.63	41,631.87	53,095.07
Use of energy	Total purchased electricity	kWh	8,177,708.96	3,042,105.92	2,082,927.88
	Total gasoline consumption	ton	2.91	13.01	11.32
	Total diesel consumption	ton	42.00	0.00	0.00
Use of water resources	Total operational water consumption	ton	23,971.33	14,955.30	2,514.33
	Operational water consumption intensity	ton/RMB 10,000 of revenue	0.07	0.04	0.01

¹ 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 for 2023 and 2024 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. The coefficient used in the calculation for 2025 is the national average carbon dioxide emission factor for electricity in 2023, which is 0.5306 kg CO₂/kWh, as mentioned in the *Announcement on the Release of the 2023 Carbon Dioxide Emission Factors for Electricity* (《关于发布2023年电力二氧化碳排放因子的公告》) issued by the Ministry of Ecology and Environment. In 2025, we further refined the statistical criteria and revised previous years' data accordingly.

Environmental Performance

Category	Indicator	Unit	2023	2024	2025
Nitrogen Oxides (NO _x)	NO _x Emissions	ton	0.14	0.14	0.12
Waste	Total waste	ton	7.90	10.01	261.22
	Total hazardous waste ²	ton	0.19	0.14	0.11
	Total non-hazardous waste ³	ton	7.71	9.87	261.11
Use of packaging materials	Total packaging material used	ton	13,021.61	3,400.11	4,632.97
	Packaging material use intensity	ton/RMB 10,000 of revenue	0.04	0.01	0.01
	Packaging material used – Paper-based ⁴	ton	10,368.40	2,144.30	3,217.94
	Packaging material used – FSC certified paper-based ⁵	ton	35.00	48.00	62.40
	Packaging material used – Plastic-based ⁶	ton	2,198.33	878.67	1,054.40
	Packaging material used – Metal-based	ton	312.34	276.20	248.58
	Packaging material used – Wood-based	ton	0.00	0.00	0.00
	Packaging material used – Glass-based	ton	65.80	71.50	85.80
	Packaging material used – PU Leather-based	ton	75.00	27.00	24.30
	Packaging material used – Cloth-based ⁷	ton	1.74	2.44	1.95

² 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.

³ The scope of statistics includes office paper, domestic 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. Due to the increase in the number of *Galénic's* directly-operated offline stores in China in 2025, the amount of non-hazardous waste has increased significantly compared with 2024. In 2025, we further refined the statistical criteria and revised previous years' data accordingly.

⁴ 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.

⁵ The scope of statistics covers seven OEM/ODM factories.

⁶ The scope of statistics covers seven OEM/ODM factories and directly-operated warehouses.

⁷ The scope of statistics covers six OEM/ODM factories.

Social Performance

Category	Indicator	Unit	2023	2024	2025
R&D	R&D investment	RMB million	112	109	137
	Total number of intellectual property rights acquired domestically and abroad	/	4,693	4,726	4,877
Employee composition	Total number of employees (including overseas employees)	person	1,505	1,350	1,623
	Number of employees in China	person	1,430	1,277	1,541
	Number of male employees in China	person	308	273	355
	Number of female employees in China	person	1,122	1,004	1,186
	Number of employees aged 29 or below in China	person	914	747	821
	Number of employees aged between 30 and 49 in China	person	510	523	712
	Number of employees aged 50 or above in China	person	6	7	8
	Number of junior managers in China	person	/	67	74
	Number of junior female managers in China	person	/	42	48
	Number of junior male managers in China	person	/	25	26
	Number of senior managers in China	person	/	52	56
	Number of senior female managers in China	person	/	32	34
	Number of senior male managers in China	person	/	20	22
	Total number of new employees	person	/	707	1,047
	Total number of new employees in China	person	/	/	1,010
	Total number of new female employees in China	person	/	/	773
	Total number of new male employees in China	person	/	/	237
	Number of new employees aged 29 or below in China	person	/	/	661
	Number of new employees aged between 30 and 49 in China	person	/	/	349

Social Performance

Category	Indicator	Unit	2023	2024	2025
Employee composition	Number of new employees aged 50 or above in China	person	/	/	0
	Number of new hired senior managers in China	person	/	/	14
	Number of new hired junior managers in China	person	/	/	25
	Number of new hired general staff in China	person	/	/	971
	Total number of employees left	person	/	871	753
	Total number of employees left in China	person	/	/	725
	Total number of female employees left in China	person	/	/	577
	Total number of male employees left in China	person	/	/	148
	Number of employees left aged 29 or below in China	person	/	/	481
	Number of employees left aged between 30 and 49 in China	person	/	/	244
	Number of employees left aged 50 or above in China	person	/	/	0
	Number of senior managers left in China	person	/	/	11
	Number of junior managers left in China	person	/	/	17
	Number of general staff left in China	person	/	/	697
	Percentage of open positions filled by internal candidates	%	/	11	4
	Number of female employees in management positions within revenue-generating functions in China	person	/	/	49
	Number of female employees in Science, Technology, Engineering, and Mathematics (STEM) related positions in China	person	/	/	71
Employees' rights and interests	Labor contract signing rate	%	100	100	100
	% of employees who owned outstanding shares of Yatsen	%	21.6	16.1	11.3

Social Performance

Category	Indicator	Unit	2023	2024	2025
Employee training	Total hours of training received by employees	hour	4,342	21,801	12,575
	Total hours of training received by male employees	hour	1,097	4,521	2,138
	Total hours of training received by female employees	hour	3,245	17,280	10,437
	Total hours of training received by management staff	hour	165	1,962	1,508
	Total hours of training received by general staff	hour	4,177	19,839	11,067
	Percentage of full-time employees receiving training on business ethics	%	100	100	100
Occupational health and safety	Total number of days lost due to work-related injury	day	0	0	0
	Number of work-related fatalities	person	0	0	0
Supplier composition	Number of direct suppliers in China	/	145	131	120
	Number of core suppliers in China	/	7	7	7
Public welfare investment	Total amount of charitable donations	RMB10,000	219.7	225.7	150.2

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
		Tech-Led Excellence Empowering the Pioneer of Innovation
	2-7 Employees	Thriving Talent Shaping the Future of Growth
	2-9 Governance structure and composition	Science-based Governance Nurturing the Foundation of Beauty
	2-10 Nomination and selection of the highest governance body	Science-based Governance Nurturing the Foundation of Beauty
		Science-based Governance Nurturing the Foundation of Beauty
		Tech-Led Excellence Empowering the Pioneer of Innovation
	2-25 Processes to remediate negative impacts	Green Synergy Preserving the Beauty of Nature
		Thriving Talent Shaping the Future of Growth
	2-26 Mechanisms for seeking advice and raising concerns	Science-based Governance Nurturing the Foundation of Beauty
	2-29 Approach to stakeholder engagement	Science-based Governance Nurturing the Foundation of Beauty

GRI Standard	Disclosure		Location
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Science-based Governance Nurturing the Foundation of Beauty
	3-2	List of material topics	Science-based Governance Nurturing the Foundation of Beauty
			Science-based Governance Nurturing the Foundation of Beauty
			Tech-Led Excellence Empowering the Pioneer of Innovation
	3-3	Management of material topics	Green Synergy Preserving the Beauty of Nature
			Thriving Talent Shaping the Future of Growth
			Good-Oriented Endeavors Building a Brighter Shared Future
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 Synergy Preserving the Beauty of Nature
	201-3	Defined benefit plan obligations and other retirement plans	Thriving Talent Shaping the Future of Growth
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Good-Oriented Endeavors Building a Brighter Shared Future
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Science-based Governance Nurturing the Foundation of Beauty
	205-2	Communication and training about anti-corruption policies and procedures	Science-based Governance Nurturing the Foundation of Beauty
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Green Synergy Preserving the Beauty of Nature
			Appendix-Tables of Key ESG Performance
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Green Synergy Preserving the Beauty of Nature
			Appendix-Tables of Key ESG Performance
	302-3	Energy intensity	Green Synergy Preserving the Beauty of Nature
			Appendix-Tables of Key ESG Performance
GRI 303: Water and Effluents 2018	303-5	Water consumption	Appendix-Tables of Key ESG Performance

GRI Standard	Disclosure		Location
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
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Green Synergy Preserving the Beauty of Nature
	306-2	Management of significant waste-related impacts	Green Synergy Preserving the Beauty of Nature
	306-3	Waste generated	Green Synergy Preserving the Beauty of Nature
			Appendix-Tables of Key ESG Performance
GRI 308: Supplier Environmental Assessment 2016	308-2	Negative environmental impacts in the supply chain and actions taken	Green Synergy Preserving the Beauty of Nature
GRI 401: Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Thriving Talent Shaping the Future of Growth
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Thriving Talent Shaping the Future of Growth
	403-5	Worker training on occupational health and safety	Thriving Talent Shaping the Future of Growth
	403-6	Promotion of worker health	Thriving Talent Shaping the Future of Growth
	403-9	Work-related injuries	Appendix-Tables of Key ESG Performance
	403-10	Work-related ill health	Thriving Talent Shaping the Future of Growth
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Appendix-Tables of Key ESG Performance
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Thriving Talent Shaping the Future of Growth
			Appendix-Tables of Key ESG Performance
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Good-Oriented Endeavors Building a Brighter Shared Future
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Tech-Led Excellence Empowering the Pioneer of Innovation

Feedback

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