



YSG 逸仙

**2021
ENVIRONMENTAL
SOCIAL AND
GOVERNANCE
REPORT**

YATSEN HOLDING LIMITED

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ABOUT THIS REPORT

As a leading player in China's beauty market, Yatsen Holding Limited ("Yatsen", "we" or the "Company") is committed to creating an exciting new journey of beauty discovery for consumers around the world. We regard the power of our brands, our product quality, and our digital capabilities as Yatsen's core competencies, and we are positioning our research and development (R&D) capabilities and access to consumer insights as sources of our long-term competitive strength. Since inception, we have been committed to serving our consumers, employees and the society at large. We have integrated environmental, social and governance (ESG) considerations into our decision-making process. We seek to remain highly attuned with the needs of our various stakeholders and communities, and place ESG at the forefront of our long-term development focus.

This is our first ESG report, covering information regarding our ESG-related initiatives from January 1 to December 31, 2021 (the "Reporting Period"). The report also includes data and information pertaining to certain material developments prior or subsequent to the Reporting Period. We aim to provide our stakeholders with a comprehensive view of Yatsen's ESG-related practices and achievements in 2021.

This report primarily refers to the Global Reporting Initiative "Sustainability Reporting Standards" (GRI Standards) and the United Nations Sustainable Development Goals (SDGs). We also referenced the key considerations pertaining to ESG by the MSCI, a world-leading rating agency, as well as the best practices by peers in related fields at home and abroad. Also, this report reflects and addresses the material topics of concerns by the Company's investors, directors, management and employees.

This report has been determined in accordance with a set of established procedures that include identifying and prioritizing material ESG issues, determining reporting boundary, collecting related information, preparing the report and reviewing the information as set out in the report.

This report is published in Simplified Chinese and English for readers' reference, and the electronic version is available on the official website of Company (www.yatsenglobal.com). If there is any inconsistency between English and Chinese version, the English version shall prevail. We attach great importance to opinions from all parties. You are welcome to contact us through the channel below. Your comments will help us to further improve the report and enhance our ESG performance.

Email: ir@yatsenglobal.com

CEO'S MESSAGE

In 2021, Yatsen celebrated its fifth anniversary and its first year as a listed company. Since establishment, we are committed to creating a new journey of beauty discovery for consumers worldwide. We also strive to create value for stakeholders, to seek sustainable development and to maintain our competitive edges amid a complex and ever-changing market environment. Driven by digital technology, we continue to forge core capabilities such as product R&D, brand building and our Direct-to-Consumer (DTC) business model. We are also working to build a multi-brand portfolio, accelerate our global expansion and achieve high-quality sustainable growth across industry cycles.



Creating Value for Consumers

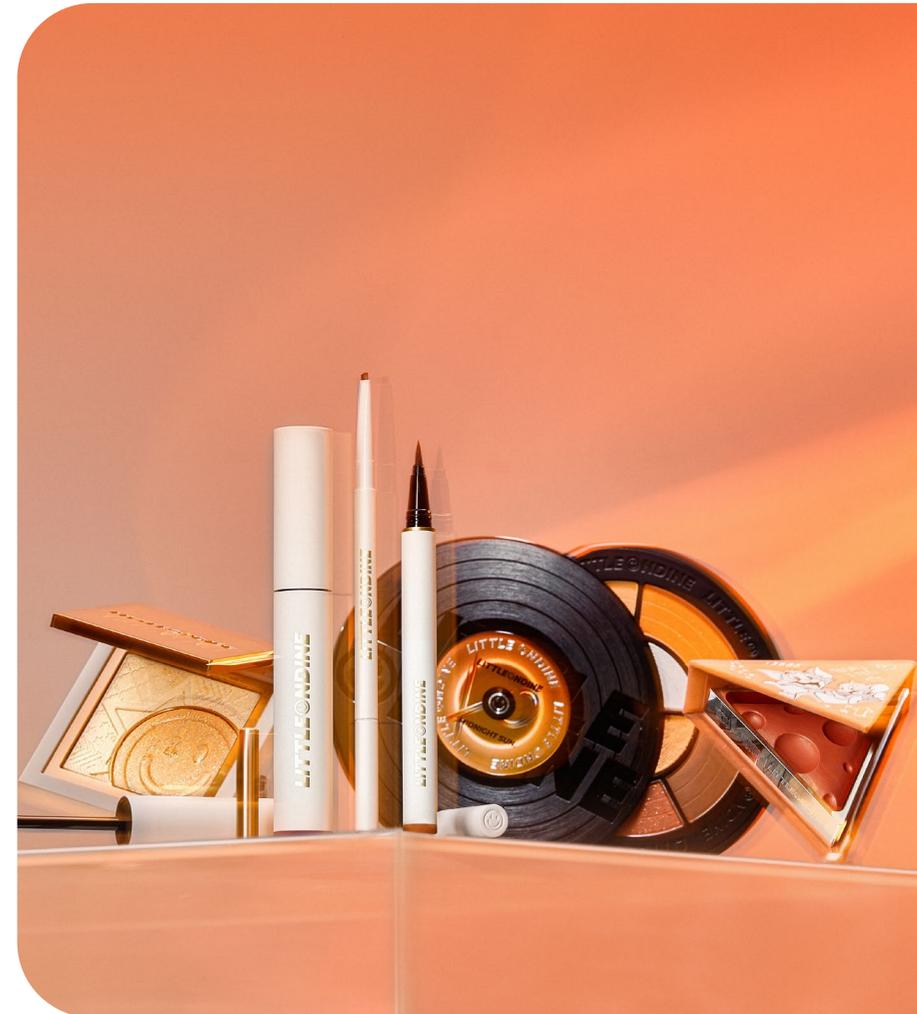
Our products and brands are highly responsive to consumer needs. Building on the success of our own brand *Perfect Diary*, we have successively acquired and launched multiple color cosmetics and skincare brands with high growth potential, including *Little Ondine*, *Abby's Choice*, *Galénic*, *DR.WU*, *EVE LOM*, *Pink Bear* and *EANTIIM*, which enabled us to offer a wide selection of products to customers. All our products are carefully designed and developed as we strive to build a solid reputation for our brands based on a positive feedback loop formed with our consumers. Also, by leveraging our strong data analytics infrastructure, we strived to bring in-depth customer insights into every part of our business decision-making process in order to enhance customer values.

Creating Value with Our Partners

We focus on R&D innovation and cutting-edge technology. We have created a unique "OpenLab" framework to collaborate with a global network of research institutions and business partners to identify, develop and commercialize the latest innovations in skincare and cosmetics. We have established joint research labs and R&D partnerships with such domestic and globally renowned institutions as the Shanghai Ruijin Hospital, Sun Yat-Sen University, Institute of Chemistry Chinese Academy of Sciences, the National Engineering Research Center for Nanomedicine and the Huazhong University of Science and Technology. Our global partners include Sensient Technologies Corporation, Pierre Fabre Group from France, the University of Lyon and Naolys, a French plant stem cell culture institution. In June 2021, we launched *Perfect Diary Pearl Loose Powder* featuring the proprietary SmartLOCK™ technology which we co-developed with the Chinese Academy of Science. We are actively deploying technology to address the skincare concerns of our consumers.

Protecting Beautiful Environment

In support of the national carbon peaking and carbon neutrality strategic goals, we seek to develop environment-friendly products, purchase raw materials that meet sustainability standards and review the environmental footprint of our business operations. One of the initiatives we undertook in 2021 was joining the Roundtable on Sustainable Palm Oil (RSPO), an organization dedicated to promoting the sustainable use of palm oil in products. We also vigorously promoted sustainable packaging, designed environmentally friendly packaging materials and optimized the packaging use in products for brands such as *DR.WU*. For selected locations in our offline stores, we have tested packaging recycling initiatives in order to reduce the impact of our product packaging on the environment. We have undertaken a review of the impact of climate change on our business, worked with our supply chain partners to lower our upstream carbon footprint as well as put in place highly energy efficient equipment and fixtures in our offices and offline stores. Furthermore, we conducted a review of the carbon footprint for one of our core products from cradle-to-grave which allowed us to formulate plans to further reduce carbon footprint in the future.



Promoting Social Harmony

We strive to provide our employees with a diverse, inclusive and caring work environment, where they feel empowered to achieve their full potential. We are also committed to promoting social harmony by actively participating in philanthropy around the two core CSR themes: preservation of beauty in nature, and females empowerment in every day of life. To this end, we participated in SEE Foundation's "Preserve China Beauty" campaign to protect red-crowned crane and initiated a program called "Create a Beautiful Life" to provide free job training services to females with financial difficulties.

Prospects

As the environment becomes ever relevant to the survival and sustainability of mankind, every small change we make will have a profound impact on social and economic development. Currently, reducing carbon footprint has become the consensus among companies and governments across the world. Yatsen is determined to play a positive and leading role in this crucial development.

Going forward, we are committed to becoming a beauty group with global influence. We will continue to enrich product categories and improve service experience, drawing strength from our leadership in our domestic market while at the same time servicing an increasingly global customer base. Meanwhile, we will strive to promote sustainable development and enhance our social influence, with a focus on females empowerment and preservation of beauty in nature. Moreover, we will continue to integrate the concept of green development into our own business operations and throughout our supply chain. We will endeavor to become a company that is trusted by consumers, recognized by stakeholders, and attuned to a greater industry and societal mission, creating a happier and better future for all.



Jinfeng Huang

Chief Executive Officer (CEO)
and Chairman of the Board of Directors (the "Board")

KEY ESG PERFORMANCE IN 2021

Corporate Governance



% of employees who took part in business ethics training

100%



We registered property rights domestically and abroad

2,936 IP rights

Product Quality



We built a global R&D collaboration program and in 2021 our R&D expenses was more than RMB**140** million

Responsibility for Employees



The average age of employees

27 years old



% of female employees

78.6%



The total training hours conducted

33,068 hours



Total outstanding shares owned by employees

11.9%



R&D expenses as % of our total net revenues

2.4%



The number of one-to-one interactions with customers

19,087,140 person-times



The average satisfaction of each brand's sales channel was

91.8%



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

100%

Environmental Responsibility



Completed the carbon footprint verification of *Perfect Diary Slim Heel Lipstick* products



Abby's Choice

95%

products use environmentally friendly paper certified by Forest Stewardship Council ("FSC")



The packaging for *EVE LOM* products are

100% recyclable¹



Member of the Roundtable on Sustainable Palm Oil (RSPO)



Packaging for selected *Eve Lom* products² are

100% biodegradable



Certain of *Galénic* products³ were printed with eco-friendly paper and green soy ink certified by **FSC**

Corporate Social Responsibility



We launched a new corporate social responsibility strategy



Perfect Diary offline stores provided free amateur makeover services and makeup tutorials to a total of **231,600** school students, disabled people, male users and other users across the country



We jointly launched the "Create a Beautiful Life" beauty public welfare training program with the China Women's Development Foundation to provide free beauty professional skills training for **82** disadvantaged women in Sichuan Province



We worked with the Society of Entrepreneurs & Ecology Foundation (SEE Foundation) to jointly launch the "Retain Beauty of China" public welfare program to protect red-crowned crane in nature

¹ Marked with The Green Dot logo and can be 100% recycled in the UK.

² Refers to the capsule packaging of *EVE LOM Cleansing Oil Capsules*, the capsule packaging of *Age Defying Smoothing Treatment*, and the cotton pads of *Rescue Peel Pads*.

³ Refers to *Galénic "N° 1" Poudre Vitamine C*, the gift box and the print inside the gift box.

ABOUT US

Company Profile

Yatsen is a leading China-based beauty group with the vision of creating an exciting new journey of beauty discovery for consumers around the world. Founded in 2016, we have launched and acquired numerous color cosmetics and skincare brands including *Perfect Diary*, *Little Ondine*, *Abby's Choice*, *Galénic*, *DR.WU* (its mainland China business), *Eve Lom*, *Pink Bear* and *EANTIM*. Our flagship brand, *Perfect Diary*, is one of the leading color cosmetics brands in China in terms of online retail sales value. Leveraging our digitally native direct-to-customer business model, we built a platform with core capabilities which enables us to launch and scale multiple brands quickly while offering a wide selection of products to a growing variety of customers. Yatsen primarily reaches and engages with customers directly both online and offline, with expansive presence across all major e-commerce, social and content platforms in China. In November 2020, Yatsen was officially listed on the New York Stock Exchange (hereinafter referred to as the NYSE).

YSG 逸仙

A health and beauty explorer in the new technology era

PERFECT DIARY
完美日记

LITTLE ONDINE 小奥汀

ABBY'S CHOICE
完子心选

GALÉNIC
法国科兰黎

DR.WU

EVE LOM

Pink Bear

EANTIM
壹安态

Development History

2016

2016.08 In August 2016, Yatsen was established

2017

2017.04 In April 2017, we launched our first beauty brand *Perfect Diary*

2019

2019.04 In January 2019, we opened the first *Perfect Diary* offline experience store

2019.06 In June 2019, we acquired homegrown Chinese brand *Little Ondine*

2019.11 In November 2019, *Perfect Diary* became the first domestic brand to top the "Single's Day" color cosmetics sales ranking

2020

2020.06 In June 2020, we incubated our new skincare brand *Abby's Choice*

2020.07 In July 2020, the Yatsen Product R&D Center was officially established, which formed the basis for our collaborative OpenLab R&D framework later on

2020.10 In October 2020, we acquired the premium skincare brand *Galénic* in France

2020.11 In November 2020, we successfully IPO'ed on the New York Stock Exchange, becoming the first domestic Chinese beauty group to be listed in the U.S.

2020.12 In December 2020, Yatsen and Sensient Technologies Corporation, the world's largest supplier of pigments for food, medical and cosmetics applications, jointly establish new color joint laboratories in Shanghai, Guangzhou and Singapore

2021

2021.01 In January 2021, we acquired *DR.WU* (its mainland China business)

2021.03 In March 2021, we officially acquired United Kingdom-based premium skincare brand *EVE LOM*

2021.03 In March 2021, a new independent color cosmetic brand *Pink Bear* was launched

2021.04 In April 2021, "Open Lab R&D System" was established

2021.08 In August 2021, the joint laboratory of Yatsen × National Engineering Research Center for Nanomedicine of Huazhong University of Science and Technology was established

2021.09 In September 2021, we acquired *EANTIM*, a micro-ecology skincare brand

2021.10 In October 2021, we released the SmartLOCK™ technology, which was jointly developed with the Institute of Chemistry Chinese Academy of Sciences

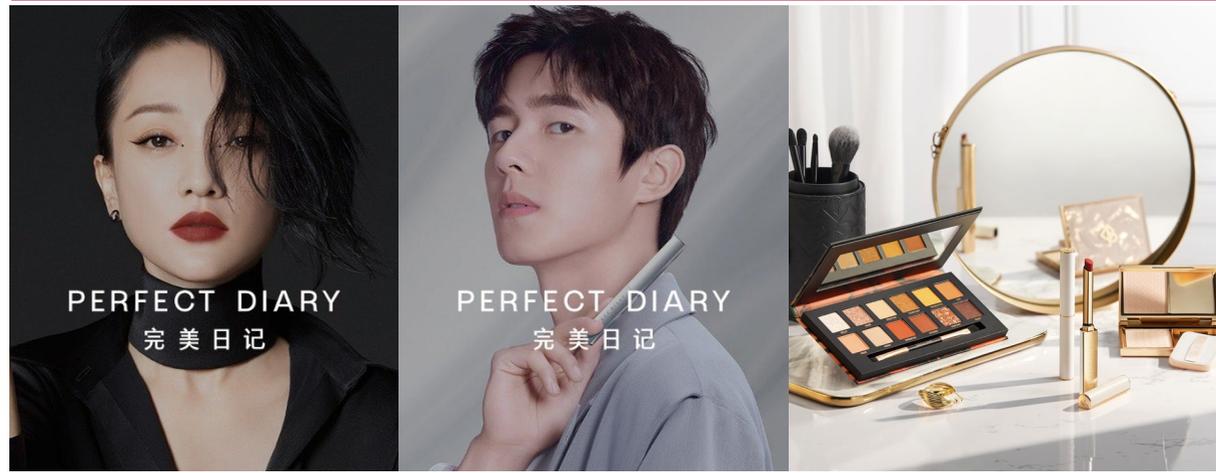
2021.11 In November 2021, we conducted cooperation with Shanghai Ruijin Hospital to build Guangzhou Yatsen Medical Skincare Joint Laboratory

2021.11 In November 2021, we conducted cooperation in skin research with Sun Yat-Sen University for a 3-year term

Corporate Culture



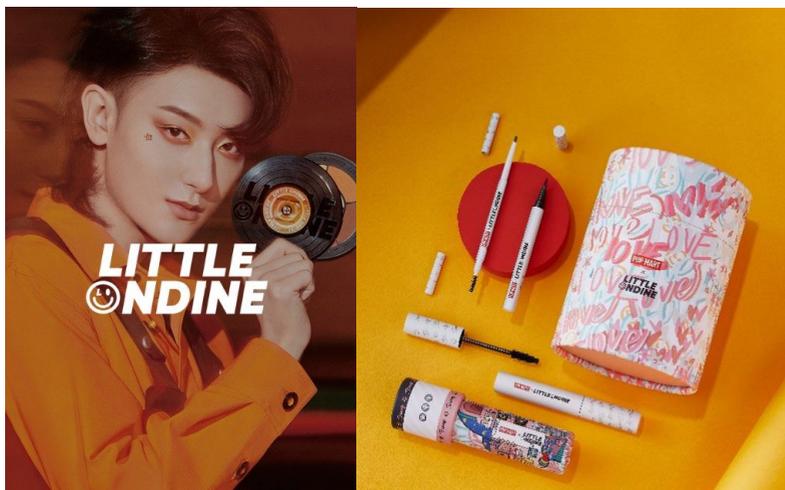
Brand Structure



“

China's New Fashion Color Cosmetic Brand – *Perfect Diary*

Perfect Diary is our first and largest brand. We launched *Perfect Diary* in 2017 to provide high-quality and innovative color cosmetics with exquisite designs targeting Gen-Z. With a broad and growing portfolio of products that spans the color cosmetics, skincare, beauty tools and kits categories, *Perfect Diary* offers comprehensive beauty solutions at a mass-market price point. In particular, during Tmall's 2021 Singles' Day Event from November 1, 2021 to November 11, 2021, *Perfect Diary* was the top selling domestic color cosmetics brand on Tmall by sales. *Perfect Diary* received numerous awards and recognitions for its loose powder, lipstick and eyeshadow products from Cosmo, Women's Wear Daily and Marie Claire throughout 2021.



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Original Homegrown Chinese Brand – Little Ondine

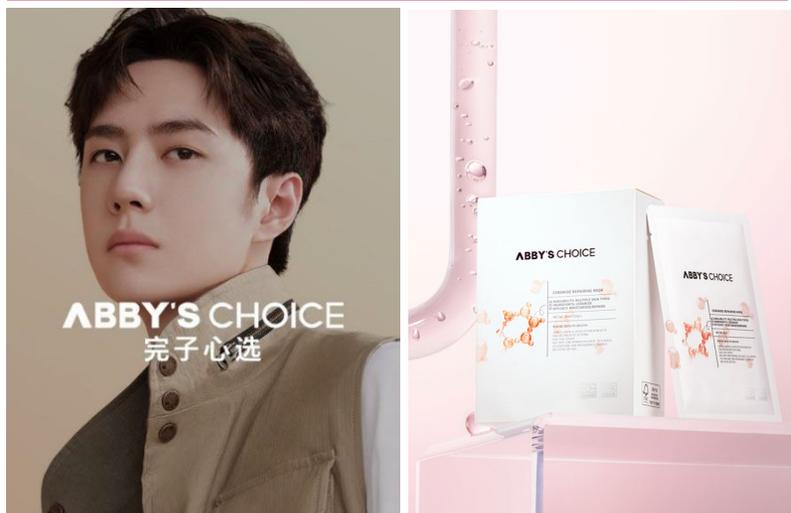
Little Ondine was founded in Shanghai in 2013. *Little Ondine* initially gained popularity with its odorless, non-toxic, easy peel-off and fashionable nail polish. We acquired *Little Ondine* in 2019 and have since expanded its product variety and offerings. *Little Ondine* now features trend-setting and functional eye, lip and face makeup products, such as eyebrow pencils, eyeliner, mascara, matte lipsticks and liquid foundation. *Little Ondine's* loyal customers mainly include women between the ages of 20 to 29 in Tier 1 and Tier 2 cities who are more willing to purchase products at higher price points. In the Singles' Day event on Tmall in 2021, *Little Ondine* ranked among the top 10 best-selling domestic Chinese color cosmetics brand on Tmall by sales.



“

Young Girl Color Cosmetic Brand – Pink Bear

Pink Bear is a new young girl color cosmetic brand established in 2021. It provides high value-for-money color cosmetic products that are cute, fun, safe and user-friendly and target Gen-Z girls aging from 16 to 25, to explore more possibilities of getting beauty with young girls. On the road of growth, *Pink Bear* is well-positioned to accompany young girls and bring a small greatness every day.



Emerging Skincare Brand – *Abby's Choice*

Benefiting from powerful consumer insights developed from data collected from our large customer base, we realized that younger beauty consumers are highly focused on safe and effective skincare. In response, we developed *Abby's Choice*, a skincare-focused brand, providing effective skincare solutions, such as masks, toner, face cream, eye cream and anti-acne patches. Products under this brand have particularly benefited from our strong R&D capabilities, through which we are able to continually develop and introduce new products in close collaboration with third-party R&D laboratories.



French High-end Skincare Brand – *Galénic*

Originated from Paris, *Galénic* was founded in 1978 by Mr. Pierre Fabre, a well-known pharmacist, botanist and the inventor of dermo-cosmetics, with the aim of offering women high-end dermo-cosmetics with proprietary formulation and highly demonstratable effectiveness. *Galénic* was Yatsen's first premium skincare brand which we acquired from Pierre Fabre group, one of the largest pharmaceutical and dermo-cosmetic group in Europe. With its R&D expertise and strong roots in France, *Galénic*'s products are known for its scientific formula which are derived from precious plant essence and ingredients to create effective skincare solutions as well as elegant skincare experience for women. As part of the acquisition of *Galénic*, we established long-term R&D, product innovations and manufacturing collaboration with Pierre Fabre to support the *Galénic* brand going forward. Today, *Galénic*'s products are sold in Europe, Asia and the Middle East.



“

Clinical Skincare Brand – DR.WU

Clinical Skincare Brand – *DR.WU* was founded in 2003 by Ying-Chin Wu, a reputable dermatology professor in Asia. *DR.WU* products are formulated with the joint efforts of dermatologists, pharmacists, and chemists. Backed by 50 years of medical experience and 200,000 clinical studies and the idea of "delivering clinical skincare in highly effective yet less skin-sensitive products", *DR.WU* is dedicated to providing refined treatments for acne and other skin problems.



“

British High-end Skincare Brand – EVE LOM

EVE LOM was founded in London in 1986 by Ms. Eve Lom, a world-renowned professional cosmetologist and skin care expert. With the philosophy of "healthy and radiant skin starts from cleansing", *EVE LOM* presents a series of multi-award-winning cult products by combining high-performance naturally derived ingredients and the most advanced technology.

Corporate Honors (Extract)



Corporate Honors

- ★ **China Digital Economy Industry Best Practices 50**
Asia-Pacific Economic Cooperation (APEC) China CEO Forum
- ★ **Southern Public Welfare Communication Award – Innovation Award**
Nanfang Daily
- ★ **Consumer's Most Trusted Brand of China's Trendy Industry Award**
Information Times
- ★ **2020 WWD Beauty Inc Awards – Award for Promoting Women's Power**
Women's Wear Daily (WWD)
- ★ **Environmental and Ecological Contribution Award**
China Business Network
- ★ **Annual High Growth Enterprise**
Securities Times
- ★ **2022 CRO Award**
National Business Daily
- ★ **China Cosmetics Trend Conference – Technological Innovation Award**
Beauty In Sight
- ★ **Beauty Award – The Most Growing Enterprise in 2021**
Tmall



Brand Honors: *Perfect Diary*

- ★ **109th in the Hurun Most Valuable China Brands 2020**
Hurun Research Institute
- ★ **477th in the China's 500 Most Valuable Brands**
World Brand Lab
- ★ **Top 50 in the 2021 Most Empowering Women's Power Brand**
iAsk
- ★ **2020 China's Best Business Model Award**
21st Century Business Herald
- ★ **New Domestic Product of the Year**
China Business Network
- ★ **VOGUE Beauty Awards 2020 – Chinese Brand Award**
VOGUE
- ★ **COSMO Beauty Awards 2020 – China Girl Beauty Award**
COSMOPOLITAN
- ★ **2021 China Beauty Brand Footprint – Top Brand of Beauty Consumers**
China Beauty Foresight
- ★ **Sustain 100 List – Giving Back to the Nature (*Red-crowned crane eyeshadow palette of Perfect Diary*)**
WWD China





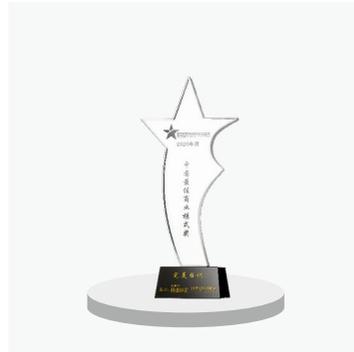
Brand Honors: *Little Ondine*

- ★ **China Cosmetics Aesthetic New Brand Award 2020**
Cosmetic Newspaper
- ★ **Top 100 Most Promising New Brands**
Wave New Consumption



Brand Honors: *Abby's Choice*

- ★ **China Cosmetics Aesthetic New Brand Award 2021**
Cosmetic Newspaper, CBO, Weimeigongjiang
- ★ **Beauty Award 2020 – Reputed Repair Mask of the Year**
Sina Fashion



Brand Honor: *Galénic*

- ★ **Best Trending Brand on Tmall Global**
Tmall Global





CORPORATE GOVERNANCE

Yatsen regards responsible governance as a core value of the Company. With our sound governance structure, we pay special attention to managing enterprise risk, defending our business ethics, improving the level of group governance, as well as promoting the sustainable and healthy development of the Company. While striving to achieve responsible governance, we are focused on the expectations and suggestions of our stakeholders regarding ESG matters, and incorporate sustainable development into our governance philosophy.

SDGs covered in this chapter



ESG issues covered in this chapter

Corporate governance

Business ethics

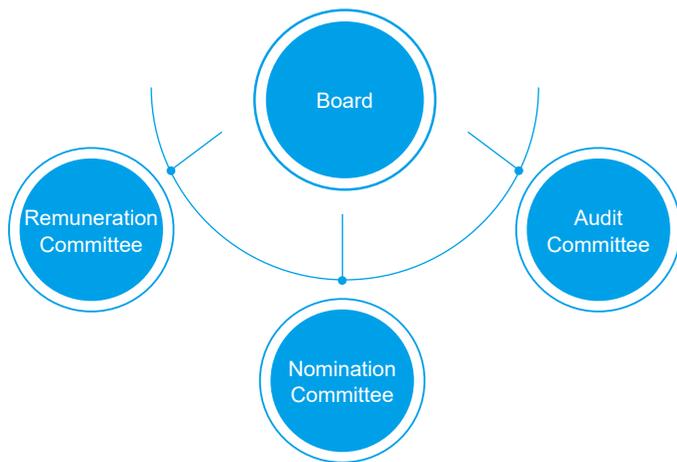
Corporate Governance

Yatsen strictly adheres to the laws and regulations of the jurisdictions where it operates and the relevant laws and regulations pertaining to listed companies by the U.S. Securities and Exchange Commission and the New York Stock Exchange. We have established a sound and efficient corporate governance structure with clear distinction and division of responsibilities.

Governance Structure

We clearly define the role of our Board of Director committee members, in order to ensure Yatsen's business is conducted in compliance with the applicable laws and business ethical standards, as well as to protect the interests of investors and enable the sustainable and stable development of the Company. Information about our Board and each directors are accessible to investors upon request on the [Investor Relations website](#).

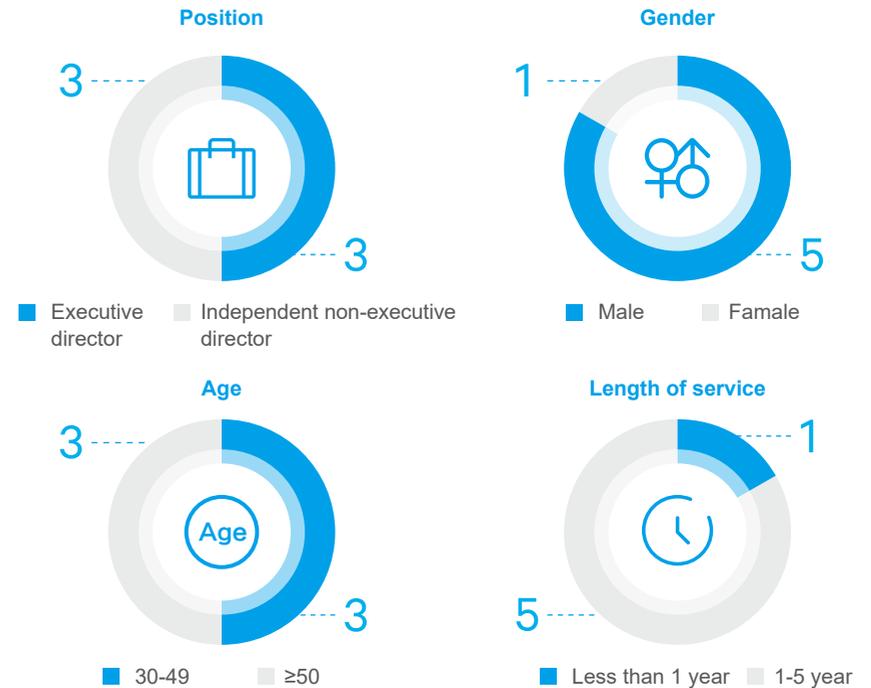
Governance Structure of Yatsen



Board Diversity

We actively promote the diversity of our board members. In nominating and appointing members of the Board, we considered comprehensive factors including gender, age, industry experience, professional background and educational qualifications, in order to ensure a diversity of skills and expertise in various business disciplines. We are also mindful of the proportion of female members.

In addition, the Nomination Committee evaluates the independence of independent non-executive directors to assure that the proportion of independent directors is appropriate for the Company's needs, and offers adequate independent opinions to the Board. One-half of the Board's current membership is made up of independent non-executive directors.



Risk Management and Internal Control

Risk management is essential for smooth operations of the Company. We regularly carry out ongoing reviews and improvements to our risk management and internal controls policies to ensure we have effective and adequate control of business risks in the day-to-day operations of our business.



● Sound management mechanism

In order to identify risks in a timely manner and take appropriate measures to address them, we established and refined a comprehensive risk management mechanism, which is overseen and led by our CFO. The CFO regularly conducts risk assessment meetings with the heads of the Finance, Legal and other supporting functions every quarter, where key business risks and the associated improvement plans are identified, and reported to the CFO. Progress in addressing these risks and implementing improvements are subsequently followed upon until resolution. In addition to the operational level, the Audit Committee assesses the effectiveness and adequacy of the Company's internal control policies and procedures on a regular basis.

● Professional compliance support

Our management receives professional support and assistance in executing their risk management and control duties from outside third parties such as experienced legal advisors and compliance advisors. Internally, we have a team of experienced internal audit compliance, financial, and legal professionals to ensure that the Company is in compliance with applicable laws and internal policies.

● Effective and responsive public relations management

We value good public relations management. In the event that a negative public relations incident occurs, we will form a cross-departmental working team which will convene to undertake an in-depth investigation and develop follow-up plans to resolve the situation. We have developed clear response process for any number of public relations incidents and scenarios such as consumer complaints and capital markets rumors that may adversely impact our share price. In the event that a public relations incident occurs and created material impact on the Company's market value or stock price, we will work with our outside and internal legal teams to address any rumors and issue the appropriate announcements in a timely manner to avoid or reduce the impact of negative public opinions against the Company in accordance with the relevant regulatory requirements.

Investor Communicationa

Considerable importance is attached to information disclosure and management of the relationship with our investor community. Yatsen discloses corporate information in accordance with the principles of fairness, openness and impartiality. We seek to openly and patiently respond to all investor queries.

We are committed to enhancing the transparency of information. Quarterly and annual results and reports are published on a regular basis and other announcements are made when necessary to ensure that all material information is disclosed to the public in a true, accurate, complete and timely manner, such that relevant stakeholders could stay up to date on our operating conditions.

In addition, to strengthen our communications with the capital markets, the Company constantly optimize its communication channels with institutional analysts and investors, to ensure that investors are kept up to date on the Company's latest operating conditions via roadshows, investor communication meetings, results meetings and other means.

• Data



In 2021, we held more than **130** investor communication meetings



and were included in the research coverage by **9** research analysts

Business Ethics

Yatsen considers ethics to be the cornerstone of our business. We strictly abide by the relevant provisions of Anti-Monopoly Law of the People's Republic of China and the Anti-Unfair Competition Law of the People's Republic of China. We are constantly optimizing our anti-corruption management and reporting mechanisms, strengthening our compliance review and integrity education while encouraging our supply chain partners to uphold the highest business ethics standards. During the Reporting Period, the Company was not involved in any cases involving corruption, bribery, extortion, fraud, insider trading and money laundering.



🕒 Develop management mechanisms

To strengthen the management's participation in business ethics supervision, we have developed an internal supervision and inspection mechanism for corporate compliance management, which is authorized by the Board, supervised by the Audit Committee, and enjoys active participation from relevant business departments such as audit, risk control, compliance and legal affairs. Internal audit and control department and legal department have been established with the responsibilities of overseeing anti-corruption, internal control and compliance aspects of the Company, as well as coordinating the implementation of anti-corruption work with various functional departments and subsidiaries.

Code of conduct

Yatsen places great importance on raising employees' awareness of business ethics, and have formulated and published the Code of Business Conduct and Ethics, which specifies the relevant policies relating to conflict of interest, anti-corruption and bribery, anti-money laundering, anti-foreign corruption law, and whistle-blowing protection, which applies to all of the Company's directors, management, full-time employees, part-time employees and interns. To put the code of conduct into action, all employees and suppliers are required to sign the Employee Handbook and the Integrity Commitment or the Code of Conduct of Business Partners, respectively. In addition, we provide training on business ethics for all employees, including permanent employees, part-time employees, laborers and interns, at least once a year, covering anti-fraud, anti-bribery and anti-corruption, as well as promote the Company's current ethical standards.

Strengthen compliance review

We are dedicated to improving our internal compliance review. The internal audit and control department, as the supervisory department in charge of implementing the Code of Business Conduct and Ethics, performs a comprehensive audit on the behavior of business ethics standards across the entire company at least once every three years to ensure the effectiveness of the policy. Furthermore, we carry out internal control review projects on a regular basis and complete internal control reviews on personal information protection and office system license management as well as undertake unannounced inspections of stores, warehouses and other units, to detect possible compliance issues in a timely manner.



Safeguard the rights of whistleblowers

Reporting channels such as hotline, email and reporting locations are published on the Company's official website, supplier contracts and our publicly available Code of Business Conduct and Ethics. The Code of Business Conduct and Ethics specifies the handling process for reporting information by whistleblowers. In the event that the case is found to be true, the result will be notified to the whistleblower directly, and actions will be taken on the relevant employees. Relevant personnel have the right to be heard before the punishment is made to avoid unfair treatment. We also strictly protect the personal information of whistleblowers, and investigations are conducted on a case-by-case basis to ensure that the information provided by whistleblowers is kept strictly confidential. The unit under investigation and the individual being reported are not permitted to retaliate against the whistleblower; otherwise, relevant parties will be dealt with seriously.

• Data

In 2021, we held

2 offline trainings on anti-corruption and anti-fraud compliance, with about

200 attendees, including our CEO, CFO, and senior management of various business units



We provide thematic training, induction training, integrity notices and letters of commitment as part of the employees' business ethics training to

100% of our employees



Intellectual Property Protection

Yatsen recognizes the importance of intellectual property. We strictly follow the Trademark Law of the People's Republic of China, the Patent Law of the People's Republic of China, the Civil Code of the People's Republic of China and other applicable laws and regulations of the place where we operate, and formulate internal systems such as the Trademark Protection Management Standards and the Patent File System Management Standards, in order to comprehensively strengthen the protection of intellectual property rights and enhance our competitiveness.

We tightly manage the application, maintenance, use, licensing and transfer, risk prevention and control of intellectual property rights such as trademarks, patents and copyrights, and have established a designated intellectual property management team to conduct trademark and patent searches prior to registration to avoid similar risks, as well as self-monitoring of market infringements. In addition, we have developed the Patent File System Management Standards, which established a patent file administration system, in order to uniformly and systematically manage registered patents at home and abroad.

We respect the intellectual property rights of others, and offer legal training on intellectual property, covering four major aspects including copyright, patent rights, trademark rights and trade secrets, for designated departments such as brand management, product R&D and product marketing, to enhance employees' awareness of intellectual property protection.

• Data



As of the end of the Reporting Period, a total of **2,936** domestically and abroad intellectual property rights have been acquired



The number of intellectual property rights acquired

Sustainability Governance

We are concerned about the impact of our business on the environment and society, and are committed to collaborating with stakeholders to maximize corporate value via sustainable development and low-carbon operations. In 2021, we have established a sustainability governance structure to promote the ESG governance work of the Company in an orderly manner.

Sustainability Governance Structure

The Board of the Company bears the responsibilities of formulating ESG governance strategies and action plans, and regularly oversee and review major ESG-related issues and related performance. Below our Board of Directors the Planning and Coordinating Team, which is led by the CFO and the Strategic Investment Team, responsible for planning, coordinating and implementing ESG-related workstreams across the firm, in addition to preparing the ESG report. The Planning and Coordinating Team assembles a multi-disciplinary team called the Cross-departmental ESG Working Group, which is comprised of such departments as Research and Development, Procurement, Supply Chain, Legal, Public Relations, Human Resources, Customer Service and IT, who are responsible for implementing specific aspects of the firm's ESG initiatives in their respective functional area, in addition to collating and reporting ESG-related information on a regular basis. This ESG governance mechanism ensures that the ESG strategies as set out by the Board are duly and efficiently implemented throughout all levels of the firm.

Sustainability Governance Structure



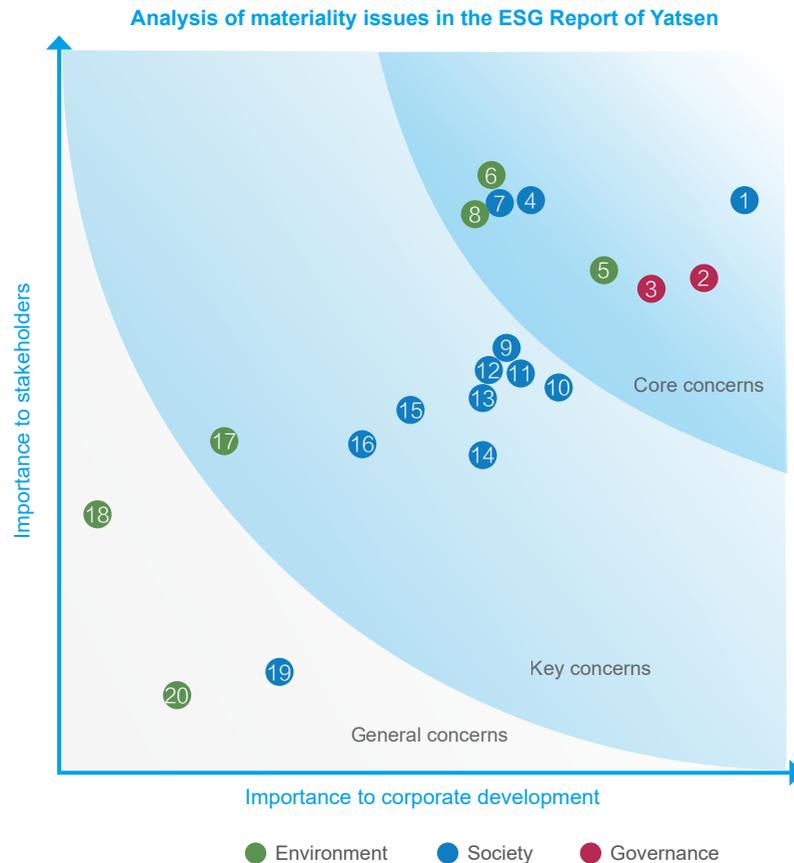
Communication with Stakeholders

We value the effective participation of stakeholders and are committed to constantly improving the communication mechanism with various stakeholders, actively understanding and responding to their demands, and working with stakeholders to achieve a sustainable future.

Stakeholders	Consumers	Investors	Employees	Suppliers	Government and regulatory agencies	Community and public
Expectations and demands	<ul style="list-style-type: none"> Better products and services Protect customer privacy Satisfy diverse product needs Safeguard customer rights and interests 	<ul style="list-style-type: none"> Sustained and stable returns Sound corporate governance Information disclosure and transparency 	<ul style="list-style-type: none"> Protect the legitimate rights and interests of employees Healthy and safe working environment Employee training and development 	<ul style="list-style-type: none"> Fair trade Integrity and reciprocity Build sustainable partnerships 	<ul style="list-style-type: none"> Compliance operation Safe Production Energy saving and emission reduction and environmental protection Promote healthy development of the industry 	<ul style="list-style-type: none"> Bear environmental responsibility Social welfare Promote community building and development
Communication method	<ul style="list-style-type: none"> Customer feedback channel Satisfaction survey Company official website Social media interaction 	<ul style="list-style-type: none"> General meeting Periodic reports Company official website News media 	<ul style="list-style-type: none"> Internal office system Employee training Employee activity Employee satisfaction survey 	<ul style="list-style-type: none"> Supplier evaluation Cooperation agreement Site visit Supplier meeting 	<ul style="list-style-type: none"> Periodic reports Regulation and supervision Daily communication 	<ul style="list-style-type: none"> Community activity Charitable activities Media reports Company official website

Materiality Matrix

During the Reporting Period, we sorted 20 ESG issues based on internal stakeholder communication, peer benchmarking, and reference to ESG concerns by the capital market and best practices of domestic and foreign peers. We carried out materiality assessment in the form of questionnaires. Based on such materiality assessment combined with ESG issues, we have concluded a ranking of materiality of ESG issues among the directors and management, consumers, investors, employees, suppliers and other relevant parties of the Company, which serves as an important reference for the disclosure of the EGS report for the current year.



- Core concerns**
- 1 Quality and safety of products
 - 2 Business ethics
 - 3 Corporate governance
 - 4 Chemical safety
 - 5 Sustainable packaging
 - 6 Procurement of raw materials
 - 7 Opportunities for nutrition and health
 - 8 Product carbon footprint
- Key concerns**
- 9 Labor management
 - 10 Relationship with customers
 - 11 Human resource development
 - 12 Occupational health and safety
 - 13 Information security and privacy
 - 14 Diversity and inclusion
 - 15 Respect for human rights
 - 16 Supply chain management
 - 17 Water and wastewater
- General concerns**
- 18 Emissions and waste
 - 19 Social welfare
 - 20 Response to climate change



PRODUCT RESPONSIBILITY

Yatsen is committed to high-quality products and services. Through innovative R&D and forming direct relationship with consumers, Yatsen provides consumers with healthy and safe products, as well as high-quality and efficient services. At the same time, we earnestly safeguard the rights and interests of consumers. We strive to enhance supply chain management, improve the "cradle-to-grave" review of our supplier's ESG impact, and act as our supplier's partners to facilitate quality improvements to fulfil our social responsibilities.

SDGs covered in this chapter



ESG issues covered in this chapter

- | | |
|--|----------------------------------|
| Opportunities for nutrition and health | Supply chain management |
| Chemical safety | Information security and privacy |
| Relationship with customers | Quality and safety of products |

Healthy and Safe Products

Yatsen is focused on product innovations driven by R&D, building on an ecosystem of highly capable partners in our open collaboration framework. We promote the deep integration between academic research, applied research and production scale-up know-how, in order to quickly bring our innovations to the market. We always pay attention to the needs of consumers in the area of health and safety, and chemical safety is an area that we strictly manage. We are also actively looking for more natural ingredients to manage the negative impact of our products on the environment and in the human body.

Product Research and Development

We continue to improve our R&D capabilities and strive to achieve category innovations and breakthroughs. We seek to provide consumers with more product choices and more high-quality and innovative beauty experiences on their journey of beauty exploration.

Enhancing R&D capabilities

We collaborate with various renowned research institutions, universities and hospitals in China and around the world under our "OpenLab" framework. Under this OpenLab framework, we seek to identify, develop and commercialize the latest innovations in skincare and cosmetics globally by collaborating with a network of highly capable partners and research institutions.

Yatsen continues to increase R&D spending, deepen our talent pool and build cutting-edge facilities and equipment. We currently operate an 1,896-square-meter state-of-the-art R&D Center (the "Yatsen Research and Development Center") located in Guangzhou, China. Our R&D team have developed full spectrum capabilities including fundamental research, ingredient quality testing, formula development, efficacy evaluation, sensory evaluation, safety evaluation and logistics support. We have started the construction of a large-scale manufacturing hub and R&D facility with Cosmax in Guangzhou in March 2021. The construction is ongoing and the facility is expected to feature best-in-class equipment for R&D when completed.



• Data



The R&D investment for the year is more than RMB

140 million



with a year-on-year increase of

113.5%



R&D expense as % of our total net revenues

2.4%



Yatsen Research and Development Center has a team of R&D, product development and production management, consisting of more than

270

 highly educated employees

Yatsen Research and Development Center



Our own R&D center, located in National University Science Park, Sun Yat-sen University, covering an area of approximately 1,900 square meters. It has a number of advanced laboratories for cells, physics and chemistry, sensory, efficacy, stability, makeup, skin care, etc. The equipment and configuration of our research facilities are best-in-class, benchmarked against those of international beauty groups.

Yatsen-Sensient Innovative Color Joint Laboratories



Yatsen and Sensient Technologies Group, a global leading food, cosmetic and pharmaceutical pigment supplier, jointly established the Innovative Color Joint Laboratories in Shanghai, Guangzhou and Singapore.

Applied research in color innovation, raw material innovation and quality management in cosmetics are carried out in the Joint Laboratories. The Joint Laboratories jointly tackle the pain points and difficulties in the production of color cosmetics, and improve the color expression, color richness, safety and naturalness of the raw materials of color cosmetics.

Yatsen-HUST Joint Laboratory of Engineering Center for Nanomedicine



In January 2021, we formed a joint research lab with Huazhong University of Science and Technology and the National Engineering Research Center for Nanomedicine to develop nano-based active ingredients for serums in skincare applications. In March 2021, we deployed a nano-based active ingredient, which was developed during this partnership, and incorporated it into our *Abby's Choice* ceramides series products.

Shanghai Ruijin Hospital & Guangzhou Yatsen Medical Skin Care Joint Laboratory



Shanghai Ruijin Hospital and Yatsen jointly established the Medical Skin Care Joint Laboratory. Ruijin Hospital, part of Shanghai Jiaotong University's School of Medicine, is a Grade III Level General Hospital with an illustrious history. Its dermatological department has a nationally renowned national-grade clinic specializing in the diagnosis and treatment of refractory skin diseases. The two parties will focus on discovering new active ingredients, formulations and advanced applications to address skin issues for Chinese consumers.

Yatsen & Sun Yat-sen University Cooperative Research Project



Yatsen and Sun Yat-sen University have carried out a 3-year skin research cooperation, with the main research topics covering advanced ingredients, innovative formulations, efficacy testing, skin care innovation and skin problems.





🕒 Promote technological innovation

Yatsen has established in-depth cooperation with multiple well-known domestic and overseas institutions, such as the Chinese Academy of Science and the National Engineering Research Center for Nanomedicine, the Huazhong University of Science and Technology, the University of Lyon in France, as well as Shanghai Ruijin Hospital and the Sun Yat-sen University. We also have wide-ranging collaborations with original ingredient suppliers such as Sensient Technologies Group and Naolys, a French plant stem cell culture institution.

During the Reporting Period, via the Open Lab R&D system, we have successfully implemented a number of technological innovation applications, such as the SmartLOCK™ technology which we co-developed with the Chinese Academy of Science. SmartLOCK™ was designed to absorb excess oil from the skin without affecting the effect of makeup. Other notable technologies developed with significant contribution from our R&D team in 2021 include the nano-targeting delivery system used in *DR.WU's* new *Mandelik Multiple Acid Renewal Mask*, as well as the patented anti-skin darkening technology deployed in *Little Ondine's* long-wear foundation product

2021 R&D Achievement Milestones:

2021.3

Nano-encapsulated salicylic acid targeted sustained-release technology applied to various *DR.WU* products

2021.4

Completion of the development of verbascoside, an exclusive intellectual property raw material

2021.4

Launch of self-developed Oxygen Cleanser of *Abby's Choice*

2021.5

Launch of self-developed liquid foundation of *Little Ondine*

2021.6

Joint development of ADT-C, the triple powder surface treatment technology, and exclusive coated toner applied to the products by Sensient Joint Laboratory

2021.10

Joint R&D and release of makeup locking technology SmartLOCK™ with the Institute of Chemistry of Chinese Academy of Science



Case study: World premiere of makeup locking technology SmartLOCK

On September 25, 2021, we collaborated with the Laboratory for Molecular Nanostructure and Nanotechnology of the Institute of Chemistry of Chinese Academy of Science (hereinafter referred to as CAS Institute of Chemistry) to hold a launch event for the original makeup locking technology SmartLOCK™ in Beijing. The technology was jointly developed by Yatsen and CAS Institute of Chemistry. It treats hydroxylated calcium phosphate crystals (HAP) and fullerenes through the patented process of CAS Institute of Chemistry, to form innovative raw material with directional adsorption function for oils and fats. Such material is capable of directionally absorbing excess oil secreted by the skin, while retaining the necessary oil in the base makeup product, thus absorbing oil without absorbing makeup, thereby achieving long-lasting makeup.

Currently, the makeup locking technology SmartLOCK™ jointly developed by Yatsen and CAS Institute of Chemistry has been applied to various products under *Perfect Diary*, including *Perfect Diary Pearl Loose Powder* and *Perfect Diary Small Silver Mirror Air Cushion*. The two parties will continue to carry out long-term in-depth cooperation in oil adsorption and makeup locking technology in the future.



Original makeup locking technology SmartLOCK



Perfect Diary "Pearl" makeup locking powder



Case study: Ceramide encapsulated using nano-efficient carrying and storage technology

Ceramide encapsulated with nano-efficient carrying and storage technology jointly developed by National Engineering Research Center for Nanomedicine and Huazhong University of Science and Technology was adopted as a raw material for the second generation of *Ceramide Repairing Mask* of the brand *Abby's Choice* under Yatsen. The smallest particle size of ceramide nanocarriers is 20nm, accounting for only one thousandth of the pore diameter. The ceramide nanocarriers effectively promote the penetration of active ingredients into the stratum corneum of the skin, enhance the repairing and moisturizing effect, and promote the retention of active ingredients in the skin at a high concentration and for a longer time.



Ceramide encapsulated with nano-efficient carrying and storage technology



Abby's Choice Ceramide Repairing Mask

Chemical Safety



Yatsen strives to provide consumers with safe and reliable products. We strictly comply with the relevant regulations of our operating locations and industry such as the Regulations on Supervision and Administration of Cosmetics, and have established the Laboratory Management Regulations and the Chemical Safety Policy, to strictly implement product safety assessment and chemical management. We also actively promote the application of natural ingredients and the substitution of controversial ingredients, to ensure the safety of products to the human body and the environment.

Define prohibited ingredients

We have established and disclosed the Yatsen Raw Material Control Requirements, explicitly prohibiting raw materials that are carcinogenic to humans, reproductive toxicity, skin irritant and environmentally hazardous. The requirements also strictly control the use of regulated raw materials to ensure the safety of products to the human body and the environment.

Evaluate the safety of raw materials

We evaluate the potential hazards of each raw material, understand the key parameters such as product category, frequency of use, and skin type, and define the maximum safe concentration of each raw material in the products, to ensure product safety.

Monitor harmful feedback

After the launch of our products, we continue to collect and analyze the possible adverse effects on consumers after using our products through the cosmetics safety monitoring network. We also formulate improvement plans in a timely manner to improve the confidence of consumers in our products.

Compliance with disclosure of ingredients

We strictly comply with the Cosmetics Label Management Regulations, marking the standard Chinese name of the raw materials of all the ingredients of the product in the smallest sales unit of cosmetics (excluding gifts and not-for-sale products), and listing them in descending order of the content of each ingredient in the product formula. If the content of the ingredients is less than 1%, it will be sorted according to the importance claimed. We fully display the product ingredients to consumers and promote consumers' understanding of chemical ingredients.

Replace controversial ingredients

We continue to optimize product formulations and replace controversial ingredients. We carry out research on substitution of volatile and contamination-risk components of silicone oil cyclopentadimethylsiloxane (hereafter referred to as D5). We also actively explore substitutes for D5 and substitution results that can be used in various products, and promote the use of more environmentally friendly ingredients with higher biosafety.



In addition, the Company believes in promotion of sustainable products, including incorporating "Clean Beauty" into our products, striving to create products which are both skin-friendly and environment-friendly. Our efforts include actively developing formulation technologies that are not harmful to the environment and health, prioritizing the procurement and use of raw materials with less impact on the environment and society, supporting the use of renewable resources in the production process, and actively selecting degradable materials as cosmetic packaging materials.



Case study: Launch of more natural product options by Abby's Choice

Abby's Choice Amino Gentle Minimalism Facial Cleanser (Oxygen Cleanser for short) uses a simplified formula ingredient. The product does not contain soap base, pigment, alcohol, essence, fluorescent agent and other irritating ingredients. It even uses German antiseptic technology instead of preservatives, realizing 0% preservative addition, providing users with a gentle and refreshing cleansing experience. At the same time, the product uses more natural plant ingredients, using double natural amino acid plant extracts derived from natural coconut oil and oats, providing users with more healthy and safer products.



Abby's Choice Amino Gentle Minimalism Facial Cleanser

Quality Customer Service

With the value of "creating value for customers as its guideline", Yatsen is committed to providing consumers with quality services and actively responding to customer demands. Customer satisfaction is at the forefront of our corporate development.

Optimizing Service Quality

We have always been committed to providing high-quality customer service. We have established a dedicated customer service team comprising of more than 230 personnel, providing consumers with meticulous, timely and professional services in all aspects of pre-sale, in-sale and after-sale.

Promote standardized services

We have established the standard requirements for customer service behavior, while standard operating procedures (SOP) are formed by each brand based on the characteristics of each product to provide customers with standardized consulting solutions.

Timely quality evaluation

We have a dedicated staff to handle service quality inspections and complaints management, in order to ensure high standards of care for our customers. We monitor dialogue quality, evaluation and feedback from customers on our online platforms, handle complaints and monitor external public relations, thereby protecting vital rights of our customers.

Targeted talent promotion

We have identified the ideal talent profiles for our full-time customer service staff, with clear benchmarks for employees along the three functional areas of work: customer service, management and professional staff. We have an established training system to help develop the professionalism, skills and leadership abilities of our employees in a targeted manner.

Data



The customer service team participated in **768** training sessions



with a total of **1,265** training hours



and covering **100%** of the customer service team



Case study: Create a customer service talent flow project - Running Water Plan

In order to enhance the flow of outstanding talents between brands, the customer service department has formulated the "Running Water Plan" rotation project. 6 customer service personnel from 4 brands are selected to carry out a 6-month rotation plan for the project. Through learning and practice across business lines and brands, project members are able to integrate the excellent customer service theories of different brands, propose improvement plans, and continuously improve the customer service system.



6 customer service personnel from **4** brands are selected to carry out a **6**-month rotation plan for the project



Improve Service Experience

We patiently listen to consumers' feedback on our products and services, and convey consumers' opinions and suggestions to the relevant departments of the Company, to continuously promote the improvement and upgrading of our products and services.

● Efficient response to demands

We actively respond to customer demands. The customer service team receives customer opinions and suggestions through our e-commerce platforms, social e-commerce, private communities, telephone hotlines, offline experience stores, content channels, media channels, 12315 hotline and other channels. At the same time, we define, grade and report customer appeals in accordance with management norms such as the Customer Complaint Reporting Process and the Customer Complaint Grading System. We then efficiently handle consumer demands according to the relevant procedures to further improve consumer satisfaction.

• Data



The number of one-on-one customer contact with the customer service team reached

19,087,140

person-times



94.57% of inquiries are responded to within 3 minutes



The average satisfaction score with AI interaction for each brand

94.6%



The average customer service respond time is

22.4 seconds



The average satisfaction score of the sales channel of each brand is

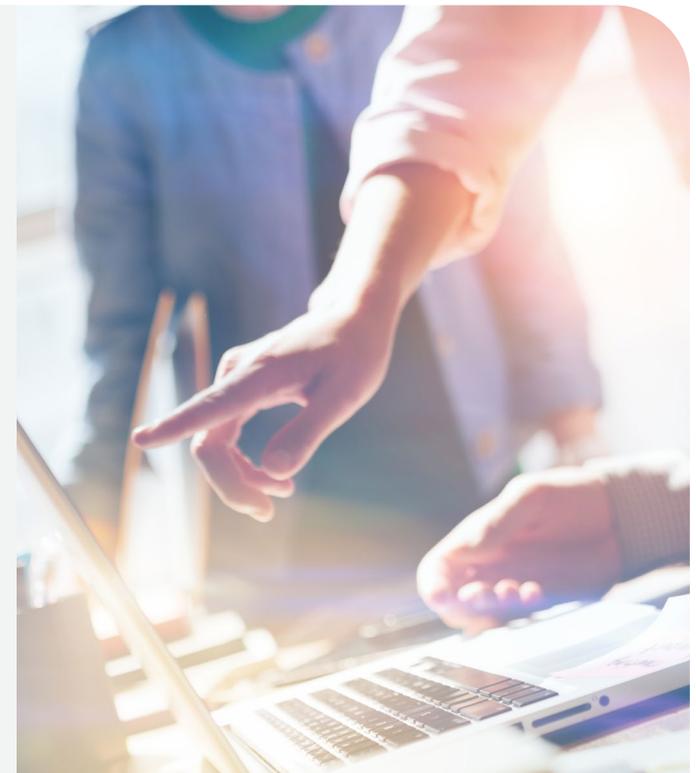
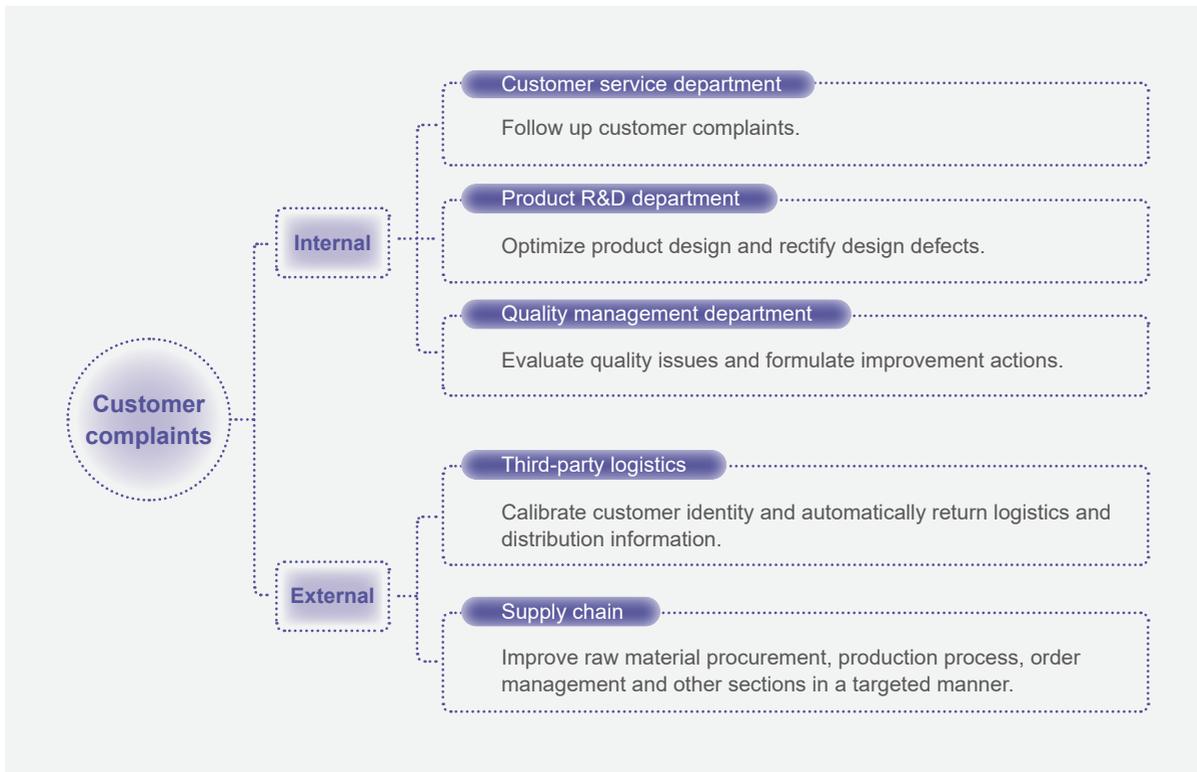
91.8%



Focus on user value

We continue to improve our digital capabilities. With the help of a powerful data infrastructure, we promote the connectivity between the work order system used to record customer orders and multiple data analytics systems on the internal and external sides of the Company. We strive to let user insight efficiently penetrate into every section of business decision-making, redouble our efforts on user value creation, and create products that are more satisfying to the consumers.

Improvement process for customers complaints across multiple departments



Awards

We are committed to customer service, and we have received recognition from various platforms in terms of service quality and intelligent service.



Awards for customer service and intelligent service obtained by Yatsen in 2021

Brand	Field of the award	Name of the award	Awarding institution
<i>Perfect Diary</i>	Intelligent service	Golden Bee Award	Timi
	Customer service	Star Customer Service	Red Hare
		Service Master	Tmall's platforms
	Customer service	Star of Excellence in Customer Service Skills Competition (Double 11) Outstanding Contribution Award Efficiency Star in Customer Service Skills Competition (618) Third Runner-up for the Year of Consulting Services	JD's platforms
<i>Little Ondine</i>	Intelligent service	Copper Bee Award	Timi
	Customer service	Star Customer Service	Red Hare
		Service Master	Tmall's platforms
Customer service	Best Customer Service Team Award	JD's platforms	
<i>Pink Bear</i>	Intelligent service	Silver Bee Award	Timi

Responsible Marketing

Yatsen is committed to protecting the legitimate rights and interests of consumers, and strictly complies with the relevant laws and regulations of the place where it operates, such as the Law of the PRC on Protection of Consumer Rights and Interests. We promote responsible marketing, enhances consumer education, and popularizes skin care and beauty knowledge to consumers, striving to help every consumer make an appropriate choice among the diverse products.

Marketing Risk Warning

We strictly comply with the laws and industry regulations of the jurisdictions where we operate, such as the Advertising Law of the PRC, the Regulations on Supervision and Administration of Cosmetics and the Evaluation Specifications for Cosmetics Efficacy Claims. We have formulated internal policy documents such as the Advertising Compliance Manual. We coordinate with our R&D, product, legal and public affairs departments to review the product features, ingredient ordering, advertising proposal, image copyright and other matters of advertising materials and third-party shopping platforms, in order to ensure compliance of product advertisement rules. We also ensure that promotions comply with the relevant requirements of the jurisdictions where we operate, such as the Anti-Unfair Competition Law of the PRC. Regarding product identification, we review the use of trademarks, product slogans, font sizes and other aspects in accordance with the relevant requirements of the Cosmetics Labeling and Identification Management Specification, to prevent relevant legal risks and ensure that product representations and advertisements are truthful and objective.

We display appropriate risk warnings based on the characteristics of the brand and product. Certain special products, such as various cosmetic products of *DR.WU* and the colored contact lens products of *Perfect Diary*, are grouped into the Category Three within China's medical device products category. For these products, we are careful to strictly comply with the relevant regulations governing the marketing and sale of Category Three products in China.

In addition, in order to standardize publicity behavior more effectively, we carry out responsible marketing training for our sales staff. For example, the new retail business department carries out training for offline stores for 3 to 4 times per year. In 2021, we held a total of 3 online trainings for new retail stores. The training content included advertising copywriting and product display (such as price information display) and other store operation precautions to ensure that the sales activities are legal and compliant.



Popularization of Consumer Knowledge

We insist on customer-demand-centric operation and maintaining close communication with consumers. We strive to guide our consumers to choose products suitable to their needs.



Upon receiving consumer inquiries, our customer service team first understands the consumer usage habits (such as skin care habits, makeup preferences, skin characteristics, skin problems, etc.). Suggested solutions are provided after analyzing the specific needs of consumers and actual skin conditions. Through detailed product introductions, our team helps consumers understand their real needs and choose products suitable to their needs.



We continue to provide targeted professional training to the customer service team covering the basics of makeup, color matching, skin care and other aspects. We also encourage our employees to obtain professional skills certification in makeup and skin care, so as to provide consumers with more professional, scientific and precise services.

• Data



A total of **93** staffs in the customer service team have obtained the certification of junior make-up artist



11 staffs have obtained the certification of intermediate make-up artist



3 staffs have obtained the certification of skin care specialist

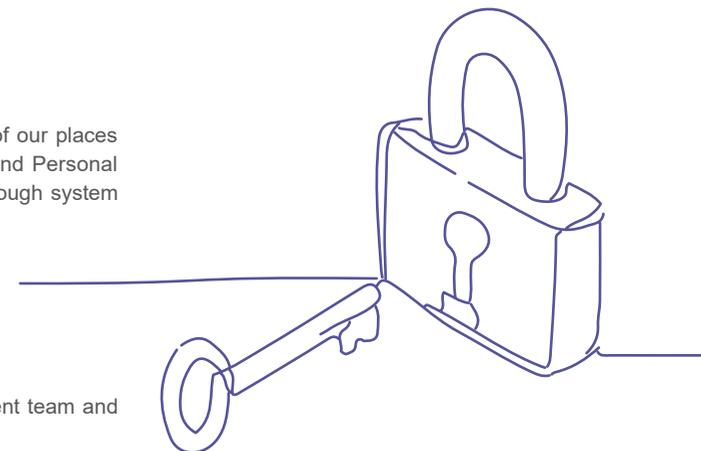


Information Security and Privacy

Yatsen attaches great importance to information security and privacy protection. We strictly abide by the relevant laws and regulations of our places of operation such as the Cybersecurity Law of the People's Republic of China, Data Security Law of the People's Republic of China and Personal Information Protection Law of the People's Republic of China. We effectively protect the information security of companies and users through system improvement and technical improvement.

Information Security Management System

We established a three-tier information security management structure, which includes data security committee, data security management team and data security executive team to safeguard the Company's information security.



Organizational structure of information security management system





Management system and certification

We formulated and implemented management standards and codes of conduct such as Data Security Management System, Data Classification Table, Administrative Measures for Information Security Incidents and Emergency Responses and System Account and Authority Security Management Standard. The comprehensive management policies safeguard our information security.



We established an information security emergency response mechanism in order to ensure the physical security, operational security and data security of information systems.



The data security executive team regularly conducts data security assessments, and conducts security compliance assessments on key points including collection, storage, usage, and transmission of personal information in the information system; the internal audit and internal control department conducts data compliance internal audits.



We engaged a security consulting agency to regularly conduct security inspections and assess our information systems and networks, and issue information system and network security assessment reports as a basis for the Company's rectification and follow-up actions to improve and enhance our information systems and network security; as of the Reporting Period, the Company's micro-mall and order management OMS systems have obtained Grade III Protection of Information Security.

Information protection process

We implement strict management for data of users and employees. For overseas business, we have assigned designated employees to manage data of the brands with overseas business, and clearly implemented local storage of overseas data without cross-border transmission to ensure compliance and security of data management.

Comprehensive Security and Privacy Protection

User-end Protection

We formulated user privacy protection policies on Mini Programs and third-party shopping platforms, clarifying the relevant provisions on personal information acquisition for personalized advertising and information sharing, in order to protect consumers' right to know.

Company-end Protection

We set up information extraction procedures with multiple approvals required for employees' and customers' information, and performed necessary desensitization on the exported data according to management level to reduce the risk of data leakage.

Standardize Data Security Management



Measures of data security management

Information security education

Every new employee is required to undergo security awareness training and assessment upon on-board. Further, we regularly organize specific training on data compliance to improve the Company's information security management capabilities.



Supply Chain Management

Yatsen constantly improves its supplier management system. We formulated the Supplier Management Regulations to clarify the whole management cycle from the suppliers being screened, appointed, reviewed and terminated. Also, we regularly train and support suppliers to improve supply quality, and work with suppliers to achieve win-win development.

Screening and Appointing Suppliers

For potential suppliers, we carry out background investigations as part of the onboarding process. We conduct preliminary screening of potential suppliers' qualifications, business licenses, quality management, technical level, and other aspects. Also, we perform on-site inspections and sample testing, and strict screening of the suppliers' quality reliability, technical capabilities, operational capabilities, response timeliness and other aspects.

We pay attention to the identification of supply chain risks. In the process of supplier screening, we give extra points to suppliers that are socially responsible such as those with environmental management and quality management system certifications, as well as those with outstanding performance in environmental management. We signed Probity Cooperation Commitment with suppliers, requiring suppliers to abide by business ethics, intellectual property rights, information confidentiality and other regulations, and we advocate for our upstream and downstream partners to jointly reduce ESG risks in supply chain and build a responsible supply chain.

• Data



141 direct suppliers and **7** core suppliers⁴ in China



A total of **114** suppliers underwent our onboarding and annual supplier audit process in 2021



For finished product suppliers, **27** underwent our onboarding process, **21** underwent the annual supplier audit, for a total of **48**



18 raw material suppliers underwent our onboarding process



48 packaging materials / gift boxes / peripheral suppliers underwent our onboarding process



48 suppliers obtained ISO 14001 Environmental Management System Certification



18 suppliers obtained ISO 45001 Occupational Health and Safety Management System Certification



15 suppliers obtained SA 8000 social responsibility management system certification

⁴ Core suppliers refers to those suppliers which in aggregate accounted for 70% of the Company's total procurement spending in 2021.

Supplier Performance Evaluation

For existing suppliers, we continue to monitor their performance, regularly conduct semi-annual assessment on suppliers, and carry out monthly or ad hoc assessments for some of the suppliers based on actual conditions. The assessment criteria include price, quality, delivery, cooperation services, and other factors in order to continue to enhance the management capabilities of our suppliers.

For suppliers with continuous poor performance, we would temporarily suspend the cooperation and define a rectification period; for suppliers which still fail to pass the assessment after rectification, we would immediately terminate the cooperation to ensure the quality of supply.

• Data



We carried out **48** annual and unannounced inspections of existing finished product suppliers



and the inspection pass rate was **100%**



Supply Quality Improvement

We actively strengthen the exchange and cooperation with our suppliers through supplier conferences, quality training and other methods. We promote adherence to business ethics and product quality to suppliers and provide trainings to them with above topics, and advocate suppliers to improve supply quality, practice social responsibility, and jointly establish sustainable supply chains.

• Data



27 educational sessions about product quality were carried out with suppliers



Case study: Holding a supplier conference

In September 2021, we held a supplier conference to promote and implement the Code of Conduct for Business Partners to suppliers on anti-corruption, labor compliance, business ethics, data compliance, and environmental protection requirements, in order to improve suppliers' awareness of compliance considerations.



RESPONSIBILITY FOR EMPLOYEES

Yatsen cares for its employees. We provide employees with good working environment and benefits as well as safeguard their legitimate rights and interests. The Company attaches great importance to talents development, providing employees with various learning and development opportunities and incentivizing them to develop a diverse set of skills in order to grow professionally within our organization.

SDGs covered in this chapter



ESG issues covered in this chapter

Labor Management
Diversity and Inclusion
Respect for human rights

Human Resource Development
Occupational Health and Safety

Fair and Compliant Employment

Yatsen adheres to the concept of "respect for employees above all". We strictly abide by the Labor Law of the People's Republic of China, Labor Contract Law of the People's Republic of China and Provisions on the Prohibition of Using Child Labor of the People's Republic of China and other relevant laws and regulations of our place of operation, and continuously optimizes the labor management system. We respect and protect the legitimate rights and interests of employees.

Equal employment

We continuously optimize our internal human resources management system. We formulated internal systems such as Guidelines for Daily Human Resources Functions. When recruiting employees, we are resolutely against discrimination due to any factors such as gender, age, religion, nationality, etc. We have presence in China, the United Kingdom, the United States, France, Singapore and other countries, and child labor is strictly prohibited. We aim to create a diverse and inclusive workplace for our employees.

Data



As a fast-growing multi-brand omni-channel makeup platform, the average age of our employees is **27** years old, and our young and creative talent team brings much needed energy and vitality into the company



Introduction and training of female talents, and the proportion⁵ of female employees in the Company reaches **78.6%**

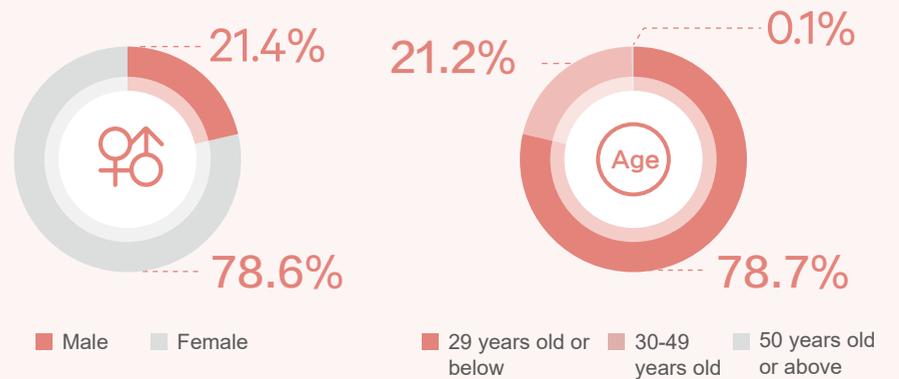
As of December 31, 2021,



the total number of employees (including the overseas employees) of Yatsen was **3,497**



and the number of employees in China was **3,444**



⁵ The data source of the gender proportion of our employees covers employees in China.

Protection of rights and interests

Yatsen attaches great importance to the basic rights and interests of employees. We developed Employee Handbook to protect the legitimate rights and interests of employees in recruitment, remuneration, benefits, promotion, vacation, and resignation, etc. We strictly manage the working hours of our employees and resolutely eliminate forced labor.

Data



The labor contract signing rate of all employees

100%



Total outstanding shares of Yatsen owned by employees

11.9%



Growth of Talents

Yatsen focuses on the growth and development of employees, constantly improves the talent training system, and provides employees with multiple career development channels and a meritocratic promotion mechanism, in order to foster our employees' growth and development.

Employment Training

Yatsen attaches great importance to employees' development. In order to develop a deep bench of talents for the future and encourage their professional growth, we have built a multi-dimensional and multi-faceted Yatsen training system, as well as benchmarked the key capabilities expected from our best employees. With "keep young, be happy" as one of our core mottos, we will look to maintain a young and dynamic mindset among our talent pool.

Yatsen Learning and Development System

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

Ongoing Training

Courses of vocational skills	Courses of professional training
------------------------------	----------------------------------

Yatsen Learning – Online Learning Platform





• Data

We conducted more than **33,068** hours of training among our employees in 2021

We held **13** sessions of new employee orientations for approximately **1,000** new employees

We completed professional training programs related to branding and visual design, which included **6** training courses with participation by more than **700** employees

We conducted leadership training program focused on the Yatsen model of leadership, consisting of **5** seminars for our senior management and core management

From our founding to the end of 2021, we administered **10** classes of our Huangpu Management Trainee Program,

having inducted **154** management trainees

of which **35** went on to become department and team managers





Case study: Management Trainee Program

In 2021, we launched the 10th session of Management Trainee Program. Management trainees rapidly improved their vocational skills and profession skills through orientation training, job rotation practice, department selection meeting and so on, as well as the annual training plan and on-job training. We promoted their transformation from students to professionals, helped them to realize their full potentials, in the process filling Yatsen with a deep talent reserve of young people attuned with our culture.

Orientation Training:

47 management trainees participated in the orientation training together for 7 days with 14 basic courses to learn about basic working skills and workplace mentality;

Job Rotation Practice:

Underwent job rotation for 11 working days in logistic center and customer experience center, to perform management of warehouse, management of orders and customer service, etc.;

On-job Training and long-term training:

The management trainees started working in different departments respectively, and were continuously trained according to an annual training plan, in order to comprehensively improve their vocational skills and professional skills.

Department Selection Meeting:

After 11 working days, and taking consideration of the preference of the management trainees, their performance in job rotation practice, talent requirement of the departments and other factors. The department of each management trainee was determined;

Management Trainee Program



Case study: Business Gas Station – New Skills

During the Reporting Period, we provided employees with 3 courses on office software skills and work place culture training, and 3 courses on presentation skills which meet the needs of year-end work summary, with about 350 students participated in the courses. We continuously provide employees with hard and soft skills required in workplace.





Promotion and Development

Yatsen insists on building a transparent and open promotion mechanism for employees, providing comprehensive and fair development channels for different types of employees, and encouraging employees to achieve self-growth and realize their personal value.

Fair Promotion and Assessment Mechanism:

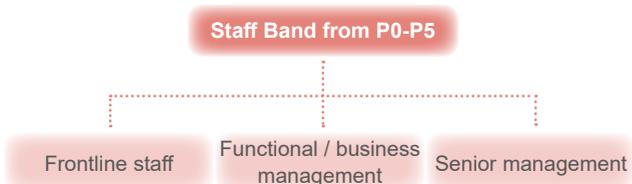
Regular Performance Reviews

Through monthly and quarterly performance appraisal, the performance of employees is evaluated and feedback of results is given to the employees, and managers provide employees with performance coaching and improvement support.

Comprehensive Promotion Assessments

Through annual talent assessment, we review individual capabilities, potentials, values and leadership of the employees, and provide career development and promotion opportunities to high-potential employees.

Multiple Development Paths:



Case study: Establishment of leadership model of Yatsen

In order to adapt to the challenges brought by the rapid business development, organizational structure adjustment, and complex and diverse external changes, we established the leadership model of Yatsen, analyzed the basic consensus and underlying requirements of excellent management within the firm. Based on the model, we provided core management with a series of learning resources such as leadership, simulated business competitions, and exchange with other industry leaders to improve the overall leadership level.



Case study: Excellent management trainee quickly promoted to be among the Company's senior management

Chen Linan was a management trainee of the second session of Huangpu Management Trainee Program of Yatsen. After starting in the management trainee program, she received professional management training, and took job rotations at the Research and Development Department and New Retail Marketing Department, as well as in various major projects and external exchanges. In 5 years, she was quickly promoted to the management and partner of the Company, and served as the Department Manager of the *DR.WU* and *EANTIM* Product Department (responsible for branding related activities for general and efficacy skin care). She was given the opportunity for professional growth and quickly became an important driver of the Company's development. As of 2021, 10 sessions of our Huangpu Management Trainee Program were launched, with 154 management trainees, and 35 of them had been trained to become department and team managers, providing strong bench of talent for the Company.



Safeguard Health and Safety

Yatsen always puts the health and safety of its employees first. We strictly abide by the relevant regulations of our place of operation such as Production Safety Law of the People's Republic of China, Fire Protection Law of the People's Republic of China and Law of the People's Republic of China on the Prevention and Control of Occupational Diseases to comprehensively safeguard the health and safety of our employees.

We set up safety management department and assigned internal safety supervision teams to be responsible for the daily supervision and management of the Company's production safety. According to the needs of different types of work, we provide employees with safe tools and equipment, and organize safety inspections and fire drills from time to time. We also actively implemented epidemic prevention and control measures to provide employees with a safe and reliable working environment.

In addition, we care about our employees' health. We organize annual physical examinations for employees, and cooperate with external agencies to establish a staff clinic to provide employees with timely and professional free medical services. At the same time, table tennis rooms, basketball courts, soccer fields and other sports venues are set up near our workplaces. We encourage our employees to do exercise and improve their health through organizing sports days and sports team building activities.



Staff clinic



Soccer match

Care for Employees

Yatsen pays attention to employees' sense of well-being. Therefore, we provide employees with competitive remuneration packages, transparent and open communication channels and a wide variety of employee activities with an aim for enhancing their happiness and sense of belonging.

Remuneration and Benefits

We attach great importance to the protection of employees' rights and interests by establishing a sound remuneration system, covering basic salary, post allowance, year-end bonus and other benefits, to ensure that employees' remuneration reflects the value of their contributions to the firm. At the same time, the Company provides timely evaluation and feedback on employees' performance according to the performance appraisal system, and recognizes their performance with discretionary bonus and incentives based on the evaluation results. For the critical employees who demonstrated important influence on the sustainable development of the Company, we provide share option incentives across all levels from grassroots employees to senior management. We provide a mix of short-term and long-term incentive programs to encourage our employees to create long-term value for the Company.

Our employees are provided with diverse benefits. On top of the statutory social insurance and holidays stipulated by laws and regulations of the places where we operate, we also offer birthday celebrations, festive celebrations, staff canteen, staff internal sales and other internal benefits to stimulate employees' enthusiasm for work.



Staff internal sales

Online staff internal sales are organized for all employees every month so that our employees can experience the Company's products at lower prices.

Birthday celebrations

Birthday gifts are given to employees who have a birthday in the month.

Staff club activities

Monthly activities and annual competitions are organized by various staff clubs such as soccer club, basketball club, badminton club and fitness club.

Staff canteen

Staff canteen is set up for employees to enjoy free meals at working days.

Employee Engagement

We value the opinions of our employees. Therefore, opinions and suggestions are collected from employees through various means such as quarterly Townhall Meetings, team building activities, labor union meetings, the employee grievance system and employee satisfaction surveys to strengthen our communication and interaction with employees. We constantly conduct employee satisfaction and engagement research, and the results of the research for the Reporting Period show that our employees generally highly identify with our corporate culture. Meanwhile, we continuously improve our human resource management based on the employee feedback.

Employee engagement channels



Case study: Organizing quarterly Townhall Meetings

In order to strengthen direct communication between the management and employees, we organize quarterly Townhall Meetings, at which our CEO communicates and interacts directly with all employees through a combination of live streaming and on-the-spot participation. Our CEO also regularly shares company news and the latest strategic development with employees, listens to their voices, answers their questions and makes timely responses and improvements based on their opinions.

One example was the implementation of a request provided during one of the regular quarterly Townhall Meetings to cancel the "working on alternate Saturday" arrangements that was in place at the time. Another request that was raised during a townhall was to allow for early release by two hours on the work right before a major holiday. After giving these requests thorough considerations, the Company adopted these suggestions shortly thereafter.



Employee Activities

We appreciate the hard work and dedication of all our employees and care for their work and daily life.

To enhance the sense of belonging of our employees, we send birthday gifts to employees who have a birthday in the month, offer a variety of delicious work meals and afternoon snacks, and encourage employees to express their appreciation by sending "appreciation cards" to each other. Diversified cultural and recreational activities such as staff club activities, staff carnivals and singing contests are organized to enrich our employees' life. Furthermore, we care for our female staff by setting up breastfeeding rooms and offering gifts for Women's Day to express our heartfelt thanks to their contribution.



Staff carnivals



Afternoon snacks





ENVIRONMENTAL RESPONSIBILITY

While continuously promoting its corporate development, Yatsen always adheres to the concept of green development and low-carbon operation and pays constant attention to the environmental impact brought by its operation. In addition, we are committed to reducing our carbon footprint through addressing climate change, carbon verification of our products, sustainable procurement, sustainable packaging and efficient operation, so as to contribute to the realization of the "double carbon" strategic goal of China.

SDGs covered in this chapter



ESG issues covered in this chapter

Procurement of raw materials
Response to climate change
Product carbon footprint

Sustainable packaging
Emissions and waste
Water and wastewater

Addressing Climate Change

Climate change is a common challenge facing mankind in the 21st century. Yatsen is concerned about the impact of climate change on business operations, and is committed to effectively identifying and addressing climate change risks, actively improving its own environmental responsibility performance, and continuously promoting green corporate development.

About Task Force on Climate-related Financial Disclosures (TCFD)

The Task Force on Climate-related Financial Disclosures (TCFD), created by the Financial Stability Board (FSB) at the request of the G20, is an organization focused on the research on climate-related information disclosure and policies of financial institutions. It aims to provide a framework for companies to disclose climate-related data, facilitate investors, lenders, insurers and other relevant parties to understand the risks involved, and improve the transparency of investment information.

According to TCFD, climate risks can generally be divided into two major categories:

- **Physical risks:** risks associated with the physical impacts of climate change, which can be driven by events such as floods and typhoons (acute risks) or longer-term shifts in climate patterns, such as sustained higher temperatures and sea level rise (chronic risks).
- **Transition risks:** risks associated with the transition to a lower carbon economy, which may entail policy, legal, technology and market changes to address mitigation and adaptation requirements related to climate change.

With reference to the recommendations of TCFD, we disclose our key climate-related efforts and achievements in four core areas: governance system, response strategies, risk management, and indicators and targets.

Governance System

Yatsen has established a three-tier ESG management structure which consists of the Board, the Planning and Coordinating Team and the ESG Working Group, to clarify the scope and process of its ESG efforts, and promote the regular and ongoing management of its ESG efforts across the firm. The Board is responsible for monitoring and reviewing policies, initiatives and performance targets related to sustainable development, including climate change. The strategic investment department, which leads the ESG Planning and Coordinating Team, is responsible for planning and coordinating the ESG strategies and related efforts, and reporting the implementation thereof to the Chief Financial Officer (CFO) on a regular basis. A cross-departmental ESG Working Group consists of a team of dedicated staff from various functional departments of the Company which has been established to assist in the implementation of sustainable development efforts, including climate change.

Response Strategies

Yatsen has developed a deep understanding of the risks and opportunities brought by climate change. Based on the geographic location of our operations and with reference to policies and historical records of extreme weather events, we systematically identify climate change-related risks that could have an impact on our business or even our financial condition. As a result, we have identified climate change-related risks that are likely to have a significant impact on our business operations and have taken various initiatives to mitigate the effects of climate change.

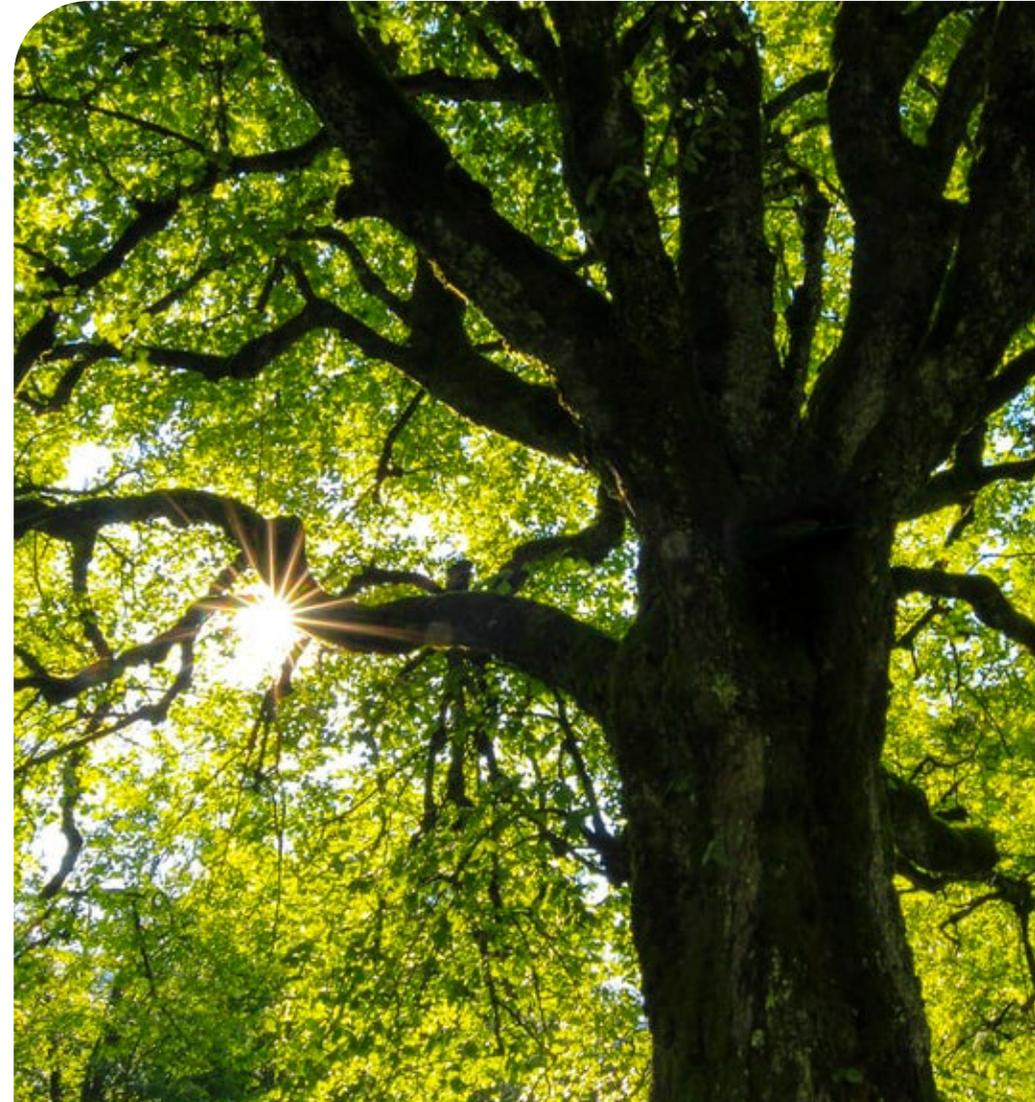
Climate change-related risks	Key risk categories	Highlights of potential climate change-related risks that are relevant to Yatsen	Response initiatives
Transition risks	Policy and legal risk	The world is increasingly aware of the risks posed by climate change, which drives climate change-related regulatory and disclosure requirements. Therefore, the Company has to meet additional compliance requirements to develop its global business.	Tracking domestic and international regulatory developments and interpreting the requirements of new regulations and policies for sale of products in different regions in a timely manner; Timely and compliant disclosure of sustainability reports in accordance with international disclosure standards.
	Market risk	Consumers are increasingly concerned about sustainable products and sustainable consumption. Therefore, we have to develop lower-carbon products and packaging to meet consumer demand.	Gradually conducting carbon footprint assessment on our products to lay the foundation for developing lower-carbon products; Collaborating with the upstream supply chain in using renewable energy in the production process, using low-carbon raw materials or packaging materials, and reducing the carbon footprint of our products.
Physical risks	Extreme weather risk	With global warming, extreme weather events, such as extreme heat, extreme cold, rainstorms and floods, and typhoons, will increase, which may lead to supply chain disruption or suspension of operation of our stores, as well as increased operating costs and business risks.	Developing emergency plans for extreme weather, developing appropriate preventive and response measures for different extreme weather impacts, conducting extreme weather drills and issuing timely warnings to ensure the safety of our employees; Appropriately increasing quality suppliers to ensure the stability of supply chain under extreme weather.

Risk Management

The Company has established a sound risk management mechanism. In addition to daily risk reporting, we hold quarterly risk meetings to report the major risks identified to our CFO, the top risk manager, on a departmental basis and discuss the future direction of risk mitigation. In order to further reduce climate change-related risks, we have started to explore the incorporation of climate change-related matters into the risk management process, and gradually improve the climate change risk assessment and management mechanism.

Indicators and Targets

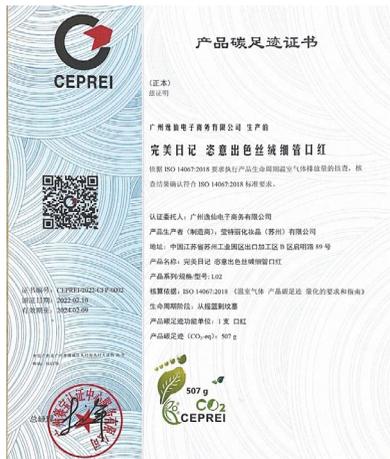
In the future, Yatsen will continue to improve its climate-related governance, strategy, risk and opportunity management mechanisms, and gradually carry out carbon footprint assessment on its products to understand the greenhouse gas emissions of the Company. Moreover, it will also take the initiative to explore ways to reduce carbon in the stages of product design, production, transportation, use and disposal, reduce greenhouse gas emissions, and actively address the risks and challenges brought about by climate change.



Green Products to Manage Product Carbon Footprint

Yatsen is concerned about the carbon emissions from its products and gradually conducts carbon footprint assessment on its products, aiming to figure out the carbon emissions from its products in the processes of raw material production, manufacturing, transportation, use and disposal through carbon footprint assessment, identify the emission reduction potential of its products at each stage from "cradle-to-grave", and reduce the carbon footprint of its products and hence the impact of its products on the ecological environment through energy-saving and emission reduction measures in the future.

In 2021, the Company engaged a third-party organization to conduct carbon emission verification on *Perfect Diary Rouge Intense Velvet Slim Matte Lipstick* (also known as *Slim Heel Lipstick*) (color #L02 and #L04) and obtained product carbon footprint certificates.



Product Carbon Footprint Certificate for *Perfect Diary Slim Heel Lipstick* (L02)



Product Carbon Footprint Certificate for *Perfect Diary Slim Heel Lipstick* (L04)

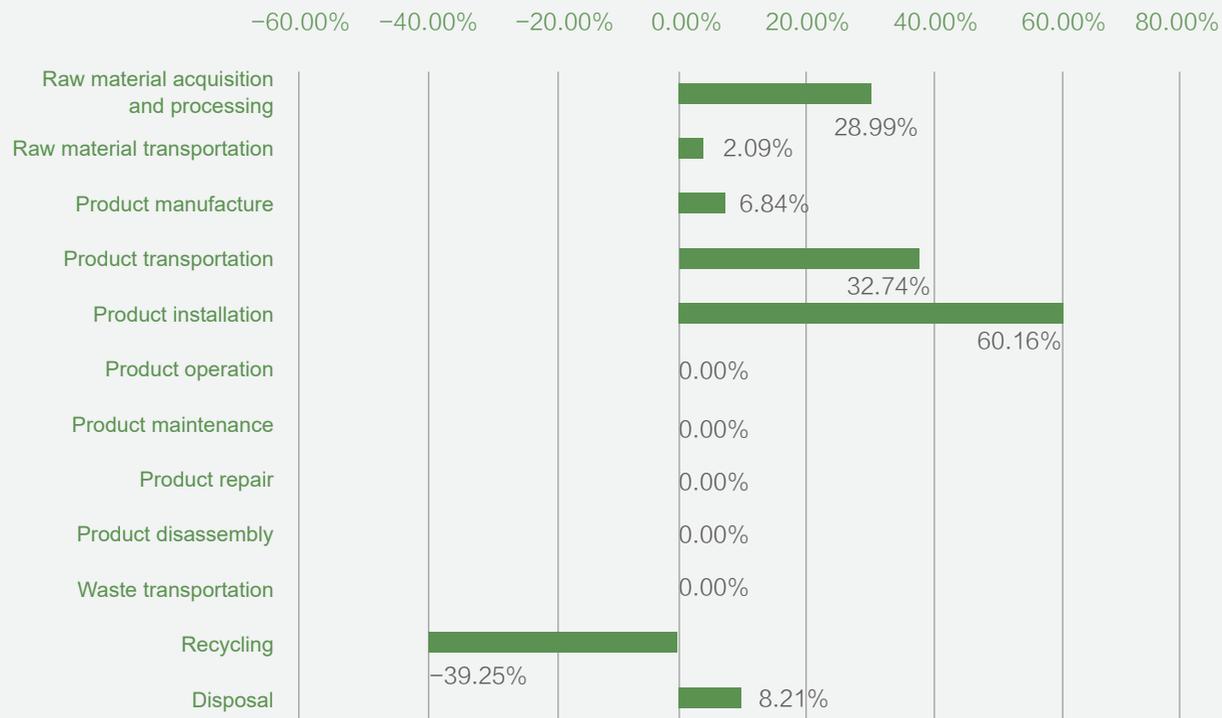
About product carbon footprint verification

Our product carbon footprint verification is conducted in accordance with the requirements of ISO 14040:2006 Environmental management - Life cycle assessment - Principles and framework, ISO 14044:2006 Environmental management - Life cycle assessment - Requirements and guidelines, and ISO 14067:2018 Greenhouse gases - Carbon footprint of products - Requirements and guidelines for quantification. It establishes the life cycle model of a product from raw material production to product disposal, and adopts databases such as the European Reference Life Cycle Database (ELCD) and Ecoinvent, the full life cycle database widely used internationally, to calculate the full life cycle carbon emissions of a product.

• Data

The assessment results show that the carbon footprint of **1 Perfect Diary Slim Heel Lipstick** (L02/L04) is **507g** CO₂ equivalent

Percentage composition of product carbon footprint of *Perfect Diary Slim Heel Lipstick* (L02/L04):



Note: The carbon footprint from the product installation stage represents the implied emissions of the courier packaging boxes used for shipment.



The Company has selected its core product, the *Slim Heel Lipstick*, as a start of its product carbon footprint assessment, taking the first step to reduce our product carbon emissions and laying the foundation for the Company's future carbon reduction efforts. In the future, we will gradually expand the scope of our product carbon footprint assessment and optimize the process of product manufacture, transportation and recycling based on the assessment results to gradually achieve low-carbon development.

Green Procurement to Use Sustainable Raw Materials

With an emphasis on sustainability of raw materials, Yatsen actively promotes the procurement of green products, and raw materials, together with enterprises upstream and downstream the industry chain, jointly promotes the establishment of a responsible supply chain to fulfill social responsibility and environmental responsibility.



Procurement of sustainable palm oil

We actively promote procurement of sustainable palm oil, which is one of the important raw materials for our products. We have committed to procure and use RSPO-certified sustainable palm oil when we officially became a member of the Roundtable on Sustainable Palm Oil (RSPO) in February 2022. Our RSPO membership information has been published on the [RSPO website](#). In 2021, some of the Company's products were manufactured with RSPO-certified palm oil. In the future, the Company will prioritize the procurement of sustainable palm oil as a proportion of total products procured, and will promote green procurement by actively advocating the adoption of RSPO-certified palm oil by our upstream OEM partners to improve environmental impact across the entire supply chain.

Greater use of eco-friendly raw materials

We continuously expand the use of sustainable raw materials. The capsule packaging of *Cleansing Oil Capsules*, the capsule packaging of *Age Defying Smooth Treatment*, and the cotton pads of *Rescue Peel Pads* of *EVE LOM* are all made from natural plant-based ingredients that are 100% biodegradable. The *Galénic "N° 1" Poudre Vitamine C* gift box and the print inside the gift box are printed with eco-friendly soy ink for less pollution.

About Roundtable on Sustainable Palm Oil (RSPO)

Roundtable on Sustainable Palm Oil (RSPO) is a global non-profit organization that unites multi-stakeholder groups to advocate sustainable palm oil. RSPO undertakes development and formulation of standards for sustainable palm oil and the certification of palm oil. The RSPO has developed a set of environmental and social criteria which companies must comply with in order to produce Certified Sustainable Palm Oil (CSPO). These criteria can help to minimize the negative impact of palm oil cultivation on the environment and communities in palm oil-producing regions.

Green Packaging to Minimize Scrap of Packaging Materials

Yatsen, acting in compliance with the laws and regulations of China and other countries on product packaging, takes into account the compliance, safety and environmental protection characteristics of packaging materials in the design and development of packaging materials in order to minimize packaging materials by virtue of green, lightweight and recyclable packaging and other measures, provided that product quality is guaranteed.

More eco-friendly packaging

Products under Yatsen brand, including *Perfect Diary Red-Crowned Crane Eyeshadow Palette*, *Galénic "N° 1" Poudre Vitamine C* gift box and hard-copy directions for *EVE LOM* brand products, and 95% of products under *Abby's Choice* are made from eco-friendly papers certified by the Forest Stewardship Council (FSC) to ensure that the papers are not made from threatened tree species or illegal logging or deforestation, thus contributing to protection of ecological diversity. In the future, papers are not made from endangered tree species or illegal logging or deforestation. Both *Galénic* and *EVE LOM* intend to gradually expand their use of FSC-certified paper to 100%. In addition, as a part of our ongoing efforts to actively respond to the China's policy of plastic reduction, we promote green packaging by reducing the plastic content in packaging through the selection of environment-friendly materials and the improvement in packaging technology.



Case study: Less plastic for packaging with improved packaging process for DR.WU

Adhering to the concept of environmental protection, *DR.WU* has upgraded the process for packing boxes of its anti-redness products and amygdala products so that the end product becomes more environment-friendly. It upgraded the 375 silver cardboard cover using anti-scratch matt film for the outer packaging to 375 silver cardboard matt vanishing film, and reduced the plastic lamination for scratch resistance in the outer packaging. Based on calculations, the process upgrade allowed for reducing the consumption of PET plastic films by approximately 2.07g per film for the outer packaging of single anti-redness product and amygdala product, resulting in a total reduction of approximately 2,795 kg of plastic in 2021.

ELEGANCE POWERED BY SCIENCE
科学家的浪漫礼物
科兰黎「抗氧1号」VC精华

GALÉNIC PARIS
[N° 1]
POUDRE VITAMINE C
PURE ÉCLAIRCISSANTE
VITAMINE C POWDER

GALÉNIC PARIS
[N° 1]
LOTION
LOTION

• Data

In 2021, more than **95%** of papers from which packing boxes of products under *Abby's Choice* were made were FSC-certified papers, accounting for **5.2%** of total consumption of packing boxes across Yatsen

More lightweight packaging

We stay current with the requirements of laws and regulations of China and other countries on product packaging so that we can improve product packaging process and optimize packaging layout in order to avoid excessive packaging. We also pack our products in EASITE boxes and achieve lightweight packaging by applying eco-friendly watermark in the express carton boxes and using less glue, tape and stickers.

Double recycling efforts

Several of our brands have initiated product packaging recovery projects to encourage consumers to participate in recovery and recycling, thus using the packaging materials more efficiently. *EVE LOM* participates in the packaging recovery and recycling program with its products and is licensed to use the Green Dot symbol. To further promote a green and low-carbon lifestyle among consumers, *Perfect Diary* launched the Empty Bottle Recovery Project in October 2021, in which participating consumers has the option to exchange empty bottles of old products for new products.



Perfect Diary Trade-in Event

About The Green Dot symbol

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



Green Operation to Carry on Business in an More Environment- friendly Manner

To respond to the national call for energy conservation and emission reduction, Yatsen manages energy use and emissions in the course of its operation and development under the concept of green development, and it works with its suppliers and employees to actively explore and implement environmental improvement measures to mitigate the impact of production and operation on the environment.

Energy Management

We focus on reducing energy consumption in all our operations and implement energy saving actions into our supply chain to reduce unnecessary waste of resources.

◎ Promoting efficient operation

As we place an emphasis on the efficiency of energy use, the Company standardizes its management of energy use and takes a set of energy-saving measures in strict accordance with the Law of the People's Republic of China on Energy Conservation and other relevant laws and regulations in the jurisdiction where the Company operates:

Efficient equipment

We are gradually changing old lamps in our office space and operating stores, and all of our retail stores are now equipped with LED lamps.

Energy consumption control

We intensify inspection of equipment and facilities by regularly inspecting the operation of facilities and equipment in public areas, and regularly checking the switch equipment to reduce energy consumption.

◎ Developing low-carbon supply chain jointly

Currently, all of our products are manufactured in OEM/ODM factories, therefore suppliers are important partners for us to improve our energy efficiency performance. In order to reduce carbon emissions on the production side, we take the energy consumption management and carbon emission performance of suppliers as one of the indicators for selection of suppliers, and we encourage our suppliers to further reduce production energy consumption and greenhouse gas emissions by setting energy use targets, using renewable energy, and prioritizing the use of new energy vehicles for logistics distribution for stores in cities.

In 2021, the Company required its core suppliers⁶ to submit carbon emission and energy consumption data, and conducted carbon emission assessments for suppliers. At present, nearly half of core suppliers of the Company have set carbon emission and energy consumption targets, and together with those suppliers, the Company promotes the development of low-carbon supply chains by establishing energy consumption monitoring system, replacing highly-energy-consuming production equipment and increasing the share of renewable energy in the total energy consumption.



⁶ Core suppliers refers to those suppliers which in aggregate accounted for 70% of the Company's total procurement spending in 2021.



Emission and Waste

We attach great importance to emission of pollutants in our operations and improve the management of waste and emissions from our supply chain to ensure compliant disposal of waste.

③ Reducing operational emission

Wastes generated in the course of operation of the Company primarily comprise general waste and hazardous waste. General wastes are mainly office papers, while hazardous wastes include printer cartridges, toner cartridges and waste lamps. For general waste, we promote the paperless office to reduce the generation of waste paper. For hazardous waste, we strictly comply with the relevant laws and regulations on emissions and waste management in our operations, collect, store and transport hazardous waste in a compliant manner, and engage a qualified organization to recycle and dispose of the hazardous waste.

③ Compliant emission from production

At its supplier conference, the Company publicizes our policies in relation to environmental protection to suppliers. The suppliers are required to improve their corporate environmental protection compliance system, and put pollutant management system in place in compliance with the relevant laws and regulations on prevention and control of emissions formulated by the state and the industry so that waste gas and wastewater are discharged after treatment, and dangerous waste and hazardous waste are managed on a ledger basis and then they are treated by qualified recycling organization on a regular basis.



SOCIAL INFLUENCE

Yatsen is committed to its corporate and social responsibility missions of promoting a harmonious society. Yatsen strives to make life better for its stakeholders and gives back to the society by actively participating in public welfare, focus on empowering women, promoting nature conservation, and supporting the fight against COVID-19 epidemic and disaster relief.

SDGs covered in this chapter



ESG issues covered in this chapter

Social welfare

Corporate Social Responsibility Strategy

While creating a new journey of beauty discovery for consumers, Yatsen is committed to solving social and environmental problems and implements responsible business practices to create more values for consumers and society. In 2021, we released our brand-new corporate social responsibility (CSR) strategy of "Use innovation and know-how to discover, protect and create beauty".

As a young listed group engaging in beauty markup, Yatsen is focused on unswervingly discovering, protecting and creating beauty. We believe that beauty is the expression of love, vivid show of personality, and the innate pursuit for human beings. In the future, we will continue to strive for materializing more expectations of beauty, and will keep conveying goodwill and warmth to the society following directions of action of "females empowerment and preservation of beauty in nature".



Use innovation and know-how to discover, protect and create beauty

Females empowerment

Preservation of beauty in nature

Corporate actions

Specializing in females empowerment, we help women discover and create beauty with professional products and services so as to protect women's rights and enhance their status, with a focus on public service activities such as beauty makeup skills training, entrepreneurship and employment support, and aesthetic education for women.

By incorporating concept of environmental protection into product design through technology R&D, contribute to the realization of China's "dual carbon" goals and beautiful China.

Contribute to SDGs of United Nations



CSR strategy of Yatsen

CSR Practice

Females Empowerment

We are committed to building a more inclusive and caring environment for women helping women to discover, protect and create beauty with professional products and services, thus contributing to the protection and enhancement of women's rights and status. In the future, we will focus on public service activities such as beauty makeup skills training, entrepreneurship and employment support, and aesthetic education for women.



July-August 2021

Offline stores of *Perfect Diary* provided free makeover services and makeup instruction for school students, people with disabilities, male users and other groups, and served a total of 231,600 users across China.



July 2021

We held a non-profit beauty makeup course for female medical staff of Guangzhou Women and Children Medical Center to comfort the female medical staff participating in epidemic prevention work with beauty and fashion.



October-December 2021

Together with the China Women's Development Foundation, we launched the "Create Better Life with Beauty Makeup" beauty makeup training program, providing free beauty makeup trainings for 82 disadvantaged women in Sichuan Province.



Case study: "Create Better Life with Beauty Makeup" beauty makeup training program

In October 2021, Yatsen and the China Women's Development Foundation jointly launched the beauty makeup training program "Create Better Life with Beauty Makeup" in Sichuan. With the goal of "helping women discover beauty and create beauty", the program helps local low-income and entrepreneurial women to master professional beauty skills, and then start their own business in the field of beauty, thus providing more job opportunities. Not only do we cover the costs of training, accommodation and certification exams, but we also provide *Perfect Diary* products for use in the training, reducing the financial burden for the trainees. During the Reporting Period, two 10-day courses were conducted, benefiting 82 disadvantaged women.



Closing ceremony for the first training class



Inauguration ceremony



Beauty makeup training practice course



Opening ceremony for the second training class





Preservation of Beauty in Nature

We are committed to creating the concept of environmental protection and healthy consumption life with consumers, and contributing to the realization of China's "dual carbon" goals and beautiful China by incorporating concept of environmental protection into product design through technology R&D.

March 2021

Inspired by red-crowned crane, one of China's endangered animals, *Perfect Diary* launched the animal eyeshadow *Red-Crowned Crane Eyeshadow Palette*. The papers used for the palette packaging have been certified by FSC, which ensures that the papers are not made from threatened tree species or illegal logging or deforestation, and *Perfect Diary* will plant the trees on the basis of trees consumed in production.



March 2021

Perfect Diary and Beijing Entrepreneur Environmental Protection Foundation (SEE Foundation) jointly launched the "Keep Wonderful Scenery in China" program. Under the program, funds were donated to support the non-profit red-crowned crane protection program aiming at calling for paying attention to endangered animals.



Case study: Launching "Keep Wonderful Scenery in China" non-profit red-crowned crane protection program

On March 5, 2021, *Perfect Diary*, a brand under Yatsen, and its charity partner, Beijing Entrepreneur Environmental Protection Foundation (SEE Foundation), jointly launched the "Keep Wonderful Scenery in China" program to support the conservation of red-crowned crane. To call for public attention and protection of the endangered animal, the program will be carried out in eight major breeding areas of the crane, and will involve the establishment of a monitoring and protection network for the crane, tracking of changes in population numbers, migration paths, and assessment of the existing protection condition of habitat. In addition, *Perfect Diary* and a well-known photographer jointly held an offline non-profit exhibition of photos recording the cranes in the reserve in Yancheng City, Jiangsu Province so as to call for the public to protect this "wonderful scenery of China".



Reeds as photo set



Non-profit photography exhibition

Caring for Children in Difficulty

We insist on guarding hopes and dreams of children. We provided livelihood support and warm companionship for children in difficulty so that they enjoy a happy childhood and grow up happily.



January 2021

Under the paired assistance between *Abby's Choice* and Children Hope Medical Home, *Abby's Choice* regularly donated humanitarian materials and skin care products to poor children and those suffering from cancer, and launched a blessing solicitation activity to encourage employees and consumers to send blessings to those children, bringing warmth to them.



August 2021

We participated in the "Lighting Up 500 Micro-wishes" to Protect Wishes of Children, which was jointly sponsored by Guangzhou Municipal Committee Network Office and other institutions. We, together with more than 20 key enterprises in Guangzhou, made donations, and advocated public participation corporate on the Internet platform to help 500-800 children in difficulty realize their wishes.

Caring about Fight against COVID-19 and Disaster Relief

As a socially responsible group engaging in beauty makeup, we are always concerned about the impact of COVID-19 and natural disasters on the public. We effectively play an exemplary leading role, actively respond to the national call, donate special funds and protective materials, and provide what we can to help the front-line fight against the epidemic and disaster relief.



June 2021

Given the resurgence of regional COVID-19 in Guangzhou, we, as a listed company based in Guangzhou, actively shouldered our social responsibility. We donated RMB 1,000,000 to Guangzhou Haizhu District Charity Association to support the epidemic prevention, and pay tribute to the fighters against COVID-19.



July 2021

Henan Province was hit by extreme heavy rainfall, causing flooding. We joined hands with *Perfect Diary* to make an emergency donation of RMB2 million to the Zhengzhou Red Cross to contribute to the local flood relief efforts and provide warm-hearted support for the affected people.

Tables of Key ESG Performance

Environmental Performance			
		Unit	2021
Greenhouse gas emissions	Total greenhouse gas emissions ¹⁾	ton of carbon dioxide equivalent	2,963.38
	Greenhouse gas emission intensity	ton of carbon dioxide equivalent/ RMB10,000 of revenue	0.0051
	Scope 1 total greenhouse gas emissions ²⁾	ton of carbon dioxide equivalent	21.36
	Scope 2 total greenhouse gas emissions ³⁾	ton of carbon dioxide equivalent	2,942.02
Use of energy	Total purchased electricity	kWh	5,063,710
	Total gasoline consumption	ton	7.02
Use of water resources	Total operational water consumption	ton	28,977.60
	Operational water consumption intensity	ton/ RMB10,000 of revenue	0.0496
Hazardous waste	Total hazardous waste ⁴⁾	ton	1.03
Non-hazardous waste	Total non-hazardous waste ⁵⁾	ton	43.91
Use of packaging materials	Total packaging material used	ton	46,536.94
	Packaging material used – Paper-based ⁶⁾	ton	18,085.80
	Packaging material used – FSC certified paper-based ⁷⁾	ton	88.40
	Packaging material used – Plastic-based ⁸⁾	ton	26,809.63
	Packaging material used – Metal-based ⁷⁾	ton	768.80
	Packaging material used – Wood-based ⁷⁾	ton	350.00
	Packaging material used – Glass-based ⁷⁾	ton	95.97
	Packaging material used – PU Leather-based ⁷⁾	ton	336.35
	Packaging material used – Cloth-based ⁷⁾	ton	2.00

Notes:

¹⁾ Greenhouse gas emissions: We have our own combustion-engine commercial vehicles and do not have our own canteens. Therefore, the data does not cover direct energy sources such as diesel and natural gas. The scope of greenhouse gas statistics herein only covers staff offices and self-operated warehouses.

²⁾ Scope 1 total greenhouse gas emissions: Greenhouse gas emissions from the combustion of coal, natural gas, oil and other fossil energy as well as industrial production processes. Scope 1 greenhouse gas emissions are calculated with reference to the Guidance on Greenhouse Gas Emission Accounting and Reporting – Public Building Operation Units (Enterprises) (Trial) (《公共建筑运营单位(企业)温室气体排放核算方法和报告指南(试行)》) issued by the General Office of the National Development and Reform Commission and Reporting Guidance on Environmental KPIs.

³⁾ Scope 2 total greenhouse gas emissions: Greenhouse gas emissions resulting from purchased electricity and heat. Scope 2 greenhouse gas emissions are calculated with reference to the Guidance on Greenhouse Gas Emission Accounting and Reporting – Public Building Operation Units (Enterprises) (Trial) (《公共建筑运营单位(企业)温室气体排放核算方法和报告指南(试行)》) issued by the General Office of the National Development and Reform Commission and Reporting Guidance on Environmental KPIs, among which the emission factors of electricity in Mainland China are referenced to the Guidelines on Enterprise Greenhouse Gas Emissions Accounting and Reporting – Power Generation Facilities (2021 Revised Edition) (《企业温室气体排放核算方法与报告指南 发电设施(2021年修订版)》) issued by the Ministry of Ecology and Environment.

⁴⁾ Total hazardous waste: Including mercury-containing fluorescent tubes as well as waste toner cartridges and ink cartridges. The scope of statistics covers staff offices, self-operated warehouses, *Perfect Diary's* directly-operated offline stores in China and *EVE LOM's* directly-operated offline stores in China.

⁵⁾ Total non-hazardous waste: Including office paper, thermal paper used in sales receipts, domestic waste and kitchen waste. The scope of statistics covers staff offices, self-operated warehouses, *Perfect Diary's* directly-operated offline stores in China and *EVE LOM's* directly-operated offline stores in China.

⁶⁾ Packaging material used – Paper-based: Including paper-based courier packaging and store sales packaging. The scope of statistics covers seven OEM/ODM factories, *Perfect Diary's* directly-operated offline stores in China and *EVE LOM's* directly-operated offline stores in China.

⁷⁾ Packaging material used (except paper-based and plastic-based): Including courier packaging. The scope of statistics covers seven OEM/ODM factories.

⁸⁾ Packaging material used – Plastic-based: Including plastic-based courier packaging and store sales packaging. The scope of statistics covers seven OEM/ODM factories, *Perfect Diary's* directly-operated offline stores in China and *EVE LOM's* directly-operated offline stores in China.

Social Performance			
		Unit	2021
R&D	R&D investment	RMB million	more than 140
	Total number of intellectual property rights acquired domestically and abroad	unit	2,936
Employee composition ¹⁾	Total number of employees (including the overseas employees)	person	3,497
	Number of employees in China	person	3,444
	Number of male employees	person	737
	Number of female employees	person	2,707
	Number of employees aged 29 or below	person	2,711
	Number of employees aged between 30 to 49	person	728
	Number of employees aged 50 or above	person	5
Employees' Rights and Interests	Labor contract signing rate	%	100%
	Total outstanding shares owned by employees	%	11.9%
Employee training	Total hours of training received by employees	hour	33,068
	Total hours of training received by male employees	hour	6,614
	Total hours of training received by female employees	hour	26,454
	Total hours of training received by management staff	hour	28,944
	Total hours of training received by general staff	hour	4,124
	Percentage of full-time employees receiving training on business ethics	%	100%
Occupational health and safety	Total number of days lost due to work-related injury	day	125
	Number of work-related fatalities	person	0
Supplier composition	Number of direct suppliers in China	entity	141
	Number of core suppliers in China ²⁾	entity	7
Public welfare investment	Total amount of charitable donations	RMB10,000	340

Notes:

- ¹⁾ Employee composition: The statistical caliber for gender composition and age group is the number of our employees in China.
- ²⁾ Core suppliers: suppliers which in aggregate accounted for 70% of the Company's total procurement spending in 2021.

GRI Indicator Index (Core)

GRI Standards Indicators	Details	Reference	Remarks
General Standards Disclosure			
GRI 102: General Disclosures 2016			
Organizational profile			
102-1	Name of the organization	ABOUT US	
102-2	Activities, brands, products, and services	ABOUT US	
102-3	Location of headquarters	ABOUT US	Guangzhou, Guangdong
102-4	Location of operations	ABOUT US	Mainly Mainland China
102-5	Ownership and legal form	ABOUT US	
102-6	Markets served	ABOUT US	
102-7	Scale of the organization	ABOUT US	
102-8	Information on employees and other workers	RESPONSIBILITY FOR EMPLOYEES	
102-9	Supply chain	Supply Chain Management	
102-10	Significant changes to the organization and its supply chain	ABOUT US	
102-11	Precautionary principle or approach	Sustainability Governance ENVIRONMENTAL RESPONSIBILITY	
102-12	External initiatives	ENVIRONMENTAL RESPONSIBILITY Supply Chain Management	
102-13	Membership of associations	N/A	
Strategy			
102-14	Statement from senior decision-maker	CEO'S MESSAGE	

GRI Standards Indicators	Details	Reference	Remarks
General Standards Disclosure			
GRI 102: General Disclosures 2016			
Ethics and integrity			
102-16	Values, principles, standards, and norms of behavior	CORPORATE GOVERNANCE CEO'S MESSAGE	For details, please visit the official website of Yatsen at: www.yatsenglobal.com
Governance			
102-18	Governance structure	CORPORATE GOVERNANCE	
Stakeholder engagement			
102-40	List of stakeholder groups	Sustainability Governance	
102-41	Collective bargaining agreements	N/A	
102-42	Identifying and selecting stakeholders	Sustainability Governance	The basis for identifying stakeholders is the extent of mutual influence between them and the daily operation of the Company
102-43	Approach to stakeholder engagement	Sustainability Governance	
102-44	Key topics and concerns raised	Sustainability Governance	
Reporting practice			
102-45	Entities included in the consolidated financial statements	ABOUT THIS REPORT	

GRI Standards Indicators	Details	Reference	Remarks
General Standards Disclosure			
GRI 102: General Disclosures 2016			
Reporting practice			
102-46	Defining report content and topic boundaries	ABOUT THIS REPORT Sustainability Governance	
102-47	List of material topics	Sustainability Governance	
102-48	Restatements of information	N/A	
102-49	Changes in reporting	ABOUT THIS REPORT	
102-50	Reporting period	ABOUT THIS REPORT	
102-51	Date of most recent report	N/A	This Report is the first environmental, social and governance report of Yatsen
102-52	Reporting cycle	ABOUT THIS REPORT	
102-53	Contact point for questions regarding the report	ABOUT THIS REPORT	
102-54	Claims of reporting in accordance with the GRI Standards	ABOUT THIS REPORT	Core options
102-55	GRI content index	GRI Indicator Index (Core)	
102-56	External assurance	N/A	
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	Sustainability Governance	
103-2	The management approach and its components	Sustainability Governance	
103-3	Evaluation of the management approach	Sustainability Governance	

GRI Standards Indicators	Details	Reference	Remarks
Economic Topics			
GRI 201: Economic Performance 2016			
Management approach		ABOUT US	
201-1	Direct economic value generated and distributed	ABOUT US	
GRI 203: Indirect Economic Impacts 2016			
Management approach disclosures		Supply Chain Management SOCIAL INFLUENCE	
203-1	Infrastructure investments and services supported	ENVIRONMENTAL RESPONSIBILITY SOCIAL INFLUENCE	
GRI 204: Procurement Practices 2016			
Management approach disclosures		Supply Chain Management	
204-1	Proportion of spending on local suppliers	Supply Chain Management	
Environmental Topics			
GRI 302: Energy 2016			
Management approach disclosures		ENVIRONMENTAL RESPONSIBILITY Tables of Key ESG Performance	
302-1	Energy consumption within the organization	ENVIRONMENTAL RESPONSIBILITY Tables of Key ESG Performance	
302-3	Energy intensity	ENVIRONMENTAL RESPONSIBILITY Tables of Key ESG Performance	
GRI 303: Water and Effluents 2018			
Management approach disclosures		ENVIRONMENTAL RESPONSIBILITY Tables of Key ESG Performance	

GRI Standards Indicators	Details	Reference	Remarks
Environmental Topics			
GRI 303: Water and Effluents 2018			
303-1	Interactions with water as a shared resource	ENVIRONMENTAL RESPONSIBILITY Tables of Key ESG Performance	During the Reporting Period, the Company sourced water only from municipal water supply
303-5	Water consumption	ENVIRONMENTAL RESPONSIBILITY Tables of Key ESG Performance	
GRI 305: Emissions 2016			
Management approach disclosures		ENVIRONMENTAL RESPONSIBILITY Tables of Key ESG Performance	
305-1	Direct (Scope 1) GHG emissions	Tables of Key ESG Performance	
305-2	Energy indirect (Scope 2) GHG emissions	Tables of Key ESG Performance	
GRI 306: Effluents and Waste 2016			
Management approach disclosures		ENVIRONMENTAL RESPONSIBILITY Tables of Key ESG Performance	
306-2	Waste by type and disposal method	ENVIRONMENTAL RESPONSIBILITY Tables of Key ESG Performance	
GRI 307: Environmental Compliance 2016			
Management approach disclosures		Sustainability Governance	
307-1	Non-compliance with environmental laws and regulations	N/A	No relevant incidents occurred during the Reporting Period

GRI Standards Indicators	Details	Reference	Remarks
Social Topics			
GRI 403: Occupational Health and Safety 2018			
Management approach disclosures		RESPONSIBILITY FOR EMPLOYEES	
GRI 404: Training and Education 2016			
Management approach disclosures		RESPONSIBILITY FOR EMPLOYEES	
404-1	Average hours of training per year per employee	RESPONSIBILITY FOR EMPLOYEES	
GRI 413: Local communities 2016			
Management approach disclosures		SOCIAL INFLUENCE	
413-1	Operations with local community engagement, impact assessments, and development programs	SOCIAL INFLUENCE	
GRI 416: Customer Health and Safety 2016			
Management approach disclosures		PRODUCT RESPONSIBILITY	
416-1	Incidents of non-compliance concerning the health and safety impacts of products and services	N/A	No relevant incidents occurred during the Reporting Period
GRI 418: Customer Privacy 2016			
Management approach disclosures		PRODUCT RESPONSIBILITY	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	N/A	No relevant incidents occurred during the Reporting Period
GRI 419: Socioeconomic compliance			
Management approach disclosures		Sustainability Governance	
419-1	Non-compliance with laws and regulations in the social and economic area	N/A	No relevant incidents occurred during the Reporting Period

FEEDBACK

Dear Reader:

Hello! Thank you very much for taking the time to read the 2021 Environmental, Social and Governance Report of Yatsen! This is the first report published by Yatsen to the public since its listing. In order to continuously improve the preparation of our sustainability report and enhance the sustainability of the Company, we especially hope to listen to your opinions and suggestions. Please help to complete the feedback form and return to us as follows:

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

QR Code of
the Feedback
Questionnaire



You may also provide us with your valuable opinions or suggestions by phone or email as follows:

Company
Address

In China

Building 35-36, Gongmeigang International Digital Innovation Center,
2519 Xingang East Road, Haizhu District, Guangzhou

Tel: 020-87307310

Email: ir@yatsenglobal.com

Your
Information

Name:

Company/Organization:

Facsimile:

Telephone:

Title:

Email:

YSG逸仙