

Proya's

32 Principles

2019

Beauty Endures, Excellence Shared

Proya Business Philosophy Handbook

The Proya Philosophy Handbook crystallizes our entrepreneurial spirit through experiential refinement and conceptual integration, drawing inspiration from both domestic and international best practices of leading enterprises. Structured around three core dimensions, i.e. building an Outstanding Individual, an Outstanding Team, and an Outstanding Proya, this handbook serves not only as a professional compass but also as a foundational document that decision-makers, managers, and executors must internalize and embrace.

Mission:

Beauty Endures, Excellence Shared

Vision:

To become a world-class beauty company

Core Values:

Responsibility, Learning

Efficiency, Collaboration

Innovation, Fairness

Corporate Spirit:

Diligence, Pragmatism, Passion, Progressiveness, Integrity, Gratitude



Message from the Chairman of the Board

Corporate culture is the essence—the spirit, energy, and soul—of an enterprise. Only with shared values can we cultivate common beliefs, a unified worldview, and collective aspirations, enabling us to scale one peak after another in unison.

A nation without faith is pitiable and perilous; likewise, an enterprise devoid of culture and conviction is equally dangerous: it loses its sense of reverence and may sacrifice the organization's long-term interests for short-term personal gains or systemic inefficiencies.

Reputation builds brands. Earning the recognition and respect of society and the industry is the only true path to building a respected brand and achieving Proya's enduring success. Culture is the soul of an enterprise. Our business philosophy defines Proya's character, vision, value, and vitality.

Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, Proya's social responsibility grows ever more significant, and our corporate culture continues to deepen in meaning. I urge every Proya colleague to approach this philosophy with humility and pragmatism, and to study it earnestly, understand it deeply, and practice it faithfully, as we strive together toward a shared future of beauty and excellence!

Hou Juncheng, Chairman



Message from the CEO

Culture and philosophy must be forged like steel, tempered through fire and pressure. The 32 Principles of Proya Philosophy emerged from multiple rounds of collective discussion and reflection, grounded firmly in our real-world management challenges. Every word stems from genuine pain points we have encountered.

Culture is a powerful driver. Only a strong culture can foster sound business principles, lead to superior products, build trusted brands, and accelerate enterprise growth. Going forward, we will use this culture to guide and evaluate our actions, and to solve problems at work.

Every Proya employee must internalize these 32 principles, share them widely, and live by them daily. United under one culture and moving in one direction, we will create greater value and realize even grander dreams together!

Fang Yuyou, CEO

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Mindset



Passion



Capability

32 Best Practice Cases

Chapter I

Outstanding Individual

Proya believes that to achieve an exceptional life and career, we must live each day "with utmost seriousness," embracing the formula inspired by Kazuo Inamori: Life & Work Results = Mindset × Passion × Capability.

Thus, success hinges on these three factors.

I. Mindset

Principle 1. Practice gratitude and act with altruism.

Meaning: Gratitude reflects both character and attitude. It fosters correct values and a joyful outlook. Acting with altruism means voluntarily helping others without expecting anything in return.

Behavioral expectations:

1. Perform your duties well with a grateful heart; consider issues from the company's and other departments' perspectives.
2. Proactively initiate or participate in cross-functional meetings to ensure seamless collaboration.
3. In cross-departmental tasks, follow the principle: "If someone is responsible, I support; if no one is, I step up", taking initiative without deflection, fostering a culture of mutual support.

Principle 2. Be honest, upright, clean, and trustworthy.

Meaning: "Cheng" (sincerity) means authenticity; "Xin" (trustworthiness) means keeping promises. Say what you do, and do what you say. Higher integrity reduces management costs and enhances efficiency. Clean conduct is inseparable from trustworthiness—true integrity demands both.

Behavioral expectations:

1. Speak truthfully and act pragmatically, without fabrication or deception;
2. Keep commitments; align words with actions (unity of knowledge and practice).
3. Uphold craftsmanship, even in unseen details, demonstrating unwavering honesty.

Principle 3. Stay rationally optimistic; reject emotional impulsiveness.

Meaning: Maintain rational judgment; avoid fragility. Face challenges with optimism, centering attention on problem-solving rather than emotions.

Behavioral expectations:

1. Manage emotions effectively; never let negativity cloud professional judgment.
2. Build resilience under pressure and actively spread positivity.
3. When encountering difficulties, focus energy on solutions, not on dwelling in frustration.

II. Passion

Principle 4. Love your work and love Proya.

Meaning: Employees and the company share a common destiny. Embrace both the triumphs and trials of your role, and find joy in growth. Loyalty to your choice and dedicated stewardship will yield meaningful rewards.

Behavioral expectations:

1. Love means giving your all, tapping into your inner vitality, passion, and immense creativity with full commitment.
2. Love means wholehearted dedication, naturally and proudly promoting company products as a matter of course.

3. Love means embracing tolerance: accepting setbacks and frustrations at work with grace, and facing pressure or routine tasks calmly.
4. Love means dedication to the future, proactively planning your career path and taking responsibility for long-term professional growth.

Principle 5. Exert effort second to none.

Meaning: Give your absolute best in every task: Your level of dedication should match or exceed that of anyone else. Persist relentlessly in delivering exceptional effort.

Behavioral expectations:

1. Focus intensely on each assignment, investing maximum time and energy.
2. Set clear goals to motivate continuous self-improvement and breakthroughs.
3. Adopt the mindset: “There is no best, only better”; constantly refine your work with precision and excellence.

Principle 6. Make today better than yesterday, and tomorrow better than today.

Meaning: Through daily reflection and critical thinking, continuously improve and advance, striving for incremental yet consistent progress every day.

Behavioral expectations:

1. Regularly ask “Why?” and “How can this be done better?” to seek optimal solutions.
2. Never rest on past achievements; actively challenge yourself with new endeavors and unlock hidden potential.
3. Practice “Daily Completion, Daily Improvement”: finish today’s tasks today, ensure today’s output surpasses yesterday’s in quality, and set higher goals for tomorrow.

III. Capability

Principle 7. Learn proactively, continuously, and apply knowledge effectively.

Meaning: Embrace lifelong learning: acquire knowledge from theory, practice, and peers, and immediately apply it to create real-world value.

Behavioral expectations:

1. Seize fragmented moments to learn consistently; small efforts accumulate into significant growth.
2. Ensure learning is purpose-driven and timely; bridge theory with practice to solve actual problems.
3. Benchmark against competitors and industry leaders: analyze their success factors, identify gaps through data and case studies, and implement targeted improvements to outperform them.



What the Team Needs from Me



What I Need from the Team

32 Best Practice Cases

Chapter II

Outstanding Team

Proya's rapid rise to leadership in the cosmetics industry stems directly from the relentless dedication and collaborative spirit of its teams. Therefore, every Proya employee, especially team leaders, must clearly understand what kind of talent and teams Proya needs, and strive relentlessly to embody those qualities.

I. What the Team Needs from Me

Principle 8. Be steadfast, diligent, and free from pretension.

Meaning: Ground yourself in reality; be truthful, pragmatic, meticulous, and earn others' trust through reliability.

Behavioral expectations:

1. Report work status honestly, eliminating empty rhetoric, flattery, or selective reporting ("good news only").
2. Perform duties conscientiously without chasing unrealistic ambitions; stay grounded and thorough.

Principle 9. Take responsibility; do not shift blame or complain.

Meaning: Act with responsibility: face challenges head-on, assume accountability, avoid deflecting blame, and radiate positivity instead of negativity.

Behavioral expectations:

1. Volunteer for ambiguous or boundary-spanning responsibilities, especially in difficult situations.
2. When problems arise, focus on solutions, not excuses. Offer constructive suggestions rather than complaints.

Principle 10. Demonstrate value through performance; let competence speak.

Meaning: Deliver measurable outcomes, prioritize efficiency and value creation, and prove your worth through tangible contributions.

Behavioral expectations:

1. Sharpen professional skills to enhance performance and deliver high-impact results.
2. Align all efforts with value creation; commit fully and produce efficiently.
3. Integrate seamlessly into the team, collaborate effectively, and amplify collective success through individual excellence.

II. What I Need from the Team**Principle 11. Practice empathy; prioritize organizational interests.**

Meaning: Consider issues from others' perspectives. Despite differing roles and responsibilities, always align with the organization's overarching goals.

Behavioral expectations:

1. Foster a supportive, cooperative environment; promote "gear-like" interdepartmental synergy where teams mesh smoothly.
2. Communicate proactively to understand others' needs, identify core issues, and resolve key conflicts.
3. In disagreements, uphold the bigger picture, with company-wide interests placed above departmental or personal agendas.
4. Underscore effective internal organizational synergy, and optimize for organizational efficiency and maximize resource utilization, especially when allocating talent or resources.

Principle 12. Respect is the lubricant for effective communication.

Meaning: Cultivate a team atmosphere that is equal, friendly, open, and sincere to enhance communication effectiveness.

Behavioral expectations:

1. Engage with sincerity: maintain eye contact, listen attentively, and offer constructive feedback to facilitate effective communication.
2. Acknowledge and fairly evaluate colleagues' contributions; provide timely, positive recognition.
3. In cross-functional interactions, practice mutual respect, and hold yourself to high standards while showing generosity toward others.

Principle 13. Make decisions decisively; act swiftly.

Meaning: Form bold hypotheses, validate carefully, decide confidently, and execute with speed, precision, and determination.

Behavioral expectations:

1. Gather sufficient information, conduct rigorous analysis, and make timely decisions, avoiding indecision or procrastination.
2. Cultivate habits of immediate action, implement plans thoroughly, prepare contingency measures, and adjust in real time without delaying progress.
3. Prioritize ruthlessly, address critical tasks early, anticipate bottlenecks, and never let minor delays derail major initiatives.

Principle 14. Lead by example: “Follow me,” not “Go ahead.”

Meaning: Be a pace-setting leader who inspires through action, not just words, enhancing team morale and performance through personal example.

Behavioral expectations:

1. Step forward first when tackling new challenges, setting a visible, positive standard.
2. “Follow me” doesn’t mean doing everything yourself, but demonstrating total engagement that motivates others to emulate your dedication.
3. Confront difficulties directly, and guide your team proactively toward solutions rather than avoiding responsibility.

Principle 15. Champion fairness: align value creation with rewards.

Meaning: Ensure internal equity: be impartial, transparent, and merit-based so that contributions are justly recognized and compensated.

Behavioral expectations:

1. Achieve true person-job fit, not only by matching resumes to role descriptions but by deeply understanding candidates’ backgrounds, experiences, and potential during hiring, probation, promotion, and reassignment.
2. Design roles based on business necessity and process requirements; never create positions for individuals.
3. Maintain transparent, fair policies, management systems, and incentive mechanisms.
4. Reward performance rigorously: promote high performers, transition underperformers, and offer competitive compensation aligned with value delivered.



Understanding Business



Engaging in Business



Expanding Business

32 Best Practice Cases

Chapter III

Outstanding Proya

Since going public, Proya has entered a new phase of development, demanding higher standards, greater discipline, and deeper commitment. Guided by sound business principles, we aim to continuously create customer value, assume greater responsibility for industry advancement, and contribute meaningfully to societal progress.

I. Understanding Business

Principle 16. Be customer-centric and exceed expectations.

Meaning: Customers include all stakeholders across the value chain, both internal and external. Start with customer needs and for customer value, aiming not just to satisfy but to delight.

Behavioral expectations:

1. Prioritize customers and serve them earnestly; anticipate and uncover latent needs; deliver more than promised.
2. Respond swiftly to customer needs and adapt proactively to enhance satisfaction.
3. Continuously innovate to offer superior products and services that elevate customer value.

Principle 17. Maximize revenue; minimize expenses.

Meaning: Every department contributes to profitability. Pursue top-line growth while rigorously controlling costs in human resources, capital, materials, and time to create maximum added value. Avoid letting budget constraints stifle revenue opportunities.

Behavioral expectations:

1. In budgeting, prioritize value creation and company-wide benefit, and cut wasteful spending but invest boldly where returns justify it.
2. Strengthen core business profitability while exploring sustainable new growth engines for maximum revenue; never sacrifice long-term health for short-term gains.
3. Personally eliminate waste in daily operations and reduce unnecessary expenditures within your control to minimize costs.

Principle 18. Base decisions on timely, accurate data.

Meaning: Sound business operations depend on reliable, current data; make informed decisions based on such data, and avoid arbitrary policymaking without justification.

Behavioral expectations:

1. Maintain clear visibility into your own work metrics; promptly collect and submit statistical data and reports.
2. Anchor all decisions in verified data; reject intuition-based decision-making.

Principle 19. Go to the field for insights; return to the field for execution.

Meaning: The workplace is where problems originate. It holds the richest source of firsthand information and is key to solving problems. Visits to the place where problems arise help truly identify their root causes, thereby enabling targeted analysis and resolution.

Behavioral expectations:

1. Respond immediately to issues: go onsite, observe carefully, and listen to frontline voices.

2. Approach the field with clear questions and purpose; avoid superficial inspections; seek root causes and actionable answers.

Principle 20. Optimize inventory; eliminate dead stock.

Meaning: Maintain optimal effective inventory that generates sales value and aggressively eliminate dead stock (defective or unused stock with little to no prospect of future use) to boost cash flow and reduce costs.

Behavioral expectations:

1. Improve demand forecasting using shared information systems and data analytics; adjust strategies dynamically to keep inventory lean.
2. Monitor inventory closely, conduct regular stocktakes and reviews to maintain full visibility of inventory data, and develop proactive clearance plans to control stock levels.
3. Timely implement clearance plans to systematically dispose of stagnant stock that ties up capital and warehouse space.

II. Engaging in Business

Principle 21. Everyone is an operator.

Meaning: Every employee is an ambassador of Proya. Adopt an owner's mindset: manage the Proya's extended family with the same care and accountability as you would manage your own family, always prioritizing the company's interests.

Behavioral expectations:

1. Every employee embodies Proya's image. Love the company as you love your own child; actively prevent and never engage in any action that harms Proya's interests.
2. Adopt a holistic perspective: think from the standpoint of company-wide operations and proactively contribute ideas to support sustainable growth of the company.

Principle 22. Unify thinking, goals, and actions.

Meaning: Guided by corporate culture, align all levels of the organization toward shared aspirations and coordinated execution to achieve Proya's overarching objectives.

Behavioral expectations:

1. Embrace and embody company culture: Every employee is a steward and ambassador of Proya's values.
2. Ensure company goals are clearly communicated and widely understood.
3. Cascade strategic objectives consistently across teams; maintain synchronized efforts and unified momentum.

Principle 23. Share information and resources.

Meaning: Departments must collaborate seamlessly, exchange critical information, and leverage shared internal resources to enhance efficiency and reduce internal operational costs.

Behavioral expectations:

1. Establish and fully utilize information-sharing platforms to facilitate information exchange among relevant departments.
2. Proactively share data and work experiences that may be useful to other departments, fostering collective learning and performance improvement.

Principle 24. Think boldly, plan meticulously, and execute proactively.

Meaning: Approach strategy with bold optimism and confidence; develop plans with thoroughness and foresight; implement them with unwavering energy and resilience.

Behavioral expectations:

1. Plan ambitiously without hesitation; once committed, pursue execution with full determination and perseverance.
2. Validate assumptions rigorously during planning; anticipate obstacles and devise contingency measures until outcomes become visibly achievable.

Principle 25. Focus on talent development and value employee growth.

Meaning: Talent is Proya's most critical strategic asset. Provide platforms for individuals to excel and create space for their continuous professional advancement.

Behavioral expectations:

1. Identify and cultivate diverse talents required for Proya's development, offering clear career pathways.
2. Support employees in designing personalized career development plans to exert their full

potential.

3. Build a robust training and education system to pipeline future-ready talent.
4. Prioritize internal development; make mentoring and guidance the responsibility of every employee.

III. Expanding Business

Principle 26. Focus unwaveringly on beauty; stay true to our core business.

Meaning: Beauty is Proya's foundational mission. Avoid distractions and remain steadfastly committed to innovation, investment, and advancement in the beauty sector.

Behavioral expectations:

1. Maintain deep industry focus; continuously monitor market trends to sustain leadership.
2. Pursue multi-brand, multi-category, multi-model, and multi-channel strategies within the beauty ecosystem.
3. Double down on core strengths; scale up, strengthen, and refine our beauty business with discipline and excellence.

Principle 27. Innovate constantly, in every process, everywhere.

Meaning: Reject complacency, challenge existing methods with a questioning mindset, and solve problems swiftly through creative, unconventional approaches.

Behavioral expectations:

1. Cultivate a culture of innovation, embrace change, question the status quo and existing methods, proactively seek transformation, engage in deep reflection, and actively explore more valuable and effective new approaches.
2. Share successful innovations widely to inspire others, fostering an enterprise-wide environment of continuous improvement and creativity.

Principle 28. Pursue safe, risk-resilient growth.

Meaning: Embed safety and risk awareness across all operational domains and enforce non-negotiable safety standards with uncompromising rigor.

Behavioral expectations:

1. Instill proactive safety consciousness at all levels, and integrate risk prevention into daily operations.
2. Clarify accountability, strengthen oversight, and reinforce safety systems to prevent safety incidents.
3. Detect hazards early, issue timely warnings, and address risks at the earliest stage through tiered response protocols.

Principle 29. Conserve resources; champion environmental stewardship.

Meaning: Resources underpin our operations. As a beauty enterprise, we uphold green, sustainable principles, using resources responsibly, promoting circularity, and advancing long-term ecological balance.

Behavioral expectations:

1. Foster a company-wide ethos of resource conservation, turning frugality into instinctive behavior.
2. Minimize waste and maximize reuse of idle assets to unlock full resource value.
3. Reduce emissions and energy consumption, harmonize with local ecosystems, and fulfill our environmental responsibilities.

Principle 30. Maintain crisis awareness; stay perpetually prepared.

Meaning: In a volatile external environment, sustain acute vigilance, anticipate challenges, prepare in advance, and build resilience against disruption.

Behavioral expectations:

1. Cultivate strategic foresight. As the saying goes, “He who has no foresight suffers immediate trouble.” Stay ready for adversity regardless of current conditions.
2. Conduct rigorous due diligence on new initiatives to ensure investments yield reasonable returns on net assets.
3. Nurture strong external relationships with governments, customers, financial institutions, and partners to secure support during crises.

Principle 31. Seek win-win partnerships; co-create and share value.

Meaning: Foster mutually beneficial, harmonious relationships with employees, suppliers, consumers, investors, governments, and partners, and collaborate with them to drive shared success.

Behavioral expectations:

1. Establish fair, transparent value-sharing mechanisms that align stakeholder interests.
2. Form effective interactive cooperation mechanisms with suppliers, customers, and partners to jointly expand markets and upgrade the industry.

3. Contribute to a healthy beauty ecosystem by participating in or leading industry standard-setting and providing expert input to national policy development to guide responsible sector growth.

Principle 32. Fulfill social responsibility; give back sincerely.

Meaning: As a leader in the beauty sector, Proya commits to ethical profit-making while embracing the principle of “taking from society, giving back to society” and expressing gratitude through tangible contributions to consumers, communities, and the planet.

Behavioral expectations:

1. Operate with full legal and regulatory compliance, pay taxes diligently, and support employment.
2. Engage actively in public welfare and charitable initiatives, demonstrating genuine care and social commitment.
3. Empower people’s pursuit of beauty by continuously creating aesthetic and emotional value, enriching lives, and contributing to a better society.

Online Quiz



Answer Questions to Earn Points

Proya Comics

