

2019 ESG Report of BlueCity

~~Man~~

~~Woman~~

Me

I am who I am

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Speech by the Founder

Twenty years ago, I created the personal website of “My Blue Memory” . Years later, I gave up the police work that I had been doing for 16 years and resolutely went to Beijing to start a business.

Since then, with increasing number of young newcomers with lofty ideals and belief, our team was expanded constantly and our services were richened and improved continuously: In 2008, we established a corporate social responsibility platform focusing on HIV prevention and control, Danlan Public Interest; in 2012, BlueCity was established, and the mobile application Blued was launched in the same year; in 2016, we launched Bluedbaby, an overseas platform dedicated to providing personalized family planning services; in 2019, the Company's He Health, a health service platform focusing on men's health, was launched; in 2019, Danlan Public Interest Fund was approved to be established.....During the period, BlueCity was rated as the "Beijing Advanced Unit for Building Harmonious Labor Relations", and awarded the "Beijing Leifeng Volunteer Service Post", and the "Social Service Innovation Award of the China Social Enterprise and Social Investment Award". I have also won the titles such as the “Beijing Model” and the “Young Entrepreneur Innovation Model” .

Over the past 20 years, we have been adhering to the concept, "To Innovate Our Diverse Life with Technology", in a bid to provide a variety of services for the target groups we serve, improve their living environment and create a positive and healthy social atmosphere.

Public interest is an important gene of BlueCity, and corporate social responsibility has been deeply rooted in the Company. In the years of development, we are committed to promoting public welfare undertakings for HIV prevention based on communities. Through donations to relieve poverty, establishment of public welfare funds, use of mobile applications to carry out online intervention, offline detection, psychological care, project research, community organization empowerment, popularization of science in the campus and other ways, together with the initial intention of public welfare and commercial operation, we use public interest to lead business, and nurture public interest with business, practicing the original intention and goal of creating value for the society.

This Report is not only a review and summary of our past performance of corporate social responsibility, but also an introspection of our shortcomings and defects. "An educated gentleman cannot but be resolute and broad-minded, for he has taken up a heavy responsibility and a long course." Please believe that, on the road of going forward and doing good for public interest, we will never forget our original ideals and aspirations and carry forward despite ups and downs.

Thank you for your support and love, and please continue to stand with us. Looking forward to the journey ahead with all of you!

Baoli Ma (alias, Geng Le), Founder and CEO of BlueCity

ESG Management Vision

Committed to Building a Sustainable Partnership

BlueCity has been upholding the concepts of environmental, social and governance (ESG) and sustainability since our founding, which play a crucial part in our business management. In line with such core concepts as “building a diverse and equal corporate culture and creating a beautiful and healthy living environment” , we have devoted ourselves to fulfilling social responsibility while contributing to economic growth and environmental improvement on a sustainable basis by directing in technology & innovation, creating long-term value with users and building a growth platform for employees.

Through spending on innovation and R&D, we offer more humanized products and technologies; persistently accountable for business ethics, we keep creating safe and healthy communities and ecosystems for minorities; by founding public interest funds, strengthening empowerment and cooperation, responding to and putting into practice the national poverty relief strategy with efforts, continuously expanding the volunteer team, etc., we improve the level of social responsibility capacity building.

In 2019, all capital market players were increasingly concerned with sustainability and long-term value investment on a global scale. In the context, we are tightening links to our interested parties, society and environment for creating and raising long-term value together. Meanwhile, we are also working on a sustainable evaluation and measurement of corporate development goals and further incorporating relevant effects on employees, society and environment into our corporate vision and strategy.

In spite of some work done in this respect, we realize there is a long way to go. For example, ESG-related information disclosure and analysis remain to be improved at the present stage; besides, slow progress is made in enforcement of laws and regulations that cover long-term investment patterns. However, as technology & innovation and consumption upgrading are speeding up, we believe that investors and we can put an end to the short-termism and yield sustainable economic growth for users and society together, where we create long-term value while investors accelerate relevant value creation.

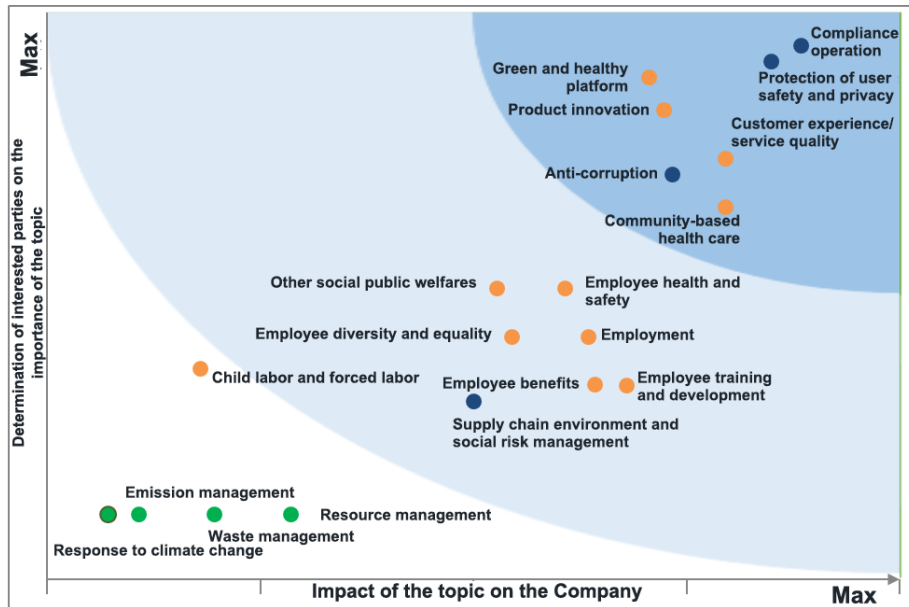
We will move forward on the path of high-quality sustainability with determination. Based on values of diversity, technology, public interest and


global vision, we will create greater value for all stakeholders, users and society; through responsible operation, we will promote sustainable development of LGBTQ community and capital market partners.




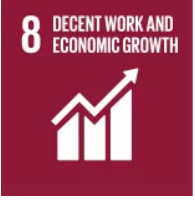
Ben Li, CFO of BlueCity

Recognition of Substantive Topics and Sustainable Development Goals (SDGs)


BlueCity has recognized 19 company-related ESG topics by benchmarking against regulatory requirements, ESG report instructions of exchanges, international reporting standards, and ESG information disclosures of peer companies. To sort such ESG topics and have knowledge of concern and awareness of interested parties about relevant topics, we entrust a third-party institution to conduct an interview and questionnaire survey on interested parties. From four perspectives (long-term development, management improvement, input urgency, and risk), the surveyed interested parties rate the 19 topics in conjunction with concern about topics and effects on sustainability of BlueCity. Relevant rating results are summarized to arrive at the following importance matrix.






Ranking	Importance	Topic	Category	Corresponding SDGs
1	Very important	Compliance operation	Corporate governance	
2		Protection of user safety and privacy	Corporate governance	
3		Green and healthy platform	Social	
4		Product innovation	Social	
5		Customer experience/service quality	Social	

6		Community-based health care	Social	 
7		Anti-corruption	Corporate governance	
8	Fairly important	Employee health and safety	Social	 
9		Employment	Social	
10		Employee training and development	Social	
11		Other social public welfares	Social	
12		Employee benefits	Social	
13		Employee diversity and equality	Social	
14		Supply chain environment and social risk management	Corporate governance	
15	Less important	Child labor and forced labor	Social	
16		Resource management	Environmental	
17		Waste management	Environmental	
18		Emission management	Environmental	
19		Response to climate change	Environmental	


In addition, we give out questionnaires on the United Nations Sustainable Development Goals (SDGs) to all internal interested parties to draw 5 SDGs which, they suppose, are most related to the Company' s businesses:

SDGs	Goal Details	Relevance with BlueCity
	Guarantee healthy lifestyles and promote welfares of people of all ages	Fundamentally, healthy behavioral patterns, sexual ones in particular, are measures protecting our user group from AIDS. Unprotected sex is affirmed to be one of the crucial factors leading to AIDS infection of the

		LGBTQ ¹ group. We are responsible for rendering healthy social platforms and services to the group and hence helping lessen their risk of infection.
	Realize gender equality and strengthen empowering all the women and girls	Gender inequality is one of the reasons for the inequality of the LGBTQ group in the current society. Lack of understanding and social discrimination in sexual orientation and gender identity aggravates the unfair treatment on the group and marginalize the group. What' s worse, under effects on resources and services which are accessible to them, they may be at a higher risk of getting infected with HIV ² . Therefore, we are in relentless pursuit of gender equality and no discrimination.
	Promote permanent, inclusive and sustainable economic growth and facilitate full productive employment and decent jobs accessible to all	Seizing safe and guaranteed job opportunities, the LGBTQ group finds it easier to obtain HIV-prevention knowledge and services. Due to the employment discrimination, the LGBTQ group may be unable to get decent jobs. Thus, we work on offering a variety of inclusive job opportunities and relevant room for development for the LGBTQ group.
	Reduce intra-/inter-state inequality	The notoriety and discrimination on the LGBTQ group may aggravate the unequal treatment and further decrease their opportunities for working and earning. So, we are accountable for driving less inequality in the society.

¹ LGBTQ: lesbian, gay (or homosexual in some occasions), bisexual, transsexual (persons who emotionally and psychologically feels that they belong to the opposite sex, sometimes undergoing sex reassignment therapy through drugs or surgery), queer (persons of unknown psychological sex).

² HIV: Human Immunodeficiency Virus

	<p>Create a peaceful and inclusive society to promote sustainability so that all can resort to justice, and effective, responsible and inclusive institutions can be established at all levels</p>	<p>Our prime user groups are often confronted with problems of discrimination, notoriety and social marginalization. We advocate more tolerant and diverse culture and hereby help users, employees and others in the society.</p>
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1. Building a Diverse and Equal Corporate Culture and Creating a Beautiful and Healthy Living Environment



The Group has been holding firm to the core philosophy of “building a diverse and equal corporate culture and creating a beautiful and healthy living environment” . We respond to the UN SDG 5 - Gender Equality, UN SDG 8 - Decent Work and Economic Growth and UN SDG 10 - Reduced Inequalities with efforts. To meet users’ ever-changing requirements, we keep optimizing, refining and enriching the Blued platform and relevant products and services to render the best experience to all users. We also abide by labor laws and regulations in all locations of operations, respect and assure any and all rights and interests of employees, safeguard and put into practice fair and just code of labor, fight and grow with employees through cooperation. With the devotion of becoming a top global company that creates a healthy and quality life and good employment environment for the LGBTQ group, we make unremitting efforts.

1.1 Enhancing Self-identity and Happiness

Miscellaneous Products and Services

BlueCity is an Internet company providing a full suite of high-quality services empowering a diverse group of people around the world. Technology, innovation, diversity and public interest are the key words of our brand. Empowered by technological innovation and international expansion, we hope to become a company where the community has a strong sense of belonging. Therefore, we keep promoting product experience and functional innovation to enable users to find like-minded friends and even partners through multi-dimensional match based on their own interests and hobbies. We set up a train of rigorous control procedures aimed at increasingly greater user participation and better brand recognition through steady edition updating. Compared with public social platforms, we create a more accurate, vertical and friendly social

environment for users to further their social involvement; compared with other LGBTQ-oriented social platforms, we provide more diverse, friendly, healthy and higher-quality products and services for users.

In addition, we render safe and legitimate personalized family planning services to users with the fertility intention through Bluedbaby, the international platform, to help relevant users experience a full life with happiness.

As of December 31, 2019, the Blued mobile application had 44.6 million registered users worldwide, of which about 40% were from overseas regions.

User Service Improvement

As a diverse product and service provider, we also give a priority to user experience. For that purpose, we work on less online customer queuing and take aim at no customer complaint arising out of business incompetence of customer service staff. We have a primary customer service team that handles users' complaints and communicate with users. Complaint channels include telephone customer service, mobile applications, WeChat official account, Weibo, and Baidu Tieba. If dissatisfied about how the primary customer service staff address complaints, users may file their complaints to the department engaged in dealing with complaints in particular - Customer Service Department, where complaints specialists will reach out to the users. Apart from addressing users' problems, the Customer Service Department also collects valid opinions and proposals from users and feed such opinions and proposals back to the Product Department, which are contributed to mobile application optimization and better user experience.

To assure customer service quality, we add a KPI assessment on customer service staff to discipline employees through performance assessment; moreover, we build a quality inspection mechanism to train employees regarding their defects based on performance analysis on the portrait of employees. In addition, we also conduct a user satisfaction survey through return visit on a quarterly basis. Till December 31, 2019, we worked well in handling about 90% of complaints.

R&D and Innovation

As an Internet company, we keep developing new products and technologies in active response to the new situation of rapid technical development to maintain a leading product edge.

We have a R&D team of over 130 employees and our 2019 R&D spending on manpower and technology among others amounts to over RMB 130 million. Owing to sustainable input in the following aspects, though our platform seems more sophisticated than other LGBTQ-oriented social platforms, our platform remains at higher hardware utilization rate but less mobile application breakdown, delay and power consumption than peer applications;

- Sustainable pursuit of higher engineering standard: We continue to go deep in quest for international distributed and high-availability solutions to promote stability of platform operations and raise user service standard.
- Sustainable pursuit of higher spending on big data: Based on data, we fully mine users' requirements, promote data decision capabilities and reinforce our capacity of exploring any new market or area.
- Sustainable pursuit of higher spending on AI: By downsizing manual review, we create a more efficiently run social platform for users.

To maintain our leading position in the industry and enhance our competitiveness, we will keep optimizing product experience and sort out inter-module relations to enhance product service efficiency, add community and forum content to enrich user experience and add a local section to tighten contacts among users.

In the future, we will take a shot at new product forms based on social networking to meet different requirements of users; besides, we will creatively differentiate product portfolios and brands on a global scale to further respond to users' requirements.

1.2 Enabling the LGBTQ Group to Live a Healthy Life

BlueCity has a mission of enabling the LGBTQ group to live a healthy life. Since our founding, we have been probing into the model of "Internet + HIV Prevention and Control" with efforts. In more acceptable ways to the LGBTQ group, we give publicity to HIV prevention and control information to users and offer offline virus surveillance, mental counseling, pharmaceutical blocking, and other services and business activities concerned, such as:

- Blued platform launched in 2012: Based on advantages of user basis and platform, Blued is dedicated to addressing the asymmetric HIV-prevention information, developing and conveying HIV-prevention information from the perspectives intriguing users. Blued's ads concerning health education

information reached 1.04 billion viewers in 2017 and 2018, over 15.71 million being valid viewers.

- Online “H-testing” system: Effectively combining online appointment and offline testing, we set up an "online testing room" comprising many VCT³ sites and testing rooms from more than 200 public interest institutions, which covers over 30 cities nationwide and is run in a new HIV testing model of online appointment and offline testing.
- Professional and friendly offline HIV testing and consulting services: Through 4 testing sites in Beijing, we rendered HIV testing and consulting services to around 8,000 persons in 2019 and provided the infected with additional mental support and friendly referral service in time.

1.3 Creating a Diverse and Equal Employment Environment

As a domestic Internet company targeting the LGBTQ group, BlueCity has been putting great emphasis on diversity and equal opportunity for employees. To be specific, we strictly observe the *Labor Law of the People's Republic of China*, *Labor Contract Law of the People's Republic of China*, *Provisions on the Prohibition of Using Child Labor* and other labor-related laws and regulations. We apply ourselves to creating a harmonious, equal, diverse, inclusive, harassment- and discrimination-free atmosphere in the workplace and ensuring that employees work in the ideal environment. Within the reporting period, the Group broke no statutory provisions or practices pertaining to compensation & dismissal, employment & promotion, working hours, equal opportunities, diversity, anti-discrimination, prohibition of child labor or forced labor, etc.

1.3.1 Employment and Diversity

Employment and Code of Labor

To guarantee structure and reserves of talents with logic, we set up a HR system and set forth the principle, process and form of recruitment to standardize, routinize and institutionalize recruitment management and optimize allocation of manpower resources in the Group. In principle of “openness, justice and fairness” , we see each applicant's degree, working experience, skills, etc., as factors to consider whether the applicant is eligible for a job in recruitment. In screening, we make a rigorous vetting on each

³ VCT: HIV Voluntary Counseling & Testing.

applicant' s supporting documents to verify the applicant' s identity. By all means, we prohibit child labor.

As stipulated by law, the Group takes out due social insurance and offer due housing fund benefits for employees. We yearly conduct a survey on market compensation in the industry to ensure that our employees have a competitive edge in the industry regarding the compensation. We adopt a flexible working hour system on all employees save those at special positions and prohibit labor exploitation in any form. On the ground that employees fulfill basic job assignments, we ban forcing the employees to work overtime. If employees need to work overtime on holidays or festivals indeed, we may arrange them to take days off or cover compensation for them accordingly.

Diversity and Anti-discrimination

Diversity and equality are constant core values of the Group and play a crucial role in representing the corporate culture. We keep making unremitting efforts in promoting employee diversity as an act of eliminating social bias and discrimination on the LGBTQ group and more tolerating and recognizing the group. We determine each employee' s fitness for the job and working performance by their working abilities, instead of gender or any other factor. We also give job opportunities to those with visual/hearing impairment, which is within our reach for the society.

The majority of our employees are LGBTQ people. To promote the diverse and equal atmosphere in the workplace, we set up all gender toilets. Based on the HRBP ⁴model, we establish an effective mechanism for communication between the HR Department and employees, and create more opportunities for communication for employees, so that employees can put into practice corporate values in person.

In the future, we will remain embracing more challenges and make the power of the corporate culture geared to our booming teams to ensure that diversity and equality shall still be well implemented given a sharp jump in manpower.

⁴HRBP: HR Business Partner.

1.3.2 Support to Staff Sustainability

Talents are key factors to corporate development and success. The Group highlights giving sustainability opportunities to employees and expects them to grow, make breakthroughs, and become more competitive in expertise. Through multi-level training design, we improve the abilities of employees in all respects with purposes. The following three types of training are included:



New employee training

Help employees to integrate into the corporate culture and quickly understand the business model and working model to faster and better adapt to the environment and quickly realize their own value where they work.

Case: “Rainbow Ship” project

“Rainbow Ship” is a successful higher-grade new employee training project. In the wake of an increasingly bigger new employee base, we adjust particulars and manners of the new employee induction training project in due time. By reference to the latest development trends in the industry, we break the barrier between regular and new employees and understand real appeals of all new employees to the bottom of heart in line with our corporate values to help new employees better and faster blend into the Company in all respects.

Internal professional skill training

The training is aimed to improve professional proficiency by mutual learning and explore more and grow faster in their own professional field. One of the highlights in training design is “KISS (Knowledge and Innovation Sharing Session)”, which is the internal professional skill training at a higher grade in nature. Focused on technology & innovation, we share our technologies with employees and train them in methods oriented in their own interests or

professional skills to combine professional techniques and business requirements together. This way, we create a win-win situation conducive to employees' personal development and corporate business development.

External professional skill training

In addition, we are also in favor of involving employees in external professional skill training. For the sake of higher working efficiency, we have employees exposed to industry-leading skills and learn from others to make up for their own shortcomings as well as introduce new manners and methods in the industry to the Company.

Through training, we anticipate for increasingly greater competitiveness of the Company and employees. We are in need of business talents that are business professionals at the moment and future business development pioneers. We encourage employees to stay eager for knowledge and grow in all respects.

1.3.3 Open and Transparent Workplace

We are dedicated to building a healthy and safe working environment where employees have passion for work and high working efficiency and become healthier, physically and mentally.

In accordance with provisions in the *Labor Law of the People's Republic of China*, the Group entitles all employees to statutory holidays and festivals. In compliance with provisions in the *Social Insurance Law of the People's Republic of China*, we cover basic social insurances (endowment, healthcare, work-related injury, unemployment, maternity, etc.) and housing funds for all employees and enterprise annuity for some employees. Besides, we also offer a full range of benefits for employees, including lunch, taxi hailing reimbursement, annual physical examination, free gym, free coffee, etc., to agree with employees' requirements in all respects. In addition, we set up maternity rooms among other benefits for postpartum female employees that return to work.

To create a beautiful world, we request for physical and mental health of every employee, which is exactly what employees' families want most. So, we have attached great importance to employees' physical and mental health. At the moment, the Internet-based professionals may sustain cervical spondylosis and lumbar spondylosis most frequently because they sit for too long time. To

address such problems, we provide seats against the diseases for employees, encourage them to move as frequently as they can, and even render the neck massage service to them twice a week. We set up a gym for employees, where free snacks, coffee, ice cream, etc., are prepared to enable employees to get relaxed physically and mentally during breaks at work and feel the warm care of the Company. We also add industrial-grade air cleaners in the office area to guarantee good indoor air quality in smoggy days.

In addition, the Group organizes a physical examination on employees on a yearly basis. For employees at all ages, we tailor different examination plans, invite medical specialists to offer proposals and instructions on our examination plans and urge all employees to take the initiative to accept the physical examination.

We found our own trade union in particular. Apart from the benefits for special holidays and festivals only, the trade union also grants dedicated benefits in cool summer and warm winter to employees. The trade union organizes associations for basketball, badminton, dancing, roller skating, board game and so on and holds employee activities on a regular basis to promote employees' physical and mental health in a variety of activities off hours. Wherever possible, we show information related to corporate culture to employees to motivate them at any time.

2. Abiding by Business Ethics and Creating a Safe and Healthy Business Ecosystem



The Group is dedicated to becoming a company that abides by business ethics and creates a safe and healthy business ecosystem. In response to the UN SDG 16 - Peace, Justice and Strong Institutions, we observe local laws and regulations on information security and product liability where we run to protect user privacy and safety.

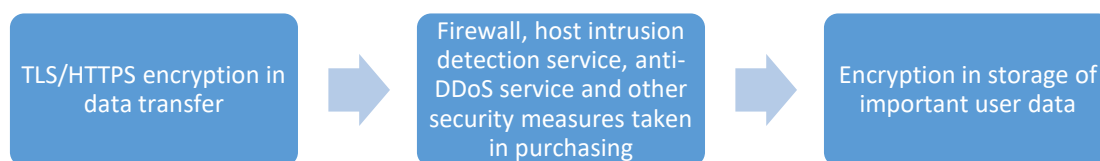
2.1 Protection of User Privacy

An Internet company is based on the protection of user privacy. The information security of HIV carriers is protected by law and crucial to BlueCity. We strictly abide by the *Cybersecurity Law of the People's Republic of China*, *Decision of the Standing Committee of the National People's Congress on Strengthening Information Protection on Networks*, *Provisions on the Protection of Personal Information of Telecommunications and Internet Users*, *Measures for Data Security Management*, *Information Security Technology – Personal Information Security Specification* and other laws and regulations concerned to safeguard user privacy from two perspectives: Institutional confidentiality and technical support. Moreover, we also formulate the *Information Security Management Manual* in accordance with the *Information Technology - Security Techniques - Information Security Management Systems - Requirements* (GB/T 22080-2016/ISO/IEC 27001:2013).

Aimed at “creating products and services trusted by users” , the Group follows the “principle of authority minimizing” to assure user safety and privacy out of constant concern about protection of customer privacy. We set up a user information management system regarding review, operation and technology people among others with the authority of access and ensure that all the operations that may relate to user safety and privacy are logged. In information classification, working mechanism, equipment and file management, employee awareness of privacy, etc., we take supervisory and preventive measures to ensure that the protection of user information is

effectively put into practice. We enter into a non-disclosure agreement with all employees with authority of access to user information. During interview and transfer, we encrypt information and prohibit copy at will, unauthorized conveyance, and disorderly arrangement of any printed paper. We have all the internal electronic devices under control and keep relevant systems relentlessly monitored and irregularly checked in the background.

Besides, we work out and improve technical measures for protection of safety and privacy with efforts. Our architecture of security technology is as follows:



Within the reporting period, the Group observed relevant requirements for protection of customer privacy in laws and regulations and received no complaint on leak of customer privacy from any official establishment.

2.2 Protection of User Safety

The LGBTQ group remains a minority group and the international community still has prejudice against the group. In some cases, the LGBTQ people are even threatened in personal safety. As a social website targeting the LGBTQ people, we collect a mass of personal information of the group and provide the constant service of protecting user safety while assuring no leak of data information.

For registration and password recovery functions in the mobile application, we arrange different procedures for handling in case that any third party ever tries to collide with registered users. Concerning the problem of triangulation location problem which users are confronted with often in location-based service, we fuzz up the user location in the mobile application to prevent users from being precisely positioned. And we may take further fuzzy measures in LGBTQ-sensitive areas.

In the future, we expect to meet international safety requirements based on a better-designed safety architecture through international procurement and cooperation. In any market which we take the initiative to enter in particular, we will do a thorough research on local laws and regulations on protection of privacy and establish a local data center to meet localized requirements.

2.3 Construction of a Green and Healthy Platform in the Industry

BlueCity founded Blued out of the purpose of building a green, healthy and quality dating platform for the LGBTQ group in particular. We hope that users can meet like-minded friends and share a happy life with each other through the platform.

2.3.1 Release of Healthy Content

Through the green and healthy platform, we aspire for ensuring sustainable corporate operation based on the implementation of healthy business patterns and performance of corporate social responsibilities. Blued is different from any other social software targeting the LGBTQ group in its focus on the release of healthy content and prohibition of communication of any pornographic, drug-related or illegal information. We encourage and support users to release healthy content, e.g., information on sharing healthy life or HIV prevention knowledge. We review the platform content 24 hours a day while accepting and handling reports from users in time. For all the content (including live streaming) released by users in public, we use preliminary screening through the AI recognition service to recognize illegal content that relates to violence, terrorism, pornography and vulgarity and inappropriate content on abuse and hatred among others. All such contents are then reviewed to confirm and delete the content against the platform provisions and if necessary, prohibit illegal users from using the platform services.

We also founded the Danlan Public Interest intended for carrying out public interest activities against AIDS, giving a publicity to the knowledge of prevention and control of AIDS, sexually transmitted diseases, etc., to the LGBTQ group and platform users and promoting healthy lifestyles by Internet-based technologies.

2.3.2 Protection of Minors

To protect physical and mental health of minors, we have prohibited minors from registering and using our products since our founding. Through AI (Artificial Intelligence) face recognition technology in mainland China, we recognize and filter minors in user registration. Only users verified to be 18 years old or older are allowed to use the platform globally. For minor users who pretend to be adults, as soon as they are ascertained, the review team will immediately delete their content released and block their accounts for good.

2.3.2 Standardization of Users' Behaviors

We use "Rainbow Credit Ratings" in mainland China to create a healthier community. When users are active and conduct in compliance on the platform, their credit ratings will rise; on the contrary, when they conduct any illegal behavior, their credit ratings will drop accordingly. When credit ratings decline to a certain standard, the users will be prohibited from using some services on the platform. We also safeguard users' personal interests so credit ratings are visible to users themselves only, in case that the ratings are affected by others. Besides, the platform accepts reports from users and assigns relevant departments to handle the reports in time. Furthermore, we provide watermark function to prevent users' photos from being stolen. Our customer service and review people arrange a channel to deal with information misusing in particular.

For the sake of live streaming management of influencers, we formulate the *Code of Conduct on influencers* to fulfill the primary responsibility of safety management on online live streaming platform in all respects. The Group categorically bans any violent, bloody, pornographic, political, or hazardous live streaming content. If finding any such content, the Company will immediately block relevant live streaming chambers, thoroughly investigate and report the violations to relevant authorities to take actions and under severe circumstances, may block and penalize relevant live streaming chambers and influencers forever.

In the future, we will further automate international management, protection of minors, reduction of malicious user harassment, etc., lessen manual processing and enhance operating efficiency with mastery of more big data and AI technologies.

2.4 Compliance Operation

2.4.1 Compliance with Operation Specifications in the Industry

Based on relentless optimization of control mechanisms and systems, the Group strengthens capital operation and strategic control capabilities in the head office with a devotion of becoming a worldwide leading company under sustainable healthy development. In addition to laws and regulations on information security, we also rigorously abide by the *Regulation on the Management of Information Services of Mobile and Internet-based*

Applications, Advertising Law of the People's Republic of China and other laws and regulations concerned to safeguard compliance operation.

In risk control, we establish a multi-dimensional information and communication channel to access information from users and suppliers among others and set up a formal internal information transfer channel. All the business policies and procedures released are restricted to the Group only and regular business process and internal control training are organized by managers/persons in charge of procedures at all levels to ensure that all employees can grasp information in time. The Group also sets up a regular communication mechanism for persons in charge of procedures at all levels to review the implementation of internal control, follow and put into practice plans for the modification of internal control problems.

2.4.2 Anti-corruption

The Group has been persisting in corporate governance by law. For that end, we observe laws and regulations pertaining to the prevention of bribery, blackmailing, fraud, money laundering, etc., e.g., the *Anti-Money Laundering Law of the People's Republic of China*, and formulate the *Anti-Fraud Policy* and *Anti-overseas Corruption Law Compliance Policy*. Tolerating no bribery in any form, we put an end to all business bribes and corruptions. Apart from anti-fraud/business bribery systems, we also work out control measures and procedures for preventing and recognizing fraud risks, unveil codes of conduct and morality to employees to throw a light on basic standards for business activities which all employees must observe in the Company's business activities, and organize all to get trained and sign relevant codes to ensure that they read, understand and abide by relevant codes. We set up an internal complaint channel, anti-corruption mechanism and accountability system and clarify relevant rules in the *Agreement on Honest and Clean Partnership* made with suppliers so that suppliers can report inappropriate behaviors of employees in the channel specified in the agreement to help the Company supervise employees' integrity and good faith. We are also an advocate of clean healthcare operations. To tighten supervision on medical workers, we set a whistle-blowing hotline to encourage employees, the public, patients and their relatives to report illegal behaviors concerned.

Within the reporting period, we received no charge against the Group or our employees and cases of corruption, bribery, blackmailing, fraud, and money

laundering either. In the future, we will continue to strengthen the awareness of employees on anti-corruption and democratic supervision and direct all employees to establish correct views of life and maintain modest and prudent working styles through the education of anti-corruption culture on anti-corruption backbone and supervisors.

2.5 Green Office

As an Internet company, BlueCity has no significant impact on environment or resources in its daily operations. But we are deeply aware that the survival of every corporate citizen is based on a good ecological environment, hence we should make our own contribution to the preservation of the ecological environment. For that end, we tighten waste management and enhance the utilization of office resources by taking measures of waste classification and recycling, less use of disposable tableware, putting up slogans on power conservation, pasting water-saving labels on bottled water, etc. Within the reporting period, the Group incurred no environment-related liabilities.

3. Fulfilling Social Responsibility and Doing Good for Public Interest to Help in Better Social Development



The Group is dedicated to fulfilling social responsibility and doing good for public interest to help in better social development through the cooperation with communities and partners. In response to the UN SDG 3 - Good Health and Well-being and UN SDG 10 - Reduced Inequalities, we take the initiative to discharge our corporate social responsibility to do a series of concrete work with clear orientations and distinctive features in the elimination of discrimination, HIV prevention & control and publicity, education and healthcare among other key areas in poverty relief.

3.1 Calling for Diversity and Common Prosperity in the World

Representatives from BlueCity has addressed the United Nations and international conferences among other platforms to call for diversity and common prosperity as well as concern about HIV prevention and control in the society, which has been followed and recognized in a broad range. In response to the appeal of the UN, we advocate no discrimination against HIV carriers.

As early as in 2016, Geng Le, CEO of BlueCity, was invited to speak at the 21st International AIDS Conference on behalf of Chinese NGOs and tech firms. It was the first time that BlueCity took part in the International AIDS Conference. We introduced the “Internet + HIV Prevention and Control” concept and relevant practical experience to politicians, scholars, experts and HIV carriers from all over the world and were spoken highly of by many delegates at present. On June 15, 2018, two projects of BlueCity were finalized at the 22nd International AIDS Conference. And on July 26, 2018, Dr. Guodong Mi, CMO of BlueCity, was invited to take part in the conference and share the latest research findings of the Group on HIV prevention and control therein.



From June 27 to 29, 2019, the 4th Asia Pacific AIDS & Co-infections Conference (APACC) kicked off in Hong Kong, which Dapeng Zhang, Director of Comprehensive Health Service of the Group, took part in on invitation. At the conference, he briefed the history of BlueCity evolving from a grassroots HIV-prevention team to an Internet company, our determination and courage for doing good for public interest and shared our HIV prevention and control

experience accumulated in a couple of years in a well-organized way, including how we addressed the information asymmetry issue of HIV prevention and control, rendered free HIV testing and consulting services to the disadvantaged online and offline, and helped national and local HIV-prevention establishments provide HIV prevention and control services, etc.



3.2 Public Interest Initiatives well recognized by public and the government

Founded in 2008, Danlan Public Interest covers Internet intervention, peer outreach, HIV testing and consulting, cares for the infected, etc., with a devotion of HIV prevention and control targeting the young population. Danlan Public Interest upholds the notion of “preventing AIDS with science and technology and making life healthier” and has a vision and goal of “creating a healthy community with no impact and harm of AIDS” . Under the instruction of the National Health Commission and disease prevention and control institutions at all levels, Danlan Public Interest acted as a powerful supplement to government agencies over the past 11 years. It played an active part in helping the government give publicity to HIV prevention and control, promoted and developed HIV testing and consulting targeting the young people in various effective methods, and kept probing into the combination of HIV prevention and control targeting the young people with Internet-based intelligent mobile technology and information communication technology.

Danlan Public Interest has also undertaken conventional prevention and control tasks, intervention and testing on key people and local site testing, to name a few, as an act of helping relevant disease prevention and control institutions. Between 2015 and 2019, the annual tested population at local testing sites presented a step-by-step downward tendency in the positive rate for HIV in preliminary screening, from nearly 5% in 2015 to 3% or so in 2019; open queue testing results showed the positive rate for new HIV cases was approximately 1.2/100PY (per 100 persons/year) among the population covered by Danlan Public Interest, significantly lower than that in many urban areas.



Appeal for love on the Internet and help in the public HIV-prevention campaign on "99 Giving Day"

Mr. Baoli Ma, Founder and CEO of BlueCity, was once received by the Premier of the State Council, manifesting the recognition of the government for our unremitting efforts in social public interest.



Mr. Baoli Ma received by Li Keqiang, Premier of the State Council (Source of photo: Xinhuanet)

3.3 Empowerment and Cooperation with Local NGOs

Danlan Public Interest set up the “Blued public interest platform” . Based on the platform’ s technical strength, we empower community-based public welfare institutions and build an HIV-prevention network so that community-based “Internet + HIV prevention and Control” activities are organized in a better-organized and more effective supportive environment nationwide. As of 2019, a total of 46 HIV prevention charity organizations have entered the Blued platform and used officially certified accounts to promote HIV prevention and treatment.

Danlan Public Interest has enlisted more than 300 volunteers into its volunteer team since the team was founded. The volunteers have spent 20,133 hours rendering HIV testing and consulting services to over 50,000 persons. And more than one hundred online and offline cultural activities have been organized. In addition to volunteer training activities organized on a regular basis for improving volunteers’ professional service capabilities, Danlan Public Interest has carried out a public interest activity named "Youth without AIDS" for 5 consecutive years to build a youth-oriented HIV-prevention brand.



Public interest activity of "An AIDS Free Generation"

3.4 Scientific Promotion of HIV Prevention and Control through Cooperation with Academic Institutions

Through the cooperation with national and international scientific research and academic institutions, Danlan Public Interest conducts HIV-prevention studies. So far, it has undertaken nearly 20 scientific research projects based on the partnership with Chinese Center for Disease Control and Prevention, Chinese Association of STD and AIDS Prevention and Control, Joint United Nations Programme on HIV/AIDS (UNAIDS), World Health Organization, University of Chicago, and Southern Medical University among other professional establishments.

Based on international user base of the Blued platform, Danlan Public Interest shares and applies HIV-prevention experience oriented in "public interest globalization" while standing at a global horizon and learning from successful international practices to make up for domestic HIV-prevention work. Our management lately paid a visit to UNAIDS Asia-Pacific Office to probe into the feasibility of cooperation in HIV prevention and control in relevant states and regions together.

3.5 Other Work for Public Interest

As a tech firm dedicated for providing Internet-based services and public interest healthcare services for global users, BlueCity not only helps in HIV prevention and control based on its own technical power and platform advantage but also keeps giving a hand in the poverty relief work at the state/community level by organizing various public interest activities to enable all to experience a warm society.

On November 21, 2017, BlueCity among other donating firms attended the ceremony for founding the special fund for precision HIV prevention and control of the China Zhongguancun Precision Medicine Science and Technology Foundation (CPMF), initiation of the public interest project of “Prevention of Mother-to-child Transmission (PMTCT)” for HIV prevention and control involving social organizations, and the “ceremony of firms and individuals donating in favor of HIV prevention and control” and donated RMB 1 million for HIV prevention and control and the public interest project of “PMTCT” .

In April 2019, BlueCity's live streaming application/health education platform, stood for the “2019 Poverty Alleviation Charity Live Broadcasting Ceremony” together with 24 live streaming platforms, such as Taobao and Kuaishou, effectively realizing the amount of RMB3 million in sales of 54 types of quality products made by 89 poverty-stricken counties/prefecture-level cities in the partner assistance in Beijing. In October, BlueCity carried out a poverty relief activity targeting the 47th Regiment of Xinjiang. Themed by “purchasing instead of donating and buying instead of assisting” , the activity was intended to help local farmers sell out unsalable local agricultural products. On October 9, BlueCity actively supported and offered help to Shuangjing Street Working Committee to carry out the public interest activity “Small Wish” , funding the children from Yuan'an Special Education School to realize the dream of watching the flag rising in Beijing. On October 31, BlueCity visited Beijing Guang'ai School in participating in the charity activity titled with “Guang'ai Public Welfare· Warm Children's Heart” organized by Beijing Internet Culture Association, to warm homeless, orphaned, disabled, and poverty-stricken children from all over the country by providing daily necessities and organizing a variety of interactive games.



Welcome ceremony co-organized by BlueCity and Shuangjing Street Working Committee for students of Yuan'an Special Education School



BlueCity in the charity activity "Guang'ai Public Welfare ·Warm Children's Heart"

4 Appendix

4.1 About the Report

This Report is the first *Environmental, Social and Governance Report* (hereinafter referred to as the "ESG Report" or "Report") released by BlueCity Holdings Limited (the Company and its subsidiaries, hereinafter referred to as "BlueCity", "Group" or "we"). The Board of Directors of the Group is fully aware of being accountable for the authenticity of the Report, takes full responsibility for ESG strategies and reports in the Group and has examined and approved this Report.

Reporting Period and Range of Subjects

This Report discloses the management methodology and performance of the Group in fulfillment of social responsibilities (including ESG) between January 1, 2019 and December 31, 2019, and covers all industrial sectors and affiliated companies in the Group. For more information about corporate governance, please refer to the section "Corporate Social Responsibility" in the Prospectus.

The text and index data disclosed in this Report cover all subsidiaries of the Group.

Reference Standards in the Report

This Report is prepared by reference to the Items 101 and 103 of U.S. Securities & Exchange Commission (SEC), *Nasdaq Global ESG Reporting Guide*, HKEX Main Board Listing Rules - Appendix 27 *Environmental, Social and Governance Reporting Guide* (ESG Reporting Guide), and *Global Reporting Initiative (GRI) Standard for Sustainability Reporting*. Unless otherwise specified in the Report, any and all currencies involved are in the unit of RMB.

Release Cycle

This Report is released once per year.

Release Form

This Report is released in Chinese and English. All interested parties may visit the Group's official website (www.blue-city.com) for reference to this Report. In the event of any disagreement between the Chinese edition and English edition, please refer to the Chinese version.

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4.2 Table of Key Performance Indexes

Topic	Index	Data in 2019	Data in 2018	
Economic				
Compliance operation	Environmental liabilities (RMB 10,000)	0	0	
Green and healthy platform	Registered users of the product (10,000 persons)	4,460	2,858	
	Average online duration per month (hours)	15.8	15.5	
Product innovation	Total investment in product and network development (RMB 10,000)	12,930	9,399	
Environmental				
Compliance operation (environment)	Corporate violation against local environmental protection laws or regulations (case)	0	0	
	Economic losses due to relevant environmental protection lawsuits (RMB 10,000)	0	0	
Social				
Compliance operation (labor)	Corporate violation against local labor laws or regulations (case)	0	0	
	Child labor headcount (persons)	0	0	
	Forced labor headcount (persons)	0	0	
Employment	Total amount of employees (persons)	491	364	
	Total amount of outsourced employees (persons)	0	0	
	Employees by type of employment (persons)	Contracted full-time employees	480	351
		Part-time employees	11	13
	Employees by gender (persons)	Male employees	401	300
		Female employees	90	64
	Employees by nationality (persons)	Employees from Mainland China, Hong Kong, Macao and Taiwan	488	363
		Employees from Vietnam	1	0
		Employees from Indonesia	2	1
	Employees by type of job (persons)	Management	8	9
Technology and development		147	113	

Topic	Index	Data in 2019	Data in 2018	
	General and administration (such as human resources, administration, etc.)	49	24	
		Operational support	186	110
		Business people	101	108
	Employees by age (persons)	Employees aged 30 years old or under	390	277
		Employees aged 30-40 years old (including those aged 40 years old)	93	79
		Employees aged 40-50 years old (including those aged 50 years old)	8	8
		Employees aged 50 years old or above	0	0
	Employee turnover (persons)	Employee turnover headcount	129	112
		Turnover of male employees	97	95
		Turnover of female employees	32	17
		Turnover of employees aged 30 years old or under	101	84
		Turnover of employees aged 30-40 years old (including those aged 40 years old)	27	25
		Turnover of employees aged 40-50 years old (including those aged 50 years old)	1	3
		Turnover of employees aged 50 years old or above	0	0
		Gross employee turnover rate (%)	19.5	23.1
		Work-related injuries (case)	0	0
		Death toll in work-related injuries (persons)	0	0

Topic	Index		Data in 2019	Data in 2018
Employee health and safety	Missed working days in work-related injuries (days)		0	0
Community-based health care	Amount of cash donation (RMB 10,000)		120	0
	Total hours of employees providing volunteer services during working hours (hours)		12,304	10,500
	Danlan Public Interest' s volunteer headcount (persons)		113	136
Other social public welfares	Number of HIV testing sites (sites)	Testing sites in Beijing	4	4
	HIV testing and consulting user headcount (person-time)	Offline testing and consulting in Beijing	8,568	8,000
	AIDS trained person-time (person-time)	Offline volunteer training in Beijing	671	844
	Online health publicity and education (100 million person-time)		3.06	1.33
Corporate governance				
Employee diversity and equality	Independence of the Board of Directors (%)	Percentage of independent directors in the Board of Directors	60.0	14.3
		Company' s CEO and Chairman of the Board of Directors refer to the same person (Y/N)	Y	Y
	Diversity of the Board of Directors (persons)	Male directors	3	7
		Female directors	2	1
Anti-corruption	Corporate violation against local anti-corruption protection laws or regulations (case)		0	0
Protection of user safety and privacy	Disclosure of data/customer privacy (time)		0	0
	Number of registered patents preserved (patents)		1	1
	Number of new patents licensed (patents)		0	0
	Software copyrights (copyrights)		11	9
	Domain name (names)		219	219

Topic	Index	Data in 2019	Data in 2018
Customer experience/service quality	Complaint handling rate (%)	90	99.3
	Customer service employees (persons)	35	17
	User survey satisfaction (%)	82.4	88.0