药明巨诺
JW Therapeutics

JW (Cayman) Therapeutics Co. Ltd
藥明巨諾(開曼)有限公司*

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2126

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2021

* For identification purpose only

Contents

MESSAGE FROM THE CHAIRMAN

We insist patient first as the top of our company core values. We are committed to taking innovation as the forerunner and becoming a leader in cellular immunotherapy to bring hope of cure for Chinese and global patients.

Dr. Yiping James Li
Chairman and Chief Executive Officer

Dear readers,

On behalf of the Board of Directors of JW (Cayman) Therapeutics Co. Ltd and its subsidiaries (collectively, "JW Therapeutics" or the "Company"), I'm delighted to welcome you to JW Therapeutics' 2021 Environmental, Social and Governance ("ESG") Report.

The year 2021 marked a major milestone in the history of our Company, which was also the second year we disclosed our ESG Report. We reinforced the importance of sustainable development and corporate social responsibilities. We always keep close pace with the evolving ESG trends and the regulation changes, encourage and engage our stakeholders together in the ESG collaboration. During the past years, we developed a comprehensive ESG strategy, continuously enhanced the Corporate Governance structure covering the ESG management system, and integrated the ESG priorities and execution into our culture and daily operation in every aspect.

Solid Corporate Governance and Compliance Operations

We have established and maintained the Board of Directors with a balanced mix background of knowledge and skills, and provided our Directors with continuous development training covering various aspects to facilitate them to successfully perform their duties. The Board assumes the responsibility to maintain an adequate internal control system to safeguard shareholder investments and Company assets and review the effectiveness of such system on an annual basis. In 2021, we set up the corporate risk management committee chaired by our Chief Executive Officer ("CEO") to supervise and enhance risk management awareness from top to bottom. Under the supervision of the Audit Committee, we conducted annual corporate risk assessment and company internal audit programs, and ensured all the remediation completed in a timely manner. In terms of ESG management, we keep continuous devotion to ensure compliance and actively respond to the expectation of our stakeholders. Most importantly, with the transformation into the commercialization stage, we assure our employees are well equipped with compliance knowledge and adopt zero-tolerance principle in any compliance violation during our business activities.

Patient First

We insist patient first as the top of company core value and are committed to taking innovation as the forerunner and becoming a leader in cellular immunotherapy to bring new hope to patients. In 2021, the successful approval of Carteyva® by the National Medical Products Administration ("NMPA") and the establishment of the commercialization team marked our Company's transition from the clinical development stage into commercialization. Closely collaborating with our key stakeholders, we established an eco-system to guarantee the quality and safety of our products and safeguard our patients during the whole therapy process. We successfully launched the 1st chimeric antigen receptor T ("CAR-T") therapy as a Category 1 biologics product in China on September 3, 2021, there

were 54 prescriptions and 30 infusions completed from January 1, 2021 to December 31, 2021 (the "Reporting Period"). With the continuous devotion to enhance the patient affordability, we have built up a multi-layer medical care system covering Carteyva® including innovative payment scheme, 44 commercial insurance and 16 city level supplementary insurance in the Reporting Period. We will keep the exploration in improving cell therapy accessibility and bring our products to more patients.

Innovation-Driven and Quality-Centered

We embedded innovation-driven and quality-centered as our Company core values throughout the entire progress including process development, product research and development ("R&D"), manufacturing, quality control, supply chain and logistics, patient service, etc. We keep pursuing the development of innovative cell therapies to address the unmet medical needs. Relying on our outstanding clinical development and operational capabilities, we have made steady progress on the clinical study of our pipeline candidates for both hematological cancers and solid tumors. We have also strengthened our in-house R&D capability with the appointment of new chief scientific officer to provide strategic guidance in the development of a robust pipeline for our Company. In addition, we have continually enhanced our manufacturing capabilities, and we have maintained the high manufacturing success rate for Carteyva® that we had previously achieved; and we have actively pursued the implementation of our cost reduction plan and next generation product development strategy. In the future, we will continue to realize strategies to transform the treatment of cancer for more patients with world-class quality products and light up the hope of life.

Empowering Employees

Integrity, Respect, Inclusion and Collaboration is one of our Company key values. We always believe people are the cornerstone of our Company's development and undertake the responsibility to protect employees' rights and empower our employees at their interest and advantage. In 2021, we continued the efforts to enhance the culture of integrity and inclusion, initiated various measures to support employees' development and grant competitive benefits. For example, we optimized the procedure of recruiting and retention, enhanced compensation and performance metrics, broadened the career development and promotion paths, and provided our employees with a series of tailor-made training programs. As always, the safety and health of our employees is one of the top priorities of our operation, and we keep enhancing environment, health and safety ("EHS") management and providing training to every employee of safety and health awareness.

Environmental Responsibility

We actively comply with the climate change related regulations and strive to minimize the environmental impact of our operation and production reasonably. In 2021, we set up the environmental goals until the end of 2025 with the approval of the Board including energy consumption, Greenhouse Gas ("GHG") emissions, water consumption, and waste management. In respect of climate change, a common global issue, we responded to the national carbon peaking and neutrality goals and the United Nations Sustainable Development Initiatives, actively identified the risks of climate change and addressed its potential impact on business operations through both adaptation and mitigation.

Contribution to Society and Industry

We keep exploring as we committed to lead the healthy and standardized development of China's cell immunotherapy industry, further to bring the hope of a cure for Chinese and global patients. In 2021, we actively participated in industry cooperation and assisted government and regulators to formulate the CAR-T industry standards; we implemented compliance policies to safeguard the integrity and fairness during collaboration with our partners and suppliers. We organized and participated in a series of CAR-T knowledge and experience exchange conference, to educate and improve the clinical research and treatment efficacy of cell immunotherapy in China. We also initiated social welfare activities and recorded patient stories, which were all aimed to arouse the public's attention to the early diagnosis and treatment of lymphoma.

I invite you to explore this report to learn more about the performance and progress we made in JW Therapeutics' 2021 ESG report. This Report summarizes our ESG strategies and prioritized focus areas, and shows how sustainability concepts are integrated through our development. I am proud of the great accomplishments we made in ESG this year, and appreciate our Board members' support and engagement, and all the efforts from our employees.

With such a sound foundation we built up together with our stakeholders, JW Therapeutics would continue to leverage our advantages in cell immunotherapy area, pursue the way to bring the hope of a cure for patients, and to lead the healthy and standardized development of China's cell immunotherapy industry. We will steadfastly fulfill the comprehensive social corporate responsibilities, improve environmental sustainability, as well as contribute to the social welfare based on the concepts of sustainable development and responsible, ethical business management.

ABOUT THIS REPORT

The report is the second Environmental, Social, and Governance Report (hereinafter referred to as "ESG Report" or the "Report") issued by JW (Cayman) Therapeutics Co. Ltd, its subsidiaries and consolidated affiliated entity (hereinafter referred to as "JW Therapeutics", the "Company" or "we"). This report is to explain the Company's strategies, policies, measures and achievements in sustainability to all stakeholders objectively and fairly, and focus on the disclosure of information on the Company's performance in ESG.

Reporting Period

The period of the report covers the information and data of the Company from January 1, 2021 to December 31, 2021 (the "Reporting Period").

Reporting Boundary

The boundary of the Report covers the core business of the Company, including our factories, laboratories and offices in Shanghai and Suzhou.

Reporting Standards and Principles

The Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide ("the ESG Reporting Guide") as set out in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("HKEx").

The Report has been prepared in accordance with the following reporting principles of the ESG Reporting Guide:

- "**Materiality**": Material ESG issues have been identified through communication with stakeholders and materiality assessment. Relevant information on material ESG topics have been disclosed in the ESG Report.
- "**Quantitative**": Quantitative information such as environmental and social key performance indicators disclosed in the Report has been accompanied by an explanation, claiming its purpose and impacts. Comparative data will be provided in future reports.
- "**Consistency**": The Report uses statistical methods consistent with previous year, allowing for meaningful comparisons.
- "**Balance**": The Report provide an unbiased picture of the Company's ESG performance.

Sources of Information and Assurance of Reliability

The data and examples in the report were derived mainly from the Company's statistical reports and relevant documents. The Company undertakes that this Report does not contain any false records or misleading statements and the Company is responsible for the truthfulness, accuracy, and completeness of its contents.

Access and Response

This Report is published in traditional Chinese and English. In case of any ambiguity between the contents, the English version shall prevail. In consideration of environmental protection, we recommend reading the electronic report, which can be found on the Company's official website (https://www.jwtherapeutics.com/).

We attach great importance to the expectations of our stakeholders and welcome the readers to contact us through the following contact information. Your comments are appreciated for our consideration to continuously improve this Report and the overall environmental, social and governance performance.

Contact Information

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Address: 5F, Bldg.B, Wison Center, No. 633 Zhongke Road, Pudong New Area, Shanghai, P.R.C. 201210

Confirmation and Approval

The Report was confirmed by management and approved by the Board of Directors.

ABOUT JW THERAPEUTICS

JW Therapeutics (Stock Code: 2126) is an independent and innovative biotechnology company focusing on developing, manufacturing and commercializing cell immunotherapy products. Founded in 2016, JW Therapeutics is committed to becoming an innovation leader in cell immunotherapy. The Company has built a world-class platform for technology and product development in cell immunotherapy, as well as a promising product pipeline covering both hematologic malignancies and solid tumors, to bring the hope of a cure for Chinese and global patients, and to lead the healthy and standardized development of China's cell immunotherapy industry.

We are an early entrant into the field of cell-based immunotherapy in China. Cell-based immunotherapies, including CAR-T treatments, are an innovative treatment method that uses human immune cells to fight cancer, representing a paradigm shift and the latest innovation in cancer treatment. On September 3, 2021, the NMPA approved our new drug application ("NDA") for the Company's anti-CD19 autologous CAR-T cell immunotherapy product Carteyva® (relmacabtagene autoleucel ("relma-cel"), R&D code: JWCAR029) for the treatment of adult patients with relapsed or refractory ("r/r") large B-cell lymphoma ("LBCL") after two or more lines of systemic therapy, and we have commenced full-scale commercialization of Carteyva®. Carteyva® is the first CAR-T product approved as a Category 1 biologics product in China, and sixth approved CAR-T product globally.

2021 was the first year of CAR-T product commercialization in China. Given the unmet medical needs that can be effectively addressed by CAR-T therapies, the market for CAR-T therapies in China is expected to experience strong growth through 2030, according to Frost & Sullivan. We believe that we are well-positioned to take advantage of this growing market, based on our potential superior anti-CD19 CAR-T product; our robust and differentiated cell therapy pipeline covering both hematological cancers and solid tumors; our fully integrated cell therapy development platform; our leading commercial manufacturing infrastructure and supply chain; and our seasoned management and strong support from the shareholders of the Company (the "Shareholders").

JW Therapeutics is committed to developing innovative cell therapy methods and becoming a leader in cellular immunotherapy, thereby bringing revolutionary new treatments to cancer patients. We will uphold the concept of "quality first" and devote ourselves to serving patients with world-class quality products, bringing hope of life to patients.

OUR VISION

Become an Innovation Leader in Cell Immunotherapy

OUR MISSION

Bring Hope to Patients in China Work Together and Realize the Potential for JW Therapeutics and Its Employees

OUR VALUES

OUR COMMITMENT

We always adhere to the five core values as patient-centered; innovation-driven; integrity, respect, inclusiveness, cooperation; result-oriented; and quality as the foundation, and make contributions to our patients, consumers, employees, Shareholders, and other stakeholders. We insist on high-standard of corporate governance, business ethical code and responsible management, along with the concept of innovation-driven, quality-centered and sustainable development. We commit to becoming a leader in cellular immunotherapy for patients, bringing new hope to patients in China, and working together and realizing the potential for JW Therapeutics and its employees.

To Our Patients

We commit to continuously promoting R&D innovation, optimizing product processes, and meeting the unmet medical needs with world-class products. We strive to explore a multi-layer medical care system for treatment and improve the patient affordability through collaboration with innovative payment platform and insurance companies.

To Our Employees

We commit to supporting our employees to fulfill their career development through an advanced employment, compensation and training management system. We commit to creating a healthy and safe working environment through competitive employee welfare and care solutions.

To Our Shareholders

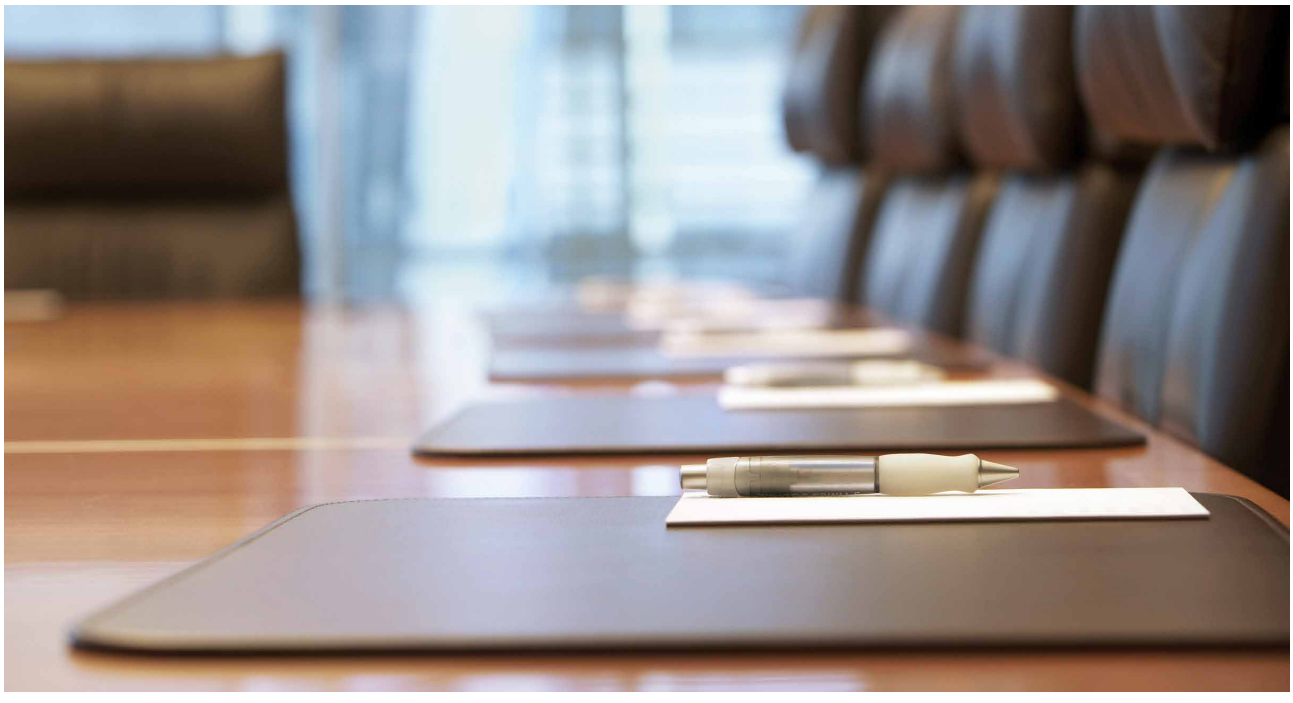
We commit to promoting business expansion by expanding pipeline and market coverage, realizing economies of scale to achieve revenue growth, and helping maximize the interests of Shareholders.

To Our Communities

We commit to continuously participating in industrial collaboration and driving the industry development, supporting the government and regulators to formulate industry norms and standards, and contributing to the healthy development of China's cellular immunity industry.

To Our Environment

We commit to actively fulfilling environmental goals and reducing the environmental impact of production and operations in resource utilization, energy consumption, and waste disposal areas. We promise to commit to the sustainable development.



2021 PERFORMANCE HIGHLIGHTS

CORPORATE GOVERNANCE AND ESG STRATEGY

ESG and Anti-Corruption Training to Board Member
100%

Compliance and Anti-Corruption Training to Employee
100%

ESG Topics Discussion on Board Meeting
3 times

ESG Materiality Assessment
22 issues assessed

FINANCIAL PERFORMANCE

Revenue
30.8 million RMB

Research and Development Expenses Proportion
52.7%

Cash and Cash Equivalents
1,834 million RMB

FIRST PRODUCT LAUNCH

CAR-T therapy approved as a Category 1 biologics product in China
Carteyva®

Complete Remission Rate ("CRR")
55.6%

Manufacturing Success Rate
99%

COMMERCIALIZATION PROGRESS

Certificated Hospitals
61

Prescriptions
54

Infusions
30

EMPOWERING EMPLOYEE

Total Employees
534 in total,
46.7% ⬆ compared to 2020

Female Employee Proportion
55.6%

Employee Training Coverage
100%

ENVIRONMENTAL SUSTAINABILITY

Committed to fulfilling the environmental strategic goals by the end of 2025 compared to 2021 baseline as:

Energy Consumption Intensity
40% ⬇

GHG Emissions (Scope 1 and Scope 2) Intensity
40% ⬇

Water Consumption Intensity
20% ⬇

Waste Management
100% compliance

EFFORTS IN PATIENT AFFORDABILITY

Commercial Insurance covering Carteyva®
44

City-level Supplementary Insurance covering Carteyva®
16

RECOGNITION AND AWARD IN 2021

2021 Shanghai Magnolia Honor Award

On January 24, 2022, our Co-founder, Chairman and CEO, Dr. Yiping James Li was granted the 2021 Shanghai Magnolia Honor Award in recognition of his outstanding contribution to promoting Shanghai's economic development, technological innovation and foreign cooperation.

Most Valuable Pharmaceutical and Medical Company Award

On January 11, 2022, JW Therapeutics won the award of "Most Valuable Pharmaceutical and Medical Company" at the 2022 Global Investment Trends Forum and the 6th Golden Hong Kong Stocks Awards Ceremony. This award is to recognize pharmaceutical and medical device HKEx listed companies with health corporate governance, significant industry position, good business performance and capability to bring sustainable and stable value return to shareholders.

Innovative Pharmaceutical Enterprise of the Year

On November 16, 2021, with the industry recognition of Carteyva®, JW Therapeutics obtained the award of the "Innovative Pharmaceutical Enterprise of the Year" in the 2021 Interface Health Forum hosted by the Shanghai Poster Industry Group, which depends on the suggestion and opinion from the industrial experts, academics, news and professional institutes. The evaluation concentrated on the innovation, patient affordability and enterprise reputation, continued for 6 months and granted awards to 31 enterprises out of more than 200 ones.

China New Technology Pharmaceuticals Enterprise's Innovation Top 30 — Ranking Third

On September 26, 2021, relying on the remarkable innovation capability and achievement, JW Therapeutics was ranked as third of the Top 30 Innovation of China's new technology pharmaceutical enterprises. The ranking was initiated by a leading healthcare information platform, MENET and supported by China Pharmaceutical Innovation and Research Development Association (PhIRDA) and other professional medical innovation related platforms, clubs and organizations.

Most Popular Newly Listed-Company Award

On January 6, 2021, JW Therapeutics was honored with the "Most Popular Newly Listed-Company by Investors" in the 2021 Fifth Gold HKEx-listed Company Award Ceremony, which was jointly organized by the two domestic leading platforms of providing stock information, who are Zhitong Caijing and Tonghuashun Caijing. This award aims to recognize the newly HKEx listed companies with high industry attention, active investors' involvement and good capital market performance.

1. SOLID CORPORATE GOVERNANCE

— Maintaining a solid corporate governance and stick to compliance operation

1.1 Board Diversity and Governance

Diversity of the Board

We have three Board committees subject to the Board, which are the Audit Committee, the Nomination Committee, and the Remuneration Committee. We adopted the Board Diversity Policy and firmly believe that a diverse Board of Directors is beneficial to our corporate governance and is essential to achieving our strategic goals in sustainable development. As of the end of December 31, 2021, our Board of Directors consisted of one executive Director, five non-executive Directors, and three Independent non-executive Directors. Our Directors have a balanced mix of knowledge and skills, including knowledge and experience in the areas of business management, biotechnology, clinical research, life science, finance, investment, risk management and accounting. They obtained degrees in various areas including microbiology, chemistry, pharmacy, biochemical engineering, chemical engineering, business administration, economics, mathematics, accounting and business law. Our board diversity policy is well implemented as evidenced by the fact that there are two female and seven male Directors ranging from 37 years old to 64 years old with experience from different industries and sectors. For more detailed information of each Board member's background, please refer to the session "Directors and Senior Management" in JW Therapeutics' 2021 Annual Report.

Governance of the Board

Throughout the Reporting Period, the Board and its Committees provided oversight, formulate strategy, supervised and received updates from the management regarding the Company's operational and financial performance, top risks related to our business, including ESG as well, and ensure a well-established system of internal controls and risk management. The terms of reference of the Board of Directors are published on the Company's Website, and are available to Shareholders upon request.

Training to the Board

We encourage all Directors to participate in professional development trainings, which include the study of securities market operating norms. As of the end of the Reporting Period, all of the Board of Directors had participated in the online refresher training covering various aspects of laws and regulations of the securities market, ESG rules, Director's duties, etc. In addition, we also provided relevant and updated legal and regulatory documents to the Directors to promote compliance awareness, which is crucial to the performance of their duties.

1.2 Corporate Risk Management Committee

We have established the corporate risk management committee at Company level; chaired by our CEO, and supported by our Chief Financial Officer ("CFO") and Internal Audit ("IA") team, which are composed of critical department/functional heads from Legal & Compliance, Finance, Human Resource ("HR"), Quality, Medical, Commercial, Technical Operations, EHS as the primary corporate governance mechanism. There are regular meetings held for the corporate risk management committee to review and discuss the corporate annual risk assessment, supervise the mitigation of the risks associated with our business, and review the ESG related working progress, to ultimately ensure achievement of the Company's objectives. Subject to the corporate risk management committee, there are different working groups served as each specific community of experts work cross-functionally to drive alignment and execute specific objectives.

During the Reporting Period, the 2021 annual risk assessment was carried out by the Company with all of the department heads to discuss, identify, assess, evaluate and monitor those key risks associated with our strategic objectives. For all the risks identified, the mitigation actions were completed and monitored in a timely manner.

1.3 Internal Control and Risk Management

Our Board of Directors had conducted a review of the effectiveness of the risk management and internal control systems of the Company for the year ended December 31, 2021 and considered them effective and adequate.

Internal Control and Risk Management Structure

We established a sound internal control and risk management framework and executed effectively, to reasonably ensure the Company's business operations continue to meet the Company's system requirements and the external regulatory requirements. The structure mainly includes the Audit Committee, the corporate risk management committee, CFO, IA department and Legal & Compliance department. i) The Audit Committee monitors and oversees the overall risk management related to business operations, reviews and approves the annual audit plan, risk management and relevant reporting; ii) The corporate risk management committee and the CFO formulate and update risk management policies and objectives, review and approve major risk management issues, provide guidance and feedback on risk management practices to relevant departments of the Company, and ensure that the appropriate structure, processes and competencies are in place across the Company; iii) The IA department of the Company assists the Board and the Audit Committee in their review of the adequacy and effectiveness of the risk management and internal control systems, drives the corporate risk management committee execution, and independently examines key risks in relation to those material controls, conduct audit programs and supervision on the mitigations; iv) The Legal & Compliance department is responsible to set up the Legal and Compliance related policies, provide trainings and govern the compliance of business and operation. We also engaged third-party lawyer as the compliance consultant to provide timely guidance to the Board of Directors and the management team related to compliance operations and internal controls.

Policies and Training

In 2021, to ensure continuous compliance with the applicable laws and regulations under the rapid developing business models, a sequence of company policies and procedures such as Corporate Risk Management Policy, functional policies from Legal & Compliance, IA, Finance, Procurement, Human Resource, IT, EHS, Quality, Pharmacovigilance (PV), etc. To enhance the awareness of risk management and internal control from top to bottom including the Board of Directors, the management and the employees, tailor-made trainings and workshops via online or onsite channels were provided throughout the Reporting Period.

Annual Risk Assessment and Audit Programs

During the Reporting Period, our IA department obtained endorsement on the annual IA plan according to the Company's business development and risk identification from the Audit Committee. IA conducted 2021 annual risk assessment and audit programs covering topics such as trade compliance, clinical research & development operations, procurement to payment, etc. The corresponding mitigation results were reviewed with 100% completion rate and reported to the Audit Committee and the management in a timely manner.

1.4 Business Integrity

Tone from the Top

JW Therapeutics adopts zero-tolerance principle on any behavior of our employees, business partners and suppliers related to corruption and fraud. We promulgated and strictly implement the Company Code of Conduct, Standard Operating Procedure (SOP) for Anti-Fraud and Anti-Bribery, and series of medical compliance policies, which all specify the Company's standardized requirements and procedures in business ethics, anti-fraud, anti-bribery, compliance, etc. Relevant and refreshed trainings are periodically organized to our employees to enhance the awareness and clarify the responsibility from top to bottom for combating fraud and bribery.

Compliance Culture

We regularly identify and assess risks such as fraud and corruption, formulate and implement necessary internal control measures for identified high-risk areas of fraud and bribery. We established the Code of Conduct and make it compulsory to study and abide by for all the employees of the Company. We will deal with any employees who violate the Code of Conduct and the anti-corruption and anti-fraud requirements according to the seriousness of the situation.

Whistle-blowing Channel

We set up a public whistle-blowing reporting mailbox to encourage all the employees and 3rd party vendors to report if any corruption, fraud or violations of business ethics noted during the work by their real names or anonymously. We apply whistle-blower protection policy and will not tolerate any form of retaliation. The investigation result will be reported to the management and Board of Directors.

Compliance Training

All employees who join JW Therapeutics will receive training including but not limited to corporate ethics, anti-fraud and anti-corruption, company rules and regulations, etc. All the new employees are required to complete 30-minute compliance/legal training and obtain a corresponding certificate within one month of onboarding. Our suppliers can download and read the relevant training materials by themselves. In 2021, we launched online training to help our employees to be well-acknowledged of compliance requirements. We also engaged external counsel to regularly provide a variety of legal and compliance training courses for our Directors, senior management and related staff to keep them updated with the laws and regulations related to compliance and anti-corruption. During the Reporting Period, we conducted anti-corruption related trainings for all Board members via online training and self-eLearning.

There were no legal cases regarding corrupt practices reported during the Reporting Period.

2. ESG GOVERNANCE AND STRATEGY

— Adhering to sustainable development and contribution to the society

2.1 ESG Strategy

Our Board of Directors has the overall responsibility for the Company's ESG issues and formulate the ESG strategy. We closely follow the ESG related regulation changes and the global and domestic ESG evolving trends, and focus on the ESG priorities with our own business development and the impact arise. We believe that companies who perform well on ESG are less risky, better positioned for the long term and better prepared for uncertainty.

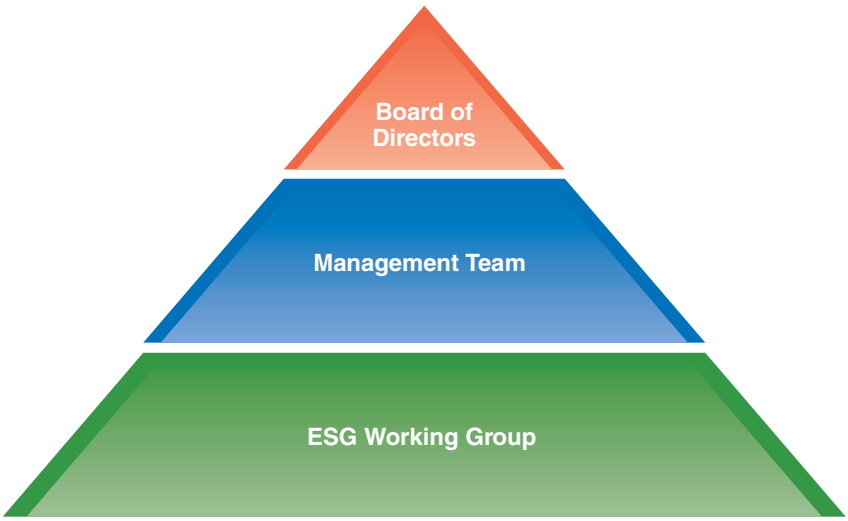
We understand that a good ESG performance is based on sound governance structure and collaboration with our stakeholders. We conducted regular ESG survey with our internal and external stakeholders to understand their expectations, and performed the materiality assessment to determine the most important ESG issues for the Company.

We are committed to realize a high ESG performance through embedding the concept of sustainability in our daily operations. Centering on the focusing areas of our stakeholders, we developed a comprehensive ESG strategy to provide a clear guidance for the Company's sustainable development.

JW Therapeutics' ESG Strategy

2.2 ESG Governance Structure

To steadfastly achieve the Company's ESG strategy, we established an ESG governance structure with three hierarchies including the Board of Directors, the management team and the ESG working group. For each hierarchy, their roles and responsibilities related to ESG management are clearly defined.



JW Therapeutics' ESG Governance Structure

Board of Directors

As the highest hierarchy of the Company's ESG governance, the Board of Directors assumes the overall responsibility per the relevant regulations required. For more details, please refer to session "2.4 Board Statement".

Management Team

In order to effectively implement the Company's ESG strategies, the Board has appointed the Company's management team to oversee and ensure the Company's compliance with the ESG relevant regulations. A corporate risk management committee chaired by our CEO, and supported by our CFO and IA team was established at the management team level. It takes the responsibility to set up the Company's ESG governance objectives and supervise the ongoing ESG performance.

ESG Working Group

Moreover, there is an ESG working group led by the CFO and supported by IA department, composing of core members from the relevant departments such as Legal & Compliance, HR, Quality, Technical Operations, regulatory, research and development ("RR&D"), EHS, PV, Commercial, etc., to regularly carry out ESG-related works and continuously enhance the ESG performance towards implementation of the Company's ESG strategy.

2.3 ESG Policy

In 2021, we developed the Environment, Social and Governance Policy as a guidance for ESG management of the Company. The policy defines the objective, scope, the Company's ESG management structure and the roles & responsibilities, etc. Moreover, there are specific topics related to ESG management defined in each of the ESG dimensions respectively, including but not limited to topics such as EHS, environmental protection and resource conservation, quality management system, human resources management, protection of the rights and interests of patients, suppliers and partners, public relations and social welfare system, etc. This comprehensive and well-developed policy framework guides the Company's ESG management and serves as a reference for our partners in the collaborative value chain.

2.4 Board Statement

Board's ESG Responsibilities

The Board of Directors assumes overall responsibility and plays a leading role for the Company's ESG strategy and ESG governance. The responsibilities of the Board defined in ESG policy mainly include:

- Assess and determine the risks and opportunities associated with ESG issues;
- Ensure proper and effective ESG risk management and internal control systems;
- Approve the Company's ESG strategies and policies;
- Regularly review the Company's progress made against the declared goals and targets; and
- Approve the Company's ESG report.

ESG Management Execution

In order to implement the ESG agenda, the Board of Directors delegate the corporate risk management committee chaired by the Company's CEO to manage ESG-related risks and implement the ESG strategy. The committee formulates ESG-related objectives and targets, drives the execution and ensures compliance with the ESG regulations. The output and recommendation from the committee should be endorsed by the Board. In addition, an ESG working group, led by the CFO and supported by IA department, together with related department leaders, who are responsible for ESG-related policy formulation and the execution of the ESG works.

Material ESG Issues Assessment and Risk Control

JW Therapeutics conducts regular communications with stakeholder engagements through various channels to identify and evaluate the Company's material ESG-related issues. Furthermore, the prioritized ESG risks and corresponding action plans are defined to ensure compliance and continuous improvement. On top of that, we optimize our ESG strategy and take actions to fulfill the demand of various stakeholders and continuously improve the Company's overall ESG performance. The Board of Directors discusses and approves the ESG strategy, materiality and risk assessment results, and oversees the progress made against the ESG target set periodically.

2.5 Stakeholder Engagement and Materiality Analysis

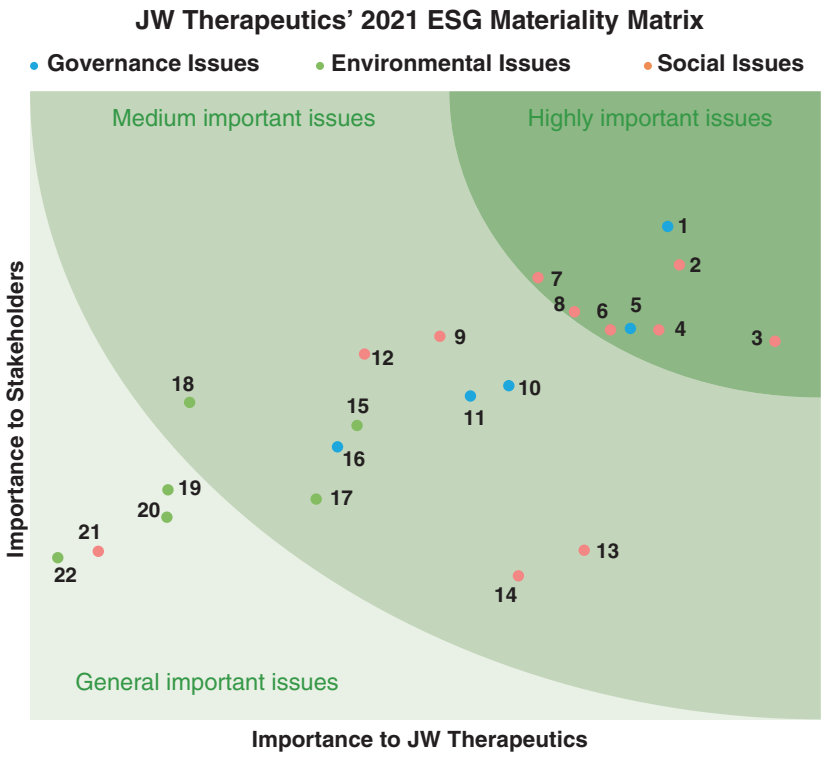
JW Therapeutics identifies its key stakeholders, which mainly include government and regulatory agencies, investors, suppliers, business partners, communities, customers, and employees. We have established multiple communication channels to understand their requirements and expectations regarding our ESG performance. During the Reporting Period, we have conducted communications with our stakeholders through various channels, and obtained a comprehensive understanding of the demands, opinions, and suggestions of all parties. Based on that, we timely adjust our ESG strategy and keep improving in our ESG performance, constantly in pursuit of the maximization of common value with all stakeholders.

The communication mechanisms with our key stakeholders are as follows:

Key Stakeholders	Issues of Concern	Main Communication Mechanisms
Government and Regulatory Agencies	• Corporate Governance • Information Security • Intellectual Property ("IP") Protection • Systematic Environmental Management • Public Welfare and Charity • Code of Business Conduct and Anti-Corruption • Anti-unfair Competition Behavior	• Questionnaires • Regular meetings and conferences • Feedback and suggestions on policy
Investors	• Product Research and Innovation • Product Accessibility • IP Protection	• Company official website • Announcement on the HKEx platform • Annual General Meeting ("AGM")/ Extraordinary General Meeting ("EGM") • Questionnaire • Telephone communication • Face-to-face discussion
Suppliers	• Sustainable Supply Chain Management • Systematic Environmental Management • Information Security	• Regular communication and meetings • Performance evaluation • Onsite coaching and inspection • Questionnaires
Business Partners	• Code of Business Conduct and Anti-Corruption • Anti-unfair Competition Behavior • Information Security • Supply Chain Management • Supplier Environmental and Social Assessment • Product Safety and Quality • Environmental Regulatory Compliance • Energy Management	• Industry alliances • Workshops and seminars • Project cooperation • Questionnaires

Key Stakeholders	Issues of Concern	Main Communication Mechanisms
Communities	• Corporate Governance • Code of Business Conduct and Anti-Corruption • Information Security • Product Safety and Quality • Technology and Innovation • Product Accessibility • Systematic Environmental Management • Energy Management	• Public welfare activities • Public health promotion events • EHS associations • Questionnaires
Customers	• Product Safety and Quality • Technology and Innovation • Product Accessibility • Information Security • Public Welfare and Charity	• Company email • Formal meetings and visits • Informed consent form • Patient service • JW Therapeutics Hotline
Employees	• Inclusion and Diversity • Employee Health and Safety • Compliance Employment • Employee Rights and Benefits • Employee Training and Development	• Town hall meetings • Training and performance reviews • Seminars and workshops • Team building • Questionnaires

In 2021, the Company conducted a materiality assessment through interviews and questionnaires with our key stakeholders. The result of interviews and questionnaires were analyzed and the materiality matrix was formulated correspondingly. The materiality matrix was discussed and approved by the Board of Directors.



Degree of Importance	Number	Issue	Category (Environmental/ Social/Governance)
High Importance	1	IP Protection	Governance
	2	Product Research and Innovation	Social
	3	Product Safety and Quality	Social
	4	Employee Health and Safety	Social
	5	Information Security	Governance
	6	Compliance Employment	Social
	7	Sustainable Supply Chain Management	Social
	8	Product Accessibility	Social
Medium Importance	9	Employee Rights and Benefits	Social
	10	Corporate Governance	Governance
	11	Code of Business Conduct and Anti-Corruption	Governance
	12	Public Welfare and Charity	Social
	13	Employee Training and Development	Social
	14	Inclusion and Diversity	Social
	15	Solid Waste Management	Environmental
	16	Anti-unfair Competition Behavior	Governance
	17	Energy Management	Environmental
	18	Systematic Environmental Management	Environmental
General Importance	19	Emissions Management	Environmental
	20	Waste Resources Utilization	Environmental
	21	Supplier Environmental and Social Assessment	Social
	22	Packaging Material Management	Environmental

3. GUARDING HEALTH

— Providing breakthrough and high quality product, and enhancing accessibility of cell therapies

Special Feature: Core Product — Carteyva®

Carteyva® is an autologous anti-CD19 CAR-T cell immunotherapy product independently developed by JW Therapeutics based on a CAR-T cell process platform of Juno Therapeutics (a Bristol Myers Squibb company).

On September 3, 2021, the NMPA approved the NDA relating to our anti-CD19 autologous CAR-T cell immunotherapy product Carteyva® for the treatment of adult patients with r/r LBCL after two or more lines of systemic therapy. Carteyva® is the first CAR-T product approved as a Category 1 biologics product in China, and the sixth approved CAR-T product globally. Currently, it is the only CAR-T product in China that has been simultaneously included in the National Significant New Drug Development Program and granted priority review and breakthrough therapy designations.

Carteyva®'s potential to be a superior CAR-T therapy is based on its potential best-in-class safety profile and competitive efficacy. Our Phase II registrational clinical trial of Carteyva® as a third-line treatment for LBCL demonstrated efficacy results of best overall response rate ("ORR") of 77.6%

and best CRR of 51.7% as of the data cut-off date of December 31, 2020. In the same trial, severe cytokine release syndrome ("sCRS") was observed in 5.1% of treated patients, severe neurotoxicity ("sNT") was observed in 3.4% of treated patients, and no treatment-related deaths were reported. In addition, with a median follow-up of 17.9 months, the one-year overall survival ("OS") rate was 76.9%, and there were no new safety signals. We reported these findings at the 24th Annual Meeting of Chinese Society of Clinical Oncology in Xiamen, Fujian Province, PRC, held in September 2021 and the 63rd Annual Meeting of the American Society of Hematology in Atlanta, Georgia, the United State, held in December 2021. Although head-to-head studies with comparable products have not been conducted, we believe that these data demonstrate the potential best-in-class safety profile and competitive efficacy of Carteyva®.

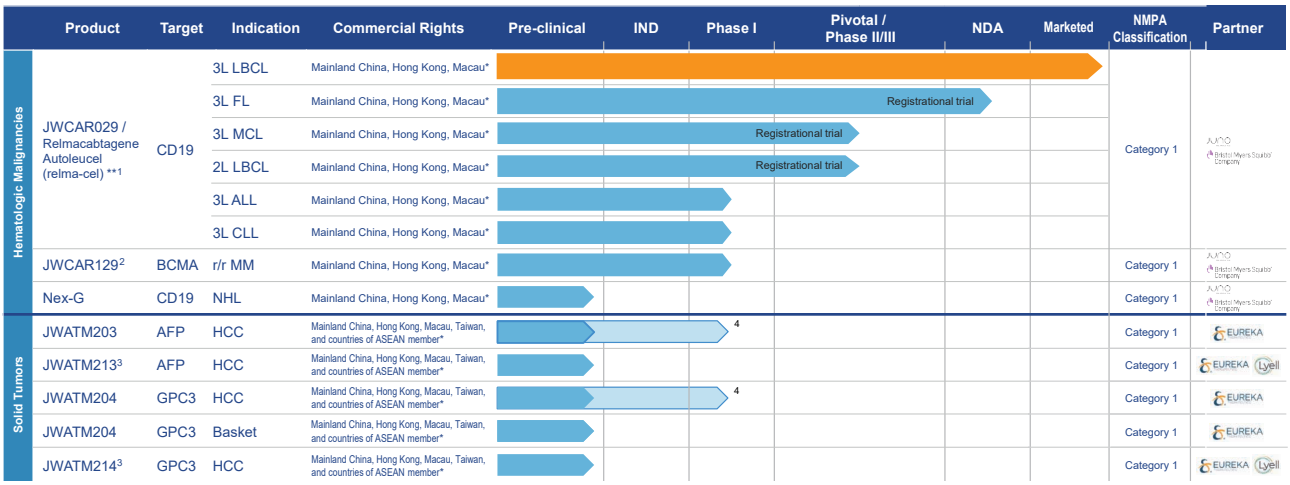
3.1 Product Research and Development

Innovation is at the forefront of our value creation. We focus on pursuing our vision of developing innovative cell therapies to transform the cancer treatment for patients, and consciously take medical innovations and seek for solutions to meet the unsatisfied medical needs.

During the Reporting Period, we established a fully integrated cell therapy innovation and commercialization platform, with capabilities ranging from early research and analytical development through process development and clinical development to regulatory affairs, with Good Manufacturing Practice ("GMP") manufacturing facilities and dedicated commercialization capabilities. The addition of our new chief scientific officer to our team has significantly strengthened our early research capabilities and enhanced our potential to engineer our own new pipeline products, with global rights, for both hematological and solid tumor applications.

3.1.1 Product Pipeline

Based on our clear R&D strategy and standardized product development management system, we have developed a robust and differentiated cell-based immunotherapy pipeline, with a risk-balanced approach that has shown clear benefit in the field of cell therapies for hematological cancers and provides an opportunity to expand into the nascent field of cell therapies for solid tumors. Our product pipeline features a mix of product candidates targeting both proven and novel tumor antigens. The following chart summarizes the current development status of each of our product candidates, for more detailed information of each product candidate, please refer to the session of "Our Product Pipeline" in JW Therapeutics' 2021 Annual Report.



Abbreviations: LBCL = large B-cell lymphoma; FL = follicular lymphoma; MCL = mantle cell lymphoma; ALL = acute lymphoblastic leukemia; CLL = chronic lymphocytic leukemia; MM = multiple myeloma; NHL = non-Hodgkin lymphoma; HCC = hepatocellular carcinoma; NSCLC = non-small cell lung cancer; AFP = alpha-fetoprotein; GPC3 = glypican-3; r/r = relapsed or refractory; 3L = third-line; 2L = second-line; Basket = basket design

* Mainland China, Hong Kong, Macau and Taiwan refer to Mainland China, Hong Kong (China), Macau (China) and Taiwan (China), respectively.

** Denotes a Core Product Candidate.

1 Relma-cel is based on the same CAR construct as the product lisocabtagene maraleucel ("Breyanzi" or "lisocabtagene" or "liso-cel") of Juno, which was approved by the U.S. Food and Drug Administration in February 2021.

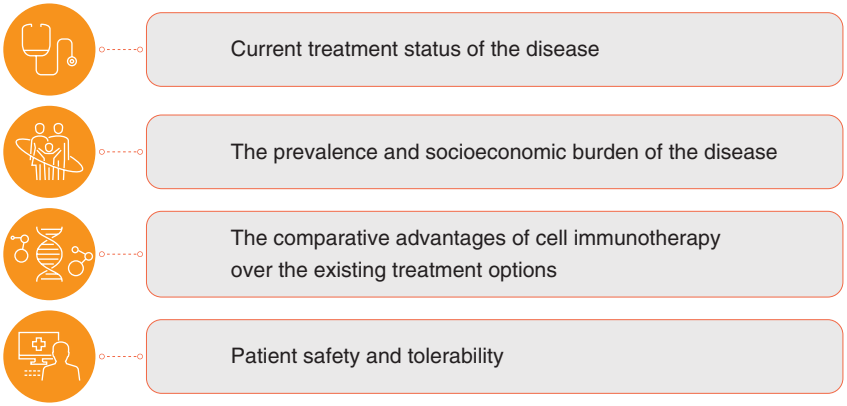
2 JWCAR129 is based on the same CAR construct as Juno's product orva-cel.

3 Developing using Lyell technology.

4 JWATM204 is in a Phase I investigator-initiated trial in China. Eureka's products based on the CAR constructs underlying JWATM203 and JWATM204 are currently in Phase I/II trials in the US conducted by Eureka under an IND application. In November 2021, the U.S. FDA granted Fast Track Designation to Eureka's counterpart to JWATM203 for the treatment of hepatoblastoma ("HB") and HCC in pediatric patients, as well as "rare pediatric disease designation" for the treatment of HB. In February 2022, the FDA granted Orphan Drug Designation to Eureka's counterparts to JWATM203 and JWATM204.

3.1.2 R&D Strategy

Adhering to the core values of patient-first and innovation-driven, JW Therapeutics intends to address the enormous unmet medical needs and socio-economic burdens faced by patients in clinical practice through our innovative cell therapies. The following factors guided our R&D strategy decision making progress:



Consideration Factors of R&D Strategy

In addition to driving full-scale commercialization of Carteyva®, we intend to focus on pursuing the following R&D strategies as we pursue our vision of developing innovative cell therapies to transform the cancer treatment for patients:

Solidify our leadership in hematological cancers by continuing to develop Carteyva® for earlier lines of treatment and additional indications, as well as clinical development of other new products

Our approach to expand Carteyva®'s indications involves two key pillars: advancing Carteyva® into earlier lines of LBCL treatment and developing Carteyva® as a potential therapy for other hematological cancers that express the CD19 antigen. If our development plan is realized, we anticipate supplemental new drug application ("sDNA") approvals for Carteyva® in 2022 and 2023. Furthermore, to expand our product portfolio and solidify our leadership in hematological cancers, we intend to drive clinical development of cell therapy products for MM. As patients with MM are afflicted by frequent complications, for which there continues to be no viable cure, we believe that MM is a market with significant untapped potential.

Leverage our integrated cell therapy platform to expand into the solid tumor market

Our solid tumor portfolio is headlined by JWATM203 and JWATM204. We acquired the rights to develop, manufacture and commercialize these products in the JW Territory from Eureka in June 2020. Moreover, in August 2020, we entered into a collaboration agreement with Lyell pursuant to which we obtained the right to use Lyell's T-cell anti-exhaustion technology in conjunction with Eureka's ARTEMIS® platform to create JWATM213 and JWATM214 and to develop, commercialize and manufacture those products in the JW Territory. We believe there is an opportunity to use these technologies as a platform for multiple new cell therapies that can be applied across a broad range of rare and prevalent solid tumors, including HCC as well as others.

3.1.3 Standardized Product R&D Management

Clinical Quality Management System ("cQMS")

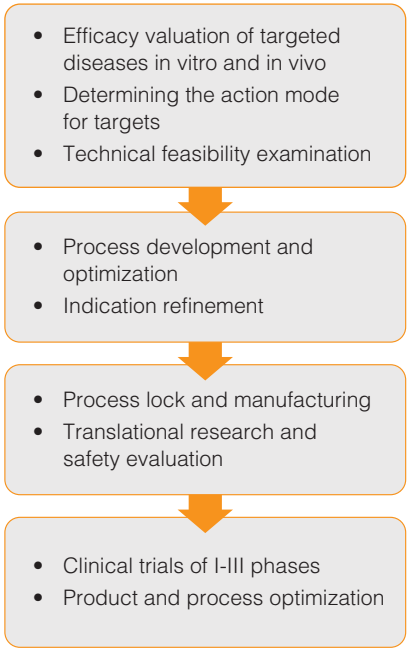
We conduct all clinical trials using internationally accepted practices and standards, including Good Clinical Practice guidance and International Conference on Harmonization standards. To ensure compliance and provide standard guidance in quality management for our RR&D related activities and trails, we have established the clinical quality management system ("cQMS") mainly focus on the procedures of our clinical activities governed by the applicable regulations.

RR&D Policy and Training

In 2021, to effectively implement the cQMS standards, we put comprehensive efforts into the operations and enhance the overall R&D performance. Under the cQMS framework, 56 policies and SOPs at both of the RR&D department level and functional levels were set up, which include but not limited to clinical quality assurance & document security, PV, clinical research operations, data management, regulatory affairs, medical affairs, clinical development and statistics, etc. The relevant employee training was executed per the regulation and JW Therapeutics cQMS requirements.

Standardized Product Development Procedure

The general product development process consists of four main stages:



In accordance with the product development process, we developed SOPs to guide the procedures covering the end-to-end process of regulatory, research and development progress and guarantee the compliance. In 2021, we implemented the SOPs including but not limited to Clinical Study Management, Development and Management of Clinical Study Report, Conduct of RR&D Internal Process/ System Audit, Development of RR&D Audit Program and Plan, Management Procedure for Variations during Clinical Trials, and Product Re-registration Declaration Management Procedure, etc.

R&D Data Integrity

In 2021, SOPs such as Data Management, Data Integrity, Internal Transfer of Clinical Data and Results, External Transfer of Clinical Data and Results, Study Quality Oversight, Data Management Quality Control, Lifecycle Management of RR&D Procedural Documents, etc. were established and followed in daily operation. Furthermore, to enhance the R&D data integrity management and enhance the efficiency of document management, we launched a series of Veeva application systems to realize the digital management for clinical trial document and process. More importantly, these system applications enable the real-time monitoring and management on the clinical trials quality, and improving the cross-function collaboration efficiency.

Protection of the Subject

We always pay close attention to ethics in clinical trials and treatment. We followed the established SOP of Development Review Approval and Maintenance of Informed Consent Form ("ICF"). For each trial, it is clearly communicated of the expected benefits and potential risks of participating in a clinical trial through the sign-off on the ICF. We ensure our patients' right to be informed, including the withdrawing options, throughout the trial process.

3.1.4 Process Innovation

"The process is the product" — the manufacturing process of CAR-T therapies significantly influences product characteristics, and our processes are critical to production success. While actively expanding the R&D pipeline, JW Therapeutics is also committed to developing advanced technologies to enhance product stability and safety, also seeking opportunities to reduce the product cost through process optimization.

During the Reporting Period, we have made significant progress on the advancement of our other pipeline candidates, including (i) receipt of NMPA approval for our IND application relating to JWCAR129 as a fourth-line treatment for MM (December 2021) and (ii) completion of manufacturing process development for JWATM204, our T cell receptor ("TCR") T-cell therapy candidate for the treatment of HCC (September 2021). We believe that all of these achievements represent a solid foundation for the Company's future growth.

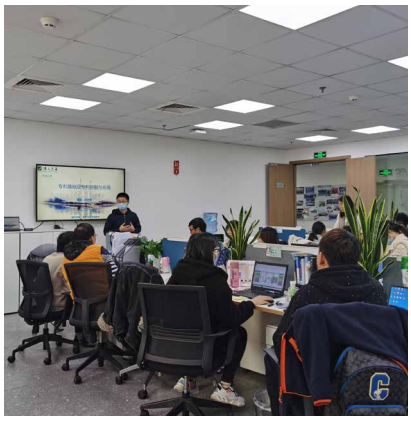
3.1.5 IP Management

We understand the importance and give high priority to the IP protection and management. To protect our IP in the fiercely competitive biotechnology market, and further protect corporate benefits and stakeholder interests, we designated the legal and compliance department to coordinate with all IP related issues, including the application and management of patents and trademarks, and refined the obligation and responsibility of IP protection to every employee. During the Reporting Period, we appointed one in-house dedicated IP counsel to participate in the early R&D stage and technology innovation stage, also provide legal technical support during the external collaboration.

To clarify the rules of conduct for IP protection, we formulated Regulations on Intellectual Property Rights, which specifies the definition of IP and the basic duties and responsibilities of our employees in relation to IP. It guides our employee and stakeholders with detailed regulations and reporting procedures whenever there is disclosure of work inventions and creations at work. The Regulations on Intellectual Property Rights were added to the Confidentiality Agreement signed by our employees, together with the execution of labor contract.

At the end of the Reporting Period, we had two utility models approved and two invention patents under preliminary examination, and also obtained near to 200 trademarks registered in China National Intellectual Property Office, Hong Kong and Macau respectively.

In 2021, to enhance our employees' awareness of IP protection and standardize the Company's patent management process, we invited external experts to provide patent-related training for our employees, focusing on an introduction to patent background knowledge, training on the patent-application process, and future patent layout strategies.



Patent Application Training

3.1.6 Information and Privacy Protection

With the transformation to commercialization stage, we have implemented stricter data protection measures to protect our product and research achievements and to meet the compliance requirements. We established the digital data protection policy and procedures to ensure data security, including Information Technology Computerized System Management Regulations, JW Therapeutics Data Security IT Management System, and Employee IT Information Security Codes. In 2021, we updated Employee IT Information Security Codes, and organized a group learning event to improve employees' awareness of information safety. We improved our information security protection through the following measures:

During the Reporting Period, there were no information security or data leakage incidents that happened at JW Therapeutics.

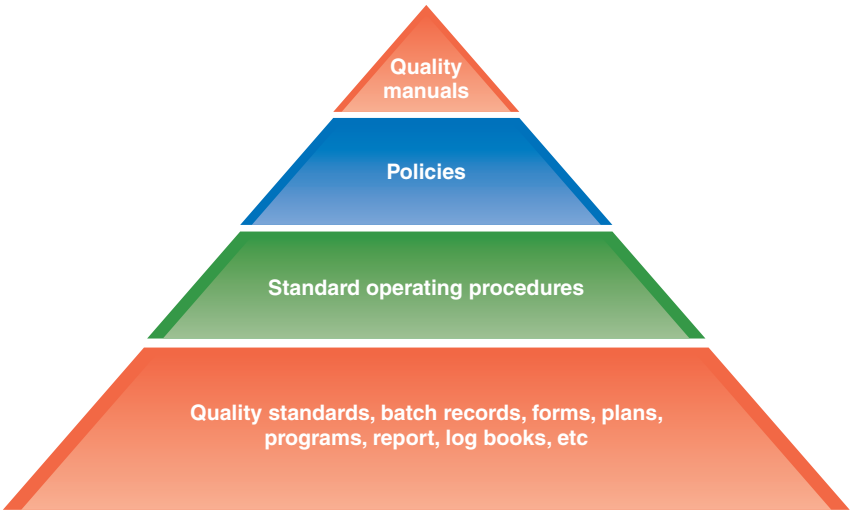
- Built firewalls and online behavior management devices at various sites and enabled advanced protection functions, such as IPS.
- Implemented restrictions on portable storage devices, preventing all office computers from using portable storage devices.
- Established a Data Leak Prevention system to monitor employee behavior in the Company's sensitive data transmissions.
- Conducted security assessments and set up a web security firewall to prevent application data leakage.

3.2 Product Quality

JW Therapeutics regards product quality as our lifeline, which is also the responsibility of each of our employees. Adhering to the quality-centered principle, we strictly implemented the quality related standards throughout our daily operations, and guarantee the compliance with GMP and other applicable regulations.

3.2.1 Quality Management System

To ensure the steady safety and quality of product, our Environmental, Social and Governance Policy identifies the responsibility of senior management regarding product quality and sets out our product quality requirements. We are committed to complying with all applicable laws and regulations regarding quality management practices in the pharmaceutical industry (GxP)[1]. Correspondingly, we have established the quality management system aligned with the local regulator's requirement, which covers the product lifecycle quality management through implementing a series of policies, SOPs and quality standards, batch records, etc.



Quality Management System

[1] Including Good Laboratory Practice ("GLP"), Good Clinical Practice ("GCP"), Good Manufacturing Practice ("GMP"), and Good Supply Practice ("GSP")

Responsible Quality Assurance

Quality-centered is deeply embedded in the Company value and culture. All our employees have the responsibility and obligation to strictly comply with quality-related regulatory requirements, company policies and procedures in their daily work. We motivate our employees to strictly comply with internal and external quality management regulations in their daily work. The quality management is incorporated into employee appraisal, through which key quality performance indicators are identified and tracked, such as first-time correct rate, customer complaint rate, and timeliness of completion in deviation correction and change implementation, etc.

System Control

- Manufacturing Execution System ("MES")

To meet the GMP standards and reduce the potential manual errors during the production, we launched an industry-leading MES to manage and control each production step, including sorting, activation, transduction, amplification and harvesting, recording, and confirming material and quality control samples in the relevant production areas. The system implementation record demonstrated the success to guarantee product quality in commercial production.

- Laboratory Information Management System ("LIMS")

We optimized laboratory equipment and system and launched the LIMS to ensure the information accuracy and completeness of laboratory materials and equipment.

Excellence in Quality

We have continuously improved and optimized the quality management system to demonstrate the excellence of quality. In 2021, we optimized the process and procedures mainly in following areas:

- Policy and Procedure Enhancement

To provide written guidance for standardized operations with the commercialization and business development, we continuously develop and optimize our quality policies, which includes control processes, production inspection protocols and records, product quality standards and release processes, as well as post-marketing quality monitoring and management requirements specifically for commercial production, etc.

- Process Optimization

To improve the efficiency of overall quality management, we applied advanced controls such as the abnormal warning mechanisms, visual and dynamic management with dedicated personnel, etc. The optimization covers key processes such as instrument and equipment management, material inventory management and data management. We also purchased biological safety cabinets and other essential equipment to support the increasing quality testing need in our laboratories.

- Quality Team Capacity Enhancement

The total headcount as of the end of the Reporting Period was 92, with an increasing of 26% compared to last year. We continuously develop and enhance the capability and capacity of our quality team to guarantee the quality compliance with the expansion of our business.

- Quality Audit

JW Therapeutics conducts regular quality audits on various production and inspection functions, including operational standardization, record accuracy and compliance. Corresponding corrective measures are completed timely based on the audit results.

3.2.2 Quality Control

Batch Quality Control and Release Process

In 2021, to meet compliance requirements and product quality of commercial launch, we standardized and implemented the batch quality control and release process, which has been validated and optimized through simulation exercises to increase efficiency. We have a dedicated team responsible for quality control in raw material, manufacturing process and pre-release for each individual batch to ensure the quality and safety of our product.

- Raw Material

We adopt a series of raw material quality control measures, established a material risk assessment system and set material quality standards to reduce quality risks from the raw material selection. We conduct raw material release testing on every batch of incoming raw materials to ensure raw material safety and quality reliability.

- Production

Stringent quality control measures are implemented during the manufacturing process, which include environmental monitoring during the production process, regular calibration and maintenance of various types of equipment, and the development of sampling management practices for sampling and testing at key production points.

- Product Release

A highly standardized product release criteria was adopted to assess key quality attributes of the product, and guide the regularly calibrating, maintaining on various types of testing on equipment. Moreover, we conduct testing for product release by proven release testing methods, and study the residual levels of impurities introduced by raw materials to ensure residual safety.

Laboratory Optimization

Adhering to the innovative principle, we have established a dedicated analytical method development team to develop practical analytical strategies for raw and auxiliary materials and products to ensure a smooth quality control process. In 2021, we further enhanced the quality control capabilities of JW Therapeutics' internal laboratory by expanding the scope of testing, acquiring laboratory equipment, and optimizing the laboratory management system.

- Testing Scope Expending

We further enhanced our laboratory testing capability and achieved batch self-testing of essential materials, providing assurance on commercial production. In 2021, the testing capability of in-house laboratory was established for lentiviral vectors.

- Laboratory Equipment Upgrading

The laboratory has expanded the instrumentation and equipment, including high performance liquid chromatography. Based on further improvements in detection throughput, we have gradually established a liquid phase analysis platform to support the development of tests such as impurity residues and component identification.

- Laboratory Computer System Management Optimization

The laboratory computer management system for in-house testing equipment was continuously enhanced to meet the GMP requirements. In 2021, the successful launch of LIMS phase I and phase II contributed to the laboratory compliance and data integrity, and enabled preliminary paperless laboratory management.

3.2.3 Quality Inspection

JW Therapeutics received inspections before and after the launch of Carteyva®. In March 2021, we received and passed the pre-approval manufacturing site and development site inspection and GMP inspection from NMPA. After the product's launch in September 2021, we have undergone and passed several routine and annual inspections, demonstrating the effectiveness of our quality management system.

3.2.4 Quality Training

Quality training is an integral part of our quality assurance system. We have established a comprehensive quality training system to improve the quality awareness through new staff training, on-the-job training, special training, and commercialization training.

New Employee Training	On-the-job Training	Special Training	Commercialization Training
• GMP training for new employees • Professional training program	• Annual training • Periodic retraining • Ad-hoc training • External training • Documentation training	• Clinical production training • Cell immunotherapy and gene therapy technology background and key points	• Commercial production training • Regulatory training for post-market changes

Quality Training System

Commercial Production Training

In 2021, to strengthen compliance awareness and enhance the capability to realize commercial production, the Company organized comprehensive training for responsible employees on laws and regulations related to drug manufacturing and special requirements for cell immunotherapy products, including the Drug Administration Law, Supervisory and Regulatory Measures for Drug Manufacturing, and GMP.

Intensive training sessions including product handling, data integrity requirements, aseptic operations and quality deviation management requirements were provided to staff in key production and quality control positions. A GMP knowledge competition was held at the end of the training.

Quality Week Activities

In July 2021, we held the "Quality Week" campaign in different sites. Through a series of activities, such as videos from leadership team, special training and knowledge competition, we emphasized the quality-centered culture and encouraged our employees to put into practice per the Company's quality objectives and concept.

4. PATIENTS FIRST

— Adherence to patient first and bring hope to patients with innovative accessible therapies

4.1 Build up the Patients-centered Ecosystem

Patient first is at the forefront of value creation in each of our employees' mind. In commercializing Carteyva®, we are not merely selling a product; rather, as a leading cell therapy company in China, we are striving to create a new ecosystem and to shape the healthy environment for cell therapy products in China. We have established a dedicated in-house commercial team to market cell therapy products across China; We established a vein-to-vein process for timely and secure delivery of cell therapy products; We worked with key lymphoma experts on the establishment of first-in-China treatment guidelines for CAR-T therapies, to standardize clinical applications for physicians and ensure a higher-quality and safer experience for patients; and Carteyva® has been covered into in 44 insurance products and 16 city-level complementary medical insurance programs.

Considering the novelty and customization characteristics, we imitated a standardized vein-to-vein process to ensure the quality and safety of Carteyva® treatment. We focus on the key stakeholders in the chain of CAR-T therapy, and formulated a 6P (Partner, Provider, Physician, Patient, Payer, and Policy maker) strategy integrated with our vein-to-vein process, which will be further illustrated in the following sessions.

4.1.1 Strategic Cooperation with Partners

Distributor Selection

To obtain the reliable supply chain and meet the GMP relevant requirement, a comprehensive evaluation regarding transportation and storage conditions, temperature control, storage capacity, etc., was conducted during the distributor selection. Shanghai Pharma KDL (上藥康德樂) has been selected as our national distributor and will provide professional delivery service for each patient.

JW Therapeutics and Shanghai Pharma KDL (上藥康德樂) Strategic Cooperation Agreement Signing Ceremony

Innovation Cooperation

Relying on our distributor partner's strength of competitive nationwide distribution network, advanced cold chain delivery system and experienced Direct to Patient ("DTP") management capability, we are able to explore a novel commercial operation management model. The validated quality management system and advanced cold chain delivery solution contribute to accelerate the therapeutics process of Carteyva®, which is beneficial to more patients. On the other hand, our distributor will accumulate the valuable experience in distribution management of CAR-T products, and contribute to more customers and patients in future.

Training and Qualification

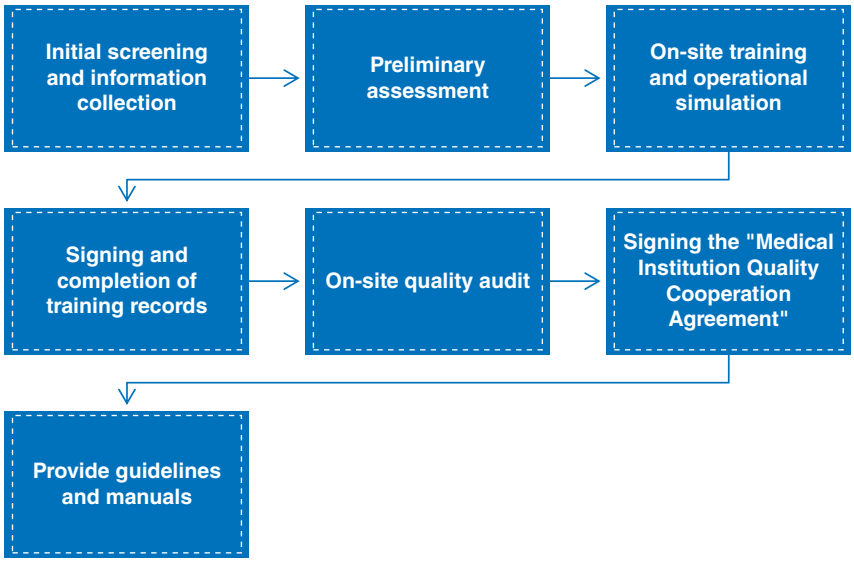
We conduct training, dry runs and refresher workshop for our partners to ensure they understand mandatory quality and operation requirements. Our partners should also develop corresponding operation manuals and provide training to their employees. The training record of all logistics personnel regarding our product and process should be filed by the partner's logistics department; non-registered personnel are not allowed to the operation of our products.

4.1.2 Quality Certification and Empowering Providers

Our products are provided to patients through selected and quality-certificated hospitals and DTP pharmacies. We established the standardized vein-to-vein process to

provide more detailed guidance to ensure a higher-quality experience for physicians and patients. We completed training and dry-run for the top 61 hospitals in China and certified those hospitals to administer Carteyva®.

We established a cooperation procedure regarding the medical institution access and screens medical institutions which meet our requirements through the following steps:



Medical Institution Cooperation Procedure

At the beginning of CAR-T therapy application in China, we devoted to collaborate with the qualified hospitals to build up and enhance their capabilities in the newly set up treatment process, through the continuous sharing and communication in medical information, onsite coach, vein-to-vein dry run, etc. With such efforts, we believe more and more patients in China could be benefited with world-class cell therapy.

We also established a product storage management process for DTP pharmacies to ensure the quality of product compliance regarding product storage.

When a medical institution becomes a qualified partner, it will be listed in the Chain of Identity ("COI") system with full-process product traceability and real-time management. We conduct on-site re-evaluation on the qualified medical institutions every two years, and provide occasional training for them, as needed, to ensure the service quality and meet regulation requirement.

4.1.3 Physicians and Patients

As CAR-T therapy is a new and comprehensive treatment process unlike any other treatment currently approved in the market, we have made significant efforts to educate physicians and patients on the potential benefits of CAR-T therapies, and to demonstrate the proper process in administering and monitoring the treatment as well as adverse effects management. In January 2022, "Guiding Principles for Clinical Application of relmacabtagene autoleucel injection (2021 version)" (《瑞基奧侖賽注射液臨床應用指導原則(2021版)》) was published by Lymphoma Expert Committee of Chinese Society of Clinical Oncology, Hematology Branch of Chinese Medical Association and Hematologist Branch of Chinese Medical Doctor Association. This Guiding Principle was formulated by combining the current status of

Preliminary assessment	Assess the pharmacy in accordance with the relevant GSP requirements.
Confirmation of storage conditions	Inspect the storage conditions of the pharmacy, and confirm that the pharmacy has a separate storage area and has a double lock and 24-hour real-time monitoring.
Confirmation of access and maintenance processes	Confirm the in/out storage and maintenance process of medicines in the pharmacy.
Inspection of equipment maintenance records	Regularly review the maintenance records of pharmacy equipment to confirm that the equipment maintenance meets the requirements.
Inspection of temperature and humidity records	Review the temperature and humidity inspection records of the pharmacy.

DTP Pharmacy Storage Quality Management Process

CAR-T practice and published data from Carteyva® related studies and it is the first clinical guiding principle for commercialized CAR-T product in China in order to further standardize the clinical application of Carteyva® and provide a reference for physicians.

Communication and Collaboration with Physicians

JW Therapeutics is committed to advancing medical and scientific knowledge of CAR-T therapy so that more patients can benefit. We have established the in-house Medial Science Liaisons ("MSLs") team, designated department to communicate academic and scientific information with physicians. Through the communication, MSLs team is responsible to ensure our products are used effectively, provide necessary advice during the treatment, and provide timely information about relevant scientific and clinical data.

We grantee that our communication with physicians strictly complies with the *GMP Appendix — Cell Immunotherapy Products (Exposure Draft) (《GMP附錄—細胞免疫治療產品(徵求意見稿)》)* and *Specifications for Hospitals for Managing Clinical Applications of Chimeric Antigen Receptor T Cell Marketed Products (《醫院管理嵌合抗原受體T細胞上市產品臨床應用的規範》)*. To ensure the compliance and accuracy of information delivery, we formulated SOPs such as "Medical Science Liaisons — Role and Capability", "Medical Science Liaisons — Governance and Compliance" and "Medical Information Enquiry", etc., to clarify the compliance responsibility of our MSLs and to standardize the procedure in dealing with medical information enquiries.

Considering physicians are expected to play a key role in this process, not only in administering CAR-T therapies but also in educating patients about the treatment process and adverse effects management, we have designed our marketing and academic education strategy and continued engagement with physicians. We will continue to enhance our existing collaboration with these physicians and other stakeholders through establishment of a specialized team to oversee the training and provide support to physicians during CAR-T treatment.

Safeguarding and Care for Patients

Our dedicated in-house customer service ("CS") team was established to be responsible for the entire treatment operation process, and ensure the standardization and safety of each step for every patient. To ensure the capability in commercialization, we developed a standard vein-to-vein process with a guidance book, and organized on-going trainings for our CS team.

We conduct strict process management to prevent the potential manual error from affecting the efficacy of the treatment. During the apheresis and infusion process, quality control measures are strictly followed and monitored by our CS and relevant teams, including confirmation of physician qualifications, temperature control, medical device check, and time node control for each step. Additionally, we launched the COI system to trace blood samples throughout the process of transportation and product manufacturing, to ensure the product quality and safety. After the treatment, we also take long-term follow-up with our patients and physicians to provide medical support.

We launched the hotline with dedicated personnel and Medical Information team, to provide instant and timely response to inquiry and compliant arise after commercialization. The medical background and professional training is required for all hotline responsible personnel. On the other hand, we established a high-quality pharmacovigilance management system and product recall process to meet all regulation requirement in the product life cycle management.

We also attach great importance to patient's privacy protection and ensure to comply with the relevant regulations. We avoid collecting unnecessary personal information regarding the treatment, and the personal information of patients will also be anonymized before uploading to system.

During the Report Period, there were no products and service related complaints received.

4.1.4 Improving the Affordability of Payer

During the Reporting Period, we continuously enhanced our manufacturing capability and reduced cost through innovation and scale. On the other hand, we actively cooperated with our partners to promote insurance coverage of Carteyva® and collaborated with innovation payment platforms to address the affordability of Carteyva® for patients.

Cost Reduction

We formulated a near-term, mid-term and long-term reduction goals and closely follow up on that. We believe the product cost will be lower with the expanding of production scale-up and steadily growing of sales orders. On the other hand, on top of ensuring regulatory compliance and high quality, we take innovation to optimize the manufacturing process and replace lower-priced materials through supplier localization steadfastly.

Multi-layer Insurance System

To improve affordability, we are targeting to establish a multi-layer medical care system by cooperating with different partners including city-level complementary medical

insurance and health insurance providers. We worked with innovation payment platforms which are able to provide installment payment services or mortgage loans to potential recipients of Carteyva® as a treatment. In addition, Carteyva® has been listed in 44 commercial insurance products and 16 city-level complementary medical insurance programs. Moreover, we collaborated with charitable platforms to provide charities aid foundation and crowd-funding for patients. During the Reporting Period, we successfully built cooperation relationships with Shuidihuiju Funds (水滴匯聚基金會), Tencent Gongyi (騰訊公益), Shuidichou (水滴籌) and Qingsongchou (輕鬆籌).

In the future, JW Therapeutics will continue to drive the listing of Carteyva® into more insurance programs, and keep the innovative exploration to improve affordability for patients who are eligible for CAR-T treatment.

4.1.5 Assistance and Cooperation with Policy Maker

To increase the community's awareness of CAR-T therapy and benefit more patients, JW Therapeutics actively communicates with government and regulators. As a leading entrant in the industry, JW Therapeutics assumes the responsibility to collaborate our peers and the policy makers to establish industry standards, boost and accelerate the development of China's cell immunotherapy industry.

Participation in the Formulation of Autologous CAR — T cell Therapy Medication Supply Chain Management Specifications (《自體CAR-T細胞藥品供應鏈管理規範》) (the "Specifications")

In order to establish the industry standards and strengthen the quality and risk management, JW Therapeutics associated with peer companies and logistic providers, and actively participated in the drafting of the Specifications led by the Shanghai Pharmaceutical Profession Association and Shanghai Drug Evaluation and Verification Center. This Specifications was effective since October 18, 2021, filling the gaps of domestic regulation in Autologous CAR-T cell therapy supply chain and realizing the lifecycle management of China's cell immunotherapy.

The Specifications focuses on the product supply chain of autologous CAR-T product, specifies the definition of autologous CAR-T, clarifies the responsibilities of marketing authorization holder ("MAH"), manufacturing enterprise, pharmaceutical trading company, 3rd party logistics service provider and medical institution, specifies the requirements of the supply chain lifecycle regarding personnel, equipment, information management system and operation, providing a normative reference for the standardized management and risk control management of CAR-T therapy.

Engagement in the Study of Rule for Promoting the Development of Zhangjiang Bio-pharmaceutical Industry Innovation Highland in Pudong New Area of Shanghai (《上海市浦東新區促進張江生物醫藥產業創新高地建設規定》) (the "Rule")

Endeavoring to close the gap between the current business environment and policy required for the development of cell immunotherapy, JW Therapeutics participated in the legislation for biomedical industry development in Pudong New Area, Shanghai. We submitted the proposal for cell immunotherapy development to Shanghai Municipal Commission of Economy and Information Technology and Shanghai Municipal People's Congress in December 2020. JW Therapeutics was invited as a research project member engaged in discussion of promoting the high-quality development of the biomedical industry, the Rule has been successfully concluded and effective in January 2022. We will continue to cooperate with government regulators and participate in the formulation and implementation of related industry standards to build a better industry environment.

Inclusion to the Industrial Pilot Policies

As a pioneer of the cell immunotherapy enterprise, JW Therapeutics cooperates closely with the local government and regulations including Shanghai Pudong Customs, Commerce Commission, Market Supervision Bureau to accelerate the industry regulation development. During the Reporting Period, JW Therapeutics was included as the first batch to the "whitelist" for material importation for both R&D and commercial usage, which streamlines the customs clearance process and enables us to save efforts to the innovation and product breakthroughs.

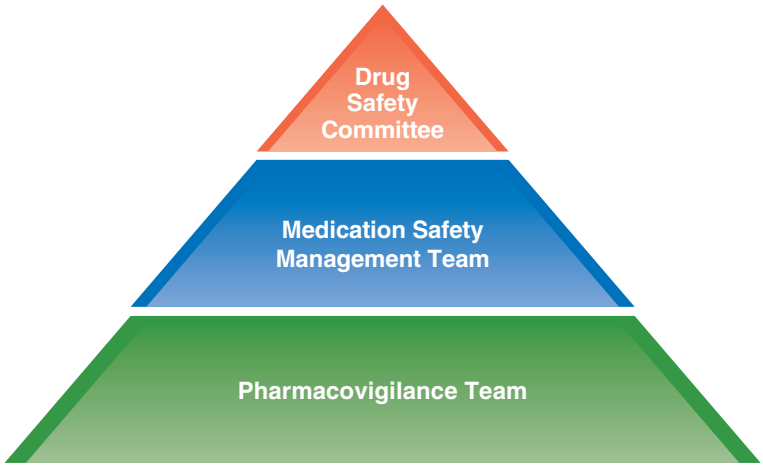
JW Therapeutics actively responded and was included as the pilot enterprise with "one enterprise, one policy" by Pudong Customs with major support, which granted us with relevant tax benefit according to the regulation principle as administrative by territorial taxpayers. This initiative policy adopted by Customs aims to promote the compliance and self-discipline of enterprise, and effectively enhance the risk management and improve the convenience of innovative industry.

4.2 Pharmacovigilance and Product Recall

As a responsible MAH and stick to highly compliance with pharmacovigilance regulations, we maintained a three-tier pharmacovigilance management structure to govern the related activities and control of the Company.

The State Drug Administration released the *Pharmacovigilance Quality Control Specifications (《藥物警戒質量管理規範》)* on May 13, 2021, which put forward more detailed and standard requirement for drug MAH to follow since December 1, 2021. In response, we optimized and upgraded our pharmacovigilance system and updated the relevant SOPs by September 2021.

In 2021, upon the approval and launch of our first commercialized product, we set up the hotline to collect and reply to post-marketing adverse reactions and take risk management initiatives. Our Pharmacovigilance department developed Risk Management Plan and Risk Evaluation and Mitigation Strategies ("REMS"), which requires that commercialized product can only be accessed from the certified hospitals, and all relevant healthcare professionals ("HCP") involved in the distribution, infusion and administration of the products should get qualified through proper training.



Drug Safety Committee

- The Drug Safety Committee, under the supervision of the Chief Medical Officer, is responsible for all decisions on important safety matters that may have a significant impact on the well-being of patients or subjects, including major risk assessments, major event or emergency management, risk control decisions, and other significant matters related to pharmacovigilance.

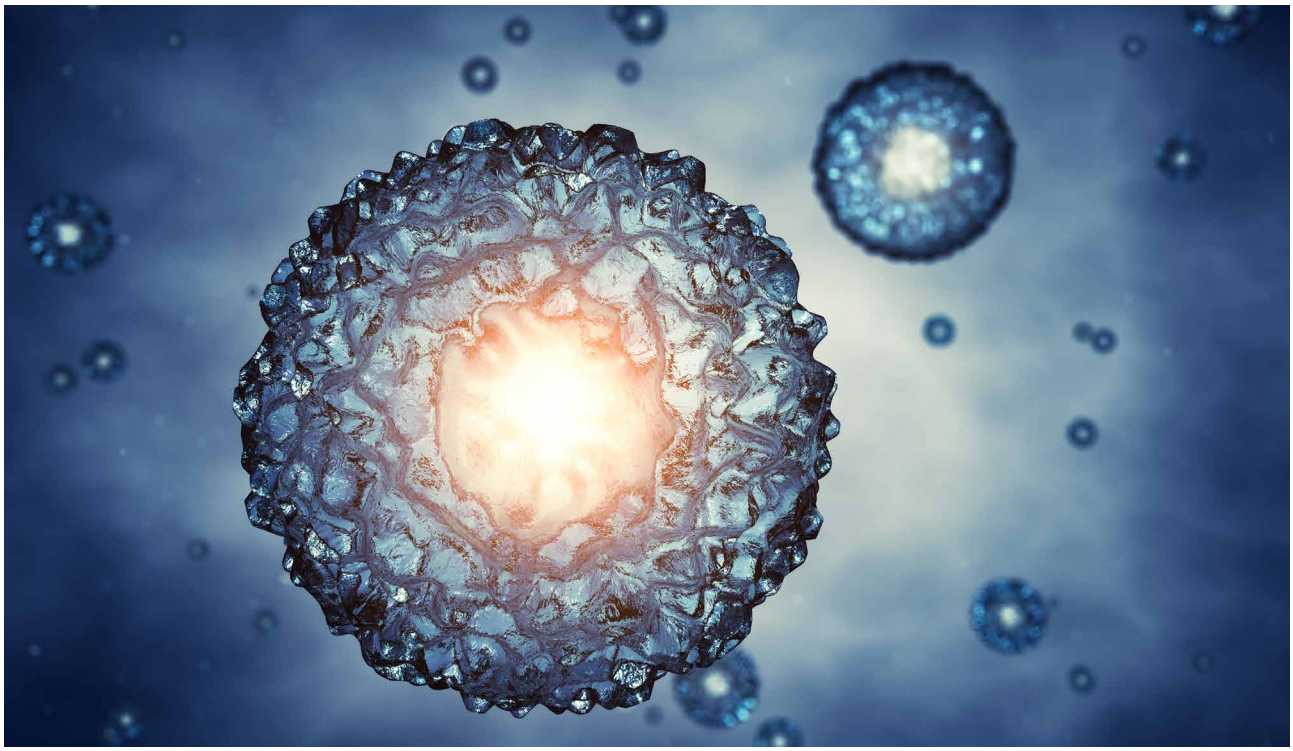
Medication Safety Management Team

- The Medication Safety Management Team is responsible for safety information review, to identify and communicate safety signals and potential safety issues, recommend and document action plans for significant potential or identified risks. Consultation with the Medication Safety Committee on these matters is required.

Pharmacovigilance Team

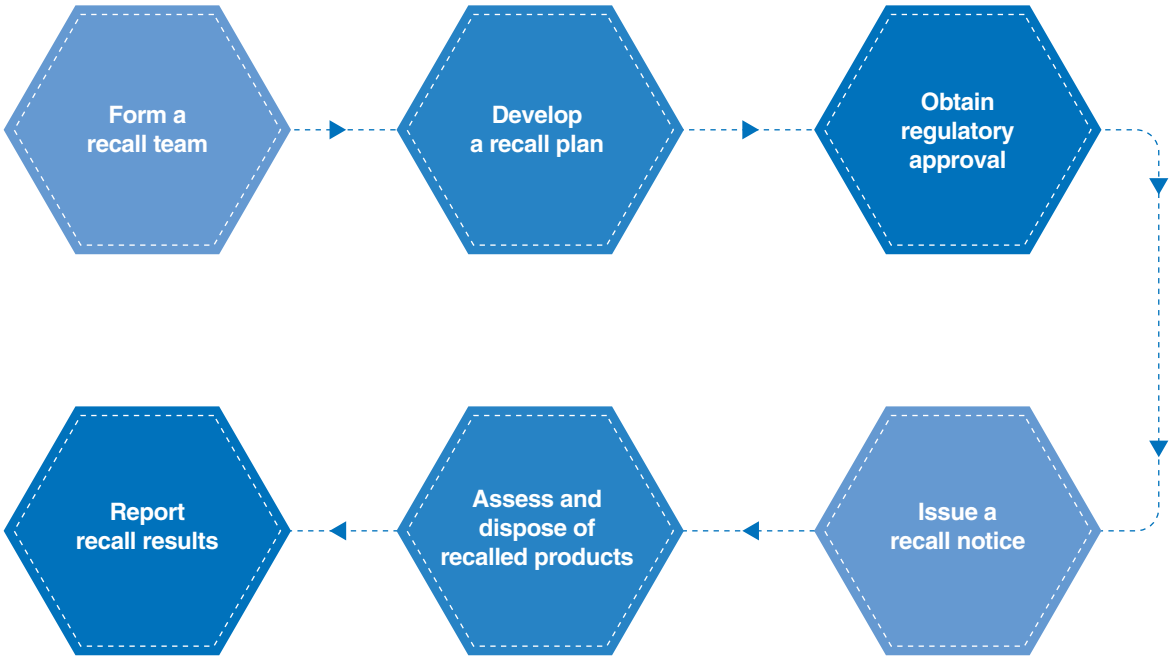
- The Pharmacovigilance Team is responsible to implement daily pharmacovigilance activities, regularly review safety data, validate safety signals and report suspected safety signals to the management team.

Pharmacovigilance Management Structure



In response to the potential serious adverse reaction events, we developed Product Recall Process and Product Return Management documents to standardize the product recall procedure. In addition, we have designed a simulated recall plan and conducted regular drug recall simulation exercise accordingly. Ongoing effectiveness assessment and analysis would be conducted to further identify the improvement areas in the recall system.

Since JW Therapeutics' establishment till the end of the Reporting Period, there was no occurrence of product recall due to safety or health reasons.



Recall Process

4.3 Responsible Marketing

We attach great importance to marketing responsibility and prohibit delivery of any exaggerated or false content. We strictly follow the applicable laws, regulations and management systems during conducting marketing activities, which includes The *Advertising Law of the People's Republic of China (《中華人民共和國廣告法》)*, *Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》)* and internal compliance policies.

To get ready for the challenges from commercialization of Carteyva® with standardized marketing and external presentation management procedure, we developed SOPs regarding external presentation materials for promotional and non-promotional purposes, to specify the standards and procedures for the content review and approval. Moreover, we have established an External Publications and Presentations Committee, which is responsible for reviewing and approving material for external publication and presentation.

We formed a more agile review team cluster including medical affairs, legal and public relations functions, who will be responsible to check and approve the contents from both scientific and compliance perspective. The supporting documents and trace of review & approval will be appropriately recorded in system and well stored for audit purpose.

During the Reporting Period, we regularly arranged online training programs for responsible employees to study the concepts and policies related to responsible marketing. Meanwhile, certain tailor-made training sessions were duly and timely delivered to equip our commercial employees with compliance knowledge to do the right thing in their business activities.

5. ECO-FRIENDLY DEVELOPMENT

— Pursuing environmental goals to protect our planet

5.1 Response to Climate Change

Climate change has been a growing concern across the globe and the resulting impact are expected to pose an even greater threat to human beings and health of the planet in the near future. To combat the unprecedented challenge of climate change, China put forward the goals of carbon peaking before 2030 and carbon neutrality before 2060 at the General Debate of the 75th Session of the UN General Assembly in 2020. We assume the corporate responsibility to protect the environment and dedicate in sustainable development. Correspondingly, we continuously optimize the environmental strategy and have no hesitation in prioritizing action to minimize our environment footprint. We gain in-depth understanding of the impact of climate change on our business and identify climate change-related risks with reference to the methodologies and framework laid out by the Task Force on Climate-related Financial Disclosures ("TCFD"), which enable us to take corresponding reaction to reduce and manage the impact.

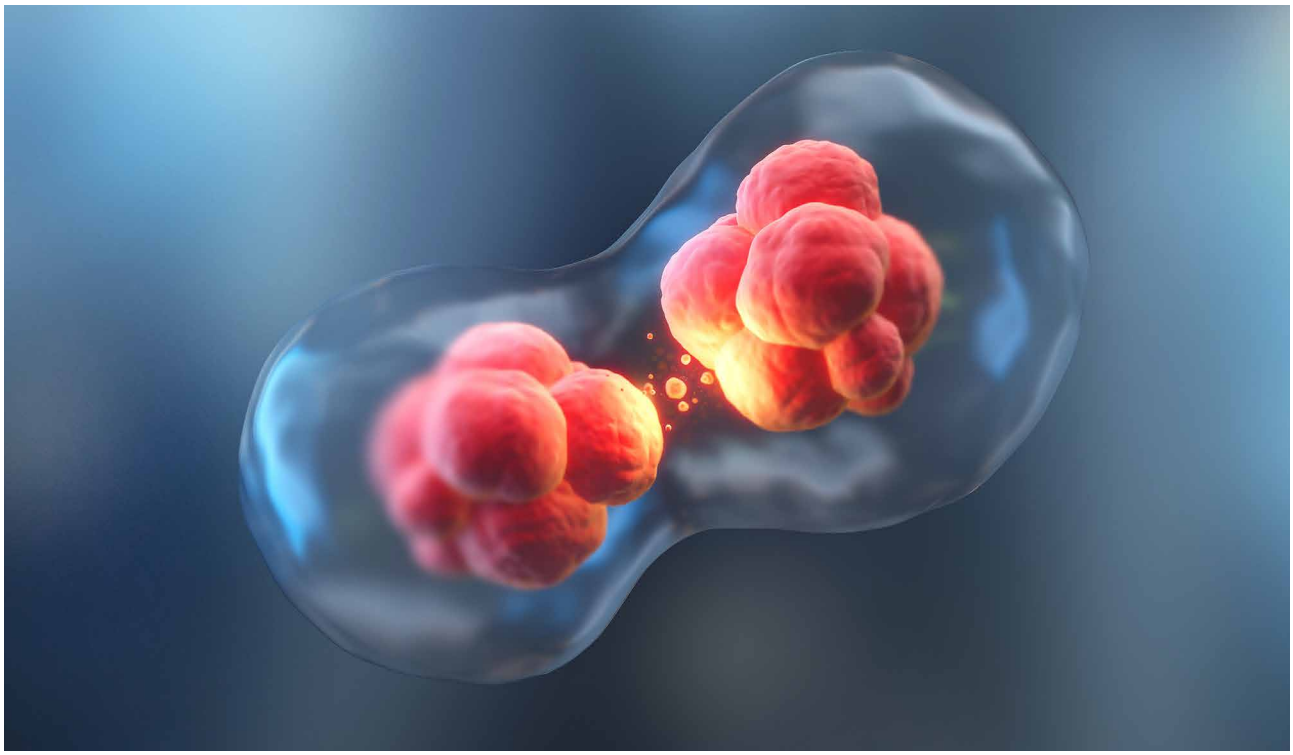
Governance

We have established a clear top-down ESG governance structure including the Board of Directors, the management team and an ESG working group. The Board of Directors' roles are to ensure the effectiveness of the governance mechanism and oversee of the risk management of climate-related issues. Authorized by the Board of Directors, the corporate risk management committee is accountable to the implementation of process, such as identifying corporate risks related to climate change in ESG meeting, developing risk mitigation and adaptation plans, and regularly evaluating the effectiveness of measures. The ESG working group takes actions to mitigate and resist climate change to address climate-related risks in an efficient and effective manner.

Risk Management

In 2021, we conducted climate change risk identification. Following the recommendations of the TCFD, we referred to Representative Concentration Pathways ("RCP") 2.6 and RCP 8.5 as two climate scenarios with high contrast, which were introduced in the Fifth Assessment Report of the United Nations Intergovernmental Panel on Climate Change ("IPCC"), to identify both the physical and transition climate change-related risks. Encompassed by TCFD guidance, we identified climate change-related risks by climate scenarios analysis of historical data and business characteristics. The identified risks are formed in the following list with its explanation of actual and potential impact on corporate operation.

Climate Change Risks	Explanation
GHG Emissions Pricing	The increased price of GHG will directly impact the price of fuel and other kinds of energy, which may impose burdens of operation cost on JW Therapeutics and thus lead to increase of production cost. Furthermore, if our industry is included in the carbon trading system in the future, the related compliance cost may increase, potential taxes and penalties when the actual emissions exceed the allocated quota according to the stringent regulatory requirements.
Enhanced Emissions Reporting Obligations	To align with the more detailed laws and regulations related to carbon emissions and carbon trading and to meet the higher standards of disclosure, JW Therapeutics may have to invest more cost of operation to track carbon emissions throughout the operation process.
Frequent Extreme Weather	The increase in frequency and severity of extreme weather may cause damage to property and equipment and have negative impact on production and business continuity, resulting in increasing cost of operation. To avoid the risk of operation disruption due to exposure to extreme weather, we may need to upgrade the infrastructure and improve the measures to tackle the extreme weather and minimize the loss. Moreover, the increased severity of extreme weather events may also threaten the safety of employees working at the premises. We may have to increase the expenditure generated from allowance during extremely hot days and employee insurance, which leads to the increased labor cost.



Target and Performance

With the identified climate change risks, JW Therapeutics addresses the impact of climate change mainly through adaptation and mitigation. We are dedicated to improving our adaptability and resilience to climate change through daily inspections and emergency management. We regularly conduct comprehensive inspections of laboratory sites, facilities, room layout, etc. to ensure the capabilities in dealing with climate changes. We also attach great importance to the investigation of seasonal hidden dangers (such as lightning and flood prevention in summer), and formulate corresponding emergency plans to reduce potential risk related to climate change.

Meanwhile, we are exploring effective ways to reduce our GHG emissions and minimize our carbon footprint. The Energy Management SOP is established in accordance with the *Energy Conservation Law of the People's Republic of China (《中華人民共和國節約能源法》)*. Guided by such SOP, to reduce the GHG emission, we actively optimize the process and improve the energy management and actively take actions on the targeted areas where generate the majority of GHG emissions in production and operation process.

Our main energy consumption categories include electricity, steam and diesel (for emergency power generation). In 2021, we set energy consumption goals and GHG emissions targets as: by the end of 2025, the comprehensive energy consumption density will be reduced by 40% to a 2021 baseline (comprehensive energy consumption density of 3.23 MWh/RMB10,000 revenue), and GHG emissions (Scope 1 & Scope 2) will be decreased by 40% to a 2021 baseline (GHG emissions density of 1.78 tCO2e/ RMB10,000 revenue).

To achieve our goals, we implement energy saving and emissions reduction actions through strengthening energy measurement, upgrading production equipment, and conducting energy conservation publicity activities. During daily operations, we keep follow-up and ongoing monitor energy consumption in production and operations. We hold EHS meetings on a quarterly basis to review our energy consumption progress against our targets. During the production process, we proactively take measures such as increasing the ambient temperature of the clean rooms and reducing the operating load of the refrigerators to reduce the energy consumption.

In addition, we carried out an array of measures related to energy conservation and consumption reduction in our offices, including centralizing control of fixed temperature of office air conditioners and variable frequency control of fans, and advocating a paperless office, etc. We also conducted a series of activities to raise and reinforce employees' awareness of the importance of environmental protection and energy conservation.

Energy Consumption	Unit	2021
Indirect Energy Consumption		
Total purchased electricity	kWh	5,943,306.20
Total purchased steam	tons	3,827.20
Direct Energy Consumption		
Diesel	kg	546.22
Comprehensive Energy Consumption[2]		
Direct Energy Consumption	MWh	6.48
Indirect Energy Consumption	MWh	9,948.01
Total Energy Consumption	MWh	9,954.49
Energy Consumption density	MWh/RMB 10,000 revenue	3.23
GHG Emissions		
Scope 1[3]	tCO_2e	178.52
Scope 2[3]	tCO_2e	5,311.34
Total GHG emissions	tCO_2e	5,489.86
GHG emissions density	tCO_2e/RMB 10,000 revenue	1.78

5.2 Environmental Management

JW Therapeutics strictly complies with the *Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》)*, the *Energy Conservation Law of the People's Republic of China (《中華人民共和國節約能源法》), the Environmental Impact Assessment Law of the People's Republic of China (《中華人民共和國環境影響評價法》)*, the *Environmental Protection Tax Law of the People's Republic of China (《中華人民共和國環境保護稅法》)*, and other related laws and regulations. We have established environmental management systems and guidance documents in line with the environmental laws and regulations to compass the implementation of environmental management measures.

5.2.1 Environmental Management System

JW Therapeutics has set up EHS council and have dedicated EHS personnel in all production and R&D sites. Local EHS is responsible for environmental management through collaboration with multiple departments. EHS meetings are held regularly to discuss the latest requirements in terms of environmental management and the completion of EHS KPIs.

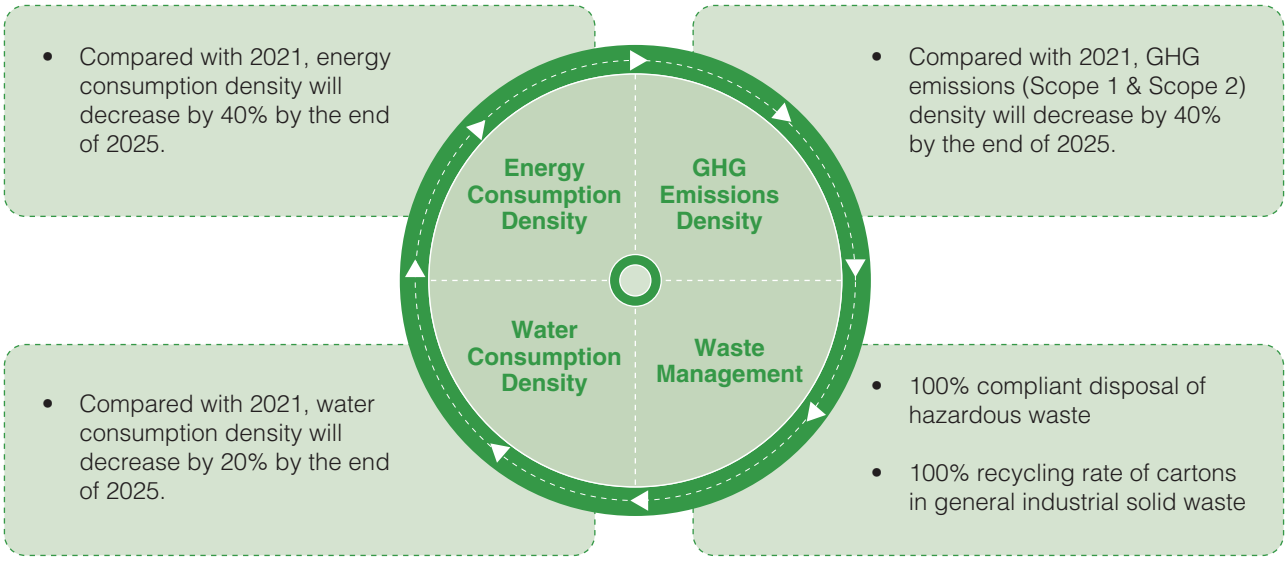
JW Therapeutics has established an EHS management system and an EHS SOP system with reference to the framework structure of ISO14001, aiming to ensure the efficient management and effective control of operational EHS risks. We further formulated EHS Compliance Management Procedures to standardize EHS compliance management through conducting assessment regularly and taking corresponding corrective action and rectification. We also engaged a third-party EHS regulation consulting provider to assist us in keeping up with EHS-related legal updates, and optimizing and revising the SOP accordingly.

[2] Direct Energy Consumption includes diesel consumption; Indirect Energy Consumption includes the purchased electricity and steam. The comprehensive energy consumption calculation refers to the "General Rules for Calculation of the Comprehensive Energy Consumption" issued the State Administration for Market Regulation.

[3] Scope 1 GHG emissions derive from diesel and refrigerant consumption; Scope 2 GHG emissions derive from purchased electricity and steam consumption. The electricity emission factor adopts the "2011 and 2012 China Regional Grid Average Carbon Dioxide Emission Factors". The calculation of greenhouse gas emissions refers to the "Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions of Enterprises in Other Industrial Sectors (Trial)" issued by the National Development and Reform Commission of the People's Republic of China.

The launch of every new construction and renovation project requires the assessment of the consistency with laws and regulations and the endorsement by environmental authorities before launch. At the end of 2021, we have obtained Environmental Impact Assessment ("EIA") approval from environmental authorities of all the 10 projects. Furthermore, we apply for and update the Pollutant Discharge Permits in accordance with laws and regulations, and discharge pollutants strictly as permitted. During the Reporting Period, there was no external environmental pollution incident and no environmental penalty were reported.

Environmental sustainability development remains crucial to human beings in the long term perspective. In this regard, we adhere to the principle of sustainable development, and are committed to actively taking measures to protect the environment, conserve natural resources and continuously improving our overall EHS performance. In 2021, we set up the environmental strategic goals for the next five years with the approval of the Board.



Five-year Strategic Goals for Environmental Protection

5.2.2 Resource Management

Water Management

Water is vital and precious resource to the planet and human beings. As some areas are facing the water scarcity and water pollution, it is essential for each corporation to reduce consumption and conserve water resources. In response, JW Therapeutics strictly abides by the *Water Law of the People's Republic of China (《中華人民共和國水法》)* and the *Water Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國水污染防治法》)*, and has actively responded to the call of the state to rationally utilize water resources in daily operations. All the water resources used by JW Therapeutics, sourced without issue, come from the municipal water supply system and are used mainly for domestic water and production operations. During the Reporting Period, our total water consumption reached 16,337.00 m^3.

To alleviate the risk of water scarcity and relieve the threat to corporate operation, we set a water consumption goal for the next five years. We plan to gradually reduce our water consumption intensity in the process of gradual expansion of production with the water consumption per unit batch expected to be reduced by 20% by the end of 2025 to a 2021 baseline. To fulfill this goal, we launched a series of water-saving measures in the production process and daily water usage.

Production Water Supply Inspection

- We regularly inspect and maintain water supply facilities and equipment to avoid wasting water from leaks and drips.

Daily Water Conservation Awareness

- To conserve water and reduce water waste, we post signs in public areas to raise employees' awareness of water conservation.

Water Consumption	Unit	2021
Total water consumption	m^3	16,337.00
Water consumption density	m^3/RMB 10,000 revenue	5.30

Packaging Material Management

The usage of packaging materials is gradually brought to the attention of the public due to the negative impact to our environment. JW Therapeutics is therefore committed to continuously seeking for opportunities to reduce the unnecessary or excessive packaging through choosing sustainable packaging materials instead of single-use plastics on the premise of product safety. During the Reporting Period, we mainly used cartons as packaging materials. The total amount of packaging materials used was 17.68 kg.

Packaging Material Consumption	Unit	2021
Total packaging material consumption	kg	17.68
Packaging material consumption density	kg/RMB 10,000 revenue	0.01

5.2.3 Emissions Management

JW Therapeutics strictly complies with the *Law of the People's Republic of China on the Prevention and Control of Air Pollution (《中華人民共和國大氣污染防治法》)*, the *Law of the People's Republic of China on the Prevention and Control of Water Pollution (《中華人民共和國水污染防治法》)*, and the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》)*, and actively fulfills its obligations to environmental protection compliance. During the Reporting Period, the major types of pollutants in our production and operations were air emissions, wastewater and solid waste.

Air Emissions

By strictly following the requirements of environmental impact assessment, JW Therapeutics implemented a series of air emissions treatment measures to reduce pollutant emitted from our laboratories and production base. The main air pollutant is non-methane hydrocarbon ("NMHC") generated during the experimental and production process. The pollutant is collected by the ventilation system and treated by activated carbon adsorption devices before ultimately discharged. In 2021, our clinical base exhaust vents were redesigned and renovated to optimize the fugitive air emissions capturing. During the Reporting Period, our total NMHC emissions reached 169.39kg.

Wastewater Management

In accordance with the *Comprehensive Sewage Discharge Standard (《污水綜合排放標準》)* and other laws and regulations, JW Therapeutics formulated Sewage Treatment System Operation and Maintenance Regulations to ensure the effective management and discharge compliance of wastewater. We set up industrial wastewater treatment stations at all sites to ensure the concentration of pollutant is within the limit of discharge standards. The Engineering Department is responsible for the operation and maintenance of the wastewater treatment system. During the Reporting Period, our total wastewater discharge was 14,703.30 tons.

Experimental Wastewater

- We set up a wastewater treatment device with Membrane Bio-Reactor ("MBR") technique and an ultraviolet sterilizer for disinfection in the different laboratories. Wastewater is integrated into the municipal sewage pipe network, together with domestic sewage after treatment, and goes to the sewage treatment plant for centralized treatment.

Manufacturing Wastewater

- The manufacturing wastewater undergoes strong oxidation and ultrafiltration treatment after multiple pH adjustments. The filtered sewage enters the reverse osmosis system. The clean water produced after RO treatment could be re-entered into the production system for reuse, while the concentrated water is outsourced for hazardous waste treatment.

Sludge Treatment

- We collect the sludge produced by the sewage treatment system through the plate and frame filter press after dehydration and outsourced treatment.

Wastewater Treatment Process

Waste Management

JW Therapeutics has established Hazardous Waste Disposal and General Waste Disposal SOPs to guide and standardize waste management.

Our main hazardous waste includes liquid and solid waste from laboratories and production sites. We regularly update the list of hazardous chemicals and accurately record the stock in and stock out of chemicals. The hazardous waste is classified in accordance with the requirements of environmental impact assessment. The waste is temporarily stored in a defined hazardous waste area in warehouse before it is entrusted to a third party with hazardous waste-disposal qualifications for further treatment.

Our non-hazardous waste mainly includes domestic waste and general industrial solid waste, which are collected and handled by the environmental sanitation department. The general solid waste disposal is entrusted to a third-party waste-disposal company. Domestic waste is transferred to a garbage recycling station in the bio-industrial park for centralized collection and disposal. In our daily work, we encourage employees to use both sides of office paper and recycle shredded paper to reduce the non-hazardous waste. In response to the requirements of garbage classification, we have separate trash cans for sorting various types of garbage. We share knowledge of garbage classification with employees to raise their awareness of trash sorting. During the Reporting Period, JW Therapeutics discharged 34,996.00 kg of hazardous waste and 78,590.00 kg of non-hazardous waste.

Emissions Performance	Unit	2021
Air Emissions		
Total non-methane hydrocarbons	kg	169.39
Wastewater		
Total wastewater	ton	14,703.30
Non-hazardous Waste		
Total non-hazardous waste	kg	78,590.00
Recyclable non-hazardous waste	kg	17,799.00
Non-recyclable non-hazardous waste	kg	60,791.00
Non-hazardous waste density	kg/RMB 10,000 revenue	25.52
Hazardous Waste		
Total hazardous waste	kg	34,996.00
Hazardous waste density	kg/RMB 10,000 revenue	11.36

6. PEOPLE ORIENTED

— Empowering employees to drive the Company's development

6.1 Employment Management

JW Therapeutics strictly abides by the *Labor Law of the People's Republic of China (《中華人民共和國勞動法》)*, the *Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》)* and other labor-related laws and regulations. To protect the rights and interests of our employees, we formulated the JW Staff Handbook, which clearly defines the working hours, holidays, remuneration, welfare and benefits, and etc. During the Reporting Period, we also launched the JW HR information system — SAP SuccessFactor including Recruitment Management System and Employee Service Center as auxiliary to put in place a sound employee management.

Compliance in Employment

We strictly prohibit child labor, forced labor and other forms of labor abuse with zero-tolerance policy and guarantee the compliance with local laws and regulations. To prevent possible violations, as standard procedures stated in the JW Therapeutics Employee Handbook, we explicitly require background check of identification, qualification and other documents for entry-level employees to avoid the hiring of unqualified employees at source. In case of such violation cases, we will report to the relevant authorities and take measures according to the relevant laws and regulations timely. We also actively advocate the principle of compliance in recruitment among our partners and suppliers. During the Reporting Period, there were no incidents of child labor employment or forced labor at JW Therapeutics.

We encourage the corporate culture to treat every employee with respect and dignity. We strive to create an environment that is free from discrimination and harassment for employees. Any unlawful discrimination and harassment behaviors would not be tolerated in workplace. Our employees are encouraged to blow the whistle on any violation activities to relevant authorities. Any situation violating the laws and regulations will result in harsh punishment on offenders i.e. the termination of the employment relationship. There were no cases of discrimination and harassment reported during the Reporting Period.

Diversity and Inclusion

We welcome talents from diverse backgrounds regardless of their ethnicity, race, religious beliefs, age, nationality, and physical disabilities. We seek for talented employees who are equipped with knowledge and skills to add value for the Company and industry. We strive to foster a fair and transparent, diversified and inclusive culture, where all employees embrace and leverage other's backgrounds. To provide fair and equal job opportunities, a special recruitment program for people with disabilities will be launched in 2022.

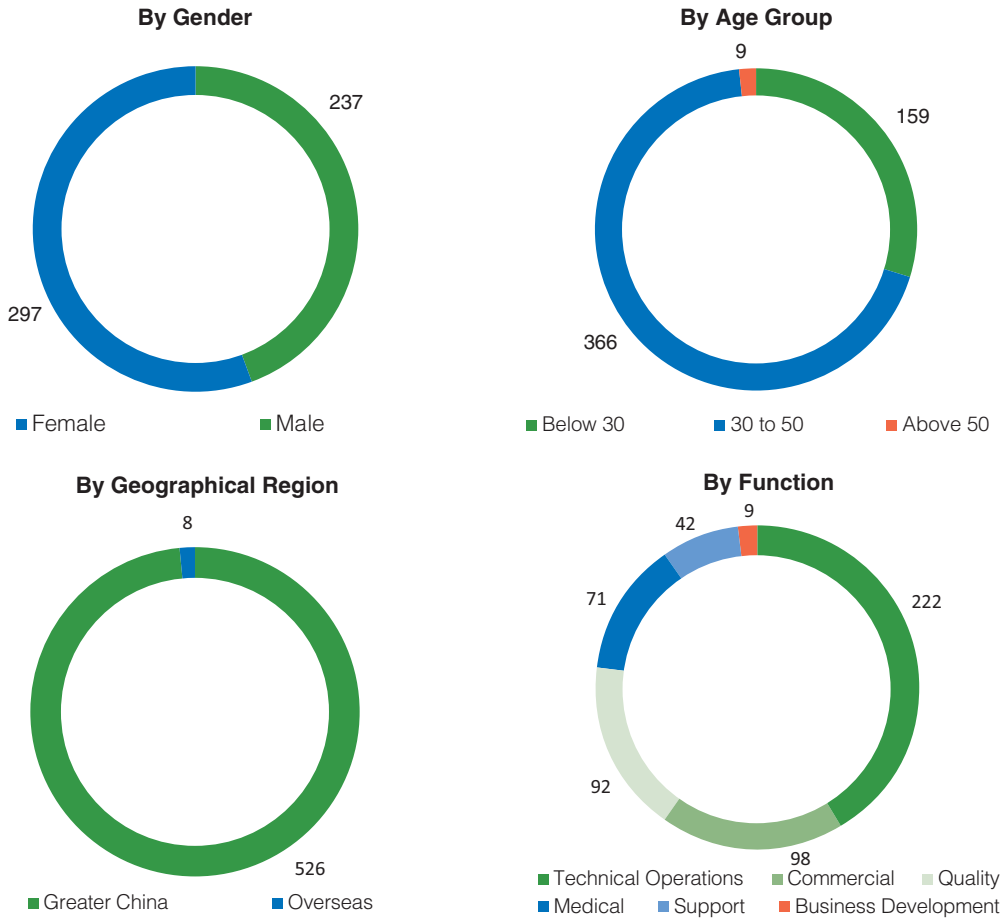
Equal Opportunities

We attract talent through various recruitment channels, such as head-hunting companies, campus recruitment, online channels and internal referrals. Internal referral is becoming more prevalent as a core means of recruitment, where our employees are encouraged to refer high-quality talent to the Company. In 2021, over 37% of new employees were recruited through internal referrals. Campus recruitment also accounts for certain proportion of recruits. To create and grow a pool of potential talent, we actively cooperate with colleges, universities and other institutions, and provide internships and job opportunities for their students. Among the talent pool, well-performed interns are preferentially considered to be hired by the Company.

Employee Number

During the Reporting Period, we had 534 full-time employees and no part-time employees, among which, 323 new employees joined the Company in the Reporting Period, 137 of them were male, and 186 of them were female.

As of the end of 2021, the voluntary turnover rate of JW Therapeutics was 17.15%. We fully respect the personal choices of our employees and help them proceed with the exit procedures smoothly in accordance with the law when they leave.



Social Indicators	Unit	2021
Number of Employees		
Total number of employees	Number of People	534
By Gender		
Male	Number of People	237
Female	Number of People	297
By Age Group		
Below 30	Number of People	159
30 to 50	Number of People	366
Above 50	Number of People	9
By Geographical Region		
Greater China	Number of People	526
Overseas	Number of People	8
By Function		
Technical Operations	Number of People	222
Commercial	Number of People	98
Quality	Number of People	92
Medical	Number of People	71
Support	Number of People	42
Business Development	Number of People	9

Social Indicators	Unit	2021
Voluntary Turnover Rate		
Total employee voluntary turnover rate	%	17.15%
By Gender		
Male	%	17.52%
Female	%	16.84%
By Age Group		
Below 30	%	14.05%
30 to 50	%	18.58%
Above 50	%	9.52%
By Geographical Region		
Greater China	%	17.15%
Overseas	%	0.00%

6.2 Communication and Care

JW Therapeutics is committed to creating a pleasant and supportive corporate culture, which allows our employees to have open and free communication and feel comfortable in a warm family-like team. We encourage our employees to participate in a wide range of team building and development activities to enhance team spirit. We provide various kinds of platform for our staff to share their feelings and provide suggestions on areas with improvement opportunities. We aim to fulfill the employees' demands and strengthen their sense of self-fulfillment and belonging.

6.2.1 Employee Communication

We attach great importance to keep regular communication with our employees to better understand them. We help each employee to build and integrate the corporate culture and enhance their understanding of corporate vision, mission and values. At each working site, we establish a culture wall to convey the Company's culture via displaying the Company's values and latest vision messages.

We establish various communication channels to listen to employees' voice. For example, we regularly deliver newsletter to keep our employees updated on Company's news and key development. And we have regular employee communication meetings at the Company level covering all employees, where our staff are encouraged to express their feelings, feedback and advice. A question-and-answer session is set up in the meeting to answer questions that is collected in advance. As for the questions and requirements raised by our employees, we will continuously follow up until solved. In 2021, we conducted at least two town-hall meetings at the corporate level and six site meetings at the site level. Meanwhile, suggestion boxes have been set up on Suzhou site and was well received by the employees. We plan to replicate this communication model on other sites in the future.

JW Therapeutics is committed to caring about every employee's demands by safeguarding their rights and interests and offering assistance to whom in need. Every employee is enabled to appeal through employee communication channels if they believe their rights or interests are violated. We will carry out timely investigation to further verify the allegations. If the allegation is identified as illegal or non-compliant, the violator(s) will be punished according to seriousness of the situation.

6.2.2 Employee Benefits and Care

JW Therapeutics provides a competitive employee benefit package to fulfill the diverse needs of our employees in and outside of the workplace. In adherence to local laws and regulations, we include all the staff in the social security program to offer them essential protection. For more reliable protections, we continuously enrich the benefit scheme to enhance the employees' sense of belonging and the recognition on their contribution to the development of the Company.

Diversified Corporate Benefits

- We offer additional benefits to our employees, including annual paid holidays, housing rent allowance and transportation allowance, team-building fund, etc; and
- We offer employees festival and birthday celebration benefit in forms of points-based benefit in our platform, as well as meal and transportation allowances.

Medical Security

- We care about the health of our employees and provide them with comprehensive medical benefits, including a medical check-up program, paid-sick leave, commercial health and life insurance. During the Reporting Period, we upgraded and improved the quality of our medical check-up service.

Talent Incentive Program

- To recognize and reward employees with high performance and share the Company's achievements with our staff, we provide a variety of incentives, recognition, and talent-retention programs. The programs includes group annual bonus plan, sales incentive scheme, quarterly best employee, quality star, and annual best team award.

JW Therapeutics Employee Benefit Scheme

JW Therapeutics advocates work-life balance. To strengthen the collaboration between colleagues and create a harmonious and happy working atmosphere, we regularly organize various types of staff activities, including annual meetings, monthly birthday parties, regular staff sports activities, monthly cultural activities, regular reunion activities, and etc.

Monthly Cultural Activities

In 2021, to enhance employee cohesion, strengthen cross-team communication, and advocate the Company's values and culture, we created themed cultural activities, including quality week, Thanksgiving Day activities, product launch activities, Company milestone ceremony, Christmas party, etc.

6.3 Training and Career Development

We value our employees as our core power. It is essential to ensure that the career development of our employees is woven into the fabric of our corporate development. We established a comprehensive performance management process, facilitate our employees with an offline training system and a digital learning system launched during the Reporting Period, in order to inspire employees to explore their potentials, grow rapidly together with the Company and fulfill their bold ambitions.

6.3.1 Career Development and Promotion Path

To satisfy the diverse demands of career development expectations of our employees and help them to achieve their career development goals, we navigate the career development pathways into two tracks: a management path and a professional path. We set the promotion windows twice a year to encourage our employees to set career goals and flexibly adapt to the rapid-change in the market. Moreover, we built an internal transfer mechanism, which applies to all the employees with broad career development possibility.

The internal positions are released regularly towards our employees, and we do prefer our internal employees as prioritized candidate to fill the position.

6.3.2 Performance Management

JW Therapeutics established a comprehensive performance management mechanism and guarantees to provide fair and transparent promotion opportunities to each employee. Per the mechanism, employees set the individual goals consistent with corporate goals and make development plan matched with personal capabilities at the beginning of the year. Supervisors have regular one-on-one discussions with employees to review the performance progress against their goals. At the end of the year, we conduct the final assessment of every employee, which consists of KPI assessment, self-assessment and supervisor evaluation. The final assessment with individual rating will be confirmed through cross-function calibration process facilitated by HR department, and ultimately approved by our CEO.

6.3.3 Training and Development

We introduced a learning and development strategy in 2021 with the purpose of advancing employees and the organization's capabilities, and fulfilling short-term and long-term business needs by developing retention plan. We adopted a comprehensive training mechanism with three pillars: enabling onboarding excellence, strengthening leadership, and improving organizational effectiveness. Driven by the three solid pillars, we are committed to providing a wide range of training as well as tailored programs for our employees at all levels and positions. Considering the efficiency and flexibility, we structured an online digital learning platform in addition to offline training to motivate employees to actively enroll in learning and education. During the Reporting Period, we launched various courses as follows.

Enabling Onboarding Excellence	Strengthening Leadership	Improving Organizational Effectiveness
• New Hire Onboarding Program • New Employee Orientation ("NEO") • Line Manager Workshop • Buddy Program	• Leadership group coaching • Project management leadership • New manager growth engine • Cross team boundaries • Convincing presentation and communication • Best Front line leader skills	• Offsite Strategy Workshop • Lunch and Learn • Functional tailor-made programs • Learning Community

2021 Learning and Development Program

During the Reporting Period, employees received an average of 17 hours of training per year and we invested RMB4,910.0 per person in training development, representing a training rate of 100%.

Social Indicators	Unit	2021
Percentage of Employees Trained		
By Gender		
Male	%	44.38%
Female	%	55.62%
By Job Grade		
Senior Management	%	6.18%
Middle Management	%	20.97%
Junior Management	%	33.71%
Other Employees	%	39.14%
Training Hours per Employee		
Average training hours	hours	17
By Gender		
Male	hours	15
Female	hours	18
By Job Grade		
Senior Management	hours	22
Middle Management	hours	31
Junior Management	hours	20
Other Employees	hours	13

6.4 Health and Safety

JW Therapeutics gives the highest priority to work safety and employee's health. We strictly abide by the *Law of the People's Republic of China on Work Safety (《中華人民共和國安全生產法》)* and other local laws and regulations related to occupational health and safety. We have established an occupational health and safety system, which covers the fire safety, risk assessment, hidden danger investigation and accident management. Also we have formulated emergency response plan for safety production accidents.

A comprehensive occupational health and safety risk control mechanism was in place to ensure employee health and safety. We conduct operational hazard analysis and risk assessment for all departments and positions to identify the relevant types of hazards. Furthermore, we classify the risks and formulate corresponding risk prevention and response measures. In addition, we established a EHS reporting system, which allows employees to report hidden hazards and all EHS-related risks. EHS is responsible for collecting the information and developing the corrective plans through collaboration with relevant departments.

To prevent safety accidents, we conduct regular inspections and promptly verify possible safety hazards in each production departments and on-site suppliers. The regular activities include daily inspections, special inspections for double control, joint inspections by multiple departments, and special seasonal inspections. For any problem items identified, the rectification plan with responsible person should set up and be mitigated and confirmed by EHS department.

During the Reporting Period, JW Therapeutics developed a variety of occupational health and safety initiatives to ensure occupational health and safety as following introduced.

Occupational Health and Safety Training

- We have established a comprehensive training system and process, including new employee training, special training for laboratory and production department heads, NEO safety review training, and supplier EHS training.

Occupational Hazard Monitoring

- For all employees who may be involved in occupational health hazard positions, we promptly inform them of the occupational health hazards to which they may be exposed at work and sign an occupational health hazard notification letter. In addition, we establish health monitoring files for them and regularly monitor the risk of occupational health hazards.

Occupational Health Examinations

- We offer a full range of medical examinations for employees in positions that may involve occupational hazards, including new employee medical examinations, inservice medical examinations and exit medical examinations.

Emergency Drills

- In 2021, we conducted 6 emergency drills, including 5 evacuation drills, infectious substance emergency drills and spill drills.

Occupational Health and Safety Initiatives

Regarding biosafety control, we set up the biosafety committee who is responsible for overall supervision and research on the latest requirements, hidden safety inspection and implementation, accident incidents sharing and conclusion, etc. We formulated a laboratory registration record and biosafety management system. In response to the requirement of safety management, we developed a ledger system to keep complete records of the materials entry and exit to ensure the chemical safety. We regularly conduct hidden danger inspections and rectification, and take prompt actions to tackle with the incidents in an efficient and effective manner. We are well-prepared when facing the accidents by the developed emergency response and remediation procedures. For example, regular emergency drills are organized every year to help familiarize people with emergent situations.

Training and raising the awareness of everyone is a crucial part of EHS management. We deliver occupational safety training to every relevant employee upon onboarding, covering EHS basic training, chemical safety, electricity safety, fire safety, laboratory safety, biological safety, etc. We also provide special occupational safety training for employees involved in production operations, and EHS training for contractors and suppliers before they enter the plant. During the Reporting Period, as introduced below, we carried out a production safety month campaign and conducted training for staff with a full coverage of 100% to deepen employees' understanding of safety-related laws and regulations and the Company's safety requirements.

Safety Production Monthly Activities

The Company carried out Safety Production Monthly activities in June 2021, including a lecture for all staff on the new *Law of the People's Republic of China on Work Safety (《中華人民共和國安全生產法》)* and *Biosecurity Law of the People's Republic of China (《中華人民共和國生物安全法》)*, a safety knowledge contest, and other activities to improve employees' understanding of the two laws and regulations, enhance their safety awareness, and improve the corporate safety culture.

For the possible workplace injuries, we constantly optimize the process of accident treatment to prevent the possible incidents and mitigate risks, including improvement of reporting process and issuance of standardized process and measures. For instance, we have supplemented the anti-freeze gloves and protective masks to employees in the work where they are prone to have frostbite and scratches from broken cryovials. We are committed to protecting every employee and strive to put the occupational health and safety in the first place. During the Reporting Period, JW Therapeutics had no work-related injuries and zero workdays lost due to work-related injuries. There are no work-related fatalities in the past three years.

7. SOCIAL RESPONSIBILITY

— Boosting industry development and contribute to social welfare

7.1 Supplier Management

With the development of JW Therapeutics' business, the collaboration with supplier and procurement expenditure has increased simultaneously, which has put forward higher requirements for the effectiveness of supplier management and compliance risk control. We have enhanced standard policies and implemented Enterprise Resource Planning ("ERP") system, keep driving the localization of suppliers to minimize the production cost and improve the patient affordability. In addition, we strictly follow the laws and regulations to ensure bioethics and compliance in animal experiments. Through the collective efforts, JW Therapeutics endeavors to promote the stable and sustainable development of the industry and society value chain.

7.1.1 Supplier Access

We developed Supplier Access Policies which clarifies the process of sourcing new suppliers. By following the policy, we conduct a due diligence review of all aspects of our potential suppliers, including industry experience, credit rating, product and service quality, innovation capabilities and operational compliance. We provide equal opportunities and adopt consistent criteria in access review, and only qualified suppliers who meet our requirements are permitted to cooperate with JW Therapeutics.

We also attach great importance to the environmental and social performance of our suppliers. We take factors such as their environmental health and safety management capabilities, employment compliance, and business ethics into consideration in our access review. The ISO 14001 Environmental Management System Certification is mandatorily required especially for the chemical related suppliers.

We formulated Supplier Code of Conduct to regulate the business behaviors of supplier and ensure compliance. Our suppliers are informed of the Code of Conduct and are required to sign a Compliance Commitment Statement and a Confidentiality Agreement to ensure that they acknowledge all the regulations before they are accepted as qualified supplier.

7.1.2 Supplier Assessment

To ensure the quality of product and service and sustainable relationship with our suppliers, we perform periodically evaluation to assess their performance. We established a Supplier Performance Evaluation SOP to define the performance evaluation procedure, which includes three phases as preparation, execution, and external communication as stated below in detail.

Supplier Assessment Procedure

Our comprehensive assessment is conducted with consideration in dimensions such as quality, cost, delivery, risk, service and EHS performance, etc. Among them, EHS performance assessment covers the EHS management system, the consistency with EHS laws and regulations, and the compliance of products and service of our suppliers. For suppliers whose performance identified with improvement opportunities in the evaluation, we will communicate and follow up with them and ensure the completion timely. We will terminate the cooperation with suppliers who have compliance violation.

7.1.3 Supplier Training

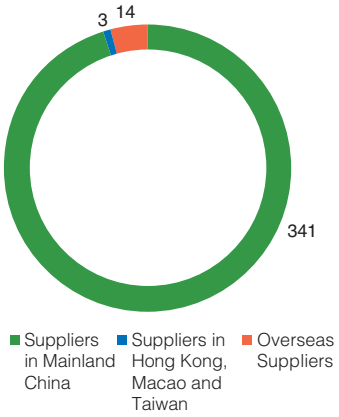
We aim to develop a sustainable cooperation with our suppliers and achieve the long term mutual benefit. Through training and advocating, we share with our suppliers with the professional knowledge and compliance requirement regarding sustainable supply chain and anti-corruption regulations. We grant an equal, open and fair environment in procurement, to promote a healthy and sustainable supply chain with our partners. During the Reporting Period, we provided the following training to our suppliers:

- Training including JW Therapeutics compliance policies and system should be delivered to our suppliers through procurement team to ensure the compliance.
- For safety assurance, an EHS training was a must for all the contractors and suppliers before their entrance into our factories.
- We conducted essential training related to commercial operation process to our tier-one distributors, through whom the training was delivered to tier-two distributors and DTP pharmacies. Only personnel who have completed the training are allowed to conduct related operations for JW Therapeutics products.

7.1.4 Supplier Localization

At the end of the Reporting Period, we had 358 suppliers in total. The number of suppliers by region is as follows.

The Number of Suppliers by Region



Currently, the number of domestic suppliers account for approximately 20% among JW Therapeutics' GMP supplier pool. We are dedicated to accelerate the supplier localization strategy. As for the substitution of local materials used in existing products, we plan to start from simple consumables and gradually move towards key biological materials based on the assurance of product quality. As for the product pipelines in the research phase, we try to maximum the usage of local materials in the Chemical Manufacture and Control ("CMC") and finalization progress, which will lead to the decrease of product costs and benefit more patients. Additionally, we proactively carry out joint research through cooperation with domestic suppliers, including sub-packaging of high-value materials, suitable aseptic packaging development, and etc. With the booming development of domestic biopharmaceutical industry, the domestic GMP suppliers in our major pipelines are expected to grow with the increased proportion from 50% to 70% in the next five years.

7.1.5 Animal Welfare

JW Therapeutics does not conduct animal experiments by ourselves but entrusts a third party. All the institutions that we cooperate with are certified by Association for Assessment and Accreditation of Laboratory Animal Care ("AAALAC") to conduct animal experiments. Regarding animal experiment suppliers, JW Therapeutics maintains regular communication and verification of the laboratory with our suppliers to ensure compliance throughout the experimentation on animals.

We require suppliers to strictly apply the GLP standards for animal testing. In all animal research, we always adhere to the principles of reduction, replacement and refinement ("3Rs"). Adhering to the reduction principle, we aim to obtain statistically meaningful results by minimizing the number of animals we use in testing. Following the replacement principle, we adopt mice as the primary in vivo animal model for efficacy and safety purpose on the basis of CAR-T's specific immunological features and the international common practice, though which we may avoid using monkeys and other primates that might be subjected to GvHD or other immunological responses. Guided by the refinement principle, we continue to explore other research and trial methods that is free from animal trials. In addition, we require our suppliers to treat the animals to their best by improving the experimental conditions. Our integrated efforts as mentioned have dramatically promoted animal welfare.

JW Therapeutics equips its preclinical and translational staffs with job-related training at the highest professional standards. They are accredited or certified by the American Board of Toxicology, the Regulatory Affairs Professional Association and other international associations. All staffs are working to advance professionalism and standardization of animal welfare in their daily practice.

7.2 Industry Cooperation

Photo by BIO-FORUM official channel

As a leader in cell immunotherapy, JW Therapeutics is deeply aware of its responsibility and is committed to driving the healthy development of cell immunotherapy. We actively participates in industry activities to share our experience and contribute to the understanding, regulation and standardization of cell immunotherapy, accelerate and ultimately realize the benefit of patient's health and bring hope of cure to more patients.

JW Therapeutics has enhanced the correct understanding on CAR-T therapy in the society and the industry through a variety of ways. We share the new CAR-T treatment experience of domestic oncologists through our patient platform, our official WeChat account and media platforms. We also set up a hotline to provide instant consultation and address related issues. Additionally, we are active in social welfare events to exchange industry experiences and promote industry standardization. We hold two national Advisor Board meetings and participated in six international conferences during the Reporting Period.

JW Therapeutics Hematological Oncology Summit Forum "諾咖薈 — JW血液腫瘤高峰論壇"

On April 16, 2022, the JW Therapeutics Hematological Oncology Summit Forum was held in Chengdu successfully. Numerous key opinion leaders in hematologists gathered to discuss the applicable population of CAR-T products in DLBCL, the appropriate timing of applications, and the selection of suitable CAR-T products, and provided guidance and suggestions on how to better treat patients after the commercialization of cell immunotherapy products.

The 23rd Shanghai International Forum on Biotechnology and Pharmaceutical Industry (BIO-FORUM 2021) (the "Forum")

The Forum with the theme of cell and gene therapy frontier technology was successfully held on June 8, 2021. This Forum was hosted by Shanghai Center of Biomedicine Development and co-organized by Cellular Immunotherapy Quality Management and Research Branch of Shanghai Quality Association for Pharmaceuticals. It attracted more than 200 representatives from famous universities from domestic and abroad, research institutes, corporates, and government and regulators. Our Chairman and CEO, Dr. Yiping James Li was invited to host one of the roundtable focused on the commercialization, regulatory difficulties of cell immunotherapy, and the exploration of combination of innovation therapy and payment.

CCMTV Nursing Platform

JW Therapeutics, together with the CCMTV Clinical Channel, jointly launched the CAR-T knowledge and experience exchange, which covered the whole process of CAR-T care. The experienced domestic nursing experts were invited to share and discuss the key issues of the cell immunotherapy process, providing guidance for more CAR-T cell therapy medical workers. We will keep up the collaboration through this platform to enhance the compliance and effectiveness of cell therapy vein-to-vein process in China.

Strategic Cooperation with the National Clinical Research Center for Hematological Diseases (The First Affiliated Hospital of Soochow University)

On October 10, 2021, JW Therapeutics announced the strategic cooperation with the National Clinical Research Center for Hematological Diseases (The First Affiliated Hospital of Soochow University). Both parties will take advantage of the technical resource to collaboratively elevate the quality of domestic clinical research, diagnosis and treatment. In the future, we will collaborate with more and more medical institutions to build up the platform as role models with excellence experience and clinical practice of cell therapy, which contributes to the alliance between medical institutions, R&D and manufacturing in cell therapy rapid development.

Spearheading Shanghai Cell Immunotherapy Alliance

JW Therapeutics spearheaded Shanghai Cell Immunotherapy Alliance in 2017, which further developed into Shanghai Cell Immunotherapy Commission in 2018 supported by Shanghai Health Commission, Shanghai Food and Drug Inspection Institute, and Shanghai Pharmaceutical Quality Association. The Commission provides the platform for the enterprises of the cell immunotherapy industry to communicate the cutting-edge technology in cell immunotherapy, and endeavors to promote the regulations and robust development of the industry, improving the competitiveness of the Shanghai cell immunotherapy.

RELIANCE Research[4]

By adhering to the spirit of cooperation, open and sharing, JW Therapeutics carried out extensive and in-depth cooperation with other enterprises and research institutes to expand the coverage of cellular immunotherapy. We reinforced the verification of the positive effect of our products through RELIANCE research and promoted the establishment of an international first-class cellular immunotherapy demonstration center.

[4] The RELIANCE study is a single-arm, multicenter, pivotal study designed to evaluate the efficacy and safety of Benoda® in Chinese patients with relapsed or refractory large B-cell lymphoma (r/r LBCL). This study is the largest clinical study of CAR-T cell therapy drugs that has been completed under the New Drug Research Pathway (IND) in China with the largest number of r/r LBCL patients enrolled.

7.3 Social Welfare Activities

JW Therapeutics always seek opportunities to contribute to the society and put it into practice by actively engagement in social welfare events. Through the combination of our online platform and offline activities, we care our patients and call for more attention from the society to support lymphoma patients and lymphoma treatment. We build up the patient care platforms to share the real clinical research and treatment experience from the patients, and promote the collaboration from the society in bringing hope and warmth to patients.

During the Reporting Period, we carried out public welfare related activities mainly including the following ones, and the public welfare investment amounted to RMB2.48 million. Looking forward, with more and more patients being beneficial from our products, we will surely increase the contribution to the social welfare and health.

Photo by Purple Lips activity official channel

Spreading Love with A Smile —— Purple Lips

JW Therapeutics jointly organized a public welfare activity titled "Spreading Love with A Smile —— Purple Lips" which was initiated by the Shanghai Life Oasis Public Service Center. The project launched on the 18th World Lymphoma Day and ran from August to October 2021. It aims to build the online lymphoma patient care platform to arouse the public's attention to the importance of early diagnosis and treatment of lymphoma and bring more cares to the patients. It invited professionals expertised in medical and health from across the country to encourage lymphoma patients to positively face the disease. It also call on the public to deliver the cares and loves with smiles to patients by participating in taking a picture with "purple lips" photo filter and active interaction. This welfare activity extended the "purple lips" patient care platform through media publicity on "Jingdong Health", and attracted 1.14 million channel exposures.

2021 First China Lymphoma Patient Conference

JW Therapeutics cares about lymphoma patients and shares the latest treatment methods for lymphoma patients through various channels, bringing hope of cure to the patients. On November 21, 2021, the "2021 First China Lymphoma Patient Conference", sponsored by the Hongmian Cancers and Rare Disorders Charity Foundation of GuangZhou and Lymphoma Home, a public welfare group for lymphoma patients, was held in Shanghai, with invited experts, patient representatives and enterprise representatives in the lymphoma industry. JW Therapeutics participated in the meeting, reviewing the development process of lymphoma treatment in the past decade and looking forward to potential treatment in the future.

Photo by 2021 First China Lymphoma Patient Conference official channel

Photo by Patient Stories official channel

Patient Stories Video: Just in Time

JW Therapeutics attracted the attention of the society to patients with lymphoma by sharing "patient stories". The video restores the treatment process of a lymphoma patient, showing the patient's story from undergoing a limited traditional treatment approach to a successful recovery with innovative cellular immunotherapy, and finally becomes a volunteer to help more patients. The patient was also interviewed by CCTV-2 to introduce the effectiveness and advantage of cellular immunotherapy.

Experience Sharing from Patient: Combating with Lymphoma Cancer

JW Therapeutics invited a patient who participated in clinical research to record his story and treatment process to share with the other patients, disseminated the information related to diagnosis and treatment, and encourage patients and their families to persist in fighting cancer. The video was released on the WeChat public account "DongDong Cancer Community" in January 2022 and gained 7780 views as of the end of February 2022.


Photo by Wechat public account "Dongdong Cancer Community"

Appendix I: HKEx ESG Reporting Guide Index

Subject Areas, Aspects, General Disclosures and KPIs		Index
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Chapter 5.2 Environmental Management
KPI A1.1	The types of emissions and respective emissions data.	Chapter 5.1 Response to Climate Change Chapter 5.2 Environmental Management
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Chapter 5.1 Response to Climate Change
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Chapter 5.2 Environmental Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.(e.g. per unit of production volume, per facility).	Chapter 5.2 Environmental Management
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Chapter 5.2 Environmental Management
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Chapter 5.2 Environmental Management
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Chapter 5.1 Response to Climate Change Chapter 5.2 Environmental Management
KPI A2.1	Direct and/or indirect energy consumption by type (e.g., electricity, gas or oil) in total (kWh in '000s) and intensity (eg. per unit of production volume, per facility).	Chapter 5.1 Response to Climate Change
KPI A2.2	Water consumption in total and intensity (eg. per unit of production volume, per facility).	Chapter 5.2 Environmental Management
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Chapter 5.1 Response to Climate Change Chapter 5.2 Environmental Management

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KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Chapter 5.2 Environmental Management
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Chapter 5.2 Environmental Management
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Chapter 5.2 Environmental Management
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Chapter 5.2 Environmental Management
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Chapter 5.1 Response to Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Chapter 5.1 Response to Climate Change
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Chapter 6.1 Employment Management
KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Chapter 6.1 Employment Management
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Chapter 6.1 Employment Management
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Chapter 6.4 Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Chapter 6.4 Health and Safety
KPI B2.2	Lost days due to work injury.	Chapter 6.4 Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Chapter 6.4 Health and Safety

Subject Areas, Aspects, General Disclosures and KPIs		Index
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Chapter 6.3 Training and Career Development
KPI B3.1	The percentage of employees trained by gender and employee category. (e.g. senior management, middle management).	Chapter 6.3 Training and Career Development
KPI B3.2	The average training hours completed per employee by gender and employee category.	Chapter 6.3 Training and Career Development
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Chapter 6.1 Employment Management
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Chapter 6.1 Employment Management
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Chapter 6.1 Employment Management
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Chapter 7.1 Supplier Management
KPI B5.1	Number of suppliers by geographical region.	Chapter 7.1 Supplier Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Chapter 7.1 Supplier Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Chapter 7.1 Supplier Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Chapter 7.1 Supplier Management
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Chapter 3 Guarding Health Chapter 4 Patients First
KPI B6.1	Percentage of total products sold or shipped subject to recall for safety and health reasons.	Chapter 4.2 Pharmacovigilance and Product Recall
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Chapter 4.1 Build up the Patients-centered Ecosystem

Subject Areas, Aspects, General Disclosures and KPIs		Index
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Chapter 3.1 Product Research and Development
KPI B6.4	Description of quality assurance process and recall procedures.	Chapter 3.2 Product Quality Chapter 4.2 Pharmacovigilance and Product Recall
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Chapter 3.1 Product Research and Development
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Chapter 1.4 Business Integrity
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	Chapter 1.4 Business Integrity
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Chapter 1.4 Business Integrity
KPI B7.3	Description of anti-corruption training provided to board directors and staff.	Chapter 1.4 Business Integrity
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Chapter 7.3 Social Welfare Activities
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Chapter 7.3 Social Welfare Activities
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Chapter 7.3 Social Welfare Activities