



ESG Report 2023



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About this Report

This is the second annual ESG Report published by Fulgent Genetics, Inc. We are proud to share our corporate story and showcase our ESG progress and accomplishments. This Report covers Fulgent’s performance, both qualitative and quantitative, in the context of ESG for the calendar year of 2023.

In connection with our company policies, annual reporting, and our website, this report illustrates Fulgent’s efforts to integrate sustainability throughout the organization. Our [Form 10-K](#) and the [Proxy Statement](#) offer further details on our governance and financial reporting. This report has been prepared in alignment with guidelines set by the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-Related Financial Disclosures (TCFD). Furthermore, Fulgent’s sustainability management and reporting is propelled by our 2022 commitment to the Sustainable Development Goals (SDGs) set forth by the United Nations (UN).

We invite stakeholders to learn more about us by visiting our [website](#) or contacting us by mail, phone, or email:

General Contact:

 4399 Santa Anita Avenue, El Monte, CA, 91731

 (626) 350-0537

 info@fulgentgenetics.com

Forward-Looking Statements

This presentation contains forward-looking statements, which are statements other than those of historical facts and which represent the estimates and expectations of Fulgent Genetics, Inc. (the “Company”) about future events based on current views and assumptions. Examples of forward-looking statements made in this presentation include, among others, those related to anticipated growth and positioning, addressable market estimates, the Company’s mission and strategies, the success of its business model and strategy, anticipated future revenue and guidance, evaluations and judgments regarding the Company’s business, products, technologies, plans regarding development and launch of potential future products, and any businesses the Company may seek to acquire or has acquired, including statements regarding Inform Diagnostics, CSI Laboratories, and any potential synergies, legal and policy compliance, security, corporate objectives, ongoing efforts, goals, missions, and strategy. The Company’s views and assumptions on which these forward-looking statements are based may prove to be incorrect. As a result, matters discussed in any forward-looking statements are subject to risks, uncertainties and changes in circumstances that may cause actual results to differ materially from those discussed or implied by any forward-looking statements. Important factors that could cause actual results to differ materially from those implied by forward-looking statements are disclosed under “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the Company’s reports filed with the Securities and Exchange Commission (SEC), including its annual report on Form 10-K filed on February 28, 2024, and other reports files from time to time. Because of these factors, you should not rely upon forward-looking statements as predictions of future events. The forward-looking statements in this presentation are made only as of the date hereof, and, except as required by law, the Company assumes no obligation to update any forward-looking statements in the future. The company’s reports filed with the SEC, including its annual report on Form 10-K for the year ended December 31, 2023, filed with the SEC on February 28, 2024, and the other reports it files from time to time, including subsequently filed quarterly and current reports, are made available on the Company’s website upon their filing with the SEC. These reports contain more information about the Company, its business and the risks affecting its business, as well as its results of operations for the periods covered by the financial results included in this report.

A Message from Fulgent's Chairman & CEO

Dear Stakeholders,

I am honored to present Fulgent's 2023 environmental, social, and governance (ESG) report. This report provides a comprehensive overview of our commitment to responsible business practices and sustainable development. In an era of unprecedented global challenges and transformative opportunities, we remain steadfast in our dedication to fostering positive change and creating long-term value for our stakeholders. Our mission, rooted in developing accessible and affordable diagnostics and therapeutics, is driven by a vision to improve the lives of those around us. For us, 2023 was marked by continued resilience, innovation, and a commitment to advancing our ESG initiatives.

The global healthcare landscape continues to evolve rapidly, and we have adapted by expanding our capabilities. Through strategic acquisitions and investments, we are becoming a vertically integrated one-stop solution across the healthcare continuum, from diagnostics to drug discovery and patient care. Our proprietary nano drug delivery technology platform is the cornerstone, bridging diagnostics and pharmaceuticals to drive sustainable growth in precision medicine.

We are focused on embedding sustainability into every aspect of our operations and are proud of our progress. In 2023, we integrated the workforce from our strategic acquisitions in 2022 into a seamless, unified team focused on our mission to improve the everyday lives of those around us.

As part of our integration efforts, we consolidated our facilities across the different entities resulting in lower greenhouse gas (GHG) emissions as an organization. In addition, we made strides in enhancing our data tracking capabilities, particularly for water and waste management, enabling us to monitor and mitigate our environmental footprint more effectively.

Additionally, we promoted new and improved ESG policies in 2023, focusing on implementing our enhanced Supplier Code of Conduct and Modern Slavery Statement.

As we look ahead, our mission to improve patient care through innovative diagnostics remains as clear and compelling as ever. With the support of our stakeholders, we are confident that we will continue to positively impact lives and shape a healthier, more sustainable future. I extend my sincere gratitude for your continued support and partnership. Together, we are setting new benchmarks and making a difference in the lives of many.

Sincerely,



MING HSIEH

*Chairman of our Board
of Directors and Chief
Executive Officer*

05

About Fulgent

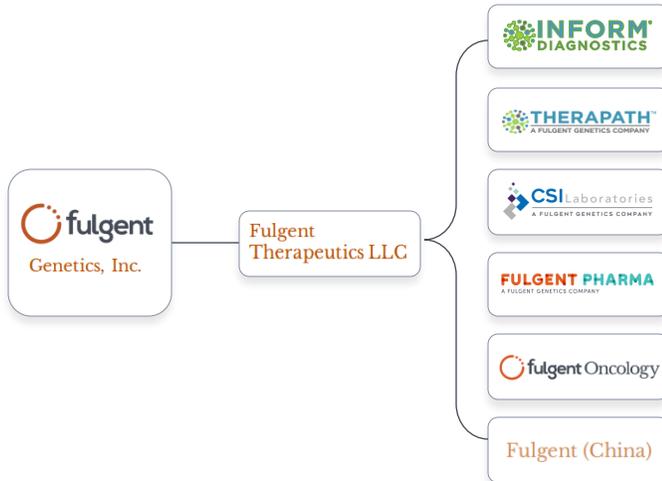


Founded in 2011, Fulgent has evolved into a leading technology-based company focused on laboratory services and therapeutic development. Built on a proprietary foundational technology platform, our goal is to become a fully integrated precision medicine company.

Our laboratory services business offers a range of testing services designed to provide physicians and patients with clinically actionable diagnostic information to improve the quality of patient care.

Additionally, our proprietary technology platform enables us to integrate sophisticated data comparison and suppression algorithms, adaptive learning software, and advanced genetic tools with laboratory processes.

Our therapeutic development business is focused on developing drug candidates for treating a broad range of cancers using a novel nanoencapsulation and targeted therapy platform designed to improve the therapeutic window and pharmacokinetic profile of new and existing cancer drugs.



Our Expansion



In 2022, we acquired Inform Diagnostics, a leading national independent pathology laboratory based in Irving, Texas. With the addition of Inform Diagnostics, Fulgent has further expanded its test menu into breast pathology, gastrointestinal pathology, dermatopathology, urologic pathology, neuropathology, and hematopathology.



In 2022, we acquired Fulgent Pharma, an independent clinical-stage, therapeutics development company focused on the development of innovative cancer treatments. Fulgent Pharma has developed a novel nanoencapsulation and targeted therapy platform, which is designed to improve the therapeutic window and pharmacokinetic profile of new and existing cancer drugs.



In 2021, we acquired CSI Laboratories, which provides a client- and patient-focused model of cancer diagnostic testing for pathologists, community hospitals, and their patients. CSI offers more than 400 unique tests with a focus on oncology and capabilities across flow cytometry, cytogenetic analysis, fluorescence in-situ hybridization (FISH), immunohistochemistry, and molecular genetics.

Our Facilities

We currently operate 6 labs across the United States, all of which are Clinically Laboratory Improvement Amendments (CLIA)-certified and Collage of American Pathologists (CAP)-certified and meet the highest standards of diagnostic testing.

Standards, Certifications and Accreditations

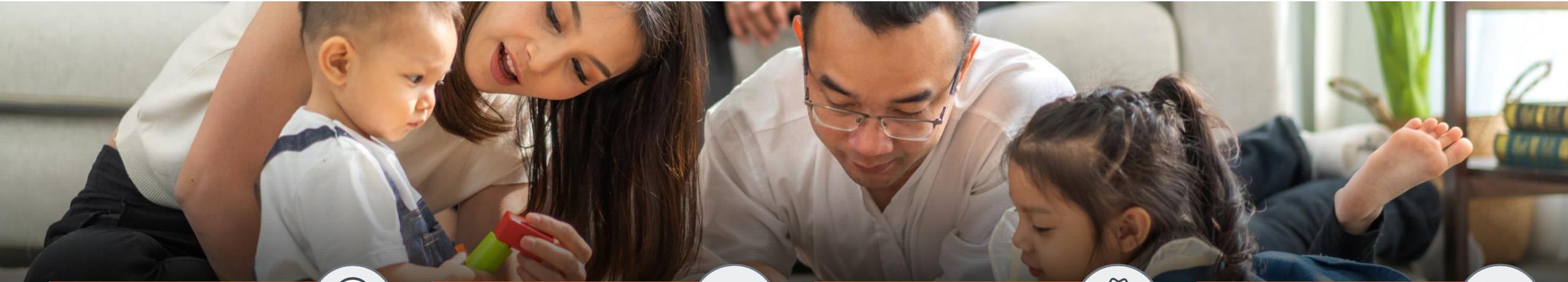
To ensure we are operating with the highest quality and excellence, we adhere to and comply with relevant local, state, national laws, standards, certifications, and accreditations. Each of the following licenses and accreditations add value to our products and provide a guarantee of quality performance and efficiency:



-  Clinical Laboratory Improvement Amendments (CLIA) License
-  Pennsylvania Clinical Laboratory Permit
-  Rhode Island Laboratory License
-  College of American Pathologists (CAP) Certificate
-  Maryland Medical Laboratory Permit
-  ISO 15189:2012 Certificate
-  California Clinical and Public Health Laboratory License
-  New York State Clinical Laboratory Permit

Our Motivation

Our mission is to develop flexible and affordable diagnostics and therapeutics that improve the everyday lives of those around us.



Innovation



By merging the fields of genetics, molecular biology, and computer science, we pursue excellence in clinical diagnostics, therapeutic development, and data analysis.

Customer Service & Commitment



Our dedicated team of customer support staff is available to answer questions quickly and accurately, so physicians can spend more time with what is really important: their patients.

Quality & Efficiency



As a CLIA-certified and CAP-accredited lab, quality controls are built into our procedures at every step, and multiple lab directors oversee all clinical procedures and analysis.

Our People



We support our employees by providing them with the resources for personal and professional growth, while fostering an inclusive culture where differences are celebrated.

Our Services

Diagnostic Genetic Testing

Known Mutation Testing

Genomic / Exome Testing

Carrier / Preconception Screening

Hereditary Cancer Testing

Newborn Genetics

Preimplantation Genetic Testing

Pharmacogenomics

Oncology - Heme & Solid Tumor

Anatomic Pathology

Infectious Disease

Sequencing Services

Categories

- Pediatric
- Reproductive
- Oncology
- Cardiology
- Neurology
- Metabolic
- Ophthalmology
- Renal
- Skeletal and Connective Tissue
- Hematology
- Audiology
- Dermatology
- Genitourinary
- Gastrointestinal
- Rare and Undiagnosed Diseases

Awards

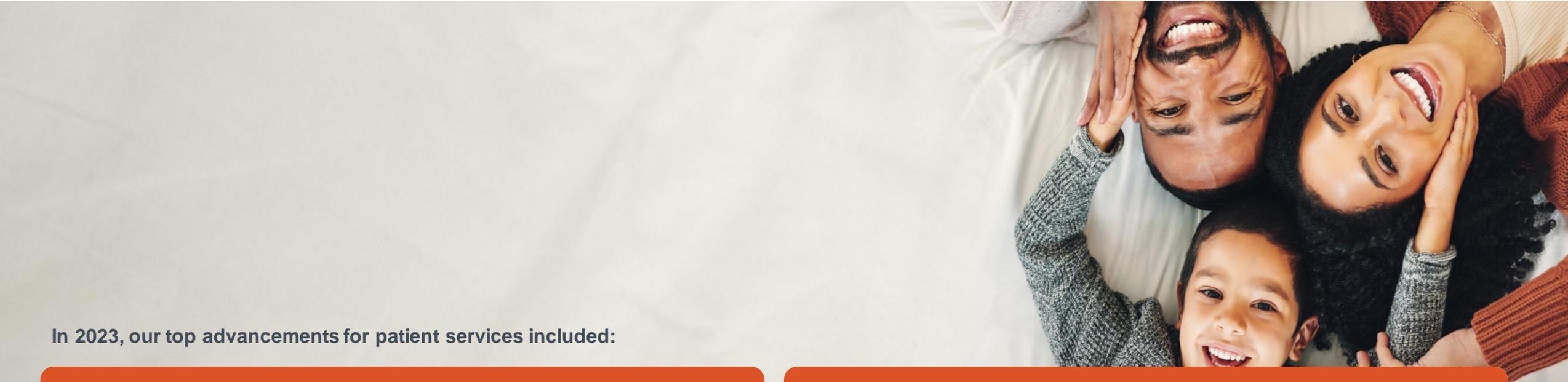
- Recognized by Department of Defense as a Patriotic Employer
- Ranked 87 in Deloitte's 2023 Technology Fast 500 North America

Strategic Partnerships



Customer Welfare

Our customers and patients come first. Our team works around the clock to expand our services and capabilities to serve more people in our communities.



In 2023, our top advancements for patient services included:

Beacon Carrier Screening

- Comprehensive test for carrier screening
- Screens 797 genes associated with autosomal recessive and X-linked conditions, including all the American College of Medical Genetics and Genomics (ACMG) tier 3 genes
- Potential use cases: Pregnant patients and those planning for pregnancies

FID-007

In 2023, we presented promising data from our Phase 1/1b clinical study of FID-007, demonstrating initial signs of anti-tumor activity in heavily pre-treated patients across diverse tumor types. We have now initiated Phase 2 of the clinical study, focusing on the treatment of head and neck cancer.

- FID-007 is designed to treat various solid tumors
- Our proprietary technology enhances drug solubility, which has the potential to enhance pharmacokinetics, reduce toxicity, increase drug effectiveness, shorten development timelines, and lower production costs.

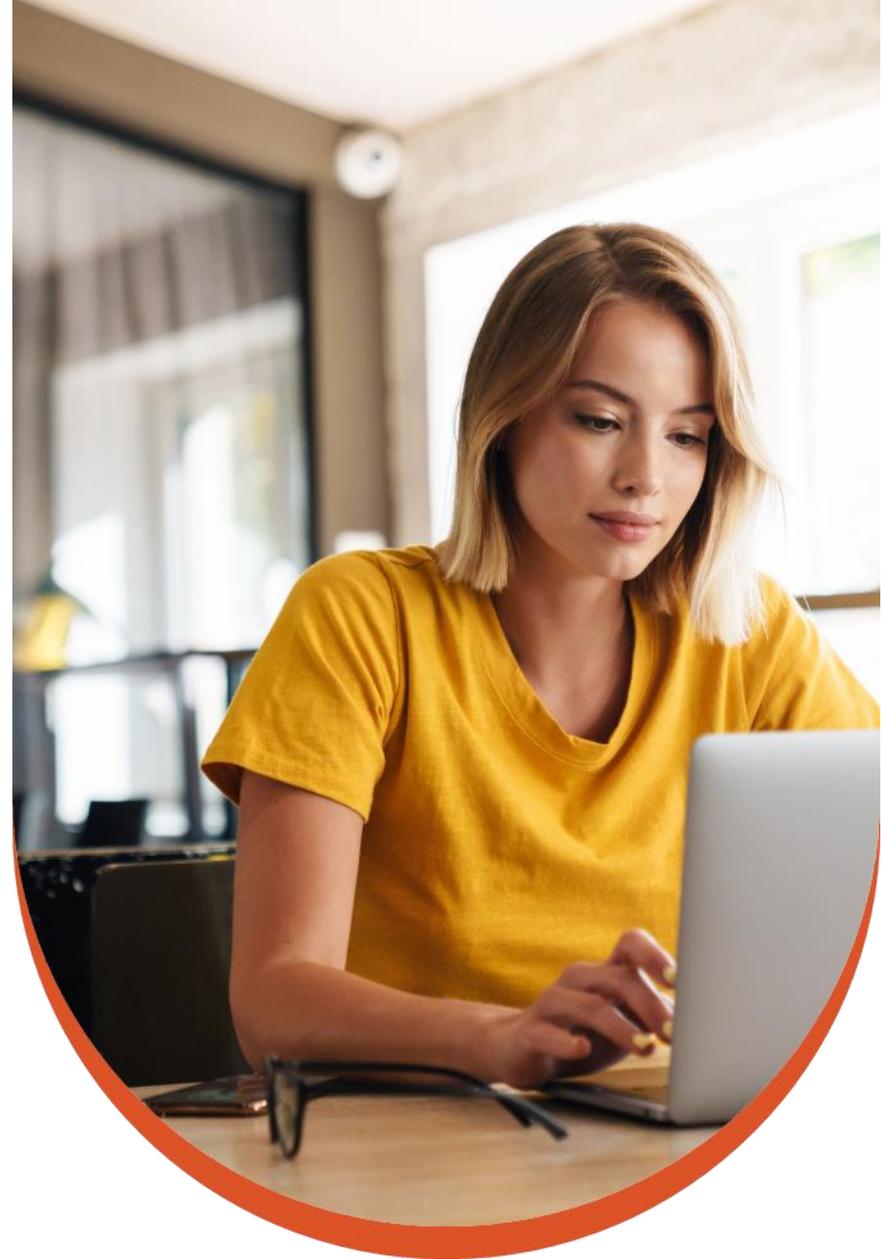
Access and Affordability

Our commitment to patient health extends beyond clinical diagnostics and therapeutic development. We believe that healthcare should be accessible to everyone, regardless of economic circumstances. Addressing the disparities in healthcare quality and availability, particularly in low-income communities, is a fundamental aspect of our mission.

To that end, we have implemented a range of policies and practices aimed at ensuring access to our high-quality services:

- **Acceptance of All Insurance Plans:** We accept all commercial insurance plans, enabling patients to utilize their insurance coverage for our services.
- **Discounted Cash Pricing:** We offer cash pricing at discounted rates, making our tests affordable to those without insurance or those who need to pay out of pocket.
- **Financial Assistance Programs:** Recognizing that some insured patients may still face financial constraints, we provide financial assistance resources based on various criteria. This support is tailored to help those in need access our testing services without additional financial burden.
- **Self-Pay Option:** For patients who do not meet insurance coverage criteria or lack insurance altogether, we offer a self-pay option. This option ensures that anyone can access our tests, irrespective of their insurance status.
- **Compassionate Care Program:** This program is designed to support patients in the United States who have no medical insurance and limited financial resources. This program includes financial assistance and no-interest payment plans, reinforcing our commitment to healthcare equity.

We will continue to focus on implementing initiatives that foster accessibility and affordability for all which comply with the regulations and payor enrollment policies, regardless of economic circumstances.



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Sustainability Management System

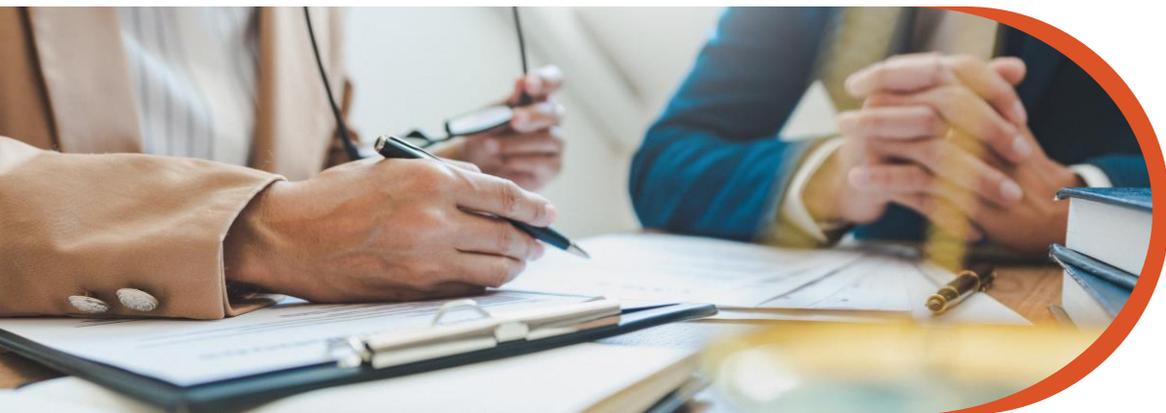


Risk Management

Like any business, we face various risks that can significantly impact our success. To safeguard our operations and achieve our long-term goals, we regularly assess and prioritize our risks. This helps us proactively manage them and mitigate their impact.

Our risk analysis process includes:

-  Identifying and Assessing risks
-  Establishing corrective and mitigation actions
-  Defining and implementing preventive measures



Approach to ESG

Over the past several years, we have diligently laid the groundwork and established internal mechanisms to monitor and advance our ESG risks and strategy.

Our risk analysis process includes:

- Enhanced Reporting:** We are expanding our reporting and disclosure practices, incorporating year-over-year data to drive our ESG strategy effectively.
- Policy Implementation:** We continuously refine and implement our policies to outline our commitments and establish efficient internal processes.
- Shareholder Engagement:** We continue to broaden our annual shareholder engagement efforts to share our ESG journey and gather valuable feedback from our top shareholders.
- ESG Working Group:** Our ESG working group, composed of Executive and Senior Management members, maintains regular engagement and provides quarterly reports to the Board, ensuring oversight of ESG-related matters.

We regularly present our ongoing efforts, achievements, and challenges to the Board of Directors. These discussions provide an open forum for Directors to discuss and approve ESG initiatives, ensuring alignment with our corporate objectives.

ESG Oversight

Our Board

Nominating & Governance Committee



DR. MICHAEL NOHAILE
Independent Director



LINDA MARSH
Independent Director



REGGIE GROVES
Independent Director

ESG Working Group



PAUL KIM
Chief Financial Officer



NATALIE PRESCOTT
General Counsel & Chief Privacy Officer



MARY JANE ABALOS
VP, Finance



DOREEN NG
VP, Operations & Compliance



JOYCE ZHANG
Director of Financial Reporting

Our ESG Journey

2021

Formed Executive/Senior Management ESG Working Group	Established Board Oversight of ESG (Nom/Gov Committee)
Conducted Internal Review of Related ESG Policies and Initiatives	Published Preliminary ESG Disclosure
	Disclosed Health & Safety Policy

2022

Revised & Enhanced Code of Business Conduct to include: <ul style="list-style-type: none"> Human Rights & Labor Rights Statements Conflict Minerals 	New Disclosures: <ul style="list-style-type: none"> 2021 Corporate Responsibility Disclosures Supplier Code of Conduct Modern Slavery Statement
Conducted First GHG Inventory	Conducted First ESG Materiality Assessment
Disclosed Climate Change Policy	Initiated First ESG Roadshow and Shareholder Engagement

2023

Enhanced and Promoted our Policies: <ul style="list-style-type: none"> Updated Supplier Code of Conduct Updated Modern Slavery Statement 	Expanded Data Tracking <ul style="list-style-type: none"> Expanded Data Tracking Capabilities and KPIs to Enhance Strategy and Reporting
Advanced ESG Strategy <ul style="list-style-type: none"> Incorporated ESG Materiality Assessment Results from our 2022 Assessment into our Strategy 	

2024 & Beyond

Adopting New Disclosure Requirements
Integrating Global Mandates
Identifying & Measuring KPI & Commitments

Materiality Assessment



In 2022, we conducted our inaugural ESG materiality assessment, informed by extensive research, benchmarking, and engagement with key stakeholders. The assessment serves as a crucial guidepost for aligning our strategy and action plans with stakeholder interests, refining our ESG strategy, understanding stakeholder expectations, and identifying business opportunities that support growth, innovation, and risk mitigation.

The top material topics for our stakeholders:



Business Ethics



Data Privacy & Security



Diversity, Equity & Inclusion



Health, Safety & Wellness

All Material Topics Identified:

Environmental

- Carbon Emissions
- Pollution & Waste
- Water

Governance

- Business Ethics
- Corporate Governance
- Data Privacy & Security

Social

- Diversity, Equity & Inclusion
- Health, Safety & Wellness
- Human Capital Development & Labor Management
- Product Lifecycle Management
- Product Safety & Quality
- Social Impact Social

Stakeholder Engagement

We actively engage with shareholders, employees, customers, and suppliers to gain valuable insights, foster open communication, and ensure that our ESG initiatives align with the expectations and needs of our diverse stakeholder groups.

Shareholders

Engaging with our shareholders provides us with valuable insights, helps us align our strategy with investor expectations, and ultimately contributes to the long-term success and sustainability of our Company. In 2023, we conducted outreach to a diverse range of investors with various levels of holdings representing 31.54% of total share capital including 86% of share capital of our top 20 investors. As a result of the outreach, we were able to formally engage with shareholders representing 13.28% of our top 20 investors.

Customers

In 2023, we revamped our surveys to offer deeper insights into customer experiences. With this refined approach, we are better equipped to gather comprehensive feedback, enabling us to identify areas for enhancing our services. We are actively striving to elevate our customer satisfaction scores through our updated scoring system. Furthermore, we have introduced an open-response segment to our surveys, encouraging users to elaborate on their ratings. This has provided us with valuable qualitative insights into our customers' perspectives.

Employees

In 2023, we conducted 15 employee engagement surveys covering a variety of topics. In addition, each department conducts periodic employee reviews and offers ongoing career development support and training programs. For more information about how we engage with and support our employees, please see page 30.

Suppliers

Engaging with our suppliers helps us maintain strong partnerships, ensure the quality and reliability of our supply chain, and collectively drive efficiency and innovation in our operations. In 2023, we focused on optimizing our Supplier Code of Conduct and Modern Slavery Statement.

We have designed a supplier questionnaire to track suppliers' initiatives, including those related to environmental responsibility, protecting human rights, and data security. We also strive to collect key metrics about our suppliers, including which ones are minority, women, and veteran-owned so we can better understand how Fulgent supports diverse businesses.

For more information regarding our procurement process, please see page 32.

United Nations Sustainable Development Goals

We understand the importance of the United Nations' mission to create a more sustainable world for all. We have identified four UN SDGs that closely align with our sustainability and corporate objectives. These are areas where we are actively making a positive impact and remain committed to driving progress in the future.

Ensure healthy lives and promote well-being for all, at every stage of life.



We strive to offer patients access to a diverse range of high-quality laboratory testing options, irrespective of their economic circumstances. For more information regarding our efforts and how we align, please see pages 6-11 of this report.

Achieve gender equality and empower all women and girls.



We are committed to fostering the empowerment of women both within our workforce and among students. This dedication is exemplified through our emphasis on training opportunities, inclusive hiring practices, educational initiatives, and collaborative partnerships with third-party organizations. Please refer to pages 28-29 of this report.

Promote inclusive and sustainable economic growth, full and productive employment, and decent work for all.



Our workforce is one of our greatest assets. We support our employees by ensuring they are provided with the resources they need to thrive both personally and professionally. Please pages 27-31 of this report

Take urgent action to combat climate change and its impacts.



Our commitment to environmental stewardship remains steadfast. We actively monitor our environmental footprint and strive to invest in projects aimed at enhancing our environmental performance. See pages 38-44 for information regarding our action on climate change



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Governance



Board Oversight

Our Board of Directors is responsible for overseeing Fulgent’s business operations, defining the long-term strategy and objectives, and effectively managing risks. Our directors draw upon their extensive knowledge and expertise to act in the best interests of Fulgent and our shareholders. We continually seek fresh talent and diverse perspectives that will further enrich Fulgent's strategic vision and contribute to our ongoing success.



MING HSIEH

Chairman of our Board of Directors and Chief Executive Officer



LINDA MARSH

Independent Director



DR. MICHAEL NOHAILE

Independent Director



REGGIE GROVES

Independent Director

Board Committees

Audit Committee

The Audit Committee oversees the integrity of the Company’s financial statements, compliance with legal and regulatory requirements, information security and data privacy compliance, the independent auditor’s qualifications and independence, and the performance of the Company’s independent auditors. The committee also produces an annual report for inclusion in the Company’s proxy statement.

Chairperson



Compensation Committee

The Compensation Committee is responsible for the Board’s execution of executive compensation and produces an annual report for inclusion in the Company’s proxy statement.

Chairperson



Nominating and Governance Committee

The Nominating and Corporate Governance Committee assists the Board in selecting nominees for election to the Board and monitoring the composition of the Board. The committee also oversees the Company’s ESG initiatives and policies.

Chairperson



Executive Management Team

The contributions of our executive management team and leaders are instrumental to our ongoing success. Their skills, expertise, diverse experiences, and unwavering dedication play a critical role in managing our operations, driving technological advancements, and implementing our business strategy.



MING HSIEH

Chairman of our Board of Directors and Chief Executive Officer



PAUL KIM

Chief Financial Officer



HANLIN (HARRY) GAO

M.D., Ph.D., D.A.B.M.G., F.A.C.M.G. Lab Director and Chief Scientific Officer



JAMES XIE

President and Chief Operating Officer



BRANDON PERTHUIS

Chief Commercial Officer



DR. LAWRENCE WEISS

Chief Medical Officer



DR. RAY YIN

President and Chief Scientific Officer, Fulgent Pharma



NATALIE PRESCOTT

General Counsel & Chief Privacy Officer



MARY JANE ABALOS

VP, Finance



MIKE LACENERE

VP, Systems Applications and Integration



DOREEN NG

VP, Operations and Compliance



ELIAS NYANKOJO

Chief Information Security Officer



JAKUB SRAM

VP, Business Development and Sales



ELLEN TSUI

VP, Human Resources



CHRIS WICKER

VP, General Manager



DAVID YU

VP, IT Infrastructure

Business Ethics



We are committed to creating long-term value for our customers, employees, and shareholders by enhancing the health and well-being of people. An essential guiding principle of how we do this is by aiming to conduct our business with the highest ethical standards and in strict compliance with the laws and regulations of all jurisdictions in which we do business.

Corporate Governance Guidelines

To ensure effective oversight of management and business operations, the Board has developed robust [Corporate Governance Guidelines](#). These practices are designed to safeguard the interests of all stakeholders and promote transparency, accountability, and ethical conduct within the company.

Code of Business Conduct and Ethics

We strive to conduct our affairs in accordance with all applicable laws, rules, and regulations of the jurisdictions in which we operate. Our [Code of Business Conduct and Ethics applies](#) to each employee, officer, and non-employee director. In 2023, we revised the Code of Business Conduct and Ethics to reflect current standards and practices.

Among other things, the Code describes our policy of equal employment opportunity and our commitments to provide a respectful workplace that is free from discrimination and unlawful harassment and free from recognized safety and health hazards, such as slavery.

New employees are provided with a copy of the Code upon hire. A copy of the Code is also available to employees internally and is publicly available on our website. In addition, our employees are required to certify compliance with the Code, and our employees and contractors are expected to comply with all relevant and applicable policies, including policies related to anti-slavery and human trafficking.

We encourage employees to talk to supervisors, managers, the legal department, the Compliance Officer, or other appropriate personnel if they are unsure about the best course of action to take in a particular situation.

Code of Ethics for Senior Financial Officers

Additionally, in 2023, we revised the [Code of Ethics for Senior Financial Officers](#) to reflect current standards and practices.

This policy upholds that the CEO and all Senior Financial Officers are responsible for full, fair, accurate, timely, and accessible disclosures that Fulgent files with, or submits to, the Securities and Exchange Commission, and in other public communications. This also policy applies to laws, rules, and regulations of federal, state, and local governments and other private and public regulatory agencies that affect the conduct of Fulgent’s business and Fulgent’s financial reporting.



Whistleblower Policy

The primary objectives of the [Whistleblower Policy](#) are to provide protection for individuals who wish to report concerns anonymously, facilitate the reporting of potential misconduct, and reinforce our strict policy against any form of retaliation towards employees who make such reports. This confidential reporting system includes a dedicated website, email, and phone number.

The Compliance Department is responsible for tracking the receipt, investigation, and resolution of all material complaints. Upon receiving a complaint, the Audit Committee determines whether the complaint pertains to accounting matters and, when possible, acknowledges receipt of the complaint. Timely and appropriate corrective action is implemented as necessary, guided by the judgement of the Audit Committee.

Whistleblower	2021	2022	2023
Reports related to whistleblower procedure	0	0	0
Whistleblowing procedure activated	0	0	0



<https://app.mycompliancereport.com/report?cid=INFO>



+1-844-787-9172

Legal & Compliance

In 2023, we continued to bolster our legal department and implement or enhance our policies and procedures, including:

- ChatGPT Use Guidelines
- Code of Business Conduct and Ethics
- Code of Ethics for Senior Financial Officers
- Conflict of Interest Policy
- Data Breach Response and Notification Procedure
- GDPR Data Protection Policy
- Supplier Code of Conduct
- HIPAA Notice of Privacy Practices Policy
- Hotline and Reporting
- International Travel Policy for Mobile Computing
- Meals and Entertainment Policy
- Modern Slavery Statement
- Oversight and Monitoring of OIG and Other Exclusion Lists
- Social Media Policy
- Training Policy
- Whistleblower Policy

	2021	2022	2023
Bribery, Corruption and Anti-Competition Violations	0	0	0
Legal/Regulatory Fines Relating to Ethics Issues	\$0	\$0	\$0
Settlements Relating to Bribery, Corruption and/or Anti-Competition	0	0	0

Employee Ethics Training

Required Training	Frequency
Code of Conduct	Annual
Competition in Business: Anti-Bribery and Antitrust	Biennial
Conflict of Interest	Biennial
Foreign Corruption Practices Act (FCPA)	Biennial
HIPAA	Annual
Insider Trading	Annual
Anti-Harassment	Biennial

Training Completion Rates	New Hires	All Employees
Code of Business Conduct Series	96%	99%
Anti Bribery and Corruption	95%	99%
Avoiding Conflicts of Interest	97%	99%
Foreign Corrupt Practices Act	95%	98%
HIPAA	96%	98%
Insider Trading	96%	98%
Sexual Harassment Prevention for Managers	100%	97%
Sexual Harassment Prevention for Employees	96%	98%

Information Security

At Fulgent, ensuring robust information security and safeguarding data privacy is paramount to our operations and fundamental to maintaining trust with our stakeholders. Our IT Department stays up to date on evolving protocols through consistent training and thorough assessments of data security and privacy risks. Key updates and new developments are shared regularly with the Board of Directors and discussed during quarterly Board meetings to maintain transparency and alignment with our cybersecurity objectives.

In 2023, we continued to implement and uphold the following items:

- Enhancing a cybersecurity program with a combination of security controls, procedures, teams, and remedial plans designed to reduce cybersecurity risk and recover data in the event of an attack.
- Scanning networks on a regular basis for software vulnerabilities.
- Upgrading email security to Abnormal Integrated Cloud Email Security (“ICES”) and using behavioral artificial intelligence designed to block business email compromise attacks, detect phishing attacks that impersonate requests, block ransomware, and block spam with high efficacy.
- Retaining a third-party vendor to perform data mapping, a tabletop exercise, and Health Insurance Portability and Accountability Act security risk assessment.
- Following the National Institute of Standards and Technology Cybersecurity Framework.
- Applying Systems and Organization Control (“SOC”) for Information Technology General Controls (“ITGC”).
- Utilizing SOC2 Type 2 compliance, an Internal Controls report capturing how a company safeguards customer data and how well those controls are operating.
- Increasing employee training and awareness with the KnowBe4 Security Awareness Training modules.
- Implementing compliance with the SEC Cyber Rule and updating and enhancing our Incident Response Plan.
- Completing Security Risk Assessment to properly manage risks.

NIST Cybersecurity Framework

Identify

Asset management, governance and risk management

Protect

Access control, training and awareness, security, and protective technology

Detect

Continuous security monitoring for anomalies and events

Respond

Response planning, communications and mitigation

Recover

Improvement planning and strategy communications

Data Privacy & Security Training

We comply with the following policies and procedures to manage patient data:

- [Privacy Policy](#)
- [California Privacy Policy](#)
- [EEA/UK/Switzerland Privacy Notice](#)
- [Patient Account Portal Addendum](#)
- [Terms of Service](#)
- [HIPAA Policy](#)

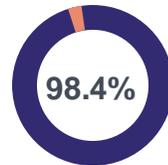
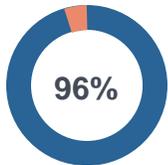


Training & Completion Rates

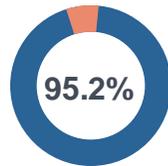
General Data Protection Regulation (GDPR)

CPRA Changes to California Consumer Privacy Act

All Employees



(New Hires)



Required Training	Frequency	Course Required For
EU General Data Protection Regulation (GDPR)	Annual	All Fulgent Employees
Data Security and Privacy	Annual	All Fulgent Employees
Data Security and Privacy Post Course Assessment	Annual	All Fulgent Employees

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Social



At Fulgent, we know that our workforce is one of our greatest assets. Their hard work and dedication drive our ability to transform healthcare and positively impact the lives of those we serve. Cultivating an environment where employees are supported and equipped to thrive is fundamental to our success. We want every individual to feel valued, respected, and encouraged to develop both personally and professionally.

Additionally, we are dedicated to managing risks and promoting sustainability throughout our procurement process and supply chain operations. We prioritize partnerships with suppliers who share our values.

Furthermore, we are committed to championing human rights both within our organization and beyond. By integrating human rights considerations into our business practices, we aim to contribute to a more just and equitable world.



Diversity, Equity & Inclusion



Our policies and corporate culture reflect our unwavering commitment to inclusivity. We view diversity and inclusion as crucial business imperatives that bolster our efforts to attract, engage, and retain top talent — all of which significantly influence our bottom line and capacity for growth. We empower all employees to do their best work by valuing diverse backgrounds and ideas. We are proud to report that in 2023 and 2022, there were zero reported incidents of discrimination or harassment.

Our inclusive culture is fostered by:

- Recruiting and retaining qualified individuals from a broad range of backgrounds
- Being transparent in actions and communications
- Encouraging different points of view
- Treating everyone with respect and dignity

Partnerships

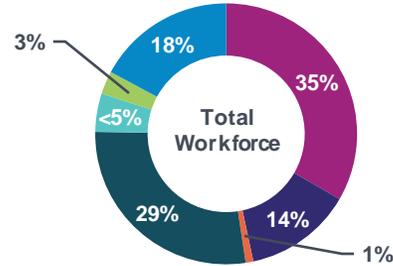
In 2023, we further expanded our engagement with minority organizations to help us recruit diverse talent and participated in career fairs, with a specific focus on minority groups and veterans.



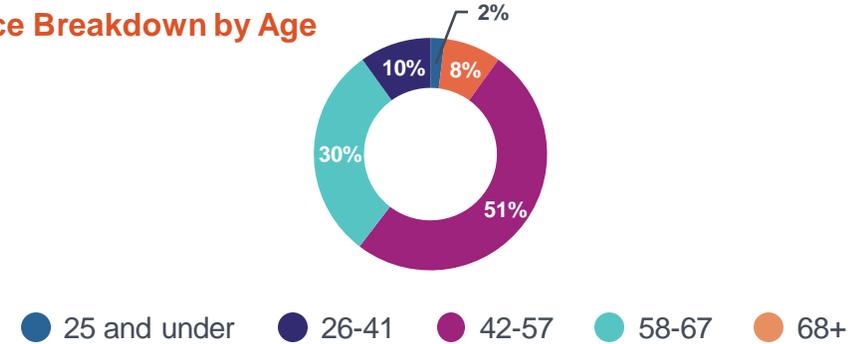
Workforce Metrics

Workforce Breakdown by Ethnicity

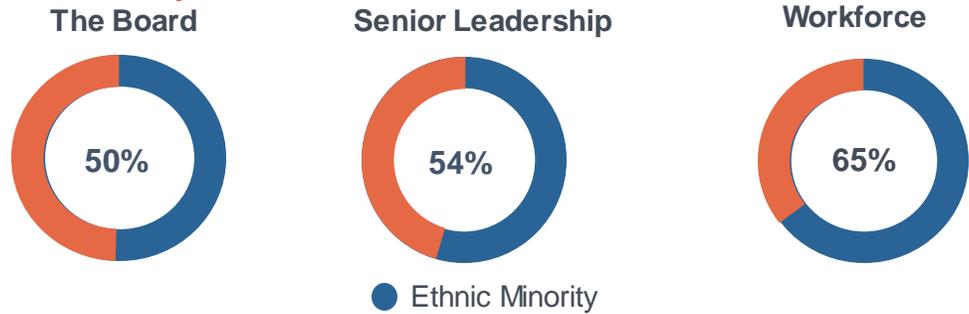
- White
- Black or African American
- Native Hawaiian or Pacific Islander
- Asian
- American Indian or Alaskan Native
- Two or More Races
- Hispanic or Latino



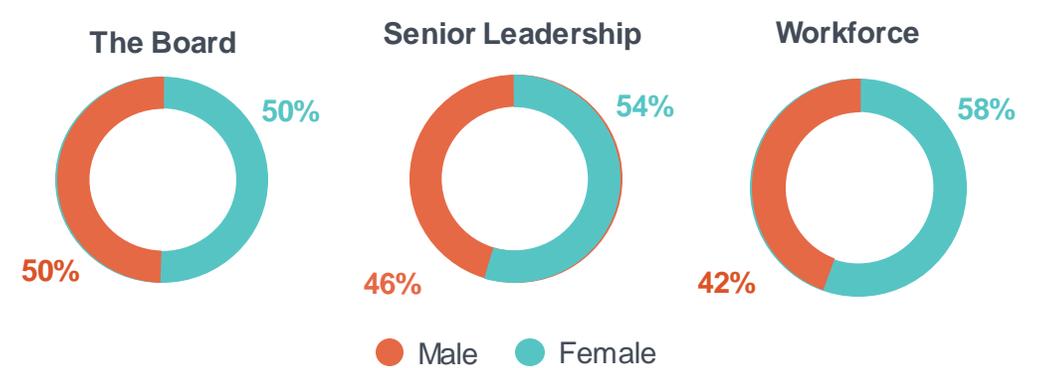
Workforce Breakdown by Age



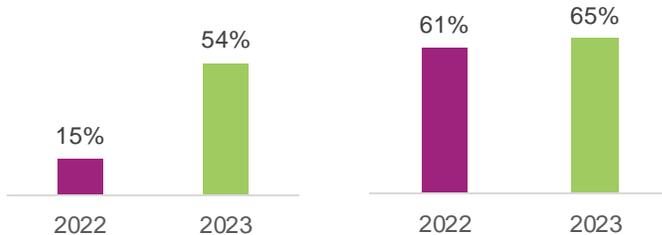
Ethnic Minority



Workforce Breakdown by Gender



Change in the number of ethnic minority employees



Retention Rate:

94%

Training & Career Management

We strive to ensure that every member of the Fulgent team has access to consistent education, training, and development opportunities. In 2023, our employees completed a total of 28,068 assigned courses, totaling nearly 14,000 hours of training.

To support our commitment, we actively foster employee growth and development by:

- Providing reimbursement for qualified educational expenses.
- Annual performance assessment reviews to help identify areas for improvement and capitalize on their strengths.
- Online annual training sessions to facilitate ongoing learning.
- Established programs such as the CGMBS Program, IT Certification Program, and an annual training and continuing education sessions allowance of up to \$2500.

28,068 Training Courses Completed

~14,000 Hours of Training Completed



Employee Engagement & Benefits

At Fulgent, we want to understand our employees' needs and foster a culture of open communication and collaboration to promote involvement, satisfaction, and a sense of belonging among our team members.

In 2023, we conducted 15 employee engagement surveys. In addition, each department conducts periodic employee reviews and offers ongoing career development support and training programs.

Based on the results of our surveys, we are dedicated to implementing tailored engagement strategies. This includes enhancing our communication channels by providing regular updates from management on the Company's direction, future objectives, and performance expectations. Additionally, we are actively fostering cross-departmental interactions and collaboration opportunities to strengthen unity across our subsidiaries.

We offer a comprehensive array of benefits including but not limited to:

- Health insurance and other medical benefits
- Holiday pay and vacation accrual
- Paid sick leave
- Reimbursement for qualified educational expenses upon completion of undergraduate, graduate, post-graduate, professional training, or licensure courses from accredited colleges, universities, and professional organizations
- 401(k) matching
- Transit Allowance Program, which provides monthly allowance to employees who commute to work via public transit (bus, commuter train, or light-rail)
- Childcare Allowance Reimbursement Program

Health & Safety

Maintaining a safe and healthy environment remains a top priority at Fulgent. This commitment is outlined in our [Health and Safety Policy](#) and implemented through our various EHS policies including our Injury and Illness Prevention Program (IIPP).

Recognizing the importance of compliance in mitigating risks and protecting our workforce, our IIPP was designed in full compliance with all applicable occupational safety and health regulations and Cal/OSHA requirements (CCR Title 8, Section 3203), and we adhere to all federal, state, and local safety and health rules and laws.

Our goal is to prevent all work-related injuries or illnesses, driving us to continuously refine and enhance our safety protocols. To ensure adherence to our IIPP and bolster our efforts, we have instituted a range of security measures and safety practices overseen by a dedicated IIPP administrator.

Additionally, we require employees to complete online safety and health training and encourage them to promptly report any unsafe conditions without fear of reprisal. As part of our efforts, we conduct safety assessments, monitor safety trends, and review safety-related incidents at least quarterly. We also conduct a comprehensive safety review annually to reflect on our progress and identify areas for improvement.



Required Training

General Lab Training		Frequency	
Bloodborne Pathogens		Annual	
Hazards Communication		Every 3 years	
International Air Transport Association (IATA)		Biennial (selected staff only)	
Lab Safety		Annual	
Specific Training		Frequency	
Operation of Biosafety Cabinets		As Needed	
Operation and Maintenance of Lab Equipment		As Needed	
Operation and Maintenance of Pipettes		As Needed	
Training Completion Rates		New Hires	All Employees
Bloodborne and Airborne Pathogens		99%	99%
Biosafety Cabinet Training		97%	97%
Biosafety Cabinet Training		97%	97%
DOT/IATA Infectious Substances Shipping & Packaging		100%	100%
Ergonomic Training		97%	99%
Fire Safety		97%	99%
Hazard Communications		99%	99%
Personal Protective Equipment (PPE)		99%	99%
Workplace Assailant Series		96%	99%

Sustainable Procurement

Ensuring ethical and sustainable practices across our supplier relationships is paramount to our mission of positively impacting patients' lives and the world around us. To uphold these standards, our [Supplier and Vendor Code of Conduct and Ethics](#) and our [Code of Business Conduct and Ethics](#) outline our expectations regarding human rights, business ethics, health and safety, and data privacy.

Our codes are applicable to all suppliers, vendors, contractors, consultants, and agents who help us succeed in delivering our mission. Our Supplier Code sets forth the minimum standard for our suppliers' business operations. Fulgent's suppliers are expected to observe basic sustainability standards and operate in a socially and environmentally responsible manner. Furthermore, suppliers must follow certain additional requirements in their agreements with us or as outlined in our policies or procedures.

Our Supplier Code was developed based on the International Labour Organization (ILO)'s core conventions, the UN Guiding Principles for Business and Human Rights, and other industry best practices. In 2023, we updated the Supplier Code, including our Modern Slavery Statement, to reflect and better align with current standards and practices. For more information about our commitment to Human Rights, see page 36.

Procurement Practices

We believe that a well-structured and comprehensive procurement process is foundational to fostering strong and reliable relationships with vendors and suppliers. We perform vendor and supplier selection, control, evaluation, and assessment procedures for all new suppliers to ensure the integrity and reliability of our supply chain.



Supplier Selection and Control

Suppliers are registered and classified according to a comprehensive risk management process. We assess and determine the risk level of a supplier based on their critical impact on Fulgent's services. The Strategic Sourcing and Procurement partners along with the Quality Management Team classify vendors to Level 1, 2 and 3, based on the criticality of their impact on Fulgent's services.

L1 High-risk vendors and suppliers
 These suppliers are difficult to replace and directly impact operations or the product/service quality provided to Fulgent's clients.

L2 Medium-risk vendors and suppliers
 These suppliers may be difficult to replace and may impact the product/service quality provided to Fulgent's clients.

L3 Low-risk vendors and suppliers
 These suppliers are easy to replace and have minimal impact on product/service quality provided to Fulgent's clients.

All qualified suppliers are properly onboarded after completing a comprehensive assessment to ensure a competitive and transparent selection process. As a part of registration, a Vendor and Supplier Evaluation Form is initiated as soon as significant purchases are anticipated.

Additionally, an initial assessment is conducted, evaluating factors such as the supplier's product and service selection, pricing, credibility, and quality.

Furthermore, we aim to review the supplier's relevant certifications, such as CAP/CLIA or ISO Certifications (e.g., ISO 9001, ISO 13485, ISO 15489, ISO 27001), with consideration given to other criteria specific to the product, equipment, or service.

Suppliers expected to be classified as L3 are exclusively tracked in the Fulgent Operations Vendor List. Regardless of classification, all purchases for laboratory operations require management approval prior to procurement.



Supplier Evaluations, and Audits

At Fulgent, critical vendors and suppliers are evaluated annually to ensure their products and services are satisfactory. If a quality issue with a supplier is observed, the supplier is promptly evaluated.

The following criteria are used to evaluate suppliers:

- | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> • Quality and accuracy of service • Problem-solving behavior • Capabilities to provide service according to requirements • Creditworthiness • Timeliness of communication | <ul style="list-style-type: none"> • Service orientation • Reachability • Timeliness of delivery • Prices • Relevance • Product quality |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Following an evaluation or performance assessment, our Strategic Sourcing and Procurement representative compiles our findings based on the criteria outlined above and determines whether the vendor's performance warrants a designation of "Satisfactory" or "Unsatisfactory" on the List of Approved Vendors. Any issues or instances of nonconformance that affect the quality and/or patient safety are promptly reported and addressed. In addition, performance assessment feedback is provided to suppliers to inform them of the results and requirements to improve, if any.

As part of our quality control process, the purchasing representative, quality representative, or the Lab Director may identify suppliers that require an on-site audit based on the criticality of the service or product they provide, a previous quality problem, or other reasons. Social and environmental audits are also conducted, as deemed necessary.

In 2023, we conducted 23 vendor evaluations reports for Level 1 and Level 2 suppliers. These audits generally pertained to topics such as supplier quality assessments, adherence to good documentation practices, and compliance with personal protective equipment (PPE) policies within laboratory settings.



Monitoring Supply Chain Risks

We are dedicated to mitigating prevalent supplier risks, including those related to reputation, sustainability, business continuity, compliance, and ethics.

During our supplier onboarding process, we screen all suppliers against the OIG Exclusion list, including, as relevant, bankruptcy filings, lawsuits/legal actions, data breaches or any fraudulent activity. We provide written notice to suppliers who violate our Supplier Code. In cases of noncompliance, we work with suppliers to remedy and address deficiencies. If a supplier fails to comply and further remedy the noncompliance in a timely manner, it may be deemed a material breach of our agreement and may result in the termination of the business relationship and/or removal from Fulgent's List of Approved Vendors. Alternatively, Fulgent may require a supplier to take corrective action or may cancel outstanding orders.



Supplier Diversity

We prioritize supplier diversity as a cornerstone of our commitment to inclusivity. We actively encourage small businesses to register with the Small Business Administration (SBA) and obtain relevant diversity certifications. If feasible, we source from diverse and small business suppliers. During the bidding process, suppliers are invited to self-identify as small businesses, minority-owned, veteran-owned, or owned by individuals with disabilities or economically disadvantaged backgrounds.

Key Suppliers

We rely on a limited number of key suppliers to provide laboratory substances used in the chemical reactions incorporated into our tests and testing services.

These key supplier relationships are integral to maintaining the efficiency and quality of our services and we are grateful for their continued partnerships.



Abbott Laboratories for certain laboratory equipment, supplies, and services for our FISH tests and testing services.



Beckman Coulter Diagnostics for certain laboratory equipment, supplies, and services for our flow cytometry tests and testing services.



Integrated DNA Technologies for certain laboratory equipment including probes for NGS testing.



Illumina, Inc. is the sole supplier of the next generation sequencers and associated reagents we use to perform our genetic tests and as the sole provider of maintenance and repair services for these sequencers.



Leica Camera for certain laboratory equipment for digital pathology testing services.



Roche Holdings AG for certain laboratory equipment, supplies, and services for our immunohistochemistry services.

Respecting Human Rights

Monitoring Human Rights in Our Business

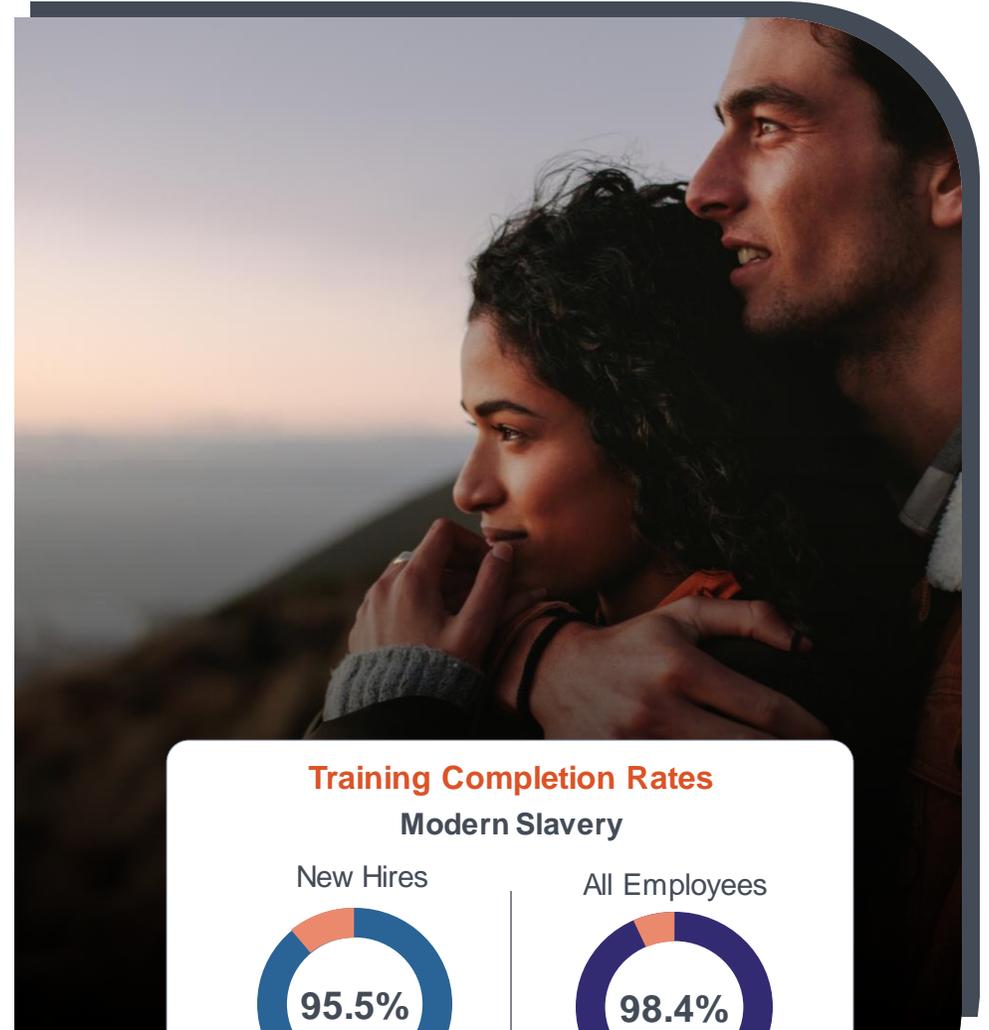
We are dedicated to operating responsibly and promoting principles of fairness and dignity for all. Our Board of Directors oversees our commitment to human rights and related efforts including training our employees, vetting key suppliers, and implementing policies to mitigate the risk of modern slavery in our business and supply chains.

We are committed to minimizing the risk of human rights violations, including modern slavery, in our own business through the establishment of personnel policies, procedures, and training initiatives that address hiring practices, working hours, and workplace conduct, among other things.

We maintain internal accountability standards and procedures for employees and contractors who fail to meet our standards regarding slavery and human trafficking. Any identified misconduct with respect to these issues results in prompt corrective action, up to and including termination.

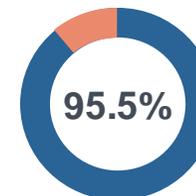
In 2023, we updated our [Modern Slavery Statement](#), which is aligned with national and international best practices, including;

- the ILO Declaration on Fundamental Principles and Rights at Work
- the UN Guiding Principles
- California Transparency in Supply Chains Act
- UK Modern Slavery Act
- Australian Commonwealth Modern Slavery Act.

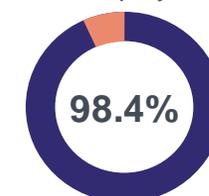


Training Completion Rates Modern Slavery

New Hires



All Employees



Monitoring Human Rights in Our Supply Chain

We are also committed to minimizing the risk of human rights violations in our supply chain. Among other things, the Supplier Code:

- Includes limitations on working hours.
- Prohibits child and forced labor.
- Requires that clear and complete employment-related information be provided to workers.
- Prohibits charging recruitment fees to workers.
- Requires that workers receive at least the minimum wage and legally mandated benefits; be paid on a timely basis; and that deductions, advances, and loans from wages be made only as permitted by applicable law.
- Prohibits requiring workers to lodge deposits as a condition of employment or for other purposes.
- Indicates that suppliers' workplaces are expected to be free from harsh or inhumane treatment and discrimination.
- Prohibits workers' freedom of movement from being restricted.
- Requires that workers be free to organize and bargain collectively.
- Requires suppliers to provide their workers with access to clean water.
- Requires key suppliers to have internal accountability standards.
- Prohibits discrimination or unfair treatment against individuals based on sex, race, color, national origin, nationality, citizenship, age, gender, sexual orientation, gender identity, sexual expression, ethnicity, disability, religion, political affiliation, genetic information, union membership, marital or family status, military service, veteran status, or other reasons prohibited by applicable law.



Key Suppliers are directed to a copy of the Supplier Code at the time of procurement, and a copy is publicly available on our website. Key suppliers may be required to certify compliance with the Supplier Code, including training their employees.

For key suppliers, we reserve the right to conduct on-site audits or appropriate risk-based assessments at our suppliers' manufacturing sites located in regions that do not have a low prevalence of modern slavery based on publicly available third-party indicators.

We periodically monitor publicly available news sources for allegations of modern slavery or other human rights issues associated with our critical suppliers and partners. Our internal monitoring mechanisms also include our grievance reporting system and our Ethics Hotline.

In 2023, as in prior years, we did not detect or identify any instances of modern slavery or human rights issues associated with our suppliers or within our supply chain.

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Environmental



Climate Risks

We understand that climate change poses significant risks to the environment, society, and businesses. Our [Climate Change Policy](#) outlines our strategy to identify and manage climate-related risks, measure and improve our greenhouse gas (GHG) performance, and capitalize on opportunities to improve energy performance, reduce costs, and minimize our carbon footprint.

Our Board of Directors is responsible for overseeing our climate-related projects, including managing our energy consumption, assessing climate risks and opportunities, and driving performance improvements. Through their guidance and governance, our Board ensures that climate considerations are integral to our decision-making processes, safeguarding our business against potential risks and positioning us to seize opportunities for innovation and growth.

Climate-related discussions and risk assessments are also integrated into the core agenda of our leadership team meetings, underscoring their significance in shaping our strategic direction. This proactive approach ensures that climate considerations are a fundamental part of our decision-making, helping us adapt to changes in the business environment with foresight and resilience.

Through our climate-related risk assessments, we have identified the following potential risk factors:

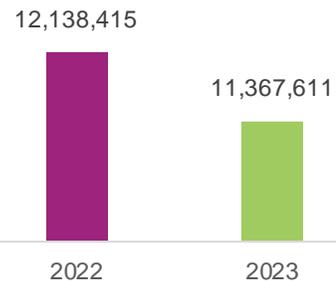
<p>Emerging regulations </p>	<p>Reputational risks </p>	<p>Physical risks </p>	<p>Supply chain disruptions and business continuity </p>
<p>New climate-related regulations are inevitable and will impact businesses to varying degrees depending on their industry and operations. Fulgent does not anticipate being subjected to emerging climate regulations in the near term. However, should our organization be subjected to new climate regulations, our current efforts to measure and manage our GHG emissions will make us better prepared for compliance.</p>	<p>With increasing transparency and climate awareness, poor GHG performance can lead to reputational risks. Fulgent intends to mitigate this risk by keeping in line with our major competitors in terms of GHG disclosure and performance.</p>	<p>Climate change will increase the frequency and intensity of extreme weather events, which may pose risks to Fulgent’s physical assets. We mitigate these risks by assessing the vulnerability of our physical assets to extreme weather and implementing response plans if an asset is impacted.</p>	<p>No business is immune to climate-related risks, and that includes our suppliers. Therefore, there is a potential for climate related risks to impact our supply chain in the future. To mitigate this risk, Fulgent intends to integrate energy and climate-related criteria into our supplier assessments.</p>

Energy & Emissions

Energy optimization

We prioritize energy optimization, continuously seeking opportunities to enhance energy efficiency and reduce consumption across our operations. Our facilities managers continually assess upgrades and technologies that help reduce energy consumption. When equipment needs to be replaced, priority is given to energy-efficient options. In addition, our process managers are continually seeking effective ways to improve process efficiency to reduce our energy consumption.

Electricity Usage (KWh)



GHG Emissions

As part of our commitment to sustainability, we calculate and disclose our Scope 1 and Scope 2 GHG emissions annually. This allows us to measure our progress and identify areas for improvement.

For this reporting cycle, we completed our third GHG inventory in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. In 2023, our Scope 1 and Scope 2 emissions decreased 31%.

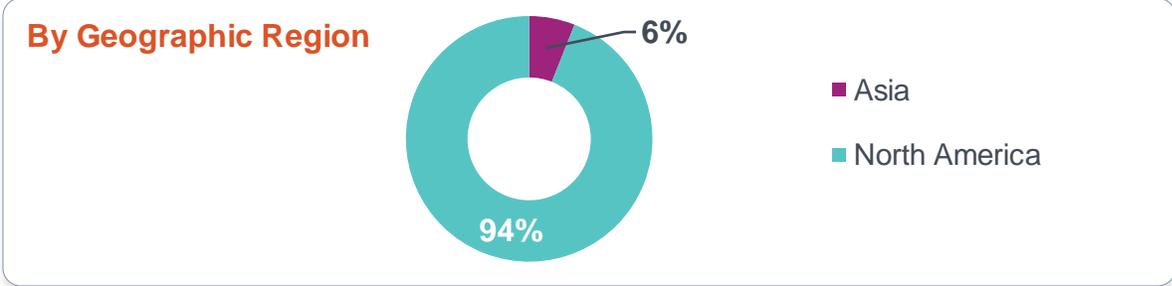
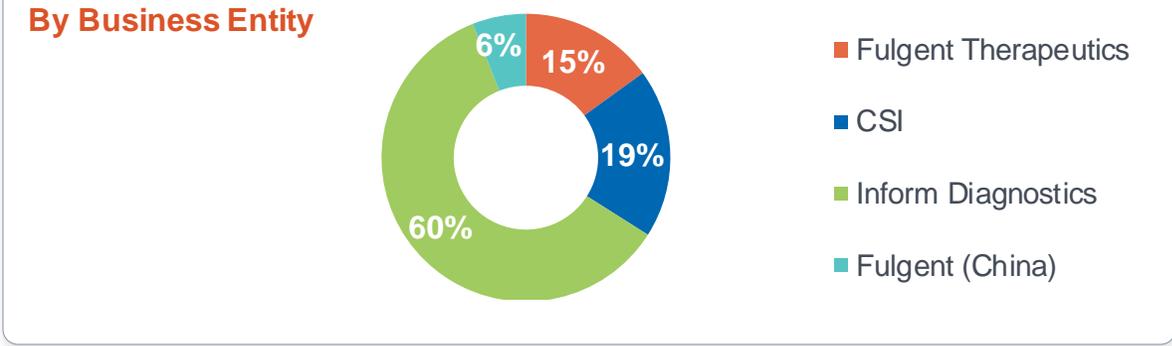
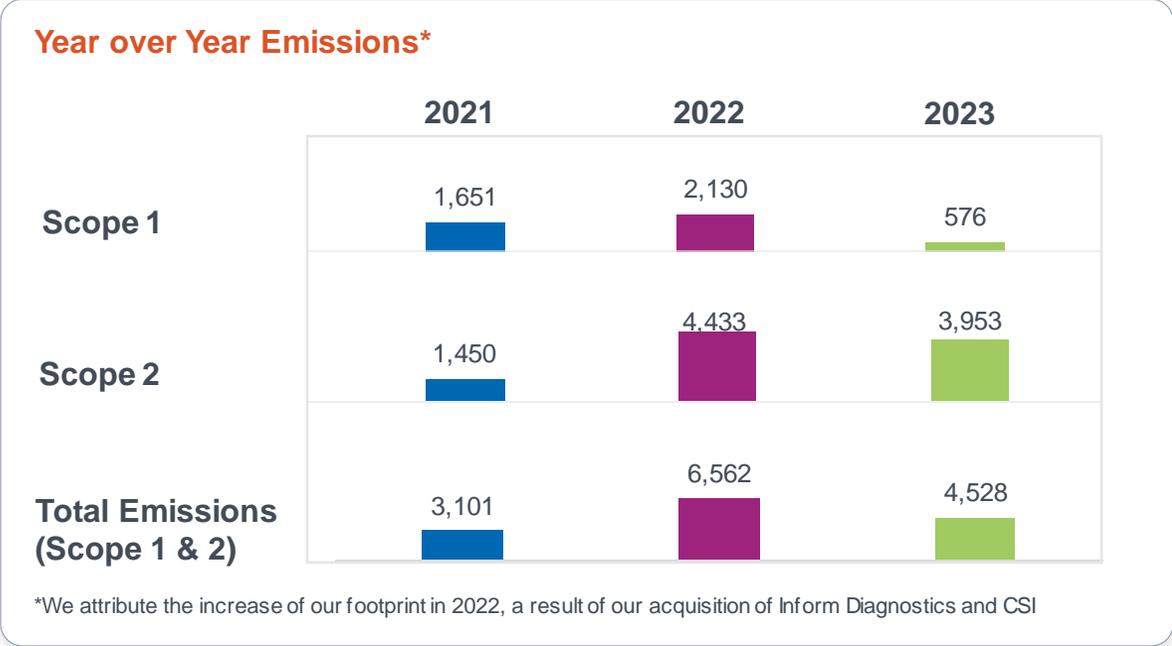
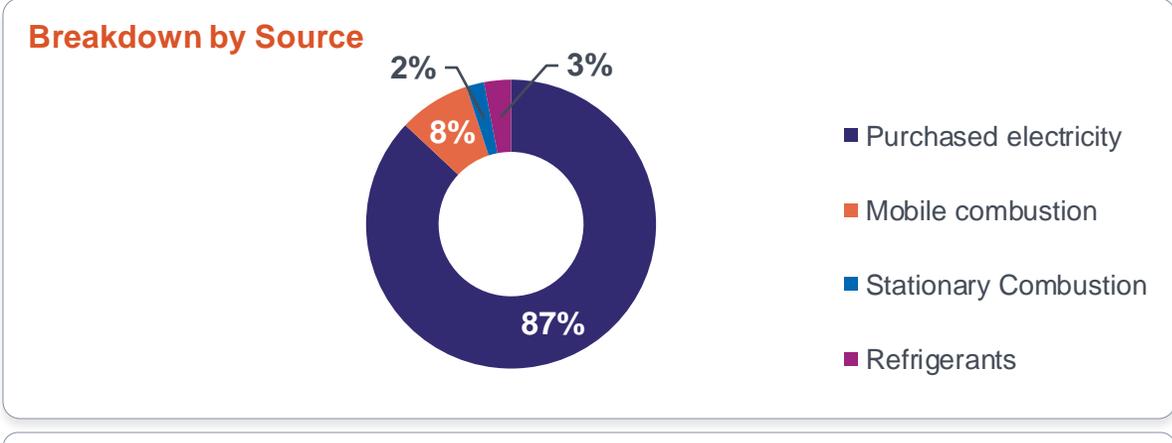
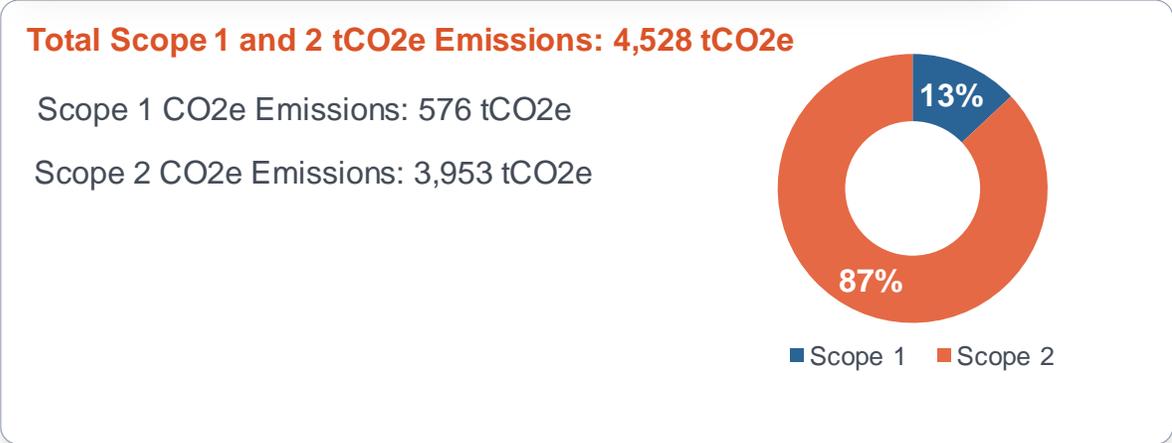
Additionally, we noted as in previous years, purchased electricity and mobile combustion were our primary sources of energy in 2023 and remain the leading contributors to our carbon footprint. Emissions from our chartered aircraft accounted for 64% of our total mobile combustion emissions and 8% of our total emissions.

We attribute the 73% decrease in our Scope 1 emissions from 2022, to be a result of fewer trips involving our corporate aircraft. Additionally, we believe the 13% Scope 2 reduction is due to a consolidation of our facilities, which resulted in a change in our operational boundaries.

We continue to evaluate the possibility of setting GHG intensity reduction targets. If we do set targets in the future, they would be science-based targets aligned with the thresholds outlined by the Intergovernmental Panel on Climate Change (IPCC).

GHG	2021	2022	2023
GHG Emissions Scope 1 & 2 (tCO ₂ e)	3,101	6,562	4,528
Scope 1 (tCO ₂ e)	1,651	2,130	576
Scope 2 (tCO ₂ e)	1,450	4,433	3,953

2023 GHG Inventory Results



Resource Management & Conservation

Waste Management

We are committed to implementing comprehensive waste management practices to minimize waste generation and maximize recycling efforts, ensuring responsible disposal of materials across all aspects of our operations. Our waste management program is in line with the Environmental Protection Agency (EPA) and Resource Conservation and Recovery Act (RCRA) which requires companies to have a “cradle to grave” management system for hazardous waste. Employees must use, store, and dispose all hazardous materials, including Regulated Medical Waste (RMW) or medical waste, which is comprised of biohazard-contaminated waste and medical sharps, properly and in accordance with applicable regulations. All medical waste is removed from facilities by a licensed hazardous waste disposal company.

Additionally, we have implemented various health & safety and waste management procedures across our labs and facilities to ensure the safe disposal of materials and reduction of pollutants. These procedures include:



Pollution prevention techniques used to reduce volume and toxicity.



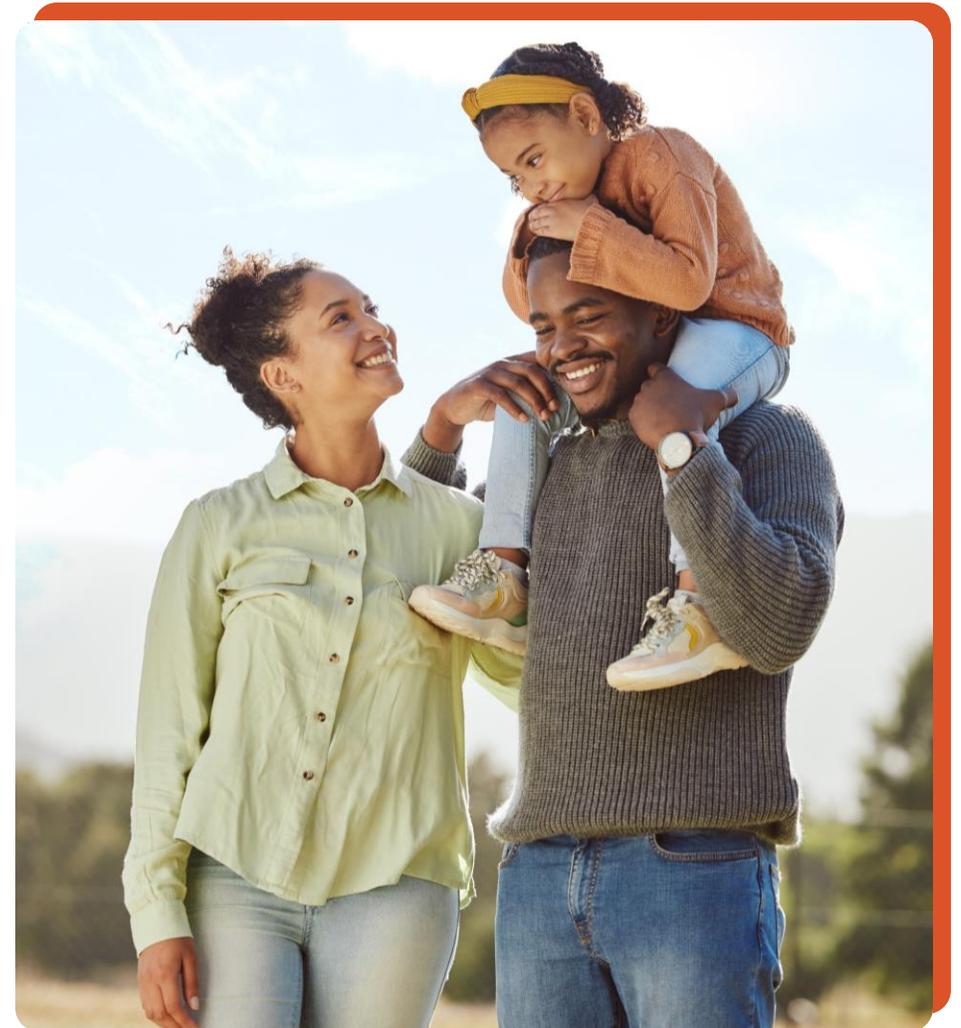
Guidance for identifying all hazardous chemicals and ways to eliminate or reduce the volume or toxicity of the chemicals.



Accountability mechanisms for hazardous chemicals released to the air, sewer, or ground and immediate reporting procedures to the Safety Department



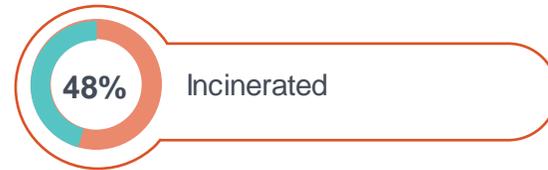
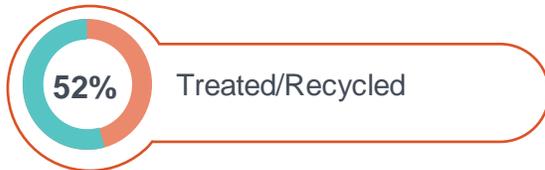
Routine decontamination and cleaning practices of all equipment, environmental surfaces, and working surfaces prior to work being conducted, at least daily and as soon as there is a spill of medical or hazardous material.



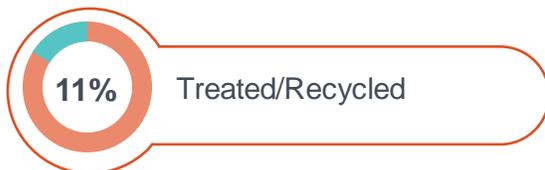
Proper management of our waste stream can have the greatest effect on maintaining a high level of employee safety in the laboratory and across all our operations and decreasing waste-associated costs. All laboratory personnel are trained to recognize the differences between waste streams and clearly identify where specific waste products should be placed.

In 2023, we worked to expand our data tracking across all our waste streams by collecting data pertaining not only to biohazardous waste but also non-hazardous and hazardous waste across our facilities.

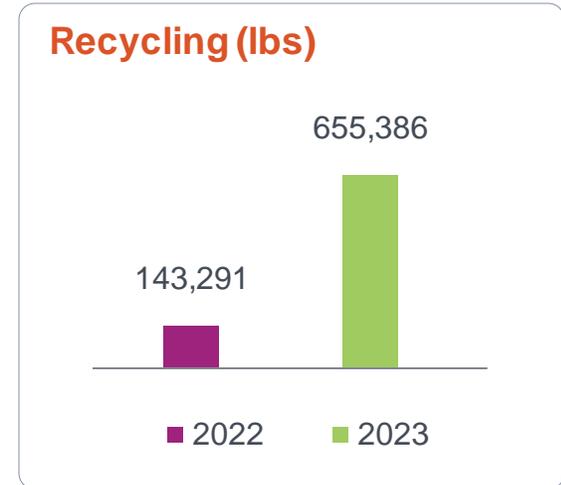
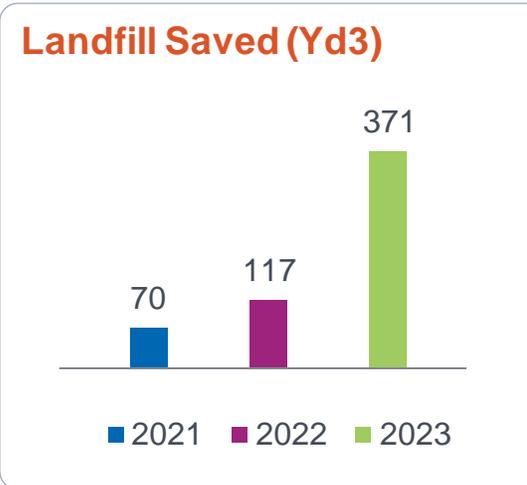
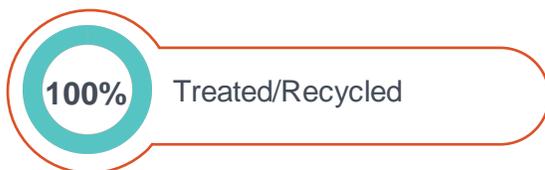
Total Medical Waste: 32 metric tons



Total Non-Hazardous Waste: 426 metric tons



Total Hazardous Waste: 185 metric tons

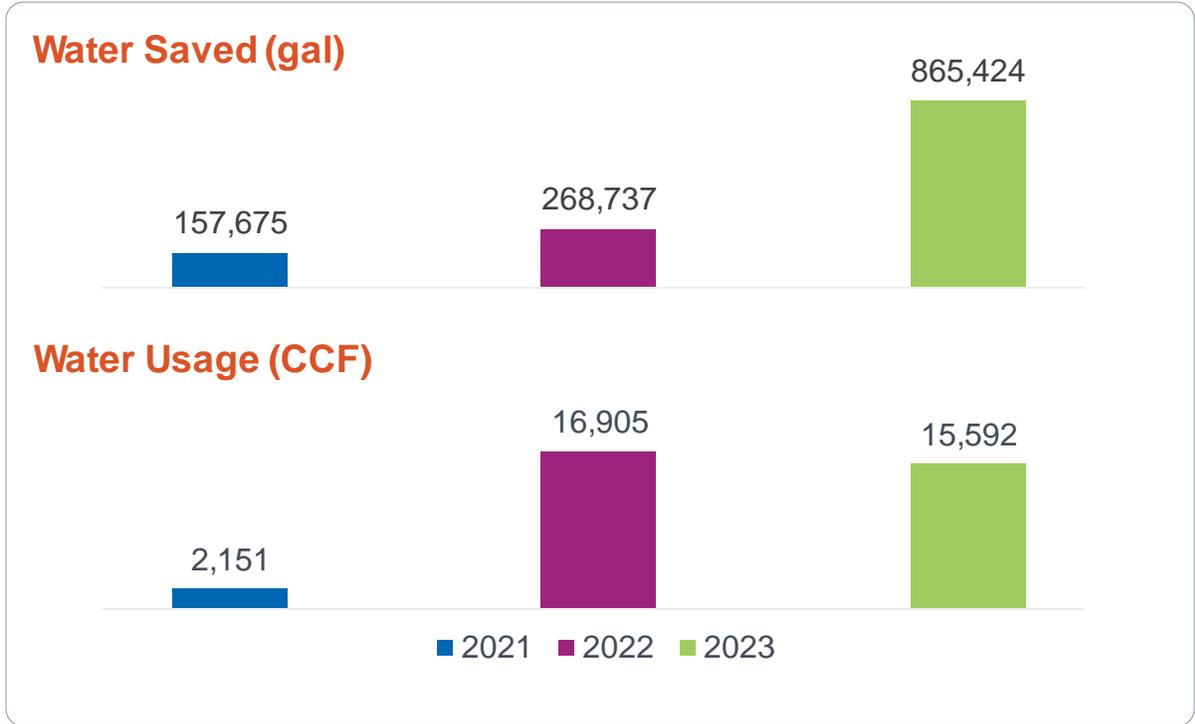


Water Management

Water serves as a fundamental resource in our research and testing. Recognizing its critical importance, we are dedicated to implementing sustainable practices to minimize water usage and preserve this vital resource. According to a 2021 Global Water Stress study conducted by the UN Food and Agriculture Organization*, our operations are located in countries experiencing relatively low water stress.

However, we additionally recognize the varying regional conditions within the countries we operate and continue to monitor our water usage and the role we can play in reducing that usage overtime. Through efficient water management strategies, we aim to balance the demands of our operations with our commitment to environmental stewardship.

In 2023, we consumed 15,592 CCF of water for our operations. Through our reduction efforts, we saved 865,424 gallons of water, an improvement compared to 2022.



Water & Natural Resources	2021	2022	2023
Water Saved (gal)	157,675	268,737	865,424
Water (CCF)	2,151	16,905	15,592

* [Food and Agriculture Organization of the United Nations - SDG 6 Level of Water Stress](#)

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Appendix



Fulgent continues to monitor best practices and stakeholder priorities regarding sustainability disclosure and compliance with identified reporting frameworks. This year, we continued reporting in alignment with the SASB standards and added additional TCFD disclosures.

Understanding the recent consolidation of these two reporting standards into International Financial Reporting Standards (IFRS) S1 (General Requirements for Disclosure of Sustainability-related Financial Information) & S2 (Climate-related Disclosure), we will work to continue providing adequate disclosures and, in time, we will transition our reporting to align with the best practices put forward by the International Sustainable Standards Board (ISSB).

Sustainability Accounting Standards Board (SASB)

Disclosure Topic	Accounting Metric	SASB Code	2023 Disclosure
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	HC-DY-130a.1	1) Total Energy Consumed (GJ): 61290.79 2) Percentage Grid Electricity: 67% 3) Percentage Renewable: 0%
Waste Management	Total amount of medical waste, percentage (a) incinerated, (b) recycled or treated, and (c) landfilled	HC-DY-150a.1	Total medical waste: 32.1 metric tons • 52% treated/Recycled • 48% Incinerated
	Total amount of: (1) hazardous and (2) non-hazardous pharmaceutical waste, percentage (a) incinerated, (b) recycled or treated, and (c) landfilled	HC-DY-150a.2	Total non-hazardous: 426 metric tons • 11% treated/recycled • 89% landfill Total hazardous waste: 185 metric tons • 100% treated/recycled
Patient Privacy & Electronic Health Records	Description of policies and practices to secure customers' personal health data records and other personal data	HC-DY-230a.2	See page 24 of this report or visit our website for more information.
	(1) Number of data breaches, (2) percentage involving (a) personal data only and (b) personal health data, (3) number of customers affected in each category, (a) personal data only and (b) personal health data	HC-DY-230a.3	None
	Total amount of monetary losses as a result of legal proceedings associated with data security and privacy	HC-DY-230a.4	\$0
Access for Low-Income Patients	Discussion of strategy to manage the mix of patient insurance status	HC-DY-240a.1	See page 11 of this report or visit our website for more information.
Quality of Care & Patient Satisfaction	Number of Serious Reportable Events	HC-DY-250a.2	Not applicable to our business.
	Hospital-Acquired Condition rates per hospital	HC-DY-250a.3	Not applicable to our business.
	Number of (1) unplanned and (2) total readmissions per hospital	HC-DY-250a.4	Not applicable to our business.
Management of Controlled Substances	Description of policies and practices to manage the number of prescriptions issued for controlled substances	HC-DY-260a.1	Not applicable to our business.

Disclosure Topic	Accounting Metric	SASB Code	2023 Disclosure
Pricing & Billing Transparency	Description of policies or initiatives to ensure that patients are adequately informed about price before undergoing a procedure	HC-DY-270a.1	Not applicable to our business. See page 11 of this report or visit our website for more information.
	Discussion of how pricing information for services is made publicly available	HC-DY-270a.2	Not applicable to our business. See page 11 of this report or visit our website for more information.
	Number of the entity's 25 most common services for which pricing information is publicly available, percentage of total services performed (by volume) that these represent	HC-DY-270a.3	Not applicable to our business. See page 11 of this report or visit our website for more information.
Workforce Health & Safety	Total recordable incident rate (TRIR) for (a) direct employees and (b) contract employees	HC-DY-320a.1	<p>Direct Employees:</p> <ul style="list-style-type: none"> FLGT: 10 cases, total of 0 days away from work, 169 days of transfer of restrictions CSI: 0 cases IDX: 4 cases, total of 90 days away from work, 0 days of transfer of restrictions <p>Contract Employees: 0 cases</p>
Employee Recruitment, Development & Retention	(1) Voluntary and (2) involuntary turnover rate for: (a) physicians, (b) non-physician health care practitioners, and (c) all other employees	HC-DY-330a.1	<p>Physician (a) and non-physician health care practitioners (b) is not applicable to our business.</p> <p>All other employees (c):</p> <ul style="list-style-type: none"> FLGT: (1) 14.25% voluntary (2) 5.79% Involuntary CSI: (1) 17.50% voluntary (2) 7.50% Involuntary IDX: (1) 17.50% voluntary (2) 6.36% Involuntary
	Description of talent recruitment and retention efforts for health care practitioners	HC-DY-330a.2	See page 30 of this report.
Climate Change Impacts on Human Health & Infrastructure	Description of policies and practices to address: (1) the physical risks due to an increased frequency and intensity of extreme weather events and (2) changes in the morbidity and mortality rates of illnesses and diseases, associated with climate change (3) emergency preparedness and response	HC-DY-450a.1	<p>1) See page 39 of this report.</p> <p>2) Fulgent does not track data that is focused specifically on illness and diseases associated solely with climate change.</p> <p>3) Fulgent has an Emergency Action Plan that has been implemented to meet the requirements of OSHA standard 29 CFR 1910.38 – Emergency Action Plans as part of our emergency preparedness and response initiatives. The plan provides designated actions necessary by the company and employees to ensure personnel safety during possible emergency scenarios include climate-related risks such as fire, severe weather, and earthquake.</p>
Fraud & Unnecessary Procedures	Total amount of monetary losses as a result of legal proceedings associated with medical fraud	HC-DY-510a.1	At the parent-company level, Fulgent has had \$0 monetary losses as a result of legal proceedings associated with medical fraud.

Activity Metrics	SASB Code	2023 Disclosure
Number of (1) facilities and (2) beds, by type	HC-DY-000.A	Not applicable to our business.
Number of (1) inpatient admissions and (2) outpatient visits	HC-DY-000.B	Not applicable to our business.

Task Force on Climate-Related Disclosures (TCFD)

TCFD Category	Question / Disclosure	2023 Disclosure
Governance	Describe the board's oversight of climate-related risk and opportunities	<p>Our sustainability success depends in part on the skills, expertise, diverse experiences, and diligent performance of our Board of Directors. We fully incorporate climate-related risk assessments periodically as part of our leadership team's agenda when guiding business strategy and performance objectives. We seek to ensure our ESG strategy is effectively integrated into the company's overall business strategy by presenting all ongoing efforts, achievements, and challenges to the Board at quarterly meetings. These meetings give all Directors the ability to discuss and approve initiatives.</p> <p>Our Board provides general oversight of energy management, climate risk and opportunities, and sustainability strategy and performance. The Board's oversight includes a commitment to calculating yearly GHG emissions inventory, monitoring our progress and goals, and approving energy savings and climate-related projects.</p>
	Disclose the role of management in assessing and managing climate-related issues	<p>In 2021, we formed the ESG Working Group and established board oversight of environmental, social and governance strategy ("ESG") through the Nominating and Governance Committee. The Group is made up of members of our Executive Team and Senior Management members across various departments including Finance, Legal, and Operations and Compliance. These team members oversee the company's day-to-day strategy relating to ESG, which including climate-related issues. The group meets twice a month to discuss on going initiatives and works closely with additional department heads such as but not limited to Human Resources, and IT Infrastructure and security to ensure a uniformed ESG strategy and approach is implemented company-wide. Each department is responsible for managing their efforts as they relate to the company's ESG priorities and initiatives.</p> <p>The Nominating and Governance Committee, made up of three board members (one chairperson and two members), oversees the ESG Working Group. The Committee is responsible for the Company's ESG strategy, initiatives and policies, which includes periodic reporting regarding the Company's ESG efforts.</p> <p>The Working Group reports to the committee quarterly to share ongoing progress and updates with the entire Board during each quarterly Board meeting.</p>
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	<p>Climate poses emerging risks to businesses around the world. To prepare for an uncertain future, Fulgent is committed to integrating the consideration of climate-related risks into its risk management processes.</p> <p>Our potential climate-related risks include:</p> <ul style="list-style-type: none"> - Emerging regulation: New climate-related regulations are inevitable and will impact businesses to varying degrees depending on their industry and operations. - Reputational risks: With increasing transparency and climate awareness, poor GHG performance can lead to reputational risks. - Physical risks: Climate change will increase the frequency and intensity of extreme weather events, which may pose risk to Fulgent's physical assets. - Supply chain disruptions and business continuity: No business is immune to climate-related risks, and that includes our suppliers. Therefore, there is a potential for climate-related risks to impact our supply chain in the future.
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	<p>The impacts of our potential climate-related risks include:</p> <ul style="list-style-type: none"> - Emerging regulation: Fulgent does not anticipate being subjected to emerging climate regulations in the near term. However, should our organization be subjected to new climate regulations, our current efforts to measure and manage our GHG emissions should enable us to be prepared for compliance. - Reputational risks: Fulgent intends to mitigate this risk by keeping in line with our major competitors in terms of GHG disclosure and performance. - Physical risks: We mitigate these risks by assessing the vulnerability of our physical assets to extreme weather and implementing response plans if an asset is impacted. - Supply chain disruptions and business continuity: To mitigate this risk, Fulgent intends to integrate energy and climate-related criteria into our supplier assessments.
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	<p>Climate-related opportunities and risks are incorporated into Fulgent's ESG strategy. Fulgent will consider a climate-related scenario analysis taking into account our ESG strategy in the coming years.</p>

TCFD Category	Question / Disclosure	2023 Disclosure
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks	<p>ESG and climate-related assessments are periodically reported to the members of the Audit Committee and discuss as part of the company's ESG strategy and risk oversight at quarterly Board meetings.</p> <p>Additionally, we have implemented a formal Climate Change Policy and continue to monitor and assess climate-related risks and conduct a variety of assessments such as:</p> <ul style="list-style-type: none"> - ESG Materiality Assessment - Annual greenhouse gas (GHG) emissions inventory (during which we reassess our operational boundaries, calculate our scope 1 & 2 emission in accordance with the GHG Protocol, and continue to monitor our footprint year over year) - Monitoring of existing and emerging regulatory requirements and reporting frameworks as they related to climate <p>These assessments enable us to understand how best to manage our climate-related risks and opportunities. Currently, through this process we have identified the following potential climate-related impacts:</p> <ul style="list-style-type: none"> - Emerging regulation - Reputational risks - Physical risks
	Describe the organization's processes for managing climate-related risks	<p>In 2022, we conducted our first comprehensive ESG materiality assessment informed by thorough research, benchmarking, and engagement with key stakeholder groups. Our materiality assessment process was as follows:</p> <ol style="list-style-type: none"> 1. Identified applicable ESG issues using past stakeholder engagement results, researching peers and benchmarking against the GRI standards, SASB standards, and MSC's ESG Health Care industry materiality map. 2. Conducted internal interviews with employees and members of our senior leadership team and surveyed key third-party stakeholders and suppliers in an active effort to gather feedback and validate the ESG topics identified. 3. Analyzed and prioritized the various problem areas based on stakeholder responses and information inputs. <p>Through this assessment, we identified business opportunities to support growth, innovation, and risk mitigation. Fulgent believes the most effective methods to mitigate these risks is to carefully measure our GHG emissions and continually improve our energy and carbon efficiency. To address any climate-related risks that may exist in our supply chain, Fulgent intends to assess our existing and prospective suppliers' energy and GHG performance, disclosure, and management based on public disclosures. We are further interested in collaborating with our suppliers to help collectively improve energy and GHG management throughout the supply chain.</p>
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	<p>We utilize a qualitative problem-solving approach that assesses and ranks risks for effective resolution. Our risk analysis process covers four phases:</p> <ul style="list-style-type: none"> • Risk identification • Risk assessment • Setting corrective and mitigation actions • Defining and implementing preventive measures <p>We incorporate ESG and climate-related risk assessments periodically as part of our audit meeting agenda to allow the Board and senior management to integrate these risks with our overall risk management.</p>

TCFD Category	Question / Disclosure	2023 Disclosure
Metrics & Targets	<p>Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process</p>	<p>Currently utilize the following metrics which can be found on pages 40-44, to measure and management climate-related risks and opportunities.</p> <ul style="list-style-type: none"> - GHG Emissions (Scope 1 & 2) - Energy consumption (grid usage vs renewables) - Waste management (Hazardous, Non-Hazardous and Medical waste) - Water usage - Recycling and conservation efforts <p>We continue work to enhance and expand our environmental metrics and data tracking capabilities.</p>
	<p>Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks</p>	<p>See report pages 40-41, for our 2023 GHG emissions Organizational Boundary Approach - Operational Control Criteria: Includes emission sources under direct control of Fulgent Energy consumption in office equipment's and utilities, Emissions from Owned vehicles, Use of Refrigerants e.g. Our Approach taken is in line with the following:</p> <ul style="list-style-type: none"> - GHG Protocol - Global Real Estate benchmark Guidelines for GHG consolidation, - USEPA Simplified Guide to Greenhouse Gas Management for Organizations for leased assets - European real estate association guidelines for GHG accounting <p>Secondary Data Use and Estimation of missing data Data for following facilities was estimated by using CBECS (Commercial building energy consumption survey) GHG intensity</p> <ul style="list-style-type: none"> - Inform Diagnostics: Regus Corporation and Columbia Business Suite
	<p>Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets</p>	<p>Fulgent is committed to making measurable progress to improving our energy and carbon performance over time and participating in the transition to a low carbon economy. Upon the completion of our GHG inventory, we will set quantifiable targets to reduce our GHG emissions relative to revenue. Our focus on intensity-based over absolute reduction targets will allow Fulgent to grow, while still demonstrating improvements in energy and GHG efficiency.</p> <p>Fulgent understands that based on the best scientific estimates—and according to the Intergovernmental Panel on Climate Change (IPCC)—avoiding catastrophic and irreversible climate change will likely require:</p> <ul style="list-style-type: none"> - Limiting global warming to ~1.5°C compared to pre-industrial levels; - Cutting emissions by 45% by 2030 (compared to 2010 levels); and - Achieving net zero emissions by 2050. <p>The results of our initial GHG inventory will inform the feasibility of our reduction targets and commitments. If feasible, it is our aim to set science-based targets that are in alignment with the thresholds outlined above and the Science-Based Targets Initiative (SBTi).</p>

EEO-1

Job Categories	Race/Ethnicity														Total
	Hispanic or Latino		Non/Hispanic or Latino												
			Male						Female						
	Male	Female	White	Black or African American	Native Hawaiian or Pacific Islander	Asian	Native American or Alaska Native	Two or more Races	White	Black or African American	Native Hawaiian or Pacific Islander	Asian	Native American Or Alaska Native	Two or More Races	
Executive/Senior Level Official and Managers 1.1	0	1	19	1	0	16	0	1	12	2	1	15	0	0	68
First/Mid Level Official and Managers 1.2	3	5	12	3	0	15	1	2	24	13	1	10	1	0	90
Professionals 2	14	13	51	1	1	62	0	3	24	6	2	57	0	6	240
Technicians 3	41	66	39	26	0	46	0	7	108	54	1	49	0	5	442
Sales Workers 4	3	2	14	3	0	5	0	1	11	1	0	1	0	3	44
Administrative Support Workers 5	10	37	22	13	1	7	0	2	45	24	0	24	2	2	189
Craft Workers 6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operatives 7	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1
Laborers and Helpers 8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Service Workers 9	2	2	1	1	0	2	1	0	0	1	0	0	0	0	10
Total	73	127	158	48	2	153	2	16	224	101	5	156	3	16	1084

Environmental Data Summary Table*

GHG & Energy Consumption	2019	2020	2021	2022	2023
GHG Emissions Scope 1 & 2 (tCO2e)	-	-	3,101	6,562	4,528
Scope 1 (tCO2e)	-	-	1,651	2,130	576
Scope 2 (tCO2e)	-	-	1,450	4,433	3,953
Energy Usage (kWh)	590,683	821,956	2,579,612	12,138,415	11,367,611
Energy Saved (kW)	4,500	41,950	90,100	153,008	21,900
Water & Natural Resources	2019	2020	2021	2022	2023
Water (CCF)	533	814	2,151	16,905	15,592
Water Saved (gal)	7,875	73,413	157,675	268,737	865,424
Trees Saved	19	179	383	667	93
Waste	2019	2020	2021	2022	2023
Non-Hazardous (metric tons)	-	-	-	-	426
Hazardous (Metric tons)	-	-	-	-	185
Biohazardous (Metric tons)	3	80	208	94	32
Recycling (pounds)	-	-	-	143,291	655,386
Landfill Saved	3	33	70	117	371

*Availability of data to be aggregated into annual totals was dependent on the type of lease of each facility and the utility management provided by various third-party vendors. Additionally, annual data is based on the operational boundaries in place during that year. Operational boundaries have changed year over year resulting increase and decreases in disclosed metrics.