

Our Commitment to Sustainability



ESG Overview

While improving everyday lives is our ultimate goal, we recognize our obligation to be both environmentally conscientious and socially responsible in that pursuit.

Accordingly, in the coming months we will be conducting a review of our practices both internally and externally to provide our stakeholders with a more fulsome view of how we promote sustainability in our organization and how we intend to communicate our ESG efforts in a more robust manner to our stakeholders.

This preliminary disclosure is the first step of that initiative.



Our Mission

Developing flexible and affordable genetic testing that improves the everyday lives of those around us. Founded in 2011, Fulgent began with two simple ideas; flexibility and affordability. Today, we strive to create the most effective and wide-ranging tests on the market. All of this is done in the pursuit of bettering the everyday lives of our customers. We shine brightest when meaningful relationships, passion, and purpose come together.

Environmental



Resource Footprint

Fulgent complies with all state and federal laws relating to the environmental protection.

Energy. Electricity and gas are the primary sources of energy we use, and the leading contributor to our carbon footprint. Currently, 100% of energy used is from non-renewable sources obtained from the grid.

Natural Resources. Water is an essential resource in our research and testing. Our water consumption increased in 2020 by approximately 53% primarily due to laboratory and office expansion.

Conservation. We engage in several conservation activities including recycling and shredding. Additionally, we intend to have our buildings LEED certified and are currently in the permit application process for installation of electric vehicle charging stations and solar paneling.

Waste. Employees must use, store and dispose all hazardous materials properly and in accordance with applicable regulations. The amount of bio-hazardous waste increased significantly due to increased distribution and processing of our testing kits.

Packaging. The materials used in our individual picture kits for home testing are primarily plastic and cardboard, with an approximate weight of 97 grams. COVID kits require bagged tubes which range in number from 50 bags (2 lbs.) to 1,000 bags (32 lbs.) per box.

		2019	2020			
		Total Usage	CA – TC ¹	CA - ELM ¹	TX ¹	Total Usage
Energy Use	Electricity (kWh)	590,683	706,151	55,537	60,268	821,956
	Gas (Therms)	2,477	6,234	1,587	N/A	7,821
Natural Resources	Water (CCF)	533	569	245	N/A	814
Conservation	Investment/ Spend (\$)	913	2,362	N/A	90	2,452
	Trees Saved	19	102	N/A	30,520	30,622
	Water Saved (gal)	7,875	41,913	N/A	12,567,205	12,609,118
	Energy Saved (kW)	4,500	23,950	N/A	7,181,260	7,205,210
	Pollutants Saved (lbs)	281	1,497	N/A	107,719	109,216
	Landfill Saved (yd³)	3	18	N/A	5,925	5,943
Waste	Bio Hazardous (lbs)	6,000	174,568	N/A	1,794	176,362
Packaging	Kits (produced and shipped)	59,000				4,400,000

1. Facility locations include Temple City, CA (CA-TC), El Monte, CA (CA – ELM), and Houston (TX)

Social

Diversity/EEO-1 Disclosures

Fulgent is firmly committed to providing equal opportunity in all aspects of employment and does not tolerate any illegal discrimination, harassment, or retaliation.

Consistent with Fulgent's core belief in the values of Diversity and Inclusion, underrepresented minorities make up 50% or more of ALL major levels of our organization, including the Board, Senior Management, and Rank and File Staff.

We remain committed to raising the standard of Diversity and Inclusion in life sciences as we seek to develop initiatives to promote cultural acceptance both within the organization and beyond.

	2020	Ethnic Minority (%)	Women (%)
Diversity	Board (4)	75%	25%
	Sr. Mgmt.	78%	31%
	Employee	86%	52%



Employee Training and Engagement

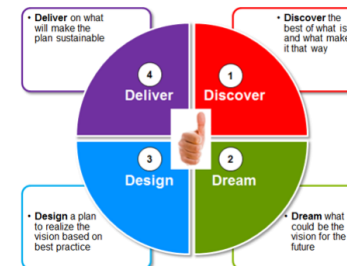
Development. To encourage the professional and personal development of every Fulgent employee, we offer reimbursement for qualified educational expenses and successful completion of undergraduate, graduate, post-graduate, professional training, and licensure courses from accredited colleges, universities and professional organizations. We also require mandatory training courses on topics including anti-corruption and anti-bribery through third party providers such as Everfi.

Examples of courses employees have applied for include:

- Stanford Center for Professional Development
- Google Project Management Courses
- Clinical Genetic Molecular Biologist Scientist(CGMB) Training Program
- Bachelor's Degrees

Engagement. At Fulgent we also value employee engagement and send out weekly employee feedback surveys through TinyPulse.

Appreciative Inquiry Process



Stanford
Center for Professional Development

EVERFI

TINYpulse

Governance



Ethics, Conduct and Governance

The Board has developed its Corporate Governance Guidelines to designate practices used to oversee management, the business, and operations.

Our Code of Business Conduct details Regulatory Compliance and Reporting guidelines as well as policies pertaining to Insider Trading, Anti-Bribery and Corruption, and Fair Competition.

Our Chief Financial Officer serves as the Compliance Officer providing executive oversight to all policies and procedures relating to the Code.

Corporate political contributions are expressly prohibited, and, since inception, the Company has refrained from making any contributions to lobbying, advocacy, and trade organizations.

To further ensure adherence to its code of conduct, the Company enacted a Whistleblower Policy to protect anonymous concerns raised through the confidential reporting system that includes a dedicated website, email, and phone number.

The Chair of the Audit Committee is charged with tracking receipt, investigation, and resolution of all complaints as well as periodic reporting to the Committee.

Senior Financial Executives must abide by an additional Supplemental Code of Ethics to ensure accuracy and timely disclosures in the Company's financial disclosures and reporting.

Governance and Policy Documents

CORPORATE GOVERNANCE
GUIDELINES

CODE OF BUSINESS CONDUCT
AND ETHICS

WHISTLEBLOWER POLICY

SUPPLEMENTAL CODE OF
ETHICS FOR SENIOR
FINANCIAL OFFICERS

		2019	2020
Bribery, Corruption, and Anti-Competition	Violations	None	None
	Legal/Regulatory Fines	None	None
	Settlements	None	None

Whistleblower Complaint Resources

Website	http://www.openboard.info/FLGT/
Email	FLGT@openboard.info
Phone	844-421-4761

Governance (continued)



Data Privacy and Information Security

Our Data Privacy and Information Security policy ensures we mitigate threats of non-compliance with regulatory, legal and contractual requirements regarding data retention and disposal policies.

While the Board oversees the Information Management Program and associated risks, Executive Management is charged with setting the parameters of the program including policy formation, implementation, assignment and delegation of responsibilities, training, monitoring, and reporting.

At the frontline of information security, all data within Fulgent must be assigned a Data Owner, either directly or indirectly through their roles and responsibilities in the organization.

The responsibilities of the Data Owners include defining data retention and destruction requirements and ensuring they are enforced.

		2019	2020
Information Security and Privacy	Data Security Breaches	None	None
	Breaches Involving Customer Data	None	None
	Customers Affected	None	None

Fulgent Information Security Policy

4.1 Fulgent Genetics Board of Directors

The Board of Directors shall be independent of management and provide oversight and management of the organization's Information Security Program. Their responsibilities will include (but not limited to below):

- Ascertaining that there is transparency about the significant risks to the organization.
- Obtaining assurance that management has established responsibilities, processes and technology for an effective Information Security Program.
- Using the output of any Information Management Program assessment to assist in risk management decisions for securing Fulgent Genetics's.

4.2 Fulgent Genetics Executive Management

Executive Management shall provide directions and management support to employees with information security responsibilities in Fulgent Genetics. Executive Management's responsibilities include:

- Defining and aligning the scope of the Information Security Program with Fulgent Genetics's business requirements and International Security Best Practices and Standards
- Ensuring that information security responsibilities have been assigned and are sufficient to comply with the Information Security Program including:
 - Overseeing the Information Security Program implementation and security improvement initiatives
 - Preparing security awareness training material and conducting periodic information security training
 - Planning and performing periodic Information Security Program assessments and communicating the results to Executive Management.
 - Performing analysis of security incidents and recommending, initiating or tracking corrective actions as applicable
- Review any reports of the Information Security Program implementation status or assessments.
- Provide guidance and oversight for Business Continuity Planning and Disaster Recovery Management for Fulgent Genetics and approve the Disaster Recovery Action Plans documented for implementation.
- Play an active role during Fulgent Genetics's Risk Assessment exercises and defining risk mitigation strategies.
- Approving Fulgent Genetics's Information Security Policies and any changes to the policies and ensuring that the overall information security posture is aligned to business requirements and risks.