



SUPPLIER AND VENDOR CODE OF CONDUCT AND ETHICS

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SUPPLIER AND VENDOR CODE OF CONDUCT AND ETHICS

Introduction

At Fulgent Therapeutics LLC and our affiliates and subsidiaries (“Fulgent”), our mission is to develop flexible and affordable genetic testing that meets our core value: to improve the everyday lives of those around us. We strive to operate with credibility, integrity, and trustworthiness. These expectations apply not only to our company, but to all our vendors, suppliers, contractors, consultants, and agents (“Suppliers”) who help us succeed in delivering our corporate mission.

Accordingly, this Supplier and Vendor Code of Conduct and Ethics (“Supplier Code”)¹ is our way of extending principles already codified in our policies regarding Human Rights, Business Ethics, Health and Safety, and Data Privacy to our vendors. Our Supplier Code is intended to ensure our vendor and supplier relationships, which are essential to our success and sustainable growth, align with our commitment to reinforce our mission and vision of positively impacting patients’ lives and the world around us. This Supplier Code applies to our Suppliers worldwide, and Suppliers are expected to review this Supplier Code prior to pursuing a business relationship with Fulgent, as well as to periodically re-review it, so as to ensure proper compliance.

To further ensure compliance with this Supplier Code, Fulgent may conduct an annual survey of its top Suppliers, perform a review, and/or request a Supplier audit when deficiencies are identified. Fulgent will provide a written notice to Suppliers deemed in violation of this Supplier Code. In cases of non-compliance with this Supplier Code, Fulgent will work with any Supplier to help it remedy and address noted deficiencies. Supplier’s failure to comply with this Supplier Code and to further remedy its non-compliance in a timely manner may be deemed a material breach of Fulgent’s agreement with Supplier and may result in the termination of the parties’ business relationship and/or removal of Supplier from Fulgent’s List of Approved Vendors. Alternatively, Fulgent may require Supplier to take corrective action or may cancel outstanding orders.

Fulgent is committed to addressing the most common supplier risks, such as reputational, sustainability, business continuity, compliance, and ethical risks that may exist before or that may arise during the course of performing services or supplying manufactured goods or other products to Fulgent. This 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 may be required to follow certain additional requirements contained in their agreements with Fulgent, or as outlined in Fulgent’s policies or procedures. Starting in August 2022 and going forward, Fulgent will reserve the right to audit its key Suppliers with whom it does business in order to ensure compliance with this Supplier Code.

Fulgent understands that achieving some of the below mentioned standards is an ongoing and dynamic process, and hence Fulgent encourages its Suppliers to continually improve their workplace conditions accordingly. This Supplier Code is a guide and resource and is not intended to be all-encompassing. The Supplier Code takes a principles-based approach and is meant to be interpreted and followed in the context of applicable laws and regulations. Fulgent strives to collaborate with any Supplier dedicated to improving conditions or issues identified, with the goal of managing risks and creating long-term, sustainable value. When selecting Suppliers to add to its list of Approved

¹ The code of conduct has been developed based on the International Labour Organization (ILO)’s core conventions, the United Nations (UN) Guiding Principles for Business and Human Rights, and other industry best practices.



Vendors, preference may be given to Suppliers who more actively promote the principles outlined in this Supplier Code, including, without limitation, principles of social and economic inclusion and environmental and social responsibility.

Applicability

This Supplier Code applies to individuals, organizations, and companies that provide or intend to provide goods and services to Fulgent, including but not limited to: raw materials; contract manufacturing; traded goods; packaging; logistics (distribution and warehousing); equipment, machinery and supplies; marketing and creative agencies, print, and market research; healthcare services; travel-related services; meeting and event services; IT, hardware, software, and related support services; professional services (consultancy and contingent labor); general and administrative services providers in fleet, facilities, financial, legal, and human resources; R&D-related suppliers, including but not limited to clinical research services, laboratory, and outsourced development services; business partners acting as distributors, consultants, and sales agents.

Procurement Process

Fulgent conducts vendor and supplier control (registration and qualification), evaluation, and assessment for new key Suppliers. Suppliers that are classified as critical are subject to registration, contractual agreement, and evaluation (as applicable). Fulgent's Suppliers are selected based on their capability to provide the required service in accordance with Fulgent's requirements. The vendor and supplier selection process at Fulgent involves the Quality Manager, purchasing manager, or representatives from relevant departments. The selection of Suppliers for laboratory equipment, supplies, or consumables may be dictated by the requirements of a technical protocol. The risk level of Supplier is determined by the criticality of its impact on Fulgent's testing services. The defined risk level also determines Fulgent's action in qualifying Suppliers.

Fulgent's Quality Manager is responsible for working with the purchasing staff to identify critical components and to qualify Suppliers appropriately using the Vendor Control Form as Level 1, Level 2, or Level 3 (high, medium, or low risk). High risk vendors and suppliers (L1) are those that are difficult to replace and have a direct impact on operations or product/service quality provided to Fulgent's clients. Medium risk vendors and suppliers (L2) are those that may be difficult to replace but have an indirect impact on product/service quality provided to Fulgent's clients. Finally, low risk vendors and suppliers (L3) are those that are easily replaceable and have little/minimal impact on product/service quality provided to Fulgent's clients.

Suppliers likely to be classified as L1 or L2 must be registered. As a part of registration, a Vendor Control Form is initiated as soon as there are plans to initiate purchases that are of significance to the operation. Additionally, initial evaluation is performed of Supplier's product selection, services selection, pricing, and credibility of quality. Supplier's applicable certificates are evaluated, for example: CAP/CLIA or ISO Certifications (e.g. ISO 9001, ISO 13485, ISO 15489, ISO 27001), and other criteria specific to the product/equipment/service may be considered during registration. Suppliers likely to be classified as L3 are tracked in the Fulgent Operations Vendor List only. However, standard purchasing procedure for all purchases for the laboratory operations still requires management approval prior to all purchases.

Additionally, for its key suppliers, Fulgent strives to address the issues outlined in Supplier Code with key Suppliers at the start of the procurement process and to incorporate appropriate language into vendor and supplier contracts relating to compliance with this Supplier Code.



Enforcement Procedures, Compliance, and Oversight

At Fulgent, critical (i.e. high risk) vendors and suppliers are evaluated on a yearly basis to ensure that their products or services are satisfactory. If a quality issue is observed, Suppliers are evaluated as soon as needed. The following criteria are used to evaluate Suppliers, where applicable: quality of service or accurate service, problem-solving behavior, capabilities to provide service according to requirements, creditworthiness, timeliness of communication, service orientation, reachability, timeliness of delivery, prices, relevance, and product Quality.

Fulgent also conducts regular Performance Assessments. The Quality Representative then summarizes findings based on the criteria listed above and indicates whether the Supplier is “Satisfactory” or “Unsatisfactory” on the List of Approved Vendors. Any issues or nonconformance identified that have impacted the quality and/or patient safety of Fulgent’s services are promptly reported. Additionally, purchasing or quality management representatives provide performance assessment feedback to Suppliers and inform them of the assessment results and requirements to improve, if any. The Quality Manager ensures that vendor and supplier evaluations are done as scheduled (or more frequently, if needed); that on-site audits are scheduled and performed, where necessary; and that such audits are properly documented.

Fulgent also engages in a Quality Control process. During this process, the purchasing representative, quality representative, or the Lab Director may identify Suppliers requiring on-site audits based on criticality of service/product procured, a previous quality problem, or other reasons. Routine onsite audits are conducted, as deemed necessary.

Finally, Fulgent has processes in place with respect to oversight and compliance with this Supplier Code. All identified material issues will be promptly reported to senior management and the board; and Fulgent strives to maintain appropriate controls and record-keeping policies with respect to this Supplier Code, oversight, audits, and monitoring. Additionally, in the event that more than twenty percent of Fulgent’s top Suppliers are identified as non-performing parties in connection with this Supplier Code in any calendar year, Fulgent will aim to undertake a closer evaluation of its key suppliers for purposes of tracking non-conformance rate and outlining a plan for improvement. In that case, Fulgent will also implement regularly updated performance indicators and set forth relevant obligations to flag problems and provide remediation recommendations to Suppliers.

Compliance with Applicable Laws and Standards

Fulgent expects all its Suppliers and their designated manufacturing facilities to fully comply with all applicable laws and regulations and with this Supplier Code. Fulgent may conduct periodic assessments of its key Suppliers in order to ensure Suppliers’ performance in accordance with this Supplier Code. As part of these periodic assessments, Fulgent will distribute supplier questionnaires to its key Suppliers annually in order to help verify, document, and ensure compliance with this Supplier Code. Additionally, Suppliers are expected to conduct their business in an ethical manner and in accordance with applicable business standards and to act with integrity.

Compliance with U.S. False Claims Act

Fulgent closely adheres to local, state, and federal laws, regulations, policies and guidelines applicable to the operation of clinical laboratory facilities. Fulgent is committed to compliance with the U.S. federal Civil False Claims Act and similar state laws, including the whistleblower protections. Suppliers and their employees are expected to understand and invoke protection of these laws as necessary with respect to services, supplies, and materials they provide to Fulgent and in accordance with the requirements of the applicable federal and state laws.



Anti-Bribery, Kickbacks, Unlawful Payments, and other Corrupt Practices

Suppliers shall not pay bribes or provide anything of value, directly or indirectly through a third party, to a government or public official, political party, or private person for the purpose of gaining an improper advantage, to win or retain business, to improperly influence the act or decision of that person or organization, or to illegally influence the action of any individual, customer, company, or company representative. Suppliers must keep accurate and transparent records that reflect actual transactions and payments. Suppliers shall not accept bribes or participate in other illegal inducements in business or government relationships.

Fair Competition and Antitrust

Suppliers shall conduct their business consistent with fair and vigorous competition and in compliance with all applicable antitrust laws. Suppliers shall employ fair business practices including accurate and truthful advertising.

Conflicts of Interest

Suppliers must disclose to Fulgent management any perceived or actual conflicts of interest. Fulgent management will then review any apparent or actual conflicts, and if a conflict of interest is permitted, this decision will be documented. A conflict of interest arises when personal interests or activities influence, or appear to influence, the ability to act in the best interest of Fulgent. Suppliers should disclose to Fulgent if a Fulgent employee or professional contracted by Fulgent may have a conflicting interest of any kind in the supplier's business or any current economic ties with the supplier.

Gifts & Entertainment

Gifts and entertainment are not needed in order to conduct business with Fulgent. We will select suppliers based on fair and objective standards and without favor or preference based on any personal relationship. We will not accept or solicit any illegal or inappropriate benefits (including money, goods, hospitality, gifts, or any other item of value) from suppliers or others with whom we do business.

Data Privacy and Security

Suppliers shall operate in a manner that is consistent with applicable data protection laws, including privacy and security protections that are appropriate to the sensitivity of the personal information collected or otherwise processed by the Supplier on behalf of Fulgent. Suppliers must have appropriate organizational structures and procedures to ensure the protection of personal information against accidental, unauthorized, or unlawful loss; destruction; alteration; disclosure; use; or access. This includes policies and procedures to address technical and organizational security as well as confirmation of compliance with these requirements. When applicable, Suppliers must further comply with laws that govern cross-border data transmissions.

Suppliers must treat all personal information (including, for example, information of patients, employees, and study participants) as confidential, in accordance with their contractual obligations and applicable laws and ethical standards. This may include compliance with HIPAA and the GDPR. Suppliers and their employees may access personal information only for an authorized and permissible purpose, and only access the minimum amount of information reasonably necessary for performance of their duties. Fulgent expressly prohibits any unauthorized use, disclosure, sharing, copying, or selling on personal data.



Suppliers must promptly report any incidents that may involve the unauthorized access to, use of, disclosure, or sharing of personal data of Fulgent's employees or customers to legal@fulgentgenetics.com.

Human Rights

Suppliers must uphold the human rights of workers and treat them with dignity and respect. Fulgent requires all Suppliers to comply with laws governing human rights matters, including human trafficking and slavery laws and regulations while they actively work as a Fulgent supplier of services or manufactured goods or other products.

Fulgent recognizes the importance of advancing human rights in our practices, operations, and supply chains. Based in part on the internationally recognized principles and guidelines, Fulgent operates under policies that provide for fair wages, benefits, and employment conditions; a safe work environment, free from human trafficking, forced labor, or child labor; humane, safe, and environmentally friendly working conditions; recognition of employees' rights to freedom of association. Suppliers are expected to abide by the same principles, as further outlined in this Supplier Code, and to ensure that they are not complicit in human rights abuses.

Social and Economic Inclusion

Consistent with Fulgent's mission, Suppliers must ensure that their consumers (when applicable) have access to safe, affordable products and services, without being subjected to social or economic discrimination.

Supplier Diversity

Fulgent is committed to diversity among its suppliers. Fulgent encourages small businesses to register as SBAs and obtain applicable diversity certifications. Fulgent makes efforts to use diverse and small business Suppliers when appropriate. Suppliers are invited to self-identify as minority, small businesses, veteran-owned, or as owned by disabled or economically disadvantaged owners during the bidding process.

Modern Slavery

Our commitment to enhancing the health and well-being of people and the environment and contributing to the health and quality of life of the communities in which we live and work is grounded in the belief that everyone should be treated fairly and with dignity. As such, we are committed to operating responsibly and establishing and adhering to the highest ethical standards by implementing policies and procedures that mitigate the risk of modern slavery in our business and supply chains.

Modern slavery and sustainability are standing agenda points when meeting with key Suppliers. We monitor publicly available news sources to identify modern slavery or human rights concerns related to our suppliers or in our supply chain. Additionally, if key Suppliers are identified as having relevant manufacturing sites in geographic areas that are considered "high risk" for incidents of modern slavery and human trafficking, Fulgent may request a physical visit to the location or an audit, when appropriate. If any red flags are identified in connection with modern slavery or human trafficking, Fulgent intends to document and mitigate them, whenever possible.

Whenever possible and practicable, Fulgent expects its Suppliers to conform to the principles derived from Section 54 of the U.K. Modern Slavery Act of 2015, with the goal of conforming to the international trend of eliminating human trafficking and modern slavery. When screening new Suppliers, Fulgent may request Suppliers to provide for review their applicable modern slavery and anti-human trafficking policies and procedures to demonstrate compliance with this policy. As an integral part of its due diligence process, Fulgent may require its key Suppliers to respond to series of



questions relating to modern slavery and human trafficking. Fulgent may further incorporate anti-human trafficking provisions into its contracts with key suppliers.

Fulgent believes that the risk of modern slavery in our own business is remote. We have personnel policies, procedures, and training pertaining to, among other things, hiring practices, working hours, and workplace conduct that we believe mitigate this risk in our own business.

Labor Rights

Freely Chosen Employment

Suppliers shall not use forced, bonded, indentured, or involuntary labor. Suppliers are expected to make all employees aware of their rights and responsibilities at the time of hire. This may be done through training programs, like new hire orientation.

Additionally, Fulgent strictly prohibits human trafficking in all operations associated with Suppliers, subcontractors, and agents. All workers must work voluntarily and shall have the freedom to terminate their employment at any time, upon giving reasonable notice. Confiscating, destroying, withholding, or otherwise denying workers' access to their identity or immigration documents, such as work permits and passports, is strictly prohibited.

Child Labor and Young Workers

Suppliers shall not use child labor. The employment of young workers below the age of 18 shall not occur in hazardous work or night-shift work, and shall only be allowed when young workers are above a country's legal age for employment or for completing compulsory education.

Non-Discrimination

Suppliers must comply with all applicable employment laws and regulations and shall provide a workplace free of harassment and discrimination. Suppliers shall not discriminate against individuals on the basis of 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. Suppliers shall strive to hire and retain diverse workforce.

U.S.-based Suppliers are required to abide by the requirements of 41 CFR 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, national origin, and for inquiring about, discussing, or disclosing compensation.

Fair Treatment

Suppliers shall provide a workplace free of harsh and inhumane treatment (including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, or verbal abuse of workers) and free of threats of any such treatment.

Wages, Benefits, and Working Hours

Suppliers shall pay workers according to applicable wage laws, including minimum wages, overtime hours, and mandated benefits including Social Security (where applicable) and shall not charge workers recruitment fees. Suppliers shall communicate to the workers the basis on which they are being compensated in a timely manner, including times and rates for overtime, as dictated by local law and Supplier's policies and procedures. Any wage deductions should be reasonable, clearly understood by the workers, and allowed by applicable law. Suppliers should provide workers with equal opportunities, appropriate rest periods, and adequate days or time off from work and shall honor applicable laws and agreements regarding maximum working hours.



Freedom of Association

Suppliers should encourage open communication and engagement with workers and their representatives to resolve workplace and compensation issues. Suppliers shall respect the rights of workers, as set forth in local laws, to associate freely, join or not join labor unions, seek representation, and join workers' councils. Workers shall be able to communicate openly with management regarding working conditions without threat of reprisal, intimidation, or harassment.

Health and Safety

Suppliers are responsible for complying with all environmental health and safety policies, procedures, laws, and regulations including compliance with OSHA, where applicable. Suppliers shall provide a safe and healthy working environment, including any Supplier-provided living quarters (where applicable). Additionally, no worker shall be required to lodge any type of monetary deposits, as a condition of obtaining or retaining employment or for any other purpose like purchase of PPE equipment. Suppliers must comply with all applicable health and safety laws and regulations and with Fulgent's Health and Safety Policy found on our [website](#). When applicable, Suppliers must promptly report to Fulgent any unsafe practices and work conditions and to promptly correct them.

Worker Protection

Suppliers shall protect workers from overexposure to chemical, biological, physical hazards, and physically demanding tasks and conditions (such as extreme heat or cold) in the workplace and in any company-provided living quarters.

Process Safety

Suppliers shall have programs in place to prevent or mitigate catastrophic releases of chemicals or other materials, including specific programs to prevent fires and explosions. When appropriate, Suppliers must provide workers with the personal protection equipment and the tools for work safety.

Emergency Preparedness and Response

Suppliers shall identify and assess emergency situations in the workplace and any company-provided living quarters and shall work to minimize their potential impact by implementing emergency plans and response procedures.

Hazard Information

Safety information relating to hazards shall be available to educate, train, and protect workers from potential hazards. Such safety information shall be available in written documents (such as, for example, Safety Data Sheets (SDS)) in languages commonly used by the Supplier's workforce. Suppliers shall ensure appropriate communication to other business partners in the value chain, as appropriate, and its logistic and distributor partners, to ensure hazards are appropriately disclosed and managed.

Safe and Hygienic Workplace Facilities

Supplier workplace facilities, including restrooms, canteens, and any worker accommodation provided, shall be safe, clean, and hygienic, and shall meet the basic needs of workers. Workers should also be provided with and have access to potable water.

Grievance Mechanism

Fulgent expects Suppliers and their facilities to have an effective, confidential grievance process established so that any worker, acting individually or in groups, can submit a grievance without suffering any prejudice or retaliation. Grievance mechanisms shall be available in the worker's native language and shall include the ability to report grievances anonymously.



Environment

Fulgent requires Suppliers to comply with applicable environmental law and regulations, including all laws related to waste disposal, air emissions, discharges, toxic substances, and hazardous waste disposal. Suppliers shall operate in an environmentally responsible and efficient manner to minimize adverse impacts on the environment. Suppliers are encouraged to conserve natural resources, to avoid the use of hazardous materials where possible, and to engage in activities and with stakeholders (such as its workforce and communities) to promote reuse and recycle programs. Suppliers shall have all of the following:

Environmental Authorizations

When applicable, Supplier shall obtain all required environmental permits, licenses, information registrations and restrictions in a timely manner and submit any required report as necessary.

Waste and Emissions

Suppliers shall have systems in place to ensure the safe handling, movement, storage, recycling, reuse, or management of waste, air emissions, and wastewater discharges, when applicable. Any waste, wastewater, or emissions with the potential to adversely impact human or environmental health shall be appropriately managed, controlled, and treated prior to release into the environment.

Spills and Releases

Suppliers shall have systems in place to prevent and mitigate accidental spills and releases to the environment.

Environmental Efficiency

Suppliers shall take measures to conserve energy, reduce water consumption in areas of water stress or scarcity, and strive to implement environmentally friendly practices and conservation policies.

Humane Treatment of Animals

If Supplier conducts animal research, it must ensure that the animals are treated in a humane and ethical manner, with minimal pain and stress. The use of animals in testing or research and development should be performed only after considering the possibility of reducing the number of animals, using non-animal models and alternative technologies whenever possible, and/or reducing pain and stress to the animals whenever possible. Research, development, and testing involving animals must be done in compliance with industry standards, applicable laws, and governmental regulations.

Management Systems

Suppliers shall use management systems to facilitate continual improvement and compliance with the expectations of this Supplier Code. The management system elements include:

Commitment and Accountability

Suppliers shall demonstrate commitment to the concepts described in this document by allocating appropriate resources.

Risk Management

Suppliers shall have mechanisms to determine and manage risks in areas addressed by this Supplier Code.

Accurate Records and Documentation

Suppliers shall maintain accurate records and documentation necessary to demonstrate conformance with these expectations and compliance with applicable regulations. Records must be made available to Fulgent or its designated auditor to inspect upon request to confirm compliance to these standards. Records must be legible, be transparent, and reflect actual transactions and payments. Suppliers shall not hide, fail to record, or make false entries.



Training and Competency

Suppliers must prudently manage the risks that may arise as a result of workers performing controlled functions, critical tasks, on-the-job duties, or customer-facing functions. Suppliers shall have training programs that achieve an appropriate level of knowledge, skills, and abilities in management and workers to address these expectations. Suppliers must ensure that workers who perform controlled functions or the customer-facing functions have the appropriate competency elements of skills, knowledge, and experience. This includes, without limitation, offering on-the-job training and/or professional advancement training to workers, when applicable.

Continual Improvement and Tracking

Suppliers are expected to continually improve on the elements of this Supplier Code by setting performance objectives, executing implementation plans, and taking necessary corrective actions for deficiencies identified by internal or external assessments, inspections, and management reviews. Suppliers are encouraged to track their own performance and compliance with the principles outlined in this Supplier Code.

Questions or Concerns?

Compliance Hotline

All workers are encouraged to report concerns or illegal activities in the workplace without threat of reprisal, intimidation, or harassment. Suppliers shall investigate and take corrective action if needed. Suppliers and their employees may report concerns to Fulgent confidentially and anonymously at 844-787-9172 on matters related to Fulgent's business relationship with that supplier. Alternatively, concerns can be raised by sending an email to Fulgent's General Counsel at legal@fulgentgenetics.com. All reports will be properly evaluated and addressed when sufficient information is provided to enable an investigation.

Questions

Fulgent's Corporate Compliance department and Procurement department have primary responsibility for monitoring compliance with this Supplier Code. Any comments or questions related to this Supplier Code can be submitted to Fulgent's Legal Department at legal@fulgentgenetics.com and will be shared with the appropriate department.