



Leader in Next
Generation Sequencing





Our Commitment To Social and Corporate Responsibility



Our Environmental, Social and Governance (ESG) Efforts

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

As we indicated in the Fall of 2021, we are in the process of 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 disclosure is a follow-up to our inaugural 2021 preliminary ESG report and has been updated to include 2021 data as well as our findings to date.



Our Corporate 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

Climate Initiatives

Fulgent understands that climate change poses significant risks to the environment, society and businesses alike. In 2022, we implemented our formal Climate Policy to address these challenges and communicate our strategy to remain competitive in a low carbon future.

More specifically, the policy outlines our strategy to identify and manage climate change risks; measure and improve greenhouse gas (GHG) performance; and capitalize on opportunities to improve energy performance, cut costs and reduce our carbon footprint.



Commitments:

- > Conduct a GHG inventory in accordance with the GHG Protocol
- > Set GHG reduction targets
- > Assess climate risks and opportunities



Opportunities:

- > Facility Energy Efficiency Improvements
- > Onsite Solar Energy Production
- > Purchasing Renewable Energy



Energy And Climate-related Projects In Process:

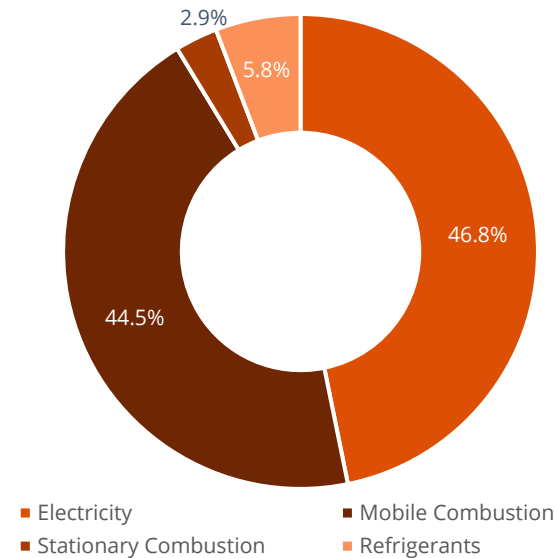
- > Installation of low-E grade glass windows – double pane glass and reflection coating at Building 4399 (complete)
- > Installation of low-E grade glass windows – double pane glass and reflection coating at Building 4401 (approved)
- > LED lighting, dimmable switch and occupancy and daylight sensors at Building 4399 and 4401 (approved)
- > Electric vehicle charging stations to be installed at El Monte, CA (approved)

[See our entire Climate Policy](#)

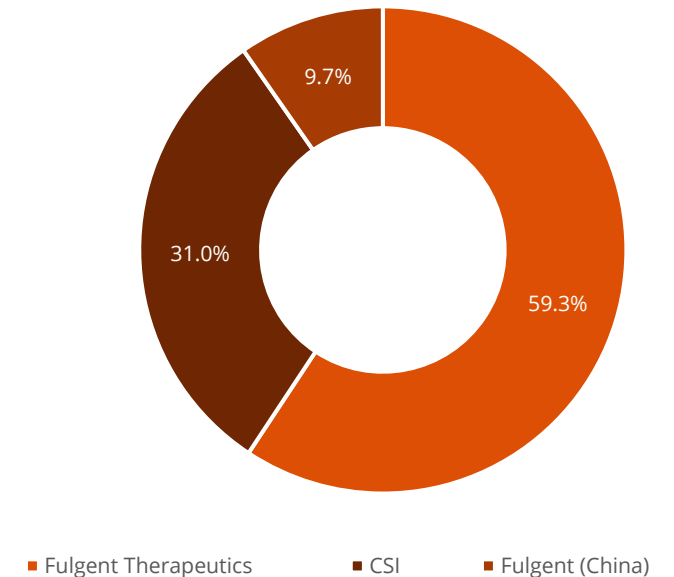
Emissions Data

- > Scope 1 CO₂e Emissions: **1,651 tCO₂e**
- > Scope 2 CO₂e Emissions: **1,450 tCO₂e**
- > **Total Scope 1 and 2 CO₂e Emissions: 3,101 tCO₂e**

CO₂e per Source



CO₂e per Entity



[See our entire GHG Inventory](#)

Environmental (continued)

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 used by the company and the leading contributor to our carbon footprint.

Natural Resources

Water is an essential resource in our research and testing. Our water consumption not including entities in China increased in 2021. Total water consumed was 2,151 Centum Cubic Feet (CCF).

Conservation

We engage in several conservation activities including deploying 3rd party recycling and shredding services. Additionally, we have been approved for the installation of electric vehicle charging stations and we intend to install solar paneling and have our buildings LEED certified.

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 testing kits 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. **The total number of test kits produced and shipped in 2021 was 9,962,000.**

Conservation



383 Trees Saved



157,675 Water Saved (gal)



90,100 Energy Saved (kW)



4,178 Pollutants Saved (lbs)



70 Landfill Space Saved (yd³)

Social

Diversity/EEO-1 Disclosures

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

As the company was founded on an inherent belief in the core 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 healthcare as we seek to develop initiatives to promote cultural acceptance both within the organization and beyond.

	2021	Ethnic Minority (%)	Women (%)
Diversity	Board (4)	75%	25%
	Sr. Mgmt.	62%	32%
	Employee	71%	57%

Employee Training and Engagement

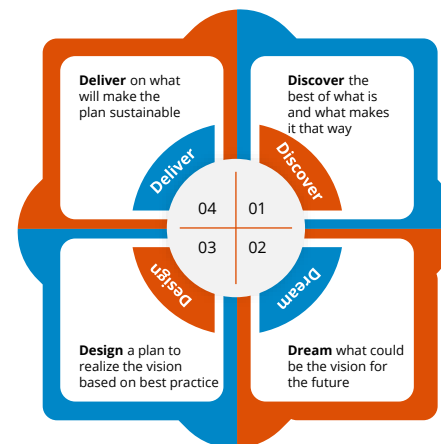
Development To encourage the professional and personal development of every Fulgent employee, we offer reimbursement for qualified educational expenses and successful completion of undergraduate, graduate, post-graduate, professional training and licensure courses from accredited colleges, universities 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(CGMBS) 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



Social (continued)

Updated Policies

As part of our ongoing commitment to sustainability, Fulgent conducted a preliminary review of certain policies and have made the following amendments to the [Code of Business Conduct and Ethics](#):



Human Rights

Fulgent believes that protecting and supporting human rights, including, without limitation, the rights of women and minority groups, is our fundamental responsibility as an employer and that this responsibility extends across our enterprise on a global basis. The diversity of the Company's employees is a tremendous asset.

The Company is committed to providing fair and equitable wages, benefits and other conditions of employment in accordance with local laws and it supports a work environment that is free from human and sexual trafficking, forced and bonded labor and unlawful child labor. In support of its commitments, the Company provides regular training to employees to promote a fair, equitable and free workplace.



Labor Rights

Fulgent is firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination, harassment, or retaliation. Specifically, we prohibit discrimination in employment, employment related decisions or in business dealings on the basis of an individual's race, color, national origin, ancestry, nationality, citizenship, religion, creed, age, sex (including pregnancy), marital or familial status, sexual orientation, gender identity and/or expression, military service/veteran status, disability, matriculation, political affiliation, genetic information, immigration status, or any characteristic protected by applicable law (hereafter collectively referred to as "protected status").



Conflict Minerals

In compliance with Dodd Frank Section 1502 which requires that publicly listed companies subject to the SEC to report annually on whether any of the minerals originated in the Democratic Republic of Congo or an adjoining country, Fulgent has reviewed its products and supply chain and has concluded that conflict minerals are not necessary to the functionality or production of any product offered or sold by the Company. The Company will continue to monitor its products and supply chain to ensure that it continues to comply with the reporting requirements of Dodd Frank Section 1502.



Health and Safety

In addition, the Company strives to provide each employee with a safe and healthy work environment. All managers have responsibility for ensuring proper safety and health conditions for their employees. Each employee has responsibility for maintaining a safe and healthy workplace for all employees by following health and safety rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions. Threats, acts of violence and physical intimidation are strictly prohibited. No talk of violence or joking about violence is tolerated. As is the case with any violation of the Code, employees have a responsibility to report any unsafe behavior or condition regardless of whether they are directly involved or a witness.

[See our entire Health and Safety Policy](#)

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.

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 the Code of Business Conduct and Ethics, 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	2021
Bribery, Corruption and Anti-Competition	Violations	None	None	None
	Legal/Regulatory Fines	None	None	None
	Settlements	None	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 seeks to 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 Genetics 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 overseeing these efforts.

		2019	2020	2021
Information Security and Privacy	Data Security Breaches	None	None	None
	Breaches Involving Customer Data	None	None	None
	Customers Affected	None	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.

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 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' Risk Assessment exercises and defining risk mitigation strategies.
- › Approving Fulgent Genetics' Information Security Policies and any changes to the policies and ensuring that the overall information security posture is aligned to business requirements and risks.

A photograph of several hands clasped together in a supportive grip, with the word "Appendix" overlaid in the center. The hands are of various ages and skin tones, suggesting a diverse group of people. The background is a soft, out-of-focus light blue and white. The word "Appendix" is written in a bold, black, sans-serif font, centered horizontally and vertically. Two thin blue horizontal lines are positioned above and below the text, extending slightly beyond its width.

Appendix

Consumption and Conservation Summary of Core Operations¹

		2019	2020				2021			
		Total	CA – TC	CA - ELM	TX	Total	CA ²	GA (CSI) ³	TX	Total ⁴
Energy Use	Electricity (kWh)	590,683	706,151	55,537	60,268	821,956	1,451,198	799,003	329,411	2,579,612
	Gas (Therms)	2,477	6,234	1,587	N/A	7,821	7,048	2,396	N/A	9,444
Natural Resources	Water (CCF)	533	569	245	N/A	814	1,655	496	N/A	2,151
Conservation	Trees Saved	19	102	N/A	77	179	253	N/A	130	383
	Water Saved (gal)	7,875	41,913	N/A	31,500	73,413	104,125	N/A	53,550	157,675
	Energy Saved (kW)	4,500	23,950	N/A	18,000	41,950	59,500	N/A	30,600	90,100
	Pollutants Saved (lbs)	281	1,497	N/A	270	1,767	3,719	N/A	459	4,178
	Landfill Saved (yd ³)	3	18	N/A	15	33	45	N/A	25	70
Waste	Bio Hazardous (lbs)	6,000	174,568	N/A	1,794	176,362	295,264	12,010	151,433	458,707
Packaging	Kits (produced and shipped)	59,000				4,400,000				9,962,000

1. Only domestic entities under Fulgent operational control are represented in this table. Data reported here represents a subset of the GHG Inventory and Report which includes full-year consumption data for post-acquisitions and estimates for facilities without available data, GHG inventory also includes Fujian Fujun Gene Biotech Co., Ltd. for which Fulgent holds 50% ownership or more.
2. Includes all California facilities.
3. The Company acquired CSI in August 2021; conservation totals are understated as summary recycling data was unavailable.
4. Conservation totals are understated as summary recycling data was unavailable for certain locations