

#### AMN HEALTHCARE SERVICES, INC.

## Sustainability Accounting Standards Board Disclosure 2019/2020









## SUSTAINABILITY ACCOUNTING STANDARDS BOARD



At AMN Healthcare, we recognize that certain environmental, social and governance ("**ESG**") issues can impact the successful achievement of our vision to be the most trusted and influential force in helping healthcare organizations deliver a quality patient care experience. We have historically followed the standards issued by the Global Reporting Initiative to present all facets of our Corporate Social Responsibility program ("**CSR**"). This year, we have expanded our reporting with this disclosure to align with the standards of the Sustainability Accounting Standards Board ("**SASB**").

Our CSR represents our commitment to sustainable economic and social progress by creating a positive impact on our team members, healthcare professionals, clients, shareholders and local and global communities. We aim to deliver sustainable value to all AMN stakeholders by promoting a diverse, inclusive, and supportive culture that inspires creativity and fosters trust at all levels of our organization and within the communities we serve. Our strategy and our actions every day are grounded in the belief that we can achieve our mission by unlocking the strengths of the diverse backgrounds, experiences, and perspectives of our team members. We believe this philosophy and approach will help us to more effectively prepare for anticipated risks and demonstrates the effective leadership and governance principles that sustainability-focused investors seek. To learn more about our CSR efforts, we encourage you to visit our corporate website at <a href="https://www.amnhealthcare.com/corporate-social-responsibility.com">www.amnhealthcare.com/corporate-social-responsibility.com</a>.



#### The Sustainability Accounting Standards Board

This disclosure reports on aspects of the Professional & Commercial Services Sustainability Accounting Standards. SASB standards identify sustainability issues most likely to impact the operating performance or financial condition of the typical company in an industry, regardless of location. The pre-defined risks that SASB has identified are outlined below. Unless otherwise noted in this disclosure, all data is presented as of December 31, 2019.

Topic	Code	Accounting Metric	Page Reference
	SV-PS-230a.1	Description of approach to identifying and addressing data security risks	<u>5</u>
Data	SV-PS-230a.2	Description of policies and practices relating to collection, usage, and retention of customer information	<u>5</u>
Security	SV-PS-230a.3	(1) Number of data breaches (2) Percentage involving customers' confidential business information (" <u>CBI"</u> ) or personally identifiable information (" <u>PII</u> ") (3) Number of customers affected	<u>7</u>
Workforce	SV-PS-330a.1	Percentage of gender and racial/ethnic group representation for: (1) Executive Management (2) All Other Employees	9
	SV-PS-330a.2	<ul><li>(1) Voluntary</li><li>(2) Involuntary Turnover Rate for Employees</li></ul>	9
	SV-PS-330a.3	Employee engagement as a percentage	<u>10</u>
Professional Integrity	SV-PS-510a.1	Description of approach to ensuring professional integrity	<u>12</u>
	SV-PS-510a.2	Total amount of monetary losses as a result of legal proceedings associated with professional integrity	<u>15</u>

Code	Activity Metric	Page Reference
SV-PS-000.A	Number of employees by: (1) Full-Time and Part-Time, (2) Temporary, and (3) Contract	<u>8</u>

<sup>&</sup>lt;sup>1</sup> The controls, processes, practices and infrastructures described in this disclosure are not intended to constitute any representation, warranty or other assurance that such controls, processes, practices and infrastructures will result in any specific outcome or result.

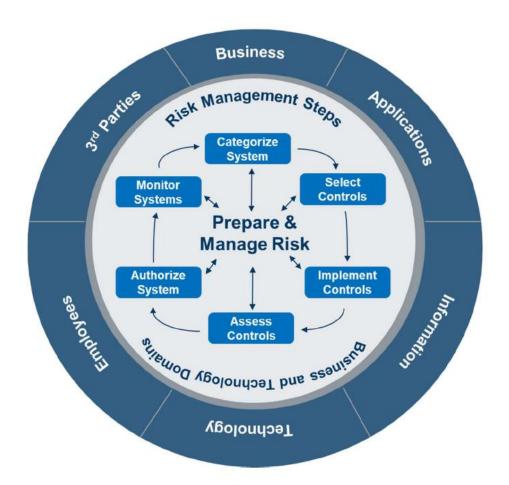


## DATA SECURITY



Data security is overseen by our Chief Information and Digital Officer, who reports to our Chief Executive Officer. AMN is entrusted with confidential information, so we have a comprehensive approach to managing key Information Technology ("IT") risks. AMN's IT Risk Management Framework was designed to align with the NIST Risk Management Framework (SP 800-39). This includes identifying and categorizing information and technology risks across enterprise architecture domains (*i.e.*, business, applications, information, technology, employees, and third parties) and applying traditional risk management steps. The objective of AMN's IT Risk Management Framework is to ensure that technology-related business risks are managed in a consistent manner and in alignment with our business and technology strategy to enable trust and technology resilience.

#### **IT Risk Management Framework**



#### SV-PS-230a.1

#### Description of approach to identifying and addressing data security risks

AMN seeks to identify information system vulnerabilities on multiple levels. AMN has an enterprise risk management program that takes a holistic approach to evaluating risks across the enterprise, including security risks. AMN also has a dedicated IT Risk Management function and a separate and independent Internal Audit function that has implemented an industry standard risk management program (*i.e.*, NIST Risk Management – SP 800-37). To supplement these resources, we have external security service providers and external auditors performing independent risk assessments on our IT systems and processes.

We also have technical controls in place to identify vulnerabilities such as vulnerability scanning tools (with a defined program for remediation) and code scanning tools to identify vulnerabilities in our software development processes. All identified vulnerabilities are then managed by our Director of IT Risk Management under our IT Risk Management program.

When risks are identified, our IT Risk Management program will assess and develop a remediation plan that is tracked and monitored until completion. For 3<sup>rd</sup> parties, we have defined processes to assess risks related to 3<sup>rd</sup> parties that will have access to AMN's data prior to onboarding and throughout the life of that relationship. AMN employees and contractors are subject to our information security awareness training and programs.

#### SV-PS-230a.2

## Description of policies and practices relating to collection, usage, and retention of customer information

AMN believes that instilling good privacy practices is a key business imperative that promotes AMN's core values of Respect, Trust and Customer Focus. Protecting the privacy of personal information of our team members, healthcare professionals and customers is essential to our leadership as the most trusted and utilized total talent solutions partner for healthcare organizations in the country. To this end, we have adopted the following Privacy Mission Statement:

We respect the privacy of individuals and have a responsibility to safeguard the personal information of team members, healthcare professionals, clients and patients that are entrusted to us. We will handle personal information in a manner that respects individual concerns about privacy while allowing us to continue to grow and innovate our healthcare workforce solutions and staffing services to add value for our clients, healthcare professionals, team members and shareholders.

To build and maintain an infrastructure that creates confidence and trust necessary for individuals and customers to share personal information with AMN, we have developed various privacy policies and a cross-functional governance structure, led by our Legal Department, that oversees our Privacy Program. We have several departments exercising management and operational responsibility for different aspects of the Privacy Program, such as Legal, Information Security, Data Governance, Risk Management, and Corporate Audit Services.

With respect to the collection, usage, and retention of customer information, the Company maintains a Privacy Policy that governs its practices attributable to its collection of such data and information. Pursuant to this Policy, the Company only collects personal data for legitimate business purposes and actively maintains reasonable security measures to protect such data against risks of unauthorized access, or improper destruction, use, modification, or disclosure. Processes and protocols have been established to detect security breaches involving personal information and trigger required notifications. Our Privacy Office is responsible for developing and implementing policies that govern the appropriate notices, consents, collection, usage, retention, and disposal of personal information.

If personal data is made available to third parties it shall be done: (a) with notice to or the consent of the individual as required, and/or (b) where the Company has made contractual or other arrangements with such third parties as to their obligations regarding the security and privacy of such information, except when such arrangements are not necessary or appropriate, as when personal data is made available (i) pursuant to law, regulation, court order or administrative agency request; (ii) to comply with a legal obligation; (iii) for use by law enforcement personnel; or (iv) to protect the interests of the individual whose data is sought.

Our policies also align with industry standards on how to manage information security, such as ISO 27001 and NIST CSF to ensure that language is consistent across our technology policies, and our procedures remain effective and relevant.

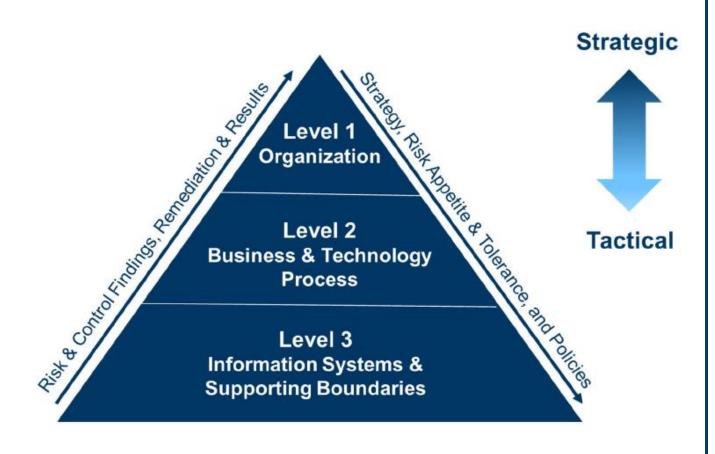
Finally, the Company provides training to team members with respect to its Privacy Policy. For team members who actively collect or maintain such data or information, additional training and education is provided and at more frequent intervals to ensure compliance with our Policy and best practices.

#### SV-PS-230a.3

## Description of policies and practices relating to collection, usage, and retention of customer information

Accounting Metric	AMN Response
(1) Number of data breaches in 2019	0
(2) Percentage involving customers' Confidential Business Information ("CBI") or Personally Identifiable Information ("PII")	N/A
(3) Number of customers affected	N/A

#### Organizational Approach to IT Risk Management





# WORKFORCE DIVERSITY AND ENGAGEMENT

Total talent solutions is AMN's primary source of revenue generation, so development of a broad base of healthcare professionals and corporate team members who are valued, respected and supported is essential to drive shareholder value and achieve our long-term growth objectives. To create value and mitigate our risks associated with employee engagement, diversity, inclusion and employee health and safety, we track the percentage of gender and racial/ethnic group representation for executives and employees, voluntary and involuntary turnover rates and team member engagement scores.

AMN has an active strategy to enhance diversity, equality, and inclusion in our workplace, workforce, and marketplace. Our formal diversity, equality, and inclusion philosophy speaks to the importance of these endeavors in our company.

At AMN, our diversity, equality, and inclusion philosophy is grounded in the belief that we should respect all voices, seek diverse perspectives, and succeed when we act together as a positive force for all of humanity. We have the opportunity to make an impact on each other, our industry, and other communities by fostering a diverse team with a passion for social justice and equity. We are committed to actively engaging in building an organization and society where equality is the norm, equity is achieved, and inclusion is universal so that we may all thrive.

**Table 2. Activity Metrics** 

Activity Metric	Response	
Number of employees as of 12/31/2019:	<ul> <li>(1) Full Time → 3,149 Full-Time &amp; 39 Part Time</li> <li>(2) Temporary → 135 (Corporate) 12,018 (Healthcare Professionals)</li> <li>(3) Contract → 614 (Corporate)</li> </ul>	

#### SV-PS-330a.1

#### Percentage of gender and racial/ethnic group representation

Table 3. Gender Representation of Global Employees in 2019 (%)

	Male	Female	N/A or N/D
Executive Management <sup>2</sup>	56%	44%	-
All Other Employees (Non-Contingent)	34%	64%	2%

#### Table 4. 2019 Racial/Ethnic Group Representation of U.S. Employees in 2020 (%)

	Asian	Black or African American	Hispanic or Latino	White	Other	N/A or N/D
Executive Management <sup>1</sup>	7%	-	-	89%	4%	-
All Other Employees (Non-Contingent)	6%	9%	11%	59%	5%	10%

#### SV-PS-330a.2

#### Voluntary and involuntary turnover rates

Accounting Metric	AMN Response
(1) Voluntary Turnover Rate for Employees in 2019	23% (excluding our Advanced Medical business <sup>3</sup> )
(2) Involuntary Turnover Rate for Employees in 2019	4% (excluding our Advanced Medical business)

<sup>&</sup>lt;sup>2</sup> Includes Executives/Senior Level Officials and Managers: individuals who plan, direct and formulate policies, set strategy and provide the overall direction of enterprises/organizations for the development and delivery of services, within the parameters approved by boards of directors or other governing bodies. They include, in larger organizations, those individuals within two reporting levels of the CEO, whose responsibilities require frequent interaction with the CEO, such as: CEOs, COOs, CFOs, Business Heads, Presidents or EVPs of functional areas or operating groups, CIOs, CHROs, CMOs, CLOs, management directors and managing partners.

<sup>&</sup>lt;sup>3</sup> The Company acquired Advanced Medical on June 14, 2019, and this business is not included in our December 31, 2019 Workforce Diversity and Engagement data.

#### SV-PS-330a.3

#### Employee engagement as a percentage and description of methodology employed

#### In 2019, AMN's overall employee engagement was measured at 80%.

We conduct an annual employee engagement survey to assess the engagement of our team members. While the format of our annual survey varies from year to year to best capture different measures of employee engagement, the results of each assessment are discussed with our Board of Directors, which constitutes a foundational piece of our annual human capital management strategic planning process.

In 2019, we used the Quantum Best Places to Work survey to assess our overall employee engagement. To conduct this survey, we presented questions and statements to our employees relating to the seven categories listed below.

- (1) Communication and Resources
- (2) Individual Needs
- (3) Manager Effectiveness
- (4) Personal Engagement
- (5) Team Dynamics
- (6) Trust in Leadership
- (7) AMN Custom Questions

Scoring for each question in the survey is based on a 1-6 scale, with 1 being the participant strongly disagrees with the statement provided and 6 being the participant strongly agrees. We did not conduct an annual engagement survey in 2020 due to the disruptions presented by the global COVID-19 pandemic. Instead we focused our attention and efforts on increasing engagement through AMN's seven employee resource groups.



### **OUR CORE PURPOSE & VALUES**

Helping Achieve Professional & Personal Goals Every Day

#### RESPECT

We treat each person with the highest level of personal and professional consideration and care as we value each person's unique perspective and contribution.

#### CUSTOMER FOCUS

We listen to our stakeholders and embrace their needs and challenges as our own in a relentless pursuit to deliver on their expectations.

#### TRUST

We communicate and act with positive intent, authenticity and transparency.

## CONTINUOUS IMPROVEMENT

We proactively seek opportunities to better ourselves, our performance and our community.

#### **PASSION**

We are dedicated to serving the needs of our diverse community which compels us to thoughtful and enthusiastic action.

#### INNOVATION

We create an inclusive environment where new approaches and ideas to propel us into the future are encouraged and thrive, generating differentiated value.

AMN's ability to achieve its long-term strategic objectives and deliver sustainable shareholder value also depends on our ability to develop and maintain our client's trust and loyalty. Providing effective team member training and operating our businesses with the highest levels of professional integrity are critical to ensuring that we continue to mitigate future risks while attracting and retaining clients and other AMN stakeholders.

AMN is committed to maintaining a legally compliant and ethical workplace for the benefit of its employees, healthcare professionals, clients and shareholders, which is why it is company policy to comply with state and federal law and regulations throughout all aspects of the organization. Ensuring the highest standards of professional integrity includes AMN's core values of passion, trust, respect, customer focus, innovation and continuous improvement, which are the foundation of our ethics and compliance program. These values are put in motion and reinforced by AMN's multifaceted programs, which are designed to decentralize certain compliance responsibilities in order to instill accountability at all levels of the organization.

#### SV-PS-510a.1

#### Description of approach to ensuring professional integrity

To help ensure the effectiveness of our ethics and compliance program, we have adopted written policies and procedures to provide clear and consistent guidance to all team members regarding their responsibilities, which specifically address, among others things, conflicts of interest, accuracy of data and anti-corruption. These policies and procedures are provided at new team member orientations and made available through other means such as department meetings, training sessions and the Company's intranet, which is accessible to all employees.

#### **Oversight**

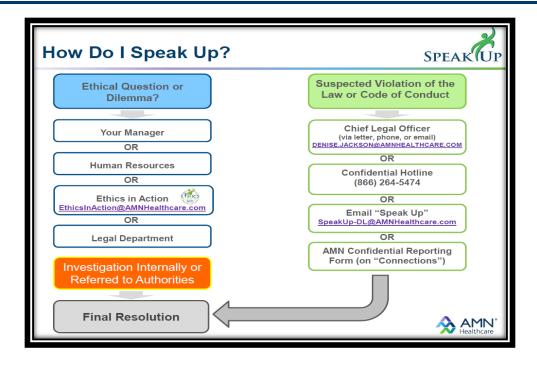
Oversight responsibility for our ethics and compliance program rests with our Chief Legal Officer and our Board of Directors. The Board of Directors receives an annual presentation on our ethics and compliance program, and the Corporate Governance & Compliance Committee of the Board of Directors receives more frequent periodic reports. Internally, we have created an Ethics and Compliance Committee to coordinate delegations of authority and responsibility to team members carrying out day-to-day compliance functions and to provide a central framework for establishing, communicating, and monitoring our policies and procedures.

#### **Communication and Training**

Effective communication of expectations regarding ethical business conduct as well as compliance with AMN's policies and procedures begins with proper training. New employees receive training on key Global Policies, the Company's values, and the premium it places on an ethical culture. Department level training for both employees and managers is tailored to address applicable areaspecific compliance policies. AMN undertakes several initiatives to foster and maintain a culture of ethics throughout all levels of the Company. Employees are required to participate in Company-developed interactive Code of Conduct training at least every two years, and to execute acknowledgements of the Code of Conduct on an annual basis.

#### Reporting

To facilitate the reporting of misconduct or violations to our Code of Conduct, AMN has established a Policy on Reporting Misconduct that we refer to as the "Speak-Up" policy, which sets forth the responsibility of each employee to report suspected violations through one of many available channels, including channels for making anonymous reports. Employees are encouraged to raise ethical concerns and to report suspected misconduct. Upon discovery of a potential or suspected violation of law or AMN policy, an appropriate investigation is promptly undertaken. AMN's goal is vigorous, efficient investigation and response to all potential or suspected violations, including proper discipline, which can include reprimand, demotion, reduction in pay, suspension, and/or termination. On the following page is an illustration of how concerns are raised, reported and addressed through our Speak-Up program.



The following items summarize our risk mitigation infrastructures related to conflicts of interest, accuracy of data and anti-corruption.

#### I. Conflicts of Interest

The Company's Code of Conduct, Corporate Governance Guidelines and Vendor Code of Conduct each address conflicts of interest. AMN employees, including our directors and executive officers, are required to immediately disclose any potential conflicts of interest and to remove any conflict and obtain approval before engaging in the activities at issue. Activities that could give rise to conflicts of interest for our executive officers and directors must be disclosed to and considered in advance by our Chief Legal Officer. If our Chief Legal Officer determines that an actual conflict of interest may exist, the conflict is required to be submitted to our Board's Corporate Governance and Compliance Committee for review. If the Committee then determines that an actual conflict exists, the Company is required to implement guidelines and procedures necessary to remove the conflict. The Company also maintains a policy regarding Identification and Disclosure of Conflicts of Interest with Customers.

#### II. Maintenance and reporting of Accurate Data

The Company's Code of Conduct specifically addresses each employee's role in maintaining accurate and complete business records. Recording and reporting information honestly and accurately is critical to supporting the Company's reputation and credibility with business partners, shareholders and government officials. It is also essential to responsible business decisions and to satisfy legal and regulatory obligations.

#### **III.** Protection of Confidential Information

The Company has adopted specific policies and procedures to establish standards on how to protect the confidentiality, integrity, and availability of information, including client data,

personally identifiable information and protected health information. With respect to the maintenance and distribution of records and data, the Company's enterprise Records Management Program provides the framework and timelines for the maintenance and destruction of records. Company records are retained in accordance with all applicable laws and regulations. Records that have satisfied their Legal Retention Period, or operational retention period, and are not subject to any "legal hold" are destroyed in a routine manner, with special attention to destroying records with confidential or private information to protect information. In accordance with our decentralized compliance infrastructure, individuals within each business unit have responsibility for ensuring adherence to the record retention program.

#### IV. Avoidance of Corruption

The Company's Code of Conduct and related policies prohibit offering or accepting any form of bribe, kickback, or other corrupt payment to further our business goals. This applies whether dealing with government officials, in a commercial setting, or otherwise. Anyone contracting with foreign business, as well as those based in an international office or engaged in the international business of the Company are subject to AMN's anti-corruption program. Company policy also prohibits retaliatory action against any employee who, in good faith, reports suspected wrongdoing. Disciplinary action will be taken against any person who harasses, intimidates, encourages others to do so, or otherwise retaliates, directly or indirectly, against an employee who reports a violation.

#### V. <u>Information Security</u>

The Company's Information Security Policy outlines the responsibilities and expectations for security of the Company's information assets. The controls described in the Information Security Policy and associated policies are collectively known as our Information Security Program, which is designed to reflect the Company's business objectives, prevent the unauthorized use of or access to our information systems, and maintain the confidentiality, integrity and availability of information. This Policy is guided by security requirements specific to the Company's operating environment, laws and regulations that are relevant to the Company's business and information security best practices. The control requirements are documented and aligned with the internationally recognized framework for information security management. The Information Security Policy applies to all computer and network systems, software, and paper files administered or managed by third parties for the Company, including consultants, contractors, temporary workers, and business partners who are acting on behalf of the Company or who access its information. All employees and contractors with access to the Company's systems also receive regular security awareness training.

#### VI. Internal Investigations for Malpractice or Negligence

Any incident involving our temporary healthcare professionals that could result in a potential employment claim or professional liability action is required to be reported to the Company's Risk Management Department or Legal Department for prompt investigation and documentation. Our policies describe the process for electronically reporting and managing

professional liability claims to minimize exposure and ensure validity of claims in reporting and to identify and quantify the exposure from known self-insured professional liability claims.

#### SV-PS-510a.2

## Total amount of monetary losses as a result of legal proceedings associated with professional integrity.

As a total talent solutions organization with a significant healthcare staffing business, we are involved in various legal proceedings involving clinician professional liability that arise in the ordinary course of our business. The losses we incurred in connection with professional liability claims decreased significantly from approximately \$9.1 million in 2018 to approximately \$4.2 million in 2019.

In addition, the Company has also significantly reduced its total cost of professional liability risk per \$1,000 of revenue from \$9.74 per \$1,000 in 2016 to \$6.45 per \$1,000 in 2019. Our total cost of professional liability risk generally includes all insurance premiums and fees associated with our professional liability risk mitigation infrastructure as well as all retained losses, including losses for known claims and accrued losses for unknown claims. Other than the losses described above related to professional liability, the Company did not incur any other professional integrity-related losses in 2019.

Reporting Period	Losses	Premiums
2018	\$9,122,591	\$1,322,415
2019	\$4,209,839	\$918,778

