



AMN HEALTHCARE SERVICES, INC.

Task Force on Climate-Related Financial Disclosures Report 2019/2020



At AMN Healthcare, we recognize that climate change is a serious threat, so we want to be transparent and proactive in an effort to identify, assess and manage those risks and opportunities that could impact our business and workforce. For our environmental, social and governance (“**ESG**”) disclosures, we have historically leveraged the standards issued by the Global Reporting Initiative, because it provides a comprehensive framework that allows us to present all facets of our Corporate Social Responsibility (“**CSR**”) program. CSR is fundamental to our aspiration to be the most trusted and influential force in helping healthcare organizations provide a quality patient care experience that is more human, effective and achievable.

We realize that transparency regarding climate-related risks and opportunities is critical to maintaining the trust of our stakeholders and allows our investors to better understand the implications of climate change on our business. This report is structured into four sections: Governance, Risk Management, Strategy, and Targets. These topics align with the framework provided by the Task Force on Climate-Related Financial Disclosure (“**TCFD**”) and detail how we manage the risks and opportunities associated with climate change at AMN. This disclosure represents an early stage in our journey that will continue to evolve into the future.¹

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¹ The inclusion of information contained in this report should not be construed as a characterization regarding the materiality or financial impact of that information to investors in AMN Healthcare. For a discussion of risks that are material to investors in AMN, please see our Annual Report on Form 10-K for the year ended December 31, 2019 filed with the Securities and Exchange Commission, our subsequent Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K. Given the inherent uncertainty in predicting and modeling future conditions, caution should be exercised when interpreting the information provided. In addition, 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.

Task Force on Climate-Related Financial Disclosures

The TCFD recommendations are designed to solicit consistent, decision-useful, forward-looking information on the material financial impacts of climate-related risks and opportunities, including those related to the global transition to a lower-carbon economy.

The TCFD structured its recommendations around 4 thematic areas that represent core elements of how organizations operate: governance, strategy, risk management, and metrics and targets.



- **Governance:** the organization’s governance and climate-related risks and opportunities.
- **Strategy:** the actual and potential impacts of climate-related risks and opportunities on the organization’s business, strategy and financial planning.
- **Risk Management:** the process used by the organization to identify, assess and manage climate-related risks.
- **Metrics and Targets:** the metrics and targets used to assess and manage relevant climate-related risks and opportunities.

AMN’s Board of Directors (the “**Board**”) and executive leaders believe that strong and effective corporate governance is essential to our Company’s success. A cornerstone of our corporate governance program is to provide transparent disclosure to our stakeholders on an ongoing and consistent basis. Our approach integrates all components of effective governance, including a strong ethical culture, an engaged and diverse board, a comprehensive enterprise risk management (“**ERM**”) program, a formal shareholder engagement program and sound financial, regulatory and legal compliance functions. Our holistic strategy focuses on delivering long-term shareholder value and the Company has been recognized for establishing the highest standards of governance.

TCFD Topic

Our Governance

Board Oversight



Board of Directors

Our Board believes that overseeing the Company’s management of AMN’s key enterprise risks is one of their most important responsibilities. Specifically, the Board oversees the Company’s CSR program, strategy and related ESG practices and risks. It also shapes AMN’s enterprise-wide risk capacity, appetite and tolerance levels, which sets the foundation for our overall business strategy and direction.

Each of our Board’s four standing committees oversees the management of specific risks and opportunities, including those that are climate-related and fall within that committee’s areas of expertise. Each committee regularly reports to the Board on its identification and assessment of strategic priorities, goals, risks and opportunities. The Board also reviews the Company’s key risks and risk mitigation strategies associated with execution of the Company’s long-term strategic business plan. Risk management is an integral component of AMN’s strategy, culture, and business operations, and our Board’s oversight role and governance structures continuously evolve in order to support our business and its related risks.



Our Governance

Board Oversight



Corporate Governance & Compliance Committee

The Corporate Governance & Compliance Committee oversees the Company's comprehensive ethics and compliance program, ESG strategies, policies, reporting frameworks and governance over certain climate-related risks and opportunities. The Committee also reviews regular updates from management responsible for the Company's ESG activities and reports to the Board on AMN's progress to ensure alignment with the Company's business strategy.

Audit Committee

The Audit Committee assists the Board in fulfilling its oversight over our ERM program and helps to identify key risks that are relevant to our business, which includes but is not limited to, business continuity, risk management, information security, technology systems and big data analytics. It also assists the Board with its oversight of AMN's compliance with legal and regulatory requirements, disclosure practices and systems of internal controls. Climate-related risks that fall under its purview include operational and financial risks relating to maintenance of network reliability during catastrophic and weather-related events, and possible changes in carbon policy that could have a financial impact on the Company.

Compensation Committee

The Compensation Committee assists the Board in fulfilling its oversight responsibilities with respect to risks associated with the Company's compensation and human capital management practices. It also oversees our executive compensation practices and establishes the performance measures for AMN's incentive compensation plans that align with AMN's strategic goals.

Executive Committee

The Executive Committee assists the Board with its evaluation of acquisition opportunities, strategic partnerships and investment opportunities to determine whether they are strategic fits into our culture and human capital strategy.



Our Governance

Management's Role



To help ensure that the Company operates within its established risk appetite, executive management and other leaders establish and support a culture of integrity, ethical behavior and risk awareness for our team members. Our Board engages with our executives on our goals and encourages them to execute on our long-term plan by managing risk to create value and guard against emerging challenges to the Company's business. Our Executives are responsible for managing our business with each playing a role in the assessment and management of certain climate-related risks and opportunities within their purview. The Company's CEO Committee and each business head operates using a year-round process that unites strategy development, financial planning and talent management to ensure that each division is aligned to execute AMN's long-term business strategy. To ultimately achieve this, as appropriate, our leaderships applies a climate risk lens to decision making to ensure such risks are considered and addressed when developing their strategies.

Our Chief Legal Officer leads a cross-functional team that focuses on corporate governance, shareholder engagement and ESG reporting, and assists the Corporate Governance and Compliance Committee to identify and assess climate-related risks and opportunities. The Chief Legal Officer also updates the Board and Company's executive leadership on progress made towards meeting certain ESG-related objectives, including climate-related risks. AMN's Head of Government & Community Relations, Head of Risk Management and Real Estate, Corporate Governance Manager, who report to the Chief Legal Officer, monitor current and potential policy issues, including carbon policy changes, that may impact the Company. The Head of Risk Management and Real Estate leads AMN's preparedness to manage potential risks, including climate-related risks.

Enterprise Risk Management Committee

As part of our annual strategic planning process, we maintain an Enterprise Risk Management Committee that assists the Board in identifying key enterprise risks, supporting risk strategies and aligning them with our long-term business strategies. We typically focus on five to seven risks annually. This Committee also assists the Board in determining our risk tolerance in light of our (1) existing risk capacity; (2) appetite, if any, to take on additional risk or lessen our risk; (3) risk velocity; and (4) mitigation factors. We typically focus on five to seven risks annually.

Climate change presents financial risk to the global economy, and we are committed to improving our understanding of the related risks and opportunities that could have an impact on our profitability and long-term resilience. To achieve this, we are integrating climate risk variables into our enterprise risk management framework that involve our Board and management teams.

TCFD Topic

Our Risk Management

Risk Identification & Assessment Process



We recognize that climate change risk is a global issue and the physical impacts can occur over the short, medium, and long-term. We have developed a comprehensive Business Continuity Management (“**BCM**”) program, including Crisis Communications, Business Resumption Plans (“**BRP**”) and an IT Disaster Recovery plan to respond to key risks, threats and vulnerabilities that could disrupt our business operations and workforce. Our BCM program provides a foundation for organizational resilience and improves our capability for an effective and timely response. Our BRP, which are in place at all levels of the organization, focuses on business preparedness to identify and assess natural and man-made events that could negatively impact or disrupt our operations, revenue or brand.

AMN relies on numerous levels of review to identify and assess climate-related risks that are relevant to our business and operations, which include, but are not limited to, business continuity and disaster recovery planning, site emergency action planning, crisis management planning and resilience.

We also recognize that while climate-related risks and opportunities are inherently linked, each requires a customized management approach. This means our approach for managing physical resilience will differ from that used to manage transition risk driven by a carbon policy. We realize that one-off management of climate-related risks is not adequate. Therefore, we follow several enterprise-wide processes that help us review and manage a wide spectrum of relevant risks from the top down, in which climate change is considered.



Our Risk Management

Risk Identification & Assessment Process



Acute Risk Identification and Assessment of Physical Risks

We conduct risk assessments that help us determine the operational impact resulting from a major disruption of services caused by natural disasters or other events. This assessment process prioritizes risks based on the level of impact to our network and business operations. Currently, we are evaluating five acute climate-related risks: hurricanes, extreme rainfall and flooding, wildfires, winter storms and tornadoes.

Chronic Risk Identification and Assessment of Physical Risks

In addition to monitoring short-term climate-related risks, such as the increased severity of extreme weather events in certain parts of the United States that may impact our ability to engage and place healthcare professionals effectively, we also strive to stay current on long-term climate-related risks, such as more gradual climate shifts, and consider the extent to which such risks may have on our ability to execute our strategies. Demand and supply of our services may be impacted by changes in extreme weather conditions that could create an environment that is susceptible to acute economic downturns, resulting in a negative impact on certain revenue streams. To effectively address such risks, we actively engaged in resilience planning that includes, but is not limited to, the following activities:

- **Business Continuity and Disaster Recovery:** AMN's BCM program details our processes and procedures for responding to hazardous weather conditions or natural disaster, including communications to stakeholders, the continuity of our business, process and recovery plan.
- **Site Emergency Action Planning:** We believe that preparation is our best defense, so our Emergency Response Plan is designed to provide guidance in the event of an emergency. For offices with 25+ team members, we have trained Emergency Response Teams in place who are responsible for evaluating the initial severity of an emergency and the appropriate response.
- **Crisis Management Planning and Response:** AMN's Crisis Management Communication Plan outlines AMN's response and communication goals for dealing with any matter of crisis, including natural, technological, human, marketplace or climate, and provides guidelines for an activated Response Management Team



Our Risk Management

Risk Management & Integration with Overall ERM



We recognize that check the box exercises and one-off management of risks is insufficient for meeting our commitments. Therefore, we have established several enterprise-wide processes that help us review and manage climate risks and opportunities and have integrated them into our ERM program.

We discuss some of our overarching risk management processes below, in which climate change is a consideration. The Strategy section beginning on the following page offers more information regarding our approach to managing specific risks and opportunities.

Enterprise Risk Management

As discussed above, we have a formalized enterprise risk management program that is embedded into the day-to-day culture of our company. The purpose of our ERM program is to guide enterprise decision making based on established risk tolerances to best support us in achieving our long-term business strategy. To do this effectively, we are continuously evolving our processes for identifying and assessing risks to ensure they remain relevant and effective.



As a professional services business, AMN’s environmental footprint is relatively small when compared to organizations in other industries; however, we are evolving our risk management strategies, policies and practices to identify opportunities where we can create efficiencies and better manage our impacts by transitioning to low carbon energy technologies, reducing our carbon footprint and refining our approach to sustainable management. As the industry leader, we aim to build a competitive advantage early and benefit from the increased economic productivity associated with “circular” business models. Below we identify climate-related risks and opportunities that could have a potential impact to our business over the short-, medium- and long-term, as well as our strategies to manage and mitigate each. The TCFD has divided risks into two categories: (1) Transition Risks, created by the world’s transition to a low-carbon economy as a result of carbon policy changes, and (2) Physical risks, created by a changing climate.

TCFD Topic

Our Strategy



Climate-related Risks, Opportunities & Impact

Policy & Legal Risks

Transitioning to a low-carbon economy will have a significant impact on the global economy, including impacts to the costs associated with regulatory compliance, insurance requirements, the valuation of assets and potential fines or litigation as a result of non-compliance. Accordingly, we actively monitor policy and regulatory developments related to climate change and the environment. We realize climate change is expected to have an impact on emerging regulations and the market, so we are planning for a low-carbon future and committed to reduce our environmental footprint and reach our climate-related goals. We also continue to work with our landlords and property owners to reduce our carbon footprint and to invest in green energy when possible. We recognize there are many ways we can reduce our exposure to a carbon price, which is why we installed energy-efficient systems that contribute to our carbon intensity goals.



Our Strategy



Climate-related Risks, Opportunities & Impact

Technology Risks

As we transition to a low-carbon economy, there is uncertainty in specific technological development and deployment beyond what is driven by carbon pricing. Although, we do recognize that reliance on existing products and services could be impacted by a transition to a more remote environment that leverages energy efficient and lower emission technology. We also believe that we may experience increased operational expense and cost impacts attributable to a migration to remote work environments and telehealth offerings, including data security, privacy and technology investments. Client demand impacts associated with market shifts to telehealth and remote technology may also increase as a result of climate change.

Market and Reputational Risk

When considering applicable reputation risks, we recognize that our stakeholders have high expectations regarding how we respond to climate change issues. We also recognize that our clients, healthcare professionals, team members, and shareholders expect us to minimize the impacts that may result from a transition to a low-emission economy, and our brand is essential to the maintenance and growth of our business and loss of reputable brand recognition could adversely impact our financial performance. Accordingly, reputational risk is regularly reviewed by both our Board and executive management. Climate change can create significant change in consumer behavior, which could impact demand for some of our existing products, uncertainty in the market and increased costs of certain labor and materials. Specifically, clients and prospective clients may increasingly place greater importance on climate-related vendor stewardship when making purchase decisions. Raw material cost changes may impact travel and related costs for healthcare professionals and corporate team members. Risks in this area can lead to loss of revenue or market share if these expectations are not addressed. Clients and prospective clients may increasingly place greater when making purchase decisions.



Metrics and Targets

TCFD Topic

Our Metrics & Targets



Metrics & Targets

Our commitment to reducing our environmental impact and exposure to a carbon price involves a combination of sustainability strategies, including reducing our emissions, energy use, waste and migrating energy procurement in favor of renewable and clean energy. By taking these steps we are identifying and assessing opportunities to reduce the potential effect of future carbon price on our business and will continue to measure and disclose our performance.

Metric	Goal	Reference
Greenhouse Gas (GHG) Emissions	Reduce our GHG emissions	CSR Report , p. 40 GRI Code 305-1 GRI Code 305-2 GRI Code 305-3
Carbon Intensity	Reduce our carbon intensity	CSR Report , p. 40 GRI Code 305-4 GRI Code 305-5
Water Consumption	Reduce our water consumption	CSR Report , p. 39 GRI Code 303-1
Energy Consumption	Reduce our energy consumption	CSR Report , p. 39 GRI Code 302-1 GRI Code 302-4
Energy Intensity	Reduce our energy intensity	CSR Report , p. 39 GRI Code 302-3
Waste	Reduce our waste	CSR Report , p. 41 GRI Code 306-2