

**2020**

# **Environmental, Social and Governance Report**

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Feel right at home.

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# A Message From Our CEO



**David P. Singelyn**  
Chief Executive Officer and Trustee

## To our stakeholders:

I am happy to present our 2020 Environmental, Social and Governance (ESG) Report, and to share how we at American Homes 4 Rent continue to commit to our people, our residents and the environment.

The events of 2020 helped shine a light on the strengths of our business, and how our houses, which normally are so essential to our residents, became even more so as our residents transformed their homes into their offices, schools for their children, and so much more.

### Supporting and developing our employees

As we adjusted to new and changing requirements during the COVID-19 pandemic, we learned some valuable lessons. Our workforce has embraced different ways of working through new ways of communicating and collaborating. Similarly, we reduced our travel and designed new ways to train in remote environments. We hold a better appreciation for the importance of a healthy company culture as we continue to support and develop our people. In 2020, we provided over 70,000 hours of training, an average of 50 hours of training per employee.

### Technology focus that creates a better, more efficient resident experience

Accelerating the development and adoption of our proprietary IT systems had significant benefits. Our technology-driven platform enhanced our ability to adapt quickly to the COVID-19 pandemic's unforeseen conditions, and also increase resident safety and satisfaction. Over this past year, these systems were crucial in enabling contactless home viewing, a smoother move-in process, contact tracing (if necessary) and delivering timely maintenance.

### Setting the bar in home energy efficiency

We know our homes are energy-efficient: In 2020, we began tracking just how efficient they are. From our pilot project we identified that, according to our RESNET Home Energy Rating System (HERS), our newly constructed homes use approximately 43% less energy than the reference home. For 2021, we will track the HERS scores of all our newly constructed homes, which enables us to evaluate new ways to save energy and reduce carbon. We are excited about the opportunities ahead.

### Strengthening governance

We are pleased to have refreshed our Board of Trustees as we added three new independent trustees in 2020: Matthew Zaist, Lynn Swann and Michelle Kerrick. Each of these individuals adds valuable experience and diverse perspectives. Additionally, we formalized board oversight for ESG as part of the Nominating and Corporate Governance Committee's and Human Capital and Compensation Committee's responsibilities.

As we continue to build on our technology enhancements and sustainability progress, we remain committed to the safety and well-being of our team members, our residents and our communities.

A handwritten signature in black ink, appearing to read 'David P. Singelyn', with a stylized flourish at the end.

David P. Singelyn

# Who We Are

American Homes 4 Rent is a leader in the single-family rental home industry, known for its high quality, good value and resident satisfaction. We are a real estate investment trust (REIT) focused on acquiring, developing, renovating, leasing and operating attractive and efficient single-family homes as rental properties.

**53,584**

High-quality homes

**22**

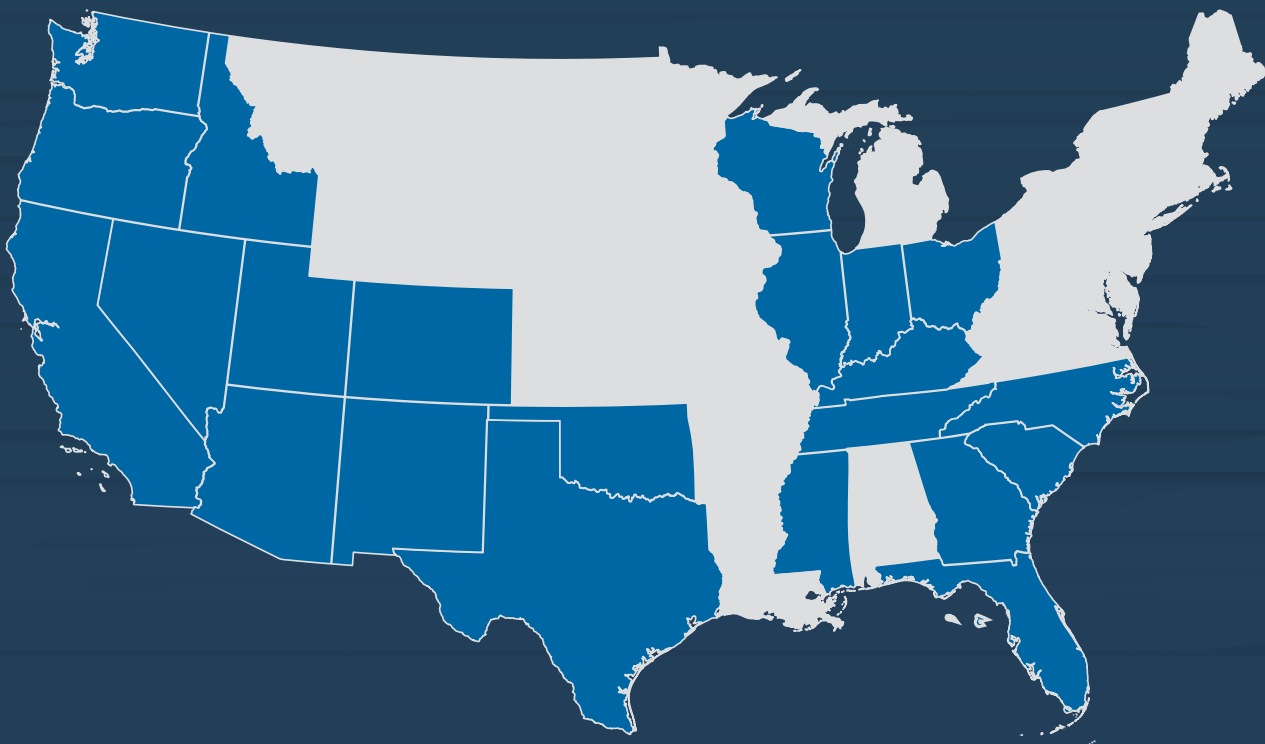
States

**1,447**

Employees

**~200K+**

Residents





# Our Approach to Sustainability

## Our purpose is to foster a sense of home and of community by providing quality, environmentally sustainable housing that delights our residents.

At American Homes 4 Rent, we are committed to operating sustainably to deliver long-term value to our residents, employees, communities and shareholders. We seek to foster a sense of home and of community by providing quality, environmentally sustainable housing that delights our residents. We believe achieving this through integrating environmental, social and governance (ESG) considerations provides a superior experience for our residents and employees, and attractive returns for our shareholders.

We incorporate ESG objectives into our decision-making to deliver long-term value for all our stakeholders. We actively engage with our stakeholders, including our residents, employees, vendors and investors to understand and respond to their needs, and to share information about our ESG strategy, practices and performance. Our ESG reporting is guided by our stakeholders and third-party frameworks, including the Sustainability Accounting Standards Board (SASB) real estate standard and Task Force on Climate-Related Financial Disclosures (TCFD).

To guide our ESG programs, American Homes 4 Rent established an Environmental, Social Responsibility and Governance Leadership Team in 2018 to support the company's efforts in developing, implementing, monitoring and reporting on these related activities. The team meets regularly to address the company's ESG objectives, practices and processes. The cross-functional team, which is appointed by and reports to the chief executive officer, includes members of the company's operations, construction and development, human resources, health and safety, legal, communications, investor relations and governance functions. In 2020, we formalized board oversight for ESG as part of the Nominating and Corporate Governance Committee's and Human Capital and Compensation Committee's responsibilities.

Our ESG principles guide us as we manage our business operations to provide high-quality homes and communities for our residents.



### Environment: Build Sustainably, Operate Efficiently

**Environmentally friendly construction:** Design and build homes to be efficient and last for decades, through measures that include using durable materials, energy-efficient LED lighting and low-flow water fixtures.

**Resource-efficient operations:** Continuously evaluate and improve our energy efficiency, water management and waste reduction practices.

**Develop communities:** Create a sense of community by including green, open spaces in our development plans and by building amenities that facilitate neighborhood gatherings.



### Social: Delight Residents, Engage Employees, Foster Community

**Superior customer service:** Engage residents through regular communications and monitor satisfaction to ensure residents feel right at home.

**Champion diversity, equity and inclusion:** Promote inclusion and diversity through policies and programs that advance Valuing Differences, which is one of our core competencies.

**Develop our employees:** Provide the business and technical skills necessary for our employees to succeed in their roles and to advance their careers in our company.



### Governance: Lead With Integrity and Transparency

**Operate responsibly:** Foster a culture that consistently applies high ethical standards in all our actions.

**Transparency in our actions:** Engage our stakeholders, and report at least annually on our ESG practices and performance.

# Meeting the Challenges of COVID-19 for our Residents, Employees, and Communities

**We recognize the impact that the COVID-19 pandemic has had on all of us.** The situation has driven us to closely evaluate our priorities and examine all aspects of our operations. Throughout this challenging time, the health and safety of our team members, our residents and our communities remains our primary focus.

In March 2020, we quickly implemented comprehensive remote working and initiated company-sponsored assistance programs to support all of our team members. Their dedication and resolve in adapting to this new environment have been inspiring. Our field team members are the frontline face of the company, as they continue to service our homes and meet the needs of our residents in person. We are proud of the way they represent American Homes 4 Rent.

Technology preparedness was critical to providing a smooth transition to remote working. We were well positioned to react quickly, as 83% of our workforce was already equipped with laptops and we recently implemented additional cybersecurity protocols.

The ongoing commitment of executive leadership to build out the IT organization meant that we had a robust team with the appropriate expertise in place to support the requirements of remote working. Our training department helped facilitate the rollout of additional productivity and collaboration platforms, including phone access, remote printing and scanning, and document storage.

Also important to the success of this new remote environment was our commitment to providing additional training to our employees (including specific instructions related to new COVID-19 protocols) and reminders regarding the company's Privacy, Compliance and Ethics policies, including:



Confidentiality  
and  
Privacy



Compliance  
and Ethical  
Standards



Confidentiality of  
Health-Related  
Information



## Communication and Support for Employees

To facilitate teamwork in the new remote environment, we rolled out a new business communication and collaboration platform that was quickly embraced across the workforce. Communications among team members continued nearly seamlessly.

Several of our existing policies were amended to give further support to our workforce including:

- Providing personal protective equipment (PPE) as necessary to employees with resident interaction
- Extended telehealth benefits for the entire workforce, regardless of whether they were enrolled in our benefits program
- Hardship allowances for employees, including allowable withdrawals from 401(k) programs

## Safety and Accessibility for our Residents

We are committed to the utmost care in supporting our residents throughout the pandemic.

Our use of technology in our property management platform allows prospective residents to remotely find homes, submit applications and execute leases while following social distancing guidelines. This technology allows us to perform regular cleaning between each potential resident visit and also provides us the ability to conduct contact tracing, if necessary.

For existing residents, our field teams follow recommended social distancing and public safety guidelines when responding to service requests. Our maintenance call center established a process for confirming the health of residents, as well as service personnel, which could be communicated to each party prior to the service being performed.

The economic response to the pandemic required us to consider our leasing policies and how to work with our residents in this uncertain time. The socially responsible considerations at the outset included:

- No rent increases on renewals from April through July 2020
- Case-by-case consideration for request of rent accommodations
- Additional hardship modifications including no-fee early terminations
- Establishing and enhancing processes for contactless payment

“When the pandemic hit, American Homes 4 Rent evaluated our priorities and examined all aspects of our operations. We quickly adapted our approach to support our residents and adjust to the changing health and safety requirements, while continuing to deliver superior customer service.”

**BRYAN SMITH**  
Chief Operating Officer

## Vendor and Supply Management

Our relationships with vendors and suppliers allowed us to quickly assess short- and long-term needs and to perform maintenance, repairs and renovations with little to no disruptions. We held weekly meetings with suppliers to identify vendor “A-List” relationships and “safety stock.” Our payment protocols, including recently deployed digital invoicing technology, ensured our vendors continued to be paid on time. Being able to keep our local vendors and suppliers working helped them with their own business continuity needs.

## New Efficiencies and Ways of Working

While many of these changes were in response to the ever-changing demands and requirements of the pandemic, we have found solutions and efficiencies that are likely to result in long-term benefits. For example, new employee training for field roles is now conducted virtually, reducing training from nine days to seven, and ensuring consistency across our 22 states.

The pandemic has changed the way we live, and now work, in our homes. Future design considerations for some homes we build will include pocket or niche office spaces to increase the number of areas in each home that can accommodate additional at-home office space.



# Environment: Build Sustainably, Operate Efficiently





# Environment: Build Sustainably, Operate Efficiently

As the leading national builder of purpose-built single-family rental homes, we recognize the importance of designing and constructing new homes to embrace environmental sustainability practices. Because we build our homes to rent, we design them for long-term durability. This saves resources and lowers our total costs, including maintenance.

## Green Building and Design

Green building and resource-saving initiatives are a standard part of our design, construction and renovation process. Measures include use of:

- Energy-efficient LED lighting
- Durable materials such as granite countertops and luxury vinyl plank (LVP)
- Energy-efficient HVAC units
- WaterSense® certified toilets
- Water-saving landscape design where water is a concern

Other environmentally friendly programs include:

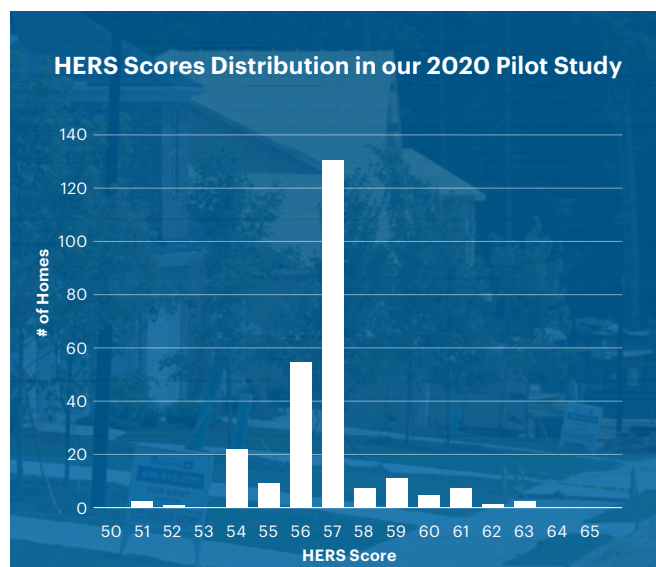
- Recovering or reusing/recycling refrigerant when servicing air conditioning units
- Educating residents about energy-efficient practices through our residential newsletter
- Utilizing software to diagnose accurate repair needs remotely to avoid vehicle emissions
- Optimizing routes to schedule maintenance calls efficiently and avoid unnecessary vehicle travel
- Using a third-party utilities administrator to monitor resident electricity and water usage

## Demonstrating our efficiency: tracking HERS energy efficiency ratings for all of our newly built homes

In 2020, we began a program to track RESNET Home Energy Rating System (HERS) scores for our newly built homes to demonstrate the energy efficiency and savings while living in our properties. A HERS rating is an assessment of energy performance: A lower score indicates it is more energy-efficient. A home built to the 2006 International Energy Conservation Code receives a rating of 100 on the HERS Index, while the average American home scores 130, according to the U.S. Department of Energy.

**American Homes 4 Rent's average, median and mode HERS score was 57 among our 256 newly built homes in 2020 that we tracked in our pilot project markets of Arizona, Colorado and Nevada.** Put another way, those houses use 43% less energy than a home built to the 2006 code and less than half the energy of a typical home in this country. According to RESNET data, a score of 57 translates to an average annual savings of \$1,316 versus the average home, and \$777 compared to a new home.

For 2021, we intend to track the HERS scores for all newly built homes to demonstrate the efficiency and savings from our properties.



## Our Approach to Climate Change

American Homes 4 Rent recognizes the risk climate change poses to our business, as well as to our residents. That is why we are committed to monitoring and mitigating the risks to our properties, as well as to reducing our carbon emissions. Our reporting is guided by the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations.

### GOVERNANCE

#### Board oversight

Our Board of Trustees, through the Nominating and Corporate Governance Committee, has ultimate responsibility for how the company manages sustainability and climate-related issues. The company's environmental, compliance and other relevant leaders brief the board committees throughout the year on issues directly and indirectly related to climate change and our carbon footprint.

#### Management role

American Homes 4 Rent established an Environmental, Social Responsibility and Governance Leadership Team in 2018 to support the company's efforts in developing, implementing, monitoring and reporting on issues including climate change. The team regularly meets to address issues such as energy efficiency and carbon emissions in our homes and our operations. This cross-functional team, which is appointed by and reports to the chief executive officer, includes members of the company's operations, construction and development, human resources, health and safety, legal, and governance functions.

### STRATEGY

The primary climate-related risks that may impact us are potential changes to building code standards and physical risk from extreme weather. As energy and water use is minimal for our direct operations, regulatory and resource availability issues are not significant concerns.

- **Regulatory risks:** Changes to building codes to improve energy efficiency and reduce carbon emissions may require us to use more expensive materials, HVAC systems and appliances that may increase our cost of construction.
- **Physical risks:** Extreme weather may impact our properties. We have taken actions to assess potential flooding along with other weather-related risks. We have a philosophy of not building in 50- or 100-year flood zones.
- **Green homes opportunity:** Our energy- and water-efficient homes may see increased demand as more consumers appreciate the cost-savings and environmental benefits of our newly built eco-friendly homes.

To ensure climate resilience, our executive leadership and our board monitor changing customer tastes and demand, regulatory requirements and other impacts to our business. We are focused on addressing the potential business risks and opportunities related to climate change.

### RISK MANAGEMENT

Our executive leadership and our board are focused on managing our business risks, including climate change-related risks. The process to identify, manage and integrate climate risk is embedded in our Enterprise Risk Assessment program.

### METRICS

Our biggest environmental impact is through the homes we build and renovate, which is why we design with sustainability in mind. Using data from our third-party utilities administrator, we now track the energy use and carbon emissions of the homes we rent. Because our residents are responsible for the electricity use and climate controls of their homes, this is considered Scope 3, according to the Greenhouse Gas Protocol. We have begun measuring direct and indirect emissions from our operations, but because many of our office properties are leased, we have limited access to our office utilities usage.

Carbon Emissions (metric tons of CO <sub>2</sub> )	2019	2020
<b>Scope 1 emissions<sup>1</sup></b>		
vehicle fleet and maintenance equipment fuel usage	<b>3,588</b>	<b>3,845</b>
<b>Scope 2 emissions<sup>2</sup></b>		
electricity usage at our Nevada property management headquarters	<b>1,278</b>	<b>905</b>
<b>Scope 3 emissions<sup>3</sup></b>		<b>355,113</b>
resident natural gas usage	---	90,833
resident electricity usage	---	264,180

(1) This does not include any emissions from building heating from our serviced offices. (2) This does not include emissions from our 20 property management field offices and corporate headquarters. (3) Covers approximately 90% of our property portfolio, which is managed by our third-party utilities service provider. The remaining properties are in markets where utility regulations restrict third-party intermediation.

### CREATING NEIGHBORHOODS

We seek to create a sense of community for our new single-family rental home developments. This starts with the site selection process as we evaluate a location for its proximity and access to transportation, sewer and infrastructure, and the economic corridor. We are attuned to building sustainably as predominately all of our construction is on greenfield sites. The ecological impact to the site development is evaluated with considerations regarding storm water runoff and the long-term sustainability of erosion control.

To facilitate neighborhood gatherings, we include green, open spaces in our development plans and build amenities that facilitate community.

# **Social:** **Delight Residents, Engage Employees, Foster Community**





# Social: Delight Residents, Engage Employees, Foster Community

## Employees

American Homes 4 Rent's success depends on our employees delighting residents with our houses that become their homes. This requires us to attract, retain and grow a skilled and diverse workforce to design and maintain high-quality homes. We are committed to creating and maintaining a great place to work with an inclusive culture, competitive benefits, and opportunities for training and growth.

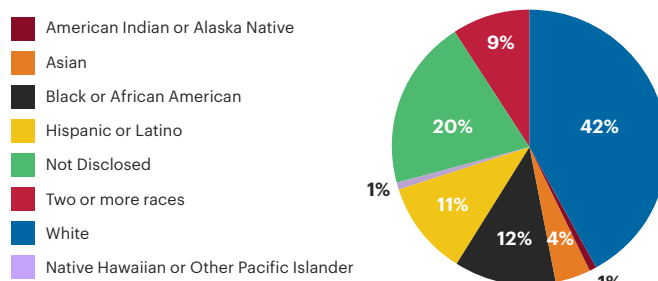
### Diversity, Equity and Inclusion

We champion inclusion and diversity by declaring one of our core competencies to be Valuing Differences. Our senior vice president of human resources leads our diversity programs, with our board providing oversight of our performance.

In 2020, we launched our Valuing Differences program, which provides unconscious bias training to all employees, guidance for ensuring diversity in recruiting, and assessment of employees on these issues. To promote diversity in our recruitment, in 2019 we established programs to work with diverse student groups at colleges and universities, although it was put on pause in 2020 due to COVID-19.

Our human resources department routinely monitors diversity representation of our employees. The data in the table below shows that women and minorities are represented evenly throughout our workforce, which we believe reflects the impact of our human capital programs.

### Our employee diversity as of December 31, 2020:



### Employees



### Management Positions



### Senior Leadership (VP or Above)



## HIGHLIGHTS

### 2020 Valuing Differences Program



All employees receive unconscious bias training



Created job interview guidance to promote and ensure diversity in the hiring process



All supervisors and above are evaluated on our core competency of Valuing Differences





## Pay Equity

American Homes 4 Rent is committed to the principle of equal pay for equal work and seeks to ensure our employees are paid equitably for substantially similar work. Pay equity is reviewed when an employee is hired or promoted, as well as part of our annual pay review process, according to business unit, role, geography, years of industry-related experience, performance and tenure. Where a discrepancy might be identified, there is an internal review process to evaluate the discrepancy and, where appropriate, address it.

The overall raw ratio of median female salary to median male salary is **84%** (and the average raw salary ratio is **79%**), which reflects the fact that there are more men in senior, higher-paid positions, including our AMH Development home building segment.

The real estate and home building industries are traditionally male-dominated industries, but we are focused on recruiting and promoting diverse talent. Reporting our raw pay gap demonstrates our commitment to transparency, and provides a measure of what we need to do to advance diversity at our company and across the industry.

Female salary as a percentage of male salary	# of Employees	% Women	Median %	Mean %
Leadership <sup>1</sup>	40	43%	95.7%	92.1%
AMH Development	154	25%	64.9%	59.7%
Salaried - field	75	8%	99.4%	110.1%
Salaried - office	319	57%	81.3%	85.3%
Hourly - field	352	5%	95.0%	96.9%
Hourly - office	502	80%	97.0%	100.3%
<b>Overall</b>	<b>1442</b>	<b>46%</b>	<b>79%</b>	<b>84%</b>

<sup>1</sup>Leadership represents all executive vice presidents, senior vice presidents and vice presidents.

## Recruitment, Engagement and Retention

Our ability to attract and engage top talent is a critical factor to our success. We have developed programs designed to recruit and retain employees, and to identify ways to increase employee engagement and satisfaction across the organization. To help build a positive culture and employee experience, each year we appoint members to the company's Employee Council. This council, led by executive sponsors, provides participants with a unique forum to deliver employee feedback from all levels and regions across the organization.

### New Annual Employee Engagement Survey

At the start of 2021, we implemented a new employee engagement survey format that includes short, regular pulse surveys throughout the year. All employees will be surveyed at least annually, transitioning from our previous ad hoc survey schedule. All feedback is confidential and anonymous and aggregated via a secure third-party platform for analysis. We believe the new survey approach will give us more timely insight into how our employees are engaged.

The results of our survey reflected the success of our focus on engaging and motivating our employees: We earned a top-decile Net Promoter Score of 60, which is 38 points above the sector benchmark, according to the results of our Q1 2021 survey.

An important part of engagement is compensating our employees competitively and providing an attractive benefits package. All full-time employees are eligible for our comprehensive benefits package, including excellent health insurance, a 401(k) retirement plan that includes a 100% vested matching contribution, paid time off and our employee wellness programs.

We encourage employees to participate in physical and emotional wellness through a broad range of programs. We hold Health and Wellness Fairs at our two largest locations to educate employees on the various programs that are available to them and their families. We also provide gym membership discounts to support employees in maintaining their health. To further encourage wellness, we offer employees free annual wellness checks on our medical plans. We also offer free, on-site biometric screenings at our two largest locations (on hold throughout COVID-19 office restrictions). All employees who elect to participate in the wellness check program also receive a discount on their health insurance premiums.

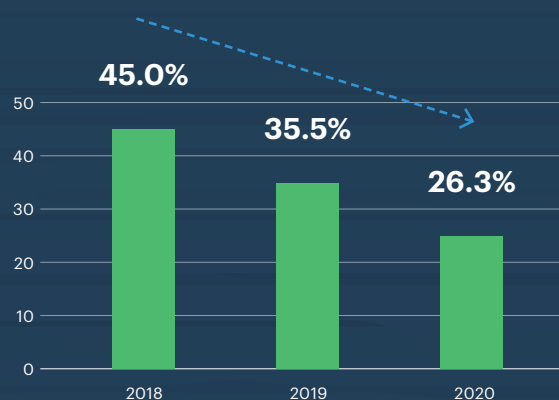
Employees receive a formal annual performance and development review.

**TOP 10%**

### Highly engaged workforce

Employee Net Promoter Score of 60 -- 38 points above our sector benchmark

**Annual employee turnover has continued to decrease, reflective of our focus on employee retention and engagement.**



We are committed to promoting an open feedback culture, and we have a number of programs to encourage our employees to speak out. Our employee training provides information on the different ways to provide feedback, including reporting issues to a manager or human resources, as well as via our third-party, anonymous ethics hotline. We also have other ways to provide open communications and feedback, such as companywide town halls with Q&A, biweekly field rep calls, IT Ask Anything sessions and companywide emails providing announcements.

## TRAINING AND DEVELOPMENT

We provide training designed to meet the business and technical skills necessary for our employees to succeed in their roles and to advance their careers in the company. We provide leadership development training to support our managers and executives that is part of our succession planning programs. Overall, we provided approximately 71,900 hours of training to employees, an average of 50 hours per employee, in 2020.

### 2020 Training Highlights

- 71,900 hours of training provided across the company
- An average of 50 hours per employee
- Virtual Field Training attended by over 90 employees totaling 519 hours
- Valuing Differences Training attended by 663 participants totaling 1,326 hours
- Persuasive Communication Training attended by 24 participants totaling 91 hours
- Leadership coaching and succession planning training attended by 25 participants totaling 37.5 hours

Our property management field leadership facilitates monthly training that covers a variety of skill and development topics, including job-specific training reinforcement and safety talks. We offer more than 400 online learning and development courses at no cost for employees to increase their skills. We periodically present voluntary “Lunch & Learn” continuing education sessions that cover a variety of topics such as communication skills, stress management, time management, and other personal and professional development topics.

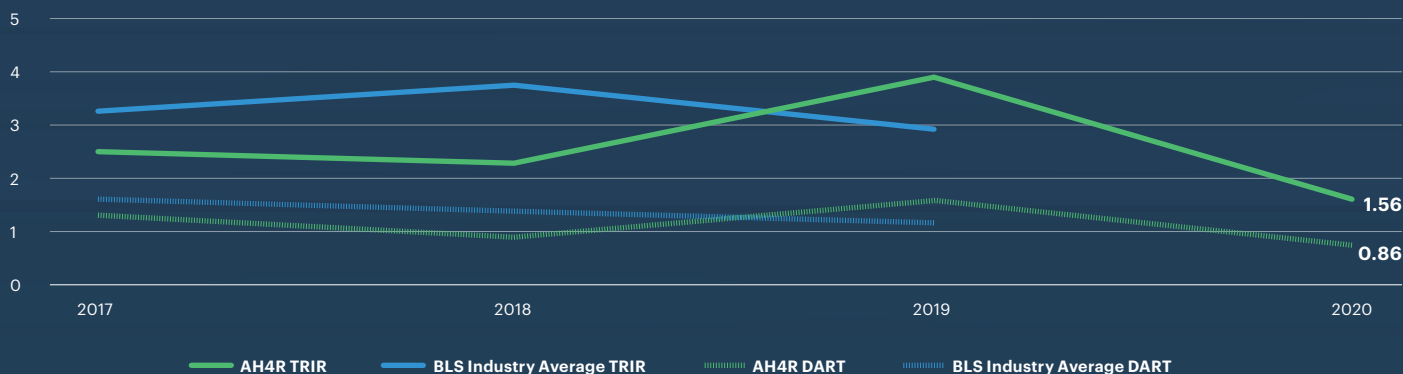
## WORKPLACE SAFETY

The health and safety of our employees is a top priority at American Homes 4 Rent. We have implemented company-wide policies that address occupational health and safety concerns and offer programs that address these matters. We provide annual safety training for all employees, and every employee in a safety-sensitive position is required to complete additional relevant training.

We are dedicated to attaining better than the NAICS OSHA industry median incident rate. We achieved this in 2020 as we improved our OSHA Total Recordable Incident Rate (TRIR) to 1.56 and our Days Away, Restricted and Transferred (DART) to 0.86. The comparable latest available Bureau of Labor Statistics (BLS) rates in 2019 for the Lessors of Residential Buildings and Dwellings sector were 3.0 and 1.3, respectively.

In response to the COVID-19 pandemic, we established protocols to keep our residents, employees and third-party contractors safe. Our maintenance team instituted various processes to ensure a home was safe to enter, and we provided our field employees with personal protective equipment (PPE) such as safety gloves, booties and face masks to eliminate contamination between properties.

## Safety Performance Better Than our Industry





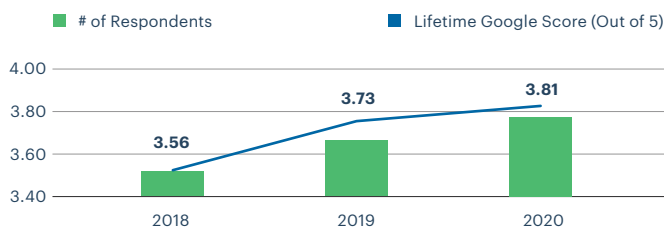
## Residents — Service and Safety Commitment

American Homes 4 Rent provides more than 200,000 residents with durable, high-quality housing, and we seek to deliver a superior customer experience.

### RESIDENT SATISFACTION

We are committed to ensuring the highest possible level of satisfaction by our residents and have implemented a number of new technologies and policies to support us in achieving that goal. We closely monitor resident satisfaction and have internal Google review goals at the company and district levels for move-in, move-out and maintenance feedback. At the end of 2020, our Lifetime Google Satisfaction score was 3.81 out of 5, which has steadily increased over time.

#### We Are Focused on Resident Satisfaction

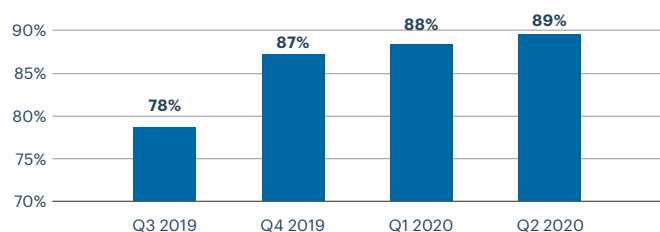


We provide Resident Orientation, now done virtually, so that residents know what to expect when renting. We survey residents after they move in, and any issues noted are reviewed and addressed by the property manager. We also conduct surveys with residents on overall interactions with property management and maintenance, as well as after move-out. We systematically track the response and incorporate feedback in future employee training.

#### Boosting Customer Satisfaction Through New Digital Move-in Tools

New digital move-in materials have helped significantly increase resident move-in satisfaction by creating clear expectations for our future residents. The new digital move-in process also includes a pre-move-in and post-move-in call to help ensure a smoother process. Following a pilot project in our Houston market, we launched the program nationally in 2020.

Houston area customer satisfaction increases following pilot project:





## SAFETY

We seek to provide a safe environment for our residents and their personal property, which is why we have developed safety checks and programs to ensure the safety of our houses and services. Our Manager for Safety and Facilities is responsible for oversight of our service procedures and policies, including our annual training programs.

### OUR RIGOROUS SAFETY PROGRAM INCLUDES:



Employee training on safety and emergency procedures and crisis management, including responding to natural disasters, OSHA training, personal safety and equipment use



Regular fire and incident response testing



Third-party inspection of fire and other safety procedures as required by local, city and/or state law



Resident property damage reporting and corrective action investigation procedures



Corrective action log assessment

The safety protocols we implemented during the COVID-19 pandemic, including confirmation of employee and service provider health status prior to contact, have resulted in increased security for our residents, vendors and employees. We anticipate that this process will continue even following the pandemic-related need.

## Community Engagement

American Homes 4 Rent recognizes that we are part of the communities in which we operate, and that when our communities do well, we do well. We contribute to the well-being of these communities through direct investments to rehabilitate, improve and develop our homes and residential communities. We also encourage our employees to volunteer for charitable activities in the communities we serve. We believe our commitment to our communities enhances our residents' living experience and the communities in which they reside.

One of our key initiatives in 2020 was the hiring of our senior vice president of communications. She oversees communications across our company, including employee communications, public affairs and media relations.

Our "Planting Seeds" program helps encourage and support our employees to make an impact in their local communities by providing incentives to create positive change. Each employee is provided up to five hours of paid time off per year to volunteer at a company-sponsored Planting Seeds charitable event. Additionally, each member of senior leadership is expected to volunteer a minimum of 16 hours of community service, which is tied to their bonus.

### Engaging our communities and stakeholders

Stakeholders	Communication Practices
Residents	<ul style="list-style-type: none"><li>• One-on-one contact with residents by our in-house property management team</li><li>• Measure resident feedback via surveys</li><li>• American Homes 4 Rent website</li></ul>
Investors	<ul style="list-style-type: none"><li>• Annual Report and Proxy Statement</li><li>• ESG report</li><li>• Property tours, conferences and non-deal roadshows</li><li>• Annual shareholder meeting</li><li>• Investor relations website</li></ul>
Employees	<ul style="list-style-type: none"><li>• Ethics, Legal and Compliance training</li><li>• Diversity and Inclusion training</li><li>• Formal reporting mechanisms for issues such as fraud and harassment</li><li>• Skills training and development plans</li></ul>
Vendors	<ul style="list-style-type: none"><li>• Policy setting and information-sharing requests</li><li>• Communications with vendors concerning our Vendor Integrity Code</li></ul>
Communities	<ul style="list-style-type: none"><li>• Active participants in the communities where we operate</li><li>• Regularly engage in dialogue with local groups about community activities</li></ul>

# Governance: Lead With Integrity and Transparency



# Governance: Lead With Integrity and Transparency

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The company is governed by a 13-member Board of Trustees led by an independent chairperson and a majority of independent trustees who facilitate board oversight of management. Consistent with an ongoing focus on board refreshment, six new trustees have been added in the past four years. The three independent trustees added in 2020 bring extensive expertise in key areas including operational effectiveness, digital transformation, civic engagement and homebuilding experience. Our average trustee tenure is approximately five years, half the average of the Russell 3000.

## **Our Corporate Governance Guidelines Provide Guidelines for Board Matters**

Written charters for the board's Audit Committee, Human Capital and Compensation Committee, and Nominating and Corporate Governance Committee describe the responsibilities of each board committee. Of note, in 2020, we formalized board oversight for ESG as part of the Nominating and Corporate Governance Committee responsibility, and oversight of human capital matters and diversity and inclusion matters as part of the Human Capital and Compensation Committee responsibility.

[Code of Ethics for Principal Executive Officer and Senior Financial Officers](#) covers required ethical conduct by the CEO and the company's senior financial staff.

## **Ethics and Compliance**

### **Ethics and Business Conduct**

American Homes 4 Rent has built its reputation for integrity in interactions with residents, employees, suppliers, investors and the marketplace. [Our Code of Business Conduct and Ethics](#) (the "Code") sets out our principles, expectations and guidelines for appropriate business behavior and is designed to promote our ongoing commitment to personal and business integrity. It is the cornerstone of the company's compliance program, which addresses anti-corruption, conflicts of interest, accounting standards, safety, fair competition and equal housing opportunity among other compliance and legal matters. Our leadership team members adhere to both this and our supplemental Code of Ethics for principal executive officer and senior financial officers.

The Code is introduced to every employee when joining American Homes 4 Rent and includes topics such as definitions of bribery and facilitation payments, guidelines of what is considered acceptable behavior, procedures on travel and entertainment, prevention of workplace violence and social media policies. The Code is reinforced through semiannual training and the completion of a supplemental questionnaire. Training on topics such as anti-corruption and fair housing are completed annually.

Our chief legal officer (CLO) has managerial responsibility for our anti-corruption and business ethics programs. We maintain established programs to assess and address risk areas for corruption. We have documented payment review and approval procedures, record retention requirements and protocols in place to reduce risks, such as not accepting cash payments and conducting field office audits.

We take the same approach to broader ethical risks, such as rent pricing, fair housing and vendor relationships. For example, rent pricing is centralized and decisions are made via systematic controls and testing, which address potential ethical risks. Similarly, we conduct an annual fraud risk assessment with an external auditor to check our systems and mitigate the risk of fraudulent payments. We maintain programs and trainings to ensure we abide by fair housing requirements and treat our current and potential residents ethically throughout their relationship with us.

We maintain a [Vendor Integrity Code](#) and expect our contractors, vendors and suppliers to conduct their business interactions and activities in compliance with that code, which is consistent with the company's Code of Business Conduct and Ethics.

[Our Human Rights Statement](#) sets out our principles for the protection of human rights, including anti-discrimination and anti-harassment, diversity, and health and safety.



## WHISTLEBLOWER PROGRAMS

Anyone who suspects unethical or inappropriate behavior is encouraged to use internal reporting channels or our independent Ethics Hotline, without fear of retaliation. As detailed in our Code, confidential reports can be made directly to our HR department or legal department, or through our anonymous, third-party-operated reporting service, which is available 24 hours a day, seven days a week, 365 days a year. Reports are automatically directed to the CLO and chair of the Audit Committee of the board. Employees, contractors, suppliers and community members can submit a report online, or call toll-free from anywhere in the world.

Suspected violations of our Code of Business Conduct and Ethics or company policies are brought to the attention of our CLO (or the chief financial officer (CFO) if the complaint is related to financial, accounting or auditing matters). All allegations are investigated and tracked until resolved, and appropriate action is taken based on the findings. Material issues involving a violation of regulation, law or the Code are reported to the board's Audit Committee. The CLO provides annual compliance updates to the Board of Trustees and interim reports to the Audit Committee throughout the year.

## POLITICAL CONTRIBUTIONS

Any political contributions made by American Homes 4 Rent must comply with applicable laws and need to be approved by the company's CLO. Employees may make personal contributions on their own time and with their own resources; however, the reimbursement of such political contributions by the company is strictly prohibited.

We are engaged with the public policy process in a manner that is transparent and supports our business interests. We communicate regularly with government officials in our major markets to share our perspectives and ideas. We also collaborate with public sector representatives on economic and workforce development partnerships.

We comply with all laws governing our employees' interactions with government officials in accordance with our Code of Business Conduct and Ethics.

## Cybersecurity and Privacy

Given the critical nature of data privacy and cybersecurity, we have developed strong risk management and oversight procedures. Our process receives the regular attention and oversight of executive leadership and the board. Quarterly cybersecurity reviews are led by our chief technology officer with our CEO, CFO and CLO. The board also conducts a full review of cybersecurity annually, with updates at least quarterly.



## CYBERSECURITY

We are committed to implementing leading data protection standards and have a comprehensive set of written policies and standards that follow the guidance of the International Organization for Standardization (ISO) 27001 information security standard. These standards apply to all American Homes 4 Rent systems, including all subsidiaries, and address our legal, regulatory and client requirements.

## DATA PRIVACY

Key areas of focus related to data privacy are transparency, adhering to applicable legal standards for obtaining data, and using that data only for the purposes stated. Our privacy policy, which covers all operations and subsidiaries, offers clear, easy-to-understand information about American Homes 4 Rent's collection and use of personal information, as well as providing established processes for customers and others to exercise applicable privacy-related rights and choices. We maintain an incident response plan in case of a data breach, which includes notification procedures and template emails to send to impacted parties.

## TESTING AND EMPLOYEE TRAINING

To ensure the strength of our systems, we undertake regular internal and external security audits and vulnerability assessments, continuously scanning the strength of our systems and reviewing the results monthly. In addition, we have retained a third party to test for vulnerabilities and conduct a comprehensive external review annually.

It is critically important that our employees understand and follow data privacy and security procedures. American Homes 4 Rent's new hires receive mandatory privacy and information security training. Current employees must complete mandatory annual cybersecurity and data trainings, which is supplemented by regular phishing and other cyber-related testing that we conduct throughout the year.



# SASB Index

The disclosures in this report are informed by the recommendations of the Sustainability Accounting Standards Board (SASB) real estate guidelines.

All data is for the year ending December 31, 2020.

Accounting Metric	Code	Disclosure
<b>Energy Management</b>		
Energy consumption data coverage as a percentage of total floor area, by property subsector	IF-RE-130a.1	We track the energy consumption of approximately 90% of our property portfolio, which is the usage and responsibility of our residents. See Our Approach to Climate Change
(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity, and (3) percentage renewable, by property subsector	IF-RE-130a.2	(1) 1,099.8 GWh energy usage by our tenants in our properties where we have data access (2) 56% grid electricity (3) we do not report this
Description of how building energy management considerations are integrated into property investment analysis and operational strategy	IF-RE-130a.5	See Environment – Build Sustainably, Operate Efficiently
<b>Water Management</b>		
Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	IF-RE-140a.1	We track the water consumption of approximately 90% of our property portfolio, which is the usage and responsibility of our residents. See Our Approach to Climate Change
(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water Stress, by property subsector	IF-RE-140a.2	(1) 15,244 k m3 water usage by our tenants in our properties that we have data access (2) we do not report this
Description of water management risks and discussion of strategies and practices to mitigate those risks	IF-RE-140a.4	See Environment – Build Sustainably, Operate Efficiently
<b>Management of Tenant Sustainability Impacts</b>		
Percentage of tenants that are separately metered or sub-metered for (1) grid electricity consumption and (2) water withdrawals, by property subsector	IF-RE-410a.2	(1) 100% (2) 100%
Discussion of approach to measuring, incentivizing and improving sustainability impacts of tenants	IF-RE-410a.3	See Environment – Build Sustainably, Operate Efficiently
<b>Climate Change Adaptation</b>		
Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	IF-RE-450a.2	See Our Approach to Climate Change
<b>Activity Metric</b>		
Number of assets, by property subsector	IF-RE-000.A	53,584 homes See 10-K

## Forward-Looking Statements

Various statements contained in this 2020 Environmental, Social and Governance Report, including those that express a belief, expectation or intention, as well as those that are not statements of historical fact, are forward-looking statements. These forward-looking statements may include projections and estimates concerning the timing and success of specific projects and our future operations, revenues, income and capital spending. Our forward-looking statements are generally accompanied by words such as “estimate,” “project,” “predict,” “believe,” “expect,” “intend,” “anticipate,” “potential,” “plan,” “goal” or other words that convey the uncertainty of future events or outcomes. We have based these forward-looking statements on our current expectations and assumptions about future events. While our management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond our control. For information concerning these and other important factors that may cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements, see the reports filed by us with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ending December 31, 2020 (the “Form 10-K”).

Currently, one of the most significant factors that could cause actual outcomes to differ materially from our forward-looking statements is the adverse effect of the COVID-19 pandemic on us, our tenants, the economy and financial markets. The extent to which the pandemic continues to impact us and our tenants will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the pandemic, including resurgences, impact of government regulations, the speed and effectiveness of vaccine distribution, and the economic effects of the pandemic and containment measures, among other factors.

While forward-looking statements reflect our good faith beliefs, assumptions and expectations, they are not guarantees of future performance, and you should not unduly rely on them. The forward-looking statements in the Form 10-K speak only as of the date of the Form 10-K. We are not obligated to update or revise these statements as a result of new information, future events or otherwise, unless required by applicable law.





23975 Park Sorrento  
Suite 300  
Calabasas, CA 91302

If you have any questions regarding the ESG Report, please contact us at [investors@ah4r.com](mailto:investors@ah4r.com).

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