



2022 Corporate Social Responsibility Report

A Year of Discovery
and Readiness

FirstKey
HOMES™

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FirstKey HOMES CEO Message

I am pleased to present the FirstKey Homes 2022 ESG Report. This report highlights our commitment to responsible business practices and our impact on the community. We are proud of the progress we have made in the areas of environmental stewardship, social responsibility, and governance.

Our homes are a very modest price in the market, and we are committed to providing a high-quality living experience for our residents. We are also committed to being a good neighbor and contributing to the community. We are proud of the progress we have made in the areas of environmental stewardship, social responsibility, and governance.

We currently own and manage approximately 10,000 homes in the United States and approximately 100 million square feet of office space. We are committed to being a good neighbor and contributing to the community. We are proud of the progress we have made in the areas of environmental stewardship, social responsibility, and governance.

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CEO Message



Colleen Keating
Chief Executive Officer

Dear valued stakeholders:

I am pleased to present the inaugural FirstKey Homes, LLC (FKH) Corporate Social Responsibility (CSR) report. This report highlights our dedication to conducting business in an honest and transparent manner, including information about the progress that FKH has made in the areas of environmental stewardship, social responsibility, and governance.

We currently professionally manage and operate close to 53,000 homes in diverse locations in the West, Midwest, and South/Southeast regions of the United States. People who need or prefer to rent can enjoy the benefits of our single-family rental (SFR) homes, which are affordable, safe and secure, and diligently well-maintained. Our homes give residents the space, flexibility, and privacy they desire.

Though we are a very modest player in the context of the United States housing industry, we embrace Environmental, Social & Governance (ESG) as essential to responsible business growth and sustainable business practices, and every home, community, and resident is equally important to us. Our single-family homes make up approximately three-hundredths of one percent (0.03%) of the total 141 million housing units in the United States and approximately four-hundredths of one percent (0.04%) of the entire 106 million single-family homes (83 million owner-occupied and 23 million rentals).

From an industry perspective, it's imperative to understand that several things are putting pressure on the United States housing market: a record low housing inventory due to years of insufficient home building going back decades; new household formations far outpacing new home builds; an estimated 36 million Americans working remotely by 2025 who value the additional square footage a single-family home can provide, compared to 7 million before the pandemic; higher interest rates making it harder for many people to buy a home; restrictive zoning ordinances, increased competition for land, and a new generation of people more inclined to rent a single-family home than buy compared to previous generations (e.g. aging Millennials with families, the largest generational population).

The reality is this: housing is always in demand. Yet, the United States needs four to six million more housing units, which is why we dedicate ourselves to serving as part of the solution through our existing portfolio of SFRs, including dedicated new build-to-rent communities.

Given the constant need for housing, we genuinely care about our residents who depend on us for housing. Wherever our residents live, work, play, and take care of their families, we are serious about leading our industry in resident experience. It's what drives our perseverance to maintain our industry-best public satisfaction rating, which we did in 2022 with a score of 4.3 out of 5 stars.

Our team members, known affectionately as Keypers, serve with a purple passion across our organization (purple being our company brand color). I'm most grateful for their unwavering dedication to keeping our residents, each other, and the communities in which we operate their highest priority. I'm also enormously grateful for their leadership in delivering our 2022 Year of Discovery and Readiness ESG initiatives, placing FKH in a solid position for a successful 2023 Year of Implementation.



CEO Message

We guide our strategic ESG planning and programming through an executive-led ESG Steering Committee, resulting in valuable insights into our impacts, performance, strengths, and, most significantly, opportunities. Looking back on 2022, we can see that we made substantial progress. We established a three-year ESG roadmap, with our Materiality Report serving as the key. It will assist us in prioritizing planning decisions and accelerating our progress in 2023 and beyond.

As part of this roadmap, we will continue to improve the quality and completeness of our energy, water, waste, and greenhouse gas (GHG) data at our properties. We will also continue to monitor our progress and establish reduction targets, evaluate renewable energy projects, and weigh site-level energy efficiency plans in order to lower our carbon emissions and increase our resource effectiveness.

In addition, we are eager to concentrate our efforts on continuing to have a positive social impact within

our business and the communities we serve. Under the leadership of our full-time senior manager of Diversity, Equity, and Inclusion and our senior manager of Community Partnerships, we look to enhance our work in these vital areas over the coming years.

With the understanding that we are better today than we were yesterday and not where we want to be tomorrow in our continual effort to further our ESG commitment, I hope you will enjoy reading our 2022 Corporate Social Responsibility Report.

Thank you,



Colleen Keating
CEO
FirstKey Homes





1K

employees strong

95%+

stabilized occupancy

\$1,900

average rent

~53K

homes

\$25M+

FKH Resident Assistance Program¹

80K+

complimentary positive resident credit reporting

50K+

residents were offered free financial literacy program

51%

residents have children living in the home

~70%

primary renters are female

35%

residents have pets living in the home

Company Overview

\$401M+

home improvement & maintenance investment²

\$180M+

property taxes paid²

2-5

people generally live in our homes

1K+

local businesses supported

\$29M+

payroll taxes²

1. Company-funded Resident Assistance Program 2020-2022

2. Total 2022

Company Overview

A Place to Call Home

A privately owned, SFR property management company headquartered in metro Atlanta, FKH offers more than just a place to live. We proudly serve our family of residents who make our homes their own. We provide affordable, safe, and well-maintained homes in desirable neighborhoods and communities.

Delivering a great value to our family of residents is at the core of who we are and what we do. Our SFR homes give residents the space they need, the amenities and privacy they desire, and the peace of mind they deserve.

Today, FKH manages nearly 53,000 homes in markets across the West, Midwest, and South/Southeast, with an average monthly rent of about \$1,900. Our homes are typically 3+ bedrooms and 2+ baths with nearly 1,900 square feet of living space, offering amenities such as private parking or garages and personal front and backyards. We often provide more space and lower rent per square foot than multi-family units in the same geographies.

Markets We Serve

We serve markets in diverse locations in the West, Midwest, and South/Southeast regions of the United States with our headquarters in Atlanta, Georgia.



Company Overview

A Positive Resident Experience

Our team of professionals takes great pride in being a best-in-class SFR company. We're proud to continue to lead our peers in resident experience, finishing 2022 with 4.3 out of a 5-star public sentiment score.* This performance—coupled with our Better Business Bureau accreditation and A+ rating, high occupancy rate, and solid renewal rates—affirms our dedication to lead with resident experience and illustrates why residents continue choosing FKH.

We deeply appreciate our residents, and our nearly 1,000 professionals who work tirelessly to find ways to enhance services for our residents. It's the reason we:

- Operate local offices in 14 of our 29 metropolitan area defined markets (with the remaining 15 supported by a district office in the same region as the market)
- Staff these local offices with dedicated teams of property managers; property administrators; leasing agents; move-in coordinators; resident service coordinators; construction managers, coordinators, and superintendents; and service managers, coordinators, and technicians; and
- Provide easy access for our residents to keep in touch with us, submit service requests, make online payments, and find housing information through our Resident Relationship Management system. Our residents can communicate directly with us through our mobile app, online portal, resident call center, maintenance call center, and online FirstKey Maintenance System (FMS).

*4.3/5 stars

Public sentiment score

This public sentiment score is an aggregate score of our review sites that are filtering into the Birdeye environment such as Google, Trustpilot, Yelp & BBB.




Company Overview

Our Mission, Vision, and Values


The FKH mission is, simply put, to give our family of residents a place to call home. To offer more than just a place to live or work. Our vision is to proudly serve our family of residents making our homes their home and build communities one caring experience at a time.

To achieve our mission and vision, we put people first—a philosophy evidenced by our resident-centric mindset. From industry-leading resident programs to diverse and talented employees, we focus on community.


Ultimately, we extend this people-first mindset into our corporate culture that is embodied in six core values.




Integrity:
Do what's right




Kindness:
Lead with compassion




Excellence:
Deliver results



Teamwork:
Thrive together



Inclusion:
Welcome everyone



Accountability:
Own it



Supplier Codes of Conduct and Business Ethics

To help ensure our suppliers share our commitment to responsible business practices, we track minority- and women-owned businesses and conduct regular audits of vendor rankings.

In keeping with our first core value, integrity, FKH developed supplier and employee codes of business ethics, which serve as the foundation for implementing our policies and procedures. These codes give stakeholders a baseline of how and why we expect them to act and conduct business properly and ethically and includes ESG-related criteria such as environmental purchasing recommendations. The supplier code of business ethics is included in our Vendor Service Agreement that vendors must sign to conduct business with FKH.

The employee-focused Code of Business Ethics includes ESG-related topics such as safety, security, anti-bribery/corruption, human rights, conflicts of interest, and gifts and entertainment. The Code of Business Ethics is included in team members' mandatory annual compliance training, which they review, complete, and sign off on each year.

Company Overview

A Year of ESG Discovery

A key business imperative for FKH is to make a positive impact through our environmental, social, and governance (ESG) initiatives. At the beginning of 2022, we embarked on a “year of discovery and readiness,” establishing a baseline of risks and opportunities. Spearheaded by our executive-led ESG Steering Committee, we took a four-pronged approach to our ESG journey:

1

Identify material ESG topics

We conducted a materiality assessment to engage our stakeholders, conduct industry-leading research, and ultimately identify the ESG topics most essential and relevant to our business, employees, residents, and the environment.

Through this assessment, we identified our highest-priority areas, best practices, and operational standards. Altogether, we were able to gain further insights into our strengths and, more importantly, our opportunities. We were pleased to find that many of our high-priority ESG topics fall within the social and governance categories, which we have strongly emphasized to date. We also found room for improvement on the environmental side, specifically around energy efficiency.

2

Develop a plan: a 3-year roadmap

With the results of our materiality assessment in hand, we created a materiality report with a 3-year roadmap and implementation timeline to guide our progress. We focused this roadmap on material environmental topics, where we found room for improvement.

To kick-start these efforts, we collected information to understand how we are currently performing. Over the past year, we've been:

- Establishing our energy use baseline;
- Exploring energy efficiency opportunities for our rental properties and office space; and
- Engaging residents on taking conservation actions at their homes.

These initiatives are currently underway and will continue into 2023 as we establish ESG targets; we have highlighted our accomplishments and plans in A 3-Year Roadmap Section of this report.

3

Align with Global Real Estate Sustainability Benchmark (GRESB) to benchmark performance

While we moved with great pace over the past year, we recognize the need to benchmark against our peers to better understand our relative performance and hold ourselves accountable.

Working alongside our third-party ESG advisors, our ESG Steering Committee identified an investor-driven global ESG benchmark and reporting framework for listed companies, private property funds, developers, and investors that invest directly in real estate—the GRESB. The goal of GRESB is to capture the most material ESG data related to the sustainability performance of real estate and infrastructure companies and assets. As such, it will help us benchmark our performance against similar asset classes and anticipate future ESG requirements for the real estate sector.

This past year, we completed with Conservice ESG a GRESB readiness exercise to help align our ESG strategy with industry standards. By participating in GRESB, we will gain invaluable insight on our performance, adding immense value to the evolution of our ESG program.

We aim to accelerate our improvements in 2023 with the submission of our first GRESB response. In addition, since GRESB satisfies many ESG disclosures with other frameworks (e.g. Sustainability Accounting Standards Board and Task Force on Climate-related Financial Disclosures), we're exploring additional frameworks in 2023–2024 as part of our ESG plan and roadmap going forward.

4

Create a CSR report to document progress

We've created the publication you're reading, our company's first CSR report, to convey our mission and CSR efforts and plans to our investors, residents, employees, vendors, and local communities.

In 2022, a year of discovery and readiness, achieving the above three goals well positions us for execution in 2023—the Year of Implementation. We'll take the next step in CSR reporting in 2023 by aligning with the Global Reporting Initiative (GRI) disclosure standards, which help organizations understand and report on their impacts on the economy, environment, and people in a comparable and credible way—thereby increasing transparency on our contribution to responsible business growth and sustainable business development and practices.

GOVERNANCE

• OUR • APPROACH • TO • ESG •

ESG FUNCTIONAL SUBCOMMITTEES

Environmental Subcommittee

So SOCIAL SUBCOMMITTEE

— Governance Subcommittee —

Risk Management

compliance

+ C + Y + B + E + R + S + E + C + U + R + I + T + Y +

Enterprise Risk Management Program

Governance:

Supporting Responsible Growth

Our Approach to ESG

With a strategic and disciplined focus to ESG planning, strategy, and execution, we are purposefully embedding ESG responsibilities throughout the organization to encourage adoption at all levels.

One of the first steps to support our ESG commitment and complete this year's discovery and readiness work was the establishment of our ESG Steering Committee—the primary governing body that oversees our ESG program. The ESG Steering Committee is composed of our most senior executive leaders, essential internal and external advisors, and functional area subject matter experts from across the business. Our Chief Communications Officer, Michael Torres, serves as the ESG Steering Committee executive sponsor, reporting to Chief Executive Officer Colleen Keating.

ESG Functional Subcommittees

In addition to board and executive oversight committees, we reinforce our ESG efforts with team member grassroots involvement. Across the company, functional subcommittees have specific ESG responsibilities.

Our Environmental Subcommittee

Chaired by Chief Financial Officer Teri Miller, focuses on improving energy efficiency, diverting waste from landfills, conserving water, and reducing energy and overall carbon footprint. Our environmental efforts are a top priority in our future planning. As such, we established a specialized project team that has automated our data collection, data quality, and carbon calculations to ultimately inform the development of future carbon reduction goals.

Our Social Subcommittee

Chaired by Chief Human Resources Officer Pia Cornejo, focuses on people management and community impact by engaging residents, supporting local community organizations, enhancing the employee value proposition, and building diversity, equity, and inclusion (DE&I).

Our Governance Subcommittee

Chaired by General Counsel Thomas DeRue, focuses on board governance, supporting policies and procedures, and risk management and compliance efforts detailed on the next page.





Risk Management and Compliance

To complement the ESG Subcommittees, FKH has also established several internal committees to help manage the company’s risk (compliance, cybersecurity, technology, safety, benefits, 401(k) investment, healthcare governance, competitive landscape, etc.). These committees feature robust governance processes and senior executive oversight. Each of these committees helps govern best practices and is responsible for delivering results.

Cybersecurity

FKH embraces a wide array of the best cybersecurity capabilities and controls that align with industry-leading Standards and frameworks for cybersecurity (National Institute of Standards and Technology, Internal Organization of Standardization, Information Technology Controls, Center for Internet Security, etc.).

Our Cybersecurity program encompasses extensive social engineering, phishing and ransomware prevention, testing, and training. Additionally, we embrace a network of external partners for testing and validating of controls on a regular basis and utilize 24/7 end-point monitoring and incident response alerting.

As a result of our robust Cybersecurity program, overseen by our chief information security officer, FKH achieved a nearly perfect score of 3.5 of the possible 3.7, ultimately allowing us to obtain favorable insurance policy rates and coverage compared to the market.

Enterprise Risk Management program

The FKH Enterprise Risk Management (ERM) program monitors the industry’s regulatory environment, conducting an annual assessment of regulatory, reputational, and privacy risks. This assessment determines where our Compliance and Internal Audit team will focus their corporate risk mitigation efforts during the year.

For example, to address reputational risk, we monitor resident reviews to identify trends and alert the business of crucial issues. Our Compliance team then partners with functional teams to update relevant policies. We also conduct a Risk Assessment Meeting with members of the Board of Managers on an annual basis.



Monitoring regulations and policies

To stay on top of changing local regulations and policies, we developed a regulation tracker that we regularly review to identify changes. This proactive approach enables us to review and update business policies and, if needed, train employees on changes to enhance our operations.

We have also implemented the LexisNexis State Net software suite that monitors proposed regulations and legislation at the local, state, and federal levels. This monitoring is driven by advanced machine learning paired with dedicated account representatives who review the computer-generated results for accuracy and relevance.

For instance, when the EPA updated its Lead-Based Paint Renovation, Repair, and Painting rule, our Compliance team updated internal FKH policies, then partnered with our Learning & Development team to target and train employees on high-risk areas. FKH also became a Lead-Safe Certified Firm with the EPA.

To address privacy risk, we conducted a risk assessment and are monitoring new state privacy bills to prepare for significant changes. For example, in preparation for Colorado's data privacy law, we have updated our website privacy policy. In compliance with Illinois and Texas biometric privacy laws, we have updated our ID verification in our application and underwriting process to include specific consumer consents.



Social: Putting People First

Leading with Respect and Empathy

With a service-centered mindset focusing on care to our residents, we established policies and procedures to help ensure that we are treating those residents with respect, dignity, and empathy. As part of our social responsibility commitment, we support our residents experiencing financial hardships, and invest in the communities where we operate.

As an example, we implemented nationwide policy adjustments and new Resident Assistance Programs, subject to changing Federal and State law, regulations, and guidelines, designed to support our resident family amidst the impacts of Covid-19. Specifically, we did the following throughout the pandemic:

Suspended evictions

Through a self-imposed moratorium from March 2020-March 2021, which began prior to the federal moratorium*;

Assisted transitions

By granting payments up to three times rent for residents previously under eviction status or with high balances to allow residents the opportunity to plan for and find a new home;

Granted one-time rent deferments

To residents for all or part of their rent if they experienced financial hardship due to job loss or pay reduction;

Debt forgiveness

That forgave all outstanding debts owed, contingent on successful program requirements and completion; and

Stopped late fees

To allow residents more time/flexibility to make payments.

We have provided over \$25 million in company-funded support as of Dec. 31, 2022, and supported our residents for local, regional, and state rent relief totaling over \$40 million. In all, that’s over \$65 million in financial support provided to our residents.

Today, while our Covid-19 programs are no longer available, we continue our commitment to balance the needs of our residents while being good stewards of the business. For example, our 2022 eviction filing average is less than 1% of our total resident population. Additionally, we continue to offer a resident transition program with pre-relocation dollars. We also do not report resident late payments, missed payments, or other delinquencies on their accounts.

In 2022, we explored ways to help rental payments fortify resident credit reports. As a result, we recently launched a new company-funded resident program with RentTrack to report only positive resident rental payments to the three credit bureaus.

*except for unauthorized occupants, commonly known as “squatters,” and serious criminal activity occurring at a managed property





Social

The “Keypers’ Heart of Kindness Fund”

We couldn’t be prouder of our Keypers, approximately 1,000 FKH employees. These wonderful individuals not only deliver high-quality resident service, but also volunteer, donate to personally meaningful charities, and help in their communities—most notably through our newly launched “Keypers’ Heart of Kindness Fund.”

The program serves to help inspire economic empowerment, provide peace of mind, and strengthen quality of living in our communities. The program focuses on three pillars: financial wellness, community investment, and compassionate resident support.



1. Promoting financial wellness

To champion financial wellness, FKH has partnered with the [Knowledge of Financial Education \(KOFE\)](#), a unit of Consolidated Credit. We make this financial empowerment series free to all residents and team members. A blended learning format includes self-paced, classroom, and one-on-one coaching from certified credit counselors to ultimately help individuals define and achieve their financial goals and improve their credit.

2. Investing in communities

As a SFR company, we understand our potential impact and responsibility to our local communities. To deepen our involvement with our local communities, we recently hired a full-time senior manager of Community Partnerships to focus on building relationships within the community and identify opportunities to give back.

3. Compassionate support

Consistent with our commitment to serving our residents, our “Keypers’ Heart of Kindness Steering Committee” continues to explore and evaluate ways best to provide financial support to residents experiencing hardships in compliance with Fair Housing laws (e.g. serious injury, serious illness, new or worsening disability, educational, death, etc.).

Social

To engage and invest in our local communities, we partner with community organizations and support our Keypers’ philanthropic endeavors. In 2022, we:

- Provided each Keyper with \$50 to donate to charities of their choice from over 2 million organizations offered via Benevity—a third-party corporate purpose software offering a suite of community investment, employee, and nonprofit engagement solutions. Launched mid-November 2022, nearly 30% of our Keypers donated their \$50 seed money by Dec. 31, 2022, to nearly 240 causes, totaling nearly \$15,000 in the first six weeks. Keypers continue to make donations through our “Keypers’ Heart of Kindness” site today;
- Responded to natural disasters in our residents’ communities by donating over \$17,000 to local relief organizations including the American Red Cross and the Florida Disaster Fund;
- Hosted food and home supply drives for organizations such as the Atlanta Community Food Bank, in which FKH donated 300 pounds of food that provided hungry and food insecure families in Georgia with 250 meals. We also supported HOPE Atlanta, a nonprofit organization dedicated to fighting homelessness in the Atlanta metro area. With a \$12,000 donation, we prepared essential resource packages (nearly 250 move-in baskets and 70 cleaning kits) to support families transitioning out of homelessness;
- Through a financial donation and volunteerism, FKH supported HouseProud, a nonprofit that provides no-cost home repairs to low-income senior, veteran, and disabled homeowners to keep them warm, safe, and dry. A FKH team also volunteered a full day to beautify a home that included exterior painting of the house, planting flowers and trees throughout the front yard, etc.;
- Donated new storage lockers and volunteered to assemble them at Lost-n-Found Youth, a metro Atlanta nonprofit organization that provides services to LGBTQ+ youth experiencing homelessness;
- Worked with our Information Technology team to donate unused laptops to underserved schools. In 2022, we donated nearly 40 laptops to the nonprofit Kenya’s Kids and a Title-I Gwinnett County School. We are exploring ways to formalize this type of giving, with more equipment available for donation; and
- Joining the Corporate Volunteer Council of Atlanta to work alongside other Atlanta-based companies and drive civic engagement/social impact in this region.



Social

A “Best Place to Work”

At FKH, being an employer of choice is a top corporate priority—particularly in today’s challenging talent market. We’re proud to report that our total voluntary turnover rate in 2022 was just under 22%, roughly one-third the national average.

This ongoing focus on our people is making a difference. In a third-party survey, our employees ranked us a “2022 Top Workplaces USA.” We also saw significant improvement in our Glassdoor Rating, which grew from 2.97 to 4.1 out of 5.0 in 2022. In a highly competitive talent market, results like these matter and make a difference.

To stay on top of our game, we continue to solicit employee feedback through our Team Member Engagement Survey, which comprises an annual “anchor” survey and twice-a-year “pulse” check-ins. Distributed to all employees, the Survey received a strong 81% response rate, exceeding the national average of 75%.

Our Survey is the product of a partnership with Qualtrics, a leading platform for team member experience. Here is a breakdown of the way we measure engagement and our current responses:



Name	Responses	Current Census	U.S. Average
Engagement		81%	74%
I am proud to work for FirstKey Homes	677	89%	82%
I would recommend FirstKey Homes to people I know as a great place to work	676	81%	75%
My work gives me a feeling of personal accomplishment	676	84%	81%
FirstKey Homes motivates me to contribute more than is normally required to complete my work	676	77%	72%
I rarely think about looking for a new job with another company	677	73%	61%

Social

Attracting and Retaining Talent

We’re not resting on our “Best Places to Work” laurels. We continue to invest in our Keypers to ensure their continued growth and success. We want FKH to be the place where top talent comes, stays, and grows in their careers.

In 2022, FKH earned the Top Workplaces award for Compensation & Benefits.

Competitive pay and benefits

In addition to supporting our employees with equitable and competitive base salaries and performance-based incentives, we offer rich personal development benefits.



Our Benefits

- Up to 173 hours of paid time off (PTO)
 - A minimum of 15 days of PTO
 - 11 paid company holidays
 - 2 floating holidays
 - Up to 40 hours of paid sick leave
 - Up to 16 hours of volunteer PTO
- 6–8 weeks of maternity disability
- 6 weeks of paid parental leave
- 401(k) retirement saving plans with 100% vested/match at plan entry
- All employees are bonus or commissions eligible, depending on role
- Tuition reimbursement
- Medical, dental, and vision plans
- Health savings account (HSA)
- Flexible spending account (FSA)
- Supplemental health benefits
- Employer paid life insurance
- Employer paid disability insurance for short-term (e.g. maternity disability) and long-term disability
- Employee wellness program (Vitality)
- Employee assistance program
- Homebuyer Program
- Pet insurance
- Identity theft protection
- LegalShield access, which offers legal advice, consultation, research, and a 25% discount on attorney rates for drafting and reviewing legal documents.

Social

Employee growth and development

We care about our Keypers’ success. We invest considerable time and resources into their training and development and recognize individuals who embody and demonstrate our company’s core values. With an emphasis on leadership and DE&I, we offer multiple training and leadership programs for employees at all stages of their careers.

In 2022, nearly 1,000 recognitions were submitted by Keypers expressing appreciation for their peers through our People Recognizing Other People (PROPs) program. With the success of PROPs over the years, we launched an upgraded PROPs recognition platform in 2023 to support our Keypers’ continued successes.

Focus on leadership

In August 2022, the FKH Leadership Summit gathered all leaders from across the organization for a deep dive into each of our strategic business initiatives. The Summit provided vital information from internal and external speakers and included a panel focused on the resident experience, the crux of everything we do. The resident panel spoke to real-life experiences living and working in our communities and provided invaluable insight to our leaders about our residents’ needs and our company’s overall impact.

Also, in April 2022, we completed a seven-month pilot mentorship program to grow our employees’ leadership abilities, pairing leader mentors with mentees to facilitate interpersonal learning and growth. The pilot was so successful that we launched and scaled a formal mentorship platform across the organization in January 2023.

Skills training and education

In addition to leadership mentorship, we offer robust skills training for our employees. Notably, all people managers have access to Franklin Covey’s All Access Pass, which provides online leadership and management training.

We also provide extensive skills training for construction superintendents, leasing agents, and property managers. For example, a 3-session training for leasing agents focuses on level-setting expectations skills and better understanding of customers or potential residents. We also conducted a 3-month virtual training program for property managers and updated our Construction Superintendent Guide to make it electronically available for all new and existing construction superintendents.



Training Statistics

- Average of 8 hours of tracked training per year, per employee;
- 100% of employees receive regular performance and career development reviews;
- Signature leadership summit: 90 leaders (director level and above) attended a 2.5-day (20 hours) leadership program;
- Mentorship program: 5 pairs of mentors/mentees on our pilot program and mentoring platform program that launched in January 2023;
- Construction Superintendent Guide: 175 employees accessed and received training through this guide;
- Project manager training: 3-month-long training where 36 property managers attended over 25 virtual training sessions;
- Leasing Agent Training: 57 leasing agents attended and received 3.75 hours of training; and
- Annual mandatory training: All team members (100%) complete annual training that covers important aspects of our Team Member Handbook, Code of Business Ethics, Diversity, Equity & Inclusion (as indicated on pages 22 and 23), Cybersecurity and Safety (as indicated on page 13).

Social

Supporting Diversity, Equity, and Inclusion

At FKH, we celebrate uniqueness and emphasize inclusion and belonging for all. We encourage our employees to bring their best, most authentic selves to work to support a culture of openness where all voices are heard and respected.

FKH has taken a thoughtful approach to ensure an inclusive culture and has committed to establishing a DE&I strategy. This strategy includes a DE&I Council with a chair, an executive sponsor, and nine council members. Council members serve on a two-year rotational basis and help strategically map our DE&I impact at FKH for our team members, residents, and

community. Our CEO continues to chair our DE&I Council, which we established in 2020, within the first 100 days of our CEO's arrival at FKH.

We're proud to have appointed our first senior manager of DE&I, promoted from our internal ranks. This role helps reinforce our core value of inclusion, become a DE&I industry thought-leader, and ultimately extend our influence beyond our company walls into our communities.

Among our DE&I senior manager's responsibilities are to focus on embedding DE&I into our business

practice by developing DE&I initiatives and a comprehensive strategy to attract, hire, grow, and invest in a diverse, equitable, and inclusive workplace. In 2023, we will be conducting compensation reviews through a gender pay equity analysis to further support our pre-existing compensation practices.

Recognized by Information Management Network with an Excellence in Diversity award for our DE&I thought leadership and innovation at the inaugural SFR Industry Awards, we are proud of our achievements thus far and will continue to demonstrate our commitment to DE&I in the years to come.



Social

Embedding DE&I in our culture

To help cultivate a diverse and inclusive workplace, we’re proud to have signed the [CEO Action Pledge for Diversity & Inclusion](#), which supports social justice and advances racial equity. For the third year, we are a Gold-Level Partner of the Georgia Chapter of the National Diversity Council, the premier resource for diversity best practices and leadership development in the State of Georgia. We have also extended our external partnerships to the National Association of Women in Construction, the OUT Georgia Business Alliance, and the National Association of Asian American Professionals.

Beyond these partnerships, our team members also serve in a leadership capacity in our partner organizations, demonstrating our commitment to fostering an environment where racism isn’t tolerated and where diversity thrives. To promote behaviors that enhance a culture of inclusion and belonging in the workplace, we’ve instituted mandatory inclusive leadership training for all people leaders and DE&I training for all employees.



Employee Resource Groups

FKH’s Employee Resource Groups (ERGs) are instrumental to helping our Keypers build community around a common shared cause, identity, and allyship. These groups, which promote and recognize workplace DE&I, are:

- **BELIEVE** (Black Employees Leading in Inclusion, Excellence, Vision, and Education) for Black or African American employees and allies;
- **WIN** (Women’s Integrated Network) for female employees and allies;
- **HOLAA** (Hispanic or Latin American and Allies) for Hispanic, Latin American and LatinX employees, and allies; and
- **PROUD COLLECTIVE** for employees identifying as LGBTQIA+ and allies.

Today, nearly 30% of our employees are involved in one or more of these ERGs, with highly encouraging results. According to a recent employee survey:

- 84% reported that diverse perspectives are valued and encouraged in their team—a 12% increase from 2021, and 6% higher than the national average; and
- 82% expressed comfort with voicing their ideas and opinions, even if they differ from others—a 9% jump from 2021.



Consistent, equitable hiring practices

We continually strive to diversify our workforce, hiring through a DE&I lens to find talent in multiple locations and backgrounds.

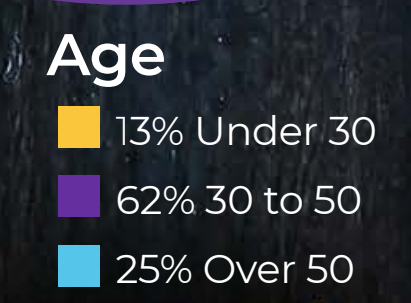
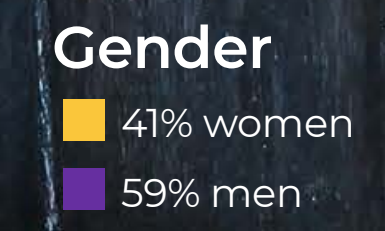
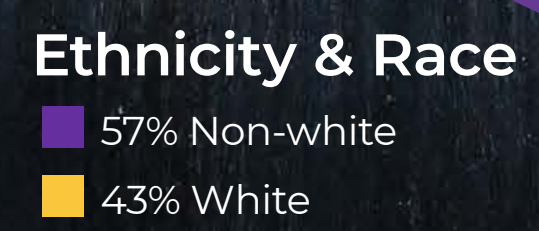
Talent recruitment is a key focus area for promoting diversity throughout the organization. We partner with and attend recruitment fairs at Historically Black Colleges and Universities (HBCUs), and we engage in strategic partnerships with the Georgia Diversity Council, among others. Veterans are another area of hiring focus. In 2022, we inaugurated our military recruitment strategy, partnering with Hire Heroes & the Department of Defense’s SkillBridge Program. Through these partnerships, we’ve already identified and/or hired over 35 active candidates.

To promote consistent and equitable hiring practices, we organize diverse employee groups to participate on interview panels and ultimately inform the selection process. We also integrated a DE&I module with our recruiting partner—Greenhouse—to incorporate various behavioral-science-based tools to reduce biases and ensure equity and inclusion in our recruiting processes. Additionally, we ensure Human Resource Business Partner inclusion for candidate interviews at all director-level positions and above.

Employee demographic and diversity statistics

(11/10/2022)

Social



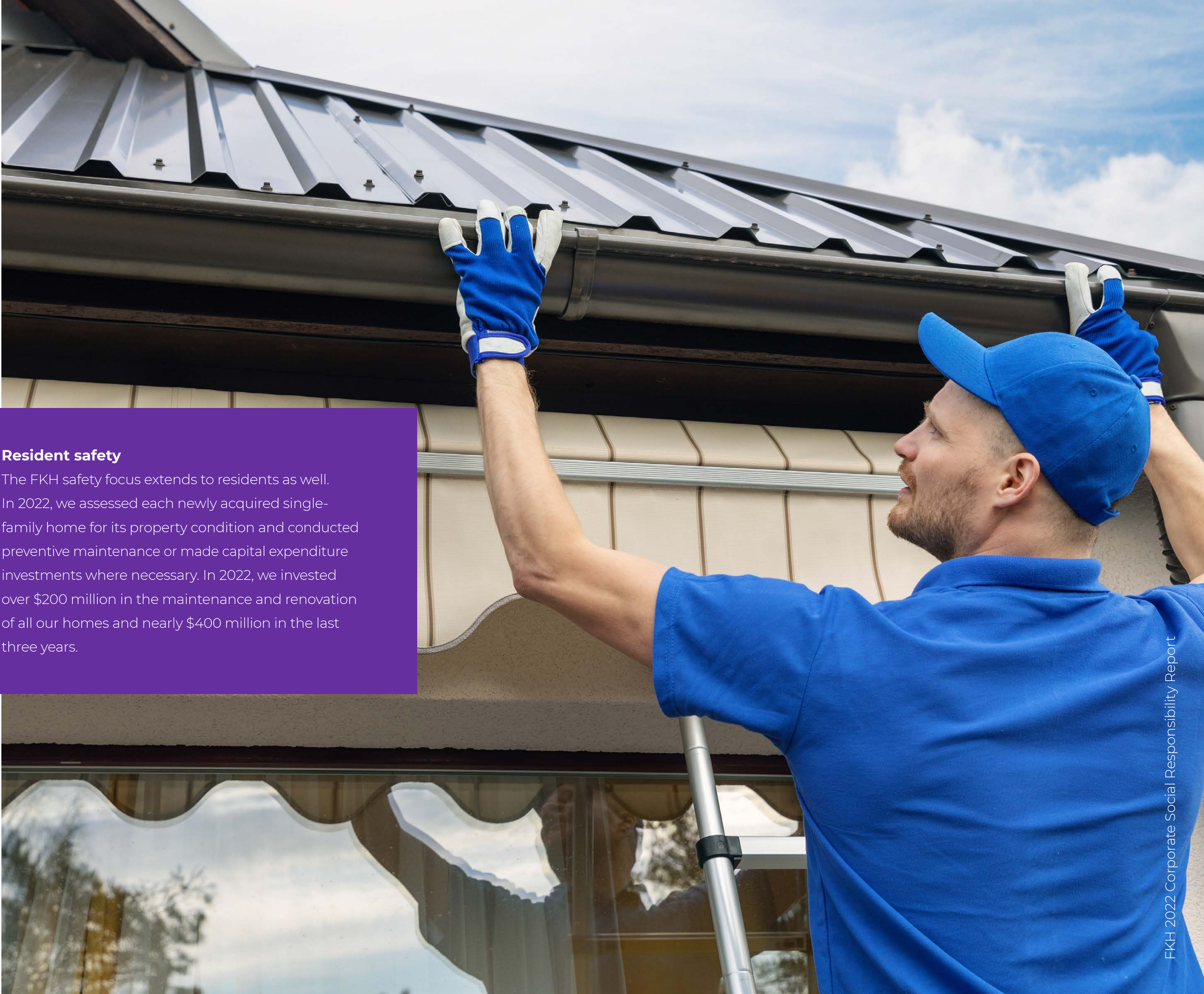
Social

Promoting a Safe and Healthy Environment

Creating a safe workplace for our Keypers is of the highest importance—whether they work in our corporate or local offices. As we returned to the workplace in 2022 after nearly two years of remote working during the pandemic, we put Covid-19 protocols into place to deliver a clean and safe work environment.

We were careful not to make employees feel obligated to return to the office if they didn’t feel safe, allowing hybrid remote/office work on a role-based and case-by-case basis. To enhance our team’s comfortability being together, we have increased the number of face-to-face interactions, including team-building events, leadership sessions, and appreciation lunches. We focus on balancing in-person collaboration while preserving flexibility, which we know is important for many of our Keypers.

In addition to taking precautions against Covid-19, we developed policies and procedures to address our major areas of concern in overall safety risk prevention and mitigation. We also have a program called Safe and Compliant Keypers (SACKs) focused on driver safety for roles that require operating a motor vehicle and use a Job Hazard Analysis process to conduct risk assessments and identify health or safety hazards for job-related injuries. From these reviews, we identify areas that may require additional training or enhanced procedures.



Resident safety

The FKH safety focus extends to residents as well. In 2022, we assessed each newly acquired single-family home for its property condition and conducted preventive maintenance or made capital expenditure investments where necessary. In 2022, we invested over \$200 million in the maintenance and renovation of all our homes and nearly \$400 million in the last three years.



Environmental
Overview

Environmental Overview

Our environmental impact is a top priority in our ESG planning. Our overarching goal is to continue to find ways to reduce our carbon emissions and reduce consumption. To help achieve that objective, FKH is primarily focused on addressing Scope 1 and 2 emissions:

1. Direct emissions from sources owned or controlled by FKH.
2. Indirect emissions resulting from generation of purchased energy.

To affect the above, our Environmental subcommittee has established a formal process for data collection, data quality, and carbon calculations, to formulate our baseline emissions for developing carbon reduction goals.

The Environmental subcommittee established several essential pillars and programs:

1

Provide Clean and Safe Homes to our Residents

Our goal is to use environmental- and human-friendly products in our homes, such as low VOC and Green Label Plus flooring. Our commitment is also supported by comprehensive home safety programs (e.g. deck inspections and remediation when needed).

3

Engage Residents Thoughtfully

FKH actively engages with our residents to educate and incentivize conservation behaviors through our regular communications and loyalty program.

2

Set Sustainable Systems & Materials Standards

When renovating and maintaining our homes, FKH selects materials based on their environmental impact and durability to reduce waste. Our programs include WaterSense-approved fixtures, 15 SEER HVAC units, and EnergyStar-rated appliances (dishwashers, refrigerators, and water heaters).

4

Conservation-focused Operations

FKH is constantly evaluating its operations to discover ways to make a positive impact on the environment. Fleet management and waste reduction programs present opportunities to drive positive impact.

Environmental Overview

Collecting and Analyzing Consumption Data

You can't manage what you can't measure. An important step for our Steering Committee was to collect and analyze our residential energy consumption data. Partnering with Yardi Energy Solutions and Conservice ESG, we collected energy data and defined requirements for the Global Real Estate Sustainability Benchmark ([GRESB](#)) reporting.

We also worked with the Southface Institute, an Atlanta-based 501(c)3, to help establish a 2021 energy baseline to reduce our carbon footprint—an essential step to understanding and reporting our impact. Southface conducted baseline studies for both residential and commercial energy, water, and natural gas (as well as for our fleet of vehicles), with a specific focus on Energy Use Intensity (EUI). In 2023, we also intend to perform an additional baseline study to update our energy consumption measurements to monitor our 2022 progress.

To aid in understanding and tracking all collected energy consumption data, we created automated dashboards with key performance indicators modeled from GRESB data requirements. As such, FKH can analyze consumption data for gas, water, and electricity by individual homes and at the aggregate level. Our automated dashboards cut data by occupied, unoccupied, and by property cohort view (i.e., year built, acquisition type, zip code, state, market & submarket, and seasonality). This data also allows us to monitor for consumption anomalies and intervene as necessary.

The result: With two years of validated utility/energy consumption data, we are well prepared to report to GRESB and are better able to categorize our carbon impact for spaces we control either directly or indirectly. To date, we have taken this information to help identify carbon reduction measures that we can directly control, such as designing an EV fleet strategy and assessing building materials and appliances.

Environmental Overview

Building an Electric Vehicle (EV) Fleet Strategy

According to a recent Fleet Electrification Study from Southface Institute, U.S. transportation accounts for nearly 30% of greenhouse gas (GHG) emissions in the country. At FKH, approximately 40% of our Keypers are “road warriors” who serve in roles across our maintenance, construction, and resident teams, requiring significant time each day on the road.

As a result, we have implemented and/or identified opportunities to reduce our carbon footprint. Key accomplishments include:

- Piloting a hybrid fleet in the St. Louis market for field inspectors and construction superintendents
- Equipping vans with Geotab alarms to alert technicians when a van is running idle for over 15 minutes
- Focusing on building efficient routes and schedules for our service technicians to minimize miles traveled; and
- Implementing a data-driven Fleet Inventory Program to ensure that service technicians' vans are fully stocked with the products they use most in caring for our homes, to enhance overall operational efficiency and reduce fuel consumption, and associated emissions.

\$2.1 M

Hybrid vehicle investment

Given the success of the 2022 hybrid vehicle pilot project for construction and resident services teams, we are making a \$2.1 million investment in leasing a fleet of 183 hybrid vehicles for these team members, with delivery scheduled for summer 2023. We will also continue to monitor the EV market for increased availability of solutions for the remaining vehicles in our fleet

Environmental Overview

Assessing Building Materials and Appliances

For a provider of SFRs, asset-level building performance can be challenging to maintain. Unlike corporate residents, SFR residents have less motivation to invest in energy-efficient upgrades. Given these unique dynamics, one of the best ways to improve resource consumption at the property level is by installing energy-efficient appliances in residential units.

To guide our efforts, we’ve identified products with environmental and/or health certifications. Reviewing more than 70 large-usage products—including energy-efficient appliances, flooring, paint, and faucets—we found that 39 products used by FKH are in categories where certification is available. As a result, we adopted new standards for low volatile organic chemical (VOC) paint, flooring, and low-flow water fixtures. Specifically, we adopted WaterSense-approved fixtures and faucets for plumbing and established new standards for Green Label Plus for carpeting and flooring of our SFR homes.

Partnering with our Construction & Property Operations teams, we’ve introduced a robust training and certification program to ensure compliance with the EPA’s Renovation, Repair, and Painting Rule. We also emphasized HVAC training and certification for handling ozone-depleting substances better, such as refrigerants, to reduce their related GHG emissions.

As we advance our environmental initiatives, we’ll follow our environmental roadmap to installing higher-efficiency products in residents’ homes. We’ve established a new standard to use Energy Star appliances when replacement is needed, currently replacing about 1.5% of our appliances yearly.

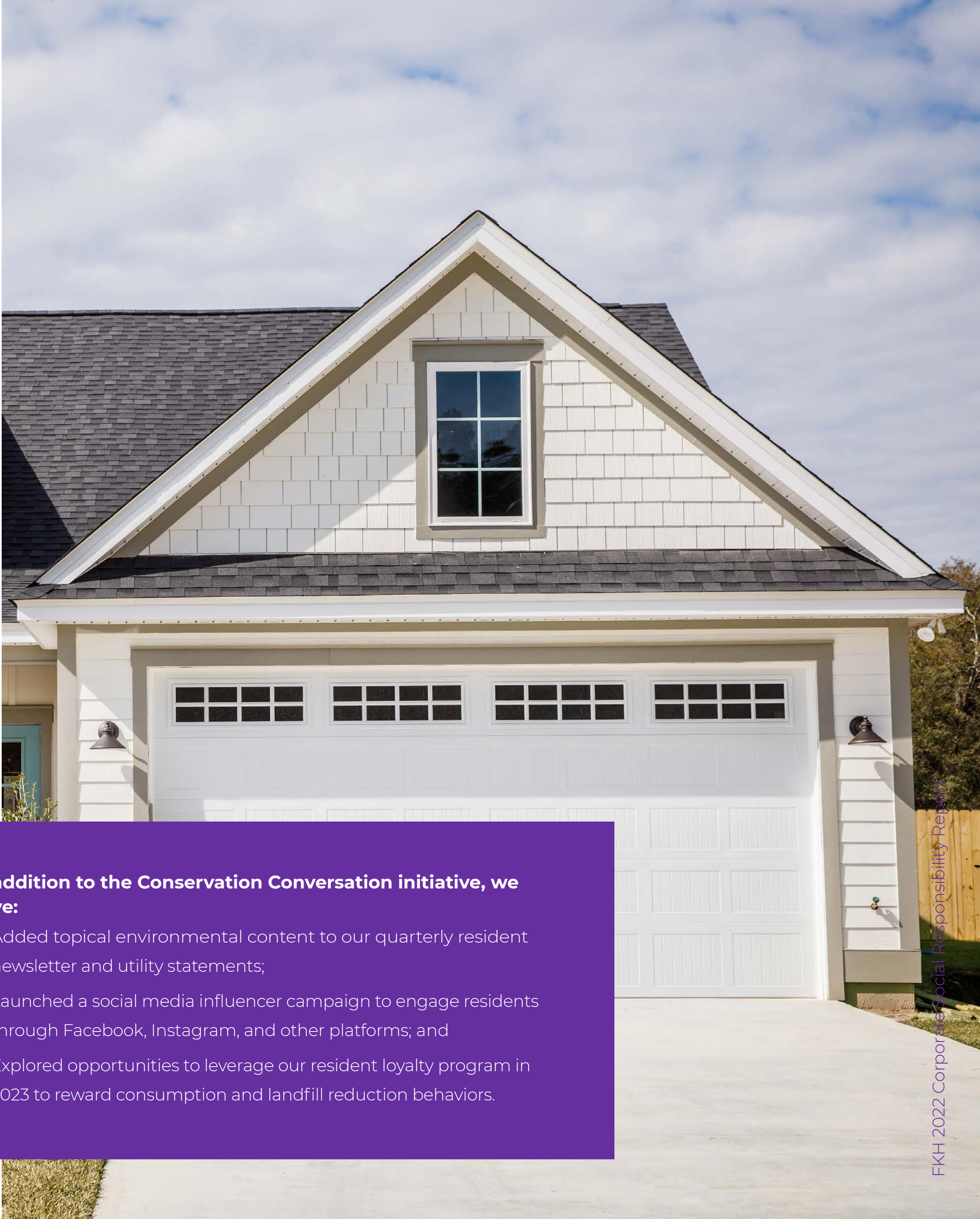
In new construction, we delivered eight rental communities in 2022, with an additional six in the pipeline. This construction represents over 2,000 new homes acquired since 2020. We’re partnering with builders to deliver those homes with our standard materials specifications.

Educating Residents on Conservation Practices

Beyond updating equipment and pursuing energy-efficiency certifications, we work closely with our residents to help reduce energy and water usage. In March 2022, we launched the “Conservation Conversation” series, an ongoing resident engagement digital newsletter campaign that helps educate and guide residents on best practices to reduce their overall consumption. The program provides useful and valuable tips on how to save money by conserving water and energy in heating, cooling, and appliance usage.

In addition to the Conservation Conversation initiative, we have:

- Added topical environmental content to our quarterly resident newsletter and utility statements;
- Launched a social media influencer campaign to engage residents through Facebook, Instagram, and other platforms; and
- Explored opportunities to leverage our resident loyalty program in 2023 to reward consumption and landfill reduction behaviors.





4-13 of 1000 comments
4.100 comments

14
Monday

A 3-YEAR ROADMAP

15
Tuesday

16
Wednesday

A 3-Year Roadmap

Looking back on 2022, a year of ESG discovery and readiness, we've gained valuable insights into our impacts, performance, strengths, and, more importantly, opportunities. Anchored by our materiality assessment, we developed a 3-year ESG Roadmap to help us prioritize future initiatives and accelerate progress in 2023 and beyond.

As part of that roadmap, we'll continue to explore and implement ways to improve the quality and totality of our energy, water, waste, and property-level GHG data. This step also includes monitoring progress, assessing reduction targets, and evaluating renewable energy projects while weighing site-level energy efficiency plans to reduce carbon emissions and resource use. We also look forward to focusing our social impact within our organization and our communities. With the direction and focus of two newly hired and dedicated full-time DE&I and Community Partnership managers, we look forward to enhancing our work specifically in these areas in the coming years.

Identifying Efficiency Opportunities

To help us identify and focus our efforts across our business, we plan to target properties in each market with the highest EUIs and make upgrades, bringing them at or under the median EUI for that climate zone. We believe this approach will have the largest impact and fastest return on investment.



A 3-Year Roadmap

Beyond our headquarters, we will continue to pinpoint opportunities to improve our offices across the country.

Exploring Clean Energy Solutions

FKH has joined a Smart Energy Consortium and signed a letter of intent committing to the exploration of solutions from clean energy (solar, battery, EV chargers), smart technology (energy intelligence, resident engagement, asset/appliance diagnostic), and energy efficiency (efficiency retrofits, impact verification, and virtual power plants).

Through this Consortium, the partnership is exploring the value, reliability, and feasibility of solar energy—specifically, the use of rooftop solar panels that could be used for our own environmental efforts and/or part of a broader single-family industry effort. We'll evaluate the benefits of aggregate residential demand, grid resiliency, virtual power plants, energy data intelligence and usage insights, and lowered resident energy costs.

As we continue to roll out ESG initiatives in 2023, we look to formalize policies that support consistent application of these initiatives. For example, we will be evaluating a green certification or design standards policy, as well as policies to support our EV fleet strategy.

Closing Comment

We are pleased to publish the inaugural edition of the FirstKey Homes CSR Report, which marks the Year of Discovery and Readiness and the impact we plan to make in 2023 during the Year of Implementation and beyond. As such, we have shared how FKH has discovered and prioritized its environmental, social, and governance journey and the three-year roadmap with implementation guidelines to integrate these practices. We look forward to future publishing of this report and illustrating how we continue to improve our efforts to meet our ESG goals every year.

At the FKH corporate office:

- Converted to LED lighting in common areas
- Deployed energy management equipment to turn HVAC and lights on/off based on schedule and demand
- Equipped washrooms with electronic flushometers; and
- Established a recycling program, including light bulbs, batteries, paper, plastics, and aluminum.



FORWARD

LOOKING

STATEMENTS

Forward-Looking Statements

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