



Select Medical Supplier Code of Conduct

Introduction

The Select Medical Supplier Code of Conduct ("Code") describes Select Medical's requirements and expectations of how its suppliers conduct business. All suppliers engaged in providing products and services to Select Medical are expected to act in accordance with the Code, including aligning guidelines, policies and practices, and communicating and enforcing the Code provisions throughout their organization and across their supply chain, including to subcontractors.

Suppliers must act with integrity and are expected to demonstrate a commitment to legal, ethical, safe, fair and environmentally responsible business practices. Select Medical seeks suppliers that operate in compliance with all applicable environmental laws and focus on working with suppliers that make efficient and effective use of natural resources. Select Medical is an inclusive culture and believes discrimination in any form should not be tolerated. Suppliers are expected to demonstrate a commitment to inclusive business practices, including without limitation, diversity in their workplace.

Suppliers are required to understand the requirements of this Code, operate in accordance with the expectations outlined in this Code and comply, at a minimum with all applicable laws, rules, regulations and standards within the geographies in which they operate. In instances where standards outlined in the Code differ from local laws, suppliers must respect these standards within the framework of the applicable local laws. Suppliers must be open and cooperative with the regulators and comply with the global and local jurisdictional requirements. This document summarizes Select Medical's expectations from its suppliers, their subcontractors and their staff.

Supply chain sustainability

Select Medical is committed to fostering social and economic development and contributing to the sustainability of the geographies and communities in which we operate. We encourage suppliers to adopt this same commitment in their business operations and third-party engagements. This includes, but is not limited to, providing supply chain transparency, mapping their supply chains, and evaluating their suppliers' performances and risks in related areas.

Supplier Code of Conduct

1. Ethical Business Practices

Select Medical is committed to conducting its business in accordance with the highest ethical standards and in compliance with all applicable laws, rules and regulations. Suppliers are expected to share its principles, uphold its standards and for each to develop policies and programs as appropriate to ensure that all workers understand and adhere to these standards.

1.a. Anti-Bribery & Anti-Corruption

Select Medical does not tolerate bribery or corruption involving its people, suppliers, agents or other business partners. Suppliers are expected to fully comply with requirements of all applicable laws and regulations designed to combat bribery and corruption.

Suppliers are prohibited from corruptly offering, providing, paying, authorizing, promising, soliciting or receiving anything of value, directly or indirectly, for the purpose of obtaining or retaining business or any improper business advantage for or from Select Medical. This prohibition extends not only to Select Medical personnel, representatives and agents, but also to public officials (including candidates for office, employees or officers of state-owned/controlled enterprises), employees or officers of counterparties, clients/customers or suppliers (as well as their relatives, friends, agents and associates). Suppliers are also prohibited from making facilitation payments, which are payments to public officials to expedite or secure performance of a routine, non-discretionary governmental action.

Suppliers and other third parties acting on behalf of Select Medical (including intermediaries/finders, agents and business partners) are expected to maintain appropriate policies and procedures and act at all times in a manner consistent with this Code. Select Medical also prohibits the use of suppliers and other third parties acting on its behalf to route or facilitate illegal or inappropriate payments.

"Anything of value" includes improper payments, such as cash bribes or kickbacks, and may also include other direct or indirect inducements, benefits, fees, commissions and advantages, including inappropriate gifts, meals, travel, entertainment, charitable and political contributions, and offers of employment or internships. Anything of value can also include corrupt payments disguised as legitimate payments for goods or services.

1.b. Gifts, Travel & Entertainment

Suppliers must not provide excessive or otherwise inappropriate gifts, fees, favors, other compensation, including travel and entertainment, that are intended to influence, or may appear to influence, a business decision. The offering of gifts, travel and entertainment may create an inappropriate obligation or expectation or appearance of an improper exchange. It can also raise issues even if no benefit was ultimately provided. The receipt of gifts, loans or special favors from actual or potential

competitors or third parties, including patients, having actual or potential business or other dealings with Select Medical can create the appearance of impropriety. Accordingly, employees may not solicit, directly or indirectly, gifts or special favors from such parties for themselves or others. Employees may accept gifts, entertainment or other favors in connection with the legitimate conduct of Select Medical's business or other activities provided that they are of a type for which Select Medical funds might properly be used and the guidelines set forth in this section are strictly followed. Employees must promptly report the offer or receipt of any gifts or other favors inconsistent with these policies to their Manager/Supervisor.

1.c. Conflicts of Interests

Suppliers must avoid improprieties and conflicts of interest or the appearance of either. A conflict of interest may exist when a supplier is involved in an activity that affects – or could appear to affect – objectivity.

1.d. Privacy and Data Protection

Suppliers are required to protect confidential information, including protected health information (PHI). Suppliers must adopt and maintain processes to provide reasonable protections for personal, proprietary and confidential information, including information that they access, receive or process on behalf of Select Medical. Suppliers should recognize that unauthorized use or disclosure of such information may have personal, legal, reputational and financial consequences for the supplier, the individuals whose personal information may be implicated, and for Select Medical. In addition, suppliers must comply with all applicable privacy / data protection and information security laws and regulations.

Suppliers may be required to sign a Business Associate Agreement (BAA) if Supplier assists in performing certain functions or activities that involve the use or disclosure of PHI.

Suppliers may be required to sign an Information Technology Security Agreement (ITSA) where Supplier accesses, stores and/or interacts with Select Medical confidential information and/or systems.

1.e. Grievance Mechanism

Suppliers are required to have a process through which workers can raise workplace concerns without fear of retaliation. This grievance mechanism should be transparent and understandable to workers, and should ensure the protection of whistleblowers.

1.f. Responsible Sourcing of Minerals

Suppliers that supply products that include minerals sourced from conflict-affected and high-risk areas (including, but not limited to, cobalt, tantalum, tin, tungsten or gold) must ensure that the sourcing of these minerals does not knowingly contribute, directly or indirectly, to armed conflict, including terrorist financing or human rights violations.

1.g. Anti-Tax Evasion and Anti-Facilitation of Tax Evasion

Select Medical will not tolerate unlawful tax evasion or the facilitation of unlawful tax evasion. Suppliers must not directly or indirectly engage in, or facilitate the engagement by others in, the deliberate and fraudulent diversion of funds from a tax authority. Suppliers are expected to ensure the same of their agents, subcontractors, intermediaries and workers by adopting, maintaining and implementing reasonable processes that prevent such conduct.

1.h. Marketing/Media/Investors.

Select Medical does not allow its suppliers to issue press releases, use Select Medical or associated brand logos on websites, publish business case studies or testimonials of any kind via traditional or digital marketing channels, including social media platforms. Suppliers are also not permitted to speak to the media in general, or investors, on behalf of Select Medical, unless the supplier is expressly authorized in writing to do so by Select Medical's Legal and Communications & Branding departments.

1.i. Social media.

Suppliers are expected to educate and train employees on use of social media, which should be broadly understood to include blogs, wikis, microblogs, message boards, chat rooms, electronic newsletters, online forums, social networking sites, and other sites and services that permit users to share information with others in a contemporaneous manner. Training is expected to encompass communications regarding counterparties, such that supplier employees do not give the impression that they are speaking on behalf of Select Medical or misrepresent or disparage Select Medical in any communications or online user forums. Although not an exclusive list, some specific examples of prohibited social media conduct include posting commentary, content, or images that are defamatory, pornographic, proprietary, harassing, libelous, or that can create a hostile work environment.

1.j. Visitation Activities.

Select Medical prohibits suppliers from conducting 'cold call' solicitation efforts directly at hospitals or clinics. Instead solicitation requests should be directed to the Corporate Procurement department. Once contracted as an active supplier by Select Medical, when visiting Select Medical facilities, supplier employees must comply with the applicable visitation policy, which is available upon request. Supplier representatives should schedule appointments and register prior to visiting Select Medical facilities. Suppliers must specify the areas to be visited, and restrict visits to those locations only. Suppliers must wear visitor badges provided by Select Medical at all times. Suppliers should not disrupt workflow, and should not distribute advertisements or information regarding 'new' products or services unless approved in advance by Select Medical.

2. Labor and Human Rights

Select Medical recognizes its responsibility to protect human rights. Our policies align with the rights articulated in several internationally recognized standards, including the United Nations Guiding Principles on Business and Human Rights (UNGPs), the Universal Declaration of Human Rights, and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work. Suppliers are expected to have similar policies and practices that align with the above referenced international standards, apply to all workers, suppliers, and their supply chains, including migrant and temporary workers, and address the following topics (a) to (h):

2.a. Wages and Benefits

Suppliers should provide wages and benefits that meet or exceed the requirements of local law. In addition, suppliers are strongly encouraged to commit to paying a living wage, which will be higher than the legally mandated minimum wage. At a minimum, suppliers should pay workers regularly and timely, the legal minimum wage, the prevailing industry wage, or the wage negotiated in an applicable collective agreement, whichever is higher. All other types of legally mandated benefits must be provided as required by law, including, as applicable, paid leave, pension, statutory insurance, health benefits, maternity leave, parental leave, family care leave, and child care benefits. All overtime work must be performed and compensated in accordance with the law and the individual's employment contract or other applicable contract or collective agreement.

2.b. Working Time

Supplier must ensure working hours and leave privileges of workers comply with local regulations. Workers shall not work in excess of the relevant legal limits on working hours, overtime hours and number of working days per week. These workers should receive a minimum of one day off every seven days. Workers shall be granted and correctly compensated for any types of paid leave or time off to which they are legally entitled under applicable law, which may include, for example, holidays, maternity/parental leave, family care leave and sick leave.

2.c. Slavery, Forced Labor and Human Trafficking

Select Medical does not tolerate slavery, forced labor, or human trafficking in any form and Select Medical will not knowingly work with suppliers who engage in these practices or permit their subcontractors to engage in these practices.

All work must be performed under and in accordance with contracts that have been entered into voluntarily. Suppliers must not use involuntary labor of any kind, including prison labor, debt bondage, or forced labor by governments. Suppliers must not engage in practices associated with forced labor. Suppliers should put into place measures that ensure workers are not exploited by third party labor providers, such as recruiters or agencies. Such measures include: caps on or elimination of recruitment fees; provision of contracts to all workers in their native language or other language which they are able to understand; elimination of deposits paid by workers to suppliers or recruiters to secure jobs.

Additionally, suppliers must not engage in or support human trafficking and are encouraged to implement due diligence measures to ensure that no human trafficking exists within their extended supply chains.

2.d. Child Labor

Suppliers must not employ child labor, and should take the necessary preventive measures to ensure that it does not employ anyone under the applicable legal minimum age of employment. Such measures include age verification systems, training for managers, and communicating with subcontractors and suppliers on child labor issues. The term "child" refers to any person under the age of 15 (or 14 where the law of the country permits), or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is higher. When employing workers over the age of 15 (or 14 where the law of the country permits) and under the age of 18, suppliers must ensure that such employment is in accordance with the relevant law and must provide adequate protection against any conditions that may be hazardous to the health and safety of young workers.

2.e. Freedom of Association

Suppliers are expected to respect workers' rights to freedom of association and collective bargaining by meeting or exceeding the relevant requirements of local law.

2.f. Respect, Inclusion and Non-Discrimination

Workers should be treated with respect and dignity at all times. Suppliers are required to comply with all applicable laws regarding discrimination in hiring and employment practices.

Suppliers are expected to maintain a workplace free of discrimination, harassment, victimization, and to not tolerate any other form of inappropriate behavior or abuse on any grounds, including but not limited to age, disability, ethnic or social origin, gender, gender identity, nationality, race, sexual orientation, marital status, parental status, pregnancy, political convictions, religious beliefs, union affiliation, or veteran status. Suppliers are expected to maintain an environment free of harassment, violence and abuse (physical or verbal) at all times.

2.g. Safe and Healthy Work Environment

Suppliers must provide a safe and healthy working environment that minimizes health and safety risks and supports accident prevention and ensures the health and safety of all personnel and all others affected by their activities. Suppliers are required to, and shall require their subcontractors to, comply with all applicable health and safety laws and regulations in the jurisdictions in which they operate, and to provide workers with access to appropriate personal protective equipment at no cost.

2.h. Sanitation, Water, and Housing

Supplier's workers must be provided with ready access to clean toilet facilities and potable water. If the supplier provides worker accommodation, it is to be maintained in

a clean and safe manner, and provide appropriate emergency egress, fire safety measures, hot water for bathing and showering, adequate heat and ventilation, and reasonable entry and exit privileges.

2.i. Immigration Law and Compliance.

Suppliers must only employ workers with a legal right to work. Suppliers must have in place procedures to ensure compliance with this requirement.

3. Diversity, Equality, and Inclusion

Select Medical believes that diversity, equality and inclusion are social and economic imperatives and looks to its suppliers to share this commitment in their operations, workforces and within their supply chains.

3.a. Workplace Diversity and Inclusion

To the extent not exempt, Supplier will comply with the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or status as a qualified individual with a disability. These regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or status as a qualified individual with a disability. To the extent not exempt, Supplier will also comply with the requirements of 29 CFR Part 471, Appendix A.

In addition, Supplier will not discharge or in any other manner discriminate against any employees or applicants because they have inquired about, discussed, or disclosed their own pay or the pay of another employee or applicant. However, employees who have access to the compensation information of other employees or applicants as a part of their essential job functions cannot disclose the pay of other employees or applicants to individuals who do not otherwise have access to compensation information, unless the disclosure is (a) in response to a formal complaint or charge, (b) in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or (c) consistent with the contractor's legal duty to furnish information. 41 CFR 60-1.35(c).

3.b. Economic Inclusion

Select Medical looks to maximize participation by diverse suppliers through the development of mutually beneficial business relationships. Select Medical expects suppliers to make best efforts to provide opportunities to a full spectrum of companies – based on the ownership structure (for example, disability-owned, LGBT-owned, ethnic minority-owned, veteran-owned, women-owned), scale (for example, small enterprise) or nature of the enterprise (for example, social enterprise) – to compete on a fair and equal basis for their business.

4. Environmental Stewardship

Suppliers shall comply with all applicable local, state and federal laws related to environmental and waste management. Suppliers are encouraged to adhere to environmental efforts as appropriate to their businesses and aligned with best practices locally and globally. Where appropriate to the size and nature of their operations, suppliers should address the environmental impacts from its operations including raw material usage, greenhouse gas emissions, water, waste, air quality and biodiversity.

4.a. Energy and Emissions

Suppliers are encouraged to track, manage, and mitigate the environmental impact of their operations and strategies, including those of their suppliers. Where feasible, suppliers should take steps to incorporate how they will mitigate climate impacts into their strategies and business resiliency plans, including establishing greenhouse gas (GHG) emissions reduction targets, and realizing these targets through efficiency measures, including selecting low GHG products and services, and other initiatives, where relevant and as applicable to their operations. If requested by Select Medical, suppliers are encouraged to disclose energy and GHG emissions management policies and performance.

4.b. Water

Suppliers are encouraged to take steps to conserve, reduce the use of, and reuse water in their own operations. Suppliers are also encouraged to manage water resources to ensure their operations do not prevent access to sufficient safe water, sanitation and hygiene for all users in surrounding communities, including those both up and downstream from their facilities.

4.c. Waste

Suppliers are encouraged to take concrete steps to minimize or eliminate waste across their operations and those of their suppliers. Any waste, and in particular hazardous waste, must be managed in a responsible manner. Chemical and other materials posing a hazard if released to the environment should be identified and managed to ensure safe handling, movement, storage, recycling, reuse or disposal. All workers who handle waste and hazardous wastes must be properly trained on how to deal with substances and the potential hazards the material presents if mismanaged or released to the worker and environment. Suppliers must only use permitted transporters and haulers that have a positive record of operating safely and complying with applicable transportation laws and best management practices.

4.d. Material Restrictions and Handling

All materials used by suppliers must comply with applicable rules, laws, and regulations regarding the prohibition or restriction of specific substances to ensure safe and responsible handling, storage, movement, reuse, recycling and disposal.

5. Business Continuity and Emergency Preparedness

Suppliers are expected to manage business continuity risk and ensure the availability and continuity of critical services during a BCP event. Depending on the relevant applicability and nature of their respective businesses, suppliers should have plans in place for their business and services to continue with minimal interruption in the event of an emergency, crisis situation, weather or other natural disaster, pandemic or epidemic, terrorist/security related event, strikes, labor or other resource constraints, system and/or facilities outage or unavailability, power outage, and/or telecommunication outage or unavailability, so as to ensure that there will be no significant disruption to Select Medical's business, operations and reputation. Suppliers will share these plans as requested by Select Medical.

6. Management Systems and Governance

Select Medical encourages its suppliers to institute effective management systems that utilize the best available techniques and practices to adhere to this Code and continuously improve their performance. This should include a process for the identification and proactive mitigation of risks associated with compliance to this Code, as well as a process for ongoing monitoring and review of risk controls, and prompt and accurate reporting of all incidents.

This Code sets forth expectations for current and future suppliers. All new and existing suppliers are expected to meet these minimum expectations and to aspire to make continuous improvements to their businesses as noted herein across ethical, labor and human rights, diversity, equality and inclusion, environmental stewardship, business continuity and governance areas.

Any facts or circumstances which are likely to lead to a supplier's inability to meet the requirements and expectations of this Code should be reported immediately to their Select Medical relationship manager.

Select Medical provides its employees with various channels through which integrity concerns can be raised without reprisal. Any potential integrity concerns, including but not limited to violation of local laws or regulations, or this Code, or unethical behavior, may be reported by suppliers via the Select Medical Compliance Office. Retaliation of any kind against an individual who reports concerns in good faith violates Select Medical's principles and will not be tolerated.

The Select Medical Compliance hotline (available 24 / 7) is: (888)-823-8945.

Suppliers are expected to join in a commitment to transparency and disclosure and to provide full cooperation to Select Medical if required, to review suppliers' policies, procedures or any other document related to adherence to this Code. Select Medical also retains the right to audit its suppliers' compliance with the Code and other firm policies at any time. If requested, suppliers are expected to provide details and data about their performance on the topics included in this Code to Select Medical or to other third party entities.

If a supplier is found to be in violation of the requirements of this Code, the supplier is expected to inform Select Medical immediately or as soon as is practicable and remedy any such violation in a timely and sensitive manner. Failure by a supplier to do so may lead to review or termination of the relationship.

Select Medical is committed to continuously reviewing and updating this Code. Therefore, this Code is subject to modification from time to time. The latest version of this Code is available [here](#).

The contents of this Code are in addition to and do not in any way affect or prejudice any of Select Medical's rights and remedies under the relevant contracts with each supplier, if any. In the event of any non-compliance to the requirements of this Code or breach of contract, Select Medical reserves its rights and retains the sole discretion to exercise any rights under this Code, any relevant contract and/or local laws and regulations.

The failure or omission by Select Medical to insist upon strict performance and compliance with any of the provisions of this Code at any time shall in no way constitute a waiver of its rights.

In the event of any conflict or ambiguity between any provision of this Code and the provisions of any relevant contract with any supplier, the provisions of that contract will prevail.

7. Fraud, Waste, and Abuse

Federal law requires Select Medical Corporation, its affiliates and subsidiaries, to establish written policies for all employees of our contractors or agents providing certain detailed information about federal and state laws relating to false claims and whistleblower protections under such laws, and detailed provisions regarding our policies and procedures for detecting and preventing fraud, waste, and abuse. We are required to disseminate those policies to our contractors and agents, and our contractors and agents must make those policies available to their employees and must abide by the policies as to the work that they do for us.

We believe that you are a contractor or agent under this law. Accordingly, we are notifying you that the policies that we have established are available to you and your employees at <http://www.selectmedical.com/investor-relations/corporate-governance/>

If you would like further information concerning this notice or our policies, please contact Robert Breighner, Compliance Officer, at (717) 975-4535.