

ENVIRONMENTAL POLICY

PURPOSE

Select Medical recognizes the importance of using the environment and its resources responsibly and is committed to preserving the environment of the communities it serves by monitoring and mitigating undesired effects of its business activities and promoting sustainability. Select Medical's environmental management strategy consists of meeting or exceeding all applicable legal and regulatory environmental standards; reducing, reusing and recycling materials; and reducing energy use, emissions and water consumption.

SCOPE

Select Medical's environmental policy applies to all Select Medical operations, including its subsidiaries and affiliates, and their managed entities, as well as Select Medical's partners, suppliers and vendors.

RESPONSIBILITY

Select Medical's Board of Directors directly, and indirectly, through its Nominating and Corporate Governance Committee, oversee this policy, as well as Select Medical's climate related risks and opportunities.

POLICY

Environmental Compliance

Select Medical intends to meet or exceed all applicable legal and regulatory environmental standards for the safe operation of its facilities and the protection of our environment, patients, personnel and residents of the communities in which we do business. Select Medical promotes a culture that ensures everyone across the organization is accountable and responsible for environmental compliance.

Environmental impacts and climate change risks and opportunities are considered in Select Medical's business decisions and actions in order to prevent pollution, eliminate hazards and reduce the associated risks. Select Medical engages strategic stakeholders and suppliers to continuously improve the efficiency and sustainability of its business activities.

Reduce, Reuse and Recycle Materials

As part of Select Medical's environmental strategy, Select Medical looks for opportunities to reduce, reuse and recycle materials to minimize its environmental impact. Specifically, Select Medical partners with waste management vendors that help achieve these goals. Through various partnerships, Select Medical facilities are able to reduce waste pickup frequencies, establish a reusable sharps container program and recycle materials to divert waste from landfills.

Where possible and practical, materials are reused and recycled to conserve resources and minimize the need for treatment or disposal. When waste is generated it is handled and disposed of safely and responsibly. Select Medical understands that our waste disposal practices can have a health impact on the communities we serve. We are committed to handling and disposing of waste in an appropriate manner.

Reduce Energy Use, Emissions and Water Consumption

Select Medical is dedicated to reducing its energy usage and emissions. Select Medical analyzes its facilities' energy using systems to prioritize capital projects, repairs and maintenance such as:

- Improve aging infrastructure
- Install roofing with appropriately collected, energy-efficient and recyclable materials
- Use energy efficient LED lighting
- Replace older HVAC systems
- Utilize smart building technology and automation
- Improve infrastructure to reduce water usage

Addressing Climate Change

Select Medical recognizes that climate related disruptions have the potential to impact patients, employees and operations. Select Medical's facilities work hard to be prepared for extreme weather conditions. Select Medical leadership teams have established emergency preparedness plans based on their local conditions and risks, including a communication plan, policies and procedures.

Capital investments are made regularly to update physical plants to withstand extreme weather conditions. For example, the building envelope – windows, doors, and roofing – is reinforced for hospitals in areas prone to hurricanes or flooding. Roofing, air conditioning and heating systems for facilities are designed based on the local climate and weather conditions that the building is most likely to face – reflective white roofs in the southwest and heat absorbing dark roofs in the north. Generator capacity is added to storm-prone facilities so they can sustain power on-site without the need for additional mobile generators.

Procure Sustainability Sourced Products

Select Medical's group purchasing organization supports Select Medical's sustainability goals by requesting that suppliers and potential suppliers report on environmental attributes. Select Medical's group purchasing organization's environmentally preferred sourcing portfolio allows Select Medical to make informed purchasing decisions that align with our sustainability goals to support positive environmental and health outcomes.

Salient Risks that Pose a Threat to the Environment

Select Medical acknowledges that certain areas of our business activities have an impact on the environment. Specifically, Select Medical has identified the following salient risks that its business activities pose to the environment:

- Energy and water use
- Waste output, transport and disposal
- Use of hazardous chemicals
- Handling/storage of gases
- Emissions resulting from travel

Select Medical is committed to regularly monitor and review new risks and opportunities related its environmental footprint.

Through Select Medical's environmental management program, Select Medical and its facilities regularly review and update important aspects of our operations to support delivery of safe, quality care while working to minimize our impact on the surrounding environment. Our commitment to sustainability is an important part of providing value for the people and communities we serve.