

## **Tenant Code of Conduct and Corporate Responsibility**

CareTrust REIT, Inc. (together with its controlled subsidiaries, “CareTrust” or the “Company”) is committed to advancing environmentally responsible practices within its own operations and to meeting, and where appropriate, exceeding foundational standards of corporate responsibility, and encourages comparable consideration by its triple-net healthcare and seniors housing tenants. This Tenant Code of Conduct: Triple-Net Portfolio (the “Code”), together with the related Tenant ESG Program (the “Program”), is a component of CareTrust’s enterprise-level ESG initiatives, outlining baseline sustainability expectations while respecting tenant operational independence. The Code establishes the principles and focus areas that inform CareTrust’s voluntary Tenant ESG Program, under which eligible tenants may access economic incentives to support the implementation of environmentally sound improvements that advance shared sustainability objectives.

### **Code Applicability – Third-Party Operated Properties**

CareTrust is a healthcare-focused real estate investment trust, and our properties support the delivery of care in the communities we serve. CareTrust does not control the day-to-day operations of tenant-operated facilities; third-party operators retain full responsibility for environmental practices, workforce policies, and business operations at their properties. CareTrust cannot unilaterally mandate sustainability measures. Instead, CareTrust relies on existing lease provisions that require tenants to execute all renovation work in a professional manner in accordance with relevant codes and meet or exceed specified thresholds for maintenance and capital improvements. To complement these standard requirements, the company has developed economic incentives for qualifying sustainability improvements that go beyond baseline lease obligations.

### **Green Lease Provisions & Sustainability Practices**

CareTrust’s Green Lease strategy includes sustainability-related provisions in lease agreements, particularly when existing triple-net leases are amended or modified. These provisions address utility data sharing, sustainability assessments, and environmental performance considerations that may affect facility condition and operations and may be supplemented or expanded in certain jurisdictions or lease structures to reflect applicable regulatory requirements, asset characteristics, or risk considerations.

Where the lease includes the green lease provisions, CareTrust may, at its discretion, utilize third-party service providers to evaluate building performance, emissions,

sustainability metrics, and, where applicable, climate-related risks. Performance information and assessment findings may be communicated to tenants as appropriate.

CareTrust encourages tenants to consider sustainability-aligned practices, where feasible and appropriate to the facility, when undertaking exterior improvements, capital projects, renovations, or operational upgrades. These practices are intended to support long-term asset performance, resource efficiency, and occupant well-being. Adoption of these practices is voluntary.

Encouraged sustainability practices are illustrative and are intended to demonstrate examples of actions that may support broader environmental performance objectives reflected in applicable lease terms:

- **Resource Consumption & Efficiency** – such as efforts to reduce energy and water use through efficient equipment, fixtures, systems, operational control, and renewable energy.
- **Environmental Performance & Data Transparency** – such as cooperation on utility data sharing, benchmarking, certifications, or performance tracking.
- **Capital Planning & Asset Improvements** – such as incorporating sustainability-aligned considerations into exterior improvements, capital projects, renovations, or equipment replacements.
- **Materials Waste & Resource Preservation** – such as recycling programs, waste reduction practices, and consideration of sustainability-aligned material selection where feasible.
- **Indoor Environmental Quality** – such as the use of low-VOC materials and practices that support healthy indoor environments.

### **Utility Data Tracking & Performance Insights**

CareTrust offers tenants the opportunity to participate in utility data tracking for energy, water, and waste through third-party platforms, where available. Data collected may be used to generate performance insights, including property-level benchmarking, intended to support tenant awareness of resource use and potential efficiency opportunities.

### **Social Responsibility**

CareTrust's inpatient healthcare and seniors housing facilities serve as essential infrastructure supporting the health and well-being of the communities they serve. As a provider of real estate capital to the healthcare industry, CareTrust leverages its role as a long-term owner to elevate humanitarian-focused issues that support residents, caregivers, and local communities. CareTrust encourages tenants to invest in human capital and implement programs that support workforce stability, quality of care, and long-term operational resilience, including, where appropriate:

- Workforce training and professional development initiatives.
- Employee engagement programs and feedback mechanisms.
- Community engagement, volunteerism, or philanthropic activities.
- Compensation and benefits practices that meet or exceed applicable legal requirements.
- Workforce practices that promote respect, nondiscrimination, and a supportive workplace culture.

## Corporate Governance

CareTrust incorporates fundamental corporate governance practices directly into our lease agreements. We encourage tenants to build upon these requirements by continuously making commercially reasonable efforts to meet or exceed the following standards:

- **Regulatory Compliance & Ethics:** Maintain a written compliance program appropriate to operations and consistent with applicable healthcare regulations, including CMS requirements in the US and CQC requirements in the UK. Tenants should designate accountability for compliance oversight and maintain a mechanism for reporting potential compliance concerns.
- **Code of Conduct:** Maintain a written Code of Business Conduct and Ethics that applies to employees and supports lawful, ethical, and professional conduct in patient care and business operations. This includes a commitment to operating in accordance with industry best practices.
- **Workplace Health & Safety:** Comply with all applicable health and safety laws and regulations and maintain reasonable practices to protect employees, patients, residents, and visitors, including emergency preparedness and incident response.
- **Fair Employment Practices:** Adhere to applicable labor and employment laws, including standards related to nondiscrimination, fair wages, hours, and safe working conditions.

## UK-Specific Operations

In the UK, CareTrust offers incentives to improve the energy efficiency of facilities through competitive funding yields for qualifying items. These incentives are integrated into our standard facility support to drive high-performance building standards.

At CareTrust's sole discretion, items eligible for consideration typically include:

- Installation of solar photovoltaic or solar thermal panels.
- Installation of, or upgrades to Building Management Systems (BMS).
- Additional external wall or roof insulation.

- Replacement of windows with high-performance double glazing.
- Installation of air or ground-source heat pumps.

Generally, qualifying expenditure is to be included in wider refurbishment and renovation projects and not to comprise more than 15% of the total cost of the project. However, the installation of solar panels can be funded as a stand-alone item. Each initiative is evaluated on its own merits based on the specific needs of the facility and the projected environmental impact. The application of any incentive is discretionary and determined on a case-by-case basis.

### **US-Specific Operations**

Through the Tenant ESG Program, CareTrust offers economic incentives designed to support sustainability investments that align with our environmental priorities while enhancing operational efficiency and asset performance. These incentives are intended to help offset the premium costs often associated with implementing higher-performance, sustainable solutions.

The incentives are organized by sustainability issues, each paired with a specific objective and an indicative economic incentive. Focus areas include energy performance improvements, water use reduction, waste management and diversion, sustainable procurement and material sourcing, indoor air quality, heat island and light pollution reduction, site development practices, and alternative transportation measures.

CareTrust's Tenant ESG Program is designed to encourage responsible operations and robust risk management across our tenant base. We ask all tenants to read and understand this Code and the operational encouragements outlined herein. By providing economic incentives, CareTrust aims to empower both participating and non-participating tenants to focus on foundational practices that support regulatory compliance, high-quality care, and long-term operational resilience.

Tenants who wish to participate in the Program will receive a full list of available US incentives, which will be provided as **Appendix A**.

### **Oversight & Continuous Improvement**

CareTrust identifies and manages sustainability-related risks and opportunities through established enterprise-level policies, programs, and oversight processes. The Tenant ESG Program is informed by tenant feedback and engagement, with CareTrust updating incentive offerings at its discretion.

CareTrust REIT, Inc.  
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Adopted March 30

Questions regarding the Tenant Code of Conduct or Tenant ESG Program may be directed to Jason Rodgers, Director of Construction Services & Chairman of the ESG Steering Committee, at [jrodgers@caretrustreit.com](mailto:jrodgers@caretrustreit.com).

### **No Rights Created**

This Tenant Code of Conduct and Corporate Responsibility and the related Tenant ESG Program are statements of CareTrust policy and a voluntary incentive program. Participation does not create a contract, modify or supersede any existing lease, or establish any rights or obligations beyond those outlined in the applicable lease agreements. CareTrust may update or discontinue the Code or Program from time to time.

## **APPENDIX A PARTICIPATING TENANT INCENTIVES**

**Appendix A** is proprietary to CareTrust REIT and is strictly confidential. It is not published to the Company's website and is only distributed to participating tenants. No unauthorized publication or dissemination thereof is permitted.