

CORPORATE RESPONSIBILITY & SUSTAINABILITY

2021 REPORT

NATIONAL RETAIL PROPERTIES IS NOW



**NNN
REIT™**
NYSE: NNN



NATIONAL RETAIL
PROPERTIES
NYSE: NNN

NNN REIT, INC. | 1-800-NNNREIT

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INTRODUCTION

About this Report

We are excited to share National Retail Properties' (NNN) inaugural corporate responsibility and sustainability report (also referred to as Environmental, Social, Governance or ESG). This report references the GRI (Global Reporting Initiative) Standards and other disclosure efforts, such as industry best practices, investor requests, annual ratings and rankings submissions, and the United Nations Sustainable Development Goals (SDGs). This report includes calendar year 2021 commitments, initiatives, and our aspirations. We included data from previous years to demonstrate our progress in some areas and add context to our efforts.

We own properties under long-term triple net leases, which gives our tenants exclusive control of our properties for anywhere from 15 to 40 years and the ability to institute energy conservation and environmental management programs at our properties. NNN's tenants are mostly large companies with sophisticated conservation and sustainability programs. Where available, our environmental information is prepared based on actual data under our control or received from our tenants. Any remaining aggregation is based on estimates. We will continue to collaborate with our tenants to improve actual data coverage and identify opportunities to achieve mutual sustainability goals.

Though internal quality controls have vetted data found within this report, third-party external assurance has not been sought out for this inaugural reporting cycle.

LONG-TERM PERSPECTIVE

At National Retail Properties (NNN), we take a multi-year approach with our stakeholders and with the environment. This is evident through our long history of excellence in terms of community and associate engagement, and our performance on several leading ESG ratings. As the business focus for environmental stewardship in the real estate investment trust industry becomes clearer, we are committed to reducing our environmental impact, including greenhouse gas emissions and water usage. We continue to build on the foundation of our ESG efforts, allowing us to bring additional value for our shareholders and stakeholders.



CEO LETTER

I am proud to share this inaugural corporate responsibility and sustainability report for National Retail Properties. Through this report, we hope to enhance our disclosure of strategies, policies, and activities concerning environmental, social, and governance (ESG) topics. Our Board of Directors and our management team take ESG matters seriously. We have established an internal ESG team and our board's Governance and Nominating Committee has assumed the responsibility to oversee our ESG efforts. In this way, we are building on our foundation of excellence in tenant, community, and associate engagement, positioning us to create long-term value for all our stakeholders.

Our associates are the heart and soul of NNN. We employ 72 professionals at our headquarters in Orlando, Florida. The executive team, department heads, and senior managers average more than 18 years of experience with the company. In addition, half of our associates have been with the company for 10 years or longer. We are focused on the diversity of our workplace and ensuring an inclusive experience for all associates. Our selection to the 2021 Bloomberg Gender Equality Index reflects these efforts. We will continue to expand programs to holistically support our associates' health, well-being, and professional development.

For over three decades, NNN has been an active partner with numerous organizations to help our community become a better place to live and work for everyone. We encourage our associates to be actively involved in the betterment of the Central Florida community. Two of our longest-running partnerships are with Boys & Girls Clubs of Central Florida and Elevate Orlando, having worked with them for 15 and 11 years, respectively. This spirit of community support became increasingly important as the impact of the COVID-19 pandemic spread across Central Florida.

As an owner of more than 3,200 triple net leased properties throughout the US, we are also committed to good corporate citizenship and stewardship of the environment. We are engaging with our tenants to reduce our tenants' energy, emissions, and water usage footprint. We have also implemented various initiatives at our corporate headquarters, which is EPA Energy Star certified, to minimize our own impact on the environment. Our efforts toward environmental sustainability and robust reporting will continue to be expanded and enhanced in the years ahead.

As we recently announced, I will be retiring at the end of April 2022. Looking to the future, I am supremely confident that our next CEO Steve Horn is the right person to lead National Retail Properties in its mission to create long-term shareholder value and serve the best interests of all our stakeholders.

Sincerely,

Julian "Jay" Whitehurst

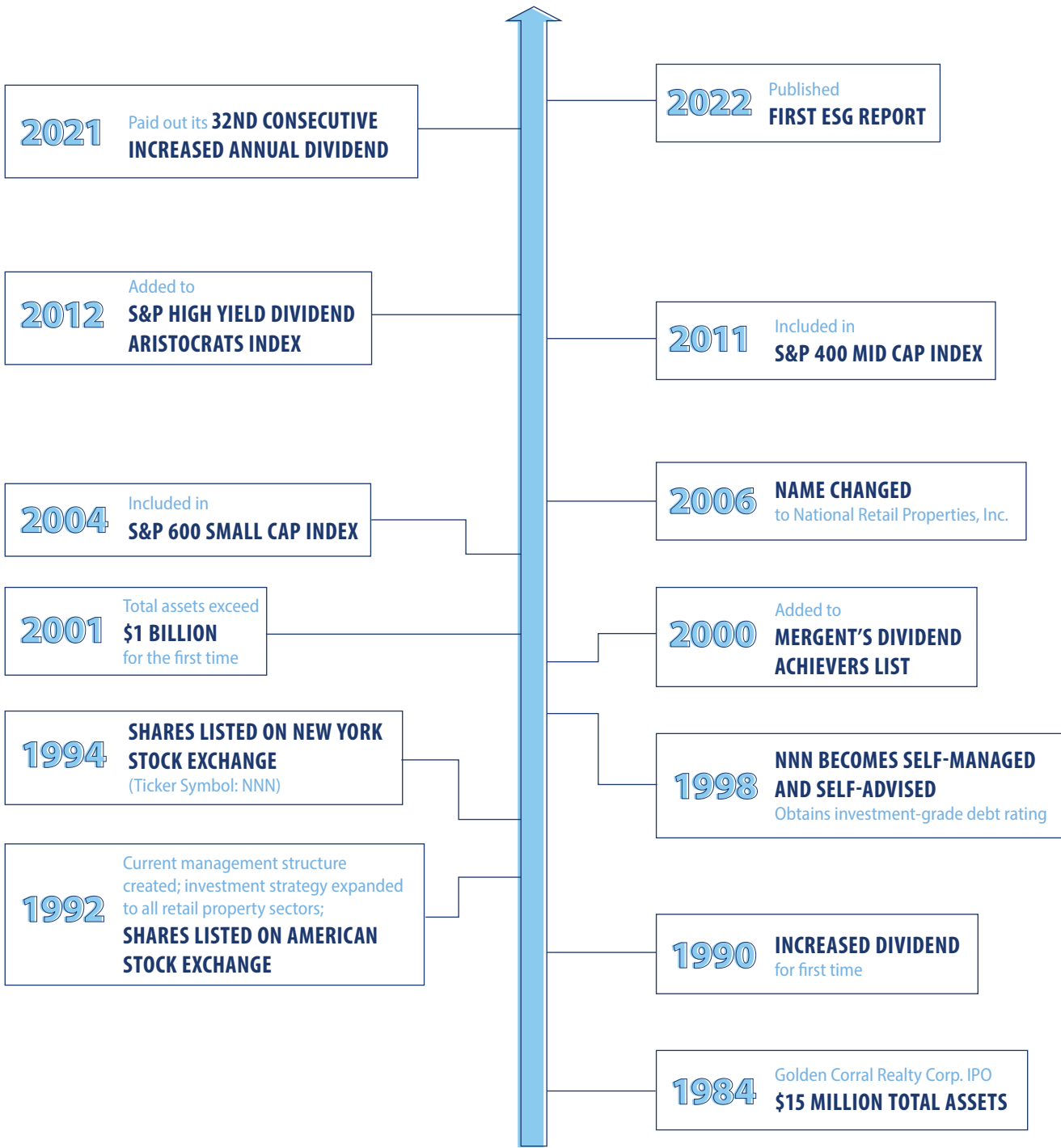
OUR BUSINESS

Our Approach

National Retail Properties, Inc. is a real estate investment trust (REIT) traded on the New York Stock Exchange under the ticker symbol NNN. We own a diversified portfolio of freestanding retail stores across the United States.

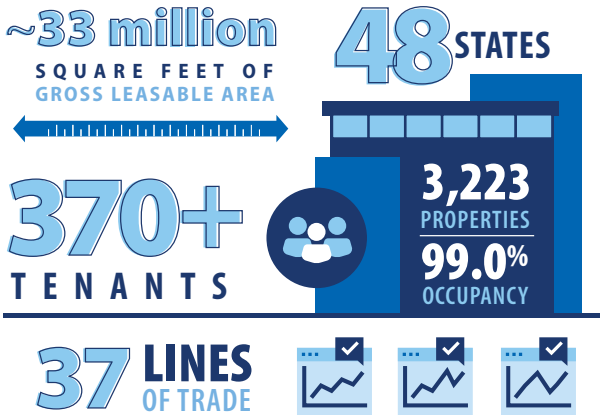
NNN has generated consistent shareholder returns for more than three decades supported by its strong dividend yield and 32 consecutive years of increased annual dividends. We have become known as good stewards, pragmatic planners, and discerning executives with a consistent, strong record over the short-term, mid-term, and long-term.

OUR COMPANY MILESTONES



Portfolio As of December 31, 2021

Our diversified portfolio of freestanding retail stores helps contribute to our overall resiliency in the wake of market volatility.



TOP 10 TENANTS (> 2.0%)	NO. OF PROPERTIES	% OF TOTAL (1)
7-Eleven	139	4.89%
Car Wash Partners	121	4.64%
CWI, Inc.	44	3.77%
Fitness International, LLC	30	3.65%
GPM Investment, LLC	152	3.23%
Flynn Restaurant Group LP	204	3.07%
AMC Theatres	20	2.89%
Alimentation Couche-Tard Inc.	82	2.65%
BJ's Wholesale Club, Inc.	12	2.47%
Sunoco	59	2.14%

(1) Per the annual base rent of \$713,168,993 which is the annualized rent amount for all leases in place, as of December 31, 2021.



WHAT DRIVES US

NNN’s mission is to create long-term shareholder value with a conservative, low leverage, low volatility strategy, while providing a best-in-class working environment for our associates and actively enriching the community in which we work and live. We do this not just because it is the right thing to do, but because it is essential for the long-term success of our shareholders, our associates, and our community.

SUSTAINABLE DEVELOPMENT GOALS ALIGNMENT

We aligned our material topics with the United Nations Sustainable Development Goals (SDGs) to focus on ways that National Retail Properties could support these identified goals directly through our operations.

TOPIC	ASSESSMENT OF OUR POTENTIAL OPPORTUNITIES/RISK	CONTRIBUTIONS TO UN SDGS
Ethics, Integrity & Risk Management	NNN conducts business with integrity and with an unwavering commitment to the highest level of ethics in everything we do. We can support our performance and growth through evolving conditions and markets by implementing robust risk management practices.	→ SDG 8 Decent Work and Economic Growth → SDG 11 Sustainable Cities and Communities → SDG 12 Responsible Consumption and Production
Human Capital Development	NNN's success depends on our talented associates' dedication and hard work.	→ SDG 8 Economic Work and Economic Growth
Diversity & Inclusion	In addition to fostering an engaging environment for employees, NNN also aims to promote a culture that values diversity and inclusion.	→ SDG 10 Reduced Inequalities → SDG 5 Gender Equality
Managing Tenant Environmental Impacts	While we do not have direct operational control over our tenants' environmental impact, we have the opportunity to help reduce resource consumption by various means such as green leases, incentives, and partnerships.	→ SDG 7 Affordable and Clean Energy
Stakeholder Engagement	Stakeholder engagement and partnerships are critical to advancing our strategic objectives. There are various opportunities to engage stakeholder groups on our ESG agenda.	→ SDG 17 Partnerships for the Goals

STAKEHOLDER ENGAGEMENT

Since our inception in 1984, we have been investing in building strong relationships with various stakeholders.

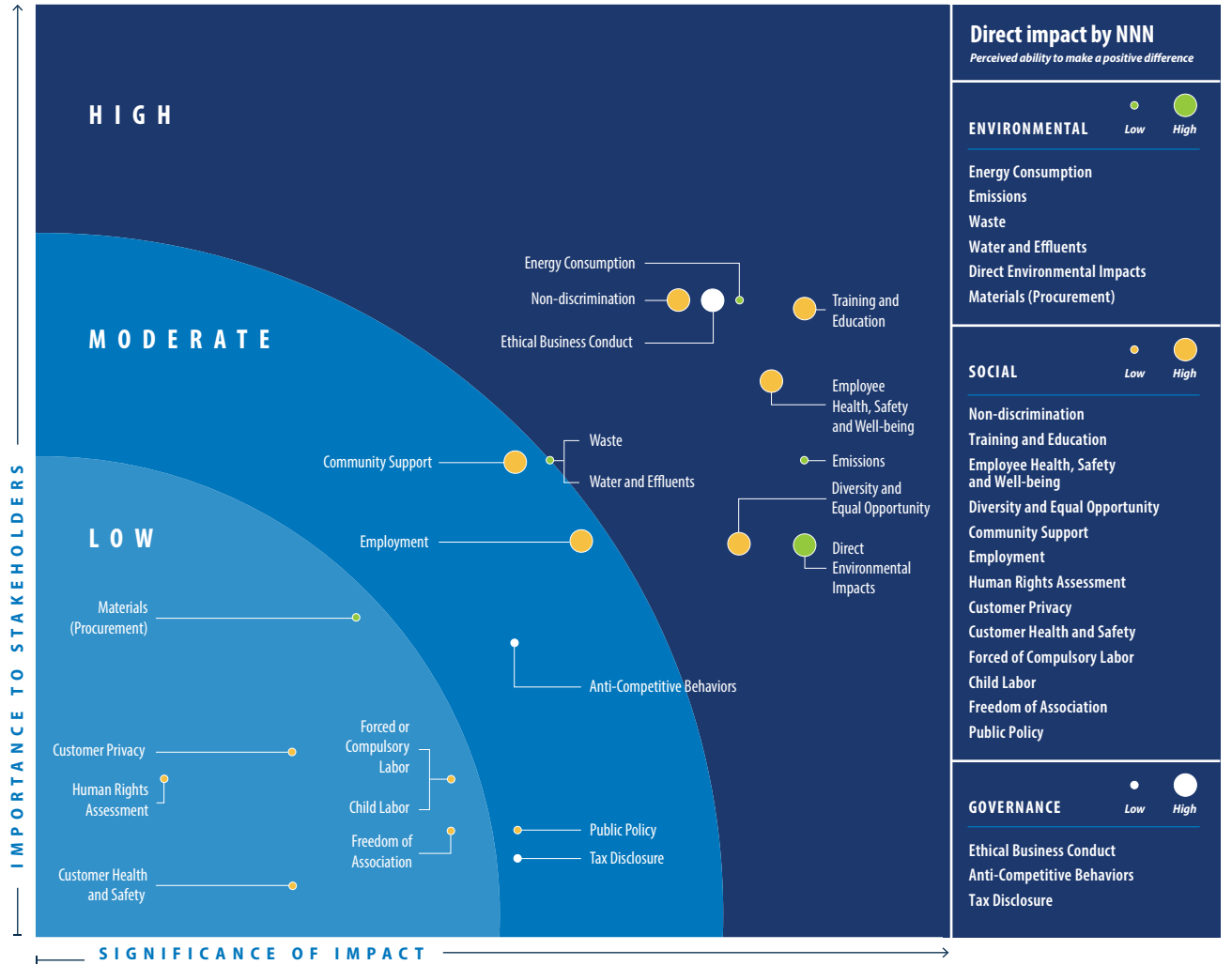
KEY STAKEHOLDER GROUPS	HOW WE ENGAGE
Employees	<p>The heart and soul of NNN are our people. Working with a third party, we launched a confidential employee engagement survey providing NNN’s associates an opportunity to share thoughts and meaningful feedback. We intend to solicit associate input on a wide array of employee-centric matters regularly.</p> <p>See the Managing Human Capital section to learn more about the survey results.</p> <p>We also engage with our employees through quarterly Insights & Issues meetings and the NNN Associate Portal.</p>
Board of Directors	<p>Our Board of Directors provides oversight and strategic direction for the organization. A committee oversees ESG topics on a quarterly basis and reports to the Board of Directors.</p>
Investors	<p>NNN utilizes several reporting mechanisms to communicate with our investment partners about our financial performance, risk management, governance, and sustainability management, while also working toward shared goals.</p>
Tenants	<p>Our relationship focus at NNN extends throughout the entire company. The strong relationships we have developed with our tenants over the years have contributed to our strong occupancy and renewal rates and created value-add opportunities.</p>
Industry groups	<p>NNN is involved with several industry groups, including the National Association of Real Estate Investment Trusts (Nareit) and the International Council of Shopping Centers (ICSC). This involvement allows us to share insights, interact with peer organizations and explore how we can collaborate to create positive change. Our associates also engage with industry groups from a professional development perspective.</p>
Community members and charitable organizations	<p>Throughout our history, NNN has been committed to being an active partner with numerous charitable causes to help our community become a better place to live and work for everyone. In particular, we have focused on urban youth and vulnerable children and their families. We encourage our associates to be actively involved in the betterment of the communities where we live and work.</p>

MATERIALITY

Our process for assessing materiality started with compiling a range of topics found within global standards. We then refined the list based on ESG practices published by our industry association, Nareit, along with others identified through a peer benchmarking exercise. Internal cross-functional subject matter experts and our executive management were interviewed by a third party to better understand management practices, policies, goals, and data tracking mechanisms for relevant impacts. That information was then reviewed and further vetted through a final assessment applied to test the significance of impacts for our company and those impacted by our operations. Impacts that occur along our value chain were also analyzed to determine our ability to manage or influence others to implement ESG practices within their operations with the goal of working collectively to limit negative impacts on the community and the environment.

Our cross-functional leadership team was brought together again to further prioritize our shortlist of topics via a confidential survey to validate our final list of material topics.

We anticipate revisiting this process in the future to proactively engage a larger group of stakeholders and to keep a pulse on the ever-changing business landscape.



HOW WE GOVERN

Our Approach







National Retail Properties oversees ESG through the Governance and Nominating Committee that reports to the Board of Directors. Committee members are made up of 100% independent board members and meet quarterly. The committee engages with the executive team, key employees, and other experts to inform ESG topics, set direction, and identify priorities. NNN’s General Counsel manages daily oversight of the team and works closely with a cross-functional team and the ESG Committee.

NNN also has an internal ESG team which includes members of the executive team and reports directly to the Governance and Nominating Committee.

ETHICS AND INTEGRITY

It is paramount that NNN conducts business with integrity and with an unwavering commitment to the highest level of ethics in everything we do. To help ensure that we meet our goal of operating at the highest ethical level, NNN has adopted a set of Guiding Policies, including but not limited to our Corporate Governance Guidelines, Code of Business Conduct Policy, and Whistleblower Policy. We require all associates to annually acknowledge that they have read and will comply with these policies. All associates are trained on our Anti-Corruption Policy, the Code of Business Conduct, and the Human Rights Policy.

See links to our supporting documents:

	→ Guiding Policies		→ Whistleblower Policy
	→ Corporate Governance Guidelines		→ Anti-Corruption Policy
	→ Code of Business Conduct Policy		→ Human Rights Policy


RISK MANAGEMENT

NNN annually reviews its policies to ensure we effectively manages risks. The Board of Directors and the NNN management team continually stress the importance of, and emphasize operating in accordance with, best-in-class corporate governance standards.

NNN ENSURES THAT WE MEET OUR CORPORATE GOVERNANCE GOALS BY:	
→	Retaining the services of Navex Global / Ethics Point , a premier solution for automating ethics and compliance reporting.
→	Performing an annual enterprise risk evaluation by NNN’s internal auditors to ensure we are aware of risks and proactively mitigate such risks. The management team and the Board of Directors review this evaluation to determine if any additional policies need to be enacted or any actions need to be taken to minimize potential risks, including internal audit projects.
→	Managing cyber and information security risks by reviewing such risks quarterly at the Audit Committee of the Board of Directors, training our associates on cyber and information security risks at least quarterly, and purchasing cyber breach and informational security insurance from a national credit-rated insurance company. Furthermore, we engage third party cyber experts to perform vulnerability assessments, penetration testing and cyber monitoring.
→	Managing ESG matters and risks with a wide range of initiatives, including having the Governance Committee consider all ESG matters as a standing matter at regularly scheduled committee meetings.
→	Electing our directors on an annual basis with a majority voting standard.
→	Ensuring our Board of Directors is chaired by an independent, non-employee director.
→	Requiring that our compensation committee, audit committee, and governance and nominating committee of the Board of Directors are all comprised of independent, non-employee directors.
→	Engaging an independent, external compensation consultant to assist our board’s compensation committee with creating the executive compensation program.
→	Evaluating the performance of individual board and committee members, the Chairperson of the Board of Directors, and the Chief Executive Officer annually.
→	Implementing proxy access bylaws for our shareholders and a mandatory retirement policy for our board to promote board refreshment.

BOARD DIVERSITY AND REFRESHMENT

As of January 2022, our Board of Directors is comprised of nine directors, seven of whom are independent, non-employee Directors. Two of our board members are women, and one is a person of color.

Improvements include:	
	→ Gave the Governance and Nominating Committee responsibility to oversee ESG
	→ Established internal ESG team led by executive management reporting to Governance and Nominating Committee
	→ Conducted a materiality assessment and published inaugural sustainability report
	→ Distributed multiple employee engagement surveys
	→ Conducted an equity compensation analysis




“The company is business-like, yet comfortable. We are a sizeable organization with more than \$8.5B in assets, but still have a small company feel internally.”

— Paul McKeeby, Vice President, Accounting



“I attribute my long tenure with NNN to the company culture, development and growth opportunities, and work-life balance. NNN cares about the personal and professional well-being of its employees and reinforces that with a true open door policy which gives me a sense of belonging. Management is very encouraging and recognizes associates for their contributions and ideas.”

— Ingrid Irvin, Vice President, Lease Compliance



“NNN is not a bureaucratic company, rather a fluid organization. When decisions need to be made or questions answered, you can simply and directly speak within your team and achieve a resolution.”

— Mari Kostka, Senior Legal Secretary/ Administrative Assistant



“ We are a professional and successful company with a family feeling. I am surrounded by smart and dedicated people who also have a quick wit and sense of humor. NNN offers a very good work-life balance. People genuinely like working here which creates a positive environment.”

— Kristin Furniss, Senior Vice President, Asset Management

MANAGING OUR HUMAN CAPITAL

Our Approach

NNN's success depends on our talented associates' dedication and hard work. Our associates are true experts in their fields, and we are determined to support them throughout their employment with us. NNN encourages the continued professional and personal development of all associates by providing tuition assistance and hundreds of hours of in-person and online training opportunities that touch all aspects of our business. NNN also has associate mentoring and training programs and formalized talent development programs at all levels of the company.

HIRING & RETENTION

The long tenure of our associates demonstrates our commitment to overall employee satisfaction. We employ 72 professionals working across all facets of operations. Our executive team, department heads, and senior managers average over 18 years of experience with the company. In addition, half of our associates have been with the company for ten years or longer. The institutional knowledge and long tenure of our associates is a true competitive advantage of the company.

In 2020 we distributed multiple confidential Employee Engagement Surveys to help build upon strengths and identify opportunities for improvement. We sought associate opinions in nine categories: team dynamics; outlook; trust in leadership; manager effectiveness; engagement outcomes; diversity and inclusion; individual needs; communication and resources; and career growth and development.

In every category, NNN scored above the industry benchmarks. With 90% participation, we received valuable input from all areas of the company. We have created a task force to explore actionable strategies and next steps. We intend to solicit associate input on a wide array of employee-centric matters regularly. A second engagement survey was conducted in October 2021 and a task force and company-wide action planning is being implemented based on the results of the most recent survey.

TOTAL REWARDS, BENEFITS & WORK-LIFE BALANCE

NNN also focuses on additional benefits for our associates to ensure they are well compensated, engaged, developed, and satisfied with their work-life balance. There are six key elements to our total rewards system, including benefits and compensation, wellness, work-life balance, training and development, and recognition.

COMPENSATION

To support the company's mission and objectives, it is crucial to ensure our compensation plan attracts, retains, and motivates the quality associates needed to achieve our shareholder expectations and the needs of our larger stakeholder base. Our compensation plan is designed to attract and retain qualified associates, motivate and encourage efficient and productive performance, and recognize each associate's unique contribution to the company. NNN's compensation plan utilizes a variety of financial rewards to achieve these goals, including market-based pay, bonuses, long-term incentives, and profit-sharing. Pay equity analysis is an integral part of our compensation program.

FINANCIAL BENEFITS



Our financial programs include a 401(k) plan with a 75% employer match on the first 4% of employee contributions and a 25% employer match on the next 5% of employee contributions. NNN’s 401(k) plan has a four-year vesting schedule. New associates can participate in the 401(k) plan after three months of employment. In addition, NNN associates may elect participation in a college savings plan, an educational assistance program, an adoption benefit, and flexible spending or health savings accounts, which may be used for health or dependent care expenses on a pre-tax basis. Additional benefits include a paid time off benefit from three to five weeks (based on the number of years of service) and 11 paid holidays. Part-time associates can accrue paid time off and participate in our 401(k) plan, depending on the number of hours worked in a calendar year.

REMOTE WORK POLICY & FLEXIBLE HOURS

Through our Flexible Work Policy, we are committed to a work-life balance and offer associates the option of setting an 8-hour workday between 7:00 a.m. and 6:30 p.m.

Additionally, our Remote Work Policy, initially implemented due to COVID-19 but expanded in 2021, allows associates to work from a location other than NNN’s corporate office. The goal of the Remote Work Policy is to increase eligible associates’ work-life balance and make NNN an employer of choice in our industry and the greater Central Florida community.






Benefits to associates include:

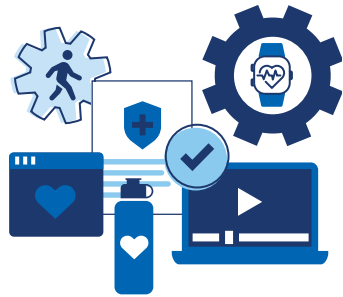
 Creating a better work-life balance	 Less time commuting
 Greater flexibility	 Reduced carbon footprint because of less commuting

HEALTH BENEFITS

We offer healthcare coverage to associates who consistently work more than 30 hours a week and their dependents. Our coverage includes two different medical plans with vision and dental benefits and an HSA with company contributions. Fully company-paid benefits include short- and long-term disability, life insurance, long-term care, AD&D, and an employee assistance program. Supplemental benefits are also available.

Benefits to associates include:

	PTO and ELB Donation Bank The Paid Time Off and Extended Leave Donation Bank establishes a means for employees to voluntarily transfer earned Paid Time Off (PTO) and/or Extended Leave Bank (ELB) hours to an anonymous qualifying employee(s) who is on an approved Family Medical Leave and unable to work due to a serious health condition as defined under the Family & Medical Leave Act (FMLA).
	Employee Assistance Program All associates may receive confidential professional assistance in resolving personal, financial, legal work-related, and family matters. This service is provided at no charge and is available to associates 24 hours a day, seven days a week, and may be used by any member of the associate’s household. This assistance is currently offered through Cigna HealthCare.
	Family Medical Leave We grant up to 12 weeks of leave for certain qualifying events – including the birth of a child or care for a spouse, child, or parent with a serious health condition – during a 12-month period to eligible employees. This leave is extended to 26 weeks for military caregiver leave for a covered servicemember with a serious injury or illness.
	Adoption Assistance Program NNN offers eligible associates financial assistance with part of the expenses involved with the adoption of a child. Full-time associates who meet the eligibility criteria can receive up to \$2,000 for eligible adoption-related fees per child adopted (up to two per year).
	Domestic Violence Leave Associates may be granted up to three days of leave in any 12 months if the employee or a family or household member of an employee is the victim of domestic violence or sexual assault.



Engaging Associates in Their Own Health and Wellness – Through COVID and Beyond

Evidence shows that employee health and well-being are strong determinants of productivity, morale, and retention. Companies that meaningfully invest in employee health outperform their peers. When you are healthy, you feel better and enjoy a better overall quality of life.

We engage and support our employees in their wellness by offering the following events/programs.



Awards and Recognition

NNN has received several wellness awards, including the prestigious Cigna Well-Being Award since 2017. Cigna Well-Being award recipients are evaluated based on the quality of several factors of their wellness program, including leadership engagement, company culture, strategy and goals, implementation, and employee engagement. All applications are scored and reviewed by a panel of Cigna health promotion experts.

Vitality

Vitality is a state-of-the-art, comprehensive, interactive, web-based wellness program that makes it easy for associates to make healthy choices. Associates are rewarded with points for their efforts to improve or maintain a healthy lifestyle. These points are earned by participating in various activities such as completing online nutrition courses, setting health goals, engaging in and recording physical exercise, and more. Associates can redeem Vitality points for rewards, including gift cards for entertainment, fitness devices, as well as gift cards for leading retailers and grocers.

→ [Learn more about Vitality's Wellness program](#)



State-of-the-art, web based, wellness platform.



NNN's 2021 Walking Challenge logo



Ronald McDonald House Virtual 5k Fundraiser



Corporate IOA 5k



"Mental Health and Resilience during Turbulent Times" seminar

Walking/Weight Challenge

These programs allow associates to integrate fitness and nutrition into their workday, with teams that motivate each other to walk more, attend nutrition workshops, participate in company-sponsored Corporate 5Ks, and take a walk with our CEO.

Flu Shots and Biometric Screening

We offer complimentary, on-site flu vaccines to help protect our associates during flu season along with free, on-site, biometric screenings.

Supporting Associate Wellness Through the Pandemic

Supporting associate health and wellness has been a top priority for NNN, especially during the COVID-19 pandemic. Our ability to manage a safe and healthy work environment throughout the last two years has been due to:

- Our robust office safety policies and procedures (including remote work and flexible scheduling)
- Ongoing communications with associates, and our ability to maneuver quickly to meet the needs of our workforce
- Offering paid time off to associates to get vaccinated

Supporting Associates During the Pandemic

To ensure our associates could use their well-deserved time off, we provided a PTO rollover from 2020 to 2021. Our Flexible Spending Accounts and Dependent Care Accounts were extended for use into the following year to allow more time to utilize these funding options.

A series of live, web-based, lunch and learn seminars were offered to associates by credentialed health professionals during the pandemic. Seminar topics were Mental Health and Resilience in Turbulent Times, Your Social Well-Being and How to Achieve Balance in Your Life, and Getting the Most from Your Telehealth Benefits Options.

TRAINING AND DEVELOPMENT

NNN understands that learning is an ongoing process that runs parallel to work. We integrate training and development with our annual performance management program. Associates collaborate with their manager to develop three or four yearly performance goals and two self-selected learning and development goals. Managers hold two one-on-one formal feedback sessions with associates during the year. These sessions are for discussing professional development and providing support and mentoring to associates.

NNN associates are required to take anti-harassment and cybersecurity trainings. Managers hold two one-on-one formal feedback sessions with associates annually and encourage more frequent informal feedback throughout the year. Financial assistance is available for associates pursuing professional certifications and tuition for career-related external education.

Learning opportunities include:

DEGREED

NNN’s Learning Experience Platform connects learning and career growth with our business objectives through one single, fluid skill-development platform. Upskilling and reskilling are our focus coupled with our increase in remote working, advances in technology, and the ongoing push toward mobile accessibility. DEGREED brings thousands of podcasts, online courses, certifications, books, and articles to the fingertips of our associates 24/7.

Lunch & Learn Workshops

We offer topics presented by in-house subject matter experts and external professionals who share their business knowledge throughout the year. Personal learning is equally essential. NNN offers programs, education, and team events supporting our associates’ physical, emotional, and financial health. We work to support a culture of well-being for the whole person. Through these efforts, we can attract and retain top talent while also being recognized by recruiters as a “best-kept secret” in our industry.

Continued Education

NNN financially supports associates in their endeavors to maintain skill sets , as well as certifications (e.g., Certified Public Accountant, Certified Commercial Investment Manager, Senior Professional In Human Resources, Chartered Financial Analyst, and Member, Appraisal Institute)

Education Assistance

NNN provides up to \$3,000 per year of tuition assistance for associates furthering their education on topics related to their job function.



NNN Associates Day Thank You for Remote Teaming!



NNN Family Day



NNN Top Golf Team Event

EMPLOYEE RECOGNITION

NNN holds various events that show our appreciation to our employees for all they contribute to the company’s success. These include our Associates’ Day Celebration, Thanksgiving Luncheon, Holiday Party, Annual Family Event, and Years of Service Awards. Formally each quarter, employees are nominated by their peers for recognition.

Employee awards include:

Above & Beyond

Given to an associate who goes beyond the scope of their regular job duties to help another associate or department.

Giving Heart

Given to an associate who makes a difference through volunteerism, charitable acts, or community service.

Guiding Light

Given to an associate whose leadership nurtures growth in a fellow associate.

Ingenuity in Action

Given to an associate who implements a significant cost savings process or efficiency that benefits a department or the company.

Award winners attend lunch with our executive team, receive a crystal engraved plaque, a cash reward, and a reserved parking spot.

On-the-spot recognition is part of the NNN culture and is accessible to everyone 24/7. Any associate can recognize another person or team for giving their best by posting to the **National Recognition Platform**. There are 13 potential recognition categories including stewardship, service, character, and teamwork.

DIVERSITY & INCLUSION

At NNN, we are committed to advancing the diversity and inclusion of our workplace. We are committed to maintaining a workplace free of unlawful discrimination, including race, gender, marital status, age, color, religion, national origin, disability, veteran status, sexual orientation, or any other characteristic or status protected by law.

We provide each of our associates with detailed policies and materials to promote equal opportunity and prevent discrimination and harassment. To learn more about our stance on Diversity & Inclusion, Human Capital, and Harassment, please refer to our Guiding Principles.

Our efforts are substantiated through action and performance measures shared internally and externally. For instance, NNN was one of only 13 REITs selected for the 2021 Bloomberg Gender Equality Index (GEI). The GEI brings transparency to gender-related practices and policies at publicly listed companies, increasing the breadth of ESG information available to investors.

NNN regularly reviews employee demographics, assesses how it compares to others in the industry, and evaluates how to improve efforts from recruitment through employment at the company.

See our links supporting diversity:

- [Guiding Principles](#)
- [2021 Bloomberg Gender Equality Index \(GEI\)](#)
- [Human Rights Policy](#)



National Retail Properties International Womens Day 2021



This is a certification badge earned following the completion of a six-week course by Human Resources team members.



AMBITIONS

NNN is committed to increasing the diversity of our workforce and ensuring an inclusive experience for all associates. We will continue to expand programs aimed at holistically supporting our associates' health, well-being, and development.

Health and Well-being



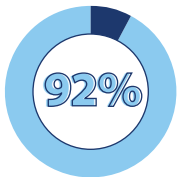
NNN is a recipient of the Cigna Well-Being Award for the fifth consecutive year.

Employee Engagement



80.5%

We received an 80.5% Favorability score on our 2020 Employee Engagement Survey. In every category, NNN scored above industry benchmarks.



Our 2021 employee retention rate is 92%.

Training and Development



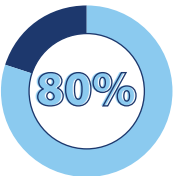
NNN launched DEGREED, our new Learning Experience Platform aimed at connecting learning and career growth with our business objectives through a single, fluid skill-development platform.

Diversity & Inclusion

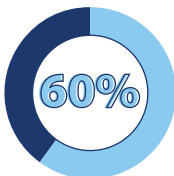


10%

NNN increased workforce diversity by 10% since 2017.



Females were promoted at an 80% rate for career advancement.



People of color were promoted at a 60% rate for career advancement.



We are proud to be a member of the 2021 Bloomberg Gender Equality Index, committed to driving accountability through data transparency.

WORKFORCE DEMOGRAPHICS					
YEAR	2017	2018	2019	2020	2021
Race					
White	83%	83%	83%	80%	74%
Of Color	17%	17%	17%	20%	26%
Gender					
Male	45%	44%	45%	46%	44%
Female	55%	56%	55%	54%	56%
Total Number of Associates	65	68	69	70	72

COMMUNITY SERVICE AND PARTNERSHIPS

Our Approach

We believe supporting associates to get involved with the causes they care about is good for our communities and our company. Associates provide the human capital for National Retail Properties, making company-sponsored volunteerism a key component of our corporate responsibility efforts. National Retail Properties provides our associates with paid time off to volunteer with local organizations. Associates volunteer with nonprofit organizations focusing on childhood development, mentorship for at-risk youth, and health and education.



National Retail Properties donated more than \$150K in financial contributions to nonprofit organizations in Central Florida in 2021. We continue to give back through volunteering, donations, and board involvement with nonprofit organizations.

Organizations include:



Boys & Girls Clubs of Central Florida

The mission of Boys & Girls Clubs of Central Florida is to inspire and enable all young people, especially those from disadvantaged circumstances, to realize their full potential as productive, responsible, and caring citizens.



Elevate Orlando

Elevate Orlando is a civic nonprofit dedicated to equipping and empowering underserved youth to graduate with a plan for their future. Elevate Orlando links the Orlando business community to underserved areas through education. This is accomplished through mentoring relationships and public school courses rooted in character education and leadership development.



Give Kids the World Village

Give Kids the World Village is a nonprofit organization that exists only to fulfill the wishes of children with life-threatening illnesses and their families from around the world to experience a memorable, joyful, cost-free visit to Central Florida attractions. NNN associates volunteer at the GKTW Village, performing various functions assisting these families during their stay.



The Ronald McDonald House Charities of Central Florida

Ronald McDonald House provides a home away from home for families with children receiving treatment at hospitals and medical facilities in Orlando.



For 15 consecutive years, NNN has been a lead sponsor for the Boys and Girls Club Annual Celebrate the Children Gala.



NNN has partnered with Elevate Orlando for the eleventh consecutive year.



Jingle Run

Investing in Youth

Our commitment to the communities we serve begins at home. National Retail Properties is a proud supporter of organizations working to improve the lives of children and at-risk youth in at-risk communities by partnering with local charity groups through financial contributions and involvement from NNN associates.

We are proud to highlight our long-term relationships with the Boys & Girls Clubs of Central Florida and Elevate Orlando. We believe investing early and often in youth development paves the way for success and opportunity for underserved communities. We view our community involvement as a long-term investment guided by our core values.

Boys & Girls Clubs of Central Florida

The Boys & Girls Clubs of Central Florida includes 36 clubs in six counties serving children who need support services the most. Participation is low-cost to free for children and their families. Programs include supporting youth activities with academic tutoring and extra-curricular activities, while expanding their experiences for positive connections with adult role models. For 15 years, we have contributed to the organization’s mission including being a lead sponsor of the Annual Celebrate the Children Gala event where our associates participate and attend.

Our Chief Financial Officer Kevin Habicht has been a volunteer and board member and has focused his attention on the club in Eatonville, the oldest black incorporated municipality in America. Over the past several years, this club has been able to grow from a run-down, portable building to a newly built, 23,000 square foot facility which is a gem in the city of Eatonville. Most importantly, it has been able to expand its touch on the lives of many children.



“I am truly lucky to be involved with such an amazing and effective organization. Elevate Orlando’s model of mentoring underprivileged youth on a daily basis is literally changing lives for the better in our community. Their teacher-mentors ensure that kids, who would otherwise slip through the cracks of society, graduate high school and have the skills necessary to lead a successful life.”

— Erik Nelson, Vice President, Acquisitions



“Our longstanding relationship with National Retail Properties is key to our achievements for helping students succeed in their educational journey and prepare for college and professional careers. We partner with employees as board members, as speakers to share career insights with Elevate Orlando students, and as advisors to our programs. Our students benefit tremendously from this involvement, and we share a common vision with National Retail Properties in strengthening our communities through the investments we are making in our future generation.”

— Sherry Paramore, Executive Director, Elevate Orlando



“ We know these clubs are making a tangible, positive, everyday impact on club members and our community – giving kids a place to go, some direction, a compass, surrounding them with opportunities to do the right thing, pointing them to better choices – and thereby helping kids develop to their full potential.”

— Kevin Habicht, Chief Financial Officer



“ National Retail Properties is committed to our relationships with local community organizations. We continue to give back through volunteering, donations, and board involvement with nonprofit organizations. ”

— Margo C. Moeder, Senior Vice President, Human Resources



Preparing Elevate Orlando students for college and post-high school careers.



Students at the Elevate Orlando Vision Breakfast event.

Elevate Orlando

Elevate Orlando serves at-risk youth in Central Florida with long-term involvement in skill building, educational support, and mentorship. Elevate works with our community youth throughout their development years and helps them graduate with a plan for the future. By Elevate teacher-mentors working directly in urban high schools and being available as mentors 24/7 for the kids, Elevate Orlando affects positive changes in young adults in our communities who may not otherwise have the support and resources needed to thrive and positively mature as they reach adulthood.

National Retail Properties partnered with Elevate Orlando 11 years ago when our CEO saw the need to support urban youth in our community. We supported the organization and helped Elevate expand from one high school to three high schools. The program has a 98% success rate of graduating students. Those students are then prepared to attend college, vocational schools, or the military. We support Elevate Orlando’s mission through financial contributions to hire teacher-mentors and through our employee engagements. Our associates have served on the board of directors and take time to host career days at the corporate office, giving youth the opportunities to learn about different professional careers and learn about the real estate sector.

Erik Nelson, Vice President of Acquisitions at NNN, has served on the board of directors for the past eight years and actively participates in the Young Professionals Council.

ENVIRONMENTAL PRACTICES

Our Approach

As an owner of many properties throughout the United States, National Retail Properties recognizes the importance of being a good corporate citizen and a good steward of the environment. NNN demonstrates these commitments through various initiatives at our corporate headquarters and throughout our portfolio of properties. As our ESG strategy and reporting efforts grow, we plan to build in more robust environmental practices.

NNN PORTFOLIO OF PROPERTIES

Our portfolio is comprised of properties that are leased to our tenants under long-term triple net leases which give our tenants exclusive control over the properties, including exclusive control over the energy conservation, emission reduction, and environmental management programs at the properties. The typical long-term triple net lease with our tenants is for a base term of 15-20 years with additional option terms of 15-20 years which gives tenants control of the properties for upwards of 40 years. NNN's tenants are generally large companies with sophisticated conservation and sustainability programs. These programs limit the use of resources by tenants and limit the environmental impact of tenant operations on our properties. Tenant initiatives on our properties include, but are not limited to, implementing green building and lighting standards, implementing recycling programs, and limiting emissions from our properties.

Our leases also require the tenants to fully comply with all environmental laws, rules, and regulations, including any remediation requirements. Our risk management department actively monitors any environmental conditions on our properties to ensure that the tenants meet their obligations to remediate or remedy any environmental matters. On all properties that NNN acquires, we obtain an environmental assessment from a licensed environmental consultant to understand any environmental risks and liabilities associated with a property and ensure that the tenant will address any environmental issues on our properties.

When a new lease is entered with a tenant, we actively engage with our tenants to promote good environmental practices on our properties.

ENVIRONMENTAL INSURANCE

NNN has a portfolio environmental insurance policy which covers substantially all of our properties. Our portfolio environmental insurance policy provides NNN with wide coverage for a variety of environmental risks that may exist on a property in our portfolio or that may arise in the future whether caused by our tenant or by a third party. In addition, on substantially all of our convenience store properties with gas pumps (i) the tenant is required under the lease to carry environmental insurance or to provide alternative financial

assurances covering environmental risks associated with the tenant's operations on the property, and (ii) many states provide funds to cover environmental risks that may arise on such properties in the future. These measures limit environmental impacts of the operations of tenants on our properties and reduces NNN's risks.

Tenant engagement includes:

- Environmental sustainability and recycling requirements
- Energy efficiency requirements, including Energy Star requirements and EPA Water Sense program requirements
- Environmental conservation and green building requirements, following industry best practices
- Energy usage reporting requirements

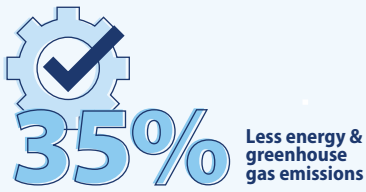
CLIMATE PREPAREDNESS

NNN regularly monitors the status of impending natural disasters and the impact of such disasters on our properties. In most leases, NNN's tenants must carry full replacement cost coverage on all improvements located on our properties. For those properties located in a nationally designated flood zone, NNN typically requires its tenants to carry flood insurance pursuant to the federal flood insurance program. For those properties located in an area of high earthquake risk, NNN typically requires its tenants to have earthquake insurance above what is usually covered in an extended coverage policy. In addition, NNN also carries a contingent extended coverage policy on all its properties which also provides coverage for certain casualty events, including fire and windstorms.

ENGAGING WITH OUR SUPPLY CHAIN PARTNERS

Our goal of operating at the highest ethical level also extends to our relationships with our suppliers. We ask our suppliers to comply with our Vendor Code of Conduct which we adopted in 2021. As we look to expand our ESG efforts, we plan to increase engagement to promote innovative technologies or other initiatives to reduce our overall environmental footprint.

Sustainable Attributes at the NNN Headquarters



NNN's Orlando, Fla. headquarters is EPA Energy Star certified, which means that it uses 35% less energy and generates 35% fewer greenhouse gas emissions. To receive this designation, several other requirements needed to be met. This includes utilizing energy-efficient LED lighting, using cleaning products that are Green Seal certified, and a mandatory shut down of all lighting and HVAC systems daily.



The building also utilizes a bulb crusher for all lamps, which contains a dust removal system that exceeds HEPA standards by removing 99.99% of particles for the building fluorescents. To minimize waste generation and release of pollutants, the building requires all paint to be low VOC.

Stormwater retention is managed through water runoff from roofs and paved areas and is routed to various underground drainage basins. All air handler condensate drain water, fire sprinkler relief, and drain water are also piped to this drain field. All water runoff is naturally filtered and returned to the aquifer. This underground system replaces the need for retention ponds. To minimize watering needs, green-friendly native and drought-tolerant plants are used in landscaping.

Furthermore, NNN encourages a culture of environmental preservation and efficient usage of environmental resources throughout the company by supporting the following initiatives:



Promoting SUSTAINABLE TRANSPORT

Providing associates with a pre-tax payroll deduction for using the SunRail train system to limit the number of automobile trips and reduce our carbon footprint. Similarly, the location of our headquarters allows our associates to utilize other modes of public transportation, such as buses and biking.



Saving ENERGY

Purchasing ENERGY STAR certified desktop and laptop computers, monitors, and printers. These machines also use ENERGY STAR power management settings.



MORE Recycling

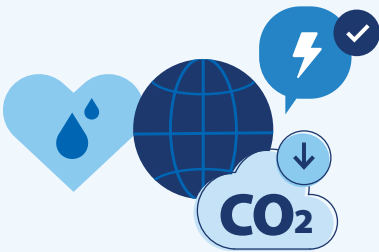
Implementing single-stream recycling.
Recycling old computer equipment, printers, and other electronic items.
Disposing of all ink cartridges utilizing TOSHIBA's recycling program.



BOOST Reusing

BRING
YOUR
OWN
CUP

Requiring all associates to use personal cups.
Installing water machines to limit the use of plastic cups and bottles.



AMBITIONS

NNN is dedicated to **reducing our energy and emissions footprint** to mitigate climate change.

We are **dedicated to water stewardship** and recognize the right to water as a fundamental human right. We respect the human need for sustainable water supplies, safe drinking water, and the protection of ecosystems and communities through proper sanitation.



First LEED certified convenience store/gas station in the United States.

Performance metrics

ENERGY (GJ)		
YEAR	2020	2021
Chilled water	1.2	1.3
Electricity	98.6	113.8
Total	99.8	115.1

Note: Energy consumption is reported for NNN's corporate HQ only

GHG EMISSIONS (METRIC TONS CO ₂ EQUIVALENT)		
YEAR	2020	2021
Scope 1	n/a	n/a
Scope 2 (location-based)	10.5	12.1
Scope 3 (leasable assets)	n/a	296,088
GHG Intensity (kg CO ₂ e/sf)	n/a	8.8
GLA (sf)	n/a	33,767,684

Note: Scope 1 emission sources from our corporate HQ are considered de minimis and excluded. Scope 2 emissions were determined using eGRID2020. Scope 3 emissions from leasable assets were 100% estimated using CBECS 2012 median intensities by building activity. GLA includes properties disposed in 2021.

Statements in this report that are not strictly historical are "forward-looking" statements. These statements generally are characterized by the use of terms such as "believe," "expect," "intend," "may," "estimated," or other similar words or expressions. Forward-looking statements involve known and unknown risks, which may cause the company's actual future results to differ materially from expected results. These risks include, among others: the potential impacts of the COVID-19 pandemic on the company's business operations, financial results and financial position and on the world economy, general economic conditions, local real estate conditions, changes in interest rates, increases in operating costs, the preferences and financial condition of the company's tenants, the availability of capital, and risks related to the company's status as a REIT. Additional information concerning these and other factors that could cause actual results to differ materially from these forward-looking statements is contained from time to time in the company's Securities and Exchange Commission (the "Commission") filings, including, but not limited to, the company's report on Form 10-K and Form 10-Q, as well as company press releases. Copies of each filing may be obtained from the company or the Commission. Such forward-looking statements should be regarded solely as reflections of the company's current operating plans and estimates. National Retail Properties, Inc. undertakes no obligation to publicly release the results of any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date these statements were made.

NATIONAL RETAIL PROPERTIES, INC.

450 S Orange Avenue, Suite 900

Orlando, Florida 32801

Phone: 1-800-NNN-REIT (1-800-666-7348)

General Inquiries: investorrelations@nnnreit.com