



## **NNN REIT, Inc.**

### **Corporate Responsibility Policy**

#### **1. Introduction**

NNN REIT, Inc. (“NNN” or the “Company”) is focused on achieving success for our stockholders, providing a world class working environment for our associates, enriching our community and preserving environmental resources. We operate our business in accordance with the highest ethical standards and strive to have class-leading corporate governance standards. Holding ourselves to such standards is critical to the long-term success of our stockholders, associates, and community

This Corporate Responsibility Policy (this “Policy”) outlines NNN’s continued efforts towards developing and expanding disclosure of Company policies and actions concerning environmental, social and governance issues.

#### **2. Environmental Responsibility**

##### ***Environmental Practices and Impact***

As an owner of a large number of properties throughout the United States it is important to the Company to be a good steward of the environment which NNN demonstrates in a variety of ways both at our headquarters and at our properties across the country.

##### ***NNN Headquarters***

Our headquarters is located in a building that meets the Environmental Protection Agency's ("EPA") strict energy performance standards to achieve ENERGY STAR® certification. As stated by the EPA, on average, ENERGY STAR certified buildings use 35% less energy and generate 35% fewer greenhouse gas emissions than typical buildings. In order to receive this designation, the following criteria must be met:

- Utilization of energy efficient LED lighting.
- Use of environmentally friendly cleaning products. The products must meet the Green Seal certification standards.
- Variable frequency drives and more energy efficient motors are purchased and installed in all cooling tower units.
- Mandatory shut down of all lighting and HVAC systems daily.
- The building 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 generation of waste and release of pollutants, the building requires all paint to be low VOC.
- Storm water retention is managed through water runoff from roofs and paved areas and are routed to various underground drainage basins. All water runoff is naturally filtered and returned to the aquifer.



- Green-friendly native and drought-tolerant plants are used in landscaping to minimize watering needs.

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

- Associates are provided with a pre-tax payroll deduction for the use of the commuter rail system to limit the number of automobile trips and reduce our carbon footprint.
- Single-stream recycling is implemented at our headquarters.
- We purchase ENERGY STAR certified desktop and laptop computers, monitors and printers.
- We use ENERGY STAR power management settings on our computers and monitors.
- We recycle old computer equipment, printers and any other electronic items.
- We dispose of all ink cartridges utilizing the manufacturer's recycling program.
- Our document destruction program partner recycles all shredded materials (resulting in 20,800 pounds diverted from landfills and equivalent to saving roughly 200 trees).
- All associates are encouraged to use reusable personal containers and we have installed water machines to limit the use of plastic cups and bottles.

NNN's headquarters is located where our associates can reduce their carbon footprint by using the following green transportation programs: (i) electric charging stations and designated parking spaces for hybrid vehicles, (ii) bicycle storage lockers as well as bike racks, (iii) electric commuter bike and scooter rental stations, and (iv) free commuter bus for travel throughout downtown Orlando.

### ***NNN Portfolio of Properties.***

The properties in NNN's portfolio are generally leased to our tenants under long-term triple net leases with typical lease terms of 30 to 40 years including base and option terms which gives our tenants exclusive control over the ability to institute energy conservation and environmental management programs at our properties. The majority of our tenants are large companies with sophisticated conservation and sustainability programs designed to conserve environmental resources and limit the impact of the use of our properties on the environment, through, among other initiatives, the implementation of green building and lighting standards, emissions reduction programs and recycling programs. Our leases generally require the tenants to fully comply with all environmental laws, rules and regulations, including any remediation requirements. Our risk management associates actively monitor any environmental conditions on our properties to make sure that the tenants are meeting their obligations to remediate and/or mitigate any open environmental matters. Our property acquisition process includes obtaining an environmental assessment from a licensed environmental consultant to understand any environmental risks and liabilities associated with a property and to ensure that the tenant will address any environmental issues. Furthermore, we maintain a portfolio environmental insurance policy that covers substantially all of our properties for certain environmental risks.

When possible under our triple-net leases, we engage with our tenants to promote environmental best practices on our properties, including discussions regarding the following: (i) environmental sustainability and recycling requirements, (ii) energy efficiency requirements, including ENERGY STAR requirements, and EPA Water Sense program requirements, (iii) environmental conservation and green building requirements, in accordance with industry best practices, and (iv) energy usage reporting requirements.



Furthermore, our form leases contain "green lease clauses" which we encourage tenants to accept during negotiations to require the tenants to report energy usage and emissions. With the updates discussed above along with others that have been made to the Company's form leases, the Company was awarded Green Lease Leader silver recognition. We also have over 300 tenants who are currently required to send the Company sustainability data and we anticipate this number increasing as we continue to utilize the updated form lease.

### ***Climate Risk Preparedness***

NNN regularly monitors the status of impending natural disasters and the impact of such disasters on our properties. In the substantial majority of leases our tenants are required to carry full replacement cost coverage on all improvements located on our properties. For those properties located in a nationally designated flood zone, we typically require our tenants to carry flood insurance pursuant to the federal flood insurance program. For those properties located in an area of high earthquake risk, we strongly encourage, and in some cases require that our tenants carry earthquake insurance above what is generally covered in an extended coverage policy. In addition, we also carry a contingent extended coverage policy on all our properties which also provides coverage for certain casualty events, including fire and windstorm. In cases where our tenants do not provide coverage, or if a property is vacant, the Company carries the necessary direct insurance coverage.

### **3. Social Responsibility**

NNN prohibits the use of all forms of forced labor, including, but not limited to prison labor, indentured labor, bonded labor, military labor, modern forms of slavery and any form of human trafficking. We also minimize risks by committing to work with well-established suppliers in our supply chain. We have a no tolerance policy for associates, suppliers and vendors in violation of our company standards regarding slavery and human trafficking and anyone in violation of those standards is subject to termination.

NNN is committed to being a best-in-class employer for our associates, with a work environment that cultivates our associates and helps them grow and reach their potential not only in their chosen professions, but also in their personal lives.

### ***Human Capital Development***

NNN employs approximately 82 associates. Our success is dependent upon the dedication and hard work of our talented associates. Our associates are true experts in their fields. We encourage continued professional and personal development of all associates by providing hundreds of hours of in-person and online training opportunities that touch all aspects of our business. We also have associate mentoring and training programs and formalized talent development programs at all levels of the Company. The success of our commitment to our associates is shown in the long tenure of our associates. Our executive team, our department heads, and our senior managers average over 19 years of experience with the Company. In addition, 46% of our associates have been with the Company for 10 years or longer. The institutional knowledge and long tenure of our associates is a true competitive advantage of the Company. In addition, the Company's gender composition is 58% female and 42% male. We have adopted a Human Capital Policy which is available on our website at <http://www.nnnreit.com>. The Company is one of only 13



REITs included in the 2023 Bloomberg Gender-Equality Index (GEI), a reference index that tracks the financial performance of public companies committed to disclosing their efforts to support gender equality through policy development, representation and transparency.

### ***Total Rewards, Benefits & Work-Life Balance***

The Company also focuses on additional benefits for our associates in an effort to make sure our associates are not only well compensated but also engaged, developed and satisfied with their work-life balance. There are six key elements to our total rewards system: Compensation, Benefits, Wellness, Work-Life Balance, Professional Development and Recognition. Our programs include but are not limited to a 401(k) plan with a company match, flexible work schedules, college saving plans, educational assistance program, adoption benefits, flexible spending and health saving accounts, health and wellness events, and access to a state-of-the-art online wellness platform. We actively monitor employee engagement and we conducted several anonymous associate engagement surveys in 2021, 2022 and 2023. We have taken a variety of actions and made a variety of initiatives based on the results of such surveys, including but not limited to, an expanded remote work policy, expanded associate recognition programs and other health and wellness programs. We intend to conduct additional anonymous associate engagement surveys in the future. The Orlando Business Journal included the Company among the 79 companies in Central Florida named to its list of “2023 Best Places to Work”. The Company was chosen for maintaining engaging work environments, offering great benefits, perks and career development opportunities.

### ***Community Service and Partnerships***

NNN cares about the communities in which we live and work. We stand behind our commitment to improving education, strengthening neighborhoods, and encouraging volunteer service. We actively promote volunteering by our associates. We organize and sponsor specific volunteer days throughout the year at various charities, including Ronald McDonald House of Central Florida. Associates are encouraged to volunteer on work days during work hours for these events. In addition to our donation of time, we also are a meaningful financial investor in numerous charities in the Central Florida community, including the Boys & Girls Clubs of Central Florida and Elevate Orlando (a teacher mentor program for high risk urban youth that helps young women and men graduate high school with a plan for the future).



## **4. Governance Practices**

### *Corporate Governance*

NNN is currently managed by a nine-member Board of Directors made up of seven independent directors and two internal directors. The Board has adopted a set of corporate governance guidelines, which, along with the written charters for the Board committees, provide the framework for the Board's governance of NNN. Our corporate governance guidelines are available on our website at [http:// www.nnnreit.com](http://www.nnnreit.com). Our Board, led by a non-executive Chairperson, meets regularly with NNN's executive leadership team to stay fully informed and have the opportunity to understand and debate material issues and to fulfill their oversight responsibilities regarding NNN's performance.

NNN annually reviews its policies to make sure we effectively manage risks. The Board and management continually stress the importance of, and emphasize operating in accordance with, best-in-class corporate governance standards. Our executive management team is responsible for managing the day-to-day risks associated with our business. The Board of Directors, however, provides oversight of our affairs for the benefit of our stockholders, and among its primary responsibilities is overseeing management's competent and ethical operation of NNN. Implicit in these duties is risk oversight, the primary responsibility of which has been delegated to the Board's Audit Committee. Among the significant risks that we oversee are operational risk, legal, and regulatory compliance risk, often related to climate change and related regulations. The Audit Committee reviews significant risks and discusses guidelines and policies to minimize such risks with management annually, or more frequently, as the Audit Committee and the Compensation Committee separately consider risks within their areas of responsibility.

## **5. Accountability and Reporting**

NNN is committed to reporting corporate responsibility performance regularly to stakeholders and shareholders. This includes:

- Regular Corporate Responsibility Reports that detail our performance in key metrics;
- Engaging with stakeholders on matters including materiality and metrics;
- Reporting the use of frameworks that are recognized as best practices when possible (i.e. GRI and SASB).

## **6. Review and Updates**

This Policy will be reviewed periodically to ensure it remains aligned with our values and business practices. We will adapt and enhance our approach as necessary to address emerging issues and stakeholder expectations.

By adopting this Policy, NNN is committed to creating long-term value for all of our stakeholders, safeguarding the environment, and contributing positively to the communities in which we operate.

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