

**U.S. Physical Therapy, Inc.**  
**ESG Report**  
**2025**

## **Introduction**

U.S. Physical Therapy, Inc. (“USPH” or the “Company”) is one of the largest publicly traded, pure-play operators of outpatient physical and occupational therapy clinics, operating more than 779 clinics in 44 states through its majority-owned subsidiaries. In addition, USPH owns other subsidiaries which operate a robust industrial injury prevention business, providing services to hundreds of companies to help them foster a culture of safety and wellness for their respective employees.

The rehabilitation clinics provide pre- and post-operative care for a variety of musculoskeletal conditions and sports-related injuries, as well as rehabilitation of injured workers. USPH subsidiaries also manage physical therapy facilities for third parties, including physician groups and hospitals. Most of USPH subsidiaries’ clinics are directed by licensed physical therapist partners who oversee the business and clinical operations of the subsidiary.

USPH has grown its business through a combination of de novo development and strategic acquisitions. The strategic acquisitions have accelerated the Company’s growth, and typically are structured with significant ownership retained by the practice owners and founders, who remain with the business. A core tenant of our ability to grow is achieved by empowering clinic leaders to maintain their operations with decision making power and lasting connections with patients and employees and communities.

## **Company Structure**

We believe that healthcare services generally, and our services specifically, should be accessible and driven by a community-oriented approach. The best organizational leaders are those that come from the communities they live in and serve. Our operating structure reflects this strongly-held point of view, as mostly all of our healthcare services are performed within separate subsidiary provider entities that operate in specific local communities, and which are owned partly by clinicians who reside in the local community.

USPH serves as the parent-level holding company for more than 150 subsidiary entities, and it is these subsidiaries that perform the patient care and other services to clients (hereinafter collectively referred to as “Subsidiary Partnerships”). Most of these Subsidiary Partnerships have minority owners who are active in the management and operation of the local health care services operations, with USPH serving as the majority owner and providing management and operational guidance and a wide variety of support services. Day-to-day operational decisions for these Subsidiary Partnerships are made locally, under a governance structure that includes the local partners. As a result of this operating and governance structure, business operations vary among our Subsidiary Partnerships. While legal and healthcare compliance is mandated by USPH and is applied and complied with on a uniform basis among these Subsidiary Partnerships, hiring decisions, career development opportunities, charitable and philanthropic endeavors, and many other day-to-day decisions are determined by these local partners.

Our operating model has proven to be very successful in fostering great patient care and providing opportunities for our staff to make a difference in the lives of millions of patients. In this Report, depending on the nature of the specific information, we report on our parent company (USPH) and our Subsidiary Partnerships separately, and/or on an aggregated basis, as applicable.

## **About this Report**

USPH is proud to release its third annual publication regarding the initiatives, practices and programs across the organization pertaining to environmental, social and governance (“ESG”) risk management and oversight. This report is guided by the Sustainability Accounting Standards Board (SASB) standards for Health Care Delivery. This report is also aligned to the United Nations Sustainable Development Goals (UN SDGs) to capture sustainability priorities for our broader stakeholder landscape. This document contains information through June 30, 2025, unless otherwise noted.

In this Report, we highlight a number of initiatives and processes underway during 2025 and into 2026 as part of our ESG journey, which we see as a reflection of USPH’s overall mission and strategy. Our values and culture emanate from a care-driven, patient-focused purpose to serve people in their everyday lives by helping them to achieve health and wellness and to return to the activities they love.

This Report contains forward-looking statements regarding our future business expectations and objectives and our environmental, social and governance goals, which involve risks and uncertainties. Actual results may differ materially from the results anticipated depending on a variety of important factors, including without limitation the risks detailed in our filings with the U.S. Securities and Exchange Commission. In relation to this Report, we are (wholly or in part) reliant on public sources of information and information provided by our own suppliers and business partners.

## **Relevance of ESG to Our Business**

Our review and evaluation of ESG is based on our assessment of those environmental, social and governance factors that are relevant to our business. Through our Subsidiary Partnerships, we provide patient care services primarily in freestanding outpatient physical therapy settings, and we also provide onsite injury prevention and rehabilitation, performance optimization, post-offer employment testing, functional capacity evaluations and ergonomic assessments on behalf of third-party employers. As a services company in healthcare, our Subsidiary Partnerships are highly regulated at the federal and state level, and we are subject to a variety of healthcare-specific laws concerning patient privacy, government payment policies, and other regulatory and compliance matters. We lease all of the spaces where we operate, including clinics and our corporate offices. We do not manufacture products. Most of our services are performed “person to person” in direct contact with our patients and clients.

As a result, our approach to ESG focuses on protecting, sustaining, and caring for our most important assets – our employees and our patients. These stakeholders are key to the success of our organization. Recruiting and retaining skilled workers has a significant impact on our ability to conduct business. Building an organizational culture that promotes inclusion, training, continued learning and autonomy is pertinent to our ability to retain top talent. Human capital

management, relational interaction, and development of ability are at the forefront of our culture and our strategy.

As of September 30, 2025, our Subsidiary Partnerships employed more than 3,350 full and part-time licensed physical therapists, occupational therapists and physical and occupational therapist assistants, and more than 4,400 therapy aides/technicians and other administrative staff. These clinicians work within partnership structures where the leadership, culture and clinical excellence is led by local, licensed, owner-clinicians. These partnerships are supported by regional management and our corporate and internal support structure, whose purpose is to provide the necessary support and services so that our clinicians and partnership organizations can focus on their core competency – taking care of patients. These support functions are vast, and include compliance, managed care contracting, revenue cycle management, information technology, clinic development, legal support, human resources and support for other back-office areas.

As a public company, we are also committed to operating with transparent and responsive governance policies and practices that serve the long-term interests of the Company and our stakeholders.

Although the physical locations from which we operate are leased from third parties, we are committed to exploring practical opportunities with the managers of our leased spaces to engage in energy and waste management strategies that will positively impact our environment. Over the past few years our operations have become more efficient with respect to travel. Routinely, we use established video conferencing tools like Zoom and Teams to conduct meetings rather than asking people to fly to do face-to-face meetings which, while necessary for some considerations, can be augmented effectively with these well-established tools.

## **Building a Resilient and Engaged Workforce**

As of November 30, 2025, we employed a total of 8,170 people nationwide working for USPH and its Subsidiary Partnerships, including more than 4,300 full-time employees. A total of 303 of these employees work within the USPH corporate support group, and the remaining employees work within the Subsidiary Partnerships. During 2025, our clinics performed more than 6 Million patient visits , making a profound impact on the health and well-being of millions of patients.

The following information is consistent with UNSDG Standard 8: Decent Work and Economic Growth – promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

### **Human Capital Management**

As of November 30, 2025, USPH and the Subsidiary Partnerships employed a total of 8,170 employees nationwide, including more than 4,300 full-time employees. As of the end of 2024, our total employee count was 7,028. Our Subsidiary Partnerships have more than 779 clinics and operate in 44 states. Approximately 42% of this workforce work part-time and enjoy the flexibility that provides them and their families.

### **Employee Recruitment, Development, & Retention**

Our Subsidiary Partnerships' continued ability to provide superior, high-quality, patient care services depends on our ability to attract, develop and retain clinicians who are qualified, thoughtful, and highly engaged. We strive to attract and retain exceptional people by providing access to extensive resources and career development opportunities, investing in our people to aid in their development and skill-building as they grow their careers within USPH. We provide evidence-based, proprietary programs focused on leadership development, operational excellence, commercial effectiveness, and clinical capability enhancement, collectively branded as the "Masters Institute." We invest in and actively support employee development through a range of nationally recognized educational offerings, including peer-to-peer mentorship and other advanced clinical training opportunities such as residencies and fellowships. Internally we train and educate clinical and administrative staff in a variety of continuously evolving areas including patient care protocols, regulatory compliance updates, and any related work flow changes. This training is accomplished through webinars, live training events, and an internal learning management platform, all of which are important to support our growing workforce.

USPH completed its 2nd annual employee engagement survey in 2025. Insights from our first survey contributed to companywide initiatives and significant investment into system improvements and other program developments that will positively impact our business. These initiatives include a new applicant tracking system ("ATS") that was implemented and rolled out to all partnerships in early 2025 and a new enterprise resource planning system ("ERP") that is currently in process. The ERP includes all financial and accounting, human capital management and payroll business processes. With the go-live of the ATS and the ERP implementation in process, our workforce acknowledged in year two of the engagement survey the benefits that these initiatives will deliver in the years to come. Process and system improvements impact our recruitment, development and retentions strategies as highlighted below.

## Recruitment

We stay closely connected to the communities where we operate, not only because it is our responsibility as a corporation, but it is also a key tool used to recruit top talent. Across our operations, recruitment begins at the local level, as our partners and local leaders are embedded within the local communities they serve. Our Subsidiary Partnerships' local brand awareness and strong community ties enable our clinics to attract quality local candidates. Further recruiting support is provided from our Houston-based support services group, which coordinates these efforts with the local partners.

In 2025, we rolled out a new ATS which provides a fully automated and streamlined process across the entire organization. From this system, we are able to deploy our open positions to critical national job boards and engines which support our industry, including platforms supporting our military and diverse populations. We will now also be able to develop 'communities' within our ATS to engage with candidates nationwide to make them aware of opportunities and both national and local events. Our processes also will provide critical data, over time, including but not limited to offer acceptance/rejection data, sourcing information, PT programs, those interested in relocating or traveling, and much more. We will continue to develop our recruitment strategies to improve our hiring practices in part based on these findings.

Many of our Subsidiary Partnerships also have established Clinical Affiliation Agreements with local colleges and universities. Across the country, we currently have relationships with approximately 315 accredited universities. Through these arrangements, aspiring physical therapists are able to obtain practical clinical experience working side by side with our experienced licensed staff through student rotations, as they pursue their Doctor of Physical Therapy Degree. USPH provides support to university athletics and educational programs in many ways including pro-bono coverage in their clinics, mentorships, internships, speaking engagements, teaching assignments and alumni involvement. Some of the universities involved include Army-Baylor, University of Michigan, University of Florida, Washington University, Arizona State University, Louisiana State University, Tufts Medical Center, University of Southern California, Duke University, and Georgia State University, among others. These arrangements enhance our local recruitment efforts, since many of the participants look to practice in these same local communities upon graduation. For the nine months ending September 30, 2025, we had 1,217 interns and professional students participated in the care provided to our patients at our Subsidiary Partnerships and expect by year end to have well over 1,250 student rotations.

In January 2025, to help drive a nationwide initiative to expand student rotations, increase our presence with local colleges and universities, further develop our mentorship programs, internal educational and leadership programs such as the "Masters Institute", residencies and fellowships, USPH created an Education Department led by a skilled clinician and former college faculty member. In 2025, we increased our Professional Program Affiliations by 25% and initiated a systematic approach to manage student rotations through EXXAT, an education management software platform. We anticipate future growth to continue. Through engagement activities with DPT program administrators and student bodies, we are committed to enhancing brand awareness of not just our local partnerships but the USPH brand and national footprint. There is tremendous value in coordinating efforts with our recruiting team to migrate students into our talent pipelines

and communities within our ATS system. We know that not all students intend to stay local when they graduate, and our tremendous network of partnerships across 44 states provides students with a vast array of exciting opportunities. We are developing mentorship programs for students within Together, a software platform that connect students virtually with local or national mentors who may share specialized interests with the student to further inspire their upcoming career.

Our Subsidiary Partnerships advertise through various means, including job boards (through our ATS), college campuses, social, trade and professional websites, community sites and local events. We also partner with local high schools in many of the communities we serve, providing internships, observation experiences and mentoring opportunities to high school students who may have interest in pursuing a career in our industry. We encourage partners to utilize every opportunity available within their operating community to get connected with top talent as well as to give back to those communities we serve.

We strive to recruit diverse candidates and are committed to making an impact in increasing diversity of talent in the field of physical therapy, so that our care providers better reflect the patients and communities we proudly serve. Our internal recruiters and local partnership leaders work with historically black colleges and universities (HBCUs) and use campus recruitment opportunities, as well as word of mouth recruitment through our Partners to enhance diversity in our applicant pools. In 2025, more than 63% of our clinical hires and approximately 70% of all Company hires were diverse by gender, race, or ethnicity. In total, more than 60% of our clinicians are female. We are proud of our top tier level support of the Rizing Tide Foundation which provides scholarships, community and support to DPT students from traditionally under-represented backgrounds. We've served the Foundation with clinical rotation and employment opportunities for their scholars since the program's inception.

Many of our clinics provide services in rural and underserved communities. Our Company is a founding member of the Alliance for Physical Therapy Quality and Innovation (APTQI). Part of APTQI's mission is to further enhance diversity in our profession particularly among under-represented minorities. As such, APTQI has a very active diversity and equity committee as part of the APTQI Board, which is led by our Chief Executive Officer – Chris Reading, who has served as President of APTQI for many years. Under the leadership of Mr. Reading and other physical therapy industry leaders, APTQI has embarked on several initiatives to fund scholarships and awards for HBCU students, as well as promoting the physical therapy profession within historically marginalized or underserved communities. A recent example is a new initiative by APTQI to have its member companies, such as USPH, participate in programs that allow high school students in these underserved communities to observe, shadow and otherwise gain exposure to the field of physical therapy. The goal is to facilitate both awareness and interest, as well as to create an individualized mentorship relationship that will help interested students to pursue the field of physical therapy or other non-licensed careers within the industry and member companies.

## **Training and Development**

We provide multiple opportunities for our Subsidiary Partnerships' employees to grow through our Masters Institute classes, continuing education, annual compliance training, internal leadership development programs, and both formal and informal mentoring initiatives. Our Partnership

Subsidiaries have more than 3,350 licensed professionals who annually satisfy their education requirements through these programs.

The Masters Institute has been a foundation of our Company for over 15 years, the 3-day course is offered several times each year and involves extensive operational and clinical engagement training for our local partners, clinic directors, lead therapists, emerging leaders, and sales professionals. Led by our Education Department, the program is tailored to equip our Subsidiary Partnership's leadership and team members with the necessary tools, knowledge, and skills to excel in operational roles and contribute to the growth and success of their organizations. Masters Institute participants have the opportunity to learn from USPH Managers and Executives how to run a successful and compliant clinic through unique interactive presentations, facilitated scenario exercises, and structured team development activities. The program provides the following:

- Management and Operational best practices
- Development and execution of strategic growth objectives
- Financial management and business operations education
- Leadership guidance and best practices
- Patient experience and service excellence standards
- Local market engagement and practice growth strategies
- Compliance, regulatory, and legal guidance related to staff, clinic and patient management

Because of our commitment to superior quality and clinical education, our Subsidiary Partnerships provide their licensed professionals with access annually to generous continuing education stipends which are used for additional clinical and operational trainings, advanced skill acquisition and expansion of special certifications. Subsidiary Partnerships clinical staff also are able to participate in a variety of internally developed clinical programs, such as Falls Prevention, Workers Compensation modules, Work Conditioning, and Remote Therapeutic Monitoring, among others. Our Compliance and Clinical Services Department also provide bi-annual and other periodic educational programs to all staff within the Subsidiary Partnerships, through a combination of webinars and an online training platform.

Some of our key Subsidiary Partnerships offer internally developed clinical residency and advanced training programs that enable both our licensed PT's and OT's opportunities to further develop and specialize their clinical expertise. These programs provide post-professional clinical and didactic education designed to advance practitioner preparation in defined areas of clinical practice. The programs combine structured clinical supervision and mentorship with advanced theoretical instruction and opportunities for scientific inquiry to support high-quality patient care delivery.

These programs help our partnerships to attract and retain high-quality therapists in their local communities.

## **Employee Retention**

The Company and its Subsidiary Partnerships offer competitive compensation and benefits packages to their employees, along with the opportunity to work in a partner-centric environment

where local leaders are significant owners in the business operations. While the competitive environment for clinical talent continues to be difficult, we believe that our stability, ownership structure and culture are differentiating factors that help us to succeed in retaining our highly skilled employee base. When USPH partners with a Subsidiary Partnership, it is extremely important that local ownership is aligned with our long-term growth strategies which includes their ongoing leadership. We experience minimal leadership changes in ownership and when we do, it typically is as planned with appropriate succession.

Our Subsidiary Partnerships provide other benefits at the local level that contributes to the employee experience, such as community outreach initiatives; engagement opportunities with local universities, high schools and other institutions to raise awareness in our industry; employee spotlights internally, externally and through social media to celebrate our employee successes; gym access; mental health support; continuing education and leadership development opportunities; residency program offerings; in-person and virtual mentorship opportunities with uniquely skilled clinicians, and even overseas opportunities to assist local practitioners in underserved and remote cultures.

USPH and its Subsidiary Partnerships work hard to provide a satisfying, quality workplace for their employees to build a career and provide for their families, all while making a difference in the lives of patients in the local communities that they serve. These efforts have resulted in overall retention rates moving in a positive direction. Within our Subsidiary Partnerships, which employ more than 95% of all employees, the turnover rate has decreased from 38% in 2024 to 37% in 2025 (based on nine months ending September 30, 2025 annualized). For the same periods, the turnover rate among licensed staff, excluding PRN staffing, has decreased from 21.5% to 18.3% for 2025 annualized. This is our lowest reported turnover rate in 7 years. Turnover for administrative staff within our Subsidiary Partnerships decreased from 44.5% in 2024 to 41.3% for 2025 annualized. While some degree of turnover is expected in the ordinary course of business, we and our Subsidiary Partnerships strive to continually make improvements in this area.

### **Equitable Employment Practices**

We are committed to fair and equitable employment practices. At the USPH, parent company level, 68% of all employees are women. USPH's executive level, which is comprised of Vice Presidents and other executives, consists of 42% women; managers and directors are 59% female.

Our Board of Directors also is committed to diversity at the Board level. In 2020, the Board adopted a Diversity Policy, which has at its core the following policy statement:

The Company recognizes and embraces the importance of a diverse Board in its success. The Company believes that a truly diverse Board will leverage differences in thought, perspective, knowledge, regional and industry experience, background, race, age, gender and other distinctions between directors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately.

Our current Board of Directors consists of eight directors, three of whom are female.

Our Subsidiary Partnerships make hiring and promoting decisions based solely on qualifications, merit and business needs at the time. We are proud of the diversity we currently have with a workforce that is 68% female, but we know there is still much work to do to better represent racial diversity in the communities in which we live, work and serve. We work with many accredited universities and have targeted recruitment at Historically Black Colleges and Universities (HBCUs) to try and raise awareness and interest in the opportunities that we present. Some of the HBCUs with which our partnerships have affiliation agreements, include Delaware State University, Hampton University, Jackson State University, Tennessee State University, Morgan State University and Florida A&M. We are excited about the opportunity to work with these programs and look forward to partnering with their current students and graduates. Our Subsidiary Partnerships continue to mentor and provide internship opportunities to current and future students and will continue to offer these programs both for the benefit of students and the positive impacts that enhanced diversity provides for all of USPH's operations.

### Generating Positive Feedback in Local Communities

Reputation Management is an online digital platform that provides a numerical rating to a clinic based on the solicited and unsolicited feedback from patients which is communicated directly by patients over the internet. Throughout 2025 many of our Subsidiary Partnerships started tracking and relying on the patented algorithms behind Reputation Score X™ to provide a reliable index of clinic performance to make targeted business improvements.

As of September 30, 2025, our Subsidiary Partnerships have 622 clinics utilizing Reputation Management with a cumulative Reputation Score X™ of 807. This is an increase when compared to our score of 794 last year. Significantly, 453 of these clinics have made it to the coveted “800 club”, which is in the “Excellent” range on the applicable scale. Receiving high ratings on Reputation Management demonstrates a commitment to customer service and can influence patient’ decisions to choose one of our Subsidiary Partnerships’ clinics for their therapy treatments.

2024



2025



We also monitor our clinics’ ratings on Google. Google ratings are based on the volume and nature of the feedback provided over the internet. During the first 9 months of 2025, our Subsidiary

Partnerships ratings and reviews increased by 35% to 15,908, but we maintained our aggregated Google rating of 4.9 stars out of 5.

In 2024, we automated our survey tools and integrated the tool with our EMR system. These recently integrated surveys include a First Impressions Survey and a Net Promoter Score Survey (NPS). Our Subsidiary Partners have an NPS score of 93 for 2025 (through September). The First Impressions Survey asks patients about the ease of the scheduling process, whether they are new to physical therapy, the friendliness of our staff, the explanation of their benefits, and treatment plans. The Net Promoter Score Survey (NPS) asks patients how likely they are to recommend our clinics to a family member or friend. As more of our Subsidiary Partnership clinics participate in these additional survey tools, we will be able to report on the feedback and scores achieved.

## **Health and Safety**

We take safety in our facilities very seriously. We have a robust incident reporting system that we use for all occurrences including our patients, visitors and our employees. Through September 30, 2025, USPH had 8,051,437 hours worked. During this period, there were minimal workers compensation claims, and all incidents were managed and handled through proper channels. During the first nine months of 2025, we continued to experience a very low volume of workers compensation claims. In all, our business operations have been very successfully in minimizing the occurrence of any material incidents affecting our patients, employees or others.

### **Incident Reporting and Follow Up**

USPH has an online incident reporting system for employees to report incidents relating to a patient, a visitor, an employee, or any property damage/theft at the clinic. Follow up is conducted by the Compliance Department, Human Resources Department and/or Legal Department, depending on the nature of the matter. The Company's Compliance Committee of its Board of Directors reviews quarterly such reported incidents, providing input and guidance to the Company regarding its program and efforts to minimize and mitigate any such reported incidents.

### **Reporting on Health and Safety Programs and Performance**

The Company maintains a Risk Management Committee which meets quarterly to review incidents and to identify trends and strategies to reduce incidents. The Committee consists of leaders from operations, clinical services, human resources and legal. The Committee also makes recommendations to Company leadership on areas of concern or initiatives that should be considered to promote health and safety. Incident Reporting trends are reported by the Committee to the Company's Board of Directors on a quarterly basis.

The Company has implemented a number of policies which are focused on ensuring the health and safety of employees and patients. These various policies include:

***Emergency Preparedness Policies & Procedures*** - The Company's uses a comprehensive approach to ensure that clinic staff have planned and prepared to meet the health, safety and security needs of all staff, patients, visitors, the facility, and the community during and after an emergency or disaster situation. Emergency Preparedness policies and procedures comply with all applicable emergency preparedness requirements and are reviewed on an annual basis and updated as necessary.

***Emergency Preparedness Program*** – This program has been developed and implemented at each clinic to ensure adequate planning for both natural, facility based, and man-made disasters as well as potential hazardous materials events.

***Hazard and Vulnerability Assessment*** - The Company utilizes a Hazard and Vulnerability Assessment Tool that follows an "All Hazards" approach to identify and address facility and community based specific risks for natural hazards, facility-based hazards, man-made hazards, and events related to hazardous materials. The Hazard and Vulnerability Assessment is completed at each clinic on an annual basis to determine the areas of risk. By determining the areas of greatest risk for the clinic and community the Clinic/Facility

Director shall ensure that the staff and individuals providing services under arrangement are aware of the most common types of emergencies, disasters, hazards, or emergent infectious disease threats they may encounter when working at the facility so that they are able to participate in a coordinated emergency plan.

***Emergency Preparedness Plan*** - The Emergency Preparedness Plan (EPP) provides the framework for the Emergency Preparedness Program. Each clinic develops and maintains a clinic/community specific EPP based upon the results of the clinic's "Hazard and Vulnerability Assessment." The EPP assists clinic staff in anticipating and addressing clinic, patients, staff, and community needs and support continuity of business operations. Emergency procedures shall be rehearsed periodically to effectively prepare staff for the management of an emergency or hazardous situation.

***Emergency Preparedness Communication Plan*** - Each clinic maintains an Emergency Preparedness Communication Plan that complies with applicable law. The emergency communication plan provides guidelines, contact information and procedures for how information should be shared during all phases of an unexpected occurrence that requires immediate action.

***Preservation of Patient Information*** - Each clinic has implemented policies, procedures and processes to preserve and protect the confidentiality of and securely maintain patient information stored electronically in the electronic medical record (EMR) system. Each EMR system also has processes in place that provide for the regular and/or continuous secure backups of the information. Patient records stored in paper format are maintained in a manner that protects the information from unnecessary disclosures and damage.

***Staff Role during an Emergency or Disaster*** - All staff have knowledge of emergency procedures. All staff that are present in the clinic at the time of an emergency or disaster are expected to participate in the mitigation of the situation.

***Emergency Preparedness Resources*** - Each clinic has the proper equipment and resources to administer a response in an emergency and disaster. Employees and contractors have been trained to use the equipment and resources, and to know where the equipment is stored and be able to obtain it at the time of an emergency.

***Clinic Evacuation Procedures*** - Each clinic has a procedure for the complete evacuation from the clinic in the event of a fire, natural disaster, national emergency, or other situation that requires it. The evacuation procedure includes the handling of evacuees, the security and removal of essential records/documents, the provision of temporary shelter and when applicable, the continuation of essential services. The procedures are compliant with state and municipal laws and Medicare and other regulatory requirements regarding evacuation procedures. All staff that are present in the facility are expected to participate in mitigating any disaster or emergency.

***Clinic Shelter-in-Place Procedures*** - Each clinic has a plan for sheltering-in-place in the event of a natural disaster, national emergency or other situation that requires it. The shelter-in-place plan shall include criteria used to determine that the patients, visitors, and

employees shall shelter-in-place, who has the decision-making authority to determine when to shelter-in-place, the provision of temporary shelter, the role, and responsibilities of staff, and when applicable, the continuation of essential services. The plan is compliant with state and municipal laws and Medicare and other regulatory requirements regarding sheltering in place procedures.

***Emergency Preparedness Training, Testing and Drills*** - The Company developed and maintains an emergency preparedness training and testing program that is based on the Emergency Preparedness Plan, Hazard Vulnerability Assessment, Emergency Preparedness Policies and Procedures and the Emergency Preparedness Communication Plan. The training and testing program is reviewed annually and updated as needed. Staff participate in Emergency Preparedness Policies and Procedures Training at the time of hire and on an annual basis. In addition, staff demonstrate knowledge of their roles and responsibilities by participating in drills and/or table-top exercises multiple times per year.

***Incident Response Strategies*** - Incident response strategies or Emergency Preparedness Procedures are available to be followed by staff based upon the specific disaster or emergency type. The procedures are based upon information provided by FEMA, the CDC, and the Department of Homeland Security.

***Fire Emergency Preparedness Plan*** - Staff and contractors are trained and test their knowledge and responsiveness through annual fire drills using the incident response strategies. The outlined procedures are based upon information provided by FEMA, the CDC, and the Department of Homeland Security.

***Infection Control*** - All new employees to participate in health and safety training programs that address infection control/bloodborne pathogens and emergency preparedness. These programs are also reviewed on an annual basis.

### ***Serious Reportable Events (HC-DY-250a.2)***

The National Quality Forum has identified approximately 70 serious reportable events (SREs). These refer to incidents that can occur related to surgery or procedures, devices, patient protection, care management, environmental factors, radiologic incidents or criminal events. Many of these adverse outcomes are not relevant to our business, while others are of a nature that they could occur in any healthcare setting. For 2025, we do not believe that we experienced any SREs in our clinics.

Our Risk Management function is an essential part of our prevention and surveillance program to identify safety risks in our clinics and advance workplace programs in concert with our compliance team to avoid such incidents. Through these efforts, we developed and implemented health and safety policies and protocols in response to the COVID-19 pandemic based on guidance from the Centers for Disease Control and Prevention (CDC), orders from governmental agencies and authorities, and the scientific research regarding SARS-CoV-2 and COVID-19 for application in the USPH work environment.

## Patient/Client Health and Safety

At the core of the Company's overall mission is the health and safety of our patients. Our Subsidiary Partnerships are patient-centric, with a focus of caring for patients and returning them to full function. As compared to other more invasive treatment options, physical therapy treatment services are able to restore patients to full health using a treatment paradigm that:

- is less invasive,
- involves lower overall cost as compared to surgical interventions, injections and imaging, and
- reduces the risk of opioid dependence



In addition, the Company has developed and implemented a falls prevention program to reduce the number of falls sustained by patients and staff, both at home, in the community and in our clinics. Falls are the leading cause of injury among adults 65 years old and older in the United States. Each year over three million older adults are treated in emergency departments for fall injuries and over one million are hospitalized for costly fall-related injuries including fractures and

head injuries. Many older adults who fall, but are not injured, develop a fear of falling that limits their mobility, everyday activities, and independence. Each year, the medical cost of falls totaled more than \$50 billion with Medicare and Medicaid programs covering over 75% of these costs. We believe that while falls are common amongst older adults, they are preventable and physical therapists play a vital role in falls prevention. Our falls prevention program strives to reduce falls in older adults and help them remain healthy, active, and independent. Our multifaceted program includes screening for fall risk, assessment of risk factors, and a treatment program to reduce fear of falling, improve mobility and balance, and recommendations for home modifications to optimize safety and independence. Our falls prevention teams are passionate about reducing falls at their clinic and in their community. These therapists promote awareness, implement falls prevention programs at the clinic and in the community, and work collaboratively with health care professionals and others that are committed to preventing falls in older adults allowing them to stay independent.

Furthermore, during 2024 and 2025, our Subsidiary Partnerships worked to promote remote therapy monitoring (“RTM”) programs with patients, which are designed to help patients to correctly follow the home exercise programs that are provided to patients during the course of their therapy plan of care, and which generally are an important part of the overall plan of care geared to accomplish a patient’s specific care goals. Getting patients back to full function following an injury or other ailment goes hand-in-hand with patient safety and the ability for patients to safely navigate their everyday lives.

Several of our Subsidiary Partnerships focus their service offerings on providing industrial injury prevention services. These services are provided directly to clients’ employees to help keep those employees safe in the workplace. The services provided by these Subsidiary Partnerships include:

- Safety Management – reducing or eliminating sprains, strains and OSHA recordable injuries by implementing tailored onsite and virtual injury prevention programs for workers
- Occupational Health – improving the health and wellbeing of workers with customized preventative medicine, behavioral health programs and therapeutic exercise
- Ergonomic assessments – improving workforce comfort, productivity and safety with self-help tools, onsite and virtual assessments and training programs
- Employee testing – improving safety and minimizing employee injuries by objectively evaluating employee capability

### **Prioritizing Patient Care**

The following information is consistent with UNSDG Standard 3: Good Health and Well-Being – Ensure healthy lives and promote well-being for all at all ages.

### ***Access for Low-Income Patients***

USPH clinicians provide essential services to patients to ensure they feel confident in their mobility and wellbeing. Ensuring that patients have adequate access to care is a key concern for our organization. To assist our patients, our Subsidiary Partnerships participate in federal health plans including Medicare, Tricare, Medicare Advantage, and Medicaid. USPH clinics also provide

services to patients with commercial insurance, workers compensation, auto (med-pay) insurance, and patients that pay directly for services (self-pay).

A financial hardship program, patient payment plans, and prompt pay discounts are available for patients that have difficulty paying for services. Where possible, we have implemented programs to ensure our patients can access the care they need.

The financial hardship program provides opportunities for patients with demonstrated financial need to obtain financial relief when such need could have an impact on the patient's ability to receive needed care. Assistance provided through the financial hardship program is made based upon income/expense determinations and pre-determined eligibility requirements. Patients whose household monthly income from all sources is less than 300% of the Federal Poverty Level Guidelines (FPL) are eligible for consideration of financial hardship assistance.

A prompt-pay discount is offered to patients who are uninsured or who choose not to bill their insurance plan for services rendered.

### ***Pricing and Billing Transparency***

In order to ensure that all patients are adequately informed about pricing, we provide patients with relevant financial and pricing information during the initial visit leading the provision of any services. Insurance benefits are verified and reviewed with the patient (or guardian). The patient's financial responsibility, including deductible, coinsurance or copay is documented and reviewed with the patient/guardian. If insurance does not pay for a services or product, the patient is provided a written notice in advance detailing to cost of the service or product.

Pricing information for our services is generally not publicly available. Our clinics and business operations teams make certain pricing information available where required by local laws. Pricing is typically subject to local law and payer fee schedules. As indicated above, patients are made aware of applicable pricing information prior to the provision of services.

### ***Fostering Partnerships in Our Communities***

Our Subsidiary Partnerships, local partners and staff promote their local brands in their communities to broaden local awareness of the clinics and the services that they provide. We have invested in significant internal resources across our clinical organization, marketing, and public relations and communications function to support these efforts.

USPH's commitment to philanthropy is at the core of our and our Subsidiary Partnerships' organizational values. We firmly believe in giving back to the communities and causes that matter, both on a national and local level. We are proud to support the initiatives of our Subsidiary Partnerships throughout the country. It has always been our belief that our local Partners know their markets and territory best and it is at that local Subsidiary Partnership level where these charitable causes are identified and pursued to make an impact on the lives of others. Across the country, our Subsidiary Partnerships support a variety of charities like Toys for Tots, Walk to End Alzheimer's, Walk MS, Food Drives, Warmth Drives, Special Olympics, The Kinera Foundation, Transplants for Children, Heal the City, 24 Hours in the Canyon, and Nick's Heart of Gold Foundation. While we may have a variety of philanthropic endeavors across the country, together with our partners we are working to build a brighter and more inclusive world for everyone.

Our therapists at our Subsidiary Partnerships have volunteered their services in underserved communities and overseas through various sponsored outreach programs to help those less fortunate and those markets unfamiliar with the benefits of physical therapy. We are proud of the work our Subsidiary Partnerships and employees have done domestically and internationally.

We are proud of the efforts from our Partners and employees to connect with their communities and develop relationships with local organizations. Some specific examples of the meaningful charitable work performed by three of our Subsidiary Partnerships is as follows:

Momentum Physical Therapy (San Antonio, Texas)

Our Momentum Physical Therapy partnership has participated for many years in a local San Antonio program called Project Hispaniola. The purpose of Project Hispaniola is to provide pro bono medical and physical therapy (PT) services to the agricultural workers and their families living in the bateyes (sugarcane plantations) surrounding La Romana, Dominican Republic (DR).

Project Hispaniola is an established team of medical students and faculty from University of Texas Health and Momentum Physical Therapy who, for many years, have provided medical and physical therapy care to underserved populations in the bateyes surrounding La Romana, DR. The teams travel into the local communities and establish mobile clinics to triage over 500 patients annually of varying diagnoses. Our therapists participate in the physical therapy treatments for these patients, helping to reduce symptoms and facilitate a path toward healing.

STAR Physical Therapy (Tennessee)

Our Star Physical Therapy partnership in Tennessee actively supports a variety of organizations and causes at local, state, and national levels in a concerted and determined effort to give back to those communities. Some examples of their initiatives are as follows:

- Sponsored elementary school reading programs and collected countless books for the Charles Davis Foundation.
- Sponsored numerous community-based youth sports organizations.
- Collected and donated truckloads of shoes for Soles 4 Souls.
- Collected winter coats for the underprivileged in conjunction with the Buena Vista Church of Christ.
- Set up blood drives at Star Physical Therapy clinics in conjunction with the American Red Cross.
- Organized disaster relief efforts for those affected by Hurricane Katrina, Nashville's floods, and the destruction caused by tornadoes and hurricanes throughout the mid-south in recent years.
- An ongoing partnership with the Arthritis Foundation has raised more than \$40,000 for research.

- Ongoing partnerships with the YMCA, Mission Lazarus, Brightstone, LiveBeyond, and Tucker's House.
- Continue to partner with the Siloam Family Health Center and the Mercy Children's Clinic to help provide quality medical care to those in need.
- Past partnerships with Susan G. Komen, Prostate Cancer Foundation, Make A Wish Foundation, Wounded Warrior Project, American Heart Association, Tennessee Association of Chiefs of Police, Tennessee Fire Chiefs Association
- Partnership with St. Jude Children's Research Hospital to raise funds for the children and families at St. Jude.

#### Advance Rehabilitation & Consulting (Georgia, Florida, Alabama)

Our Advance partnership in Georgia/Florida/Alabama has participated for many years in a variety of local and national charities to give back to their communities. Some examples of their initiatives include:

- Participated in the Barnabas Center empty bowl event.
- Served residents of Hope House
- Adopted a family for the holidays
- Participated in the NSAT – Senior Advocate Team
- Sponsored Arthritis Foundation Jingle Bell Run
- Contributed items for battered women's home hygiene kits MUST Ministries
- Sponsored Autism Fun Day by the Muscogee County Sheriff's Office
- Donated Drawstring Bags to the Columbus Running Club Kids Running Program
- Salvation Army Angel Tree—Advance is the largest donors in Glynn County
- Served local Food Banks
- Penguin Project of Golden Isles
- Brunswick Glyn County Council on Disabilities
- Glynn County Parkinson's Support

In addition to the charitable and philanthropic efforts of our Subsidiary Partnerships as reflected in the above three examples, USPH also maintains and supports a Foundation which our employees, officers and board members have graciously contributed to over the years. Funds from the Foundation are used to assist employees and their families during challenging times. Most recently funds have been used to assist those in need after natural disasters such as the hurricanes that have devastated our employees living near the Gulf of Mexico. USPH also routinely engages in community-based holiday giving programs utilizing trusted community not-for-profit providers to assist children, families and immigrants with necessary food, clothing, furniture and (for children) toys and other gifts to provide love and support to assist them in their time of need. For many years, the Company's Houston-based headquarters office has "adopted" hundreds of children who are part of the Texas Child Protective Services system and who otherwise might not receive any clothing, toys or other gifts for the holidays.

#### **Patient Privacy, Electronic Health Records and Cybersecurity**

As part of the Company's and our Subsidiary Partnerships' business, patient personal medical information is obtained, created and documented in a variety of areas. Accordingly, the Company

has adopted and trained all of its and its Subsidiary Partnerships' employees on a variety of the policies and processes to ensure that all such personal health information ("PHI") and other personal identifiable information ("PII") is kept confidential. The federal Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act incorporated in the American Recovery and Reinvestment Act of 2009 (collectively "HIPAA") requires companies that create and handle PHI and PII to adopt and follow certain specific policies and practices to ensure that this information is kept confidential, is protected from being accessed by third parties, and when shared for appropriate reasons to third party "business associates" is done so with certain contractual protections in place with such third parties.

In order to ensure compliance with these laws, the Company has a robust HIPAA Compliance Training program. All employees are provided training on the applicable HIPAA Privacy and Security policies and procedures using the Company's online education platform. Annual training and periodic webinars are provided to repeatedly educate and remind employees of the important policies and procedures regarding HIPAA compliance. The Company uses electronic records management platforms that contain the necessary security related measures to protect patient PHI and PII.

## **Cyber Security**

Cybersecurity refers to technologies, processes, and practices designed to protect networks, devices, programs, and data from attack, damage, or unauthorized access. Cybersecurity is an important issue for the Company and its Subsidiary Partnerships and requires secure infrastructures and periodic education for employees in order to maintain secure operating environments.

The Company and the Subsidiary Partnerships have established cybersecurity policies that set forth standards of behavior for activities such as:

- The encryption of sensitive information/attachments sent via email
- Restrictions on the use of social media
- Remote access
- Asset management
- The use of personal devices
- Installation of unauthorized software
- Protection of user passwords
- Use of multi-factor authentication
- Device compliance

Although the Company and the Subsidiary Partnerships employ a variety of infrastructure and systems to protect against cyberattacks and data breaches, the Company continues to work toward employing a consistent, uniform approach amongst its Subsidiary Partnerships, many of which were acquired having legacy systems and infrastructure. Furthermore, since the Company and its Subsidiary Partnerships utilize cloud-based services for file and document storage, email, and other hosted applications, various infrastructure and products are being deployed to safeguard the Company's and the Subsidiary Partnerships' network, computer systems, user accounts,

passwords, data, and overall access to data. The Company and the Subsidiary Partnerships utilize the “defense in depth” approach to protect their respective networks and systems, using a variety of independent methods. This approach, conceived by the National Security Agency (NSA), is intended to serve as a comprehensive approach to cyber security.

The variety of infrastructure and system defenses that are employed by the Company and the Subsidiary Partnerships in their respective operating environments include

- (i) controls over the purchase and deployment of computer equipment to ensure appropriate software and operating systems;
- (ii) processes to ensure that computer equipment and access is limited to active employees only, and that the equipment and credentials of departing employees are collected and terminated timely, along with regular audits to confirm compliance;
- (iii) system monitoring to ensure that software updates and security patches are deployed as necessary in a timely manner; and
- (iv) infrastructure hardware and software protocols to provide firewalls, intrusion detection, malware protection, anti-virus, anti-phishing and similar protections.

The Company is committed to maintaining best practices information security policies and procedures in order to safeguard and protect patient PHI and PII against unauthorized incursions and hacking. The Compliance Committee of the Board of Directors has the responsibility to oversee this area of the Company’s operations, and to that end each of the directors on the Compliance Committee have participated in the Diligent Cyber Risk and Strategy Certification Program, which teaches cyber literacy for corporate directors to effectively govern significant enterprise-wide cyber risks and have meaningful conversations with management.

### **Cyber Incident Response Plan**

The Company also has developed an Incident Response Plan (IRP) to govern and guide responses to physical, privacy, financial, or data security incidents and emergency events in accordance with Federal and State privacy laws. The ability to react to an incident or system compromise depends first upon the ability of the employees to recognize the event and to report appropriately; and second upon the Incident Response Team’s preparation and coordination of the response.

The primary purpose of the IRP is to facilitate an effective response when an incident is identified and reported. The IRP will evolve over time and will house specific templates that will be used in managing and communicating the response to an incident. While the response to an incident must adapt to the size, scope, and severity of the incident, the Company intends to address each incident according to this IRP.

The Scope of the Incident Response Plan extends to all of the Company’s and the Subsidiary Partnerships’ systems, enterprise data and the people and devices that access these systems or data. The IRP’s incident response process consists of four phases:

Preparation Phase: In this phase, the Company establishes the controls, processes and materials that it will use and make available to manage incidents in an effective and timely manner.

- Detection and Analysis Phase: In this phase, the Company assesses a suspected incident to determine the extent or additional investigation. Then, for actual incidents, determining the materiality and scope of an incident with internal and external counsel to ensure proper steps to preserve confidentiality and evidence that may be involved in the matter.
- Containment, Eradication and Recovery Phase: In this phase, the IT teams development a strategy to best reduce the impact and/or risk consequences from an incident, depending upon the particular circumstances. Internal and outside technical resources are leveraged to determine extent of any breach or exposure. The legal and IT team determine whether the incident warrants the notification of external parties, including regulators, law enforcement, client's and/or affected individuals. The response team then coordinates the remediation efforts to ensure all vulnerabilities identified with the incident are resolved. Finally, the team develops a methodology to restore the information system to its normal operations and validate the eradication and recovery.
- Post-Incident Activity Phase: In this phase, the Incident Response Team documents the circumstances surrounding the incident, reviews the “lessons learned” from the incident, and considers any gaps and necessary modifications to the existing security policies. The Incident Response Team communicates these findings to appropriate senior leadership as warranted.

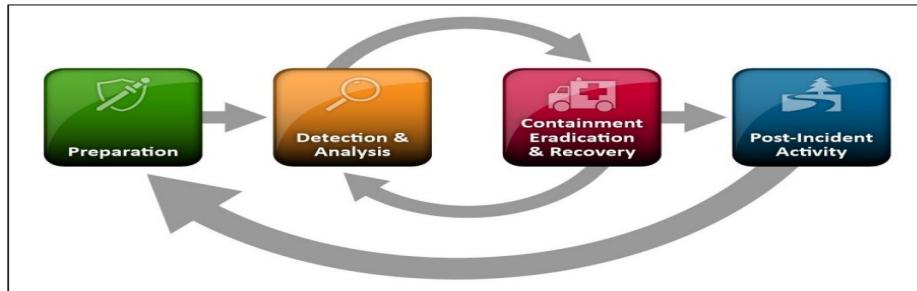
## **Environmental Risk Management**

Our Subsidiary Partnerships own and managed outpatient physical therapy clinics are leased from third-party landlords. In our industrial injury prevention segment, those services are performed at employer locations or at other third-party locations. As a result, neither we nor our Subsidiary Partnerships have centralized management of electric, gas or water utility use in these clinics or in other third-party locations. Recycling services are also localized. As a healthcare services company which leases all of its premises, our business is not significantly or uniquely exposed to the impacts of climate-related risks.

All of our clinics abide by all local and federal laws pertaining to environmental risk and regulation for all physical spaces we occupy. In addition, all of our outpatient therapy clinics comply with the CMS Emergency Preparedness Rule. The Emergency Preparedness Rule requires our clinics to develop and maintain a comprehensive emergency preparedness program that contains the following: an Emergency Plan, Emergency Preparedness Policies and Procedures, a Communications Plan, and an Emergency Preparedness Training and Testing Program.

The program is based on an individualized risk assessment that focuses on capacities and capabilities that are critical to preparedness for a full spectrum of emergencies or disasters,

including man-made emergencies and natural disasters. This all-hazards approach is specific to each clinic and considers the particular type of hazards most likely to occur in their areas.



Upon implementation of the emergency preparedness plan, clinic staff are prepared to meet the health and safety needs of patients, visitors and employees during an emergency or disaster situation.

Approximately 30% of our Subsidiary Partnerships' clinics are Certified Rehabilitation Agencies, and one of the applicable Conditions of Participation requires compliance with the Emergency Preparedness Rule; the remaining approximately 70% of our Subsidiary Partnerships' clinics participate in the Medicare Program as private practices, but nonetheless voluntarily comply with the Emergency Preparedness Rule.

### Climate Related Risks

In 2025, USPH conducted a climate related financial risk assessment using the guidelines and recommendations by the Task Force on Climate related Financial Disclosures ("TCFD") framework. With its first TCFD report, USPH aims to be transparent about the status of its climate-related strategy, management, and oversight across the four pillars recommended by the TCFD.

- » Governance: USPH has established a governance framework to oversee strategic, operational, and sustainability-related matters, including climate change. The Board of Directors holds ultimate oversight of responsibility, ensuring informed governance across these areas. Management is responsible for implementing strategy and managing climate-related risks and opportunities through established business, operational, and risk management processes. The Risk Management Committee is comprised of C-suite and executive management that oversees and manages material risks and provides updates to the Board's Compliance Committee on a quarterly basis.
- » Strategy: USPH conducted a comprehensive climate risk assessment, identifying five risks and four opportunities, evaluated across short, medium, and long-term horizons utilizing a 1-5 scale for likelihood and magnitude. Based on the assessment, USPH is exploring approaches to mitigate climate-related risks and leverage opportunities for growth.
- » Risk Management: USPH assesses climate-related risks through its existing enterprise risk management (ERM) framework, which evaluates strategic, operational, and financial impacts. While climate change is not currently considered a material risk for the USPH, the company recognizes its growing relevance and maintains ongoing monitoring to reassess exposures as regulations, stakeholder expectations, and market dynamics evolve.

- » Metrics & Targets: USPH leases all spaces and does not have operational control of each clinic. The company has not conducted GHG accounting of its facilities or set climate targets to limit potential impact. However, the company is committed to consider conducting this analysis in the future and will continue to track the financial impact of extreme weather events at its facilities.

The results of this assessment confirmed that USPH is unlikely to be financially impacted by climate-related risks or opportunities in a material way. USPH's structure as a person-to-person, service-oriented healthcare provider limits the company's overall exposure to many of the transitional risks other sectors may experience as the world moves to a low-carbon economy. Similarly, USPH's diversified portfolio of physical clinic locations makes it possible for the majority of company operations to continue even if a specific group of clinics are impacted by extreme weather events. Despite the limited financial impact related to climate, USPH nonetheless has taken steps to identify and assess potentially relevant climate-related risks and opportunities in line with industry best practice.

A copy of the entire report can be found in Annex 1.

## **Governance and Business Ethics.**

### **Enterprise Compliance**

The Company is committed to a strong corporate culture that promotes the highest standards of ethics and compliance for our business and has a Code of Business Conduct and Ethics that sets forth principles to guide employee, officer and director conduct.

- We operate in a highly regulated industry, governed by federal and state regulations regarding patient privacy, reimbursement, conflicts of interest, and many other federal, state and local regulations.
- We maintain a robust compliance function to ensure compliance with applicable healthcare regulations. Examples of processes and personnel to support this include:
- A Chief Compliance Officer, who reports directly to our CEO, as well as to the Compliance Committee of our Board of Directors.
- We have demonstrated our commitment to regulatory compliance by having a large and robust compliance department
- Maintenance of a whistle-blower policy providing for confidential reporting of any suspected violations of policies
- An appropriate level of resources, including internal auditors and clinical services personnel, who regularly review our clinics billing and coding practices to help to ensure company-wide compliance.
- Externally monitored employee hotline which is anonymous and available on a 24/7 basis to all of our employees to report any ethical or other concern or issue
- We adopted a Clawback Policy that would require our executives to disgorge financial metric driven incentives and bonus payments in the event we restate our financial statements on which any such awards were made.
- We adhere to our Code of Conduct for Employees and Officers.

### **Corporate Governance**

USPH's Board of Directors is currently comprised of 8 members. Six of our directors are deemed independent directors under applicable SEC regulations.

- None of our independent directors has a familial, direct or indirect material relationship with the Company.
- Our directors serve one-year terms and are elected each year at our annual meeting of shareholders.
- We have Corporate Governance Guidelines which provide that a director (or prospective director) who has attained the age of 78 should not be nominated nor stand for election to the Board
- The current gender makeup of our Board of Directors is 37.5% female, consisting of three Directors.
- From a diversity perspective, one of our directors is represented by non-Caucasian ethnicities.

- Four standing committees serve the Board: Audit, Compensation, Nominating and Governance, and Compliance. Each committee's charter is available on our Corporate Governance section of our investor relations website, along with our Corporate Governance Guidelines.

The following information is as of December 31, 2025:

<b>Board Composition</b>		<b>Disclosure</b>
Age of Directors		
Average Age		64
Gender Diversity		
% Female		37.5%
Male		5
Female		3
Ethnic/Racial Diversity		
% Diverse		12.5%
Ethnic/Racial		1
Tenure		
Average tenure		12
Independence		
% Independent		75%
Independent		6
Non-Independent		2
<b>Best Practices</b>		
Overboarding limits		Yes
Continuing education for directors and orientating for new directors		Yes
Mandatory retirement age		Yes
Shareholder engagement program		Yes
Board oversight of ESG		Yes
<b>Independence</b>		
Separate CEO and Chair role		No
Standing board committee membership independence		100%
<b>Accountability</b>		
Annual election of all directors		Yes
Director resignation policy		Yes
Annual board and committee self-evaluation		Yes
Annual evaluation of CEO by independent directors		Yes

Clawback Policy	Yes
<b>Shareholder Rights</b>	
Proxy access	Yes
Shareholder right to call special meeting	Yes
Shareholder right to act by written consent	Yes
No poison pill	Yes
One-share, one-vote	Yes

## **Annex 1**

# **U.S. Physical Therapy, Inc.**

## **Climate Report**

### **Executive Summary**

This report details U.S. Physical Therapy, Inc.'s ("USPH") climate-related strategy, management and oversight, according to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). With its first TCFD report, USPH aims to be transparent about the status of its climate-related strategy, management, and oversight across the four pillars recommended by the TCFD.

- » Governance: USPH has established a governance framework to oversee strategic, operational, and sustainability-related matters, including climate change. The Board of Directors holds ultimate oversight of responsibility, ensuring informed governance across these areas. Management is responsible for implementing strategy and managing climate-related risks and opportunities through established business, operational, and risk management processes. The Risk Management Committee is comprised of C-suite and executive management that oversees and manages material risks and provides updates to the Board's Compliance Committee on a quarterly basis.
- » Strategy: USPH conducted a comprehensive climate risk assessment in October 2025, identifying five risks and four opportunities, evaluated across short, medium, and long-term horizons utilizing a 1-5 scale for likelihood and magnitude. Based on the assessment, USPH is exploring approaches to mitigate climate-related risks and leverage opportunities for growth.
- » Risk Management: USPH assesses climate-related risks through its existing enterprise risk management (ERM) framework, which evaluates strategic, operational, and financial impacts. While climate change is not currently considered a material risk for the USPH, the company recognizes its growing relevance and maintains ongoing monitoring to reassess exposures as regulations, stakeholder expectations, and market dynamics evolve.
- » Metrics & Targets: USPH leases all spaces and does not have operational control of each clinic. The company has not conducted GHG accounting of its facilities or set climate targets to limit potential impact. However, the company is committed to consider conducting this analysis in the future and will continue to track the financial impact of extreme weather events at its facilities.

## **Introduction**

Climate change can pose significant financial and operational risks to businesses globally. In response, regulators and investors are increasingly requiring companies to assess, manage, and disclose their exposure to climate-related risks. In the United States, state-level initiatives reflect a growing recognition that long-term economic resilience depends on the ability to navigate climate-related challenges. Certain state-level legislation requires large companies to publish climate-related financial risk disclosures considering the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) framework or a successor or equivalent reporting framework, such as the International Sustainability Standards Board's (ISSB) Climate-Related Disclosures Standard.

The disclosures in this report are based around the four pillars of Governance, Strategy, Risk Management, and Metrics and Targets – as defined by the Taskforce on Climate-Related Financial Disclosures (TCFD).

## **Compliance Statement**

USPH has applied the TCFD recommendations in preparing its climate-related financial disclosures.

USPH has fulfilled the TCFD disclosure recommendations:

- » Governance - recommended disclosures (a) and (b)
- » Strategy - recommended disclosures (a), (b) and (c)
- » Risk Management - recommended disclosures (a), (b) and (c)
- » Metrics and Targets – recommended disclosures (a)

USPH has not included information on the recommended disclosure (b) or (c) of the Metrics and Targets pillar as the company does not currently track GHG emissions and has not set decarbonization targets.

## USPH'S TCFD-Aligned Disclosure

### 1. Governance

#### a) Board's Oversight of Climate-Related Risks and Opportunities

USPH maintains a governance structure designed to ensure effective oversight of climate-related matters. The Board of Directors holds ultimate accountability for USPH's long-term performance and resilience, supported by its committees, which oversee areas such as audit and compliance. USPH's Board of Directors is responsible for overseeing the identification, assessment, and management of all climate-related risks and opportunities throughout the organization. The Compliance Committee of the Board of Directors regularly receives updates from USPH's corporate Risk Management Committee and meets to discuss these updates on a quarterly basis as part of the regular cadence where the entire Board convenes. The Compliance Committee reports its findings to the Board on a regular basis. This allows the rest of the Board to join and receive updates on topics such as climate-related issues, as needed. If material issues arise outside of the set meeting cadence, the committee will meet on an ad-hoc basis.

#### b) Management's Role in Climate-Related Risks and Opportunities

USPH's Risk Management Committee is responsible for managing the identification and assessment of climate-related risks and opportunities and creating appropriate strategies to minimize their potential impact on the organization. The committee is headed by the Chief Compliance Officer and includes Deputy General Counsel, Regional Presidents of Operations, Chief Operations Officers, and Human Resource lead. On a regular basis, committee members receive updates from a formalized, third-party incident reporting system that tracks metrics at each clinic, including the existence of extreme weather events that could damage facilities or disrupt regular business operations. Each clinic's on-site management team is responsible for updating the incident reporting systems to notify management of any material problems. If any material issue arises, the committee follows up with the specific clinic immediately to provide support.

In addition, USPH has an ESG Working Group which includes Human Resources, Legal, Compliance, and Marketing leads. The committee meets on an annual basis to update the company's ESG Tear Sheet so that relevant information on climate, and other sustainability topics, can be communicated to key stakeholders.

### 2. Strategy

#### a) USPH's climate-related risks and opportunities identified over the short-, medium- and long-term and their impact on its business operations, strategy, and financial planning.

USPH conducted a climate risk assessment in October 2025, to gain insight into the potential impacts of identified climate-related risks and opportunities using three NGFS scenarios:

- » **Net Zero 2050:** Global warming is limited to 1.5 degrees Celsius
- » **Delayed Transition:** Global warming is limited to 2 degrees Celsius
- » **Current Policies:** Global temperatures cross 3 degrees Celsius by the end of the century

The assessment identified a level of magnitude (severity of impact) and likelihood (probability of occurrence) for each risk and opportunity using a 1–5 scale.

- » **Likelihood:** From *Very Unlikely* (1) to *Almost Certain/Actual* (5)
- » **Magnitude:** From *Minor* (1) to *Very High* (5) impact
- » **Timeframe:** *Short (within one 5 years), Medium (5-10 years), and Long Term (10- 20 years)*

The results of the analysis confirmed that USPH is unlikely to be financially impacted by climate-related risks or opportunities in a material way. USPH's structure as a person-to-person, service-oriented healthcare provider limits the company's overall exposure to many of the transitional risks other sectors may experience as the world moves to a low-carbon economy. Similarly, USPH's diversified portfolio of physical clinic locations makes it possible for the majority of company operations to continue even if a specific group of clinics are impacted by extreme weather events. Despite the limited financial impact related to climate, USPH has taken steps to identify and assess potentially relevant climate-related risks and opportunities in line with industry best practice.

The results of the transition and physical climate-scenario analysis can be seen below. While the likelihood and magnitude impact for every risk and opportunity will vary between scenarios, the overall financial impact related to climate remains minimal. USPH is confident in its abilities to adjust and be resilient against any climate-related risks or opportunities that arise across time horizons.

## Transition Risks

USPH identified five climate risks in total, with varying magnitudes and likelihoods under the three chosen scenarios.

- » **Net Zero 2050:** The analysis showed the greatest potential financial impacts arising from *Reputational* and *Market* risks associated with increased stakeholder scrutiny over climate performance and diminishing support for the adoption of resource-intensive technologies. Other *Market* risks related to increased energy price volatility and insecurity are expected to have a low financial impact. Finally, while *Policy and Legal* risks related to new climate and waste related regulations are expected to arise, compliance costs will remain low to minimal.
- » **Delayed Transition:** Increased magnitudes of potential financial impacts for many of the risks in comparison to the Net Zero scenario due to the compressed adjustment timeframe, fragmented market responses, and inconsistent policy signals associated with a delayed transition. However, expected financial impacts remain low.
- » **Current Policies:** Overall, low to minor impacts of transition risks due to the absence of significant climate regulations or market preferences favoring climate-friendly solutions. The one exception being moderate *Market* risk resulting from increased exposure to energy price volatility and insecurity arising from the increase in extreme weather events and high oil prices.

The following highlights USPH's transition risks, their potential financial impacts, and severity across different time horizons, under the three climate change scenarios considered in the analysis.

Table 1: Climate-related transition risks

Climate-Related Transitions Risks	Potential Financial Impact	Scenarios	Likelihood	Magnitude	Time Horizons
<b>Increased number and changing climate disclosure requirements</b>					
<i>The increasing number and granularity of climate regulations could require companies to expand climate governance, risk management, and reporting practices leading to an increase in compliance and admin costs and exposure to regulatory penalties.</i>	Costs ↑	<b>Net-zero 2050</b>	Almost certain	Low	Short, Medium-term
		<b>Delayed transition</b>	Almost certain	Moderate	Medium, Long-term
		<b>Current Policies</b>	Very unlikely	Minor	Short, Medium, Long-term

The Net Zero and Delayed Transition scenarios assume jurisdictions, including the US, will pass stronger climate-related regulations leading to increased compliance costs, administrative costs, and exposure to regulatory fines or penalties. While USPH would likely need to improve its reporting capabilities to meet expectations under these two scenarios, the financial impact of compliance is never expected to meet the threshold for financial materiality. The orderly nature of the Net Zero scenario makes it likely that the company would have sufficient time to compile and upscale the necessary tools and data to meet all regulatory requirements without encountering significant financial burden. The magnitude of financial impact is expected to increase under the Delayed Transition scenario to account for the chaotic and disorganized regulatory landscape where companies face sudden, increased pressures to comply with climate-regulations under tighter timeframes. However, the company does not expect associated compliance costs to increase to such a level to financially impact the organization. Finally, the financial impact reduces to minor under the Current Policy scenario as no new climate regulations are enacted after 2024.

Climate-Related Transitions Risks	Potential Financial Impact	Scenarios	Likelihood	Magnitude	Time Horizons
<b>Increased regulation over hazardous waste management</b>					
<i>Companies that produce hazardous waste may face increased compliance costs and exposure to regulatory penalties as jurisdictions increase and strengthen regulation on waste disposal and management.</i>	Costs ↑	<b>Net-zero 2050</b>	Almost certain	Minor	Short, Medium, Long-term
		<b>Delayed transition</b>	Almost certain	Low	Medium, Long-term
		<b>Current Policies</b>	Very unlikely	Minor	Short, Medium, Long-term

The Net Zero and Delayed Transition scenarios assume jurisdictions, including the US, will pass stronger waste-related regulations to improve reporting of scope 3 emissions leading to increased compliance costs, administrative costs, and exposure to regulatory fines or penalties. Currently, only 5% of USPH clinics produce hazardous waste. The company works with third-party contractors for the supply, collection, and disposal of all hazardous waste. While some efforts may need to be taken to collect data on how the company creates and manages its hazardous waste, it is unlikely to pose significant financial burden on USPH's operations under any scenario.

	Climate-Related Transitions Risks	Potential Financial Impact	Scenarios	Likelihood	Magnitude	Time Horizons
<b>Increased stakeholder scrutiny over climate performance and disclosure involving the company and its value chain</b>						
Reputation	As stakeholder interest in climate-related issues increases, companies could face increased scrutiny over climate impacts throughout value chains.	Costs ↑	<b>Net-zero 2050</b> <b>Delayed transition</b> <b>Current Policies</b>	Almost certain Almost certain Unlikely	Moderate Moderate Low	Short, Medium, Long-term Medium, Long-term Short, Medium, Long-term

Under the Net Zero and Delayed Transition scenarios, companies will likely experience increased stakeholder scrutiny over climate reporting and performance. Failure to meet stakeholder requirements/expectations could lead to negative investor sentiment and potential negative financial impacts such as higher cost of capital, decreased access to capital, and decreased investment. USPH may need to improve its reporting efforts to meet stakeholder expectations. However, as a healthcare service company, the company may face comparatively lower stakeholder pressure than companies in higher emitting sectors. Therefore, the company will likely be partially shielded from the full financial impact of this risk. Conversely, stakeholder scrutiny is unlikely to increase significantly under the Current Policy scenario allowing for a low level of financial impact.

	Climate-Related Transitions Risks	Potential Financial Impact	Scenarios	Likelihood	Magnitude	Time Horizons
<b>Shifting market preferences against the adoption/use of resource intensive technologies</b>						
Market	Medical facilities are adopting more resource-intensive technologies (ex: AI tools, increased reliance on digitization/data centers) that can contribute to worsening the impacts of climate change. It's possible that stakeholders may	Costs ↑	<b>Net-zero 2050</b> <b>Delayed transition</b> <b>Current Policies</b>	Almost certain Almost certain Possible	Moderate Moderate Low	Short, Medium, Long-term Medium, Long-term Short, Medium, Long-term

*penalize companies that do not also take steps to minimize their environmental footprint while exploring new avenues for technology adoption.*

Stakeholders will likely monitor corporate climate performance under the Net Zero and Delayed Transition scenarios to assess how companies are progressing toward decarbonization. Adopting resource intensive technologies, such as Artificial Intelligence (AI), could expose companies to increased reputational harm which could contribute to negative investor sentiment. However, as a healthcare service provider, the company may face comparatively lower stakeholder pressure than companies in higher emitting sectors. Therefore, USPH is likely to be partially insulated from the full financial implications associated with this risk.

	Climate-Related Transitions Risks	Potential Financial Impact	Scenarios	Likelihood	Magnitude	Time Horizons
<b>Increased exposure to energy price volatility and insecurity resulting from climate change and/or the energy transition</b>						
Market	<i>Shifting to low-carbon power sources can cause energy market prices to increase or change dramatically in the interim. This is primarily driven by an increased demand in energy consumption as companies electrify assets paired with a fluctuating energy supply as the grid shifts to renewable energy sources.</i>	Costs ↑	Net-zero 2050	Almost certain	Low	Short, Medium, Long-term
			Delayed transition	Almost certain	Moderate	Medium-term
			Current Policies	Possible	Moderate	Short, Medium, Long-term

Transitioning to a low-carbon energy system will likely lead to increased energy prices and energy insecurity across the US. For companies with many locations, such as USPH, operational expenditures related clinic utility bills and utilizing energy-intensive data centers would likely increase, as well as supply chain costs resulting from suppliers passing off the cost of increased energy bills. However, USPH currently estimates that the company spends less than 1% of its expenditure on energy bills. Even if prices increased significantly under the Delayed Transition scenario, it is unlikely to financially impact the company in a material way. Potential financial impact remains moderate under the Current Policy scenario due to the potential increase in energy insecurity associated with greater frequency and severity of extreme weather events leading to potential business disruption.

## Transition Opportunities

USPH also assessed the potential impacts of four opportunities. As with risks, they have different magnitudes and likelihoods, across the three scenarios.

- » **Net Zero 2050:** USPH can expect moderate cost savings arising from strengthening processes for the identification, assessing, and managing climate-related risks and opportunities. Other opportunities for moderate revenue increases could be driven by expansions within the telehealth market as a low-carbon channel for growth. The company could also benefit from low levels of cost savings associated with continuing the implementation of digitization strategies and energy efficient upgrades in facilities.
- » **Delayed Transition:** Similar opportunities as the Net Zero 2050 offset by delayed action, abrupt policy shifts, and less efficient market adaptation.
- » **Current Policies:** Limited opportunities due to weak regulatory and market signals.

The following highlights USPH's climate-related transition opportunities and the channels through which they affect or may affect the USPH's financial performance:

*Table 2: Climate-related transition opportunities*

	Climate-Related Transitions Risks	Potential Financial Impact	Scenarios	Likelihood	Magnitude	Time Horizons
<b>Increase building energy efficiency through retrofitting</b>						
Resource Efficiency	<i>Installing LED light fixtures, more efficient HVAC systems, energy efficient windows, new plumbing, etc. are some of the ways companies can upgrade facilities to lower their environmental impact and decrease operating costs.</i>	Costs ↑	<b>Net-zero 2050</b>	Almost certain	Low	Short, Medium, Long-term
			<b>Delayed transition</b>	Almost certain	Moderate	Medium-term
			<b>Current Policies</b>	Possible	Low	Short, Medium, Long-term

Implementing energy efficient fixtures throughout USPH's facilities would decrease overall energy consumption levels and lower operating expenses. Under the Net Zero scenario, cost savings are expected to be relatively low as USPH estimates that it only spends around 1% on utility bills. While energy prices and insecurity are expected to increase in the Net Zero world, they are not expected to rise to high enough levels to allow for strong cost savings from energy efficiency upgrades. Estimated costs savings increase under the Delayed transition scenario as energy prices and insecurity are expected to rise relative to the Net Zero Scenario. Cost savings remain low under the Current Policy scenario due to the lack of policy incentives and lower levels of technological innovation.

Products and Services	Climate-Related Transitions Risks	Potential Financial Impact	Scenarios	Likelihood	Magnitude	Time Horizons
<b>Implementing digitization strategies</b>						
	<p><i>Implementing systems to digitize files and create paperless workflows can lower a company's resource use to minimize its environmental footprint.</i></p>	Costs ↑	<b>Net-zero 2050</b> <b>Delayed transition</b> <b>Current Policies</b>	Almost certain Almost certain Possible	Low Low Minor	Short, Medium, Long-term Medium-term Short, Medium, Long-term

Lowering paper consumption could allow the company to increase operational efficiencies, decrease scope 3 emissions, and potentially save on purchasing paper. However, the expected financial benefit that could arise under any scenario is limited.

Products and Services	Climate-Related Transitions Risks	Potential Financial Impact	Scenarios	Likelihood	Magnitude	Time Horizons
<b>Developing telehealth offerings</b>						
	<i>Expanding within the telehealth market would allow companies to access a new revenue stream while minimizing work-related travel (lowering emissions).</i>	Costs ↑	<b>Net-zero 2050</b>	Almost certain	Moderate	Short, Medium, Long-term
			<b>Delayed transition</b>	Almost certain	Moderate	Medium-term
			<b>Current Policies</b>	Possible	Low	Short, Medium, Long-term

The telehealth market offers an opportunity for healthcare companies to potentially continue growing without greatly expanding their carbon footprint. The Net Zero and Delayed Transition scenarios will likely offer greater incentives and opportunities for companies to pursue avenues for low-carbon business growth. Limited financial benefits are likely to arise under the Current Policies scenario as stakeholders are unlikely to promote low carbon business alternatives.

Resilience	Climate-Related Transitions Risks	Potential Financial Impact	Scenarios	Likelihood	Magnitude	Time Horizons
<b>Formalizing and strengthening processes for the identification, assessing, and managing of climate related risks and opportunities</b>						
	<i>Formalizing and strengthening processes for identifying, assessing, and managing climate-related risks and opportunities can help build company resilience. Companies would need to create a comprehensive strategy to minimize climate risk exposure and maximize benefits from climate opportunities.</i>	Costs ↑	<b>Net-zero 2050</b>	Almost certain	Moderate	Short, Medium, Long-term
			<b>Delayed transition</b>	Almost certain	Moderate	Medium-term
			<b>Current Policies</b>	Possible	Low	Short, Medium, Long-term

Under the Net Zero and Delayed Transition scenarios, USPH may benefit from strengthening its climate risk management practices to meet stakeholder expectations of increased transparency and oversight of climate related topics. Enhanced climate-related risk management processes can support improved company reputation, investor sentiment, and help reduce financial impacts of climate-related risks if any material risks arise. Potential financial benefit decreases under the Current Policy scenario as stakeholders are no longer expected to push for stronger climate risk management practices.

## Physical Risks

USPH assessed its facilities' exposure to the six costliest physical climate hazards, namely, river floods, coastal floods, wildfires, tropical cyclones, droughts, and heat stress. The assessment included two-time horizons: 2030 and 2050 and future risk exposure was modeled using three NGFS scenarios – Net-Zero 2050, Delayed Transition, and Current Policy.

- » **Net Zero 2050:** Global warming is limited to 1.5 degrees Celsius
- » **Delayed Transition:** Global warming is limited to 2 degrees Celsius
- » **Current Policies:** Global temperatures cross 3 degrees Celsius by the end of the century

Physical risk exposure was assessed at a high level – at the state-level for river flooding, wildfires, heat stress, and droughts – and at the country-level for tropical cyclones. Impacts were categorized as "High", "Medium" or "Low" based on the relative change in climate impact indicators associated with each hazard, under the three NGFS scenarios.

Based on the assessment, USPH identified the following climate-related physical risks as potentially relevant to its operations. However, USPH's diversified portfolio of physical clinic locations makes it possible for the majority of company operations to continue even if a specific group of clinics are impacted by extreme weather events. USPH has implemented strong emergency preparedness strategies and practices to identify the most relevant natural catastrophes for each clinic and conducts regular trainings on emergency response techniques to ensure the safety of all patients and employees.

*Table 3: Climate-related physical risks*

	<b>Physical Risks</b>	<b>Net Zero 2050</b>	<b>Delayed Transition</b>	<b>Current Policies</b>
<b>Acute</b>	Exposure to wildfires	Medium risk of wildfires in 17 states in both 2030 and 2050. High risk in four states in both 2030 and 2050	Medium risk of wildfires in 17 states in both 2030 and 2050. High risk in four states in 2030, increasing to five states by 2050.	Medium risk of wildfires in 17 states in both 2030 and 2050. High risk in four states in 2030, increasing to eight states by 2050.
	Exposure to tropical cyclones	Tropical cyclones were assessed at the country-level with low risk over both time horizons.	Tropical cyclones were assessed at the country-level with low risk over both time horizons.	Tropical cyclones were assessed at the country-level, with low risk by 2030, and medium risk by 2050.
	Exposure to river floods	Medium risk of river flooding in 15 states in both 2030 and 2050. High risk of river flooding in five states by 2030, and seven states by 2050.	Medium risk of river flooding in 15 states in 2030, and 18 states in 2050. High risk of river flooding in five states by 2030, and eight states by 2050.	Medium risk of river flooding in 15 states in 2030, and 14 states in 2050. High risk of river flooding in five states by 2030, and eight states by 2050.
<b>Chronic</b>	Exposure to Heat Stress	Medium risk of heat stress in 10 states by 2030, increasing to 13 states by 2050.	Medium risk of heat stress in 10 states by 2030, increasing to 19 states by 2050.	Medium risk of heat stress in 10 states by 2030, increasing to 16 states by 2050. High risk in six states by 2050.

Exposure to Droughts	Medium risk of drought in seven states by 2030, increasing to 10 states by 2050.	Medium risk of drought in seven states by 2030, increasing to 12 states by 2050.	Medium risk of drought in seven states by 2030, increasing to 18 states by 2050. High risk in two states by 2050.
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**b) The resilience of USPH's strategy to different climate scenarios, including a 2°C or lower scenario.**

USPH recognizes the need to identify and assess potentially relevant climate-related risks and opportunities to gain insight into how the company may be impacted by extreme weather events and the broader transition to a low carbon economy. However, the company's existing structure and operations inherently limit its exposure to climate-related risks and opportunities across scenarios and time horizons. USPH has limited control over the management of each clinic's climate impacts as the company leases all facilities. Instead, USPH works with landlords and on-site management to facilitate energy efficient upgrades, such as switching to LED lightbulbs, on a clinic-by-clinic basis.

USPH has implemented a robust emergency management plan to improve the company's resilience for managing physical climate risks at each clinic. The company annually updates its Emergency Preparedness Policies and Procedures, which include clinic-specific programs for handling natural disasters and other hazardous events. USPH uses a formalized, hazard and vulnerability assessment tool to identify relevant natural catastrophes on an annual basis. Local staff receive annual training on how to enact the associated emergency preparedness plan for specific weather events. While the company has experienced some business disruption resulting from extreme weather events in the past, these instances have not caused significant enough disruption or damage to materially impact the company's operations or finances.

### **3. Risk Management**

#### **USPH's Risk Management Disclosures:**

**a) Processes for Identifying and Assessing Climate-Related Risks:**

USPH worked with a third-party organization to identify and assess climate-related risks and opportunities that could have a potential or actual impact on the company's operations. While climate is not currently seen as a material risk for the company, USPH is committed to tracking and understanding the financial impact associated with business disruptions from exposure to physical climate risks. When applicable, each clinic will count the number of days closed and visits lost within the company's incident reporting system from an extreme weather event. This system is regularly checked by the Risk Management Committee, and material instances are reported to the board.

**b) Processes for Managing and Mitigating Climate-Related Risks:**

Building on insights gained through performing a climate risk assessment and analyzing related performance metrics, USPH is taking steps to strengthen its internal capabilities for managing and mitigating potential climate-related risks. These efforts include improving data collection and monitoring systems, enhancing cross-functional coordination, and evaluating the effectiveness of current controls.

This approach ensures that, if climate change emerges as a more material risk in the future, the USPH will have a well-established framework in place to guide future actions.

**c) Integration of Climate-Related Risk Management into Existing Risk Management Framework:**

USPH assesses risks on an ongoing basis, by reviewing risks and incidents reported by each clinic in the company's Incident Reporting System. The system is updated daily and in the case of a material incident, the Risk Management Committee will review the incident and reach out to the associated clinic immediately to provide support. While climate is not currently seen as a material issue within the company, the Incident Reporting Tracker allows management to report information on the impact of physical climate risks for each clinic. Additionally, USPH assesses the most common types of extreme weather events for each clinic through its emergency preparedness program and trains staff on the correct procedures to minimize exposure to these events.

## **4. Metrics and Targets**

**USPH's Metrics and Targets Disclosures:**

**a) Metrics used to assess climate-related risks and opportunities in line with strategy and risk management process:**

USPH tracks the most relevant types of natural catastrophes for each clinic as well as impact data on number of days closed, and visits lost when a catastrophe occurs. USPH is committed to using this type of data as a basis for tracking the financial impacts of climate events on the organization.

**b) Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks:**

USPH does not currently conduct GHG accounting for its facilities.

**c) Targets to manage climate-related risks and opportunities and performance against targets:**

Currently, USPH does not have, or plan to set, quantitative GHG emissions reduction targets. Acknowledging the unique challenges and opportunities of decarbonization in each business area, USPH works with individual clinics and landlords to install energy efficient upgrades to lower energy usage and operating costs when appropriate.