

# 2022 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



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# A MESSAGE FROM OUR CEO



It brings me great pride to present Spirit's second annual Environmental, Social and Governance report, showcasing the advances we have made over the past year. We are fully dedicated to effecting positive change by driving progress in areas where we can make a significant impact.

As a company, we hold ourselves to high standards and take pride in our sound corporate governance practices. In addition, we have an unwavering commitment to our community and deeply believe that fostering an inclusive workspace is crucial to our success. Our efforts in these areas were recognized when Spirit received Nareit's Diversity, Equity & Inclusion Silver Award in 2022, honoring our strong commitment and outstanding contributions to advancing diversity, equity and inclusion both within our company and in the broader community. Additionally, we were named a 2022 DFW Top Place to Work by the Dallas Morning News. We are proud to receive these accolades and remain committed to continuing our work in these areas in the future.

We also made significant strides on the environmental front, including:

- Adopting a data collection platform to track our Scope 1 and Scope 2 data.
- Initiating outreach to all our tenants to better understand how we can collaborate with them on their ESG initiatives and open communication on data collection efforts.
- Receiving the Green Lease Leader, Silver award by the Institute for Market Transformation and the Department of Energy's Better Building Alliance for adopting green lease language and providing appropriate training.
- Progressing the efforts of our Think Green Committee at our headquarters, increasing our recycling efforts and use of green products in our offices and giving back to our community.

These achievements are a testament to our commitment to sustainability and responsible business practices. We take immense pride in our accomplishments and look forward to continuing our efforts to create a better, more sustainable future.

Sincerely,

A handwritten signature in black ink that reads "Jackson Hsieh". The signature is fluid and cursive, with the first and last names being the most prominent.

**Jackson Hsieh**  
Chief Executive Officer and President  
Spirit Realty Capital, Inc.



# A TIMELINE OF PROGRESS



Created the **Diversity, Equity and Inclusion (DEI) Council**

2020



Conducted an **internal gap analysis** to understand ESG opportunities, and defined ESG priorities based on this analysis to determine actionable initiatives



Formed our **internal ESG Task Force**



Adopted an **Environmental Management System** to formalize company strategy



Refreshed our Board of Directors and **improved the Board's gender diversity**



Conducted an **Enterprise Risk Management assessment** to understand risks and priorities for Spirit



Formalized our **DEI Policy**

2021



Conducted multi-part **"Inclusive Leader" Series**



Published **inaugural 2021 ESG Report**, aligned with SASB and TCFD frameworks



Named a **2022 DFW Top Place to Work** by the Dallas Morning News



Won Nareit's **Diversity, Equity & Inclusion Corporate Recognition Award**, Silver for 2022



Named as a **2022 Green Lease Leader** by the Institute for Market Transformation (IMT), receiving Silver Recognition



Implemented an **environmental data management tool** and began tracking Scope 1 and Scope 2 data



Launched environmental broker training, **The Business Case for High Performance Buildings**, as part of our Environmental Management System



Established our **ESG Tenant Engagement Program**

2022







## ALL ONE TEAM CULTURE

The progress we have achieved would not have been possible without the dedication and efforts of our exceptional Spirit employees.

Our commitment to excellence extends beyond our employees and includes serving the best interests of our shareholders, building strong tenant relationships, and fostering robust relationships with the communities where we operate. We strive to take into consideration the needs of all our stakeholders when crafting policies and initiatives that impact the environment, our community, and our human capital.

## OUR CULTURE...

### CHAMPIONS TEAMWORK

We embody “All One Team” through strong interdepartmental communication and collaborative, cross-functional teams.

### FOSTERS EMPLOYEE DEVELOPMENT

We continue to invest in our employee’s growth through on-the-job training, coaching, mentoring, development and third-party training.

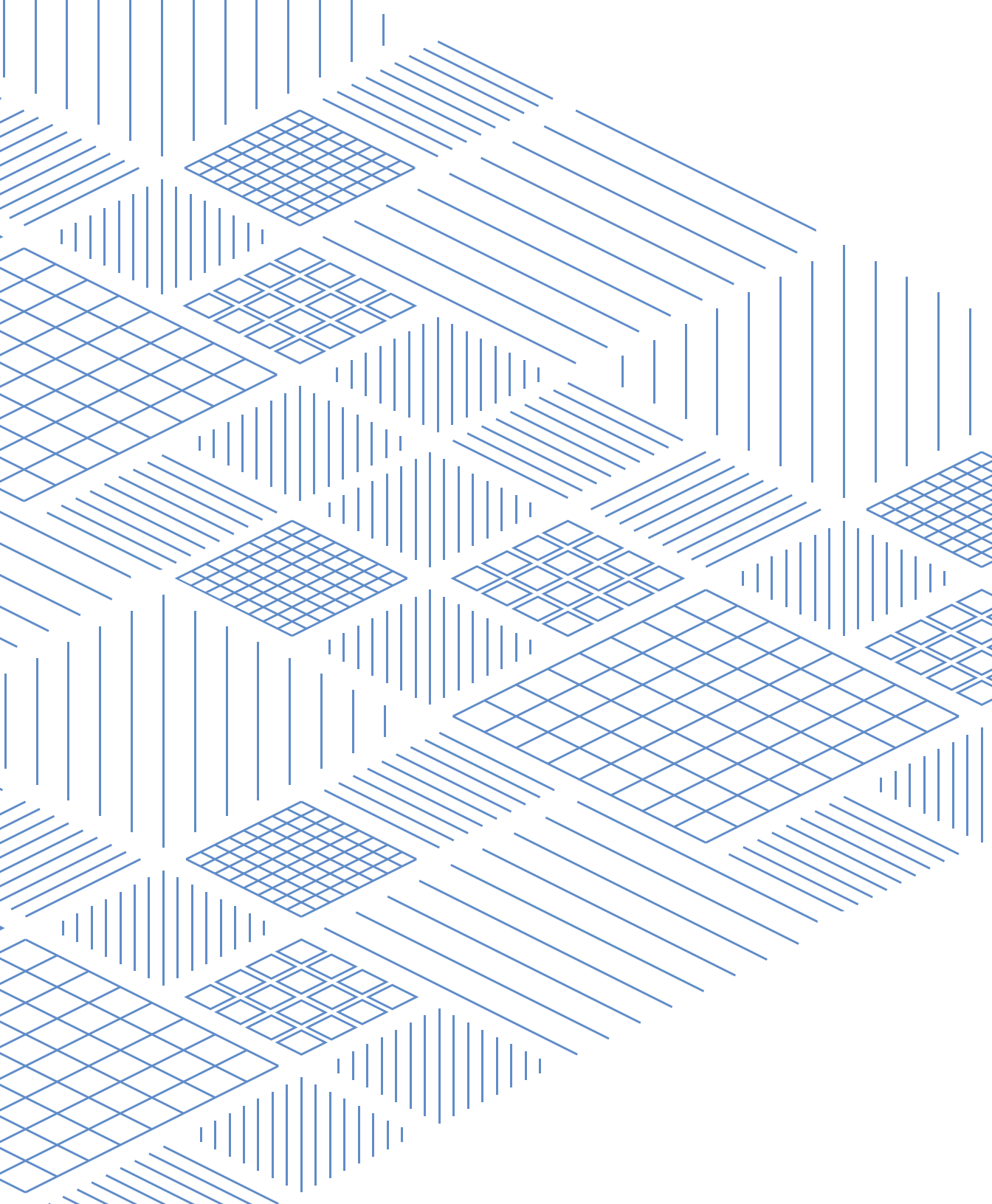
### CELEBRATES DIVERSITY AND INCLUSION

We are committed to creating an inclusive workplace, with around 51% of our employees being women and approximately 30% being racial or ethnic minorities. In 2020, we established an employee-led DEI Council to promote diversity and inclusivity within our company and community. In 2021, we formalized our efforts in diversity and inclusion by creating our DEI Policy. Our DEI Council provides valuable perspectives to our executives and Board of Directors.

### IS DYNAMIC

Our leadership values open communication with and among our employees, including monthly Town Hall meetings where our CEO and other senior leaders share updates on company matters and answer questions from employees. Additionally, senior leaders present a “game ball” to one employee or group of employees to recognize their efforts on a particular project, transaction or company initiative.





SECTION 1

# SPIRIT REALTY OVERVIEW

# BUSINESS OVERVIEW

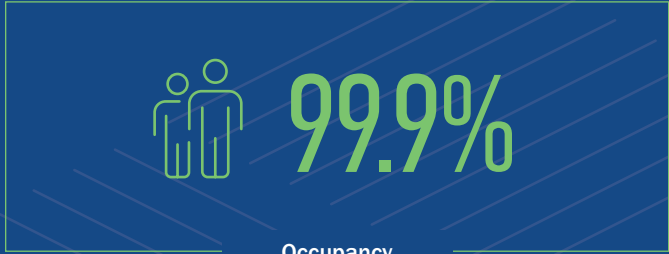
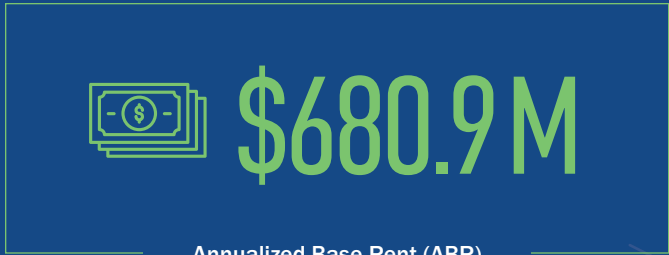
Spirit Realty Capital is a triple net-lease REIT headquartered in Dallas, Texas. Over the past decade, Spirit has become an essential capital partner for businesses across a diverse group of industries, providing the capital they need to expand and evolve, while creating economic growth that benefits communities across the country.

Spirit's objective is to maximize shareholder value by providing a growing stream of earnings and dividends generated through its investments. Spirit primarily invests in single-tenant, operationally essential real estate assets throughout the United States, which are subsequently leased on a long-term triple-net basis to high quality tenants with operations in retail, industrial and certain other industries.



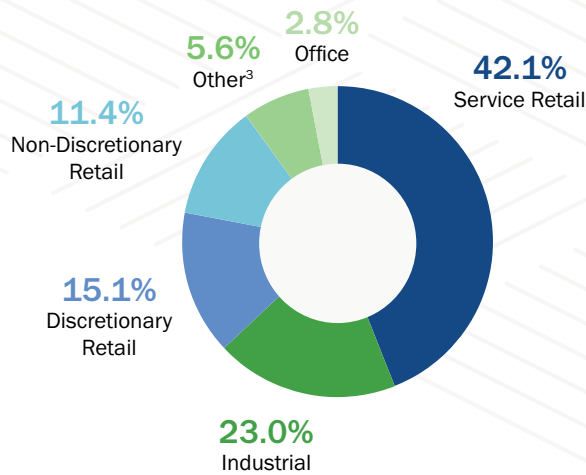
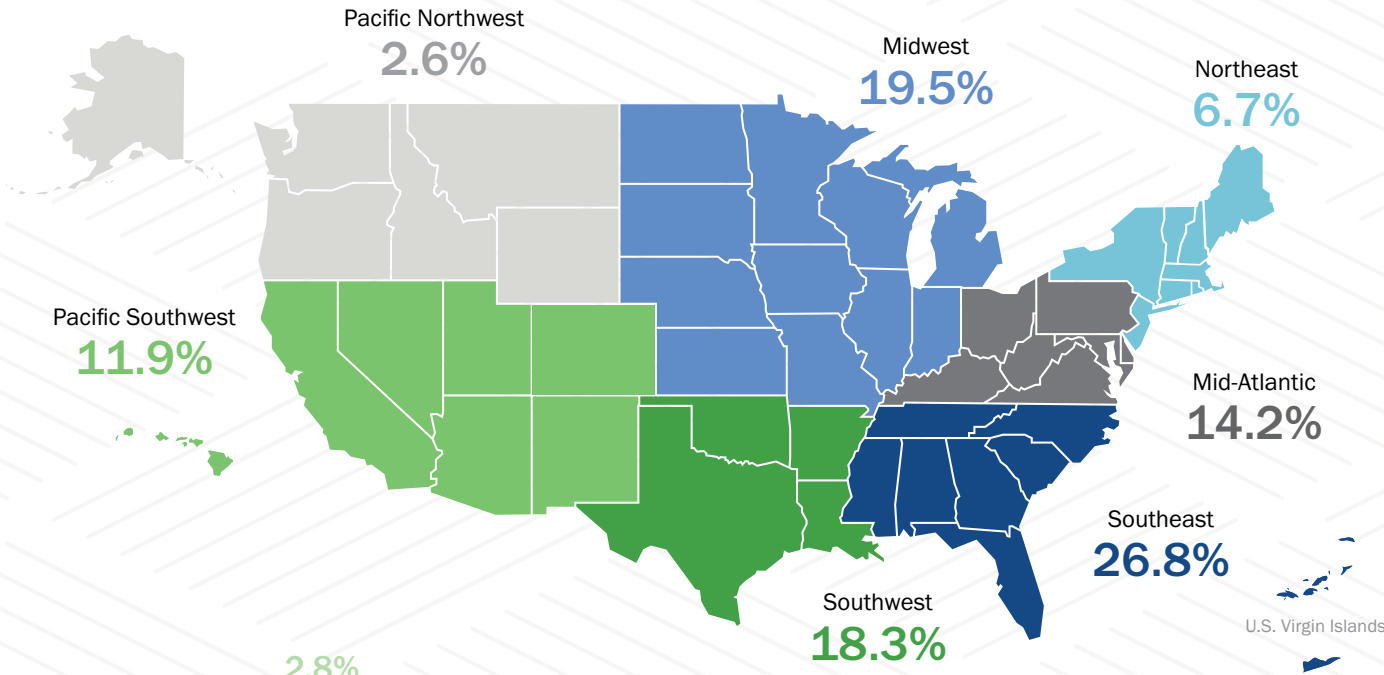
# 2022 KEY FIGURES

As of December 31, 2022, Spirit owned a diversified portfolio of 2,115 properties with a total of 351 tenants. Other key figures include:

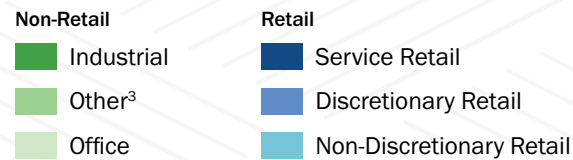


# PORTFOLIO DIVERSIFICATION

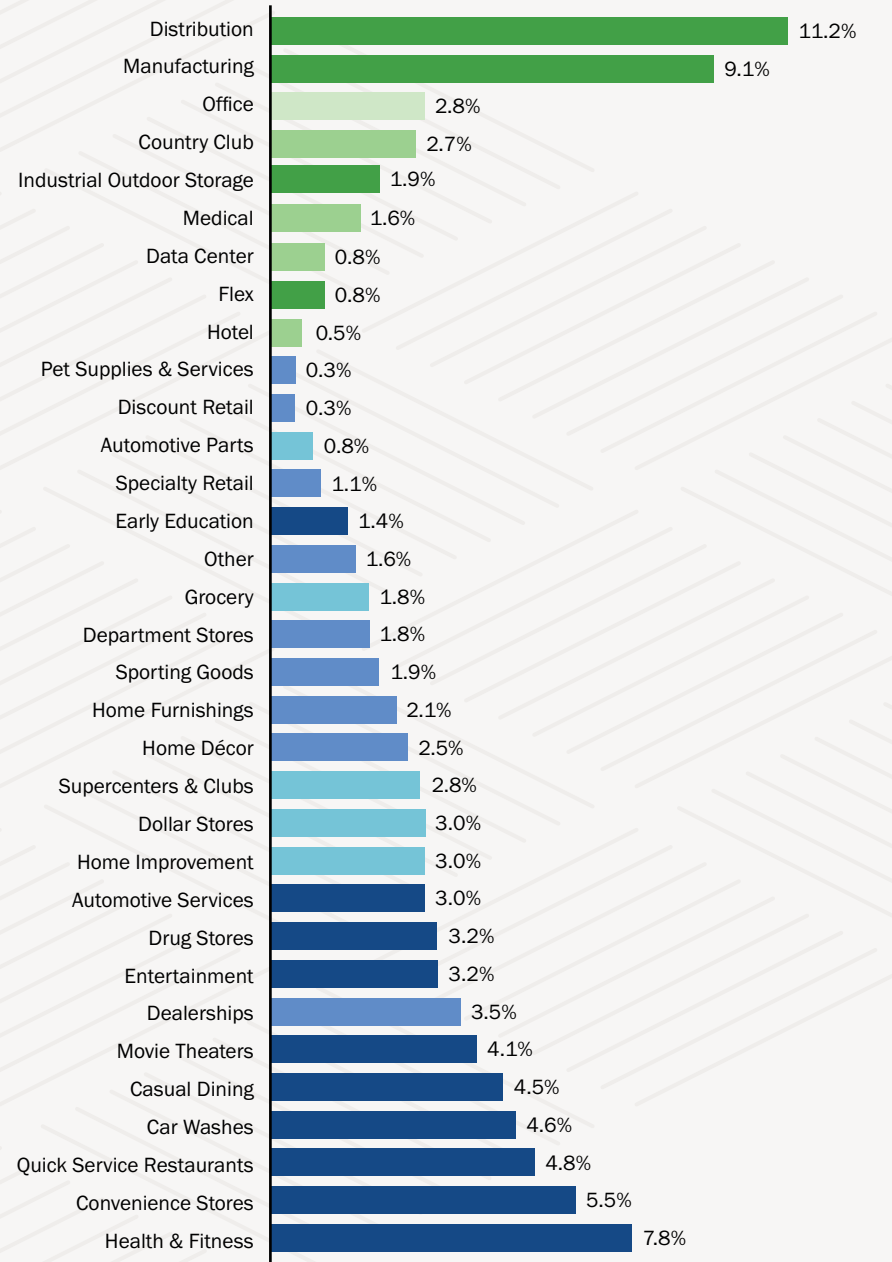
## GEOGRAPHIC COMPOSITION<sup>1</sup>



## ASSET COMPOSITION<sup>1,2</sup>

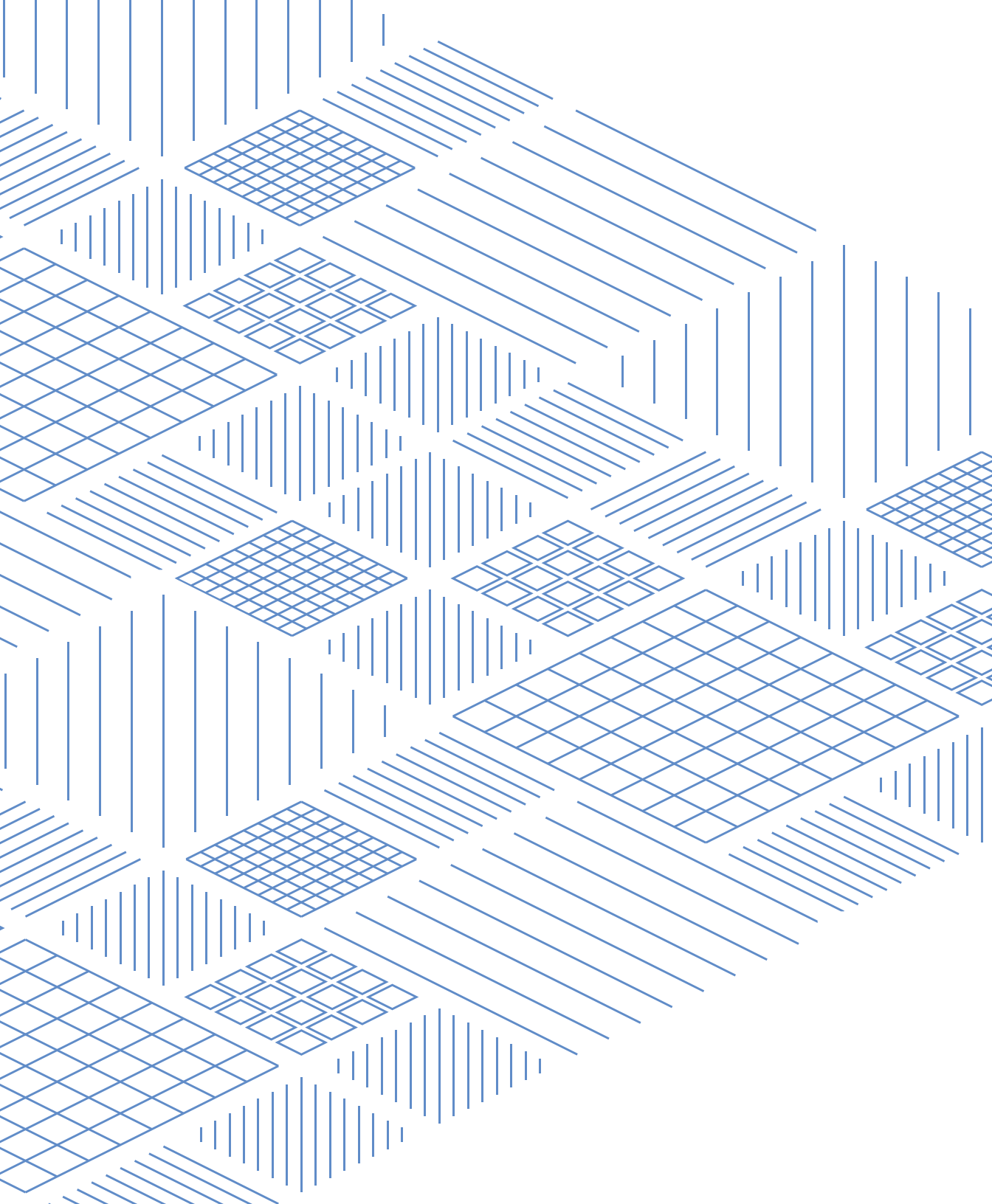


## INDUSTRY COMPOSITION<sup>1,2</sup>



1) All percentages based on December 31, 2022 Annualized Base Rent (ABR).  
 2) Retail industries, indicated in blue, reflect the underlying tenant operations and non-retail industries, indicated in green, represent the underlying property use.  
 3) Other includes hotel, country club, medical and data center assets.





SECTION 2

# GOVERNANCE





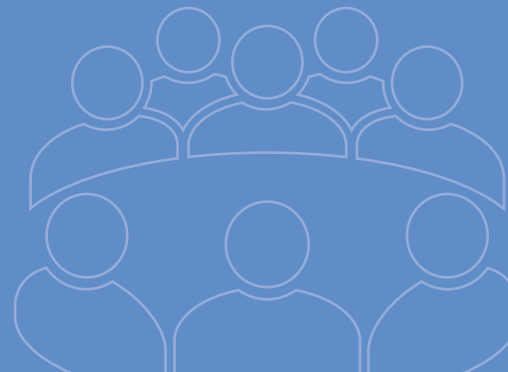
## BOARD OF DIRECTORS HIGHLIGHTS

# BOARD FEATURES AND COMPOSITION

In order to promote effective oversight and advance the long-term interests of our shareholders, our Board is dedicated to engaging in strong governance practices. Our Board routinely reviews best practices and compares them against our governance profile to find opportunities for improvement.

For more information on Board features, please see our [Governance Documents](#) on our website.

- + Independent Chair
- + All directors, with the exception of our CEO, are independent
- + Annual election of directors
- + Board regularly meets in executive sessions, including without the presence of our CEO
- + Board oversight and engagement on environmental, social, governance and human capital management matters
- + Diverse Board across multiple factors including gender, tenure, age and experience



## GOVERNANCE HIGHLIGHTS

- + Majority vote standard for director elections
- + 50% threshold to amend Bylaws
- + Minimum stock ownership policy for Board and executives
- + Active shareholder engagement program
- + Regular Board review of CEO and senior management succession plans





# 2022 BOARD COMPOSITION

We believe that our Board’s composition currently reflects diversity across gender, age, tenure and skills, and therefore ensures a strong, engaged set of directors who are empowered to oversee management.

In 2021, as an initiative to ensure continued Board diversity, our Nominating and Corporate Governance Committee began adhering to a **“Rooney” style rule**. As such, Spirit’s Corporate Governance Guidelines include a policy to make best efforts to include qualified female and/or ethnic or racial minority candidates in the initial search pool. This initial search pool is then further evaluated by the Nominating and Corporate Governance Committee for recommendation to the Board.

## DIRECTOR AGE



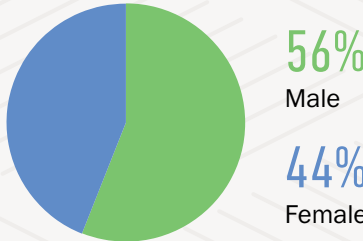
4 Directors in their 50's  
 4 Directors in their 60's  
 1 Director in their 70's



## INDEPENDENCE



## GENDER DIVERSITY



## RACIAL / ETHNIC DIVERSITY



## TENURE



5 1-5 years  
 1 6-10 years  
 3 11+ years

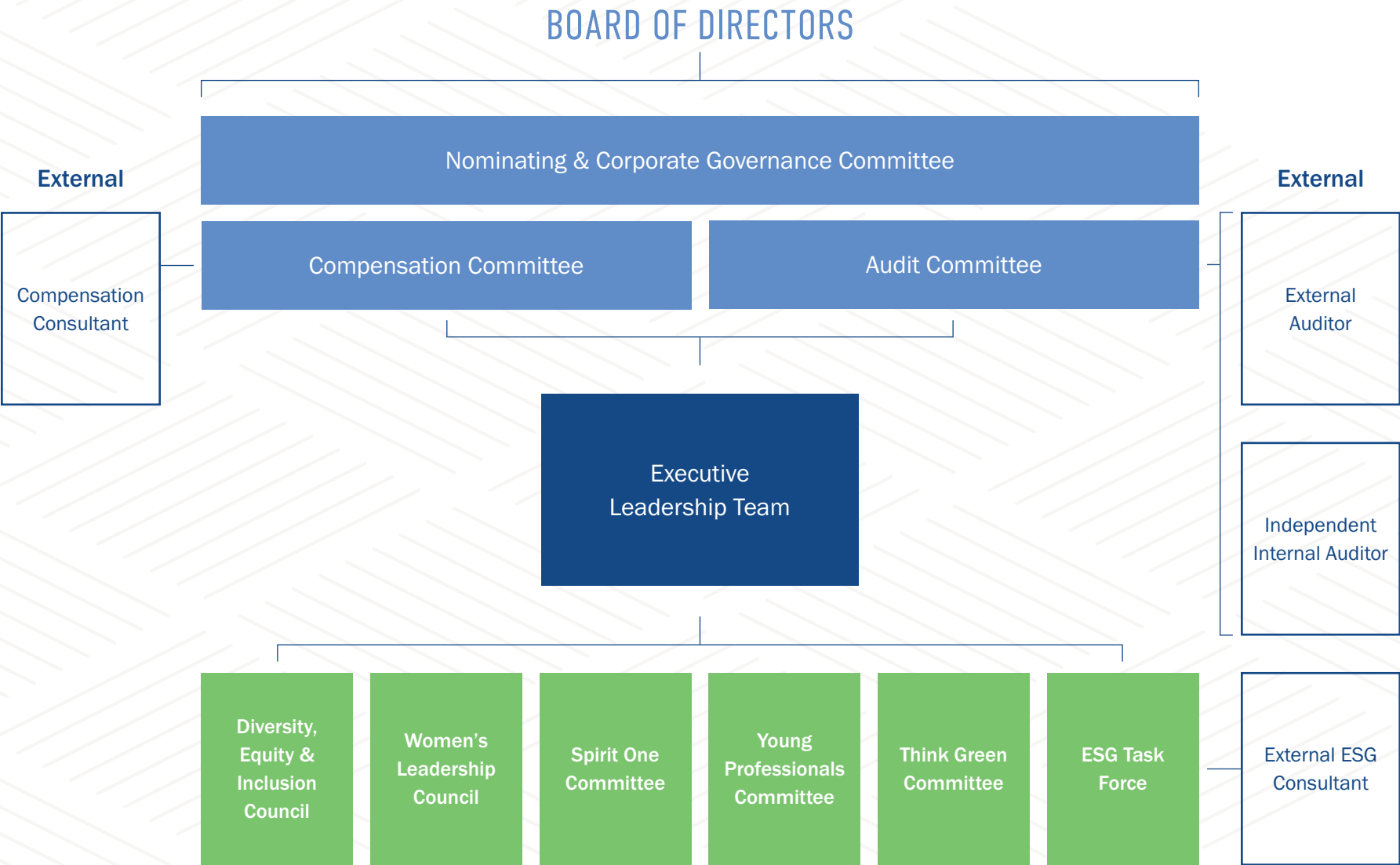


# BOARD OVERSIGHT OF ESG

The oversight of our ESG program is managed at the Board level. Key responsibility is with our Nominating and Corporate Governance Committee, while our Audit and Compensation Committees also oversee ESG-related responsibilities specific to their committee scope.

The Executive Leadership Team (ELT) provides ESG-related updates to the Board, or committees thereof, at least quarterly and on an as-needed basis.

We also have established several committees that report to our ELT on ESG matters. To remain informed and involved in decision-making, members of our ELT and senior management sit on most of these internal ESG committees, including the ESG Task Force. The overall organizational structure and each ESG working group's specific responsibilities are described on the next page.



# SPIRIT BOARD OF DIRECTORS

## The Nominating and Corporate Governance Committee

- Reviews and oversees key ESG-related issues, policies and trends and makes recommendations to the Board regarding Company action
- Oversees Spirit's annual ESG report
- Assists the Compensation Committee and the Board with considering ESG-related performance goals for the ELT and Spirit and monitoring progress against those goals
- Incorporates ESG-related topics and presentations in the Board's continuing education program
- Receives ESG updates from the ELT at least quarterly

## The Compensation Committee

- Considers incorporation of ESG-related performance goals and targets for the Company, CEO and other members of management
- Oversees Spirit's annual shareholder engagement program

## The Audit Committee

- Oversees Spirit's enterprise risk management and mitigation strategy
- Oversees ESG disclosure processes, controls and assurances, including compliance with applicable laws and regulations that apply to ESG matters, including climate change, human capital management, cybersecurity and data privacy
- Oversees Spirit's annual and quarterly financial statements, as well as any disclosure-related processes and procedures, including those related to quantifiable ESG metrics

# SPIRIT ESG COMMITTEES

**The Diversity, Equity and Inclusion (DEI) Council** is charged with: (i) bringing meaningful change to society as it relates to diversity, equity and inclusion matters, (ii) bringing awareness and fostering an environment and culture that promotes diversity and inclusion and (iii) supporting Spirit's leadership in developing strategies and best practices aimed at fostering a diverse and inclusive workforce through identifying opportunities to promote equity, social justice and inclusion.

**The Women's Leadership Council (WLC)** is committed to empowering the women of Spirit in professional and personal growth, by building leaders, creating social connections and serving the community.

**The Spirit One Committee** is charged with planning and organizing civic involvement and charitable donation opportunities for our employees, as well as organizing company-wide social events and team building activities.

## The Young Professionals (YP)

**Committee** is dedicated to fostering a connection between the younger employees of Spirit and providing resources to support and develop them at the earlier stages of their careers.

**The Think Green Committee** is dedicated to implementing sustainable practices to reduce our environmental impact at Spirit, while partnering with at least one environmentally-focused community service project each year.

**The ESG Task Force** is dedicated to researching, developing and implementing ESG-related goals and strategy and overseeing the annual ESG Report.

## BOARD ESG CONTINUING EDUCATION

Our Board regularly receives ESG insights and data, both at Board meetings and as part of our Board's continuing education program. Topics of discussion have included ESG oversight and risk management, data management, ESG policy development and implementation, ESG investment trends, the various ESG rating agencies and frameworks, peer ESG best practices and the SEC's potential climate-related proposal. These sessions also allow our Board to understand Spirit's current ESG position relative to peers, industry frameworks and investor expectations and weigh in on future initiatives to continue our progress in this space. As the ESG world continues to evolve, we will continue to keep our Board up to date on the latest developments and how they relate to Spirit's business.



# ENTERPRISE RISK MANAGEMENT (ERM)



“Our enterprise risk assessment program plays a vital role in managing risks associated with our business. We perform a thorough analysis of potential risks and vulnerabilities to develop and implement strategies to minimize the impact of identified risks to our operations. Our enterprise risk analysis and the resultant strategies are updated quarterly and discussed in detail with our Board of Directors. This ongoing process allows us to stay ahead of emerging risks and make informed decisions that mitigate potential threats.”

**Prakash Parag, Senior Vice President and Chief Accounting Officer**

Assessing and identifying potential risks and opportunities for Spirit is critical to how we conduct our business. Directors receive a formal presentation at every other quarterly Board meeting as part of the Board’s continuing education program on a wide variety of topics, including regulatory trends and updates, cybersecurity and climate change.

To gain a more fulsome understanding of the risks our business faces, we conducted an Enterprise Risk Management (ERM) assessment of our business in 2021. With the help of a third-party consultant, we analyzed risks across a wide range of categories

including finance, operations and ESG. This process involved interviewing twelve members of our management team, including those on the ELT and the Management Operating Committee (MOPCO), to assess the various operational risks that could prevent us from achieving our strategic priorities.

The results of the ERM assessment are subject to frequent reviews and updates. The ongoing monitoring of our ERM continues to inform our Board and management team, allowing us to be better prepared to mitigate potential risks in the future.

## OUR ERM PROCESS

The ERM process is overseen by our Audit Committee and spearheaded by our EVP and General Counsel. Both the Company and the Audit Committee view the ERM as a living document that is continually evolving. The ERM is reviewed and analyzed on a quarterly basis to determine whether identified risks have increased or decreased in relevance, or whether Spirit faces new risks.

### Strategy and Business Execution

### Evaluation of Strategic Options, Business Planning and Forecasting

### Risk Culture and Behaviors

#### ESTABLISH AND EVOLVE ERM GOVERNANCE



Identify and prioritize enterprise risks



Quantify, proactively manage and monitor top risks



Integrate risk and opportunity analysis into strategy setting and planning



Implement a robust risk appetite framework



Disseminate a risk-based mindset across the organization



# CORPORATE GOVERNANCE POLICIES

We are dedicated to conducting our business consistent with the highest standards of ethics and have an obligation to our employees, shareholders, customers, suppliers, community representatives and other business contacts to be honest, fair and forthright in all of our activities. Many of these commitments have been formalized through various policies and guidelines that affirm our dedication to these issues and outline best practices at Spirit.



## Code of Business Conduct and Ethics

Along with our Corporate Governance Guidelines, Employee Handbook and DEI Policy (all of which are discussed throughout this report), our Code of Business Conduct and Ethics outlines the general guidelines for ensuring we are conducting business with the highest level of integrity. Additionally, the Code contains specific policies on **Insider Trading, Recoupment, Conflicts of Interest, Political Contributions and Activities, Environment, Health and Safety and Employment Practices**. The Code applies to all directors, officers and employees and includes the below key highlights:

- Honest and Ethical Conduct
- Speak Up Culture/How to Report
- Policy Against Retaliation

All Spirit employees are required to provide a written acknowledgment stating their understanding of the Code of Business Conduct and Ethics.



## Vendor Code of Conduct

We are committed to **fair and ethical business practices** that are aligned with our Code of Business Conduct and Ethics. As such, we expect our **partners, agents and vendors** to also embrace this commitment. Our Vendor Code of Conduct includes guidelines related to:

- Confidentiality and Data Protection
- Human Rights and Labor Standards
- Health and Safety
- Applicable Environmental Laws

# CYBERSECURITY

Spirit is focused on the protection of our user accounts, corporate data and intellectual property, and has created a robust and dynamic cybersecurity program to ensure the safety of that information. We also maintain cyber insurance coverage in the event a data breach were to occur. We employ a comprehensive set of security guidelines outlined in our Network Security Policy that govern devices, on-premise and remote access, acceptable use, network accounts and cyber-incident management.

These security guidelines include policies around password security, physical access restrictions to certain potentially vulnerable locations like data centers, firewalls and wireless network access. Spirit also maintains policies around remote access and personal device use in light of the changing work landscape and increasing demand for remote work opportunities.

Spirit's cybersecurity program includes a clearly defined Cybersecurity Escalation process in the event an incident occurs. Employees are instructed to notify our IT team as soon as possible, who will then determine the nature of the breach and, if warranted, notify the ELT. If elevated to that level, the ELT will determine any further notifications to relevant or impacted parties. Our cyber-incident response team also routinely performs readiness exercises to validate that our procedures operate effectively.

Additionally, we consider prevention and training as the best way to avoid cybersecurity incidents in the first place. We conduct mandatory employee cybersecurity training and knowledge assessments in conjunction with year-round phishing simulations and penetration testing. We also proactively monitor our network to identify and respond to security attacks and threats.





## OTHER KEY POLICIES



**Human Rights Policy:** We are deeply **committed to protecting human rights**, not only because it is the right thing to do, but because this commitment is crucial to upholding best practices in our operations that benefit all stakeholders. As a company, we take responsibility to ensure human rights are respected in all business functions and **promote human rights by encouraging social and environmental progress and better standards of life for employees, vendors and our communities.** Our Human Rights Policy covers:

- Equal Opportunity
- Child Labor
- Forced Labor and Human Trafficking
- Occupational Health and Safety
- Transparency in the Supply Chain
- Freedom of Association
- Ways to report, including a company hotline, which is also located directly on our website



**Anti-Corruption Policy:** Our Anti-Corruption Policy re-affirms our **commitment to conducting business with the utmost integrity** at every level in the organization. Key features of our policy include:

- Defining Corruption
- Defining Bribes and Facilitation Payments
- Defining Anti-Money Laundering
- Hiring third parties
- Competition and Fair Dealing
- Compliance with Antitrust laws
- Ways to report and Spirit's company hotline



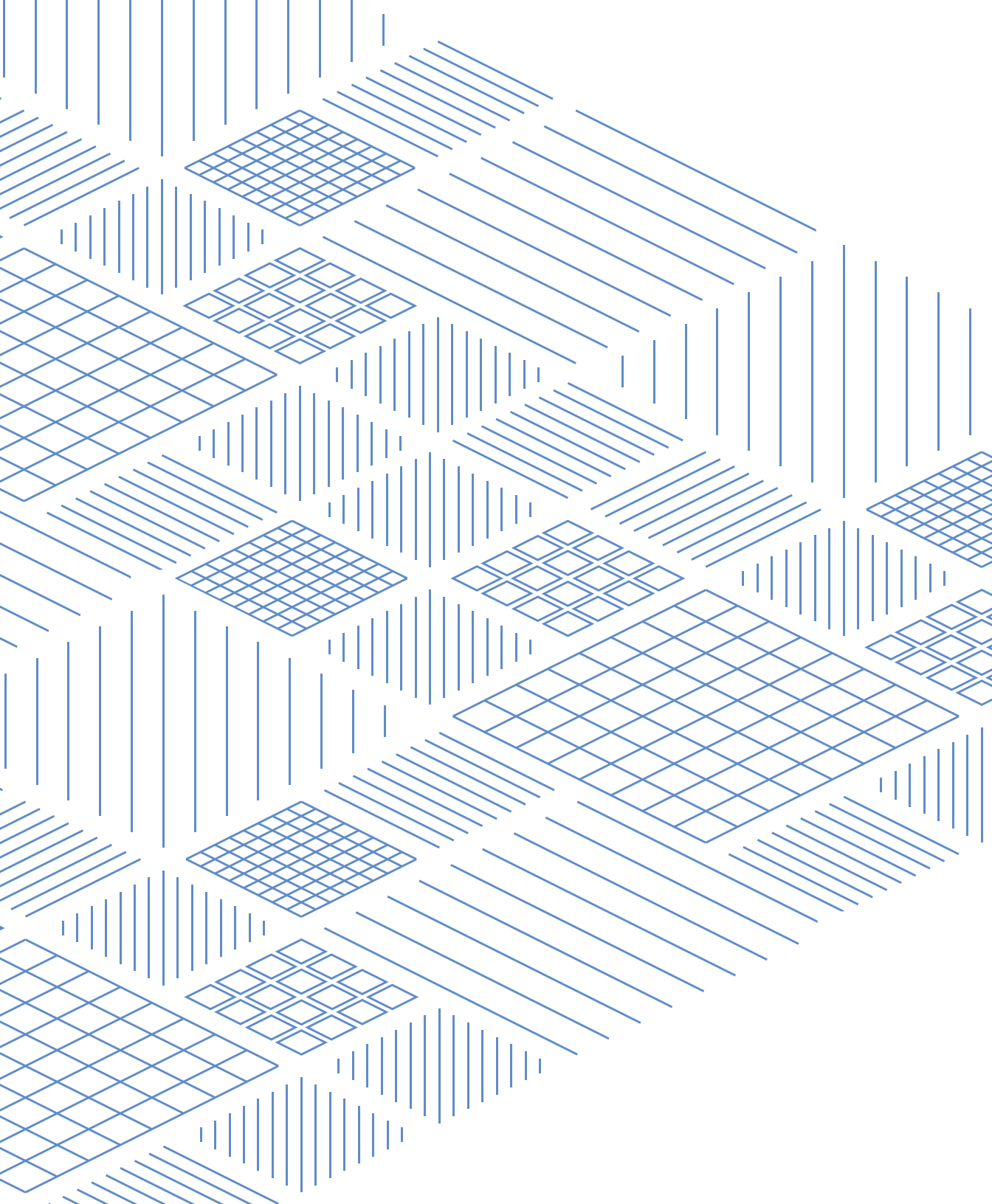
**Gifts and Entertainment Policy:** Our Gifts and Entertainment Policy describes in detail our policy regarding the **giving or receiving of gifts and entertainment.** This policy applies to all directors, officers and employees of Spirit, and specifically includes the necessary requirements for gifting and entertaining, including no cash gifts, no solicitation of gifts, no gifts to government officials, reporting and recordkeeping requirements and more



**Whistleblower Policy:** Our Whistleblower Policy provides a full description of the matters which can be **submitted anonymously and confidentially 24/7 to an independent third party**, as well as Spirit's responsibility to handle all whistleblower reports with the utmost seriousness and expediency.







SECTION 3

SOCIAL

# DIVERSITY, EQUITY AND INCLUSION

We are committed to fostering a diverse and inclusive workplace where employees can achieve their full potential. Spirit employees should feel accepted and valued, where they are encouraged to speak openly, lead engagements and progress in their careers.

Spirit does not tolerate discrimination and harassment in any form, and this is formally codified in our Code of Business Conduct and Ethics. At Spirit, we make all employment-related decisions throughout the human capital life cycle (recruitment, hiring, job assignment, compensation, promotion, benefits, training, discipline, termination, etc.) on a non-discriminatory basis. Annually, all Spirit employees are required to complete mandatory diversity and inclusion training.



## DEI ACCOMPLISHMENTS DURING 2022

- ✓ Won Nareit's Diversity, Equity & Inclusion Corporate Recognition Silver Award
- ✓ Partnered with two historically-black colleges and universities (Prairie View A&M and Paul Quinn College) to fund \$20,000 in scholarships
- ✓ Partnered with Project Destined, a program that provides real estate learning opportunities to young adults from underrepresented communities, and mentored a group of diverse college students, who participated in a real estate case study competition
- ✓ Facilitated employee engagement programs to foster inclusivity within the workplace through monthly emails to all employees on a variety of DEI topics and hosted lunch and learns and company-wide events
- ✓ Conducted annual employee engagement survey
- ✓ Hosted a lunch and learn session on "Navigating the Multigenerational Workplace"
- ✓ Conducted 2nd annual corporate work study sponsorship of two students at Cristo Rey, a non-profit educational organization founded to prepare youth from low-income backgrounds for post-secondary education.
- ✓ Celebrated Cinco de Mayo at our corporate headquarters in recognition of Hispanic Heritage Month
- ✓ Conducted a mandatory workshop on "Diversity, Inclusion and Bias" with Dr. James Pogue
- ✓ Conducted a mandatory learning series for people managers on inclusive leadership
- ✓ Hosted Loving Day Event and World Cup Diversity Event
- ✓ Donated \$5,500 to Lambda Legal for the second year in a row
- ✓ Donated \$5,500 to American Association of People with Disabilities



## Diversity, Equity and Inclusion (DEI) Council

Spirit's DEI Council was formed in 2020 with the ethos of promoting diversity and inclusion within the company. The DEI Council manages and implements work across the company to ultimately bring meaningful change to the people and communities we interact with. For more information, please see our ESG Committees section on page 13.



“Spirit’s commitment to diversity, equity and inclusion continued in 2022 with comprehensive programming designed to develop the mentality and skillset of our team to think and behave

inclusively, thereby promoting a dynamic workplace culture. Moreover, our commitment extended beyond Spirit with continued partnerships, volunteer events, and donations to organizations devoted to advancing equity in our community. Spirit looks at diversity, equity and inclusion as a journey and not a destination, and we are excited to continue our progress into 2023 and beyond.”

**Rochelle Thomas, Executive Vice President,  
General Counsel**



## DEI Training

As part of Spirit's commitment to providing our employees with the resources and support to better embody DEI in their everyday work life, Spirit held several DEI-focused learning events. One of the learning events was the kickoff of the “Inclusive Leader Series for People Managers” by The Winters Group. The training consisted of four modules taken from September 2022 to February 2023. As part of the series, each manager completed an Intercultural Development Inventory (IDI) assessment, a tool that measures cultural competence, and was given the opportunity to meet individually with a member of The Winters Group for a feedback session on their individual results. Spirit also facilitated a Diversity, Inclusion and Bias Workshop by Dr. James Pogue and held a “Navigating the Multigenerational Workplace” lunch and learn.



## Diversity, Equity and Inclusion Policy

In support of the formation of our DEI Committee, we created our Diversity, Equity and Inclusion Policy to formalize our stance on DEI and ensure our diverse team of employees are seen, heard and included without barriers. The policy covers:

- Definition of what Diversity, Equity and Inclusion means to Spirit
- Statement of commitment to our employees, community, tenants and shareholders
- An overview of our commitments in action through:
  - » Oversight by the Board and involvement from senior management
  - » Corporate policies and programs, including:
    - + Zero Tolerance for Discrimination – Workplace Harassment and Discrimination Prevention Policy
    - + Equal Employment Opportunities
    - + Talent development and training focused on leadership, diversity and inclusion
    - + Community involvement through volunteer opportunities and charitable donations

Please see our [Diversity, Equity and Inclusion Policy](#) on our website for more information.





## WOMEN'S LEADERSHIP COUNCIL (WLC)

The Women's Leadership Council, led by employees at all levels of the company, is committed to helping women at Spirit grow professionally and personally by building leaders, creating social connections and serving the community. In 2022, the WLC held the following events:

Conducted the third annual "Real Talk" Speaker Series, this year joined by leading female brokers Tanya Hart Little and Allison Johnston Frizzo

Led a four-part "Mini Leader Lab" with the aid of the ELI Group

Hosted a monthly Book Club with small group discussions on professional development

Organized a company-wide viewing of Hidden Figures in celebration of Women's History Month

Held a Kentucky Derby social event

Hosted a December Cookie Exchange

Partnered with Chamberlain Studios to hold a Self-Defense Class

Hosted a company-wide October Breast Cancer Awareness Event and donated \$5,000 to Bridge Breast Network

Donated \$5,000 to Girls Inc.

Donated \$5,000 to Dress for Success in celebration of Women's Equality Day

Organized a company-wide donations drive in support of Women's Genesis Shelter and donated 30 laptops



## BREAST CANCER AWARENESS AND SUPPORT EVENT

In October 2022, in observance of Breast Cancer Awareness Month, Spirit's WLC held a company-wide breast cancer awareness and support event. Employees were encouraged to wear pink for the lunch event, during which information was provided about breast cancer and prevention. The WLC provided supplies that employees used to assemble and donate 100 care packages for patients undergoing chemotherapy. Additionally, employees played games and wrote names and/or messages of encouragement on pink ribbons to create a ribbon wall which is displayed in the Company's office.



"Spirit, through the Women's Leadership Council, has shown an incredible commitment to recognizing and developing its female employees. I am proud of the meaningful programming the WLC curated this past year, providing opportunities for the women at Spirit to expand their professional skills and personal networks, as well as offering opportunities for the men and women of Spirit to continue their education on gender issues and to support the females in our local community."

**Sarah McCombs Taylor, Vice President, Financial Reporting**





## YOUNG PROFESSIONALS (YP) COMMITTEE

In 2022, Spirit formed the Young Professionals Committee, a group of Spirit employees under the age of 35 focused on fostering four pillars: professional development, technical training and networking, mentorship and serving the community. In its inaugural year, the YP Committee:

- Partnered with The Arts Community Alliance (TACA), a nonprofit arts service organization, to host an event where participants networked with other real estate employees and toured the Dallas Symphony Orchestra building
- Held monthly “Food for Thought” lunches as opportunities for young professionals at Spirit to connect with upper management over an informal meal
- Partnered with local universities to mentor college juniors and seniors and to connect them with various opportunities with Spirit
- Attended a Texas Rangers baseball game and had a meet-and-greet with the Vice President of Ticket Retention & New Business Development to hear about his career and experiences as a young professional



“The Young Professionals Committee was created to provide a channel by which Spirit’s young professionals (YPs) can add value through their personal professional development by means of technical training, connecting with the community, mentoring, and networking. With 42% of

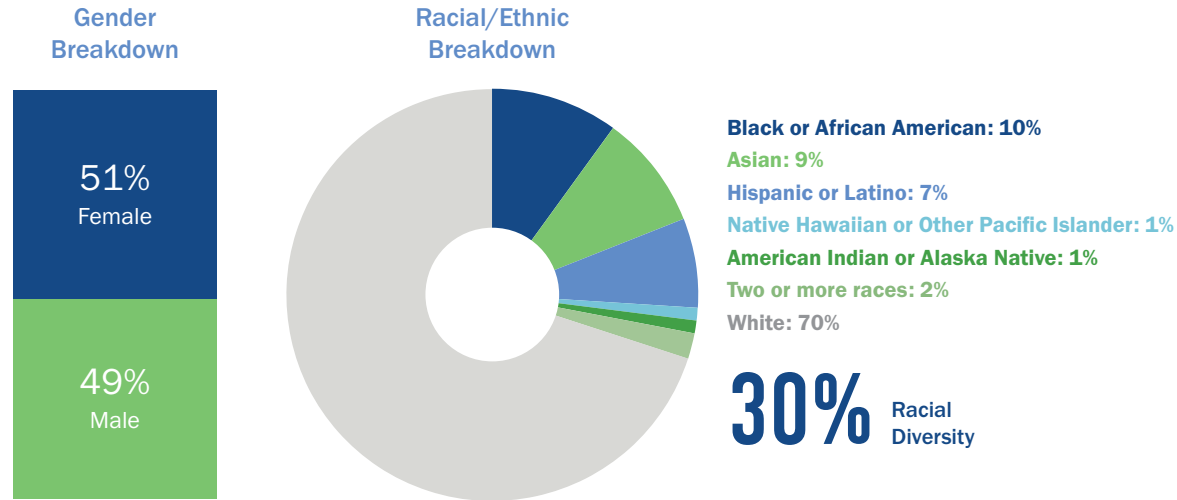
our employee population being under the age of 35, we knew it was time to start a committee that catered to our YPs’ personal and professional growth. In our first year as a committee, we created partnerships and engaged with local universities and students, hosted mentorship lunches with upper management, connected with outside organizations, and even attended a local sporting game. This year’s success was only possible by the continuous effort of all the committee chairs who planned and executed every event. We are really excited to continue to build on the YP committee next year and come up with new ways that we can provide resources to help our YPs grow!”

**Sabreen Rahal, Senior HR Generalist**

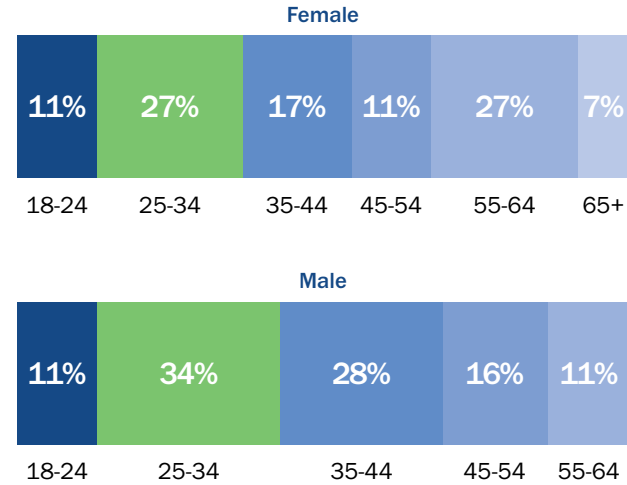




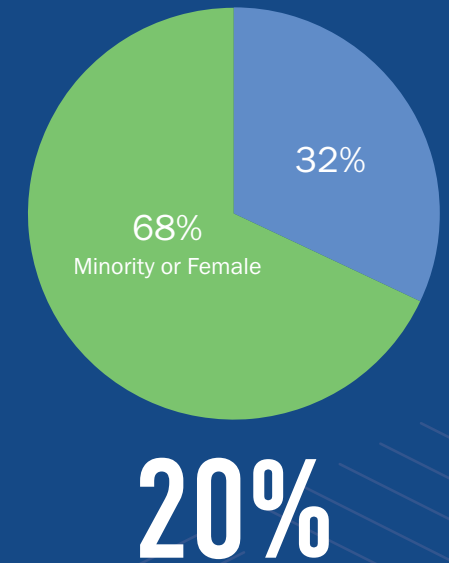
## DEI BENCHMARKING METRICS FOR ALL EMPLOYEES<sup>1</sup>



### Age Group Breakdown



## 2022 Promotions

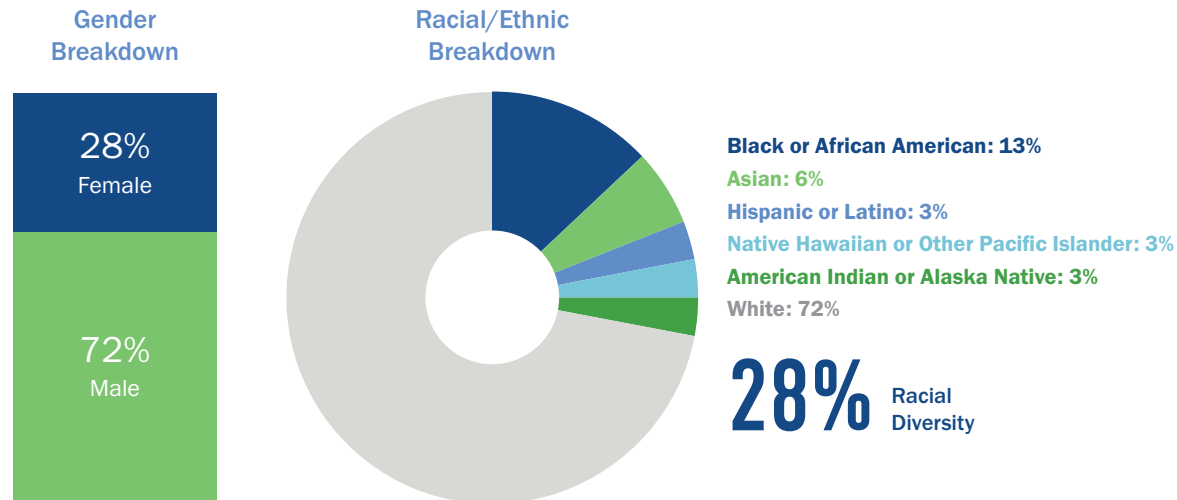


of all 2022 promotions were females being promoted to Director or above.

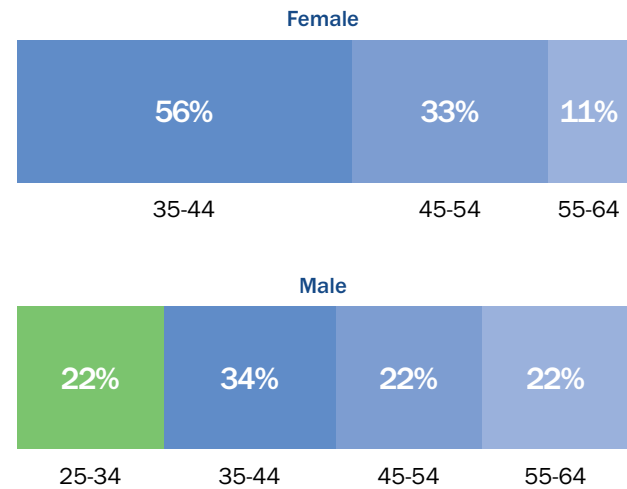


We are proud to receive **NAREIT's 2022 Diversity, Equity & Inclusion Silver Award**, which recognizes NAREIT corporate member companies that have demonstrated a strong commitment and made outstanding contributions to advancing diversity, equity and inclusion within their companies as well as in the REIT community.

## DEI BENCHMARKING METRICS FOR PEOPLE MANAGERS<sup>1</sup>



### Age Group Breakdown



1) Data as of December 31, 2022





# HUMAN CAPITAL MANAGEMENT

We are committed to attracting the best and brightest talent in the industry and retaining employees through a culture of collaboration and mutual respect. To that end, we strive to ensure the well-being and development of our talented team, and we do so by the following:



“A key factor in Spirit’s success is our ability to attract and retain our high-performing

talent base. Our competitive total rewards strategy involves annual industry survey analysis and market compensation adjustments, as well as offering a best-in-class benefits package. Additionally, Spirit uniquely offers stock grants to all employees, thus giving each employee a vested interest in Spirit's continued success.”

**Alex Barany, Director, Human Resources**

## Employee Compensation and Benefits

We are committed to awarding our employees compensation and benefits that are competitive amongst peers, including:

- Medical, Dental and Vision Insurance
- Flexible working arrangements
- Pet Insurance
- Flexible Spending Accounts (Health and Dependent)
- Life and AD&D Insurance
- Paid Vacation
- Parental Leave
- Military Leave
- Short and Long-Term Disability
- 401(k) and Roth Savings Plans
- Employee Assistance Programs
- Employee Discount Program
- Bereavement Leave
- Fertility, surrogacy and adoption guidance and support

## Mental and Physical Well-Being

The mental and physical well-being of our employees is an important piece of our business and overall success. We support our employees’ health and wellness through:

- Hybrid in office and remote work environment
- Regular employee surveys regarding satisfaction with topics such as corporate culture and work-life balance, which inform action plans based on responses
- Annual health and wellness challenges
- Wellness screenings
- A physical work environment designed for health and well-being (sit-stand desks, ergonomic chairs, healthy snack options, maximized natural light at all workspaces, creative and collaborative workspaces)

## Social Engagement

At Spirit, we have a passion for creating a social, collaborative and engaged workforce. We recognize that an involved workforce is one that contributes to a better company culture and is more passionate about the work they are doing. Regular social and team building events encourage collaboration, socialization, and relationship building amongst our Spirit family – elements vital to employee engagement. Our Spirit One Committee is focused on promoting these tenets through the initiatives they run throughout the year, including the following:

- Monthly “Coffee Talks” where smaller groups of employees enjoy their morning coffee with one another and discuss non-work topics
- Health and wellness activities including:
  - » SPCA’s Strut Your Mutt 5K
  - » Intramural volleyball and kickball leagues
- Company-wide social events including:
  - » Family Day
  - » 4th of July event and ping pong tournament
  - » Halloween costume contest
  - » Holiday Celebration
- Quarterly employee appreciation lunches, including kickoffs at the beginning of summer and the NFL season



## Employee and Tenant Appreciation

Spirit's employees are the foundation of our business, and we pride ourselves on recognizing their accomplishments and hard work through our talent engagement strategy. We actively promote the recognition of our employees, including awarding a "game ball" to an individual or group of individuals at each Town Hall Meeting in recognition of that recipient and something they accomplished.

Furthermore, appreciation of our tenants is a crucial piece of continually building our tenant relationships and advancing our overall business strategy. In 2022, we hosted a Partner Appreciation Event in Dallas, Texas, which was meant not only to show appreciation for our tenants, but to also give our employees a chance to meet our tenants in person, better understand their opportunities and challenges and connect the work we do to our core mission of funding the heart of American business.

## Employee Development and Training

Not only are we committed to attracting the best and brightest talent in the industry, we are committed to developing each employee to reach their full potential. To that end, we strive to offer various resources and training to our employees to better position them for success, such as:

- Executive, officer and director-level individual coaching
- Leadership training administered by third-party consulting firms
- Tuition reimbursement
- Lunch and Learn presentations on various business and legal topics
- Monthly Town Hall meetings with the entire company led by the CEO to discuss the current status and strategic objectives of the company
- Direct interactions between the Board of Directors and employees
- Pryor Learning Membership (an external, award-winning business training platform) available for all employees

Spirit conducts mandatory trainings for Diversity and Inclusion and Information and Technology Security

## CRAWFISH BOIL

Organized by the Spirit One Committee, the Crawfish Boil is a way for employees to gather and spend time together outside of the workplace. This annual employee appreciation event was held at Community Beer Company in Dallas, TX this past year. Employees enjoyed a tour of the brewery, yard games, a selfie booth, and a lot of crawfish!



## TOASTMASTERS

A newly created employee development opportunity in 2022 was the formation of a Toastmasters group at Spirit, centered on enabling interested employees to develop their public speaking skills. Toastmasters International is a nonprofit educational organization that provides interested groups with the organizational tools to proliferate public speaking and leadership skills, build self-confidence, and practice speeches and presentations. Toastmasters is a distinct example of the employee development opportunities that Spirit team members can choose to engage in.





# COMMUNITY AND PHILANTHROPY

## Spirit One Committee

Spirit is committed to being a good corporate citizen by supporting charitable organizations and encouraging our employees to personally participate in volunteer activities.

Since its inception, the Spirit One Committee has organized donations and volunteer hours at several nonprofit organizations including Doctors Without Borders, National Alliance on Mental Illness, The Community Foundation of Texas Hill Country, The League of United Latin American Citizens (LULAC), United Nations Children's Emergency Fund and World Central Kitchen, among others.



## Feast of Sharing

In 2022, the Spirit One Committee organized employee volunteers at H-E-B's 23rd annual Feast of Sharing Event at Fair Park in Dallas, TX. Employees helped prepare and serve thousands of meals to families in need to celebrate the holiday season.



“The Feast of Sharing is an amazing event hosted by H-E-B supporting their Hunger Relief Program which provides meals for those in need and brings the community together to celebrate the holiday season. This awesome event is filled with holiday cheer, live music, and fun activities for the kids. Our employees got the opportunity to work alongside the H-E-B chefs and help plate hot meals for the community. It was touching to hear about all the hard work and preparation the H-E-B team puts into hosting these events, not only in Dallas but all over Texas.”

**Sabrina King, Office Manager**

VOLUNTEER HIGHLIGHT



## Employee Gift Matching Program

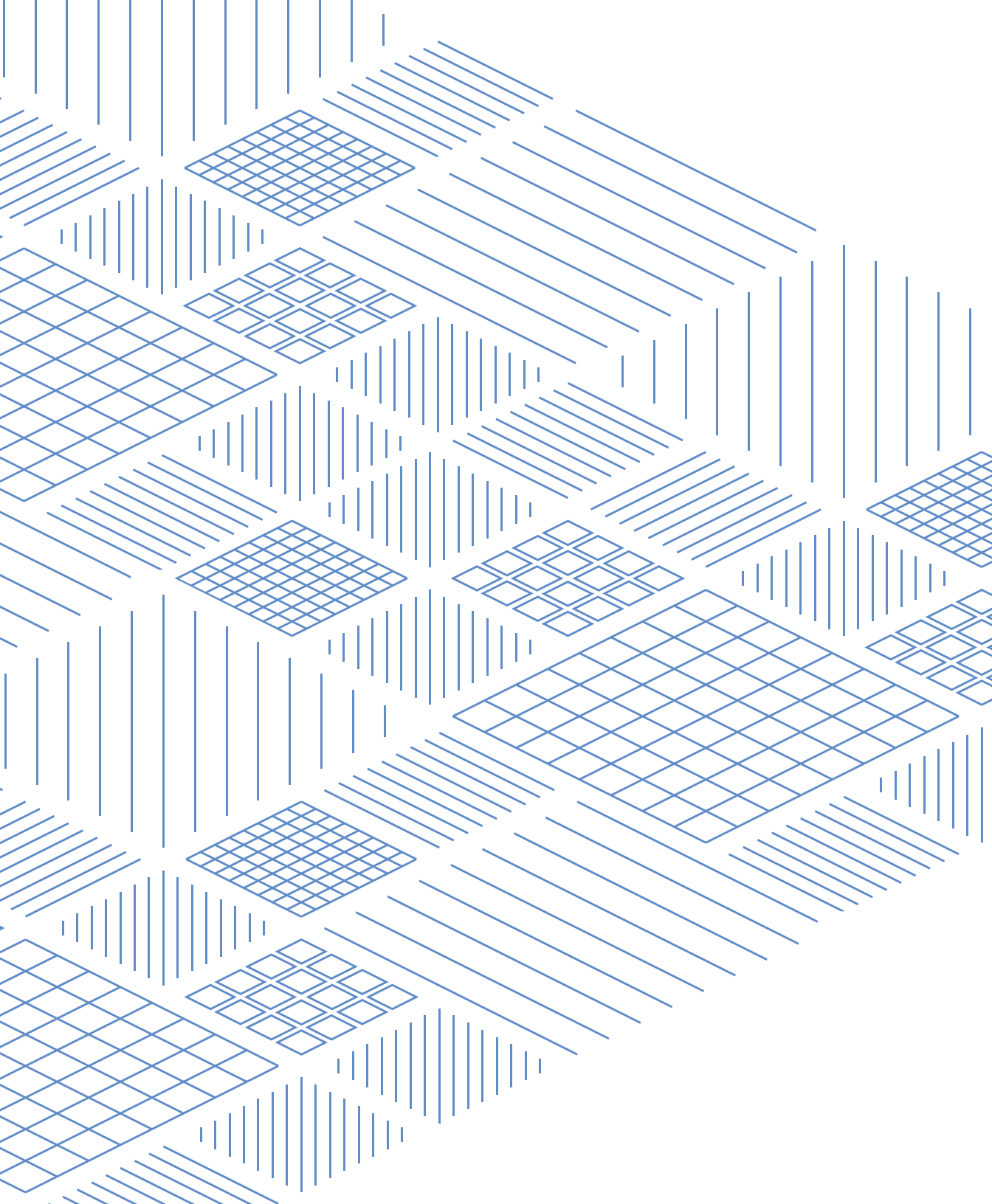
Spirit supports and encourages its employees to contribute to charitable organizations outside of the company's organized service projects. To assist employees with charitable giving and augment the impact of their charitable dollars, Spirit has instituted an Employee Gift Matching Program. Under the Employee Gift Matching Program, Spirit will match, up to a certain dollar amount per employee, charitable contributions made by our employees to eligible organizations.

**DONATED OVER  
\$166,000 ACROSS  
43 ORGANIZATIONS**



Contributions for the year ended December 31, 2022





SECTION 4

ENVIRONMENTAL

# ENVIRONMENTAL MANAGEMENT SYSTEM

We implemented an Environmental Management System (EMS) in 2021 to better manage and implement environmentally responsible practices. Our ESG Task Force and Think Green Committee are responsible for discussing, planning, and carrying out our environmental initiatives.

As part of our EMS framework, we follow a “Plan-Do-Check-Act” (PDCA) cycle referencing ISO 14001, the internationally recognized standard for successful environmental management. Each step of the PDCA process is clearly described to responsibly manage our environmental impact. We use this process to evaluate environmental concerns at our headquarters and throughout the portfolio.

By using the EMS framework, we aim to be good stewards of our environment while providing value to our shareholders and making communities surrounding our properties better places to live and work.

### Guidelines for Sustainable Capital Improvements

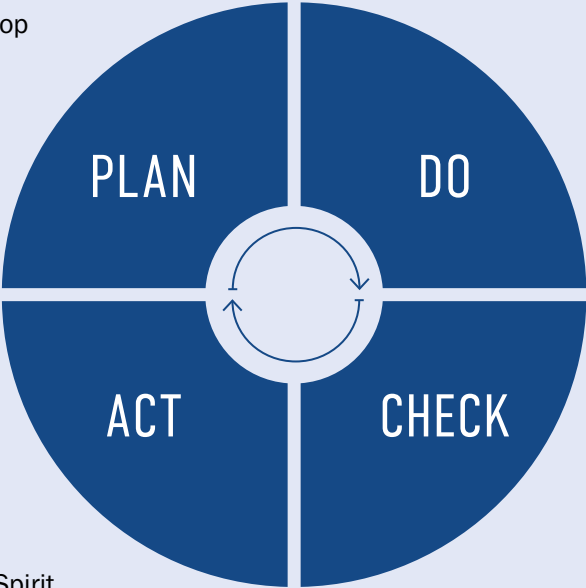
Part of our EMS framework includes guidelines for sustainable capital improvements that we reference for our new construction properties and assets undergoing renovation. The guidelines feature recommendations throughout the life cycle of a building, including the planning and design, construction and demolition, and operations. Topics are focused on mitigating our environmental footprint, measuring our resource consumption, and creating spaces that promote health and well-being.

## PLAN

Establish Spirit’s environmental objectives and develop actions required to achieve those objectives.

## DO

Implement the proposed actions identified in the planning stage on a “testing” scale.



## ACT

Determine whether Spirit should adopt, alter, abandon, or retry selected actions. Standardize and implement successful actions and repeat cycle for unmet objectives.

## CHECK

Assess the results of tested actions and alignment with achievement of Spirit’s environmental objectives.





# UNDERSTANDING OUR IMPACT

The first step in improving our impact is through measuring our performance. By understanding our baseline, we can make more informed decisions, track progress over time and compare against industry standards. In 2022, Spirit focused on making strides in this area by improving data collection and calculating our greenhouse gas inventory.

## Data Collection and Management

We implemented Measurabl, a third-party data management platform, to collect data for select properties within our portfolio during the 2022 calendar year. The data collected was then used to support our Scope 1 and 2 greenhouse gas emissions calculations, under the Greenhouse Gas Protocol methodology.

As a triple net-lease REIT, a unique challenge we face is lack of access to data within our portfolio. Given our lease structures, we define our organizational boundary for Scopes 1 and 2 as spaces under our operational control, which includes our corporate office in addition to vacant spaces and common areas in our owned assets. Tenant-controlled spaces across our portfolio fall under Scope 3 classification and represent the majority of our emissions. We look forward to further refining our emissions disclosures in the coming years to continue to grow our data coverage and understand our impact to make meaningful strides in the future.



165.4 MTCO<sub>2</sub>e

Scope 1  
(Natural gas emissions from our vacant assets)

922.4 MTCO<sub>2</sub>e

Scope 2  
(Purchased electricity emissions from our corporate headquarters and vacant assets)



Note: Scope 1 and Scope 2 emissions data does not include common area on multi-tenants. Two vacant single site properties do not include data for 3 and 60 days of vacancy, respectively, and for one suite of a multi-tenant which was vacant for the full year.







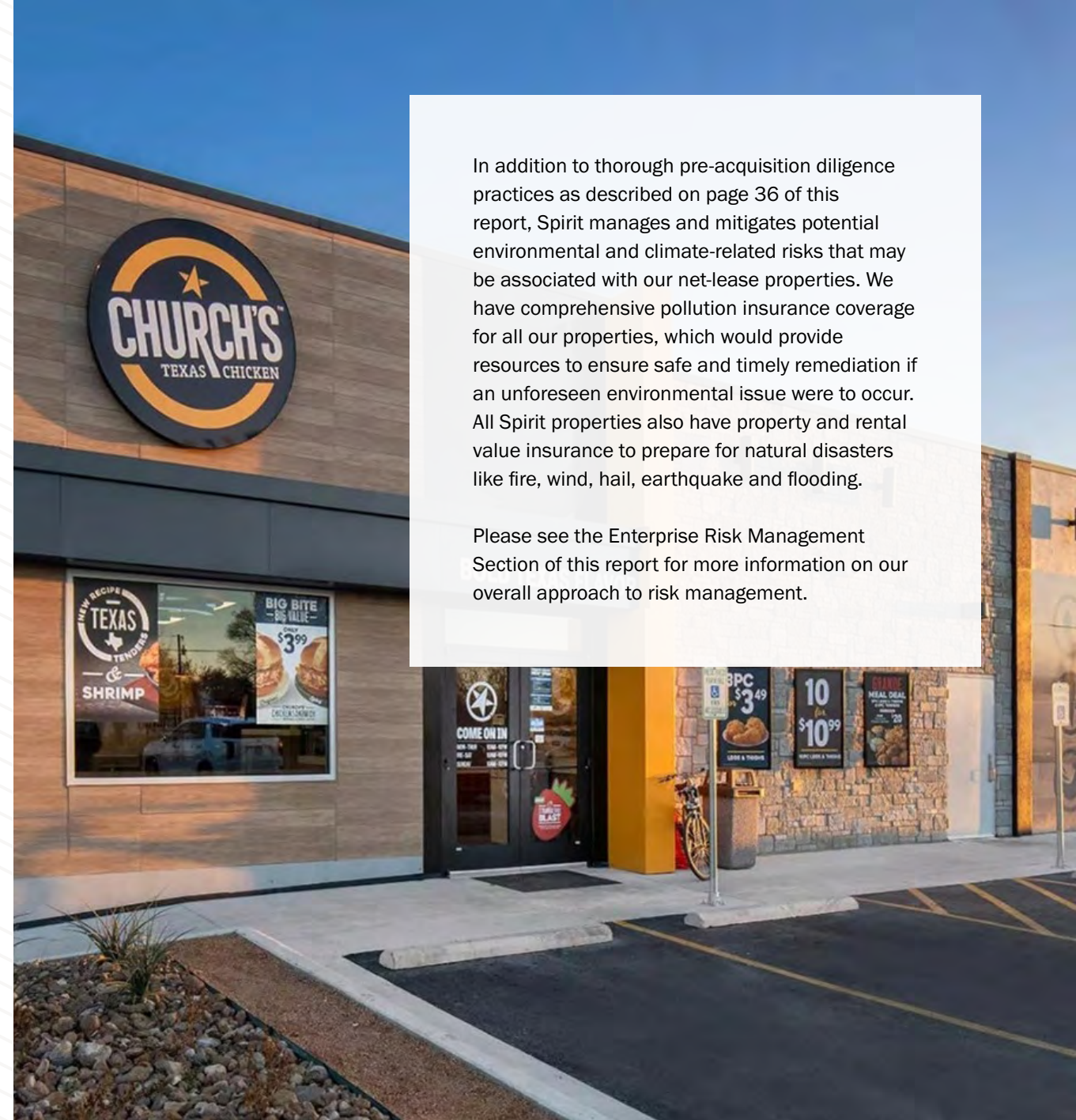
## APPROACH TO CLIMATE CHANGE

Our data collection efforts contribute to Spirit's overall focus on understanding our impact and how that relates to climate risks and opportunities for our organization, which is a key element of managing our approach to climate change. To effectively reflect this prioritization, we have aligned our strategy with the Task Force on Climate-related Financial Disclosures (TCFD) framework.

### Climate Strategy and Risk Management

At Spirit, our climate strategy begins with locating potential climate-related risks and, consequently, opportunities for risk reduction. Our ERM assessment incorporated climate-related considerations to better assess and outline steps to manage and reduce our risks. Our ESG Taskforce assesses various climate-related risks and opportunities relevant to our business and reports findings to the ELT. Any significant findings on relevant risks and opportunities will be reported up to the Board or its Committees.

Our key climate strategy initiatives are focused on improving tenant engagement and executing green leases across our portfolio. As part of our efforts to improve data collection, we connected with select tenants to understand opportunities for data sharing and climate-related asset improvements. We also shared a list of vendors that could help implement various asset-level ESG initiatives with our tenants. We plan to continue engaging our tenants and forming partnerships based on aligned cost reduction and climate goals.



In addition to thorough pre-acquisition diligence practices as described on page 36 of this report, Spirit manages and mitigates potential environmental and climate-related risks that may be associated with our net-lease properties. We have comprehensive pollution insurance coverage for all our properties, which would provide resources to ensure safe and timely remediation if an unforeseen environmental issue were to occur. All Spirit properties also have property and rental value insurance to prepare for natural disasters like fire, wind, hail, earthquake and flooding.

Please see the Enterprise Risk Management Section of this report for more information on our overall approach to risk management.





# ENVIRONMENTAL FOCUS OF TENANTS

Spirit primarily owns and invests in single-tenant properties leased to tenants under long term triple-net leases. Under this structure, in addition to taxes and insurance, tenants are responsible for all maintenance, repairs, capital improvements, and utility expenditures at the leased property. As a result, we face unique challenges accessing energy and utility data and controlling energy expenditures and capital improvements at our properties. While this dynamic does not give us direct control over our assets, our goal is to be a leader in the net lease space by partnering with our tenants to define environmental opportunities.




## Green Leasing

An area of particular focus for Spirit has been including green lease clauses in our form lease agreements. This additional language allows us to recover the capital costs of energy efficiency improvements and requests that tenants provide energy and water consumption data on a periodic basis. We were awarded for our efforts in this area by receiving Green Lease Leaders Silver recognition in 2022, which recognizes companies who have integrated environmental efficiency and social equity goals into leasing practices.

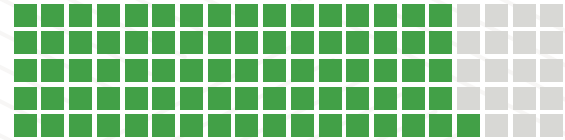
Outside of implementing green lease clauses, we've sought to work with tenants to better understand and protect against environmental impacts relevant to their respective properties. Additional environmental initiatives Spirit has implemented with tenants include initiating an engagement program to seek tenant's disclosure of consumption metrics and to identify opportunities to partner on sustainability initiatives across the portfolio.



# OUR TOP TEN TENANTS ARE COMMITTED TO SUSTAINABILITY

Public commitment to sustainability 

TOP TEN TENANTS BY ABR



**81.0%**  
of our tenants are publicly committed to sustainability

**34.8%**

Our top 20 tenants represent 34.8% of total portfolio.

**72.3%**

of our top 20 tenants publicly disclose environmental initiatives including renewable energy, water conservation, waste reduction, recycling and/or GHG emissions initiatives and/or have an ESG report.

**96.7%**

of our top 20 tenants publicly disclose social initiatives including DEI, human capital management and/or community initiatives.

**75.9%**

of our top 20 tenants publicly disclose governance initiatives including board oversight and/or responsible company policies.

\*We define tenants with sustainability commitments as those who have publicly disclosed information on their sustainability and community initiatives on their websites or through an ESG or Corporate Social Responsibility report.  
\*All percentages based on December 31, 2022 Annualized Base Rent (ABR).





Tenant Spotlight:

# LIFE TIME FITNESS

Life Time is Spirit's largest tenant by Annualized Base Rent (ABR) and, like many of our top tenants, shares the same commitment to sustainability and ESG values as we do. Life Time has a robust environmental program and has won numerous awards from the U.S. Department of Energy for their energy efficiency efforts, including the Better Buildings Initiative for reducing their electricity usage by 38% over the course of seven years. Their key ESG focuses are on reducing greenhouse gas emissions, conserving water and minimizing waste.

When it comes to their buildings, Life Time has focused on retro-fitting lighting with LEDs, installing advanced energy management systems for optimized energy usage, and reducing electricity usage through the implementation of variable frequency drives. This initiative and others exemplify Life Time's commitment towards greenhouse gas emissions reductions.

As a luxury gym brand with over 700 bodies of water and slides, as well as laundry, showers, and irrigation systems, Life Time takes an active role in managing the water usage associated with their business operations. They've taken steps to minimize their usage by optimizing laundry wash cycles with less water, implementing low-flow shower heads, incorporating systems to monitor water use and identify leaks, and adding

advanced irrigation systems to their properties. Life Time has also been able to reduce water use by 50% in over 400 of their spas through the use of UV technologies.

Life Time has also focused on generating less waste at their clubs, events and other facilities through a number of initiatives. For example, they've added bottle filling stations at each of their locations, with an estimated savings of more than one hundred million plastic bottles. They've also cut out plastic membership cards and replaced plastics with aluminum, paper,

compostable and recycled materials. Lastly, Life Time has remained committed to responsibly handling the end-of-life of their exercise equipment by ensuring the materials are recycled, resold or reused.

We are proud to partner with tenants like Life Time who continuously work towards similar goals and showcase strong commitments to sustainability in all aspects of their operations and decision-making.



**Life Time's Reston, Virginia location is LEED Certified for New Construction**



# ENVIRONMENTAL FOCUS ACROSS CORPORATE OPERATIONS

Our commitment to sustainability and reducing our environmental footprint is demonstrated by our approach to managing operations at our corporate headquarters. Some highlights include:

- Data collection efforts at our headquarters to understand emissions data
- Use of automatic lighting control systems
- Use of ENERGY STAR® certified computers, monitors, copiers, conference room displays and printers
- Active recycling of materials such as aluminum, paper and plastic
- Use of recycled paper where possible
- Use of “green” cleaning products
- Elimination of disposable cups
- Substantial paper reduction and default double-sided printing

We plan to continue to prioritize environmental impact initiatives, especially those within our control.



## GREEN BUILDING TRAINING FOR BROKERS

Sustainability and well-being are considered throughout our portfolio’s life cycle, with a particular focus during the acquisitions and dispositions processes. Since our brokers are directly involved in these activities, we invested in a training for our brokers in 2022 on “The Business Case for High Performance Buildings.” This training gives our brokers an opportunity to better understand sustainability practices at Spirit and across the industry, how green building design can positively impact a business’s bottom line and how sustainability can remain at the forefront of broker conversations, amongst other topics.

### The 2022 training focused on:

Why high-performance buildings matter and what it means for brokers

Overview of common green building certifications: ENERGY STAR, LEED

The business case for high performance buildings

The driving factors in the market (including investors, regulations, GRESB)

Bringing energy efficiency into the lease process

Financing options for landlords and tenants

Existence of building regulatory requirements





# ENVIRONMENTAL FOCUS THROUGHOUT THE COMMUNITY

## Think Green Committee

Our Think Green Committee is tasked with researching and implementing various methods of reducing our environmental impact and choosing at least one environmentally focused community service project or nonprofit organization to donate to each year. In 2022, Spirit partnered with Greenspace Dallas and Texas Trees Foundation.



## Greenspace Dallas

In 2022, Spirit partnered with Greenspace Dallas, a nonprofit dedicated to turning Dallas' Trinity River & Forest into national park quality recreation areas. Employees worked with organization members to help clean up trash and litter along the river. They also helped to build flood-resistant benches at a public park area to increase accessibility for locals. Additionally, Spirit donated \$14,200 to Greenspace Dallas to help sponsor future efforts by the group.



## Texas Trees Foundation

Spirit employees volunteered with Texas Trees Foundation, a group dedicated to urban forestry and connecting people with trees to improve the quality of life in cities. Employees helped to plant 40 trees at Irma Lerma Rangel, an all-girls school in Dallas, TX. The work helped to beautify the school's campus and promote environmental sustainability. Additionally, Spirit donated \$12,500 to Texas Trees Foundation to further support their work.



“In the past year, the Think Green Committee has made significant strides in our sustainability efforts, including the implementation of Keurig and Nespresso recycling programs to address a major source of landfill waste. The committee has also successfully integrated non-toxic, EWG VERIFIED cleaning products into our operations and partnered with local organizations such as Greenspace Dallas and Texas Trees to contribute to community improvement, with initiatives like collecting 1,200 lbs of trash at LB Houston Nature Trails and planting 40 trees at Irma Lerma Rangel Young Women's Leadership School.”

**Daniel Spradley, Vice President, Corporate Finance & Investor Relations**







## ESG IN THE ACQUISITION DUE DILIGENCE PROCESS

At Spirit, we understand the benefits that can be realized both to our planet and our profits when we invest responsibly, and we consider environmental appraisals as a crucial step in our acquisition due diligence process. We conduct an environmental site assessment (Phase I) as part of our evaluation of new investments to understand the property's environmental condition, including whether there are signs of hazardous substance release, chemical or waste storage, or other environmental risks, and to determine whether the property and its operations comply with certain environmental standards.

Prior to acquiring the property, and as necessary thereafter, we may require the seller to remediate environmental contamination in accordance with applicable laws or conduct additional environmental testing, such as Phase II environmental site assessments. If any of our tenants are engaged in activities that could have potential environmental impacts, we thoroughly underwrite our tenants' financial health and responsibility for such activities.

To reduce our exposure to climate-related risks, Spirit actively monitors properties that are within 100-year flood zones. We require tenants to have appropriate flood insurance for any property in a flood zone.





Case Study:

# CLARK'S POND EXTENSION TRAIL

In early 2020, the South Portland Land Trust engaged Spirit regarding the possibility of extending and completing the Clark's Pond Loop Trail through a part of one of Spirit's properties in South Portland, Maine. The trail was an ongoing project by South Portland Land Trust that was initially built in 2008 on the south side of Clark's Pond but which needed an easement to complete the full loop. Representatives from the Trust explained the importance of completing the loop for the local community as well as wildlife around the pond.

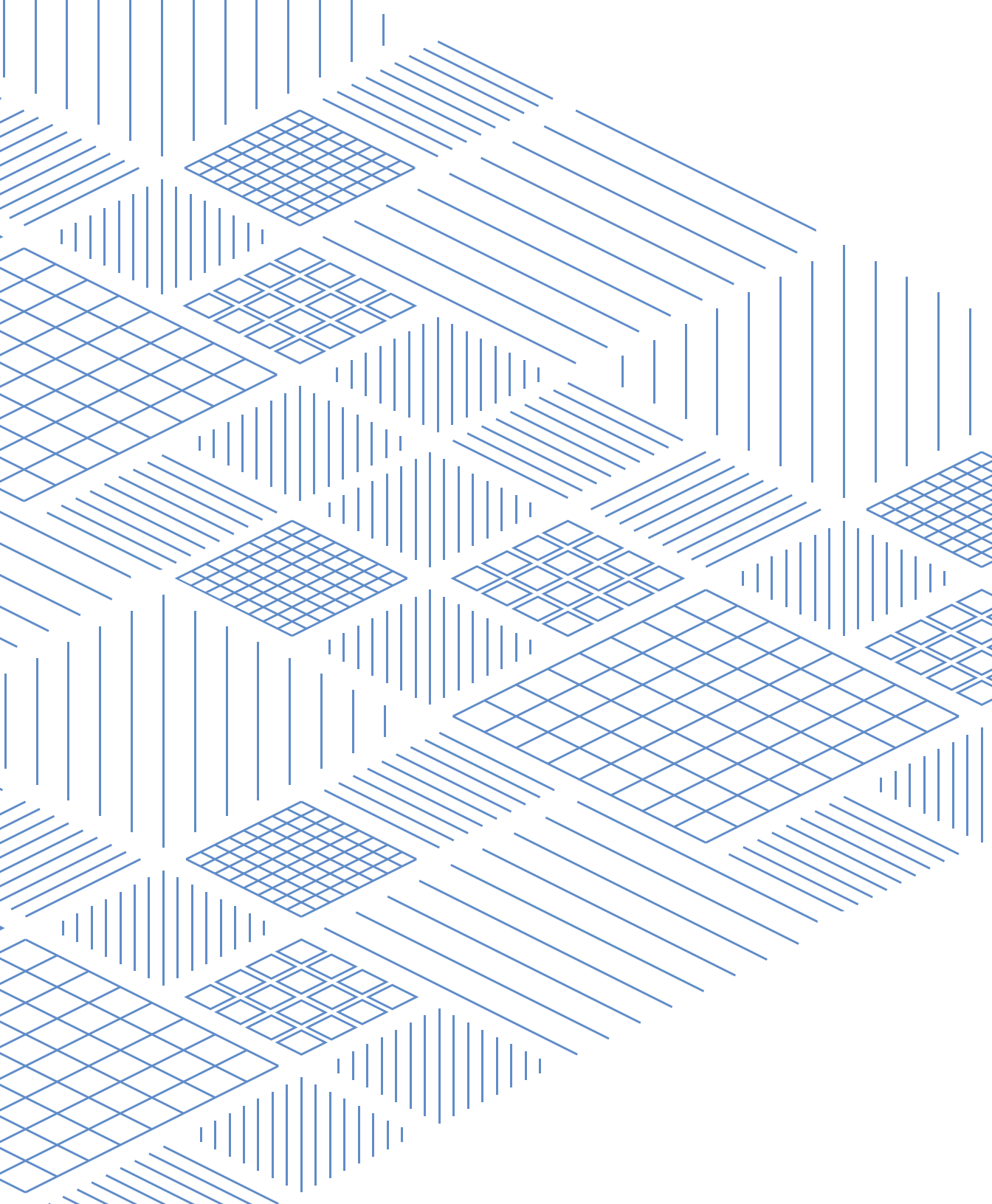
Spirit gladly agreed to the easement, which provided the Land Trust rights to construct, maintain, replace, relocate and repair a recreational trail within the "Easement Area," as well as rights of ingress and egress to perform work related to the construction and maintenance of the trail and Easement Area. The South Portland Land Trust celebrated the completion and opening of the Clark's Pond Extension Trail on September 24, 2022. Spirit's work to complete the trail and cover the legal fees on behalf of the trust to ensure its completion highlights our continued desire to be an active contributor within the communities in which we operate.



"Spirit Realty was able to assist the South Portland Land Trust in the completion of the Clark's Pond Trail. The trail serves as a recreational addition to the community and provides a safe way for residents to walk to the Maine Mall and other neighboring businesses. We are happy that we were able to work together with SPLT to improve the local community!"

**Lauren Dannemiller, Associate, Acquisitions**





SECTION 5

# ABOUT THIS REPORT

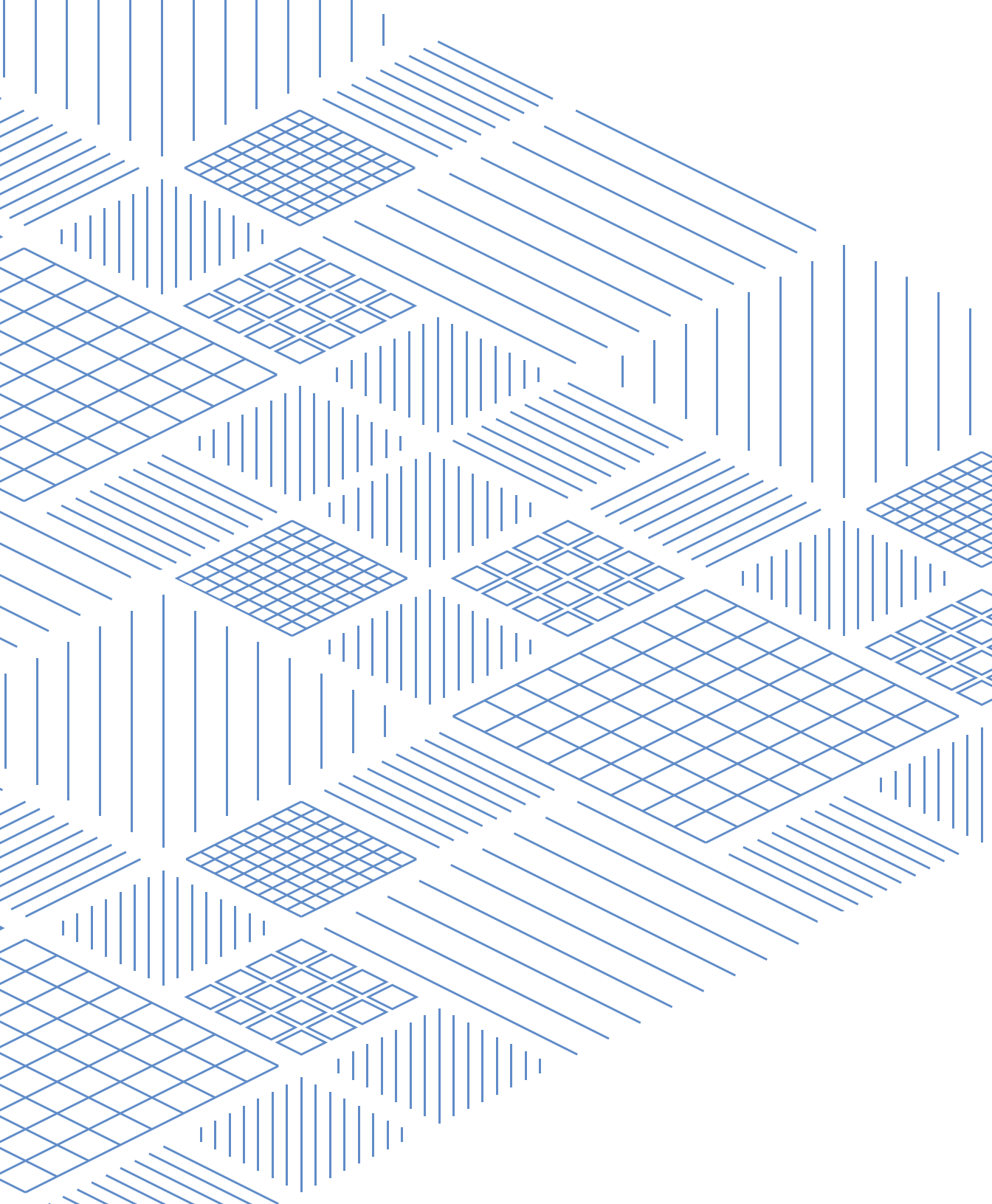
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# ABOUT THIS REPORT AND FORWARD-LOOKING STATEMENTS

This is Spirit's second Environmental, Social, & Governance (ESG) Report. In this report, Spirit references ESG reporting frameworks and standards, including the Sustainability Accounting Standards Board (SASB) and Task Force on Climate-related Financial Disclosure (TCFD). The quantitative and qualitative metrics included in this report cover Spirit's operations for the 2022 calendar year, or as otherwise stated. This report includes information, data and statistics from third parties. Spirit believes these sources are reliable but has not independently verified such information. Spirit engaged HXE Partners to support the stakeholder engagement process and report design, content development and data collection.

This report may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, the Private Securities Litigation Reform Act of 1995 and other federal securities laws. These forward-looking statements can be identified by the use of words and phrases such as "preliminary," "expect," "plan," "will," "estimate," "project," "intend," "believe," "guidance," "approximately," "anticipate," "may," "should," "seek," or the negative of these words and phrases or similar words or phrases that are predictions of or indicate future events or trends and that do not relate to historical matters but are meant to identify forward-looking statements. You can also identify forward-looking statements by discussions of strategy, plans or intentions of management. These forward-looking statements are subject to known and unknown risks and uncertainties that you should not rely on as predictions of future events. Forward-looking statements depend on assumptions, data and/or methods which may be incorrect or imprecise, and Spirit may not be able to realize them. Spirit does not guarantee that the events described will happen as described (or that they will happen at all). The following risks and uncertainties, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements: industry and economic conditions; volatility and uncertainty in the financial markets, including potential fluctuations in the Consumer Price Index; Spirit's success in implementing its business strategy and its ability to identify, underwrite, finance, consummate, integrate and manage diversified acquisitions or investments; the financial performance of Spirit's retail tenants and the demand for retail space; Spirit's ability to diversify its tenant base; the nature and extent of future competition; increases in Spirit's costs of borrowing as a result of changes in interest rates and other factors; Spirit's ability to access debt and equity capital markets; Spirit's ability to pay down, refinance, restructure and/or extend its indebtedness as it becomes due; Spirit's ability and willingness to renew its leases upon expiration and to reposition its properties on the same or better terms upon expiration in the event such properties are not renewed by tenants or Spirit exercises its rights to replace existing tenants upon default; the impact of any financial, accounting, legal or regulatory issues or litigation that may affect Spirit or its major tenants; Spirit's ability to manage its expanded operations; Spirit's ability and willingness to maintain its qualification as a REIT under the Internal Revenue Code of 1986, as amended; the impact on Spirit's business and those of its tenants from epidemics, pandemics or other outbreaks of illness, disease or virus; and other risks inherent in the real estate business, including tenant defaults, potential liability relating to environmental matters, illiquidity of real estate investments and potential damages from natural disasters discussed in Spirit's most recent filings with the Securities and Exchange Commission ("SEC"), including its Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q. You are cautioned not to place undue reliance on forward-looking statements which are based on information that was available, and speak only, as of the date on which they were made. While forward-looking statements reflect Spirit's good faith beliefs, they are not guarantees of future performance. Spirit expressly disclaims any responsibility to update or revise forward-looking statements whether as a result of new information, future events or otherwise, except as required by law.





SECTION 6

# REPORT INDICES



# SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)



The Sustainability Accounting Standards Board (SASB) enables businesses around the world to identify, manage and communicate financially-material sustainability information to their investors. SASB provides a complete set of 77 globally applicable industry-specific standards which identify the minimal set of financially material sustainability topics and their associated metrics for the typical company in an industry. The following table aligns with the Real Estate Standard, which we found to be the most relevant to our business strategy.

TOPIC	CODE	DESCRIPTION	SPIRIT RESPONSE
<b>Energy Management</b>	IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property subsector	Not currently available
	IF-RE-130a.2	(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity, and (3) percentage renewable, by property subsector	Not currently available
	IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	Not currently available
	IF-RE-130a.4	Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR, by property subsector	Not currently available
	IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	As a triple net-lease REIT, our tenants are responsible for maintenance, energy usage and environmental practices within our properties. While this dynamic does not give us direct control over our assets, our goal is to be a leader in the net-lease space by partnering with our tenants to define environmental opportunities. An example of this is through implementation of green lease clauses and installation of energy efficient fixtures (such as LED lighting) where feasible and agreed upon through engagement with the tenant.
<b>Water Management</b>	IF-RE-140a.1	Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	Not currently available
	IF-RE-140a.2	(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water Stress, by property subsector	Not currently available
	IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	Not currently available



TOPIC	CODE	DESCRIPTION	SPIRIT RESPONSE
<b>Water Management</b>	IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks	As a triple net-lease REIT, our tenants are responsible for maintenance, energy usage and environmental practices within our properties. While this dynamic does not give us direct control over our assets, our goal is to be a leader in the net-lease space by partnering with our tenants to define environmental opportunities. One of the key environmental considerations with our tenants is preparing for natural disasters. We do this by carrying “All-Risk” property and rental value insurance to include fire, wind/hail, earthquake, flood and other extended coverage for our properties that we deem appropriate and adequate. We also implement green leases clauses in our contracts, when possible, to facilitate engagement with tenants and discuss possible opportunities for mitigation of water management risks.
<b>Management of Tenant Sustainability Impacts</b>	IF-RE-410a.1	(1) Percentage of new leases that contain a cost recovery clause for resource efficiency related capital improvements and (2) associated leased floor area, by property subsector	Not currently available
	IF-RE-410a.2	Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption and (2) water withdrawals, by property subsector	Not currently available
	IF-RE-410a.3	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	As a triple net-lease REIT, our tenants are responsible for maintenance, energy usage and environmental practices within our properties. While this dynamic does not give us direct control over our assets, our goal is to be a leader in the net-lease space by partnering with our tenants to define environmental opportunities. We currently manage and mitigate the environmental risk that may be associated with our net-lease properties by: <ul style="list-style-type: none"> <li>• Including green lease clauses in our form lease agreements which require the tenant to comply with applicable environmental laws, remediate or take other corrective action if environmental issues arise and more</li> <li>• Maintaining comprehensive pollution insurance coverage for all properties, ensuring that should any environmental issues occur, there are resources available to ensure safe and timely remediation</li> <li>• Preparing for natural disaster by carrying “All-Risk” property and rental value insurance to include fire, wind/hail, earthquake, flood and other extended coverage for our properties that we deem appropriate and adequate</li> <li>• If applicable, requiring the sellers to remediate known environmental issues in compliance with applicable laws prior to acquiring a property</li> </ul>
<b>Climate Change Adaptation</b>	IF-RE-450a.1	Area of properties located in 100-year flood zones, by property subsector	Accounting for approximately 88% of our portfolio, 3.0% of our properties are located in 100-year flood zones (by square feet).
	IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	Risk management is a priority at Spirit and critical to how we conduct our operations. Identifying and discussing potential risks informs our strategy and priorities as we look towards the future. As part of that focus and as mentioned above, we conduct an ERM assessment to identify and address which risks internal stakeholders deem material to the business. The results of that assessment help us to determine how those risks should be prioritized and accounted for in our strategy. As a company, we have identified climate-risk as one material to our operations and are currently working to determine the specific climate-risks we find most material and how we should manage those risks.



TOPIC	CODE	DESCRIPTION	SPIRIT RESPONSE	
Activity Metrics	IF-RE-000.A	Number of assets, by property subsector	Equity Data Centers: 4 Equity Health Care: 29 Equity Industrial: 239 Equity Office: 10 Equity Shopping Centers: 25	Equity Free Standing: 1,786 Equity Lodging / Resorts: 1 Equity Specialty: 21
	IF-RE-000.B	Leasable floor area, by property subsector	Equity Data Centers: 497,253 square feet Equity Health Care: 415,919 square feet Equity Industrial: 26,140,784 square feet Equity Office: 1,209,863 square feet Equity Shopping Centers: 2,471,079 square feet	Equity Free Standing: 27,560,134 square feet Equity Lodging / Resorts: 121,668 square feet Equity Specialty: 1,005,130 square feet
	IF-RE-000.C	Indirectly managed assets, by property subsector	All properties within our portfolio are indirectly managed	
	IF-RE-000.D	Average occupancy rate, by property subsector	Equity Data Centers: 75.0% Equity Health Care: 100% Equity Industrial: 100% Equity Office: 100% Equity Shopping Centers: 100%	Equity Free Standing: 99.9% Equity Lodging / Resorts: 100% Equity Specialty: 100%



# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

The Financial Stability Board Task Force on Climate-related Financial Disclosures is a market-driven initiative, set up to develop a set of recommendations for voluntary and consistent climate-related financial risk disclosures in mainstream filings. The work and recommendations of the Task Force helps firms understand what financial markets want from disclosure in order to measure and respond to climate change risks, and encourages firms to align their disclosures with investors' needs.



PILLAR	TOPIC	REFERENCE
Governance	Board oversight of climate-related risks and opportunities	<p>Our Nominating and Corporate Governance Committee is responsible for ESG oversight. The Committee reviews key ESG-related issues and policies and makes recommendations to the Board. Our Committee also oversees the development of our annual ESG Report and holds primary responsibility over our ESG strategy, including ESG-related policies and procedures and incorporating ESG-related topics into the Board's education and development programs. The Committee receives ESG-related updates from the Executive Leadership Team (ELT) at least quarterly and on an as-needed basis.</p> <p>While the Nominating and Corporate Governance Committee holds primary ESG-oversight at the Board level, our Audit and Compensation Committees also oversee ESG-related responsibilities specific to their committee scope, including our ERM program and climate-related risk.</p>
	Management's role in assessing and managing climate-related risks	We have also established several subcommittees that meet regularly and report to our ELT, which further report to our Board. Members of our ELT and senior management sit on each of our internal ESG committees, as well as our ESG Task Force, to remain informed as well as involved in decision-making.
Strategy	Short, medium, and long-term climate-related risks	<p>We have identified the below as potential climate-related risks that could potentially impact our portfolio.</p> <p>Physical Risks:</p> <ul style="list-style-type: none"> <li>• Flood risk</li> <li>• Wildfire risk</li> <li>• Hurricane risk</li> <li>• Loss of power</li> </ul> <p>Transition Risks:</p> <ul style="list-style-type: none"> <li>• Increased CapEx for physical damage to properties</li> <li>• Potential increased SEC or other reporting requirements</li> <li>• Capital markets price changes due to sustainability or resilience performance</li> </ul>
	Impact on business, strategy and planning	At Spirit, we are focused on identifying potential climate-related risks and subsequent opportunities for mitigation and we have incorporated climate-related considerations into this year's ERM assessment. Our ESG Task Force is tasked with evaluating the various climate-related risks and opportunities we face and reporting any findings to the ELT, which then reports to our Nominating and Corporate Governance Committee who holds ultimate climate-related oversight. Going forward, a crucial element of our climate strategy will include tenant engagement and green lease clauses, where possible, to encourage our tenants to become more sustainable through their operations and look for partnership synergies.
	Resilience of strategy using 2-degree or lower scenarios	We do not currently employ scenario analysis in our strategy.





PILLAR	TOPIC	REFERENCE
<b>Risk Management</b>	Process to assess climate-related risks	Risk management is a priority at our company and critical to how we conduct our operations. Identifying and discussing potential risks informs our strategy and priorities as we look towards the future. We conduct an ERM assessment to identify and address which risks internal stakeholders deem material to the business. The results of that assessment help us to determine how those risks should be prioritized and accounted for in our strategy. As a firm, we have identified climate-risk as one material to our operations and are currently working to determine the specific climate-risks we find most material and how we should manage those risks.
	Process to manage climate-related risks	We conduct an ERM assessment to identify and address which risks internal stakeholders deem material to the business. The results of that assessment help us to determine how those risks should be prioritized and accounted for in our strategy. As a firm, we have identified climate-risk as one material to our operations and are currently working to determine the specific climate-risks we find most material and how we should manage those risks.
	Integration of risk process into overall risk management	We conduct an ERM assessment to identify and address which risks internal stakeholders deem material to the business. The results of that assessment help us to determine how those risks should be prioritized and accounted for in our strategy. As a firm, we have identified climate-risk as one material to our operations and are currently working to determine the specific climate-risks we find most material and how we should manage those risks.
<b>Metrics and Targets</b>	Metrics used to assess climate-related risks	Scope 1 (Emissions from natural gas within our operational boundary): 165.4 MTCO <sub>2</sub> e Scope 2: (Emissions from purchased electricity within our operational boundary): 922.4 MTCO <sub>2</sub> e Note: Scope 1 and Scope 2 emissions data does not include common area on multi-tenants. Two vacant single site properties do not include data for 3 and 60 days of vacancy, respectively, and for one suite of a multi-tenant which was vacant for the full year.
	Describe targets used	Not currently available

