



Four Corners Property Trust
NYSE: FCPT

#FCPT

ESG REPORT 2024

CONTENTS

1 MESSAGE FROM OUR CEO PG 2

2 COMPANY AND ESG OVERVIEW PG 4

3 CORPORATE GOVERNANCE PG 8

4 SOCIAL PG 12

5 ENVIRONMENTAL PG 16



MESSAGE FROM OUR CEO

NOVEMBER 5, 2024

As an independent, publicly-traded company that owns, acquires, and leases restaurant and other retail properties, Four Corners Property Trust (FCPT) is dedicated to creating long-term sustainable shareholder value. This commitment extends beyond financial performance to encompass environmental, social, and governance (ESG) principles essential for our long-term success.

At FCPT, we take a proactive approach to ESG. Our Board of Directors has formalized ESG oversight within the Audit and Risk Committee, ensuring robust governance and accountability.

Our people are our greatest strength. We are proud of the diverse and inclusive culture we have built at FCPT, which has earned us recognition as a "Great Place to Work." We are committed to attracting, developing, and retaining talented individuals from all backgrounds, providing them with opportunities for growth, competitive compensation and benefits, and a supportive work environment where they can thrive.

We recognize the importance of environmental stewardship and are actively working to minimize our environmental impact. While our triple-net lease structure presents unique challenges, we incorporate

environmental risk oversight into our due diligence process and strive to minimize our operational footprint at our corporate headquarters. We also actively engage with our tenants, encouraging them to adopt sustainable practices and enhance the environmental performance of their properties.

We are committed to transparency and will continue to enhance our ESG reporting, providing our stakeholders with meaningful insights into our progress and future goals. As we progress, we remain dedicated to continuous improvement and look forward to sharing our achievements with you.

WILLIAM H. LENEHAN

President and CEO

CONTENTS

1 MESSAGE FROM OUR CEO PG 2

2 COMPANY AND ESG OVERVIEW PG 4

3 CORPORATE GOVERNANCE PG 8

4 SOCIAL PG 12

5 ENVIRONMENT PG 16



FCPT HAS BUILT A COLLABORATIVE, THOUGHTFUL, CONSERVATIVE, AND TRANSPARENT COMPANY CULTURE

HIGH-QUALITY PORTFOLIO

- Portfolio built to be **e-commerce resistant**, with tenants providing **in-person services**
- **Strong tenant rent coverage, national brands and low rents** provide for high tenant retention and limited vacancies

TRANSPARENT, ANALYTICAL, DISCIPLINED INVESTMENT PHILOSOPHY

- **Focus on cost of capital and positive investment spread**
- **Data-driven underwriting scorecard** objectively scores every property
- **Unparalleled disclosure regime** - FCPT publishes a public press release for every property acquisition and disposition

ACCRETIVE DIVERSIFICATION

- Grown from single tenant to **156 brands**
- **Small box retail net lease** – principally restaurants, auto service, medical retail
- **Disciplined pricing** approach focused on maintaining strong credit parameters and high-quality tenant base

INVESTMENT GRADE BALANCE SHEET

- Committed to maintaining **conservative 5.5x–6.0x leverage**
- **Well-laddered maturity schedule** of predominately fixed-rate debt
- **Significant liquidity**, 100% unencumbered assets, high fixed charge coverage

REPRESENTATIVE
BRANDS
ESG REPORT 2024



OUR ESG JOURNEY PROGRESS & ACHIEVEMENTS

In preparing our ESG report, we referred to GRESB, SASB, and GRI frameworks to identify the most relevant ESG issues for our investors and benchmark our reporting against industry best practices

Some of our key achievements:

- **Strengthened ESG Governance:** Our Board of Directors has formalized ESG oversight within the Audit and Risk Committee. The management-level ESG Committee, led by our CEO, ensures effective implementation of ESG programs and continuous improvement of our approach
- **Diversity, Equity, and Inclusion (DEI):** FCPT is deeply committed to integrating DEI at all levels. Our Board boasts 50% female representation and 25% representation from underrepresented groups. This commitment extends to our broader workforce, with 45% female employees and 33% people of color
- **"Great Place to Work":** Our focus on a collaborative and inclusive work environment has earned us recognition as a "Great Place to Work." We remain committed to investing in the health, safety, and well-being of our team members
- **Environmental Stewardship:** While our net lease structure presents unique challenges, we incorporate environmental risk oversight into due diligence and strive to minimize our operational footprint
- **Supplier Engagement and Sustainable Supply Chain:** Our Supplier Code of Conduct encourages ethical behavior and sustainable practices among our suppliers, aligning them with our ESG principles

SUSTAINABILITY FRAMEWORK

Our commitment to sustainability and Environmental, Social and Governance (“ESG”) principles creates value for our shareholders. We continuously review our internal policies to advance in the areas of environmental sustainability, social responsibility, employee well-being, and governance.

For more details, see the FCPT ESG Report and policies on our website <https://fcpt.com/about-us/>

ENVIRONMENT

We evaluate our business operations and the environmental risk aspects of our investment portfolio on an ongoing basis and strive to adhere to sustainable business practices

SOCIAL

We apply values-based negative screening in our underwriting process and do not transact with any tenant, buyer, or seller or acquire any properties with negative social factors. We do not process or have access to any consumer data

OUR TEAM

Our culture is inclusive and team-oriented with a high retention rate. We hire for the long-term and invest in development, with a flat organization that drives employee engagement.

GOVERNANCE

We aim for best-in-class corporate governance structures and compensation practices that closely align the interests of our Board and leadership with those of our stockholders. Four of our eight Directors are female and seven are independent, including our chairperson. Only independent Directors serve on the Board’s committees

CONTENTS

1 MESSAGE FROM OUR CEO PG 2

2 COMPANY AND ESG OVERVIEW PG 4

3 CORPORATE GOVERNANCE PG 8

4 SOCIAL PG 12

5 ENVIRONMENT PG 16





OVERVIEW & COMMITMENT

CORPORATE GOVERNANCE

FCPT is built on a foundation of transparency and accountability to our shareholders. Our corporate governance structure reflects this commitment

Key Features:

- **Majority Independent Board:** Our eight-member Board comprises seven independent directors and is led by an independent chairperson
- **Annual Elections:** All directors are subject to annual re-election by a majority shareholder vote
- **Regular Executive Sessions:** Independent directors hold regular executive sessions to ensure robust oversight
- **Standing Committees:** Our Board maintains four standing committees, all composed of independent directors:
 - **Audit and Risk Committee**
 - **Compensation Committee**
 - **Investment Committee**
 - **Nominating and Governance Committee**
- **Financial Expertise:** Our Audit and Risk Committee includes three directors who qualify as SEC-defined "audit committee financial experts"

KEY PRACTICES

CORPORATE GOVERNANCE

FCPT upholds strong corporate governance practices to ensure ethical conduct, transparency, and accountability

Key Highlights

- **Independent Compensation Consultant:** Our Compensation Committee relies on an independent consultant to ensure objective compensation decisions
- **Stock Ownership & Clawback Provisions:** Our non-employee directors and named executive officers are subject to stock ownership policies and clawback provisions, aligning their interests with those of our shareholders
- **Prohibition on Short Sales & Hedging:** We prohibit officers, directors, and employees from engaging in short sales, hedging, or pledging our securities as collateral, promoting responsible financial practices
- **No Excessive Perks:** Executives receive no perquisites beyond those generally available to all employees, demonstrating fairness and equity
- **Transparent Business Activities:** We prioritize transparency by publicly reporting on all real estate acquisitions and dispositions as they occur
- **No Corporate Political or Charitable Donations:** We do not use corporate funds for political or charitable donations, encouraging personal charitable giving by our shareholders instead
- **Socially Responsible Investments:** Our property acquisitions are guided by a commitment to social responsibility in the communities we serve

RISK MANAGEMENT - PROACTIVE OVERSIGHT & ETHICAL CONDUCT

At FCPT, we take a proactive approach to risk management. Our Board of Directors holds ultimate responsibility, carefully assessing and mitigating significant risks to ensure the company's long-term resilience

Dedicated Committees, Focused Oversight:

- **Compensation Committee:** Ensures executive compensation aligns with performance and does not encourage excessive risk-taking. ESG goals are directly tied to compensation, reflecting our commitment to sustainable value creation
- **Nominating & Governance Committee:** Oversees risks related to corporate governance, director succession, and reputational risk, ensuring ethical and responsible leadership
- **Audit & Risk Committee:** Provides rigorous oversight of financial reporting, internal controls, and enterprise risk management, including ESG-related risks. This committee ensures we are prepared for potential challenges, from cyberattacks to environmental and social issues
- **Investment Committee:** Guides our strategic investments, carefully reviewing acquisitions, dispositions, and capital allocation to align with shareholder interests and long-term value creation

Strong Policies, Ethical Foundation:

At FCPT, our commitment to ethical conduct and compliance is more than just words - it's embedded in our policies and actions. These policies serve as the foundation of our corporate identity, creating lasting value for our shareholders and fostering a positive impact on the communities we serve:

- **Code of Business Conduct & Ethics:** Our foundation for ethical conduct, ensuring integrity, fairness, and compliance with all applicable laws and regulations
- **Supplier Code of Conduct:** Extends our ethical commitments to our supply chain, setting clear expectations for environmental and social responsibility
- **Insider Trading & Stock Ownership Policies:** Promote responsible financial practices and align the interests of our leadership with those of our shareholders
- **Anti-Bribery & Anti-Corruption Policy:** Reinforces our zero-tolerance approach to bribery and corruption, outlining preventive measures and encouraging ethical business practices
- **Whistleblower Policy:** Creates a safe and confidential environment for reporting unethical behavior, fostering transparency and accountability
- **Policies on Human Rights, Anti-Human Trafficking, Child Labor & Equal Opportunity Employment:** Demonstrate our unwavering commitment to respecting and protecting human rights throughout our operations and supply chain

CONTENTS

1 MESSAGE FROM OUR CEO **PG 2**

2 COMPANY AND ESG OVERVIEW **PG 4**

3 CORPORATE GOVERNANCE **PG 8**

4 SOCIAL PG 12

5 ENVIRONMENT **PG 16**





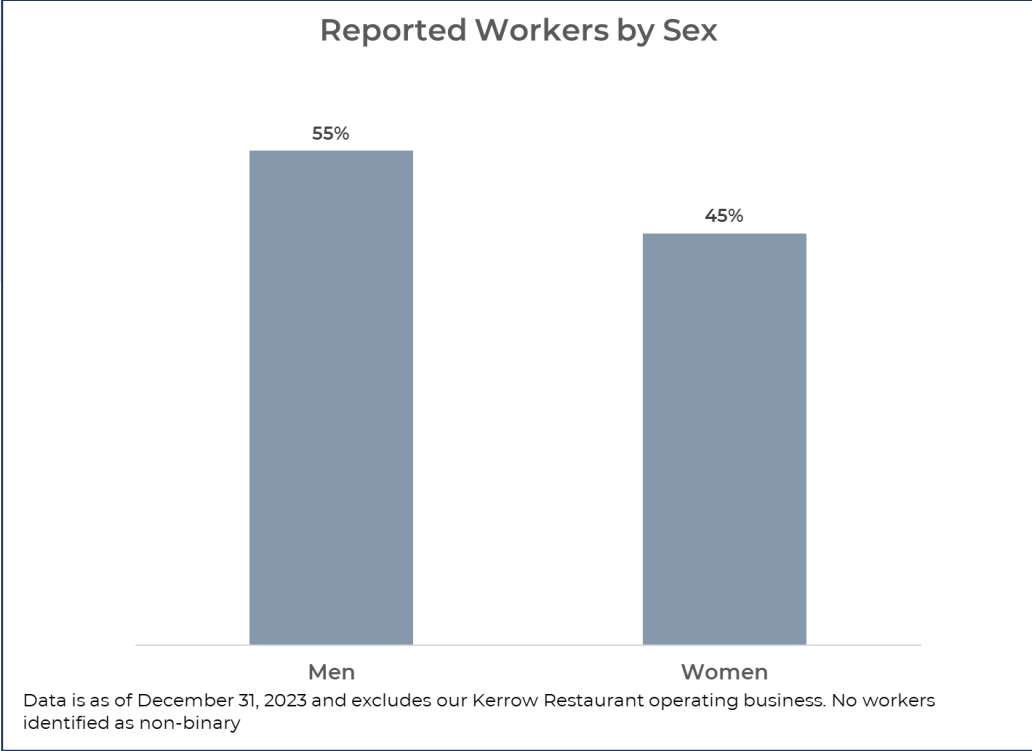
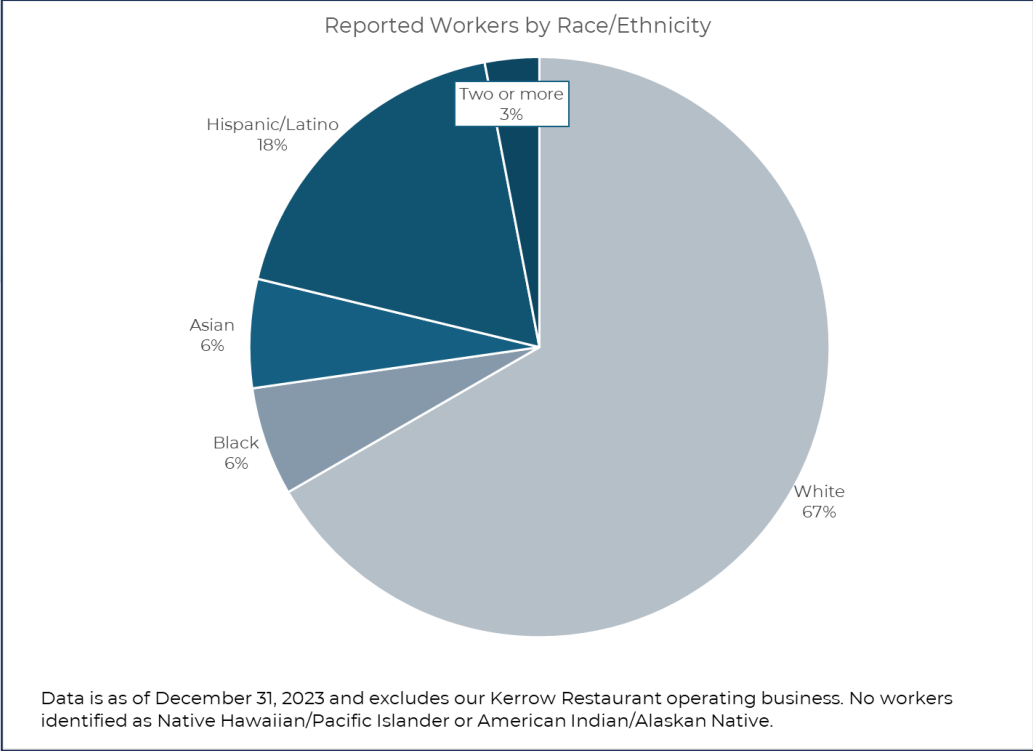
OUR PEOPLE, OUR STRENGTH SOCIAL RESPONSIBILITY

At FCPT, we know our success is built on the talent and dedication of our people. We're committed to creating a workplace where everyone feels valued, respected, and empowered to contribute their best



DIVERSITY, EQUITY, AND INCLUSION

At FCPT, we believe a diverse and inclusive work environment fosters innovation, collaboration, and better decision-making. We are committed to building a workforce that reflects the communities we serve



- **Board Representation:** With 50% female representation and 25% from underrepresented groups, our board reflects our strong focus on leadership diversity
- **Workforce Diversity:** Our workforce comprises 45% women and 33% people of color, with some individuals represented in both groups. This reflects our continued efforts to build an inclusive workplace
- **Ongoing Commitment to Progress:** We actively attract, retain, and promote diverse talent at all levels of our organization and are committed to setting ambitious goals to enhance diversity and inclusion at FCPT further

EMPOWERING OUR TEAM FOR SUCCESS

INVESTING IN OUR PEOPLE

By empowering our employees, we foster a culture of collaboration and innovation that drives success for our team and our company.

- **Hiring/Recruiting:** We attract top-tier candidates through rigorous and ethical selection processes, prioritizing diversity, equity, and inclusion
- **Professional Growth:** We invest in our employees' development through competency-based training, mentorship, and opportunities for advancement
- **Aligned Incentives:** We offer competitive compensation packages, performance-based rewards, and equity incentives that align employee and shareholder interests. All corporate employees participate in our annual long-term equity compensation plan, fostering a sense of ownership and shared success
- **Respectful Culture:** We cultivate a culture of honesty, respect, and open communication, providing anti-harassment and diversity, equity, and inclusion training for all employees
- **Work-Life Balance:** We support work-life balance through flexible working arrangements, comprehensive wellness programs, and resources that promote employee well-being
- **Comprehensive Benefits:** We offer a robust benefits package that includes medical, dental, vision, life insurance, disability, 401(k) with employer matching, and generous parental leave
- **Wellness Initiatives:** We promote employee well-being through fitness reimbursements, on-site Peloton access, wellness and mental health memberships, healthy team lunches, ergonomic workspaces, and flexible schedules
- **Talent Development:** We provide various development opportunities, including tuition assistance, group learning sessions, executive coaching, course reimbursement, an internship program, and mandatory training on critical topics
- **Performance & Development:** We conduct annual 360-degree performance reviews for management and encourage ongoing goal-setting and development conversations

CONTENTS

1 MESSAGE FROM OUR CEO **PG 2**

2 COMPANY AND ESG OVERVIEW **PG 4**

3 CORPORATE GOVERNANCE **PG 8**

4 SOCIAL **PG 12**

5 ENVIRONMENT **PG 16**





OUR APPROACH

ENVIRONMENTAL STEWARDSHIP

At FCPT, we recognize the importance of environmental stewardship and actively work to minimize our environmental impact. Typically, we do not have control over our buildings' energy consumption or efficiency. Our lease structures generally give full autonomy to tenants to self-manage the properties and restrict our legal rights to mandate environmental policies. Despite these limitations, we remain committed to finding innovative solutions and promoting sustainable practices where possible, particularly in areas that may affect energy efficiency

Leading by Example:

- **ESG Committee:** Our dedicated employee ESG Committee guides our environmental initiatives and ensures we are continuously improving our approach
- **Operational Footprint:** We strive to minimize our own environmental footprint through energy efficiency, waste reduction, and sustainable practices at our corporate headquarters

Promoting Sustainability in Our Leased Properties:

- **Tenant Engagement:** We actively advocate for sustainable practices among our tenants and support their efforts to enhance the environmental performance of their properties.
- **Data Collection & Transparency:** We are developing new strategies to gather environmental data from our leased properties, allowing us to understand better and monitor our overall environmental impact



CORPORATE HEADQUARTERS

Sustainability starts at home. At FCPT, that means taking action to minimize our headquarters' environmental impact. We're committed to reducing our footprint through energy efficiency, waste reduction, and smarter commuting practices. We believe that leading by example is the most powerful way to demonstrate our commitment to a sustainable future

- **Energy Efficiency**
 - **Upgraded Lighting:** We switched to energy-efficient LED lights, reducing energy use and emissions
 - **Smart Switching Systems:** We installed sensors and timers to ensure lights and electrical systems are only on when needed
- **Waste Reduction**
 - **Comprehensive Waste Management:** Our policies focus on reducing waste and promoting recycling
 - **Recycling Bins:** Clearly labeled bins for easy recycling
 - **Composting:** A system for organic waste to reduce landfill use and methane emissions
- **Reducing Commute Emissions**
 - **Flexible Work Arrangements:** Options for hybrid work reduce daily commutes, lowering emissions and improving work-life balance
- **Data Transparency**
 - **Utility Billing:** Utility costs are part of Common Area Maintenance (CAM) charges, based on square footage, so specific energy use data (kWh) isn't available. We are looking for ways to get more detailed data



TENANT ACTIVITIES

Our tenants' commitment to sustainable operations and transparent reporting contributes positively to our overarching ESG strategy. While each tenant is on its own sustainability journey, we encourage them to strive for greater environmental responsibility and transparency. We note that due to our NNN lease structure, we do not have control over our tenants' buildings



Here are some of the public companies FCPT has as tenants leasing our properties. Many have made strong environmental commitments

- **Darden (DRI):** Our largest tenant, Darden, has a comprehensive sustainability program and publicly discloses its energy consumption and greenhouse gas emissions
- **Brinker (EAT):** Brinker International, the parent company of Chili's Grill & Bar, is committed to environmental stewardship and transparently reports its energy consumption and GHG emissions
- **Restaurant Brands International (QSR):** RBI, which owns Burger King, Popeyes, and Tim Hortons, has set a goal of achieving net-zero emissions by 2050 and provides extensive disclosures of its environmental data
- **Bloomin' Brands (BLMN):** Bloomin' Brands, the parent company of Outback Steakhouse, Carrabba's Italian Grill, and Bonefish Grill, is committed to reducing its environmental impact and discloses its total GHG emissions
- **NAPA Auto Parts (GPC):** NAPA Auto Parts demonstrates its commitment to sustainability through detailed ESG reporting and disclosure of GHG emissions data
- **Starbucks (SBUX):** Starbucks has a comprehensive global responsibility strategy focused on ethical sourcing, environmental stewardship, and community engagement. They publicly report on their progress toward their goals
- **Verizon (VZ):** Verizon is committed to reducing its environmental impact and has set ambitious goals for renewable energy use and carbon emissions reduction. They provide detailed ESG reporting and data transparency
- **McDonald's (MCD):** McDonald's has a global sustainability strategy focused on climate action, responsible sourcing, and circular economy initiatives. They publicly report on their progress and environmental performance

FORWARD LOOKING STATEMENTS AND DISCLAIMERS

Cautionary note regarding forward-looking statements:

This presentation contains forward-looking statements within the meaning of the federal securities laws. Forward-looking statements include all statements that are not historical statements of fact and those regarding FCPT's intent, belief or expectations, including, but not limited to, statements regarding: operating and financial performance, acquisition pipeline, expectations regarding the making of distributions and the payment of dividends, and the effect of pandemics on the business operations of FCPT and FCPT's tenants and their continued ability to pay rent in a timely manner or at all. Words such as "anticipate(s)," "expect(s)," "intend(s)," "plan(s)," "believe(s)," "may," "will," "would," "could," "should," "seek(s)" and similar expressions, or the negative of these terms, are intended to identify such forward-looking statements. Forward-looking statements speak only as of the date on which such statements are made and, except in the normal course of FCPT's public disclosure obligations, FCPT expressly disclaims any obligation to publicly release any updates or revisions to any forward-looking statements to reflect any change in FCPT's expectations or any change in events, conditions or circumstances on which any statement is based. Forward-looking statements are based on management's current expectations and beliefs and FCPT can give no assurance that its expectations or the events described will occur as described.

For a further discussion of these and other factors that could cause FCPT's future results to differ materially from any forward-looking statements, see the risk factors described under the section entitled "Item 1A. Risk Factors" in FCPT's annual report on Form 10-K for the year ended December 31, 2023 and other risks described in documents subsequently filed by FCPT from time to time with the Securities and Exchange Commission.

Notice regarding non-GAAP financial measures:

The information in this communication contains and refers to certain non-GAAP financial measures, including FFO and AFFO. These non-GAAP financial measures are in addition to, not a substitute for or superior to, measures of financial performance prepared in accordance with GAAP. These non-GAAP financial measures should not be considered replacements for, and should be read together with, the most comparable GAAP financial measures. Reconciliations to the most directly comparable GAAP financial measures and statements of why management believes these measures are useful to investors are included in the supplemental financial and operating report, which can be found in the Investors section of our website at www.fcpt.com.





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THANK YOU

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