

SERVICE PROPERTIES TRUST

(Nasdaq: SVC)

SVC is a REIT focused on owning hotels and service focused retail net lease properties.

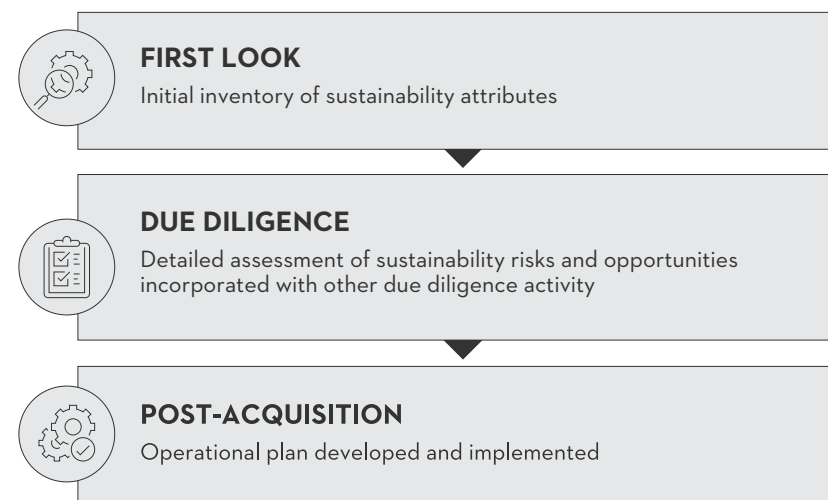
SVC owns \$12.3 billion in assets including 303 hotels and 788 net lease service and necessity-based retail properties located in 47 states, Puerto Rico, Canada and Washington, D.C.

Our business strategy incorporates a focus on sustainable approaches to operating our properties in a manner that benefits our shareholders, tenants and the communities in which we are located. We encourage our managers and tenants to operate our properties in ways that improve the economic performance of their operations, while simultaneously managing energy and water consumption, as well as greenhouse gas emissions.

Further details can be found in The RMR Group's [2021 Sustainability Report](#).

DUE DILIGENCE PROCESS

We seek to invest capital in our properties that both improves environmental performance and enhances asset value. During the acquisition of properties, RMR assesses, among other things, environmental sustainability opportunities and physical and policy driven climate-related risks as part of the due diligence process.

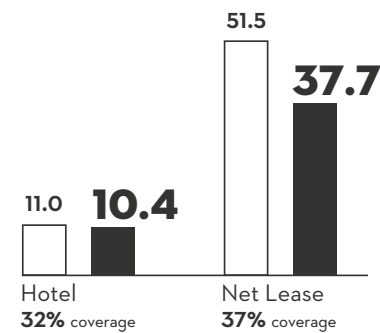


ENVIRONMENTAL HIGHLIGHTS

PERFORMANCE □ 2019 (baseline) ■ 2021

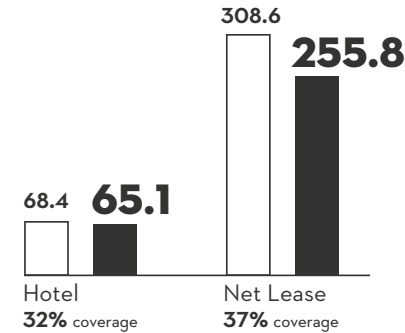
GHG Emissions Intensity

lbs. CO₂e/sq. ft.



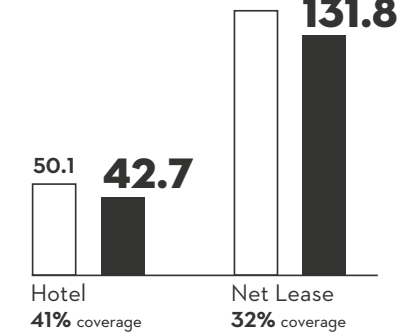
Energy Intensity

kBtu/sq. ft.



Water Intensity

gallons/sq. ft.



ACTIVE ENVIRONMENTAL PROGRAMS

- Real-time energy monitoring
- Energy/water benchmarking



▲ Royal Sonesta, Houston, TX

SOCIAL HIGHLIGHTS

We have no employees of our own. We rely on our manager, RMR, to hire, train and develop a workforce that meets the needs of our business, contributes positively to our society and helps reduce our impact on the natural environment. RMR's Sustainability Report can be found [here](#).

Board diversity highlights include the following:

14% Underrepresented Community
29% Women

DIVERSITY HIGHLIGHTS

Woman as Lead Independent Trustee

For more information on RMR's social and environmental programs, see

THE 2021 RMR ANNUAL SUSTAINABILITY REPORT

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

Our existing business practices are intended to align with the TCFD framework across both physical and transition risks and opportunities. For more information on our approach to climate risks and opportunities, please see the 2021 Sustainability Report of our manager, RMR LLC.

DISCLOSURE	DISCLOSURE RESPONSE
GOVERNANCE	
a) Describe the board's oversight of climate-related risks and opportunities.	Good Governance - ESG Oversight, page 11 Good Governance - Risk Management and Compliance, page 13 2022 Proxy Statement - Our Board's Role in Oversight of Risk Management, pages 4-6
b) Describe management's role in assessing and managing climate-related risks and opportunities.	Environmental Leadership - Alignment with TCFD Framework, page 24 Good Governance - ESG Oversight, page 11 Good Governance - RMR Acquisitions Sustainability Overview, page 12
STRATEGY	
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Physical and transitional risks vary by asset type and geographical location. Both climate events and local, state and federal policy developments are monitored for portfolio impact. Programs are deployed where risks and opportunities exist. Physical risk review is coordinated with property insurance brokers. Transition Risks: <ul style="list-style-type: none"> Energy disclosure regulations Energy and emissions regulations Water disclosure regulations Carbon pricing More stringent building codes Market-driven/tenant interests Reputational risks Physical Risks: <ul style="list-style-type: none"> Storm surge and frequency Sea level rise Hail storm Convective storm Wildfire Heat stress and drought stress Inland riverine and coastal flooding Environmental Leadership - Alignment with TCFD Framework, page 24 2021 Form 10-K Annual Report - Item 1A. Risk Factors, pages 18-27
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Environmental Leadership - Alignment with TCFD Framework, page 24 2021 Form 10-K Annual Report - Item 1A. Risk Factors, pages 18-27
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Environmental Leadership - Alignment with TCFD Framework, page 24 2021 Form 10-K Annual Report - Item 1A. Risk Factors, pages 18-27

DISCLOSURE	DISCLOSURE RESPONSE
RISK MANAGEMENT	
a) Describe the organization's processes for identifying and assessing climate-related risks.	Good Governance - RMR Acquisitions Sustainability Overview, page 12 Good Governance - Risk Management and Compliance, page 13 2022 Proxy Statement - Sustainability, pages 2-3
b) Describe the organization's processes for managing climate-related risks.	<ul style="list-style-type: none"> Action plans and programs are developed and implemented where risks and opportunities exist. Technology is deployed to help manage programs. Team members are trained to execute plans and track metrics and targets. Operational activities at regional and property levels keep risk and opportunity awareness high. Good Governance - Risk Management and Compliance, page 13 2022 Proxy Statement - Sustainability, pages 2-3
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Good Governance - RMR Acquisitions Sustainability Overview, page 12 Good Governance - Risk Management and Compliance, page 13 Environmental Leadership - Alignment with TCFD Framework, page 24
METRICS AND TARGETS	
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Environmental Leadership - Greenhouse Gas Emissions and Climate Change, pages 20-21 Environmental Leadership - Energy Management, page 22 Environmental Leadership - Water and Waste Management, page 23 Appendices F to J, pages 43-49
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Appendices F to J, pages 43-49
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Environmental Leadership - At a Glance, page 18 Environmental Leadership - Greenhouse Gas Emissions and Climate Change, pages 20-21

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)

The following disclosures are informed by the guidance of the Sustainability Accounting Standards Board (SASB) Industry Standard for Real Estate Version 2018-10. To the extent an accounting metric, as defined by the SASB Standard, is not applicable to our portfolio or data to report on the applicable accounting metric is not available to us, we have not made any disclosure.

For the following disclosures, our properties are reported in two operating segments, Hotel and Net Lease, and are consistent with how these properties and our operating results are presented in our other Securities and Exchange Commission (SEC) filings. The information presented is as of December 31, 2021, unless otherwise noted. Additionally, for all sustainability accounting metrics, Same Property includes properties owned and were operated continuously by our managers and tenants since January 1, 2020.

SASB CODE	TOPIC	2021 RESPONSE	
ENERGY MANAGEMENT			
IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property subsector	Net Lease Hotel	37% 32%
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	Net Lease Hotel	(1) 1,337,416 GJ; (2) 0%; (3) 57% (1) 704,752 GJ; (2) 0%; (3) 62%
IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	Net Lease Hotel	-2.5% 1.7%
IF-RE-130a.4	Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR, by property subsector	Net Lease Hotel	(1) 0%; (2) 0% (1) 10.1%; (2) 0%
IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	See 2022 Proxy Statement	
WATER MANAGEMENT			
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	Net Lease Hotel	(1) 31.6%; (2) 37.6% (1) 40.6%; (2) 36.7%
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	Net Lease Hotel	(1) 659.7 km ³ ; (2) 31% (1) 483 km ³ ; (2) 22.9%
IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	Net Lease Hotel	4.2% 8.1%
IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks	See 2022 Proxy Statement	
MANAGEMENT OF TENANT SUSTAINABILITY IMPACTS			
IF-RE-410a.3	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	See 2022 Proxy Statement	
CLIMATE CHANGE ADAPTATION			
IF-RE-450a.1	Area of properties located in 100-year flood zones, by property subsector	Net Lease Hotel	189,858 sq. ft. 1,743,634 sq. ft.
IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	See 2022 Proxy Statement	
ACTIVITY METRIC			
IF-RE-000.A	Number of assets, by property subsector	Net Lease Hotel	788 303
IF-RE-000.B	Leasable floor area, by property subsector	Net Lease Hotel	13,522,061 sq. ft. 32,083,179 sq. ft.
IF-RE-000.C	Percentage of indirectly managed assets, by property subsector	Net Lease Hotel	99.1% 100%