



2021

Environmental, Social & Governance Report

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Letter from the CEO

On behalf of Agree Realty Corporation (NYSE: ADC) (the “Company” or “Agree”), I am pleased to present our environmental, social and governance (“ESG”) report for 2021. Last year, we published our inaugural ESG report and I highlighted our ongoing commitment to environmental, social and governance issues. I’m very excited to report that we have furthered that commitment during the past year, achieving several notable milestones, including:

- Creating an ESG Steering Committee to help guide our ESG strategy
- Assigning formal oversight responsibility for ESG to our Nominating & Governance Committee to enhance transparency and accountability
- Adopting the Sustainability Accounting Standards Board (“SASB”) and the Task Force on Climate-related Financial Disclosures (“TCFD”) frameworks to align our disclosures with the issues most relevant to our stakeholders
- Enhancing our engagement with our retail partners on shared sustainability initiatives, including green lease language
- Engaging key internal and external stakeholders to survey their ESG priorities and help inform our ESG materiality assessment
- Hiring a third-party consultant, HXE Partners, to advise the Company on the initiatives taken and help us create a long-term ESG roadmap

These milestones represent the early stages of our ESG journey, and I look forward to our progress in the years ahead as we roll out our comprehensive ESG Action Plan. Recent events, including the SEC’s proposed rule amendments for climate-related disclosures, further underscore the increasing importance of ESG among stakeholders today.

Many of the emissions at our properties are considered Scope 3 under the SEC’s proposed rule amendments given that our assets are leased to tenants under long-term triple net leases where the tenant is typically responsible for maintaining the property and implementing environmentally responsible practices. However, we continue to expand our engagement with our retail partners to collaborate on ways to reduce the environmental impact of assets within our portfolio. We’ve made strides in this area over the past year and I look forward to updating you on our progress moving forward.

I would like to thank our outstanding team members, our Board of Directors, and our stakeholders for their efforts and support as we move forward on our ESG journey. We remain steadfastly committed to social and corporate responsibility and believe our efforts will create additional long-term value for our stakeholders while reducing the impacts of climate change and improving the communities in which we operate. The following report provides further detail on the progress we’ve made in the past year as we continue to enhance our ESG program.

Sincerely,



JOEY AGREE

President and Chief Executive Officer



Recent ESG Activities

As part of our commitment to continuously improving our understanding of and performance across material ESG topics, Agree engaged a third-party consultant, HXE Partners, to help identify opportunities for improvement across our programs, policies, and disclosures to meet the expectations of our stakeholders. This process resulted in a three-year action plan and roadmap for Agree to enhance our ESG program through oversight structures, risk management, policies, data collection, reporting, and stakeholder engagement. We look forward to sharing our progress and best practices in these focus areas for our business.

HXE Partners also advised the Company on green building practices for the redevelopment of our new headquarters, and has helped the Company devise green lease language to be included in leases negotiated with select tenants. Notably the Company anticipates achieving LEED certification for its new headquarters, which is discussed in more detail later in this report.

In addition to partnering with HXE Partners, in December 2021 the Company amended its senior unsecured revolving credit facility (the "Credit Facility"), increasing the capacity to \$1.0 billion. The Credit Facility includes an accordion option that allows the Company to request additional lender commitments up to a total of \$1.75 billion. The Credit Facility's interest rate is based on a pricing grid with a range of 72.5 to 140 basis points over LIBOR, determined by the Company's credit ratings. To further promote the Company's commitment to ESG, pricing may be reduced under the Credit Facility if we achieve specific ESG Corporate Rating scores from ISS.



SECTION 1

Business Overview



Agree Realty Corporation

Agree Realty Corporation (NYSE: ADC) is a fully integrated, self-administered, and self-managed real estate investment trust ("REIT"), with a market capitalization of \$4.6 billion and an enterprise value of \$6.6 billion as of March 31, 2022.

As of March 31, 2022, the Company's portfolio consisted of 1,510 properties located in 47 states and contained approximately 31 million square feet of gross leasable area.

The portfolio was 99.6% leased, had a weighted-average remaining lease term of approximately 9.1 years, and generated 67.8% of annualized base rents from investment grade retail tenants.

2021 BUSINESS HIGHLIGHTS



\$1.4B+
INVESTED



10%
AFFO
PER SHARE
GROWTH



8%+
DIVIDEND
PER SHARE
GROWTH



\$1.9B
OF CAPITAL
RAISED



290
PROPERTIES
ACQUIRED

KEY METRICS AS OF MARCH 31, 2022



1,510
PROPERTIES



31MM
SQUARE
FEET



47
STATES



31
SECTORS

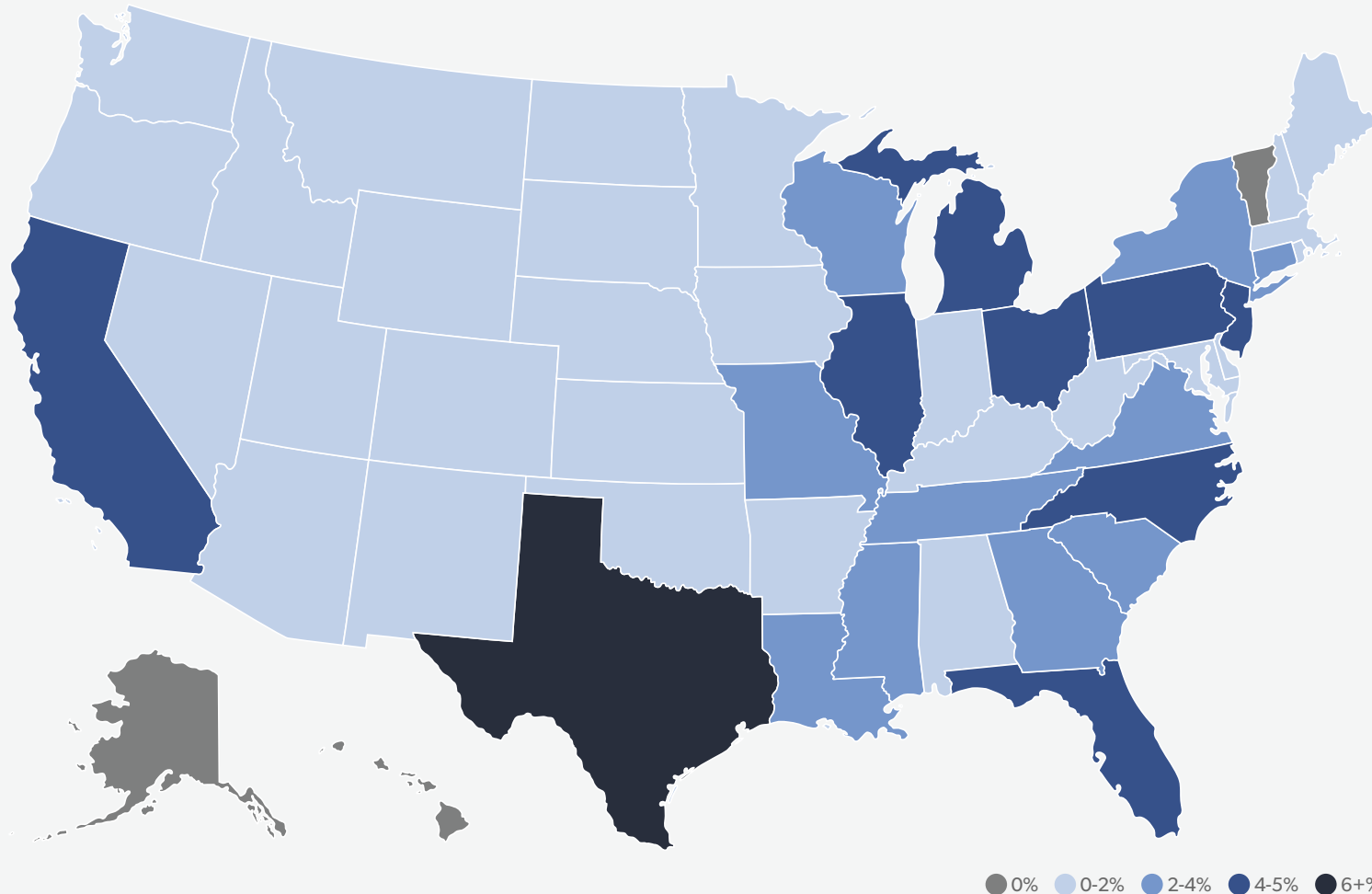


99.6%
OCCUPANCY



67.8%
INVESTMENT
GRADE

Geographic Exposure



Shading represents the Company's exposure as of March 31, 2022, measured as a % of total annualized base rent.

TOP TENANTS

Tenant/Concept	Annualized Base Rent ¹	% of Total ABR	Credit ²	Sustainability Commitment ³	ESG Disclosure
Walmart	\$26.1	6.6%	AA	✓✓	→
TRACTOR SUPPLY CO	17.8	4.5%	BBB	✓✓	→
DOLLAR GENERAL	16.3	4.1%	BBB	✓✓	→
BEST BUY	13.2	3.3%	BBB+	✓✓	→
TJ-maxx	12.6	3.2%	A	✓✓	→
O'Reilly AUTO PARTS	12.3	3.1%	BBB	✓✓	→
CVS pharmacy	11.7	3.0%	BBB	✓✓	→
HOBBY LOBBY	10.9	2.8%	Not Rated	✓✓	→
Kroger	10.8	2.7%	BBB	✓✓	→
LOWE'S	10.5	2.7%	BBB+	✓✓	→
SHERWIN WILLIAMS	10.4	2.6%	BBB	✓✓	→
Burlington	9.5	2.4%	BB+	✓✓	→
Wawa	9.5	2.4%	NAIC-2B	✓✓	→
SUNBELT RENTALS	9.2	2.3%	BBB-	✓✓	→
DOLLAR TREE	9.1	2.3%	BBB	✓✓	→
TBC COMMUNITIES NYC	8.3	2.1%	BBB+	✓✓	→
THE HOME DEPOT	7.7	1.9%	A	✓✓	→
AutoZone	7.0	1.8%	BBB	✓✓	→
LA FITNESS	6.1	1.5% ⁴	B-	✓✓	→
Total	219.0	55.3%			

All data as of March 31, 2022. Any differences are a result of rounding. (1) Annualized base rent is in millions. (2) Based on credit ratings from S&P Global Ratings, Moody's Investors Service, Fitch Ratings, or the National Association of Insurance Commissioners. (3) Tenants considered to have a sustainability commitment are those who have publicly disclosed information on their sustainability, corporate governance or social responsibility initiatives either through their website or standalone reports. (4) The Company acquired one LA Fitness asset during the first quarter as part of a portfolio transaction. The ownership of the asset was then sold in April 2022, reducing the Company's LA Fitness exposure to 1.3% of ABR.



SECTION 2

Corporate Governance

Board Features & Composition

KEY HIGHLIGHTS



Appointed five new Directors since 2018



All members of the Audit, Nominating & Governance, and Compensation committees are independent



Independent Directors meet regularly, without the presence of officers or team members



A Lead Independent Director was appointed in 2019



ADC's Board has nine Directors, seven of whom are independent



KEY METRICS

78%
OF THE BOARD IS
INDEPENDENT

22%
OF THE DIRECTORS
ARE FEMALE

11%
OF THE BOARD
IS A MINORITY

**61
YEARS**
AVERAGE
AGE

**3
YEARS**
AVERAGE TENURE
OF INDEPENDENT
DIRECTORS

**2
YEARS**
MEDIAN TENURE
OF INDEPENDENT
DIRECTORS

Committees of the Board

The Board of Directors (the “Board”) has delegated various responsibilities and authority to four standing committees of the Board. Each committee regularly reports on its activities to the full Board. Each committee, other than the Executive Committee, operates under a written charter approved by the Board, which is reviewed annually by the respective committees of the Board and is available in the Corporate Governance FAQ section of our website at www.agreerealty.com. Each committee may form, and delegate power and authority to, subcommittees of one or more of its members for any purpose that such committee deems appropriate. The Audit Committee, the Compensation Committee and the Nominating & Governance Committee are composed entirely of independent directors. In addition, the Board has determined that each member of the Audit Committee and the Compensation Committee qualifies as independent in accordance with the additional independence rules established by the SEC and NYSE.

The table below displays the current membership of the four standing committees of the Board and the number of meetings held in 2021 by such committees:

COMMITTEES OF THE BOARD

BOARD MEMBER	AUDIT	COMPENSATION	NOMINATING & GOVERNANCE	EXECUTIVE
Richard Agree				Chair
Joey Agree				✓
Karen Dearing	Chair			
Merrie Frankel	✓		Chair	
Michael Hollman	✓		✓	
Michael Judlowe		✓		✓
Gregory Lehmkuhl		Chair	✓	
John Rakolta Jr.				✓
Jerome Rossi		✓	✓	
Number of Meetings in 2021	4	2	2	1

Audit Committee


The Audit Committee consists of three independent Directors, all of which are considered to be financial experts. The Committee is appointed by the Board and continuously monitors the integrity of the financial statements of the Company, the independence and qualifications of the Company’s independent auditors, the performance of the Company’s internal and external auditors, and compliance with legal and regulatory requirements. **During 2021, the Audit Committee was given formal oversight responsibility for Cybersecurity** and is responsible for reviewing and discussing the Company’s policies and procedures with respect to cybersecurity risk assessment and risk management.

Compensation Committee

The Compensation Committee consists of three independent Directors. The Compensation Committee is responsible for reviewing and approving the Company’s compensation philosophy, the compensation of executive officers, setting the criteria for awards under incentive compensation plans and determining whether such criteria have been met.

Nominating & Governance Committee

The Nominating & Governance Committee consists of four independent Directors. The Committee assists the Board in developing criteria and qualifications for potential Board members, identifies and recommends Director nominees, establishes corporate governance practices, leads the Board’s annual reviews of performance and management, recommends committee nominees, and oversees the evaluation of the Board.

 **During 2021, the Nominating & Governance Committee was given formal oversight responsibility for ESG.**

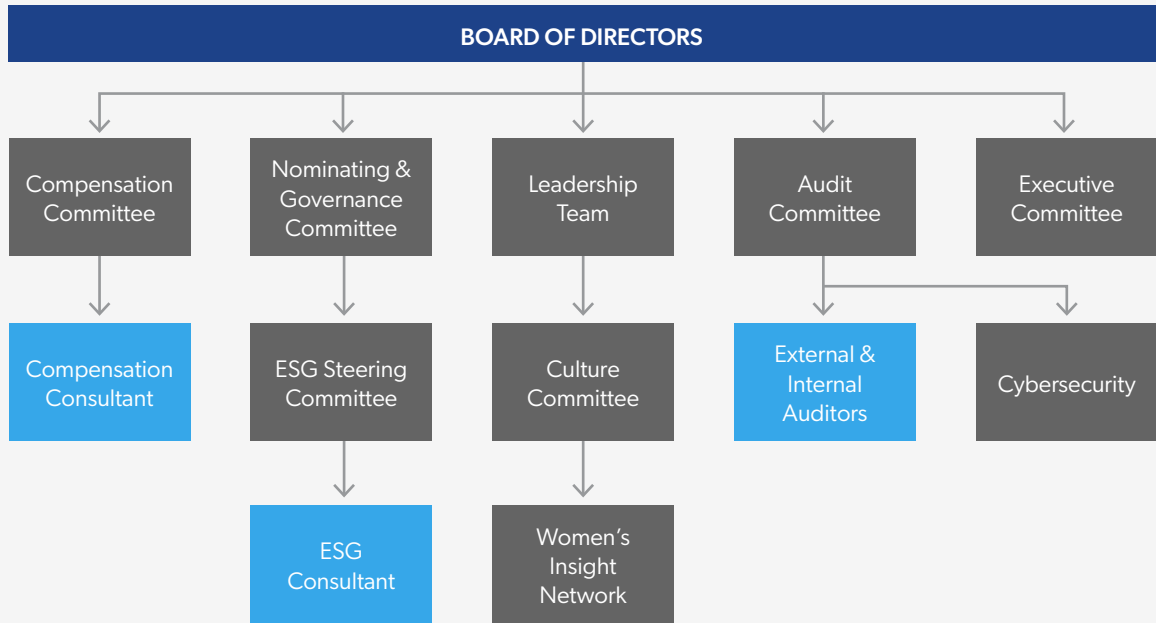
The Committee has the authority and responsibility to monitor and advise the Board with respect to the Company’s strategy and initiatives. The Committee is also tasked with assisting the Board in determining appropriate standards and establishing and reviewing the Company’s performance in light of those standards.

ESG Steering Committee

To proactively address ESG matters and ensure that ESG is integrated throughout the organization, the Company created an ESG Steering Committee during 2021. The Committee is tasked with setting the overarching ESG strategy for the Company, defining our key objectives and how we measure success. In addition, the Committee meets on a monthly basis to prioritize ESG matters, set a plan of action for executing on objectives, and establish recurring check-ins to ensure we’re executing according to plan.

The Committee includes the following members: Chief Financial Officer; General Counsel; Chief of Staff and Executive Vice President, People & Culture; Chief Accounting Officer; and Director, Corporate Finance.

The chart below outlines the Company’s corporate governance structure, including the role of the ESG Steering Committee. The ESG Steering Committee comprises senior leadership team members and reports to the Nominating & Governance Committee at each meeting or more frequently if necessary. Additionally, the ESG Steering Committee is responsible for engaging with the Company’s third-party ESG consultant, HXE Partners. The chart also outlines the responsibilities of other Committees of the Board, particularly as it relates to ESG.



Materiality Assessment

Agree worked with HXE Partners to conduct our first materiality assessment, which we consider to be a critical tool in identifying and prioritizing the most relevant ESG topics to our business.

The materiality assessment identified topics as material if they have significant impact on the environmental, social, governance, or economic performance of Agree. The process began by identifying several topics prioritized by SASB and the TCFD, investors, industry organizations and other stakeholders. Both internal and external stakeholders including employees, Directors, tenants and vendors had the opportunity to rank each topic on a scale of importance to Agree’s business. The survey results were then aggregated and weighted against external data that measures topics of importance to investors and peers.

The results of the materiality assessment are displayed in the matrix at right which displays the ESG topics most material to Agree.



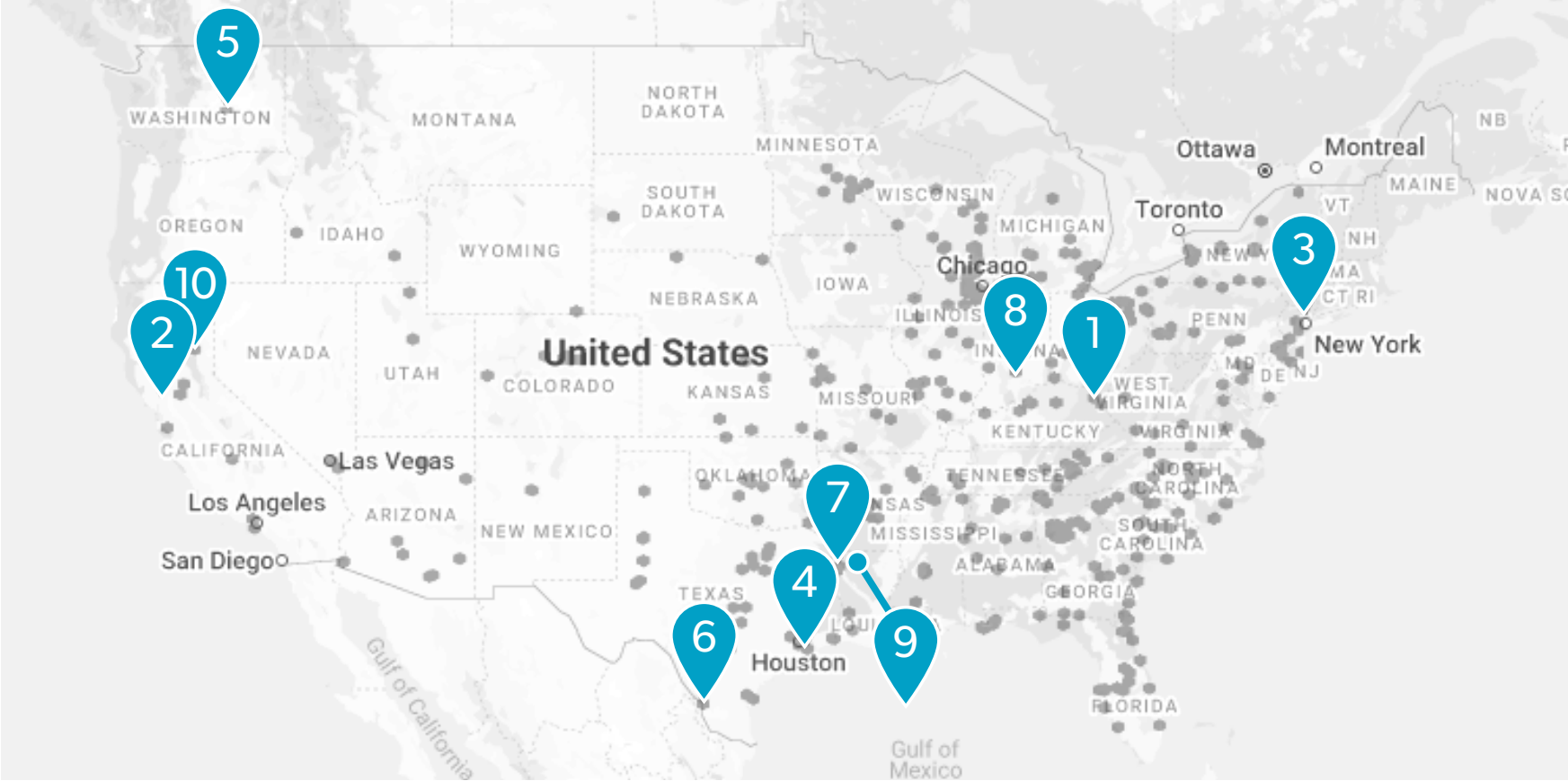
Risk Management

The Board takes an active and informed role in our risk management policies and strategies. Our executive officers, who are responsible for our day-to-day risk management practices, present to the Board on the material risks to our Company, including credit risk, liquidity risk and operational risk. At that time, the management team also reviews with the Board our risk mitigation policies and strategies specific to each risk that is identified. Throughout the year, management monitors our risk profile and updates the Board as new material risks are identified or the aspects of a risk previously presented to the Board materially change.

Climate-Related Risk Assessment

As part of the Company’s risk management processes, we work with our insurance partner to conduct a comprehensive review of the climate-related risk of every asset in our portfolio. The review includes overlaying our assets on a heat map that identifies areas most susceptible to climate-related events including floods, hurricanes,

tornados and earthquakes. This analysis ensures the Company is properly insured in the event of a catastrophe and allows us to augment policies where necessary. As an example, we insure every asset located in a high-hazard flood zone through the National Flood Insurance Program, limiting our risk in the event of a flood.



Locations in High Risk FEMA Zones are more likely to be mitigated against risk, depending on age. Pinned locations reflect top properties by value in FEMA high risk A or V Zones.
Source: Arthur J. Gallagher Risk Management Services



ESG Policies & Code of Conduct

Agree and its Board are committed to maintaining the highest standards for ethics and integrity. Directors, officers, and team members are responsible for promoting honest and ethical conduct. The Board has adopted a [Code of Business Conduct and Ethics](#) and [Corporate Governance Guidelines](#) that apply to all Directors, officers and team members of the Company. Officers and team members are required to certify their compliance on an annual basis.

In addition, the Company has instituted other policies to promote responsible and ethical behavior amongst team members and Directors, including an [Insider Trading Policy](#), Whistleblower Policy and Social Media Policy. Many of the Company's policies and Committee Charters can be found on our website at: www.agreerealty.com/corporate-governance.

As a part of ADC University, our team has bolstered the Company's training infrastructure with the rollout of our Compliance modules. In addition to providing tailored content to specific departments, all team members are required to complete training aligned with public company standards including topics such as Insider Trading, Sexual Harassment, Data Security, Code of Conduct, and Anti-Bribery and Corruption, among other areas. To date, 100% of our employees have completed these courses.

Cybersecurity

The Company has taken significant steps to improve its Cybersecurity in the past year, including:

- Upgrading our Microsoft licenses to include enhanced security features including multi-factor authentication ("MFA")
- Enabling MFA across all of the Company's systems including our virtual private network
- Conducting penetration testing and remediating any vulnerabilities identified
- Conducting ransomware simulations to better prepare the Company in the event of an attack
- Enhancing our business continuity plan to include a detailed action plan in the event of ransomware attack
- Appointing Larry Kaufman as Chief Information Officer and Vice President, Continuous Improvement



Corporate Ethics & Human Rights Policies

At Agree, respect for human rights is core to our values and helps drive our behaviors and clarify our choices. We believe that creating and upholding inclusive and just community standards begins with treating all individuals with respect.

As such, we are committed to respecting, upholding and promoting human rights, as defined by the United Nations Universal Declaration of Human Rights. This applies to the Company’s operations, as well as to the practices of our vendors, suppliers, and partners. These values are a fundamental tenet to the Company’s principles and inform our code of conduct, as well as our commitments to social responsibility.



Team Member Handbook

In accordance with our statements on human rights, we also have outlined policies within our Employee Handbook dealing with a wide range of business practices and procedures embedded within our Code of Business Conduct and Ethics. This includes but is not limited to the following topics:

- | | | | | |
|--|---|--|--|--|
| 
Compliance with Laws, Rules and Regulations | 
Conflicts of Interest | 
Insider Trading | 
Corporate Opportunities | 
Competition and Fair Dealing |
| 
Discrimination and Harassment | 
Health and Safety | 
Record-Keeping | 
Confidentiality | 
Protection and Proper Use of Assets |
| 
Payments to Government Personnel | 
Waivers of Code of Business Conduct and Ethics | 
Reporting any Illegal or Unethical Behavior | 
Compliance Procedures | 
Employee Conduct |



Corporate Ethics & Human Rights Policies

Forced Labor, Human Trafficking, and Child Labor

Agree Realty is opposed to and prohibits the use of child and forced labor in any form, as well as human trafficking. The Company adheres to and upholds all federal, state and local employment laws and regulations designed to protect against child labor and follows the laws and regulations applicable to our areas of operation.

Code of Business Conduct and Ethics

The Company is committed to maintaining a work environment that is free of discrimination, including harassment, on the basis of any legally protected status.

Sexual Harassment

Unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature not only when the conduct is made as a condition of employment, but also when the conduct creates an intimidating, hostile or offensive working environment, are strictly prohibited. We have a zero-tolerance policy regarding sexual harassment in any setting.

Health & Safety

The Company strives to provide each team member with a safe and healthy work environment. We have no tolerance for violence and/or threatening behavior in any form toward our team members, clients, vendors, and other stakeholders.

Statement on Supply Chain Standards

Agree Realty holds a high ethical standard regarding the selection and evaluation of the suppliers and vendors that we engage with. Under our current operations, we are not engaged in high-risk material procurement or the hiring of workers who do not have legal immigration status. We remain committed to partnering with vendors and suppliers with honest and ethical business practices.

Water and Sanitation as Fundamental Human Rights

Agree Realty upholds that access to clean water and sanitation are both fundamental human rights, respectively. We believe in accordance with the United Nations that access to clean water and sanitation are fundamental to the realization of global human rights.



Social



Diversity & Inclusion

Agree Realty values and supports an inclusive and diverse community for colleagues, stakeholders, vendors, and the broader communities which we conduct business in. We make it our mission on a daily basis to ensure that we operate in an environment free of discrimination, which includes freedom from harassment.

We are continually evaluating how to apply best practices in diverse talent recruitment and retention relative to the size of our small workforce. We aim at improving our broader communities through enriching our working environment and stakeholder interactions with inclusion.

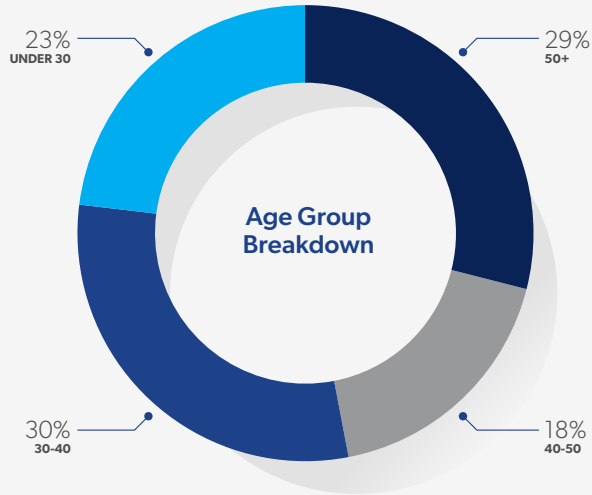
Agree is an equal opportunity employer and does not discriminate on the basis of race, color, gender, religion, age, sexual orientation, national or ethnic origin, disability, marital status, veteran status, or any other occupationally irrelevant criteria.

We provide our 2021 diversity statistics on the right-hand side of this page. As our team members predominantly work in-person at our corporate headquarters in Bloomfield Hills, Michigan, we generally hire locally and our workforce composition is reflective of the surrounding communities. As we anticipate continued growth and changes in the workforce, we will continue to make diversity and inclusion a key priority.

D&I Benchmarking Metrics for All Employees



WORKFORCE DEMOGRAPHICS	
Gender	
Male	56%
Female	44%
Race	
White	93%
Diverse	7%
Total Number of Associates	57



Employee Engagement

Agree Realty has an open and collaborative culture centered on high performance and motivated team members who are focused on working together to achieve the best results for the Company. We have a monthly Company-wide huddle to keep the entire Team updated on the priorities throughout the Company and trends in the industry. At this meeting, we also celebrate Company and personal milestones and achievements.

Company culture is a key factor to our performance. We have a Culture Committee comprised of seven team members from different departments. **The Committee's mission is to create community through camaraderie.** The Committee plans multiple events throughout the year including social events, volunteer activities, and opportunities to celebrate the Team's success. To welcome new team members, the Committee publishes an employee profile and sets up a series of introduction meetings with each department. In 2021, a group of team members started Agree Realty's Women's Insight Network. This Employee Resource Group facilitates an event each month.

ENGAGEMENT & RETENTION

15

Promotions & New Job Opportunities – In 2021, 15 team members achieved a promotion or took on a new job opportunity within the Company. Part of our retention efforts include giving team members opportunities to take on new challenges and grow their careers.

HEALTH & WELLNESS PROGRAMS



MEDICAL

100% employer paid premiums for medical benefit plans for full-time team members, their spouse, and dependents.

PPO and HMO plan options with healthy living incentives that provide more benefit-rich plans.



DENTAL & VISION

Voluntary dental and vision benefits.



LIFE, SHORT TERM-DISABILITY, & LONG-TERM DISABILITY INSURANCE

100% employer paid premiums for full-time team members.



ONSITE FULLY EQUIPPED GYM & LOCKER ROOMS

A certified trainer comes to our office twice a week to lead a voluntary cardio and weight training class for team members.

PAY AND BENEFITS



Competitive salaries commensurate with position and experience.

- Agree Realty participates in an annual, market compensation survey and updates internal compensation bands based on relevant changes in the market.



Annual cash bonus determined by measures of individual, team, and corporate performance.



Long-term equity compensation may be awarded based on corporate performance, responsibilities, and the performance of the team member.



Additional Benefits:

- Simple IRA with a Company match of up to 3% of annual earnings.
- Short-Term and Long-Term disability to help cover a team member's financial losses. Agree pays the full cost of the premiums for full-time team members.

RECENT INDUSTRY RECOGNITION

2020 & 2021



2017-2021




2020 & 2021





2020





Training & Development Programs

- 


Agree Realty Rotational Program
– A program designed to give high potential and high performing team members a range of ADC business experiences to build real estate leaders and future executives. The program includes two rotations for three months each with Acquisitions, Due Diligence or Asset Management.
- 

Core Competencies – We have a core competency framework that drives our talent management practices at Agree. These behaviors are broken out into a set of expectations for every level of the organization. This provides a job ladder for our departments and facilitates promotions and job advancement opportunities for our team members.
- 

Internship Program – We have a summer internship program to build a talent pipeline of early career professionals and give students the opportunity to learn on the job about the fundamentals of real estate. Students spend a summer at Agree Realty with the opportunity to be offered a full-time position after graduation.
- 

Conferences – Team members have the opportunity to attend relevant conferences based on position and experience.
- 

Professional Certifications – We financially support professional designations and pursuits including CPA licenses, law licenses and other certifications.

**Lunch & Learns** – These sessions provide our team members with information on a variety of topics to enhance business learning, personal growth, and community involvement. In 2021, we facilitated 13 sessions. Examples of topics: Retail industry overviews from ADC Directors, Healthy Living from a certified fitness professional, 50-year history of Agree Realty from Richard Agree and Ken Howe, and CPR training from a certified CPR professional.



ADC UNIVERSITY 2022

ADC University platform includes virtual and in-person training coordinated by the People & Culture Team. Team members completed 165 hours of training in 2021.

- 

Team members have access to the full suite of on-demand, virtual training in LinkedIn Learning.
- 

Team Leader Training Series provides classroom learning opportunities to all people managers within the Company.
- 

The Company requires all team members to complete compliance training including topics such as: Insider Trading, Sexual Harassment, Data Security, Code of Conduct, and Anti-Bribery and Corruption.



Talent Management Strategy



Performance Management

We have a cadence of quarterly performance meetings. Team members align with their team leader at the beginning of the quarter on their goals for the upcoming quarter. These goals are determined after the Leadership Team shares the corporate goals. At the end of the quarter, the team leader provides feedback regarding the team member’s performance over the past quarter and their progress on achieving the expectations of the Core Competencies.



New Positions

In 2021, 17 new positions were created and filled by either an internal promotion or a new ADC team member.



COVID-19 Response



Remote Working – Throughout the pandemic, we have provided team members with additional computer monitors and other technology to be able to work from home safely and efficiently when necessary.



ADC Grocery Store – While our team members were remote, we converted our Auditorium into a grocery store. The People & Culture team had local stores deliver truckloads of groceries to our Auditorium and then coordinated care packages of groceries for all team members to pick up for their households.



Preparedness and Response Plan – As we began to phase back to our office, we developed a COVID-19 Preparedness and Response Plan along with training that all team members were required to complete before returning to the office. This training and plan continues to be updated and communicated to our team members.



Screening – We have a daily COVID screening questionnaire that all team members and guests are required to complete before coming to the office.



At-Home Testing – We provide our team members with at-home COVID tests.

Charitable Giving & Philanthropy



Charity Partners – Each year, the Culture Committee selects a charity that Agree Realty sponsors through giving money, time, and resources. The charities that we have recently partnered with include Leader Dogs for the Blind, Volunteers of America, Friendship Circle, and Kids Kicking Cancer. We have been committed to improving education, strengthening neighborhoods, encouraging volunteer service and charitable giving in our community.



Fundraising – In 2021, along with donating over \$12,500 to Leader Dogs for the Blind, our Team supported the charity by hosting a summer fundraiser, participating in their annual 5K race, facilitating a leadership training, and coordinating a Lunch & Learn session.



Agree Culture Committee

Our Culture Committee is a cross-functional committee comprised of seven team members. The focus of the Culture Committee is to create community through camaraderie.



Team Lunch Program

The Culture Committee caters lunch for the entire Company, three times per week. This lunch provides our Team with the opportunity to come together and engage on a personal level with team members that they may not interact with on a day-to-day basis.



Mental Health Awareness Week

The Culture Committee recently launched Mental Health Awareness Week, providing a series of events, resources, and tools to help bring awareness to and promote positive mental well-being.



Events

The Culture Committee hosts multiple events throughout the year both on and off campus to give team members a chance to take a break from work and enjoy getting to know each other. Annual events include: St Patrick’s Day party, Team BBQs, Halloween Party, and Holiday Party.



Happy Hour & Social Events

The Culture Committee also facilitates on-site happy hours and social events to allow team members a chance to celebrate Company milestones.



Employee Resource Groups

In 2021, a group of team members launched the Women’s Insight Network. This group is committed to empowering businesswomen of Agree to achieve success on their own terms. It strives to provide opportunities for women to connect with and support one another through personal and professional development. This group facilitates one event per month including discussion topics, community involvement, and social gatherings.



Weekly Group Fitness Classes

The Culture Committee sponsors two group fitness classes per week facilitated by a certified trainer. All team members are welcome to participate, and the class is tailored to fit everyone’s fitness level and goals.



SECTION 3

Environmental

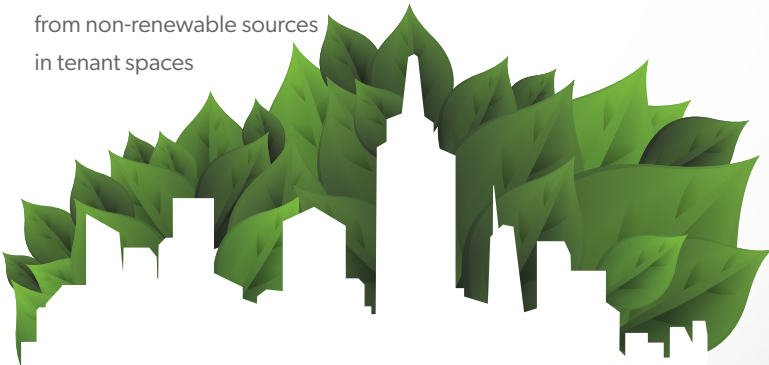
Environmental Focus of Tenants

The Company’s focus on industry-leading, national and super-regional retailers provides for a relationship with some of the most environmentally conscientious retailers in the world. **This is particularly meaningful because Agree’s portfolio is primarily comprised of properties that are leased to tenants under long-term triple net leases where the tenant is generally responsible for maintaining the property and implementing environmentally responsible practices.** Agree is proud to know that its tenants have pioneered the use of environmentally preferable solutions in their business practices by the following means, among others:

- ✓ Reducing waste and conserving natural resources in manufacturing facilities.
- ✓ Increasing the use of biodiesel fuel.
- ✓ Pioneering the use of renewable or sustainable raw materials in their formulations.
- ✓ Using sophisticated software to determine distribution routes to minimize fuel consumption.
- ✓ Implementing emissions reduction strategies to measure and monitor emissions.
- ✓ Partnering to use ground-up, recycled tires as a component of rubberized pavement for use in road construction.
- ✓ Diverting waste from distribution facilities of safe, unused toiletries, food and household items from landfills by donating these items to hunger-relief and food rescue organizations.
- ✓ Engaging in “trickle-down green” by implementing a vendor code of conduct that requires vendors and the factories where the retailer gets its merchandise to comply with environmental laws and regulations.
- ✓ Implementing an associate car-pool program.
- ✓ Promoting sustainable practices through its chain of retail stores.
- ✓ Requiring 100% of strategic suppliers to have sustainability goals.
- ✓ Increasing the number of eco-friendly products available to customers.
- ✓ Measuring, benchmarking and improving freight transportation efficiency.
- ✓ Developing and implementing a more efficient freight loading process that helps reduce the total number of miles driven and the amount of diesel fuel required to transport merchandise.
- ✓ Working to recycle and e-cycle outdated network equipment according to EPA guidelines.
- ✓ Implementing on-going driver scorecards and coaching to reinforce actions that reduce fuel usage.
- ✓ Engaging third party dumpster audits to ensure proper handling and disposal of waste and universal waste.
- ✓ Developing and utilizing 100% phosphate-free and non-toxic cleaners, soaps and chemicals.
- ✓ Minimizing the use of raw materials in their products and packaging.
- ✓ Partnering only with roasters who participate in practices that support responsible environmental and social standards in coffee-growing regions.
- ✓ Reducing environmental dependencies and creating business value through sustainable practices.

To further our commitment to working with our leading retailers, we have increased tenant engagement related to sustainability initiatives during the past year. Highlights include:

- ✓ Working with convenience-store tenants to amend leases and allow for the installation of EV charging stations
- ✓ Establishing green lease clauses in accordance with Green Lease Leaders and engaging with relationship tenants about incorporating the language into future leases as a potential pathway to reduce energy consumption from non-renewable sources in tenant spaces
- ✓ Engaging in dialogue with our relationship tenants on shared sustainability initiatives that have the potential to reduce emissions and lower costs



Agree's Retail Partners are Committed to Sustainable Practices



OUR TOP TENANTS COMPRISE 55% OF OUR TOTAL PORTFOLIO



74% OF OUR TOP TENANTS PUBLISH AN ESG REPORT



68% OF OUR TOP TENANTS HAVE EMISSIONS REDUCTION TARGETS



Our vision at Walmart is to help transform food and product supply chains to be regenerative, working in harmony with nature – to protect, restore and sustainably use our natural resources.

KATHLEEN MCLAUGHLIN
EXECUTIVE VICE PRESIDENT AND CHIEF SUSTAINABILITY OFFICER FOR WALMART, INC.
AND PRESIDENT OF THE WALMART FOUNDATION



We are also proud of the actions we've taken to position ourselves as a retail leader in addressing climate change, helping to build a regenerative future by helping farmers, ranchers, and all those who enjoy living a rural lifestyle across the US succeed in their efforts to positively impact the land, air and water.

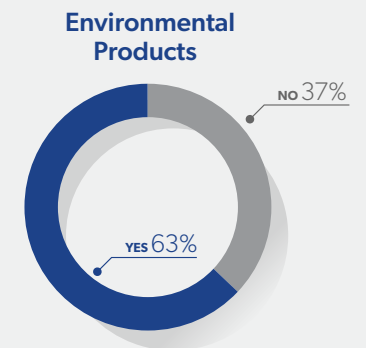
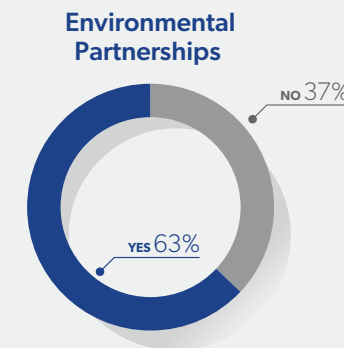
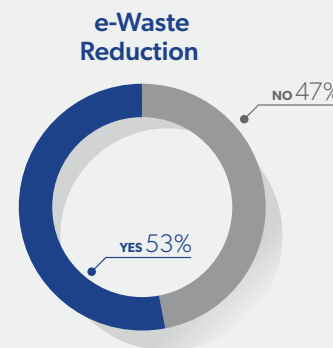
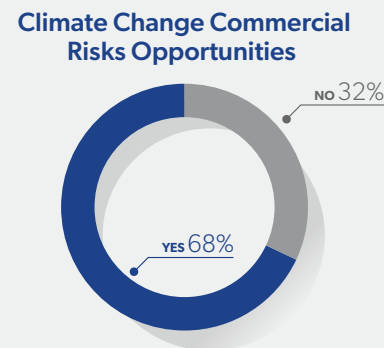
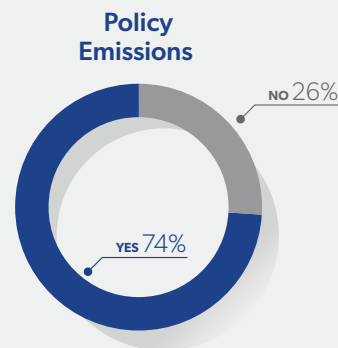
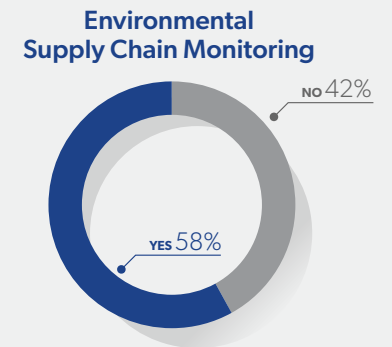
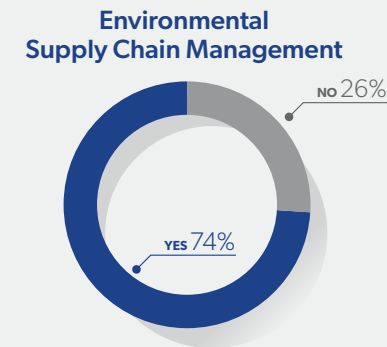
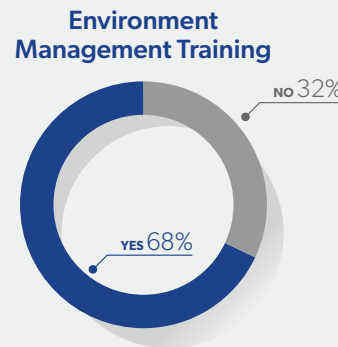
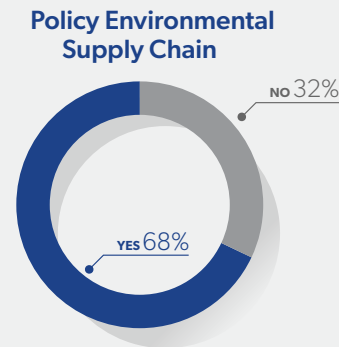
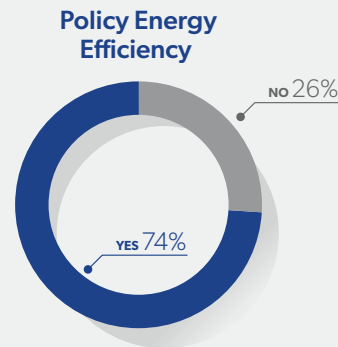
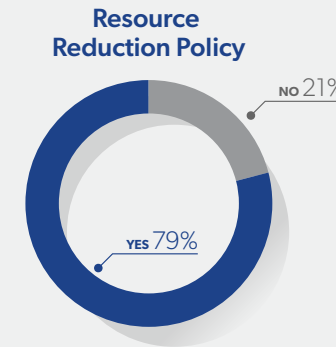
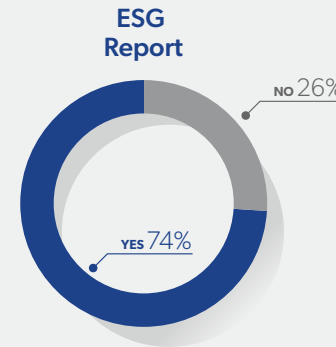
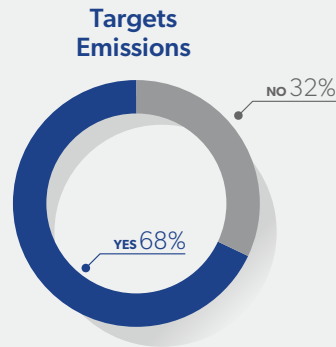
HAL LAWTON
PRESIDENT & CHIEF EXECUTIVE OFFICER OF TRACTOR SUPPLY COMPANY



At Best Buy, we aim to meaningfully reduce our impact on the environment and help our customers do the same. We make decisions with the future in mind, to strengthen our business, improve people's lives and promote the health of our communities for years to come.

CORIE BARRY
CHIEF EXECUTIVE OFFICER OF BEST BUY

Agree's Retail Partners are Committed to Sustainable Practices



The percentages above are based on the Company's top tenants as of March 31, 2022. The data is sourced from Refinitiv. See Definitions & Explanations on page 31 for additional detail.

Approach to Climate Change & Resilience

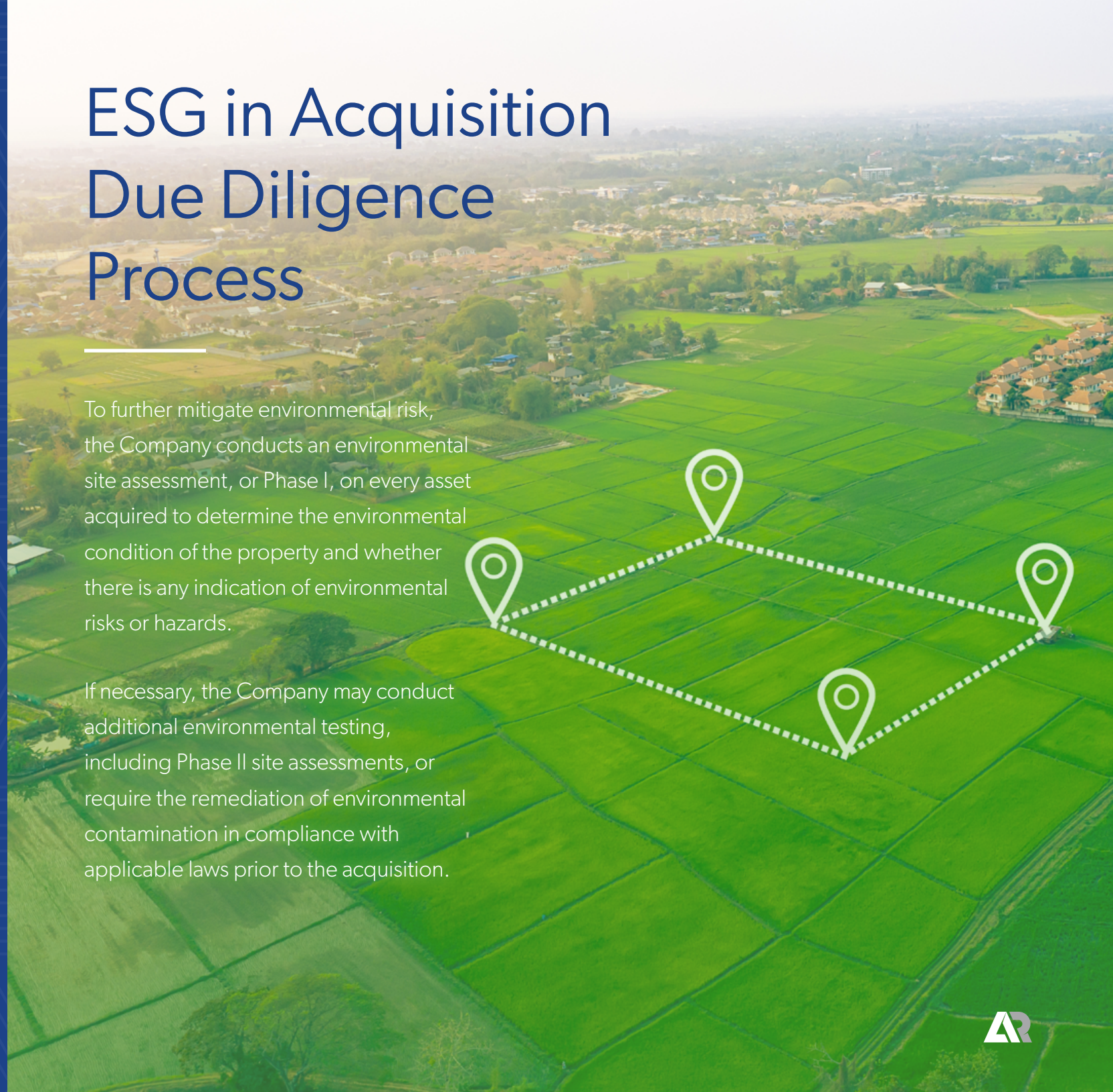
As mentioned earlier in the report, Agree has worked closely with its insurance partner to evaluate and assess the risk of climate change throughout its portfolio. However, the Company is also protected by its diversification, with more than 1,500 assets spanning 47 states, and no state representing more than 7% of total annualized base rents.

While the Company anticipates maintaining a geographically diverse portfolio, it will continue to use analytics to assess its climate change exposure and ensure that it isn't overly concentrated in any area particularly susceptible to climate-related risks.

ESG in Acquisition Due Diligence Process

To further mitigate environmental risk, the Company conducts an environmental site assessment, or Phase I, on every asset acquired to determine the environmental condition of the property and whether there is any indication of environmental risks or hazards.

If necessary, the Company may conduct additional environmental testing, including Phase II site assessments, or require the remediation of environmental contamination in compliance with applicable laws prior to the acquisition.



Environmental Focus at Corporate Headquarters

Our state-of-the-art campus in Bloomfield Hills, Michigan comprises two buildings: 70 East Long Lake Road and “The Howe” located at 44 East Long Lake Road. 70 East Long Lake received an American Institute of Architects Honor Award in 2015 for its architecture and design and features the use of water-conserving plumbing fixtures, programmable thermostats, and energy-saving lighting control systems. The Howe was completed in 2019 and throughout its development the Company embraced the opportunity to exercise environmental responsibility through design and systems that include the use of daylight windows with Low-E window glass, LEED HVAC systems,

LED occupancy-sensored lighting and a significant reduction in hardscape which minimizes rainwater runoff and erosion.

The construction of both buildings on the Agree Campus included an extensive reuse of existing structures of former buildings to minimize the amount of waste material. The Company’s landscaping includes widespread use of ornamental grasses specifically selected to reduce water usage. The Company’s internal operations include the use of paper and toner cartridge recycling services in lieu of customary disposal of these items. Further, the Company continues to encourage movement to a paperless environment through significant investment in technology.

The Agree Wellness Program, which is intended to attract and retain top-level talent in our organization, promotes a reduction in our team members’ carbon footprint by offering on-site dry-cleaning pick-up and delivery, an on-site fitness center, catered team lunches three times per week as well as Company-reimbursed dinners for team members working late.

In January 2022, we announced a new corporate headquarters to support our continued growth, acquiring a former Art Van Furniture store on Woodward Avenue in Royal Oak, Michigan. Construction has commenced on the approximately 50,000 square foot building and we

anticipate it will be complete for relocation during the second quarter of 2023. Plans call for additional training and development space, health and wellness facilities, and collaborative meeting areas aligned with the Company’s ADC University and ADC Wellness initiatives.

Similar to our existing headquarters, the Company is utilizing several environmentally responsible design practices and is focused on an extensive reuse of existing materials to minimize waste. **The Company’s use of green building practices will surpass what we accomplished with our existing buildings as we anticipate achieving LEED certification for our new headquarters.**



SECTION 4

About This Report

Forward-Looking Statements & Risk Factors

This report may contain forward-looking statements, including statements about the Company's strategy and operating plans, within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. The Company intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and includes this statement for purposes of complying with these safe harbor provisions. Forward-looking statements are generally identifiable by use of forward-looking terminology such as "may," "will," "should," "potential," "intend," "expect," "seek," "anticipate," "estimate," "approximately," "believe," "could," "project," "predict," "forecast," "continue," "assume," "plan," "outlook" or other similar words or expressions. Forward-looking statements are based on certain assumptions and can include future expectations, future plans and strategies, financial and operating projections or other forward-looking information.

Although these forward-looking statements are based on good faith beliefs, reasonable assumptions and the Company's best judgment reflecting current information, you should not rely on forward-looking statements since they involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond the Company's control and which could materially affect the Company's results of operations, financial condition, cash flows, performance or future achievements or events. Such risks and uncertainties include the risks noted in reports that we file with the U.S. Securities and Exchange Commission (the "SEC"), including the Risk Factors identified in our Annual Report on Form 10-K for the year ended December 31, 2021, as well as additional factors we may describe from time to time in other filings with the SEC. Additional important factors, among others, that may cause the Company's actual results to vary include the general deterioration in national economic conditions, weakening of real estate markets, decreases in the availability of credit, increases in interest rates, adverse changes in the retail industry and the Company's continuing ability to qualify as a REIT. The forward-looking statements included in this report are made as of the date hereof. Unless legally required, the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events, changes in the Company's expectations or assumptions or otherwise.

This report describes topics that we consider to be important to stakeholders when evaluating sustainability matters at the Company. The inclusion of information in this report is not an indication that such information is material as defined under the U.S. federal securities laws and the applicable regulations thereunder. No part of this report or our sustainability disclosure constitutes, or shall be taken to constitute, an invitation or inducement to invest in the Company or any other entity and must not be relied upon in any way in connection with any investment decision.

Definitions & Explanations

Targets Emissions

Has the company set targets or objectives to be achieved on emission reduction?

In scope are the short-term or long-term reduction target to be achieved on emissions to land, air or water from business operations.

Waste Reduction Initiatives

Does the company report on initiatives to recycle, reduce, reuse, substitute, treat or phase out total waste?

- I. initiatives to reduce any type of waste generated by reporting organization
- II. partnership with waste management companies to treat waste generated
- III. does not include the data on waste management companies, which collect & recycle the waste for their customers

ESG Report

Does the company publish a separate CSR/H&S/Sustainability report or publish a section in its annual report on CSR/H&S/Sustainability?

- I. any separate extra-financial report in which the company reports on the environmental and social impact of its operations
- II. when the company publishes an extra financial report in a foreign language, Refinitiv answers as 'True' with a comment
- III. web-based non-financial reports are also considered if data is updated yearly
- IV. integrated annual report with sustainability data is qualified information

- V. CSR section from the annual report must consist of substantial data
- VI. exceptionally, if the company in question reports quantitative data exclusively in less than 5 pages, this can also be considered
- VII. CSR reports published bi-annually, current year when there is no report then data measure is answered 'False'
- VIII. data only on community-focused report with community-related activities of the company, answer is 'False'

Resource Reduction Policy

Does the company have a policy for reducing the use of natural resources or to lessen the environmental impact of its supply chain?

Policy Energy Efficiency

Does the company have a policy to improve its energy efficiency?

- I. in scope are the various forms of processes/mechanisms/procedures to improve energy use in operation efficiently
- II. system or a set of formal documented processes for efficient use of energy and driving continuous improvement

Policy Environmental Supply Chain

Does the company have a policy to include its supply chain in the company's efforts to lessen its overall environmental impact?

- I. legal compliance data on the supply chain to reduce environmental impact is in scope
- II. data on collaboration with suppliers towards reducing their environmental impacts
- III. data on the reduction of environmental impacts at the supplier's operations

Environment Management Training

Does the company train its employees on environmental issues?

- I. employee environmental (resource reduction & emission reduction) related training provided by the company or external trainers
- II. in focus include the code of conduct training encompasses environmental aspects

Environmental Supply Chain Management:

Does the company use environmental criteria (ISO 14000, energy consumption, etc.) in the selection process of its suppliers or sourcing partners?

Data can also be on existing suppliers who were selected using some environmental criteria

Environmental Supply Chain Monitoring

Does the company conduct surveys of the environmental performance of its suppliers?

Any evidence that the company monitors its suppliers on environmental issues through surveys, audits, supplier site visits, and questionnaire

Policy Emissions

Does the company have a policy to improve emission reduction?

- I. in scope are the various forms of emissions to land, air or water from the company's core activities
- II. processes, mechanisms or programs in place as to what the company is doing to reduce emissions in its operations
- III. system or a set of formal, documented processes for controlling emissions and driving continuous improvement

Climate Change Commercial Risks Opportunities

Is the company aware that climate change can represent commercial risks and/or opportunities?

- I. development of new products/ services to overcome the threats of climate change to the existing business model of the company
- II. some companies take climate change as a business opportunity and develop new products/services

e-Waste Reduction

Does the company report on initiatives to recycle, reduce, reuse, substitute, treat or phase out e-waste?

Any initiatives which the company has put in place to reduce e-waste

- I. e-waste is used as a generic term embracing all types of waste containing electrically powered components
- II. e-waste may contain hazardous materials which require special handling and recycling methods
- III. includes all products covered under WEEE (waste electrical and electronic equipment) regulations like fluorescent tubes, sodium lamps, computers, mobiles, telephones, fax machines, copiers, printers, washing machines, dryers, refrigerators, air-conditioners, televisions, VCR/ DVD/CD players, wi-fi sets, radios, drills, electric saws, sewing machines, batteries, toner cartridges

Environmental Partnerships

Does the company report on partnerships or initiatives with specialized NGOs, industry organizations, governmental or supra-governmental organizations, which are focused on improving environmental issues?

Environmental Products

Does the company report on at least one product line or service that is designed to have positive effects on the environment, or which is environmentally labeled and marketed?

In focus are the products and services that have positive environmental effects, or marketed as which solve environment problems

Refinitiv ESG data reflects periods inclusive of 2020 & 2021



About Us

Creating Opportunity by Rethinking Retail

In 1971, Richard Agree, our Executive Chairman of the Board, founded Agree Development Company, the predecessor to Agree Realty Corporation. Over its 23-year history, Agree Development Company developed over 40 community shopping centers primarily throughout the Midwestern and Southeastern United States.

With an Initial Public Offering of 2.5 million shares in 1994, Agree Realty Corporation commenced operations as a publicly traded Real Estate Investment Trust (REIT). Agree Realty is listed on the New York Stock Exchange under the ticker symbol "ADC". Today, Agree Realty is a \$7 billion industry leader in the acquisition and development of properties net leased to the foremost retailers in the United States. As of March 31, 2022, the Company owned and operated a portfolio of 1,510 properties, located in 47 states and containing approximately 31.0 million square feet of gross leasable area.

Disciplined and Focused Investment Strategy

The Agree Team's expertise and strategic execution seeks to maximize value for all stakeholders. Our innovative development and acquisition strategies, adaptive real estate technology, and extensive capabilities are relied upon by our industry-leading partners throughout the United States. Building upon the foundation of excellence established throughout the past half century, Agree Realty continues to be a thought leader, rethinking retail in an omni-channel world.

Contacts

To learn more about Agree Realty Corporation, please visit www.agreerealty.com.

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Danielle Spehar

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Nicole Witteveen

*Executive Vice President,
People & Culture*
Chief of Staff
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SECTION 5

Report Indices

Sustainability Accounting Standards Board

SASB Standards guide the disclosure of financially material sustainability information by companies to their investors. Available for 77 industries, the Standards identify the subset of environmental, social and governance (ESG) issues most relevant to financial performance in each industry.

Sustainability Accounting Standards Board

TOPIC	CODE	ACCOUNTING METRIC	RESPONSE
Energy Management	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	Given that our portfolio is leased to retailers on a triple-net basis, our tenants are responsible for maintaining the property and implementing environmentally responsible practices. While this structure ultimately provides each respective retailer with autonomy over the physical real estate, we’d note that our focus on industry-leading, national and super-regional retailers provide for a relationship with some of the most environmentally conscientious retailers in the world. Notably, we have enhanced our engagement with our retail partners on shared sustainability initiatives, including green lease language.



TOPIC	CODE	ACCOUNTING METRIC	RESPONSE
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	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
	IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks	<p>Agree Realty's focus on industry-leading, national and super-regional retailers provides for a relationship with some of the most environmentally conscientious retailers in the world. This is particularly meaningful because the Company's portfolio is primarily comprised of properties that are leased to tenants under long-term triple net leases where the tenant is generally responsible for maintaining the property and implementing environmentally responsible practices.</p> <p>In addition to our tenant initiatives, the Company's state-of-the-art campus in Bloomfield Hills, Michigan features the use of water conserving plumbing fixtures, a significant reduction in hardscape which minimizes rainwater runoff and erosion, as well as the widespread use of ornamental grasses specifically selected to reduce water usage. We anticipate replicating and enhancing these initiatives at our new corporate headquarters, which is expected to be completed during the second quarter of 2023.</p>

TOPIC	CODE	ACCOUNTING METRIC	RESPONSE
Management of Tenant Sustainability Impacts	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	<p>Given that our portfolio is leased to retailers on a triple-net basis, our tenants are responsible for maintaining the property and implementing environmentally responsible practices. While this structure ultimately provides each respective retailer with autonomy over the physical real estate, we'd note that our focus on industry-leading, national and super-regional retailers provide for a relationship with some of the most environmentally conscientious retailers in the world.</p> <p>To further our commitment to working with our leading retailers, we have increased tenant engagement related to sustainability initiatives during the past year. Highlights include working with convenience store tenants to amend leases and allow for the installation of EV charging stations, establishing green lease clauses in accordance with Green Lease Leaders and engaging with relationship tenants about incorporating the language into future leases, and more frequent dialogue with our relationship tenants on shared sustainability initiatives that have the potential to reduce emissions and lower costs.</p>

TOPIC	CODE	ACCOUNTING METRIC	RESPONSE
Climate Change Adaptation	IF-RE-450a.1	Area of properties located in 100-year flood zones, by property subsector	Approximately 5.8% of our properties are located in 100-year flood zones based on total square footage, or 5.4% based on total number of assets.
	IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	<p>As part of the Company's risk management processes, we work with our insurance partner to conduct a comprehensive review of the climate-related risk of every asset in our portfolio. The review includes overlaying our assets on a heat map that identifies areas most susceptible to climate related events including floods, hurricanes, tornados and earthquakes. This analysis ensures the Company is properly insured in the event of a catastrophe and allows us to augment policies where necessary. As an example, we insure every asset located in a high-hazard flood zone through the National Flood Insurance Program, limiting our risk in the event of a flood.</p> <p>Agree has worked closely with its insurance partner to evaluate and assess the risk of climate change throughout its portfolio. However, the Company is also protected by its diversification, with more than 1,510 assets spanning 47 states, and no state making up more than 7% of total annualized base rents. While the Company anticipates maintaining a geographically diverse portfolio, it will continue to use analytics to assess its climate change exposure and ensure that it isn't overly concentrated in any area particularly susceptible to climate related risks.</p>
Activity Metrics	IF-RE-000.A	Number of assets, by property subsector	We had 1,510 net lease properties as of March 31, 2022.
	IF-RE-000.B	Leasable floor area, by property subsector	As of March 31, 2022, our portfolio was comprised of approximately 31.0 million square feet of gross leasable area of net lease properties.
	IF-RE-000.C	Percentage of indirectly managed assets, by property subsector	We have an internal property management team that manages all of our assets. However, given our portfolio is comprised of net lease assets, our tenants control the leased premises and are responsible for maintaining the property and implementing environmentally responsible practices.
	IF-RE-000.D	Average occupancy rate, by property subsector	As of March 31, 2022, our 100% net lease portfolio was 99.6% leased.

Task Force on Climate-related Financial Disclosures (TCFD)

The Financial Stability Board created the Task Force on Climate-related Financial Disclosures (TCFD) to improve and increase reporting of climate-related financial information. The work of the TCFD provides recommendations for more effective climate-related disclosures that promotes more informed investment, credit and insurance underwriting decisions.

PILLAR	TOPIC	RESPONSE
Governance	Board oversight of climate-related risks and opportunities	<p>The Nominating & Governance Committee consists of four independent Directors. The Committee assists the Board in developing criteria and qualifications for potential Board members, identifies and recommends Director nominees, establishes corporate governance practices, leads the Board’s annual reviews of performance and management, recommends committee nominees, and oversees the evaluation of the Board. During 2021, the Nominating & Governance Committee was given formal oversight responsibility for ESG. The Committee has the authority and responsibility to monitor and advise the Board with respect to the Company’s strategy and initiatives. The Committee is also tasked with assisting the Board in determining appropriate standards and establishing and reviewing the Company’s performance in light of those standards.</p> <p>While our Nominating & Governance Committee was given formal oversight responsibility for ESG at the Board level, our Audit Committee and Compensation Committee also hold ESG-related responsibilities unique to each committee’s responsibilities, which include cybersecurity, risk assessment and management, and compensation considerations.</p>
	Management’s role in assessing and managing climate-related risks	<p>To proactively address ESG matters and ensure that ESG is integrated throughout the organization, the Company created an ESG Steering Committee during 2021. The Committee is tasked with setting the overarching ESG strategy for the Company, defining our key objectives and how we measure success. In addition, the Committee meets on a monthly basis to prioritize ESG matters, set a plan of action for executing on objectives, and establish recurring check-ins to ensure we’re executing according to plan. The ESG Steering Committee is comprised of senior leadership team members and reports to the Nominating & Governance Committee at each meeting or more frequently if necessary. Additionally, the ESG Steering Committee is responsible for engaging with HXE Partners.</p>



PILLAR	TOPIC	RESPONSE
Strategy	Short, medium, and long-term climate-related risks	<p><i>The following list includes identified climate-related risks that have the potential to impact our Company:</i></p> <p><i>Physical Risks:</i></p> <ul style="list-style-type: none"> • Cyclones • Hurricanes • Floods • Sea level rise • Chronic heat waves • Extreme temperature change <p><i>Transition Risks:</i></p> <ul style="list-style-type: none"> • Enhanced emissions-related reporting requirements, including increased SEC reporting mandates • Exposure to climate-related litigation • Increased operating expenses, including insurance premiums, compliance costs, etc. • Portfolio impairment resulting from changes in public policy
	Impact on business strategy and planning	<p>As part of the Company's risk management processes, we work with our insurance partner to conduct a comprehensive review of the climate-related risk of every asset in our portfolio. The review includes overlaying our assets on a heat map that identifies areas most susceptible to climate related events including floods, hurricanes, tornados and earthquakes. This analysis ensures the Company is properly insured in the event of a catastrophe and allows us to augment policies where necessary. As an example, we insure every asset located in a high-hazard flood zone through the National Flood Insurance Program, limiting our risk in the event of a flood.</p>
	Resilience of strategy using 2-degree or lower scenarios	<p>We do not currently incorporate scenario-based analysis into our operating strategy.</p>

PILLAR	TOPIC	RESPONSE
Risk Management	Process to assess climate-related risks	As part of the Company's risk management processes, we work with our insurance partner to conduct a comprehensive review of the climate-related risk of every asset in our portfolio. To further mitigate climate related risk, the Company conducts an environmental site assessment, or Phase I, on every asset acquired to determine the environmental condition of the property and whether there is any indication of environmental risks or hazards.
	Process to manage climate-related risks	When necessary, the Company conducts additional environmental testing, including Phase II site assessments, or requires the remediation of environmental contamination in compliance with applicable laws prior to the acquisition. The Company also enhances its insurance coverage where applicable to confirm that it's properly insured from climate-related risks.
	Integration of risk process into overall risk management	Overall risk management is a Board-level responsibility, and while ESG-related risks are typically discussed at the committee level, more significant risks are discussed jointly with the Leadership Team and Board of Directors.
	Metrics used to assess climate-related risks	Not currently available
Metrics and Targets	Scope 1 and 2 emissions	Not currently available
	Describe targets used	Not currently available