



Strength, Stability, Global Reach

ESG

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

POLICY AS OF JUNE 2022



Overview

ACRE is committed to creating a positive, lasting impact for our residents, employees, and investors, and honors this pledge by embedding our core ESG principles into our various operations and investment decisions. By integrating ESG initiatives into all areas of our business, we will add significant value to our real estate portfolio, investments, and social impact by ensuring our team is actively planning and implementing strategies focused on ESG-imperatives and opportunities.

Our team strongly believes in responsible management and investment practices, which are reinforced by the following principles:



Environmental stewardship and decarbonization



Resident-centered outcomes and sustainable communities



Transparency and governance

ACRE will emphasize innovative thinking and data-driven decision-making into our ESG initiatives. We value the importance of being proactive, embracing new ideas, utilizing best-in-class technologies, and data-informed decisions.

A Strong Foundation

As a global, vertically integrated real estate private equity firm that focuses on both direct real estate equity and credit investments, we strive to strengthen every aspect of our business to maintain our competitiveness while having a positive impact. We will continue to build on our strengths as we look to the future and assess our growing role in creating more robust, healthier, and more sustainable communities.

Environmental Stewardship and Decarbonization

ACRE has started to collect energy and water data through a partnership with Measurabl. This data collection and analysis platform will allow us to better understand ACRE's energy, water, and waste consumption, as well as associated greenhouse gas (GHG) emissions. Our leadership team understands the value in establishing key performance indicators, setting baselines, and measuring progress towards ESG goals. The collection of essential data will be a critical component for tracking the effectiveness of our operational platform and decarbonization initiatives.

Resident-Centered Outcomes and Sustainable Communities

The ACRE team has launched numerous programs that provide meaningful resources to our residents, including the construction of large, produce-producing farms at our properties; financial literacy instruction and after-school programs; and the introduction of Till's Flexible Rent solution to allow residents to fulfill their rent obligations and improve their long-term financial condition. We will continue to implement resident-centered initiatives and strive to create healthy and supportive living environments that improve the lives of our residents.

Transparency and Governance

ACRE is committed to engaging with all stakeholders to promote and ensure transparency, effective communication, and strong oversight as we integrate these ESG principles into all areas of our business.

At the core of this commitment is a dedication to:

1. FOSTERING a culture of diversity, equity, and inclusion
2. UPHOLDING our fiduciary responsibility

As exhibited by our robust compliance with our recent commercial real estate collateralized loan obligation (CRE CLO¹), ACRE continues to emphasize the importance of providing accurate and timely information to our investors, stakeholders, and partners.

Additionally, ACRE will build on our strong policies and continue to enhance our due diligence processes to eliminate, mitigate, or disclose any investment-related or operational risks. While ACRE remains a closely-knit firm, our platform's reach extends globally, and we will continue to identify ways to share our progress and strategic focus with our stakeholders.

¹ Closed October 2021

Near- and Long-Term Strategies

Since our inception in 2011, ACRE has always pursued investments that generate value-creation and return for all stakeholders, and also make a positive and lasting impact on the environment and the communities where we operate.

As part of that ongoing commitment, we will focus on the following near-term and long-term strategies to continue to generate value for our stakeholders and partners:

- DEVELOP an ESG Committee and internal reporting structure and process for implementation of this ESG policy and established goals.
- ANALYZE our current business processes to further embed ESG principles across our operations. As an example, we will develop a Sustainability Best Practices Operations Guide for property managers, which will include specific actions and recommendations for reducing costs and GHG emissions associated with energy, water, and waste.
- BUILD a database of environmental performance data by engaging with property managers and collecting and analyzing utility data.
- ACHIEVE positive and measurable outcomes across our portfolio
- IMPLEMENT a roadmap and take action to realize our commitment to net-zero carbon emissions across our portfolio by 2050.

By focusing on ESG integration throughout both the equity and debt sides of our business, ACRE can proactively drive positive long-term financial, environmental, and social outcomes. As a global company, we believe it is our obligation to be responsible stewards and ensure our business plays a significant role in building strong communities and creating a more resilient, sustainable world.



Founded in 2011, ACRE is a global real estate private equity firm managing capital for institutional and family office investors through a series of private equity and debt funds and currently has more than \$3.2 billion in assets under management. Since its inception, ACRE's acquisition, development and lending efforts have spanned 22,000 units across 82 properties in 32 cities. ACRE's strategies focus on direct real estate equity and credit investments and are concentrated in high growth markets in the United States, with additional properties currently in development in Southeast Asia and the United Kingdom. ACRE manages a global multifamily housing portfolio with offices in Atlanta, New York and Singapore.

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