



ARCC 2021 | Sustainability Disclosures

ABOUT ARES CAPITAL CORPORATION

Founded in 2004, Ares Capital Corporation ("Ares Capital") (NASDAQ: ARCC) (the "Company") is a leading specialty finance company focused on providing direct loans and other investments in private middle market companies in the United States. Ares Capital is externally managed by its investment adviser, Ares Capital Management LLC, a subsidiary of Ares Management Corporation (NYSE: ARES) ("Ares Management"), a publicly traded, leading global alternative investment manager, pursuant to an investment advisory and management agreement. Ares Capital's administrator, Ares Operations, also a subsidiary of Ares Management, provides certain administrative and other services necessary for Ares Capital to operate. As an externally managed investment company, Ares Capital does not have any employees and relies on Ares Management for investment advisory services.

Ares Capital's objective is to source and invest in high-quality borrowers that need capital to achieve their business goals, which may lead to economic growth and employment. Ares Capital believes its loans and other investments in these companies can generate attractive levels of current income and potential capital appreciation for investors.

Ares Capital, through its investment manager, utilizes its extensive, direct origination capabilities and incumbent borrower relationships to source and underwrite predominantly senior secured loans but also subordinated debt and equity investments. Ares Capital has elected to be regulated as a business development company ("BDC") and is the largest BDC by market capitalization as of June 30, 2022. For more information about Ares Capital, visit www.arescapitalcorp.com.

ABOUT THE DISCLOSURES

Because Ares Capital is externally managed and operated by subsidiaries of Ares Management, we believe the policies, procedures, systems, staffing and additional disclosures pertaining to Ares Management are relevant for Ares Capital. To that end, we would recommend reading the following disclosures in conjunction with the full Ares Management Corporation [2021 Sustainability Report](#).

GRI Content Index

DISCLOSURE #	DISCLOSURE TITLE	DESCRIPTION	INDEX & INFORMATION
GRI 102: GENERAL DISCLOSURES			
ORGANIZATIONAL PROFILE			
102-1	Name of organization		Ares Capital Corporation.
102-2	Activities, brands, products and services	<p><i>The reporting organization shall report the following information:</i></p> <p>a. A description of the organization's activities.</p> <p>b. Primary brands, products, and services, including an explanation of any products or services that are banned in certain markets.</p>	<p>a. See pages 3-23 in Ares Capital Corporation's Form 10-K report.</p> <p>b. To our knowledge, we do not have any primary products or services that are banned in certain markets.</p>
102-3	Location of headquarters	Location of headquarters.	a. 245 Park Avenue, 44th Floor, New York, New York 10167

GRI Content Index

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102-4	Location of operations	<p><i>The reporting organization shall report the following information:</i></p> <p>a. Number of countries where the organization operates, and the names of countries where it has significant operations and/or that are relevant to the topics covered in the report.</p>	<p>a. Ares Capital is a specialty finance company headquartered in New York with a principal focus on investing in private middle market companies in the United States. The investment professionals of our investment manager, a subsidiary of Ares Management who support Ares Capital are domiciled in the U.S. However, we believe Ares Capital benefits from the global reach of Ares Management, which has 40+ offices across North America, Europe, Asia Pacific and the Middle East.</p>
102-5	Ownership and legal form	<p><i>The reporting organization shall report the following information:</i></p> <p>a. Nature of ownership and legal form.</p>	<p>a. See pages 6-7 and 21-22 of Ares Capital's Form 10-K report.</p>
102-6	Markets Served	<p><i>The reporting organization shall report the following information:</i></p> <p>a. Markets served, including:</p> <ul style="list-style-type: none"> i. geographic locations where products and services are offered; ii. sectors served; iii. types of customers and beneficiaries. 	<p>a. See pages 9-14 in Ares Capital's Form 10-K report.</p>
102-7	Scale of organization	<p><i>The reporting organization shall report the following information:</i></p> <p>a. Scale of the organization, including:</p> <ul style="list-style-type: none"> i. total number of employees; ii. total number of operations; iii. net sales (for private sector organizations) or net revenues (for public sector organizations); iv. total capitalization (for private sector organizations) broken down in terms of debt and equity; v. quantity of products or services provided. 	<p>a. As an externally managed investment company, we have no employees. However, additional details on our scale and that of our investment manager and our financial results can be found on pages 3-4, 14-15 and F-5 to F-6 of Ares Capital's Form 10-K report.</p>

DISCLOSURE #	DISCLOSURE TITLE	DESCRIPTION	INDEX & INFORMATION
102-8	Information on employees and other workers	<p><i>The reporting organization shall report the following information:</i></p> <ul style="list-style-type: none"> a. Total number of employees by employment contract (permanent and temporary), by gender. b. Total number of employees by employment contract (permanent and temporary), by region. c. Total number of employees by employment type (full-time and part-time), by gender. d. Whether a significant portion of the organization’s activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees. e. Any significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b, and 102-8-c (such as seasonal variations in the tourism or agricultural industries). f. An explanation of how the data have been compiled, including any assumptions made. 	<p>As an externally managed investment company, we have no employees. We have access to Ares Management’s investment professionals and administrative professionals, who provide assistance in accounting, finance, legal, compliance, operations, information technology and investor relations. Therefore, we believe the following information pertaining to Ares Management is relevant for Ares Capital as well.</p> <ul style="list-style-type: none"> a.* Permanent: Females: 179 Males: 398 Temporary: Females: 3 Males: 0 b.* Permanent: EMEA: 272 APAC: 321 Temporary: EMEA: 3 APAC: 1 c.* Full-time: Females: 769 Males: 1,320 Part-time: Females: 10 Males: 1 d.* The vast majority of the firm’s activities are performed by employees. We contract with temporary workers for interim needs on occasion (for instance, to cover a leave) and engage with external consultants where we believe it is beneficial to draw on third-party expertise for an initiative. In addition, like other firms in our industry, we work with independent auditors. e.* No, we do not experience significant variations in our permanent vs. temporary workforce composition. f.* Employees in the U.S. are generally not under employment contracts but are at-will employees with initial terms and conditions of employment detailed in an offer letter with the firm. International employees (including investment and support professionals) are under employment contracts in alignment with country-specific legal requirements and best practices. As such, the numbers in (a) and (b) represent counts of non-U.S. employees.
102-9	Supply chain	<p><i>The reporting organization shall report the following information:</i></p> <ul style="list-style-type: none"> a. A description of the organization’s supply chain, including its main elements as they relate to the organization’s activities, primary brands, products, and services. 	<ul style="list-style-type: none"> a.* As a global alternative investment manager, Ares Management works with a number of third-party service providers that support its day-to-day business operations. In all dealings with any third parties, Ares Management applies the principles and policies summarized in its Global Ethics and Compliance Manual (the "Ares Management Compliance Manual"). In addition to the Ares Management Compliance Manual, the officers of Ares Capital also adhere to the policies and procedures set forth in Ares Capital’s Compliance Manual.
102-11	Precautionary Principle or approach	<p><i>The reporting organization shall report the following information:</i></p> <p>Whether and how the organization applies the Precautionary Principle or approach.</p> <p>Disclosure 102-11 can include an organization’s approach to risk management in operational planning, or when developing and introducing new products.</p>	<ul style="list-style-type: none"> a.* Ares Management enterprise risk framework is an ongoing process under the leadership and governance of the Enterprise Risk Committee.
102-12	External initiatives	<p><i>The reporting organization shall report the following information:</i></p> <ul style="list-style-type: none"> a. A list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses. 	<ul style="list-style-type: none"> a.* See page 1 in Ares Management’s Responsible Investment Program. Also, refer to Ares Management’s whitepaper on ESG in direct lending: Direct Lending’s ESG (R)evolution - Passive is a Thing of the Past, April 2021.

* As an externally managed investment company, we believe the following information pertaining to Ares Management is relevant for Ares Capital Corporation as well.

DISCLOSURE #	DISCLOSURE TITLE	DESCRIPTION	INDEX & INFORMATION
102-13	Membership of associations	<p>The reporting organization shall report the following information:</p> <p>a. A list of the main memberships of industry or other associations, and national or international advocacy organizations.</p>	<p>Ares Management maintains the following relationships:*</p> <ul style="list-style-type: none"> • AIF GLOBAL LLC • ALTERNATIVE INVESTMENT MANAGEMENT ASSOCIATION • ASCRI (Spanish Association of Private Equity and Venture Capital) • ASSOCIATION FOR CORPORATE GROWTH • BCIU (Business Council for International Understanding) • BEYOND BOARD LLC • BRITISH PRIVATE EQUITY & VENTURE CAPITAL ASSOCIATION (the BVCA) • CALLAN INSTITUTE • CENTER FOR INTERNET SECURITY INC • COALITION TO PRESERVE CALIFORNIA BUSINESS • CONFEDERATION OF BRITISH INDUSTRY • CRE FINANCE COUNCIL • G100 INC. • HEALTHCARE PRIVATE EQUITY ASSOCIATION • INITIATIVE CLIMAT INTERNATIONAL • INREV (European Association for Investors in Non-Listed Real Estate Vehicles) • INSTITUTIONAL INVESTOR LLC • INSTITUTIONAL LIMITED PARTNERS ASSOCIATION • INSTITUTIONAL REAL ESTATE INC • INSTITUTE FOR PORTFOLIO ALTERNATIVES • MERCER GLOBAL MEMBERSHIP • OWNERSHIP WORKS • PARTNERSHIP FOR CARBON ACCOUNTING FINANCIALS • PENSION REAL ESTATE ASSOCIATION • POINTS OF LIGHT • PREA FOUNDATION, INC. (Pension Real Estate Association) • PRI ASSOCIATION (Principles for Responsible Investment) • SECURITIES INDUSTRY & FINANCIAL MARKETS ASSOCIATION • TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES • THE BRITISH MUSEUM GREAT COURT • THE INSTITUTE FOR APPLIED NETWORK SECURITY LLC • WORLD RESOURCES INSTITUTE’S CORPORATE CONSULTATIVE GROUP
STRATEGY			
102-14	Statement from senior decision-maker	<p>The reporting organization shall report the following information:</p> <p>a. A statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy for addressing sustainability.</p>	<p>a.* See page 3 in Ares Management’s 2021 Sustainability Report, CEO Letter.</p>
102-15	Key impacts, risks and opportunities	<p>The reporting organization shall report the following information:</p> <p>a. A description of key impacts, risks, and opportunities.</p>	<p>a.* See page 4 in Ares Management’s 2021 Sustainability Report, What We Are Focused On. Additional risk factors can be found on pages 25-50 of Ares Capital’s Form 10-K report.</p>

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ETHICS AND INTEGRITY			
102-16	Values, principles, standards, and norms of behavior	<i>The reporting organization shall report the following information:</i> a. A description of the organization's values, principles, standards, and norms of behavior.	a.* Ares Management sets forth values, principles, standards and norms of behavior within its Code of Business Conduct and Ethics . Additional information is available on the Values and Culture page and Impact page of the Ares Management website. In addition, the officers and directors of Ares Capital also must adhere to Ares Capital's Code of Conduct and Code of Ethics .
102-17	Mechanisms for advice and concerns about ethics	<i>The reporting organization shall report the following information:</i> a. A description of internal and external mechanisms for: i. seeking advice about ethical and lawful behavior, and organizational integrity; ii. reporting concerns about unethical or unlawful behavior, and organizational integrity.	a.* The mechanisms for reporting concerns can be found in Ares Capital Corporation's Complaint Procedures for Accounting and Auditing Matters and in Ares Management's Complaint Procedures for Accounting and Auditing Matters . Ares Management is committed to doing business with integrity and upholding the highest standards of ethical and legal conduct. Ares Management has adopted a Whistleblower policy and established an ethics hotline (also called a Whistleblower Hotline) hosted by an independent third party that allows for open reporting or anonymous and confidential reporting, which is available to all Ares Management's employees globally. This supports Ares Management's employees in coming forward with potential concerns about unethical or unlawful behavior by the firm or other employees. Reporting through the hotline can be done anonymously 24/7 via web-based form or via dedicated local phone numbers for Ares Management's offices globally (in local languages). If an employee becomes aware of information regarding an actual or potential violation of Ares Management's policies, the Whistleblower policy has an obligation to promptly transmit that information to the Global Chief Compliance Officer or General Counsel. All incidents are reviewed by the Global Chief Compliance Officer and escalated appropriately depending on the nature of the complaint. On an annual basis, all employees certify their understanding of policies and code of conduct, which includes the Ethics Hotline. Through this annual certification, Ares Management seeks to clearly communicate that any employee who comes forward with a complaint will not be subject to retaliation as a result of their reporting violations through the hotline. In addition, Ares Management's external auditors review the Whistleblower logs at least annually.
GOVERNANCE			
102-18	Governance structure	<i>The reporting organization shall report the following information:</i> a. Governance structure of the organization, including committees of the highest governance body. b. Committees responsible for decision-making on economic, environmental, and social topics.	a./b.* See pages 21-28 in Ares Capital Corporation's Annual Proxy Statement for fiscal year 2021, filed in March 2022.

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102-19	Delegating authority	<p>The reporting organization shall report the following information:</p> <p>a. Process for delegating authority for economic, environmental, and social topics from the highest governance body to senior executives and other employees.</p>	<p>a.* In 2020, Ares Management explicitly laid out its thinking on ESG governance by clarifying the respective roles of Ares Management’s Board of Directors, Executive Management Committee, ESG Team, the groups of ESG Champions embedded in the investment strategy as well as the frontline investment and portfolio management professionals. Through this model, Ares Management collaborates firm-wide to tailor its ESG strategy to each asset class and drive ownership and accountability across the platform.</p> <table border="1"> <thead> <tr> <th></th> <th>ROLES AND RESPONSIBILITIES</th> <th>ACCOUNTABILITY</th> </tr> </thead> <tbody> <tr> <td>OVERSIGHT RESPONSIBILITIES Board of Directors and Executive Management Committee + ESG Team</td> <td> <ul style="list-style-type: none"> Subject to the control and supervision of Ares’ Board of Directors, the Executive Management Committee holds oversight responsibility for Ares’ ESG strategy. The Executive Management Committee conducts an annual review of ESG business plan as prepared by the ESG Team. </td> <td> <ul style="list-style-type: none"> The Executive Management Committee ensures that we maintain a platform-wide, strategic, long-term ESG business plan. The ESG Team executes on a business plan designed to deliver value to Ares and our stakeholders. </td> </tr> <tr> <td>DEFINE IMPLEMENTATION ESG Team + ESG Champions</td> <td> <ul style="list-style-type: none"> The ESG Team defines the ESG objectives, implementation steps and processes for our investment platform. The ESG Team partners with designated ESG Champions to adapt the platform-wide approach to the unique dynamics inherent to their investment strategy. </td> <td> <ul style="list-style-type: none"> The ESG Team ensures that a strategy develops a tailored ESG implementation plan. The ESG Champions author an ESG integration approach that is practical and unique to the underlying strategy. ESG Champions refine the approach over time. </td> </tr> <tr> <td>DRIVE IMPLEMENTATION ESG Champions + Investment Committees + Investment and Portfolio Management Teams</td> <td> <ul style="list-style-type: none"> With technical support from the ESG Team, ESG Champions serve as a local resource within each strategy and review the ESG integration plan annually for priority improvements. Investment Committees review the outputs of ESG integration steps throughout the investment lifecycle. Frontline investment and portfolio management professionals execute ESG-related tasks on a deal-by-deal basis. </td> <td> <ul style="list-style-type: none"> ESG Champions ensure quality and adherence of ESG integration outputs. Investment Committees ensure implementation at the fund level. 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	ROLES AND RESPONSIBILITIES	ACCOUNTABILITY													
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102-20	Executive-level responsibility for economic, environmental, and social topics	<p>The reporting organization shall report the following information:</p> <p>a. Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental, and social topics.</p> <p>b. Whether post holders report directly to the highest governance body.</p>	<p>a./b.*</p> <p>Ares Management’s Global Head of ESG reports directly to the Chief Executive Officer and provides regular updates on the firm’s ESG work. In addition, he provides updates to Ares Management’s Board of Directors at least annually. Further, both Ares Management’s Head of Philanthropy and Global Chief Diversity, Equity and Inclusion Officer provide updates to Ares Management’s Chief Executive Officer on a regular basis and to Ares Management’s Board of Directors at least annually.</p>												

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DISCLOSURE #	DISCLOSURE TITLE	DESCRIPTION	INDEX & INFORMATION
102-21	Consulting stakeholders on economic, environmental, and social topics	<p>The reporting organization shall report the following information:</p> <p>a. Processes for consultation between stakeholders and the highest governance body on economic, environmental, and social topics.</p> <p>b. If consultation is delegated, describe to whom it is delegated and how the resulting feedback is provided to the highest governance body.</p>	<p>a./b.*</p> <p>Ares Management's Board of Directors receives information about material ESG issues for the firm. Ares Management's Global Head of ESG, who oversees our ESG team and collaboration with ESG champions across the firm, reports directly to the firm's Chief Executive Officer and provides updates to Ares Management's Board of Directors at least annually.</p>
102-22	Composition of the highest governance body and its committees	<p>The reporting organization shall report the following information:</p> <p>a. Composition of the highest governance body and its committees by:</p> <ol style="list-style-type: none"> executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; competencies relating to economic, environmental, and social topics; stakeholder representation. 	<p>a. See pages 3-28 in Ares Capital's Annual Proxy Statement for fiscal year 2021, filed in March 2022. Of note, Ares Capital has a majority independent directors including a lead independent director. In addition, ARCC continues to expand the diversity of its Board of Directors, which includes 2 female directors, 1 African American/Black director and 1 LGBTQ+ director. Of Ares Capital's officers, 40% are non-minority women and 10% are minority men (Asian). (Our Team.)</p>
102-23	Chair of the highest governance body	<p>The reporting organization shall report the following information:</p> <p>a. Whether the chair of the highest governance body is also an executive officer in the organization.</p> <p>b. If the chair is also an executive officer, describe his or her function within the organization's management and the reasons for this arrangement.</p>	<p>a./b.</p> <p>See pages 3-17 in Ares Capital's Annual Proxy Statement for fiscal year 2021, filed in March 2022.</p>
102-24	Nominating and selecting the highest governance body	<p>The reporting organization shall report the following information:</p> <p>a. Nomination and selection processes for the highest governance body and its committees.</p> <p>b. Criteria used for nominating and selecting highest governance body members, including whether and how:</p> <ol style="list-style-type: none"> stakeholders (including shareholders) are involved; diversity is considered; independence is considered; expertise and experience relating to economic, environmental, and social topics are considered. 	<p>a./b.</p> <p>See pages 22-28 in Ares Capital's Annual Proxy Statement for fiscal year 2021, filed in March 2022.</p>

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DISCLOSURE #	DISCLOSURE TITLE	DESCRIPTION	INDEX & INFORMATION
102-25	Conflicts of interest	<p>The reporting organization shall report the following information:</p> <p>a. Processes for the highest governance body to ensure conflicts of interest are avoided and managed.</p> <p>b. Whether conflicts of interest are disclosed to stakeholders, including, as a minimum:</p> <p>i. Cross-board membership;</p> <p>ii. Cross-shareholding with suppliers and other stakeholders;</p> <p>iii. Existence of controlling shareholder;</p> <p>iv. Related party disclosures.</p>	<p>a. See pages 22-23 and 31-32 in Ares Capital's Annual Proxy Statement for fiscal year 2021, filed in March 2022.</p> <p>b. See pages 3-18 and 31-32 in Ares Capital's Annual Proxy Statement for fiscal year 2021, filed in March 2022.</p>
102-26	Role of highest governance body in setting purpose, values, and strategy	<p>The reporting organization shall report the following information:</p> <p>a. Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental, and social topics.</p>	<p>a.* Ares Capital relies on Ares Management's formal governance structure around ESG. Ares Management's Board of Directors and its senior executives, including Chief Executive Officer, Michael Arougheti, are responsible for the approval of the organization's purpose, value or mission statements, strategies, policies and goals related to economic, environmental and social topics. Our Core Values can be found on page 1 of Ares Management's 2021 Sustainability Report, About Us.</p>
102-27	Collective knowledge of highest governance body	<p>The reporting organization shall report the following information:</p> <p>a. Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental, and social topics.</p>	<p>a. Ares Capital's Board of Directors receives updates on material issues for the firm and education on emerging topics, including on certain economic, environmental and social issues such as DEI, cybersecurity, amongst others. The Board of Directors also receives regular business updates and educational sessions on new and existing business strategies.</p>
102-28	Evaluating the highest governance body's performance	<p>The reporting organization shall report the following information:</p> <p>a. Processes for evaluating the highest governance body's performance with respect to governance of economic, environmental, and social topics.</p> <p>b. Whether such evaluation is independent or not, and its frequency.</p> <p>c. Whether such evaluation is a self-assessment.</p> <p>d. Actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental, and social topics, including, as a minimum, changes in membership and organizational practice.</p>	<p>a./b./c./d.</p> <p>Ares Capital's Board of Directors and Committees conduct an annual self-assessment of performance against the objectives and goals that they set for themselves as well as the requirements of their committee charter. As part of this assessment, the Board considers its strengths and areas for improvement. Among other topics, the Board considers whether it has the right mix of skills and experience on the Board. In March 2022, Mary Beth Henson joined Ares Capital's Board as an independent director, expanding the Board from nine to 10 members, including six independent directors.</p>
102-29	Identifying and managing economic, environmental, and social impacts	<p>The reporting organization shall report the following information:</p> <p>a. Highest governance body's role in identifying and managing economic, environmental, and social topics and their impacts, risks, and opportunities—including its role in the implementation of due diligence processes.</p> <p>b. Whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental, and social topics and their impacts, risks, and opportunities.</p>	<p>a./b.*</p> <p>See page 14 in Ares Management's 2021 Sustainability Report, Governance, Compliance & Ethics. Also see above responses to 102-18 and 102-19.</p>
102-30	Effectiveness of risk management processes	<p>The reporting organization shall report the following information:</p> <p>a. Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental, and social topics.</p>	<p>a.* See page 14 in Ares Management's 2021 Sustainability Report, Governance, Compliance & Ethics. Also see above responses to 102-18 and 102-19.</p>

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DISCLOSURE #	DISCLOSURE TITLE	DESCRIPTION	INDEX & INFORMATION
102-31	Review of economic, environmental, and social topics	<i>The reporting organization shall report the following information:</i> a. Frequency of the highest governance body's review of economic, environmental, and social topics and their impacts, risks, and opportunities.	a.* At least annually.
102-32	Highest governance body's role in sustainability reporting	<i>The reporting organization shall report the following information:</i> a. The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material topics are covered.	a.* Ares Capital relies on Ares Management's formal governance structure around ESG, including this report. Please refer to page 42 of Ares Management's 2021 Sustainability Report for more information.
102-33	Communicating critical concerns	<i>The reporting organization shall report the following information:</i> a. Process for communicating critical concerns to the highest governance body.	a.* Any person may report directly to the Audit Committee and/or the management by contacting the Global Chief Compliance Officer, the General Counsel and/or the Chairperson of the Audit Committee in relation to any accounting concerns regarding accounting practices by addressing such report in writing. In addition, Ares Management has adopted a Whistleblower policy and established an ethics hotline (also called a Whistleblower Hotline) hosted by an independent third party that allows for open reporting or anonymous and confidential reporting, which is available to all Ares Management's employees globally. This supports Ares Management's employees in coming forward with potential concerns about unethical or unlawful behavior by the firm or other employees. Reporting through the hotline can be done anonymously 24/7 via web-based form or via dedicated local phone numbers for Ares Management's offices globally (in local languages). If an employee becomes aware of information regarding an actual or potential violation of Ares Management's policies, the Whistleblower policy has an obligation to promptly transmit that information to the Global Chief Compliance Officer or General Counsel. All incidents are reviewed by the Global Chief Compliance Officer and escalated appropriately depending on the nature of the complaint. On an annual basis, all employees certify their understanding of policies and code of conduct, which includes the Ethics Hotline. Through this annual certification, Ares Management seeks to clearly communicate that any employee who comes forward with a complaint will not be subject to retaliation as a result of their reporting violations through the hotline. In addition, Ares Management's external auditors review the Whistleblower logs at least annually.
102-35	Remuneration policies	<i>The reporting organization shall report the following information:</i> a. Remuneration policies for the highest governance body and senior executives for the following types of remuneration: i. Fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses, and deferred or vested shares; ii. Sign-on bonuses or recruitment incentive payments; iii. Termination payments; iv. Clawbacks; v. Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees. b. How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental, and social topics.	a./b. See pages 29-32 in Ares Capital's Annual Proxy Statement for fiscal year 2021, filed in March 2022.

* As an externally managed investment company, we believe the following information pertaining to Ares Management is relevant for Ares Capital Corporation as well.

DISCLOSURE #	DISCLOSURE TITLE	DESCRIPTION	INDEX & INFORMATION
102-36	Process for determining remuneration	<i>The reporting organization shall report the following information:</i> a. Process for determining remuneration. b. Whether remuneration consultants are involved in determining remuneration and whether they are independent of management. c. Any other relationships that the remuneration consultants have with the organization.	a./b./c.* As an externally managed company, we have no employees. Pursuant to an investment advisory and management agreement, Ares Capital's investment manager receives fees for providing investment advisory and management services. The fees consist of a base management fee, an income based fee and a capital gains incentive fee. See pages 15-20 in Ares Capital's Form 10-K report .
102-37	Stakeholders' involvement in remuneration	<i>The reporting organization shall report the following information:</i> a. How stakeholders' views are sought and taken into account regarding remuneration. b. If applicable, the results of votes on remuneration policies and proposals.	a./b.* As an externally managed company, we have no employees.
STAKEHOLDER ENGAGEMENT			
102-40	List of stakeholder groups	<i>The reporting organization shall report the following information:</i> a. A list of stakeholder groups engaged by the organization.	a.* See page 4 in Ares Management's 2021 Sustainability Report , What We Are Focused On.
102-41	Collective bargaining agreements	<i>The reporting organization shall report the following information:</i> a. Percentage of total employees covered by collective bargaining agreements.	a.* There is a de minimis number of employees of Ares Management covered by collective bargaining agreements outside of the U.S.
102-42	Identifying and selecting stakeholders	<i>The reporting organization shall report the following information:</i> a. The basis for identifying and selecting stakeholders with whom to engage.	a.* See page 4 in Ares Management's 2021 Sustainability Report , What We Are Focused On.
102-43	Approach to stakeholder engagement	<i>The reporting organization shall report the following information:</i> a. The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	a.* See page 4 in Ares Management's 2021 Sustainability Report , What We Are Focused On.
102-44	Key topics and concerns raised	<i>The reporting organization shall report the following information:</i> a. Key topics and concerns that have been raised through stakeholder engagement, including: i. how the organization has responded to those key topics and concerns, including through its reporting; ii. the stakeholder groups that raised each of the key topics and concerns.	a.* See page 4 in Ares Management's 2021 Sustainability Report , What We Are Focused On.
REPORTING PRACTICES			
102-45	Entities included in the consolidated financial statements	<i>The reporting organization shall report the following information:</i> a. A list of all entities included in the organization's consolidated financial statements or equivalent documents. b. Whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	a./b. See page F-108 to F-110 of Ares Capital's Form 10-K report . In addition, because we are externally managed, we believe certain information included herein pertaining to Ares Management is relevant for Ares Capital as well.
102-46	Defining report content and topic Boundaries	<i>The reporting organization shall report the following information:</i> a. An explanation of the process for defining the report content and the topic Boundaries. b. An explanation of how the organization has implemented the Reporting Principles for defining report content.	a./b.* See page 4 in Ares Management's 2021 Sustainability Report , What We Are Focused On.

* As an externally managed investment company, we believe the following information pertaining to Ares Management is relevant for Ares Capital Corporation as well.

DISCLOSURE #	DISCLOSURE TITLE	DESCRIPTION	INDEX & INFORMATION
102-47	List of material topics	<i>The reporting organization shall report the following information:</i> a. A list of the material topics identified in the process for defining report content.	a.* See page 4 in Ares Management's <u>2021 Sustainability Report</u> , What We Are Focused On.
102-50	Reporting period	<i>The reporting organization shall report the following information:</i> a. Reporting period for the information provided.	a. Calendar year 2021.
102-51	Date of most recent report	<i>The reporting organization shall report the following information:</i> a. If applicable, the date of the most recent previous report.	a.* Ares Management's <u>2021 Sustainability Report</u> was published in June 2022.
102-52	Reporting cycle	<i>The reporting organization shall report the following information:</i> a. Reporting cycle.	a. Annual.
102-53	Contact point for questions regarding the report	<i>The reporting organization shall report the following information:</i> a. The contact point for questions regarding the report or its contents.	a. For matters pertaining to ESG, please contact ESG@aresmgmt.com . For matters pertaining to public company investors, please contact Carl Drake (cdrake@aresmgmt.com) or John Stilmar (jstilmar@aresmgmt.com).
102-54	Claims of reporting in accordance with the GRI Standards	<i>The reporting organization shall report the following information:</i> a. The claim made by the organization, if it has prepared a report in accordance with the GRI Standards, either: i. 'This report has been prepared in accordance with the GRI Standards: Core option'; ii. 'This report has been prepared in accordance with the GRI Standards: Comprehensive option'.	a.* Throughout Ares Management's <u>2021 Sustainability Report</u> and herein, we align with leading industry reporting standards, including GRI.
102-55	GRI content index	<i>The reporting organization shall report the following information:</i> a. The GRI content index, which specifies each of the GRI Standards used and lists all disclosures included in the report. b. For each disclosure, the content index shall include: i. the number of the disclosure (for disclosures covered by the GRI Standards); ii. the page number(s) or URL(s) where the information can be found, either within the report or in other published materials; iii. if applicable, and where permitted, the reason(s) for omission when a required disclosure cannot be made.	a./b. The GRI content index (this document) is in accordance with the GRI Standards.
102-56	External assurance	<i>The reporting organization shall report the following information:</i> a. A description of the organization's policy and current practice with regard to seeking external assurance for the report. b. If the report has been externally assured: i. A reference to the external assurance report, statements, or opinions. If not included in the assurance report accompanying the sustainability report, a description of what has and what has not been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process; ii. The relationship between the organization and the assurance provider; iii. Whether and how the highest governance body or senior executives are involved in seeking external assurance for the organization's sustainability report.	a./b.* At this time, Ares Management does not seek external assurance for its sustainability report. Ares Management's consolidated financial statements are externally audited by Ernst and Young LLP. Ares Capital's consolidated financial statements are externally audited by KPMG LLP.

* As an externally managed investment company, we believe the following information pertaining to Ares Management is relevant for Ares Capital Corporation as well.

DISCLOSURE #	DISCLOSURE TITLE	DESCRIPTION	INDEX & INFORMATION
GRI 103: MANAGEMENT APPROACH			
103-1	Explanation of the material topic and its Boundary	<p>For each material topic, the reporting organization shall report the following information:</p> <p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <p>i. where the impacts occur;</p> <p>ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.</p> <p>c. Any specific limitation regarding the topic Boundary.</p>	<p>a./b./c.*</p> <p>See page 4 in Ares Management's 2021 Sustainability Report, What We Are Focused On.</p>
103-2	The management approach and its components	<p>For each material topic, the reporting organization shall report the following information:</p> <p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <p>i. Policies</p> <p>ii. Commitments</p> <p>iii. Goals and targets</p> <p>iv. Responsibilities</p> <p>v. Resources</p> <p>vi. Grievance mechanisms</p> <p>vii. Specific actions, such as processes, projects, programs and initiatives.</p>	<p>a./b./c.*</p> <p>See page 4 in Ares Management's 2021 Sustainability Report, What We Are Focused On.</p>
103-3	Evaluation of the management approach	<p>For each material topic, the reporting organization shall report the following information:</p> <p>a. An explanation of how the organization evaluates the management approach, including:</p> <p>i. the mechanisms for evaluating the effectiveness of the management approach;</p> <p>ii. the results of the evaluation of the management approach;</p> <p>iii. any related adjustments to the management approach.</p>	<p>a.* See page 4 in Ares Management's 2021 Sustainability Report, What We Are Focused On.</p>
GRI 201: ECONOMIC PERFORMANCE			
201-1	Direct economic value generated and distributed	<p>The reporting organization shall report the following information:</p> <p>a. Direct economic value generated and distributed (EVG&D) on an accruals basis, including the basic components for the organization's global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic components:</p> <p>i. Direct economic value generated: revenues;</p> <p>ii. Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments;</p> <p>iii. Economic value retained: 'direct economic value generated' less 'economic value distributed'.</p> <p>b. Where significant, report EVG&D separately at country, regional, or market levels, and the criteria used for defining significance.</p>	<p>a./b.</p> <p>See pages F-5 to F-6 and F-90 to F-91 in Ares Capital's Form 10-K report.</p>

* As an externally managed investment company, we believe the following information pertaining to Ares Management is relevant for Ares Capital Corporation as well.

DISCLOSURE #	DISCLOSURE TITLE	DESCRIPTION	INDEX & INFORMATION
201-2	Financial implications and other risks and opportunities due to climate change	The reporting organization shall report the following information: a. Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue, or expenditure, including: <ul style="list-style-type: none"> i. a description of the risk or opportunity and its classification as either physical, regulatory, or other; ii. a description of the impact associated with the risk or opportunity; iii. the financial implications of the risk or opportunity before action is taken; iv. the methods used to manage the risk or opportunity; v. the costs of actions taken to manage the risk or opportunity. 	*Ares Management believes that climate change poses one of the most significant challenges of our time, and that the wide-ranging physical and transition impacts will generate numerous risks and opportunities that Ares Management should account for in both its operations and investment strategies. In 2022 Ares Management published its Task Force on Climate-related Financial Disclosures (TCFD) aligned Climate Action Report, which details Ares Management’s approach for navigating both climate risks and opportunities. Highlights for the past year include: holding Ares Management’s inaugural Climate Offsite to mobilize stakeholders across Ares Management on climate change, raising \$2.2 billion of capital within Ares Management’s climate infrastructure strategy, achieving carbon neutrality on Ares Management’s corporate operations for the second consecutive year while also expanding on the operational emissions that were measured, launching a \$25 million philanthropic initiative to promote a just transition, deploying new climate-related employee benefits, and creating a roadmap for Ares Management’s portfolio-wide investment footprint by 2024.
GRI 203: INDIRECT ECONOMIC IMPACTS			
203-1	Infrastructure investments and services supported	The reporting organization shall report the following information: <ul style="list-style-type: none"> a. Extent of development of significant infrastructure investments and services supported. b. Current or expected impacts on communities and local economies, including positive and negative impacts where relevant. c. Whether these investments and services are commercial, in-kind, or pro bono engagements. 	a./b./c.* See Ares Management’s Infrastructure Opportunities and Infrastructure Debt sections of the website.
GRI 205: ANTI-CORRUPTION			
205-2	Communication and training about anti-corruption policies and procedures	The reporting organization shall report the following information: <ul style="list-style-type: none"> a. Total number and percentage of governance body members that the organization’s anticorruption policies and procedures have been communicated to, broken down by region. b. Total number and percentage of employees that the organization’s anti-corruption policies and procedures have been communicated to, broken down by employee category and region. c. Total number and percentage of business partners that the organization’s anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region. Describe if the organization’s anti-corruption policies and procedures have been communicated to any other persons or organizations. d. Total number and percentage of governance body members that have received training on anti-corruption, broken down by region. e. Total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region. 	*As an externally managed company with no employees, the officers of Ares Capital and investment professionals who provide investment advice to Ares Capital are all subject to the Code of Conduct and Anti-Corruption Policy of Ares Management. Ares Management is dedicated to ensuring compliance with the array of anti-corruption laws and regulations that apply to its business. Ares Management’s Code of Conduct and Anti-Corruption policy is focused on ensuring compliance with applicable anti-corruption laws and regulations including US Foreign Corrupt Practices Act and the UK Bribery Act 2010, among other similar regulations. Ares Management trains all employees upon joining the firm and periodically thereafter. In addition, all employees, including those involved with the continued operations of ARCC, are required to attest that they have read, understand, and acknowledge the Compliance Policies on a quarterly basis. The Code of Conduct and Anti-Corruption policy includes pre-clearance requirements for expenses to be incurred on behalf of any government officials, employees or any intermediaries acting on their behalf at certain thresholds. The Compliance team periodically monitors and reviews expenses to ensure compliance with applicable rules and regulations. Political contributions to state or local officials are prohibited and pre-clearance is required for federal candidates or office holders.

* As an externally managed investment company, we believe the following information pertaining to Ares Management is relevant for Ares Capital Corporation as well.

DISCLOSURE #	DISCLOSURE TITLE	DESCRIPTION	INDEX & INFORMATION
GRI 302: ENERGY			
302-1	Energy consumption within the organization	<p>The reporting organization shall report the following information:</p> <ul style="list-style-type: none"> a. Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used. b. Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used. c. In joules, watt-hours or multiples, the total: <ul style="list-style-type: none"> i. electricity consumption ii. heating consumption iii. cooling consumption iv. steam consumption d. In joules, watt-hours or multiples, the total: <ul style="list-style-type: none"> i. electricity sold ii. heating sold iii. cooling sold iv. steam sold e. Total energy consumption within the organization, in joules or multiples. f. Standards, methodologies, assumptions, and/or calculation tools used. g. Source of the conversion factors used. 	<ul style="list-style-type: none"> a.* 824.5 GJ (Natural Gas, scope 1) b.* n/a c.* i. Total electricity consumption 17,532.2 GJ. ii. Total estimated heating consumption (inc. district heating) 15,513.1 GJ. d.* Zero energy sold. e.* 33,045.3 GJ. f./g.* This inventory is prepared in accordance with the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard and the WRI GHG Protocol Scope 2 Guidance.
302-3	Energy intensity	<p>The reporting organization shall report the following information:</p> <ul style="list-style-type: none"> a. Energy intensity ratio for the organization. b. Organization-specific metric (the denominator) chosen to calculate the ratio. c. Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam, or all. d. Whether the ratio uses energy consumption within the organization, outside of it, or both. 	<ul style="list-style-type: none"> a.* 4.36 MWh of energy use per employee. b.* Employee headcount. c.* All energy types included (electricity and heating of all sites). d.* The ratio uses energy consumption within the organization (owned and leased spaces).
GRI 303: WATER AND EFFLUENTS			
303-5	Water consumption	<p>The reporting organization shall report the following information:</p> <ul style="list-style-type: none"> a. Total water consumption from all areas in megaliters. b. Total water consumption from all areas with water stress in megaliters. c. Change in water storage in megaliters, if water storage has been identified as having a significant water-related impact. d. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used, including whether the information is calculated, estimated, modelled, or sourced from direct measurements, and the approach taken for this, such as the use of any sector-specific factors. 	<p>*Across all Ares Management sites, NY 245 Park and Denver provided water meter data (1,885.4 m³ and 2,374.8 m³ respectively). The rest were benchmarked based on the following assumption: 45 litres/FTE/day (240). Wastewater generation is assumed to equal waste production. Benchmarked use/generation is reduced in line with office occupancy (no water use/wastewater generation at 0% occupancy). Total estimated consumption was 8,302.3 m³.</p>

* As an externally managed investment company, we believe the following information pertaining to Ares Management is relevant for Ares Capital Corporation as well.

DISCLOSURE #	DISCLOSURE TITLE	DESCRIPTION	INDEX & INFORMATION
GRI 305: EMISSIONS			
305-1	Direct (Scope 1) GHG emissions	<p>The reporting organization shall report the following information:</p> <ul style="list-style-type: none"> a. Gross direct (Scope 1) GHG emissions in metric tons of CO₂ equivalent. b. Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all. c. Biogenic CO₂ emissions in metric tons of CO₂ equivalent. d. Base year for the calculation, if applicable, including: <ul style="list-style-type: none"> i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source. f. Consolidation approach for emissions; whether equity share, financial control, or operational control. g. Standards, methodologies, assumptions, and/or calculation tools used. 	<ul style="list-style-type: none"> a.* 46.9 tCO₂e b.* CO₂, CH₄, N₂O, CO₂e. HFCs. c.* n/a d.* 2021 is the first year with scope 1 emissions. e.* Defra 2021 emissions factors were applied (appendix A). This inventory estimates carbon dioxide equivalents (CO₂e) using global warming potentials from the AR4 Assessment Report. f.* Operational control approach applied. g.* Detailed methodology and list of assumptions applied are in section 3 of the RSK report.
305-2	Energy indirect (Scope 2) GHG emissions	<p>The reporting organization shall report the following information:</p> <ul style="list-style-type: none"> a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO₂ equivalent. b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO₂ equivalent. c. If available, the gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all. d. Base year for the calculation, if applicable, including: <ul style="list-style-type: none"> i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source. f. Consolidation approach for emissions; whether equity share, financial control, or operational control. g. Standards, methodologies, assumptions, and/or calculation tools used. 	<ul style="list-style-type: none"> a.* 2,329.5 tCO₂e. b.* 2,362.8 tCO₂e. c.* CO₂, CH₄, N₂O, CO₂e. d.* Reporting shows most current calculations for 2021. e.* Defra 2021 emissions factors were applied (appendix A). This inventory estimates carbon dioxide equivalents (CO₂e) using global warming potentials from the AR4 Assessment Report. f.* Operational control. g.* Detailed methodology and list of assumptions applied are in section 3 of this report.

* As an externally managed investment company, we believe the following information pertaining to Ares Management is relevant for Ares Capital Corporation as well.

DISCLOSURE #	DISCLOSURE TITLE	DESCRIPTION	INDEX & INFORMATION
305-3	Other indirect (Scope 3) GHG emissions	<p>The reporting organization shall report the following information:</p> <ul style="list-style-type: none"> a. Gross other indirect (Scope 3) GHG emissions in metric tons of CO₂ equivalent. b. If available, the gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all. c. Biogenic CO₂ emissions in metric tons of CO₂ equivalent. d. Other indirect (Scope 3) GHG emissions categories and activities included in the calculation. e. Base year for the calculation, if applicable, including: <ul style="list-style-type: none"> i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. f. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source. g. Standards, methodologies, assumptions, and/or calculation tools used. 	<ul style="list-style-type: none"> a.* 3,783.3 CO₂e. b.* CO₂, CH₄, N₂O, CO₂e. c.* N/A. d.* Scope 3— <ul style="list-style-type: none"> Category 1: Purchased goods and services (water supplied) Category 3: Fuel and energy related activities (T&D losses) Category 5: Waste Generated Category 6: Business Travel Category 7: employee commuting (includes homeworking) Category 8: upstream leased assets (fugitive emissions) e.* Scope expanded for current reporting 2021. f.* Defra 2021 emissions factors were applied (appendix A). This inventory estimates carbon dioxide equivalents (CO₂e) using global warming potentials from the AR4 Assessment Report. g.* Detailed methodology and list of assumptions applied are in section 3 of this report.
305-4	GHG emissions intensity	<p>The reporting organization shall report the following information:</p> <ul style="list-style-type: none"> a. GHG emissions intensity ratio for the organization. b. Organization-specific metric (the denominator) chosen to calculate the ratio. c. Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3). d. Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all. 	<ul style="list-style-type: none"> a.* 2.87a. 2.87 metric tons (MT) of carbon dioxide equivalent (CO₂e) per employee. b.* Employee headcount. c.* Scope 1, Scope 2, and limited Scope 3 as per above. d.* CO₂, CH₄, N₂O, CO₂e. HFCs (b) Number of employees (c) Scope 2 and Scope 3 (d) All included.
GRI 306: WASTE			
306-3	Significant spills	<p>The reporting organization shall report the following information:</p> <ul style="list-style-type: none"> a. Total number and total volume of recorded significant spills. b. The following additional information for each spill that was reported in the organization's financial statements: <ul style="list-style-type: none"> i. Location of spill; ii. Volume of spill; iii. Material of spill, categorized by: oil spills (soil or water surfaces), fuel spills (soil or water surfaces), spills of wastes (soil or water surfaces), spills of chemicals (mostly soil or water surfaces), and other (to be specified by the organization). c. Impacts of significant spills. 	<p>*As a financial services firm, Ares Management does not generate hazardous waste directly beyond the disposal of computing systems, which they strive to dispose of properly and recycle. Ares Management partners with Ewaste companies to dispose of and recycle equipment in an environmentally safe way.</p>
306-4	Transport of hazardous waste	<p>The reporting organization shall report the following information:</p> <ul style="list-style-type: none"> a. Total weight for each of the following: <ul style="list-style-type: none"> i. Hazardous waste transported ii. Hazardous waste imported iii. Hazardous waste exported iv. Hazardous waste treated b. Percentage of hazardous waste shipped internationally. c. Standards, methodologies, and assumptions used. 	<p>*As a financial services firm, Ares Management does not generate hazardous waste directly beyond the disposal of computing systems, which they strive to dispose of properly and recycle. Ares Management partners with Ewaste companies to dispose of and recycle equipment in an environmentally safe way.</p>

* As an externally managed investment company, we believe the following information pertaining to Ares Management is relevant for Ares Capital Corporation as well.

DISCLOSURE #	DISCLOSURE TITLE	DESCRIPTION	INDEX & INFORMATION
GRI 307: ENVIRONMENTAL COMPLIANCE			
307-1	Non-compliance with environmental laws and regulations	<p><i>The reporting organization shall report the following information:</i></p> <p>a. Significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations in terms of:</p> <ul style="list-style-type: none"> i. total monetary value of significant fines; ii. total number of non-monetary sanctions; iii. cases brought through dispute resolution mechanisms. <p>b. If the organization has not identified any non-compliance with environmental laws and/or regulations, a brief statement of this fact is sufficient.</p>	<p>a./b.*</p> <p>We are not aware of any material fines for noncompliance with environmental laws or regulations within our operations.</p>
GRI 401: EMPLOYMENT			
401-1	New employee hires and employee turnover	<p><i>The reporting organization shall report the following information:</i></p> <p>a. Total number and rate of new employee hires during the reporting period, by age group, gender and region.</p> <p>b. Total number and rate of employee turnover during the reporting period, by age group, gender and region.</p>	<p>a./b.*</p> <ul style="list-style-type: none"> • 886 new joiners in 2021. Of our new joiners, 42% were female. • 2021 turnover (voluntary/involuntary/total): 9.7%/3.0%/12.7%. 5 year average total turnover rate: 14.7%. • 233 separations • Average years employed at Ares: 3.31 years for females, 3.49 years for males.
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<p><i>The reporting organization shall report the following information</i></p> <p>a. Benefits which are standard for full-time employees of the organization but are not provided to temporary or part-time employees, by significant locations of operation. These include, as a minimum:</p> <ul style="list-style-type: none"> i. life insurance; ii. health care; iii. disability and invalidity coverage; iv. parental leave; v. retirement provision; vi. stock ownership; vii. others. <p>b. The definition used for 'significant locations of operation.</p>	<p>a.* All benefits provided to full-time and full-time fixed term benefits are also provided to part-time and part-time fixed-term employees working 20 or more hours. Benefits are not provided to temporary employees. Ares Management's benefits include the following:</p> <ul style="list-style-type: none"> • Medical • Dental • Vision • Life insurance • Disability insurance • Retirement benefits • Medical advisory team • 20 weeks paid primary caregiver leave • 4 weeks paid non-primary caregiver leave • Adoption and reproductive assistance • Breast milk shipping benefits • Back-up care benefits for childcare and eldercare • Mental health benefits including a clinical component • Paid lunch benefit • Virtual fitness benefits.

* As an externally managed investment company, we believe the following information pertaining to Ares Management is relevant for Ares Capital Corporation as well.

DISCLOSURE #	DISCLOSURE TITLE	DESCRIPTION	INDEX & INFORMATION
401-3	Parental leave	<p>The reporting organization shall report the following information:</p> <p>a. Total number of employees that were entitled to parental leave, by gender.</p> <p>b. Total number of employees that took parental leave, by gender.</p> <p>c. Total number of employees that returned to work in the reporting period after parental leave ended, by gender.</p> <p>d. Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender.</p> <p>e. Return to work and retention rates of employees that took parental leave, by gender.</p>	<p>a.* All employees are eligible for parental leave to the extent they become parents (biologically or via adoption). The firm becomes aware of when employees become parents based upon voluntary employee notification to Human Resources.</p> <p>b.*</p> <ul style="list-style-type: none"> • Women Leave in 2021: 34 employees • Men Leave in 2021: 24 employees <p>c.*</p> <ul style="list-style-type: none"> • Women Returned in 2021: 34 employees • Men Returned in 2021: 24 employees <p>d.* Out of all the employees who took parental leave in 2021, only 2 female employees left the firm.</p> <p>e.* Return to work rate: 100% retention for both males and females. Retention rate: 100% for males and 94% for females.</p>
GRI 404: TRAINING AND EDUCATION			
404-1	Average hours of training per employee	<p>The reporting organization shall report the following information:</p> <p>a. Average hours of training that the organization's employees have undertaken during the reporting period, by:</p> <p>i. gender;</p> <p>ii. employee category.</p>	<p>*In 2021, Ares Management invested in creating a Talent Development function that will be providing employees with training and development and implementing a Learning Management Site ("LMS") available to all employees. The Talent Development team will provide training and development offerings to compliment and support employees development as well as rolling out a LMS where employees can find Self Directed Resources that can be taken at any time from any place and customized live training which employees can sign up for. The LMS will also assist Ares Management in tracking learning interest and metrics and improving its training offerings for employees. In 2021 Ares Management piloted "Managing Transitions" for all managers to provide tools for managers as they navigate the transition of the new way to work for Ares employees. 50% of Ares Management's managers attended the optional workshops and 97% reported that they would put the content into practice.</p>

* As an externally managed investment company, we believe the following information pertaining to Ares Management is relevant for Ares Capital Corporation as well.

DISCLOSURE #	DISCLOSURE TITLE	DESCRIPTION	INDEX & INFORMATION
404-2	Programs for upgrading employee skills and transition assistance programs	<p>The reporting organization shall report the following information:</p> <ol style="list-style-type: none"> Type and scope of programs implemented and assistance provided to upgrade employee skills. Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment. 	<p>*Ares Management offers a wide range of development for its employees to enhance their skills in their current roles and invest in their future potential, including:</p> <ol style="list-style-type: none"> A formal Tuition Reimbursement Program: employees have the ability to apply and receive up to 12,000 per calendar year and 48,000 per lifetime. Self-Directed Resources: LinkedIn learning is available for our Corporate Services function and in 2022 Self Directed Resources will be available globally to all businesses. Onboarding: Ares Management welcomes new team members with onboarding training, peer advisor programs and networking. Intern Training Program (ITP) and Analyst and Associate Training Program (AATP): Ares Management hosts rising seniors from top universities each summer for a 10-week internship program, which focuses on training, developing, and evaluating undergraduate students for a potential full-time role. The program includes upfront technical training (led and facilitated by Wall Street Prep), an internal speaker series, social and networking events, and a formal mentor program. The internship program operates as a pipeline for strong junior talent for the firm, as each intern is eligible and considered for a full-time Analyst role upon graduation the following year—where they would participate in the Analyst and Associate Training Program (AATP). Upon hire, Analysts and Associates participate in a multi-week upfront orientation training, comprised of technical training (led and facilitated by Wall Street Prep), internally led business-specific training led by Ares employees, Professional Development Training, and a formal mentor program. In 2021, 86% of Ares Management’s interns converted to full-time employment, 25% of them are part of historically under-represented groups. Leadership Programs: Ares Management partnered with Beyond Barriers and third-party provider to roll out two development programs focusing on promoting women at Ares. 42 women participated in the seven-month program starting in November 2021.
404-3	Percentage of employees receiving regular performance and career development reviews	<p>The reporting organization shall report the following information:</p> <ol style="list-style-type: none"> Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period. 	<p>*Performance Management at Ares Management is supported by the Four Conversation Framework, which includes a process and system for the following conversations:</p> <ol style="list-style-type: none"> Goal Setting, Mid-Year check in, 360 Feedback and Year-End Review and Compensation and Promotion Discussion. <p>Conversations are supported by training that is delivered to all employees and managers to provide tools and prepare them for each conversation. Via-People is the system that we use to provide an easy-to-use template for each conversation and the ability for the organization to track the conversations.</p> <p>Ares Management believes that Performance Management is creating a culture of frequent and transparent feedback and establishing a strong connectivity between managers and employees with clear expectations that support the execution of our business. Our process creates a roadmap to success with a focus on career development for our employees and higher levels of engagement and retention of top talent and more equality by providing a consistent employee experience.</p>

* As an externally managed investment company, we believe the following information pertaining to Ares Management is relevant for Ares Capital Corporation as well.

DISCLOSURE #	DISCLOSURE TITLE	DESCRIPTION	INDEX & INFORMATION
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY			
405-1	Diversity of governance bodies and employees	<p><i>The reporting organization shall report the following information:</i></p> <ul style="list-style-type: none"> a. Percentage of individuals within the organization’s governance bodies in each of the following diversity categories: <ul style="list-style-type: none"> i. Gender; ii. Age group: under 30 years old, 30–50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups). b. Percentage of employees per employee category in each of the following diversity categories: <ul style="list-style-type: none"> i. Gender; ii. Age group: under 30 years old, 30–50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups). 	Ares Capital’s Board of Directors includes 2 female directors, 1 African American/Black director and 1 LGBTQ+ director. Of Ares Capital’s officers, 40% are non-minority women and 10% are minority men (Asian). (Our Team)
GRI 413: LOCAL COMMUNITIES			
413-1	Operations with local community engagement, impact assessments, and development programs	<p><i>The reporting organization shall report the following information:</i></p> <ul style="list-style-type: none"> a. Percentage of operations with implemented local community engagement, impact assessments, and/or development programs, including the use of: <ul style="list-style-type: none"> i. social impact assessments, including gender impact assessments, based on participatory processes; ii. environmental impact assessments and ongoing monitoring; iii. public disclosure of results of environmental and social impact assessments; iv. local community development programs based on local communities’ needs; v. stakeholder engagement plans based on stakeholder mapping; vi. broad-based local community consultation committees and processes that include vulnerable groups; vii. works councils, occupational health and safety committees and other worker representation bodies to deal with impacts; viii. formal local community grievance processes. 	Please see pages 10–11 in Ares Management’s 2021 Sustainability Report , Philanthropy
GRI 417: MARKETING AND LABELING			
417-3	Incidents of non-compliance concerning marketing communications	<p><i>The reporting organization shall report the following information:</i></p> <ul style="list-style-type: none"> a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by: <ul style="list-style-type: none"> i. incidents of non-compliance with regulations resulting in a fine or penalty; ii. incidents of non-compliance with regulations resulting in a warning; iii. incidents of non-compliance with voluntary codes. b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient. 	<p>a./b.</p> <p>We did not detect any instances of non-compliance with regulations and/or voluntary codes concerning marketing activities of Ares Capital Corporation that resulted in fines or non-monetary sanctions from competent authorities.</p>

* As an externally managed investment company, we believe the following information pertaining to Ares Management is relevant for Ares Capital Corporation as well.

DISCLOSURE #	DISCLOSURE TITLE	DESCRIPTION	INDEX & INFORMATION
GRI 418: CUSTOMER PRIVACY			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<p>The reporting organization shall report the following information:</p> <ul style="list-style-type: none"> a. Total number of substantiated complaints received concerning breaches of customer privacy, categorized by: <ul style="list-style-type: none"> i. complaints received from outside parties and substantiated by the organization; ii. complaints from regulatory bodies. b. Total number of identified leaks, thefts, or losses of customer data. c. If the organization has not identified any substantiated complaints, a brief statement of this fact is sufficient. 	c.* During the reporting period, no substantiated complaints regarding breaches of client privacy and losses of client data were identified.
419: SOCIOECONOMIC COMPLIANCE			
419-1	Non-compliance with laws and regulations in the social and economic area	<p>The reporting organization shall report the following information:</p> <ul style="list-style-type: none"> a. Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of: <ul style="list-style-type: none"> i. total monetary value of significant fines; ii. total number of non-monetary sanctions; iii. cases brought through dispute resolution mechanisms. b. If the organization has not identified any non-compliance with laws and/or regulations, a brief statement of this fact is sufficient. c. The context against which significant fines and non-monetary sanctions were incurred. 	<p>a./b./c.*</p> <p>Ares Capital and Ares Management did not incur any significant fine, nor non-monetary sanctions for non-compliance with applicable laws and regulations. Please see the Ares Capital's Form 10-K report and Ares Management's Form 10-K report for additional information.</p>

* As an externally managed investment company, we believe the following information pertaining to Ares Management is relevant for Ares Capital Corporation as well.

SASB Content Index

DISCLOSURE #	DISCLOSURE TITLE	DESCRIPTION	INDEX & INFORMATION
FN-AC-270a.1	Transparent information & fair advice for customers	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings.	*There are no known covered employees with records of investment-related investigations, consumer-initiated complaints, private civil litigations or other regulatory proceedings.
FN-AC-270a.2	Transparent information & fair advice for customers	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers.	*There are no known monetary losses as a result of legal proceedings associated with marketing and communications of financial product related information to new and returning clients.
FN-AC-270a.3	Transparent information & fair advice for customers	Description of approach to informing customers about products and services.	Performance information is reported on a quarterly basis via Forms 10-Q / 10-K and 8-K and made publicly available to all investors and stakeholders on Ares Capital's website . Additionally, all marketing and advertising materials submitted to Compliance will be reviewed to ensure that they are not fraudulent or misleading and that they comply with any applicable rules, regulations, and Ares Management policies.
FN-AC-330a.1	Employee diversity & inclusion	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees.	*Please see page 8 in Ares Management's 2021 Sustainability Report , Diversity, Equity & Inclusion. For additional information, please see the Ares Management DEI 2021 Impact Report .
FN-AC-410a.1	Incorporation of ESG factors in Investment Management	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening.	<p>*Please see page 20 in Ares Management's 2021 Sustainability Report for additional information on our approach to ESG in direct lending.</p> <p>In addition, Ares Management's Responsible Investment Program conveys our objectives for integrating ESG issues, the principles behind our approach, the governance framework to ensure continuous improvement, and the implementation steps that bring our approach to life throughout the investment lifecycle. It also contains Ares' screening framework that guides investment professionals in top-of-funnel decision-making and this screening framework is individually tailored to an investment strategy as appropriate. More information can be found in Ares' Responsible Investment Program.</p>
FN-AC-410a.2	Incorporation of ESG factors in Investment Management	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies.	<p>*Please see page 20 in Ares Management's 2021 Sustainability Report for additional information on our approach to ESG in direct lending.</p> <p>Furthermore, in recognition of the importance of considering ESG factors in its investment process, in 2021, Ares Management adopted a Responsible Investment Program to guide its ESG integration activities across the investment platform and had updated its Program as its practices evolved. Ares believes that integrating ESG factors into the investment and portfolio management processes across our platform not only enable us to seek to generate attractive and differentiated risk adjusted returns across our investment strategies but help drive positive change in our local communities and the world at large. Ares' Responsible Investment Program conveys our objectives for integrating ESG factors, the principles behind our approach, the governance framework to ensure continuous improvement, and the implementation steps that bring our approach to life throughout the investment lifecycle. Ares' Responsible Investment Program is publicly available on our website here.</p>

* As an externally managed investment company, we believe the following information pertaining to Ares Management is relevant for Ares Capital Corporation as well.

DISCLOSURE #	DISCLOSURE TITLE	DESCRIPTION	INDEX & INFORMATION
FN-AC-410a.3	Incorporation of ESG factors in Investment Management	Description of proxy voting and investee engagement policies and procedures.	*See section entitled "Corporate Governance and Other Board Information – Committees of the Board – Ares Management Corporation's Responsible Investment, Philanthropy and Employee DEI" in Ares Management Corporation's Annual Proxy Statement for fiscal year 2021, filed in April 2022.
FN-AC-510a.1	Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations.	*Nothing to report as it relates to Ares Capital. For information with respect to our external manager, see page 51 in Ares Management's Form 10-K report .
FN-AC-510a.2	Business Ethics	Description of whistleblower policies and procedures.	*Ares Management is committed to doing business with integrity and upholding the highest standards of ethical and legal conduct. Ares Management has adopted a Whistleblower policy and established an ethics hotline (also called a Whistleblower Hotline) hosted by an independent third party that allows for open reporting or anonymous and confidential reporting, which is available to all Ares Management's employees globally. This supports Ares Management's employees in coming forward with potential concerns about unethical or unlawful behavior by the firm or other employees. Reporting through the hotline can be done anonymously 24/7 via web-based form or via dedicated local phone numbers for Ares Management's offices globally (in local languages). If an employee becomes aware of information regarding an actual or potential violation of Ares Management's policies, the Whistleblower policy has an obligation to promptly transmit that information to the Global Chief Compliance Officer or General Counsel. All incidents are reviewed by the Global Chief Compliance Officer and escalated appropriately depending on the nature of the complaint. On an annual basis, all employees certify their understanding of policies and code of conduct, which includes the Ethics Hotline. Through this annual certification, Ares Management seeks to clearly communicate that any employee who comes forward with a complaint will not be subject to retaliation as a result of their reporting violations through the hotline. In addition, Ares Management's external auditors review the Whistleblower logs at least annually.
FN-AC-550a.1	Systemic Risk Management	Percentage of open-end fund assets under management by category of liquidity classification.	See pages 3 and 8-9 of Ares Capital's Form 10-K report for information on Ares Capital, our joint venture the Senior Direct Lending Program and our wholly-owned portfolio company Ivy Hill Asset Management, L.P.
FN-AC-550a.2	Systemic Risk Management	Description of approach to incorporation of liquidity risk management programs into portfolio strategy and redemption risk management.	See slides 25-28 of Ares Capital's First Quarter 2022 Debt Investor Presentation published May 5, 2022, and pages 79-84 of Ares Capital's Form 10-K report .
FN-AC-000.A	Activity Metrics	(1) Total registered and (2) total unregistered assets under management (AUM).	See pages 3 and 6-7 of Ares Capital's Form 10-K report .
FN-AC-000.B	Activity Metrics	Total assets under custody and supervision.	See pages 3 and 6-7 of Ares Capital's Form 10-K report .

* As an externally managed investment company, we believe the following information pertaining to Ares Management is relevant for Ares Capital Corporation as well.

Additional Disclosures

Because Ares Capital is externally managed and operated by subsidiaries of Ares Management, we believe the policies, procedures, systems, staffing and additional disclosures pertaining to Ares Management are relevant for Ares Capital.

ANTI-HARASSMENT/ ANTI-DISCRIMINATION POLICY*

Ares Management's Anti-Harassment/Anti-Discrimination Policy applies to harassment or discrimination on Ares Management's premises or any work-related setting and covers all employees and applicants for employment. Ares Management prohibits coworkers, third parties (such as clients, business associates or outside vendors), supervisors and managers from engaging in unlawful discriminatory, harassing or retaliatory conduct. Ares Management prohibits all forms of unlawful discrimination, including all forms of harassment such as sexual harassment and retaliation. Specifically, Ares Management prohibits and provides protection from harassment or discrimination in employment because of age, ancestry, color, citizenship status, religious creed (including religious dress and grooming practices), denial of family and medical care leave, disability (mental and physical) including HIV and AIDS, marital status, medical condition (cancer and genetic characteristics), genetic information, military and veteran status, national origin (including language use restrictions), race, sex (which includes pregnancy, childbirth, breastfeeding and medical conditions related to pregnancy, childbirth or breastfeeding), gender, gender identity, gender expression, sexual orientation or any other basis prohibited by law. Additionally, Ares Management explicitly prohibits gender-, race- and ethnicity-based discrimination for substantially similar work in accordance with applicable state and federal law. Ares Management currently performs mandatory anti-harassment and discrimination training globally. This training is completed within 90 days of hire or promotion, and a refresher is given every two years for active employees. While the program's primary focus is on anti-harassment and discrimination prevention, the program also addresses the importance of promoting an inclusive and diverse workforce.

ANTI-MONEY LAUNDERING POLICY*

Ares Management's Anti-Money Laundering policy ("AML") and program employs a risk-based approach in accordance with U.S., European and Cayman regulations, which includes simplified, client/standard and enhanced due diligence. The initial risk rating is based on factors such as type of entity, business activities, jurisdictional footprint (the locations of the entities as well as the areas in which each does business), the complexity of structure, and the presence of any politically exposed persons or other adverse results. All simplified and standard due diligence cases are subject to review and supervisory review within the AML team and all enhanced due diligence cases are subject to increased documentation requirements and review and sign-off by the Anti-Money Laundering Compliance Officer and, when appropriate, senior management. The program also includes appropriate risk-based procedures for conducting ongoing monitoring to identify and report suspicious transaction and to maintain and update business partner information. Members of the Compliance Department conduct training to relevant employees on a periodic basis.

COMPLIANCE PROGRAM*

Ares Management has a Global Ethics and Compliance Manual detailing policies. At least quarterly, all employees must certify that they have reviewed the Compliance Manual and understand the obligation to comply with the policies. All new employees are required to read the policies contained in the Compliance Manual and attest to understanding and agreeing to comply with the policies as part of the onboarding process. The Compliance Manual is reviewed on an ongoing basis by the compliance team and is revised throughout the year as deemed necessary due to regulatory, business or risk changes. The Global Chief Compliance Officer will notify all employees of material policy changes and provide the updated Compliance Manual via internal email and make it available on the firm's intranet.

ENVIRONMENTAL POLICY*

Ares Management's environmental policy asserts its commitment to continuously evaluate the key environmental impacts of Ares Management's operations and take steps to measure, manage and minimize those impacts. The policy, which has been reviewed by senior management, defines Ares Management's firm-wide environmental principles, including the commitment to create environmental awareness among employees by training them on Ares Management's environmental impacts and providing resources to enable environmentally-friendly behavior. The policy also identifies topic-specific commitments Ares Management has made, including an annual commitment to report its carbon footprint, taking steps to reduce our emissions by using natural resources or energy more efficiently, and partnering with stakeholders to encourage the adoption of similar principles. Please see Ares Management's [Environmental Policy](#) for more information.

POLITICAL CONTRIBUTIONS POLICY*

Ares Management's Political Contributions policy, which is included in Ares Management's Code of Conduct and Anti-Corruption Policy, prohibits the giving of any gifts, making any political contributions or soliciting or coordinating any contributions or gifts or anything of value to: 1) any incumbent U.S. state or local officeholder (including one who is a candidate for federal office); 2) any candidate or election winner for U.S. state or local office; 3) any staff member or employee of a U.S. public pension fund, or any elected or appointed trustee, fiduciary or other official whose official duties involve responsibility for such a fund; or 4) the spouse of any of these persons. For all other individuals and parties including: 1) any incumbent US federal officeholder or a candidate (except an incumbent US president); 2) any candidate or election winner for U.S. federal office; 3) any political action committee, political party, political union organization or union official; 4) any non-U.S. government officials, preclearance approval from Compliance is required. In addition, certain political contributions by employees are disclosed on Ares Management's website [here](#).

* As an externally managed investment company, we believe the following information pertaining to Ares Management is relevant for Ares Capital Corporation as well.

EMPLOYEE ENGAGEMENT SURVEYS*

Ares Management conducts a fulsome employee engagement survey of their global employees at least annually. The topics range from engagement to career development, leadership, diversity, compensation, benefits, onboarding and culture. In response to this survey, Ares Management partners with business unit leads to increase effective communication, collaboration and benchmarking the benefits offerings. One of the changes Ares Management implemented in 2021 was a firm-wide week-long winter holiday in December to allow employees to disconnect that did not count toward our employees' regularly allotted vacation days. In addition to Ares Management's annual employee engagement survey, Ares Management administers a number of surveys throughout the year (e.g. for new joiners, at the 45 day mark, ad hoc pulse surveys for various groups, exit surveys). Ares Management typically reports on all surveys conducted and work with business unit leads to come up with strategies for each group to address employee feedback received.

RESPONSIBLE MARKETING POLICY*

As Ares Management is subject to global rules and regulations governing the promotion and sale of its products, strategies and investment management services, Ares Management has adopted a Marketing and Advertising Policy. Pursuant to this policy, when undertaking such promotional and selling activities and otherwise marketing and distributing Ares Management's products and services, including using promotional materials and soliciting clients and investors, employees must act at all times in a fair, honest and transparent manner. Ares Management has adopted this policy to ensure it meets these obligations when conducting such activities and that it complies with applicable anti-fraud provisions, solicitation rules and jurisdictional requirements. All printed marketing, advertising and related promotional materials are required to be submitted to Compliance for pre-approval before such information may be disseminated.

INFORMATION SECURITY POLICIES*

Ares Management recognizes the security and resiliency of its information systems, as well as the protection of investor and employee data stored within those systems has never been more critical. To that end, Ares Management has implemented a comprehensive and enterprise-wide cybersecurity program, which is aligned to the well recognized NIST Cybersecurity Framework (CSF). The program is underpinned by a set of periodically audited policies and procedures, which amongst others includes the Cybersecurity; Data Protection; and Data Privacy policies; and for which all employees are trained and certify to their compliance annually. The program is run by a dedicated internal cybersecurity team, which through augmentation by external partners provides 24x7 monitoring, investigation, and response to potential cybersecurity threats affecting the firm. The team is led by Ares Management's Chief Information Security Officer, who sits on the firm's Enterprise Risk Committee as well as Data Privacy Task Force, and regularly reports to the Audit Committee. As noted above, Ares Management maintains a Data Privacy Policy and provides Investors with a copy of the Data Privacy Notice, which summarizes what personal data Ares Management collects and how it is processed; as well as details how to report data privacy concerns or request erasure of such data. Should data be provided to a third party, such exchange is governed, and data privacy obligations outlined in a Data Processing Agreement; Data Protection Annex; or other similar agreement largely aligned to Ares Management's policies.

CYBERSECURITY*

Ares Management's program is aligned with the NIST Cybersecurity Framework.

* As an externally managed investment company, we believe the following information pertaining to Ares Management is relevant for Ares Capital Corporation as well.

Important Notice

The data and information in this report (together with any attachments, appendices, and related materials, the "Report") are presented as of the date indicated and for informational purposes only. The information in the Report is only as current as the date indicated and may be superseded by subsequent market events or for other reasons. Ares Management Corporation and its subsidiaries, affiliated funds and their respective personnel and affiliates, including Ares Capital Corporation ("ARCC"), (collectively "Ares") assumes no obligation to update the information therein.

This Report contains "forward looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, that are subject to risks and uncertainties. Forward looking statements can be identified by the use of forwardlooking words such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "should," "seeks," "approximately," "predicts," "intends," "plans," "estimates," "anticipates" or negative versions of those words, other comparable words or other statements that do not relate to historical or factual matters. Actual outcomes and results could differ materially from those suggested by this Report due to the impact of many factors beyond the control of Ares and ARCC, including those described below and in the "Risk Factors" sections of Ares Capital Corporation's and Ares Management Corporation's filings with the Securities and Exchange Commission. These factors should not be construed as exhaustive and should be read in conjunction with other cautionary statements that are included in our periodic filings. Any such forward-looking statements are made pursuant to the safe harbor provisions available under applicable securities laws and speak only as of the date of this Report. Neither Ares nor ARCC assumes any assumes no obligation to update or revise any such forward-looking statements except as required by law.

Certain information contained in this Report relating to any ESG initiatives, goals, targets, intentions, or expectations, including with respect to targets and related timelines, is subject to change, and no assurance or guarantee can be given that such initiatives, goals, targets, intentions, or expectations will be met, some of which are aspirational in nature. Statistics and metrics relating to ESG matters are estimates and may be based on assumptions or developing standards (including Ares's internal standards and policies). There can be no assurance that Ares' or ARCC's ESG policies and procedures as described in this Report, including policies and procedures related to responsible investment or the application of ESG-related criteria or reviews to the investment process, including certain metrics or frameworks, will continue. Such policies and procedures may change, even materially, or may not be applied certain investments. In addition, the act of selecting and evaluating material ESG factors is subjective by nature, and there is no guarantee that the criteria utilized, or judgment exercised by Ares or ARCC will reflect the beliefs or values, internal policies or preferred practices of investors, other managers or with market trends. Ares is permitted to determine in its discretion that it is not feasible or practical to implement or complete certain of its ESG initiatives, policies, and procedures based on cost, timing, or other considerations.

Statements about ESG initiatives or practices related to portfolio companies and investments do not apply in every instance and depend on factors including, among others, (i) the relevance or implementation status of a particular initiative to or within the portfolio company, (ii) the nature and extent of Ares' or ARCC's investment in, ownership of, or control with respect to the portfolio company/asset, and (iii) other factors as determined across teams, companies, investments, and/or businesses on a case-by-case basis. ESG factors are only some of the many factors Ares or ARCC considers in making an investment, and there is no guarantee that Ares will make investments that create positive ESG impact or that consideration of ESG factors will enhance longterm value and financial returns for clients or investors. To the extent Ares and ARCC engage with portfolio companies and other assets on ESG-related practices and potential related improvements, there is no guarantee that such engagements will improve the financial or ESG-related performance of the investment.

The selected investment examples, case studies and/or transaction summaries presented or referred to in this Report are for illustrative purposes only and may not be representative of all transactions of a given type or of investments generally and are intended to be illustrative of the types of investments that have been made or may be made by a fund in employing such fund's investment strategies. It should not be assumed that comparable initiatives, investments or transactions will be made in the future or that the quality, performance and success of such initiatives implemented by Ares or its funds' portfolio companies is guaranteed.

Certain information contained in this Report has been obtained from third parties, and in certain cases have not been updated through the date hereof. Neither Ares nor ACRE makes any representation or warranty, express or implied, with respect to the accuracy, fairness, reasonableness or completeness of any of the information contained herein, and expressly disclaims any responsibility or liability therefor. Actual results may differ materially from any forward-looking statements.

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This Report is not an offer to sell, or the solicitation of an offer to purchase, any security or management services, the offer and/or sale of which can only be made by definitive offering documentation, which will contain material information with respect to any such security, including risk factors relating to any such investment.

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