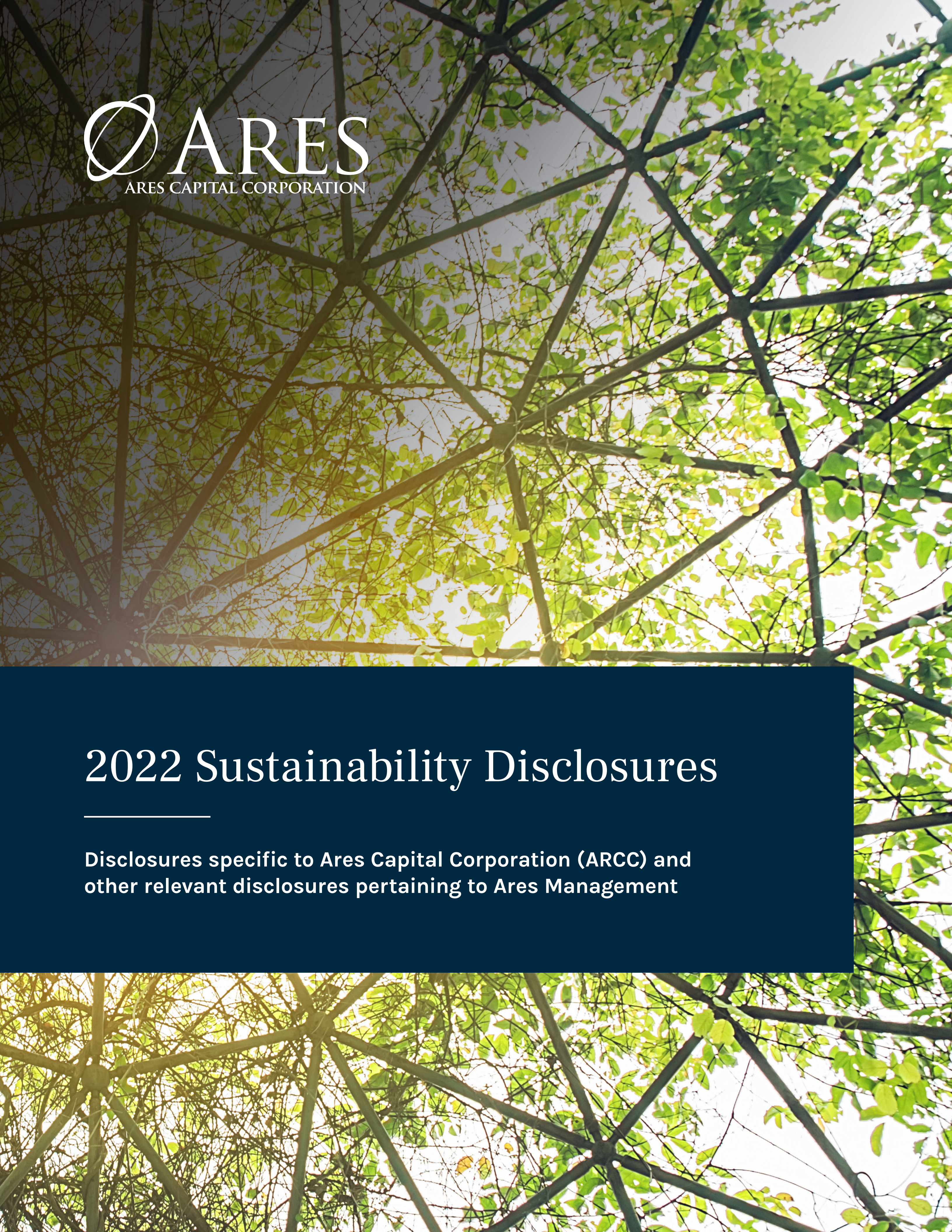

ARES
ARES CAPITAL CORPORATION

2022 Sustainability Disclosures

Disclosures specific to Ares Capital Corporation (ARCC) and other relevant disclosures pertaining to Ares Management

About Ares Capital Corporation

Founded in 2004, Ares Capital Corporation ("Ares Capital") (NASDAQ: ARCC) (the "Company" or “ARCC”) 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 advisory, 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, 2023. For more information about Ares Capital, visit www.arescapitalcorp.com.

About these Sustainability 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, there are two types of disclosures included herein:

1) Disclosures specific to Ares Capital Corporation considering input from stakeholders
2) Links to disclosures by Ares Management that we believe are relevant to ARCC as well. These include reporting in accordance with SASB Standards and considering input from our stakeholders and GRI Standards

Relevant ESG Topics

Ares Capital (ARCC) Specific Disclosures	Reference
Diversity, Equity & Inclusion	Page 4
Responsible Investment	Page 5
Important Notice / Disclaimer	Page 8

Ares Management Disclosures That May Be Relevant to ARCC	Relevant Section of Ares Management's 2022 Sustainability Disclosures
Human Resources	
• **Supporting & Developing Talent**	Page 4
• **Diversity, Equity & Inclusion**	Page 9
• **Philanthropy**	Page 17
• **Relevant Human Resources Policies**	Page 19
Climate Change – *See TCFD Report*	Link
Responsible Investment Across Ares Management	Page 22
Compliance & Ethics	Page 31
Data Privacy & Security	Page 36
Enterprise Risk Management	Page 38

ARCC Diversity, Equity & Inclusion

ARCC Officer and Board Diversity

Ares is committed to increasing the representation of women and ethnically diverse groups and creating a more inclusive experience for all stakeholders. 55% of ARCC's officers are women and/or ethnically diverse as 45% are women and 10% are minority men. ARCC's Board of Directors includes three diverse members, including two female directors, one African American or Black director and one LGBTQ+ director. For more information on ARCC's officers and Board of Directors, please see ARCC's Team and ARCC's 2023 Proxy Statement. While ARCC does not have any employees and relies on Ares Management for investment advisory services, information on Ares Management's employees is available on p. 16 of Ares Management's 2022 Sustainability Disclosures.

Diversity, equity and inclusion, in all its forms, is key to Ares Management's culture and long-term success. We believe our performance is directly attributable to the talent that Ares Management can attract and retain. To support this diverse workforce and enrich our work environment, Ares Management offers a multitude of initiatives, programs and policies that reflect our values-driven culture. For more information on Diversity Equity and Inclusion at Ares Management, please see the Diversity, Equity & Inclusion section starting on p. 9 of Ares Management's 2022 Sustainability Disclosures, Ares Management's 2022 Sustainability Report (p. 11) and Ares Management's 2022 DEI Annual Report.

ARCC's Board of Directors

Total Number of Directors			**11**	
	Female	**Male**	**Non-Binary**	**Did Not Disclose Gender**
Part I: Gender Identity				
Directors	2	9		
Part II: Demographic Background				
African American or Black		1		
Alaskan Native or Native American				
Asian				
Hispanic or Latinx				
White	2	8		
Native Hawaiian or Pacific Islander				
Two or More Races or Ethnicities				
LGBTQ+			1	
Did Note Disclosure Demographic Background				

ARCC Supplier Diversity

In addition to ARCC's own diversity, we aim to increase the representation of women and ethnically diverse groups among our suppliers. To that end, we partnered with five minority-owned firms[1] as co-managers on five equity and debt offerings totaling $1.3 billion in 2022 and Q1'23. We also began partnering with a minority-owned bank as one of our third-party valuation providers.

[1] Participating minority-owned firms included Academy Securities, Loop Capital Markets, R. Seelaus & Co., LLC, Ramirez & Co., Inc., and Siebert Williams Shank.

ARCC Responsible Investment

Through Ares' tailored approach to Responsible Investment, Ares strives to create better investment outcomes and leave a lasting positive impact on our portfolio companies, their underlying assets and ultimately their stakeholders. Given the scale of potential impact, integrating ESG into our investment platform is our most material sustainability objective.

In recognition of the importance of integrating ESG factors throughout our investment platform, Ares first adopted a Responsible Investment program across the Firm in 2012. Over the last several years, Ares' team has continued to update its policy as our objectives and practices have evolved over time. Ares believes that by integrating ESG factors into the investment and portfolio management processes across our platform, it not only helps enable us to seek attractive and differentiated risk adjusted returns across our investment strategies, but also drives positive change in its local communities across the globe.

In 2020, Ares further enhanced its Responsible Investment program to explicitly convey its objectives for ESG governance. The objectives include detail on oversight responsibilities, defined implementation requirements and accountability frameworks to help ensure continuous improvement throughout the investment lifecycle.

As part of this initiative, Ares established eight principles to guide its ESG integration approach: (i) engage stakeholders, (ii) focus on materiality, (iii) implement systematically, (iv) tailor programs to each strategy, (v) avoid harm, (vi) improve ESG performance, (vii) provide industry leadership and (viii) disclose tangible data, where possible, to drive transparency and adoption. Furthermore, the list below includes items that Ares considers to be the hallmarks of our ESG integration plan across each of our business lines:

- **Local Ownership:** Mobilize "ESG Champions" within each of our investment teams to adapt and tailor platform-wide objectives toward each investment group's strategy and culture.
- **Canvas Your Strategy:** Define each strategy's ESG landscape to identify levers of potential influence and promote ESG objectives in the companies and/or assets Ares invests in.
- **Set Defined Objectives:** Based on these levers, define clear goals that speak to the different dynamics and needs of each investment strategy.
- **Build Your Process:** With these objectives defined, build out a consistent, repeatable and detailed ESG integration roadmap across the investment lifecycle.
- **Focus on Data-Based Results:** Aim to create measurable results and generate data (where possible) so that internal and external stakeholders can tangibly distinguish the impact of our implementation programs and scope of ESG-focused activities.

Ares is also serving in a leadership role in encouraging ESG adoption within the private debt industry. Ares is acting (at their request) as chair to UNPRI's inaugural Private Debt Advisory Committee ("PDAC"), which focuses on the role of private lenders in addressing climate change. The committee is comprised of prominent investors and managers within direct lending and has prioritized ESG data, climate, sustainability linked loans and engagement as the key pillars for key lenders to collaborate around setting best practices for adoption in the broader industry.

Ares believes that the effective management of material environmental, social and governance factors can lead to both enhanced long-term value creation, mitigated risk, and minimized negative impact on stakeholders. As such, ARCC maintains a specific ESG implementation process that is tailored to the dynamics and levers of influence inherent to the strategy. Our goal is to use ESG factors to improve our ability to identify and evaluate potential risks pre-investment and promote better ESG performance within our portfolio companies to reduce risk and improve long-term performance post-close.

The consideration of ESG factors in the U.S. direct lending investment process begins at the sourcing stage. The Investment Team utilizes a high risk ESG sector framework to identify both products and practices requiring a more proactive ESG evaluation due to the potential financial risk associated with significant harm to the environment or society.

For companies where there may be a possible adverse impact on the environment or society and resulting financial and regulatory risk, the Investment Team is encouraged to escalate and discuss these companies with Ares' dedicated ESG team and ESG Champions to make a well-informed decision based upon objective data and analysis as to whether to pursue a potential transaction. Importantly, during the sourcing process, the Investment Team may seek out investment opportunities in companies whose operations generate positive impacts on the environment and society.

As an investment moves from the sourcing phase to due diligence, the Investment Team leverages tools such as RepRisk, a web-based AI-enabled search tool, and the SASB framework to help identify, diligence and report material ESG incidents and factors. The Investment Team may also utilize other internal ESG databases and tools such as UNPRI Signatories, UNGC Signatories, the SASB Materiality Map and S&P Global Ratings - ESG Risk Atlas. In addition to these internal resources, the Investment Team typically has access to legal specialists and other third-party diligence reports.

In order to systematically review ESG factors, the Investment Team includes detail on key ESG considerations, if applicable, during the initial "early read" presentation to the Investment Committee. For new investments since October 2020, the Investment Team also provides a comprehensive ESG assessment within the final Investment Committee memorandums. This ESG assessment includes a scoring of the environmental, social and corporate governance factors resulting in an overall conclusion of the Investment Team's findings.

The ESG assessment also allows for the Investment Committee to clearly evaluate the Investment Team's findings on material ESG topics and determine the intensity of monitoring post-close. From a documentation perspective, the Investment Team is also responsible for ensuring that at a minimum standard environmental language exists within the final credit agreement.

Post-closing, the U.S. Direct Lending team utilizes the same tools to identify and report on material ESG incidents for existing investments. Based on the findings, deal teams are able to engage with existing borrowers and their financial sponsors on ESG topics from inception through exit. Furthermore, ESG topics also are incorporated into the quarterly portfolio review process. Collectively, Ares believes our ability to identify and evaluate potential ESG risks pre-investment and post-investment promotes better performance and helps to reduce risk over the long-term.

Pre-investment	Sourcing	• Apply the high risk ESG sector framework; escalate to ESG team as needed
	Early Read	• Identify initial key findings in risks section; ability to leverage new tools such as RepRisk and SASB to enhance diligence
	Final Investment Committee	• Prepare ESG assessment page to score the "E", the "S" and the "G" elements of the opportunity as low (green), medium (yellow) or high risk (red) as well as an overall conclusion score
	Legal Docs	• Ensure minimum "standard" environmental language exists in the credit agreement in both reps/warranties and affirmative covenants
	Funding/Close	• Capture ESG assessment conclusion score in Wolverine
Post-Closing	Valuation Meetings	• Perform "check-up" diligence on ESG topics identified as medium or high risk; conclusion score can be updated in Wolverine as warranted
	Automated Monitoring	• RepRisk software will perform ongoing "behind the scenes" real-time monitoring for ESG related incidents within the portfolio; deal teams will be notified of new incidents

Sustainability Linked Loans

Ares has been active in sourcing and structuring Sustainability Linked Loans ("SLL"). Ares Global Direct Lending issued over $3.0 billion of Sustainability Linked Loans in 2022 and has a multi-billion dollar pipeline of sustainability linked loans to be completed in 2023.[2]

- As an example, within ARCC, Ares led a loan to VLS Environmental Solutions in August 2022, which included two sustainability performance targets related to (i) growth in production of alternative engineered fuels and (ii) improved DEI representation in senior management. VLS is a leading provider of commercial and industrial non-hazardous, non-regulated liquid and solid waste processing and disposal services, industrial container cleaning, and inland barge cleaning and repair.

After leading the largest SLL in Europe in 2021, Ares Management published a Sustainability Linked Loans whitepaper to share perspectives on best practices. We hope to continue our positive momentum in this space. To that end, Ares Management launched a firm wide SLL council to share best practices when establishing sustainability performance targets.

In addition, in Ares Management's current position as chair of the UNPRI Private Debt Advisory Committee, Ares Management has initiated standardizing best practices with private credit providers to enable greater adoption of SLLs as a tool within the private credit industry. By doing so, we hope to promote a greater number of increasingly sophisticated SLLs that can propel new advancements in ESG and sustainable business practices that can have a measurable and meaningful impact that aligns with strengthening the overall credit quality of our investments.

[2] There can be no assurance that any pipeline transactions will be consummated.

Important Notice / Disclaimer

This 2022 Sustainability Disclosures ("Report") contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended which reflect our current views with respect to, among other things, future events, operations and financial performance. You can identify these forward-looking statements by the use of forward-looking words such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "should," "seeks," "predicts," "intends," "plans," "estimates," "anticipates," "foresees" or negative versions of those words, other comparable words or other statements that do not relate to historical or factual matters. The forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us. Such forward-looking statements are subject to various risks and uncertainties and assumptions relating to our operations, financial results, financial condition, business prospects, growth strategy and liquidity. These factors include, but are not limited to, those set forth in this Report and in the Company's and Ares Management's periodic filings with the Securities and Exchange Commission. If one or more of these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, our actual results may vary materially from those indicated in these forward-looking statements. New risks and uncertainties arise over time, and it is not possible for Ares to predict those events or how they may affect Ares or the Company. Therefore, you should not place undue reliance on these forward-looking statements. Actual results may differ materially from any forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made. The Company and Ares Management do not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law.

This Report includes information on Ares' program for incorporating ESG considerations across its corporate operations, strategies, and or funds. Such program is subject to Ares' fiduciary duties and applicable legal, regulatory, and contractual requirements and is expected to change over time. Additionally, the act of selecting and evaluating material ESG factors is subjective by nature, and the criteria utilized or judgment exercised by Ares may not align with the views, internal policies, or preferred practices of any particular investor or other asset manager or with market trends. There are a variety of ESG principles, approaches, frameworks, methodologies, and tracking tools; Ares' adoption and adherence to those discussed herein or to any others is expected to vary over time as ESG practices evolve.

While Ares intends to include ESG as a component of its investment process, and certain corporate activities as described in this Report, there can be no assurance that Ares' ESG initiatives, policies, and procedures related to ESG integration or responsible investment or the application of ESG-related criteria or reviews to the investment process, including ESG scores, as described herein will continue; such policies and procedures could change, even materially, or may not be applied to a particular investment. 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; such ESG initiatives, policies, and procedures are not necessarily (and are not purported to be) deployed in connection with each investment. Statements about ESG initiatives or practices related to portfolio companies also do not apply in every instance and depend on factors including, but not limited to, the relevance or implementation status of an ESG initiative to or within the portfolio company; the nature and/or extent of investment in, ownership of, or control or influence exercised by Ares with respect to the portfolio company; and other factors as determined by investment and operation teams and/or portfolio company teams on a case-by-case basis.

Additionally, ESG factors are only some of the many factors Ares considers with respect to investments, and there is no guarantee that Ares' implementation of its ESG program will enhance long-term value and financial returns for limited partners. To the extent Ares engages with portfolio companies on ESG-related practices and potential enhancements thereto, there is no guarantee that such engagements will improve the performance of the investment. Additionally, there can be no assurance that Ares or its investments will be able to achieve any ESG-related objectives, that their actions will not result in outcomes that could be viewed as having a negative ESG effect, or that any historical trends will continue to occur. Actual results may be significantly different from the forward-looking statements herein.

Certain information contained herein relating to any goals, targets, intentions, or expectations, including with respect to climate targets and related timelines, is subject to change, and no assurance can be given that such goals, targets, intentions, or expectations will be met. Further, statistics and metrics relating to ESG matters may be estimates and subject to assumptions or developing standards (including Ares' internal standards and policies). There is no guarantee that Ares will remain a signatory, supporter, or member of any ESG initiatives or other similar industry groups or frameworks.

Statements about ESG initiatives, outcomes or practices related to portfolio companies, assets or case studies 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' investment in, ownership of, or control with respect to the portfolio company, 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 considers in making an investment, and there is no guarantee that Ares will make investments in companies or assets that create positive ESG impact or that consideration of ESG factors will enhance long-term value and financial returns for clients or investors. To the extent Ares engages with portfolio companies 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.

Certain investment examples described in this report may be owned by investment vehicles managed by Ares and by certain other third-party partners, and in connection therewith Ares may own less than a majority of the equity securities of such investment.

Case studies presented herein have been selected in order to provide illustrative examples of Ares' application of its ESG program with respect to its portfolio investments and do not purport to be a complete list thereof. Descriptions of any ESG achievements or improved practices or outcomes are not necessarily intended to indicate that Ares has substantially contributed to such achievements, practices, or outcomes. For instance, Ares' ESG efforts may have been one of many factors—including such other factors as engagement by portfolio company management, advisors, and other third parties—contributing to the success described in each of the selected case studies. It should not be assumed that investments made in the future will be comparable in quality or performance to the investments described herein. Further, references to particular portfolio companies or assets should not be considered a recommendation of any particular security, investment, or portfolio company or be used as an indication of the current or future performance of Ares' investments.

The receipt of any awards or accolades by Ares or the portfolio companies described herein is no assurance that Ares' investment objectives have been achieved or successful. Further, such awards or accolades are not, and should not be deemed to be, a recommendation or evaluation of Ares's alternative asset management business. The awards noted herein relate only to selected funds or strategies and may not be representative of any given client's experience and should not be viewed as indicative of Ares' past performance or its funds' future performance.

In gathering and reporting upon the ESG information contained herein, Ares may depend on data, analysis, or recommendations provided by investments of Ares or by third-party advisors or data sources, which may be incomplete, inaccurate, or out of date. Ares does not independently verify all ESG information it receives from investments or third-party advisors or data sources, and it may decide in its discretion not to use certain information or accept certain recommendations. While these third-party sources are believed to be reliable, Ares makes no representation or warranty, express or implied, with respect to the accuracy, fairness, reasonableness, fitness for use, or completeness of any of the information contained herein, and expressly disclaims any responsibility or liability therefor.

In this report, we are not using such terms "material" or "materiality" as they are used under the securities or other laws of the U.S. or any other jurisdiction, or as they are used in the context of financial statements and financial reporting. Materiality, for the purposes of this document should not, therefore, be read as equating to any use of the word in other Ares reporting or filings.

The data and information provided in this Report are presented for informational purposes only. This Report shall not constitute an offer to sell or a solicitation of an offer to buy interests in any fund or security or other investment product sponsored or managed by Ares or any of its affiliates. Any such offer or solicitation shall only be made pursuant to a final confidential private placement memorandum (as amended and/or restated from time to time) and the applicable fund's subscription documents, which will be furnished to qualified investors on a confidential basis at their request for their consideration in connection with such offering. The information in this Report is only as current as the date indicated and may be superseded by subsequent market events or for other reasons, and Ares assumes no obligation to update the information herein. Nothing contained herein constitutes investment, legal, tax, or other advice nor is it to be relied on in making an investment or other decision.