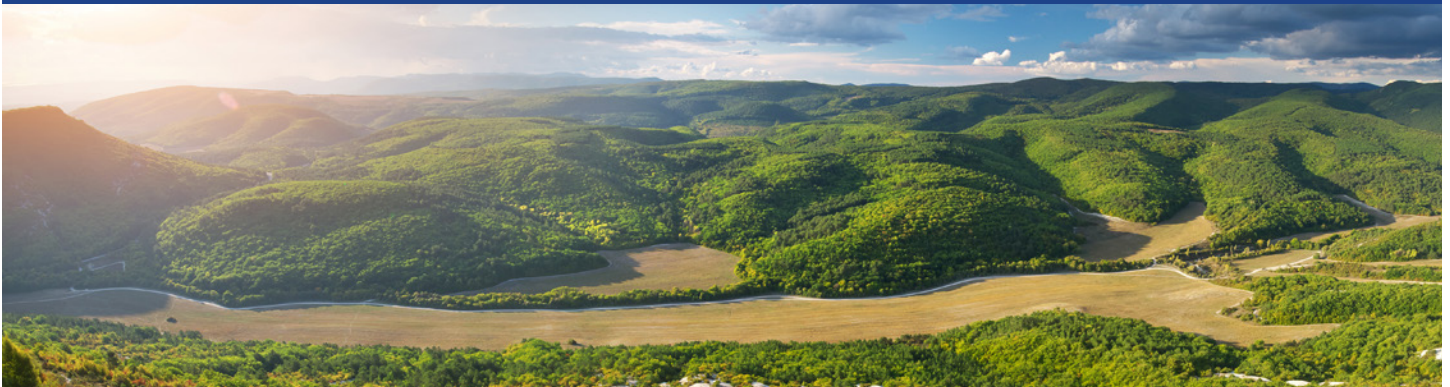


2020 ENVIRONMENTAL SOCIAL AND GOVERNANCE REPORT

RETHINKING RETAIL While Emphasizing Sustainability & Responsibility



AGREE REALTY: BUILDING TO LAST

A STATEMENT FROM OUR PRESIDENT & CEO

On behalf of Agree Realty Corporation (NYSE: ADC) (the “Company” or “Agree”), I am proud to present our inaugural environmental, social and governance (“ESG”) report. The events of the past year and the continued dialogue with our stakeholders has furthered our commitment to sustainability, social and corporate responsibility, and enhanced ESG disclosure to improve transparency and accountability. At Agree, we are proud to have constructed one of the leading retail portfolios in the country, and we strive to be a leader in every facet of the business. We are committed to ensuring the health, well-being and financial security of our team members while working with our best-in-class retail partners to enhance the sustainability of our assets in communities across the country.

While the report features our ESG initiatives and those of our tenants, investors should view our enhanced disclosure as an organic extension of the culture that we have built here at Agree for the past five decades. We take great care in our relationships with our team members, retail partners, vendors and our stakeholders and believe our long-term, relationship-based approach is a core part of Agree Realty’s DNA.

Looking forward, we will continue to creatively and proactively address ESG issues and evaluate ways to enhance our disclosure and dialogue with stakeholders. Thought leadership in our commitment to environmental, social and governance issues will strengthen our Company, deepen our relationships, positively impact the environment and communities in which we operate, and create additional long-term value for all of our stakeholders.

We look forward to engaging with our stakeholders further on the ways in which we can enhance our ESG practices and reporting framework and are excited about our future successes on this front. The following report highlights the initiatives that our Company has taken to enhance our ESG practices, making them a core part of our operating strategy.



JOEY AGREE

CONTENTS



Agree Realty Corporation	4
Environmental Practices	5
Social Responsibility	9
Corporate Governance	12
Corporate Ethics and Human Rights Policies	14
Appendix	16

AGREE REALTY OVERVIEW



BLOOMFIELD HILLS, MI
HEADQUARTERS



50 YEAR
TRACK RECORD



51
TEAM MEMBERS⁽¹⁾



1,129
PROPERTIES



23 MILLION
SQUARE FEET



46
STATES

All data as of December 31, 2020, unless otherwise noted. (1) As of March 24, 2021.



ENVIRONMENTAL PRACTICES

Agree embraces its responsibility to be a good steward of the environment, to use natural resources carefully, and to ensure those resources will be available for future generations.



AGREE HEADQUARTERS & CAMPUS

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

The construction of both buildings on the Agree Campus included an extensive reuse of existing structures of former buildings to minimize the amount of waste material. Finally, the Company’s landscaping includes widespread use of ornamental grasses specifically selected to reduce water usage.

The Company’s internal operations include the use of paper, battery and toner cartridge recycling services in lieu of customary disposal of these items. Further, the Company continues to encourage movement to a paperless environment through significant investment in technology.

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



ENVIRONMENTAL PRACTICES

OUR PORTFOLIO OF LEADING RETAILERS

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

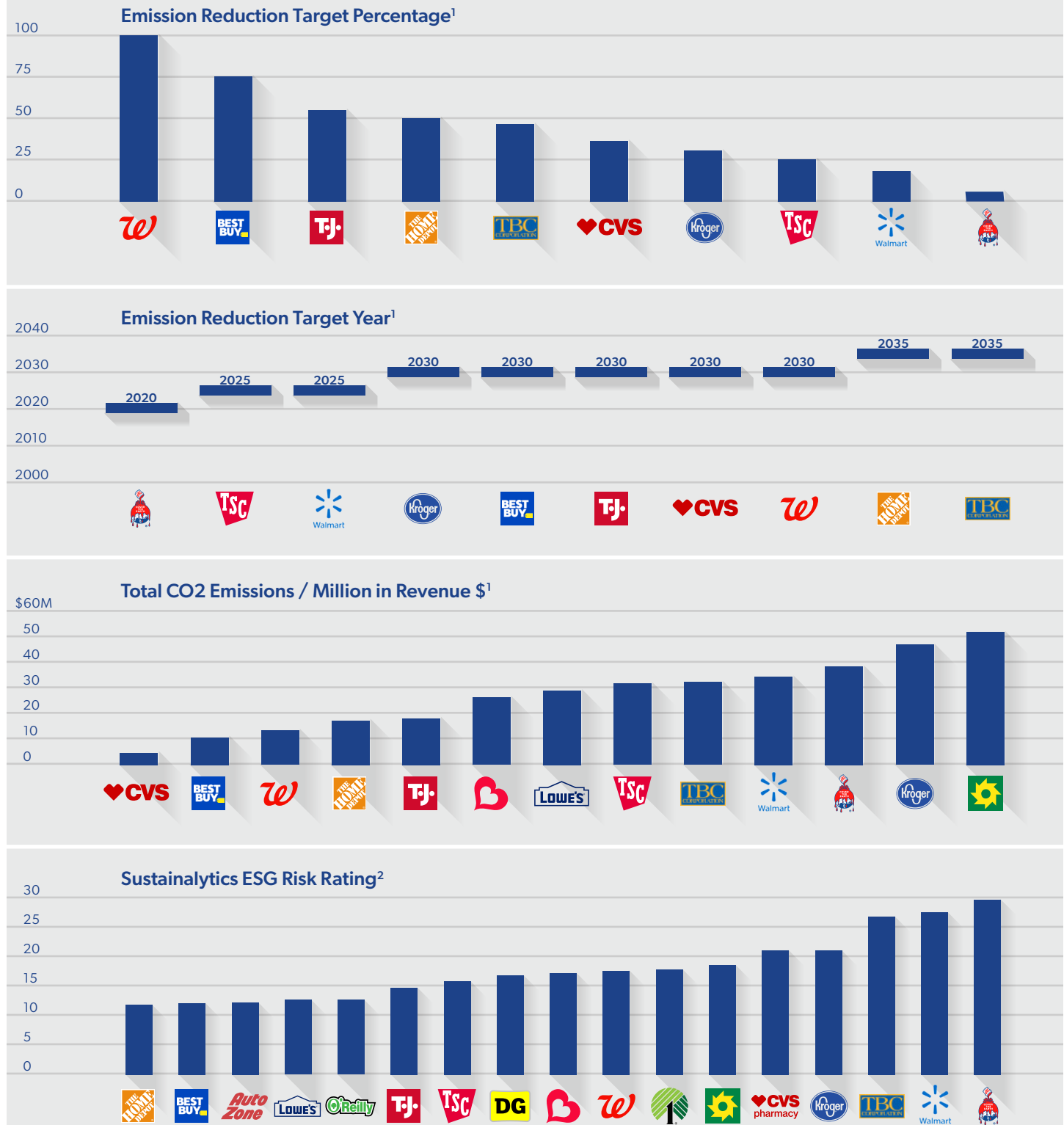
- Reducing waste and conserving natural resources in manufacturing facilities.
- Increasing the use of biodiesel fuel.
- Pioneering the use of renewable or sustainable raw materials in their formulations.
- Using sophisticated software to determine distribution routes to minimize fuel consumption.
-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





ENVIRONMENTAL PRACTICES

AGREE'S RETAIL PARTNERS ARE COMMITTED TO ENVIRONMENTALLY SUSTAINABLE PRACTICES



Note: scores in the range of 10 – 20 represent a "low" ESG risk rating. Scores in the range of 20 – 30 represent a "medium" ESG risk rating

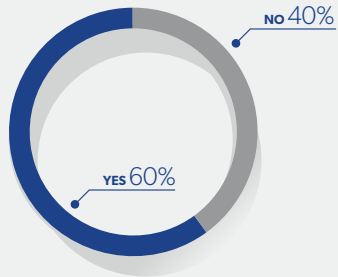
See Appendix on page 16 for prompts, questions, & data footnotes. Data is based on review of Agree's Top 20 tenants. Sources: (1) Refinitiv (2) Sustainalytics.



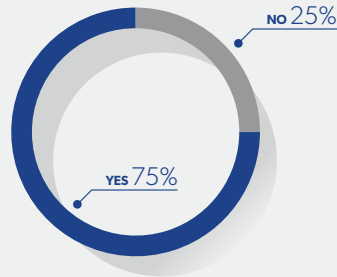
ENVIRONMENTAL PRACTICES

AGREE'S RETAIL PARTNERS ARE COMMITTED TO ENVIRONMENTALLY SUSTAINABLE PRACTICES

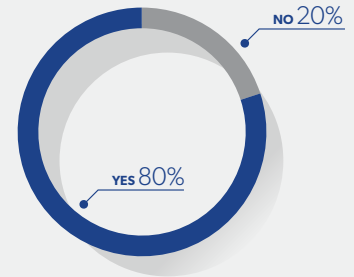
Target
Emmissions



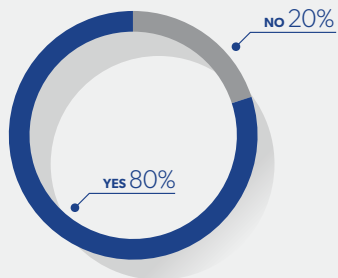
ESG
Report



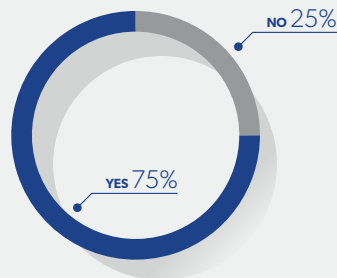
Waste Reduction
Initiatives



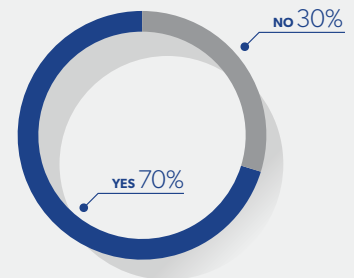
Resource
Reduction Policy



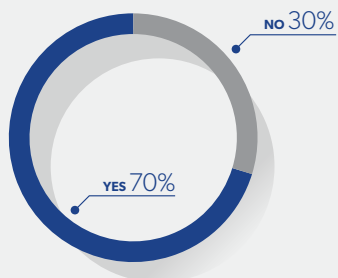
Policy Energy
Efficiency



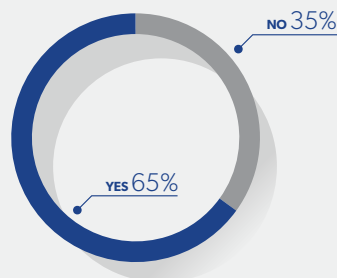
Policy Environmental
Supply Chain



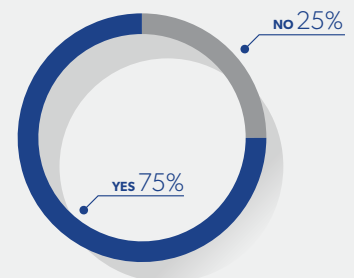
Policy
Emissions



Environmental
Partnerships



Environmental
Supply Chain
Management



See Appendix on page 16 for prompts, questions, & data footnotes. Data is based on review of Agree's Top 20 tenants. Source: Refinitiv.



SOCIAL RESPONSIBILITY

We make an investment in every team member's future through our Agree Wellness program. We believe that team members who are healthy, fit, financially secure and motivated are team members who achieve personal and professional success.

The Agree Wellness approach to benefits provides team members with resources that support all aspects of their lives through all stages of life. The Agree Wellness program has two areas of focus designed to protect and enhance overall wellness 1) Agree Health Wellness and 2) Agree Financial Wellness.



AGREE HEALTH WELLNESS

Agree supports healthy living through enhanced healthcare, training and education, various complementary meal programs and many other benefits. These benefits include:

- Medical Insurance – The Company pays the full cost of the premiums for a single or family plan to full-time team members. Healthy Blue Achieve PPO is Blue Cross Blue Shield of Michigan's wellness incentive plan that rewards eligible team members for making a commitment to living a healthier lifestyle.
- Dental & Vision Insurance – Principal Group Dental and Vision insurance are low-cost benefits with a high impact on overall wellness.
- Life Insurance – Life insurance can help ensure team members' families have the financial resources to handle expenses and are prepared financially for life's milestones. The Company pays the full cost of the premiums for every full-time team member.
- Simple IRA – Our Simple IRA retirement plan offers a convenient way to save for one of the most important times of life – retirement. Agree matches 100% of team members' contributions, up to 3% of team members' earnings.
- Short-Term Disability – Short-term disability insurance offers help to cover team members' financial losses when they are too ill or injured to work. The Company pays the full cost of the premiums for every full-time team member.
- Long-Term Disability – Long-term disability insurance offers help to cover team members' financial losses when they are too ill or injured to work for an extended period of time. The Company pays the full cost of the premiums for every full-time team member.
- Wellness & Fitness Center – To encourage team members to exercise regularly and promote individual health and well-being, the Company provides an onsite state-of-the-art fitness center equipped with the latest in cardio and strength technology.



SOCIAL RESPONSIBILITY

PROFESSIONAL DEVELOPMENT & TRAINING

Ongoing professional development is offered to help all team members advance their careers, this includes:

- Career advancement opportunities
- Internal mobility
- Professional development plans for all team members
- Company-sponsored attendance at industry conferences and events
- Lunch & Learns
- Internship Program

INDUSTRY RECOGNITIONS

- Named one of the 2020 Coolest Places to Work by Crain's Detroit Business
- Named one of the Best Places to Work by Globe St Real Estate Forum
- Named one of Michigan's Best and Brightest in Wellness
- Crain's Detroit Business | Fast 50 (2017-2020)
- Institutional Investor | America's Most Honored Companies | Small Cap Company CEOs & Investor Relations (2019)
- Sandler O'Neill | Top 25 REIT Heavyweights (2018 and 2019)
- EY | Entrepreneur Of The Year | MI & NW OH (2018)
- NREI | Top Owners of Real Estate (2015-2018)

AGREE FINANCIAL WELLNESS

Agree supports team members with generous cash compensation plans, equity ownership programs, retirement plans and ongoing access to financial planning resources. Team members are compensated for their performance and rewarded for their outstanding work. Alignment of individual, team, corporate and shareholder objectives provides for continuity, teamwork and increased collaboration. Our team members are paid commensurate with their qualifications, responsibilities, productivity, quality of work and adherence to our Core Values. The following summarizes the key principles and objectives of our approach to compensation:

- Agree provides total compensation that is both fair and competitive.
- The primary purpose of our compensation program is to achieve our business objectives by attracting, retaining and motivating talented team members by providing incentives and economic security.

FINANCIAL COMPENSATION INCLUDES THREE COMPONENTS:



SALARY

Team members are paid salaries commensurate with their position and experience.



CASH BONUSES

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



EQUITY PARTICIPATION

We may award our team members long-term equity compensation based on corporate performance, responsibilities and performance of the team member.



SOCIAL RESPONSIBILITY

CULTURE COMMITTEE

The Agree Culture Committee is comprised of a cross-functional team from throughout the organization. The Company's Culture Committee hosts a variety of events that are focused on team building and camaraderie as well as contributing to the communities we live in.

- **Community Partnerships** – Agree cares about the communities in which it operates and its team members live. Agree stands behind its commitment to improving education, strengthening neighborhoods and encouraging volunteer service and charitable giving. Examples include: Leader Dogs for the Blind, Operation Good Cheer, Children's Hospital Snowpile, Kids Kicking Cancer, Children's Hospital Adopt-A-Family program, and Friendship Circle.
- **Team Building**
- **Camaraderie Building Events**
- **Team Meal Program** – Catered lunch for all team members three times per week. Team members are encouraged to enjoy lunch together in the Agree Café on those days
- **Quarterly Happy Hour Events**
- **Celebrate Birthday and Work Anniversary Milestones**
- **Team Member Recognition** – At the end of every quarter, the Agree team votes on a team MVP Award. This is awarded to the team member that has an outstanding quarter both in performance and for being a model of excellence of our Core Values.



CAMPUS FACILITIES

- **AGREE CAFÉ** – Built to accommodate collaboration, our Café is fully-stocked with food and beverages, wifi access and constantly streaming music.
- **THE HOWE** – Agree's second building on its state-of-the-art campus, named The Howe after Ken Howe, the Company's former Chief Financial Officer, was completed in 2019 and includes an Agree Wellness center, locker rooms, an auditorium, integrated technology and unique collaborative meeting areas.





CORPORATE GOVERNANCE

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



BOARD OF DIRECTORS

- ✓ Appointed four new Directors since the beginning of 2018
- ✓ All members of the Audit, Nominating and Governance, and Compensation committees are independent
- ✓ Independent Directors meet regularly, without the presence of officers or team members
- ✓ A Lead Independent Director was appointed in 2019
- ✓ ADC's Board has nine Directors, seven of whom are independent

BOARD INDEPENDENCE



BOARD GENDER DIVERSITY



BOARD COMMITTEES

The Audit Committee is comprised of three independent Directors, all of whom have been determined to be financial experts. The Audit Committee is appointed by the Board to monitor the integrity of the financial statements of the Company, the independence and qualifications of the Company's independent auditors, the performance of the Company's internal and external auditors, and compliance with legal and regulatory requirements.

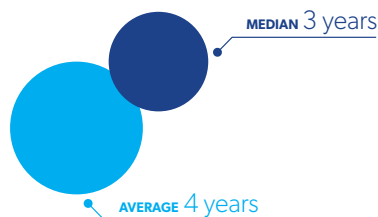
The Nominating and Governance Committee

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

The Compensation Committee

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

INDEPENDENT DIRECTOR TENURE



The disclosure above reflects the anticipated composition of the Board following the Company's Annual Meeting of Stockholders on May 6, 2021.



CORPORATE GOVERNANCE

GOVERNANCE PRINCIPLES

- ✓ The Board has adopted an insider trading policy that applies to all Directors, officers, and team members
- ✓ The Company does not have a shareholder rights plan ("poison pill")
- ✓ The Company maintains stock ownership guidelines for named executive officers and Directors, requiring stock ownership of three times annual compensation for certain named executive officers and four times annual compensation for Directors
- ✓ Time vested stock grants to officers and team members vest over a five-year period to provide long-term alignment
- ✓ Performance-based stock grants to named executive officers utilize total shareholder return, with the amount of the grants intended to increase as total returns to stockholders increase, further enhancing alignment
- ✓ The Board has established a succession plan for the Chief Executive Officer to cover emergencies and other occurrences
- ✓ The Company annually submits "say-on-pay" advisory votes and has received support in excess of 95% for the past five years
- ✓ The Board has recently adopted a clawback policy, providing the Board the ability to recover compensation from executive officers in the event of fraud, intentional misconduct, or lack of sufficient oversight leading to a restatement of the Company's financial statements or a miscalculation of the Company's performance metrics used in determining compensation

A WINNING TEAM

- To be Honest
- To be Accountable
- To be Resourceful
- To Function as a Team
- To Compete
- To be Dedicated
- To be Organized & Efficient
- To be Passionate
- To be Successful

A WINNING CULTURE

- To be Trusted
- To be Transparent
- To Support You
- To Encourage Collaboration
- To Play to Win
- To Reward for Performance
- To be State of the Art
- To Fuel your Fire
- To Celebrate your Victories

ETHICS

All team members adhere to the Company's Code of Business Conduct and Ethics, and

RULES FOR VICTORY

which include a framework that focuses on: honesty, accountability, resourcefulness, dedication, and passion for their work.



The Company has a Whistleblower policy in which team members are able to address concerns directly to the Chair of the Audit Committee.

CORPORATE ETHICS AND HUMAN RIGHTS POLICIES

At Agree, respect for human rights are core to our values and help drive our behaviors and clarify our choices.

We believe that creating and upholding tolerant, inclusive, and just community standards and norms begins with treating all individuals with respect.

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

TEAM MEMBER HANDBOOK

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

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

FORCED LABOR, HUMAN TRAFFICKING, AND CHILD LABOR

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

INCLUSION & DIVERSITY

Agree Realty values and supports an inclusive and diverse community for colleagues, stakeholders, vendors, and the broader communities which we conduct business in. We make it our mission on a daily basis to ensure that we operate in an environment free of discrimination, which includes freedom from harassment – whether that harassment is based on sex, age, sexual orientation, race, color, national origin, religion, handicap, height, weight, or veteran status. Additionally, we acknowledge the importance of supporting the rights of women, people of color, indigenous communities, among other communities and have a zero-tolerance policy regarding harassment or unequal treatment in any form. We strive to make our working environment, as well as the interactions with our stakeholders positively enriched with inclusion, which aims at improving our broader communities.

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

CORPORATE ETHICS AND HUMAN RIGHTS POLICIES

CODE OF BUSINESS CONDUCT AND ETHICS

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

SEXUAL HARASSMENT

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

HEALTH AND SAFETY

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

WATER AND SANITATION ARE FUNDAMENTAL HUMAN RIGHTS

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

SUPPLY CHAIN STANDARDS

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

APPENDIX

TARGET EMISSIONS

Has the company set targets or objectives to be achieved on emission reduction? In scope are the short-term or long-term reduction targets to be achieved on emissions to land, air or water from business operations.

ESG REPORT

Does the company publish a separate CSR/H&S/Sustainability report or publish a section in its annual report on CSR/H&S/Sustainability? Any separate extra-financial report in which the company reports on the environmental and social impact of its operations:

- i when the company publishes an extra financial report in a foreign language we answer as 'True' with a comment
- ii web-based non-financial reports are also considered if data is updated yearly
- iii integrated annual report with sustainability data is qualified information
- iv CSR section from the annual report must consist of substantial data
- v exceptionally, if company reports quantitative data exclusively in less than 5 pages can also be considered
- vi CSR reports published bi-annually, current year when there is no report then data measure is answered 'False'
- vii data only on community-focused report with community-related activities of the company, answer is 'False'.

WASTE REDUCTION INITIATIVES

Does the company report on initiatives to recycle, reduce, reuse, substitute, treat or phase out total waste? Initiatives to reduce any type of waste generated by reporting organization:

- i partnership with waste management companies to treat waste generated
- ii does not include the data on waste management companies, which collect & recycle the waste for their customers.

RESOURCE REDUCTION POLICY

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

POLICY ENERGY EFFICIENCY

Does the company have a policy to improve its energy efficiency? In scope are the various forms of processes/mechanisms/procedures to improve energy use in operation efficiently:

- i system or a set of formal documented processes for efficient use of energy and driving continuous improvement.

POLICY ENVIRONMENTAL SUPPLY CHAIN

Does the company have a policy to include its supply chain in the company's efforts to lessen its overall environmental impact? Legal compliance data on the supply chain to reduce environmental impact is in scope:

- i data on collaboration with suppliers towards reducing their environmental impacts
- ii data on the reduction of environmental impacts at the suppliers operations.

POLICY EMISSIONS

Does the company have a policy to improve emission reduction? In scope are the various forms of emissions to land, air or water from the company's core activities:

- i processes, mechanisms or programs in place as to what the company is doing to reduce emissions in its operations
- ii system or a set of formal, documented processes for controlling emissions and driving continuous improvement.

ENVIRONMENTAL PARTNERSHIPS

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

ENVIRONMENTAL SUPPLY CHAIN MONITORING

Does the company train its employees on environmental issues? Employee environmental (resource reduction & emission reduction) related training provided by the company or external trainers:

- i in focus includes the code of conduct training encompassing environmental aspects.

Notes:

- Refinitiv ESG data reflects periods inclusive of 2019 & 2020
- Sunbelt Rentals data reflects that of parent Ashtead Plc
- TBC Corporation data reflects that of parent Sumitomo Corporation
- Refinitiv does not have ESG data for Hobby Lobby, Wawa, and LA Fitness

CONTACTS

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