

Governance

Academic and Residential Complex (ARC),
University of Illinois, Chicago

Our business is built on integrity.

Our culture of doing the right thing is supported by a strong governance structure along with clear policies for ethical conduct and decision-making. We are committed to transparently reporting on our financial, social and environmental activities.

ESG Governance

OUR APPROACH

Our Guidelines on Governance address significant corporate governance issues such as the board’s role, selection and composition; committees; operation and structure; orientation and evaluation; planning and oversight functions and stock ownership guidelines.

ACC relies on our multifunctional ESG Committee and our Diversity and Inclusion Task Force to keep us aiming higher and to execute on our vision and strategy. These entities pull together teams from across the company to execute key initiatives. They also report our ESG activities and results quarterly to our executive management team and board of directors.



ESG Governance

BOARD & EXECUTIVES

ACC's board of directors is elected annually. In early 2021, we added three new directors with extensive real estate and capital allocation experience: Herman Bulls, Alison Hill and Craig Leupold. Our board remains 90% independent. Our board chair is also independent and separate from our CEO.

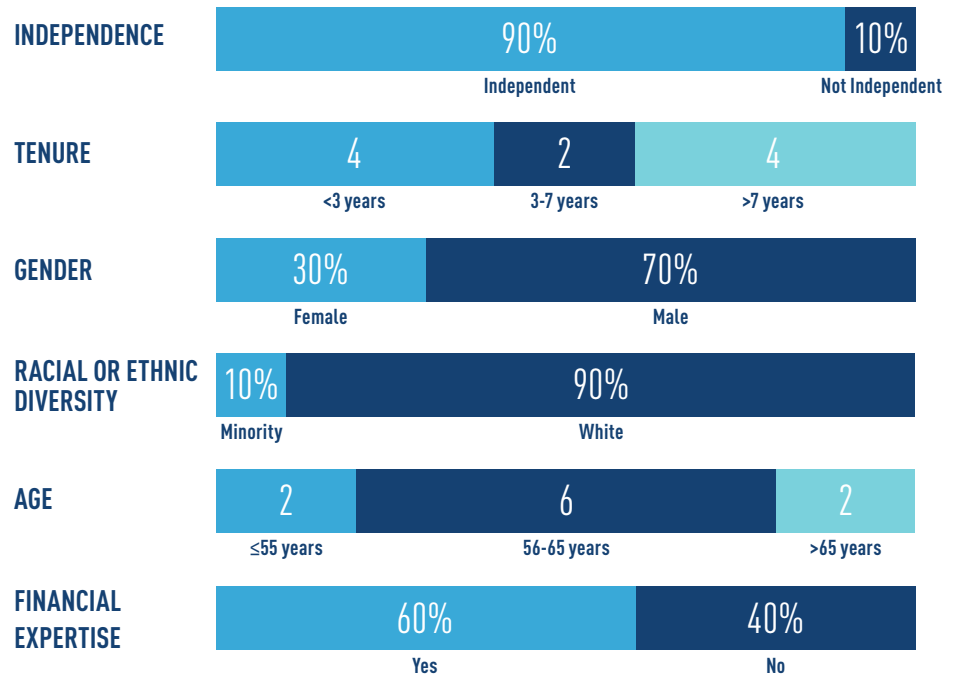
To take full advantage of our new directors' experience and expertise, we formed an advisory Capital Allocation Committee to evaluate capital allocation strategy and priorities to further improve investment strategies, net asset value creation and the quality of earnings growth.

Independent directors make up 100% of our board's primary committees:

- Audit Committee
- Nominating and Corporate Governance Committee
- Compensation Committee
- Capital Allocation Committee
- Strategic Planning and Risk Committee

BOARD DIVERSITY

Diversity is a priority in our board nomination process. We are proud that 40% of our independent board seats, including that of our incoming board chair Cydney Donnell, are held by women or people of color. Our Nominating and Governance Committee not only considers gender, age, race and ethnic diversity but also diversity of thought, background and experience. A diverse board provides a more robust, multidimensional perspective as well as better oversight in driving sustainable financial performance in today's rapidly evolving business environment.

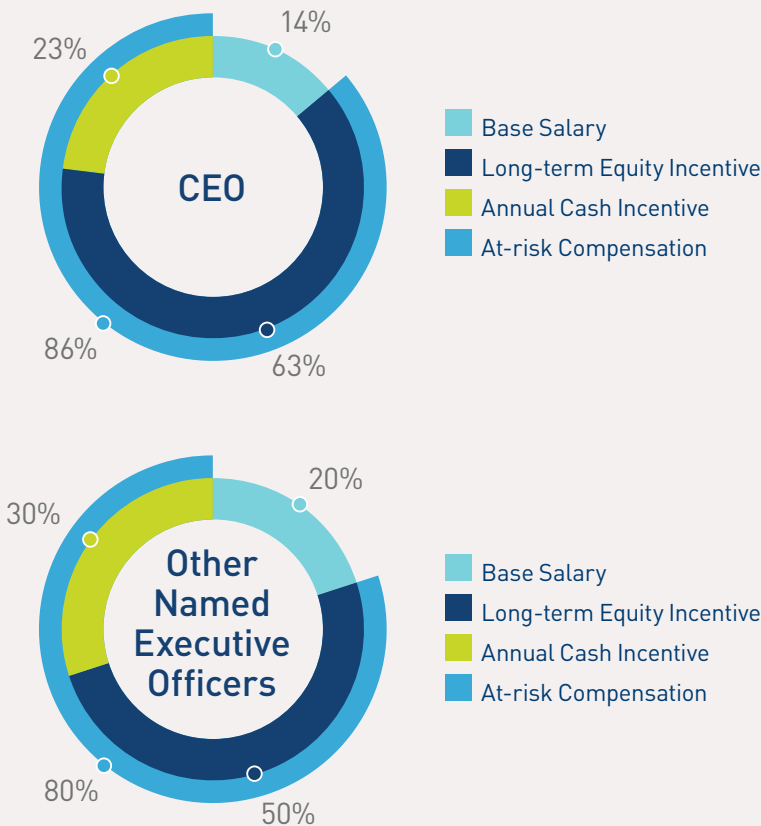


ESG Governance

EXECUTIVE COMPENSATION

ACC’s executive compensation programs are designed to attract, retain and motivate talented executives. They reward executives for meeting individual goals, and also link a substantial portion of compensation to the achievement of company goals that drive sustainable shareholder value.

2020 Direct Compensation Target



ETHICS & COMPLIANCE

Our ethical culture is rooted in our core value to “do the right thing.” We keep this culture strong by providing clear codes and policies for ethical conduct, backed by a company-wide infrastructure that supports compliance. This includes training and resources to help employees understand policies, make good decisions and recognize violations.

All ACC employees must follow our Code of Business Conduct and Ethics, which covers topics such as conflicts of interest, fair dealing and disclosure of proprietary information. All employees must review and affirm the Code each year. We also have a Code of Ethical Conduct for Senior Financial Officers.

Our Internal Audit Team performs key functions to support ACC’s ethical environment, culture and commitment to integrity. These include conducting an annual, entity-level control assessment based on the Committee of Sponsoring Organizations’ (COSO) internal control framework, including surveying executives through a COSO-aligned survey, and an annual fraud survey of all Sarbanes-Oxley framework process owners and participants to enhance our risk assessment.

We provide a whistleblower hotline administered by EthicsPoint, an anonymous hotline managed by a third-party service independent of ACC, for team members to report workplace concerns and issues. Any reports made through EthicsPoint are routed directly to our independent Audit Committee Chair on the Board of Directors. Our Internal Audit team, which reports directly to the Audit Committee, administers EthicsPoint and is also immediately notified of any report or complaint. Internal Audit oversees EthicsPoint-based investigations, and if the situation warrants, Human Resources, Internal Audit, Legal, the Board or an appropriate Board Committee will oversee a confidential investigation. Further, our Protection of Whistleblowers policy protects reporting employees against retaliation.

We have not had significant bribery, fraud or corruption issues in 2020 or in any prior reporting years. In addition, we had no legal actions for anticompetitive behavior, anti-trust, and monopoly practices in 2020 or any prior reporting years. Finally, we have an anti-harassment policy, which all employees have acknowledged.

Stakeholder Engagement

Our regular engagement with stakeholders enables us to transparently communicate our company's performance and receive feedback that helps us improve. In response to the COVID-19 pandemic, we moved many of our engagement events to virtual platforms.

INVESTORS

In 2020, our standing board chair and the incoming board chair individually held calls with shareholders of over 20% of our outstanding shares. Members of senior management and directors proactively engaged both passive and active shareholders in an ongoing annual review of ACC's corporate governance policies, board composition, executive compensation program, sustainability initiatives, long-term business strategy and other topics.

Additional investor touchpoints include:

- Annual stockholder meeting
- Quarterly earnings calls
- Investor meetings, conferences and web communications
- Engagement meetings with board (upon request)
- Reporting hotlines



To increase our frequency of communication with shareholders during the pandemic, we issued interim business update press releases.

RESIDENTS

We keep an open, two-way dialogue with residents through our resident life programs, Hi, How Are You Project mental health program, surveys and events.

Additional resident engagement programs include:

- Academic Success
- Health and Wellness (physical and mental)
- Sustainable Living and Education
- Employability/Career Focus
- Giving Back/Charity
- Financial Literacy
- Community Engagement (property community and local community)
- Resident Appreciation



Irvington House,
Butler University

Stakeholder Engagement

COMMUNITIES

ACC conducts robust community and neighborhood engagement programs for new developments. Additionally, we work in close partnership with local nonprofits to provide philanthropic support to the communities in which we are active. We also provide support and education to at-risk youth through the American Campus Charity Foundation.

Additional community interaction includes:

- Neighborhood and municipality outreach during new development (Good Neighbor programs)
- Local volunteer opportunities for residents
- Local volunteer opportunities for on-site team members



EMPLOYEES

Our quarterly CEO call, Inside Track and leadership development programs and open communication encourage regular discussion of business priorities and gathering of employee feedback.

Additional employee engagement includes:

- Culture committee events
- Company intranet site
- Wellness programs
- Annual and quarterly events
- Open door policy
- Whistleblower hotline



Cybersecurity and Data Privacy

We are committed to protecting the confidentiality, integrity and continued availability of ACC's data and systems. Our board and the Strategic Planning and Risk Committee oversee ACC's management of cybersecurity risk. While we have not experienced a material cybersecurity breach, we have developed processes and procedures — including incident response plans — to mitigate the risks posed by cyber attacks and other cybersecurity incidents.

ACC maintains a defense-in-depth cybersecurity strategy with multiple layers of controls throughout our technology systems. These include a dedicated security operations center managed by a third-party partner, training and ongoing assessment of employees and those with systems access, and voluntary third-party security assessments of our critical systems. We also hold a cybersecurity risk insurance policy and continually monitor the global threat landscape, adapting to changes as they emerge.

We are also committed to protecting the privacy of our employees, partners and current and prospective residents and their families. Our Privacy Policy, updated in March 2020, outlines the types of personal information we collect and how we handle that information. We have not only made a commitment to aligning with the California Consumer Privacy Act and General Data Protection Regulation where regulatory requirements exist, but have also developed a comprehensive, companywide privacy framework that goes well beyond legal requirements.

We researched leading global and state regulations and also worked with leading consultants and privacy attorneys to create the framework.

Every ACC employee completes annual, comprehensive trainings on data security and privacy awareness, which cover the latest privacy laws.



LightView,
Northeastern University

Business Continuity

We review our business continuity policies annually to ensure the safety of our employees, facilities and critical business functions in case of unforeseen or catastrophic events. In 2020, we strengthened our business continuity, crisis management and disaster recovery management programs. Our strong programs and policies have enabled us to continue all business processes, from accounts payable to customer service, during the pandemic without interruption and while maintaining health, safety and data security.



COVID-19 Response

In March 2020, ACC established eight objectives as our guidelines to follow during the pandemic. This report shares the programs and initiatives we implemented as a result.

1. Strive to maintain a healthy and academically oriented environment for our residents by following all CDC guidelines for cleaning, sanitization and social distancing while continuing to deliver essential services and ensure our state-of-the-art broadband service continues to be reliable to facilitate the delivery of online education.
2. Be compassionate and provide financial assistance and support to residents and their families who suffer a diminishment of income as a result of the COVID-19 crisis.
3. Strive to ensure that all ACC team members have a safe, healthy and productive work environment as they continue to deliver services to our residents and university partners and construct and deliver our development projects.
4. Work with ACC's P3 university partners to understand their unique challenges with regard to COVID-19 and assist them in implementing their plans and accomplishing their objectives.



5. Attempt to limit all negative financial and operational impacts to the period directly associated with this crisis and work to prevent negative financial impacts from carrying forward into the company's stabilized business model or from negatively impacting long-term valuations for ACC's portfolio and sector.
6. Adapt our marketing and leasing strategies to successfully complete the fall lease-up and work collaboratively with universities to return to a state of relative normalcy and stability for the 2020-2021 academic year.



7. Ensure the necessary balance sheet liquidity to withstand the duration of the crisis.
8. Reflect on the challenges faced during this black swan event and take note of the lessons learned so we can be better prepared for a future pandemic; improve ACC's future products, services and operational policies; and advance and refine our investment and capital allocation strategies, transaction structures and underwriting standards.