

CREATING A BETTER WAY TO LIVE

FOR PEOPLE, PLACES AND THE PLANET.

2022
Environmental,
Social and
Governance Report



**AT AVALONBAY, WE ARE FOCUSED ON
INTEGRATING OUR ESG PRACTICES INTO
EVERYTHING WE DO, INNOVATING WITH
PURPOSE AND PASSION, AND VALUING
THE IMPACT OF BOTH BIG AND SMALL
ACTIONS. IT ALL ADDS UP TO CREATING A
BETTER WAY TO LIVE — FOR ALL PEOPLE,
THE PLACES WE LIVE AND WORK, AND
THE PLANET AT LARGE.**

Featured on cover

Associates: James, Maintenance Manager; Sandy, Sales & Service Supervisor

Community: Avalon Towson, Towson, MD

This report contains forward-looking statements. Please see page 75 for more information.

FROM THE CEO

We are proud to share AvalonBay's twelfth annual ESG Report, which reflects our commitment to our valued stakeholders — including our associates, residents, partners, shareholders and lenders. Evident in all our efforts throughout 2022 was our shared purpose of *creating a better way to live*. We are on a path to improving our environmental performance and positively impacting the communities where we do business. And we strive to be among the best places to work, with a diverse team and inclusive culture where associates are welcome and supported with opportunities to thrive and grow. We drove excellent business results, responded quickly as market conditions evolved, and executed important growth initiatives that will make AvalonBay stronger going forward.

At AvalonBay, we believe that our focus on strong environmental, social, and governance practices is essential to fulfilling our purpose and will drive our long-term success. Our ESG leadership continues to be recognized, as reflected by being again named a Residential Global and Regional Sector Leader by the Global Real Estate Sustainability Benchmark (GRESB) and the Residential Leader in the Light Award winner by Nareit.

ENVIRONMENTAL

We are exploring and have implemented various environmental sustainability initiatives generating savings and reduced greenhouse gas (GHG) emissions through energy and water conservation, waste diversion, and renewable energy generation. In 2022, we continued to advance our progress on scope 1 and 2 emissions reductions, expanded our onsite solar program, and focused on addressing our scope 3 emissions through understanding the impact of embodied carbon in our new developments and working on a plan to educate and engage our residents around their environmental footprint. We continued to upgrade our

building design standards in 2022, with a focus on electrification of heating and cooking in new developments in certain regions. Electrification of our existing communities will be less straightforward and more challenging, and our teams continue to assess options and plan for the future.

SOCIAL

Throughout 2022 we increased our volunteer and philanthropic efforts through our Building Strong Communities program, now in its ninth year. With the return of in-person volunteering we were able to both serve those in need and forge stronger bonds with each other through over 8,000 volunteer hours. Our enduring commitment to inclusion and diversity was demonstrated through the growth of our seven associate resource groups and the launch of department-level inclusion and diversity action plans. We were also honored to be recognized as a Best Place to Work for LGBTQ+ Equality by the Human Rights Campaign and as a National Inclusion, Diversity and Equity Excellence Award winner by Associated Builders and Contractors.



ASSURANCE STATEMENT

As in prior years, we had the calculations of our 2022 annual energy, greenhouse gas emissions, water and community waste data independently verified or assured by Lloyds Register Quality Assurance, Inc (LRQA). Additionally, LRQA conducted a review of our ESG Report. LRQA is a leading provider of independent assessment services with recognition from over 50 accreditation bodies around the world. The full accreditation reports and assurance statements for the environmental data and ESG Report are aligned with the ISO14064-3 and ISAE3000 standards, respectively and can be found on our website at: <https://www.avaloncommunities.com/assurancestatement>; <https://www.avaloncommunities.com/esgreportassurance>

AVA RiNo
Denver, CO

GOVERNANCE

AvalonBay is committed to a comprehensive approach to corporate governance practices and the highest ethical standards. We also understand the importance of ESG in everything that we do. Again in 2022, ESG performance and metrics were included in the corporate component of the Company's annual bonus received by all eligible full- and part-time associates.

As I reflect on the ways in which we integrate ESG efforts into all aspects of our business, I am incredibly proud of what we, as an organization, have accomplished to date and, more importantly, of our steadfast commitment to making a difference in the future. We understand and are driven by a strong belief that our actions, both big and small, contribute to our shared purpose of creating a better way to live — for all people, the places where we live and work, and the planet at large.



Benjamin W. Schall
CEO and President

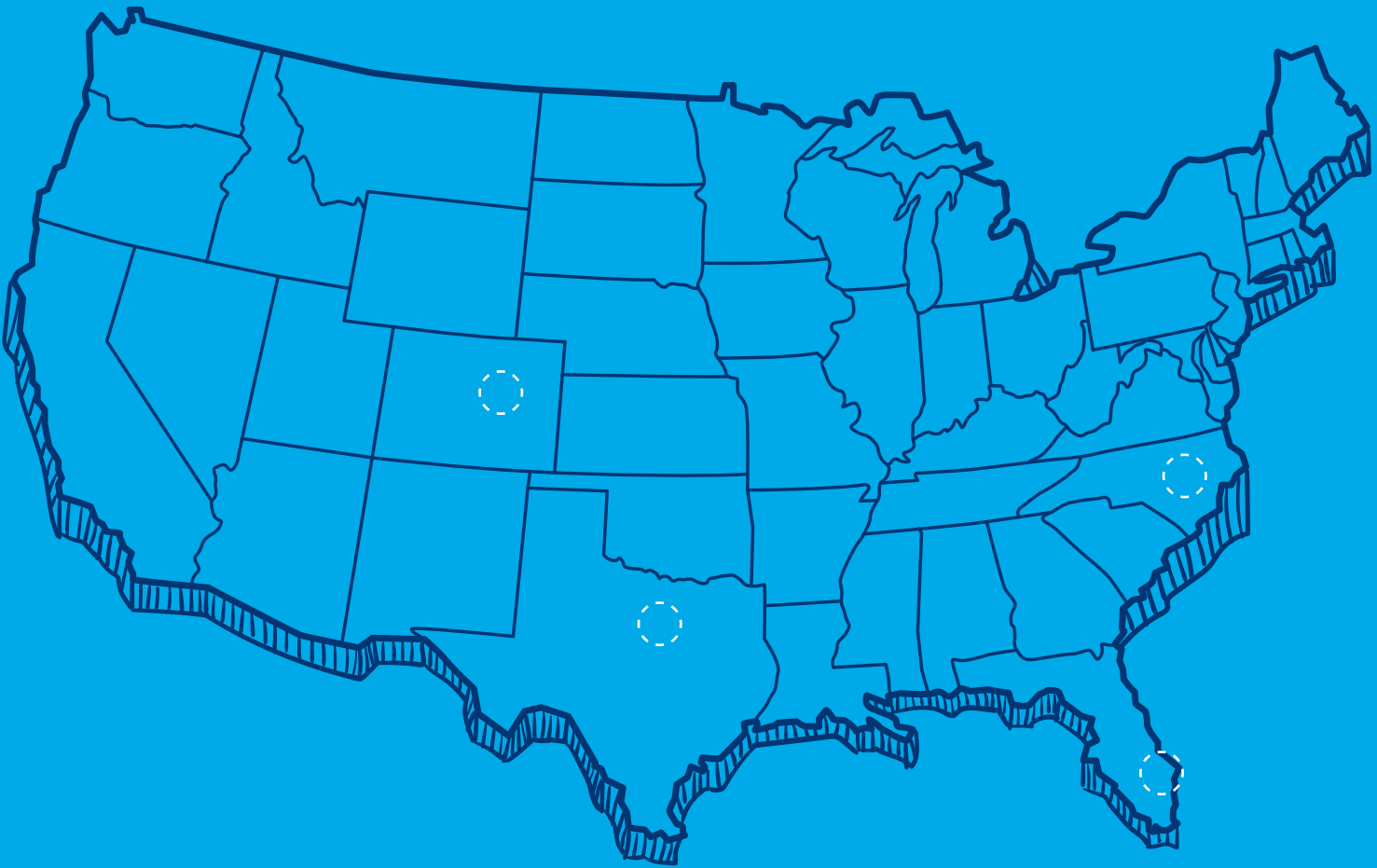
¹ As defined by the EPA: scope 1 emissions are direct greenhouse (GHG) emissions that occur from sources that are controlled or owned by an organization. scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling.

² As defined by the EPA: scope 3 emissions are the result of activities from assets not owned or controlled by the reporting organization, but that the organization indirectly impacts in its value chain.

PORTFOLIO OVERVIEW

PERCENTAGE OF HOMES BY MARKET (As of year end 2022)

7.3% WASHINGTON	14.8% NORTHERN CA	2.4% COLORADO	8.0% VIRGINIA	7.5% NEW YORK	11.1% NEW JERSEY	11.7% MASSACHUSETTS	3.5% FLORIDA
20.8% SOUTHERN CA	0.7% TEXAS	3.3% WASHINGTON, DC	7.1% MARYLAND	0.5% CONNECTICUT	1.2% NORTH CAROLINA		



20.1%+

10.1-20%

1-10%

EXPANSION MARKET



147K

RESIDENTS



88K

HOMES

(including those under redevelopment or construction)

2,961

ASSOCIATES

ESG FRAMEWORK

OUR PURPOSE: CREATING A BETTER WAY TO LIVE

ENVIRONMENT

Climate change
Emission reductions
Energy efficiency
Green design and construction
Renewable energy
Waste management
Water efficiency

COMMUNITY

Community investment
In-kind giving
Philanthropy
Volunteering

ASSOCIATES

Awards and recognition
Compensation and benefits
Cultural norms
Engagement
Health and safety
Inclusion and Diversity
Talent attraction, development and retention

RESIDENTS

Apartment greening
Brand and reputation
Customer service
Engagement

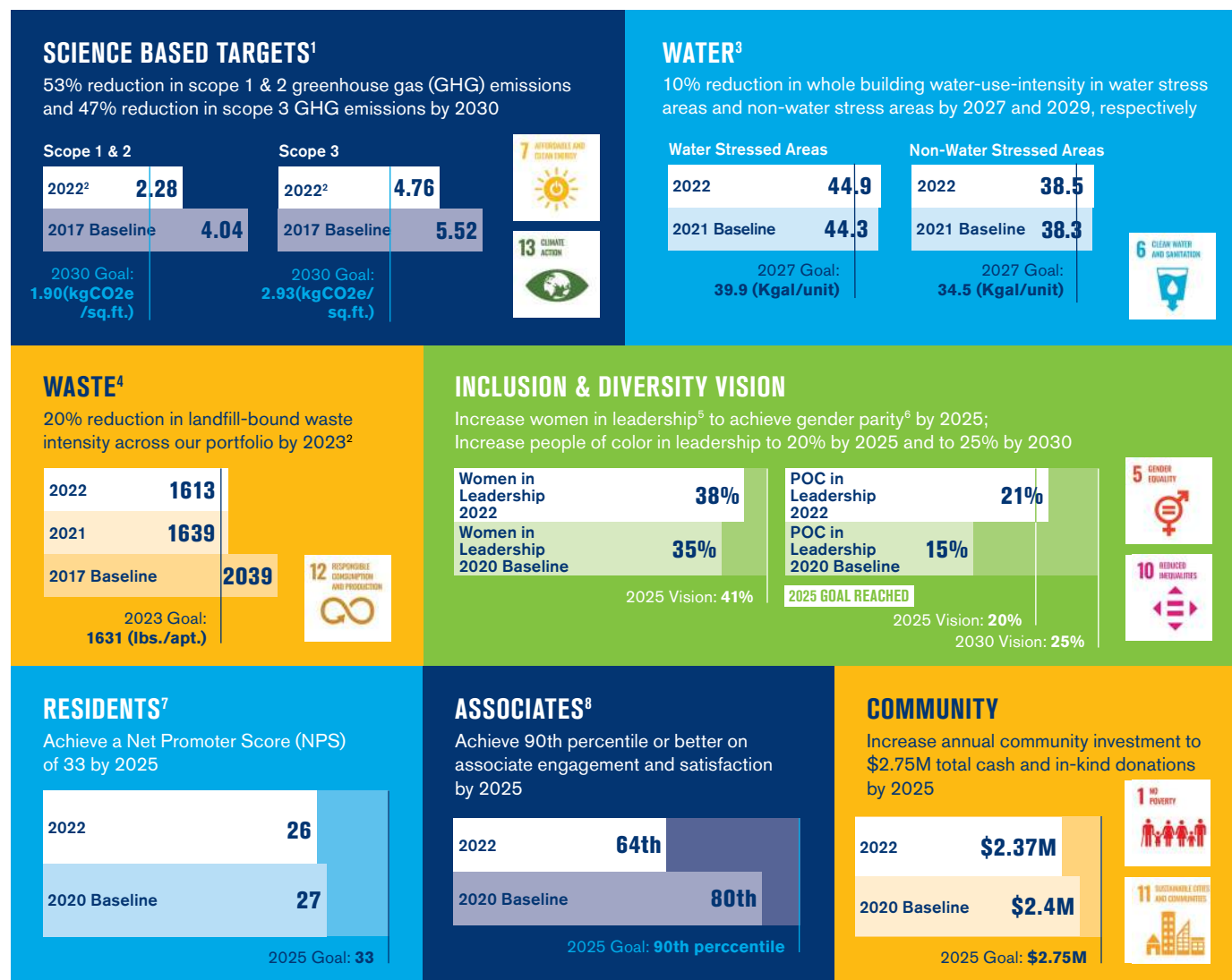
GOVERNANCE

Cyber security
Ethics and compliance
Financial reporting
Investor relations
Responsible human rights
Sound Board and management practice
Supply chain



ESG GOALS

We are proud of the advances made in 2022 towards our long-term ESG Goals. We continued progress towards our science-based targets, with a 43.6% reduction in scope 1 & 2 emissions and a 13.9% reduction in scope 3 emissions (both since the 2017 baseline). We have exceeded our 2025 inclusion and diversity vision for people of color in leadership and continued to make progress on increasing women in leadership. Additionally, we've continued to work toward our goals for residents, associates, the community and waste. Our targets are aligned with 8 of the 17 United Nations Sustainable Development Goals (SDGs), which are goals created as the blueprint to achieve a better and more sustainable future for all.



¹ We will consider whether we align our SBTs prior to 2025 to align with the current requirement of 1.5 degrees versus our targets, which align with the 2 degree scenario that was allowable at the time our SBTs were approved.

² Our scope 1 & 2 SBT includes market-based scope 2 emissions. Our scope 3 SBT includes the following categories: Category 1 (Construction/Development Spend), Category 5 (Waste), and Category 13 (Downstream Leased Assets).

³ This is one of five new water goals, which can be viewed on page 17. This goal has changed from a common area specific goal to a whole building goal based on greater accuracy of data collection.

⁴ To normalize data and to control for any shifts in waste and recycling numbers related to portfolio changes, we will calculate this goal using a pounds per apartment (lbs./apt.) intensity metric.

⁵ Leadership is defined as director-level associates and above.

⁶ Please note that parity is defined as achieving a level within +/-2% of the available workforce (41% in our baseline year of 2020), when we set our baseline, as calculated using third-party resources by level, function and geography. Derived using TalentNeuron which uses Census NAICS industry codes, years of experience, education and 65K sources of data including Census, job boards, a proprietary database and Gartner Insights.

⁷ We calculate the target on properties that are stabilized for a full two calendar year period.

⁸ We use external benchmarks from our vendor, as well as historical three-year average data, in arriving at our engagement goal. The survey is conducted annually.

2023 INITIATIVES

Each year we establish an ESG business plan to guide our efforts. This plan is reviewed with our Board of Directors (and/or its Nominating, Governance and Corporate Responsibility Committee) and developed alongside key internal stakeholders. Our 2023 initiatives include:



EMBODIED CARBON

Begin integration of formal embodied carbon tracking policy in the design and development process. This will become the basis of our embodied carbon reduction program aligned to our science-based targets.



BIODIVERSITY

As a follow-up to our portfolio-wide assessment in 2022, implement a policy to assess and address impacts of biodiversity during the due diligence of all new developments and acquisitions.



SOLAR DEVELOPMENT

Build upon our 51 communities with solar photovoltaic (PV) systems currently generating 6.97 MW of electricity through 29 solar projects representing an additional 8.8 MW including 3 pilot resident solar projects generating roughly 1.9 MW of electricity.



GREEN LEASING

Green lease language to be included in residential leases beginning in 2023 in an effort to educate and encourage impact reduction and efficiency-minded behavior.



DEMAND RESPONSE AND SMART BUILDINGS

Continue to evaluate an expansion of the demand management program across the entire portfolio and leverage the full capabilities of the data for both demand response and utilities procurement.



INNOVATION

Continue to grow our limited partner (LP) relationship and pilot new technologies identified by Energy Impact Partners (EIP), whose investments focus on companies decarbonizing the built environment.



MATERIAL CHOICE

Participate in the inaugural mindful MATERIALS Owners' Forum to collaborate with like-minded organizations looking to reduce the embodied impacts of our building stock through a consistent and comprehensive definition of healthy materials. Aligned industry definitions will help make procuring healthier and sustainable materials more accessible.



AMERICAN RED CROSS PARTNERSHIP

Support the ninth year of our Disaster Responder Partnership, donate 500 pints of blood and continue the important work of ensuring our associates, residents and the communities where we do business are better prepared for emergencies and disasters.



NATIONAL URBAN LEAGUE (NUL) PARTNERSHIP

Support the third year of our partnership, which is managed by our Black Associate Coalition (BAC). Provide \$150,000 in support and engage at a national level, with regional affiliates and through NUL Young Professional memberships for BAC associates.



ASSOCIATE RELIEF FUND AND VACATION DONATION PROGRAM

Continue to support and enhance the AvalonBay Associate Relief Fund, which provides help to associates facing financial need immediately after a personal hardship, and the Vacation Donation Program, which allows eligible associates to donate vacation time to help others who are experiencing hardship related to a medical emergency.



BUILDING STRONG COMMUNITIES

Invest \$2.4M cash and in-kind donations with our philanthropy partners, including volunteering at least 10,000 hours and achieving 50% associate participation in volunteering.



INCLUSION & DIVERSITY

Continue to drive and support AvalonBay's Inclusion & Diversity strategy by implementing department-specific plans, supporting seven associate resource groups and participating in at least three external I&D surveys or indices.



RESIDENTS

Maintain customer satisfaction scores and engage residents in environmental sustainability, Inclusion & Diversity and through our Building Strong Communities philanthropy program.

2022 ESG HIGHLIGHTS

\$2.37M

Total cash & in-kind
donations to
philanthropy partners



Jordan
Finance Manager

87,665

hours of **training** completed
by associates



Michele
Executive Assistant



43.6%

SCOPE 1 & 2

13.9%

SCOPE 3

Cumulative reduction made against our
science-based targets



673

Smart level 2
chargers

272

associates
participated in the
**mentorship
program**

1,145

Level 2
charger outlets

287

properties assessed
for **biodiversity risk**



Avalon Bothell Commons
Bothell, WA



16

associates received over
\$56K

from our
Associate Relief Fund



32

Associates
received **tuition
assistance**

13

**Academic
scholarships**
awarded



405

Pints of blood
donated

\$2.25B

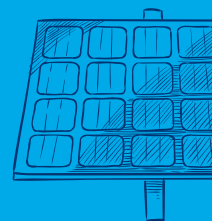
sustainability
linked credit
facility

Leaves Wilmington West
Wilmington, MA

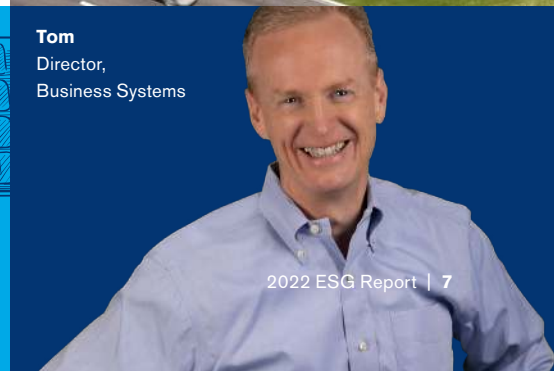


Increased operating
solar PV systems
from 4.72MWs to

6.97MWs



Tom
Director,
Business Systems



ESG REPORTING & RECOGNITION

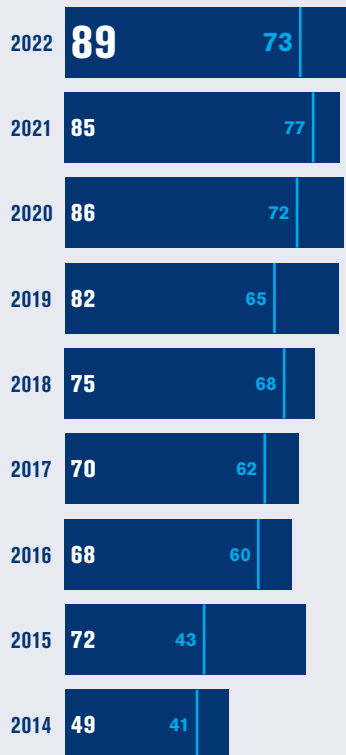
The purpose of this report is to provide information related to AvalonBay's environmental, social and governance (ESG) activities and performance, which includes information relevant to our business and stakeholders. This report follows the GRI-G4 Sustainability Reporting Guidelines and sector-specific guidelines for real estate and construction. We also align with the United Nations SDGs (page 5), the Sustainability Accounting Standards Board (SASB, pages 67–68) and the Taskforce on Climate-related Financial Disclosures (TCFD, page 69).

We also participate in and provide reporting through the Global Real Estate Sustainability Benchmark (GRESB) and CDP. A number of ESG third-party rating agencies continue to rank us as one of the most advanced US companies in our sector with respect to ESG matters. Below is a list of the recent ESG awards presented to AvalonBay, as well as the industry organizations we partner with to support and evolve our ESG efforts.



GRESB SCORE OVER TIME

AvalonBay Peer Average¹



ESG AWARDS & RECOGNITION

GRESB Global & Regional Sector Leader
FOR THE SECOND TIME

CDP "A-" Climate Change Score

Human Rights Campaign —
Best Place to Work for LGBTQ+
Equality **1ST YEAR ON LIST**

Associated Builders and Contractors —
National Inclusion, Diversity and Equity
Excellence Award

Washington Post Best Places
to Work 2022

Nareit's 2022 Residential Leader
in the Light Award

Newsweek America's Most
Responsible Companies 2022
4TH YEAR IN A ROW

3BL Media's global list of 100 Best
Corporate Citizens **5TH YEAR ON LIST**

MSCI "A" ESG Rating

ISS ESG Corporate Rating "Prime" Status

Ranked #36 (out of 100) —
Engineering News Record's
Top 100 Green Contractors

Ranked #10 (out of 50) —
World Benchmark Alliance 2023
Buildings Benchmark

HIGHLIGHTED MEMBER ORGANIZATIONS

Boston College Center for
Corporate Citizenship

CEO Action for Diversity & Inclusion
mindful MATERIALS

National Association of Real Estate
Investment Trusts (Nareit)

National Multifamily Housing Council
(NMMC)

Real Estate Round Table —
Sustainable Policy Action Committee

Urban Land Institute (ULI) Greenprint
Center for Building Performance

U.S. Green Building Council (USGBC)

¹ Peer group constituents consist of the following: AIR Communities, Bridge Multifamily Fund IV, Bridge Workforce & Affordable Housing Fund, Camden Property Trust, Centerspace, Equity Residential, Essex Property Trust, Mid-America Apartment Communities, UDR, Inc. and Varia US Properties.

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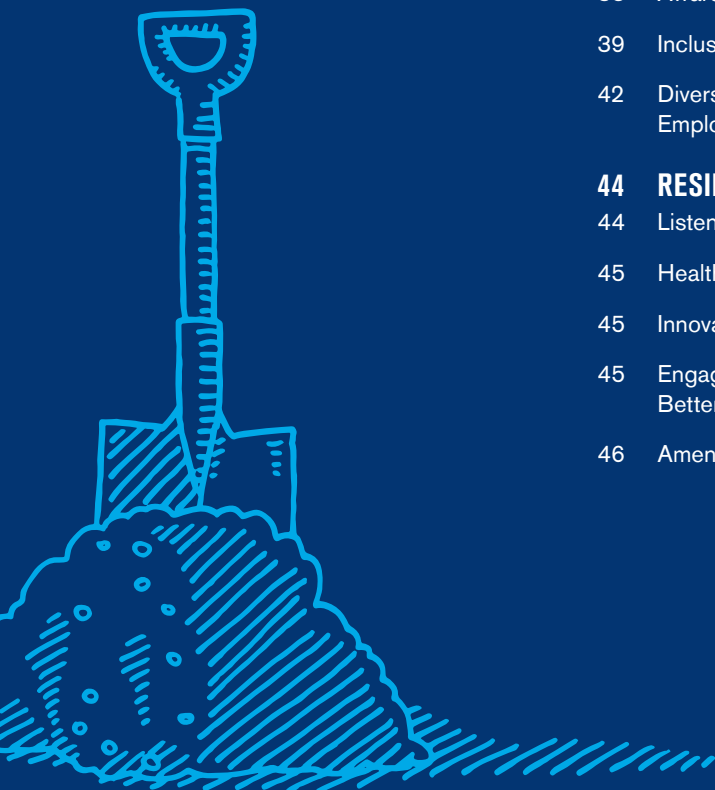
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FOR OUR PLANET IT ALL ADDS UP

One way we create a better way to live is by integrating environmental, social and governance (ESG) considerations into the policies and practices we use to interact with stakeholders and run our business. In the following section, we outline our 2022 progress on our science-based targets (SBTs), waste and water goals, and the activities and programs developed to support environmental sustainability at AvalonBay.

2022 ENVIRONMENTAL SUSTAINABILITY HIGHLIGHTS

In 2022, we continued to make progress on our environmental sustainability efforts and programs. Highlights include:

- Reduced our scope towards our SBTs by reducing our scope 1 & 2 emissions by 43.6% and our scope 3 emissions by 13.9% since our baseline year of 2017.
- Joined inaugural mindful MATERIALS Owners' Forum to support industry transformation and alignment around the definition of healthy, sustainable materials. This Forum is focused on driving collaboration and creating tools to support better material choices and procurement.
- Advanced pilots and policy development for the tracking of embodied carbon in all new developments.
- Updated our policy to ensure that all new developments and acquisitions are assessed for the 14 climate risks identified in our climate and emissions risk dashboard.
- Achieved LEED certification for two additional communities, bringing the total certified communities to 63.
- Continued our focus on implementing water reduction best practices and new technologies first in areas of water stress and then more broadly across the portfolio.
- Advanced our renewable energy program with the completion of 2.25 MW of solar installed in 2022 and another 7.91 MW of completions planned for 2023.
- Increased procurement of renewable energy to 95% of the total procurable common area electric load.
- Maintained focus on the proliferation of building performance standards across our portfolio and any associated compliance requirements.
- Continued progress on waste diversion with our Waste Task Force identifying ways to reduce our waste, divert more from landfills and minimize contamination in our recycling streams.

We are proud of the various environmental sustainability initiatives generating savings through energy and water conservation, waste diversion, and renewable energy generation. We are setting the stage to place AvalonBay at the forefront of the energy transition through decarbonization, emissions reductions, waste diversion, and by establishing an approach to mitigate the effects of climate change across our portfolio. We will continue to transparently measure our progress and report publicly on these areas in future ESG Reports.

For a full view of our commitments related to environmental sustainability please read our publicly available Environmental Policy: <https://www.avaloncommunities.com/environmentalpolicy> and Environmental Management System (EMS): <https://www.avaloncommunities.com/ems>

CLIMATE

We make it a priority to assess acquisitions, existing communities, and future developments for climate risks and identify related mitigation tactics. We continue to focus within the cities and markets where we do business to develop climate resiliency plans for our portfolio. In addition, our partnership with the American Red Cross remains an important way for us to prepare our residents and associates for the effects of stronger storms and more frequent climate-related events now and in the future.

PHYSICAL RISK & RESILIENCY

We have incorporated our Climate and Emissions Risk Dashboard into our current and future acquisition, disposition, and capital improvement decisions to better understand physical risk exposures. The Dashboard provides a framework used to analyze each against the 14 established climate risks and ensures that we explore plans for climate mitigation actions as needed. This process is outlined in our AvalonBay Building Certified and Climate Resiliency Policy. The Dashboard addresses the following climate risk factors:

- Pluvial Flooding (rainfall)
- Fluvial Flooding (riverine)
- Hurricane
- FEMA flood rating
- Wind
- Tornado
- Earthquake
- Tidal Flooding (sea-level rise)
- FEMA NRI
- Wildfire
- Tsunami
- Future: Extreme Drought

- Future: Extreme Heat
- Future: Extreme Rainfall

In addition, we calculated absolute emissions and emission intensities for each property which allowed us to integrate emissions and climate risk into one dashboard.

To address climate risk across our portfolio, our Climate and Emissions Risk Dashboard provides us portfolio-, neighborhood- and building-level perspectives relative to climate risks. We also consider regulations and statements made by local and state government leaders, sustainability industry experts, non-governmental organizations and various internal stakeholders when determining overall climate risk. The future risks identified above are assessed with scenario analysis using Representative Concentration Pathways (RCPs) which model the effects of the level of effort taken globally to curb climate change. Each community in our portfolio has been assessed using RCP 4.5 (moderate efforts made) and 8.5 (minimal efforts made) across 2030, 2040 and 2050 time horizons to illustrate future possible impacts.

Identified risks and opportunities are mapped according to type and time horizon (short, medium, or long term) and then aggregated based on financial or strategic impact. The categorization of the risk or opportunity defines the approach we take to address it. Further information on our climate-related matters can be found in our public CDP response.

TRANSITION RISK

We are also actively monitoring various forms of transition risks including regulatory, technological, economic, legal and/or reputational risks that may create impact resulting from the shift in focus to a low carbon future. Using the Carbon Risk Real Estate Monitor (CRREM) methodology, we have assessed our portfolio against its decarbonization pathways to understand potential years

in which our assets will be considered “stranded” (prematurely devalued) due to their emissions profile and local regulations.¹ In an effort to make the CRREM data models more applicable to our asset class and the US market, we are collaborating with industry peers through ULI Greenprint to help CRREM refine and expand their US data sets. In 2023, we will be partnering with our Asset Management and Engineering teams to create a process to incorporate these transition risks into our capital planning, investment and development decisions in our most impacted markets. Longer term, continued partnership with our Design and Development teams will be important to ensure new communities are accounting for future building performance standards in the design and development process.

This work is very timely given the proliferation of building performance standards in our operating markets. Regulations like LL97 in New York, BERDO in Boston, and DCBEPs in Washington, D.C. are spreading across our portfolio. In areas where legislation does not currently exist, we are working with our Asset Management and Engineering teams to continue to prioritize building energy efficiency and emission reductions in line with regulatory trends. We continually monitor for new building performance standards and update our Energy and Climate Legislation Dashboard with current and expected future legislation. In 2023 we hope to combine the Energy and Climate Legislation Dashboard with our Climate and Emissions Risk Dashboard so the team can begin to visualize key physical and transitional risks in one location.

¹ The CRREM report we executed with GRESB uses v2-11.01.2023 of the Global CRREM Pathways. It's important to note that all GRESB multifamily properties are recognized the same in CRREM.

EMISSIONS

In 2019, we set ambitious science-based scope 1, 2 & 3 emissions' reduction targets. We strive to reduce our carbon emissions, and achieve our SBTs, through activities such as our onsite solar development, energy efficiency programs, sourcing green electricity, and embodied carbon assessments. We also ensure that most new mid- and high-rise development communities achieve green building certification.

SCIENCE BASED TARGETS (SBTs)¹

In 2022 we achieved a 11.1% reduction in our scope 1 & 2 emissions, which brings us to a cumulative reduction of 43.6% for scope 1 & 2 since our 2017 baseline year. Our scope 3 emissions increased by 9.5% in 2022, which is primarily attributable to increased development activity compared to 2021. A smaller portion of this increase is related to resident emissions due to a greater number of residents who are working from home relative to our 2017 baseline. While our scope 3 emissions increased in 2022, we have still made progress against our scope 3 baseline with a cumulative reduction of 13.9%. We remain focused on building a program that will create meaningful progress towards our SBTs in 2023 through new and established programs outlined throughout the Emissions Section of our report.

RENEWABLE ENERGY

We continued to expand our renewable energy program in 2022 as outlined in the sections below.

Green Electricity Procurement

In 2022, we increased our green electricity procurement to cover 95% of our procurable common area electric load, which amounts

to roughly 92,743,000 annual kWh. All green electricity is sourced from renewable generation, such as wind and solar. We will continue to procure green energy moving forward.

Onsite Solar PV Generation

Onsite solar is an important part of our scope 1 & 2 emissions' reduction plan. In 2022, we activated an additional 13 solar panel systems representing 2.25 MW. At year-end 2022, AvalonBay has completed a total of 51 solar sites operating with 6.97 MW of solar. There are an additional 29 sites in design and development that represent 8.79 MW of solar.

Residential Solar Pilot

In 2022, we began an expansion of our onsite solar program to include three communities in California that will produce enough electricity to offset the entire community load, including the load of our residents. Residents will have the opportunity to reduce their carbon emissions and receive discounted power relative to market pricing. This pilot is particularly compelling because it couples resident engagement with scope 3 emissions' reductions. We are hopeful this program can be expanded throughout California and, eventually, in other markets as applicable regulations become more widespread.

Community Solar Pilot

We also plan to expand our solar program through a six location Community Solar pilot in the Mid-Atlantic. We are looking forward to connecting our communities to local renewable energy programs that will allow our residents to receive discounted power relative to market pricing and support the greening of the grid. Like our Resident Solar Pilot, this is an exciting platform to engage our residents in environmental initiatives and to reduce AvalonBay's scope 3 emissions.

¹ Per mandates from SBTi, we will be required to restate both of our SBTs in 2025 to move to align to 1.5°. Before restatement, we will reevaluate the scope, boundaries and baseline of our current 2023 targets.





Avalon Marlborough
Marlborough, MA

ENERGY EFFICIENCY

We completed construction of five communities in 2022, consisting of 1,858 apartment homes. Thanks to our sustainability standards for new construction, these communities will generate considerable electricity savings each year compared to prior construction methods and are expected to reduce heating and cooling loads compared to minimum code requirements.

Demand Management and Interval “Smart” Metering

Our demand response and smart building data program includes 51 communities. Utilization of our continuous demand management generated \$475,000 in net annual savings in 2022 from demand response payments, capacity cost reductions, and savings associated with the implementation of various energy efficiency measures that reduced energy consumption and peak demand. This translates to a 762 kg CO₂e emissions reduction.

AvalonBay associates enable a 2MW reduction in electrical utility grid stress by planning in advance of demand response events and adjusting items like the HVAC system accordingly.

Our smart building operations platform monitors our portfolio of Combined Heat and Power (CHP) generation coast-to-coast to maximize energy conservation and carbon reductions, and now supports battery storage dispatch optimization. The platform has expanded to support smart thermostats, water efficiency devices and preventative maintenance protocols.

Smart Thermostats

In 2022, AvalonBay installed 178 new smart thermostats across 17 communities in 6 states for use in common areas. The smart thermostats have been programmed with set point schedules and night-time setbacks to promote energy conservation and resident comfort. Our smart building data platform provides real-time temperature and humidity alerts when critical thresholds are breached, allowing our community managers to monitor critical building health metrics at all times. Communities will utilize their new smart thermostats to participate in demand response programs, where available, in 2023.

Product Pilots

To further expand our energy reduction program, we are continually testing new products across our portfolio to broaden the tools we use to curb emissions generated by our communities. Below, we have highlighted some of the products we are most excited about.

Parity

Parity is a Heating, Ventilation, and Air Conditioning (HVAC) Energy Management as a Service (EMaaS) provider currently being piloted at our Avalon Clinton South community. Given its early success, we plan to expand this pilot to our Avalon Clinton North and Midtown West communities in 2023. We expect the current project to deliver roughly \$41,000 in savings annually with an anticipated payback of just over 2 years. These cost and

energy savings are provided through the following reduction and monitoring measures:

1. Installation, monitoring and control of new variable frequency drives (VFDs) on existing air-handler fans
2. Integration with existing building automation systems (BAS) for optimization of performance (set points, schedules, set-backs)
3. Reset of domestic hot water (DHW) supply temperatures
4. Speed resets of existing circulators with VFDs
5. Air and water temperature monitoring
6. Electrical sub-meter monitoring

AeroBarrier

AeroBarrier is an air sealing system that pressurizes units during construction and then uses aerosolized caulk to fill small holes. We piloted this product at Avalon Brighton, and though installation of this product slightly increased time in the schedule, all blower door tests were passed on the first attempt. We plan to compare the energy, acoustical and olfactory performance of units with and without AeroBarrier to gain a more comprehensive understanding of the product's benefits. AeroBarrier helps to compartmentalize our apartment units, which should not only result in various benefits for our residents but will also help reduce our scope 3 emissions.

OTHER ENERGY EFFICIENCY EFFORTS

Resident Services Utility Dashboard

The decisions made by our associates each day directly impact our ability to reduce emissions in our communities. In an effort to provide associates with the information needed to make more climate focused decisions, we are creating a dashboard that will pair building specific utility consumption with data from any other installed smart building technology. We're hopeful that this dashboard and associated smart technologies will provide the insight needed to minimize leaks or energy loss while better informing future decision-making.

Resident Engagement

As part of AvalonBay's broader emissions reduction strategy, we know that residents have an important role to play in lowering our scope 3 emissions. As such, we are incorporating resident engagement into our emissions reduction plan to include an open dialogue where AvalonBay communicates reduction opportunities to residents and residents are able to give feedback and suggest conservation measures. Communications will occur throughout the year in various formats such as email, survey and signage. We also formally survey our residents periodically as part of our materiality assessment, a process we most recently conducted in 2022, with the overall results shown on page 56.

NEW JERSEY BUILDING ELECTRIFICATION PILOTS

AvalonBay is currently assessing the large-scale viability of switching our new developments to all electric heating using New Jersey locations for testing. At our Wayne, NJ location, we are piloting the use of all electric HVAC and hot water in the garden and mid-rise style buildings. We are also switching to all electric HVAC in our West Windsor and Princeton Shopping Center locations. In 2023, we plan to revisit our HVAC and hot water design standards using our lessons learned from these pilots.

Battery Storage

We continue to learn from the battery storage system installed at AvalonBay White Plains in 2021. For the second year in a row, the system proved to be a valuable demand response revenue source during critical summer months. This system generated year-over-year utility savings of 18%. While local regulations and existing site plans impact our ability to more broadly implement this strategy, we continue to evaluate the portfolio for opportunities.

Green Leases

The actions of our residents and retail tenants have a significant impact on our scope 3 emissions. Green leases are becoming an industry standard for creating alignment through lease language to promote emission reductions and sustainable practices. All new residential leases and renewals beginning in 2023 will include new green lease language. We are also finalizing green lease language that will be implemented in our retail leases in addition to updated retail tenant buildout guidelines.

SUSTAINABLE DEVELOPMENT & ACQUISITION

CERTIFICATIONS

We see building certification as a tool for building more efficient and sustainable buildings. The pursuit of these certifications allow us to meaningfully reduce our environmental impact.

Certified Communities

Our AvalonBay Building Certified and Climate Resiliency Policy ensures we are integrating climate risk assessments and environmental building certifications into standard operating procedures. This policy requires all new developments and acquisitions to complete a third-party climate risk assessment that evaluates the physical climate risk associated with a particular location across 14 different categories. The policy outlines expectations that all new mid- and high-rise communities pursue environmental building certification. Sixty-three communities have earned one or more environmental certifications to date, while an additional 30 are currently pursuing certification. This brings the total number of communities in our portfolio either pursuing or having achieved an environmental certification to 93.

In 2023, we plan to update our Building Certified Policy to more specifically outline the sustainability attributes all projects must pursue regardless of certification to drive alignment between our new developments and long-term environmental goals.

Certified AvalonBay Offices

OFFICE	CERTIFICATION/S
Arlington, VA	LEED Commercial Interiors Gold, Fitwel 1 Star Certified
Bellevue, WA	ENERGY STAR Certified, LEED EB Platinum
Boston, MA	LEED Commercial Interiors Gold
Irvine, CA	LEED EB Platinum, ENERGY STAR Certified
Los Angeles, CA	LEED EB Silver, ENERGY STAR Certified
New York, NY	ENERGY STAR Certified

SUSTAINABLE MATERIALS PROCUREMENT

Understanding the embodied impacts of our building materials is imperative to building truly healthy and restorative spaces. Through our work below, we are expanding our ability to meaningfully procure materials that reduce the embodied impacts of our apartments.

Avalon Alderwood
Lynnwood, WA

63 COMMUNITIES HAVE ACHIEVED ONE OR MORE ENVIRONMENTAL CERTIFICATIONS

WITH 30 ADDITIONAL
COMMUNITIES
CURRENTLY PURSUING
CERTIFICATION



ENERGY STAR

AVA Ballard
AVA Fort Greene
AVA Queen Anne
Avalon Albemarle
Avalon Norwood
Avalon Saugus
Avalon Statesman
Avalon Sudbury
Residences Hingham Shipyard
Avalon Easton II
Avalon Woburn

LEED FOR HOMES

Avalon Alderwood I

LEED FOR HOMES GOLD

AVA Hollywood
AVA Little Tokyo
AVA North Hollywood
Avalon Dogpatch
Avalon Huntington Beach
Avalon Irvine III
Avalon Ocean Avenue
Avalon Princeton
Avalon Public Market
Avalon Teaneck
Avalon West Hollywood
Avalon Edgewater II
Avalon Glendora

LEED FOR HOMES PLATINUM

Avalon Hayes Valley

LEED FOR HOMES SILVER

AVA Esterra Park
AVA Wheaton
Avalon Alderwood II
Avalon Baker Ranch
Avalon Boonton
Avalon Chino Hills
Avalon Dublin Station II
Avalon Irvine II
Avalon Maplewood
Avalon Morrison Park
Avalon Newcastle I
Avalon Piscataway
Avalon Vista
Avalon Walnut Creek II

LEED NC

AVA Ballard
AVA Capitol Hill
Avalon Esterra Park
Avalon Mission Bay III
Avalon Walnut Creek

LEED NC SILVER

AVA DoBro
AVA North Point
AVA Queen Anne
AVA Theater District
Avalon 555 President
Avalon Belltown Towers
Avalon North Station
Avalon Potomac Yard
Avalon Towers Bellevue
Avalon Willoughby Square
Park Loggia

LEED NC GOLD

AVA 55 Ninth
AVA High Line
Avalon West Chelsea

LEED MULTIFAMILY MID-RISE

Avalon Alderwood Place

NAHB GREEN CERTIFICATION BRONZE

Avalon Rockville Centre

FITWEL (1 STAR)

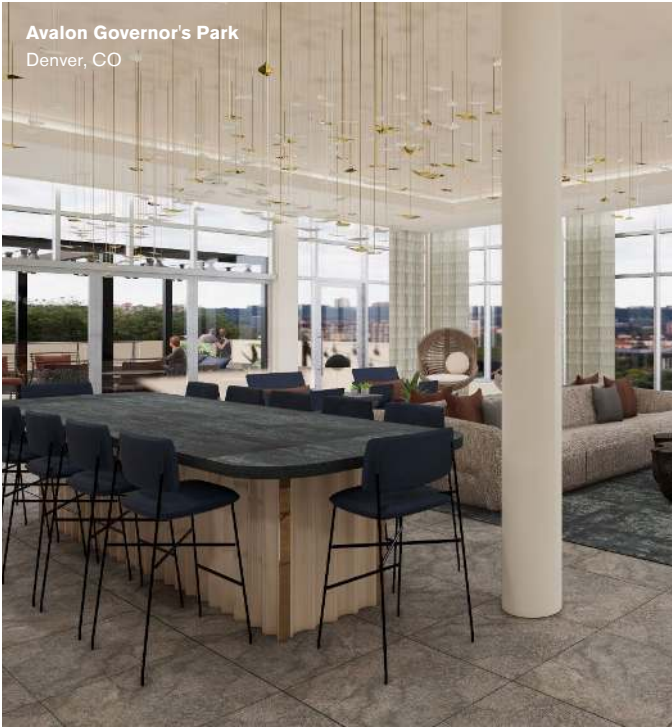
AVA NoMa
Avalon First and M

NGBS SILVER

Avalon Denver West
Avalon Towson



AVALONBAY HAS 38 INTERNAL GREEN DESIGN STANDARDS INCLUDING REQUIREMENTS FOR SOLAR PV, HVAC, EV CHARGING INSTALLATION, LIGHTING AND APPLIANCE EFFICIENCY, LANDSCAPE DESIGN AND BIKING INFRASTRUCTURE



Avalon Governor's Park
Denver, CO

MODULAR/PANELIZING PILOT

At Avalon Governor's Park in Denver, CO, we are piloting the use of prefabricated wall panels by Infinity Structures. This is our first time using the product for interior and external walls, so we plan to assess installation efficiency and quantify other benefits such as decreased material waste.

Embodied Carbon

The development of new apartment communities creates environmental impact even before the first residents move in. Embodied carbon represents our second largest scope 3 category underscoring its importance. As such, we are finalizing a policy that requires all new developments across our portfolio to conduct life cycle assessments (LCAs) to better understand their embodied carbon impact. Additionally, we are retrospectively completing LCAs for buildings developed in 2017 (our SBT baseline year) to better understand how our impact may have changed over time. This will help benchmark our portfolio, identify potential embodied carbon intensity metrics and/or reduction targets to inform our program's evolution.

Healthy Materials

The definition of healthy materials has long been unclear and constantly changing. Industry alignment around definition is important to ensure consistent specifications across the industry, and to send a clear market signal to manufacturers about market demand for product transparency and sustainability. Mindful MATERIALS created the Common Materials Framework that looks at holistic material attributes including human health, climate health, ecosystem health, social health and equity, and circular economy. In an effort to show our continued sustainable material leadership, AvalonBay proudly became one of the founding members of the mindful MATERIALS Owners' Forum, a group focused on making healthy and sustainable material procurement applicable and achievable for all commercial building owners and developers.

Biodiversity

As an emerging global focus area, understanding and preserving the biodiversity of our local ecosystems is paramount to effectively curbing climate change. Currently, we limit our greenfield development, prioritize new urban revitalization/redevelopment

projects and actively engage in brownfield remediation. However, we know that there is more that can be done. In 2022, our entire existing portfolio underwent a biodiversity risk assessment to highlight areas where focusing our efforts would lead to higher levels of positive biodiversity impact. This also allowed us to benchmark our portfolio and better understand the potential risks we may encounter in our regions. As we continue to internalize this information, we are developing a policy to require new developments and acquisitions to conduct these assessments as part of our due diligence process. Where necessary, AvalonBay will implement mitigation measures as well as approaches to support increased biodiversity.

Acquisition Considerations

A number of environmental sustainability items are considered during the acquisition process. Examples include performing an energy audit, conducting a climate risk assessment, and identifying any green building certifications. These items help aid in decision-making when considering potential climate-related risks and how the community will support achievement of our SBTs. In 2023, we hope to add biodiversity assessments to the list of items considered during due diligence.



PSEG ISS GREEN TEAM INTERNSHIP PROGRAM

We took part in the PSEG ISS Green Team internship program focused on bringing interdisciplinary students from various universities, majors and backgrounds together to solve real-world ESG problems while highlighting how those from all backgrounds can have an impact. AvalonBay's Green Team consisted of five students who helped address various environmental sustainability projects, from competitor analysis to a comparative water stress framework assessment, over 10 weeks providing a foundation for our team to expand upon.

WATER

Water conservation is an important issue as many areas of the country are experiencing both increased and lengthier periods of drought. We kept this in mind when creating our new suite of water goals.

WATER GOALS

With the sunset of our 2020 whole building consumption-based water goal, having achieved a notable 11.7% reduction in whole building water-use-intensity through 2021 (2013 baseline), we decided to forgo a single metric-based goal in favor of a more comprehensive way to combat water consumption. In turn, we will be pursuing a new suite of water goals focused on addressing water stress, water management and water consumption reductions.

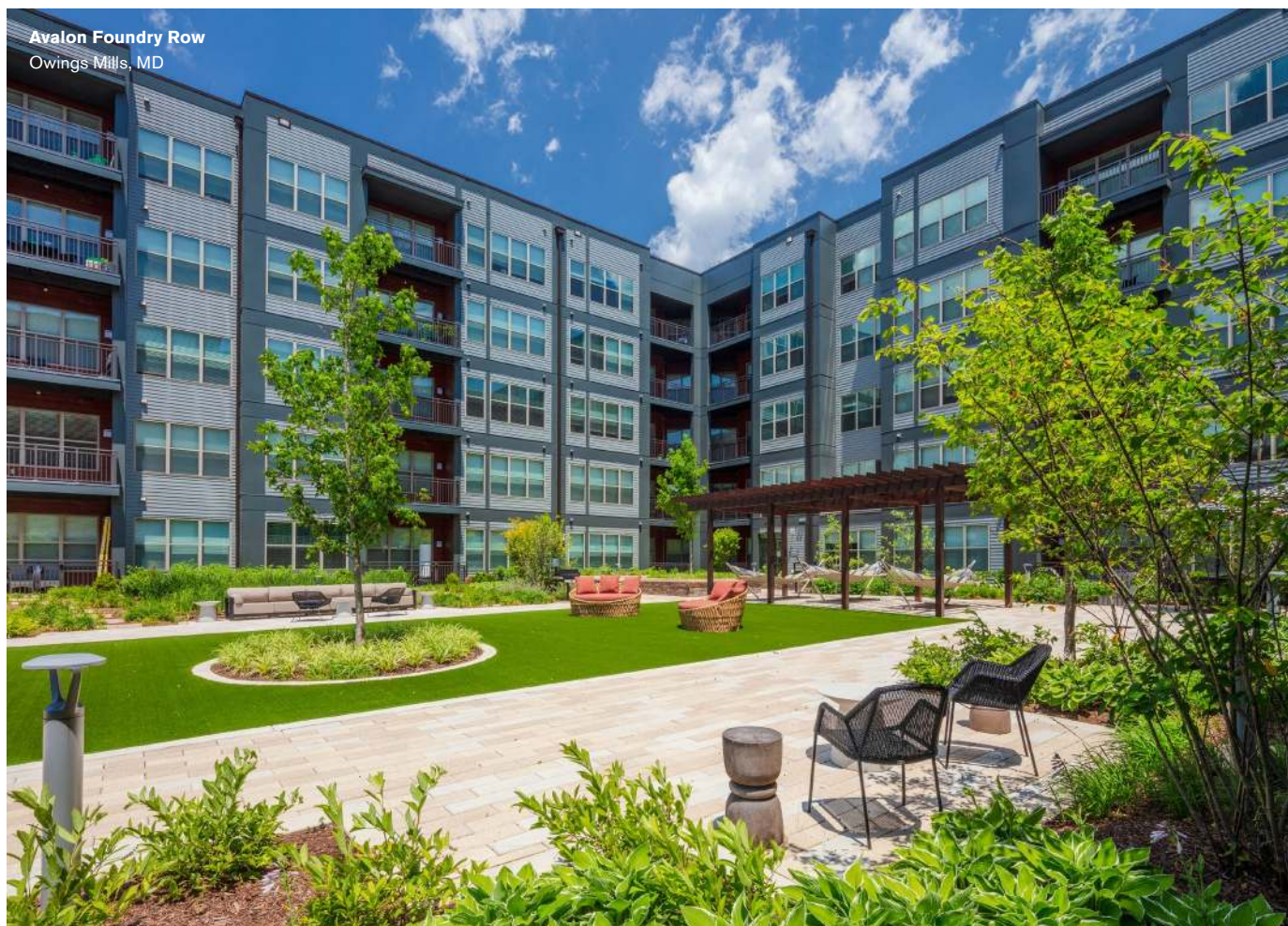
Focusing on consumption reduction specifically in water stressed areas is an important step in ensuring the longevity of neighborhoods and ecosystems in the climate zones where we operate. Using the World Resources Institute's Aqueduct Water Risk Atlas Tool, we were able to perform a water stress analysis of our portfolio, pinpointing the communities located in areas with "high" and "extremely high" water stress. While we will be addressing water consumption across the portfolio, this awareness allows us to prioritize water conservation in the areas that are most water stressed.

Our newly released water goals include:

1. Achieve 10% reduction in whole building water-use-intensity in water stress and non-water stress areas by 2027 and 2029, respectively (from a 2021 baseline)²

2. Refine Construction Standards to emphasize water use reductions and provide more direction to landscape architects regarding drought tolerant and native plantings
3. By 2025, pilot one new development community that utilizes water reclamation/reuse systems
4. Create/roll out water conservation awareness program to 100% of residents by 2025
5. Implement water management plan in 50% of offices/communities in water stressed regions by 2025

² Goal has changed from a common area specific goal to a whole building goal based on greater accuracy of data collection.



WATER STRESS

Water stress¹ is a prolific issue across the United States. While most of our portfolio falls in locations that are not water stressed, roughly one-third (99 communities) are in areas of water stress as defined by the World Resources Institute. The following chart breaks down our water stressed communities by state. We are focusing our near-term efforts on identifying conservation measures for our communities in water stressed areas in line with our water reduction targets.

LOCATION	NUMBER OF COMMUNITIES	
	WATER STRESSED	NON-WATER STRESSED
California	60	43
Colorado	6	-
Connecticut	-	4
Washington, DC	-	10
Florida	6	3
Maryland	-	17
Massachusetts	-	41
New Jersey	11	12
New York	16	13
North Carolina	-	4
Virginia	-	17
Washington	-	20
Total	99	184

¹ Water stress classifications are determined using WRI's Aqueduct Water Risk Atlas Tool.



Avalon Somerville Station
Somerville, NJ

**AVALONBAY HAS
61 WEATHER-
BASED IRRIGATION
SYSTEMS ACROSS
THE PORTFOLIO
THAT GENERATED
TOTAL SAVINGS
OF 143 MILLION
GALLONS AND
\$1.2M IN 2022.**

As we look to the future, we recognize that climate and water risks go hand in hand. We have evaluated our portfolio for water stress using RCP 4.5 and 8.5 across time horizons 2030 and 2040. These models suggest water stress will become more profuse and worsen across all classifications. This increase in water stressed locations underscores the need to address water more comprehensively.

WATER CONSUMPTION BY REGION¹

New England:	347,524
Metro NY/NJ:	592,534
Mid-Atlantic:	549,343
Pacific Northwest:	170,202
Northern California:	534,165
Southern California:	830,379
Florida:	103,798
Colorado:	48,666
North Carolina:	19,161

WATER TASK FORCE

The goal of our Water Task Force is to identify activities or products designed to reduce water cost and consumption. In 2023, this task force will focus on implementing the strategies and tactics we have outlined to achieve our new suite of water goals.

SMART IRRIGATION

We continue to increase our use of smart irrigation and installed 31 weather-based irrigation systems in 2022. This effort generated an annual water savings of 43,000 gallons. In total we have 61 systems operating across the portfolio that generate total savings of 143 million gallons and \$1.2 million in 2022.

WATER AUDITS AND RETROFITS

AvalonBay's Water Task Force identified a series of portfolio-wide water savings activities, including additional investment in weather-based irrigation, more stringent construction standards relative to water-related fixtures and policy changes that enhance water conservation. In 2022 we completed 111 audits, exploring consumption reduction opportunities and ensuring all water systems were operating properly.

WATER RECLAMATION

As part of our plan to reduce water stress, we plan to install water reclamation infrastructure at our proposed new development at one of our California development pursuit communities. This system will alleviate consumption pressure on the local aquifer by supplementing virgin water with reclaimed gray water for irrigation, toilets and washing machines. We continue to explore water reclamation systems and hope to pilot similar technologies more broadly in the near future. Our experience will inform future implementations or design standards revisions as appropriate.

RECLAIMED AND REUSED WATER IN THE PORTFOLIO

Another strategy to reduce water stress is through the increased use of reused water. AvalonBay currently uses 48,915,945 gallons of reused water in regions such as Northern and Southern California. This water is primarily procured from local utilities and used for irrigation. We plan to capitalize on these programs where appropriate.

¹ Consumption values are expressed in Kgals.

WASTE

Trash and recycling costs are on the rise and municipalities are requiring stricter disposal measures across our portfolio. Increased waste diversion and recycling options are vital to reducing the volume and cost of waste. As such, we are re-engaging our Waste Task Force to help evaluate new regulations and to develop new strategies to increase our diversion rates while combating higher costs. Key to any waste reduction effort is resident engagement, which will be a component of our strategy in 2023 and beyond.

WASTE GOAL

In line with our intent to increase diversion rates, AvalonBay has set a waste reduction goal to limit the amount of waste that makes its way to landfill. Our goal is to create a 20% reduction in landfill-bound waste intensity across our portfolio by the end of 2023 from our 2017 baseline year. In 2022, we achieved a meaningful 21% reduction in our landfill-bound waste since our baseline year. In 2023, our Waste Task Force will be assessing and planning for the implementation of a new waste goal.

POLICIES AND MARKET LEGISLATION

ENVIRONMENTAL POLICY & EMS

To see a comprehensive view of our commitments related to environmental sustainability, please read our publicly available Environmental Policy and Environmental Management System (EMS).

BUILDING CERTIFIED / CLIMATE RESILIENCY POLICY

For an in-depth understanding of our building certified program and to better understand how we incorporate climate risk into development and acquisitions, please read our AvalonBay Building Certified and Climate Resiliency Policy.

ENERGY / CLIMATE LEGISLATION DASHBOARD

We recognize that both risks and opportunities will emerge in our markets as they transition to a low carbon future. As the need for climate action continues to grow, state and local governments in the markets we operate have begun to evolve benchmarking requirements into building performance standards. Benchmarking policy requires buildings to be transparent and report annual energy use and/or carbon emissions, whereas building performance standards typically require a building to achieve some level of annual energy use and/or carbon emissions performance. Some markets have additional requirements surrounding all-electric buildings, or solar, storage or electric car charging infrastructure.

While this is a positive shift, it can be challenging to remain apace of this evolving landscape. To ensure we establish and maintain good visibility in this area, we have created an Energy and Climate Legislation Dashboard to keep track of policy shifts and to help us evaluate impacts on our portfolio. In 2022, the ESG, Engineering and Asset Management teams came together to begin charting an approach to compliance and management of these types of jurisdictional requirements. We are keeping an eye to the future and looking for consistent approaches across our portfolio regardless of policy adoption. In this way, we are attempting to standardize our approach in a landscape where requirements are not consistent across all jurisdictions.

GREEN FINANCING

GREEN BOND

AvalonBay issued two green bond offerings, our inaugural bond of \$700M and a \$400M subsequent bond, for a combined issuance of \$1.1B. Our Green Bond Framework is in alignment with Green Bond Principals and governs the allocation of these proceeds.

USE OF PROCEEDS TO DATE

As of December 31, 2021, the proceeds from the \$700M green bond offering have been fully allocated to expenditures related to green building projects or those with LEED certifications consistent with our Green Bond Framework. Also as of December 2021, 21% of the proceeds from the \$400M green bond offering have been allocated to expenditures related to both Green Buildings and onsite solar energy projects. The allocations are detailed in AvalonBay's Green Bond Report.

SUSTAINABILITY LINKED CREDIT FACILITY

On September 27, 2022, we entered into a \$2,250,000,000 Sixth Amended and Restated Revolving Loan Agreement (the "Credit Facility"). The Credit Facility contains a sustainability-linked pricing component which provides for interest rate margin and unused fee adjustments that are tied to our scope 1 & 2 greenhouse gas emissions reduction. We may incur either a pricing reduction or a pricing increase for borrowings under the Credit Facility depending upon our achievement relative to our scope 1 & 2 target.



ADDITIONAL ESG-RELATED FINANCING

In November 2022, AvalonBay included a minority firm (Roberts & Ryan, a Service-Disabled Veteran Owned Broker Dealer) as Co-Manager in our \$350M 5.0% notes due 2033. This addition to our banking syndicate for this transaction allowed us to support a veteran owned business and broaden our investor outreach. Additionally, we have invested a portion of our cash reserves with OneUnited Bank (the largest black owned bank in the United States) through JPMorgan's Empower share program.



COMMUNITY REVITALIZATION

We make every effort to minimize any adverse impacts and positively contribute to the revitalization of the areas where we do business.

FLEXIBLE AND MIXED-USE BUILDING SPACE

Approximately 25% of our communities feature a mixed-use component with ground floor retail or commercial space, providing convenient services for our residents and the surrounding neighborhoods. In 2022, we completed construction at Avalon Woburn in Woburn, MA, which is the residential component of a large mixed-use revitalization project that also includes a grocer,

restaurants and other retailers. We also started construction at Avalon West Windsor at the New Jersey Transit and Amtrak train station in West Windsor, NJ which includes roughly 19,000 s.f. of retail space. We also build developments that integrate with larger mixed-use planned developments being constructed by others, such as our Avalon Annapolis development, which upon completion will be the residential component of a mixed-use, town center project. These serve as recent examples of how our new developments incorporate or integrate with mixed-use space, providing residents with more local options and encouraging walking or public transportation as a means of experiencing what the neighborhood has to offer.

COMMUNITY REVITALIZATION AND REDEVELOPMENT

Many of our new development sites are located in urban or close-in suburban neighborhoods, where we are repurposing or removing an existing use and revitalizing both the site and the area with new investment and activity. Some examples that were under construction as of year-end 2022 are:



Avalon Brighton in a dense residential neighborhood in Boston, MA



Avalon Montville located on the site of an old salvage yard in Northern New Jersey



Avalon West Dublin located on the site of an old warehouse adjacent to a Bay Area Rapid Transit (BART) station in the East Bay of Northern California



Avalon Bothell Commons on the site of an old printing plant in the suburbs of Seattle, WA



Avalon Annapolis and **Avalon West Windsor**, both of which are located on former suburban office park sites that had reached the end of their useful life



Avalon Governor's Park, a high-rise on a mid-block, infill parcel in a walkable, dense neighborhood in Denver, CO

Redeveloping old warehouses, manufacturing facilities and salvage yards allows AvalonBay to ameliorate older sites, create more efficient use of space and infuse new life into previously underutilized locations.

COMMITMENTS RELATED TO GREENFIELD DEVELOPMENTS

Very little of our new development activity is located on greenfield sites. However, when it is, we generally contribute to offsite wetlands mitigation banks, local infrastructure improvements and other offsite investment as required by local regulations.

BROWNFIELD REDEVELOPMENT

Many of our sites involve brownfield cleanup to remove pollutants. In 2022, we completed construction at Avalon Harbor Isle on an inlet of the Long Island Sound in Island Park, NY, which, as part of the land deal, required roughly \$12M of environmental remediation. We also completed remediation efforts on sites in West Windsor, NJ, Montville, NJ, and Denver, CO, such as abatement and removal of contaminated material and soil.

CONSIDERATION AND REDUCTION OF NEIGHBORHOOD IMPACTS FROM CONSTRUCTION

In order to mitigate disruption, we work closely with our neighbors at development sites located in dense environments to alleviate impact to adjacent neighborhoods. We incorporate sediment and erosion controls, site safety measures, such as fencing and access control, and strict enforcement of limitations on construction work hours. We also work on neighbor outreach and communication to ensure impacted neighbors are aware of scheduled utility outages and road closures and provide small courtesies like vouchers for free car washes or breakfasts to impacted residents.

AFFORDABLE HOUSING

Mixed-income housing is an integral part of our development strategy in many regions. In the greater Boston area, for example, most of our new developments are entitled under Massachusetts Chapter 40B through local municipalities and include a mix of 20% affordable homes and 80% market-rate homes. Similarly, in New Jersey, most of our development projects include 10% - 20% affordable components and these affordable requirements can be helpful in encouraging the local jurisdictions to permit new multifamily housing through Mt. Laurel Fair Share housing allocations. Many of our development communities in Seattle, the Greater Washington area, and California also include affordable components.

As of year-end 2022, we own and operate 108 communities that include a designated affordable housing component, intermingled with our market rate rental housing. Rent subsidies totaled \$76M to more than 8,200 residents in 4,232 affordable apartment homes across these communities.

INNOVATION

ENERGY IMPACT PARTNERS (EIP)

In 2021, we established investments in funds sponsored by *Energy Impact Partners (EIP)*, a venture capital firm at the forefront of ESG innovation. Through these investments, AvalonBay will be supporting new companies, products and technologies focused on deep decarbonization, building electrification and the renewable energy transition. In 2023, we hope to optimize our relationship with EIP by introducing associates from our Development and Asset management teams to EIP and its portfolio companies,

with hopes of expediting additional pilot opportunities. We believe this relationship will keep our business at the forefront of evolving technology, providing early access and increasing carbon reduction as we continue on our path to meeting our SBTs.

CONSTRUCTION INNOVATION COUNCIL

Our internal Construction Innovation Council (CIC) was founded in 2020 to affect targeted and systematic project innovations in support of delivering new developments and capital projects faster, better, safer and more affordably.

In 2021, the CIC identified photo documentation to be critical in facilitating real-time issue detection and resolution and for supporting future capital projects with photographic “as-builts”. In 2022, the CIC identified a digital solution in for Delivery & Acceptance documentation, particularly Unit/Area Acceptance Forms, which were previously completed on physical sheets of paper and verified manually. The CIC not only looks forward to implementing this in 2023, but also the opportunity to measure and reduce the embodied carbon of new developments through our Virtual Design and Construction and Mass Timber Construction initiatives.

SUSTAINABILITY COUNCIL

In 2023, we have formed an internal Sustainability Council, which will support our ESG team with implementation and management of existing strategies, seek to meaningfully expand our pilot efforts in terms of advancing our sustainable practices, and identify new pathways forward such as revising our 2025 SBTi commitments and considering other goals and targets.



108

AS OF YEAR-END 2022,
WE OWN AND OPERATE
108 COMMUNITIES THAT
INCLUDE A DESIGNATED
AFFORDABLE HOUSING
COMPONENT.

FOR EACH OTHER IT ALL ADDS UP

Creating a better way to live would not be possible without people — those who work with us, live with us and those who create the diverse and vibrant communities around us. In the following section, we outline our 2022 progress and programs that support community investment, our associates and our residents.

COMMUNITY

PHILANTHROPY AND COMMUNITY INVESTMENT

Building Strong Communities, our community investment and engagement program, demonstrates our core value of a spirit of caring and focuses us on areas relevant to our business: disaster relief and community preparedness, affordable housing and support for underserved communities.

In 2022, AvalonBay made \$2.37 million in cash and in-kind donations, which included our associates volunteering 8,193 hours with over 200 philanthropy partners and charitable organizations across the country. The year 2022 also marked the 11th anniversary of our Spirit of Caring Season. Collectively since 2011 we have made impact through:



\$12M+
DONATED TO
CHARITABLE
ORGANIZATIONS



\$3.7M
IN-KIND DONATIONS



65,000+
VOLUNTEER HOURS
(EQUIVALENT TO OVER
2,750 DAYS)



8,000+
PINTS OF BLOOD
DONATED TO THE
AMERICAN RED CROSS



VOLLAPALOOZA

Our Northern California team hosted their first ever “Vollapalooza”, which was a one-day event during Spirit of Caring Season where all communities, offices and construction sites in the region fully closed so that Associates could volunteer at one of 11 events with our local philanthropic partners.

AMERICAN RED CROSS PARTNERSHIP

The year 2022 marked the eighth year of our partnership with the American Red Cross and, to date, the cumulative value both sides have received from this partnership includes:

- \$2.58M in donations to the American Red Cross from AvalonBay, its associates and residents
- 375 blood drives, resulting in over 8,000 pints of blood
- 1,842 current and former AvalonBay associates trained in CPR
- 140,000 residents and 3,000 associates received preparedness tips and resources annually

In 2022, we continued to support our partnership in multiple ways:

DONATIONS

Our annual Disaster Responder Partner-level donation of \$250,000 provided ongoing support throughout 2022. We also launched two fundraisers to support those impacted by the crisis in Ukraine and Hurricane Ian, which resulted in an additional \$155,000 being donated to the American Red Cross from AvalonBay, our associates and residents.

BLOOD DRIVES

We are proud of our ongoing commitment to help save lives with blood donations. In 2022, we reinstated in-person blood drives and continued our virtual Sleeves Up campaign, which collectively resulted in 405 pints of blood donated throughout the year.

COMMUNITY PREPAREDNESS WEEK

We hosted our eighth annual AvalonBay Community Preparedness Week, a weeklong campaign aimed at improving resident and associate emergency and disaster preparedness. During the week, we engaged roughly 140,000 residents and 3,000 associates, with the aim of helping them better understand Red Cross resources, materials and available trainings.

NATIONAL URBAN LEAGUE PARTNERSHIP

2022 was the second year of our partnership with the National Urban League (NUL), led by one of AvalonBay's seven Associate Resource Groups, the Black Associate Coalition (BAC). Through this partnership, we made a \$150,000 annual commitment in support of NUL's mission and engaged our associates in volunteering, mentoring, networking and participating in events and memberships with regional affiliates and the NUL Young Professionals.

SPIRIT OF CARING SEASON

In 2022, we celebrated our 11th Spirit of Caring Season, a two-month long Company-wide program, that creates opportunities for our associates and residents to engage with our nonprofit partners and participate in their missions. The celebration included volunteer events and donation drives across the company.

ASSOCIATE RELIEF FUND

AvalonBay's Associate Relief Fund provides support to associates who are facing financial need immediately after a natural disaster or personal hardship. An associate who has a qualifying event, expense, or both, can apply for a grant from the fund. Funding is provided by AvalonBay and individual donations from associates. In 2022, 16 associates received a total of \$56,399 in grants from the fund.

VACATION DONATION PROGRAM

As an extension of the Associate Relief Fund, in 2021 we launched AvalonBay's Vacation Donation program. This program allows eligible associates to donate vacation time to help fellow associates who are experiencing hardship related to a medical emergency.



REGIONAL PHILANTHROPY ENGAGEMENT

In addition to our national partnerships, Building Strong Communities focuses on establishing partnerships with the most impactful local nonprofits aligned to our focus areas of affordable housing and support for underserved communities. In 2022, our regions supported over 200 charitable organizations with financial contributions, volunteer hours, skills-based volunteering and Board service.

BOSTON

- Caritas Communities, Inc.
- Cradles to Crayons
- Green Ribbon Commission
- Pine Street Inn

COLORADO

- A Precious Child
- Mercy Housing Mountain Plains
- Volunteers of America — Colorado Branch

CONNECTICUT

- LiveGirl, Inc.
- Lifting Up Westchester
- Sunrise Day Camp — Westchester/ Pearl River
- Spooner House
- WestHab

LOS ANGELES

- After School All Stars
- Habitat for Humanity — Los Angeles
- Los Angeles LGBT Center
- JVS
- United Way Homes for Heroes

LONG ISLAND

- Community Housing Innovations
- Family Service League
- Long Island Home Builders Care
- Long Island Real Estate Group
- New Ground, Inc.
- New Hour Long Island
- Sunrise Day Camp — Long Island
- Pioneers for Animal Welfare Society

MID-ATLANTIC

- Arlington Partnership for Affordable Housing (APAH)
- Arlington Free Clinic
- A Wider Circle
- District Alliance for Safe Housing (DASH)
- Doorways for Women & Families
- Empire Homes (AIRS)
- Habitat for Humanity — Washington DC
- Horizon Day Camp
- Shelters to Shutters

NEW JERSEY

- Center for Great Expectations
- NJ Development Community Corporation
- The Children's Home Society of NJ

NEW YORK CITY

- Breaking Ground
- Community Help in Park Slope (CHiPS)
- Habitat for Humanity — NYC and Westchester County
- New Destiny Housing
- The Bowery Mission
- Union Settlement

NORTHERN CALIFORNIA

- Building Futures
- Dress for Success — San Jose
- Habitat for Humanity — Greater San Francisco
- Housing Industry Foundation
- Mission Housing
- Unity Care

PACIFIC NORTHWEST

- YMCA of Greater Seattle Area/Coal Creek Family YMCA
- Habitat for Humanity — Seattle-King & Kittitas Counties
- Plymouth Housing

SAN DIEGO/ORANGE COUNTY

- Families Forward
- HomeAid (San Diego)

FLORIDA

- American Association of Caregiving Youth
- Best Foot Forward
- Boca Helping Hands
- Habitat for Humanity — Palm Beach County

VIRGINIA BEACH

- ForKids, Inc.
- Hampton Roads Corporate Volunteer Council (HRCVC)
- Portsmouth Humane Society/VBSPCA
- REACH
- Rise Against Hunger
- RocSolid
- Salvation Army
- Southeastern VA Food Bank
- St. Mary's Home
- USO

Melanie
Community Consultant

OUR ASSOCIATES CONTINUE TO DRIVE AVALONBAY'S PURPOSE — CREATING A BETTER WAY TO LIVE.

We are committed to being a living wage company* while deepening our core values of a spirit of caring, a focus on continuous improvement and a commitment to integrity. In our Human Rights Statement, we outline our principles related to human rights.

This section highlights our 2022 efforts to attract, hire, develop and retain the best people.



LEARNING AND DEVELOPMENT

AvalonBay is committed to professional development and career advancement and all associates can take advantage of opportunities for career development, training, tuition assistance and scholarships.

CAREER DEVELOPMENT, TRAINING & EDUCATION OPPORTUNITIES

AvalonBay University

Our learning management system, AvalonBay University (AVBU), is available to all associates (full- or part-time) and offers 753 courses, providing technical, management, ethics and compliance training. In 2022, AVBU saw 108,741 course completions which equates to associates completing 52,865 hours of online training, 21,171 hours of classroom training and 13,629 hours of on-the-job training. This is equivalent to about 30 hours per associate. We spent roughly \$3.2 million on training, translating to approximately \$1,066 per associate.

Training & Career Development

As part of the onboarding process for new hires, there are a number of training courses conducted either in person or online. Some of these courses are related to compliance areas such as ethics, cyber security and anti-harassment. Certain courses are routinely required of all associates as a refresher as well. In addition, to ensure that new associates understand what they need to be successful and grow their career at AvalonBay, they

also complete a course called "Leading Self" that focuses on partnering with their manager to deliver results and preparing for career development conversations. To better prepare newly promoted or hired managers to deliver timely, caring and candid feedback, a framework is available, and training is required. A companion training program is available to associates for soliciting and receiving feedback as well as giving feedback to others.

Upon hire or promotion to people manager, associates take both online and instructor led training courses to prepare them for success in the role. These cover the employee life cycle with topics such as recruiting/interviewing, hiring, onboarding, inspiring and engaging associates, setting expectations, delegating, managing work, career development and coaching.

Mentorship Program

In 2022, AvalonBay continued our mentoring program focused on identifying mentors within the organization who are willing to share knowledge, skills, experience and time with mentees who are seeking to invest time and effort to advance their career. This program also benefits mentors by providing them with trainings to enhance their coaching and leadership skills. In 2022, 272 associates participated in the program, as either mentors or mentees. We launched Cohort IV of the program in early 2023.

Internal Career Portal

In 2021, we launched a new internal career portal on our intranet to provide associates with access to all open positions at AvalonBay. In early 2023, we expanded the portal to provide

*Living wage as defined by the living wage calculator developed by Professor Amy K. Glasmeier at the Massachusetts Institute of Technology. By location, we utilize a three-year average of the single adult with zero children information.

9,450

**AVALONBAY
ASSOCIATES
COMPLETED
9,450
HOURS OF
SAFETY
TRAINING
IN 2022.**



associates with the ability to post and apply for special short-term projects or “gigs.” This program provides more access and transparency into development opportunities for all associates and increases inclusion of diverse talent and perspectives in projects across the organization.

Performance Appraisal Process

AvalonBay is committed to the professional development and career advancement of our associates. We require our managers and associates to have ongoing check-in conversations and to memorialize them in a year-end performance review. We expect these ongoing conversations to address career aspirations and to position associates for success in their current role as well as their broader career.

All full- and part-time associates participate in this year-end review process. All associates receive a 90-day review. The yearly review process includes the following steps with the manager and associate participating:

(1) Goal setting occurs early in the year while corporate and departmental goals are being finalized. Associates work with their manager to set appropriate goals that are monitored throughout the year. (2) Mid-year check-in conversations and ongoing one-on-ones are used to discuss progress and make any adjustments needed. (3) At year-end, goals and ongoing key responsibilities are used to evaluate the associate's performance, which is documented and discussed between the associate and their manager. Year-end performance is used as a key input to the compensation and talent management processes.

Individual Training & Development Plans

All associates at the director level and above are expected to complete an individual development plan which should include short- and long-term career goals and development actions. These plans are discussed with their manager mid-year and at year-end. Beginning in 2022, individual development plans are required to include a specific goal tied to inclusion and diversity.

Compliance Training

A variety of compliance training courses are mandatory for either all or some of AvalonBay's associates, depending on their roles, to promote safety, mitigate risk and ensure compliance with legal requirements. Examples of training topics include: code of conduct, cyber security, anti-harassment, fair housing, hiring skills and various safety-related courses. 9,348 hours of compliance training and 9,450 hours of safety training were completed in 2022. Additional information on some of these trainings can be found below:

- **Code of Conduct Training**

An updated Code of Conduct course was launched and assigned to all associates in 2022. All AvalonBay associates are required to take conduct and ethics training upon hire and every two years thereafter. All temporary and contingent associates are also required to complete this training.

- **Harassment and Discrimination Prevention Training**

As part of our commitment to fostering a healthy and productive work environment free from intimidation, harassment and discrimination, we require all associates to complete role-specific training when they join AvalonBay and at least every one to two years thereafter. These trainings, “Preventing Harassment and Discrimination for Employees” and “Preventing Harassment and Discrimination for Managers”, are important resources that help associates understand what harassment and discrimination are and the appropriate ways to interact with each other, our customers and anyone with whom we conduct business. For our managers, this training emphasizes their important leadership role in preventing harassment and discrimination and creating an environment where all associates feel valued and safe.

Additional Training

- **Cyber Security Training**

All AvalonBay associates have been taking mandatory cyber security training since 2015. The AVB Security Training and Awareness Program focuses on four areas: (1) comprehensive mandatory training for new hires, (2) mandatory annual refresher training for all associates, (3) enhanced training in key topics

and (4) remedial training targeted to a limited number of associates in response to their usage patterns. In 2022, we continued boosting associates' cyber awareness by highlighting topics such as avoiding common computer security risks, identifying and reporting potential security incidents and distinguishing appropriate versus inappropriate activity on company owned computer systems. Associates completed over 8,449 hours of cyber security training in 2022.

- **Preparedness Training**

As part of our national partnership with the American Red Cross, AvalonBay hosts CPR training classes throughout the year, as well as an annual Community Preparedness Week where associates receive emergency and disaster preparedness information and resources. Over the past few years, we added Disaster Preparedness and Workplace Violence courses to AVBU, which are available to all associates. In 2022, our associates completed 645 hours of Disaster Preparedness training and 399 hours of Workplace Violence Awareness training.

- **Environmental Awareness Training**

We continue to expand the learning opportunities available to our associates by adding ESG focused information in new hire onboarding and we are adding a live ESG focused webinar to all associates, via our "AVB Talks" series in 2023. All associates have ongoing access to these resources, and we continue to engage our associates on a variety of environmental sustainability topics as we work toward engaging all associates in meeting our SBTs.

- **Job-Specific Training**

Training courses have been developed specifically for different functions within the organization with particular focus on our Residential Services, Construction and Customer Care Center teams. These groups all have required training tailored to address skills needed in these different functional areas. For example, monthly trainings are required for certain maintenance and safety staff to ensure they stay safe while performing aspects of their jobs.

- **Inclusion & Diversity Trainings**

AvalonBay's Inclusion & Diversity (I&D) mission is to foster an environment where all associates feel welcome, are supported with opportunities to thrive and are represented by our leadership

team. In support of that mission, the company offers training in unconscious bias, inclusive culture and allyship.

Education Opportunities

- **Tuition Assistance Program**

AvalonBay provides tuition assistance to full-time associates who successfully complete courses towards the pursuit of undergraduate or graduate degree programs at licensed and accredited educational institutions, or for coursework leading to professional certifications/designations. This program encourages associate development through increased education so they can perform their jobs more effectively and prepare to advance in their careers. In 2022, 32 associates received tuition reimbursement through the program.

- **Educational Institution Partners**

We partner with educational institutions and leading vendors to provide high quality leadership and management development programs for nominated associates. On average, we jointly deliver a leadership development program every other year with the University of North Carolina Kenan-Flagler Business School. This course includes live learning with faculty, followed by four months of peer coaching facilitated by executive coaches focused on building leadership skills for director-level associates. We currently have 23 participants in the 2022/2023 program. Also, in 2022, twelve leaders were selected to attend a leadership program provided by an

external vendor which is delivered over a six-week period and includes a 360-degree assessment and executive coaching.

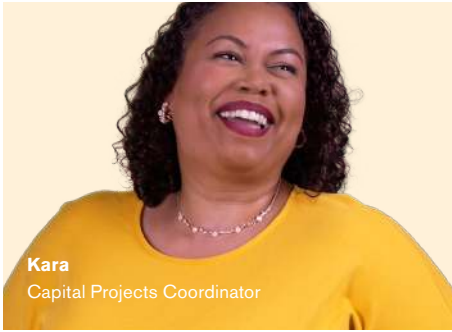
AVALONBAY'S INTERNSHIP PROGRAMS

AvalonBay offers comprehensive internship programs that provide opportunities for undergraduate and graduate students to gain practical experience in the real estate industry including development, construction management, property management, asset management and finance. These programs serve as a long-term source of diverse talent for entry-level positions at AvalonBay. To ensure a broad and diverse candidate pool, we partner with Sponsors for Educational Opportunities (SEO) Careers and Urban Alliance and are in the process of expanding our reach to include partnerships with Center for Leadership Excellence (CLE) and Enrich Scholars.

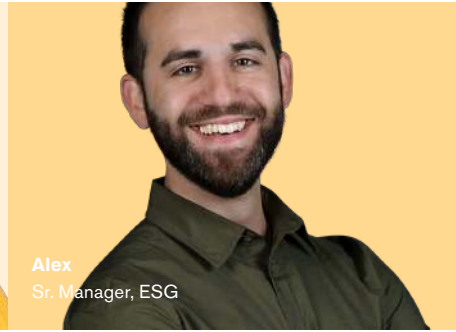
Our typical internship is a 10-week program that includes on-the-job training, hands-on work experience and projects while shadowing more experienced associates and interfacing with all levels of management. During this time, interns participate in a Summer Learning Program that includes executive presentations, executive and peer mentoring, Lunch-and-Learns and project reviews to provide interns with exposure to the variety of careers and leadership attributes valued by AvalonBay.

Melissa
Furnished Housing Coordinator

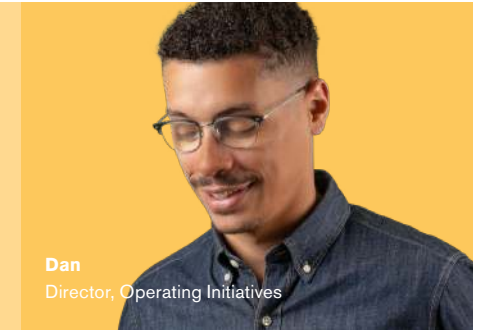




Kara
Capital Projects Coordinator



Alex
Sr. Manager, ESG



Dan
Director, Operating Initiatives

AVALONBAY SCHOLARSHIP PROGRAMS

AvalonBay offers two scholarships for associates or their family members:

- The Blair Family Scholarship offers up to \$25,000 per year to children of full-time AvalonBay associates for undergraduate education. Scholarships are renewable for up to four years, provided the student remains in good academic standing. In 2022, three new scholarships and eight renewal scholarships were awarded.
- The Richard Michaux Scholarship is available to AvalonBay associates or dependents for undergraduate or graduate education at the University of North Carolina at Chapel Hill. Each year a maximum of \$10,000 is distributed with individual awards varying from \$2,500 to \$5,000 per person depending on the number of applicants. In 2022, two Michaux scholarships were awarded.

TALENT ACQUISITION

To ensure we are continuously diversifying and expanding our talent pool, our talent acquisition team partners with internal associate resource groups, external diversity partners and Historically Black Colleges and Universities (HBCUs) to develop long-term strategic relationships and short-term opportunities, like career fairs, to make immediate hires.

HEALTH, SAFETY AND QUALITY

HEALTH AND SAFETY

AvalonBay is continually focused on creating communities, construction sites and workplaces that are free from illness and injuries. The health and safety of our associates, residents, trade partners and visitors is a responsibility and obligation that are fundamental to our organization.

We believe that the path to a safer work environment goes beyond compliance and includes a concerted approach that parallels our three Core Values: A Commitment to Integrity, A Spirit of Caring and a Focus on Continuous Improvement.

The Health & Safety (H&S) department has a dual focus of promoting health and safety by ensuring regulatory compliance while also promoting our Culture of Care. The H&S department works with all levels and departments within the organization to improve training, policies, metrics, communication, hazard assessments, investigations, corrections, compliance and recordkeeping.

AVALONBAY HEALTH AND SAFETY STAFF

Providing technical safety resources at a regional level remains critical to meeting the safety needs of our associates. Our national H&S department is led by a Senior Director with oversight of a team of nine professionals distributed across AvalonBay's regions. The team consists of three Sr. Safety Managers, two Safety Managers and four Safety Engineers that are responsible for providing support and guidance for our Incident and Injury-Free™ efforts in their respective regions.

In Q4 2022 we added a new Sr. Safety Manager dedicated full time to our Residential Services safety program in response to the growing need to bolster our safety measures at existing communities. This position is supported by the entire H&S, Residential Services and Engineering departments, interfaces closely with our Risk Management and is engaged with American Red Cross partnership. We are excited to have this position to increase focus on our onsite Residential Services safety strategy for the protection of our associates, residents, contractors and visitors at our existing communities.

We also employ a Safety Manager dedicated to our Capital Projects department that directly supports capital improvement projects at our communities. With work taking place near our residents, ensuring a safe site for all our stakeholders is important.

The majority of our H&S team is credentialed by the Board of Certified Safety Professionals and supports and participates in the American Society of Safety Professionals (ASSP), the National Safety Council (NSC), Associated General Contractors of America (AGC), the National Fire Protection Association (NFPA) and Associated Builders and Contractors (ABC) at the regional and national leadership levels. In 2022, members of the team volunteered their time regionally with organizations including the Environmental Health & Safety program at Cal-State Fullerton and the American Society of Safety Professionals (ASSP).

SAFE CULTURE INITIATIVE

In 2022, AvalonBay continued building on the *Culture of Care* pledge as a member of the Associated General Contractors of America (AGC). We continue to expand our commitment to safety by recognizing the potential stressors our associates, vendors and contractors may experience, that can be attributed to exclusion, unconscious bias, harassment and the related impact on our mental health and physical safety.

We have made great strides in communicating our *Safe Culture* message to our associates and placed language that requires and promotes an inclusive job-site in our contract documents, policies, training orientations and signage. The H&S team has also developed a *Culture of Care* and safety leadership presentation that is delivered to AvalonBay associates across our regions.

INCIDENT AND INJURY-FREE (IIF)¹ WORKPLACE

We are committed to establishing workplaces free from injury at both our construction sites and operating communities. As such, we utilize the IIF program which promotes these principles:

- All injuries are preventable
- No injury is acceptable
- We will never prioritize schedule, cost or production above an injury-free workplace

The AvalonBay IIF workshop continues to be a focus at new jobsites to teach safety leadership with a focus on care. The H&S team has thoughtfully crafted a combination of the IIF workshop and Safe Culture initiatives that we believe will inspire and drive behavior changes in our associates and trade partners.

In 2022, an internal National IIF Committee was established as a grassroots initiative from our maintenance associates with strong organizational pride who have a natural desire to help others and improve safety communication. This group has grown to include associates from Engineering, Maintenance, H&S and Risk Management, who work together to ensure consistent and comprehensive communication around current policies, trainings and best practices.

AWARD WINNING FIRE ELIMINATION AND SECURITY

In 2022, AvalonBay continued our award-winning Fire Elimination and Security Program for wood frame construction jobsites. Our program originally included MFIRE Spray Fire Inhibitor, temperature sensors and surveillance cameras, which we expanded to include more requirements and resources for site security, deterrence, suppression systems, equipment and advanced monitoring technology for active jobsites.

All new wood frame projects are treated with MFIRE Spray Fire Inhibitor during construction. In 2022, the fire inhibitor was used at 10 communities in 2,681 protected wood frame units, totaling 3,389,551 square feet of protected area. During construction, we deploy sensors in our buildings to detect temperature rise as an early warning indicator of potential fire hazards. On qualified construction projects, the Fire Elimination and Security Program includes the use of centrally monitored surveillance cameras, motion activated sirens, strobes, guards, razor wire fencing and water pump trucks to deter trespassing and mitigate the risk of arson.

ABC SAFETY TRAINING AND EVALUATION PROCESS AWARD

Again in 2022, the Associated Builders and Contractors (ABC) awarded AvalonBay their highest safety award level: Diamond. The Safety Training and Evaluation Process (STEP) is focused on safety benchmarking and improvement

facilitated by ABC to evaluate participating ABC member firms against world-class safety management systems while improving safety performance among ABC STEP participants. Participating ABC member firms are measured on two key incident rates and safety processes and policies covering 25 key components.

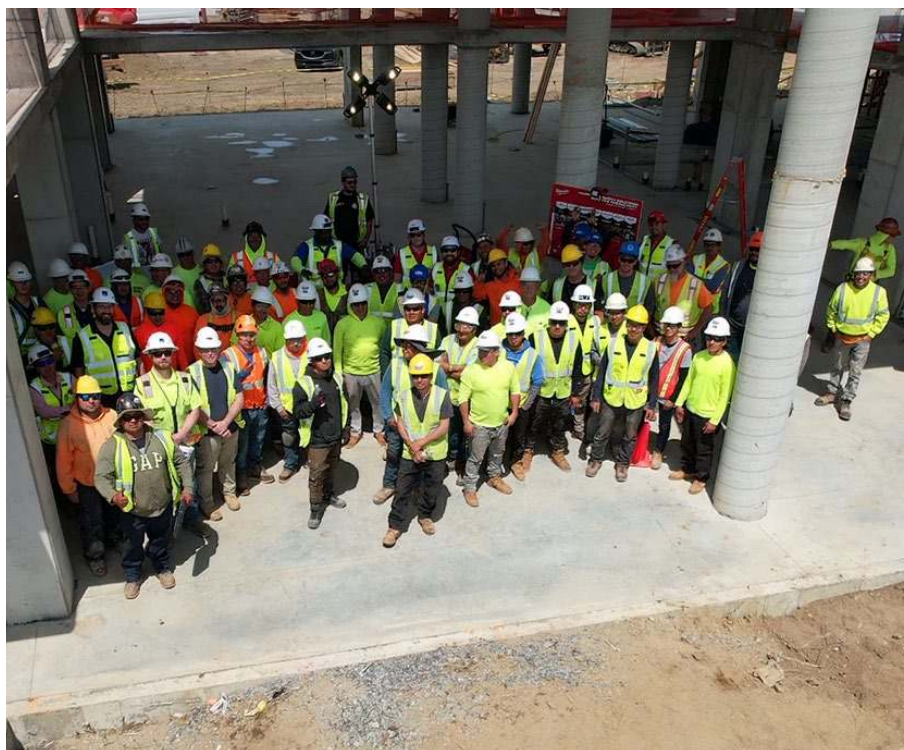
AvalonBay has improved our safety award levels over the past several years through this benchmarking process, starting with ABC Gold level awards in 2017, 2018 and 2019, followed by the ABC Platinum level award in 2020 and the ABC Diamond level in 2021 and 2022.

SITE SAFETY OBSERVATION PROGRAM AND DATA TRACKING

Our contractors are contractually obligated, as part of our trade contract agreement, to meet the General Minimum Safety Requirements for AvalonBay jobsites.

Throughout 2022, AvalonBay continued data collection through our new External Safety Observation program, which logged 1,563 safety observations. This program measures trade partner noncompliance with AvalonBay's safety policies, based on nearly 200 safety factors which are evaluated at each jobsite by AvalonBay's national H&S team. The team captures these external observations in our project management software, which enables more frequent data inputs and more effective analysis of the information collected to understand trends, risks and hazards at our worksites. The data analysis is used to influence vendor prequalification, contract awards, contract language, policies and training.

Additionally, we created an automated dashboard in 2022, which helped make safety information available in the field, enabling more meaningful conversations and interactions with associates and vendors to improve safety performance.



¹ Incident and Injury-Free (IIF)[™] is a trademark of JMJ Associates, LLC

INCIDENT TRACKING METRICS

AvalonBay calculates and targets improvements for health and safety metrics as shown below. More incident tracking metrics can be found in the Risk Management section.

In 2022, AvalonBay continued quantifying construction safety incidents for internal evaluation and external benchmarking based on incident data and total labor hours from project specific daily field reports. AvalonBay now uses an automated tool to track construction vendor's Total Recordable Incident Rate (TRIR) for each project.

SAFETY POLICIES

In 2022, AvalonBay conducted trainings on the new Construction Safety Policies as part of our Construction Safety Resource Manual. Our written resources were enhanced to include 11 policies, which establish the guidelines and expectations for AvalonBay's Construction Safety. These fundamental policies represent the Company's general minimum standards to eliminate worker injuries and illnesses across our organization's operations.

As part of a comprehensive review of each of our Residential Services Safety Policies, we will be rolling out enhancements and improvements in 2023 to reinforce our onsite safety efforts. Our teams are also required to keep PPE for all genders on site for visitors.

SAFETY TRAINING

Our safety training program establishes a method for the sharing of safety knowledge and experience through conversations, workshops and classes. We encourage continuous feedback to increase our knowledge, improve our safety programs and facilitate an Incident and Injury-Free (IFF) culture.

All associates participate in an onboarding Safety training, and many are required to participate in monthly training classes, depending on their job duties. As new or updated information becomes available, new training material is communicated to our associates and vendors at our work locations.

In 2022, AvalonBay created and rolled out new monthly OSHA based training courses for our Residential Services associates. Each course was designed and developed with input from AvalonBay associates and subject matter experts.

INCIDENT TRACKING METRICS				
FOCUS AREAS	INDICATOR	EMPLOYEE GROUP	2021	2022
AvalonBay Construction Team Compliance with internal Construction Safety Program ¹	 Leading	AVB Associates ²	98.8%	94.8%
Logged and Resolved Non-Compliant Subcontractor Observations ³	 Leading	Subcontractors/ Vendors	1,008	1,563 ⁴
AvalonBay Construction Subcontractor/ Vendor TRIR ⁵	 Lagging	Subcontractors/ Vendors	1.95	1.67
Industry Recognition – Associated Builders and Contractors (ABC) STEP Award	N/A	N/A	Diamond Level (Highest)	Diamond Level (Highest)

¹ Measured monthly via Internal Safety Observation Checklist.

² This includes Residential Services, Overhead Departments, and Construction Staff.

³ Logged and tracked on a daily or weekly basis at each construction site.

⁴ The increase in external observations is considered a positive metric as the Safety team has improved the administrative task of documenting observations. These documented observations represent a conversation and correction in the field, that are stored in our online portal and can be used to review during future contractor selections and as an OSHA or Legal Defense with regards to citations or injuries.

⁵ TRIR: Number of OSHA "Recordable" cases, multiplied by 200,000, and divided by total hours worked by all AVB Construction Subcontractor & Vendors.

At our construction sites, quarterly training is delivered to our teams based on incidents or trends that are observed in the industry. Each visitor to our sites must first review and participate in our new site-specific safety orientation. The orientation is a hybrid of a custom video paired with human interaction and a quiz at the conclusion of the training, to test the learner's retention. The orientation is available in multiple languages.

Each construction associate must keep current their OSHA 30-Hour Training and CPR/First Aid Training. Each vendor that visits our sites must provide proof of training related to their scope, as required by our contract agreements before work begins. AvalonBay associates completed a combined 9,450 hours of safety training in 2022.

COMMUNITY SAFETY

AvalonBay performs Life Safety Evaluations at all communities annually. This evaluation is conducted to ensure our community life safety systems are prepared and function properly in the event of an emergency. Some of the items observed include fire extinguishers, backflow equipment, carbon monoxide sensors, anti-tip devices, smoke detectors, sprinkler systems, master access, egress lighting, exit signage and shut off locations.

AvalonBay also conducts monthly Critical Items Walks at each community. The focus of these walks is to more frequently evaluate our emergency plans, access, first aid kits, chemicals, lock-out / tagout equipment, personal protective equipment, security gates and doors. Fire Systems are also inspected regularly.

Additionally, we maintain a rigorous inspection program for our mechanical systems to ensure all building systems are operating optimally and safely. If any item is discovered to be missing or deficient, the item is promptly corrected, repaired and reinspected, or capital projects are started accordingly.

REGULATORY ACTIVITY

In 2022, AvalonBay maintained OSHA partnerships with the Federal OSHA Region 1 office out of the Boston North Area office at Avalon Brighton. AvalonBay will also work toward an OSHA partnership at Kansa Milford. The collaborative effort between AvalonBay and the OSHA Region 1 office has improved our field training program and fostered communication between trade workers and the regulatory agency. This relationship has helped AvalonBay to evolve our culture of safety beyond the borders of our jobsites.

ASSOCIATE FEEDBACK ON HEALTH & SAFETY

AvalonBay's annual associate survey includes the category of "Culture and Safety." In 2022, the overall safety category was 84% favorable vs. the industry 75th percentile (82%) within surveys conducted by our survey vendor. We are conducting a comprehensive survey again in 2023 and will continue to include questions to better understand our associates' perspectives on their health and safety at work.

QUALITY AND STANDARDS OVERVIEW

The AvalonBay Quality team works to improve the transparency of standards, eliminate gaps in the design process, increase construction field execution quality, create a feedback process for lessons learned and establish the necessary processes and infrastructure to implement and measure desired outcomes. The team focuses on quality of design through reviews early in project development to ensure standards are being adhered to and discrepancies are caught and rectified. The team also focuses on critical, high-risk categories such as building envelope, acoustics and accessibility. For these categories, we require services from highly trained specialists to review the drawings for design intent, inspection in the field and testing upon completion of the project. The Quality team engages the

development, construction and operations teams post-project to gather lessons learned and feedback to improve on future projects. Lastly, the team uses a "Quality Dashboard" to measure and verify adherence to policies and process requirements. The dashboard provides key indicators for projects that might require special attention. It automatically consolidates information from multiple sources to allow leadership to assess project health across the company's entire development and construction pipeline.

Quality Assurance governance includes the Quality Assurance (QA) Steering Committee chaired by the Director of Quality & Standards and it is comprised of a select cross-functional group of senior leadership from Design, Construction, Development, Engineering, Asset Management and Internal Audit. The QA Steering Committee provides guidance on the development and approval process for new policies, standards and procedures. Quality Assurance governance also includes the Executive Review Board (ERB) comprised of the Chief Investment Officer (CIO), SVP of Asset Management, SVP of Construction, SVP of Development and SVP of Design. The ERB reviews and approves each policy prior to rollout.

RISK MANAGEMENT

PROGRAM OVERVIEW

AvalonBay's Risk Management team is tasked with building and executing a structured and disciplined approach to assessing and managing risks that may hinder our ability to achieve our purpose of Creating a Better Way to Live.

Mission

We build insurance programs, claims strategies, operational resiliency plans and loss control plans that help prevent and minimize losses and improve predictability for cost of risk. We leverage a consultative approach to provide thoughtful risk intelligence and proactive risk management solutions to minimize the impact and likelihood of uncertainties in our business.

Vision

Enhance enterprise value with superior risk insights and targeted solutions.

We assess risks in partnership with our third-party commercial insurers and wholly owned captive insurance companies with thoughtful diligence to assess the impact

and likelihood of a particular risk. We then consider various risk treatment options including:

- Transfer to the commercial insurance markets and/or third parties via contract
- Retention via effective claims management, loss control initiatives and resiliency planning
- Avoidance, for risks that are not within our company's appetite

The Risk Management department is focused on driving a risk aware culture by focusing on lessons learned. We leverage external risk information from insurers, insurance brokers and other industry resources to stay apprised on the risk environment. We overlay this information with our incident reporting, claims management and exposure data to report the potential impact of various risks to our company.

Members of our Risk Management team carry various certifications including the Associate in Risk Management, Chartered Property Casualty Underwriter and RIMS-CRMP in addition to being active members of the Risk and Insurance Management Society and the Claims and Litigation Management Alliance.

Lauren
General Manager



Trends in enterprise claims data are translated into action-oriented loss control initiatives, policy updates and operational changes. Our mission-driven and collaborative approach leverages our internal system data, associate and vendor insight and our team's expertise to minimize risk of loss within our business. Company-wide incidents and near-misses are required to be reported to document events, remediate issues and inform future loss prevention activities.

OCCUPATIONAL HEALTH

We strive to keep our worker's compensation experience modifier below 1.0 and have achieved that goal for the past four years. The experience modifier captures historical workplace injuries over a three-year period with a one-year lag and shows that AvalonBay's performance for 2022 is 0.920 according to our National Council on Compensation Insurance (NCCI) rating.

In 2022, we launched a new nurse-call line, where an associate who believes they may have become injured while working can speak with a registered nurse on a 24/7 basis. This allows associates to speak with an independent registered nurse who conducts a telephonic assessment and recommends and facilitates an appropriate course of treatment, including coordinating telehealth. In addition, we have a strong culture of facilitating return to work initiatives where feasible.

Occupational health and safety statistics are tracked and reviewed to create awareness and facilitate our culture of continuous improvement. In addition, we review, report and track detailed year-over-year changes in occupational health metrics as outlined below.

OCCUPATIONAL HEALTH AND SAFETY

FOCUS AREAS	INDICATOR	EMPLOYEE GROUP	2021	2022
AVB Associate LTIR ¹	Lagging	All AVB Associates	1.25	1.79
AVB Associate TRIR ²	Lagging	All AVB Associates	3.4	3.06

¹ LTIR Number of incidents or illnesses resulting in associates missing work, multiplied by 200,000, and divided by total hours worked by all associates.

² TRIR Number of OSHA "Recordable" cases, multiplied by 200,000, and divided by total hours worked by all associates.

* These metrics are accurate as of publication date.

BUSINESS CONTINUITY/RESILIENCY

Each department has developed and maintains its own business continuity plan. These plans range from overhead department-level plans to community-level plans for an individual real estate asset. These plans are reviewed at least annually at a department and community level.

For each asset, an Emergency Action Plan (EAP) is created including shutoff maps, evacuation maps, contact information of associates and all other pertinent documentation. These EAPs

also outline shutoff procedures and the tools and personal protective equipment required for the emergency shutoff of systems. Site leadership is responsible for reviewing and acknowledging this information in our electronic database and notifications of these summaries are also posted in clearly visible locations for associates.

Onsite management has documented policies and procedures that outline periodic reviews (weekly, monthly, quarterly, semi-annually and annually for various tasks) of life safety items. A minimum of one community team meeting per month is dedicated to safety. These procedures cover the entire scope of each individual asset, assuring that appropriate safety equipment is present, that equipment is in good condition, and is free of any applicable hazards. These procedures are logged in to a technology-based platform to allow for oversight. Deficiencies identified are to be documented and addressed in a timely manner with site and regional management.

CRISIS MANAGEMENT

An important part of AvalonBay's crisis response includes a static app-based Emergency Action Plan (EAP) that does not require wi-fi to access its functions. This EAP outlines checklists and action items to support AvalonBay associates, residents and communities in the event of a natural disaster or critical event. Each asset is responsible for reviewing their EAP at least once per year. These plans have been developed to protect residents, associates and communities and facilitate communication and connectivity during a crisis to enable a nimble response. In addition to annual plan reviews, communities are provided meeting guides that outline situational critical events and allow the onsite team to practice a tabletop review of their plan (e.g., Hurricane Tabletop Exercise). In 2023 AvalonBay will be conducting drills at communities during National Fire Prevention Month in October. Restoration vendors are contracted on both a national and regional level to provide redundant support to operations and respond quickly to loss events.

INSURANCE RISK MANAGEMENT

Each year as part of our insurance renewal process, our risk management team conducts natural catastrophe modeling with our third-party insurance brokers based upon the full value of our assets. In this exercise, we evaluate fire, flood, earthquake, storm surge, severe convective storm, wildfire and other potential hazards with our brokers and insurers to inform our insurance structure. We carry various levels of insurance for all our communities and assets under construction at a replacement cost valuation against natural hazard events.

PHYSICAL CLIMATE RISK

As mentioned in earlier sections of the report, understanding our physical climate risk is a focal point as storm frequency and intensity are increasing. As we continue to expand our portfolio, physical climate risk is evaluated as we insure our new communities. This is also relevant as we review our existing communities to better understand the mitigation measures that should be considered, and which may alleviate insurance pressure and risk of loss.



CULTURE AND FOSTERING ENGAGEMENT

CULTURAL VALUES/NORMS

Purpose

At AvalonBay, we're motivated by a bold purpose: creating a better way to live.

We do this by providing distinctive rental housing living experiences and contributing to the vitality of local communities. All AvalonBay associates, from community maintenance managers to development directors to accounts payable analysts, have a role to play in bringing our purpose to life. Our core values and cultural norms define our standards of behavior and guide our decisions.

Core Values

A Commitment to Integrity

Do the right thing — always.

A Spirit of Caring

Have genuine kindness and concern for others.

A Focus on Continuous Improvement

Aspire to be better.

Cultural Norms

We Collaborate.

We solve problems together in the best interests of all AvalonBay stakeholders — our customers, associates, shareholders, investors and communities. In making decisions, we consider other perspectives and listen to each other, our customers and the market. We share our time and knowledge with each other, and we actively seek ideas and support from others.

We Excel.

We expect the best from ourselves and our colleagues. By being highly engaged in this way, we produce outstanding results. We are motivated self-starters who care and work intensely for AvalonBay's success.

We Innovate.

We challenge convention and recognize problems as the seeds of innovation. We generate new ideas, offer better solutions and

embrace change at all levels. Knowing that not all ideas will work, we test new concepts before implementing them full-scale, and we discuss and learn from our failures.

We Act Like Owners.

We use the company's resources responsibly. We take smart risks by weighing the pros and cons of decisions, and we take ownership of and accountability for our choices and actions. We act in ways that focus on creating value for our customers, investors and associates.

We Are Thoughtful and Thorough.

We use reliable data and sound judgment when making decisions and taking action. That means we do our homework and avoid jumping to conclusions. We plan well, think through the big picture and evaluate the consequences of our decisions in order to best manage risks.

We Show Appreciation.

We recognize and reward excellent performance, celebrating successes of all sizes in all areas. We provide open, honest feedback and we acknowledge the contributions of others.

ASSOCIATE PERSPECTIVE SURVEY

Every year, we conduct an engagement survey called "Your Voice, Your View — the Associate Perspective Survey," which enables AvalonBay to better understand how associates are feeling. In 2022, we conducted a full survey consisting of 49 questions and two open-ended questions regarding what associates liked best at AvalonBay, what might be improved and how we can make them safe in the workplace. The overall company response rate was 79%. The next full engagement survey was conducted in Spring 2023, where we again asked our full set of questions.

We use this survey's results to drive meaningful changes in areas that are deemed by associates to be lacking or needing improvement. In addition, the survey supports our publicly stated 2025 goal regarding associate engagement, which is to maintain overall engagement in the top 10% of companies surveyed that work with our survey vendor.

IN 2022, 1,043
ASSOCIATES
USED OUR
RENT DISCOUNT
BENEFIT
REPRESENTING
ALMOST \$16M
OF TOTAL VALUE.

WELLBEING AND BENEFITS

AvalonBay provides competitive salaries and, depending on position, may offer discretionary bonuses, which include but are not limited to annual, quarterly and performance bonuses. In addition, the company makes available the following benefits for our associates to meet their individual health and financial needs:

BENEFIT	FULL-TIME ASSOCIATES	PART-TIME ASSOCIATES
Medical (4 plans)	▪	
Dental (2 plans)	▪	▪
Vision	▪	▪
Domestic partner benefits	▪	▪
Flexible spending accounts	▪	
401(k) enrollment and matching	▪	▪
Life/AD&D/disability/EAP	▪	
Vacation, sick leave, flexible time, volunteer time, floating holiday(s), bereavement, jury duty	▪	
Paid parental leave	▪	
Medical and Personal leave	▪	
Supplemental medical insurance benefits	▪	▪
Sabbatical program at 15 years of service	▪	
Housing discounts (20% discount for full-time associates)	▪	
Adoption assistance	▪	
Employee stock purchase program	▪	▪
Career development	▪	
Tuition assistance	▪	
Associate Relief Fund (Vacation Donation and Monetary Grant)	▪	
Transportation benefits (Pretax transportation/commuter benefits for full-time associates)	▪	▪
Tobacco cessation	▪	
100% company-paid Diabetes and Hypertension Management programs	▪	
100% company-paid health coaching and access to nutritionists and dietitians	▪	▪
Maven: around-the-clock maternity support	▪	▪
Wellthy: caregiver support provides assistance in caring for loved ones	▪	▪
Rethink: support for parents caring for children with learning, behavioral or social challenges	▪	▪
Legal plan, identity theft, auto/home insurance, discount programs	▪	▪
Pet insurance	▪	▪

MENTAL HEALTH AND WELLBEING SUPPORT

All full- and part-time associates receive free mental health and wellbeing support through multiple channels, whether through the medical plan or one of the myriad of wellness benefits:

▪ Health Advocate

Associates and their household members have access to a free Employee Assistance Program (EAP) service 24/7/365 through Health Advocate, including five in-person or virtual sessions, per person, per concern, with a mental health counselor. This provides confidential support for a variety of issues, including family/relationship challenges,

depression and stress management, anxiety, alcohol/substance abuse and more.

- **VidaHealth**

Associates and their spouses, domestic partners and children are encouraged to take advantage of AvalonBay's free virtual wellness benefit through VidaHealth. In addition to the chronic and lifestyle programs, VidaHealth offers two mental health pathways — Resilience and Stress Management.

- **Maven**

Associates and their partners who are working with Maven, our family planning wellness benefit, have access to mental health professionals 24/7. Additionally, Maven provides informational support for those in their family-building journey including fertility, adoption, surrogacy and pregnancy related information.

- **Wellthy**

Associates and their family members are eligible to use Wellthy, a free, confidential caregiving support benefit. Wellthy can assist with tasks associated with elder care, chronic illness, financial hardship, veterans' support and behavioral healthcare.

- **Rethink**

Associates can partner with Rethink Benefits to support their children with social, emotional, learning and developmental challenges. Rethink comes with an online portal as well as up to 8 hours of telephonic visits with a certified behavioral therapist. Associates' family members and their children's education teams can collaborate, via the Rethink portal, to provide support.

- **Medical Plan Benefits**

Medical plan members can receive mental health telehealth visits through Teledoc and MDLive.

All full-time, part-time and contingent workers are eligible to use all mental health and wellness programs. Programs connected to medical insurance are limited to those associates who work 30 hours per week or more and are enrolled in medical insurance at AvalonBay.

MENTAL HEALTH AND AWARENESS TRAINING

In May 2022, AvalonBay celebrated Mental Health Awareness Month, providing a number of educational opportunities



and wellness activities for all associates. The month's activities kicked off with an associate forum focused on self-care that allowed associates to share and listen to personal stories and support one another, and to learn about the company's overall mental health and wellbeing resources.

During the month of May, AvalonBay also offered multiple live learning sessions:

- Mental Health Recognition and Response for all managers
- Mental Health Awareness for all associates
- Mental Health Panel hosted by AVB Benefits Director, with clinical experts from Cigna, Rethink and Wellthy

AvalonBay's Associate Resource Group (ARG) the Asian Pacific Associate Connection (APAX) also hosted an event for all associates to hear from Dr. Jenny Wang, who is an international speaker on the intersections of Asian American identity and mental health. She

has developed and facilitated corporate and nonprofit workshops on emotional regulation and leadership, Asian American identity, and racial trauma from an Asian American lens.

The Benefits Team also partnered with wellness vendors, Wellthy, Health Advocate and Rethink to provide vendor-specific webinars for mental health awareness related to caregiving and other relevant topics.

WORKPLACE FLEXIBILITY

Corporate and regional offices were open for the entirety of 2022, for the first time since the pandemic began. In general, these workplaces operated on a hybrid schedule where associates split their time between the office and home on specified days, unless otherwise agreed upon with their manager.

AWARDS AND RECOGNITION

At AvalonBay, we are proud of the focus, commitment and hard work exemplified by our associates every day. To acknowledge this exceptional work, we present the following awards and recognition on various intervals to show our associates that their work truly makes a difference.

AVALONBAY'S VERY BEST

AvalonBay believes that associate engagement increases when there are effective and timely recognition tools in place. Managers and peers have multiple ways in which to recognize their direct and indirect reports as well as their peers through:

Corporate/Regional Offices

AvalonBay's Very Best Program: five areas of associate contribution are awarded and recognized twice each year:

- *Excellence*: outstanding performance that produces extraordinary results,
- *Collaboration*: promotion of collaborative partnerships across departments or regions that produce positive results,
- *Spirit of Caring*: extraordinary service to others,
- *Innovation*: development of a new idea, process, program or solution that gives AvalonBay an advantage,
- *Sustainability*: support of environmental sustainability by developing effective approaches that impact the overall company or individual communities.

Winners, either individually or as a team, are announced companywide, highlighting their significant contributions to AvalonBay.

Residential Services

AvalonBay's Very Best Program: three areas of associate contributions are awarded and recognized on an ad-hoc, monthly or annual basis.

- *Very Best Excellence Awards in Operations or Maintenance*: Consists of Operational Excellence, Maintenance Excellence, Great Move-In Maintenance, Customer Service Excellence, Lease-up Excellence, Redevelopment Excellence. The purpose of these awards is to reward outstanding performance in leasing goal achievement, customer service, maintenance and cleanliness of the community, move-in ready homes, and controllable redecorating/maintenance expenses.
- *Sales Excellence*: recognition of monthly sales goals, associate lifetime achievements, and leader mentorships with new associates.
- *AVB's Core Values & Cultural Norms*: recognition of associates exhibiting our core values or cultural norms.

RECOGNITION

The RecogNation portal enables managers to acknowledge associates at the time in which it is most impactful through associate nominations for one of four awards: the AVB Core Values & Cultural Norms, Residential Services (RS) Service Champion, Spotlight award, or 212 Award. The portal also allows for associates to be awarded with points which can be redeemed for gift cards, merchandise or experiences. Since we launched this program in 2020, hundreds of associates have received nominations. Additionally, associates may use the RecogNation portal to send e-cards, such as work anniversary, birthday or thank-you cards.





INCLUSION AND DIVERSITY

Building a more inclusive and diverse AvalonBay begins with our purpose — creating a better way to live. Inspired by this purpose, AvalonBay's Inclusion & Diversity (I&D) vision is to foster an environment where all associates feel welcome, are supported with opportunities to thrive and are represented by our leadership team.

As we grow and innovate, it's important that we recruit, develop and promote associates with diverse identities, experiences and perspectives and create an environment that ensures all voices are heard, understood and appreciated.

In 2022, we continued to make progress with our I&D strategy, programming and vision. Information about our I&D staff and governance can be viewed on p. 53.

I&D STRATEGIC FOCUS AREAS

In addition to serving as a cross-functional, organization-wide priority, Inclusion & Diversity includes four strategic focus areas.

Creating Personal Awareness

The journey towards a more inclusive and diverse AvalonBay starts with the individual. Creating awareness and supporting AvalonBay associates on their personal I&D journey, we are focused on the following:

- **Education and Training**

Since 2018, we have offered several training programs for associates, facilitated by our training partners. These include the following courses: Unconscious Bias, Inclusive Culture, Inclusive Leadership and Building Ally Skills at Work. We also host various events throughout the year with external speakers and panel discussions to educate and support associates on topics relevant to I&D and our ARGs.

- **Resources**

We have created a centralized location for I&D resources on our internal intranet site, which includes information about the I&D team, our strategy, Associate Resource Groups, a "listen, watch, read" section with recommended articles, books, podcasts, videos and various other resources.





Fostering a Culture of Inclusion

Over the past few years, we taken the following steps to support associates and foster a culture of inclusion:

• Associate Resource Groups (ARGs)

Our seven ARGs provide support, networking, mentoring, development and outreach opportunities for associates. In addition to hosting an annual celebration month/day (e.g., Black History Month, Veterans Day), each group creates an annual plan focused on the “4 Cs”: Career, Community, Culture and Commerce.

• Associate Forums

Empower Hours, launched during the pandemic in 2020, are virtual sessions hosted throughout the year and focused on various topics related to I&D that allow associates to share and listen to personal experiences and perspectives and support one another.

• Communications and Events

We celebrate and recognize associates, as well as create awareness through I&D or ARG communications and events for Black History Month, Women's History Month, Celebrate Diversity Month, Asian Pacific American Heritage Month, Pride Month, Hispanic Heritage Month, Veterans Day and various days throughout the year (e.g., Juneteenth, Mother's Day, Father's Day, Memorial Day).

Holding Ourselves Accountable

Supporting our I&D mission and vision means ensuring we remain focused on our commitments.

• Diversity in Leadership Vision

Building a more diverse leadership pipeline will require a commitment and focus on inclusive strategies for talent acquisition, associate development and promotions. In 2020, we set a vision to increase the diversity of our leadership team² by achieving gender parity³ and increasing people of color. In 2022, we continued to make progress towards this vision, which included achieving our 2025 vision for increasing people of color in leadership.

• Department Action Plans

Through an initiative started in 2021, each AvalonBay department has created an I&D action plan specific to their business unit and which follows the four strategic focus areas.⁴

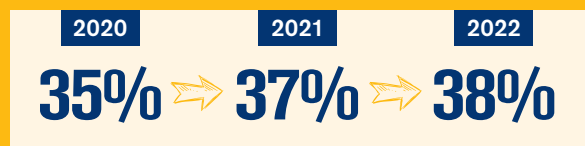
• Leadership Accountability

Since 2020, AvalonBay's leadership team has been asked to make a personal commitment to I&D and I&D efforts have been added to Individual Development Plans (which are updated annually) for these associates.

DIVERSITY IN LEADERSHIP VISION

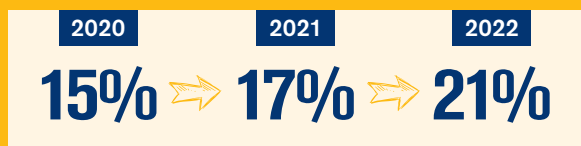
ACHIEVE GENDER PARITY

Increase women in leadership to achieve gender parity (41%) by 2025.



INCREASE PEOPLE OF COLOR

Increase people of color in leadership to 20% by 2025 and 25% by 2030.



² Leadership Team is defined as associates with the title of Director and above.

³ Please note that parity is defined as achieving a level within +/-2% of the available workforce (41% in 2020, when this vision was set) as determined using third-party resources by level and function. Source: TalentNeuron (which uses Census NAICS industry codes, years of experience, education, and 65k sources of data including Census, job boards, proprietary database and Gartner Insights).

⁴ We are committed to a work environment that supports, inspires, and respects all individuals and in which personnel processes are merit-based and applied without discrimination. We make employment decisions (including decisions with respect to hiring, promotion, job assignment, pay and termination) without regard to a person's race, ethnicity, color, religion, sex, national origin, sexual orientation, gender identity, pregnancy, age, disability, and other protected statuses under law or described in our Code of Business Conduct and Ethics. We will not deviate from being an equal opportunity employer for the purpose of achieving our stated diversity vision. We believe the Company can achieve the diversity vision described not by quotas or mandatory preferences, but by:

- creating an inclusive environment where all feel valued and supported;
- broadening our recruiting methods and sources;
- reducing (or implementing programs to curb the effect of) implicit bias through education and participation in training and team building opportunities; and
- continuing to develop a diverse group of qualified associates for potential promotion to leadership.

2022 I&D RECOGNITION



• Talent Acquisition

Led by the Talent Acquisition team (specifically, the newly created role of Sr. Director of Diversity Recruiting) this strategy is centered on outreach by partnering with internal associate resource groups, external diversity partners and HBCUs to develop impactful long-term relationships to diversify our talent pipeline.

• Pay Equity

AvalonBay engages an external firm specializing in pay equity analysis to conduct a review across the entire organization on a regular basis. This includes all full- and part-time positions. The most recent review was conducted in 2022.

Growing Our Impact

Making true impact with inclusion and diversity extends beyond the boundaries of AvalonBay.

• Supplier Diversity Program

In 2021, AvalonBay launched a pilot program to assure that the sourcing of prospective vendors and suppliers includes diverse firms. The pilot has focused on the MidAtlantic region and allowed us to test and demonstrate what methods are effective in recruiting and hiring Disadvantaged Business Enterprises (DBEs), communicate lessons learned and incorporate this into supplier contracting in the region, with a plan to expand the program across AvalonBay in 2023.

• Partnerships and Philanthropy

In addition to our partnership with the National Urban League, led by the Black Associate Coalition (BAC), the Latinx Employees of AvalonBay for Diversity (LEAD) has a partnership

with the National Hispanic Corporate Council. Our Associate Resource Groups engage in philanthropic activities throughout the year, including celebration month events, donation drives and fundraisers for causes tied to their community.

• Benchmarking, Surveys and Recognition

To contribute to external research and also help us with internal benchmarking, we have participated in McKinsey and LeanIn.org Women in the Workplace study for the past three years and in 2022 we participated, for the first time, in McKinsey's Race in the Workplace study and ULI's Global Real Estate DEI Survey. In 2022, AvalonBay was honored to receive recognition with a perfect score (of 100) on the Human Rights Campaign Corporate Equality Index and the 2022 National Inclusion, Diversity and Equity Excellence Award from Associated Builders and Contractors. In late 2022, AvalonBay became an early adopter and enrolled in the International WELL Building Institute's (IWBI) WELL Equity Rating, a new rating designed to help organizations act on their diversity, equity, inclusion and accessibility goals, and improve company culture and employee health.

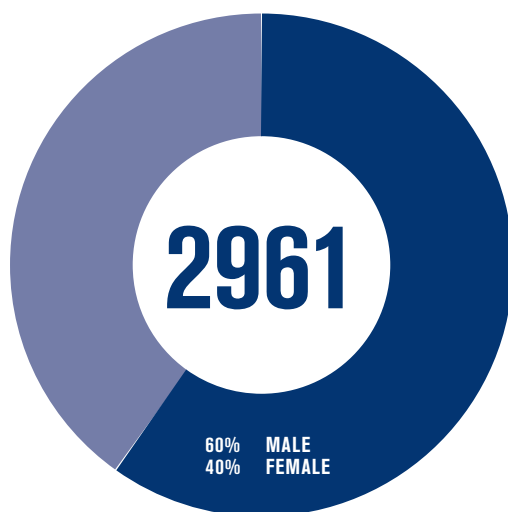
• External Leadership and Engagement

We are proud to be a signatory of the CEO Action for Diversity and Inclusion pledge, and in 2023, our Director-ESG, I&D became co-lead of CEO Action's new Commercial Real Estate group. We were also founding members of the Boston College Center for Corporate Citizenship's Diversity, Equity & Inclusion Advisory Board and are members of NAREIT's Dividends for Diversity, Equity and Inclusion CEO Council and Steering Committee.

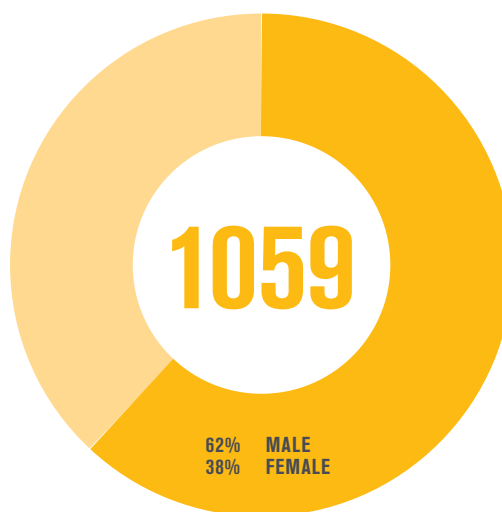
2022 DIVERSITY, INCLUSION AND EMPLOYMENT METRICS

EMPLOYMENT METRICS

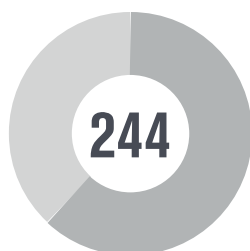
Also published in our EEO-1 Report



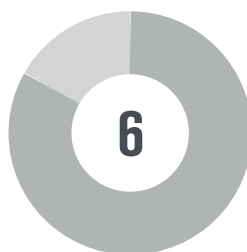
AVB ASSOCIATES
(97% FULL TIME)



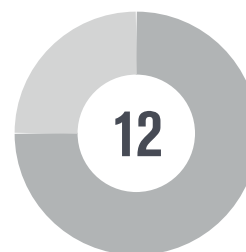
NEW HIRES¹
(93% FULL TIME)



LEADERSHIP TEAM²
62% MALE
38% FEMALE



EXECUTIVE TEAM
83% MALE
17% FEMALE



BOARD OF DIRECTORS
75% MALE
25% FEMALE

¹ Includes rehires, temp, and part-time workers.

² Leadership Team is defined as associates with the title of Director and above.

³ Turnover calculations incorporate only "regular" associates; if temporary associates were included, the rate would be skewed since they are typically seasonal hires mid-year and therefore are not accounted for in the average headcount, which takes into account only the starting and ending headcount in a year. "Turnover Rate" is defined as number of separations divided by the average headcount (starting and ending regular headcount divided by 2).

EMPLOYMENT HIGHLIGHTS

31%

**TOTAL TURNOVER
RATE³**

6% INVOLUNTARY
25% VOLUNTARY
37% NMHC TOTAL TURNOVER⁴
33% NMHC VOLUNTARY TURNOVER

15%

**CORPORATE
TURNOVER RATE³**

6% INVOLUNTARY
25% VOLUNTARY
37% NMHC TOTAL TURNOVER
33% NMHC VOLUNTARY TURNOVER

⁴ NMHC — National Multifamily Housing Council

BY GENERATION

AVB ASSOCIATES



NEW HIRES¹



LEADERSHIP TEAM²



EXECUTIVE TEAM



BY ETHNICITY³

AVB ASSOCIATES^{*}



NEW HIRES^{1*}



LEADERSHIP TEAM²



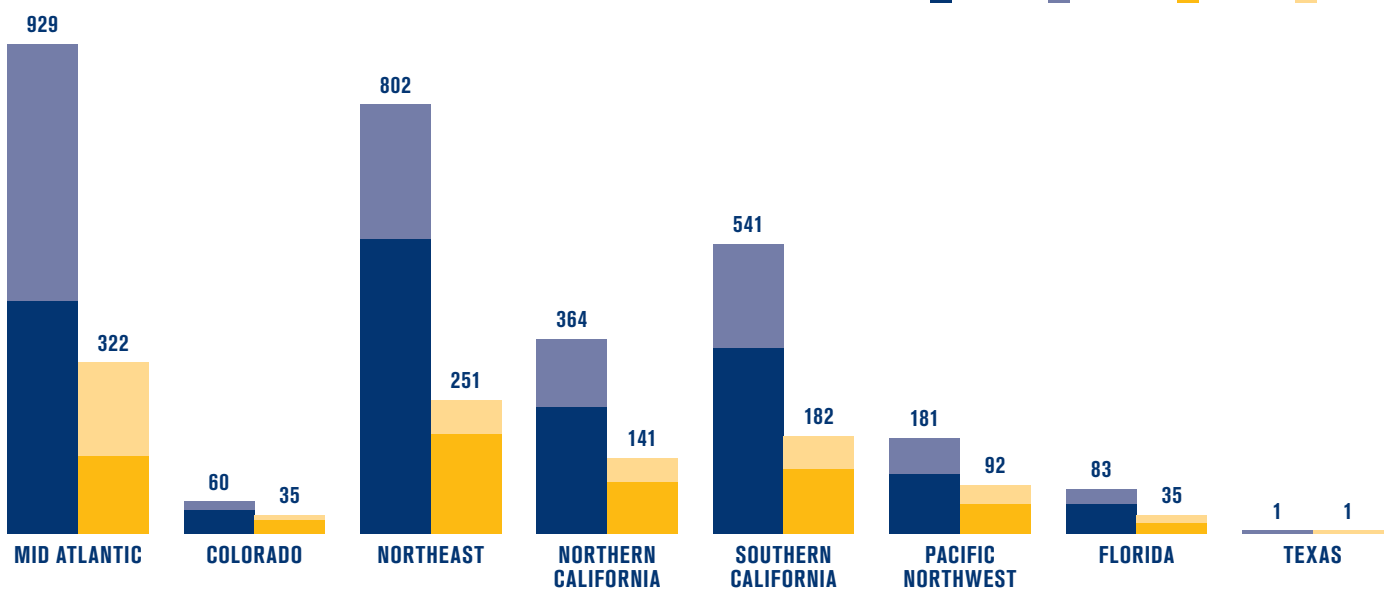
EXECUTIVE TEAM



BOARD OF DIRECTORS



BY GENDER AND REGION



¹ Includes rehires, temp, and part-time workers.

² Leadership Team is defined as associates with the title of Director and above.

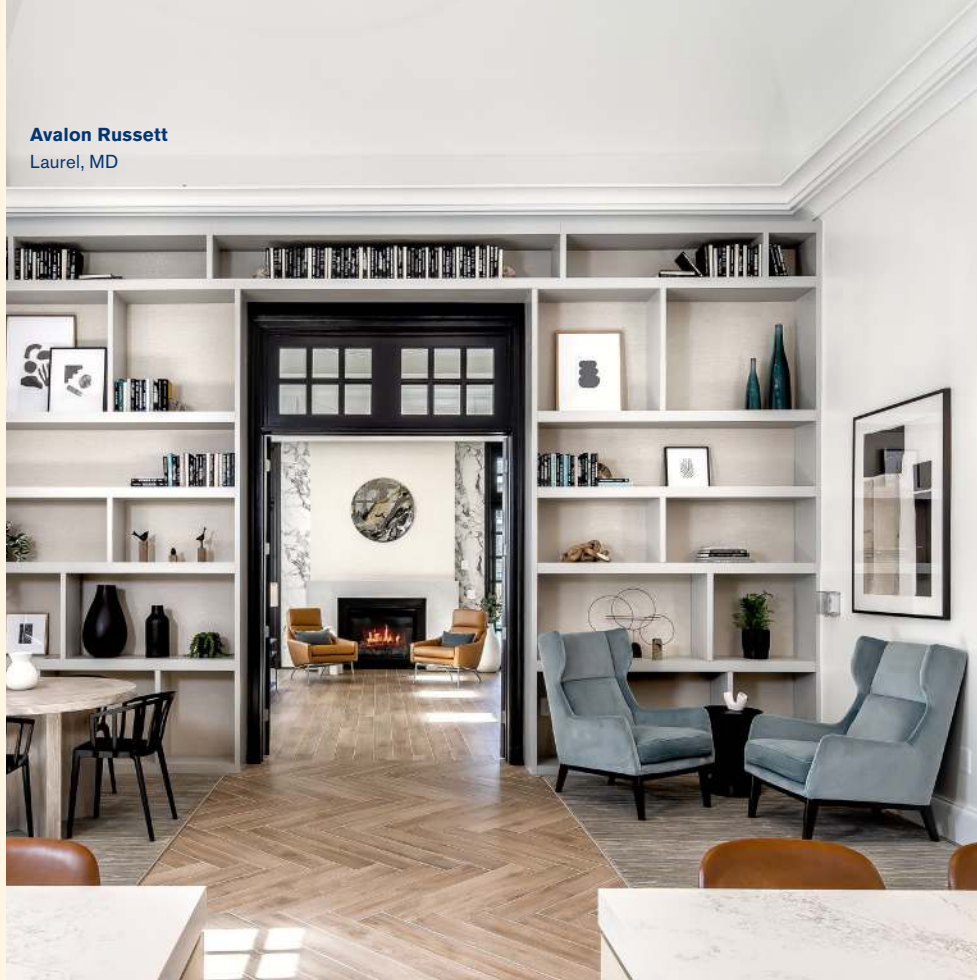
³ Reference EEO categories.

* White includes White, American Indian/Alaska Native and Native Hawaiian. Asian includes Asian, not of Hispanic origin. African-American includes African American. Hispanic includes Hispanic/Latino. Multi-Ethnic includes two or more races. Chose not to respond includes Not Specified and Unknown.

WE CONTINUE TO FOCUS ON FINDING NEW WAYS TO ENGAGE WITH, SUPPORT AND KEEP OUR RESIDENTS SAFE.

Creating a better way to live for our residents starts with listening. Asking for and responding to resident feedback is a vital part of our culture and integral to how we manage our business every day. It provides the foundation for AvalonBay to continue to improve service and develop new features, amenities and programs.

Avalon Russett
Laurel, MD



LISTENING TO RESIDENTS

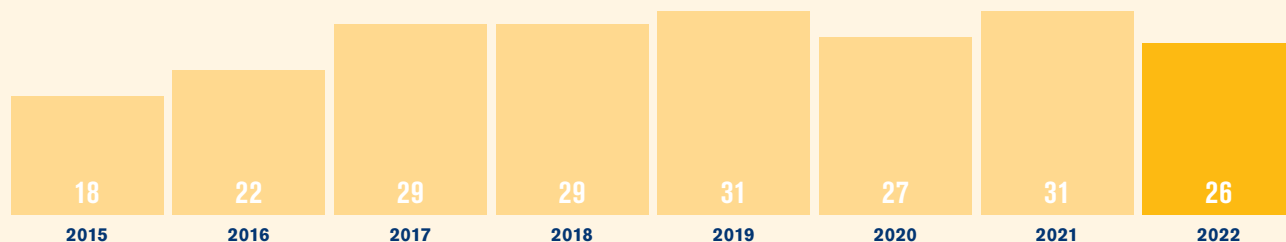
We continuously ask customers to share their experiences with us so we can identify areas of improvement. We do this by surveying residents at various stages of their time with us: following their move-in, midway through their lease, and at move-out. We use the Net Promoter Score (NPS) as our primary measure of customer satisfaction and loyalty. In 2022, our NPS was 26 in our stabilized communities, down from 31 in 2021. Higher post-COVID rents and shifts in our operations contributed to this decline. We are continually working to meet the needs of our residents and boost their experience.

We also monitor social media and review websites. This is particularly important since more than 80% of people searching for an apartment consider online reviews. In 2022 our overall rating was 4.4 out of 5 stars.

Resident concerns are handled through several official channels, with the goal of addressing each and every concern. These include the following measures:

- A dedicated phone queue staffed with specially trained and tenured associates who handle resident concerns
- An internal support line where associates can get additional on-the-spot support in assisting residents with any concerns they may have
- A special manager callback program whereby our service center can directly handle escalations and customer complaints within 24 hours
- A Customer Experience team dedicated exclusively to maintaining positive resident relationships

NET PROMOTER SCORE*



* For stabilized communities

HEALTH, WELLNESS AND SECURITY

WELLNESS AND HEALTHY BUILDINGS

We strive to create buildings focused on the health and wellbeing of our residents. Below are a few programs outlining some ways we make this happen:

AvalonFit and AVAfit

Our AVALONfit and AVAfit resident programs offer a variety of fitness amenities and perks to help residents achieve their wellness goals. Our curated onsite fitness centers and strategic partnerships with companies like Breethe, SpaWeek, Cook Smarts and Pzizz, help support a healthy lifestyle.

In 2022, we hosted a Best Friends Day promotion encouraging resident engagement by submitting photos and videos of those closest to them, pets included, while enjoying their apartment home or amenity space. With an overwhelming number of submissions, making this one of our most popular promotions to-date, two winners were selected.

Smoke-Free Communities

AvalonBay promotes a healthy physical environment throughout our portfolio with communities across the country that offer smoke-free living. Communities that offer smoke-free living include a Smoke-Free Lease Addendum as a means to ensure the best air quality for all residents.

ENSURING DATA SECURITY

We recognize the critical importance of protecting personal information and prioritize data protection and privacy in our information security practices. We have implemented comprehensive data protection and privacy policies and procedures and regularly review and update them to ensure they are aligned with the latest industry standards and regulatory requirements.

ACCESSIBILITY

AvalonBay is committed to accessibility compliance in the design, construction and operations of our communities. We have a comprehensive compliance program to help us meet requirements under the Fair Housing Act, Americans with Disabilities Act and all state and local accessibility building codes. The program consists of a policy that requires all new construction projects to engage an approved third-party accessibility consultant with a standardized scope of work at multiple stages of drawing development, as well as multiple stages throughout construction. These accessibility review reports are captured in a formalized document management platform and ensure that all stakeholders involved have an opportunity to review them.

We require that all AvalonBay associates involved in the design and construction of our communities complete our accessibility training course at onboarding and every two years thereafter. We also use a formalized reasonable modification request process for our residents who face accessibility challenges to request changes that will enhance their ability to enjoy all aspects of the AvalonBay community in which they live. With this multifaceted approach, AvalonBay ensures that we comply with accessibility at the highest level possible across all areas of our business. In 2022, AvalonBay updated its company-wide accessibility training to ensure that it is up to date on current requirements as well as producing regional specific accessibility training to help

associates understand regional requirements. This is in addition to the overall comprehensive training that focuses on FHA and ADA.

INNOVATION

Innovation is an integral part of AvalonBay's DNA and is reflected in one of our core values – A Focus on Continuous Improvement. Our Innovation Council, formed in 2022, continues to help assess, prioritize and champion significant innovation efforts throughout the organization. This group also interfaces with property technology funds and early to mid-stage technology businesses to assess opportunities related to “proptech” and ESG.

A FEW KEY INNOVATION HIGHLIGHTS FROM 2022

New digital tools and experiences

- We launched a new website search experience across the full portfolio to make it easier for new residents to find the right apartment.
- We developed and tested new digital tools to make it easier for new residents to apply and lease with us, and for existing residents to renew with us.
- We deployed a new mobile resident portal for residents to submit and track requests, and a mobile task management tool for maintenance associates to manage service requests “on the go”.

Smart Buildings

We continue to deploy smart building capabilities, including smart building and apartment access and thermostat control.

Wi-Fi

With the goal of providing no- or low-friction connection to high-speed, reliable internet in our apartments, we launched Avalon Connect, our package of seamless bulk internet. At new developments we offer managed Wi-Fi throughout the community.

Furnished Housing

We continue to grow and refine our furnished apartment offering, providing residents with a more cost-effective “plug-and-play” living option.

ENGAGING RESIDENTS IN CREATING A BETTER WAY TO LIVE

IN THE GREATER COMMUNITY

We engage residents in our Building Strong Communities philanthropy program — from fundraisers to our Spirit of Caring Season activities — we constantly look for ways to take an active role with our residents in engaging with the local community. We were proud to sponsor our eighth annual Community Preparedness Week (CPW) in partnership with the American Red Cross. As a national Disaster Responder partner with the Red Cross, and through CPW, we extended Red Cross emergency and preparedness resources to roughly 140,000 residents.

FOR THE ENVIRONMENT

We engage and support our residents in reducing their environmental impact by promoting energy, water and waste reduction opportunities and tips. We build our apartment homes with energy and water efficiency in mind, selecting efficient appliances, equipment and building materials. We are also

**IN THE SUMMER
OF 2022, OUR
GRIDREWARDS
RESIDENTS
IN NEW YORK
COLLECTIVELY
REDUCED THEIR
ELECTRICITY
USAGE BY 2,924
KWHs. THAT'S
EQUAL TO 845KG
OF CO2e!**

committed to providing our residents the ability to recycle, where feasible. Through the GridRewards program, residents in certain markets are able to reduce their electrical consumption during peak times to directly reduce their carbon footprint. Each of these activities supports our SBTs and overall commitment to environmental sustainability. Additionally, we are piloting two new ways to provide renewable energy to our residents: resident solar and community solar. You can read more about this in the Environmental section earlier in this report.

AMENITIES AND SERVICES

SECOND SPACE

We are currently piloting a new, mixed-use concept called Second Space, which provides private, furnished offices for rent by the month to residents and the public to meet increasing demand for work from home environments. The first Second Space opened at Avalon Monrovia in Southern California in 2021, and we are planning to expand this concept to seven other communities in 2023. Incorporating these mixed-use components provides residents with more local options and encourages walking or public transportation as a means of experiencing what the neighborhood has to offer.

RESIDENTIAL DEMAND RESPONSE AND REDUCING CARBON EMISSIONS

Our demand response and smart building data program supports residential demand response in portions of New York. In New York City, our residents can download the free GridRewards mobile app which enables them to track energy usage, utility cost and carbon footprint by the hour. This first of its kind app leverages secure integrations into new smart meters for personalized energy efficiency insights and recommended actions to lower energy costs and carbon emissions. The app identifies the time of day when electricity has the highest carbon content and notifies residents when reduced electricity usage will have the biggest impact on reducing their carbon emissions.

AvalonBay's New York residential GridRewards enrollment has increased this past year with just over 8% of the NY portfolio enrolled in GridRewards. This past summer, residents collectively reduced 2,924 kWhs of electricity, equal to 845 kg of CO₂, while generating \$16,934 in GridRewards; an average of

\$44 per user. GridRewards is a valuable tool to socially engage residents in reducing scope 3 carbon emissions. We plan to continue pursuing GridRewards in other markets as the program expands into California and Texas.

BILT REWARDS LOYALTY PROGRAM

In 2022, AvalonBay completed the rollout of Bilt Rewards, a loyalty program that allows residents to earn points on their rent payments without paying a transaction fee. As a Bilt Rewards loyalty member or a Bilt Rewards credit card holder, residents can earn points to put towards travel, fitness classes, shopping, or rent credit, or they can apply accrued points towards a down payment on a home purchase.

Bilt also offers members with the opportunity to opt into free rent reporting to all three credit bureaus, helping boost credit scores and increase credit visibility. Bilt Homes, introduced in 2022, is a platform that allows renters to see listings of homes they can afford to purchase taking into account their rent payment and credit score and factoring in current interest rates, taxes, and their personal income and credit profile to determine their potential mortgage rate.

FURNISHED+ PROGRAM

Our furnished housing program, Furnished+, offers residents the comfort, connectivity and convenience of home without the hassle. Residents can move right into a stylish, pre-furnished home, or pick any available home to furnish (at select locations). Utilities, including Wi-Fi, are active right at move-in and paid with the monthly rent. Our optional linen and kitchenware kits offer residents a more seamless moving experience.

In 2022, we grew our Furnished+ portfolio by completing the rollout of our "on demand" platform where residents can furnish the apartment of their choice where applicable. Rented furniture cuts down on waste and we've intentionally selected partners who are committed to reducing their impact and conserving natural resources.

Furnished+ Sustainability Efforts

- Most wood products supplied through Furnished+ are FSC certified, which means they harvest lumber from sustainable forests.



- One of our vendor's largest furniture manufacturers operates a vertically integrated manufacturing plant that recycles over 90% of their scrap into new product.
- Most of our furniture offerings are made from rubberwood which grows incredibly fast and regenerates very quickly, making it a good sustainable source of raw material.
- Within our houseware products, our vendor is working with their suppliers to eliminate all products with PFAS (a bio-accumulative class of forever chemicals).
- Our vendor optimizes their transportation by sharing routes with other deliveries to cut down on trucks on the road.

WAG

We know that pets are family, which is why we don't just offer pet-friendly communities across the country, we created WAG, the pet program to take pet-friendly living to the next level. We welcome pets home with treats and put an emphasis on clean and safe grounds for both pet and human residents.

We appreciate pets by providing resources and hosting social events for our furry residents. We give back to our pet residents through a partnership with VCA Animal Hospitals, which provides savings on veterinary visits and supplies. In 2022, we celebrated Love Your Pet Day with a photo contest to show our love for our furry friends during this special day of the year.

BULK WI-FI

We are now offering our residents bulk managed Wi-Fi solutions at our new developments. Bulk managed Wi-Fi offers seamless, secure, and instant high-speed Wi-Fi connectivity throughout the entire community. Residents can move in and log on with no equipment or installation appointments required. Managed Wi-Fi allows for seamless connections within the home and throughout the entire community via multiple access points. Those connections allow the resident access to various smart home applications like smart locks and smart thermostats. Managed Wi-Fi also allows for AvalonBay to install various smart technologies throughout the building to manage access, energy and building performance and comfort. Through 2022, we have deployed managed Wi-Fi at three communities.



In addition to bulk managed Wi-Fi, at existing communities we have begun to offer our AvalonConnect package which includes bulk high speed internet at a discount. Through 2022 we have deployed our AvalonConnect package to 124 communities.

TRANSPORTATION ADVANCES

Car Charging

We currently have 673 smart Level 2 electric vehicle (EV) charging stations installed at 72 communities and an additional 1,145 Level 2 EV charging outlets at 67 communities across our portfolio.

Car Sharing

We have a total of 16 communities with car sharing amenities, including ZipCar, Enterprise and Whip EV. Whip EV is a minority-owned car sharing company and our newest partnership. We have also piloted an EV car-sharing program at AVA Theater District in Boston, MA with ZipCar.

EV Strategy/Task Force

AvalonBay's EV charging leadership team is pursuing a strategy of ensuring that our communities are equipped with charging ports that meet the needs of our customers and the requirements of the jurisdictions where we operate. Depending on the community, the infrastructure required to support EV charging demand and jurisdictional requirements varies. Our objective is to evaluate the likelihood and timing of future upgrade requirements to determine the appropriate construction allowances needed today to reduce the total cost and duration of upgrade projects.

Electric Charging Design Standards

In 2020, we updated our design standards to include guidance on electric vehicle charger installation, including the requirement of Level 2 charging at all new developments for the number of spaces required by code. If no code is present, our design standard requires that a minimum of 5 percent of spaces have Level 2 charging.

Transit-Oriented Development

Access to transit is not only an important part of selecting a place to live, but it will also play an important part in decarbonizing our future by creating less reliance on individual passenger vehicles. As of 2022, we have a total of 114 Transit-Oriented Development communities.



FOR DOING WHAT'S RIGHT IT ALL ADDS UP

AvalonBay is committed to a comprehensive approach to corporate governance practices and the highest ethical standards. Our Board of Directors has 12 members, 10 of whom are independent.

The Company has adopted a variety of best practices in corporate governance, including the following:

- All directors are independent, other than our Chief Executive Officer, who joined our Company at the beginning of 2021, and our non-executive Chairman of the Board, who retired as an executive of the Company at the beginning of 2023
- Annual election of directors and majority voting in uncontested elections
- Policy on recoupment of incentive compensation (Clawback Policy)
- Strong lead independent director position
- Stock ownership guidelines for Board Members, Executive Vice Presidents, and Senior Vice Presidents
- Robust policies against hedging, speculation and pledging of Company securities
- Policy regarding stockholder approval of future severance agreements above a set payout threshold
- Policy to hold executive sessions of independent directors at each regularly scheduled Board meeting
- Recurring succession planning
- No shareholder rights plan and policy regarding adoption of future plans
- Internal audit group reports directly to the Audit Committee of the Board of Directors
- Formal conflict of interest and insider trading policies for all associates
- Code of Conduct contains an anti-fraud policy that all directors and associates sign and attest to annually
- As a publicly traded Company, our financial statements undergo independent quarterly reviews and annual external audits prior to filing with the SEC
- Annual review of enterprise and fraud risks presented to and discussed with the Audit Committee and/or the full Board of Directors
- Policy on political contributions and government relations
- Recurring discussions at the Board and Board committee level with management in charge of diversity, environmental sustainability and climate change, and cyber security.

CODE OF BUSINESS CONDUCT AND ETHICS

We have established and maintain a corporate culture that requires integrity and reflects ethical values. We dedicate significant resources to ensure compliance with our Code of Business Conduct and Ethics. To facilitate enforcement of our Code, AvalonBay maintains a confidential, anonymous hotline for associates to report any concerns about financial or reporting improprieties, workplace issues or ethical matters. We adhere to a

strict nonretaliation policy to protect any associate who makes a report in good faith and our Associate Perspective Survey also asks questions relating to ethics, compliance and safety.

In addition, AvalonBay:

- Requires that all associates, including full-time, part-time and contract workers, sign and reaffirm their knowledge of the AvalonBay Code of Business Conduct and Ethics on an annual basis, and
- Provides a formal onboarding procedure to ensure associates become acclimated to AvalonBay's culture, policies and procedures.

ETHICS AND COMPLIANCE TRAINING

We recognize that maintaining our high standards of ethics requires consistent ethical behavior by all associates. We conduct periodic training to ensure associates understand our expectations regarding ethical conduct and performance and our commitment to human rights. All AvalonBay associates and temporary and contingent workers must take the standards of business conduct training upon hire, and then every one or two years thereafter, depending on position. Associates in key business positions recertify on an annual basis:

- In 2022, AvalonBay associates completed 9,348 hours of training related to human rights, including courses on respectful workplace, anti-harassment, ethics and fair housing and accessibility.
- All associates are required to read and sign the AvalonBay Code of Business Conduct and Ethics annually. Upon hire, associates are provided with an electronic copy of the associate handbook, which also details conduct and behavior expectations.

RESPONSIBLE MARKETING

At AvalonBay, we are committed to responsible marketing practices. Our marketing guidelines require that our advertising is compliant with all applicable laws, describes our products and services accurately and transparently, is supported by appropriate factual information and follows our principles with respect to inclusion and diversity. As an organization, we act transparently and responsibly to earn and keep the trust of our customers when collecting, retaining and using personal data.

INTERNAL AUDIT

Our Internal Audit group consists of 10 full-time associate positions and operates independently within the company, reporting directly to the Audit Committee of the Board of Directors and administratively to the Chief Financial Officer. Its staffing composition consists of a variety of professionally experienced and qualified associates whose credentials include: Certified Public Accountants (CPA), Certified Fraud Examiner (CFE), Certified Information Systems Auditor (CISA), Certified Information System Security Professional (CISSP), Certified Internal Control Auditor (CICA), Certified Construction Auditor (CCA) and Construction Control Professional (CCP). Additionally, the group maintains close relationships with various accounting, consulting and forensic audit firms should the need for additional skills and expertise arise.

The Internal Audit group performs continuous independent audits of key business, corporate, operational, financial and information technology activities. These reviews are focused on key controls, segregation of duties and compliance-related matters. This includes, but is not limited to, the following areas within the Company – development, construction, capital expenditures, our Customer Care Center, IT controls and security, ESG, risk management, community operations, affordable housing, retail, benefits, payroll, and financial and cash management. The group reports the results of its activities, including audit findings and opportunities for internal control enhancement, to the Audit Committee, executive management, senior management and other key management associates and process owners.

Other vital functions performed by Internal Audit are to support the Company's ethical environment, core values, cultural norms and commitment to integrity. Examples include:

- Overseeing the reliability of the Company's environmental, social and governance (ESG) disclosures.
- Administering the Company's Sarbanes-Oxley (SOX) compliance process. This includes testing and verifying the design and operating effectiveness of significant business processes and IT internal controls that reside over the Company's

financial reporting. This process also includes, on a quarterly and annual basis, administering and reviewing over 50 process owner certifications and internal control/fraud attestations that support the SEC required CEO/CFO internal control certifications, which are required in the 10-Q and 10-K financial statement filings.

- Performing an annual entity-level control assessment based on the Committee of Sponsoring Organizations (COSO) internal control framework, including conducting a yearly fraud risk survey and control assessment based on key risks identified in the Association of Certified Fraud Examiners' (ACFE) report to the Nations on Occupational Fraud and Abuse report.
- Managing the Company's anonymous whistle-blower hotline, EthicsPoint, which also allows access to every report to the Audit Committee of the Board of Directors to help ensure full transparency.
- Assisting with reviewing, monitoring and updating the Company's Code of Conduct, associate handbook and their required annual associate affirmations. The policies, procedures, requirements, rules and guidelines in these documents help establish and reinforce the Company's ethical requirements, core values and cultural norms.
- Taking an active and engaged role in helping monitor and oversee the Company's compliance, risk management, issue mitigation, investigations, IT infrastructure, controls and systems upgrades and implementations. This includes serving on, and holding leadership roles on, the Company's Enterprise Risk Management, SOX IT, Cyber Security, Quality Assessment, ESG Disclosure and other compliance and governance-related committees.

INFORMATION SECURITY

At AvalonBay, we take a comprehensive approach to cyber security and information security, prioritizing the protection of our technology systems, data, and the personal information of our customers and associates from cyber threats. Highlights of our program can be found below:

Governance

Senior members of our IT Security team meet with the full Board or its Audit Committee at least twice annually (and usually more frequently) to discuss cyber security matters. Our IT team reviews with the Board or its Audit Committee the Company's cyber security program against an established standard and regulatory requirements, and reviews with the Board or the Audit Committee a cyber security dashboard with relevant metrics. We also assign associate cyber security training across the company at least three times per year and conduct phishing testing throughout the year to educate our employees and increase their awareness of potential cyber threats.

Risk Management

We measure ourselves against the National Institute of Standards and Technology's (NIST) Cyber security Framework, report our progress against these standards to our Board's Audit Committee, and conduct annual third-party assessments to ensure compliance with our controls, policies and procedures.

Vulnerability Management

We take vulnerability management seriously and regularly scan our assets to ensure compliance with patch management best practices. Additionally, we leverage a public bug bounty program to identify potential vulnerabilities in our systems and work to promptly remediate them. We also have 24/7/365 monitoring by a Managed Security Service Provider (MSSP) to detect and respond to potential security incidents.

We remain committed to upholding high standards of cyber security and information security practices and continually assess and improve our measures to help protect our customers and employees' personal information against cyber threats.

SOUND INVESTMENT MANAGEMENT

New investment proposals, including development, acquisition, redevelopment, disposition activity and newly implemented investment programs, such as our Structured Investment Program and

our Developer Funding Program, are submitted to the Management Investment Committee or a designated subcommittee for review and approval. The investment packages are compiled with input from different functional groups within the Company and include operating and capital budgets, detailed schedules and proformas and an assessment of major risks and opportunities, including climate and emissions-related risks. Transactions that exceed certain size thresholds or are outside of certain guidelines are also submitted to the Investment and Finance Committee of the Board of Directors, or to the full Board in certain cases.

ETHICSPPOINT HOTLINE

AvalonBay uses EthicsPoint, an anonymous, third-party managed hotline, available 24/7 for associates to report workplace concerns and issues. Because EthicsPoint is a third-party service, it is independent of AvalonBay and will never communicate or reveal a reporter's identity (unless the reporter explicitly chooses to do so). AvalonBay's Internal Audit team, which reports directly to the Company's Audit Committee of the Board of Directors, administers EthicsPoint and is immediately notified of any report or complaint. The Audit Committee also has independent direct access to all EthicsPoint reports if they desire. Internal Audit administers and oversees EthicsPoint-based investigations and formally issues a summary of all reports, their status and the result or resolution of each investigation on a quarterly basis to the Audit Committee. EthicsPoint can be accessed either through the Internet at www.avalonbayhotline.com, or by telephone at 866-292-2076.

AVALONBAY'S BOARD OF DIRECTORS

Our Board of Directors consists of 12 members, 10 of whom are considered independent. Within the Board, there are three members who identify as female (25% of the Board) and two members who identify as people of color (17% of the Board). We have four standing Board committees described in more detail below.

AUDIT COMMITTEE

The Audit Committee's charter was amended in 2022 to clarify the Audit Committee's role in overseeing the reliability and adequacy of ESG data reported in the Company's SEC filings

and annual ESG report. Members of management overseeing the preparation and disclosure of ESG information in these filings and reports meet periodically with the Audit Committee. In addition, the Audit Committee's oversight role with regard to cyber security matters has been clarified, and the Audit Committee meets periodically with personnel from the Company's information technology group to discuss trends in cyber risks and the Company's strategy and standards to defend its IT networks.

NOMINATING, GOVERNANCE, AND CORPORATE RESPONSIBILITY COMMITTEE

Given the importance of ESG matters to our stakeholders, the charter of our NGCR Committee was amended in 2022 to clarify that the NGCR shall assist the Board in overseeing ESG matters, including initiatives and policies related to inclusion and diversity, health and safety, philanthropy, human capital, culture and engagement, political activities, environmental goals and climate change. The NGCR receives periodic reports from management on these matters and meets with relevant personnel throughout the year.

COMPENSATION COMMITTEE

The charter of the Compensation Committee was also amended in 2022 to clarify that the Compensation Committee shall consider whether corporate goals, and individual goals for the CEO and executive officers, adequately address the Company's ESG goals and balance financial performance with ESG performance.

INVESTMENT AND FINANCE COMMITTEE

The tracking and availability of ESG data has improved tremendously and is now being incorporated in the Company's financial and investment decisions. Physical climate-risk is an important consideration in protecting our assets and making investment decisions. Accordingly, our investment process now incorporates climate risk assessments. The Board and the Investment and Finance Committee (IFC) of the Board receive regular updates on all development and acquisition activity, and the Board and/or IFC must approve investment proposals that are outside of predetermined limits and criteria.

The Audit Committee, NGCR and Compensation Committee consist solely of independent directors.

POLICIES REFERENCED IN ESG REPORT – WORDS WE LIVE BY.

VENDOR CODE OF CONDUCT AND RESPONSIBLE SUPPLY CHAIN PRINCIPLES

We expect our vendors to conduct their business interactions with integrity, and we developed a vendor Code of Conduct that requires:

- Accurate recordkeeping and reporting,
- Safeguarding of assets and information,
- A prohibition against bribes and kickbacks, and limits on gifts,
- Avoidance of conflicts of interest,
- A prohibition against insider trading,
- A prohibition against AvalonBay associates directly conducting personal business with any vendor, and
- A requirement for prompt reporting of any violation to AvalonBay.

For construction and national contracts, a competitive bid process during which many factors are considered is generally required. We continue to augment our software system to enhance transparency, controls and management capabilities in construction and development processes.

We continue to make progress on the integration of our public Responsible Procurement Principles into business processes. In 2021, we surveyed 38 AvalonBay vendors of strategic importance against our principles and ensured compliance with their intent. Vendors are generally required to sign the principles in all contracts.

CODE OF CONDUCT

Our Code of Business Conduct and Ethics is designed to provide associates with a standard of behavior that must be followed in all of our business dealings or relationships. In addition to the Code of Business Conduct, our Core Values, the Associate Handbook, and other Company policies are readily available to all Company employees to support their decision-making.

BRIBERY / ANTI-CORRUPTION

We hold ourselves to high standards of integrity and ethical conduct and seek to avoid even the appearance of impropriety. To that end, both our Code of Business Conduct and Ethics and our U.S. Economic Sanctions Compliance and Anti-Corruption Policy strictly prohibit all forms of corruption and bribery, and they outline employees' disclosure and compliance obligations with respect to such matters.

HUMAN RIGHTS STATEMENT

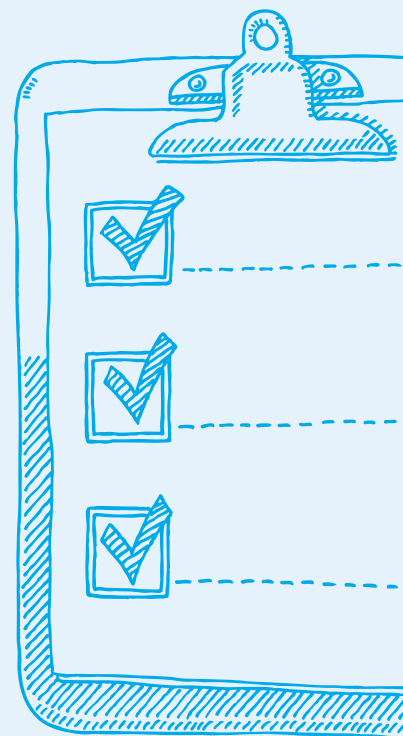
AvalonBay is committed to the protection and advancement of human rights and ensuring that our operations in all of our regions function with integrity. The principles outlined in our Human Rights Statement relate to and confirm key commitments and principles in both our Code of Business Conduct and our Responsible Procurement Principles.

POLITICAL CONTRIBUTIONS

We recognize the need to control and limit the amount of political spending conducted by our organization. To formalize this expectation, we created our Policy on Political Contributions which sets forth guidelines and approval requirements for political contributions and ensures that specific types of political contributions by or on behalf of the Company are prohibited.

BUILDING CERTIFIED AND CLIMATE RESILIENCY POLICY

Our AvalonBay Building Certified and Climate Resiliency Policy ensures we are integrating climate risk assessment and environmental certification into the business. This policy requires, prior to start of construction or acquisition, that most new developments and acquisitions complete a third-party resiliency risk assessment that evaluates the physical climate risk associated with a particular location across fourteen different categories. In terms of certification, the policy requires that we pursue environmental certification on most new mid- and high-rise communities and evaluate existing environmental certification during underwriting for acquisition communities. We plan to review and revise this policy in 2023 to better align with our long-term environmental goals and the growing presence of building performance standards.



BOARD EXPERIENCE

The following table summarizes certain qualifications, skills and experiences of each director that the Board considered important in its decision to nominate that individual to serve on the Board. Exclusion of a factor for a nominee does not necessarily mean the nominee does not possess that attribute.

SKILLS, ATTRIBUTE OR EXPERIENCE	NAUGHTON	SCHALL	AEPPEL	BROWN	HAYNER	HILLS	HOWARD	LEIB	LYNCH	MUELLER	SWANEZY	WALTER
Accounting / Financial Literacy	■	■	■	■	■	■	■	■	■	■	■	■
Real Estate Development	■	■	■	■	■				■	■		■
Board Diversity			■				■		■		■	
C-Level Management Experience	■	■		■	■	■	■	■		■		■
Financial / Capital Markets Experience	■	■	■	■	■			■		■	■	■
Marketing / Brand Management / Consumer Focus			■	■		■	■					
Non-AVB Public Board Experience	■	■	■		■			■	■			■
Public Company CEO Experience	■	■			■							■
Real Estate Investment & Finance	■	■	■	■	■			■	■	■	■	■
Leadership in Non-Corporate Settings (e.g., Military, Academia, Public Sector)							■		■			
Technology, Information Security and Innovation						■	■					

ESG GOVERNANCE

The ESG department reports to our Chief Financial Officer (CFO) and leads both the environmental sustainability and social programs, including strategic philanthropy and inclusion & diversity for AvalonBay. The ESG department is responsible for:

- Implementing all ESG programming and transparently reporting on progress related to environmental sustainability, strategic philanthropy and inclusion and diversity
- Regularly reviewing ESG objectives with the Company's CFO and the potential impacts of climate change on our business
- Keeping an active log of business-related ESG risks and opportunities, including environmental, climate-related and social risks
- Providing an annual update on ESG issues, progress and reporting to our Board of Directors and/or the Board's NGCR and Audit Committees
- Ongoing development of our ESG strategy, and more specifically, for achievement of our ESG goals (including our Science Based Targets)

REMUNERATION TIED TO ESG PERFORMANCE

ESG and I&D (added in 2022) performance and metrics are included in the corporate component of the Company's annual bonus received by all eligible full- and part-time associates. This underscores our focus on creating the most inclusive workplaces and our commitment to ESG practices and their importance to the Company's overall success.

ESG GOVERNANCE STRUCTURE

BOARD OF DIRECTORS GOVERNANCE

Nominating, Governance and Corporate Responsibility (NGCR) Committee

- Provides input on strategic direction and goals, reviews public reporting and disclosure, and reviews progress towards ESG goals

Audit Committee

- Reviews the adequacy and reliability of ESG disclosures in our SEC filings and ESG report
- Oversight of cyber security

Compensation Committee

- Considers whether corporate goals, and goals for the CEO / executive officers, adequately address the Company's ESG goals
- Reviews the balance of financial and ESG performance goals

Investment & Finance Committee

- Considers environmental matters in connection with portfolio allocation and individual investment decisions

ENVIRONMENTAL SUSTAINABILITY GOVERNANCE

Sustainability Council

- Comprised of select interdisciplinary leaders who meet monthly to strategize and drive implementation of environmental sustainability efforts, both strategic and tactical

PHILANTHROPY AND COMMUNITY INVESTMENT GOVERNANCE

Strategic Philanthropy Committee

- Meets two times each year and sets strategy for the program and reviews annual planned commitments
- This program is managed by the VP of ESG and Director of ESG, Inclusion & Diversity. Members are also composed of Development and Residential Services (RS) Officers from each of the Company's operating regions who manage their region's annual philanthropy planning process

INCLUSION AND DIVERSITY (I&D) GOVERNANCE

I&D Staff

- There are two full-time roles dedicated to inclusion and diversity at AvalonBay: Director – ESG, Inclusion and Diversity and Manager – ESG, Inclusion and Diversity. These sit within the ESG department and are focused on AvalonBay's I&D strategy, programming and governance; and are responsible for leadership and oversight of the following:

I&D Steering Committee

- Comprised of senior leaders, this committee provides guidance and feedback and helps streamline the approval process for new and evolving programs and initiatives. Each Officer who serves on the committee is also a leadership sponsor of one of our seven Associate Resource Groups

I&D Council

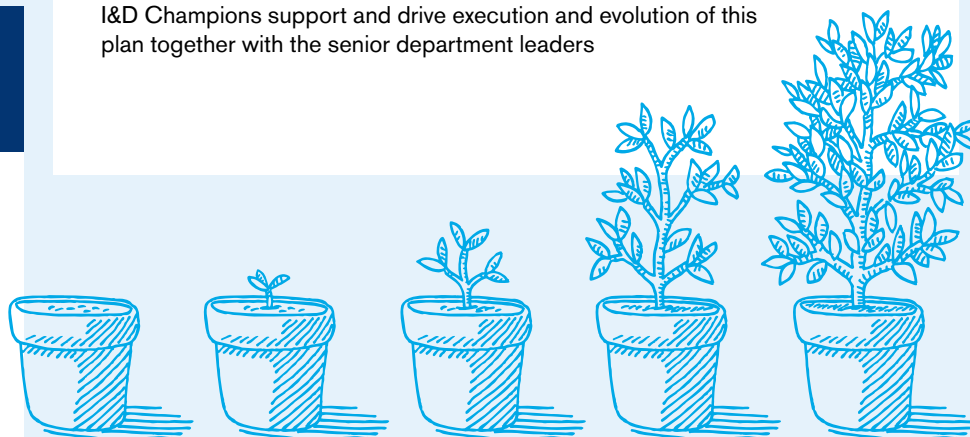
- The Council serves as a centralized group that helps inform and drive AvalonBay's I&D Strategy. Key departments and all Associate Resource Groups are represented on the council, which helps support communication and collaboration across AvalonBay

Associate Resource Groups

- These groups provide support, networking, mentoring, development and outreach opportunities for associates. Each group has a (voluntary) leadership team consisting of the following roles: National Lead(s), Leadership Sponsor, Treasurer, Career Chair, Community Chair, Culture Chair and Commerce Chair

I&D Champions

- These associates support, champion and drive I&D within their business unit/ department. Through an effort launched in 2021, each AvalonBay department created an I&D action plan specific to their business unit and the I&D Champions support and drive execution and evolution of this plan together with the senior department leaders



STAKEHOLDERS

It's important to view our ESG efforts through the lens of their impact on key stakeholders. In addition to the section outlining our environmental sustainability initiatives, full sections of this report are dedicated to three particular stakeholder groups: our associates, the communities in which we do business, and our residents (see the Social section for details).

Our most recent materiality analysis, conducted in early 2022, asks a variety of stakeholders for input on our ESG priorities and follows this section.

A summary of our communication with, and efforts related to, other key stakeholder groups is outlined here.

INVESTORS

To increase transparency for investors on ESG issues, we publish this annual ESG report and respond to the Global Real Estate Sustainability Benchmark (GRESB), which provides us with an industry benchmark against which we measure our ESG initiatives and programs. We also publicly respond to the TCFD-aligned CDP with a transparent accounting of our environmental performance. Each year we have our environmental data third-party verified, in addition to assuring this report, and we also align with the Sustainability Accounting Standards Board (SASB, pages 67–68) and the Task Force on Climate-related Financial Disclosures (TCFD, page 69). As noted above, we periodically meet with investors to provide transparency and discuss relevant ESG metrics and strategy. In 2022, we published our first Green Bond Report in connection with our Green Bond issuance to show how our proceeds have been appropriately allocated and are making a positive environmental impact as outlined in our Green Bond Principles.

VENDORS, SUPPLIERS, CONTRACTORS

AvalonBay spends roughly \$1.496 billion annually on external goods and services. A little more than half is attributable to capital investment for new and existing communities, with the remainder consisting of goods and services used to support corporate functions and ongoing property operations. Our supply chain ranges from thousands of local vendors

STAKEHOLDER GROUP	METHODS OF ESG ENGAGEMENT	FREQUENCY
Investors	- Annual Report / Proxy - Press Releases / Earnings Calls - Investor calls/meetings - Industry events / conferences	Monthly
Vendors/ Suppliers	- Vendor Contracts and Agreements - Vendor Screening and Compliance	Annually
Local Communities/ Governments	- Environmental Compliance - Philanthropic giving and volunteering - Affordable Housing - Development/Construction Community Impact Minimization	Monthly
Residents	- Surveys - Resident Portal and App - Email / Flyers - Community Events	Monthly
Associates	- Companywide webinars - Monthly Newsletters - Volunteering Events - Corporate Bonus	Monthly
Board	- Board Meetings - Board Committee Meetings - Memos/Presentations	Quarterly or more

around the country to a more discrete number of regional and national vendors in the following categories:

- Construction trade contractors
- Product manufacturers and distributors of construction materials, building equipment and products used in property operations
- Service providers and professional firms for construction, development, property operations and corporate support
- Business providers for marketing materials, IT hardware, etc.

Depending on the nature of these relationships, the supply chain within a particular expenditure category may vary from direct purchase to indirect procurement via contractors (either locally sourced or via a national agreement). However, products that are used as standards in construction and redevelopment projects are often sourced centrally through an RFP process and then purchased indirectly through contractors. Traditionally, property operations

categories with a total spend of over \$200,000 that are scalable across multiple communities are sourced and contracted via an RFP process. The Procurement and Residential Services teams work together on contracted categories which are reviewed to ensure competitive pricing, service and value.

Our suppliers are essential to our success, and we strive to better understand their sustainability efforts as we build stronger long-term relationships. We hold an ongoing dialogue with these partners by publicly stating our responsible supply chain principles and surveying top-tier vendors on their ESG practices, along with including those principles in national and regional agreements. Our Responsible Procurement Principles can be found here: <https://www.avaloncommunities.com/supply-chain-policy>.

AVALONBAY INVESTED OVER \$439M IN 2022 RELATED TO ONGOING COMMUNITY INFRASTRUCTURE AND SERVICES DEVELOPMENT.

In 2022, we continued to integrate the principles we began implementing in 2021 into our Procurement and Sourcing processes. In addition, below are highlights of the procurement/sourcing team's continuing efforts in 2022:

- Changed the organization's procurement model from decentralized to center-led, expanding procurement's influence on purchasing activities across the organization
- Presented Supplier Diversity Program pilot results to I&D Steering committee in Q422 with recommendations to continue pilot in mid-Atlantic Region and begin development of a National Program in 2023 for launch in 2024

As we continue to evolve our responsible procurement practices, below are some highlights planned for 2023:

- Finalize and publish enterprise-wide procurement policy
- Continue to pilot our Supplier Diversity Program and expand this pilot nationwide
- Standup Supplier Relationship Management function and create a framework for a supplier performance management program
- Review and enhance our Vendor Code of Conduct to raise the standard applied to suppliers and vendors
- Implement Strategic Sourcing, Contract Lifecycle Management and Supplier Performance Management applications for launch in 2024

LOCAL COMMUNITIES

Support for Community Infrastructure and Services:

In addition to giving back through our Building Strong Communities philanthropy program, we continue to invest in community infrastructure and services as we grow our portfolio with over \$439M spent in 2022 related to our ongoing development activity, including:

- Local permits, fees and taxes paid on projects under development: \$42.8M, with an additional \$54.2M to be spent through completion
- \$31.9M for neighborhood infrastructure (roads, sidewalks, improvements to water/sewer/storm drainage), with an additional \$10.7M to be spent through completion, excluding reimbursements

- \$2.1M for municipal sewer/water connections, with an additional \$625k to be spent through completion
- \$197K to local parks/recreation
- \$3.0M to support local school districts, with an additional \$4.8M to be spent through completion

We also paid property taxes across the entire portfolio (not just for new development communities) of: \$289M

MATERIALITY ANALYSIS

In early 2022, we conducted an updated, in-depth materiality analysis with key AvalonBay stakeholders: director-level associates, residents, suppliers and vendors, investors, local government and community leaders, Company officers and the AvalonBay Board of Directors.

We chose these stakeholders because they are the largest set who have a long-term, abiding stake in the Company, and/or who directly impact our environmental, social and governance (ESG) progress. The results of the analysis are seen in the materiality matrix on the following page.

Some key highlights from the 2022 ESG Materiality assessment are listed below:

- "Resident Health and Safety" continues to receive the highest score again in 2022,
- "Energy Consumption during Construction" saw the largest average score increase compared to the 2018 assessment, the most recent survey conducted,
- "Customer Service" showed the largest score decrease moving from the second highest scored item in 2018 to the 8th highest in 2022, getting overtaken by topics like "Data Security", "Ethics & Anti-Corruption", and "Employee Wellbeing/Health & Safety", and
- Eleven new topics were added to the assessment in 2022.

This materiality analysis forms our GRI-G4 reporting structure in all reports and is taken into account as we develop strategic plans and goals.

MATERIALITY MATRIX



Scores for each subgroup within internal and external groups are given equal weight in combined results. The top right quadrant represents the most significant areas.

- **Internal group:** director-level associates, officers and Board of Directors
- **External group:** suppliers, investors, residents and local government/community

ABOUT AVALONBAY

AvalonBay Communities, Inc., is an equity REIT in the business of developing, redeveloping, acquiring and managing multifamily communities in New England, the New York/New Jersey metro area, the Mid-Atlantic, the Pacific Northwest, Northern and Southern California as well as in our expansion regions of Raleigh-Durham and Charlotte, North Carolina, Southeast Florida, Dallas and Austin, Texas and Denver, Colorado.

We focus on leading metropolitan areas that we believe historically have been characterized by growing employment in high wage sectors of the economy, higher cost of home ownership and a diverse and vibrant quality of life. We believe these market characteristics have offered, and will continue in the future to offer, the opportunity for superior risk-adjusted returns over the long-term on apartment community investments relative to other markets that do not have these characteristics.

As of December 31, 2022, the Company owned or held a direct or indirect ownership interest in 294 apartment communities containing 82,583 apartment homes with roughly 148,000 residents. We operate our communities under four core brands: Avalon, AVA, eaves by Avalon and Kanso. In addition to our communities, we maintain a corporate headquarters in Arlington, VA, and 12 regional offices located throughout the United States. As of year-end 2022, we employed 2,961 associates.

OUR POLICY ON CONTRIBUTIONS

AvalonBay's policy on political activities and contributions is communicated to all associates and complies with federal and state regulations governing political contributions by corporations. A copy of AvalonBay's Policy on Political Contributions and Government Relations is posted on the Company's Investor Relations website. Contributions, whether in cash, services or

otherwise, and whether to a political candidate, political action committee (PAC) or other political organizations, whether made directly or indirectly, can only be made on behalf of AvalonBay after obtaining specific internal approvals.

The established approval procedures ensure any contributions are (i) consistent with AvalonBay's business philosophy and values and (ii) within the limits allowed by law. These procedures also ensure all required regulatory filings are timely and contributions are accounted for, for financial reporting and tax purposes.

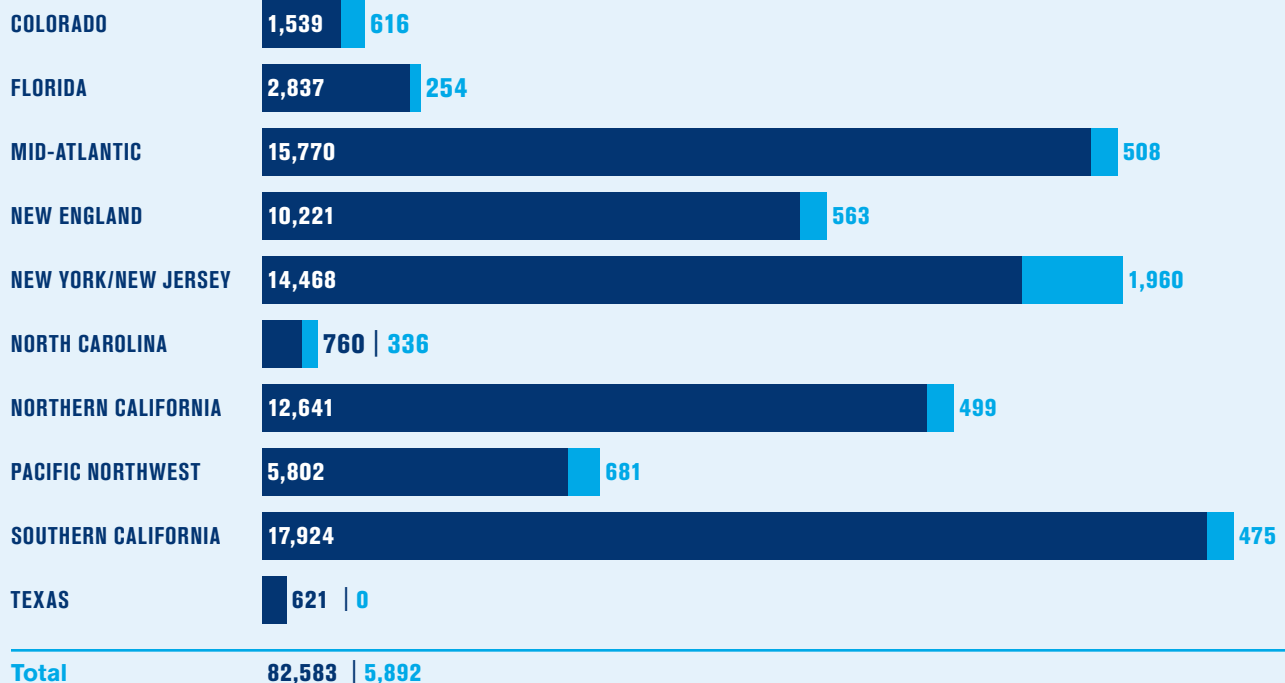
Total contributions approved and reported in 2022 were \$747,800 composed of (i) contributions to the California Apartment Association Independent Expenditures Committee ("CAAIEC") of \$608,800 (ii) a contribution to the California Apartment Association Issues Committee of \$25,000, and (iii) contributions of \$102,000 to Toni, Burgos & Associates, Inc. and \$12,000 to Praxis Public Relations, Inc. for lobbying activities in New York.

CORPORATE AND REGIONAL OFFICE LOCATIONS

- Arlington, VA (corporate headquarters)
- Bellevue, WA
- Boston, MA
- Denver, CO
- Shelton, CT
- Irvine, CA
- Los Angeles, CA
- Melville, NY
- New York, NY
- San Francisco, CA
- San Jose, CA
- Virginia Beach, VA
- Westfield, NJ

APARTMENT HOMES*

Current Under Construction



*As of December 31, 2022.

APPENDIX

GLOBAL REPORTING INITIATIVE CONTENT INDEX

GRI-G4 GENERAL STANDARD DISCLOSURES

Strategy and Analysis

GRI INDICATOR	DESCRIPTION	REPORT SECTION
G4-1	CEO statement about the relevance of sustainability to the organization and its strategy	From the CEO, p.1–2
G4-2	Approach to the construction of new assets versus retrofits, upgrades and refurbishments, and the effect this has on impacts, risks and opportunities OR Provide a description of key impacts, risks and opportunities OR Targets for next reporting period	ESG Goals, p.5 2023 Initiatives, p.6

Organizational Profile

GRI INDICATOR	DESCRIPTION	REPORT SECTION
G4-3	The name of the organization	About AvalonBay, p.57
G4-4	Primary products and services	About AvalonBay, p.57
G4-5	Location of the organization's headquarters	Corporate and Regional Office Locations, p.57
G4-6	Countries where the organization operates	About AvalonBay, p.57
G4-7	Nature of ownership and legal form	About AvalonBay, p.57
G4-8	Markets served	About AvalonBay, p.57
G4-9	Scale of the reporting organization	About AvalonBay, p.57
G4-10	Employee diversity and data	Diversity, Inclusion and Employment Metrics, p.42–43
G4-11	Report the percentage of total employees covered by collective bargaining agreements	Other GRI Indicators, p.74
G4-12	Describe the organization's supply chain	Vendors, Suppliers, Contractors, p.54–55
G4-13	Significant changes during the reporting period regarding the organization's size, structure and ownership	Report Parameters, p.75; From the CEO, p.1–2
G4-14	Commitment to external initiatives (LEED, Energy Star, GRESB)	From the CEO, p.1–2; 2022 Environmental Sustainability Highlights, p.7
G4-15	Externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or which it endorses	From the CEO, p.1–2; 2022 Environmental Sustainability Highlights, p.7
G4-16	Memberships in associations and advocacy organizations	From the CEO, p.1–2; 2022 Environmental Sustainability Highlights, p.7

Identified Material Aspects and Boundaries

GRI INDICATOR	DESCRIPTION	REPORT SECTION
G4-17	List all entities included in the organization's consolidated financial statements. Report whether any entity included in the organization's consolidated financial statements is not covered by the report	2022 AvalonBay Annual Report
G4-18	Defining the report content and the Aspect Boundaries	Report Parameters, p.75; Aspect Boundaries, p.65–67
G4-19	Material Aspects identified in the process for defining report content	Materiality Analysis, p.55–56
G4-20	Reporting Boundary	Report Parameters, p.75; Aspect Boundaries, p.65–67
G4-21	For each Material Aspect, report the Aspect Boundary outside the organization, as follows: ▪ Report whether the Aspect is material outside of the organization ▪ If the Aspect is material outside of the organization, identify the entities, groups of entities or elements for which the Aspect is material. In addition, describe the geographical location where the Aspect is material for the entities identified ▪ Report any specific limitation regarding the Aspect Boundary outside the organization	Aspect Boundaries, p.65–67
G4-22	Report the effect of any restatements of information provided in previous reports and the reasons for such restatements	2022 Environmental Sustainability Highlights, p.7
G4-23	Significant changes from previous reporting periods in the scope and Aspect Boundaries	2022 Environmental Sustainability Highlights, p.7

Stakeholder Engagement

GRI INDICATOR	DESCRIPTION	REPORT SECTION
G4-24	List of stakeholder groups at the organizational level and engagement at a project or asset level	Stakeholders, p.54–55
G4-25	Basis for identification and selection of stakeholders with whom to engage	Materiality Matrix, p.56
G4-26	Organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Materiality Matrix, p.56
G4-27	Topics and concerns that have been raised through stakeholder engagement	Materiality Matrix, p.56

Report Profile

GRI INDICATOR	DESCRIPTION	REPORT SECTION
G4-28	Reporting period	Report Parameters and GRI-G4 In-Accordance Option, p.75
G4-29	Date of most recent previous report	Report Parameters and GRI-G4 In-Accordance Option, p.75
G4-30	Reporting cycle	Report Parameters and GRI-G4 In-Accordance Option, p.75
G4-31	Contact point for questions about the report	Contact, p.75
G4-32	GRI content index	Global Reporting Initiative Content Index, p.58–60
G4-33	External assurance	Assurance Statement, p.2 and repeated on p.75

Governance

GRI INDICATOR	DESCRIPTION	REPORT SECTION
G4-34	Governance structure of the organization	Governance, p.48
G4-35	The process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	ESG Governance, p.53
G4-36	Appointed an executive-level position with responsibility for economic, environmental and social topics	ESG Governance, p.53
G4-38	The composition of the highest governance body and its committees	Governance, p.48
G4-39	Indication of whether the chair of the highest governance body is also an executive officer	Governance, p.48
G4-42	The highest governance body sets the tone for the organization and has a major role in defining its purpose, values and strategy	Governance, p.48
G4-43	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics	ESG Governance, p.53
G4-45	Risk management identification and management of economic, environmental and social impacts, risks and opportunities	ESG Governance, p.53
G4-46	Role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics	ESG Governance, p.53
G4-48	The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all Material Aspects are covered	ESG Governance, p.53

Ethics and Integrity

GRI INDICATOR	DESCRIPTION	REPORT SECTION
G4-56	Codes of conduct and codes of ethics	Code of Business Conduct and Ethics, p.48; Ethics and Compliance Training, p.49; Internal Audit, p.49; Vendor Code of Conduct and Responsible Supply Chain Principles, p.51
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behavior	Code of Business Conduct and Ethics, p.48; Internal Audit, p.49
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior and matters related to organizational integrity	Code of Business Conduct and Ethics, p.48; Internal Audit, p.49

GRI-G4 SPECIFIC STANDARD DISCLOSURES

Disclosures on Management Approach

GRI INDICATOR	DESCRIPTION	REPORT SECTION
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material b. Report how the organization manages the Material Aspect or its impacts c. Report the evaluation of the management approach, including ▪ The mechanisms for evaluating the effectiveness of the management approach ▪ The results of the evaluation of the management approach ▪ Any related adjustments to the management approach	Materiality Analysis, p.55–56

Economic

ASPECT: ECONOMIC PERFORMANCE

GRI INDICATOR	DESCRIPTION	REPORT SECTION
G4-EC1	The direct economic value generated and distributed (EVG&D) revenues, operating costs, employee wages and benefits, payments to providers of capital, government and community investments	Economic, Community and Development Performance, p.70
G4-EC2	Financial and reputational risks and opportunities related to climate change, in addition to other sustainability issues	ESG Governance, p.53

ASPECT: INDIRECT ECONOMIC IMPACTS

GRI INDICATOR	DESCRIPTION	REPORT SECTION
G4-EC7	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind or pro bono engagements	Philanthropy and Community Investment, p.24
G4-EC8	Significant indirect economic impacts including creating jobs, services, development in areas of high poverty and change in location of operations or activities	Philanthropy and Community Investment, p.24

Environmental

ASPECT: ENERGY

GRI INDICATOR	DESCRIPTION	REPORT SECTION
G4-EN3	Energy consumption within the organization	Environmental Performance, p.71–73
G4-EN5	Energy intensity	Environmental Performance, p.71–73
G4-EN6	Reduction of energy consumption	Environmental Performance, p.71–73
G4-EN7	Reduction in energy requirements of products and services	Environmental Performance, p.71–73; 2022 Environmental Sustainability Highlights, p.7

ASPECT: WATER

GRI INDICATOR	DESCRIPTION	REPORT SECTION
G4-EN8	Total water withdrawal by source	Environmental Performance, p.71–73
CRE2	Building water use intensity	Environmental Performance, p.71–73

Environmental (continued)

ASPECT: EMISSIONS

GRI INDICATOR	DESCRIPTION	REPORT SECTION
G4-EN15	Direct greenhouse gas (GHG) emissions (scope 1)	Environmental Performance, p.71–73
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (scope 2)	Environmental Performance, p.71–73
G4-EN17	Other indirect greenhouse gas (AHG) emissions (scope 3)	Environmental Performance, p.71–73
G4-EN18	Greenhouse gas (GHG) emissions intensity	Environmental Performance, p.71–73

ASPECT: EFFLUENTS AND WASTE

GRI INDICATOR	DESCRIPTION	REPORT SECTION
G4-EN23	Total weight of waste by type and disposal method	Environmental Performance, p.71–73

ASPECT: LAND

GRI INDICATOR	DESCRIPTION	REPORT SECTION
CRE5	Land remediated and in need of remediation for the existing or intended land use, according to applicable legal designations	Development and Construction, p.74

ASPECT: PRODUCTS AND SERVICES

GRI INDICATOR	DESCRIPTION	REPORT SECTION
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	Development and Construction, p.74; 2022 Environmental Sustainability Highlights, p.7

ASPECT: COMPLIANCE

GRI INDICATOR	DESCRIPTION	REPORT SECTION
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Other GRI Indicators, p.74

ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT

GRI INDICATOR	DESCRIPTION	REPORT SECTION
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	Vendor Code of Conduct and Responsible Supply Chain Principles, p.51; Vendors, Suppliers, Contractors, p.54–55

Labor Practices and Decent Work

ASPECT: EMPLOYMENT

GRI INDICATOR	DESCRIPTION	REPORT SECTION
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Diversity, Inclusion and Employment Metrics, p.42–43
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	Wellbeing and Benefits, p.36–37

Labor Practices and Decent Work (continued)

ASPECT: LABOR/MANAGEMENT RELATIONS

GRI INDICATOR	DESCRIPTION	REPORT SECTION
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	Diversity, Inclusion and Employment Metrics, p.42–43

ASPECT: OCCUPATIONAL HEALTH AND SAFETY

GRI INDICATOR	DESCRIPTION	REPORT SECTION
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days and absenteeism, and total number of work-related fatalities, by region and by gender	Health and Safety, p.30–33
CRE6	Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system	Health and Safety, p.30–33

ASPECT: TRAINING AND EDUCATION

GRI INDICATOR	DESCRIPTION	REPORT SECTION
G4-LA9	Average hours of training per year, per employee, by gender and by employee category	Learning and Development, p.27–30
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Learning and Development, p.27–30
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Learning and Development, p.27–30

ASPECT: DIVERSITY AND EQUAL OPPORTUNITY

GRI INDICATOR	DESCRIPTION	REPORT SECTION
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity	Diversity, Inclusion and Employment Metrics, p.42–43

ASPECT: SUPPLIER ASSESSMENT FOR LABOR PRACTICES

GRI INDICATOR	DESCRIPTION	REPORT SECTION
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	Vendor Code of Conduct and Responsible Supply Chain Principles, p.51; Vendors, Suppliers, Contractors, p.54–55

Human Rights

ASPECT: INVESTMENT

GRI INDICATOR	DESCRIPTION	REPORT SECTION
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	Ethics and Compliance Training, p.49

ASPECT: SUPPLIER HUMAN RIGHTS ASSESSMENT

GRI INDICATOR	DESCRIPTION	REPORT SECTION
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	Environmental Performance, p.71–73

Society

ASPECT: LOCAL COMMUNITIES

GRI INDICATOR	DESCRIPTION	REPORT SECTION
G4-S01	Percentage of operations with implemented local community engagement, impact assessments and development programs	Philanthropy and Community Investment, p.24

ASPECT: ANTI-CORRUPTION

GRI INDICATOR	DESCRIPTION	REPORT SECTION
G4-S03	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	Internal Audit, p.49
G4-S04	Communication and training on anti-corruption policies and procedures	Code of Business Conduct and Ethics, p.48; Ethics and Compliance Training, p.49

ASPECT: PUBLIC POLICY

GRI INDICATOR	DESCRIPTION	REPORT SECTION
G4-S06	Total value of political contributions by country and by recipient/beneficiary	Our Policy on Contributions, p.57

ASPECT: ANTI-COMPETITIVE BEHAVIOR

GRI INDICATOR	DESCRIPTION	REPORT SECTION
G4-S07	Total number of legal actions for anti-competitive behavior, anti-trust and monopoly practices and their outcomes	Other GRI Indicators, p.74

ASPECT: SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY

GRI INDICATOR	DESCRIPTION	REPORT SECTION
G4-S09	Percentage of new suppliers that were screened using criteria for impacts on society	Vendor Code of Conduct and Responsible Supply Chain Principles, p.51; Vendors, Suppliers, Contractors, p.53–54

Product Responsibility

ASPECT: CUSTOMER HEALTH AND SAFETY

GRI INDICATOR	DESCRIPTION	REPORT SECTION
G4-PR2	Total number of incidents of noncompliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	Health and Safety, p.30–33; Safety and Health Qualification Tables, p.74

ASPECT: PRODUCT AND SERVICE LABELING

GRI INDICATOR	DESCRIPTION	REPORT SECTION
G4-PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	Residents, p.44–47

ASPECT: CUSTOMER PRIVACY

GRI INDICATOR	DESCRIPTION	REPORT SECTION
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Residents, p.44–47

Aspect Boundaries: G4-18, G4-19, G4-20, G4-21 Disclosures

G4 CATEGORY: ECONOMIC

G4 MATERIAL ASPECTS	MATERIAL WITHIN THE ORG.	MATERIAL EXTERNAL TO THE ORG.	RELEVANCE OUTSIDE THE ORGANIZATION	SPECIFIC STANDARD DISCLOSURES
ECONOMIC PERFORMANCE	■	■	This is important to our own associates and our external stakeholders, who include the communities in which we do business and our suppliers and shareholders. Providing economic benefit to these communities and shareholder return to our investors is directly related to positive economic performance	G4-EC1 G4-EC2
INDIRECT ECONOMIC IMPACTS		■	We create jobs and community infrastructure improvements as we develop new communities, so this is important to those communities	G4-EC7 G4-EC8

G4 CATEGORY: ENVIRONMENTAL

G4 MATERIAL ASPECTS	MATERIAL WITHIN THE ORG.	MATERIAL EXTERNAL TO THE ORG.	RELEVANCE OUTSIDE THE ORGANIZATION	SPECIFIC STANDARD DISCLOSURES
MATERIALS	■	■	Use of materials and the amount of materials recycled is important internally because it has direct organizational cost implications. Externally, our communities benefit from more sustainable material usage and recycling, reducing the dependence on landfill, and other means of disposal	G4-EN1 G4-EN2
ENERGY	■	■	Internally, responsible management of our energy consumption and efforts to reduce that consumption improve operational performance and building value. It is also important to our external stakeholders as part of our commitment to reduce our impact on the environment	G4-EN3 G4-EN5 G4-EN6 G4-EN7
WATER	■	■	Internally, responsible management of our water consumption and efforts to reduce that consumption improve operational performance and building value. It is also important to our external stakeholders as part of our commitment to reduce our impact on the environment	G4-EN8 CRE2
EMISSIONS		■	Reducing our emissions is important to the air quality of the communities in which we do business	G4-EN15 G4-EN16 G4-EN18
EFFLUENTS AND WASTE	■	■	Responsible management of our waste and efforts to reduce waste that goes directly into a landfill improves operational performance. It is also important to our external stakeholders as part of our commitment to reduce our impact on the environment	G4-EN23
LAND		■	This is important to our investors and the communities in which we do business as we develop land for the building of new communities	CRE5
PRODUCTS AND SERVICES	■	■	Responsible management of the environmental impacts of our buildings and improving the life cycle impact the building has on the environment can improve building value and reduce our costs. It therefore is important to both internal and external stakeholders and has direct relevance to the quality of life of our residents	G4-EN27
COMPLIANCE	■	■	Fines impact both the communities in which we do business and our operations, as they result from activity that could have deleterious consequences	G4-EN29
SUPPLIER ENVIRONMENTAL ASSESSMENT	■	■	Ensuring our suppliers are responsible stewards of the environment mitigates our operational risk and improves their operations and long-term responsibility as organizations	G4-EN32

Aspect Boundaries: G4-18, G4-19, G4-20, G4-21 Disclosures (continued)

G4 CATEGORY: SOCIAL

G4 MATERIAL ASPECTS	MATERIAL WITHIN THE ORG.	MATERIAL EXTERNAL TO THE ORG.	RELEVANCE OUTSIDE THE ORGANIZATION	SPECIFIC STANDARD DISCLOSURES
EMPLOYMENT	■		This is important to our associates and their career advancement and opportunities for development. The hiring and turnover components are also important to our overall business performance	G4-LA1 G4-LA2
LABOR/ MANAGEMENT RELATIONS	■		This is important to our associates and their engagement with the company	G4-LA4
OCCUPATIONAL HEALTH AND SAFETY	■		This is important to our associates and their wellbeing	G4-LA6 CRE6
TRAINING AND EDUCATION	■		This is important to our associates and their career advancement and opportunities for development. It is also important for the organization as a whole to ensure a talent pipeline and strong succession plans	G4-LA9 G4-LA10 G4-LA11
DIVERSITY AND EQUAL OPPORTUNITY	■		This is important to our associates and their opportunities for development and advancement. It is also important for the company to integrate diverse perspectives in our operations and decision-making	G4-LA12
SUPPLIER ASSESSMENT FOR LABOR PRACTICES	■	■	Ensuring our suppliers are responsible in their labor practices mitigates our operational risk and improves their operations and long-term responsibility as organizations	G4-LA14

G4 CATEGORY: HUMAN RIGHTS

G4 MATERIAL ASPECTS	MATERIAL WITHIN THE ORG.	MATERIAL EXTERNAL TO THE ORG.	RELEVANCE OUTSIDE THE ORGANIZATION	SPECIFIC STANDARD DISCLOSURES
INVESTMENT	■	■	This is important to our organization and the full development of our associates. Externally it is important for our interactions with and customer service to our residents	G4-HR2
NON- DISCRIMINATION	■	■	This is important to the advancement of our associates and fairness to our residents and prospects	G4-HR3
SUPPLIER HUMAN RIGHTS ASSESSMENT	■	■	Ensuring our suppliers are responsible in their human rights practices mitigates our operational risk and improves their operations and long-term responsibility as organizations	G4-HR10
LOCAL COMMUNITIES		■	This is important to the communities in which we operate	G4-S01
ANTI- CORRUPTION	■	■	This is important for the governance of the company and impacts our performance, which is important to our shareholders and external stakeholders	G4-S03 G4-S04
PUBLIC POLICY	■	■	This is important both internally and externally to our stakeholders so they understand transparently how we are supporting public/political issues and discourse	G4-S06
ANTI- COMPETITIVE BEHAVIOR	■	■	This is important to external stakeholders to preserve competition and marketplace choice	G4-S07
SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY	■	■	Ensuring our suppliers are responsible and aware of their impacts on society, mitigates our operational risk and improves their operations and long-term responsibility as organizations	G4-S09

Aspect Boundaries: G4-18, G4-19, G4-20, G4-21 Disclosures (continued)

G4 CATEGORY: PRODUCT RESPONSIBILITY

G4 MATERIAL ASPECTS	MATERIAL WITHIN THE ORG.	MATERIAL EXTERNAL TO THE ORG.	RELEVANCE OUTSIDE THE ORGANIZATION	SPECIFIC STANDARD DISCLOSURES
CUSTOMER HEALTH AND SAFETY		■	This directly impacts the quality of life of our residents and ties into our responsibility toward them	G4-PR2
PRODUCT AND SERVICE LABELING	■	■	Increasing our resident Net Promoter Score is one of our 2020 goals and is important both internally and to our residents' quality of life	G4-PR5
CUSTOMER PRIVACY	■	■	This is important internally from a risk and reputation perspective and externally to our residents. We are highly focused on the security of their data	G4-PR8

SASB

SASB CODE	TOPIC	DESCRIPTION	UNIT OF MEASURE	RESPONSE
IF-RE-130A.1 ¹	Energy Management	Energy consumption data coverage as a percentage of total floor area, by property subsector	Percentage (%) by floor area	63.03% ¹
IF-RE-130A.2	Energy Management	(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity, and (3) percentage renewable, by property subsector	Gigajoules (GJ), Percentage (%)	(1) 867,810 GJ for Common Area, 2,631,775 GJ for common and residential (2) 66.6% (3) 40.6% (includes all solar and Green-e REC's) 3.0% if just solar
IF-RE-130A.3	Energy Management	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	Percentage (%)	Environmental Performance (p. 71)
IF-RE-130A.4	Energy Management	Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR, by property subsector	Percentage (%) by floor area	(1) 21% of eligible portfolio that has an energy rating and (2) 4% of portfolio is certified to ENERGY STAR
IF-RE-130A.5	Energy Management	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	n/a	Building energy management forms one component for consideration of property investments and operational strategy. For example, all redevelopments must have an ASHRAE Level II energy audit completed which is then used to inform potential investments. In addition, high energy use intensity properties are assessed to determine potential energy reducing/sustainable investment options for retrofits, installations, or/ and equipment efficiency improvements such as LEDs, Solar, and Battery Storage.
IF-RE-140A.1 ¹	Water Management	Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	Percentage (%) by floor area	(1) 97.07% ¹ , (2) 35.74% ¹
IF-RE-140A.2	Water Management	(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water Stress, by property subsector	Thousand cubic meters (m ³), Percentage (%)	(1) 12,214,411 m ³ , (2) 39.6%
IF-RE-140A.3	Water Management	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	Percentage (%)	Environmental Performance (p. 72)
IF-RE-140A.4	Water Management	Description of water management risks and discussion of strategies and practices to mitigate those risks	n/a	See Water (p. 17) and Energy Efficiency (p. 13) and Environmental Performance (p. 71–73)
IF-RE-410A.1	Management of Tenant Sustainability Impacts	(1) Percentage of new leases that contain a cost recovery clause for resource efficiency related capital improvements and (2) associated leased floor area, by property subsector	Percentage (%) by floor area, Square feet (ft ²)	0%

¹ Data Coverage for energy and water represent the percentage of square footage where AvalonBay has either full operational control or visibility into whole building consumption.

SASB (continued)

SASB CODE	TOPIC	DESCRIPTION	UNIT OF MEASURE	RESPONSE
IF-RE-410A.2	Management of Tenant Sustainability Impacts	Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption and (2) water withdrawals, by property subsector	Percentage (%) by floor area	(1) 2.86%, (2) 87.4%
IF-RE-410A.3	Management of Tenant Sustainability Impacts	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	n/a	We engage our residents (tenants) around their sustainability impact in a variety of ways, including our Earth Day programming and communications as well as other marketing campaigns to provide information or collect feedback. Moving forward, and as a result of our approved Science-Based Targets, we now have a resident engagement "track" as one component in our execution strategy for the SBTs. This track will include engaging residents on shifting their apartment home consumption to renewable sources and the potential of offering whole building solar electricity to residents.
IF-RE-450A.1	Climate Change Adaptation	Area of properties located in 100-year flood zones, by property subsector	Square feet (ft²)	18,661,075
IF-RE-450A.2	Climate Change Adaptation	Area of properties located in 100-year flood zones, by property subsector	n/a	See AvalonBay's 2022 Public CDP Response (Go to https://www.cdp.net/en/search and search for "AvalonBay")
IF-RE-000.A	Activity Metric	Number of assets, by property subsector	Number	294
IF-RE-000.B	Activity Metric	Leasable floor area, by property subsector	Square feet (ft²)	78,872,689 ft²
IF-RE-000.C	Activity Metric	Percentage of indirectly managed assets, by property subsector	Percentage (%) by floor area	3.06%
IF-RE-000.D	Activity Metric	Average occupancy rate, by property subsector	Percentage (%)	96%

TOPIC	DISCLOSURE	RESPONSE
GOVERNANCE	Describe the board's oversight of climate-related risks and opportunities	AvalonBay's Board of Directors p. 50-52, and see AvalonBay's 2022 Public CDP Response: Section C1 (Go to https://www.cdp.net/en/search and search for "AvalonBay")
GOVERNANCE	Describe management's role in assessing and managing climate-related risks and opportunities	See AvalonBay's 2022 Public CDP Response: Sections C1.2 and C1.3
STRATEGY	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	See AvalonBay's 2022 Public CDP Response: Section C2
STRATEGY	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning	See AvalonBay's 2022 Public CDP Response: Section C3
STRATEGY	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	See AvalonBay's 2022 Public CDP Response: Section C3
RISK MANAGEMENT	Describe the organization's processes for identifying and assessing climate-related risks	See AvalonBay's 2022 Public CDP Response: Section C2.2
RISK MANAGEMENT	Describe the organization's processes for managing climate-related risks	See AvalonBay's 2022 Public CDP Response: Section C2.2
RISK MANAGEMENT	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management	See AvalonBay's 2022 Public CDP Response: Section C2.2
METRICS AND TARGETS	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	See AvalonBay's 2022 Public CDP Response: Section C4 & C6
METRICS AND TARGETS	Disclose scope 1, scope 2, and, if appropriate, scope 3 greenhouse gas (GHG) emissions, and the related risks	See Emissions (p. 12) and Environmental Performance (p. 71)
METRICS AND TARGETS	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	See AvalonBay's Science-Based Targets: ESG Goals (p. 5), 2022 ESG highlights (p. 7) and Climate and Emissions (p. 11)

ESG DATA

Economic, Community and Development Performance (Dollars in thousands)

ECONOMIC (\$000)	2022	2021	2020	2019
Operating revenues	\$2,593,446	\$2,294,850	\$2,301,261	\$2,324,626
Operating costs (excluding employee compensation)	\$142,058	\$107,340	\$160,810	\$143,755
Employee compensation	\$296,686	\$271,044	\$251,933	\$249,703
Property and other taxes	\$288,960	\$283,089	\$273,189	\$252,961
Dividends and interest	\$1,157,764	\$1,160,890	\$1,160,779	\$1,118,297
Retained earnings	\$411,293	\$201,443	\$202,617	\$310,207
TOTAL COMMUNITY/APARTMENT COUNT	2022	2021	2020	2019
Number of properties	294	297	294	275
Number of apartment homes	82,583	81,803	80,094	79,886
AFFORDABLE COUNT	2022	2021	2020	2019
Number of designated affordable homes	4,232	4,531	4,515	4,667
CONSTRUCTION COUNTS	2022	2021	2020	2019
Properties under construction at year-end/homes	18/5,892	17/5,386	18/5,931	22/6,960
Completed properties at year-end/homes	5/1,858	9/2,752	8/2,095	7/2,027
REDEVELOPMENT COUNTS	2022	2021	2020	2019
Properties under redevelopment at year-end/homes	9/4,247	9/3,225	6/1,935	5/1,859
Completed redevelopments at year-end/homes	4/1,414	4/1,210	3/1,215	12/4,203

Environmental Performance

EMISSIONS (MTCO2E)	2022	2021	2020	2017 (BASELINE)
Like-for-like CO ₂ emissions scope 1	12,509	12,769	12,580	12,874
Like-for-like CO ₂ emissions scope 2	19,456	25,033	34,880	50,402
Like-for-like total CO ₂ emissions	31,965	37,802	47,460	63,276
Percentage change (total emissions like-for-like) since baseline year	-49.5%	-40.3%	-25.0%	
Absolute CO ₂ emissions scope 1	15,285	15,402	15,683	15,396
Absolute CO ₂ emissions scope 2 [Market Based]	26,274	34,408	42,122	51,651
Absolute (scope 1 and scope 2 [Market Based]) CO ₂ emissions	41,559	49,810	57,805	67,047
Percentage change (Absolute scope 1 and scope 2) since baseline year	-38.0%	-25.7%	-13.8%	
SBT Scope 1 & 2 emissions intensity [Market Based]	2.28	2.76	3.31	4.04
Percentage change SBT Scope 1 & 2 emissions intensity [Market Based] since baseline year	-43.6%	-31.7%	-18.1%	
Absolute CO ₂ emissions scope 3	420,758	377,761	400,257	426,798
Percentage change (Absolute scope 3) since baseline year	-1.4%	-11.5%	-6.2%	
SBT Scope 3 Emissions	375,772	329,750	358,932	388,191
Percentage change (SBT scope 3) since baseline year	-3.2%	-15.1%	-7.5%	
SBT scope 3 Emissions (Intensity)	4.76	4.23	4.64	5.52
Percentage change SBT scope 3 intensity since baseline year	-13.9%	-23.3%	-16.0%	
Scope 3 - C1: Purchased goods & services (Embodied Carbon)	119,084	90,936	108,197	125,285
Scope 3 - C1: Purchased goods & services (Embodied Carbon) [Intensity] ¹	1.51	1.17	1.40	1.78
Scope 3 - C1: Purchased Goods and Services (Maintenance)	38,423	41,815	35,168	31,767
Scope 3 - C1: Purchased goods & services (Maintenance) [Intensity]	0.49	0.54	0.45	0.45
Scope 3 - C3: Fuel- and energy-related activities	999	994	886	571
Scope 3 - C3: Fuel- and energy-related activities [Intensity]	0.01	0.01	0.01	0.01
Scope 3 - C5: Waste generated in operations	37,545	36,869	40,466	38,176
Scope 3 - C5: Waste generated in operations [Intensity] ¹	0.48	0.47	0.52	0.54
Scope 3 - C6: Business travel	174	64	55	376
Scope 3 - C6: Business travel [Intensity]	0.00	0.00	0.00	0.01
Scope 3 - C7: Employee commuting	5,387	5,136	5,213	5,891
Scope 3 - C7: Employee commuting [Intensity]	0.07	0.07	0.07	0.08
Scope 3 - C13: Downstream leased assets	219,143	201,945	210,269	224,729
Scope 3 - C13: Downstream leased assets [Intensity] ¹	2.77	2.59	2.72	3.20
Total scope 1 & 2 emissions intensity (mtCO ₂ e/FTE)	14	18	19	22
Total scope 1 & 2 emissions intensity (mtCO ₂ e/\$revenue)	0.000016	0.000022	0.000025	0.000031

¹ Included in our scope 3 SBT.

Environmental Performance (continued)

SCIENCE-BASED TARGETS (SBT)	2022	2021	2020	2017 (BASELINE)
Portfolio Size (Sq Ft)	97,070,766	95,955,960		70,310,982
Absolute scope 1 & 2 [Market or location] Emissions/Sq Ft (kgCO ₂ e)	2.31	2.76	3.31	4.04
Percentage change (scope 1 & 2 Emissions Intensity) since baseline year	-43%	-32%	-18%	
Scope 3 SBT Emissions/Sq Ft (kgCO ₂ e)	4.70	4.23	4.64	5.52
Percentage change (scope 3 SBT Emissions Intensity) since baseline year	-15%	-23%	-16%	

RENEWABLE ENERGY	2022	2021	2020	2017 (BASELINE)
NJ and DC Production- Subject to SRECs (kWh)	2,423,975	1,087,820	1,082,438	
California Non-SREC Production (kWh)	4,918,210	1,474,982	117,912	
Total Solar Production (kWh)	7,342,185	2,562,802	1,200,350	
Total Operating Solar Installations	51	38	15	1
Total Operating Solar Panel System Size (kW)	6,969	4,359	1,591	77.1

ENERGY	2022	2021	2020	2017 (BASELINE)
Like-for-like Energy Consumption (kWh)	208,333,345	208,353,233	208,590,394	219,249,000
Percentage change since baseline year	-5%	-5%	-4.9%	
Total Electricity Consumption (kWh)	161,639,469	161,056,692	280,500,431	
Total Gas Consumption (Therms)	2,705,946	2,836,539		
Total Propane Consumption (kBTU)	386,953	141,803		
Total Oil Consumption (kBTU)		1,133,767		
Total Steam Consumption (kBTU)	6,065,917	5,879,819		
Total Energy Consumption (kWh)	242,836,742	241,471,624	280,500,431	268,100,000
Percentage change since baseline year	-9%	-10%	4.6%	
Construction Energy Consumption (kWh)	8,041,107	7,367,346	12,496,486	11,820,775
Percentage change since baseline year	-32%	-38%	5.7%	

Environmental Performance (continued)

WATER		2022	2021 (BASELINE)
Total Water Consumption (Kgal)		3,245,902	3,302,907
Percentage change since baseline year		-2.0%	
Like-for-like Water Consumption - Water Stressed Areas (Kgal)		1,166,293	1,238,758
Percentage change since baseline year		-6.0%	
Like-for-like Water Use Intensity (Kgal/unit) - Water Stressed Areas		44.9	44.3
Percentage change since baseline year		1.0%	
Like-for-like Water Consumption - Non-Water Stressed Areas (Kgal)		1,821,907	1,729,674
Percentage change since baseline year		5.0%	
Like-for-like Water Use Intensity (Kgal/unit) - Non-Water Stressed Areas		38.5	38.3
Percentage change since baseline year		1.0%	
Construction Water Consumption (Kgal)		10,638	10,854
Percentage change since baseline year		-2.0%	
On-Site Water Reuse (M3)		185,167	181,781

WASTE	2022	2021	2020	2017 (BASELINE)
Like-for-like Waste Consumption (lbs/apartment home)*	1,613	1,639	1,674	2,039
Percentage change since baseline year	-21%	-20%	-18%	
Non-hazardous Waste (MT)*	89,951	92,557	121,782	39,887
Percentage non-hazardous waste recycled	32%	29%	44%	45%

*Our waste reported represents 84% of our community waste, and 100% of our construction waste.

*Our Waste Goal is calculated on a like-for-like set of communities which are stabilized for a full 24 months and then normalized for occupancy and for regions where recycling is no longer an option.

Other GRI Indicators

	2022	2021	2020	2019
Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations	None	None	None	None
Total number of legal actions for anti-competitive behavior, anti-trust and monopoly	None	None	None	None
Percentage of employees covered by collective bargaining agreements	None	None	None	None

Learning and Development

DEPARTMENT TRAINING	HOURS
Construction/Development	2,148
Corporate	3,860
RS onsite	49,257
RS overhead	1,064
CCC	24,858
Cross-departmental	6,478
Total:	87,665

Safety

U.S. BUREAU OF LABOR STATISTIC	AVERAGE
Lost Time Incident Rate (DART): AVB Employees ¹	1.79
Total Recordable Incident Rate (TRIR): AVB Employees ¹	3.06
Total Recordable Incident Rate (TRIR): Construction / Subcontractors ²	1.67
Hours of Safety Training	9,451

Health Qualification

QUALIFICATION/CERTIFICATION	PROFESSIONALS
Certified Safety Professional	3
Associate Safety Professional	4
Certified Health and Safety Technologist	3
Safety Trained Supervisor — Construction	4
Safety Management Specialist	1
Licensed (NYC) Safety Manage	1
Certified OSHA 500 Trainer	1
HAZWOPER	1
Bilingual — English/Spanish	2

Development and Construction

DEVELOPMENT IN 2022	
Number of communities beginning construction	5
Expected investment	\$729M
Remediation of preexisting environmental contamination	\$7.47M
Remediation spend projected through completion	\$7.30M
Development communities under construction as of year-end	18
Average walk score for completed transit-oriented developments (total portfolio)	82
Total transit-oriented communities	114
Transit-oriented development communities completed in 2022	0
Capital cost for all development under construction as of year-end	\$2.54B
REDEVELOPMENT IN 2022	
Communities completed	4
Apartment homes represented	1,414
Capital cost	\$274M
Communities under redevelopment as of year-end	9
Capital cost for all redevelopment under construction as of year-end	\$108M

¹ Includes Residential Services, Overhead Departments, and Construction Personnel.

ABOUT THIS REPORT

This is AvalonBay's 12th annual ESG report and summarizes our environmental, social and governance (ESG) performance and activities during calendar year 2022.

REPORT PARAMETERS AND GRI-G4 IN-ACCORDANCE OPTION

This report covers issues and information material to our business and stakeholders. We followed standard disclosures from the GRI-G4 Sustainability Reporting Guidelines and sector specific guidelines for real estate and construction. The report's boundary covers a reporting period for the 2022 calendar year and builds on the progress outlined in our most recent report for the 2021 calendar year. The data in this report was sourced internally from responsible business units in the Company. The selected GRI performance indicators are those most relevant to AvalonBay's business and its ESG impacts and are based on our updated materiality analysis. We are reporting against the Core GRI-G4 in-accordance option.

ASSURANCE STATEMENT

Assurance content and figures referenced in AvalonBay's filed financial statements have been externally audited by a third-party auditor. As in prior years, we had our 2022 energy, greenhouse gas emissions, water and community waste data independently verified by LRQA. Additionally, LRQA conducted a full review of our 2022 ESG Report. LRQA is a leading provider of independent assessment services with recognition from over 50 accreditation bodies around the world. The assurance statements are aligned with the ISO14064-3 standard and can be found on our website at: <https://www.avaloncommunities.com/assurancestatement>; <https://www.avaloncommunities.com/esgreportassurance>

TRADEMARKS

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report marked with a ™ or ® are trademarks belonging to other third parties, including Incident and Injury-Free (IIF), which is a trademark of JMJ Associates.

FORWARD-LOOKING STATEMENTS

This 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. These forward-looking statements, which you can identify by the Company's use of words such as "expects," "plans," "estimates," "anticipates," "projects," "intends," "believes," "outlook," "may," "shall," "will," "pursue" and similar expressions that predict or indicate future events and trends and that do not report historical matters, are based on the Company's expectations, forecasts and assumptions at the time of this release, which may not be realized and involve risks and uncertainties that cannot be predicted accurately or that might not be anticipated. These could cause actual results, performance or achievements to differ materially from the anticipated future results, performance or achievements expressed or implied by the forward-looking statements. Additional discussions of risks and uncertainties that could cause actual results to differ materially from those expressed or implied by the forward-looking statements appear in the Company's filings with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021 under the heading "Risk Factors" and under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations — Forward-Looking Statements" and in subsequent quarterly reports on Form 10-Q. The Company does not undertake a duty to update forward-looking statements.

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AvalonBay
COMMUNITIES

