

CREATING A BETTER WAY TO LIVE

2023 Environmental Social Governance Report

AvalonBay
COMMUNITIES

Avalon Woburn
Woburn, MA



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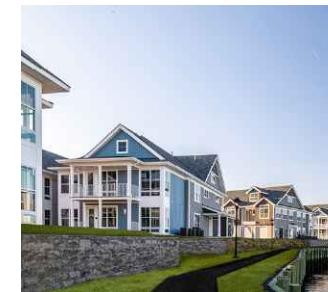
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Avalon Merrick Park
Miami, FL

From the CEO

I am proud to share AvalonBay's thirteenth ESG Report, showcasing our steadfast commitment to the value that environmental, social, and governance programs bring to our stakeholders - including our associates, residents, partners, shareholders, and lenders. Over the past thirteen years, we have made significant strides, staying true to our purpose of creating a better way to live by expanding our focus and efforts on corporate sustainability and deepening our impact.

AvalonBay is proud to be a leader in this arena, underscoring our belief that proactively managing environmental, social, and governance matters will drive long-term commercial success and fulfill our purpose. Our industry-leading efforts have earned us top accolades, including a GRESB Standing Investments score of 83, a CDP Climate score of A-, ISS ESG "Prime" status, Sustainalytics' "Regional and Industry Top Rated Company," and an "A" rating from MSCI.

Environmental

We are committed to reducing the environmental impact across our development and operating portfolio and are pleased with the progress made in reducing greenhouse gas (GHG) emissions, water use, and waste in 2023. Our initiatives not only lower operating costs for AvalonBay and our residents but also help ensure we are positioned to meet new regulatory requirements for energy and emissions performance standards expanding nationwide.

In 2023, we crafted an emissions reduction roadmap to cut scope 1, 2, and 3 emissions¹ across the organization. This roadmap has enhanced awareness and understanding regarding the costs and benefits of these initiatives, boosting business alignment and collaboration among our associates. We also updated our Sustainable Development Policy to ensure alignment with corporate targets, created an Embodied Carbon Tracking Policy with accompanying guidelines, and launched our Biodiversity Assessment Process. Anticipating the expiration of our approved science-based targets in 2025, we are excited to announce that we have submitted for new emission reduction targets aligned with the Paris Agreement and 1.5°C climate science.

Social

Now in its tenth year, our Building Strong Communities program actively gives back to our communities in key areas related to our industry: disaster relief and community preparedness, affordable housing, and support for underserved communities. We stayed engaged with our local communities by donating over \$2.57 million of cash and in-kind support to 286 organizations. Through this work, we serve those in need and strengthen our connections with each other, resulting in over 10,000 volunteer hours at 226 volunteer events nationwide in 2023.

We champion a diverse and inclusive workforce because it fuels innovation, sparks creativity, and enriches our perspectives. This diversity drives greater understanding, empathy, and success within our organization. We're proud to have been

recognized as a Diversity & Inclusion Excellence Award winner by Associated General Contractors, and as a Best Place to Work for LGBTQ+ Equality by the Human Rights Campaign for the second consecutive year.

Governance

AvalonBay actively upholds the highest ethical standards through comprehensive corporate governance practices. We integrate meaningful environmental, social, and governance practices across our organization, streamlining program implementation and ensuring engagement with relevant internal and external stakeholders. This approach helps us manage risk and achieve strong outcomes.

In 2023, the Company once again integrated ESG progress into the corporate component of the annual bonuses for all eligible full- and part-time associates reaffirming our commitment to this important work. We also partnered closely with our internal audit team to develop this ESG Report, and we expanded our external limited assurance process to cover emissions from our residents, our most significant emissions category.

Creating a Better Way to Live

I am incredibly proud of the positive impact we continue to make both internally and more broadly across our communities and industry. We are driven by a strong belief that our actions, both big and small, contribute to creating a better way to live.

Benjamin W. Schall
CEO and President



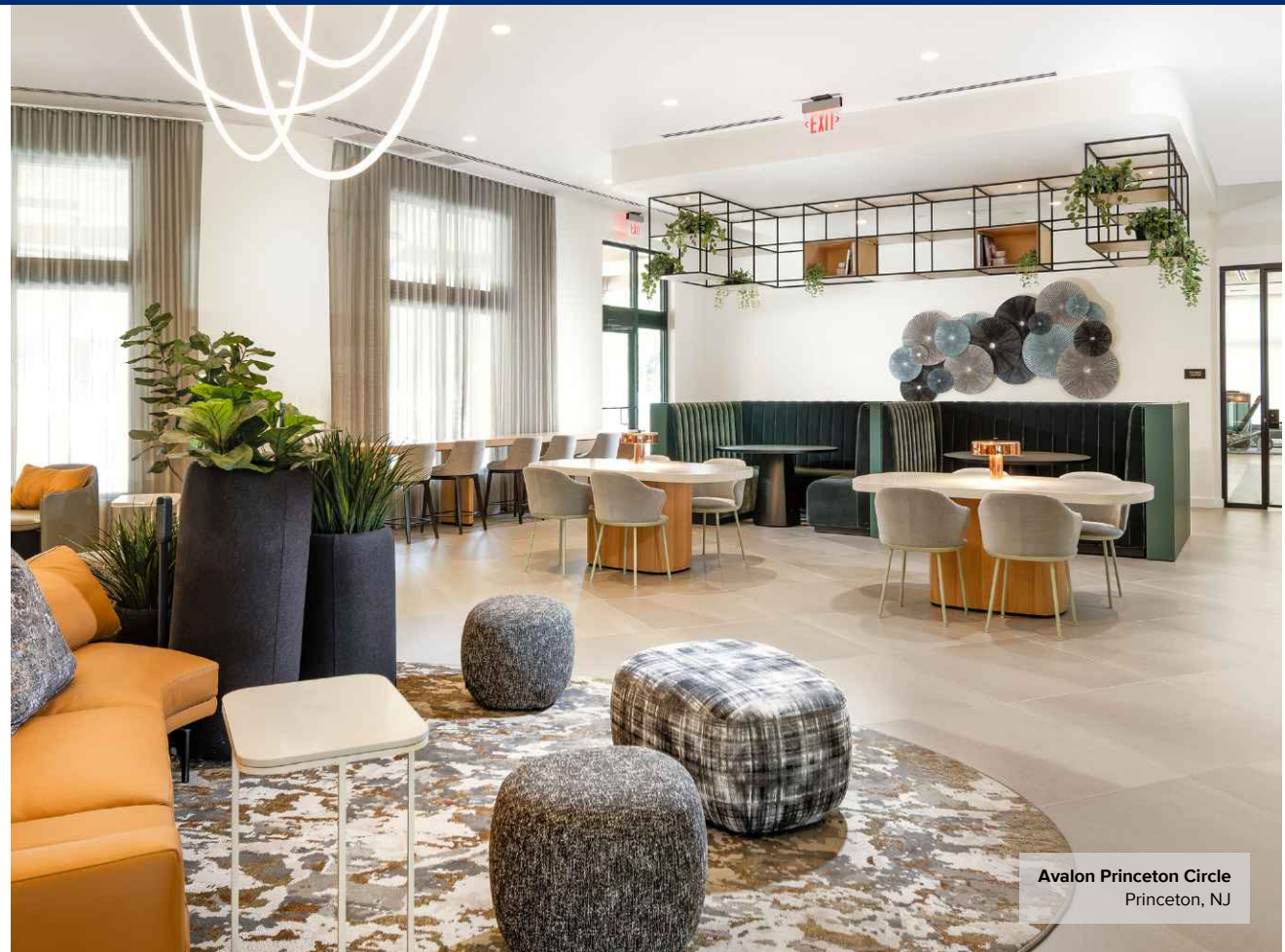
¹ As defined by the EPA: scope 1 emissions are direct greenhouse (GHG) emissions that occur from sources that are controlled or owned by an organization, scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling and scope 3 emissions are the result of activities from assets not owned or controlled by the reporting organization, but that the organization indirectly impacts in its value chain.

About AvalonBay

AvalonBay Communities, Inc., is a Maryland corporation that has elected to be treated as a real estate investment trust (“REIT”) for federal income tax purposes. We develop, redevelop, acquire, own, and operate multifamily apartment communities in New England, the New York/New Jersey metro area, the Mid-Atlantic, the Pacific Northwest, and 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 are generally characterized by growing employment, higher cost of home ownership, and a diverse and vibrant quality of life. We believe these market attributes 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, 2023, the Company owned or held a direct or indirect ownership interest in 299 apartment communities containing 90,669 homes with roughly 147,000 residents. We operate our communities under four core brands: Avalon, AVA, eaves by Avalon, and Kanso. We maintain 14 regional offices located throughout the United States including our headquarters in Arlington, VA. As of year-end 2023, we employed 3,034 associates.



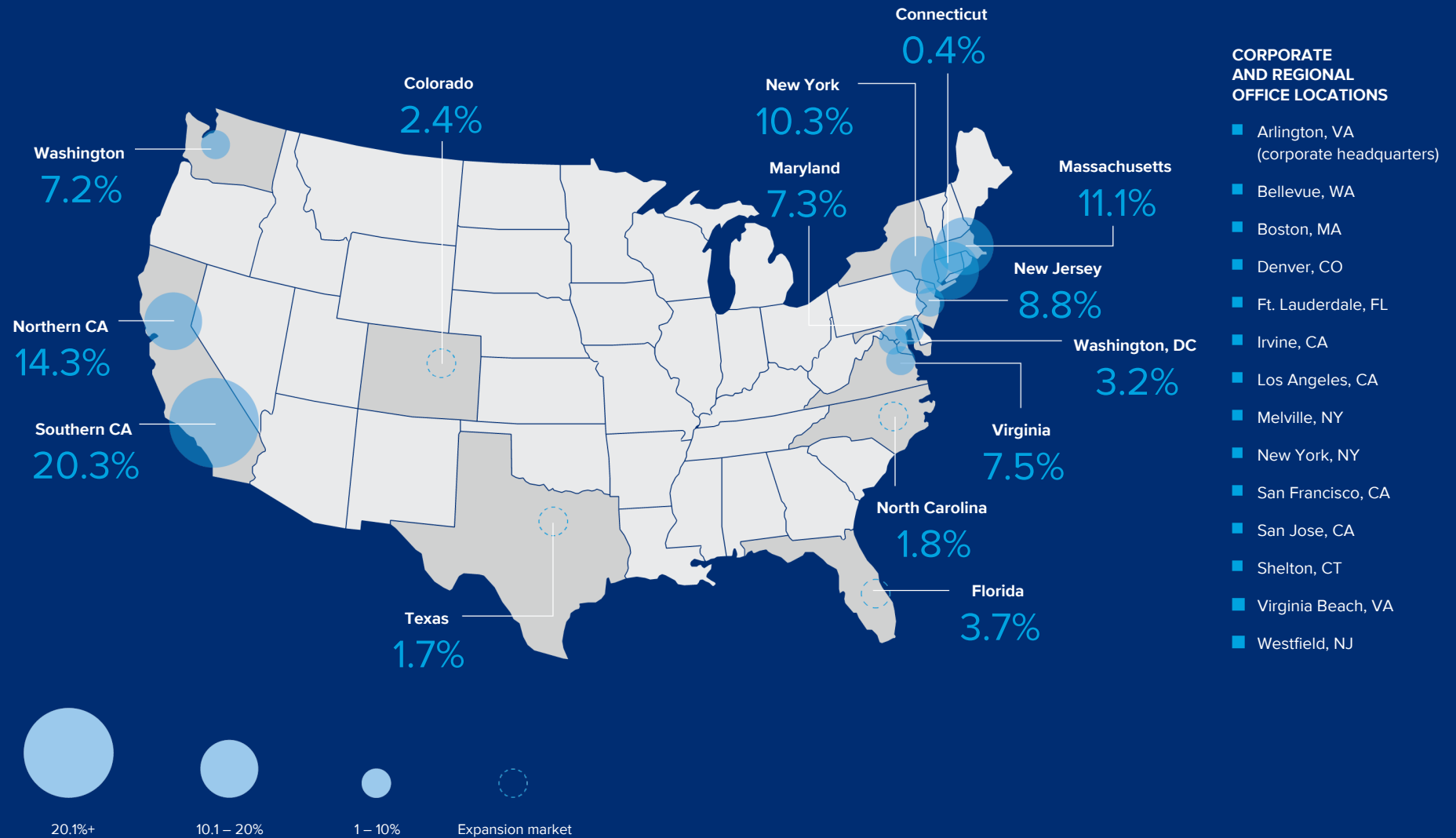
Avalon Princeton Circle
Princeton, NJ

ASSURANCE STATEMENT

As in prior years, our 2023 annual energy, scope 1 and 2 GHG emissions, water, and community waste data calculations were independently verified and received limited assurance from LRQA Inc. This year we expanded our scope of limited assurance to include scope 3 energy and GHG emissions from downstream leased assets. Additionally, LRQA conducted a review of this ESG Report. LRQA is a leading provider of independent assessment services with recognition from over 50 accreditation bodies around the world. The 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: www.avaloncommunities.com/about-us/esg/esg-reports/

Portfolio Overview

PERCENTAGE OF HOMES BY MARKET (AS OF YEAR END 2023)





COMPANY STATS*

\$35B

Total Enterprise Value²

11.5%

Annualized total
shareholder return
since IPO^{3,4}

A3 | A-

Moody's | S&P
Credit Ratings

4.8%

Annualized dividend
growth since IPO^{3,4}

2,577%

Cumulative total
shareholder return
since IPO^{3,4}

\$1.1B

Green Bonds

\$2.25B

Sustainability-Linked
Credit Facility

PORTFOLIO STATS*

299

Total Communities

147K

Residents

91K

Homes (including those
under redevelopment
or construction)

69 | 23%

Green Building
Certified Communities

97

Communities that have
or plan to have solar

4,206

Affordable Homes

14

Markets

APARTMENT COMMUNITY STATS*

70%

Class A

30%

Class B

29%

Urban

71%

Suburban

112

Transit Oriented
Communities

44%

Garden

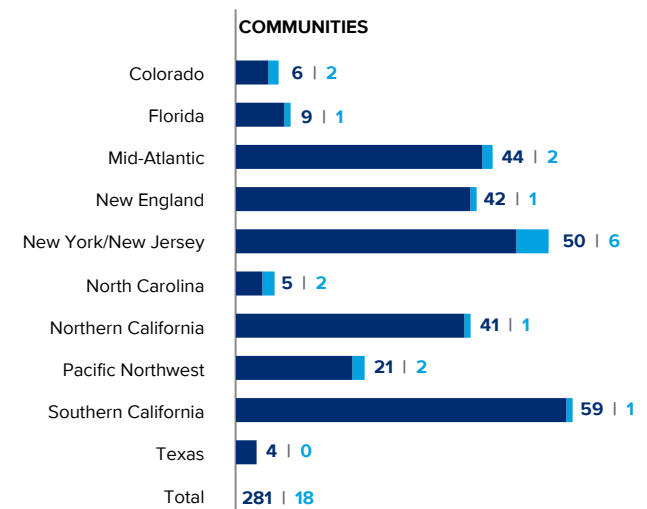
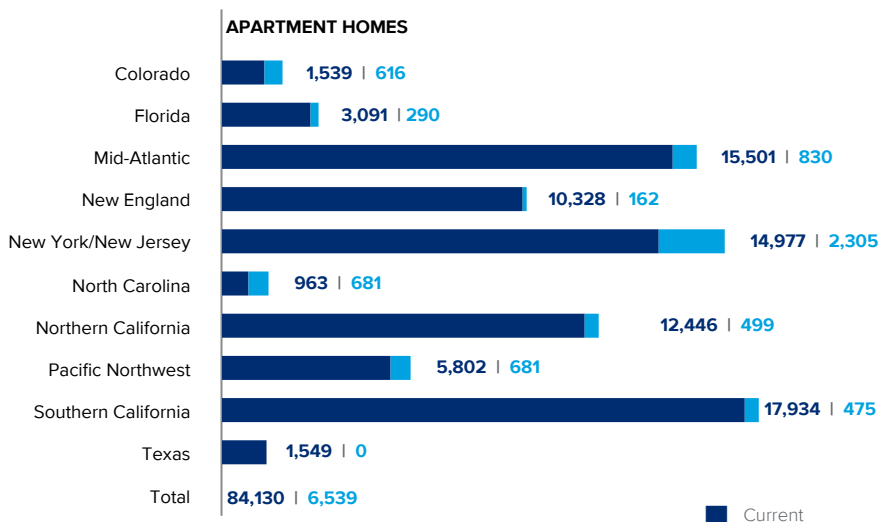
38%

Mid-Rise

18%

High-Rise

PORTFOLIO REGIONS*



* All data included on this page is as of 12/31/2023.

² Total Enterprise Value is defined as the aggregate of the market value of a company's common stock and the outstanding principal balance of a company's debt.

³ IPO (initial public offering) for Avalon Properties completed November 18, 1993.

⁴ Total Shareholder Return, presented as cumulative total shareholder return and annualized total shareholder return in this report, represents the change in value with all dividends reinvested. Annualized total shareholder return is presented as the compound annual growth rate.

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

Always try to get better.

Cultural Norms

We Collaborate.

We solve problems together in the best interests of all AvalonBay stakeholders — our customers, associates, shareholders, 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.

We Champion Inclusion and Diversity.*

We treat everyone respectfully, demonstrating a spirit of caring for others. We value diverse perspectives and experiences and provide an environment where all associates are comfortable being themselves. We are stronger together because of our differences.

* This Cultural Norm was added in 2023.



■ Integrating ESG into Business Strategy

Our Corporate Strategy

We remain focused on incorporating meaningful environmental, social, and governance activities throughout all aspects of our business. This commitment underscores our belief that a wholistic corporate sustainability strategy helps create value and minimize risk across the enterprise. Internal and external stakeholders, now more than ever, expect a thoughtful and transparent approach to this work, focused on impact, to meet the needs of today and tomorrow.



Avalon Amityville
Amityville, NY

AvalonBay's Difference

Our Unique Approach to Real Estate Investment

Our vertically integrated capabilities differentiate us from other Real Estate Investment Trusts allowing significant flexibility in terms of the investment choices we make for our portfolio, which enables us to both generate better living experiences for our residents and create value for investors.

Since we design, develop, construct, acquire, redevelop, self-manage, and own apartment communities for the long term, we believe this better positions us to make investment decisions that allow us to address the needs of our residents, associates, and stakeholders while incorporating sustainable design and operating practices, adapting quickly to evolving regulations, controlling quality and costs, and minimizing risks.

OUR COMMUNITIES

As developers and long-term owners, we incorporate environmental sustainability initiatives into our new construction and operating portfolio in many ways. The graphic below illustrates many of these activities.

OPERATING COMMUNITIES

Energy Efficiency

- 1 Efficient Lighting and ENERGY STAR Appliances
- 2 Battery Storage Paired with Solar
- 3 Resident and AVB Demand Response Participation

Water

- 4 Low Flow and Efficient Water Fixtures
- 5 Weather-Based Irrigation Systems
- 6 Reclaimed Water for Landscaping
- 7 Drought-Tolerant and Native Plantings

Operational Waste

- 8 Recycling Infrastructure
- 9 Available Composting
- 10 Available Compactors and Balers to Support Recycling

Transit

- 11 Transit-Oriented Communities Located Near Public Transit
- 12 Bike Storage
- 13 Walkable Locations
- 14 Available EV Charging
- 15 Car Sharing Amenities

Amenities & Features

- 16 WAG Dog Spas and Parks
- 17 Onsite Fitness Centers
- 18 Smart Thermostats, Door Locks, and Bulk WiFi
- 19 Smoke-Free Communities
- 20 Furnished Housing
- 21 Fully Equipped Clubhouses and Pools
- 22 Indoor and Outdoor Gathering Places to Support Community Connection and Relaxation
- 23 Second Space Work Suites and Business Centers
- 24 Package Lockers



NEW DEVELOPMENT COMMUNITIES

Energy & Electrification

- A Minimum Energy Efficiency Standards
- B Efficient HVAC and Domestic Hot Water (DHW)
- C Primarily Electric HVAC and DHW
- D Efficient Lighting and ENERGY STAR Appliances

Renewable Energy

- E Common Area and Resident Rooftop and Carport Solar PV

Embodied Carbon

- F Embodied Carbon Emissions Tracking using LCAs
- G Carbon Efficient Materials Focused on Structure, Enclosure, and Drywall

Water

- H Low Flow and Efficient Water Fixtures
- I Whole Building Indoor and Outdoor Water Reduction Targets
- J Drought-Tolerant and Native Plantings

Assessments & Certifications

- K Biodiversity and Climate Risk Assessments for New Developments
- L LEED Gold Certification required for Mid- and High-Rise Communities

Construction Waste

- M Construction Waste Recycling with Target Diversion Rate

Healthy Materials

- N Low and No VOC Paints and Sealants
- O Low Emitting Carpets and Flooring

Stakeholders

We view our corporate sustainability efforts from the perspective of our key stakeholders, considering not only how our programs impact them directly, but also the constructive outcomes they can help us create. Our most recent materiality analysis, conducted in early 2022, asked a variety of stakeholders for input on our corporate sustainability priorities and is presented below in the [Materiality Analysis](#) section. A summary of our communication with, and efforts related to, other key stakeholder groups is outlined in the following table.

Stakeholder Engagement



INVESTORS

Frequency: Monthly

- Annual Report / Proxy
- Press Releases / Earnings Calls
- Investor Calls / Meetings
- Industry Events / Conferences



VENDORS/SUPPLIERS

Frequency: Annually or more

- Vendor Contracts and Agreements
- Vendor Screening and Compliance



LOCAL COMMUNITIES/ GOVERNMENTS

Frequency: Weekly

- Environmental Compliance
- Occupational Health and Safety Compliance
- FHA and ADA Compliance
- Cyber and Data Security Compliance
- Philanthropic Giving and Volunteering
- Affordable Housing
- Development / Construction Community Impact Minimization



RESIDENTS

Frequency: Monthly

- Surveys
- Resident Portal and App
- Email / Flyers
- Community Events



ASSOCIATES

Frequency: Weekly

- Monthly Company-Wide Webinars
- Weekly Newsletters
- Volunteering Events
- Corporate Bonus
- Associate Opinion Survey



BOARD

Frequency: Quarterly or more

- Board Meetings
- Board Committee Meetings
- Memos / Presentations

Investors

Our management team continually engages our shareholders throughout the year to ensure that investor feedback on environmental, social, and governance matters are regularly considered. These are two-way conversations that provide us with insights into best practices and the evolution of market expectations for ESG investors, both of which help inform our implementation and reporting strategy. We welcome this increased focus and appreciate the opportunity to speak with investors about our program. Transparent reporting comes not just through this ESG Report, but also through the Global Real Estate Sustainability Benchmark (GRESB) and CDP. We are ranked or rated by other third-party ESG rating agencies as well. A number of these rank us as one of the most advanced US companies in our sector with respect to corporate sustainability matters. In 2022, we published our first Green Bond Report in connection with our 2021 Green Bond issuances to show that our bond proceeds were appropriately allocated and aligned with our Green Bond Principles. We have since fully allocated our \$1.1 billion of green bonds as shown in our most recent Green Bond report linked [here](#). Please see the [Green Financing](#) section of this report for additional information.

Vendors, Suppliers, and Contractors

AvalonBay spends approximately \$1.56 billion annually on external goods and services. Roughly half of this amount 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 around the country to a more discrete number of regional, national, and international 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 for 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. Typically, property operations categories that are scalable across multiple communities are sourced and contracted centrally through our Procurement team.

The Procurement and Residential Services teams work together to review contracted categories to ensure competitive pricing, consistent service, and value.

Our suppliers are essential to our success, and we strive to better understand their long-term sustainability efforts as we build stronger relationships and look to manage our material scope 3 emissions. Our responsible procurement principles can be found [here](#).

Beginning in 2021, we implemented a process and systems transformation for Procurement and Sourcing. This effort is ongoing and the following are highlights of the procurement and strategic sourcing team's efforts in 2023:

- New Strategic Sourcing, Contract Lifecycle Management, and Supplier Performance Management applications.
- Built new framework for the Supplier Relationship Management program.

As we continue to evolve our responsible procurement practices, below are some initiatives planned for 2024:

- Institute an updated enterprise-wide procurement policy.
- Establish a task force to support our National Supplier Diversity Program.
- Launch the Supplier Relationship Management program.
- Implement the enhanced Vendor Code of Conduct to communicate required standards expected of suppliers and vendors.

Local Communities

SUPPORT FOR COMMUNITY INFRASTRUCTURE AND SERVICES

In addition to our [Building Strong Communities](#) philanthropy program, our active development and redevelopment pipeline supports ongoing investment in community infrastructure and services with over \$486M in spend in 2023, including:

- \$18.0M for local permits, fees, and taxes paid on projects under development, with an additional \$99.6M expected through completion.
- \$8.1M for neighborhood infrastructure (roads, sidewalks, improvements to water/sewer/storm drainage), with an additional \$41.7M expected through completion, excluding reimbursements.
- \$2.0M for municipal sewer/water connections, with an additional \$1.8M expected through completion.
- \$151.8K to support local school districts, with an additional \$8.2M expected through completion.

We also paid \$306.8M in property taxes across our entire development and operating portfolio.

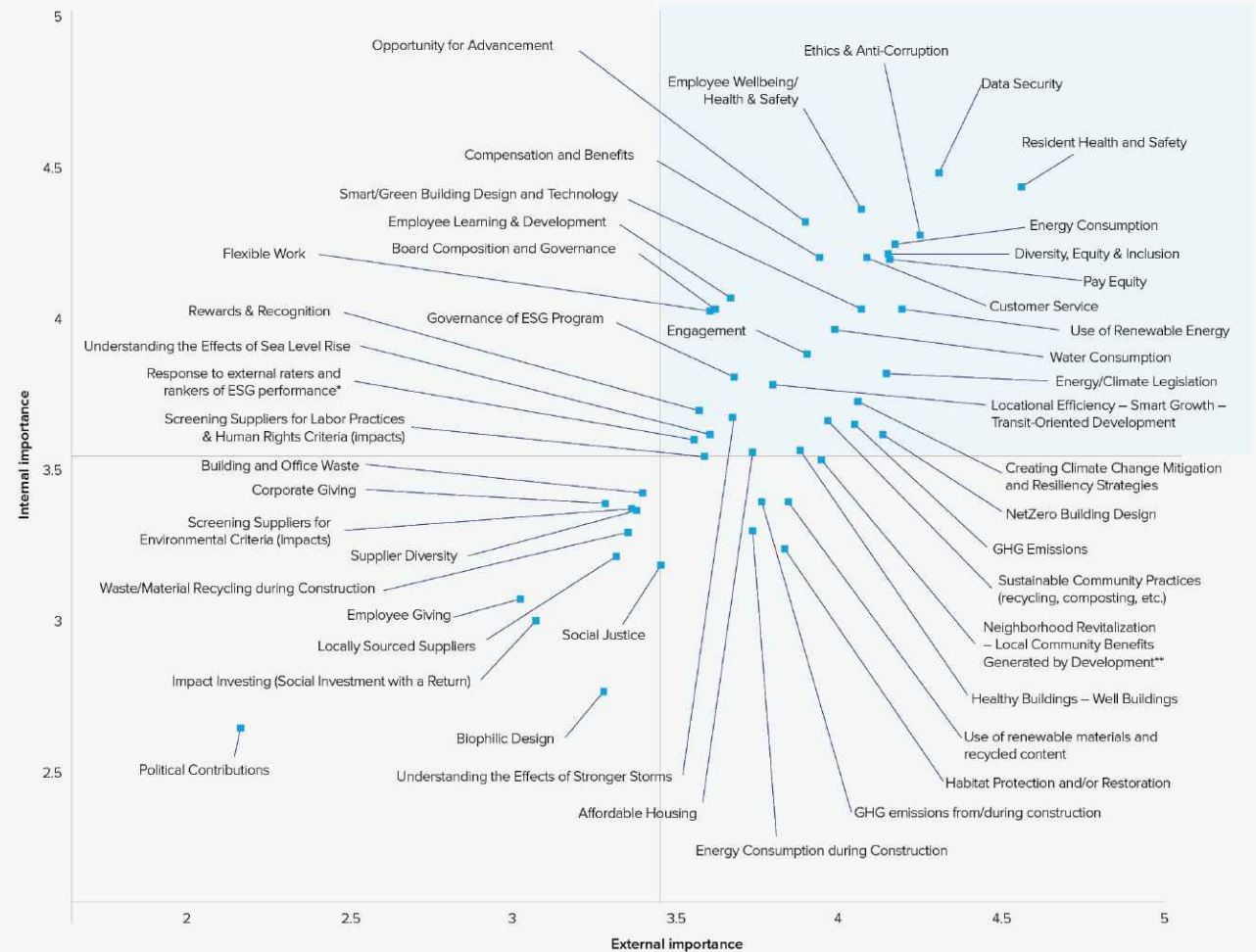


Materiality Analysis

In early 2022, we conducted an updated, in-depth materiality analysis⁵ with key internal and external AvalonBay stakeholders: director-level associates and officers, residents, suppliers and vendors, investors, local government and community leaders, and the AvalonBay Board of Directors. We chose these stakeholders because they represent a constituency that has a long-term interest in the Company and its efforts towards improving environmental, social, and governance outcomes. The results of the analysis are seen in the following materiality matrix.

Our stakeholders scored the importance of each topic on a scale of 1-5. Scoring from internal and external stakeholders group are used to plot each topic in the materiality matrix. Topics that rise to the highest level of importance are highlighted in the top right quadrant of the materiality matrix. We focus efforts across our program on these most important topics and use them as the general basis for this report. We also consider these topics when developing future strategic plans and goals. While we don't conduct a formal materiality assessment annually, we do internally monitor topics of rising importance to inform strategy and for their inclusion within this report.

MATERIALITY MATRIX



* (e.g., Global Real Estate Sustainability Benchmark [GRESB], Carbon Disclosure Project [CDP], etc.).

** (e.g., parks, street improvements, etc.)

⁵ "Materiality" as used in this report is distinct from its usage and meaning in U.S. securities laws, and inclusion of items as "material" in this chart and elsewhere herein does not imply that such items would be material to investors under such laws.

ESG Goals

We are proud of the advances made in 2023 towards our long-term environmental and social goals. We continued progress towards our science-based emission reduction targets, with a 46% reduction in scope 1 & 2 emissions and a 20% reduction in scope 3 emissions (both relative to a 2017 baseline). We exceeded our 2025 inclusion and diversity vision for underrepresented minorities in leadership and we continue to take appropriate actions that could help increase women in leadership. Additionally, we've continued to implement initiatives that support progress toward our goals for water and waste reduction, resident experience, associate engagement, and community giving. Our targets are aligned with 8 of the 17 United Nations' Sustainable Development Goals (SDGs), which are objectives created to be an international blueprint for addressing global challenges related to health, prosperity, and climate change.



TOPIC	METRIC	GOAL	2023 CUMULATIVE PROGRESS		STATUS	UN SDG ALIGNMENT
Emissions ^{6,7}	Scope 1 & 2 greenhouse gas (GHG) emissions (kgCO ₂ e/sq.ft.)	53% reduction by 2030	46% reduction	2023 ⁸ 2.17 2017 Baseline 4.04 Goal 1.90	We made great progress in 2023 against our approved Science-Based GHG Emissions Targets (SBTs). Our efforts included the expansion of our solar program and various energy efficiency improvements throughout the portfolio. We also increased the accuracy of our emissions calculations by switching from electric grid specific to electric supplier specific emissions factors where available. Looking ahead, we're increasing our focus on resident engagement as a key component of meeting our goals. Read more about our emissions reductions efforts in the Emissions and Energy Efficiency sections below.	
	Scope 3 GHG emissions (kgCO ₂ e/sq.ft.)	47% reduction by 2030	20% reduction	2023 ⁸ 4.44 2017 Baseline 5.52 Goal 2.93		
Water ⁸	Whole building water-use-intensity in water stress areas (Kgal/unit)	10% reduction by 2027	3% reduction	2023 ⁸ 43.1 2021 Baseline 44.3 Goal 39.9	We're excited by the progress made in 2023 through a continued focus on water use efficiency. Throughout the year, our Water Task Force focused on understanding the impact of scalable turf and irrigation reduction projects in water stressed areas. We hope to initiate some of these projects in the near future. Please see the Water section to learn more.	
	Whole building water-use-intensity in non-water stress areas (Kgal/unit)	10% reduction by 2029	1% reduction	2023 ⁸ 37.9 2021 Baseline 38.3 Goal 34.5		
Waste ⁹	Landfill-bound waste intensity across our portfolio (lbs./apt.)	20% reduction by 2023	22% reduction GOAL REACHED	2023 ⁸ 1,587 2017 Baseline 2,039 Goal 1,631	With the achievement and sunsetting of our current waste goal, we have implemented a new waste goal to maintain a waste diversion rate of 20% across our portfolio. Our success in achieving this goal can be attributed to the optimization of waste and recycling management processes at our communities.	

6 We have submitted to SBTi for a new emissions reduction target aligned to 1.5°C climate science versus our current targets, which align with the 2°C scenario that was allowable at the time our current SBTs were approved.

7 Our scope 1 & 2 SBT includes all scope 1 and 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).

8 This is one of five water goals, which can be viewed in the [Water](#) section.

9 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 for our stabilized portfolio.



Avalon North Andover
Andover, MA

TOPIC	METRIC	VISION / GOAL	2023 CUMULATIVE PROGRESS		STATUS	UN SDG ALIGNMENT
Inclusion & Diversity Vision	Women in leadership ¹⁰ (%)	Increase to 41% to achieve gender parity ¹¹ by 2025	2% increase	2023 37% 2020 Baseline 35% Vision 41%	Our continued focus on building a more diverse leadership pipeline through appropriate inclusive strategies for talent acquisition, associate development, and retention has led to the progress we've realized thus far. To continue driving progress, we are focusing on implementing bias mitigation practices in talent acquisition and talent management, realigning our external partnerships, and expanding our leadership team's external networks. Our Associate Resource groups are a critical component of our strategy by connecting us to talent pipelines, building culture and community within AvalonBay, developing our associates, and expanding our collective cultural awareness.	
	Underrepresented minorities in leadership (%)	Increase to 20% by 2025 Increase to 25% by 2030	6% increase 2025 VISION REACHED	2023 21% 2020 Baseline 15% 2030 Vision 25% 2025 Vision 20%		
Community	Annual community investment of total cash and in-kind donations (\$M)	Increase to \$2.75M by 2025	7% increase	2023 2.57 2020 Baseline 2.4 Goal 2.75	Our philanthropic efforts continue to be focused on support of disaster relief and community preparedness, affordable housing, and support for underserved communities. We continue to rely on key partnerships with regional and national philanthropic partners to continue expanding our impact.	
Associates ¹²	Associate engagement and satisfaction (percentile)	90th percentile or better by 2025	20% decrease	2023 65th 2020 Baseline 80th Goal 90th	While we have not yet reached our 2025 goal, we've seen a modest improvement in 2023 compared to our 2022 results. We continue to focus our efforts on improving communication and collaboration across the organization and will solicit and use associate feedback to drive progress in 2024.	
Residents ¹³	Net Promoter Score (NPS)	33 NPS by 2025	15% decrease	2023 23 2020 Baseline 27 Goal 33	Though the year started at a low point, Mid-Lease NPS increased every quarter in 2023, reversing a downward trend that started in 2022. We will continue using resident feedback as a guide to improving our residents' overall experience.	

¹⁰ Leadership is defined as director-level associates and above.

¹¹ Please note that parity is defined as achieving a level within +/-2% of the available workforce (41% in our baseline year of 2020), as calculated using third-party resources by level, function, and geography. Parity is 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.

¹² 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.

¹³ We calculate the target on properties that are stabilized for a full two calendar-year period.

ESG Reporting and Recognition

Since 2011, we have reported our corporate sustainability efforts through our annual ESG report. This report's disclosures were prepared with consideration of [Sustainability Accounting Standards Board \(SASB\)](#) and the [Task Force on Climate-Related Financial Disclosures](#) (TCFD) recommendations. AvalonBay also responds to the Global Real Estate Sustainability Benchmark (GRESB), which provides an industry benchmark for measuring the thoroughness of our corporate sustainability program and progress compared to peers. We also publicly respond to CDP, a TCFD-aligned platform, to share further detail on our environmental sustainability programs and performance. Since 2015 we have obtained limited assurance on scope 1 and scope 2 environmental data as well as certain components of scope 3 emissions. This year we have expanded the scope of our limited assurance to include our residents' emissions (category 13, downstream leased assets), our largest emissions category. We have also obtained limited assurance on the report overall since 2021. Historical and current assurance statements are available on our [website](#).

To the right, you will find a list of recent recognition as well as industry organizations we partner with to support and evolve our corporate sustainability efforts.

Awards and Recognition

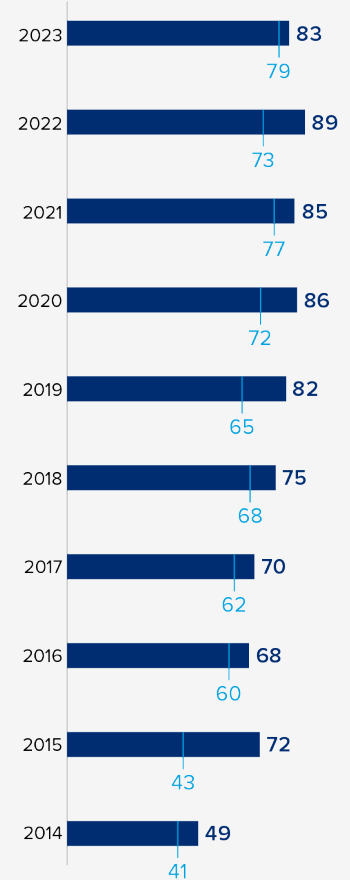
- CDP "A-" Climate Change Score
- Institute for Market Transformation — Green Lease Leaders Gold Level
- Human Rights Campaign — Best Place to Work for LGBTQ+ Equality **2nd YEAR ON LIST**
- Associated General Contractors — Diversity & Inclusion Excellence Award 2024
- Washington Post Best Places to Work 2023 **5th YEAR IN A ROW**
- Newsweek America's Most Responsible Companies 2023 **5th YEAR IN A ROW**
- Newsweek America's Greenest Companies 2024
- 3BL Media global list of 100 Best Corporate Citizens **6th YEAR ON LIST**
- MSCI "A" ESG Rating
- ISS ESG Corporate Rating "Prime" Status
- World Benchmark Alliance 2023 Buildings Benchmark Ranked #10 (out of 50)
- Forbes Top 100 List of Net Zero Leaders Ranked #48 **2nd YEAR ON LIST**



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 (NMHC)
- Real Estate Round Table — Sustainable Policy Action Committee
- Urban Land Institute (ULI) Greenprint Center for Building Performance
- U.S. Green Building Council (USGBC)

GRESB SCORE OVER TIME



¹⁴ Peer group constituents for 2023 consist of the following: AIR Communities, Camden Property Trust, Centerspace, Elme Communities, Equity Residential, Essex Property Trust, Mid-America Apartment Communities, UDR, Inc. and Varia US Properties.

Environmental

Reduce the environmental impact of our portfolio through smart development, efficient operating practices, and innovative decarbonization and resilience strategies that help minimize climate risks and maximize value.

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Avalon Foundry Row
Owings Mills, MD

Climate Risk

We make it a priority to assess acquisitions, existing communities, and future developments for climate risks to identify potential threats and implement appropriate risk mitigation tactics. 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 Climate Risk

PHYSICAL CLIMATE RISK ASSESSMENT

In 2023, we updated our climate risk assessment program to make the risk information more usable and actionable for our developers and asset managers. Five notable changes to the program include:

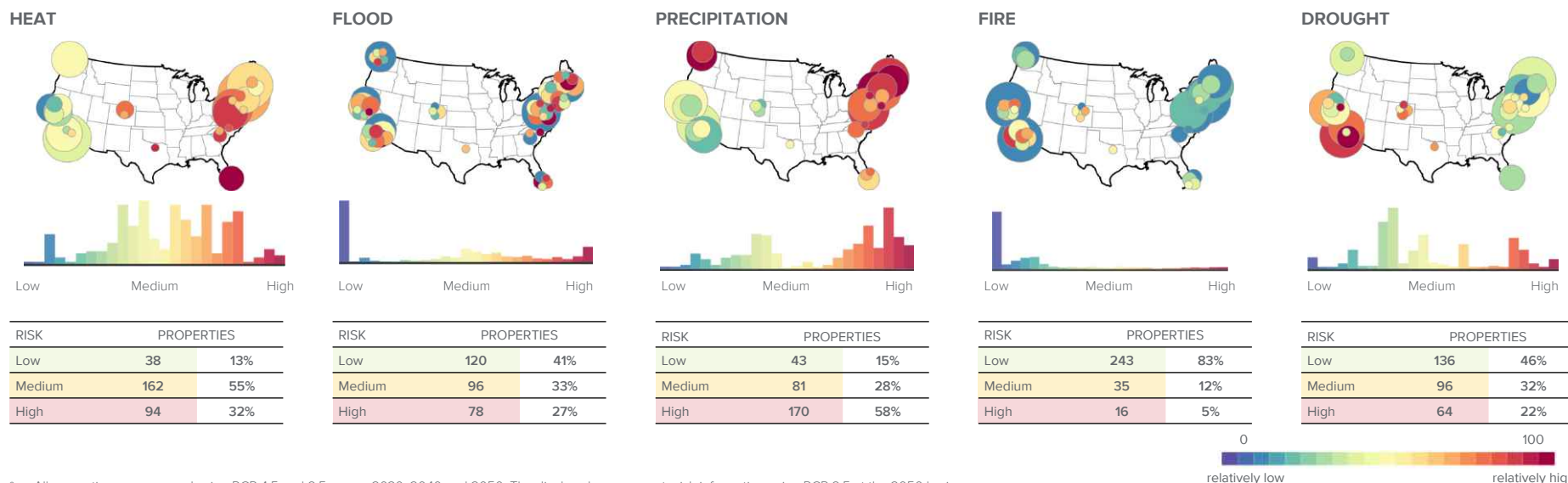
- 1 The previous 14 risk indicators were condensed into six new risk categories: Flood, Precipitation, Wildfire, Wind, Heat, and Drought. This allows us to include the most salient risk information for our communities into asset level reports.
- 2 The new assessments also provide county- and zip-code-level risk indicator scores which are important to help understand if a community has an outsized risk relative to the local area, or vice versa.
- 3 A switch from a “high, medium, low” risk assessment to one that provides a numerical risk score for each indicator. This unlocked our ability to create asset and market-level comparisons as well as an “overall risk score” by weighting the impact of each individual risk indicator based on historical financial impacts to our communities and the potential future impact as well.
- 4 The new reports provide visibility into risk levels across different time horizons to help us understand short-, medium-, and long-term risks.
- 5 The revised scoring allows our teams to create regional and national averages which new and existing communities can be benchmarked against. We can now also track how the average regional or national risk score may change over time as portfolio allocation evolves and as the climate continues to change. Ideally, tracking these average risk scores over time will aide in acquisition, disposition, and portfolio allocation strategies.

Number of properties

1 10 44

CLIMATE CHANGE RISK ANALYSIS

The below graphic derived using ClimateCheck’s assessment tool depicts one high level assessment of the potential risk of occurrence of each individual indicator across our existing portfolio. While we’re still determining the best way to assess the financial implications of these potential risks, we are working to integrate this information in investment decisions as described in the below Integrating Physical Climate Risk into Investment Decisions section.



* All properties are assessed using RCP 4.5 and 8.5 across 2030, 2040 and 2050. The display above presents risk information using RCP 8.5 at the 2050 horizon.

INTEGRATING PHYSICAL CLIMATE RISK INTO INVESTMENT PROCESSES

The increased level of detail provided by our improved physical climate risk assessments enhances our ability to use this data for our acquisitions, development, and in asset management. While our physical climate risk policy has required physical climate risk assessments for all new development and acquisition pursuits, we can now streamline and integrate the data further by leveraging the numerical scores discussed in the [Physical Climate Risk Assessment](#) section. These numerical risk scores and streamlined reports allow us to improve the way this information is captured in investment packages. Property-, county-, regional-, and portfolio-level information is now included in

investment packages, allowing for quick benchmarking by decision makers. Numerical scoring also provides the ability to more clearly set thresholds for when mitigation measures must be implemented and discussed as part of the due diligence process. For our existing portfolio, numerical risk information was added to our portfolio allocation and optimization models, making physical climate risk information more readily available to asset management to help ensure community-, regional-, and national-level physical climate risks are considered when making capital investment and portfolio allocation decisions.



Transition Risk

We look to identify and prioritize climate-related transition risks throughout the year by estimating their potential impact, probability, and timeframe (near-, medium-, and long-term) to assist us in developing a mitigation plan aligned with the resulting shift to a global low-carbon future. We screen throughout the year to identify and assess new or emerging regulatory, technological, market-related, and reputational climate-related transition risks or opportunities. Two broad categories of our most pertinent climate-related transition risks are provided below.

ASSET STRANDING RISK

Using the Carbon Risk Real Estate Monitor (CRREM)¹⁵ methodology, we have reviewed our portfolio and considered the emissions profile of, and local regulations applicable to, our communities in an effort to understand the risk of communities being “stranded” (prematurely devalued) due to their emissions profile and local regulations.

In an effort to improve the applicability of CRREM data models to our asset class and the U.S. market, we are contributing to ULI Greenprint’s work with CRREM in refining and expanding their U.S. data sets, which should help improve accuracy when applying their methodology to the U.S. real estate market. Throughout 2023 and into 2024, we have been partnering with our Asset Management and Engineering teams to create a process to incorporate the risk of stranding into our capital planning and investments 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 the level of decarbonization required for stabilized communities in the future.

REGULATORY RISK

New regulatory requirements are emerging across our portfolio in a variety of ways. In the table below, we outline some of the most notable current and potential future regulatory risks. See the following page for examples of some of the different types of regulatory risk we are monitoring.

Regulatory Risk and Legislation By State (Current and Upcoming)	CA-No	CA-So	CO	CT	DC	FL	MA	MD	NC	NJ	NY	TX	VA	WA
Energy and Emissions Disclosure Requirements	Portfolio Wide													
Building Energy Performance Standards	■	■	■		■		■	■			■			■
Physical Climate Risk Disclosure	■	■									■			

* State and jurisdiction-specific requirements have been aggregated to the state level for the purposes of this chart. This chart factors in assumptions regarding future locations of state or jurisdictional requirements.

¹⁵ The CRREM report we executed with GRESB uses v2-11.01.2023 of the Global CRREM Pathways. Not all GRESB multifamily properties are recognized the same in CRREM as there is no delineation between product types (ex: Garden, Mid-rise, etc.) .

Building Energy Performance Standards

Building Energy Performance Standards (BEPS) are proliferating across the country in varying forms requiring either energy or emissions reductions to specified levels. These reduction thresholds are scheduled to become more stringent over defined compliance cycles, with noncompliance resulting in potentially substantial fines. Markets in our portfolio that currently have active performance standards include New York City, Boston, Washington, D.C., and Denver. However, we anticipate BEPS will spread to more of our markets based on the commitment of many jurisdictions to initiatives like the National Building Performance Standards Coalition, which was launched by the White House in January 2022.

To prepare for the requirements of BEPS in our current markets, we have conducted preliminary assessments to determine which communities may be at risk for noncompliance. For those assets that may not currently meet the threshold, we're working with our Engineering, Asset Management, and Capital Projects teams to create asset-specific decarbonization and investment plans.

Physical Climate Risk Legislation

Recently, New York City released a new requirement (NY Real Prop. Law Section 231-B) mandating that landlords disclose specific information regarding flood risk and history directly through their residential lease agreements. The purpose of this type of legislation is to educate current and prospective residents regarding the risk associated with renting at certain locations. This reinforces the need for asset-specific physical climate risk mitigation measures to ensure residents are not dissuaded from renting in certain communities.

Similar legislation may emerge in other markets where we do business. See the [Physical Climate Risk](#) section for more information on our physical climate risk assessment program.

Climate Disclosure Requirements

While the previous section discusses legislation that requires asset-specific disclosures, there are also new and emerging corporate disclosure requirements such as the SEC's recently adopted climate disclosure rule entitled *The Enhancement and Standardization of Climate-Related Disclosures*, alongside California's SB 253 and SB 261. This type of legislation requires comprehensive disclosure, and future assurance, of scope 1, 2 and, in the case of California's SB 253, scope 3 emissions. The SEC's rule also requires the disclosure of (i) how certain material "severe weather events and other natural conditions" impact a company's income, cash flow, revenues, assets, and liabilities and (ii) the management and oversight of material climate-related risks. We are reviewing and considering steps to advance our reporting platform in preparation for these new disclosure requirements by expanding the scope of our current assurance verification to increase the coverage of scope 3 emissions and to conduct a gap assessment and best practices review to ensure we are prepared for compliance with the new SEC rule.



Avalon Merrick Park
Miami, FL

Emissions

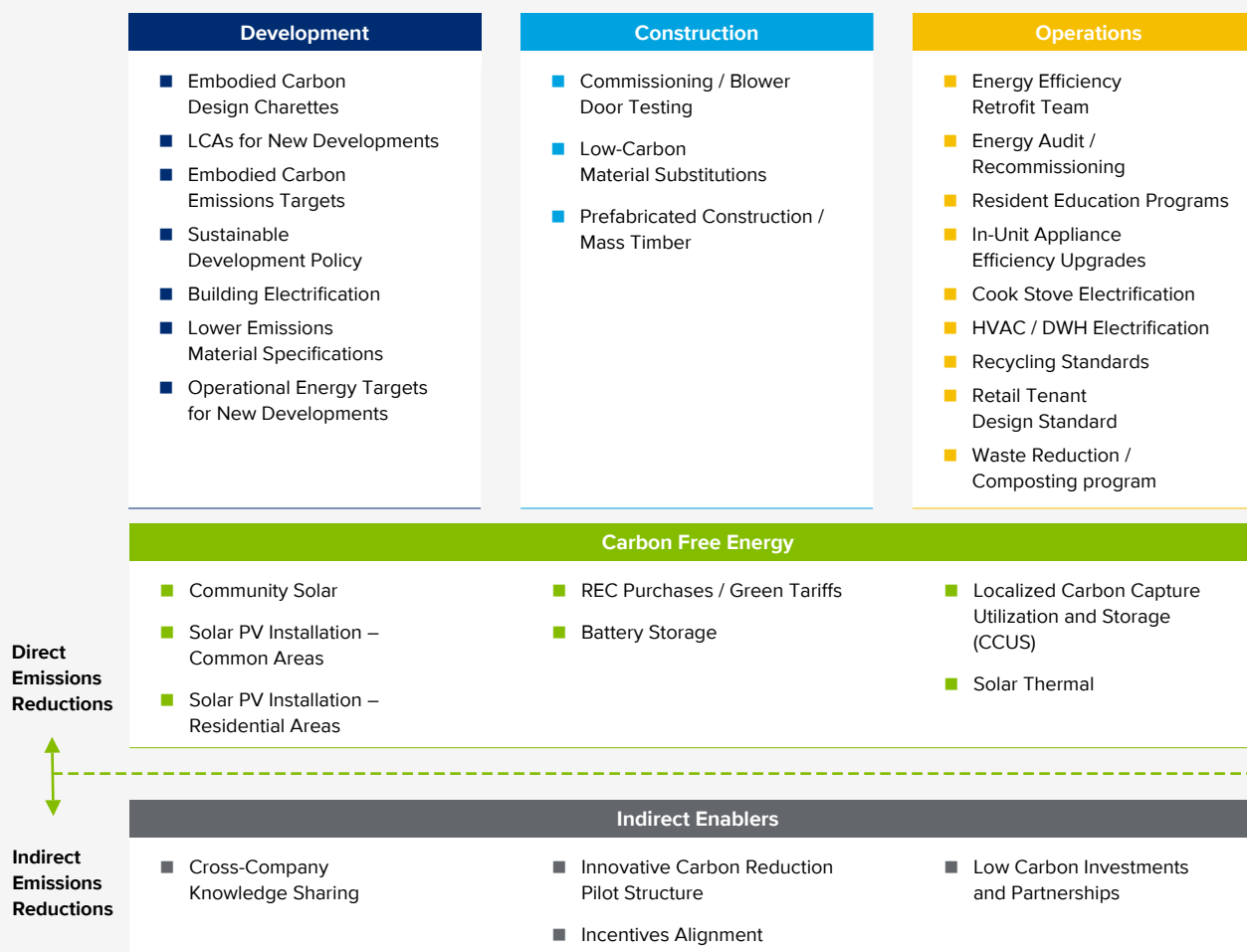
Emissions Reduction Targets

In 2023, we assessed the viability of upgrading our science-based targets from 2°C alignment to 1.5°C alignment and subsequently submitted an upgrade application to the Science-Based Targets Initiative (SBTi) in early 2024. This application reflects our recognition of the impact buildings have on global greenhouse gas emissions and our commitment and ambition to minimize our impact in alignment with the Paris Climate Accords and current climate science.

In 2023 we achieved a 5% reduction in our scope 1 & 2 emissions, which brings us to a cumulative reduction of 46% since our 2017 baseline year. Our scope 3 emissions also decreased by 7% in 2023 which brings us to a cumulative reduction of 20%. Primary contributors to these reductions include the expansion of our solar program and various energy efficiency improvements throughout the portfolio. As part of our continual effort to increase the accuracy of our emissions calculations, we were able to move our scope 2 calculations from using electric grid specific emissions factors to electric supplier specific emissions factors where available. This switch provides a more representative view of the emissions from our electricity use. Looking ahead, we've created a roadmap (seen to the right) that charts our path to achieving our short and long-term targets. We're focused on building or expanding existing programs in line with this roadmap to make measured progress against our targets in the coming years.

EMISSIONS REDUCTION ROADMAP

Over the past year, we worked with an external consultant to refine our emissions reduction roadmap to reflect current market conditions, current achievement, and improvements needed to meet our existing science-based targets. Leadership from throughout the organization was engaged in this effort to ensure alignment with broader business objectives and to maximize departmental buy-in. The most salient high-level initiatives and pilots were identified and classified into the five categories below.



Note: Initiatives shown here represent all initiatives included in the strategy between 2023 and 2050.

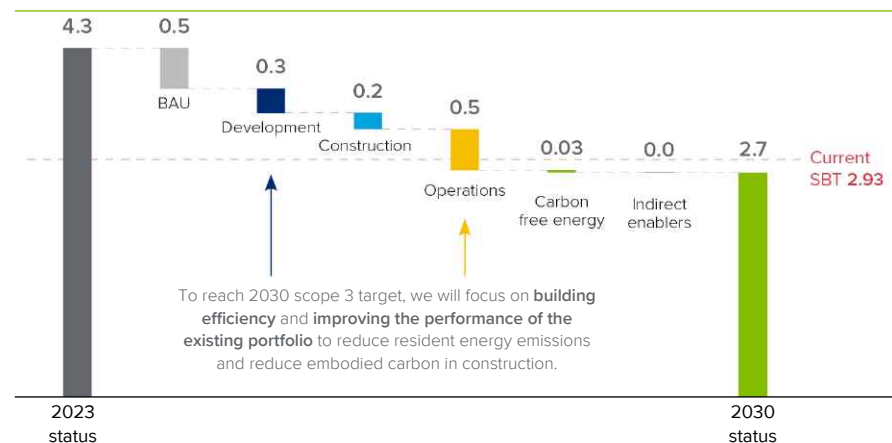


Avalon North Andover
Andover, MA

We identified the most impactful initiatives and established recommended implementation timelines after considering high-level costs, savings, and carbon emissions reductions. Prioritization and the timeline for each initiative was also based on organizational resources as well as the readiness of the broader market to tackle certain decarbonization challenges. This top-down planning exercise provided leadership with a picture of the high-level capital and operational expenditures associated with our decarbonization strategy, as well as

the potential return on related capital investment. While predicated on numerous assumptions over a long-time horizon, this exercise was crucial to ensuring our overarching plan and implementation timeline will add value to the organization, in addition to minimizing our environmental impact. To better understand how the five categories of initiatives contribute to our target achievement, please see the following graph showing how we plan to meet our scope 3 emissions reduction target¹⁶:

EMISSIONS INTENSITY REDUCTIONS FROM KEY CATEGORIES (KG CO₂e / SQ FT)



* BAU means business as usual

Key Initiatives Include

Development

- Embodied carbon and operational energy efficiency targets
- Building electrification
- Low-carbon material specifications

Construction

- Building commissioning
- Low-carbon material substitutions

Operations

- Energy audit / recommissioning
- Resident education programs
- Unit turn appliance replacement and lighting efficiency requirements
- Recycling and waste diversion

Carbon-Free Energy

- Solar PV – Common area and Resident
- Community solar

¹⁶ Though not shown for special reasons, we also have an achievement pathway graphic for our scope 1+2 emissions reduction target.

Renewable Energy

We continued to expand our renewable energy program in 2023 in a number of different areas outlined below.

GREEN ELECTRICITY PROCUREMENT

In 2023, we increased our green electricity procurement to cover 85% of our procurable common area electric load, which amounts to roughly 91,191,900 annual kWhs. All green electricity is sourced from certified Green-E renewable generation, such as wind and solar. We will continue to procure green energy where possible moving forward.

SOLAR DEVELOPMENT

Common Area Solar

Onsite solar is an important part of our scope 2 emissions reduction strategy. In 2023, we activated an additional nine solar PV systems representing 1.53 MW of clean electricity capacity. At year-end 2023, AvalonBay was operating a total of 60 solar sites representing 8.49 MW of solar capacity. During 2023, there were 37 sites in design and under development that represent another 14.81 MW of solar capacity that we look forward to bringing online in the coming years.

Resident Solar

In 2022, we began an expansion of our onsite solar program to pilot 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, which will also generate positive investment returns to AvalonBay. This pilot is particularly compelling because it couples resident engagement with scope 3 emissions

reductions. Our first pilot project was activated in June 2024, later than planned due to regulatory delays. Given the California CPUC's announced changes to Virtual Net Energy Metering (VNEM) projects taking effect on February 15, 2024, we expanded our program to an additional 10 sites in California in late 2023 and early 2024 bringing our total planned residential solar projects to 13 communities, representing 8.16 MW of solar capacity. We are hopeful this program can be expanded further in California and into Colorado where VNEM legislation was recently passed, and eventually into other markets as applicable regulations and new technologies become more widespread.



SOLAR INSTALLATIONS

Solar Type	Maryland	Massachusetts	New Jersey	Northern CA	Southern CA	Washington	Washington D.C.	Total
Operating Common Area Solar		8	6	21	16	2	7	60
Planned Common Area Solar		9	7	3	5			24
Planned Resident Solar				6	7			13
Planned Community Solar	1							1



Avalon Harbor Isle
Island Park, NY

Community Solar Pilot

We are further expanding our renewable energy program by piloting Community Solar at one master metered community in the Mid-Atlantic region. Although contracts were executed in 2023, the program did not activate until March 2024. Initially, we hoped for broader implementation of Community Solar, but affordability requirements in many regions limit our application. Nevertheless we are excited to connect our first pilot community to a local renewable energy resource 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, we hope this platform will engage our residents in environmental initiatives and reduce AvalonBay's scope 3 emissions.

Energy Efficiency

Energy efficiency plays a large role in our decarbonization roadmap. While it may be easier to influence the energy efficiency of our new developments given our control of building design, we cannot ignore the magnitude of emissions from our portfolio of existing communities. This underscores our dual focus on managing and improving energy efficiency

in both our new development and existing community portfolios.

DEMAND MANAGEMENT AND INTERVAL "SMART" METERING

Our demand response and smart building data program includes 51 communities resulting in \$392,000 in net annual utility savings in 2023. These savings were achieved through demand response payments, capacity cost reductions, and savings associated with the implementation of various energy efficiency measures that reduced energy consumption and peak demand. By planning in advance of demand response events, AvalonBay enables a 2MW reduction in electric utility grid stress. Initiatives in 2023 generated a reduction of 521 kg CO₂e. Additionally, our smart building operations platform monitors our portfolio of Combined Heat and Power (CHP) generation and battery storage to maximize energy conservation. This platform also supports smart thermostats, water efficiency devices, and preventative maintenance protocols.

SMART THERMOSTATS

In total, AvalonBay has installed 209 new smart thermostats across 21 communities in 8 states for use in common areas. These smart thermostats are programmed with set

point schedules and night-time setbacks to promote energy conservation, utility savings, and resident comfort. Where applicable, our smart building data platform provides real-time temperature and humidity alerts when critical thresholds are breached, allowing our community managers to monitor building health metrics. Communities utilized their new smart thermostats to participate in demand response programs, where available, in 2023.

Residential Emissions Reduction Efforts

RESIDENTIAL DEMAND RESPONSE AND GRID REWARDS

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 innovative app integrates with new smart meters for personalized energy efficiency insights and recommended actions to lower energy costs and emissions. The app identifies the peak times when electricity has the highest carbon content and notifies residents when

reduced electricity usage will have the biggest impact on reducing their carbon emissions. In 2023, 7% of our New York City residents participated in GridRewards. This past summer, residents collectively reduced 1,590 kWhs of electricity, equal to 459 kg of CO₂, while generating \$19,375 in GridRewards; an average of \$54 per user. GridRewards is a valuable tool for socially engaging residents in reducing scope 3 carbon emissions. We plan to expand the GridRewards program in other markets as it becomes available.

TRANSPORTATION ADVANCES

To support our residents in reducing emissions, we're implementing initiatives that encourage walking and electric vehicle use to meet their transportation needs effectively while reducing emissions.

Car Charging

We currently have 887 smart Level 2 electric vehicle (EV) charging stations installed at 80 communities and an additional 1,268 EV charging outlets at 72 communities across our portfolio. We're excited to see continually higher demand for our charging stations and will continue to roll out more charging options across our new and existing communities.

Car Sharing – To support those who don't have cars, we're partnered with car sharing providers including ZipCar to bring on demand vehicles to a total of

14 communities.



AVA Arts District
Los Angeles, CA

Electric Charging Design Standards

In 2023, we updated our EV Charging Standards to include enhanced guidelines for Electric Vehicle Supply Equipment (EVSE). Changes included the requirement that at least 5% of parking spaces in new developments are now required to be equipped with Level 2 EVSE (in the absence of local mandates). Additionally, electrical capacity and infrastructure must be provisioned to accommodate Level 2 chargers for an additional 5% of parking spaces in the future. The updated standards were officially published in Q1 2024.

EV Strategy / Task Force

AvalonBay's EV charging leadership team is pursuing a strategy to ensure our communities are safely equipped with charging infrastructure that meets the needs of our residents and the jurisdictional requirements 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 in the future.

Transit-Oriented Development

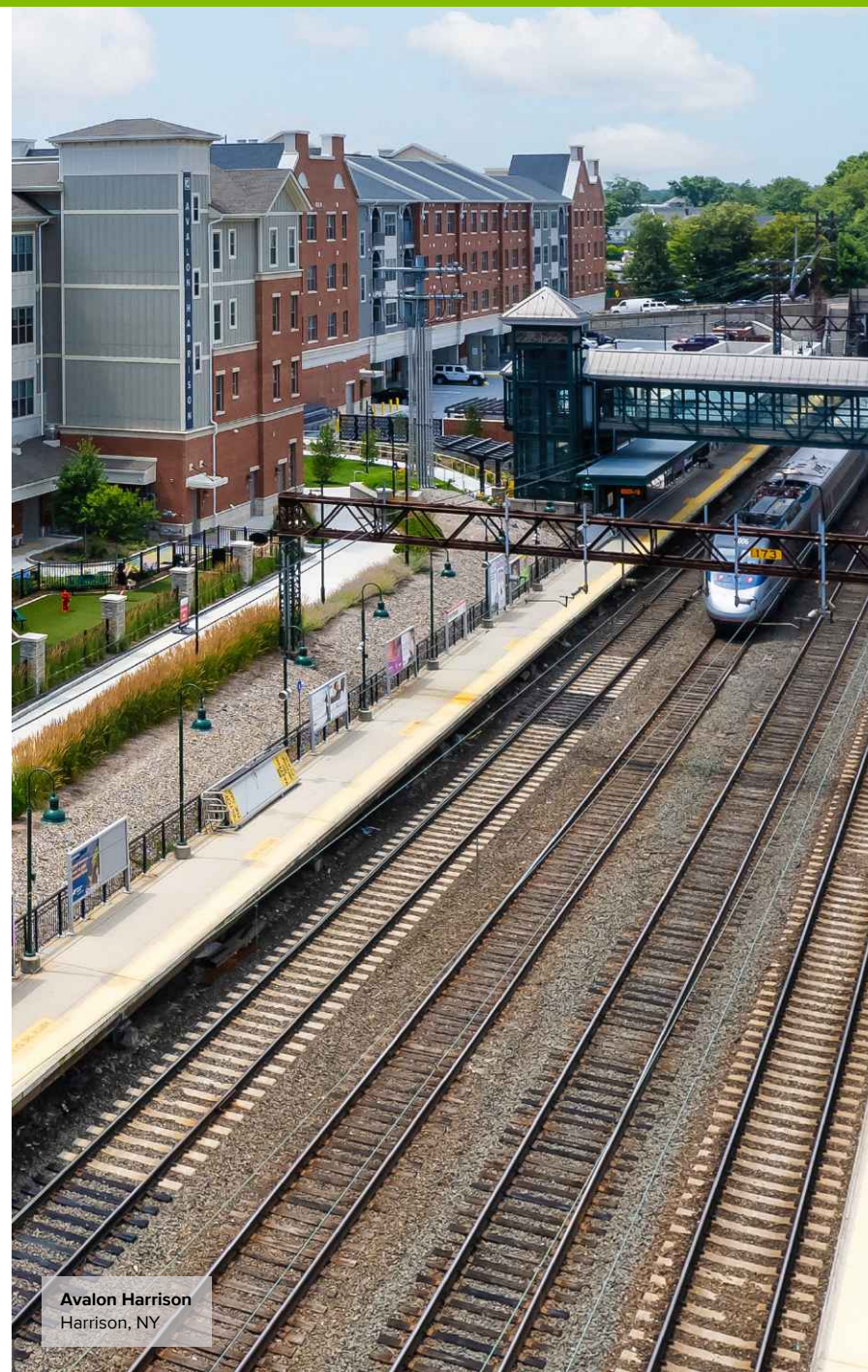
Access to transit is not only an important part of selecting a place to live, but it will also play an important part in decarbonizing our future by creating less reliance on individual passenger vehicles. During 2023, we completed the construction of four Transit-Oriented Developments (TODs) with an average Walk Score of 83, bringing the total number of Transit-Oriented Communities in our portfolio to 112 communities.

GREEN LEASES

The actions of our residents and retail tenants significantly impact our scope 3 emissions and our ability to meet BEPS requirements in certain jurisdictions. Green leases, an industry best practice, create alignment between tenant and landlord to promote emission reductions and sustainable practices. Starting in 2023, all new residential leases and renewals include new green lease language to improve communication and transparency with our residents.

Given our limited ability to influence resident utility consumption directly, providing residents the right tools is essential. As part of our Green Lease update, we realigned internal policy and actions to reduce emissions associated with our residential units through efficiency improvements to items like in-unit appliances, systems, and fixtures, ensuring they are replaced with energy-efficient versions at end of life.

Through this work, we're proud to announce that we have been recognized as a Green Lease Leader by the Institute for Market Transformation at the Gold Level in April 2024. We are also finalizing green lease language that will be incorporated into our retail leases and are updating our retail tenant build-out guidelines.



Avalon Harrison
Harrison, NY

Sustainable Development

We see building certification as a tool to support the design and construction of energy-efficient and sustainable communities. The targeted pursuit of LEED certification helps align project team expectations and provides an additional level of quality control that supports our environmental sustainability goals at the asset and portfolio level.

Certified Communities

Certification of our sustainable development practices is an important part of our sustainability platform that provides third-party validation of AvalonBay's efforts. Aligning our development practices to best-in-class certifications, such as the U.S. Green Building Council's LEED rating systems, helps ensure that our design and development standards continue to evolve and progress as building codes and regulations change across our national footprint.

In 2023, we updated our Building Certified and Climate Resiliency Policy, creating a separate policy for climate risk and updating the green building requirements within a new Sustainable Development Policy. As part of the policy redevelopment process, we compared existing internal design standards to LEED credit requirements and other certification systems to ensure minimum levels of certification are achieved.

Our new policy outlines mandatory design and construction requirements for all new developments which are broken out across categories including Energy Efficiency, Electrification, Embodied Carbon, Renewable Energy, Water Efficiency, Construction Waste, and EV Charging. These requirements are geared specifically towards ensuring our community-specific design and construction decisions support AvalonBay's achievement of our broader environmental sustainability goals. The policy requires all mid-rise and high-rise buildings to achieve LEED Gold using the LEED BD+C: Multifamily Mid-Rise v4 rating system. While garden style communities are not required to pursue certification, they are required to follow the new design and construction requirements outlined in the new Sustainable Development Policy to help ensure all projects attain a similar level of environmental performance regardless of certification achievement.

In 2023, an additional five communities achieved LEED certification bringing the total count across the portfolio to 69 communities that have earned one or more environmental certifications to date. We currently have an additional 61 communities in development or construction that are pursuing certification, bringing the total number of communities in our portfolio either pursuing or having achieved an environmental certification to 130.



Avalon Merrick Park
Miami, FL

CERTIFIED AVALONBAY OFFICES

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



Avalon West Dublin
Dublin, CA

CERTIFIED COMMUNITIES

ENERGY STAR New Construction

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

LEED for Homes

- AVA North Hollywood
- AVA Wheaton
- Avalon Chino Hills
- Avalon Dogpatch
- Avalon Irvine III
- Avalon Newcastle I
- Avalon Vista

LEED New Construction - Certified

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

LEED New Construction - Silver

- AVA DoBro
- AVA North Point
- AVA Queen Anne
- AVA Theater District
- Avalon 555 President
(East Harbor)
- Avalon Belltown Towers
- Avalon North Station
- Avalon Potomac Yard
- Avalon Towers Bellevue
- Avalon Willoughby Square
- Park Loggia (15 W 61st Street
[Columbus Circle])

NAHB Green Certification (Bronze)

- Avalon Rockville Centre

Fitwell (1 Star)

- AVA NoMa
- Avalon First and M

NGBS (Silver)

- Avalon Denver West
- Avalon Towson
- Avalon Doral

LEED New Construction - Gold

- AVA 55 Ninth
- AVA High Line
- Avalon West Chelsea

LEED Multifamily Midrise v3

- AVA Esterra Park
- AVA Hollywood
- AVA Little Tokyo
- Avalon Hayes Valley
- Avalon Huntington Beach
- Avalon Irvine II
- Avalon Morrison Park
- Avalon Public Market
- Avalon West Hollywood
- Avalon Walnut Creek II

LEED Multifamily Midrise v4

- AVA RiNo
- Avalon Brea Place
- Avalon Monrovia
- Avalon Alderwood Place JV

LEED for Homes v3

- Avalon Alderwood I
- Avalon Alderwood II
- Avalon Baker Ranch
- Avalon Boonton
- Avalon Dublin Station II
- Avalon Maplewood
- Avalon Ocean Avenue
- Avalon Piscataway
- Avalon Princeton
- Avalon Teaneck
- Avalon Edgewater II
(Avalon Edgewater)
- Avalon Glendora

LEED for Homes v4

- Avalon North Creek

LEED for Homes v3

- Avalon Yonkers

69 communities

have achieved one or more
environmental certifications with
61 additional communities currently
pursuing certification

Sustainable Materials Procurement

Reducing the embodied impact of construction materials is crucial for creating low-impact, healthy spaces. Our work described below aims to enhance our ability to procure materials that reduce the embodied impacts of our communities.

EMBODIED CARBON

Embodied carbon represents our second-largest scope 3 category, and we are focused on reducing these emissions. In 2023, we adopted a new policy requiring all new developments to conduct life cycle assessments (LCAs) that, at minimum, cover the A1-A3 lifecycle stages and include those materials that contribute most to embodied carbon, including the structure (including foundation), enclosure, and drywall. The completion of LCAs is a meaningful improvement compared to the traditional cost-based tracking methods AvalonBay and others have used in the past.

Additionally, we established a baseline by completing LCAs retrospectively for buildings developed in 2017 (our SBT baseline year) to better understand how our impact may have changed over time. Our intention moving forward is to measure progress using our retrospective LCA baseline in 2017 compared to new project LCAs to benchmark our embodied carbon reduction progress and ultimately, in 2024, set a project-specific embodied carbon reduction target.

In the meantime, we're focusing on reducing our embodied carbon by piloting embodied carbon design charettes and testing new

concrete, sub-flooring, and drywall materials in new developments across the portfolio. For materials with successful pilots like concrete and drywall, we are re-writing specification language to ensure that future projects utilize these lower carbon materials.

HEALTHY MATERIALS

The definition of healthy materials has been ever-changing and unclear across our industry for years. Industry alignment around definition is imperative to ensure consistent specifications are used throughout the design and construction process, and to send a clear market signal to manufacturers to drive market demand for product transparency around key health and sustainability attributes. In 2023, mindful MATERIALS[®] introduced the Common Materials Framework that defined holistic material attributes centered on human health, climate health, ecosystem health, social health and equity, and circular economy¹⁷ based on extensive industry feedback. To support these efforts alongside other leaders in the AEC and manufacturing industries, AvalonBay proudly became one of the founding members of the mindful MATERIALS Owners' Forum, a group of like-minded organizations focused on making healthy and sustainable material procurement applicable and achievable for all commercial building owners and developers.

The mindful MATERIALS[®] Owners' Forum, alongside the Architects, Engineers, and Contractors (AEC) and Manufacturers Forums, will be releasing resources to support others in their execution of this work in 2024. AvalonBay was pleased to participate in these efforts to drive market transformation.

Biodiversity

Threats to biodiversity are increasing and the link between climate change, changes in land use, and pollution is clear. However, biodiversity is just now emerging as a global focus area. As a real estate owner and developer, we recognize our activities have the potential to negatively impact biodiversity.

In 2022, each community in our operating portfolio underwent a biodiversity risk assessment to identify areas where focused efforts would lead to higher levels of positive biodiversity impact. We benchmarked our portfolio to better understand the potential biodiversity risks we may encounter in our regions. This information provided the foundation for the Biodiversity Risk Assessment Policy that we released in early 2023. This policy requires all new developments and acquisitions to assess their site for potential risk from biodiversity loss or, for sites that were already developed, the potential benefit from bringing biodiversity back to that site. Projects meeting a certain risk threshold must present mitigation plans to our investment committee before proceeding including, but not limited to, strategies such as planting native vegetation to support at-risk endemic species, reducing turf in favor of native vegetation, and preserving key wetland areas to aid in stormwater management. As of year-end 2023, all properties in our operating portfolio have undergone an assessment and all current and potential developments or acquisitions have been assessed for biodiversity risk.



Avalon Warner Place
Canoga Park, CA

¹⁷ A circular economy is an economic system based on the reuse and regeneration of materials or products, especially as a means of continuing production in a sustainable or environmentally friendly way.

Flexible and Mixed-Use Building Space

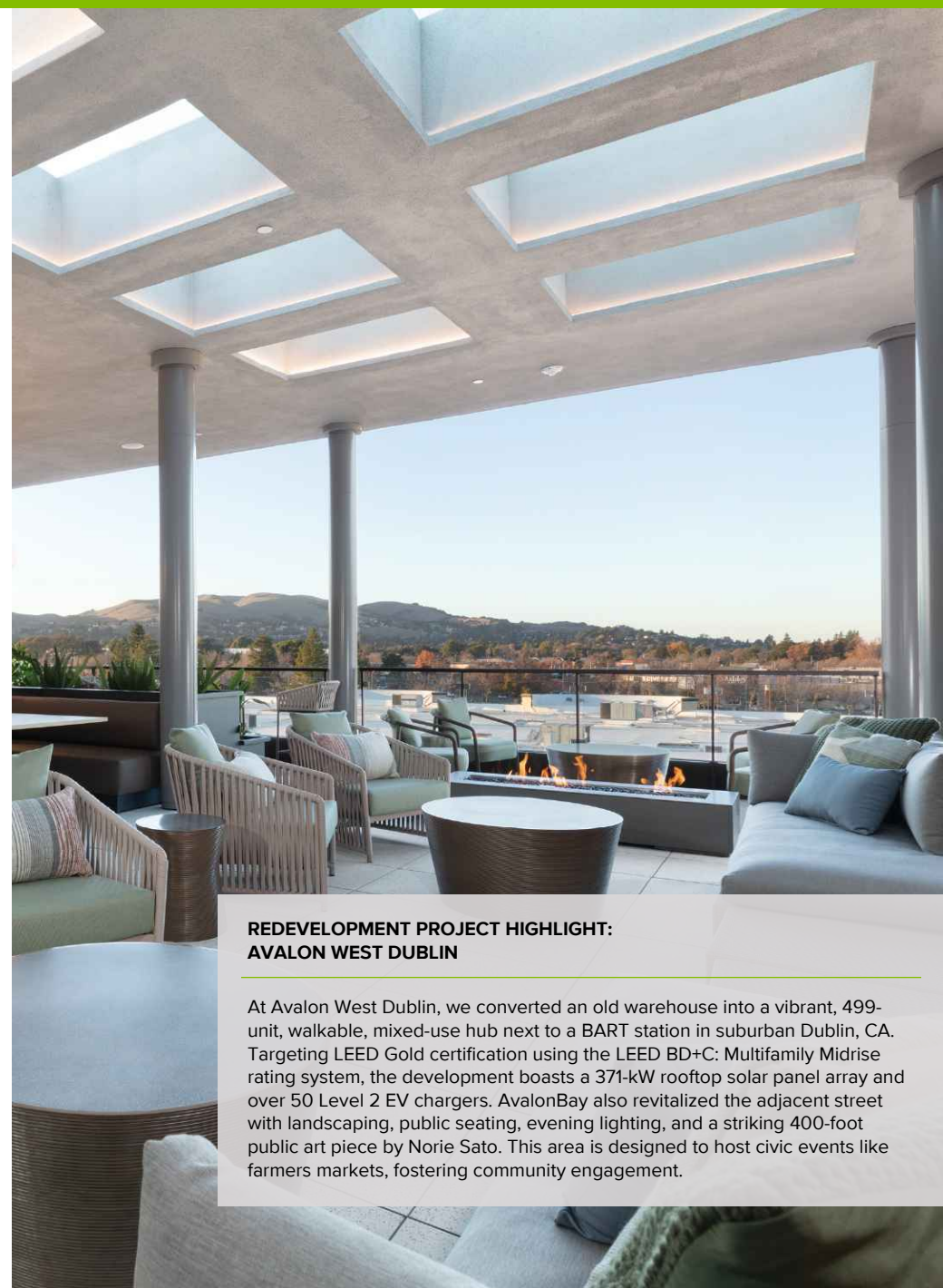
Approximately 25% of our communities feature a mixed-use component with ground floor retail or commercial space, providing convenient services for our residents and the surrounding neighborhoods. In 2023, we completed construction of Avalon Harrison in Harrison, NY, which is a mixed-use, mixed-income, TOD community located at the Harrison Metro North station in Westchester County and includes local-serving retail / commercial space along with new apartments and a new public commuter parking garage. We also started construction at Avalon South Miami, which includes retail space leased to a grocer and 290 apartments. Additionally, we sometimes partner with larger planned mixed-use developments being constructed by others to add a residential component. Some examples include Avalon Hunt Valley West located north of Baltimore, MD, and Avalon Princeton Shopping Center in Princeton NJ. These demonstrate the ways 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 2023 are: Avalon Montville, Avalon West Dublin, Avalon Bothell Commons, Avalon Annapolis, Avalon West Windsor, and Avalon Governor's Park. Five of our six development starts in 2023 were on sites that had vacant or blighted former uses, primarily outdated suburban office parks or obsolete retail space, including Avalon South Miami, Avalon Wayne, Avalon Parsippany, Avalon Princeton Shopping Center, and Avalon Hunt Valley West. Redeveloping old warehouses, offices, 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.

ACQUISITION CONSIDERATIONS

A number of environmental sustainability items are considered during the acquisition process. Examples include performing an energy audit, climate risk assessment, biodiversity assessment (added in 2023), and identifying existing green building certifications. These items support the due diligence process when considering potential climate-related risks and how the community will support achievement of our environmental goals.



REDEVELOPMENT PROJECT HIGHLIGHT: AVALON WEST DUBLIN

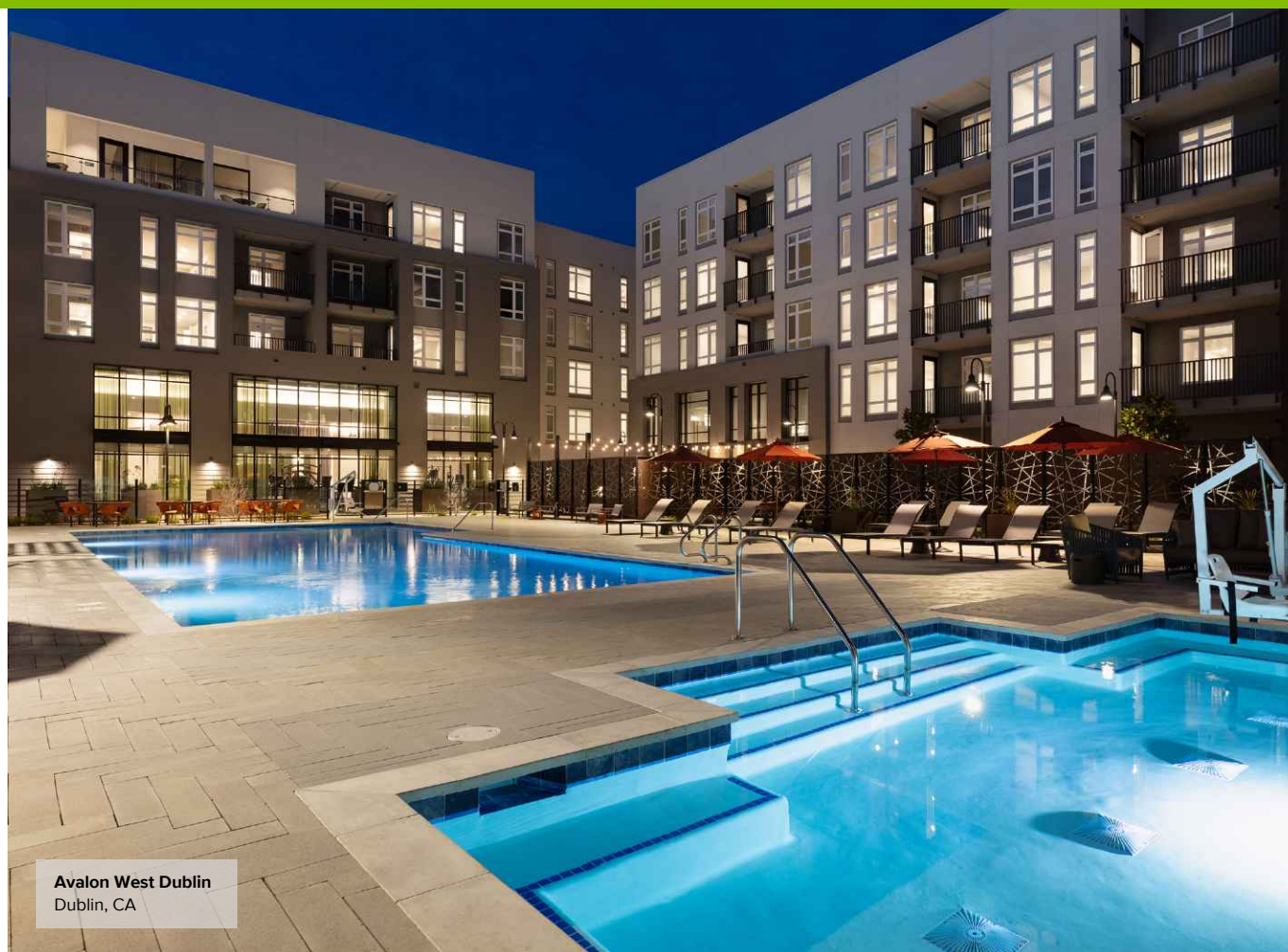
At Avalon West Dublin, we converted an old warehouse into a vibrant, 499-unit, walkable, mixed-use hub next to a BART station in suburban Dublin, CA. Targeting LEED Gold certification using the LEED BD+C: Multifamily Midrise rating system, the development boasts a 371-kW rooftop solar panel array and over 50 Level 2 EV chargers. AvalonBay also revitalized the adjacent street with landscaping, public seating, evening lighting, and a striking 400-foot public art piece by Norie Sato. This area is designed to host civic events like farmers markets, fostering community engagement.

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

Reducing water consumption 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.



Avalon West Dublin
Dublin, CA

OUR WATER GOALS INCLUDE:

1

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

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

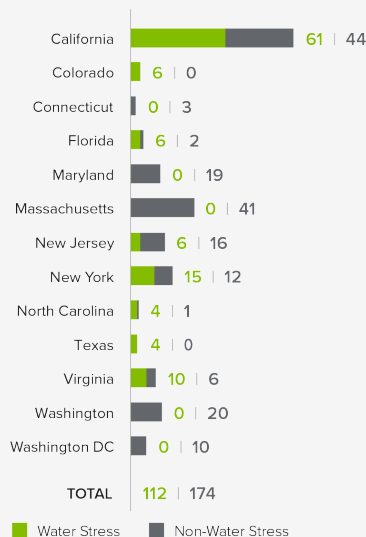
5

Implement water management plans in 50% of offices / communities in water stressed regions by 2025

Water Stress and Consumption by Region

Water stress is a prolific issue across the U.S. Using the World Resources Institute's (WRI) Aqueduct Water Risk Atlas tool, we determined that most of our portfolio falls in locations that are not water stressed, though roughly 40% (112 communities) are in areas of current water stress.¹⁸ The chart below breaks down which communities are currently in water-stressed areas by state. We are prioritizing identification of conservation measures for our communities in water-stressed areas in line with our water reduction targets which will also help reduce operating costs and the risk of rising utilities costs over the longer term.

2023 WATER STRESSED COMMUNITIES BY REGION



Looking ahead, we recognize that climate change and water stress go hand in hand. In addition to current water stress, we were able to use the WRI's Aqueduct Water Risk Atlas tool to evaluate our portfolio for future water stress. The tool utilizes RCP¹⁹ 2.6, 7.0, and 8.5 looking at time horizons through 2050 and 2080 to model how climate change will impact water stress. These models indicate that water stress will worsen over time. This increase in water stress underscores the need to address water risks more comprehensively in line with our current water goals.

2023 WATER CONSUMPTION BY REGION

* Consumption values are expressed in Kgal.

New England:	346,807
Metro NY/NJ:	638,787
Mid-Atlantic:	546,709
Pacific Northwest:	185,247
Northern California:	530,665
Southern California:	804,284
Florida:	119,760
Colorado:	50,963
North Carolina:	26,860



Water Use Reduction Initiatives

SMART IRRIGATION

We continued our use of smart weather-based irrigation in 2023. In total we have 64 systems operating across the portfolio that generated total savings of 155 million gallons of water and \$1.42 million of utility expense in 2023.

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 focused on understanding the impact of scalable turf and irrigation reduction projects. We hope to start implementing mitigation projects in 2024 while identifying additional scalable strategies and tactics to achieve our water goals in addition to our existing low-flow fixture design specifications.

WATER RECLAMATION AND REUSE IN THE PORTFOLIO

To reduce water stress, we plan to install water reclamation infrastructure at a newly proposed California development pursuant community. This system will alleviate consumption pressure on the local aquifer by supplementing virgin water with reclaimed gray water for irrigation and toilets. Our experience with this pilot will inform future implementation or design standards as appropriate.

Another strategy to reduce water stress is through the increased use of reused water. In 2023, AvalonBay used 43,763,262 gallons of reused water in 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 to alleviate water stress and make progress towards our ambitious water goals.

¹⁸ Water stress classifications are determined using WRI's Aqueduct Water Risk Atlas Tool - Baseline - Physical Risk Quantity - Water Stress.

¹⁹ Representative Concentration Pathways (RCP) are climate change scenarios to project future greenhouse gas concentrations. RCP 2.6 RCP is an aspirational goal significantly limiting emissions. RCP 7.0 represents a "business as usual" scenario for emissions increases. RCP 8.5 is a worst case scenario where emissions continue to rise.

Waste

Trash and recycling costs are rising across the portfolio with many municipalities requiring stricter disposal and recycling measures. Expanding waste diversion and recycling options are vital to reducing the volume and cost of waste. As such, we aim to educate residents on recycling practices to boost diversion rates and counteract higher costs. Resident engagement is crucial and will be a key component of our reduction strategy in 2024 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 current goal is to reduce landfill-bound waste intensity by 20% across our portfolio by the end of 2023 from our 2017 baseline year. As of year-end 2023, we exceeded our goal by achieving a cumulative 22% decrease in our landfill-bound waste since our baseline year.

Given the strong reductions made to date, our new waste goal starting in 2024 will be to maintain a waste diversion rate of 20% in our operating portfolio. The following sections include initiatives that have helped contribute to our success.



Avalon Princeton Circle
Princeton, NJ

Waste Reduction Initiatives

MILL PILOT

In the Fall of 2023, AvalonBay partnered with Mill to pilot an innovative food waste diversion program at Avalon Public Market in Emeryville, CA. With composting regulations on the rise, the goal of this pilot was to evaluate Mill's effectiveness at diverting food waste within a multifamily community, and to understand the level of resident engagement. All 289 households were offered a Mill kitchen bin and service for one year, and 39% of households actively engaged in the program. Based on a pre-pilot waste audit, 25% of food waste was being diverted from landfill prior to Mill implementation, and 2 months into the pilot that food waste diversion rate increased to over 51%. Future pilots may explore the viability of centralized Mill bins for broader use across our portfolio.

FURNISHED+ PROGRAM

Our Furnished+ program offers residents the opportunity to select a furnished unit (at select locations) and move right in. 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 move-in experience.

In 2023, 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.

Furnished+ Sustainability Efforts

- We partner with vendors that are committed to sustainability and reducing their impact on the environment.
- Furniture is reused anywhere from two to six times throughout the lifecycle, reducing the amount of furniture going to landfills.
- We donate used furniture to non-profits, extending their lifecycle.
- Our vendors invest in durable products that can increase the rental life.
- Our vendors work with their suppliers to eliminate all products with PFAS (a bio-accumulative class of forever chemicals) within our housewares.
- Our vendors optimize their transportation by sharing routes with other deliveries to cut down on trucks on the road.

Green Financing and Investments

The green financing landscape continues to evolve, as do the technologies available to drive decarbonization in the built environment. Our Capital Markets group continually monitors market dynamics to inform the value proposition of new and existing green financing options. In addition, AvalonBay supports the growth of nascent technology and our continued understanding of commercially viable decarbonization solutions, through investments in funds such as Energy Impact Partners.

Green Financing

GREEN BONDS

AvalonBay has 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.

As of December 31, 2022, 100% of the proceeds from both green bond offerings were fully allocated to expenditures related to onsite solar energy and LED lighting projects or those that achieved LEED green building certifications consistent with our Green Bond Framework. The allocations are detailed in AvalonBay's Green Bond Report [here](#).

SUSTAINABILITY-LINKED CREDIT FACILITY

In 2022, we entered into a \$2.25B 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 facility fee adjustments that are tied to our scope 1 & 2 greenhouse gas emissions reductions.

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. The first determination under the sustainability-linked pricing component occurred in July 2023, resulting in reductions to both the interest rate margin and the commitment fee due to our achievement of the sustainability target. We look forward to this continued benefit as we submit for our 2023 rate adjustment in 2024.

Green Investments

ENERGY IMPACT PARTNERS (EIP)

In 2021, we established investments in funds sponsored by *Energy Impact Partners (EIP)*, a venture capital firm focused on making investments that support the global energy transition and a more sustainable future. We expanded our partnership in 2023, committing to a third fund. These investments support innovative companies, products and technologies focused on accelerating deep decarbonization, building electrification, and the renewable energy transition. We believe this relationship will keep our business at the forefront of evolving technology, providing early access to pilot opportunities to increase carbon reduction as we continue along our path to meeting our environmental sustainability goals and targets.



Avalon South End
Charlotte, NC




Avalon Bothell Commons
Bothell, WA

SUSTAINABLE BUILDING FEATURES HIGHLIGHT: AVALON BOTHELL COMMONS

Avalon Bothell Commons is the result of revitalizing an old printing plant site to become a vibrant mixed-use neighborhood in Bothell, WA, featuring many sustainability-focused elements. The community includes AvalonBay's largest mass timber structure — a standalone, two-story amenity building. Built to achieve LEED Gold certification using the LEED BD+C: Multifamily Midrise rating system, the community utilizes 71 kW of onsite solar PV, offers EV charging, and features a 1.5-acre central park which prioritized tree retention and native plantings. Constructed with environmental impact in mind, the project reused crushed concrete from the original printing plant as backfill, optimized concrete mix designs to reduce embodied carbon, installed heat pump water heaters in townhomes, and created a wetlands mitigation plan to protect and preserve biodiversity.

Social

Positively impact our associates, residents, and other external stakeholders by safeguarding their health, safety, and well-being, promoting diverse and inclusive workplaces, and supporting our communities through philanthropic giving and volunteerism.

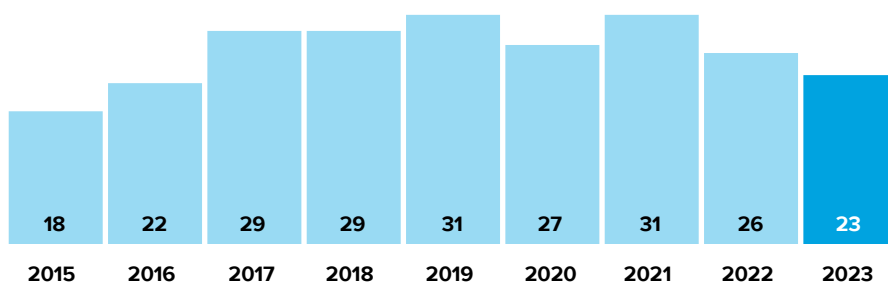
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Listening to Residents

Our residents are at the core of our business. As such, we continuously modify our operations to better meet their needs. We regularly ask residents to share their experiences so we can identify areas of improvement by surveying residents at various stages of their time with us: following their move-in, midway through their lease, and at move-out. This feedback helps calculate our Net Promoter Score (NPS), our primary measure of customer satisfaction and loyalty, and which (for mid-lease NPS) is a component of our executive compensation. In 2023, our NPS was 23 in our stabilized communities, down from 26 in 2022. We believe this change was largely due to the resumption of rent increases post COVID as well as the roll out of strategic implementations that can be disruptive in the short run but are expected to improve the customer experience once stabilized. As of June 30, 2024, the year-to-date NPS for our stabilized communities has increased to 28.

We also monitor feedback through social media and review websites. This is particularly important since the majority of people searching for an apartment consider online reviews. In 2023 our overall rating was 4.31 out of 5 stars on Google.

NET PROMOTER SCORE



We address resident concerns through several official channels, with the goal of providing individualized attention to each 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.

Our Values and Cultural Norms

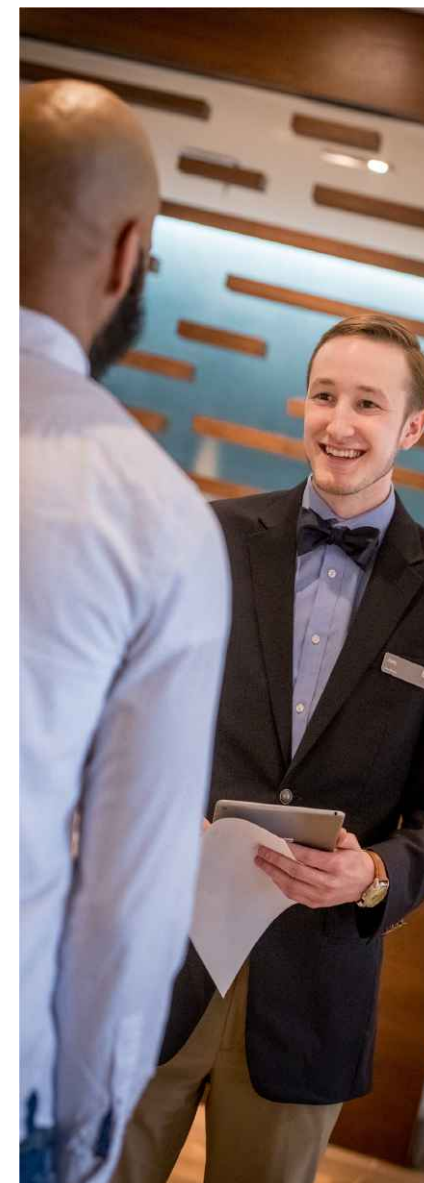
At AvalonBay, we are motivated by a bold purpose: creating a better way to live. We do this by providing distinctive rental housing living experiences and contributing to the vitality of local communities. Our purpose comes to life when we engage in work to develop and support our associates so they may lend their unique talents to build healthy and thriving communities.

Core Values guide our choices and actions. See our Core Values below:

- A Commitment to Integrity
- A Spirit of Caring
- A Focus on Continuous Improvement

Cultural Norms reflect the behaviors and attitudes that best represent what it's like to work at AvalonBay. See our Cultural Norms below:

- We Excel
- We Innovate
- We Act Like Owners
- We Are Thoughtful and Thorough
- We Show Appreciation
- We Champion Inclusion and Diversity



Inclusion and Diversity

Building a more inclusive and diverse AvalonBay begins with our purpose of creating a better way to live. Inspired by this purpose is AvalonBay's Inclusion & Diversity (I&D) vision:

Foster an environment where all associates feel welcome, are supported with opportunities to thrive, and are represented by our leadership team.

To achieve our vision, it is vital 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 have the opportunity to contribute to our business. In 2023, we continued to make progress with our I&D strategy, programming, and vision.

As we complete our fifth year focused on I&D, we continue to refine and strengthen our approach, including integrating programs and processes more deeply into AvalonBay's operations and culture. Our focus continues to be on championing diverse perspectives, fostering a culture of belonging, mitigating bias, and implementing inclusive talent acquisition, retention, and development practices.

I&D Strategic Focus Areas

In addition to serving as a cross-functional, organization-wide priority, our I&D program has four strategic focus areas:

- 1 **Creating Personal Awareness**
The journey towards a more inclusive and diverse AvalonBay starts with individuals by creating awareness and by supporting AvalonBay associates on their personal I&D journey.
- 2 **Fostering a Culture of Inclusion**
Actively building a welcoming and respectful environment where every associate can use their unique point of view to create impact for and contribute to our business.
- 3 **Holding Ourselves Accountable**
Supporting our I&D vision means ensuring we remain focused on our commitments through monitoring and managing the processes that support our vision.
- 4 **Growing Our Impact**
Making true impact with I&D extends beyond the boundaries of AvalonBay. It means supporting diverse suppliers, engaging with external leaders, and backing underserved communities through our philanthropic efforts.

CREATING PERSONAL AWARENESS

Creating awareness is a key first step for our associates on their personal I&D journey. We support our associates on their journey through the following:

Inclusion & Diversity Training

Since 2018, we have offered several training programs for associates including: Unconscious Bias, Inclusive Culture, Inclusive Leadership, and Building Ally Skills at Work. We also host events with external speakers and panel discussions throughout the year to educate and support associates on topics relevant to I&D. In light of recent court decisions surrounding I&D programs, our Legal and Human Resources departments engaged an outside firm to educate their teams to help ensure legal compliance and to mitigate risk as we continue to expand our programming. As we move into 2024, training will shift from awareness building to more action-oriented, inclusive behaviors to encourage and enlist associates in creating a culture of belonging.

I&D 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, and a "listen, watch, read" section with recommended tools, articles, books, podcasts, videos, and various other resources. Centralizing this material helps ensure all associates have equal access to resources that will help them along their I&D journey.

FOSTERING A CULTURE OF INCLUSION

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

Associate Resource Groups (ARGs)

Our seven ARGs provide support, networking, mentoring, professional development, and outreach opportunities for associates. Our seven ARGs include: Women's Leadership Network (WLN), Latinx Employees of AvalonBay for Diversity (LEAD), Black Associate Coalition (BAC), Parents & Caregivers of AvalonBay (PAC), Associate Rainbow Coalition (ARC), Veteran Support Outreach Committee (VSOC), and Asian Pacific Associate Connection (APAX).

Communications and Events

We celebrate, recognize, and create awareness for our associates through I&D and ARG communications and events like those 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 additional days throughout the year.

Cultural Norms

To continue to live our values, in 2023, we added the cultural norm: *"We Champion Inclusion & Diversity. We treat everyone respectfully, demonstrating a spirit of caring for others. We value diverse perspectives and experiences and provide an environment where all associates are comfortable being themselves. We are stronger together because of our differences."* Our cultural norms identify behaviors that all successful associates should exhibit.

Commitment to Accessibility

AvalonBay is committed to accessibility compliance in the design, construction, redevelopment, and operation of our communities. We have a comprehensive compliance program to help us meet requirements under the Fair Housing Act (FHA), Americans with Disabilities Act (ADA), and all state and local accessibility building codes. The program includes a policy that requires all new construction and redevelopment projects to engage an approved third-party accessibility consultant with a standardized scope of work at multiple stages of design development, as well as multiple stages throughout construction.

All AvalonBay associates involved in design and construction must 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 the community in which they live. In 2024, AvalonBay will update its accessibility training course to ensure that it is current with FHA and ADA requirements.

HOLDING OURSELVES ACCOUNTABLE

Supporting our I&D vision means ensuring we remain focused on our commitments. We do this through the following:

Diversity in Leadership Vision

Building a more diverse leadership pipeline requires a commitment and focus on inclusive strategies for talent acquisition, associate development, and promotions. In 2020, we set a vision for the diversity in our leadership team²⁰ that could be achieved (including gender parity²¹ and increasing underrepresented minorities) if the company takes appropriate actions. As shown in the accompanying graphic, in 2023, the percentage of underrepresented minorities in leadership remained level while the percentage of women decreased modestly. To reignite our efforts, we are focusing on implementing bias mitigation practices in talent acquisition and talent management, realigning our external partnerships, and expanding our leaders' external networks.

Department Action Plans

Since 2021, each AvalonBay department has created an I&D action plan specific to their business unit and which follows the four strategic focus areas. These plans both drive our overall vision and address the unique needs of each business unit.

Leadership Accountability

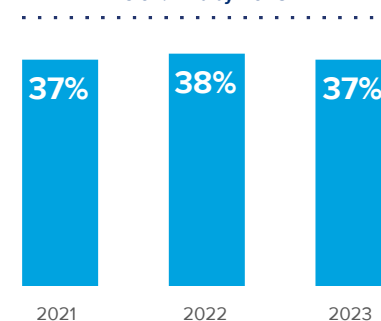
Since 2020, AvalonBay's leadership team has been asked to make a personal commitment to I&D by engaging in learning or taking appropriate action with their teams. These goals have been added to Individual Development Plans (which are updated annually) for leaders.

DIVERSITY IN LEADERSHIP VISION PROGRESS

Women in Leadership

An increase of women in leadership, reaching gender parity (41%) by 2025

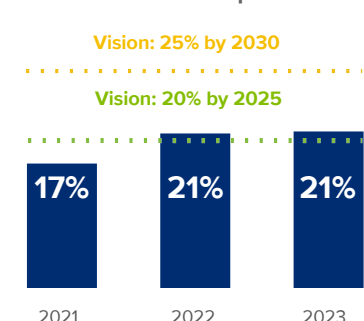
Women in Leadership Vision: 41% by 2025



Underrepresented Minorities in Leadership

An increase of underrepresented minorities in leadership to 20% by 2025 and 25% by 2030

Underrepresented Minorities in Leadership



We believe we 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
- Continuing to develop a diverse group of qualified associates for potential promotion to leadership

We are committed to a work environment that supports, inspires, and respects all individuals and in which talent processes are merit-based and applied without bias. 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.

²⁰ Leadership Team is defined as associates with the title of Director and above.

²¹ Parity is defined as achieving a level within +/-2% of the available workforce (41% in 2020, when this vision was set and revalidated in 2023) 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).



Talent Acquisition

To continuously diversify and expand 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 partnerships and short-term opportunities. This includes career fairs and networking events to allow for immediate hires and diversification of our talent pipeline. This strategy is centered on outreach with a focus on visibility and brand awareness, engagement, and development of impactful strategic relationships. In tandem, we piloted diverse interview panels to provide candidates a diverse group of associates to speak with and managers different points of view to assist them in making a hiring decision. In 2024, we will adopt diverse hiring panels more broadly and implement a structure tool to assist hiring managers in assembling them.

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. Where applicable, we look to partner with organizations to provide additional avenues of outreach and recruiting to ensure we have a broad and diverse candidate pool.

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.

Associate Perspective Survey

Every year, we conduct an engagement survey called, "Your Voice, Your View Associate Perspective Survey," which enables AvalonBay to better understand how associates are feeling. In 2023, we conducted a full survey consisting of 49 questions and four open-ended questions regarding what associates liked best at AvalonBay, what might be improved, how

we can make the advancement process more transparent, and how we can improve collaboration between departments. The overall company response rate was 81% which places us in the 65th percentile of companies surveyed using our survey vendor. The next full engagement survey was conducted in early 2024, where we will again asked our full set of questions. We use the survey's results to drive meaningful changes in areas of our business that associates believe need focus and 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.

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 in the Mid-Atlantic to broaden outreach to diverse firms in vendor bidding and requests for proposal. This pilot allowed us to test various methods for engaging and recruiting Disadvantaged Business Enterprises (DBEs). The knowledge gained from this pilot led to the creation of a planned National Supplier Diversity Program which will incorporate lessons learned from the pilot into the sourcing and contracting processes. This new program is slated to rollout in late 2024 in conjunction with the new enterprise resource planning (ERP) system implementation which will be used to house data and support supplier diversity reporting.

Benchmarking, Surveys, and Recognition

To contribute to external research and also help us with internal benchmarking, for the past four years, we have participated in the McKinsey & Company and LeanIn.org Women in the Workplace study. In 2023, we participated in McKinsey's Race in the Workplace study for the second time and ULI's Global Real Estate DEI Survey. Additionally, in 2023, AvalonBay received a perfect score (100) on the Human Rights Campaign Corporate Equality Index and received the 2024 Diversity & Inclusion Excellence Award from Associated General Contractors of America.

External Leadership and Engagement

Engaging with leading external industry organizations offers insights into best practices, supports our efforts to build a more diverse and inclusive workforce, and allows us to support broader industry I&D efforts. We are proud to be a signatory of the CEO Action for Diversity and Inclusion pledge, founding members of the Boston College Center for Corporate Citizenship's Diversity, Equity & Inclusion Advisory Board, and members of NAREIT's Dividends for Diversity, Equity and Inclusion CEO Council and Steering Committee.



AGC DIVERSITY & INCLUSION AWARDS
2024



2023 Employment Metrics

EMPLOYEE TURNOVER

27%

TOTAL TURNOVER RATE²⁵

20%

VOLUNTARY TURNOVER

7%

INVOLUNTARY TURNOVER

8%

CORPORATE TURNOVER RATE²⁵

COMPARE TO

37%

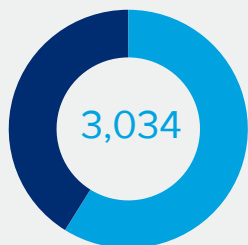
NMHC TOTAL TURNOVER

30%

NMHC VOLUNTARY TURNOVER²⁶

2023 INCLUSION, DIVERSITY, AND EMPLOYMENT METRICS²²

AVB ASSOCIATES

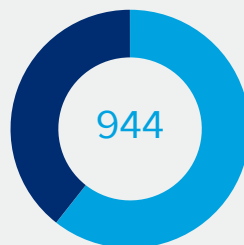


(97% FULL-TIME)

Male 59%

Female 41%

NEW HIRES²³

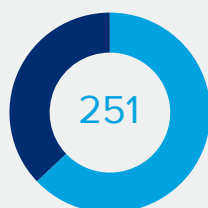


(95% FULL-TIME)

Male 60%

Female 39%

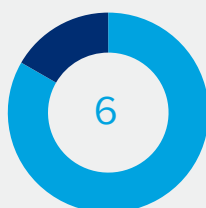
LEADERSHIP TEAM²⁴



Male 63%

Female 37%

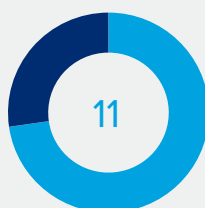
EXECUTIVE TEAM



Male 83%

Female 17%

BOARD OF DIRECTORS

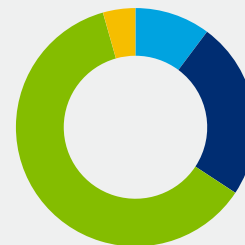


Male 73%

Female 27%

BY GENERATION²²

AVB ASSOCIATES



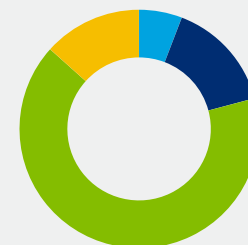
Baby Boomers 10%

Generation X 24%

Millennials 61%

Generation Z 4%

NEW HIRES²³



Baby Boomers 6%

Generation X 15%

Millennials 66%

Generation Z 13%

LEADERSHIP TEAM²⁴



Baby Boomers 12%

Generation X 47%

Millennials 42%

Generation Z 0%

EXECUTIVE TEAM



Baby Boomers 33%

Generation X 67%

Millennials 0%

Generation Z 0%

²² The percentages above are rounded to the nearest whole number. Variations in decimal values may lead these not to sum to 100%.

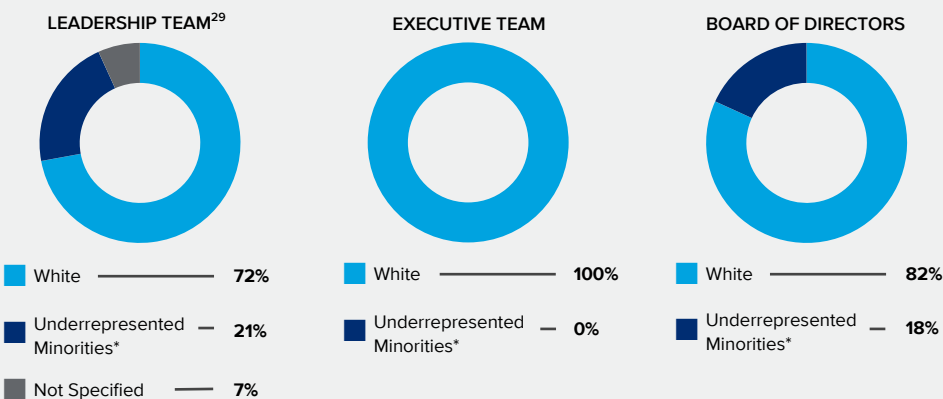
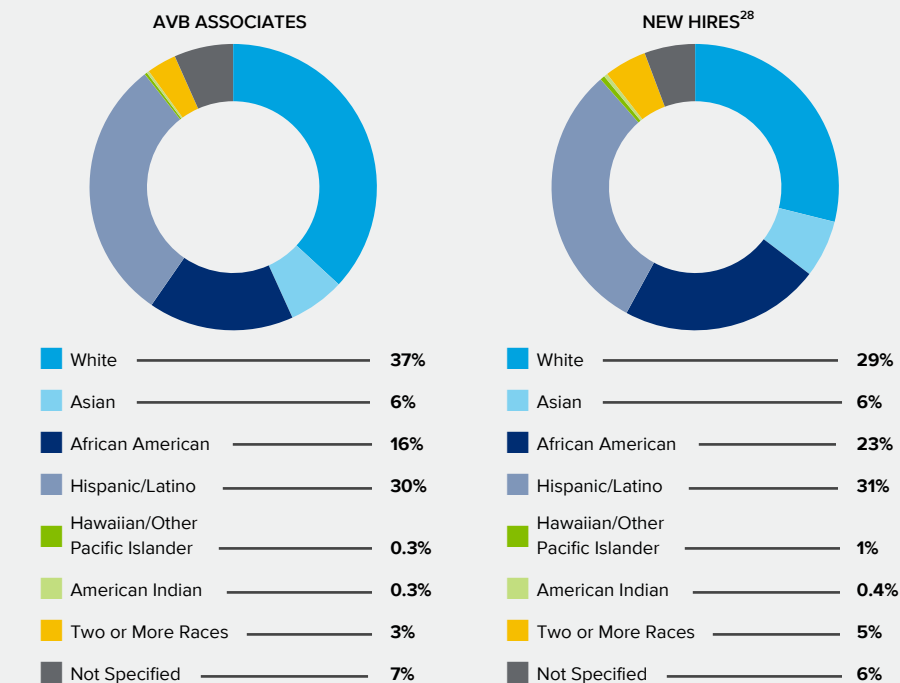
²³ Includes rehires, temporary, and part-time workers.

²⁴ Leadership Team is defined as associates with the title of Directors and above.

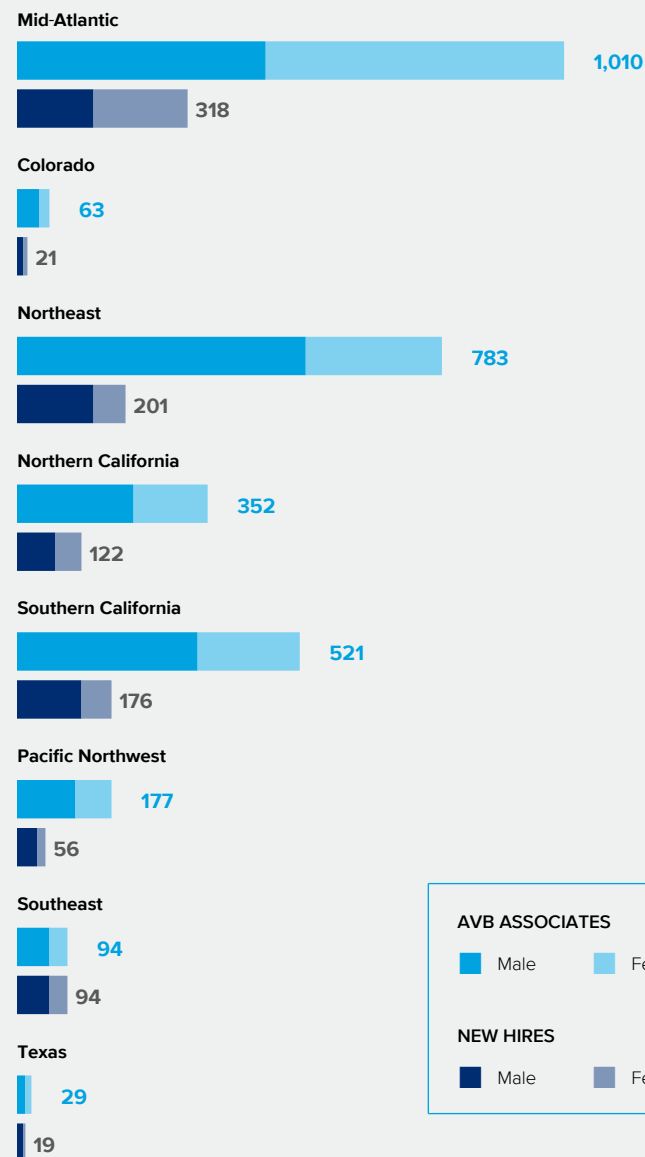
²⁵ Turnover calculations incorporate only "regular" associates; if temporary associates were included, the rate would be skewed since they are typically seasonal hires mid-year and therefore are not accounted for in the average headcount, which takes into account only the starting and ending headcount in a year. "Turnover Rate" is defined as number of separations divided by the average headcount (starting and ending regular headcount divided by 2).

²⁶ NMHC — National Multifamily Housing Council.

BY RACE AND ETHNICITY²⁷



BY GENDER AND REGION**



²⁷ Reference EEO categories.

²⁸ Includes rehires, temp, and part-time workers

²⁹ Leadership Team is defined as associates with the title of Director and above.

* Underrepresented Minorities include Asian, African American, Hispanic/Latino, Hawaiian/Other Pacific Islander, American Indian/Alaskan Native, and Two or More Races.

** The percentages above are rounded to the nearest whole number. Variations in decimal values may lead these not to sum to 100%.

Associate Compensation

OUR COMPENSATION PROCESS

AvalonBay has a total compensation philosophy that seeks to attract, motivate, retain, and engage highly skilled associates who can help us achieve our mission and vision. We review our pay practices and compensation program annually to ensure competitiveness and legal compliance. We use external survey data to gather pay rates for all roles in each region to establish salary and total compensation ranges for each role based on the unique responsibilities, skills, and/or qualifications needed for that role. The salary ranges reflect the differences in the cost of labor based on geography for associates who do not work 100% remotely. We have five guiding principles that inform our compensation, program which can be seen to the right.

LIVING WAGE

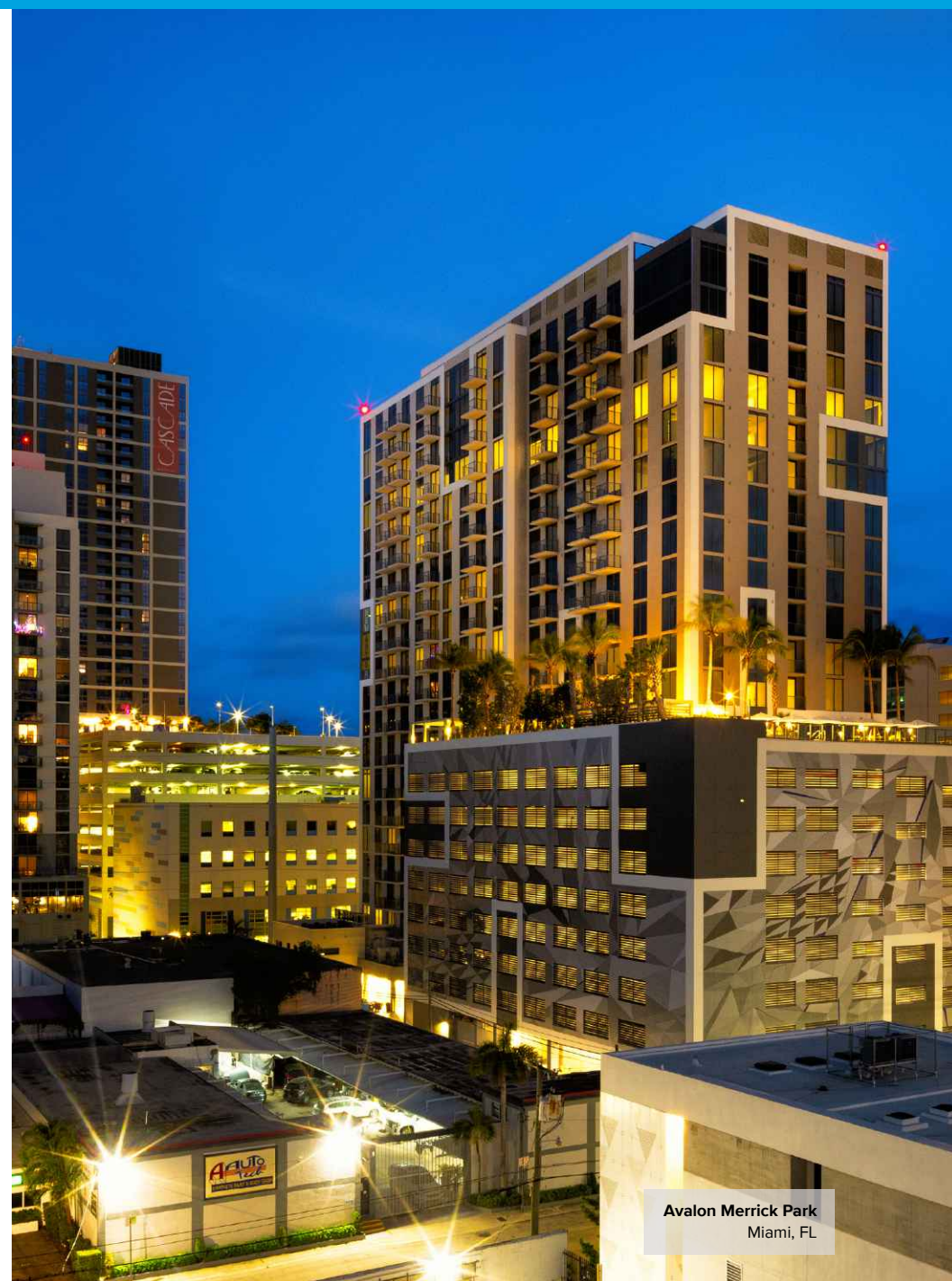
AvalonBay is committed to be a living wage³⁰ company, where our associates are paid at or above the living wage standards³¹ published by the Living Wage Institute. A living wage is a comprehensive amount of funds needed to support a person's basic needs, such as food, housing, transportation, among others.

OUR GUIDING PRINCIPLES

- 1 **Pay for Performance**
Compensation is tied to individual and company performance.
- 2 **Externally Market Competitive**
We provide competitive compensation, using external compensation surveys as context.
- 3 **Internally Equitable**
Pay is reviewed to ensure that it is consistent within an acceptable range for all associates performing the same role at the same location.
- 4 **Total Rewards**
We provide a competitive total rewards package, consisting of base salary, variable compensation, where applicable, and benefits.
- 5 **Interest Alignment**
Align the interests of management with the interest of shareholders

PAY EQUITY

AvalonBay conducts pay equity reviews every two years for all permanent employees of the Company by engaging an external law firm specializing in such reviews. These reviews consider factors such as an employee's role, tenure in role, and geography. We conducted a pay equity review in 2022 and expect to conduct the next such review in 2024.



Avalon Merrick Park
Miami, FL

³⁰ 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.

³¹ Based on one working adult data.

Philanthropy

Philanthropic Areas of Focus

Building Strong Communities, our community investment and engagement program, embodies our spirit of caring core value and focuses on areas relevant to our business: disaster relief and community preparedness, affordable housing, and support for underserved communities. Learn more about each of these areas here:

SUPPORT FOR UNDERSERVED COMMUNITIES

One of the most important ways that we can build thriving communities is by focusing on neighborhoods that are often overlooked, which can spur economic growth, improve quality of life, and address health needs. In 2023, we invested in these areas by donating and volunteering to strengthen those that are underserved. Our donations supported a variety of causes that included support for empowering women and children with cancer diagnosis, food insecurity, the LGBTQ+ community, and the military and veterans.

AFFORDABLE HOUSING

Housing is essential in reducing intergenerational poverty and increasing economic mobility. Research shows that increasing access to affordable housing is the most cost-effective strategy for reducing childhood poverty and increasing economic mobility in the U.S.³². In addition to offering

affordable housing options at many of our communities, in 2023, we have also donated more than \$275,000 to this cause. We also established key partnerships with Habitat for Humanity, the Bridge Housing Corporation, Mercy Housing, and the Arlington Partnership for Affordable Housing, Inc.

COMMUNITY PREPAREDNESS / DISASTER RELIEF

Community preparedness is vital in helping communities prepare for, respond to, and recover from natural or human-made disasters. Being prepared reduces fear and anxiety, provides structure during challenging times, and can identify needs before an event occurs. We prepare our communities through our partnership with the American Red Cross and by sharing information and resources to our associates and residents during Community Preparedness Week.

VOLLAPALOOZA

In 2023, our “Vollapalooza” events expanded nationally with seven of our regions engaging in these one-day events during Spirit of Caring Season where associates at all communities, offices, and construction sites volunteered with one of our local philanthropic partners.



Philanthropy Accomplishments

In 2023, AvalonBay made \$2.57 million in cash and in-kind donations, which included our associates volunteering 10,529 hours with 286 philanthropy partners and charitable organizations across the country. 2023 also marked the 12th anniversary of our Spirit of Caring Season. Collectively, we have made the following impact since 2015:

\$18.34M

Donated to charitable organizations

\$4.38M

In-kind donations

76,000

Volunteer hours (equivalent to over 3,000 days)

8,700+

Pints of blood donated to the American Red Cross

32 Explore more research by the Urban Institute at <https://www.urban.org/apps/pursuing-housing-justice-interventions-impact/increasing-housing-supply>

AMERICAN RED CROSS PARTNERSHIP

2023 marked the ninth year of our partnership with the American Red Cross and, to date, the cumulative value both sides have received from this partnership includes:

\$2.87M

In donations to the American Red Cross from AvalonBay, its associates and residents

449

Blood drives, resulting in over 8,700 pints of blood donated

1,600

Current and former AvalonBay associates trained in CPR

145,000

Residents and 3,000 associates received preparedness tips and resources annually

In 2023, we supported our partnership in multiple ways including:

Donations

Our annual Disaster Responder Partner-level donation of \$250,000 provided ongoing support throughout 2023. Our support of this program powers the readiness for the American Red Cross to provide safe shelter, hot meals, emotional support, and resources to aid in the recovery from disasters. We also launched an additional fundraiser to support those impacted by the Hawaii wildfires.

Blood Drives

We are proud of our ongoing commitment to help save lives with blood donations. In 2023, we continued our virtual Sleeves Up campaign, which collectively resulted in 1,100 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 145,000 residents and 3,000 associates with the aim of helping them better understand Red Cross resources, materials, and available trainings.

NATIONAL URBAN LEAGUE PARTNERSHIP

2023 was the third year of our partnership with the National Urban League (NUL), led by AvalonBay's Black Associate Coalition (BAC). Through this partnership, we made a \$150,000 donation in support of NUL's mission and engaged our associates in volunteering, mentoring, professional development, networking, and memberships with regional affiliates and the NUL Young Professionals.

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 2023, our regions supported nearly 286 charitable organizations with financial contributions, volunteer hours, skills-based volunteering, and Board service.



SPIRIT OF CARING SEASON

In 2023, we celebrated our 12th 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 Well-Being and Development

Associate Well-Being

Our associates continue to drive AvalonBay's purpose - creating a better way to live. We are committed to making progress towards realizing our purpose by deepening our core values of a spirit of caring, a focus on continuous improvement, and a commitment to integrity. This section highlights our 2023 efforts to attract, hire, develop, and retain the best people.

ASSOCIATE FEEDBACK ON HEALTH AND SAFETY

AvalonBay's annual associate survey includes the category of "Culture and Safety." In 2023, the overall safety category was 85% favorable compared to the industry 75th percentile (82%) within surveys conducted by our survey vendor. We are conducting a comprehensive survey again in 2024 and will continue to include questions to better understand our associates' perspectives on their health and safety at work.

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 benefits in the chart to the right for our associates to meet their individual health and financial needs.

MENTAL HEALTH AND WELL-BEING SUPPORT

All full- and part-time associates receive free mental health and well-being support through multiple channels, whether through medical plans or one of our myriad of wellness benefits including Lyra, Maven, Wellthy, Rethink, and CirrusMD. (See Benefits Chart for details). 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.

BENEFIT	FULL-TIME ASSOCIATE	PART-TIME ASSOCIATE ³³
Medical (4 plans)	■	
Dental (2 plans)	■	■
Vision	■	■
Domestic partner benefits	■	■
Flexible spending accounts	■	
Lyra Employee Assistance Program (Including mental health coaching and therapy, up to 8 visits per year)	■	■
401(k) enrollment and matching	■	■
Life/AD&D/disability	■	
Vacation, sick leave, flexible time, volunteer time, floating holiday(s), bereavement, jury duty	■	■ (Sick only)
Paid parental leave - 100% pay	■	
Medical and Personal leave	■	
Supplemental medical insurance benefits	■	■
Sabbatical program at 15 years of service	■	
Housing discounts (20% discount)	■	
Adoption assistance	■	
Employee stock purchase program	■	■
Career development	■	■
Tuition assistance	■	
Associate Relief Fund (Vacation Donation and Monetary Grant)	■	
Transportation benefits (Pretax transportation/commuter benefits)	■	
Tobacco cessation	■	
Livongo - Diabetes and Hypertension Management programs	■	
Hinge Health - Joint Pain program	■	
Maven: around-the-clock women/family care support including up to \$5,000 lifetime benefit for all methods of family-building	■	■ (Support only)
Wellthy: caregiver support provides assistance in caring for loved ones	■	■
Rethink: support for parents caring for children with learning, behavioral, or social challenges	■	■
CirrusMD - mental telehealth support	■	
Legal plan, identity theft, auto/home insurance, discount programs	■	■
Pet insurance	■	■

³³ Regular associates that are scheduled to work more than 16 but less than 30 hours per week are eligible for part-time benefits.

Career Development

AvalonBay is committed to the professional and career advancement of all associates as evidenced by programs including mentoring, training, tuition assistance, and scholarships.

As a 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 prepare for career development conversations. To better equip newly promoted or hired managers to deliver timely, caring, and candid feedback, a communication framework is available, and training is required to ensure productive conversations are had. 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 their role. These cover the employee lifecycle with topics such as recruiting/interviewing, hiring, onboarding, inspiring and engaging associates, setting expectations, delegating, managing work, career development, and coaching.

In 2023, a new Career Path Framework and resources were created and rolled out for associates in corporate and overhead roles. This framework details the different experiences and skills needed to progress

from entry level through director level, creating additional transparency into career growth opportunities at AvalonBay.

AVALONBAY UNIVERSITY

Our learning management system, AvalonBay University (AVBU), is available to all associates (full- or part-time) and offers 724 courses, providing technical, management, ethics, and compliance training. In 2023, AVBU saw 86,615 course completions which equates to associates completing 46,514 hours of online training, 20,373 hours of classroom training, and 13,139 hours of on-the-job training. This is equivalent to about 26.38 hours per associate. We spent roughly \$3.1 million on training, translating to approximately \$1,010 per associate. In 2023, preparations were made to transition our learning management system to Workday as part of a larger HR system transition.

MENTORSHIP PROGRAM

AvalonBay’s mentoring program continued in 2023 focusing on identifying mentors who are willing to share knowledge, skills, experience, and time with mentees who are seeking to advance their career. Both mentors and mentees were able to access resources to help build skills associated with AvalonBay’s Leadership Behaviors. Mentors also benefited from additional trainings to enhance their coaching and leadership skills. In 2023, 175 associates participated in the program as either mentors or mentees. We launched the fourth cohort of the mentorship program which ran through the majority of 2023. Our fifth mentorship cohort launched in March 2024.

PERFORMANCE APPRAISAL PROCESS

AvalonBay is committed to the professional development and career advancement of our associates. We expect our managers and associates to have ongoing check-in conversations and to memorialize them in a year-end performance review. These ongoing conversations address career aspirations and 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 new 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 Development Plans and Goals

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. In 2023, associates at the director level and above were required to create a specific development goal tied to inclusion and diversity.

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. Twenty-three participants successfully completed the 2022/2023 program. Also, in 2023 fourteen leaders were selected to attend a leadership program provided by an external vendor which is delivered over a six-week period (spanning 2023/2024) and includes four virtual leadership sessions, a 360-degree assessment, and executive coaching.

INTERNAL CAREER PORTAL AND GIGS

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 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. In Q2 2023, we identified two Residential Services Gig Champions to support Gig Owners in managing the Gig process as well as ensuring the Gig program stays top of mind.

Trainings

MENTAL HEALTH AND AWARENESS TRAINING

AvalonBay began partnering with Lyra health for our associates’ mental health support. This offering with Lyra includes its own learning platform that houses a variety of training opportunities. Associates can seek out on-demand training on various topics, attend small-group sessions facilitated by mental health professionals, and managers can access just-in-time training in supporting their teams’ mental health.

Lyra also offers a Community Leads Program for leaders of our Associate Resource Groups (ARG). These meetings allow our ARG leaders to connect with other leaders to explore mental health promotions and strategies which they can bring back to their groups. They also build mental health literacy to promote mental health awareness in their communities, in addition to meeting with professionals to gain expert

guidance on how to implement their new skills and knowledge base while receiving tips on how to navigate mental health conversations with colleagues. Six of our ARG leads actively participate in this program.

The Benefits Team partnered with wellness vendors, Wellthy and Rethink, to provide vendor-specific webinars for mental health awareness related to caregiving and other relevant topics, such as:

- Championing Mental Health in the Workplace
- Self-care for Caregivers
- How to Make Self-care an Intentional Practice
- Signs of Caregiver Burnout and How to Prevent It

Mental Health Awareness posters were also created and shared at our community office sites.

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 (IIF) culture.

All associates participate in 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 total, AvalonBay associates completed a combined 10,416 hours of safety training in 2023.

In 2023, AvalonBay continued utilizing 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.

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.

CYBER SECURITY TRAINING

All AvalonBay associates have been taking mandatory cyber security training since 2015. The AVB Security Training and Awareness Program focuses on three main areas: (1) comprehensive introductory training for new hires, (2) tri-annual refresher trainings for all associates, and (3) remedial training for associates that exhibit high-risk behaviors. In 2023, we continued enhancing associates’ cyber awareness by highlighting topics such as avoiding common cyber risks, identifying and reporting potential security incidents, and distinguishing appropriate versus inappropriate activity on company owned computer systems. Associates completed over 8,194 hours of cyber security training in 2023.

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. We have also made our Emergency Procedures Manual available via a mobile app for easier access in an emergency. In 2023, our associates completed 586 hours of Disaster Preparedness training and 1,107 hours of training on the updated active shooter course.



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 re-certify on an annual basis:

- In 2023, AvalonBay associates completed 6,515 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.

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. 6,515 hours of compliance training and 10,416 hours of safety training were completed in 2023.

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.

ENVIRONMENTAL AWARENESS TRAINING

We continue to expand the learning opportunities available to our associates by adding corporate sustainability focused information in new hire onboarding. We also offered a live corporate sustainability 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 environmental sustainability goals.

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. Required trainings have been tailored to address the 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.





Governance

Prioritize transparency, accountability, and integrity with respect to environmental, social, and related governance matters.

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 AVALON

332

Avalon Harrison
Harrison, NY

AvalonBay's Board of Directors

Our Board of Directors consists of eleven members, nine of whom are considered independent. Within the Board, there are three members who identify as female (27% of the Board) and two members who are from underrepresented minority groups (18% of the Board). We have four standing Board committees described in detail below. The following Board committees consist solely of independent directors: Audit; Nominating, Governance, and Corporate Responsibility (NGCR); and Compensation Committee.

Stated below are the principle roles of each committee with regard to ESG matters.

Audit Committee

The Audit Committee oversees the reliability and adequacy of the Company's public disclosures relating to ESG matters in SEC filings and annual ESG Report. Members of management overseeing the preparation and disclosure of the information in these filings and reports meet periodically with the Audit Committee. The Board has also delegated primary oversight of cybersecurity risks to the Audit Committee, including those related to data privacy and network security. In addition to providing periodic reports, at least annually senior personnel from the Company's information technology group meet with the Audit Committee regarding cybersecurity risk assessments and related Company policies and initiatives.

Nominating, Governance, and Corporate Responsibility Committee

The NGCR Committee assists the Board in overseeing environmental, social, and governance matters, including oversight of

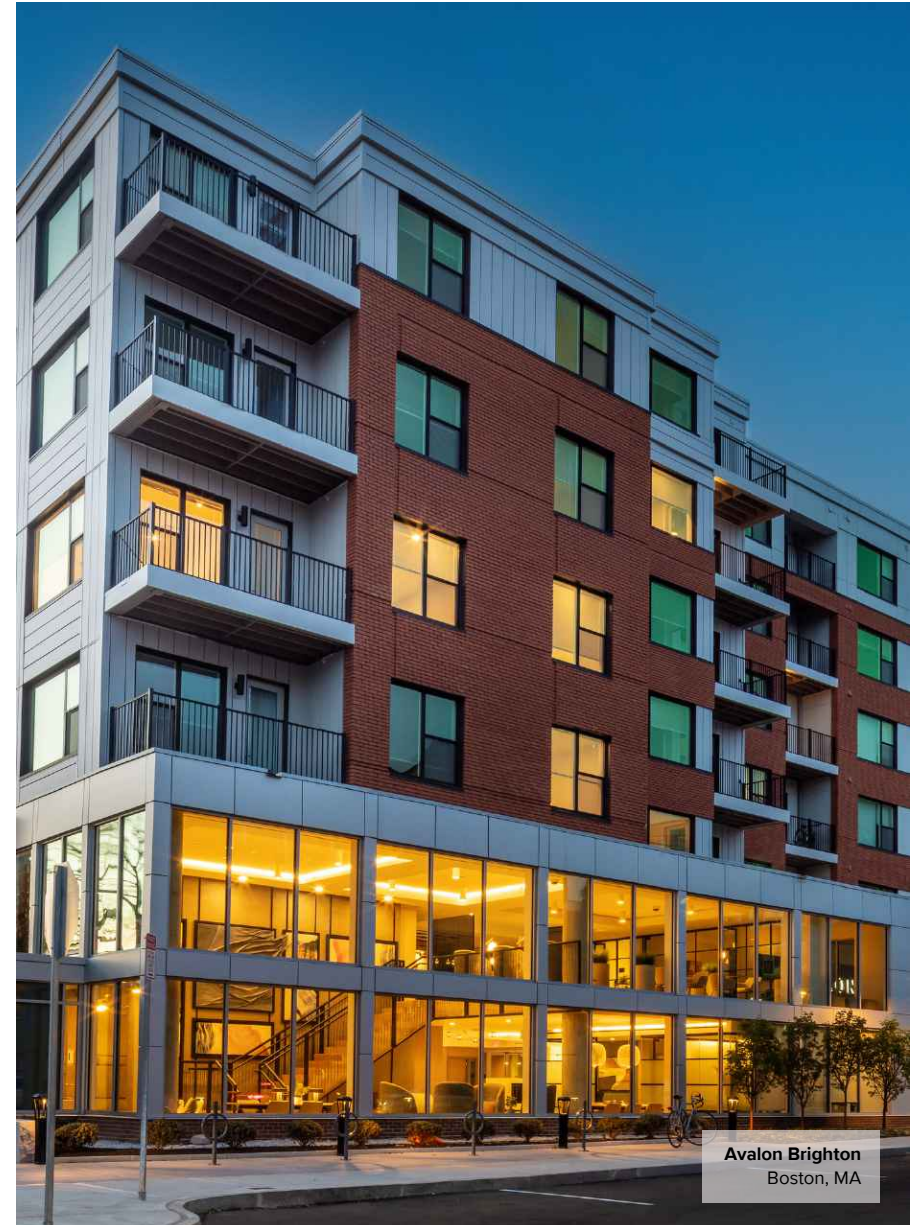
matters relating to (i) environmental goal setting, efforts, and progress with respect to climate change and carbon emissions, energy management, waste management, and water scarcity, (ii) associate inclusion and diversity, health and safety, human rights and labor standards, community relations, philanthropy, associate engagement, and culture, and (iii) stockholder rights and engagement, business ethics, political activity and government relations, and board composition/structure. The NGCR receives periodic reports from management on these matters and meets with relevant personnel throughout the year.

Compensation Committee

The Compensation Committee oversees matters relating to human capital management and workforce pay equity. This committee also considers how environmental and social goals are incorporated in compensation programs.

Investment and Finance Committee












The tracking and availability of environmental sustainability data has improved tremendously and is incorporated in the Company's financial and investment decisions. The committee considers physical climate-risk in protecting our assets and making investment decisions. Accordingly, our investment process incorporates climate-risk assessments. The Board and the Investment and Finance Committee (IFC) 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.



Avalon Brighton
Boston, MA

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 for service. Exclusion of a factor for a nominee does not necessarily mean the nominee does not possess that attribute. It means only that when the NGCR considered skills and experiences in the overall context of the members of the Board, certain attributes were not considered critical with respect to certain individuals.

Skills, attribute, or experience	Naughton	Schall	Aeppel	Brown	Havner	Hills	Howard	Lieb	Lynch	Mueller	Swanezy
 Accounting / Financial Literacy	■	■	■	■	■	■	■	■	■	■	■
 Real Estate Developer	■	■	■	■	■				■	■	
 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 and Finance	■	■	■	■	■			■	■	■	■
 Leadership in Non-Corporate Settings (e.g. Military, Academia, Public Sector)							■		■		
 Technology, Information Security, and Innovation						■	■				

* Representation of gender or ethnic perspectives that expand the Board's understanding of the needs and viewpoints of our prospective and current residents, associates, and other stakeholders.

Corporate Sustainability Governance

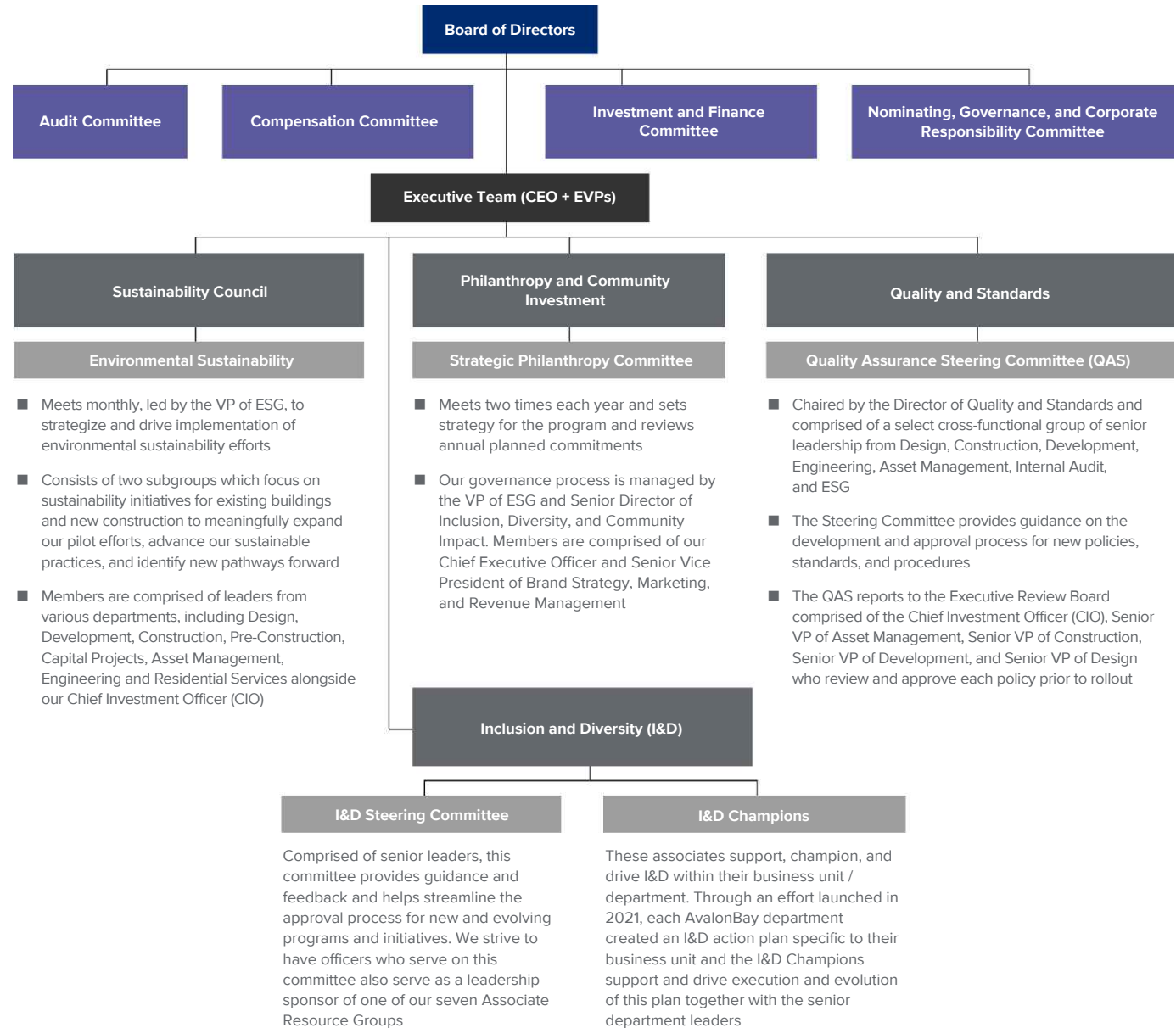
Program Overview

The Corporate Sustainability team reports to our Chief Financial Officer (CFO) and leads reporting and implementation of our environmental sustainability and social programs, including strategic philanthropy and inclusion and diversity (I&D) for AvalonBay. Key responsibilities include:

- Strategy and goal development related to environmental sustainability and social programs.
- Oversight of GHG emissions roadmap and implementation of programs and strategies that support achievement of stated targets.
- Identification of sustainability-related risks and opportunities with regular review of potential business impacts with the Company's CFO and other key decision makers.
- Regular updates on issues, progress, and reporting to executive leadership, the Board of Directors, and/or the Board's NGR and Audit Committees.
- Education of internal stakeholders to ensure associates have the tools and understanding to make sustainability-minded decisions.
- Support for the creation of impactful external programs and initiatives through direct engagement with industry associations and other subject matter experts that enable further adoption of sustainable practices.
- Reporting on progress through the development of our annual ESG Report and submission to other external third-party surveys, raters, and rankers.

REMUNERATION TIED TO ESG PERFORMANCE

Started in 2020, ESG-related performance metrics are included in the corporate component of the annual bonus received by all eligible full- and part-time associates. This financial incentive underscores our commitment to corporate sustainability practices and their importance to the overall success of our business and associates alike.



Responsible Business Practices

Our corporate culture is rooted in a foundation of responsible business practices, which we work to integrate into all aspects of our business. Significant resources are dedicated 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 non-retaliation 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, annually sign and reaffirm their knowledge of the AvalonBay Code of Business Conduct and Ethics
- Provides a formal onboarding procedure to ensure associates become acclimated to AvalonBay's culture, policies, and procedures.

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 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 that focus on key controls, segregation of duties, and compliance-related matters. All high-risk areas impacting the organization are evaluated annually through assessments and controls testing for effectiveness as part of the annual audit plan. 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 sustainability 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.
- Assisting with reviewing, monitoring, and updating the Company's Code of Conduct, associate handbook, and required annual associate affirmations for

fraud and ethical misconduct prevention. 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.

Sound Investment Management

All new investment proposals are submitted to the Management Investment Committee or a designated subcommittee for review and approval. This process is applied to development, acquisition, redevelopment, disposition, and newly implemented investment programs, including our Structured Investment Program and Developer Funding Program. Investment packages consist of input from a variety of different functional groups within AvalonBay, including operating and capital budgets, detailed schedules and proformas, and an assessment of major risks and opportunities for the investment in question. Importantly, we include climate and biodiversity risks in this evaluation process in accordance with internal policies. Transactions that exceed specific 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 some cases. This well-rounded formal review process underscores our commitment to sound, sustainable, and long-term management of investments at AvalonBay.

EthicsPoint 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). To ensure all associates can use the hotline, EthicsPoints provides communication specialists and interpreters who are proficient in numerous languages.

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. 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. In 2023, AvalonBay did not experience any material breaches of its Code of Ethics that would be reportable by law in our financial filings.

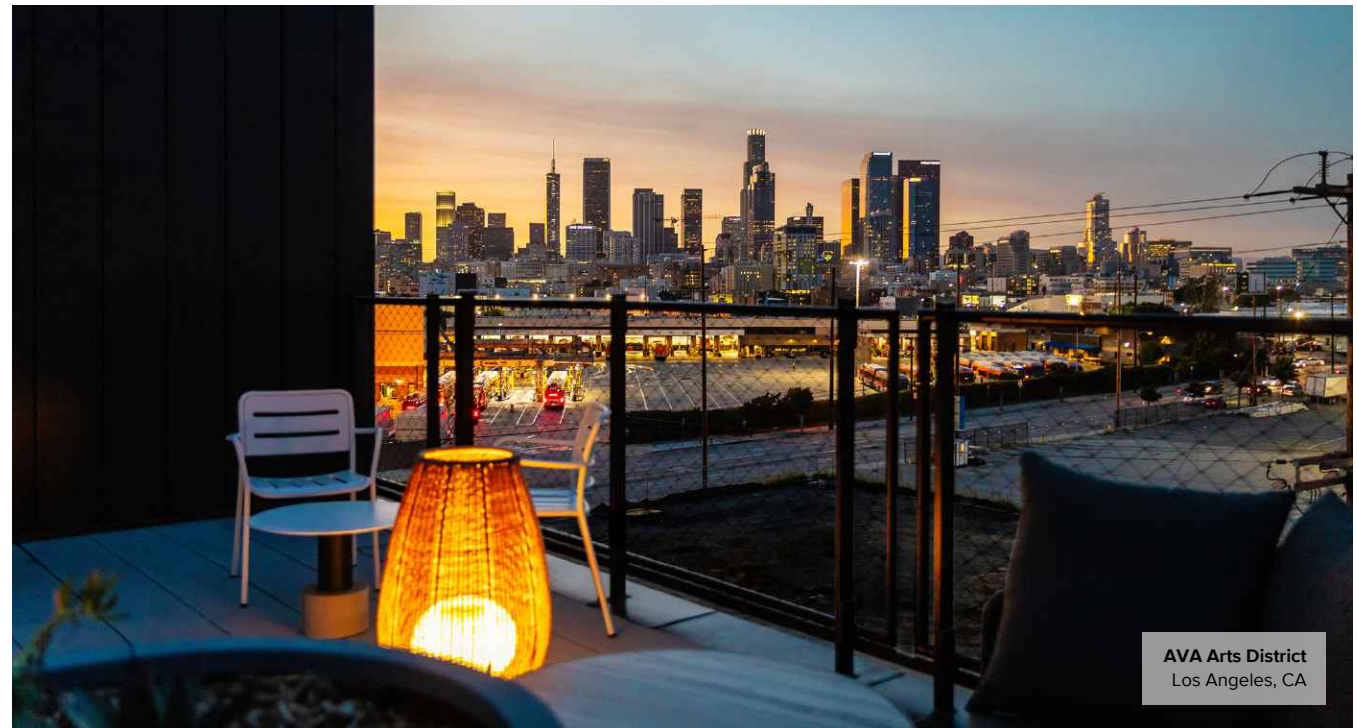
AvalonBay EthicsPoint can be accessed online at www.avalonbayhotline.com, or by telephone at 866-292-2076.

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 can only be made on behalf of AvalonBay after obtaining specific internal approvals regardless of whether the contribution is made directly or indirectly, is in cash, services, or otherwise, or is made to a political candidate, political action committee (PAC), or other political organizations.

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 2023 were (i) contributions to the California Apartment Association (CAA) Issues Committee of \$1,425,000, (ii) a contribution to the CAA Research & Mobilization Fund of \$200,000, (iii) contributions of \$76,000 for lobbying activities in New York and (iv) other contributions of \$16,000 in the aggregate.



AVA Arts District
Los Angeles, CA

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.

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 and RIMS-CRMP, in addition to being active members of the Risk and Insurance Management Society and the Claims and Litigation Management Alliance. Several team members carry Masters in Business Administration.

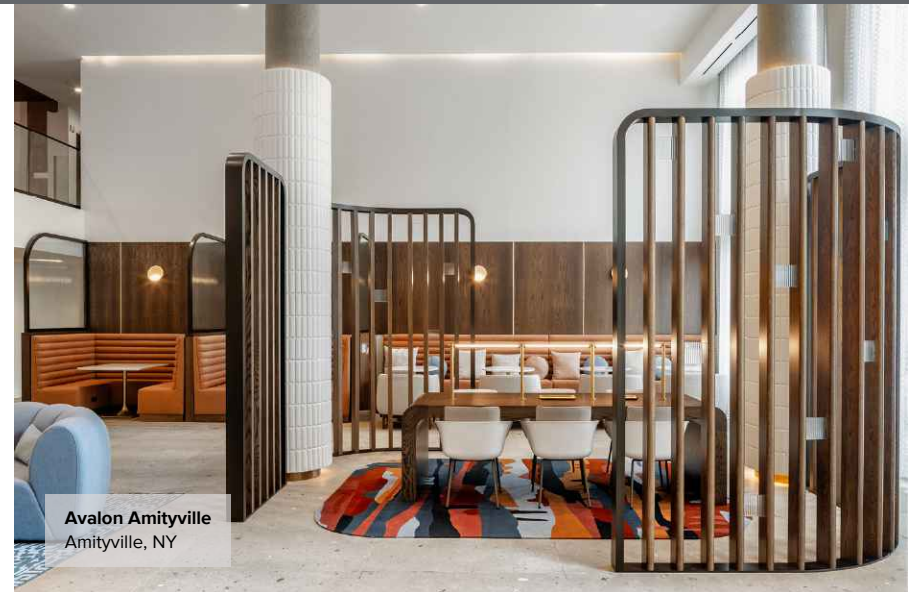
Trends in enterprise claims data are translated into action-oriented loss control initiatives, policy updates, and operational changes. Our mission-driven and collaborative approach leverages our internal system data, associate and vendor insight, and our team's expertise to minimize risk of loss within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

Business Continuity/Resiliency

Each department has developed and continues to maintain its own business continuity plan. These plans range from overhead department-level plans to community-level plans for an individual real estate asset and are reviewed periodically 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. The 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 at our operating communities. A minimum of one community team meeting per month is dedicated to safety. These procedures cover the entire scope of each individual asset to assure the following: appropriate safety equipment is present, the equipment is in good condition, and the environment is free of any 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.



Avalon Amityville
Amityville, NY

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 on a replacement cost basis against natural hazard events

Crisis Management

An important part of AvalonBay's crisis response includes a static app-based EAP that does not require Wi-Fi to access its functions. This EAP outlines checklists and action items to support and protect

AvalonBay associates, residents, and communities in the event of a natural disaster or critical event. Each community is responsible for reviewing its EAP at least once per year. These plans have been developed to 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) on a situational basis depending on the need at the community. In 2023, AvalonBay implemented a new crisis response platform with web and app-based capabilities to expedite response and facilitate communication. The Company has focused on training and educating associates in this area and these efforts will continue in 2024.

Cyber Risk Management

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 benchmark them against industry standards and regulatory requirements.

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 the Audit Committee at least annually to discuss cyber security matters. Our IT team reviews with the full Board or 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 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 associates' personal information against cyber threats.

Quality and Standards

QUALITY ASSURANCE

The AvalonBay Quality and Standards 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 the 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, inspect installation in the field, and test 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 entire Company's development and construction pipeline.

CONSTRUCTION STANDARDS

The team also creates and manages our Construction Standards which are a compilation of specifications, construction details, products, model numbers, and lessons learned. Each standard is thoroughly researched and vetted to ensure it results in a quality asset being constructed. This often includes manufacturer facility visits, sample inspection and reviews, maintenance data and history, and referrals. Sustainability, material health, and supplier diversity are important considerations in the development of standards, specifications, and product selections in support of AvalonBay's ESG goals. Currently there are 38 unique green standards. Our standards also include a handful of three-part CSI Master Specifications for certain products and trades that include installation, safety, quality assurance, and other requirements. Subject matter experts from different AvalonBay functional groups are brought in to provide their input in the standards creation process. The Construction Standards governance includes the Executive Review Board (ERB) who reviews and approves the standards prior to rollout. Additionally, the Project Adoption Matrix determines which projects must implement the new standards and policies beyond the Design Development phase.

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 through our insurance process for new communities. This is also relevant as we review our existing communities to better understand the mitigation measures that should be considered.



Health and Safety

Development Safety

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 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 AvalonBay's three Core Values: A Commitment to Integrity, A Spirit of Caring, and A Focus on Continuous Improvement.

AvalonBay Health and Safety (H&S) 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 professionals distributed across AvalonBay's regions. In 2022, we added a new Senior Safety Manager dedicated 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 department and is actively engaged in our 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 2023, the members of the team volunteered their time regionally with organizations including the New England OSHA Roundtable, OSHA Training Institutes, OSHA Summer Summit, and the Construction Safety Roundtable of Eastern MA (CSREM).

Safe Culture Initiative

In 2023, 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.



Incident and Injury-Free (IIF)TM Workplace³⁴

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

AvalonBay's National IIF Committee, established in 2022, continues as an 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 from each region to ensure consistent and comprehensive communication around current policies, training, and best practices.

Site Safety Observation Program and Data Tracking

Our contractors are contractually obligated to meet the General Minimum Safety Requirements for AvalonBay job sites. Throughout 2023, AvalonBay continued data collection through our External Safety Observation program, which logged 1,181 safety observations. This program measures trade partner noncompliance with AvalonBay's safety policies based on nearly 200 safety factors which are evaluated at each job site by AvalonBay's national H&S team. This data is used to influence vendor prequalification, contract awards, contract language, policies, and training.

Incident Tracking Metrics

AvalonBay calculates and targets improvements for health and safety metrics as shown in the Incident Tracking Metrics Chart. Associate-related incident metrics can be found in the [Occupational Health](#) section.

³⁴ Incident and Injury-Free (IIF)TM is a trademark of JMJ Associates, LLC.

FOCUS AREAS	INDICATOR TYPE	APPLICABLE GROUP	2023	2022
AvalonBay Construction Team Compliance with Internal Construction Safety Program³⁵	Leading	AVB Associates ³⁶	98%	95%
Logged and Resolved NonCompliant Subcontractor Observations³⁷	Leading	Subcontractors/ Vendors	1,181	1,563
AvalonBay Construction Subcontractor / Vendor TRIR³⁸	Lagging	Subcontractors/ Vendors	1.62	1.67
Industry Recognition – Associated Builders and Contractors (ABC) STEP Award	NA	NA	Gold	Diamond

35 Measured monthly via an Internal Safety Observation Checklist.

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

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

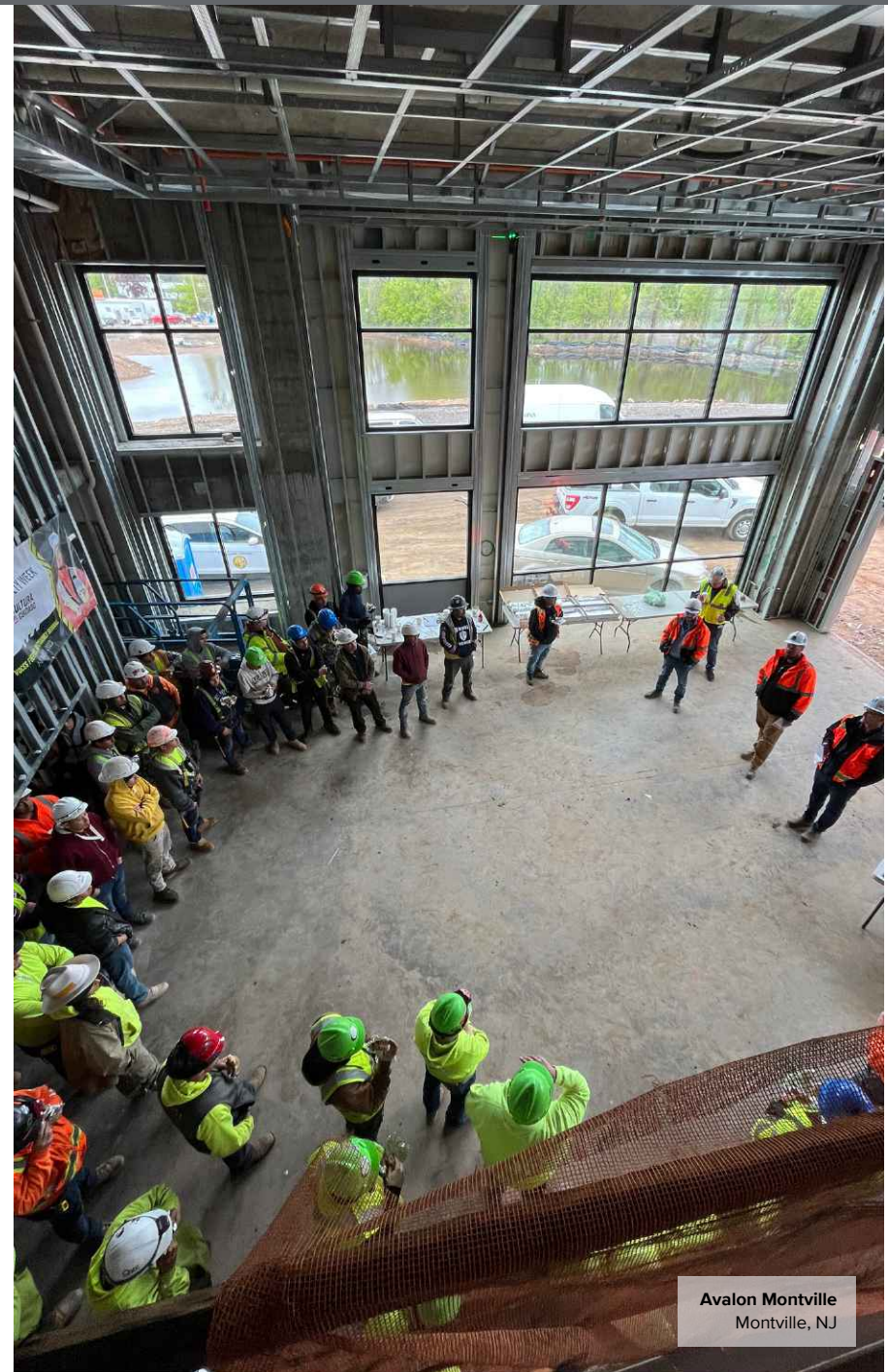
38 TRIR: Number of OSHA "Recordable" cases, multiplied by 200,000, and divided by total hours worked by all AVB Construction Subcontractors and Vendors.

Safety Policies

In 2023, AvalonBay continued training new associates on the new set of Construction Safety Policies as part of our Construction Safety Resource Manual. In 2024 we plan to update our construction policies based upon our collected safety data, lessons learned, and evolving industry trends. These fundamental policies represent the Company's general minimum standards to eliminate worker injuries and illnesses across our organization's operations. Additionally, in 2024, as part of a comprehensive review of each of our Residential Services Safety Policies, we will be rolling out enhancements and improvements to reinforce our onsite safety efforts. Our teams are also required to keep PPE for all genders on site for visitors.

Regulatory Activity

In 2023, AvalonBay maintained OSHA partnerships with the Federal OSHA Region 1 office out of the Boston South Area office at Avalon Brighton. AvalonBay also established an OSHA partnership out of the Springfield, MA, area office. In 2024 we plan to expand our partnerships to include Maryland while continuing our existing partnerships. 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.



Avalon Montville
Montville, NJ



Avalon Warner Place
Canoga Park, CA

Fire Elimination and Security

In 2023, AvalonBay continued the Fire Elimination and Security Program for wood frame construction projects. 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 that include deterrence, fire suppression systems, and advanced monitoring technologies for active job sites.

All new wood frame projects are treated with MFIRE Spray Fire Inhibitor during construction. In 2023, the fire inhibitor was used at 10 communities and protected 1,506 wood frame units, totaling 2,349,600 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

In 2023, the Associated Builders and Contractors (ABC) awarded AvalonBay the Gold Safety STEP Management Award. 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.

OCCUPATIONAL HEALTH

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.

FOCUS AREAS	INDICATOR TYPE	EMPLOYEE GROUP	2023	2022
AVB Associate LTIR ³⁸	Lagging	AVB Associates	3.29	2.86
AVB Associate TRIR ³⁹	Lagging	AVB Associates	3.64	4.07

³⁸ LTIR: Number of incidents or illness resulting in associates missing work, multiplied by 200,000, and divided by the total number of hours worked by all associates.

³⁹ 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.

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 a capital project is started to rectify the problem.



Avalon Amityville
Amityville, NY

Relevant Policies and our Human Rights Statement

VENDOR CODE OF CONDUCT AND RESPONSIBLE SUPPLY CHAIN PRINCIPLES

We expect our vendors to conduct their business interactions with integrity so we developed a [Vendor Code of Conduct](#) that requires accurate recordkeeping and reporting, safeguarding of assets and information, a prohibition against bribes and kickbacks, 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.

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.

BRIBERY / ANTI-CORRUPTION

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. See our [Human Rights Statement](#) for more detail.

POLITICAL CONTRIBUTIONS

Our [Policy on Political Contributions](#) 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.

SUSTAINABLE DEVELOPMENT POLICY

Our Sustainable Development Policy requires most new developments meet internally prescribed design and construction requirements and achieve LEED Gold.

CLIMATE AND BIODIVERSITY RISK-ASSESSMENT POLICIES

These policies require that all new developments and acquisitions complete a third-party assessment that evaluates the physical climate and biodiversity risks associated with a particular location.

ENVIRONMENTAL POLICY AND EMS

AvalonBay's publicly available [Environmental Management System \(EMS\)](#), which is aligned with ISO 14001, and [Environmental Policy](#) are designed to guide our environmental sustainability efforts across all aspects of our business.





Appendix

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Avalon 555 President
Baltimore, MD

GLOBAL REPORTING INITIATIVE CONTENT INDEX

GRI STANDARD	GRI DISCLOSURE	LOCATION IN REPORT OR DIRECT ANSWER
GRI 2: General Disclosures 2021	2-1 Organizational details	At a Glance - About AvalonBay, Portfolio Overview
	2-2 Entities included in the organization's sustainability reporting	Please see our latest 10-K.
	2-3 Reporting period, frequency, and contact point	Appendix - About this Report
	2-4 Restatements of information	None
	2-5 External assurance	Appendix - About this Report
	2-6 Activities, value chain, and other business relationships	At a Glance - Vendors, Suppliers, and Contractors
	2-7 Employees	Social - 2023 Inclusion, Diversity, and Employment Metrics
	2-9 Governance structure and composition	Governance
	2-10 Nomination and selection of the highest governance body	Please see our latest Proxy Statement.
	2-11 Chair of the highest governance body	Please see our latest Proxy Statement.
	2-12 Role of the highest governance body in overseeing the management of impacts	Governance - Corporate Sustainability Governance, Corporate Governance Documents
	2-13 Delegation of responsibility for managing impacts	Governance - Corporate Sustainability Governance, Corporate Governance Documents
	2-14 Role of the highest governance body in sustainability reporting	Governance - Corporate Sustainability Governance, Corporate Governance Documents
	2-15 Conflicts of interest	Corporate Governance Documents , Human Rights Statement
	2-16 Communication of critical concerns	In 2023, there were no material breaches in the code of ethics reportable by law in our financial filings. Please see our Code of Business Conduct and Ethics to learn more.
	2-17 Collective knowledge of the highest governance body	Governance - Corporate Sustainability Governance, Corporate Governance Documents



GRI STANDARD	GRI DISCLOSURE	LOCATION IN REPORT OR DIRECT ANSWER
	2-18 Evaluation of the performance of the highest governance body	Please see our latest Proxy Statement.
	2-19 Remuneration policies	Please see our latest Proxy Statement.
	2-20 Process to determine remuneration	Please see our latest Proxy Statement.
	2-21 Annual total compensation ratio	Please see our latest Proxy Statement.
	2-22 Statement on sustainable development strategy	At a Glance - CEO Letter
	2-23 Policy commitments	Corporate Governance Documents, Human Rights Statement
	2-24 Embedding policy commitments	Social - Vendors, Suppliers, and Contractors, Governance - Relevant Policies and our Human Rights Statement
	2-25 Processes to remediate negative impacts	Governance - Responsible Business Practices, Corporate Governance Documents
	2-26 Mechanisms for seeking advice and raising concerns	Governance - Responsible Business Practices
	2-27 Compliance with laws and regulations	Please see our latest 10-K, 10-Q, and Code of Business Conduct and Ethics to learn more.
	2-28 Membership associations	At a Glance - ESG Reporting and Recognition
	2-29 Approach to stakeholder engagement	At a Glance - Stakeholders
	2-30 Collective bargaining agreements	0% of AvalonBay Communities' employees are covered by collective bargaining agreement.
GRI 3: Material Topics 2021	3-1 Process to determine material topics	At a Glance - Materiality Analysis
	3-2 List of material topics	At a Glance - Materiality Analysis
GRI 201: Economic Performance 2016	3-3 Management of Material Topic(s)	Environmental - Climate Risk
	201-1 Direct economic value generated and distributed	Appendix - ESG Data
	201-2 Financial implications and other risks and opportunities due to climate change	Environmental - Climate Risk, 2023 CDP Climate Change Questionnaire
GRI 203: Indirect Economic Impacts 2016	3-3 Management of Material Topic(s)	At a Glance - Local Communities
	203-1 Infrastructure investments and services supported	At a Glance - Local Communities

GRI STANDARD	GRI DISCLOSURE	LOCATION IN REPORT OR DIRECT ANSWER
GRI 302: Energy 2016	3-3 Management of Material Topic(s)	Environmental
	302-1 Energy consumption within the organization	Appendix - Environmental Performance - Energy
	302-2 Energy consumption outside of the organization	Appendix - Environmental Performance - Energy
	302-3 Energy intensity	Appendix - Environmental Performance - Energy
	302-4 Reduction of energy consumption	Appendix - Environmental Performance - Energy
GRI 303: Water and Effluents 2018	3-3 Management of Material Topic(s)	Environmental - Water
	303-1 Interactions with water as a shared resource	Environmental - Water
	303-5 Water consumption	Appendix - Environmental Performance - Water
GRI 305: Emissions 2016	3-3 Management of Material Topic(s)	Environmental
	305-1 Direct (Scope 1) GHG emissions	Appendix - Environmental Performance - Emissions
	305-2 Energy indirect (Scope 2) GHG emissions	Appendix - Environmental Performance - Emissions
	305-3 Other indirect (Scope 3) GHG emissions	Appendix - Environmental Performance - Emissions
	305-4 GHG emissions intensity	Appendix - Environmental Performance - Emissions
	305-5 Reduction of GHG emissions	Appendix - Environmental Performance - Emissions
GRI 306: Waste 2020	3-3 Management of Material Topic(s)	Environmental - Waste
	306-2 Management of significant waste-related impacts	Environmental - Waste
	306-3 Waste generated	Appendix - Environmental Performance - Waste
GRI 401: Employment 2016	3-3 Management of Material Topic(s)	Social - Associate Well-Being and Development
	401-1 New employee hires and employee turnover	Social - 2023 Employment Metrics
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Social - Associate Well-being and Development

GRI STANDARD	GRI DISCLOSURE	LOCATION IN REPORT OR DIRECT ANSWER
GRI 403: Occupational Health and Safety 2018	3-3 Management of Material Topic(s)	Social, Governance
	403-1 Occupational health and safety management system	Governance - Development Safety
	403-5 Worker training on occupational health and safety	Social - Safety Training
	403-6 Promotion of worker health	Social - Benefits
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Governance - Development Safety
GRI 404: Training and Education 2016	3-3 Management of Material Topic(s)	Social - Associate Well-Being and Development
	404-2 Programs for upgrading employee skills and transition assistance programs	Social - Career Development
	404-3 Percentage of employees receiving regular performance and career development reviews	Social - Career Development
GRI 405: Diversity and Equal Opportunity 2016	3-3 Management of Material Topic(s)	Social - Inclusion and Diversity
	405-1 Diversity of governance bodies and employees	Social - 2023 Employment Metrics
GRI 415: Public Policy 2016	3-3 Management of Material Topic(s)	Governance - Our Policy on Contributions
	415-1 Political contributions	Governance - Our Policy on Contributions
GRI 416: Customer Health and Safety 2016	3-3 Management of Material Topic(s)	Social - Listening to Residents
	416-1 Assessment of the health and safety impacts of product and service categories	Social - Listening to Residents

Statement of Use: AvalonBay Communities has reported the information cited in this GRI content index for the period January 1, 2023- December 31, 2023 with reference to the GRI Standards.

GRI 1 used: GRI 1: Foundation 2021

SASB

SASB CODE	TOPIC	DESCRIPTION	UNIT OF MEASURE	RESPONSE
IF-RE-130A.1	Energy Management	Energy consumption data coverage as a percentage of total floor area, by property sector	Percentage (%) by floor area	70.19%
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 sector	Gigajoules (GJ), Percentage (%)	(1) 870,708.05 GJ for Common Area, \$2,952,520.69 GJ for common and residential (2) 65% (3) 36% (includes all solar and Green-e RECs) 3% 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 sector	Percentage (%)	(42.1)%
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 sector	Percentage (%) by floor area	(1) 24% 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	See report sections titled Climate Risk and Emissions so an understanding of how reducing emissions and increasing energy efficiency are integrated into our investment and operational strategies.
IF-RE-140A.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 sector	Percentage (%) by floor area	(1) 98% ¹ , (2) 39%
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 sector	Thousand cubic meters (m ³), Percentage (%)	(1) 12,302,900 m ³ , (2) 45%
IF-RE-140A.3	Water Management	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property sector	Percentage (%)	(2)%
IF-RE-140A.4	Water Management	Description of water management risks and discussion of strategies and practices to mitigate those risks	n/a	See report sections Water , Energy Efficiency , and Environmental Performance
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 sector	Percentage (%) by floor area, Square feet (ft ²)	0%
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 sector	Percentage (%) by floor area	(1) 4%, (2) 87%



SASB CODE	TOPIC	DESCRIPTION	UNIT OF MEASURE	RESPONSE
IF-RE-410A.3	Management of Tenant Sustainability Impacts	Discussion of approach to measuring, incentivising and improving sustainability impacts of tenants	n/a	See the Residential Emissions Reduction Efforts section of this report.
IF-RE-450A.1	Climate Change Adaptation	Area of properties located in 100-year flood zones, by property sector	Square feet (ft ²)	16,417,641.85
IF-RE-450A.2	Climate Change Adaptation	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	n/a	See the Physical Climate Risk section of this report.
IF-RE-000.A	Activity Metric	Number of assets, by property sector	Number	299
IF-RE-000.B	Activity Metric	Leasable floor area, by property sector	Square feet (ft ²)	76,719,767
IF-RE-000.C	Activity Metric	Percentage of indirectly managed assets, by property sector	Percentage (%) by floor area	2.49%
IF-RE-000.D	Activity Metric	Average occupancy rate, by property sector	Percentage (%)	96%

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.

TCFD

TOPIC	DISCLOSURE	RESPONSE
GOVERNANCE	Describe the board's oversight of climate-related risks and opportunities	See AvalonBay's Board of Directors section
GOVERNANCE	Describe management's role in assessing and managing climate-related risks and opportunities	See AvalonBay's 2023 Public CDP Response: Section C4.3
STRATEGY	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	See AvalonBay's 2023 Public CDP Response: Section C3
STRATEGY	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	See AvalonBay's 2023 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 2023 Public CDP Response: Section C3
RISK MANAGEMENT	Describe the organization's processes for identifying and assessing climate-related risks	See AvalonBay's 2023 Public CDP Response: Section C2
RISK MANAGEMENT	Describe the organization's processes for managing climate-related risks	See AvalonBay's 2023 Public CDP Response: Section C2
RISK MANAGEMENT	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	See Climate Risk section and AvalonBay's 2023 Public CDP Response: Section C2
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 Climate Risk section and AvalonBay's 2023 Public CDP Response: Section C5
METRICS AND TARGETS	Disclose scope 1, scope 2, and, if appropriate, scope 3 greenhouse gas (GHG) emissions, and the related risks	See Environmental Performance (p. 69-72)
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. 13) and Emissions (p. 20-21).

*Please note that CDP has changed their reporting timeline for the 2023 Climate Change Questionnaire. This report will publish in advance of the CDP Climate Change Questionnaire for this reason.

ESG DATA

Economic, Community and Development Performance (Dollars in thousands)

ECONOMIC (\$000)	2023	2022	2021	2020
Operating revenue	\$2,767,909	\$2,593,446	\$2,294,850	\$2,301,261
Operating costs (excluding employee compensation)	\$198,342	\$142,058	\$107,340	\$160,810
Employee compensation	\$301,581	\$296,686	\$271,044	\$251,933
Property and other taxes	\$306,794	\$288,960	\$283,089	\$273,189
Dividends and interest	\$1,189,060	\$1,157,764	\$1,160,890	\$1,160,779
Retained earnings	\$470,551	\$411,293	\$201,443	\$202,617
\$301,581				
TOTAL COMMUNITY/APARTMENT COUNT	2023	2022	2021	2020
Number of properties	299	294	297	294
Number of apartment homes	90,669	82,583	81,803	80,094
AFFORDABLE COUNT	2023	2022	2021	2020
Number of designated affordable homes	4,206	4,232	4,531	4,515
CONSTRUCTION COUNTS	2023	2022	2021	2020
Properties/apartment homes under construction at year-end/homes	18/6,539	18/5,892	17/5,386	18/5,931
Completed properties/apartment homes at year-end/homes	6/1,393	5/1,858	9/2,752	8/2,095
REDEVELOPMENT COUNTS	2023	2022	2021	2020
Properties/apartment homes under redevelopment at year-end/homes	6/2,869	9/4,247	9/3,225	6/1,935
Completed property/apartment home redevelopments at year-end/homes	7/2,833	4/1,414	4/1,210	3/1,215

Environmental Performance

EMISSIONS (MTCO ₂ E)	2023	2022	2021	2017 (BASELINE)
Scope 1 emissions [Like-for-like]	14,986	12,509	12,769	12,874
Scope 2 emissions [Like-for-like] (Market Based)	21,640	19,456	25,033	50,402
Scope 1 & 2 emissions [Like-for-like] (Market Based)	36,626	31,965	37,802	63,276
Percentage change Scope 1 & 2 emissions (Market Based) [Like-for-like] since baseline year	(42.1)%	(49.5)%	(40.3)%	
Scope 1 emissions [Absolute]**	15,389	15,285	15,402	15,396
Scope 1 Emissions [Intensity]**	0.86	0.84	0.85	0.93
Scope 2 emissions (Location Based) [Absolute]	49,068	49,629	46,200	51,651
Scope 2 emissions (Location Based) [Intensity: MTCO ₂ e/sf]	2.72	2.80	2.61	3.11
Scope 2 emissions (Market Based) [Absolute]	23,316	26,274	34,408	51,651
Scope 2 emissions (Market Based) [Intensity: MTCO ₂ e/sf]	1.25	1.44	1.90	3.11
Scope 1 & 2 emissions (Market Based) [Absolute]**	38,705	41,559	49,810	67,047
Percentage change Scope 1 & 2 emissions (Market Based) [Absolute] since baseline year	(42.3)%	(38.0)%	(25.7)%	
Scope 1 & 2 emissions (Market Based) [Intensity: MTCO ₂ e/sf]**	2.17	2.28	2.76	4.04
Percent change Scope 1 & 2 Emissions (Market Based) [Intensity: MTCO ₂ e/sf] since baseline year	(46.3)%	(43.6)%	(31.7)%	
Scope 3 emissions [Absolute]	411,301	420,758	377,761	426,798
Percentage change Scope 3 emissions [Absolute] since baseline year	(3.6)%	(1.4)%	(11.5)%	
Scope 3 SBT emissions [Absolute]	343,548	375,772	329,750	388,191
Percentage change Scope 3 SBT emissions [Absolute] since baseline year	(11.5)%	(3)%	(15)%	
Scope 3 SBT emissions [Intensity: MTCO ₂ e/sf]	4.44	4.76	4.23	5.52
Percentage change Scope 3 SBT emissions [Intensity: MTCO ₂ e/sf] since baseline year	(19.6)%	(13.8)%	(23.4)%	
Scope 3 - C1: Purchased goods & services (Embodied Carbon) [Absolute]†	75,444	119,084	90,936	125,285
Scope 3 - C1: Purchased goods & services (Embodied Carbon) [Intensity MTCO ₂ e/sf]†	0.98	1.51	1.17	1.78
Scope 3 - C1: Purchased goods & services (Maintenance) [Absolute]	45,259	38,423	41,815	31,767

EMISSIONS (MTCO ₂ E)	2023	2022	2021	2017 (BASELINE)
Scope 3 - C1: Purchased goods & services (Maintenance) [Intensity: MTCO ₂ e/sf]	0.59	0.49	0.54	0.45
Scope 3 - C3: Fuel- and energy-related activities [Absolute]	17,768	999	994	571
Scope 3 - C3: Fuel- and energy-related activities [Intensity: MTCO ₂ e/sf]	0.23	0.01	0.01	0.01
Scope 3 - C5: Waste generated in operations [Absolute] [†]	31,042	37,545	36,869	38,176
Scope 3 - C5: Waste generated in operations [Intensity: MTCO ₂ e/sf] [†]	0.40	0.48	0.47	0.54
Scope 3 - C7: Employee commuting [Absolute]	4,634	5,387	5,136	5,891
Scope 3 - C7: Employee commuting [Intensity: MTCO ₂ e/sf]	0.06	0.07	0.07	0.08
Scope 3 - C13: Downstream leased assets [Absolute] [†]	237,063	219,143	201,945	224,729
Scope 3 - C13: Downstream leased assets [Intensity: MTCO ₂ e/sf] [†]	3.07	2.77	2.59	3.20
Total scope 1 & 2 emissions intensity (mtCO ₂ e/FTE)	12.76	14	18	22
Total scope 1 & 2 emissions intensity (mtCO ₂ e/\$revenue)	0.000014	0.000016	0.000022	0.000031
SCIENCE-BASED TARGETS (SBT)	2023	2022	2021	2017 (BASELINE)
Portfolio Size (Sq Ft)	95,093,914	97,188,041	95,955,960	70,310,982
Scope 1 & 2 emissions (Market Based) [Intensity: MTCO ₂ e/sf]**	2.17	2.28	2.76	4.04
Percent change Scope 1 & 2 Emissions (Market Based) [Intensity: MTCO ₂ e/sf] since baseline year	(46)%	(43.6)%	(31.7)%	
Scope 3 SBT emissions [Intensity: MTCO ₂ e/sf]	4.44	4.76	4.23	5.52
Percentage change Scope 3 SBT emissions [Intensity: MTCO ₂ e/sf] since baseline year	(20)%	(13.8)%	(23.4)%	
RENEWABLE ENERGY	2023	2022	2021	2017 (BASELINE)
Total Solar Production (kWh)	6,934,804	7,342,185	2,565,802	0
Total Operating Solar Installations	60	51	38	0
Total Operating Solar Panel System Size (kW)	8,495	6,969	4,359	0

* Included in our Scope 3 SBT

** Absolute Scope 1 & 2 emissions = SBT Absolute Scope 1 & 2 emissions

ENERGY	2023	2022	2021	2017 (BASELINE)
Like-for-like Energy Consumption (kWh)	234,938,936	208,333,345	208,353,233	219,249,000
Percentage change since baseline year	7 %	(5)%	(5)%	
Total Electricity Consumption (kWh)	158,143,432	161,639,469	161,056,692	
Total Gas Consumption (Therms)	2,767,550	2,705,946	2,836,539	
Total Propane Consumption (kBTU)	2,549,691	386,953	141,803	
Total Oil Consumption (kBTU)	0	0	1,133,767	
Total Steam Consumption (kBTU)	5,859,571	6,065,917	5,879,819	
Total Energy Consumption (kWh)	247,039,687	242,836,742	241,471,624	268,100,000
Percentage change since baseline year	(8)%	(9)%	(10)%	
Construction Energy Consumption (kWh)	4,690,113	8,041,107	7,367,346	11,820,775
Percentage change since baseline year	(60)%	(32)%	(38)%	

WATER	2023	2022	2021 (BASELINE)
Total Water Consumption (Kgal)	3,250,082	3,245,902	3,302,907
Percentage change since baseline year	(2)%	(2)%	
Like-for-like Water Consumption - Water Stressed Areas (Kgal)	1,453,231	1,166,293	1,238,758
Percentage change since baseline year	17 %	(6)%	
Like-for-like Water Use Intensity (Kgal/unit) - Water Stressed Areas	43.10	44.90	44.30
Percentage change since baseline year	(3)%	1 %	
Like-for-like Water Consumption - Non-Water Stressed Areas (Kgal)	1,768,070	1,821,907	1,729,674
Percentage change since baseline year	2 %	5 %	
Like-for-like Water Use Intensity (Kgal/unit) - Non-Water Stressed Areas	37.90	38.5	38.3
Percentage change since baseline year	(1)%	1 %	
Construction Water Consumption (Kgal)	14,124	10,638	10,854



WATER	2023	2022	2021 (BASELINE)
Percentage change since baseline year	30 %	(2)%	
On-Site Water Reuse (M ³)	165,662	185,167	181,781

WASTE	2023	2022	2021	2017 (BASELINE)
Like-for-like Waste Consumption (lbs/apartment home)^	1587	1,613	1,639	2,039
Percentage change since baseline year	(22)%	(21)%	(20)%	
Non-hazardous Waste (MT)^	81,141	89,951	92,557	39,887
Percentage non-hazardous waste recycled	31 %	32 %	29 %	45 %

Learning and Development

DEPARTMENT TRAINING	HOURS
Construction/Development	1,191
Corporate	2,958
RS onsite	42,836
RS overhead	464
CCC	25,167
Cross-departmental	9,229
Total:	81,845



Safety

U.S. BUREAU OF LABOR STATISTIC	AVERAGE
Lost Time Incident Rate (LTIR): AVB Employees*	3.29
Total Recordable Incident Rate (TRIR): AVB Employees*	3.64
Total Recordable Incident Rate (TRIR): Construction / Subcontractors**	1.62
Hours of Safety Training	10,416

Health Qualifications

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

* Includes Residential Services, Overhead Departments, and Construction Personnel

** Includes Construction Staff and Subcontractors

Development and Construction

Development in 2023	
Number of communities beginning construction	6
Expected investment	\$800M
Remediation of preexisting environmental contamination	\$1.67M
Remediation spend projected through completion	\$12.60M
Development communities under construction as of year-end	18
Average walk score for completed transit-oriented developments (total portfolio)	83
Total transit-oriented communities	112
Transit-oriented development communities completed in 2023	4
Capital cost for all development under construction as of year-end	\$2.78B
Redevelopment in 2023	
Communities completed	7
Apartment homes represented	2,833
Capital cost	\$85M
Communities under redevelopment as of year-end	6
Capital cost for all redevelopment under construction as of year-end	\$60M

ABOUT THIS REPORT

This is AvalonBay's 13th annual ESG report and summarizes our performance and activities related to environmental, social, and governance topics during calendar year 2023.

Report Parameters and GRI With Reference Option

This report covers issues and information material to our business and stakeholders. We followed standard disclosures from GRI Sustainability Reporting Guidelines. The report's boundary covers a reporting period for the 2023 calendar year and builds on the progress outlined in our previous year's report. 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 corporate sustainability impacts and are based on our most recent materiality analysis. We are reporting with reference to the GRI Standards.

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, our 2023 annual energy, scope 1 and 2 GHG emissions, water, and community waste data calculations were independently verified and received limited assurance from LRQA Inc. This year we expanded our scope of limited assurance to include scope 3 energy and GHG emissions from downstream leased assets. Additionally, LRQA conducted a review of our 2023 ESG Report. LRQA is a leading provider of independent assessment services with recognition from over 50 accreditation bodies around the world. The 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: www.avaloncommunities.com/about-us/esg/esg-reports/

Trademarks

Avalon, AVA, eaves by Avalon, and Kanso are registered trademarks of AvalonBay Communities, Inc. Other words in this 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 report, 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, 2023 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.

Contact

Katie Rothenberg Vice President, ESG ESG@avalonbay.com

AvalonBay Communities Inc. 4040 Wilson Blvd., Suite 1000

Arlington, VA 22203

