



### INCLUSION AND DIVERSITY

Building a more inclusive and diverse AvalonBay begins with our purpose — creating a better way to live. Our offerings should reflect the diversity of our customers and the communities where we operate. So, too, should AvalonBay's associates. Our vision is to foster an environment where all associates feel welcome, are supported with opportunities to thrive and are represented by our leadership team.

As we continue to grow and innovate, it's important that we recruit, develop and promote associates with a wide range of backgrounds, experiences and perspectives and create an environment that encourages all voices to be heard, understood and appreciated.

In 2021, we continued to make progress with our Inclusion and Diversity strategy, programming and vision.

### INCLUSION AND DIVERSITY (I&D) STAFF, GOVERNANCE AND ORGANIZATION

The organization of I&D at AvalonBay includes:

#### I&D Staff

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

#### I&D Steering Committee

The committee provides oversight and streamlines the approval process for new programs and initiatives. The committee includes the Director – ESG, Inclusion & Diversity (I&D Council Chair), Chief Investment Officer (I&D Executive Sponsor), Senior VP of Operations, Senior VP of Human Resources, Senior VP of Brand Strategy and Marketing, Senior VP – Associate General Counsel, Senior VP – Chief Digital Officer and VP of Human Resources.

#### I&D Council

Led by the Director – ESG, Inclusion & Diversity, the Council is made up of 20 associates from diverse personal, functional and geographic backgrounds. The purpose of the Council is to drive the I&D strategy and programming to promote and create an inclusive and diverse environment where everyone can thrive.



#### I&D Regional Leaders

There are 14 regional I&D leaders that work with the council to champion, coordinate and execute I&D events and activities for each region.

#### I&D Champions

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

#### Associate Resource Groups (ARGs)

These groups provide support, networking, mentoring, development and outreach opportunities for associates. Membership for each ARG is open to all associates.

### I&D STRATEGY

In addition to serving as a cross-functional, organization-wide priority, AvalonBay's I&D strategy includes four focus areas. Highlights of our progress in 2021 include:

#### CREATE PERSONAL AWARENESS

The journey towards a more inclusive and diverse AvalonBay starts with the individual.

##### Intranet Site

In order to support associates in this process, we have compiled many resources on our internal intranet site, including information about the I&D team, strategy, ARGs and a "listen, watch, read" section with recommended articles, books, podcasts, videos and more.

##### Education and Training

We offer several training programs for associates throughout the year, including *Building Ally Skills at Work*, *Inclusive Culture* and *Inclusive Leadership*. We also host various events throughout the year with external speakers and panel discussions to educate and support associates on topics relevant to I&D and our ARGs.



#### FOSTER A CULTURE OF INCLUSION

We know that associates need to feel both safe and welcome at work and I&D is an important part of accomplishing this goal.

##### Associate Resource Groups (ARGs)

As previously mentioned, our ARGs provide support, networking, mentoring, development and outreach opportunities for associates. Current ARGs include:

- Asian Pacific Associate Connection (APAX)
- Associate Rainbow Coalition (ARC)
- Black Associate Coalition (BAC)
- Latinx Employees of AvalonBay for Diversity (LEAD)
- Parents and Caregivers of AvalonBay (PAC)
- Veterans Support Outreach Committee (VSOC)
- Women's Leadership Network (WLN)

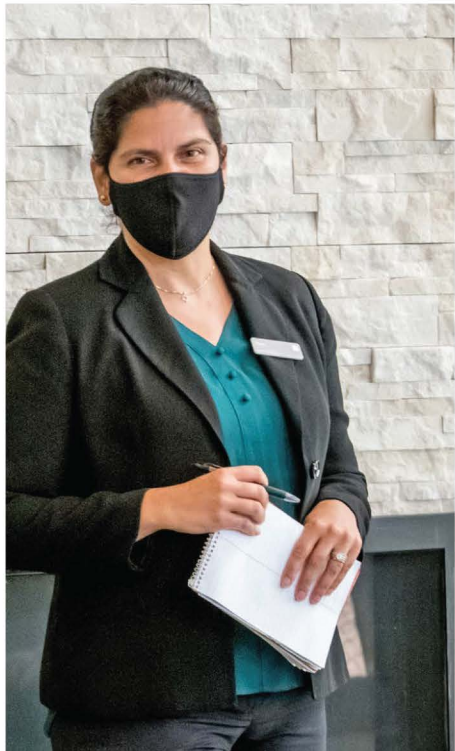
##### Building Connections Campaigns

We celebrate and recognize associates, as well as create awareness through ARG hosted campaigns for Black History Month, Women's History Month, Celebrate Diversity Month, Asian Pacific American Heritage Month, Pride Month, Hispanic Heritage Month, Veteran's Day and other various days throughout the year (e.g., Juneteenth, Mother's Day, Father's Day, Memorial Day).

##### Empower Hours

We also recognize that in order to foster inclusion in the workplace, we need to acknowledge and create space for what associates may be experiencing outside of AvalonBay, which is why we host monthly Empower Hours. These sessions are focused on various topics that allow associates to share and listen to personal experiences and perspectives and support one another.





## HOLD OURSELVES ACCOUNTABLE

To support our I&D vision and ensure we remain focused on this commitment, there are several ways we are taking action.

### Diversity in Leadership Vision

Building a more diverse leadership pipeline will require a commitment from our current leaders to focus on inclusive strategies for talent acquisition, associate development and promotions, so in 2020 we set a vision to increase the diversity of our leadership team<sup>1</sup> specifically to:

- Increase the representation of women in leadership from our 2020 level of 35% to a level at parity<sup>2</sup> with the overall presence of women in the relevant workforce by 2025. In 2021, we increased by 2% to 37%.
- Increase under-represented communities<sup>3</sup> in leadership from 15%<sup>4</sup> to 20% by 2025 and to 25% by 2030. In 2021, we increased by 2% to 17%.

### Leadership Goals

In 2020, we asked AvalonBay's leadership team<sup>1</sup> to make a personal commitment to I&D and added an I&D goal to Individual Development Plans for all of these associates.

### Department Plans

Through an initiative started in 2021, each AvalonBay department has created an I&D action plan specific to their business unit. Working with the I&D team, I&D Champions will support and drive the creation, execution and evolution of these plans together with their senior department leaders.



## CONTRIBUTE TO INCLUSION AND DIVERSITY IN OUR COMMUNITIES

We recognize that true inclusion and diversity extends beyond the boundaries of our offices and communities. We support this and seek to make impact in many ways, including:

### National Urban League Partnership

In 2021, we kicked off the first year of our partnership with the National Urban League, led by our associate resource group, the Black Associate Coalition (BAC). Through this partnership, we made a \$150,000 annual financial commitment, which supports NUL's work in economic empowerment, equality and social justice and engage our associates in volunteering, mentoring, networking events and memberships with the NUL Young Professionals.

### Surveys and Awards

We are also focused on benchmarking and participating in external surveys and indices that evaluate the Inclusion and Diversity practices of large companies. In 2021, for the second year, we participated in the Women in the Workplace study with McKinsey and LeanIn. For the first time we participated in the Human Rights Campaign Corporate Equality Index and received a perfect score of 100.

### External Engagement

AvalonBay is a proud signatory of the CEO Action for Diversity and Inclusion pledge, which we joined in 2020, as well as the Human Rights Campaign (HRC) Business Coalition for the Equality Act. In 2021, we were a founding member of the New York Urban League Diversity & Inclusion Lab and the Boston College Center for Corporate Citizenship Diversity, Equity & Inclusion Affinity Group.

<sup>1</sup> Leadership Team is defined as associates with the title of Director and above.

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

<sup>3</sup> Please note that under-represented communities is defined as people of color or the EEO "Ethnicity" categories of Asian, African American, Hispanic and Multi-Ethnic (see p. 44).

<sup>4</sup> Please note that 15% is the baseline, set in 2020.

## AVALONBAY MENTORING PROGRAM

# The Inclusion & Diversity and Learning & Development teams partnered in 2021 to launch AvalonBay's new mentorship program.



Partnering with a third-party firm that assists with matching associates and developing a guideline for mentorship, the program identifies and matches mentors within the organization who are willing to share knowledge, skills, experience and time, with applicants or mentees who are seeking to invest time and effort to advance their career at AvalonBay. In addition to the assistance provided to mentees, this program benefits mentors by providing mentor training and the opportunity to enhance their coaching and leadership skills. During the year, 199 associates participated in the program as a mentor or mentee through our first two cohorts of the program and we launched cohort 3 in the spring of 2022.



**Daniel**  
Director – Operating Initiatives



**Nanah**  
Manager – Executive Compensation

## PAY EQUITY

AvalonBay engages external counsel to conduct pay equity analyses across the entire organization on a regular basis. This includes all full- and part-time positions. The most recent review was conducted in 2021.

## DIVERSE SUPPLIER PROGRAM

In 2021, AvalonBay launched a pilot program to increase the number of diverse suppliers hired. The pilot focused on the Mid-Atlantic region and has allowed us to test and demonstrate what methods are effective in recruiting and hiring Disadvantaged Business Enterprises (DBEs), communicate lessons learned and incorporate this into supplier contracting in the region, with a plan to expand the program across AvalonBay.



# 2021 DIVERSITY, INCLUSION AND EMPLOYMENT METRICS

## EMPLOYMENT METRICS

AVB ASSOCIATES (2905 TOTAL — 97% FULL TIME)



NEW HIRES (912 TOTAL)



LEADERSHIP TEAM<sup>1</sup> (229 TOTAL)



EXECUTIVE TEAM (8 TOTAL)



BOARD OF DIRECTORS (12 TOTAL)



## BY AGE

ASSOCIATES



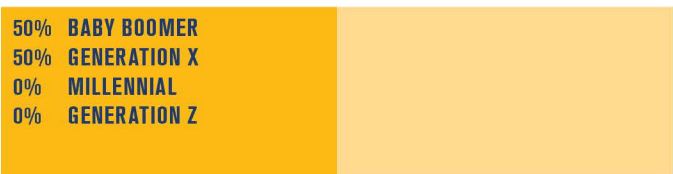
NEW HIRES



LEADERSHIP TEAM<sup>1</sup>

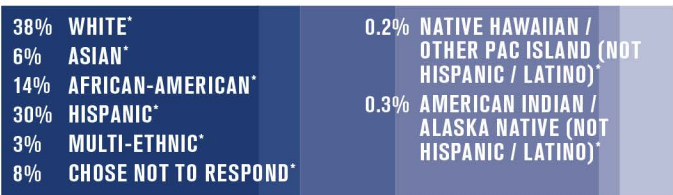


EXECUTIVE TEAM



## BY ETHNICITY<sup>2</sup>

AVB ASSOCIATES



NEW HIRES



LEADERSHIP TEAM<sup>1</sup>



EXECUTIVE TEAM



BOARD OF DIRECTORS



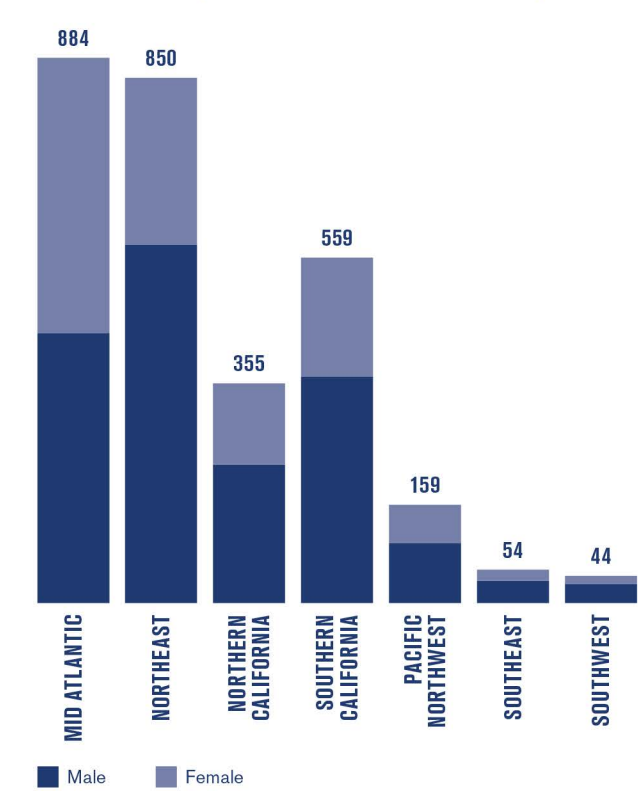
<sup>1</sup> Leadership Team is defined as associates with the title of Director and above.

<sup>2</sup> Reference EEO categories.

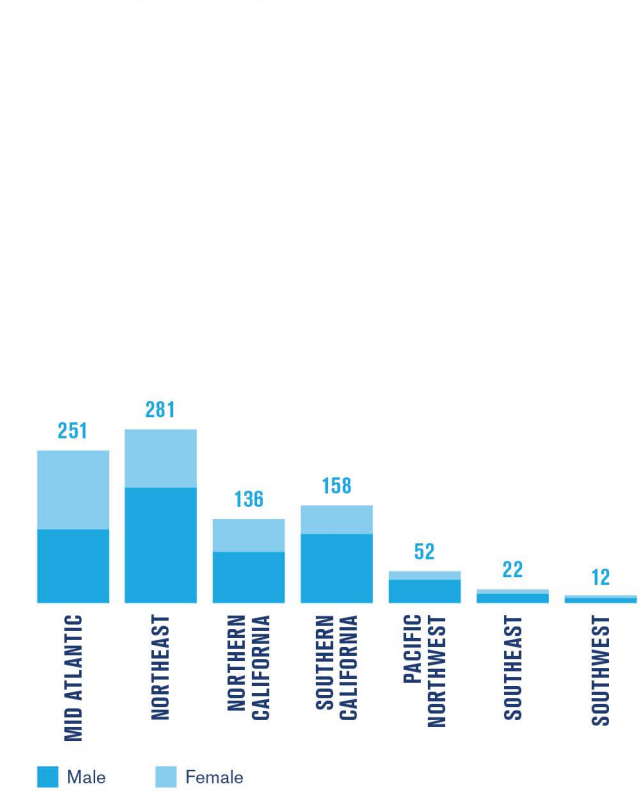
\* White includes White, American Indian/Alaska Native and Native Hawaiian. Asian includes Asian, not of Hispanic origin. African-American includes African American. Hispanic includes Hispanic/Latino. Multi-Ethnic includes two or more races. Chose not to respond includes Not Specified and Unknown.

## BY GENDER AND REGION

AVB ASSOCIATES (2905 TOTAL — 97% FULL TIME)



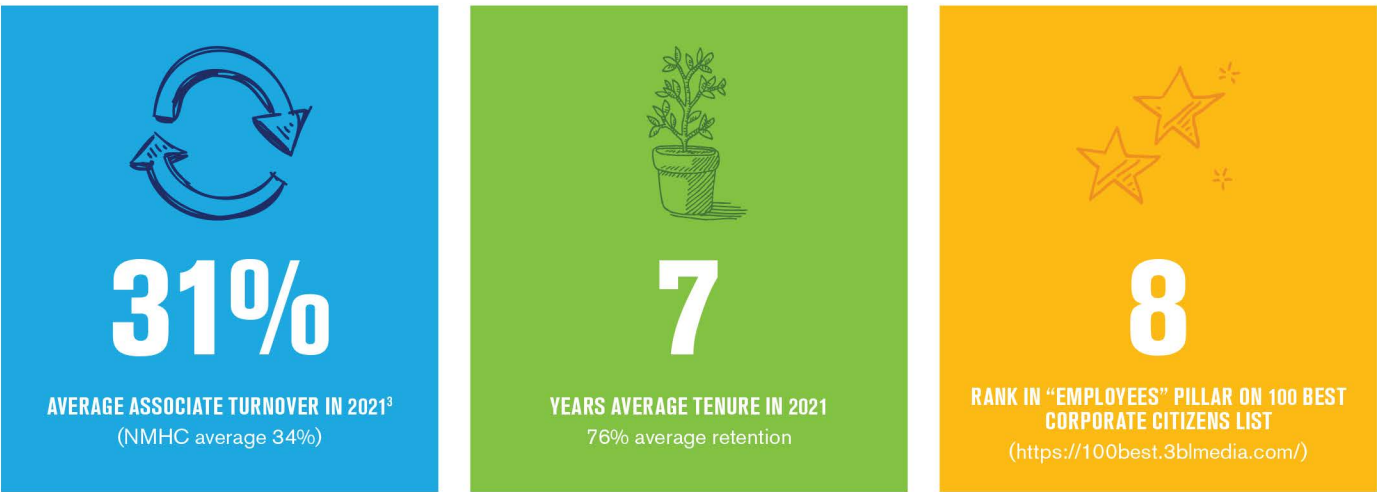
NEW HIRES (912 TOTAL)



## VOLUNTARY TURNOVER (25% TOTAL)



## EMPLOYMENT HIGHLIGHTS



<sup>3</sup> Includes Voluntary and Involuntary Turnover.