CREATING A BETTER WAY TO LIVE

2020 CORPORATE RESPONSIBILITY REPORT

Updated as of December 14, 2021
AT AVALONBAY COMMUNITIES, OUR PURPOSE IS CREATING A BETTER WAY TO LIVE — FOR OUR RESIDENTS, OUR ASSOCIATES, OUR SHAREHOLDERS, THE COMMUNITIES IN WHICH WE DO BUSINESS AND OUR PLANET AT LARGE.

Achieving this purpose means being aware of the full impact of our activities and managing our business with an eye on the future. It means remaining true to the long-term well-being of all of our stakeholders, broadly defined.

As a real estate investment trust (REIT), we are owners and investors for the long term, allowing us to consider the full life cycle impact of the decisions we make every day. With this in mind, our goal is to build and operate much more than buildings. The cities and suburbs in our core markets across the country are reinventing themselves through higher density, amenity-rich living. They are offering residents more options for sustainable ways to live, from green buildings and walkable neighborhoods to safer and healthier environments, and they are moving to a low-carbon emission future. We’re proud to be at the forefront of this reinvention, creating communities that achieve long-term environmental efficiency and foster better living far beyond their walls. Through these communities we make our core values visible: a commitment to integrity, a spirit of caring and a focus on continuous improvement.

Realizing this vision is an ongoing journey and is not always easy. But for us, it’s always right.

Featured on the cover
Erika Jacobsen, Residential Services Coordinator — Reconstruction, joined with fellow associates in the Pacific Northwest to volunteer at the Food Bank Farm, where they socially distanced and gathered fresh vegetables for local food banks. Food insecurity increased in 2020 due to the COVID-19 pandemic, and AvalonBay provided support for food banks across the country through our Building Strong Communities philanthropy program.
FROM THE CEO

“WITH ALL THE DISRUPTION, IT WAS STILL A YEAR FULL OF OPPORTUNITIES.

Opportunities to focus on what’s important to each of us, personally and professionally. Opportunities to show a true spirit of caring to one another and our residents. And opportunities to collaborate, innovate, and bring new ways of serving our customers to market.”

Timothy J. Naughton
Chairman and CEO

The COVID-19 pandemic, the downturn in the economy, and widespread racial and social unrest certainly tested each of us as individuals and AvalonBay more broadly as a company throughout 2020.

Yet, with all the disruption, it was still a year full of opportunities: opportunities to focus on what is important to each of us, personally and professionally; opportunities to show a true spirit of caring for one another; and opportunities to collaborate, innovate, and bring new ways of serving our customers to market.

2020 was a challenging year for the Company and the overall apartment sector. The normal effects of an economic downturn on our sector were magnified by work-from-home mandates, civil unrest in our city centers, and the strength of the for-sale housing market – all of which affected business results. However, thanks to the unprecedented speed of developing and delivering vaccines broadly to the US population, the economy is rebounding and we are experiencing steady improvement in occupancy and rents in all of our markets in the first half of 2021.

Throughout 2020, our associates worked on the front lines, showing up every day to support our residents. However, the COVID-19 pandemic limited our ability to deliver the service levels we are accustomed to providing, and our residents felt it. With that, our customer satisfaction, as measured by the Net Promoter Score (NPS), decreased four points to 27, from 31 in 2019. Fortunately, our NPS is rebounding in early 2021 and throughout 2020 thousands of residents willingly shared their opinions through Google reviews, and their views were overwhelmingly positive, averaging 4.4 stars out of 5.

We believe that to be a great company we must take a multi-stakeholder approach to our business. Delivering strong results over a sustained period requires engaged associates, satisfied customers, and the support of our local communities, which we earn, in part, by taking an active leadership role in addressing important Environmental, Social and Governance (ESG) challenges. In 2020, we were once again named the Global and U.S. Leader in the Residential Sector by the Global Real Estate Sustainability Benchmark (GRESB). We also received an A- grade from the CDP for our carbon emission disclosure and reduction practices, making us one of four REITs, and the only apartment company, to receive a grade in the A band. And AvalonBay was once again the proud recipient of the NAREIT Residential Leader in the Light Award. This award is the highest ESG achievement for all residential REITs and real estate companies, and our receipt of this award acknowledges our accomplishments in the area of social and environmental sustainability.

As ESG raters become more important to our investor stakeholders, we continue to do well in a variety of other benchmarks. Newsweek and Statista honored America’s Most Responsible Companies and AvalonBay placed #122 out of the top 400, moving up from #193 out of the top 300 in 2019. For the third year in a row, we were named to Newsweek’s 2020 Best Corporate Citizens List. In addition, many ESG ratings continue to rank us as one of the most advanced US companies with respect to ESG in our sector. These include Euronext, VigeoEiris, ISS-Oekom and FTSE4Good. Finally, Engineering News Record (ENR) ranked us as 57th on their Top 100 Green Building Contractors.

Throughout the course of 2020, we achieved or exceeded the objectives outlined in our previous CR report. Some highlights include the following:

**SOCIAL**

**Residents**

We walked alongside our residents as we, together, navigated the global pandemic. We found new ways to engage with them, keep us all safe, and support the unique needs they faced as they found themselves working and living from home in our communities. This included a 3D-printed deep clean for move-ins, contact-free package pick up, virtual service requests and rent repayment options for those facing financial hardship.

**Building Strong Communities**

We provided $2.4M cash and in-kind donations to nonprofit partners, exceeding our 2020 goal of giving back $2.2 million. Of the $2.4M, $450,000 was additional COVID-19 specific support to our philanthropy partners and their most vulnerable populations.

**Red Cross Partnership**

In the sixth year of our national partnership, our in-person activities were limited due to the pandemic, however we continued to support our partnership in several ways through virtual blood drive campaigns and an online fundraiser that provided $70,000 to the Red Cross to help those impacted by the Western Wildfires.

**Associate Relief Fund**

Launched in March 2019, our Associate Relief Fund helped 59 associates through the end of 2020. Last spring, we expanded the fund to include a new category to help associates and their families impacted by the COVID-19 pandemic. As an extension of the fund, we launched a Vacation Donation program, which allows eligible associates to donate time to help fellow associates experiencing hardship related to a medical emergency.

**Inclusion and Diversity**

We made significant progress with our Inclusion and Diversity
programming and focus areas. We set Diversity in Leadership goals to increase representation of women and people of color within AvalonBay’s leadership team. We created a new multi-year national partnership with the National Urban League. And we launched three new associate resource groups: Black Associate Coalition (BAC), Associate Rainbow Coalition (ARC) and Latinx Employees of AvalonBay for Diversity (LEAD).

ENVIRONMENTAL
Climate Change
We updated our analysis of climate risk in our portfolio with a third-party review of 274 properties individually against 11 short- and long-term climate risks, including pluvial flooding (rainfall), fluvial flooding (riverine), hurricane, FEMA flood rating, wind, tornado, earthquake, tidal flooding (sea-level rise), extreme heat, extreme rainfall and extreme drought. As a result of this analysis, we created a combined climate and emissions risk dashboard which shows each property’s risk profile and emissions intensity. This dashboard has been integrated into our investments and asset management decision-making going forward.

Demand Response and Smart Buildings
Our demand response smart building data program made significant strides with over $275,000 in annual savings; created by using interval meter data to participate in demand response programs, reduce our building electricity load and optimize our utility supply rates. Importantly, renewable energy will represent 85 percent of AvalonBay’s procurable load and 44 percent of our total load by the end of 2021. Renewable Energy and Battery Storage
We installed solar panels at seven communities, adding 560 KW of renewable power to our portfolio. This is in addition to the existing nine communities already generating over 1 MW of solar power. In 2021, we are working to complete onsite solar for their apartment homes. We created a strategic plan to achieve our Science-Based Targets (53 percent reduction in Scope 1 & 2 and 47 percent reduction in Scope 3 GHG emissions per square foot), with three components: 1) a focus on onsite and virtual renewable energy and shifting of our procurable load to renewables, 2) a focus on embedded carbon in our construction materials, and 3) engagement with our residents on renewable energy procurement for their apartment homes.

The opportunities here reflect our commitment to move to a fundamentally low carbon operating model. In fact, in 2020 we were already able to move 56 percent of our procurable common area electric load to renewable wind energy, with the goal that by the end of 2021 we will have 85 percent of our procurable load from renewable sources.

With a new year comes renewal, and 2021 has brought with it hope and optimism. While we have certainly started the year with challenges, we are far more experienced and resilient, and we are ready to take control and set our own course once more. I am proud of AvalonBay’s commitment to lead the way and contribute positively in the current environment and to the future, and I encourage you to read more about our ESG accomplishments and plans in this report.

Timothy J. Naughton
Chairman and CEO

Water Efficiency
Our Water Reduction Task Force continued their efforts, begun in 2019, to work on water efficiency across the portfolio. One result of their work is the installation of 32 more weather-based irrigation systems, beginning in 2020 and completing by the end of 2021. These will save $337,000 annually, and 43.9 million gallons of water. In 2020, our 29 existing weather-based irrigation installations saved AvalonBay $493,950 and over 58 million gallons of water. Science-Based Targets Execution Plan
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ASSURANCE STATEMENT
In 2020, for the sixth consecutive year we had our prior year’s annual energy, greenhouse gas emissions, water and community waste data independently verified by Lloyd's Register Quality Assurance (LRQA), a part of Lloyd's Register Group Limited and a leading provider of independent assessment services, with recognition from over 50 accreditation bodies around the world.

The full accreditation report and assurance statement can be found on our website at avaloncommunities.com/verificationreport and avaloncommunities.com/assurancestatement.
We continued to make progress on our long-term 2020 Corporate Responsibility (CR) goals. In 2020 we achieved a meaningful 15.4% drop in our Scope 1 and 2 emissions and a 16% drop in our Scope 3 emissions (per square foot). We also finished our 2020 Water goal with a final 8% drop in our Water Use Intensity from our 2013 baseline. And while our waste goal remained flat, in a year when we saw residents primarily living and working at home, we were pleased to counterbalance this with the efforts of our Waste Task Force. We will research the creation of a new water goal in 2021. Finally, in a difficult year, we continued to make progress on our other stakeholder goals relative to our associates and the communities in which we do business. We closed out the WUI and community investment goals and in 2021, transitioned to our new goals, which can be found on the next page.

### CR GOALS: BEYOND 2020

As we enter a new decade, we have set new long-term targets, aligned with eight of the 17 United Nations Sustainable Development Goals (SDGs), which are goals created as the blueprint to achieve a better and more sustainable future for all.

#### SCIENCE-BASED TARGETS

**53%**

Reduction in Scope 1 & 2 GHG Emissions per square foot by 2030 (2.16 kgCO2e/sq. ft)

**47%**

Reduction in Scope 3 GHG Emissions per square foot by 2030 (2.93 kgCO2e/sq. ft)

**20%**

Reduction in landfill-bound waste intensity by 2023 (1,631 lbs./apt)

### WATER

**2025**

Goal currently being researched and will be introduced in the 2021 report

### WASTE

**2025**

Reduction in landfill-bound waste intensity by 2023 (1,631 lbs./apt)

### INCLUSION & DIVERSITY

**ACHIEVE GENDER PARITY**

Increase women in leadership** to achieve gender parity* by 2025

**INCREASE UNDERREPRESENTED MINORITIES**

Increase of underrepresented minorities in leadership** to 20% by 2025 and 25% by 2030

### RESIDENTS

33

Achieve NPS (Net Promoter Score) of 33 by 2025

### ASSOCIATES

90th+

Achieve 90th percentile or better on associate engagement and satisfaction by 2025

### COMMUNITY

$2.75M

Increase annual community investment to $2.75M total cash and in-kind by 2025

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**FOOTNOTES:**

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

2. We calculate water use intensity on properties that are stabilized for a full two-year period and use whole-building data. The consumption is then divided by the number of apartment homes.

3. To normalize the waste generation to a per residential unit number.

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**SDG 1**

**GENDER PARITY**

Increase women in leadership** to achieve gender parity* by 2025

**SDG 3**

**INCLUSION & DIVERSITY**

Increase of underrepresented minorities in leadership** to 20% by 2025 and 25% by 2030

**SDG 7**

**RESIDENTS**

33

Achieve NPS (Net Promoter Score) of 33 by 2025

**SDG 10**

**ASSOCIATES**

90th+

Achieve 90th percentile or better on associate engagement and satisfaction by 2025

**SDG 12**

**COMMUNITY**

$2.75M

Increase annual community investment to $2.75M total cash and in-kind by 2025

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**FOOTNOTES:**

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Each year we establish an ESG plan to guide our efforts during the year.

The plan is reviewed with our Board of Directors and key internal stakeholders. Our 2021 initiatives include:

**BUILDING STRONG COMMUNITIES**

In the seventh year of our Building Strong Communities philanthropy program, give back $2.3M in cash and in-kind to our philanthropy partners, volunteer at least 3,500 hours and achieve 20 percent associate participation. Also, celebrate our 10th annual Spirit of Caring Month.

**RENEWABLE ENERGY AND BATTERY STORAGE**

Complete solar installations at 26 California properties and start construction on 28 additional communities located in California, Massachusetts, New Jersey and New York. Leverage the battery system at Avalon White Plains to better understand its interplay with utility time-of-day rates and demand response programs, and establish a five-year battery strategy to expand storage at the communities where we have solar installed.

**INCLUSION AND DIVERSITY**

Continue to grow Inclusion and Diversity by supporting and tracking Diversity in Leadership and other goals, creating department plans, supporting our associate resource groups, launching a mentorship program pilot, a supplier diversity pilot, and participating in at least two external I&D surveys or indices.

**DEMAND RESPONSE AND SMART BUILDINGS**

Continue to expand the program across the portfolio where applicable, and leverage the full capabilities of the data for both demand response and utilities procurement. Also, integrate into our construction standards.

**UTILITY DASHBOARD**

Implement a utility dashboard for our Portfolio Directors to improve their understanding of utility trends and anomalies, to capture issues and resolve them sooner.

**FITWEL**

With a focus on health and wellness, continue to pursue additional certifications, including one at Avalon First & M in Washington, DC. Integrate Fitwel into our new development processes, encouraging certification where applicable.

**WATER EFFICIENCY**

Execute on recommendations from the Water Savings Task Force, including retrofits of the 30+ communities where we control the whole building water expense. Continue to engage residents on water efficiency education and determine potential new goal.

**ASSOCIATE RELIEF FUND**

Continue to enhance the AvalonBay Associate Relief Fund, which provides help to associates who are facing financial need immediately after a natural disaster or unexpected personal hardship. 2021 enhancements include adding payroll giving and launching a vacation donation program.

**RED CROSS PARTNERSHIP**

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

**NATIONAL URBAN LEAGUE PARTNERSHIP**

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

**LED PORTFOLIO RETROITS**

Retrofit over 20 communities to LED and scope what could be the final set of targets for our LED retrofit program.

**TARGETS**

Continue rollout of the implementation plan to achieve our Science-Based Targets and transition to our new goals beyond 2020, including determining a potential new water goal (page 7).

**EXTERNAL RATINGS AND RANKINGS**

Continue to maintain or improve AvalonBay’s position on indices like GRESB and CDP, as well as other ESG rating agencies.

**RESIDENTS**

Maintain customer satisfaction scores and engage residents in environmental sustainability, Inclusion and Diversity activities, and our national partnerships with the American Red Cross and National Urban League.
ESG REPORTING & RECOGNITION

The purpose of this report is to provide information related to AvalonBay’s environmental, social and governance (ESG) activities and performance, and covers issues and material relevant to our business and stakeholders. This report follows the GRI-G4 Sustainability Reporting Guidelines and sector-specific guidelines for real estate and construction. We also align with the United Nations Sustainable Development Goals (SDGs, page 7), the Sustainability Accounting Standards Board (SASB, page 58) and the Taskforce on Climate-related Financial Disclosures (TCFD, page 59).

In addition to this report, we also participate in and provide reporting through the Global Real Estate Sustainability Benchmark (GRESB) and CDP. A number of ESG ratings continue to rank us as one of the most advanced US companies in our sector. These include Euronext, VigeoEIRIS and ISS-oekom. We also periodically review and respond to reports, such as MSCI.

2020 AWARDS & RECOGNITION

• GRESB Global & Regional Sector Leader (and received 5 “Green Stars” for the first time)
• 2020 Nareit Leader in the Light Award Winner for Residential/Apartments
• CDP: Maintained score of “A-” and named a Supplier Engagement Leader
• Member of FTSE4Good

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Despite the many pandemic-related challenges of 2020, we continued to make progress on our environmental sustainability efforts. Highlights include:

- A 15.4 percent reduction in our Scope 1 and 2 and a 16 percent reduction in our Scope 3 GHG emissions (by square foot).
- For our Science Based Targets, we started planning and initial execution on two fundamental initiatives to achieve our science-based emissions reduction targets (SBTs). These include expansion of our renewable energy commitments and an in-depth review of embedded carbon in our construction materials.
- A comprehensive study of climate risk across our portfolio. Partnering with an industry expert, we evaluated each property against 11 climate-risk factors and built a comprehensive emissions and climate risk dashboard.
- Five additional communities were LEED certified bringing the total number of communities either certified or pursuing certification to 84, over 1/3 of our portfolio.
- In the final year of our water goal, we achieved an 8% drop from our baseline year. At one point we had achieved almost 12% and were close to the goal, but with residents living and working full-time in their apartment homes during the COVID-19 pandemic, consumption increased. The good news is we learned a great deal over the years with the water goal, and plan to continue to focus on reductions with our Water Task Force. One example of their work is our weather-based irrigation systems, which are saving us over 58 million gallons of water and $493,000 annually. In 2020 we began installation on another 31 systems.
- We made progress on our renewable energy strategy, with 1.1 megawatts of solar installed and another 7.2 megawatts in design and under construction. By the end of 2022 AvalonBay will have 55 solar sites operating with a total of 8.6 MW of solar generating 12,400 MWhrs of electricity per year. And in 2020 we moved 56 percent of our procurable common area electric load to renewable wind energy, with the result that by the end of 2021 we will have 85 percent of our procurable load from renewable sources.
- Our Waste Task Force worked throughout 2020 to identify ways to reduce our waste, divert more from landfills and improve our clean recycling. And their efforts are paying off, because in a year when our residents primarily lived and worked at home, we were able to hold on any waste increases. As we move forward we plan to continue to focus on improvements in these numbers.

Initiatives begun in the last three years are now saving over $5M annually through energy and water conservation and onsite solar generation. We are setting a course that firmly places AvalonBay on a track to be a leader in environmental, social and governance efforts.
The success of our Building Certified Policy, which requires all new mid- and high-rise communities to pursue environmental certification, has resulted in 60 communities receiving an environmental certification to-date — while an additional 24 are currently pursuing certification. These new certifications bring the total number of communities in our portfolio either pursuing or having achieved an environmental certification to 84. We now have six regional offices with a LEED or EnergyStar environmental certification, and our new corporate headquarters became Fitwel certified in 2020.

AVB OFFICE CERTIFICATIONS

Arlington, VA
LEED Commercial Interiors Silver, Fitwel Certified
Bellevue, WA
ENERGY STAR Certified
Boston, MA
LEED EB ENERGY STAR Platinum Certified
Los Angeles, CA
LEED EB ENERGY STAR Silver Certified
New York, NY
LEED Commercial Interiors ENERGY STAR Silver Certified

WATER AND ENERGY EFFICIENCY RESULTS

We completed construction of eight apartment communities in 2020, consisting of 2,095 apartment homes. Thanks to our sustainability standards for new construction, these new communities will generate approximately 320,000 kWh in electricity savings per year, a 30 percent reduction in heating and cooling costs, and 19.5M gallons of water savings per year compared to minimum code requirements. Other major accomplishments in 2020 include:

- LED Lighting: Completed 10 projects in 2020, and are now achieving annual energy-only savings of 30.6 million kWh, and cost savings of over $3.8 million with a simple payback period of just under four years on all LED lighting projects completed to date.

- Solar: Completed seven solar installations producing 566 kW of power
- Water Audits and Retrofits: AvalonBay’s Water Task Force identified a series of portfolio-wide water savings activities, including additional investment in weather-based irrigation, more stringent construction standards relative to water-related fixtures, and policy changes that enhance water conservation.

COMMUNITY OPERATIONS PROJECTS

We see significant opportunity in our current portfolio to drive efficiency, reduce emissions, lower costs and improve net operating income (NOI). In 2020, we continued to pursue this opportunity on a number of fronts.

Demand Management and Interval “Smart” Metering
Our demand response and smart building data program includes 40 properties representing over 13.5 million SF. Utilization of our continuous demand management generated over $795,000 in annual savings from demand response payments, load reduction and utility tariff rate optimization. Our interval smart metering platform measured and verified an additional $500,000 of savings associated with implementation of various energy efficiency measures that reduced energy consumption and peak demand.

Our associate behaviors show that AvalonBay now has the ability to support utility grid stress with over a 3 MW reduction. Our energy supply procurement program now translates summer peak demand management reductions into lower supply rates executed on an online reverse auction platform that support renewable energy credits. Renewable energy now represents 85 percent of AvalonBay’s procurable load which amounts to ~ 70,735,907 annual kWh.

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Our associate behaviors show that AvalonBay now has the ability to support utility grid stress with over a 3 MW reduction. Our energy supply procurement program now translates summer peak demand management reductions into lower supply rates executed on an online reverse auction platform that support renewable energy credits. Renewable energy now represents 85 percent of AvalonBay’s procurable load which amounts to ~ 70,735,907 annual kWh.
Our smart building operations platform monitors our fleet of CHP generation coast-to-coast to maximize energy conservation and carbon reductions, and now supports battery storage dispatch optimization. The platform has expanded to support smart thermostats, water efficiency devices and preventative maintenance protocols.

Residential Demand Response and Reducing Carbon Emissions

Our demand response and smart building data program can now support residential demand response and carbon emissions reductions tracking in utility districts that support new generation AMI smart meters. We will be piloting residential demand response and carbon emissions reductions tracking in New York and California. Residents can now download a free mobile app in New York, GridRewards, that enables residents to track energy usage, utility cost and carbon footprint by the hour each day of the year. Throughout the year the app provides guidance on how to save energy and lower utility expenses. Residents can also combat climate change and improve the environment by lowering carbon emissions precisely at hours of the day the GridRewards app identifies that electricity has the highest carbon content.

Building Automation

AvalonBay is leveraging an Internet of Things (IoT) platform for streamlining building operations and increasing the effectiveness of existing maintenance practices, including a critical mass of building management systems. This is done by validating repair work performed by third-party contractors and reducing operational costs through real-time fault detection and utility cost savings. The IoT platform also supports utilization of smart thermostats that enable real-time portfolio command and control of common area HVAC systems that can drive significant load reductions.

Green Labels

We continue our apartment labeling program at all new developments. The labels, which are now in 75 AvalonBay apartment communities, show residents how built-in efficiencies help them consume less energy and water, which ultimately saves them money and provides details on the green and health-related features of their apartment homes. In 2020 we added emissions to this label to show the impact of our new construction on lowering each apartment home’s emissions.

Transportation Advances

• Car Charging: We currently have 479 charging stations installed at our communities. And we plan to install another 220 this year

• Car Sharing: We have a total of 15 communities with car sharing amenities, including ZipCar, Enterprise and Whip EV. Whip EV is a minority-owned car sharing company and our newest partnership, which rolled out at Kanso Twinbrook — our newest value-based living concept community in Rockville, MD.

CLIMATE AND EMISSIONS

We know we have a role to play to lower our carbon footprint, which is why we set ambitious science-based targets. We remain an innovative and important way for us to prepare our residents and associates for the effects of stronger storms and more frequent climate-related events.

City and Market Participation

Our Science-Based Targets are, in part, a result of the conversations we are having with the cities and markets where we do business. We continue to participate in a network of efficiency and carbon reduction challenges, including:

• Boston: We are members of the Green Ribbon Commission and are working with them and the City of Boston to make one of our properties available as a pilot for expanded energy retrofits in support of the City’s carbon emission reduction goals

• New York: We have committed to cut greenhouse gas emissions by 30% at select buildings as part of the Carbon Challenge. And under the Retrofit Accelerator program, we continue to make progress on two properties that will get an efficiency retrofit to help the City cut emissions 80% by 2050.

• Los Angeles: In 2015 we joined the LA Better Buildings Challenge with a commitment to reduce the energy consumption of our LA portfolio

Renewable Energy

Our renewable energy strategy continued in 2020 with additional components related to our Science-based Targets. Onsite solar generation is an important activity to reduce our Scope 1 and 2 emissions. By the end of 2022 AvalonBay will have 55 solar projects operating with a total of 8.6 MW of solar generating 10,400 MWhrs of electricity per year. All Phase 1 solar installations are complete, including seven in Washington, DC and one in New Jersey. Our Phase 2 solar projects (26 communities in California) are either live or still under construction. Our Phase 3 solar projects are under construction, consisting of 20 planned installations.

Based on the latest data available from 2019, the total of 55 solar sites and 8.6 MW of installed solar will place AvalonBay just below the top five of all real estate users of solar based on MW installed (see chart above).

Climate and Emissions Risk Dashboard and Resiliency

In 2020, we developed a comprehensive Climate and Emissions Risk Dashboard designed to rate each community across 11 climate-risk factors and against the community’s emissions profile. We rated 274 properties across 11 climate risks and provided an aggregate score. Risks include:

• Pluvial Flooding (rainfall)
• Fluvial Flooding (riverine)
• Hurricane
• FEMA flood rating
• Wind
• Tornado
• Earthquake
• Tidal Flooding (sea-level rise)
• Future: Extreme Heat
• Future: Extreme Rainfall
• Future: Extreme Drought

In addition, we calculated overall emissions and emissions intensities for each property, integrating emissions and climate risk into one dashboard. Our plan is to use this data to inform investments/divestiture decisions, capital improvements, and plans for climate resiliency actions.
We also recognize the importance of value-oriented, market-based housing to the local workforce — our eaves by Avalon brand and new value-based living concept, Kanso, were created specifically to provide value living at its best.

We own and operate 116 communities that include a designated affordable housing component, intermingled with our market rate rental housing. In 2020, rent subsidies totaled $64M to more than 8,588 residents in 4,515 affordable apartment homes across these communities.

Including affordable housing in the context of the mixed-income communities we own and operate provides lower-income households with the opportunity to access all of the benefits of living in resource-rich neighborhoods including proximity to employment, neighborhood services and high quality schools.

PHILANTHROPY AND COMMUNITY INVESTMENT

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

SUPPORT FOR COMMUNITY INFRASTRUCTURE AND SERVICES

In addition to giving back through Building Strong Communities, we continue to invest in community infrastructure and services as we grow our portfolio with over $399M spent or planned to spend in 2020 related to our ongoing development activity, including:

- Local permits, fees and taxes paid on projects under development: $25.9M, with an additional $68.1M to be spent through completion
- $6.1M for neighborhood infrastructure (roads, sidewalks, improvements to water/sewer/storm drainage), with an additional $15.9M to be spent through completion, excluding reimbursements
- $1.9M for municipal sewer/water connections, with an additional $1.3M to be spent through completion
- $4.1M to local parks/recreation
- $776K to support local school districts, with an additional $2.7M to be spent through completion

We also paid property taxes across the entire portfolio (not just development) of: $272.2M.
**SPRIT OF CARING SEASON**

In 2020, we planned to celebrate our ninth annual Spirit of Caring Month in May, a dedicated monthlong volunteer effort focusing on our Building Strong Communities partners. Due to the COVID-19 pandemic, we instead delayed it until later in the year and celebrated our first ever Spirit of Caring Season, a two-monthlong Company-wide program that created new ways to engage our non-profit partners and participate in their mission.

**ASSOCIATE RELIEF FUND**

In 2019 we launched AvalonBay’s Associate Relief Fund, which provides help to associates who are facing financial need immediately after a natural disaster or personal hardship. An associate who has a qualifying event, expense, or both, can apply for a grant from the fund. Funding relies primarily on support from AvalonBay and individual donations from associates.

In 2020, we expanded the fund to include a new category to help associates and their families impacted by the COVID-19 pandemic. Overall, 43 associates received a total of $115,000 in grants from the fund.

**VACATION DONATION PROGRAM**

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

**REGIONAL PHILANTHROPY ENGAGEMENT**

Building Strong Communities focuses funding and partnerships on building relationships with the most impactful local non-profits aligned to our focus areas of affordable housing and support for at-risk populations. A full list of all of our regional partners can be found on our website. In 2020 our regions focused on new ways to support their local non-profits in a socially-distanced world, and provided key support to non-profit clients navigating the pandemic.

- **New Jersey**
  - The NJ team helped local children by donating $5,000 to New Jersey Community Development Corporation to purchase laptops for remote learning. The team also hosted a virtual holiday party for The Children’s Home Society of NJ.

- **Colorado**
  - Through a virtual donation drive for A Precious Child, Denver-area associates donated more than 83 hygiene items and school supplies worth a total of over $1,600 to Colorado families in need.

- **Long Island**
  - Multiple departments came together to support Family Service League. Over $7,500 was raised to feed the hungry during Thanksgiving, fill FSIL’s food pantry, give children toys during the holidays and provide the homeless with warm socks.

- **Southern California**
  - The Orange County & San Diego regions participated in virtual volunteer walks and card making projects for partner organizations to celebrate holidays and essential workers.

- **Florida**
  - During Spirit of Caring Season, a group of associates supported our partner the American Association of Caregiving Youth by organizing and hosting a virtual holiday cookie decorating event for their youth clients.

- **Massachusetts/Rhode Island**
  - Associates in the Boston area volunteered to spend time creating and sending personalized cards to veterans at the New England Center and Home for Veterans and Veteran Support Alliance, thanking them for their service.

- **New York City**
  - NYC volunteers made reassurance calls to local seniors that were supported by our partner Union Settlement. This gave the seniors a warm, caring voice to talk to, as well as virtual assistance with services like transportation and grocery delivery.

- **New England Center and Home For Veterans**
  - Volunteers made personalized cards to send to veterans at the New England Center and Home for Veterans.

- **Northern California**
  - In partnership with the Housing Industry Foundation, the Northern California communities pulled together and collected 8,169 pounds of food for our local food banks during a time of great food need.

- **Washington, DC**
  - The team at our Customer Care Center participated in a remote Family Volunteer Day in partnership with Volunteer Hampton Roads and created 100 compassion cards and cold weather kits for the homeless and 50 isolation kits for local seniors.

- **Virginia Beach**
  - The team at our Customer Care Center participated in a remote Family Volunteer Day in partnership with Volunteer Hampton Roads and created 100 compassion cards and cold weather kits for the homeless and 50 isolation kits for local seniors.

- **Los Angeles**
  - The LA team donated $6,000 to our partner LA After School Allstars to help purchase 60 holiday gift cards for families in need during the pandemic.

- **Mid-Atlantic**
  - The Mid-Atlantic Construction Team partnered with A Wider Circle and served as the project manager and general contractor to build out A Wider Circle’s Ward 8 Neighborhood Hub and Family Success Center in Washington, DC.

- **AvalonBay’s Platinum Sponsor**
  - A Precious Child, Denver-area associates donated more than 83 hygiene items and school supplies worth a total of over $1,600 to Colorado families in need.

- **Long Island**
  - Multiple departments came together to support Family Service League. Over $7,500 was raised to feed the hungry during Thanksgiving, fill FSIL’s food pantry, give children toys during the holidays and provide the homeless with warm socks.

- **New York City**
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2020 Corporate Responsibility Report

PHILANTHROPY SUPPORT DURING THE COVID-19 PANDEMIC

In 2020, our program was more important than ever, as the COVID-19 pandemic greatly impacted our communities and non-profit partners. Throughout the year we were able to:

• Provide $2.4M cash and in-kind donations through the program, exceeding our 2020 goal of $2.2M
• Of the $2.4M, $450,000 were additional COVID-19-specific donations to support our regional non-profit partners and their most-impacted clients
• Safely support our non-profit partners and local communities through online fundraisers, virtual volunteering and limited socially distanced in-person volunteer events and donation drop-offs, including support for food scarcity
• Support associates with grants through the AvalonBay Associate Relief Fund, with a specific pandemic-related category, as well as launch AvalonBay’s Vacation Donation program which enables associates to donate their own vacation time to other associates in need

IN 2020, ALTHOUGH OUR IN-PERSON ACTIVITIES WERE LIMITED DUE TO THE COVID-19 PANDEMIC, WE CONTINUED TO SUPPORT OUR PARTNERSHIP IN SEVERAL WAYS, INCLUDING:

$1.93M in donations to the American Red Cross from AvalonBay, its associates and residents
1,105 AvalonBay associates trained in CPR
352 blood drives, resulting in 7,412 pints of blood, which could potentially help save 22,236 lives
146,000 residents and 3,100 associates received preparedness tips and resources annually

AMERICAN RED CROSS PARTNERSHIP
2020 marked the sixth year of our national partnership with the American Red Cross, a model partnership that is used as an example for other corporations the Red Cross works with. To date, the cumulative value both sides receive from this partnership includes:

Disaster Responder Donation
Our annual Disaster Responder Partner-level donation of $250,000 helped provide ongoing support throughout 2020. Our contribution helped the Red Cross provide over 900,000 meals and snacks, 488,000 relief items, 106,000 overnight stays, help for 23,000 households and 99,000 individual care contacts related to physical and mental health.

Blood Donations
In the first two months of the year, we were able to host 13 drives that resulted in 264 pints of blood donated. In September we launched a virtual Sleeves Up campaign, which resulted in our associates and residents making 411 pledges to donate blood during the year. Although we did not exceed our ambitious 2,000-pint goal due to COVID-19 restrictions, we are proud of our ongoing commitment to potentially save three lives for every pint donated.

Community Preparedness Week
We conducted our sixth annual AvalonBay Community Preparedness Week, a weeklong campaign aimed at improving resident and associate emergency and disaster preparedness. During the week, we engaged our 146,000 residents and 3,100 associates, with the aim of helping them better understand Red Cross resources, including materials and training specific to COVID-19.

Western Wildfires Fundraiser
In response to the wildfires that spread across California, Oregon and Washington in the early fall of 2020, AvalonBay activated our microsite and launched a fundraiser to support those impacted by the fires. Associates and residents donated $35,000 and with the company’s match, $70,000 was donated in response to this disaster.
ASSOCIATES

Our associates continue to drive AvalonBay’s purpose — creating a better way to live. We are committed to being a living wage company* while deepening our core values of a spirit of caring, a focus on continuous improvement and a commitment to integrity. In our Human Rights Statement we outline the principles related to human rights that our Company upholds (https://www.avaloncommunities.com/humanrights).

This section highlights our 2020 efforts to attract, hire, develop and retain the best people.

LEARNING AND DEVELOPMENT

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 memorialize them in a year-end performance review. We expect these ongoing conversations to prepare associates to be successful in their current position as well as their broader careers. All associates can take advantage of opportunities for career development, training, tuition assistance and scholarships.

EDUCATION AND TRAINING AT AVALONBAY

AvalonBay University

Our learning management system, AvalonBay University (AVBU), is available to all associates and offers over 700 courses, providing technical, management, ethics and compliance training. In 2020, associates completed 41,233 hours of online training, equivalent to about 13.8 hours per associate. We also conducted 10,542 hours of classroom training.

Compliance Training

All AvalonBay associates are required to take Standards of Business Conduct training upon hire, and the organization recertifies all associates every two years. 7,033 hours of compliance training were completed in 2020. All associates are also required to complete AVBU Ethics training.

Cyber Security Training

All AvalonBay associates have been taking mandatory cyber security training since 2015. Beginning in 2017, the cyber security program started focusing its training in four areas: (1) comprehensive mandatory training for new hires, (2) mandatory annual refresher training for all associates, (3) enhanced training in key topics, and (4) remedial training targeted to a limited number of associates in response to their usage patterns. In 2020 we continued this emphasis, with courses designed to help associates identify and avoid common computer and network security risks, understand how security breaches can affect the company, remain vigilant, and understand how to utilize available computer and network security resources. Associates completed 5,144 hours of cyber security training in 2020.

Workplace Harassment Training

As part of our commitment to fostering a healthy, productive work environment free from intimidation and harassment, we require all associates to complete role-specific anti-harassment training when they join AvalonBay and then at least every one to two years thereafter.** These trainings, “Workplace Harassment Prevention for Employees” and “Workplace Harassment Prevention for Managers,” are an important resource that helps associates understand what harassment is and the appropriate ways to interact with each other, our customers, and anyone with whom we conduct business. For our managers this training clarifies their important leadership role in preventing harassment and creating an environment where all associates feel valued and can bring their whole self to AvalonBay each day.

Inclusion and Diversity Training

Everyone has unconscious bias. It is part of being human. In the workplace, our biases can influence decisions and not always for the best. In 2019 we launched an unconscious bias training program and had nearly 500 associates attend 20 sessions, which included senior leadership. We continued this training in 2020 with 201 additional manager-level associates completing the virtual course. We also introduced a new allyship training program in 2020, which 190 associates completed virtually.

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 (CPW) 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 all associates have access to. In 2019, we required all associates to complete the Workplace Violence course.

Associate Environmental Awareness

Over the past few years we have hosted Earth Day webinars on pollinators, sustainable buying habits, environmental toxins and water scarcity. All associates have ongoing access to these resources, and we continue to engage our associates on a variety of environmental topics each year.

SUPPORTING OUR ASSOCIATES DURING THE COVID-19 PANDEMIC

As the pandemic began we moved quickly to enhance our benefits to associates in relation to COVID-19, including:

Expanding Our Emergency Paid Leave

AvalonBay offered associates up to six weeks of additional Emergency Paid Leave (EPL) at 100 percent of their pay if they had been materially impacted by COVID-19 and needed to miss work. To date, 1,933 associates have used at least one hour of our emergency paid leave.

Ensuring Full Medical Coverage

The company’s medical plans provide 100 percent coverage for the following: diagnostic COVID-19 testing, antibody testing, and inpatient hospital admissions to treat COVID-19. In addition, the company has temporarily provided 100 percent coverage for telemedicine services for all medical concerns, so associates don’t have to leave their homes to receive medical care.

Options for Additional Support

AvalonBay’s Associate Relief Fund, which provides grants to qualifying associates facing financial hardship, expanded to cover those impacted by the COVID-19 pandemic. In addition, we launched AvalonBay’s new Vacation Donation program which enables associates to donate their own vacation time to other associates in need.

Free Vaccinations

COVID-19 vaccinations are free of charge under all medical and pharmacy plans. In addition to providing free coverage, the company has developed an extensive communication and education campaign for associates on the topic of vaccination. Associates can also use Emergency Paid Leave for time taken to receive a vaccine and if they are impacted by vaccine-related side effects.

Educating Our Associates

The COVID-19 Navigator is a tool that enables our associates to be paired with a care worker who assists them with COVID-19 questions and concerns from start to finish. All associates and their dependents (spouses, domestic partners, children up to the age of 26, parents and parents-in-law) are eligible to take advantage of this benefit which helps them:

- Understand vaccine eligibility
- Explain vaccine options and locate local vaccination sites
- Assist with vaccine registration and appointment procedures
- When eligible, provide assistance for vaccine appointment scheduling
- Research COVID-19 testing options and locations
COVID-19 TRAINING

The coronavirus (COVID-19) required that we adapt our processes, policies, and procedures and provide updates and training for our associates on changes needed to help keep themselves and our communities safe. We provided training and resources on how to work and manage remotely. We created acknowledgments of relevant updates to our policies. We produced multiple asynchronous training modules with updated safety plans, videos, and created refresher courses such as the multi-language refresher course covering our daily screening checklist. 3,350 hours of COVID-19 training were completed by associates in 2020.

CAREER DEVELOPMENT AND ADVANCEMENT OPPORTUNITIES AT AVALONBAY

Career Development

to ensure that new associates understand what they need to be successful and grow their career at AvalonBay, they complete “Leading Self,” a course that focuses on partnering with their manager to deliver results, ask for and receive feedback, and prepare for a career development conversation. Also, in 2020, to better prepare managers to deliver timely, caring and candid feedback conversations, we rolled out a framework and training to guide them. Finally, all associates at director level and above are expected to complete individual development plans. To do so successfully, they and their managers are provided with training and resources.

External Partnerships

We also partner with educational institutions and leading vendors to provide high quality leadership and management development programs for associates. For example, we jointly delivered a leadership development program in 2019/2020 with a leading university business school including live learning with faculty, followed by four months of peer coaching facilitated by executive coaches. Additionally, we prepared high potential leaders in a yearlong program delivered by a global organizational consulting and leadership development firm.

Tuition Assistance Program

AvalonBay provides tuition assistance to full-time associates who successfully complete undergraduate or graduate degree programs at licensed, accredited educational institutions or for coursework leading to professional certifications/designations. The purpose of this program is to encourage associate development through increased education so that associates can perform their jobs more effectively and prepare themselves to advance their careers at AvalonBay.

HEALTH AND SAFETY

In 2020, AvalonBay continued the implementation of our award-winning Fire Elimination program (FEP) on our wood frame construction jobites. This program includes: MFIRE Spray Fire Inhibitor, Temperature Sensors and Surveillance Cameras. All wood framing on our projects is treated with the MFIRE Spray Fire Inhibitor product during construction. In 2020, the fire inhibitor was used at 14 of our communities, totaling approximately 2.8 million square feet of protected wood framing. During the entire construction duration, we deploy sensors in our buildings under construction to detect temperature rise as an early warning indicator of potential fire hazards. In 2020, the sensors were deployed in the construction of eight communities. On qualified projects, the Fire Elimination program includes the use of centrally monitored surveillance cameras with motion-activated sirens and strobes to deter trespassing and mitigate the risk of arson.

AvalonBay’s Safety and Health Staff

Providing technical safety resources at a regional level remains critical to meeting the safety needs of our associates. Our National Safety & Health team consists of nine professionals distributed across AvalonBay’s regions. The team includes two Regional Directors and two Regional Safety Managers, each based in one of our larger regional offices and responsible for providing support and guidance for our IIF efforts in their respective regions. We also have five Project Safety Engineers with a full-time presence on specific construction jobites.

Our safety team also supports the American Society of Safety Professionals (ASSP), the National Safety Council, 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 2020, members of the team volunteered their time regionally with organizations including the Environmental Health & Safety Protection Association (NFPA), and Associated Builders and Contractors (ABC) at the regional and national leadership levels. In 2020, they also volunteered their time regionally with organizations including the Environmental Health & Safety program at Cal-State Fullerton and the Southern California OSHA Institute at Dominguez Hills College.

New Construction Site Safety Observation Program

In 2020, we completely revamped the Construction Site Safety Observation program. This program serves as our project-level performance metric and our basis to improve our IIF performance on all of our construction projects. The improved program now measures the compliance of nearly 200 internal and external observations conducted at each jobite that are executed by AvalonBay’s National Safety & Health team. In 2020, members of the team volunteered their time regionally with organizations including the Environmental Health & Safety program at Cal-State Fullerton and the Southern California OSHA Institute at Dominguez Hills College.

We believe working without injury is a fundamental right, and we are committed to establishing workplaces free from injury — both in construction sites and operating communities. Our IIF program advocates these principles:

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

*Incident and Injury-Free™ (IIF™) Workplace*
2020 Corporate Responsibility Report

Values My Health and Safety” was 89 percent favorable vs. the “Culture and Safety.” One of the key indicators: “The Company AvalonBay’s annual associate survey includes the category of Associate Feedback on Health and Safety. 30 occasions during 2020 where all inspections were compliant. visited by federal OSHA or state plan officials on approximately AvalonBay’s operating properties and construction sites were our jobsites. workers and the regulatory agency. This relationship has helped our field training program and communication between trade effort between AvalonBay and the Region 1 OSHA has improved OSHA out of the Boston North Area office. The collaborative Regulatory Activity

In 2020, AvalonBay executed a partnership with the federal OSHA out of the Boston North Area office. The collaborative effort between AvalonBay and the Region 1 OSHA has improved our field training program and communication between trade workers and the regulatory agency. This relationship has helped AvalonBay to change the culture of safety beyond the borders of our jobsites.

AvalonBay’s operating properties and construction sites were visited by federal OSHA or state plan officials on approximately 30 occasions during 2020 where all inspections were compliant. This collaborative relationship has helped AvalonBay to improve its field training program and communication between trade workers and the regulatory agency.

Associate Feedback on Health and Safety

AvalonBay’s annual associate survey includes the category of “Culture and Safety.” One of the key indicators is “The Company Values My Health and Safety,” which was rated at 89 percent favorable compared to the overall company average of 81 percent.

Associate Perspective Survey

Every year, we conduct an engagement survey called “Your Voice, Your View—the Associate Perspective Survey,” which enables AvalonBay to better understand how associates view the company, their managers, and their overall experience. In 2020, the survey measured three main areas: Engagement, Manager Effectiveness, and Performance Excellence, as well as three Organizational Indices—Inclusion and Diversity, COVID-19, and Radical Candor. A new item to the Inclusion and Diversity index created the COVID-19 index with three new items and one updated item. Also included were questions making up 11 other categories, such as Customer Focus, Growth and Development, Culture, and Safety. The response rate was 81 percent for the entire company. The next full engagement survey is planned for Fall 2021.

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

Weoll-Being and Benefits

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

Full-Time Associate Benefits

- Medical (4 plans), dental (2 plans) and vision
- Domestic partner benefits
- Flexible spending accounts
- 401(k) enrollment and matching
- Life/AD&D/disability/EAP
- Vacation, sick leave, flexible time, volunteer time, floating holiday(s), bereavement, jury duty
- Paid parental leave
- FMLA and local maternity and parental leave
- Supplemental medical insurance benefits
- Sabbatical program
- Housing discounts, including a 20% discount for full-time associates
- Adoption assistance
- Employee stock purchase program
- Career development
- Tuition assistance
- Associate Relief Fund
- 100% company-paid Diabetes and Hypertension Management programs
- 100% company-paid health coaching and access to nutritionists and dietitians
- Maven—around-the-clock maternity support
- Wealthy—caregiver support provides assistance in caring for loved ones
- Rethink—support for parents caring for children with learning, behavioral or social challenges
- Legal plan, identity theft, auto/home insurance, discount programs
- Pet insurance

Part-Time Associate Benefits

- Dental (2 plans) and vision
- Supplemental medical insurance benefits
- 401(k) enrollment and matching
- Employee stock purchase program
- Transportation benefits
- 100% company-paid health coaching and access to nutritionists and dietitians
- Maven—around-the-clock maternity support
- Wealthy—caregiver support provides assistance in caring for loved ones
- Rethink—support for parents caring for children with learning, behavioral or social challenges
- Domestic partner benefits
- Legal plan, identity theft, auto/home insurance, discount programs
- Pet insurance

Construction Safety Measures Specific to COVID-19

For the health and safety of our associates and all contractor personnel and visitors on our construction jobsites, AvalonBay adopted a set of jobsite procedures designed to limit the spread of COVID-19. The Jobsite Procedures requirements included:

- Using good sanitary practices, including frequent hand washing, limited physical contact, and enhanced cleaning and disinfecting procedures
- Maintaining proper social distancing (at least 6 feet) in work and gathering areas and during jobsite meetings
- Wearing work gloves at all times and additional personal protective equipment when appropriate
- Wearing cloth face coverings at all times consistent with CDC guidelines and OSHA safety requirements
- Daily health screenings for associates
- Staying home if you tested positive for COVID-19, displayed COVID-19 symptoms, or had been exposed to a positive or symptomatic person
- Following certain protocols before returning to the jobsite if you test positive, display symptoms, or have been exposed
We introduced the following enhancements to our benefits program in 2020:

**Wellthy**
Caring for loved ones with complex, chronic and ongoing care needs such as a parent with dementia, a spouse with cancer, or a child with a developmental disability, can be stressful, overwhelming and time consuming. To help address these challenges, AvalonBay provides associates with access to Wellthy, a healthcare concierge program that assigns associates with a dedicated care coordinator and online care dashboard. The care coordinator can schedule appointments, help navigate insurance issues, organize medical records, and find in-home care.

**Medical Plan Changes**
To help curb the rising costs of medical and prescription coverage, AvalonBay made a few changes to help our members such as reducing the specialist copay cost to the $900 PPO plan by $20, allowing members the ability to fill 90-day supplies of maintenance medications at CVS or Walgreens for the same cost as mail order, and offering $0 copays for CVS MinuteClinic visits for members enrolled in the PPO medical plans.

**Tuition Reimbursement**
AvalonBay increased our maximum annual tuition reimbursement benefit for 2020 to $5,250, the maximum amount that is considered tax free by the IRS.

**Expanded Use of Flex Time**
The list of eligible reasons for flex time use were expanded to include a primary residence move and tasks associated with caring for an elder, as well as additional bereavement time.

**Rethink**
Rethink provides support to families raising children with learning, social or behavioral challenges, or developmental disabilities. Rethink’s research-based program has no age restrictions, requires no formal diagnosis, and is completely confidential. The benefit provides associates with access to thousands of step-by-step videos, downloadable resources and one-on-one virtual consultations with clinical experts.

**Mental Health and Well-being Support**
Associates receive free mental health and well-being support through multiple channels, whether it be through the medical plan or one of the myriad wellness benefits:

- Associates and their eligible dependents have access to free EAP services 24/7/365 through Health Advocate, including 5 in-person or virtual sessions with a mental health counselor. The EAP provides confidential support for a variety of issues, including family/relationship challenges, depression and stress management, anxiety, alcohol/substance abuse and more.

- Associates and their eligible dependents are encouraged to take advantage of AvalonBay’s free virtual wellness benefit through VidaHealth. In addition to the chronic and lifestyle programs, VidaHealth offers two mental health pathways – Resilience and Stress Management.

- Associates and their partners who are working with Maven, our family planning wellness benefit, have access to mental health professionals 24/7.

- Aetna and Cigna medical plan members can receive free mental health telehealth visits through Teledoc and MDLive throughout 2020 and 2021. Aetna also offers free EAP services, and Cigna provides members with Happily and iPrevail stress management programs.

**Maven**
Maven offers 24/7 support at every stage of the parenthood journey. With Maven, associates receive access to a Care Advocate who is available to answer any question, make personal recommendations and help navigate benefits. On-demand virtual appointments with OB-GYNs, mental health providers, nutritionists, and sleep coaches are available for free through easy to use video chat or message.

**Awards and Recognition**
Through one of our associate recognition programs, AvalonBay’s Very Best, we award and recognize five areas of associate contribution:

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

**Kudos**
Kudos is an extension of our regional associate recognition program that enables associates to say “thank you” and acknowledge fellow associates for a job well done. Since we launched it in 2014, Kudos has given hundreds of associates a way to recognize their peers.

**Innovation**
With innovation as a focus at an executive level, we have a Senior Vice President assigned to coordinating innovation projects and strategic focus, coordinating with venture capital investment funds focused on “proptech” and ESG, and actively promoting innovation as part of our development plans and focus on the customer. One of the outcomes of this strategy includes a new value-based living concept — Kanso — launched in 2020. With the tagline “Live simply, without sacrifice,” Kanso appeals to those seeking a quality home on a budget with fewer amenities, such as someone new to the workforce or otherwise seeking a budget option.

**A Few Key Highlights from 2020:**
- Kanso Twinbrook opened in Q4, a community in Rockville, MD that relies on heavy use of technology to deliver efficient and cost-effective operations. This community also piloted several digital amenities, such as community-wide WiFi.
- Working with smart building software vendors, we are piloting the use of technology to enable building and apartment access and thermostat control, with an expanded rollout planned for 2021.
- Although expansion was impacted by COVID-19, we continue to operate furnished apartments giving residents a more cost-effective “plug and play” living option. In addition, we piloted a third-party pop-up hotel as part of a new community, Avalon Belltown in Seattle, WA.
- Various other digital initiatives and uses for proptech in adding efficiency, energy savings or amenities to our portfolio are also in the planning or pilot phases.
I&D GOVERNANCE AND ORGANIZATION

The organization of Inclusion and Diversity at AvalonBay includes:

Two key governance structures: The Inclusion and Diversity (I&D) Steering Committee and the I&D Regional Leaders. The Steering Committee is responsible for overseeing the overall strategy and implementation of I&D initiatives across the organization. The Regional Leaders provide regional oversight and support, with 12 leaders representing different regions of the business.

In addition to the two steering committees, the company has established several associate networks that focus on specific diversity and inclusion themes. These networks include the Asian/Pacific American Heritage Network, Black Alliance of AvalonBay (BAC), Latinx Employees of AvalonBay, Inclusion and Diversity Network, and Professional Advisory Council (PAC).

I&D STRATEGY

In 2020, AvalonBay focused on several key strategies to promote and create an inclusive and diverse environment. These strategies included:

1. Developing and implementing programs and initiatives to support underrepresented minorities in leadership positions.
2. Enhancing the diversity and inclusion strategy by focusing on five priority areas: talent acquisition, associate development and promotions, leadership development, and diversity and inclusion in the workplace.
3. Launching initiatives to improve the representation of women in leadership positions.
4. Creating and implementing training programs to build ally skills and foster a culture of inclusion.
5. Engaging in community partnerships and initiatives to promote diversity and inclusion.

A PIVOTAL YEAR FOR I&D AT AVALONBAY

2020 was a year that included some major I&D milestones for AvalonBay. These included:

- Launching a multiyear national partnership with the National Council on Education and Diversity, the Council is made up of 20 associates from diverse personal, functional, and geographic backgrounds.
- Signing onto the Human Rights Campaign (HRC) Business Coalition for the Equality Act (currently 41% by 2025)
- Promoting new Director of Corporate Responsibility, Inclusion and Diversity

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- Signing onto the Human Rights Campaign (HRC) Business Coalition for the Equality Act (currently 41% by 2025)
- Promoting new Director of Corporate Responsibility, Inclusion and Diversity
- Announcing new “Diversity in Leadership” goals, specifically set to:
  - Increase the representation of women in leadership from our current level of 35% to a level at parity** by 2025
  - Increase under-represented minorities in leadership from our current level of 15% to 20% by 2025 and to 25% by 2030

Create Personal Awareness: The journey toward a more inclusive and diverse AVB starts with the individual. In order to support associates in this process, we have compiled resources and are offering several training programs. In addition to offering Disrupting Everyday Bias training, we also offered a new training course called Building Ally Skills at Work.

Foster a Culture of Inclusion: We know that associates need to feel both safe and welcome to bring their whole self to work and that the Ascend Network is a key part of this. We also recognize associates and create awareness through Building Connections campaigns for Black History Month, Women’s History Month, Lesbian, Gay, Bisexual, Transgender and Queer (LGBTQ) Heritage Month, Hispanic Heritage Month, and Veteran’s Day.

Hold Ourselves Accountable: In 2020, we signed the CEO Action Pledge for Diversity and Inclusion and added an I&D goal to Individual Development Plans for all associates on the leadership team. 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 we set new goals to increase the diversity of our leadership team specifically to:

- Increase the representation of women in leadership from our current level of 35% to a level at parity** by 2025
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Contribute to Inclusion and Diversity in Our Communities: In 2020, we launched a multiyear partnership with the National Urban League, led by our Black Associate Coalition. Through this partnership, we will make a $150,000 annual commitment, support HIV services in economic empowerment, equality, and social justice and engage our associates in volunteering, mentoring, networking, events and memberships with the National Urban League.

In 2020, the networks created from our Building Connections campaigns became a platform to support our associates in crisis due to the COVID-19 pandemic and racial tensions in the US. Leveraging these networks resulted in the launch of “Empower Hours,” which are monthly forums that bring associates together to have open and honest conversations about recent events, personal experiences and how we can come together as Many Voices, One AvalonBay.

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RESIDENTS

In 2020 we walked alongside our residents as we all navigated the global pandemic. We found new ways to engage with them, to support them, to keep us all safe, and to support the unique needs they had as they found themselves working and living from home – the home we create for them.

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

LISTENING TO RESIDENTS

We continuously ask customers to share their experiences with us so we understand our strengths and identify areas where we can improve. We do this by surveying residents at various stages of their time with us: following their move-in, midway through their lease, and at move-out. We use the Net Promoter Score (NPS), a metric used by leading companies, as our primary measure of customer satisfaction and loyalty. In 2020, COVID-19 limited our associates’ ability to deliver the service levels we are accustomed to providing, and our residents felt it. With that, our total portfolio NPS decreased four points to 27, from 31 in 2019. In 2021 we are already seeing improvements in our NPS as we re-open amenities and return to a more normal operating environment.

We also monitor social media and review websites. This is particularly important since more than 80 percent of people searching for an apartment consider online reviews. In 2020 our overall rating was 4.4 out of 5 stars, based on 8,252 new Google and Facebook reviews received throughout the year.

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

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

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NET PROMOTER SCORE*

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</tr>
<tr>
<td>2020</td>
<td>27</td>
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SUPPORTING RESIDENTS DURING THE COVID-19 PANDEMIC

Our Commitment to COVID-19 Health and Safety

We are guided by the Centers for Disease Control and Prevention, the World Health Organization, local governments, and our expert consultants and have adapted our practices according to their most-up-to-date recommendations. In response to COVID-19, we implemented a number of new safety measures to help keep the spread and keep our residents safe.

FINDING A NEW HOME

We understand that when choosing a home, our residents should feel as comfortable and as safe as possible. From requiring face coverings for our associates and anyone entering our communities, to providing a contactless leasing process, we worked to create a safer environment for everyone.

- Virtual and self-guided tour options available
- Contactless payment and move-in process
- Face coverings required in all common areas and amenities throughout the community
- Plexiglass installed to promote social distancing
- Frequent, daily cleaning and disinfecting of high-touch surfaces in common areas
- Updated touring hours at some locations for added flexibility
- Vacant apartments cleaned and disinfected prior to move-in

THE MOVE-IN PROCESS

At AvalonBay, we strive to make the move-in process seamless. Since our ability to give residents a helping hand in person was limited, we added some bells and whistles to make the move easier, alleviate stress, and help residents feel comfortable in their new home, including:

- Updates to our 30-Point Deep Clean
- The ability to get settled when convenient with our contactless move-in
- Using our virtual community onboarding to learn about the community
- The ability to get to know neighbors, virtually, in our private community Facebook Neighbors Groups

AVB’S COMMITMENT TO CLEAN

Our AVB Commitment to Clean program leaves apartments ready for move-in. We wait at least 24 hours – and up to 72 hours – before cleaning and disinfecting all homes after the previous resident moves out. This service is performed by an associate wearing full PPE – including mask, gloves and booties – and covers all apartment surfaces, paying close attention to over 30 areas noted below.

- Kitchen: stove including knobs and handles, countertops, cabinets and pulls, dishwashers, flooring, light switches, doors, microwave, dishwasher and handle, and sink plus hardware
- Bathroom: tub and tile, countertops, cabinets/vanity and pulls, dishwashers, flooring, light switches, sink plus hardware, and towel holder
- Living areas and hallways: Flooring, dishwashers, light switches, thermostats, closet knobs/pulls, ceiling fan pulls and switches
- Bedrooms, HVAC and other areas: Vents including filter replacement, shelving, window treatments, stair handrails, ceiling fan pulls and switches, and flooring

LIVING WITH US

We are honored that our residents have chosen our communities as their home and we remained resolute in our commitment to providing the best possible living environment, despite the ongoing circumstances. This included:

- Face coverings required in all common areas throughout the community
- Limited occupancy in shared spaces to promote social distancing
- Frequent cleaning and disinfecting of high-touch surfaces in common areas, gym and pool
- Hand sanitizer dispensers available in many shared spaces including wipes in the gym
- Contact-free package pick-up
- Amenity reservation system launched to manage capacity and promote social distancing in fitness centers and pools
- Optional in-home service provided to residents utilizing personal protective equipment, including face masks, shoe coverings and gloves
- Virtual service request via video with all tools necessary provided for simple tasks
- Daily health screenings for associates
- Rent repayment options for those facing financial hardship
- Plexiglass installed for resident-facing tasks in common areas to promote social distancing
- Enhanced air filtration throughout buildings

WELLNESS AND HEALTHY BUILDINGS

In 2018, we received our first Fitwel Certification from the Center for Active Design (CfAD) for AVA NoMa, an apartment community located in the NoMa neighborhood of Washington, DC. AvalonBay has three associates who are certified Fitwel Ambassadors, working actively to pursue additional certifications for the company, including one for our new corporate headquarters in Arlington, VA.

Although activities and community amenities were limited due to COVID-19, we also continue to support our resident wellness programs, AVALON1st and AVAFit.

ENGAGING RESIDENTS IN THE GREATER COMMUNITY

We know that a better life, for many, means giving back. We engage residents in our Building Strong Communities philanthropy program — from fundraisers to our Spirit of Caring Season activities — we constantly look for ways to take an active role with our residents in engaging with the local community. We were proud to sponsor our sixth annual Community Preparedness Week (CPW) in partnership with the American Red Cross. As a national Disaster Responder partner with the Red Cross, and through CPW, we extended Red Cross emergency and preparedness resources to our 146,000 residents, including an emergency app and COVID-19 specific resources.

ENSURING DATA SECURITY

The protection of AvalonBay data is one of the core pillars of the AvalonBay cyber security program. It is our goal to make sure resident data remains safe and secure. We continue to put the privacy and protection of resident data at the forefront of our efforts as we work to comply with new privacy regulations including the California Consumer Protection Act.

ACCESSIBILITY

AvalonBay is fully committed to accessibility compliance in the design, construction and operations of our communities. We have a comprehensive compliance program to ensure that all requirements are met to satisfy the Fair Housing Act, Americans with Disabilities Act, and all state and local accessibility building codes. The program consists of a company-wide policy that requires all projects to engage an approved third-party accessibility consultant with a standardized scope of work at multiple stages of drawing development, as well as multiple stages throughout construction.

We require that all AvalonBay associates involved in the design and construction of our properties complete our accessibility training course at onboarding and every two years thereafter. We also use a formalized reasonable modification request process for our Residents who face accessibility challenges to request changes that will enhance their ability to enjoy all aspects of the AvalonBay community in which they live. With this multifaceted approach, AvalonBay ensures that we comply with accessibility at the highest level possible across all areas of our business.

NEW BILT REWARDS PROGRAM

In 2021, AvalonBay is launching a partnership with Bilt Rewards to offer the first and only rewards program for residents to earn points on rent. With the Bilt Rewards program, residents will not only earn points for travel and retail purchases, but also accrue financial benefits to support their future purchase of a home just by paying their rent.

CONNECTING DURING COVID-19

Throughout the COVID-19 pandemic, community teams had to get creative to stay connected to their residents and facilitate virtual connections between neighbors. Through Zoom, they hosted events, such as cooking classes, holiday celebrations and family game nights. These events helped create a sense of community, even when we couldn’t gather in-person.
AvalonBay is committed to sound corporate governance practices and the highest ethical standards. Our Board of Directors has 11 members, nine of whom are non-employee directors. The company has adopted a variety of best practices in corporate governance, including the following:

- All directors are independent, other than the CEO and President
- Annual election of directors and majority voting in uncontested elections
- Policy on recoupment of incentive compensation (Clawback Policy)
- Strong lead independent director position
- Director and senior officer stock ownership guidelines, now extended to SVPs
- Robust policies against hedging of, speculation in, and pledging of Company securities
- Policy regarding stockholder approval of future severance agreements above a set threshold
- Policy to hold executive sessions of independent directors at each regularly scheduled board meeting
- Regular succession planning
- No former employees serve as directors
- No shareholder rights plan and policy regarding adoption of future plans
- Internal audit group reports directly to the Audit Committee of the Board of Directors
- Formal conflict of interest and insider trading policies for all associates
- Code of conduct contains an anti-fraud policy that all directors and associates sign and attest to annually

NEW DIRECTORS

In May 2021 two new members, Christopher B. Howard and Nnenna Lynch, joined AvalonBay’s Board of Directors.

Dr. Howard, 52, is the President of Robert Morris University (PA). He has prior experience in other leadership positions in higher education as well as experience in the military and private sectors. Dr. Howard is a graduate of the U.S. Air Force Academy, Oxford University (which he attended as a Rhodes Scholar and from which he earned a doctorate in politics) and the Harvard Business School.

Ms. Lynch, 49, is the Founder and CEO of Xylem Projects, a new real estate development venture that she founded after serving as the Head of Development for The Georgetown Company. Her prior experience includes serving as a Senior Policy Advisor in the Bloomberg mayoral administration in New York City where, among other duties, she led initiatives that resulted in the redevelopment and construction of new housing and commercial space. Ms. Lynch is a graduate of Villanova University and Oxford University (which she attended as a Rhodes Scholar and from which she earned a master’s degree in social anthropology).

“Chris and Nnenna will bring new experiences and perspectives to our Board that will benefit our business as well as our associates, residents and the communities we do business in,” said W. Edward Walter, Lead Independent Director.
• As a publicly traded company, our financial statements undergo independent quarterly reviews and annual external audits protected by the SEC. 
• Annual review of enterprise and fraud risks presented to and discussed with the Audit Committee and/or the full Board
• Policy on political contributions and government relations
• Responsible procurement principles
• Recurring discussions at the Board level regarding Company diversity, environmental sustainability and climate change, and cyber security

CODE OF BUSINESS CONDUCT AND ETHICS

We maintain a corporate culture that demands integrity and reflects ethical values. And we dedicate significant resources to ensure compliance with our code of business conduct and ethics. To facilitate enforcement of the 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 strict nonretaliation policy in order 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 sign and reaffirm their knowledge of the AvalonBay code of business conduct and ethics on an annual basis
• Provides a formal onboarding procedure to ensure associates become acclimated to AvalonBay’s culture, policies and procedures

Ethics and Compliance Training
We recognize that maintaining our high standards of ethics requires consistent ethical behavior by our associates. We conduct periodic training to ensure they understand what it means to be an AvalonBay associate, our expectation of conduct and performance, and our commitment to human rights. All AvalonBay associates must take the standards of business conduct training associate position, functions independently within the company and reports 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, qualified and credentialed associates. All have accounting or business-based bachelor’s degrees. The team’s professional certifications and credentials consist of Certified Public Accountants (CPA), a Certified Fraud Examiner (CFE), a Certified Information Systems Auditor (CISA), a Certified Information System Security Professional (CISSP), a Certified Construction Auditor (CCA) and a Construction Control Professional (CCP).

The Internal Audit group performs continuous independent reviews and audits of key business, operational, financial and information technology activities. This includes but is not limited to development, construction, capital expenditures, our shared services centers (Customer Care Centers), IT controls and security, community operations, and financial and cash controls. 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.

Audits of corporate processes such as payroll, cash management and controls, risk management, benefits, retail, affordable housing, IT, and the Company’s overall segregation of duties and control environment are also conducted. For 2020 and continuing in 2021, Internal Audit provided independent oversight and auditing of the Company’s temporary COVID-19 operating procedures over revenue, compliance, and other significant areas. Other key functions performed by Internal Audit to support an ethical environment and the Company’s core values, cultural norms and commitment to integrity include:

• Administering the Sarbanes-Oxley (SOX) compliance process. This includes testing and verifying the design and operating effectiveness of more than 150 key business processes and IT internal controls that reside over the Company’s financial reporting. This compliance process also includes reviewing more than 50 process owner certified quarterly and annual internal control/fraud attestations, the results of which support the SEC required CEO/COO internal control certification section of its 10-Q and 10-K financial statement filings
• Performing an annual, entity-level control assessment based on the Committee of Sponsoring Organizations’ (COSO) internal control framework. This also includes conducting an annual fraud risk survey and fraud control assessment based on key risks identified in the Association of Certified Fraud Examiners’ (ACFE) report to the Nations on Occupational Fraud and Abuse
• Managing the Company’s anonymous whistle-blower hotline, EthicsPoint, which also provides access to every report to the Audit Committee of the Board of Directors to ensure full transparency
• Assisting with reviewing, monitoring, and updating the Company’s Code of Conduct and Associate Handbook and other associated policies, procedures, rules, regulations 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, and issue mitigation; investigations; and IT infrastructure, controls and system upgrades and implementations. This includes serving on and holding leadership roles on the Company’s Enterprise Risk Management SOX, Cyber Security, Quality Assessment, and other key compliance and governance-based committees

Vendor Code of Conduct and Responsible Supply Chain Principles
We expect our vendors to conduct their business interactions with integrity, and we developed a vendor code of conduct that requires:
• Accurate record keeping and reporting
• Safeguarding of assets and information
• A prohibition against bribes and kickbacks, and limits on gifts
• Avoidance of conflicts of interest
• A prohibition against insider trading
• A prohibition against AvalonBay associates directly conducting personal business with any vendor
• A requirement for prompt reporting of any violation to AvalonBay

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

We continue to make progress on the integration of our public, responsible procurement principles into business processes. In 2020, we surveyed 38 AvalonBay vendors of strategic importance against our principles and ensured compliance with their intent. Vendors are generally required to sign the principles in all contracts.

Information Security
Among the many challenges of 2020, was the rapid transition to remote work and its impact on technology-related business requirements. To meet these challenges IT worked to quickly expand remote connectivity solutions such as Zoom, Zscaler, virtual desktop, laptop deployments, self-service tools, single sign on, and the Cloud. Fortunately, due to IT’s multiyear focus on cloud first technologies, many of the solutions we needed were either partially or fully in place prior to the beginning of 2020. Nonetheless, the IT team had to shift things into high gear to ensure these capabilities were in the hands of every associate that needed them. Throughout this period a key priority for the Information Security team was to ensure that our data and systems were as secure outside of the office, as they had been inside. We can confidently say that we were able to achieve that and make significant strides and improvements.

In 2021 the IT department will continue our drive toward modernization and cloud readiness. These efforts will continue to enable Cyber Security improvements and business enablement. The list below is a sample of some of the exciting projects we have planned around IT and Information Security in 2021:
• Migration of workloads to Amazon Web Services
• Enhanced data protection and encryption capabilities
• Improved internal and external data sharing capabilities
• Enhanced security testing of our consumer-facing websites

Sound Investment Management
New investment proposals, including development, acquisition, redevelopment and disposition activity, are submitted to the Management Investment Committee for review and approval. The investment packages are compiled with independent input from different functional groups within the company and include operating and capital budgets, detailed schedules and pro forms, and an assessment of major risks and opportunities, including climate and emissions-related risks. Transactions that exceed certain size thresholds are also submitted to the Investment and Finance Committee of the Board of Directors, or to the full Board in certain cases.

CORPORATE RESPONSIBILITY GOVERNANCE

The Vice President of Corporate Responsibility and Energy Management (VPCR) reports to our Chief Financial Officer (CFO) and loads both the environmental and social programs for AvalonBay. The VPCR is responsible for:
• Implementing all CR programming and transparent reporting on our principles related to sustainability, strategic philanthropy, and inclusion and diversity
• Regularly reviewing CR objectives with the company’s CFO and the potential impacts of climate change on our business
• Keeping an active log of business-related CR risks and opportunities, including environmental, climate-related and social risks
• Providing an annual update on CR issues and progress to our Board of Directors and other senior executives and executives
• Leading our utilities and energy management team, and integrating our sustainability strategy, Science-Based Targets and utilities procurement and management in ways beneficial to our stakeholders and the Company

In 2020, Inclusion and Diversity moved from a strategic initiative to our stakeholders and the Company
we established a full-time Director of Corporate Responsibility, Inclusion and Diversity who reports to the VPCR and leads our I&D strategy and programs.

The process related to risks and opportunities includes integration of asset-level concerns and initiatives designed either to mitigate risks or take advantage of opportunities (or both) which are funded through maintenance Capex funds, development funds or a dedicated Sustainability Capex Fund. Our target payback period for sustainability projects varies based on the risks and benefits expected, but generally exceeds our corporate cost of capital by a meaningful margin. These projects often entail emissions reductions, energy and water consumption reduction, waste reduction and reduction of our carbon footprint related to building construction and operation. Increasingly we are funding projects that achieve our renewable energy strategy and support decentralization of our buildings, in support of our new Science-Based Targets. The process for identifying risks/opportunities includes a periodic survey of company officers and less frequent surveys of a wider group of company stakeholders, including customers, associates, suppliers and board members, among others. In 2017 the VPCR conducted a comprehensive review of our portfolio to consider matters relating to climate change, stronger storms and other natural disasters. This review was presented to the AVB Board of Directors in 2018. With the addition of our Science-Based Targets in 2019, we are now integrating all facets of our climate reviews, emissions reduction activities and renewable energy activities. And in 2020 we created a new Climate and Emissions Risk Dashboard to collaborate in one place these risks across our portfolio. For more on this effort refer to the Environmental section of this report.

STAKEHOLDERS

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

Our most recent materiality analysis, which was conducted in 2018 and asks a variety of stakeholders for input on our CR priorities, follows this section. A summary of our work related to other key stakeholder groups is outlined here.

Investors

To increase transparency for investors on CR issues, we publish this annual CR report, and respond to the Global Real Estate Sustainability Benchmark (GRESB), which provides us with an industry benchmark against which to measure our CR initiatives and ESG program. We also publicly respond to the CDP with a transparent accounting of our environmental performance. Each year we have our environmental data third-party verified and this year, for the first time, we are aligning with the Sustainability Accounting Standards Board (SASB, page 50) and the Task Force on Climate-related Financial Disclosures (TCFD, page 59). And periodically we meet with investors to discuss relevant ESG issues.

Vendors, Suppliers, Contractors

AvalonBay spends more than $1 billion annually on external goods and services. A little more than half is attributable to capital investment for new and existing communities, with the remainder consisting of goods and services used to support corporate functions and ongoing property operations. Our supply chain ranges from thousands of local vendors around the country to a more discrete number of national and regional vendors in the following categories:

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

Depending on the nature of these relationships, the supply chain within a particular spend category may vary from direct purchase to indirect procurement via contractors (either locally sourced or via a national agreement). Most categories for construction and redevelopment are competitively bid and managed at the project level. However, products that are used as standards in construction and redevelopment projects are sourced centrally via an RFP process and then purchased indirectly through contractors. Traditionally, property operations categories with a total spend of over $200,000 that are scalable across multiple properties are sourced centrally and contracted centrally via an RFP process. Contracted categories undergo regular review and management to ensure competitive pricing, service and value.

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

We have integrated these principles into our procurement processes and continue to deepen this engagement. Here are some highlights of the procurement team’s accomplishments in 2020:

- Continued to follow standardized sourcing strategy guidelines and process.
- Leveraged electronic sourcing and contracting modules for all centrally contracted suppliers.
- Continued to implement our Financial and Safety vendor prequalification questionnaire with 129 vendors across the enterprise prequalified in 2020.
- Continued our annual survey of top vendors to understand their responsible procurement and supply chain behaviors.
- Continued to support programs to implement LED replacements, solar installation, and partner with national providers to continue optimization of recycling and waste streams.
- Executed an agreement with DocuSign and began investigating ways to move paper processes to an electronic format.
- Led a task-force of key Corporate and RS stakeholders to develop a Contracting Policy for RS and Corporate overhead departments for contracts not managed by Procurement. This effort also included the build-out in ServiceNow of both a contract approval workflow and a contract repository database to house these contracts for better transparency and access to relevant stakeholders such as Legal and Internal Audit.
- Initiated an effort to establish a baseline for the percentage of AvalonBay vendors that are certified Disadvantaged Business Enterprises (DBE) — e.g., women-owned, minority-owned, veteran-owned, etc.

MATERIALITY ANALYSIS

In 2018 we conducted an updated, in-depth materiality analysis with key AvalonBay stakeholders: associates, residents, suppliers and vendors, shareholders, local government and community leaders, company officers, and the AvalonBay Board of Directors. We chose these stakeholders because they are the largest set who have a long-term, abiding stake in the Company, and/or who directly impact our environmental, social and governance (ESG) progress. The results of the analysis are seen in the following figure.

This materiality analysis now forms our GRI-G4 reporting structure in all reports going forward and will be taken into account for future strategic planning and goal setting.
### ABOUT AVALONBAY

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

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

As of December 31, 2020, the company owned or held a direct or indirect ownership interest in 291 apartment communities containing 86,025 apartment homes with more than 146,000 residents. We operate our communities under three core brands: Avalon, AVA and eaves by Avalon. In addition to our communities, we maintain a corporate headquarters in Arlington, VA, and 12 regional offices located throughout the United States. As of year-end 2020, we employed 3,102 associates.

### OUR POLICY ON CONTRIBUTIONS

AvalonBay’s policy on political activities and contributions is communicated to all associates and complies with federal and state regulations governing political contributions by corporations. A copy of AvalonBay’s Policy on Political Contributions and Government Relations is posted on the Company’s Investor Relations website. Contributions, whether in cash, services or otherwise, and whether to a political candidate, political action committee (PAC) or other political organizations, whether made directly or indirectly, can only be made on behalf of AvalonBay after obtaining specific internal approvals.

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

Total contributions approved and reported in 2020 were $9,628,466.09, including (i) a contribution of $57,850 to Mountain View Residents for Renter’s Homeowner and Taxpayer Protections, a PAC, in support of a ballot measure to amend the local rent control ordinance, (ii) a contribution of $86,100 to Burbank Citizens for Responsible Government, a PAC, in connection with opposition to a local rent control initiative, (iii) a total of $8,729,500.00 Californians for Responsible Housing – General Purpose Committee PAC in connection with opposition to a rent control ballot measure in California, $5,483,987 of which related to forgiveness of a loan, and (iv) a total of $755,039 to Citizens in Support of the Calabasas Neighborhood Preservation Initiative in connection with support of a development project in Calabasas, California.

Annually, AvalonBay also provides an opportunity to senior-level associates to contribute directly to a designated PAC. In 2020 the designated PAC was NMHCPAC, the political action committee of National Multi-Housing Council.

### CORPORATE AND REGIONAL OFFICE LOCATIONS

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

### APARTMENT HOMES BY REGION*  

<table>
<thead>
<tr>
<th>Region</th>
<th>Current</th>
<th>Under Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>New England</td>
<td>11,725</td>
<td>480</td>
</tr>
<tr>
<td>New York/ New Jersey</td>
<td>15,528</td>
<td>1,532</td>
</tr>
<tr>
<td>Mid-Atlantic</td>
<td>14,802</td>
<td>1,075</td>
</tr>
<tr>
<td>Pacific Northwest</td>
<td>5,451</td>
<td>221</td>
</tr>
<tr>
<td>Northern California</td>
<td>12,629</td>
<td>9</td>
</tr>
<tr>
<td>Southern California</td>
<td>17,209</td>
<td>1,977</td>
</tr>
<tr>
<td>Southeast Florida</td>
<td>1,564</td>
<td>8</td>
</tr>
<tr>
<td>Colorado</td>
<td>1,056</td>
<td>246</td>
</tr>
<tr>
<td>Total</td>
<td>80,094</td>
<td>5,931</td>
</tr>
</tbody>
</table>

*As of December 31, 2020.
GRI-G4 GENERAL STANDARD DISCLOSURES

Strategy and Analysis

<table>
<thead>
<tr>
<th>GRI Indicator</th>
<th>Description</th>
<th>Report Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-1</td>
<td>CEO statement about the relevance of sustainability to the organization and its strategy</td>
<td>From the CEO, p.2–4</td>
</tr>
<tr>
<td>G4-2</td>
<td>Approach to the construction of new assets versus retrofits, upgrades and refurbishments, and the effect this has on impacts, risks and opportunities OR Provide a description of key impacts, risks and opportunities OR Targets for next reporting period</td>
<td>2020 Goals Progress, p.6 OR Goals: Beyond 2020, p.7</td>
</tr>
</tbody>
</table>

Organizational Profile

<table>
<thead>
<tr>
<th>GRI Indicator</th>
<th>Description</th>
<th>Report Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-3</td>
<td>The name of the organization</td>
<td>About AvalonBay, p.47</td>
</tr>
<tr>
<td>G4-4</td>
<td>Primary products and services</td>
<td>About AvalonBay, p.47</td>
</tr>
<tr>
<td>G4-5</td>
<td>Location of the organization's headquarters</td>
<td>Corporate and Regional Office Locations, p.47</td>
</tr>
<tr>
<td>G4-6</td>
<td>Countries where the organization operates</td>
<td>About AvalonBay, p.47</td>
</tr>
<tr>
<td>G4-7</td>
<td>Nature of ownership and legal form</td>
<td>About AvalonBay, p.47</td>
</tr>
<tr>
<td>G4-8</td>
<td>Markets served</td>
<td>About AvalonBay, p.47</td>
</tr>
<tr>
<td>G4-9</td>
<td>Scale of the reporting organization</td>
<td>About AvalonBay, p.47</td>
</tr>
<tr>
<td>G4-10</td>
<td>Employee diversity and data</td>
<td>Diversity, Inclusion and Employment Metrics, p.36</td>
</tr>
<tr>
<td>G4-11</td>
<td>Report the percentage of total employees covered by collective bargaining agreements</td>
<td>Other GRI Indicators, p.82</td>
</tr>
<tr>
<td>G4-12</td>
<td>Describe the organization's supply chain</td>
<td>Vendors, Suppliers, Contractors, p.45</td>
</tr>
<tr>
<td>G4-13</td>
<td>Significant changes during the reporting period regarding the organization's size, structure and ownership</td>
<td>Report Parameters, p.63; From the CEO, p.2–4</td>
</tr>
<tr>
<td>G4-14</td>
<td>Commitment to external initiatives (LEED, Energy Star, GRESB)</td>
<td>From the CEO, p.2–4; 2020 Environmental Sustainability Highlights, p.15</td>
</tr>
<tr>
<td>G4-15</td>
<td>Externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or which it endorses</td>
<td>From the CEO, p.2–4; 2020 Environmental Sustainability Highlights, p.15</td>
</tr>
<tr>
<td>G4-16</td>
<td>Memberships in associations and advocacy organizations</td>
<td>From the CEO, p.2–4; 2020 Environmental Sustainability Highlights, p.15</td>
</tr>
</tbody>
</table>

Identified Material Aspects and Boundaries

<table>
<thead>
<tr>
<th>GRI Indicator</th>
<th>Description</th>
<th>Report Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-17</td>
<td>List all entities included in the organization's consolidated financial statements</td>
<td>2020 AvalonBay Annual Report</td>
</tr>
<tr>
<td>G4-18</td>
<td>Defining the report content and the Aspect Boundaries</td>
<td>Report Parameters, p.63; Aspect Boundaries, p.55–57</td>
</tr>
<tr>
<td>G4-19</td>
<td>Material Aspects identified in the process for defining report content</td>
<td>Materiality Analysis, p.45–46</td>
</tr>
<tr>
<td>G4-20</td>
<td>Reporting Boundary</td>
<td>Report Parameters, p.63; Aspect Boundaries, p.55–57</td>
</tr>
<tr>
<td>G4-21</td>
<td>For each Material Aspect, report the Aspect Boundary outside the organization, as follows: • Report whether the Aspect is material outside of the organization • If the Aspect is material outside of the organization, identify the entities, groups of entities or elements for which the Aspect is material. In addition, describe the geographical location where the Aspect is material for the entities identified • Report any specific limitation regarding the Aspect Boundary outside the organization</td>
<td>Aspect Boundaries, p.55–57</td>
</tr>
<tr>
<td>G4-22</td>
<td>Report the effect of any restatements of information provided in previous reports and the reasons for such restatements</td>
<td>2020 Environmental Sustainability Highlights, p.15</td>
</tr>
<tr>
<td>G4-23</td>
<td>Significant changes from previous reporting periods in the Scope and Aspect Boundaries</td>
<td>2020 Environmental Sustainability Highlights, p.15</td>
</tr>
</tbody>
</table>

Stakeholder Engagement

<table>
<thead>
<tr>
<th>GRI Indicator</th>
<th>Description</th>
<th>Report Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-24</td>
<td>List of stakeholder groups at the organizational level and engagement at: • a project or asset level</td>
<td>Stakeholders, p.44</td>
</tr>
<tr>
<td>G4-25</td>
<td>Basis for identification and selection of stakeholders with whom to engage</td>
<td>Materiality Matrix, p.46</td>
</tr>
<tr>
<td>G4-26</td>
<td>Organization’s approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group</td>
<td>Materiality Matrix, p.46</td>
</tr>
<tr>
<td>G4-27</td>
<td>Topics and concerns that have been raised through stakeholder engagement</td>
<td>Materiality Matrix, p.46</td>
</tr>
</tbody>
</table>
### Governance

<table>
<thead>
<tr>
<th>GRI Indicator</th>
<th>Description</th>
<th>Report Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-04</td>
<td>Governance structure of the organization</td>
<td>Governance, p.40</td>
</tr>
<tr>
<td>G4-05</td>
<td>The process for delegating authority for economic, environmental and social</td>
<td>Corporate Responsibility Governance, p.43</td>
</tr>
<tr>
<td></td>
<td>topics from the highest governance body to senior executives and other</td>
<td></td>
</tr>
<tr>
<td></td>
<td>employees</td>
<td></td>
</tr>
<tr>
<td>G4-06</td>
<td>Appointed an executive-level position with responsibility for economic,</td>
<td>Corporate Responsibility Governance, p.43</td>
</tr>
<tr>
<td></td>
<td>environmental and social topics</td>
<td></td>
</tr>
<tr>
<td>G4-38</td>
<td>The composition of the highest governance body and its committees</td>
<td>Governance, p.40</td>
</tr>
<tr>
<td>G4-39</td>
<td>Indication of whether the chair of the highest governance body is also an</td>
<td>Governance, p.40</td>
</tr>
<tr>
<td></td>
<td>executive officer</td>
<td></td>
</tr>
<tr>
<td>G4-42</td>
<td>The highest governance body sets the tone for the organization and has a</td>
<td>Governance, p.40</td>
</tr>
<tr>
<td></td>
<td>major role in defining its purpose, values and strategy</td>
<td></td>
</tr>
<tr>
<td>G4-43</td>
<td>Measures taken to develop and enhance the highest governance body’s</td>
<td>Corporate Responsibility Governance, p.43</td>
</tr>
<tr>
<td></td>
<td>collective knowledge of economic, environmental and social topics</td>
<td></td>
</tr>
<tr>
<td>G4-45</td>
<td>Risk management identification and management of economic, environmental</td>
<td>Corporate Responsibility Governance, p.43</td>
</tr>
<tr>
<td></td>
<td>and social impacts, risks and opportunities</td>
<td></td>
</tr>
<tr>
<td>G4-46</td>
<td>Role in reviewing the effectiveness of the organization’s risk-management</td>
<td>Corporate Responsibility Governance, p.43</td>
</tr>
<tr>
<td></td>
<td>processes for economic, environmental and social topics</td>
<td></td>
</tr>
<tr>
<td>G4-48</td>
<td>The highest committee or position that formally reviews and approves the</td>
<td>Corporate Responsibility Governance, p.43</td>
</tr>
<tr>
<td></td>
<td>organization’s sustainability report and ensures that all Material Aspects</td>
<td></td>
</tr>
<tr>
<td></td>
<td>are covered</td>
<td></td>
</tr>
</tbody>
</table>

### Ethics and Integrity

<table>
<thead>
<tr>
<th>GRI Indicator</th>
<th>Description</th>
<th>Report Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-56</td>
<td>Codes of conduct and codes of ethics</td>
<td>Code of Business Conduct and Ethics, p.42; Ethics</td>
</tr>
<tr>
<td></td>
<td>and Compliance Training, p.42; Vendor Code of Conduct and Responsible Supply</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chain Principles, p.43</td>
<td></td>
</tr>
<tr>
<td>G4-57</td>
<td>Internal and external mechanisms for seeking advice on ethical and</td>
<td>Code of Business Conduct and Ethics, p.42; Internal</td>
</tr>
<tr>
<td></td>
<td>lawful behavior</td>
<td>Audit, p.42</td>
</tr>
<tr>
<td>G4-58</td>
<td>Internal and external mechanisms for reporting concerns about unethical or</td>
<td>Code of Business Conduct and Ethics, p.42; Internal</td>
</tr>
<tr>
<td></td>
<td>unlawful behavior and matters related to organizational integrity</td>
<td>Audit, p.42</td>
</tr>
</tbody>
</table>

### Disclosures on Management Approach

<table>
<thead>
<tr>
<th>GRI Indicator</th>
<th>Description</th>
<th>Report Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-DMA</td>
<td>a. Report why the Aspect is material. Report the impacts that make this</td>
<td>Materiality Analysis, p.45–46</td>
</tr>
<tr>
<td></td>
<td>Aspect material</td>
<td></td>
</tr>
<tr>
<td></td>
<td>b. Report how the organization manages the Material Aspect or its impacts</td>
<td></td>
</tr>
<tr>
<td></td>
<td>c. Report the evaluation of the management approach, including</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• The mechanisms for evaluating the effectiveness of the</td>
<td></td>
</tr>
<tr>
<td></td>
<td>management approach</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• The results of the evaluation of the management approach</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Any related adjustments to the management approach</td>
<td></td>
</tr>
</tbody>
</table>

### Economic

#### Aspect: Economic Performance

<table>
<thead>
<tr>
<th>GRI Indicator</th>
<th>Description</th>
<th>Report Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-EC1</td>
<td>The direct economic value generated and distributed (EVG&amp;D) revenues,</td>
<td>Economic, Community and Development Performance,</td>
</tr>
<tr>
<td></td>
<td>operating costs, employee wages and benefits, payments to providers of</td>
<td>p.60</td>
</tr>
<tr>
<td></td>
<td>capital, government and community investments</td>
<td></td>
</tr>
<tr>
<td>G4-EC2</td>
<td>Financial and reputational risks and opportunities related to climate change,</td>
<td>Corporate Responsibility Governance, p.43</td>
</tr>
<tr>
<td></td>
<td>in addition to other sustainability issues</td>
<td></td>
</tr>
</tbody>
</table>

#### Aspect: Indirect Economic Impacts

<table>
<thead>
<tr>
<th>GRI Indicator</th>
<th>Description</th>
<th>Report Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-EC7</td>
<td>Development and impact of infrastructure investments and services provided</td>
<td>Philanthropy and Community Investment, p.21</td>
</tr>
<tr>
<td></td>
<td>primarily for public benefit through commercial, in-kind or pro bono</td>
<td></td>
</tr>
<tr>
<td></td>
<td>engagements</td>
<td></td>
</tr>
<tr>
<td>G4-EC8</td>
<td>Significant indirect economic impacts including creating jobs, services,</td>
<td>Philanthropy and Community Investment, p.21</td>
</tr>
<tr>
<td></td>
<td>development in areas of high poverty and change in location of operations or</td>
<td></td>
</tr>
<tr>
<td></td>
<td>activities</td>
<td></td>
</tr>
</tbody>
</table>
## Environmental

**Aspect: Energy**

<table>
<thead>
<tr>
<th>GRI Indicator</th>
<th>Description</th>
<th>Report Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-EN3</td>
<td>Energy consumption within the organization</td>
<td>Environmental Performance, p.60–61</td>
</tr>
<tr>
<td>G4-EN5</td>
<td>Energy intensity</td>
<td>Environmental Performance, p.60–61</td>
</tr>
<tr>
<td>G4-EN6</td>
<td>Reduction of energy consumption</td>
<td>Environmental Performance, p.60–61</td>
</tr>
<tr>
<td>G4-EN7</td>
<td>Reduction in energy requirements of products and services</td>
<td>Environmental Performance, p.60–61 and 2020 Environmental Sustainability Highlights, p.15</td>
</tr>
</tbody>
</table>

**Aspect: Water**

<table>
<thead>
<tr>
<th>GRI Indicator</th>
<th>Description</th>
<th>Report Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-EN8</td>
<td>Total water withdrawal by source</td>
<td>Environmental Performance, p.60–61</td>
</tr>
<tr>
<td>CRE2</td>
<td>Building water use intensity</td>
<td>Environmental Performance, p.60–61</td>
</tr>
</tbody>
</table>

**Aspect: Emissions**

<table>
<thead>
<tr>
<th>GRI Indicator</th>
<th>Description</th>
<th>Report Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-EN15</td>
<td>Direct greenhouse gas (GHG) emissions (scope 1)</td>
<td>Environmental Performance, p.60–61</td>
</tr>
<tr>
<td>G4-EN16</td>
<td>Energy indirect greenhouse gas (GHG) emissions (scope 2)</td>
<td>Environmental Performance, p.60–61</td>
</tr>
<tr>
<td>G4-EN17</td>
<td>Other indirect greenhouse gas (AHG) emissions (scope 3)</td>
<td>Environmental Performance, p.60–61</td>
</tr>
<tr>
<td>G4-EN18</td>
<td>Greenhouse gas (GHG) emissions intensity</td>
<td>Environmental Performance, p.60–61</td>
</tr>
</tbody>
</table>

**Aspect: Effluents and Waste**

<table>
<thead>
<tr>
<th>GRI Indicator</th>
<th>Description</th>
<th>Report Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-EN23</td>
<td>Total weight of waste by type and disposal method</td>
<td>Environmental Performance, p.60–61</td>
</tr>
</tbody>
</table>

**Aspect: Land**

<table>
<thead>
<tr>
<th>GRI Indicator</th>
<th>Description</th>
<th>Report Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRE5</td>
<td>Land remediated and in need of remediation for the existing or intended land use, according to applicable legal designations</td>
<td>Development and Construction, p.62</td>
</tr>
</tbody>
</table>

**Aspect: Products and Services**

<table>
<thead>
<tr>
<th>GRI Indicator</th>
<th>Description</th>
<th>Report Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-EN27</td>
<td>Extent of impact mitigation of environmental impacts of products and services</td>
<td>Development and Construction, p.62 and 2020 Environmental Sustainability Highlights, p.15</td>
</tr>
</tbody>
</table>

**Aspect: Compliance**

<table>
<thead>
<tr>
<th>GRI Indicator</th>
<th>Description</th>
<th>Report Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-EN29</td>
<td>Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations</td>
<td>Other GRI Indicators, p.62</td>
</tr>
</tbody>
</table>

**Aspect: Supplier Environmental Assessment**

<table>
<thead>
<tr>
<th>GRI Indicator</th>
<th>Description</th>
<th>Report Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-EN32</td>
<td>Percentage of new suppliers that were screened using environmental criteria</td>
<td>Vendor Code of Conduct and Responsible Supply Chain Principles, p.43; Vendors, Suppliers, Contractors, p.45</td>
</tr>
</tbody>
</table>

## Labor Practices and Decent Work

**Aspect: Employment**

<table>
<thead>
<tr>
<th>GRI Indicator</th>
<th>Description</th>
<th>Report Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-LA1</td>
<td>Total number and rates of new employee hires and employee turnover by age group, gender and region</td>
<td>Diversity, Inclusion and Employment Metrics, p.38</td>
</tr>
<tr>
<td>G4-LA2</td>
<td>Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation</td>
<td>Wellbeing and Benefits, p.31</td>
</tr>
</tbody>
</table>

**Aspect: Labor/Management Relations**

<table>
<thead>
<tr>
<th>GRI Indicator</th>
<th>Description</th>
<th>Report Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-LA4</td>
<td>Minimum notice periods regarding operational changes, including whether these are specified in collective agreements</td>
<td>Diversity, Inclusion and Employment Metrics, p.38</td>
</tr>
</tbody>
</table>

**Aspect: Occupational Health and Safety**

<table>
<thead>
<tr>
<th>GRI Indicator</th>
<th>Description</th>
<th>Report Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-LA6</td>
<td>Type of injury and rates of injury, occupational diseases, lost days and absenteeism, and total number of work-related fatalities, by region and by gender</td>
<td>Health and Safety, p.29</td>
</tr>
<tr>
<td>CRE6</td>
<td>Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system</td>
<td>Health and Safety, p.29</td>
</tr>
</tbody>
</table>

**Aspect: Training and Education**

<table>
<thead>
<tr>
<th>GRI Indicator</th>
<th>Description</th>
<th>Report Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-LA9</td>
<td>Average hours of training per year, per employee, by gender and by employee category</td>
<td>Learning and Development, p.26</td>
</tr>
<tr>
<td>G4-LA10</td>
<td>Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings</td>
<td>Learning and Development, p.26</td>
</tr>
<tr>
<td>G4-LA11</td>
<td>Percentage of employees receiving regular performance and career development reviews, by gender and by employee category</td>
<td>Learning and Development, p.26</td>
</tr>
</tbody>
</table>

**Aspect: Diversity and Equal Opportunity**

<table>
<thead>
<tr>
<th>GRI Indicator</th>
<th>Description</th>
<th>Report Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-LA12</td>
<td>Composition of governance bodies and breakdown of employees per employee category, according to gender, age group, minority group membership and other indicators of diversity</td>
<td>Diversity, Inclusion and Employment Metrics, p.38</td>
</tr>
</tbody>
</table>

**Aspect: Supplier Assessment for Labor Practices**

<table>
<thead>
<tr>
<th>GRI Indicator</th>
<th>Description</th>
<th>Report Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-LA14</td>
<td>Percentage of new suppliers that were screened using labor practices criteria</td>
<td>Vendor Code of Conduct and Responsible Supply Chain Principles, p.43; Vendors, Suppliers, Contractors, p.45</td>
</tr>
</tbody>
</table>
### Human Rights

**Aspect: Investment**
- **GRI Indicator:** G4-HR2
- **Description:** Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.
- **Report Section:** Ethics and Compliance Training, p.42

**Aspect: Supplier Human Rights Assessment**
- **GRI Indicator:** G4-HR10
- **Description:** Percentage of new suppliers that were screened using human rights criteria.
- **Report Section:** Vendor Code of Conduct and Responsible Supply Chain Principles, p.43; Vendors, Suppliers, Contractors, p.45

### Society

**Aspect: Local Communities**
- **GRI Indicator:** G4-S01
- **Description:** Percentage of operations with implemented local community engagement, impact assessments and development programs.
- **Report Section:** Philanthropy and Community Investment, p.21

**Aspect: Anti-Corruption**
- **GRI Indicator:** G4-S03
- **Description:** Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.
- **Report Section:** Internal Audit, p.42

**Aspect: Public Policy**
- **GRI Indicator:** G4-S06
- **Description:** Total value of political contributions by country and by recipient/beneficiary.
- **Report Section:** Our Policy on Contributions, p.47

**Aspect: Anti-Competitive Behavior**
- **GRI Indicator:** G4-S07
- **Description:** Total number of legal actions for anti-competitive behavior, anti-trust and monopoly practices and their outcomes.
- **Report Section:** Other GRI Indicators, p.62

**Aspect: Supplier Assessment for Impacts on Society**
- **GRI Indicator:** G4-S09
- **Description:** Percentage of new suppliers that were screened using criteria for impacts on society.
- **Report Section:** Vendor Code of Conduct and Responsible Supply Chain Principles, p.43; Vendors, Suppliers, Contractors, p.45

### Product Responsibility

**Aspect: Customer Health and Safety**
- **GRI Indicator:** G4-PR2
- **Description:** Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes.
- **Report Section:** Health and Safety, p.25; Health Qualifications, Safety and Health Qualification Tables, p.62

**Aspect: Product and Service Labelling**
- **GRI Indicator:** G4-PR5
- **Description:** Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.
- **Report Section:** Residents, p.37–39

**Aspect: Customer Privacy**
- **GRI Indicator:** G4-PR8
- **Description:** Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.
- **Report Section:** Residents, p.37–39

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

#### G4 Category: Economic

<table>
<thead>
<tr>
<th>G4 Material Aspects</th>
<th>Material Within the Org.</th>
<th>Material External to the Org.</th>
<th>Relevance Outside the Organization</th>
<th>Specific Standard Disclosures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic performance</td>
<td></td>
<td></td>
<td>This is important to our own associates and our external stakeholders, who include the communities in which we do business and our suppliers and shareholders. Providing economic benefit to these communities and shareholder return to our investors is directly related to positive economic performance</td>
<td>G4-EC1; G4-EC2</td>
</tr>
<tr>
<td>Indirect economic impacts</td>
<td></td>
<td></td>
<td>We create jobs and community infrastructure improvements as we develop new communities, so this is important to those communities.</td>
<td>G4-EC7; G4-EC8</td>
</tr>
</tbody>
</table>

#### G4 Category: Environmental

<table>
<thead>
<tr>
<th>G4 Material Aspects</th>
<th>Material Within the Org.</th>
<th>Material External to the Org.</th>
<th>Relevance Outside the Organization</th>
<th>Specific Standard Disclosures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Materials</td>
<td>Use of materials and the amount of materials recycled is important internally because it has direct organizational cost implications. Externally, our communities benefit from more sustainable material usage and recycling, reducing the dependence on landfill, and other means of disposal.</td>
<td>G4-EN1; G4-EN2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy</td>
<td>Internally, responsible management of our energy consumption and efforts to reduce that consumption improve operational performance and building value. It is also important to our external stakeholders as part of our commitment to reduce our impact on the environment.</td>
<td>G4-EN3; G4-EN4; G4-EN5; G4-EN7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water</td>
<td>Internally, responsible management of our water consumption and efforts to reduce that consumption improve operational performance and building value. It is also important to our external stakeholders as part of our commitment to reduce our impact on the environment.</td>
<td>G4-EN8; CBE2</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
# Aspect Boundaries: G4-18, G4-19, G4-20, G4-21 Disclosures (continued)

## G4 Category: Environmental (continued)

<table>
<thead>
<tr>
<th>G4 Material Aspects</th>
<th>Material Within the Org.</th>
<th>Material External to the Org.</th>
<th>Relevance Outside the Organization</th>
<th>Specific Standard Disclosures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emissions</td>
<td></td>
<td></td>
<td>Reducing our emissions is important to the air quality of the communities in which we do business</td>
<td>G4-EN15, G4-EN16, G4-EN18</td>
</tr>
<tr>
<td>Effluents and waste</td>
<td></td>
<td></td>
<td>Responsible management of our waste and efforts to reduce waste that goes directly into a landfill improves operational performance. It is also important to our external stakeholders as part of our commitment to reduce our impact on the environment</td>
<td>G4-EN23</td>
</tr>
<tr>
<td>Land</td>
<td></td>
<td></td>
<td>This is important to our investors and the communities in which we do business as we develop land for the building of new communities</td>
<td>CRE5</td>
</tr>
<tr>
<td>Products and services</td>
<td></td>
<td></td>
<td>Responsible management of the environmental impacts of our buildings and improving the life cycle impact the building has on the environment can improve building value and reduce our costs. It therefore is important to both internal and external stakeholders and has direct relevance to the quality of life of our residents</td>
<td>G4-EN27</td>
</tr>
<tr>
<td>Compliance</td>
<td></td>
<td></td>
<td>Fixes impact both the communities in which we do business and our operations, as they result from activity that could have deleterious consequences</td>
<td>G4-EN29</td>
</tr>
<tr>
<td>Supplier environmental assessment</td>
<td></td>
<td></td>
<td>Ensuring our suppliers are responsible stewards of the environment mitigates our operational risk and improves their operations and long-term responsibility as organizations</td>
<td>G4-EN32</td>
</tr>
</tbody>
</table>

## G4 Category: Social

<table>
<thead>
<tr>
<th>G4 Material Aspects</th>
<th>Material Within the Org.</th>
<th>Material External to the Org.</th>
<th>Relevance Outside the Organization</th>
<th>Specific Standard Disclosures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment</td>
<td></td>
<td></td>
<td>This is important to our associates and their career advancement and opportunities for development. The hiring and turnover components are also important to our overall business performance</td>
<td>G4-LA1, G4-LA2</td>
</tr>
<tr>
<td>Labor/management relations</td>
<td></td>
<td></td>
<td>This is important to our associates and their engagement with the company</td>
<td>G4-LA4</td>
</tr>
<tr>
<td>Occupational health and safety</td>
<td></td>
<td></td>
<td>This is important to our associates and their well-being</td>
<td>G4-LA6, CRE6</td>
</tr>
<tr>
<td>Training and education</td>
<td></td>
<td></td>
<td>This is important to our associates and their career advancement and opportunities for development. It is also important for the organization as a whole to ensure a talent pipeline and strong succession plans</td>
<td>G4-LA9, G4-LA10, G4-LA11</td>
</tr>
<tr>
<td>Diversity and equal opportunity</td>
<td></td>
<td></td>
<td>This is important to our associates and their opportunities for development and advancement. It is also important for the company to integrate diverse perspectives in our operations and decision-making</td>
<td>G4-LA12</td>
</tr>
<tr>
<td>Supplier assessment for labor practices</td>
<td></td>
<td></td>
<td>Ensuring our suppliers are responsible in their labor practices mitigates our operational risk and improves their operations and long-term responsibility as organizations</td>
<td>G4-LA14</td>
</tr>
</tbody>
</table>

## G4 Category: Product Responsibility

<table>
<thead>
<tr>
<th>G4 Material Aspects</th>
<th>Material Within the Org.</th>
<th>Material External to the Org.</th>
<th>Relevance Outside the Organization</th>
<th>Specific Standard Disclosures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer health and safety</td>
<td></td>
<td></td>
<td>This directly impacts the quality of life of our residents and ties into our responsibility toward them</td>
<td>G4-PR2</td>
</tr>
<tr>
<td>Product and service labeling</td>
<td></td>
<td></td>
<td>Increasing our resident Net Promoter Score is one of our 2020 goals and is important both internally and to our residents’ quality of life</td>
<td>G4-PR5</td>
</tr>
<tr>
<td>Customer privacy</td>
<td></td>
<td></td>
<td>This is important internally from a risk and reputation perspective and externally to our residents. We are highly focused on the security of their data</td>
<td>G4-PR8</td>
</tr>
</tbody>
</table>

## G4 Category: Human Rights

<table>
<thead>
<tr>
<th>G4 Material Aspects</th>
<th>Material Within the Org.</th>
<th>Material External to the Org.</th>
<th>Relevance Outside the Organization</th>
<th>Specific Standard Disclosures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment</td>
<td></td>
<td></td>
<td>This is important to our organization and the full development of our associates. Externally it is important for our interactions with and customer service to our residents</td>
<td>G4-HR2</td>
</tr>
<tr>
<td>Non-discrimination</td>
<td></td>
<td></td>
<td>This is important to the advancement of our associates and fairness to our residents and prospects</td>
<td>G4-HR3</td>
</tr>
<tr>
<td>Supplier human rights assessment</td>
<td></td>
<td></td>
<td>Ensuring our suppliers are responsible in their human rights practices mitigates our operational risk and improves their operations and long-term responsibility as organizations</td>
<td>G4-HR1</td>
</tr>
<tr>
<td>Local communities</td>
<td></td>
<td></td>
<td>This is important to the communities in which we operate</td>
<td>G4-S01</td>
</tr>
<tr>
<td>Anti-corruption</td>
<td></td>
<td></td>
<td>This is important for the governance of the company and impacts our performance, which is important to our shareholders and external stakeholders</td>
<td>G4-S03, G4-S04</td>
</tr>
<tr>
<td>Public policy</td>
<td></td>
<td></td>
<td>This is important both internally and externally to our stakeholders so they understand transparently how we are supporting public/political issues and discourse</td>
<td>G4-S08</td>
</tr>
<tr>
<td>Anti-competitive behavior</td>
<td></td>
<td></td>
<td>This is important to external stakeholders to preserve competition and marketplace choice</td>
<td>G4-S07</td>
</tr>
<tr>
<td>Supplier assessment for impacts on society</td>
<td></td>
<td></td>
<td>Ensuring our suppliers are responsible and aware of their impacts on society, mitigates our operational risk and improves their operations and long-term responsibility as organizations</td>
<td>G4-S09</td>
</tr>
</tbody>
</table>
SASB Code | Topic | Description | Unit of Measure | Response
---|---|---|---|---
IF-RE-130.A.1 | Energy Management | Energy consumption data coverage as a percentage of total floor area, by property subsector | Percentage | 98.87%
IF-RE-130.A.2 | Energy Management | Water consumption data coverage as a percentage of total floor area, by property subsector | Percentage | 93.53%
IF-RE-130.A.3 | Energy Management | Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector | Percentage | (1) 20% of eligible portfolio that has an energy rating and (2) is certified to ENERGY STAR, by property subsector
IF-RE-130.A.4 | Energy Management | Percentage of indirectly managed assets, by property subsector | Percentage | (1) 20% of eligible portfolio that has an energy rating and (2) is certified to ENERGY STAR, by property subsector
IF-RE-130.B.3 | Energy Management | Description of how building energy management considerations are integrated into property investment analysis and operational strategy | n/a

TCFD

<table>
<thead>
<tr>
<th>Topic</th>
<th>Disclosure</th>
<th>Response</th>
</tr>
</thead>
</table>
| Governance | Describe the board’s oversight of climate-related risks and opportunities | See AvalonBay’s 2020 Public CDP Response Section C1.1 (Go to https://www.cdproject.org/search and search for “AvalonBay”)
| Governance | Describe management’s role in assessing and managing climate-related risks and opportunities | See AvalonBay’s 2020 Public CDP Response Sections C1.2 and C1.3
| Strategy | Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term | See AvalonBay’s 2020 Public CDP Response Section C2
| Strategy | Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning | See AvalonBay’s 2020 Public CDP Response Section C3
| Risk Management | 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 2020 Public CDP Response Section C3
| Risk Management | Describe the organization’s processes for identifying and assessing climate-related risks | See AvalonBay’s 2020 Public CDP Response Section C22
| Risk Management | Describe the organization’s processes for managing climate-related risks | See AvalonBay’s 2020 Public CDP Response Section C22

Metrics and Targets

<table>
<thead>
<tr>
<th>Topic</th>
<th>Description</th>
<th>Response</th>
</tr>
</thead>
</table>
| Metrics and Targets | Describe the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process | See AvalonBay’s 2020 Public CDP Response Section C8
| Metrics and Targets | Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks | See Climate and Emissions (p. 67) and Environmental Performance (p. 60)
| 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: 2020 Goals Progress (p. 8), CR Goals: Beyond 2020 (p. 7), 2020 Environmental Sustainability Highlights (p. 15) and Climate and Emissions (p. 18)
AvalonBay’s Risk Management team is tasked with building and executing a structured and disciplined approach to staying apprised on the risk environment. We overlay this information with our incident reporting, claims management, and create and execute future initiatives designed to effect continuous improvement in our business operations. Our mission-continues to take a proactive approach to the protection of people by partnering with the Associated General Contractors all planning, vendor prequalification, training, and our Incident and Injury Free Workplace program. Safety and Risk carry various certifications including the Associate in Risk Management, Chartered Property Casualty Underwriter, and our third-party commercial insurers and wholly owned captive insurance companies with thoughtful diligence to assess claims strategies, operational resiliency plans, and loss control plans that provide predictability in cost of risk. We leverage
2020: NCCI 0.790
We are responsible for providing efficient, compliant balance sheet protection to AvalonBay. We build insurance programs, claim strategies, operational resiliency plans, and loss control plans that provide predictability in cost of risk. We leverage a consultative approach to provide thoughtful risk intelligence and proactive risk management solutions to minimize the impact and likelihood of uncertainties in our business.

Balanced and thoughtful risk management are important parts of our business. We understand risks, in partnership with our third-party commercial insurers and wholly owned captive insurance companies with thoughtful diligence to assess the impact and likelihood of a particular risk. We then consider various risk treatment options including:
• transfer to the commercial insurance market and/or third parties via contract
• retention via effective claims management, loss control initiatives, and resiliency planning
• avoidance, for risks that are not within our company’s appetite

Risk management is focused on driving a risk-aware culture, lessons learned, continuous improvement throughout their daily work. We leverage external risk information from insurers, insurance brokers and other industry resources to impact and likelihood of a particular risk. We then consider various risk treatment options including:

• transfer to the commercial insurance market and/or third parties via contract
• retention via effective claims management, loss control initiatives, and resiliency planning
• avoidance, for risks that are not within our company’s appetite

Safety Program Overview:
Safety of our associates and residents is at the forefront of our business in all that we do. We have a dedicated safety team that serves as subject matter experts for the company and collaborates with various department to affect all planning, vendor prequalification, training, and our Incident and Injury Free Workplace program. Safety and Risk Management policies, procedures, and teams provide direct operational support and are embedded within operational processes. Members of our Safety team are certified active participants in organizations such as the American Society of Safety Engineers and the Board of Certified Safety Professionals. Members of our Risk Management team carry various certifications including the Associate in Risk Management, Chartered Property Casualty Underwriter, and RIMS-CMP in addition to being active members of the Risk and Insurance Management Society and the Claims and Litigation Management Alliance.

We have been recognized as an industry leader in Safety by the International Risk Management Institute and the Associated Builders and Contractors while also participating in an OSHA Strategic Partnership Program. AvalonBay continues to take a proactive approach to the protection of people by partnering with the Associated General Contractors to advance a Culture of Care initiative. This effort features a mentally safe environment for a diverse, talented, and inclusive workforce.

We strive to keep our residents’ compensation experience modifier below 1.0 and have achieved that goal for the past three years. The experience modifier capatures historical workplace injuries over a 3-year period with a 1-year lag. AVB’s performance is:
2020 NCCI 0.790
2019 NCCI 0.780

Incidents and Near Misses are reported via internal system processes, reviewed, managed, and investigated. Our Safety team routinely tracks the Safety performance and Safety reputation of our AvalonBay teams, vendors, and contractors. Findings are corrected or addressed in compliance with our company policies. We use the data and lessons learned to create and execute future initiatives designed to effect continuous improvement in our business operations. Our mission-driven and collaborative approach leverages our internal system data, associate and vendor insight and our teams expertise to minimize risk of loss within our business.
Economic, Community and Development Performance

**Economic ($000)**

<table>
<thead>
<tr>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenues</td>
<td>$2,301,261</td>
<td>$2,324,626</td>
<td>$2,284,535</td>
</tr>
<tr>
<td>Operating costs (excluding employee compensation)</td>
<td>$160,810</td>
<td>$143,755</td>
<td>$164,294</td>
</tr>
<tr>
<td>Employee compensation</td>
<td>$251,933</td>
<td>$249,703</td>
<td>$236,037</td>
</tr>
<tr>
<td>Property and other taxes</td>
<td>$273,189</td>
<td>$252,961</td>
<td>$241,563</td>
</tr>
<tr>
<td>Dividends and interest</td>
<td>$1,160,779</td>
<td>$1,118,297</td>
<td>$1,112,519</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>$202,617</td>
<td>$310,207</td>
<td>$294,085</td>
</tr>
</tbody>
</table>

**Total Community/Apartment Count**

<table>
<thead>
<tr>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of properties</td>
<td>294</td>
<td>275</td>
<td>291</td>
</tr>
<tr>
<td>Number of apartment homes</td>
<td>80,094</td>
<td>79,886</td>
<td>85,158</td>
</tr>
</tbody>
</table>

**Affordable Count**

<table>
<thead>
<tr>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of designated affordable homes</td>
<td>4,515</td>
<td>4,667</td>
<td>4,575</td>
</tr>
</tbody>
</table>

**Construction Counts**

<table>
<thead>
<tr>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Properties under construction at year-end/homes</td>
<td>18/5,931</td>
<td>22/6,960</td>
<td>21/6,609</td>
</tr>
<tr>
<td>Completed properties at year-end/homes</td>
<td>8/2,095</td>
<td>7/2,027</td>
<td>7/1,915</td>
</tr>
</tbody>
</table>

**Redevelopment Counts**

<table>
<thead>
<tr>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Properties under redevelopment at year-end/homes</td>
<td>6/1,935</td>
<td>5/1,859</td>
<td>12/4,356</td>
</tr>
<tr>
<td>Completed redevelopments at year-end/homes</td>
<td>3/1,215</td>
<td>12/4,203</td>
<td>12/6,038</td>
</tr>
</tbody>
</table>

Environmental Performance

**Emissions**

<table>
<thead>
<tr>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>2013 (baseline)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Like-for-like CO2 emissions scope 1 (mtCO2e)</td>
<td>12,580</td>
<td>13,863</td>
<td>12,843</td>
</tr>
<tr>
<td>Like-for-like CO2 emissions scope 2 (mtCO2e)</td>
<td>24,880</td>
<td>39,760</td>
<td>41,680</td>
</tr>
<tr>
<td>Like-for-like total CO2 emissions (mtCO2a)</td>
<td>47,460</td>
<td>53,623</td>
<td>55,359</td>
</tr>
<tr>
<td>Percentage change (total emissions like-for-like) since baseline year</td>
<td>-25.0%</td>
<td>-15.3%</td>
<td>12.50%</td>
</tr>
</tbody>
</table>

**Total CO2 emissions 1 (mtCO2e)**

<table>
<thead>
<tr>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>2013 (baseline)</th>
</tr>
</thead>
<tbody>
<tr>
<td>19,280</td>
<td>22,568</td>
<td>19,816</td>
<td>17,729</td>
</tr>
</tbody>
</table>

**Total CO2 emissions 2 (mtCO2e)**

<table>
<thead>
<tr>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>2013 (baseline)</th>
</tr>
</thead>
<tbody>
<tr>
<td>49,548</td>
<td>57,834</td>
<td>59,774</td>
<td>55,873</td>
</tr>
</tbody>
</table>

**Total CO2 emissions 3 (mtCO2a)**

<table>
<thead>
<tr>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>2013 (baseline)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5,268</td>
<td>5,869</td>
<td>6,234</td>
<td>6,293*</td>
</tr>
</tbody>
</table>

**Total (scope 1 and scope 2) CO2 emissions (mtCO2e)**

<table>
<thead>
<tr>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>2013 (baseline)</th>
</tr>
</thead>
<tbody>
<tr>
<td>68,828</td>
<td>80,402</td>
<td>79,550</td>
<td>73,603</td>
</tr>
<tr>
<td>Percentage change (scope 1 and scope 2) since baseline year</td>
<td>-6.5%</td>
<td>9.2%</td>
<td>8.10%</td>
</tr>
</tbody>
</table>

**Construction CO2 emissions (mtCO2e)**

<table>
<thead>
<tr>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>2013 (baseline)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,796</td>
<td>6,312</td>
<td>6,734</td>
<td>4,228</td>
</tr>
<tr>
<td>Percentage change (construction emissions) since baseline year</td>
<td>-33.9%</td>
<td>40.99%</td>
<td>-35.30%</td>
</tr>
</tbody>
</table>

Environmental Performance (continued)

**Emissions (continued)**

<table>
<thead>
<tr>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>2013 (baseline)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Like-for-like energy consumption (SWM)</td>
<td>208,590,394</td>
<td>217,227,616</td>
<td>216,496,159</td>
</tr>
<tr>
<td>Percentage change since baseline year</td>
<td>-4.9%</td>
<td>-0.9%</td>
<td>-1.25%</td>
</tr>
</tbody>
</table>

**Renewable Energy**

<table>
<thead>
<tr>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>2013 (baseline)</th>
</tr>
</thead>
<tbody>
<tr>
<td>NJ and DC Production- Subject to SRECs (kWh)</td>
<td>1,082,438</td>
<td></td>
<td></td>
</tr>
<tr>
<td>California Non-SREC Production (kWh)</td>
<td>117,912</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Solar Production (kWh)</td>
<td>1,200,350</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Energy**

<table>
<thead>
<tr>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>2013 (baseline)</th>
</tr>
</thead>
<tbody>
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<td>217,227,616</td>
<td>216,496,159</td>
</tr>
<tr>
<td>Percentage change since baseline year</td>
<td>-4.9%</td>
<td>-0.9%</td>
<td>-1.25%</td>
</tr>
</tbody>
</table>

**Water**

<table>
<thead>
<tr>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>2013 (baseline)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Like-for-like water consumption (Kgal)</td>
<td>3,048,284</td>
<td>2,833,240</td>
<td>2,803,580</td>
</tr>
<tr>
<td>Percentage change since baseline year</td>
<td>0.0%</td>
<td>-7.0%</td>
<td>-8.00%</td>
</tr>
</tbody>
</table>

**Data Coverage**

<table>
<thead>
<tr>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>2017 (baseline)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio Data Coverage</td>
<td>98.87%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*This number only represents our employee commuting and travel Scope 3 emissions.
†Our waste reported represents 92.5% of our community waste, and 100% of our construction waste (communities under construction in 2019).
‡Our Waste Goal is calculated on a like-for-like set of communities which are stabilized for a full 24 months and then normalized for occupancy and for regions where recycling is no longer an option.
This is AvalonBay’s 10th annual Corporate Responsibility report and summarizes our environmental, social and governance (ESG) performance and activities during calendar year 2020.

REPORT PARAMETERS AND GRI-G4 IN-ACCORDANCE OPTION

This report covers issues and information material to our business and stakeholders. We followed standard disclosures from the GRI-G4 Sustainability Reporting Guidelines and sector-specific guidelines for real estate and construction. The report’s boundary covers a reporting period for the 2020 calendar year and builds on the progress outlined in our most recent report for the 2019 calendar year. The data in this report was sourced internally from responsible business units in the Company. The selected GRI performance indicators are those most relevant to AvalonBay’s business and its ESG impacts and are based on our materiality analysis. We are reporting against the Core GRI-G4 in-accordance option.

ASSURANCE STATEMENT

Assurance Content and figures referenced in AvalonBay’s filed financial statements have been externally audited by a third-party auditor. In 2020, we again had our prior year annual energy, greenhouse gas emissions, water and community waste data independently verified by Lloyd’s Register Quality Assurance (LRQA), a part of Lloyd’s Register Group Limited and a leading provider of independent assessment services, with recognition from over 50 accreditation bodies around the world. The full accreditation report and assurance statement are aligned with the ISO14064-3 standard and can be found on our website at avaloncommunities.com/verificationreport and avaloncommunities.com/assurancestatement.

TRADEMARKS

Avalon, AVA and eaves by Avalon 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.

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