

Creating a
better way to live

2024

Corporate Responsibility Report

AvalonBay
COMMUNITIES





Avalon Brighton
Boston, MA





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AvalonBay at a Glance

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A Message from Our CEO

I'm excited to share AvalonBay's 2024 Corporate Responsibility Report with you, marking our fourteenth year of tracking our journey in environmental sustainability, social impact, and transparent governance. This report showcases how we're bringing to life our commitment of "creating a better way to live" — not just for our residents, but for our associates, partners, and the communities we call home.

Our corporate responsibility efforts go beyond compliance, they're about building resilience and creating lasting value for everyone connected to AvalonBay. I'm proud of what we've accomplished this past year and grateful for the recognition we continue to receive as leaders in this space. This includes earning an "A" rating from MSCI, achieving ISS ESG "Prime" status, being named a 2024 GRESB Regional Sector Leader for Development, and being recognized as a Top Workplace by USA Today.

Here's what we accomplished in 2024:

- We improved our scope 1 & 2 emissions intensity thanks to increased solar starts and improved energy efficiency at our communities¹
- We stepped up our climate commitment by adopting new 1.5°C-aligned emissions reduction targets, advancing from our original 2°C targets set in 2018.
- We expanded our onsite solar program to 69 operational installations, representing over 10 MW of solar capacity.
- We launched our first resident solar project at eaves San Marcos — the first

of fifteen planned projects that directly provide electricity to our residents participating in our renewable energy program.

- We enhanced our climate risk disclosures to provide greater transparency about risks and opportunities, aligning with the Task Force on Climate-related Financial Disclosure (TCFD) and California regulatory requirements.
- We contributed over \$2.7 million in cash and in-kind donations to over 290 philanthropy partners and charitable organizations, including providing a year of rent-free housing for five deserving Denver Public School teachers at our new Avalon Governor's Park community.
- We achieved record-breaking volunteerism levels with 55% of our associates volunteering in 2024 — strengthening our local community connections and reinforcing our corporate culture.
- We educated residents on disaster preparedness and ways to reduce utility consumption and costs, helping them save money while reducing environmental impact.
- We leveraged Life Cycle Assessments on new development projects to prioritize and specify lower embodied carbon construction materials for our highest-impact categories — concrete and drywall.

- We completed a portfolio scale decarbonization assessment to identify meaningful energy retrofit projects and to prioritize investment in communities with highest return or impact.
- We integrated climate risk considerations (both physical and transition risks) into our Asset Strategy Review process.
- We expanded our retrofit program, converting individual gas-fired hot water heaters to electric heat pumps in select communities where systems are approaching end-of-life.

These achievements reflect our core belief that long-term business success and positive community impact go hand in hand. Looking ahead, we remain committed to making decisions based on solid data, growing responsibly, and fostering collaboration across our teams and partners.

I want to personally thank our associates, residents, and stakeholders whose dedication makes this progress possible. We're proud of our journey so far — and energized by the opportunities that lie ahead.

Benjamin W. Schall
CEO and President

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

About AvalonBay

AvalonBay Communities, Inc., is a Maryland corporation that has elected to be treated as a real estate investment trust ("REIT") for federal income tax purposes. We develop, acquire, own, and operate multifamily communities in New England, the New York/ New Jersey metro area, the Mid-Atlantic, the Pacific Northwest, and Northern and Southern California, as well as in our expansion regions of Raleigh-Durham and Charlotte, North Carolina; Southeast Florida; Dallas and Austin, Texas; and Denver, Colorado.

We focus on leading metropolitan areas that we believe are generally characterized by growing employment 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 to offer, the opportunity for superior risk-adjusted returns over the long term on apartment community investments.

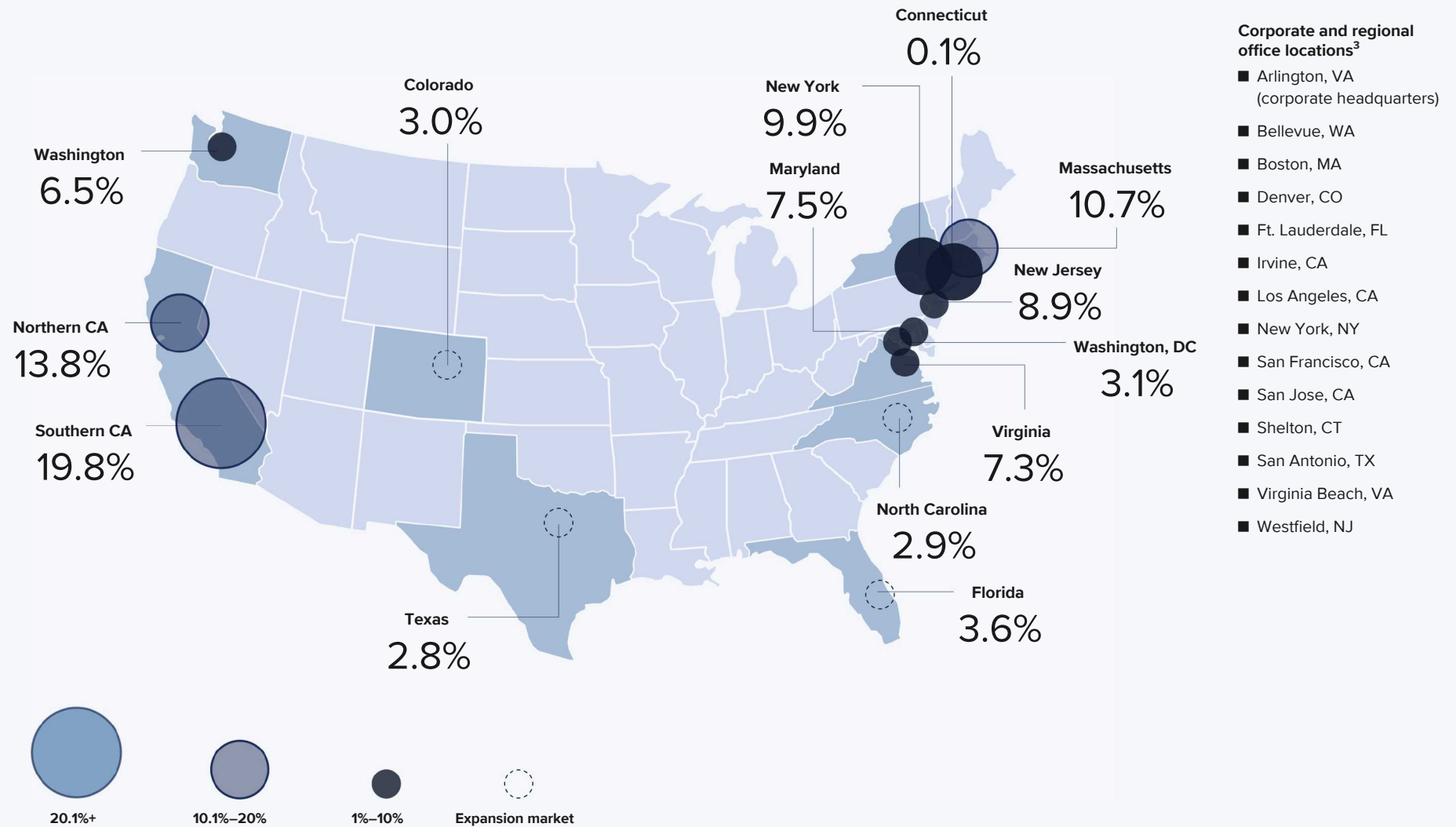
As of December 31, 2024, the Company owned or held a direct or indirect ownership interest in 306 apartment communities containing 93,518 homes in operation and under construction with roughly 151,000 residents. We operate our communities under four core brands: Avalon, AVA, eaves by Avalon, and Kanso. We maintain 14 regional offices located throughout the United States, including our headquarters in Arlington, VA. As of year-end 2024, we employed 2,982 associates.



Avalon Durham
Durham, NC

Portfolio Overview

PERCENTAGE OF TOTAL HOMES BY MARKET (AS OF YEAR-END 2024)²



² Total Homes is defined by the sum of Operating and Under Construction.

³ Corporate and regional office locations are as of 12/31/24.

COMPANY STATS⁴

\$39B

Total Enterprise Value⁵

\$1.1B

Green Bonds⁶

A3 | A-

Moody's | S&P
Credit Ratings

\$2.25B

Sustainability-Linked
Credit Facility

11.9%

Annualized total
shareholder return
since IPO^{9,10}

4.9%

Annualized Dividend
Growth Since IPO⁹

PORTFOLIO STATS⁴

306

Total Communities⁷

3,630

Affordable Homes

94

Solar Projects Operating
or Under Development

76 | 27%

Green Building
Certified Communities⁸

94K

Homes (Including Those
Under Construction)

151K

Residents

14

Markets

APARTMENT COMMUNITY STATS⁴

90%

Established Regions

113 | 37%

Transit-Oriented
Communities

10%

Expansion Regions

44%

Garden

27%

Urban

36%

Mid-Rise

73%

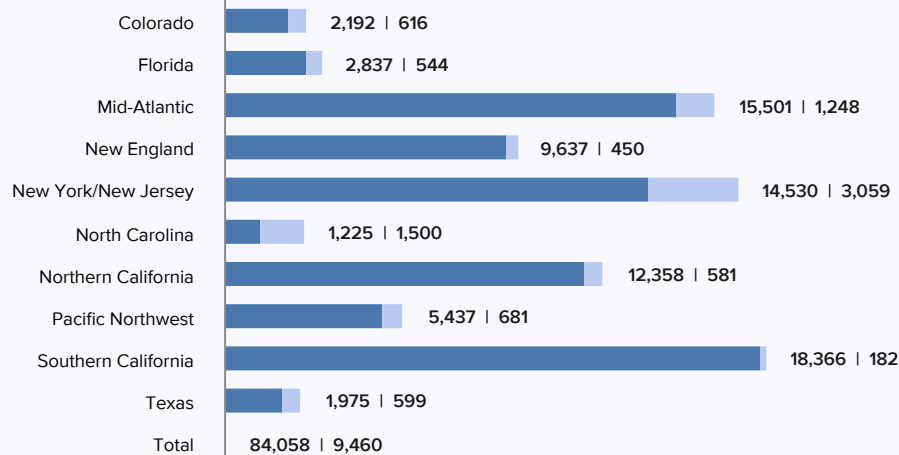
Suburban

20%

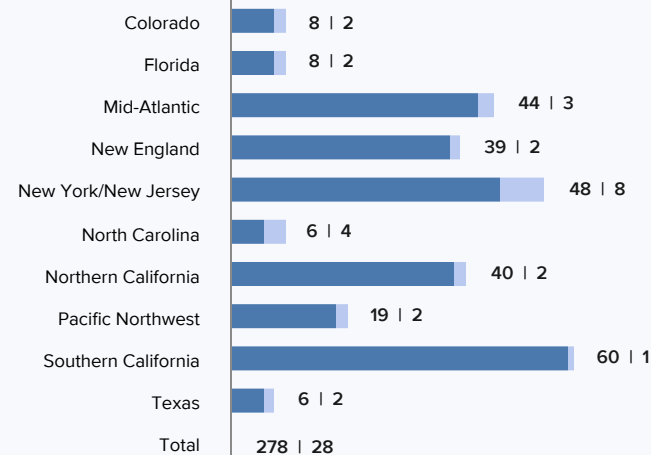
High-Rise

PORTFOLIO REGIONS⁴

APARTMENT HOMES



COMMUNITIES



■ Operating ■ Under construction

⁴ All data included on this page is as of 12/31/2024.

⁵ Total Enterprise Value is defined as the aggregate of the market value of a company's common stock and the outstanding principal balance of a company's debt.

⁶ We have fully allocated our \$1.1 billion of green bonds as shown in our most recent Green Bond report linked here. <https://ims.avalonbay.com/AVB/esg/reports/2023-08-AVB-ESG-2022-Green-Bond-Report-F.pdf>

⁷ The Total Communities, Homes, and Affordable Homes counts include the sum of Operating and Under Construction.

⁸ As a percentage of Operating communities as of 12/31/24.

⁹ IPO (initial public offering) for Avalon Properties completed November 18, 1993.

¹⁰ Total Shareholder Return, presented as annualized total shareholder return in this report, represents the change in value with all dividends reinvested. Annualized total shareholder return is presented as the compound annual growth rate.

Core Values

A Commitment to Integrity

Do the right thing — always.

A Spirit of Caring

Have genuine kindness and concern for others.

A Focus on Continuous Improvement

Always try to get better.

Cultural Norms

Our core values guide our daily actions and serve as guideposts when we have difficult choices to make. Our cultural norms reflect the behaviors and attitudes that best represent what it is like to work at AvalonBay and what those that have successful careers have in common.



We Collaborate.

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



We Act Like Owners.

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



We Show Appreciation.

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



We Are Thoughtful and Thorough.

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



We Champion Inclusion and Diversity.

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



We Innovate.

We challenge convention and recognize problems as the seeds of innovation. We generate new ideas, offer better solutions and embrace change at all levels. Knowing that not all ideas will work, we test new concepts before implementing them full-scale, and we discuss and learn from our failures.



We Excel.

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

Business Strategy Integration

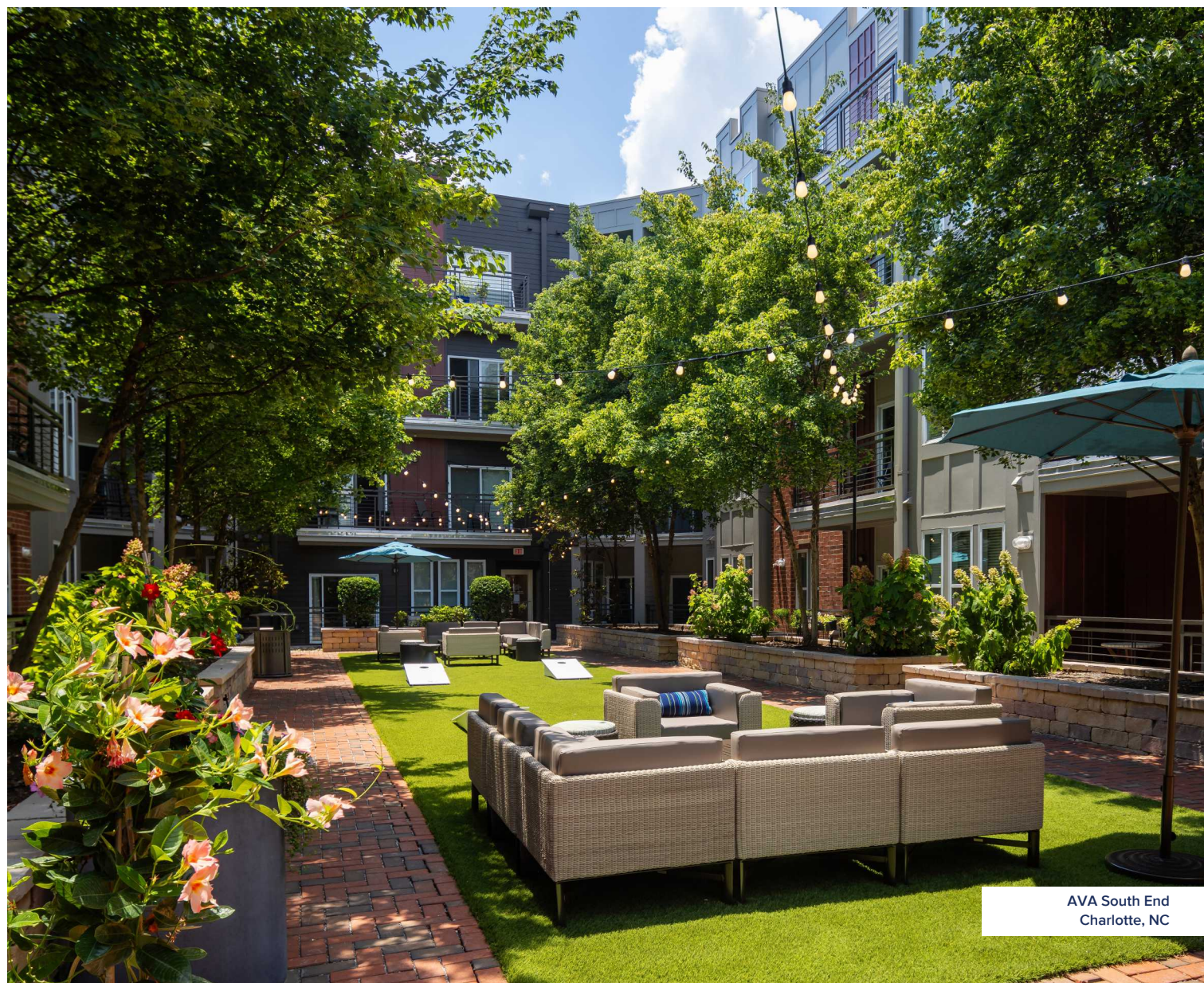
Corporate Strategy

We remain focused on incorporating meaningful environmental, social, and governance activities throughout our business. This commitment underscores our belief that a holistic corporate responsibility strategy helps create value and minimize risk across the enterprise. Our internal and external stakeholders expect a thoughtful and transparent approach to this work, focused on impact, to meet the needs of today and tomorrow.

Unique Approach to Real Estate Investment

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

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



AVA South End
Charlotte, NC

OUR COMMUNITIES

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

* Not all initiatives shown are incorporated into each community.

OPERATING COMMUNITIES

Energy

- 1 Efficient Lighting and ENERGY STAR Appliances
- 2 Solar PV
- 3 Resident and AVB Demand Response Participation

Water

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

Operational Waste

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

Transit

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

Amenities & Features

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



NEW DEVELOPMENT COMMUNITIES

Energy & Electrification

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

Renewable Energy

- E Common Area and Resident Rooftop and Carport Solar PV

Embodied Carbon

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

Water

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

Assessments & Certifications

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

Construction Waste

- M Construction Waste Recycling with Target Diversion Rate

Healthy Materials

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

Stakeholders

We view our corporate responsibility efforts from the perspective of our key stakeholders, considering not only how our programs impact them directly, but also the constructive outcomes they can help us create. Our most recent materiality assessment, conducted in late 2024, asked a variety of stakeholders for input on our corporate responsibility priorities. It is presented below in the [Materiality Assessment](#) section.

Stakeholder Engagement

A summary of our communication with, and efforts related to, other key stakeholder groups is outlined in the following table.



INVESTORS

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



RESIDENTS

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



VENDORS/SUPPLIERS

- Vendor Contracts and Agreements
- Vendor Screening and Compliance
- Vendor-Specific Training Website
- Vendor Cyber and Data Security
- Key Supplier Quarterly Business Reviews



ASSOCIATES

- Company-Wide Webinars and Town Halls
- Weekly Newsletters
- Volunteering Events
- Corporate Bonus
- Associate Perspective Survey
- Cyber and Data Security Training



LOCAL COMMUNITIES/ GOVERNMENTS

- Environmental Compliance
- Occupational Health and Safety Compliance
- FHA and ADA Compliance
- Philanthropic Giving and Volunteering
- Affordable Housing
- Community Engagement and Public Review of New Developments



BOARD

- Board Meetings
- Board Committee Meetings
- Memos / Presentations

Investors

Our management team continually engages our shareholders throughout the year to ensure that investor feedback on environmental, social, and governance matters is regularly considered. These two-way conversations provide us with insights into best practices and the evolution of market expectations for ESG investors, which inform both our implementation and reporting strategies. We welcome this increased focus and appreciate the opportunity to speak with investors about our program. Transparent reporting comes not just through this Corporate Responsibility Report, but also through the Global Real Estate Sustainability Benchmark (GRESB) and other third-party ESG rating agencies. A number of these rank us as one of the most advanced U.S. companies in our sector with respect to corporate responsibility matters.

Avalon Burbank
Burbank, CA

Vendors, Suppliers, and Contractors

AvalonBay spends approximately \$1.1 billion annually on external goods and services. Roughly half of this amount is attributable to capital investment for new and operating 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 select number of regional, national, and international vendors mainly in the following categories:

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

Depending on the nature of these relationships, the supply chain for a particular expenditure category may vary from direct purchase to indirect procurement via contractors (either locally sourced or per a national agreement). However, products that are used as standards in construction and capex projects are often sourced centrally through a Request for Proposal (RFP) process and then purchased indirectly through contractors. Typically, property operations categories that are scalable across multiple communities are sourced and contracted centrally through our Procurement team.

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

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

In 2024, we completed the following activities:

- Launched the Supplier Relationship Management program.
- Developed a framework for the Supplier Expansion Program.
- Launched our new Financial and Procurement system.

As we continue to evolve our responsible procurement practices, some initiatives for 2025 are:

- Institute an updated enterprise-wide procurement policy.
- Implement the enhanced Vendor Code of Conduct communicating required standards expected of suppliers and vendors.

Local Communities

SUPPORT FOR COMMUNITY INFRASTRUCTURE AND SERVICES

In addition to our [Building Strong Communities philanthropy program](#), our active development pipeline supports ongoing investment in community infrastructure and services with over \$893 million in spend in 2024, including social benefits such as:

- \$23.5 million for local permits, fees, and taxes paid on projects under development, with an additional \$128.8 million expected through completion.
- \$4.1 million for neighborhood infrastructure (roads, sidewalks, improvements to water/sewer/storm drainage), with an additional \$64.3 million expected through completion, excluding reimbursements.
- \$1.2 million for municipal sewer/water connections, with an additional \$4.1 million expected through completion.
- \$811.2 thousand to support local school districts, with an additional \$8.2 million expected through completion.

APPROACH TO COMMUNITY OUTREACH AND CONSULTATION

Site plan, building design, and other aspects of our proposed development activities are often subject to public review. For rezoning and master plan amendments, which by nature can disrupt the status quo, we engage in public review within communities where we do business. This work involves a close study of impacts to the surrounding community, including analysis of traffic and traffic safety, water and sewer capacity, stormwater management, a safe

pedestrian environment (particularly during construction), impacts to schools and open space, construction and demolition noise and dust control, and other environmental impacts.

To mitigate disruption during construction at our development sites in dense environments, we work closely with the community to lessen impact to the adjacent neighborhoods. We incorporate sediment and erosion controls, site safety measures, and strict enforcement of construction work-hour limitations. We also provide neighbor outreach and communication to ensure impacted neighbors are aware of scheduled utility outages and road closures.

Throughout the development process, we solicit input and feedback from officials, local community organizations, and individual members of the public, and this feedback is then incorporated into our work.



Materiality Assessment

In late 2024, we conducted an updated, in-depth materiality assessment¹¹ with key internal and external AvalonBay stakeholders: associates and officers, residents, suppliers and vendors, investors, local government and community leaders, and the AvalonBay Board of Directors. We chose these stakeholders because they represent a constituency that has a long-term interest in the Company and our efforts towards improving corporate responsibility outcomes. The results of the assessment are seen in the following materiality matrix, and the top eight categories for combined internal and external importance are listed below in descending order:

- 1 Cybersecurity and Data Privacy
- 2 Resident Satisfaction and Engagement
- 3 Regulatory Exposure and Compliance
- 4 Ethics and Anti-Corruption
- 5 Employee and Resident Health, Safety, and Well-Being
- 6 Energy Management
- 7 Human Capital Development
- 8 Climate Resilience and Adaptation

Our stakeholders scored the importance of each topic on a scale of 1-5. Scoring from internal and external stakeholder groups is used to plot each topic in the materiality matrix. We use these results to inform our efforts. While we don't conduct a formal materiality assessment every year, we monitor topics of rising importance to inform strategy and reporting. This year's materiality assessment condensed topics into a smaller number of issues, making it difficult to compare results to past years.



ENVIRONMENTAL	
E1	Energy Management
E2	Climate Resilience & Adaptation
E3	Financial Risks & Opportunities due to Climate Change
E4	Water Management
E5	Building Certifications & Opportunities in Green Building
E6	Renewable Energy
E7	Technology & Innovation
E8	Pollution Prevention
E9	Sustainable Building Materials
E10	Waste Management
E11	Emissions Tracking & Reductions
E12	Transit-Oriented Development
E13	Biodiversity & Natural Habitats
SOCIAL	
S1	Resident Satisfaction & Engagement
S2	Employee & Resident Health, Safety, & Well-Being
S3	Human Capital Development
S4	Compensation, Benefits, & Pay Equity
S5	Housing Affordability
S6	Labor Practices & Human Rights
S7	Responsible Sourcing & Supply Chain
S8	Inclusion & Diversity
S9	Community Engagement & Philanthropy
GOVERNANCE	
G1	Cybersecurity & Data Privacy
G2	Regulatory Exposure & Compliance
G3	Ethics and Anti-Corruption
G4	Board Composition & Governance
G5	Transparency & Disclosure

¹¹ "Materiality" as used in this report is distinct from its usage and meaning in U.S. securities laws, and inclusion of items as "material" in this chart and elsewhere herein does not imply that such items would be material to investors under such laws.

Goals

We are proud of the advances made in 2024, which included continued progress toward our goals as well as the creation of updated emissions reduction targets. We made progress against our new 1.5°C-aligned emission reduction targets, with a 55% reduction in scope 1 & 2 emissions and a 30% reduction in scope 3 emissions (both relative to an updated 2017 baseline). We also continued to implement initiatives that support progress toward our goals for water and waste reduction, resident experience, associate engagement, and community giving. Our philanthropy program continues to expand, making great progress on our 2025 donation goal. Our goals and targets are aligned with six of the 17 United Nations' Sustainable Development Goals (SDGs), which are objectives created to be an international blueprint for addressing global challenges related to health, prosperity, and climate change.^{12,13}

AVA Arts District
Los Angeles, CA

Environmental Goals

TOPIC	METRIC	GOAL	PROGRESS TOWARD GOAL THROUGH 2024			STATUS	UN SDG ALIGNMENT
Emissions ¹⁴	Scope 1 & 2 greenhouse gas (GHG) emissions (kgCO ₂ e/sf)	63% reduction by 2030	55% reduction from baseline	2024 2023 2017 Baseline	2.19 2.37 4.83 Goal 1.79	We made significant progress in 2024 against our new 1.5°C-aligned emissions reduction targets. Year over year, we achieved a 7.7% reduction in our Scope 1 & 2 emissions thanks in part to the continued expansion of our solar program and various energy efficiency investments made throughout the portfolio. While Scope 3 emissions from downstream leased assets (resident energy) and operational waste remained flat since 2023, our Scope 3 emissions intensity increased primarily from the increased volume of construction completions in 2024. Looking ahead, we're increasing our focus on resident engagement as a key component of meeting our goals. Read more about our emissions reduction efforts in the Emissions and Energy section.	
	Scope 3 GHG emissions (kgCO ₂ e/sf)	61% reduction by 2030	30% reduction from baseline	2024 2023 2017 Baseline	4.37 3.81 6.29 Goal 2.45		
Water ¹⁵	Whole building water-use-intensity in water stressed areas (Kgal/unit)	10% reduction by 2027	5% reduction from baseline	2024 2023 2021 Baseline	42.0 42.6 44.3 Goal 39.9	We continued to make progress in 2024 due to our dedicated efforts around water use efficiency. This year we saw a slight decrease in water use intensity in our water stressed areas, due in part to our continued focus on efficient fixture selection and use of smart irrigation technology. Our Sustainability Council focused on de-turfing and irrigation reduction pilot projects in water-stressed areas, and also focused on leak monitoring and detection pilot projects. We hope to scale some of these projects in the near future. See the Water section to learn more.	
	Whole building water-use-intensity in non-water stressed areas (Kgal/unit)	10% reduction by 2029	0% change from baseline	2024 2023 2021 Baseline	38.3 37.7 38.3 Goal 34.5		
Waste	Waste diversion rate	20% diverted from landfill ongoing	31% Diversion rate	2024 2023	30.7% 29.8% Goal 20%	We successfully achieved our new waste goal — to maintain a waste diversion rate of 20% across our operating portfolio — through the optimization of waste and recycling management processes at our communities. In 2025 we plan to engage residents more directly on waste reduction efforts.	

¹² As defined by the EPA: scope 1 emissions are direct GHG emissions that occur from sources that are controlled or owned by an organization, scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling, and scope 3 emissions are the result of activities from assets that are not owned or controlled by the reporting organization, but that the organization indirectly impacts in its value chain.

¹³ The updated calculation methodology now uses project level life cycle assessment (LCA) data to calculate embodied carbon emissions for scope 3 category 2, includes estimations for common area fugitive emissions in scope 1, and uses an updated proxy methodology based on increased utility data availability; this resulted in a change to our 2017 baseline values as well.

¹⁴ Our new scope 1 & 2 emissions reduction target includes all scope 1 and market-based scope 2 emissions, including fugitive emissions. Our new scope 3 emissions reduction target includes the following categories: Category 2 (Capital Goods), Category 5 (Waste), and Category 13 (Downstream Leased Assets — Energy Emissions). These new emissions reduction targets cover the same categories as our previous 2°C target, with the addition of scope 1 fugitive emissions.

¹⁵ This is one of five water goals, which can be viewed in the [Water](#) section.


Avalon Melville
Melville, NY

Social Goals

TOPIC	METRIC	GOAL	PROGRESS TOWARD GOAL THROUGH 2024 ¹⁶	STATUS	UN SDG ALIGNMENT
Community	Annual community investment of total cash and in-kind donations (\$M)	Increase to \$2.75M by 2025	<div> <div>12%</div> <div>increase from baseline</div> <div> <div>2024</div> <div>2023</div> <div>Baseline</div> </div> </div>	Our philanthropic efforts continue to focus on support of disaster relief and community preparedness, affordable housing, and support for underserved communities. We maintain key partnerships with regional and national philanthropic partners to expand upon our impact. Through our investments with national and regional philanthropic partners, we have engaged more than 50% of associates in our volunteer efforts and in 2024 recorded the highest level of post-pandemic volunteer hours.	
Associates ¹⁷	Associate engagement and satisfaction (percentile)	90th percentile or better by 2025	<div> <div>9</div> <div>percentiles less than baseline</div> <div> <div>2024</div> <div>2023</div> <div>Baseline</div> </div> </div>	While we have not yet reached our 2025 goal, we've seen continued improvement in 2024 in our year over year results. We continue to focus our efforts on improving communication and collaboration across the organization and will solicit and use associate feedback to drive progress in 2025.	
Residents ¹⁸	Net Promoter Score (NPS)	33 NPS by 2025	<div> <div>11%</div> <div>increase from baseline</div> <div> <div>2024</div> <div>2023</div> <div>Baseline</div> </div> </div>	Mid-Lease NPS increased sequentially throughout 2024, reversing a downward trend that started in 2022 and endured halfway through 2023. We will continue using resident feedback as a guide to improving our residents' overall experience.	

¹⁶ The following goals use a 2020 baseline.

¹⁷ We use external benchmarks from our vendor, as well as historical three-year average data, in arriving at our engagement goal. The survey is conducted annually.

¹⁸ We calculate the NPS target on properties that are stabilized for a full two-calendar-year period.

Corporate Responsibility Reporting and Recognition

Since 2011, we have reported our corporate responsibility efforts through our annual Corporate Responsibility Report. This year's report disclosures were prepared with consideration of the [Sustainability Accounting Standards Board](#) (SASB) and the [Task Force on Climate-related Financial Disclosures](#) (TCFD) recommendations. AvalonBay also responds to the Global Real Estate Sustainability Benchmark (GRESB), which provides an industry benchmark for measuring the thoroughness of our corporate responsibility program and progress compared to peers. Our reporting is also with reference to the Global Reporting Initiative (GRI) Standards. Since 2015, we have obtained limited assurance on key components of our scope 1 & 2 and scope 3 emissions and environmental data, as outlined in the [Assurance](#) section. Historical and current assurance statements are available on our [website](#).

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

AWARDS AND RECOGNITION

2024 GRESB Regional Sector Leader — Development	Forbes Top 100 List of Net Zero Leaders — Ranked #48 2nd YEAR ON LIST	Institute for Market Transformation — Green Lease Leader Gold Level	World Benchmark Alliance 2024 Buildings Benchmark — Ranked #10 (out of 50) 2nd YEAR ON LIST
USA Today Top Workplace 2025	AmeriCorps President's Volunteer Service Award — Bronze	Human Rights Campaign — Best Place to Work for LGBTQ+ Equality 3rd YEAR ON LIST	Associated General Contractors — Diversity & Inclusion Excellence Award 2024
MSCI "A" ESG Rating	ISS ESG Corporate Rating "Prime" Status	GRESB Development Score: 96	GRESB Standing Investment Score: 83¹⁹

HIGHLIGHTED MEMBER ORGANIZATIONS

mindful MATERIALS Owners' Forum	National Multifamily Housing Council (NMHC)	National Association of Real Estate Investment Trusts (Nareit)	Real Estate Roundtable — Sustainable Policy Advisory Committee
U.S. Green Building Council (USGBC)	Urban Land Institute (ULI) Greenprint	U.S. Department of Energy Better Climate Challenge	

¹⁹ Our 2025 Proxy Statement reports an estimated 2024 GRESB Standing Investment score of 80, to reflect an internal downward adjustment of three points for a data contribution error.



Environmental

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

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Sustainability Strategy

At AvalonBay, we believe that sustainability is integral to sound and responsible business practices. A robust environmental sustainability strategy enables cost savings, mitigates risk, and creates long-term value for our associates, residents, investors, and communities.

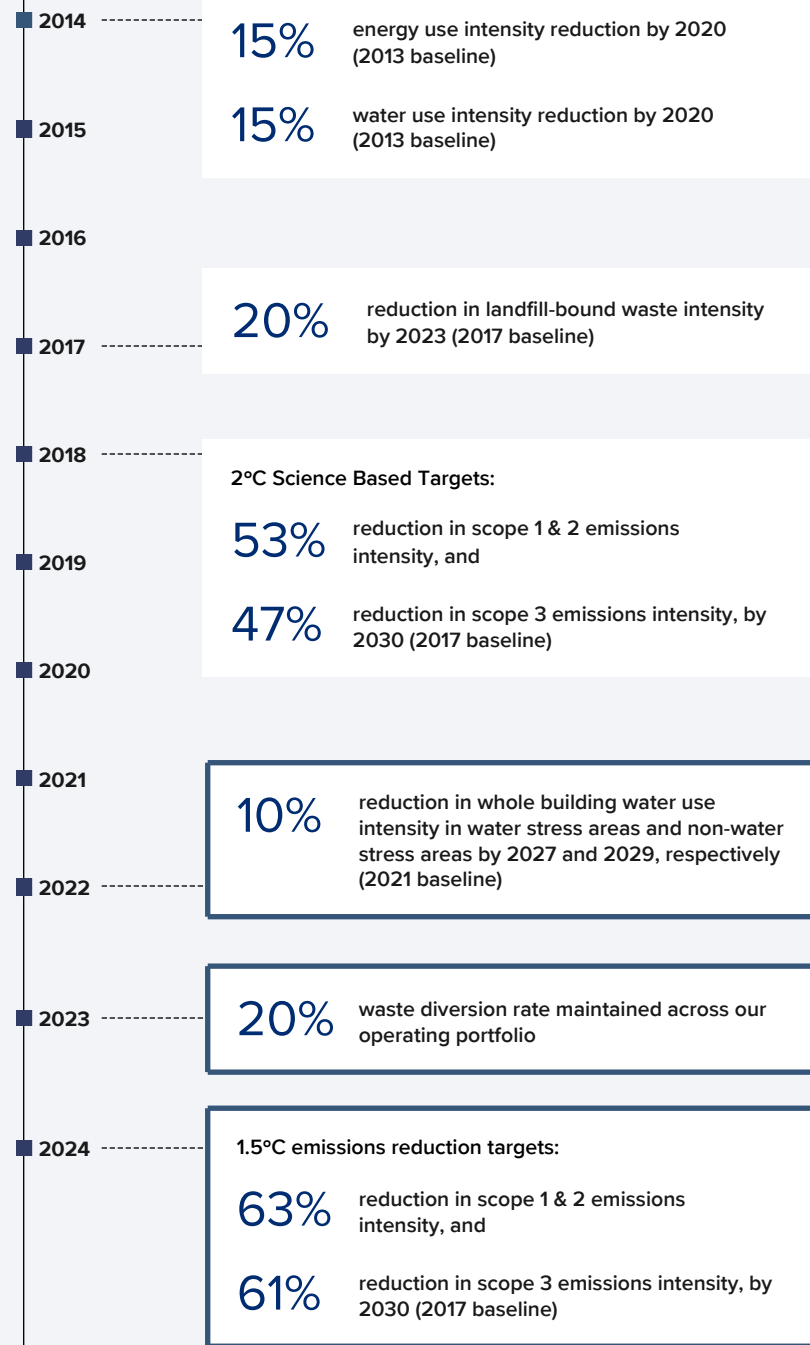
Environmental Goals

HISTORY OF OUR ENVIRONMENTAL GOALS

Our environmental goals have evolved alongside our sustainability strategy, becoming more sophisticated and ambitious over time. For over a decade we have used high-level corporate targets spanning energy, emissions, waste, and water to engage our associates and stakeholders in supporting the execution of sustainability initiatives across our organization. The figure on the right shows the evolution of our goals over time, with the current goals outlined in blue. Progress on our current goals is provided in the [At a Glance](#) section, with more context in the [Emissions and Energy](#), [Water](#), and [Waste](#) sections.

NEW EMISSIONS REDUCTION TARGETS

In 2024, AvalonBay adopted new, more aggressive, 1.5°C-aligned science-based targets, stepping up our commitment from our original 2°C targets set in 2018.²⁰ While the new targets continue to use a 2017 baseline year, the baseline values changed due to updated greenhouse gas (GHG) calculation methodology.²¹ Our new targets were developed using tools created by the Science-Based Targets Initiative (SBTi). We submitted these targets to SBTi for validation in early 2024, however, SBTi's recently updated building emissions accounting criteria no longer aligns with our sustainability strategy and business practices so we withdrew our pursuit of validation for the new targets. Our new 1.5°C-aligned targets continue to prioritize our most material emissions categories²² and reflect our commitment and ambition to minimize our impact in alignment with the Paris Climate Accords and current climate science.



²⁰ The new scope 1 & 2 emissions target is 1.5°C aligned and our scope 3 target is aligned to well below 2°C.

²¹ Our new targets now use project level LCA data to calculate embodied carbon emissions for scope 3 category 2, include estimations for common area fugitive emissions in scope 1, and updated proxy methodology based on increased availability of consumption data from utility providers.

²² Our new emissions targets include all scope 1 & 2 emissions, including common area fugitive emissions, and the same scope 3 emissions categories as our prior target, prioritizing reductions in embodied carbon in development (category 2), waste in operations (category 5), and resident energy-related emissions (category 13). Additional scope 3 emissions are calculated but not targeted for reduction: purchased goods and services (category 1), fuel- and energy-related emissions (category 3), business travel (category 6), employee commuting (category 7), resident fugitive-related emissions (scope 13), and investments (category 15).

OUR LIFECYCLE APPROACH TO RESPONSIBLE PROPERTY INVESTMENT

AvalonBay's vertically integrated business structure allows us to incorporate asset-level sustainability considerations across the development, construction, acquisition, operation, and disposition phases of a community's life cycle. The diagram below illustrates how our sustainability strategy gets incorporated into asset-level decision-making and action, which allows us to execute this work efficiently at scale.

LIFECYCLE CONSIDERATIONS



DEVELOP

- Assess and address physical climate, transition, and biodiversity risk in sustainable site selection and building design
- Research local municipality's infrastructure adaptation measures
- Follow the Sustainable Development Policy
- Design and develop for on-site solar
- Factor instances of high physical climate risk into Target Return Matrix



BUILD

- Follow Green Design and Product Standards
- Spec and procure low-embodied carbon and healthy materials
- Maximize construction waste diversion rates
- Design to meet requirements of local Building Performance Standards and other environmental codes and brownfield requirements



ACQUIRE

- Perform an energy audit
- Identify existing green building certifications
- Underwrite climate-related insurance and regulatory risk
- Assess and underwrite physical climate, transition, and biodiversity risk and mitigation costs
- Request and review energy benchmarking data



OPERATE

- Benchmark and manage energy and water performance
- Incorporate Sustainability CapEx into long-term plans
- Ensure regulatory compliance
- Mitigate physical climate and transition risks with operational activities or retrofit projects
- Operate and maintain resource-efficient communities



EVALUATE

- Conduct technical building assessments for energy, water, and waste efficiency opportunities
- Incorporate physical climate and transition risks and opportunities in hold/sell decision-making

Avalon Bothell Commons
Bothell, WA



eaves Wilmington
Wilmington, MA

Climate Risks and Opportunities

For AvalonBay and our investors, climate-related risks and opportunities, as defined by the TCFD framework, are a key focus of our sustainability strategy. As a developer, owner, and operator, our responsibility to our residents, associates, and investors includes mitigating these risks where possible and capitalizing on the opportunities created by the real estate industry's transition to a low carbon economy.

The following tables illuminate our transition and physical risks and opportunities across short-term (1-3 years), medium-term (3-8 years), and long-term (8+ years) timeframes. Our internal planning processes generally align with these time-frame definitions for departmental and strategic planning. The tables also illustrate how the impact of climate-related risks and opportunities tie to AvalonBay's business, strategy, and financial planning. Additional context for the most material topics is discussed further in other areas of this report. A [TCFD-specific appendix](#) within this report identifies and summarizes AvalonBay's TCFD disclosures.

TRANSITION OPPORTUNITIES

Short Term	<ul style="list-style-type: none"> Lowering energy consumption through energy efficiency upgrades helps reduce utility expenses and increase asset value Common area solar installations can reduce utility expenses and energy price volatility and, in the case of resident solar, can generate revenue Electric vehicle (EV) charging stations support environmentally friendly choices by our residents and can generate additional revenues Recognition as a global sustainability leader may increase interest from sustainability-focused investor stakeholders Sustainability leadership can provide access to sources of capital / reduced cost of capital (e.g., green revolver) Increased energy efficiency and durable material selection may result in lower total cost of ownership for newly developed communities
Medium Term	<ul style="list-style-type: none"> Advancing the sustainability of our communities may help attract like-minded residents, resulting in lower resident turnover and increased demand Energy/carbon reductions may result in greater product differentiation and competitive advantage
Long Term	<ul style="list-style-type: none"> Strong asset-level environmental performance could increase asset values due to lower utility costs, increased revenue from programs like demand response, EV chargers, or solar, reduced exposure to fines in jurisdictions with Building Performance Standards, and increased demand from potential buyers The Company could receive beneficial corporate valuations from the positive financial impacts of sustainability leadership and responsible business management

PHYSICAL OPPORTUNITIES

Short Term	<ul style="list-style-type: none"> Lower water consumption, particularly in areas of high water stress and high water costs, can result in reductions in utility expenses for the Company and residents
Medium Term	<ul style="list-style-type: none"> More resilient properties could retain their value at resale Communities perceived as more resilient to extreme weather may experience higher rental rates and resident attraction and retention Proactively addressing physical climate risks in development and operating portfolio may lower risk profile and lead to lower insurance premiums and increased availability of insurance coverage relative to peers
Long Term	<ul style="list-style-type: none"> The Company may have decreased losses, downtime, and resident impact from extreme weather events due to investment in community resilience measures during the development, acquisition, and operation of our communities

TRANSITION RISKS

Short Term	<ul style="list-style-type: none"> ■ Compliance with regulatory requirements at the federal, state, and local levels could result in increased capital expenditures and operating expenses, without a corresponding increase in revenue ■ Non-compliance with regulatory requirements like Building Performance Standards (BPS) and electrification could lead to fines or litigation, and activities to achieve compliance may lead to increased expenditures without immediate returns ■ Non-compliance with green building codes and electric vehicle charging and electrification mandates could expose the Company to liability, and compliance may increase development and operational costs ■ Changes to our business practices to adapt to increased government regulations related to enhanced reporting obligations may increase operational costs for staffing and resources ■ Reductions to or changes in government or utility incentives or programs may result in increased project implementation or staffing costs ■ Laws and regulations requiring climate-related disclosures, including the rules promulgated by the SEC and the legislation enacted in the state of California (and contemplated by other states), may increase compliance and data collection costs if, and when, such laws and regulations become effective ■ Failure to align with sustainability values and expectations of stakeholders, such as residents, associates, or investors, could result in reputational impact, lost business, or difficulty in hiring or retaining associates ■ Investments in climate technology could decline in value ■ Internet-enabled smart building technologies (e.g., smart thermostats) could increase cybersecurity risks ■ The Company may experience higher material costs for new developments and operating communities due to supply chain disruptions or premiums for lower-carbon materials or higher-efficiency equipment ■ Inadequate management of biodiversity risk could result in unanticipated restoration costs ■ Brownfield contamination or inadequate brownfield remediation may result in liability or increased expenses
Medium Term	<ul style="list-style-type: none"> ■ Decarbonization of electric sector, grid improvements, and stringent renewable energy portfolio standards may lead to higher energy prices ■ Movement away from fossil fuel energy, coupled with increased grid demand, may lead to uncertainty in electric grid capacity and reliability ■ Implementation of a carbon tax and limits on GHG emissions could escalate the financial burden associated with energy consumption
Long Term	<ul style="list-style-type: none"> ■ The Company's asset values may decrease due to inability to meet energy / carbon intensity expectations or regulations ■ New technologies focused on energy efficiency and decarbonization may not come down in price and become commercially viable, limiting opportunity for broad implementation

PHYSICAL RISKS

Short Term	<ul style="list-style-type: none"> ■ Damages from acute and chronic physical climate risks such as flood, drought, sea level rise, wildfires, and extreme weather events could result in increased operational and capital expenditures or harm to residents and associates ■ Proactive implementation of resilience measures to mitigate physical climate risk increases capital costs ■ Increases in insurance premiums and reduced availability of insurance coverage may occur due to severe weather events
Medium Term	<ul style="list-style-type: none"> ■ Barriers to renting or selling communities due to high physical climate risks and associated market impacts may decrease resale values ■ Extreme temperatures will increase heating or cooling demand, increasing utility and maintenance costs for the Company and our residents ■ Severe weather events and the effects of extreme temperatures may cause damage to or strain on utility/municipal infrastructure critical to building operations
Long Term	<ul style="list-style-type: none"> ■ Increasing frequency of extreme temperatures increases stress on heating and cooling equipment and may increase maintenance costs or shorten useful life of equipment, expediting equipment replacements ■ Widespread climate migration may unfavorably shift labor and resident base away from the Company's regions ■ Increase in extreme temperatures and ongoing poor air quality from wildfires may require expensive HVAC upgrades ■ Negative health impacts of high temperatures and poor air quality on workforce may increase health insurance costs

Refer to our [Annual Report on Form 10-K](#) for the year ended December 31, 2024 (our 2024 Form 10-K) for additional risk factors associated with climate change.

Climate Risk Management

We make it a priority to assess potential acquisitions, development communities, and operating communities for climate-related risks to identify potential threats and, where appropriate, implement risk mitigation tactics.

Once identified, we categorize risks based on their financial or strategic impact to the Company and whether they are physical or transitional. They are then grouped into immediate or short-term, medium-term, and long-term risks. Our next step is to determine the magnitude of the given risk impact, either financial or strategic. Risks of larger magnitude, regardless of their time horizon, are integrated into AvalonBay's enterprise risk management (ERM) process via an annual risk assessment by key stakeholders. Each year, the Vice President of ESG reviews and discusses climate risk matters with select members of the Enterprise Risk Management Committee and executive leadership, and raises issues to the Board of Directors as needed.

If any identified risks or opportunities are deemed to have a meaningful financial or organizational impact, a plan is developed with appropriate departmental resources to either mitigate the risk or take advantage of the opportunity. Risks and opportunities that do not require immediate attention are monitored on an ongoing basis for future prioritization and investment.

Process for Managing Transition Risk

We assess and manage transition risk throughout our development, acquisition, and asset management practices.

Developments: Our developments must comply with our 41 green standards and Sustainable Development Policy, which generally requires LEED Gold for all mid-rise and high-rise projects. For all new developments, the policy outlines design and construction requirements across categories such as Energy Efficiency, Electrification, Embodied Carbon, Renewable Energy, Water Efficiency, Construction Waste, and EV Charging.

This policy helps ensure our development decision-making at scale aligns with long-term organizational goals and risk management plans.

Acquisitions: During the acquisitions process, we pay close attention to the sustainability attributes of the asset, such as green building certifications, recent building improvements, and building energy performance, and underwrite potential building improvements to support local regulatory compliance. We perform an energy assessment on all acquisitions to find opportunities to invest in and improve operating performance. We also request energy consumption data to assess alignment with local Building Performance Standards. In 2024, we piloted the Audette decarbonization planning platform during our due diligence process. The tool helped us understand and begin to quantify the potential investments required to mitigate the transition risks associated with certain local Building Performance Standards. Read more in the [Portfolio Level Decarbonization case study](#).

Examples of transition risk management during acquisition included:

- For an acquisition in the Denver Metro area, we underwrote the need to replace the existing gas equipment with electric in the future. This included technical considerations around physical space on site for the retrofits, and whether the existing electric capacity can handle the increased load.
- For an acquisition in San Diego, we assessed prospective decarbonization measures that would both support climate policy compliance and be accretive to value, including on-site solar.

Operating: In our operating portfolio, Asset Management expanded their quarterly Asset Strategy Reviews to include transition risk factors such as Energy Use Intensity (EUI) quartile and water stress to help manage long-term asset stranding risk. Our Corporate Responsibility team works across the portfolio to support compliance with local climate regulations, and also to identify and prioritize OpEx and CapEx opportunities for energy, emissions, water, and waste reductions to maximize return, minimize transition risks, and support achievement of our corporate goals.

Process for Managing Physical Climate Risk

With access to more precise data from our improved physical climate risk assessments, we are better able to assess and manage physical climate risk in our acquisitions, development, and asset management processes. As required in our Physical Climate Risk Policy, we conduct physical climate risk assessments for all new development and acquisition pursuits, leveraging the numerical risk scores in investment packages for acquisitions and developments, as well as in Asset Strategy Reviews for our operating portfolio as discussed in the [Physical Climate Risk Assessment](#) section.

Developments and Acquisitions: Property-, county-, regional-, and portfolio-level physical climate risk scores are included in our investment packages for acquisition and development efforts, allowing for quick benchmarking by decision-makers. Numerical scoring also enables us to more clearly set thresholds for when mitigation measures must be discussed and implemented as part of the due diligence process. Our development Target Return Matrix includes a factor that requires a



Avalon Mountain View
Mountain View, CA

higher investment return for sites with high physical climate risk, signaling developers to avoid pursuing such locations. An assessment of climate risks for certain neighborhoods/submarkets within our regions has caused us to limit investments there. As a part of our market assessment efforts, we also seek to understand the local jurisdiction's efforts to mitigate local climate risk through infrastructure investments and improvements.

Developments: We focus on ways to design our new developments to be more resilient against identified physical climate risks. We integrate pluvial and fluvial flood risk mitigation into our designs (e.g., moving critical building infrastructure up several floors, installing flood barriers, raising the building elevation) where appropriate. Other new construction considerations include assessing setbacks and vegetation plans in areas of high wildfire risk, and increasing use of concrete structures (as opposed to wood frame) in high-hurricane risk areas.

Operating: Within our operating portfolio, we include numerical physical climate risk scores in our portfolio allocation and optimization models. Making physical climate risk information more readily available to asset management helps ensure these risks are considered when making capital investment and portfolio allocation decisions. In 2025, we plan to leverage the adaptation measures listed in the [ULI Developing Resilience Toolkit](#) as a starting point for future resilience projects and investments.

Examples of physical climate risk management include:

- To mitigate the effects of heat stress we are employing two approaches: 1) ensure that the cooling systems for our properties are in good operating order, are sized appropriately, and can handle the required load, and 2) participate in demand response programs to support grid reliability.
- In areas experiencing extreme droughts, or where water costs are rising rapidly, we are reducing watering costs and realizing good return on investment using weather-based irrigation controls. Residents also benefit from lower utility costs as we continue to increase water efficiency in our apartment homes. Water scarcity presents opportunities for us to look at water consumption holistically and find new ways to reduce consumption, such as minimizing landscape that requires irrigation. Some New Jersey communities, for example, are swapping vegetation for crushed stone in some areas.

RESILIENCE OF STRATEGIES USING A 1.5°C SCENARIO

We use multiple Representative Concentration Pathway (RCP)²³ scenarios to assess potential climate change impacts, aligning our decarbonization goals and pathway against a 1.5°C warming scenario. AvalonBay's new 2030 emissions reduction targets for scope 1 & 2 are 1.5°C aligned, and for scope 3 are well-under 2°C aligned. The Carbon Risk Real Estate Monitor (CRREM) asset stranding assessment also uses a 1.5°C-aligned scenario analysis.

Additionally, our physical climate risk assessment analyzes sites using RCPs 4.5 and 8.5 across 2030, 2040, and 2050. Our water stress assessment utilizes RCP 2.6, 7.0, and 8.5 looking at time horizons through 2050 and 2080 with the World Resources Institute (WRI) Aqueduct Water Risk Atlas tool.

Transition Risk

We screen throughout the year to identify and assess new or emerging regulatory, technological, market-related, and reputational climate-related transition risks or opportunities. Select categories of our most pertinent climate-related transition risks are provided below.

REGULATORY RISK

New regulatory requirements are emerging across our portfolio in a variety of ways. We put significant effort into increasing the accuracy of asset-level benchmarking and creating guidance to support the creation of asset-level plans to achieve local regulatory requirements and longer-term sustainability goals. We also have wide-ranging and ongoing discussions with local and state government leaders, sustainability industry experts, non-governmental and real-estate-specific industry organizations, and various internal stakeholders to both inform our management approach and provide feedback on proposed regulations and standards where appropriate.

The table below outlines some of the most notable current climate-related regulatory risks by state, with additional examples and context provided on the following pages.

Current Climate-Related Regulatory Risk and Legislation by State*	CA	CO	CT	DC	FL	MA	MD	NC	NJ	NY	TX	VA	WA
Building Performance Standards	■	■		■		■	■			■			■
Physical Climate Risk Disclosure	■									■			
Climate Risk and Emissions Disclosure**	■												

* State- and jurisdiction-specific requirements have been aggregated to the state level for the purposes of this chart.

** California climate disclosure requirements mandate comprehensive portfolio-wide emissions* and climate risk disclosures aligned with TCFD.

²³ Representative Concentration Pathways (RCPs) are climate change scenarios to project future greenhouse gas concentrations. RCP 2.6 is an aspirational goal significantly limiting emissions. RCP 4.5 represents a moderate level of climate change. RCP 7.0 represents a "business as usual" scenario for emissions increases. RCP 8.5 is a worst-case scenario where emissions continue to rise.

Building Performance Standards

Building Performance Standards (BPS) are proliferating across the country in varying forms requiring either energy or emissions reductions to specified levels. Given the impact of BPS within our portfolio, we have centralized oversight of BPS management at the corporate level with defined roles and responsibilities for Engineering, Capital Projects, and Asset Management at the asset or regional levels. We leverage external resources such as the ULI Global Green Building Policy Dashboard, IMT BPS Maps and Policy Details by Jurisdiction, and other industry publications to keep pace with changes and supplement this knowledge with in-depth reviews of individual codes and standards — either proposed or approved. Jurisdictions in our portfolio that currently have active performance standards or audit and tune-up requirements include New York City, Boston, Washington, D.C., Denver, Colorado (state-level), Seattle, Washington (state-level), Montgomery County, Maryland (state-level), and many cities in California. We anticipate BPS will continue to spread to more of our markets based on current benchmarking requirements and the commitment of many jurisdictions to initiatives like the National Building Performance Standards Coalition.

To prepare for the requirements of BPS in our operating markets, we conduct annual utility, energy, and BPS rules analyses to identify communities that may be at risk for noncompliance in the near and long term. Potential pathways outlined in specific BPS rules are evaluated for each region to determine the most practical compliance options. BPS pathways, such as Boston's Buildings Portfolio, enable multiple buildings to be combined to meet a blended emissions target. This approach provides flexibility and supports responsible capital planning through better alignment with

planned end-of-life equipment upgrades. In 2024, our sustainability CapEx funds were prioritized for communities with BPS compliance exposure.

Physical Climate Risk Legislation

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

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

Climate Disclosure Requirements

In addition to legislation that requires the asset-specific disclosures mentioned above, there are new and emerging corporate disclosure requirements such as the SEC's climate disclosure rule (now paused), alongside California's SB 219 (which amended SB 253 and SB 261). This type of legislation requires comprehensive disclosure and future assurance of scope 1 & 2 and, in the case of California's SB 219, scope 3 emissions. We continue to review and consider steps to advance our reporting platform in preparation for these new disclosure requirements by expanding the scope of our current assurance verification to increase the coverage of scope 3 emissions. Other steps include our move to expand and include our TCFD reporting within this Corporate Responsibility Report.



Avalon Russet
Laurel, MD

CASE STUDY

Portfolio Level Decarbonization Planning

In 2024, AvalonBay completed our initial pilot of Audette, an AI-powered decarbonization modeling and capital planning platform, at 12 communities to quantify decarbonization potential, identify relevant retrofit projects, and build out property-level transition plans. The pilot confirmed that Audette provides a scalable solution to generate recommendations comparable to those of traditional energy and decarbonization audits, but at a fraction of the time and cost. Further, the platform also delivered the property-level and project-level financials needed to support capital planning decisions and help us prioritize projects and communities with the greatest opportunity for savings and impact.

Following the pilot's success, we rolled out Audette across all operating communities and used the platform to inform our 2025 Sustainability CapEx budget process to focus strategically on the highest-impact and most accretive opportunities. The Audette platform is part of our broader strategy to leverage planned capital replacements to incrementally but systematically reduce our carbon emissions by upgrading, where fiscally responsible, to more efficient, lower-carbon options. Beyond carbon reduction, we also expect this new approach allows us to capture major co-benefits such as greater OpEx savings, reduced regulatory risk, improved resilience, and modernized buildings that attract/retain residents, all in the service of ultimately enhancing asset value.



Avalon Princeton
Princeton, NJ

ASSET STRANDING RISK

We have reviewed our portfolio and considered the emissions profile of, and local regulations applicable to, our communities in an effort to understand their risk of being “stranded” (prematurely devalued) due to energy and emissions profiles and local regulations. We also ran our portfolio through the Carbon Risk Real Estate Monitor (CRREM)²⁴ 1.5°C methodology pathway for a preliminary understanding of our stranding risk.

To quantify these risks, we recognize the importance of decision-useful transition risk decarbonization pathways. Throughout 2023 and 2024, we have been partnering with our Asset Management and Engineering teams to create a process that incorporates the risk of stranding into our capital planning and investment decisions in our most impacted markets. This includes adding ENERGY STAR and Energy Use Intensity (EUI) data into Asset Management’s Asset Strategy Reviews. Longer term, continued partnership with our Design and Development teams will be important to ensure development communities are designed to achieve the level of energy performance required by regulations upon stabilization.

STAKEHOLDER EXPECTATIONS RISK

Certain stakeholders across our value chain — our Board, investors, residents, associates, and communities — have rising expectations of our sustainability performance, which presents as a transition risk and an opportunity to AvalonBay. We recognize the importance of reporting on our environmental goals and performance, and continuing to advance our efforts. To understand these growing expectations, we

conduct materiality assessments on a regular cadence and have frequent conversations with investors to ensure that our sustainability program aligns with best practices and market expectations.

Our efforts to advance the sustainability performance of our communities opens opportunities with stakeholders as well. Through these advances, we have an opportunity to engage with and improve our positive perception from our residents, improve our Net Promoter Score, and attract and retain those that value high-performing assets and sustainable housing. We continually experiment with innovative ways to drive value for residents while reducing environmental impact. Our performance also creates an opportunity to attract investors seeking sustainable investment opportunities. Additionally, our commitment to sustainable development may help support a timely entitlement process as local jurisdictions may be more supportive of our development projects.

²⁴ The CRREM Transition Risk Report we executed with GRESB uses v2-11.01.2023 of the Global CRREM Pathways. Not all GRESB multifamily properties are recognized the same in CRREM, as there is no delineation between product types (garden, mid-rise, etc.).

UTILITIES AND GRID RISK

AvalonBay is focused on managing utility risks as the built environment electrifies and grows its energy demand and seeks to procure more green power.

We manage the risks of increased electricity prices and uncertainty in electric grid capacity/reliability through our energy procurement strategy, energy efficiency improvements, and distributed energy resources (e.g., demand response, battery storage, onsite solar). These efforts reduce utility costs and increase our energy independence while also adding renewable electricity to the grid. Additionally, we continuously monitor market conditions and execute long-term energy agreements to lock in rates we can plan, budget, and manage against. See the [Emissions and Energy](#) section for more details.

INSURANCE RISK

AvalonBay maintains a variety of insurance programs related to its business activities. This includes property insurance for its communities, with insurance coverage provided by third party insurers and a wholly-owned captive insurance company. As a result, AvalonBay retains meaningful self-insured exposure to property casualty loss that incentivizes us to underwrite and assess the effects of climate change on our portfolio, including for those regions of the country where the impacts are elevated, such as Florida and Texas. See the [Insurance Risk Management](#) section for more information.

BIODIVERSITY RISK

In 2022, each community in our operating portfolio underwent a biodiversity risk assessment using Birdlife International's Integrated Biodiversity Assessment Tool (IBAT). Each assessment identified site-level proximity to areas of potential biodiversity risk and areas where focused efforts would lead to higher levels of positive biodiversity impact. We use two IBAT reports to benchmark our portfolio to better understand potential biodiversity risks we may encounter in our regions:

- Species Threat Abatement and Restoration (STAR) Score Report contains separate scores for Threat Abatement and Restoration that are designed to identify potential biodiversity impacts to influence high-level decision-making.
- Performance Standard 6 (PS6) report provides additional context on the at-risk species, protected areas, key biodiversity areas, and other biodiversity metrics for a specific location.

These reports and the associated portfolio benchmark provided the foundation for our Biodiversity Risk Assessment Policy released in early 2023. The policy requires all new developments and acquisitions to use STAR and PS6 reports to assess their site during the due diligence process to identify potential risk from biodiversity loss or potential benefit from improving biodiversity at that site. Projects at a certain threshold must disclose mitigation plans to our investment committee. Mitigation strategies include, but are not limited to, planting native vegetation to support at-risk endemic species, reducing turf in favor of native vegetation, and preserving key wetland areas to aid in stormwater management. As of year-end 2024, all operating communities, and all current and potential developments and acquisitions, had completed biodiversity assessments.



Avalon West Dublin
Dublin, CA

Physical Climate Risk

In a world with an increasing number of billion-dollar weather and climate-related disasters, it is more important than ever for us to manage physical climate risk at AvalonBay. We look to identify and prioritize physical climate-related risks throughout our investment process by using tools to estimate their potential impact, probability, and timeframe (near-, medium-, and long-term) to assist us in identifying asset level mitigation tactics. Select categories of our most pertinent physical climate risks are provided below.

PHYSICAL CLIMATE HAZARDS

Our physical climate risk assessment program provides usable and actionable risk information for our developers and asset managers. Notable features of the program include asset-level assessment reports that show a breakout of six risk indicator categories: Flood, Precipitation, Wildfire, Wind, Heat, and Drought. The assessments include county- and zip-code-level risk indicator scores to help our team understand if a community has an outsized risk relative to the local area, or vice versa. The ClimateCheck assessments also provide a numerical risk score for each indicator, which enables us to create asset- and market-level comparisons, as well as an

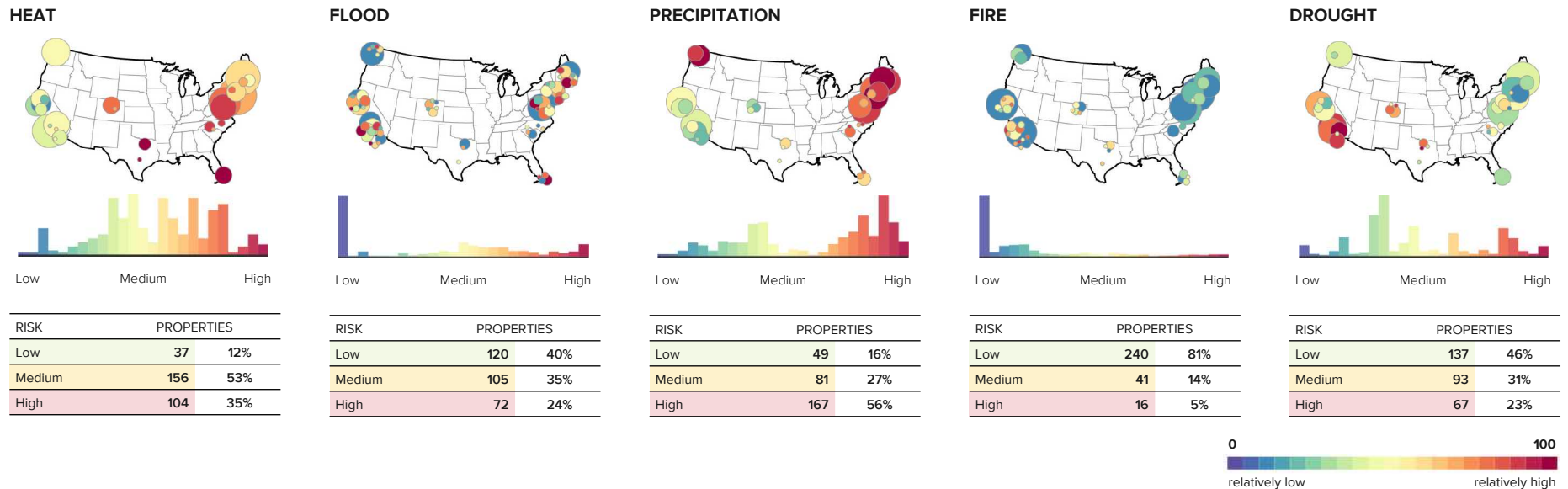
“overall risk score” for each community by weighting the impact of each individual risk based on historical loss and value implications and potential future impact to our communities. All properties are assessed using RCP 4.5 and 8.5 across 2030, 2040, and 2050.

The community-level overall risk score allows us to create regional and national averages against which new and operating communities can be benchmarked. We can now also monitor how the regional or national averages change over time as our portfolio allocation evolves and the climate continues to change. Ideally, tracking these average risk scores over time will aid in acquisition, disposition, and portfolio

allocation strategies. We plan to recalculate the portfolio-wide assessment every two years or as the underlying climate data or models change materially.

Physical Climate Risk Analysis

The below graphic²⁵ was derived using ClimateCheck’s portfolio assessment tool and provides a high-level overview of each physical climate risk assessed across our portfolio. We integrate this information in investment decisions as described in the [Process for Managing Physical Climate Risk](#) section.



²⁵ This illustration presents risk information using RCP 8.5 at the 2050 horizon.

DROUGHT RISK

Recognizing that drought presents a significant physical climate risk, and is a driver of utility cost increases, we also use the World Resources Institute's Aqueduct Water Risk Atlas Tool to perform an annual water stress assessment across our operating portfolio to pinpoint communities in areas of "high" and "extremely high" water stress. This information helps us to prioritize water saving projects at water-stressed communities, and helps us segment our 2027 and 2029 water goals. For more information on our water efforts see the [Water](#) section.

Disaster Response

Our partnership with the American Red Cross remains an important way for us to prepare our residents and associates for the effects of stronger storms and more frequent climate-related events now and in the future. For more information on our disaster response efforts, see the [Community Preparedness/Disaster Relief](#) section.

Mitigating Wildfire Risk

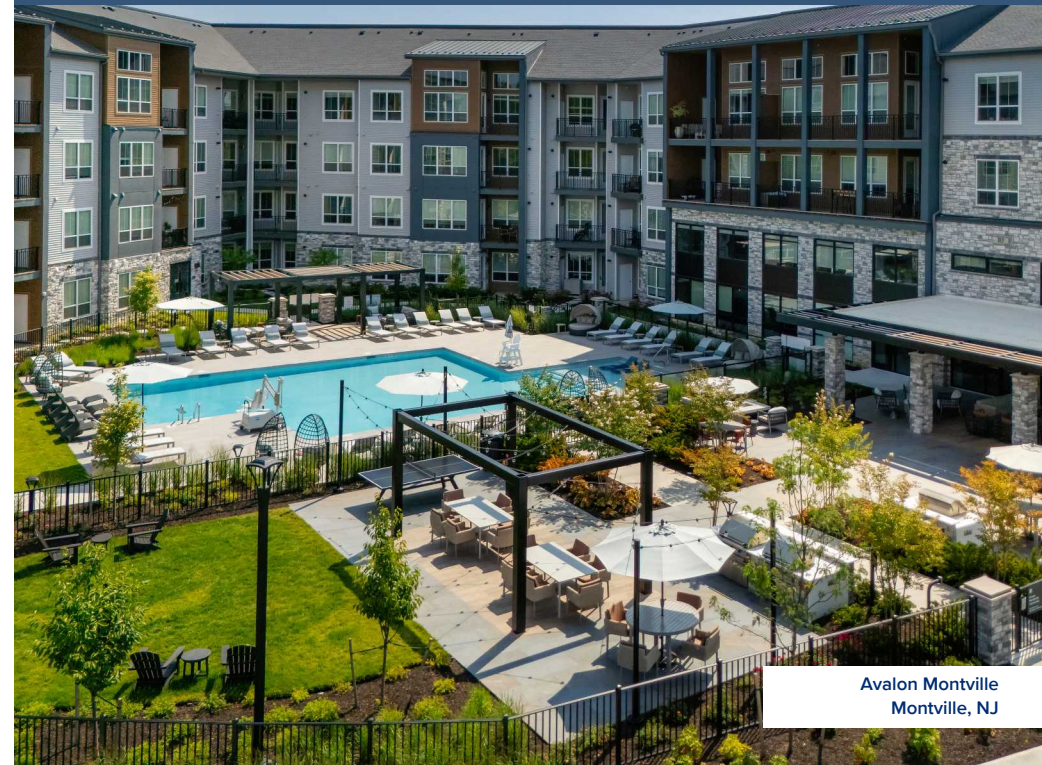
Climate-resilient materials are becoming increasingly sophisticated. We regularly look for new ways to integrate them into both our developments and operating communities to mitigate climate risk, enhance durability, and reduce maintenance costs over time. For example, in our California portfolio, we are mindful of wooded or hillside properties that could be impacted by wildfires. At our AVA Toluca Hills community, we replaced the wood-framed balconies with prefabricated steel balconies to help mitigate fire risks. The new balconies are fire-proof and will require less maintenance over time than traditional construction. Operationally we also continue to remove nearby trees or brush that could impede access or be a combustion source, as well as "ladder" fuels like trees and low-lying shrubs from the perimeter of the property. Across our portfolio, we have ongoing maintenance and operational protocols for mitigating wildfire risk and minimizing vegetation. While climate-resilient materials may initially carry a higher price tag compared to traditional options, their long-term benefits often outweigh these up-front incremental costs as we work to future-proof our communities.

CASE STUDY

Avalon Montville's Climate Adaptation Efforts

Avalon Montville, a new community in northern New Jersey, is a great example of AvalonBay's commitment to environmental remediation and physical climate risk mitigation in action. We transformed a former automobile salvage yard into a new 349-unit sustainable apartment community with upscale amenities and access to local highways. The \$9M remediation effort included the removal of contaminated soil, replacement with clean fill, and re-vegetating previously disturbed wetland buffers.

After identifying site-specific flood risks, we implemented significant adaptation efforts, including raising the site in some areas up to eight feet, installing a New Jersey Department of Environmental Protection (NJDEP)-approved site-wide stormwater management system, and meeting the "Zero Net Fill" state requirements by optimizing onsite flood storage basins and acquiring 27,500 cubic yards of NJDEP-certified flood hazard credits. AvalonBay also improved site safety and accessibility by building a new direct access driveway to Route 46. The mixed-income community, which opened to residents in June 2024, is pursuing LEED Gold certification.



Avalon Montville
Montville, NJ

Sustainable Development

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

Certified Communities

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

We follow a Sustainable Development Policy, updated in 2023, which includes a sample LEED scorecard that illustrates for teams how our internal design standards align to specific LEED credit requirements. This alignment process helps demystify certification requirements and helps ensure minimum levels of certification are achieved for minimal cost premiums.

Our policy outlines mandatory design and construction requirements for all new developments that are broken out across categories such as Energy Efficiency, Electrification, Embodied Carbon, Renewable Energy, Water Efficiency, Construction Waste, and EV Charging.

These requirements are geared specifically toward ensuring that our community-specific design and construction decisions support achievement of AvalonBay's broader environmental goals. The policy generally requires all mid-rise and high-rise buildings to achieve LEED Gold using the LEED BD+C: Multifamily Mid-Rise v4 rating system. While garden style communities are not required to pursue certification, they are required to follow the new design and construction requirements outlined in the Sustainable Development Policy to help ensure all projects attain a similar level of environmental performance regardless of certification achievement.

In 2024, an additional seven communities achieved green building certifications, bringing the total count across the portfolio to 76 communities that have earned one or more environmental certifications. We have an additional 43 communities in development or construction that are pursuing certification, bringing the total number of communities in our portfolio either pursuing or having achieved an environmental certification to 119.



Avalon Redmond Campus
Redmond, WA

CERTIFIED AVALONBAY OFFICES

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



AVA RiNo
Denver, CO

CERTIFIED COMMUNITIES

New Construction Certifications

ENERGY STAR New Construction

- AVA Fort Greene
- AVA Queen Anne
- Avalon Albemarle
- Avalon North Andover
- Avalon Norwood
- Avalon Princeton Circle
- Avalon Saugus
- Avalon Statesman
- Avalon Sudbury
- Avalon Easton II
- Avalon Woburn
- Avalon Residences Hingham Shipyard
- Kanso Milford

LEED for Homes

- AVA Wheaton
- Avalon Chino Hills
- Avalon Dogpatch
- Avalon Irvine III
- Avalon Newcastle I
- Avalon Public Market II
- Avalon Vista

Operational Certifications

Fitwel (1 Star)

- AVA Balboa Park

LEED for Homes v3

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

LEED for Homes v4

- Avalon Alderwood Place
- Avalon North Creek
- Avalon Redmond Campus

LEED Multifamily Midrise v3

- AVA Esterra Park
- AVA Hollywood
- AVA Little Tokyo
- Avalon Hayes Valley
- Avalon Huntington Beach

NGBS Operational (Silver)

- Avalon Denver West
- Avalon Towson

LEED Multifamily Midrise v3

- Avalon Irvine II
- Avalon Morrison Park
- Avalon Public Market
- Avalon West Hollywood
- Avalon Walnut Creek II

LEED Multifamily Midrise v4

- AVA RiNo
- Avalon Bothell Commons
- Avalon Brea Place
- Avalon Monrovia
- Avalon Princeton Circle
- Avalon West Dublin

LEED New Construction — Certified

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

LEED New Construction — Silver

- AVA DoBro
- AVA North Point
- AVA Queen Anne
- Avalon 555 President (East Harbor)

LEED New Construction — Silver

- Avalon Belltown Towers
- Avalon North Station
- Avalon Potomac Yard
- Avalon Towers Bellevue
- Avalon Willoughby Square

LEED New Construction — Gold

- AVA 55 Ninth
- AVA High Line
- Avalon Brighton
- Avalon Cherry Hills
- Avalon Lowry
- Avalon West Chelsea

NAHB Green Certification (Bronze)

- Avalon Rockville Centre

NGBS Design & Construction (Silver)

- Avalon Doral
- Avalon Durham
- Avalon Ft Lauderdale

76 communities

have achieved one or more environmental certifications with 43 additional communities currently pursuing certification



Avalon Brighton
Boston, MA

CASE STUDY

Electrifying Multifamily Development at Avalon Brighton

Avalon Brighton in Boston, MA, is a prime example of our progress towards electrification through innovative sustainable design, achieving high-performing electrification in the cold climate of Massachusetts.

Spanning 276,613 square feet, the development integrates a comprehensive package of sustainability measures to dramatically improve energy performance with an expected site Energy Use Intensity (EUI) of 34.5 kBtu/sf. Measures include a 135 kW rooftop solar PV system to offset common area grid electricity use, residential unit cold climate heat pumps, individual energy recovery ventilators, a high-performance building envelope designed to maximize thermal heat resistance through envelope sealing, efficient window glazing, and high R-value insulation throughout the community. Avalon Brighton has successfully weathered two Massachusetts winter seasons, proving the cold climate heat pump's reliability to operate and maintain resident comfort.

Future electrification efforts will focus on the centralized domestic hot water served by high-efficiency condensing gas boilers and common areas that utilize gas furnace air handlers, where needed. Decarbonization plans will be phased for hybrid or electrified replacement at end of useful life to meet both AvalonBay's emission reduction targets and Boston's Building Emissions Reduction and Disclosure Ordinance (BERDO).

When evaluating a building's design and operational performance, using EUI as a comparison metric emphasizes how efficiently the building systems — under the oversight of the Design and Operations teams — consume energy, without including the external parameters of the efficiency or emissions associated with the energy source or grid. In 2024, with the community at full occupancy, Avalon Brighton's performance was within 2% of the intended design, achieving an actual site EUI of 35.3 kBtu/sf.

Sustainable Materials Procurement

Reducing the embodied impact of construction materials is crucial for creating low-impact, healthy spaces. Our work described below aims to enhance our ability to procure materials that reduce the embodied impacts of our communities, while also advancing toward our scope 3 emissions reduction target. See more on our sustainable and healthy procurement efforts in the [Quality and Standards](#) section.

EMBODIED CARBON

Embodied Carbon represents our second-largest scope 3 emissions category. In 2024, per our policy, we required all new developments to conduct life cycle assessments (LCAs) that, at minimum, cover the A1-A3 Product Stage of the life cycle and include those materials that contribute most to embodied carbon such as the structure (including foundation), enclosure, and drywall. The completion of LCAs is a meaningful improvement compared to the traditional cost-based tracking methods AvalonBay and others have used in the past.

In 2024 we made meaningful progress targeting lower embodied carbon products for our new developments. LCAs revealed that concrete and drywall were the biggest contributors of embodied carbon, comprising 49% of the Product Stage CO₂e. We incorporated lower embodied carbon concrete and drywall into seven of our 2024 new construction starts, yielding an average 8.7% reduction in the embodied carbon for the Product stage CO₂e compared to the original designs for these new developments. This equates to a 28.8% reduction compared to the 2017 emissions reduction baseline.

Other focused efforts in 2024 included piloting embodied carbon design charettes and testing lower embodied carbon insulation and concrete masonry units (CMU) in new developments. For materials with successful pilots, we are modifying our design standards to incorporate these lower embodied carbon products.

HEALTHY MATERIALS

The definition of healthy materials has been ever-changing and unclear across our industry for years. Industry alignment around definition is needed to ensure consistent specifications are used throughout the design and construction process, and to send a clear market signal to manufacturers to drive market demand for product transparency around key health and sustainability attributes. In 2023, mindful MATERIALS[®] introduced the Common Materials Framework, which defined holistic material attributes centered on human health, climate health, ecosystem health, social health and equity, and circular economy²⁶ based on extensive industry feedback.

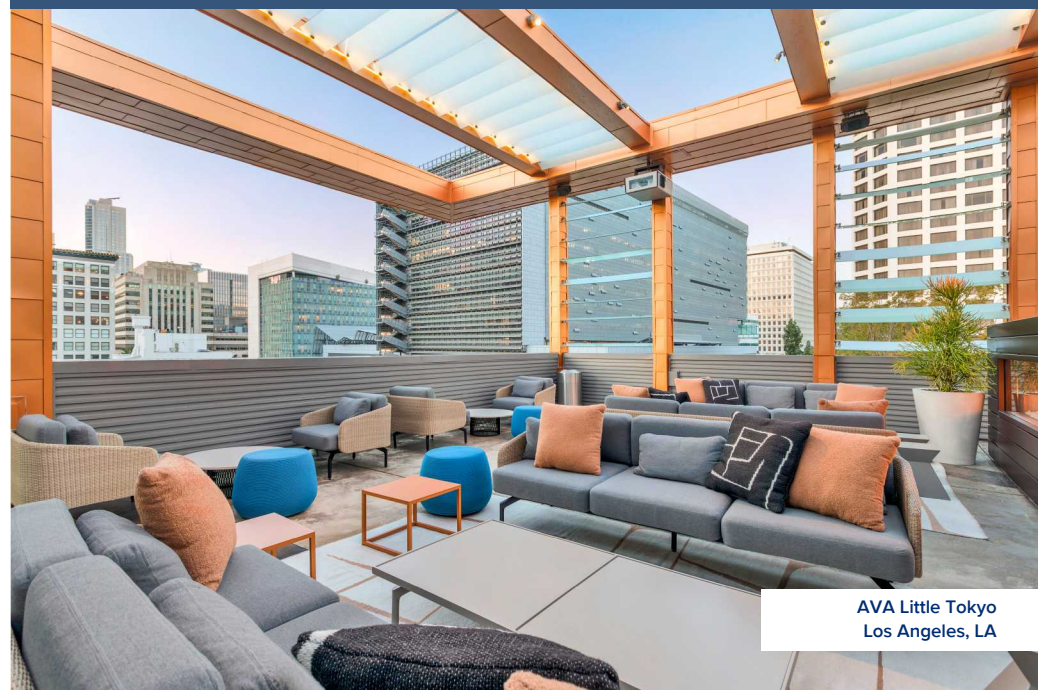
To support these efforts alongside other leaders in the architecture, engineering, and construction (AEC) and manufacturing industries, AvalonBay continues to engage as one of the founding members of the mindful MATERIALS Owners' Forum, a group of like-minded organizations focused on making healthy and sustainable material procurement applicable and achievable for all commercial building owners and developers.

CASE STUDY

Lower Embodied Carbon Product Selections

AvalonBay is pursuing lower embodied carbon concrete and drywall for multiple projects. At Avalon Pleasanton Phase 1 in California, we are working with our concrete contractor to target an embodied carbon reduction of 30% in the concrete versus the National Ready Mixed Concrete Association (NRMCA) regional benchmark at no cost premium. Our drywall contractor agreed to use USG EcoSmart Panels for most of the gypsum board in the project for a 30% embodied carbon reduction in the drywall at a small cost premium relative to the total drywall contract amount. We anticipate an 8% reduction in the overall embodied carbon of the Product Stage CO₂e of the project due to the concrete and drywall selections. Multiple projects in our development pipeline are currently pricing lower embodied carbon concrete and drywall including Avalon Pleasanton Phase 2, Kanso Hillcrest, Avalon Quincy Adams, Avalon Roseland II, Avalon Brier Creek, and Avalon North Palm Beach.

We have begun to investigate other contributors of embodied carbon for our buildings, including insulation and CMU. The Preconstruction Services and Construction Sourcing team is soliciting pricing for these products from trade contractors and suppliers for our new developments.



AVA Little Tokyo
Los Angeles, LA

²⁶ <https://www.mindfulmaterials.com/a-common-language>

Flexible and Mixed-Use Building Space

Approximately 33% of our communities feature a mixed-use component with ground floor retail or commercial space, providing convenient services for our residents and the surrounding neighborhoods. Our focus on activating the ground floor with desirable tenancy elevates the overall community and drives leasing velocity with residential prospects.

Development of the Year Award: Avalon Bothell Commons

Avalon Bothell Commons in Washington State has been honored with the Multi-Family Residential Suburban Development of the Year (100+ Units) award by NAIOP, the Commercial Real Estate Development Association. This exceptional community is home to 467 apartment homes, including 72 townhomes. NAIOP recognized this asset for the many sustainable design features, including the standalone two-story mass-timber amenity building, which combines sustainable design with striking aesthetics. Avalon Bothell Commons was built to achieve LEED Gold certification using the LEED BD+C: Multifamily Midrise rating system. The community utilizes 71 kW of onsite solar PV, offers EV charging, and features a 1.5-acre central park that prioritized tree retention and native plantings.

In 2024, we continued leasing activity on our newly delivered developments, executing over 44,000 square feet of space across five projects, including the addition of another grocery store, expected to open in early 2026. These developments showcase the choice residents are making to live in amenity-rich, often transit-oriented, and walkable environments. Our emphasis on curating live-work-play environments also encourages walking and cycling while fostering local economic growth.

Community Revitalization and Redevelopment

Many of our new development sites are located in urban or close-in suburban neighborhoods, where we are repurposing or removing an existing use and revitalizing both the site and the area with new investment and activity. While we did not complete any formal community redevelopments, nor have any communities under redevelopment as of year-end, we continued significant efforts redeveloping brownfield and greyfield sites into new developments

Some examples that were completed in 2024 or are under construction as of year-end 2024 include: Avalon Montville in NJ, Avalon West Dublin in CA, Avalon Bothell Commons in WA, Avalon Annapolis in MD, Avalon West Windsor in NJ, AVA Arts District JV in CA, Avalon Westminster Promenade in CO, Avalon Durham in NC, Avalon South Miami in FL, Avalon Wayne in NJ, Avalon Parsippany in NJ, Avalon Princeton Shopping Center in NJ, Avalon Hunt Valley West in MD, and Avalon Governor's Park in CO. In 2024, six of our nine development starts were on sites that had vacant or blighted former uses, primarily outdated suburban office parks or obsolete retail space, including Avalon Quincy Adams in MA, Avalon Pleasanton in CA, Avalon

Roseland 2 in NJ, Avalon Carmel in NC, AVA Brewer's Hill in MD, and Kanso Hillcrest in CA. Redeveloping old warehouse, office, manufacturing facility, and salvage yard sites allows AvalonBay to ameliorate older sites, create more efficient use of space, and infuse new ground-up development life into previously underutilized locations.

Transit-Oriented Development

Access to transit is not only influential on selecting a place to live, it also plays an important part in decarbonizing our future by creating less reliance on individual passenger vehicles. In 2024, we completed the construction of one additional Transit-Oriented Development (TOD) in Colorado, bringing the average Walk Score of our Transit-Oriented Communities to 82, and the total count of Transit-Oriented Communities in our portfolio to 113. In addition, four more TOD developments are in construction in Florida, Massachusetts, Maryland, and New Jersey as of year-end 2024.

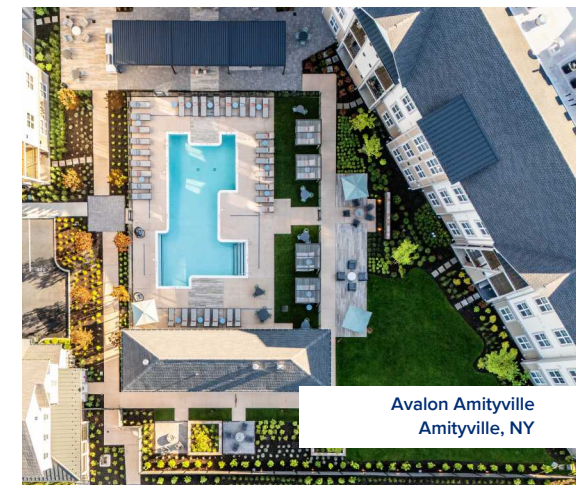
Greenfield/Brownfield Developments

We are thoughtful about responsible site selection for our developments. Very little of our new development activity is located on greenfield sites; of the 17 developments under construction in Q4 of 2024, only four were greenfield. Additionally, 42 of the 55 developments in our pipeline are on sites that are reused or were previously industrial or commercial uses. In the cases where we have greenfield developments, we generally contribute to offsite wetlands mitigation banks, local infrastructure improvements, and other offsite investment as required by local regulations.

Many of our sites involve brownfield cleanup to remove pollutants. In 2024, we completed construction at Avalon Montville in New Jersey and Avalon Governor's Park in Colorado, which required roughly \$9 million and \$625,000 of environmental remediation respectively. We also completed remediation efforts on sites in Quincy, MA, and Baltimore, MD, including efforts such as historic PCB clean up, and abatement and removal of contaminated material and soil.

Revitalization Project Highlight

Avalon Amityville in New York is a strong example of our commitment to community revitalization. We transformed the land of a former hospital campus into a vibrant community hub offering over 300 modern luxury apartments and townhomes. Located less than a half-mile walk from the Long Island Railroad Amityville train station, Avalon Amityville is a thriving TOD community providing residents seamless integration with public transportation.



Emissions and Energy

Emissions Goals

In 2024 we achieved a 7.7% year-over-year reduction in our scope 1 & 2 emissions, which brings us to a reduction of (55)% since our 2017 baseline year. Our scope 3 emissions increased by 14.7% in 2024, which brings us to (31)% reduction from our 2017 baseline year. Primary contributors to scope 1 & 2 emission reductions include the expansion of on-site solar and various energy efficiency improvements throughout the portfolio as detailed in the [Energy Efficiency](#) section. Drivers of the scope 3 emissions increase are stem from a rise in development completions (10 in 2024 compared to 6 in 2023), impacting embodied carbon and waste emissions. As part of our effort to increase the accuracy of our emissions calculations, we changed our embodied carbon measurement methodology from using material costs as a proxy to using Life Cycle Assessments (LCAs) for completed development projects. This change had a positive impact on calculated reductions in scope 3 emissions compared to our prior approach, and supports our teams' understanding of project- and material-specific impacts and the continuous process improvements to support achievement of our corporate targets. Our move in 2023 to use electric supplier-specific emissions factors (where available) has also improved the accuracy of our scope 2 calculations from using electric grid-specific emissions factors. Our emissions reduction roadmap charts our path to achieving our short- and long-term targets. We're focused on building or expanding programs in line with this roadmap to make measured progress against our targets in the coming years.

EMISSIONS REDUCTION ROADMAP

Our emissions reduction roadmap has been refined to reflect our new 1.5°C-aligned emissions targets. Because our former roadmap took into consideration both existing targets as well as possible future targets, adoption of our new 1.5°C-aligned emissions targets did not change our identified strategies, but has changed implementation timelines slightly for some strategies. Leadership throughout the organization engaged in the roadmap development effort to ensure alignment with broader business objectives, amplify departmental buy-in, and maximize value creation. The most salient high-level initiatives and pilots were classified into the five categories below.²⁷



²⁷ Initiatives shown here represent all initiatives included in the strategy between 2023 and 2050.

Energy Efficiency and Demand Management

Energy efficiency and demand management initiatives play a large role in our decarbonization roadmap due to both positive impact and return profiles. While it may be easier to influence the energy efficiency of our new developments given our control of building design, we cannot ignore the magnitude of emissions from our portfolio of operating communities. This underscores our dual focus on managing and improving energy efficiency and laying the foundation for demand management opportunities in both our new developments and operating communities.

SMART BUILDINGS AND ENERGY MANAGEMENT

Smart Building technology provides the ability to operate buildings more efficiently with improved remote insights. Our strategy is to leverage technology, software, and services tailored to the complexity of each building type and their building systems, ensuring capital investment aligns with anticipated consumption, expense, or risk reductions.

AvalonBay has 24 communities with conventional Building Automation Systems to help us efficiently operate and monitor energy intensive building systems. In 2024, three communities in New York City were actively enrolled in Energy-Management-as-a-Service (EMaaS) to further improve energy efficiency, with stellar results as outlined in the case study on the following page. Planning and preparation was completed in 2024 to expand the EMaaS platform to an additional 11 high-rise communities in New York City and Boston to drive consumption and expense reductions.

Attic Insulation Projects in Massachusetts

In a partnership with The Rise Group, three communities were identified in 2024 to begin improving building tightness and reduce energy loss. Avalon at Lexington, Avalon Bear Hill, and eaves Peabody will receive air sealing and attic insulation worth a total of over \$1.24 million through Mass Save and National Grid incentives. At no cost to AvalonBay, this group of projects will reduce the community's scope 1, 2, and 3 emissions along with reducing utility expenses for the community and our residents.

Smart Thermostats

In total, AvalonBay has installed 350 smart thermostats in common areas across 44 communities in 10 states. These smart thermostats are programmed with setpoint schedules and night-time setbacks to promote energy conservation, utility savings, and resident comfort. Where applicable, our smart building platform provides real-time temperature and humidity alerts when critical thresholds are breached, allowing our community managers to monitor building health metrics.

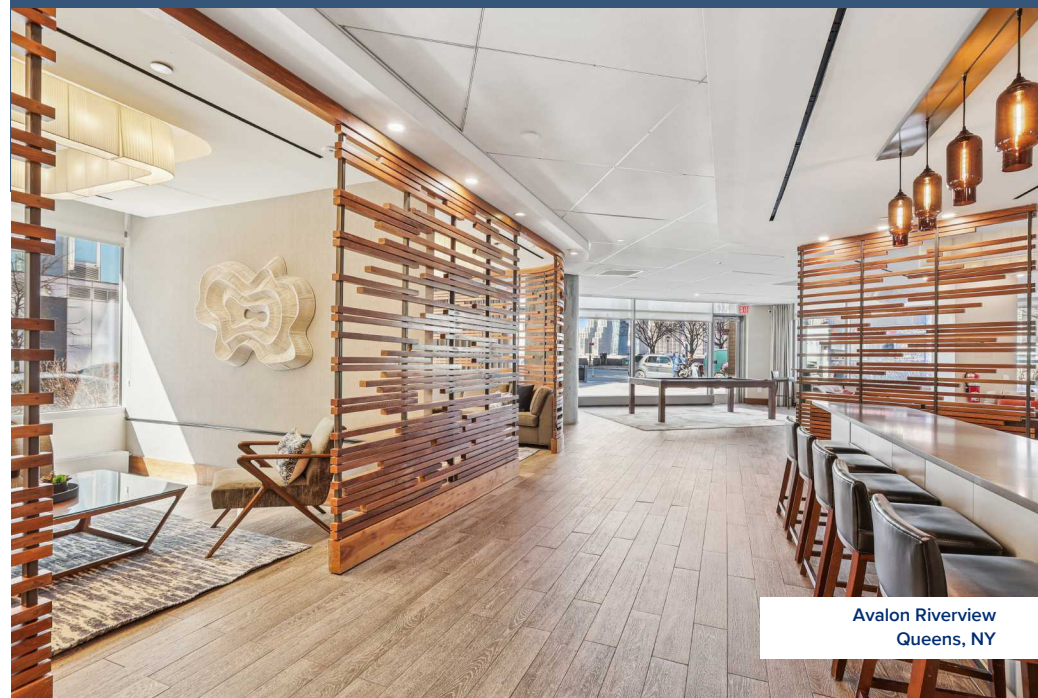
CASE STUDY

EMaaS Pilot in New York City

Our pilot with Parity, an EMaaS tool, at three communities in New York City has now completed a full year of operation in 2024, yielding positive results. With this service, Parity guarantees cost and energy savings through consumption reduction and monitoring measures. These measures include installation, monitoring, and control of new variable frequency drives (VFDs) on existing air-handler fans, integration with existing building automation systems (BAS) for optimization of performance (set points, schedules, set-backs), reset of domestic hot water (DHW) supply temperatures, speed resets of existing circulators with VFDs, air and water temperature monitoring, and electrical sub-meter monitoring.

At our three-community Midtown Manhattan neighborhood, we expected to reduce energy consumption and associated utility costs by \$91,148 in 2024. The actual utility savings were calculated to be \$176,843 with an estimated reduction of 449,226 kWhs and 82,638 therms, exceeding expectations. Additionally, the reduced utility consumption provided benefits of Local Law 97 fine avoidance, Demand Response program participation revenue, and peak capacity utility bill savings.

Following the success of these projects, in 2025 we plan to expand this service to six high-rise communities in New York City and five Boston high-rise communities.



Avalon Riverview
Queens, NY

BATTERY STORAGE

We continue to learn from the battery storage system installed in 2021 at Avalon White Plains, NY. In 2024, the system proved to be a valuable demand response revenue source during critical summer months. We continue to work with the installing vendor and the utility programs to optimize grid interaction to increase revenue and savings. While local regulations and existing site plans impact our ability to more broadly implement battery storage, we continue to evaluate the portfolio for opportunities as the sector evolves with more affordable and advanced technology.

DEMAND MANAGEMENT AND INTERVAL METERING

In 2024, our demand response and interval metering participation included 28 communities resulting in approximately \$296,000 of rebates and savings achieved through demand response payments, peak capacity charge reductions, and utility savings associated with the implementation of measures that reduced energy consumption and peak demand. For example, during a recent demand response event at Avalon Willoughby Square/AVA DoBro, we reduced 169KW of electric utility grid stress in New York City. Additionally, our smart building operations platform monitors our portfolio of Combined Heat and Power (CHP) generation to maximize energy conservation. More information on how our residents participate in demand management programs is available in our [Resident Programs](#) section.

Electrification

The long-term transition to high-efficiency, electric buildings systems is critical to our strategy for reducing carbon emissions and improving energy performance in buildings. The continued improvement of heat pump technologies, including cold-climate models, allows for more affordable and efficient installs capable of delivering reliable performance, while keeping utility costs down. As jurisdictions continue to expand Building Performance Standards (BPS) and update codes, electrification will be a key strategy to meet regulatory requirements and corporate emissions reduction targets. In 2025, we will focus on assessing existing community infrastructure in key regions to support informed decision-making for future electrification opportunities.

Heat Pump Water Heater Retrofits

Converting individual gas-fired water heaters to electric heat pumps is an essential retrofit strategy for our operating communities, especially as existing building systems near the end of their useful lives. Combined incentives from TECH Clean California 3Cren and BayREN are expected to provide 85% of the installation cost to convert traditional gas water heaters to electric heat pump water heaters across three communities in our California portfolio. In total, 663 electric heat pump water heaters were installed in 2024 and early 2025. These projects serve as valuable learning opportunities, providing insights into costs, installation processes, electrical infrastructure requirements, resident engagement, maintenance practices, and heat pump performance that will inform and improve future decision-making.

Renewable Energy

In 2024, we continued to expand our renewable energy program in a number of ways, including solar development and green electricity procurement.

SOLAR DEVELOPMENT

AvalonBay has created policy and set predefined return thresholds to ensure that solar is incorporated consistently into new development projects and operating communities. All new developments are solar-ready, with solar PV installation occurring as part of the development process where return thresholds are met. Our operating portfolio is assessed periodically to identify opportunities for solar PV expansion based on changing market and regulatory conditions.

Common Area Solar

Solar PV installations support progress towards our scope 2 emissions goals by increasing green energy production while providing meaningful utility expense savings. In 2024, we activated an additional nine onsite common area solar PV systems representing 2.18 MW of clean electricity capacity. At year-end 2024, AvalonBay operated a total of 69 solar sites representing 10.76 MW of solar capacity. Solar production in 2024 generated approximately \$2.2 million in utility savings for the Company, which was estimated using average utility rates. During 2024, 25 sites were in design and under development, representing another 12 MW of solar capacity that we look forward to bringing online in the coming years.

Resident Solar

In 2022, we began expansion of our onsite solar program, piloting three communities in California that will ultimately produce enough electricity to offset the entire community load, including the load of our residents. Residents will have the opportunity to reduce their carbon emissions and receive discounted power relative to market pricing, which will also generate positive investment returns to AvalonBay. This pilot is particularly compelling because it couples resident engagement with scope 3 emissions reductions. Our first pilot project was activated in June 2024, later than planned due to regulatory delays. Given the California Public Utilities Commission's (CPUC) changes to Virtual Net Energy Metering (VNEM) projects that went into effect on February 15, 2024, we expedited our expansion in California to optimize project returns and leveraged our experience to expand into Colorado upon regulatory approval, bringing our total planned resident solar projects to 15 communities, representing 8.46 MW of solar capacity. We are hopeful this program can be expanded further as VNEM legislation continues to evolve, and eventually brought into other markets as applicable regulations and new technologies become more widespread.

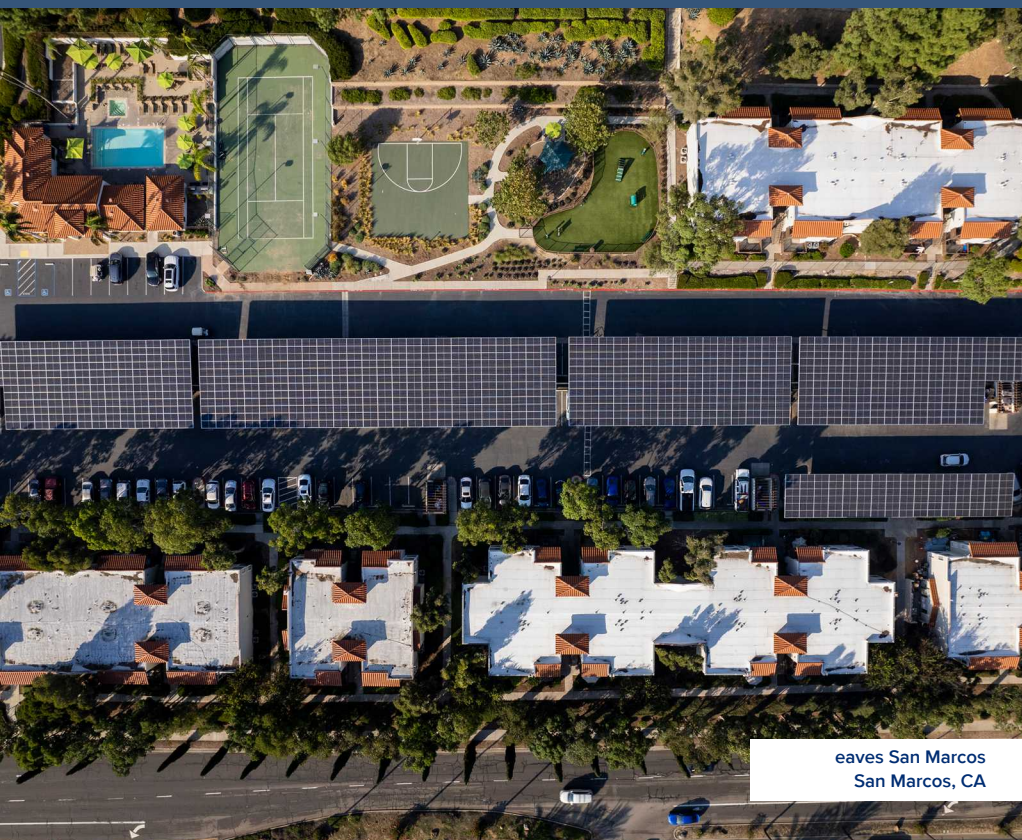
GREEN ELECTRICITY PROCUREMENT

In 2024, we continued to procure green electricity to cover 80% of our procurable common area electric load, amounting to roughly 66.7 million kWhs. All green electricity is sourced from certified Green-E renewable generation, such as wind and solar.

CASE STUDY

First Resident Solar Project Now Live at eaves San Marcos

In 2024, AvalonBay activated our first ever Resident Solar PV system in California at eaves San Marcos. As of year-end 2024, the 410 kW installation at eaves San Marcos achieved 80% resident participation. The Resident Solar Program installs rooftop and carport solar PV systems to offset the energy demands of our common area and resident load. These projects generate stellar returns and are expected to be a major driver of scope 3 emission reductions. Residents benefit from this program by receiving clean solar energy while paying less than they would for non-solar energy. In fact, the residents at eaves San Marcos have saved \$21 per month on average since the system was activated in June 2024.



eaves San Marcos
San Marcos, CA

PORTFOLIO SOLAR INSTALLATIONS

As of year-end 2024, AvalonBay has made significant progress expanding both our common area and resident solar portfolios, reinforcing our commitment to renewable, onsite energy. This year's growth includes expansion into new regions as well as deeper deployment in operating markets. These installations support our long-term goals of lowering utility costs for our residents, enhancing community resilience, and reducing emissions.

SOLAR INSTALLATIONS



Solar Type	CO	MA	NJ	CA	WA	DC	Total
Operating Common Area Solar		8	9	40	4	7	68
Planned Common Area Solar		5	5				10
Operating Resident Solar				1			1
Planned Resident Solar	2			13			15

Resident Programs and Access

RESIDENT DEMAND RESPONSE AND GRID REWARDS

Our demand response and smart building data program supports residential demand response in portions of New York. Our residents can download the free GridRewards mobile app, which enables them to track energy usage, utility cost, and carbon footprint by the hour. This innovative app integrates with new smart meters for personalized energy efficiency insights and recommended actions to lower energy costs and emissions. The app identifies the peak times when electricity has the highest carbon content and notifies residents when reduced electricity usage will have the biggest impact on reducing their carbon emissions. In 2024, 8% of our New York City residents participated in GridRewards. This past summer, residents collectively reduced 2,331 kWhs of electricity, equal to 674 kg of CO₂, while generating \$16,321 in GridRewards; an average of \$43 per apartment home. GridRewards is a valuable tool for socially engaging residents in reducing scope 3 emissions. We plan to expand the GridRewards program in other markets as it becomes available.

TRANSPORTATION ADVANCES

To support our residents in reducing emissions, we're implementing initiatives that encourage walking and electric vehicle use to meet their transportation needs. More information on our Transit-Oriented Developments is available in our [Sustainable Development](#) section.

Electric Vehicle Charging

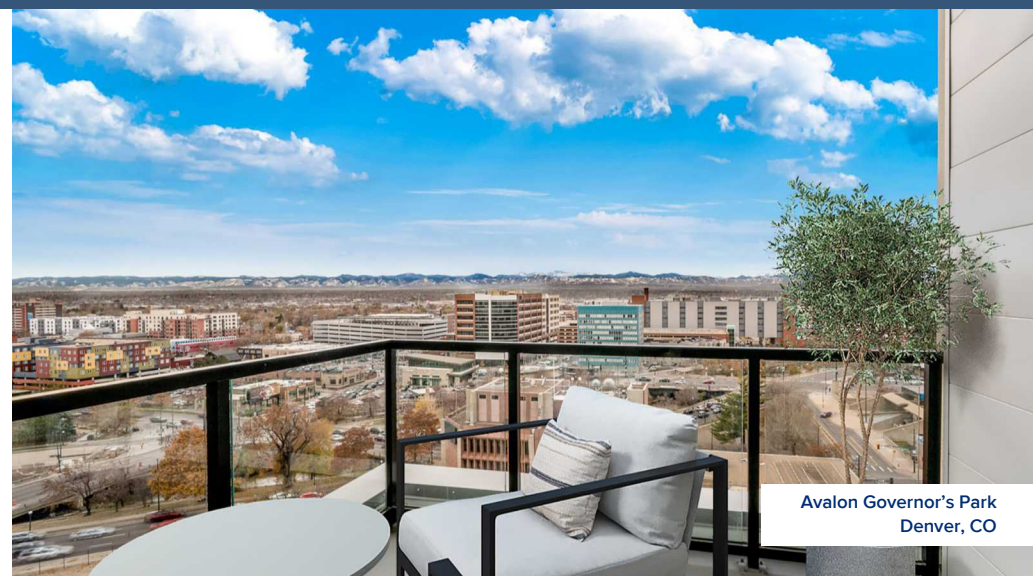
We currently have 1,083 smart Level 2 electric vehicle (EV) charging stations installed at 90 communities and an additional 1,374 EV charging outlets at 77 communities across our portfolio. We continue to see higher demand for our charging stations and are rolling out more options for charging across our development and operating communities.

Car Sharing — to provide access to alternative forms of transportation, we've partnered with car sharing providers, including ZipCar, to bring on-demand vehicles to a total of

11 communities.

Electric Vehicle Supply Equipment Design Standards

AvalonBay's EV-charging leadership team employs a strategy to ensure our communities are safely equipped with charging infrastructure that meets the needs of our residents and the jurisdictional requirements where we operate. In early 2024, we published updated EV Charging Standards to include enhanced guidelines for Electric Vehicle Supply Equipment (EVSE). Changes included the requirement that at least 5% of parking spaces in new developments are now required to be equipped with Level 2 EVSE (in the absence of local mandates). Additionally, electrical capacity and infrastructure is provisioned to



Avalon Governor's Park
Denver, CO

accommodate Level 2 chargers for an additional 5% of parking spaces in the future. Incorporating these requirements into new development projects is a cost effective way to prepare for future EVSE expansion.

GREEN LEASES

The actions of our residents and retail tenants significantly impact our scope 3 emissions and our ability to meet BPS requirements in certain jurisdictions. Green leases, an industry best practice, create alignment between tenant and landlord to promote emission reductions and sustainable practices.

Since 2023, all new residential leases and renewals include new green lease language to improve communication and transparency with our residents. In 2024, we finalized green lease language for our retail leases and updated our retail tenant design criteria manual with sustainable build-out guidelines.

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

Green Lease Leaders Award

In April 2024, AvalonBay was recognized as a Green Lease Leader by the Institute for Market Transformation at the Gold Level.

Water

Water conservation is a crucial issue as many areas of the country are experiencing both increased and lengthier periods of drought. We encourage our developments, acquisitions, and operating communities to focus on water efficiency, particularly those in water-stressed areas.

Water Goals

Reducing water consumption in water-stressed areas is an important step in ensuring the longevity of neighborhoods and ecosystems in the climate zones where we operate. Using the World Resources Institute (WRI) Aqueduct Water Risk Atlas Tool, we perform an annual water stress assessment of our portfolio, pinpointing the communities located in areas with “high” and “extremely high” water stress. While we look for ways to address water consumption across the portfolio, this awareness allows us to prioritize water conservation in the areas that are most water-stressed.

Additional water goals are listed below.



Avalon Burbank
Burbank, CA

OUR WATER GOALS INCLUDE:

1

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

2

Refine Construction Standards to emphasize water-use reductions and provide more direction to landscape architects regarding drought-tolerant and native plantings

3

By 2025, pilot one new development community that utilizes water reclamation/reuse systems

4

Create / roll out water conservation awareness program to 100% of residents by 2025

5

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


Avalon Lake Norman
Mooresville, NC

Water Stress and Consumption by Region

Water stress is a prolific issue across the U.S. Using the WRI Aqueduct Water Risk Atlas tool, we determined that most of our portfolio falls in locations that are not water stressed, though roughly 40% (121 communities) are currently in areas of water stress.²⁸ The chart to the right breaks down which communities are currently in water-stressed areas by state. We are prioritizing identification and implementation of conservation measures at communities in water-stressed areas in line with our water reduction targets, which will also help reduce operating costs and the risk of rising utilities costs over time.

Looking ahead, we recognize that climate change and water stress go hand in hand. In addition to evaluating current water stress, we also used the WRI Aqueduct Water Risk Atlas tool to evaluate our portfolio for future water stress. The tool utilizes RCP 2.6, 7.0, and 8.5, looking at time horizons through 2050 and 2080 to model how climate change will impact water stress. These models indicate that water stress will worsen over time, underscoring the need to address water risks more comprehensively.

Water Use Reduction Initiatives

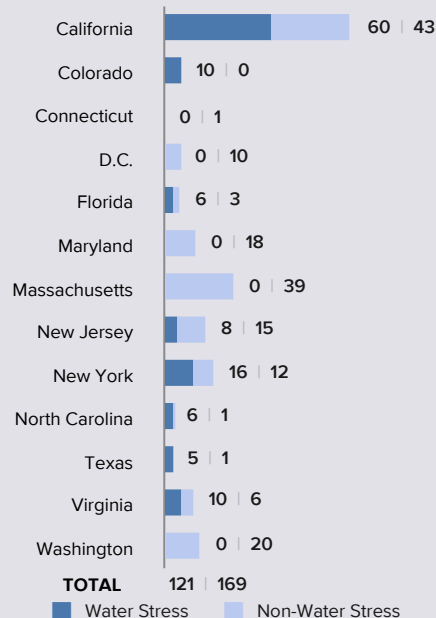
SMART IRRIGATION

In 2024, smart weather-based irrigation continued to be a central part of our water use reduction strategy. In total we have 64 systems operating across the portfolio that generated total savings of 158 million gallons of water and \$1.53 million of utility expense in 2024.

WATER TASK FORCE

The AvalonBay Water Task Force consists of associates from a variety of departments including Asset Management, Engineering, Capital Projects, and Resident Services, all collaborating to identify activities or products designed to reduce water cost and consumption. In 2024, we rolled this task force into our Sustainability Council. Early on, the task force focused on understanding the impact of scalable turf and irrigation reduction projects. We started organizing pilot mitigation projects in 2024 while identifying additional scalable strategies and tactics to achieve our water goals in addition to our existing low-flow fixture design specifications. We also signed up for the Urban Land Institute's Water Wise Coalition to share best practices and learn from other real estate owners and developers.

2024 WATER STRESSED COMMUNITIES BY REGION



2024 WATER CONSUMPTION BY REGION (kGals)

New England:	358,520
Metro NY/NJ:	694,441
Mid-Atlantic:	584,768
Pacific Northwest:	203,231
Northern California:	574,845
Southern California:	841,874
Florida:	126,060
Colorado:	63,069
North Carolina:	39,923

De-turfing Water Efficiency Project at eaves Thousand Oaks

In 2024, we identified eaves Thousand Oaks in Southern California as a strategic site to pilot de-turfing as a method to reduce landscape water usage across our properties. In this initial phase, we are removing approximately 49,000 square feet of turf and replacing it with drought-tolerant landscaping, including trees, shrubs, and ground cover, all set in a bed of decomposed granite. This transformation is expected to reduce the community's landscape water usage by 50%. If successful, we plan to expand this initiative to other water-stressed properties in the portfolio.

Water Reuse in the Portfolio

One strategy to reduce water stress is through the increased use of reused water. Our California communities and development projects are encouraged to use rainwater for irrigation. In 2024, AvalonBay used 32,650,867 gallons of reused water in California. This water is primarily procured from local utilities through purple pipe systems and used for irrigation, while some communities collect onsite rainwater in a cistern that is reused for landscaping. We plan to capitalize on these programs where appropriate to alleviate water stress and make progress towards our ambitious water goals.

²⁸ Water stress classifications are determined using the World Resources Institute's Aqueduct Water Risk Atlas Tool — Baseline, Physical Risk Quantity, Water Stress.

Waste

Trash and recycling costs are rising across the portfolio with many municipalities requiring stricter disposal and recycling measures. Expanding waste diversion and recycling options are vital to reducing the volume and cost of waste, and to reducing scope 3 emissions. We aim to optimize our onsite waste practices and also educate residents on recycling practices to boost diversion rates and counteract higher costs. These strategies are crucial to meeting our waste goal and will be key components of our waste reduction strategy in 2025 and beyond.



Waste Goal

In line with our intent to increase diversion rates, AvalonBay set a waste reduction goal to limit the amount of waste that makes its way to landfill. After achieving our prior waste reduction target in 2023, we set a new goal in 2024 to maintain a waste diversion rate of 20% across our operating portfolio. We achieved this goal in 2024 with a 31% diversion rate.

The following sections include initiatives that have helped contribute to our success.

Waste Reduction Initiatives

WASTE SERVICE LEVELS

In 2024, we set a new approval workflow for changes to trash or recycling service levels. The intent is to more proactively manage trash and recycling hauling, which has recently been increasing at levels that outpace other controllable expenses. Residential Services associates partner with Utility Management, and Procurement where appropriate, in evaluating and making permanent changes to trash service. The evaluation includes an assessment of the financial impact, business need, and other trash optimization opportunities at the community.

WASTE OPTIMIZATION

For an added level of waste monitoring and assessments, we work with WasteXperts at 67 of our communities to optimize and right-size our waste across activities such as trash and recycle management, bulk item hauling, pull out and push back, organics

management, sorting, bin towing, chute room management, and Green Bag composting. The communities involved in this partnership have improved their average recycling diversion rate from 32% to 49%. We plan to explore expanding these services at appropriate communities in 2025.

Waste Optimization at Avalon Studio City

Avalon Studio City in California was faced with new distance fees, which increased garbage hauler expense by double the 2021 rate. To address this increase and work to reduce waste to landfill, the community expanded its original trash and recycle management partnership with WasteXperts to add services such as full monthly bulk hauling, organics management, and a Green Bag compost program to comply with CA Senate Bill 1383. This resulted in an 8% savings in monthly waste costs and improved waste diversion.

FURNISHED+ PROGRAM

Our Furnished+ program offers residents the opportunity to select a furnished unit (at select locations) and move right in. Utilities, including Wi-Fi, are active immediately at move-in and paid with the monthly rent. Our optional linen and kitchenware kits offer residents a more turnkey move-in experience.

Furnished+ Sustainability Efforts

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

RESIDENT EDUCATION

In 2024, we designed targeted waste management education emails for residents to receive at three key intervention points during their lease: move-in, mid-lease, and move-out. The intent is to encourage resident waste reduction and management, to reduce community-level waste expense, and to increase diversion rates. Email rollout began in early 2025.

CONSTRUCTION WASTE SPEC

We developed and integrated a new Construction Waste Diversion CSI Master Specification into our Standards, formalizing our approach to construction waste recycling and reinforcing our 75% diversion target for new construction projects. Data on our construction waste is included in the [Appendix](#).

Green Financing and Investments

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

SUSTAINABILITY-LINKED CREDIT FACILITY

We entered into a \$2.50 billion Seventh Amended and Restated Revolving Loan Agreement (the “Credit Facility”) and a \$450 million variable-rate term loan agreement (the “Term Loan”) in April 2025. Both the Credit Facility and the Term Loan contain the flexibility to execute an amendment (the “ESG Amendment”) before August 2025 to reset KPIs that reflect our updated environmental goals. Prior to executing an amendment, we are entitled to the sustainability-linked pricing adjustments achieved in our 2022 Sixth Amended and Restated Revolving Loan Agreement, which provides for interest rate margin and facility fee adjustments tied to our scope 1 & 2 GHG emissions reductions.

Prior to the ESG Amendment, we may incur either a pricing reduction or a pricing increase for borrowings under the Credit Facility and Term Loan, depending upon our achievement relative to scope 1 & 2 targets. The first determination under the sustainability-linked pricing component occurred in July 2023, resulting in

reductions to the interest rate margin and the facility fee due to our achievement of the sustainability target.

We submitted our second determination in July 2024 and will continue to receive the pricing benefit through August 2025. We are entitled to submit our third determination prior to August 2025 to continue to receive the pricing benefit through August 2026, subject to executing the ESG Amendment. Our intention is to execute the ESG Amendment before the August 2025 deadline to continue to align the Credit Facility and Term Loan KPIs with our environmental goals.

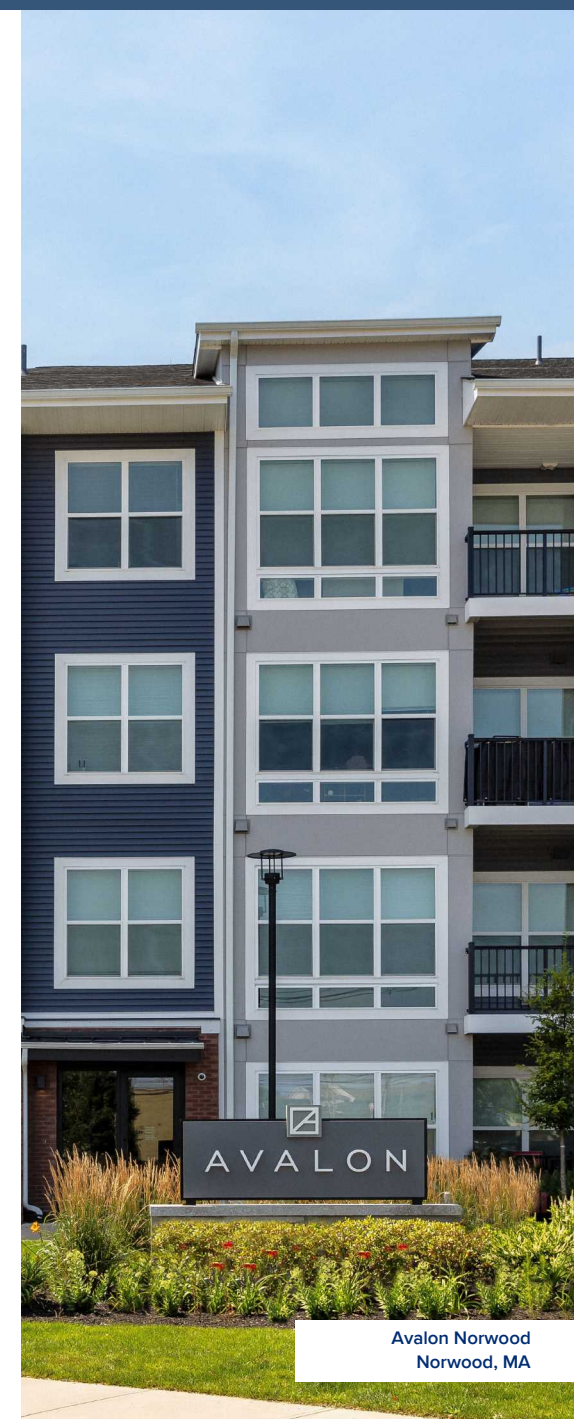
Green Investments

ENERGY IMPACT PARTNERS

In 2021, we established investments in funds sponsored by Energy Impact Partners (EIP), a venture capital firm focused on making investments that support the global energy transition and a more sustainable future. We expanded our partnership in 2023, committing to a third fund. These investments support innovative companies, products, and technologies focused on accelerating deep decarbonization, building electrification, and the renewable energy transition. This relationship keeps our business at the forefront of evolving technology, providing early access to pilot opportunities to increase carbon reduction as we continue along our path to meeting our environmental sustainability goals and targets. Our engagement with Audette is a direct reflection of the value EIP brings to our sustainability strategy; see the [Case Study](#) for more details on our progress with Audette.

IRA Investment Tax Credit Sale

In the past, REITs were not eligible to receive tax credits for installing solar on our buildings, but the federal government’s Inflation Reduction Act (IRA) changed that by offering a tax credit transfer provision for non-taxable entities (including REITs). AvalonBay was one of the first REITs to take advantage of this change and completed the sale of IRA investment tax credits for three solar projects completed in 2024, resulting in net proceeds of \$370 thousand. We continue to advance our solar efforts in 2025 and hope to use the tax credit if available. AvalonBay is closely monitoring this topic given the rapidly evolving policy landscape.



Avalon Norwood
Norwood, MA

Social

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

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Listening to Residents

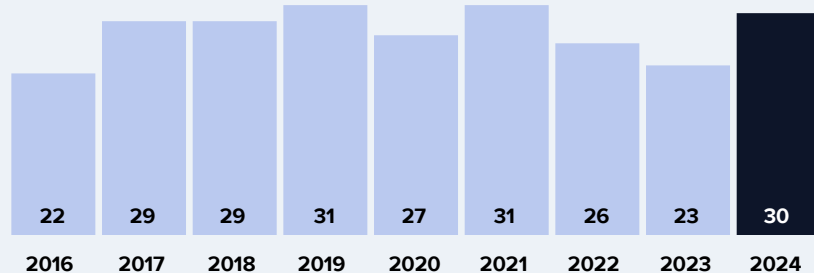
Our residents are at the core of our business. As such, we continually modify our operations to better meet their needs. We regularly ask for feedback about their experiences so we can identify areas of improvement at various stages of their time with us: following their move-in, midway through their lease, and at move-out. These surveys are the basis for our Net Promoter Score (NPS) — our primary measure of customer satisfaction and loyalty — which (for mid-lease NPS) is a component of our executive compensation. In 2024, our NPS was 30 in our stabilized communities, up from 23 in 2023. We believe this change correlates to our strategic initiatives from 2022 and 2023 to transform the customer experience.

We also monitor feedback through social media and review websites. This is particularly important as the majority of people searching for an apartment consider online reviews. In 2024 our overall rating was 4.39 out of 5 stars on Google.

When resident concerns arise, we address them through several official channels, with the goal of providing individualized attention to each concern. These include the following measures:

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

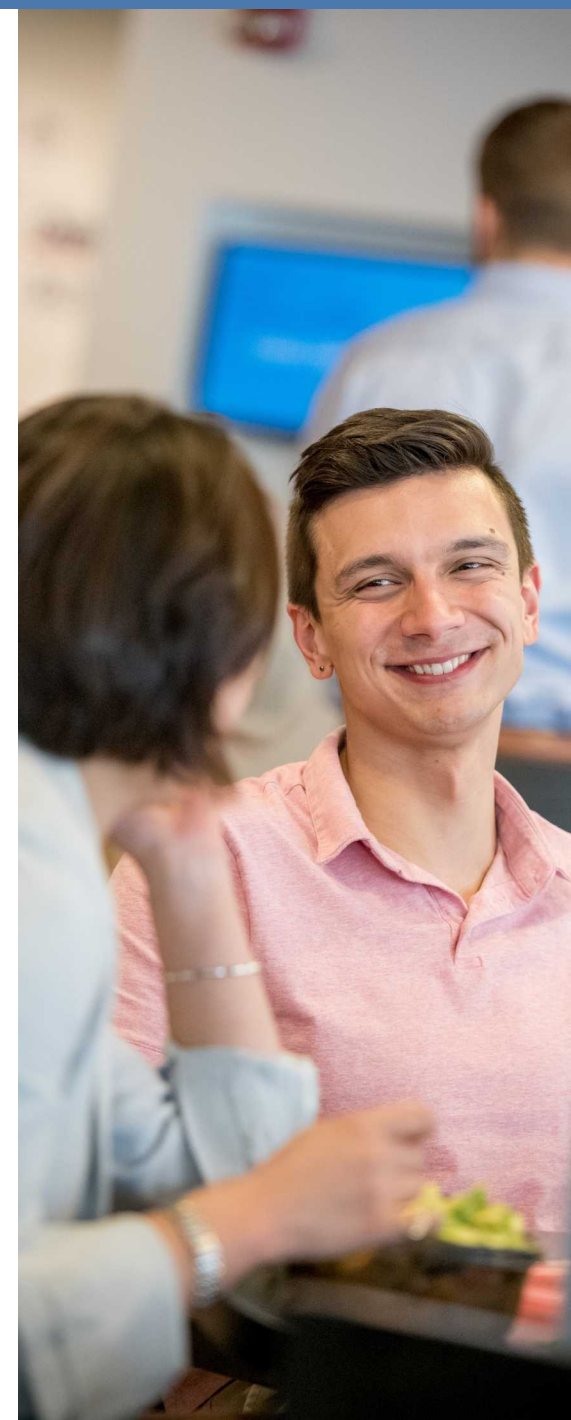
NET PROMOTER SCORE



Human Capital Management

At AvalonBay, we believe that creating a workplace where our associates thrive is critical to delivering distinctive experiences to our customers and creating shareholder value. This section highlights our 2024 efforts to attract, develop, reward, engage, and retain the best talent to meet those business objectives. Through effective Human Capital Management strategies, such as Well-Being, Compensation, Career Development, Talent Management, Training, and Inclusion & Diversity (I&D), we build a high-performing, adaptable workforce that drives performance. Our Human Capital Management practices ensure the right people are in the right roles with the right skills to contribute to both our short-term and long-term success.

Human Capital is not only a key driver of “Continuous Improvement,” it is also a source of competitive advantage in today’s evolving business landscape. By investing in our associates’ growth and well-being, we foster a culture of engagement, resilience, and accountability. This strengthens our ability to deliver exceptional service and sustain long-term performance. Our focus on Human Capital ensures that our associates are empowered to lead, collaborate, and innovate — ultimately aligning their success with the Company’s mission and strategic goals.



Well-Being and Benefits

Our associates continue to drive AvalonBay's purpose — creating a better way to live. We are committed to making progress towards realizing our purpose by deepening our core values of a Spirit of Caring, a Focus on Continuous Improvement, and a Commitment to Integrity.

ASSOCIATE FEEDBACK

AvalonBay's annual associate survey includes the category of "Culture and Safety." In 2024, the overall safety category was 85% favorable, in excess of the industry 75th percentile (83%) within surveys conducted by our survey vendor. We are conducting a comprehensive survey again in 2025 and will continue to include questions to better understand our associates' perspectives on their health and safety at work.

BENEFITS

AvalonBay provides competitive salaries and, depending on the position, may offer discretionary bonuses, which include but are not limited to monthly, quarterly, and annual bonuses. The amount of bonuses paid varies based on performance. In addition, the Company makes available the benefits in the chart to the right for our associates to meet their individual health and financial needs.

Mental Health and Well-being Support

All full- and part-time associates receive free mental health and well-being support through multiple channels, whether through medical plans or one of our various wellness benefits including Lyra, Maven, Wellthy, Rethink, and CirrusMD. (See Benefits Chart for details). All full-time, part-time, and temporary workers are eligible to use all mental health and wellness programs. Programs connected to medical insurance are limited to those associates who work 30 hours per week or more and are enrolled in medical insurance at AvalonBay.

BENEFITS	FULL-TIME ASSOCIATE	PART-TIME ASSOCIATE ²⁹
Medical (4 plans)	■	
Dental (2 plans)	■	■
Vision	■	■
Domestic partner benefits	■	■
Flexible spending accounts	■	
Lyra employee assistance program (including mental health coaching and therapy, up to 8 visits per year)	■	■
401(k) enrollment and matching	■	■
Life/AD&D/disability	■	
Vacation, sick leave, flexible time, volunteer time, floating holiday(s), bereavement, jury duty	■	■ (Sick only)
Paid parental leave — 100% pay	■	
Medical and personal leave	■	
Supplemental medical insurance benefits	■	■
Sabbatical program at 15 years of service	■	
Housing discounts (20% discount)	■	
Adoption assistance	■	
Employee stock purchase program	■	■
Career development	■	■
Tuition assistance	■	
Associate Relief Fund (vacation donation and monetary grant)	■	
Transportation benefits (pretax transportation/commuter benefits)	■	
Tobacco cessation	■	
Livongo — diabetes and hypertension management programs	■	
Hinge Health — joint pain program	■	
Maven — around-the-clock women/family care support including up to \$5,000 lifetime benefit for all methods of family-building	■	■ (Support only)
Wellthy — caregiver support provides assistance in caring for loved ones	■	■
Rethink — support for parents caring for children with learning, behavioral, or social challenges	■	■
CirrusMD — mental telehealth support	■	
Legal plan, identity theft, auto/home insurance, discount programs	■	■
Pet insurance	■	■

²⁹ Regular associates that are scheduled to work more than 16 but less than 30 hours per week are eligible for part-time benefits.

Associate Compensation

OUR COMPENSATION PROCESS

AvalonBay has a total compensation philosophy that seeks to attract, motivate, retain, and engage highly skilled associates who can help AVB achieve its mission and vision.

We review our pay practices and compensation program annually to ensure competitiveness and legal compliance.

We use external survey data to gather pay rates for all roles in each region to establish salary and total compensation ranges for each role based on required responsibilities, skills, and/or qualifications needed for that role. The salary ranges reflect the differences in the cost of labor based on geography for non-remote associates.

LIVING WAGE

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

OUR GUIDING PRINCIPLES

- 1 **Pay for performance:** Our program is tied to individual and Company performance, i.e., pay for performance.
- 2 **Externally Market Competitive:** We provide competitive compensation based on external compensation surveys as reference points.
- 3 **Internally Equitable:** Pay is reviewed to ensure that it is consistent within a range for all associates performing the same role in the same location.
- 4 **Total Rewards:** We provide a competitive total rewards package, consisting of base salary, variable compensation, where applicable, and [benefits](#).
- 5 **Interest Alignment with Shareholders:** Align the interests of management with the interest of shareholders.

PAY EQUITY

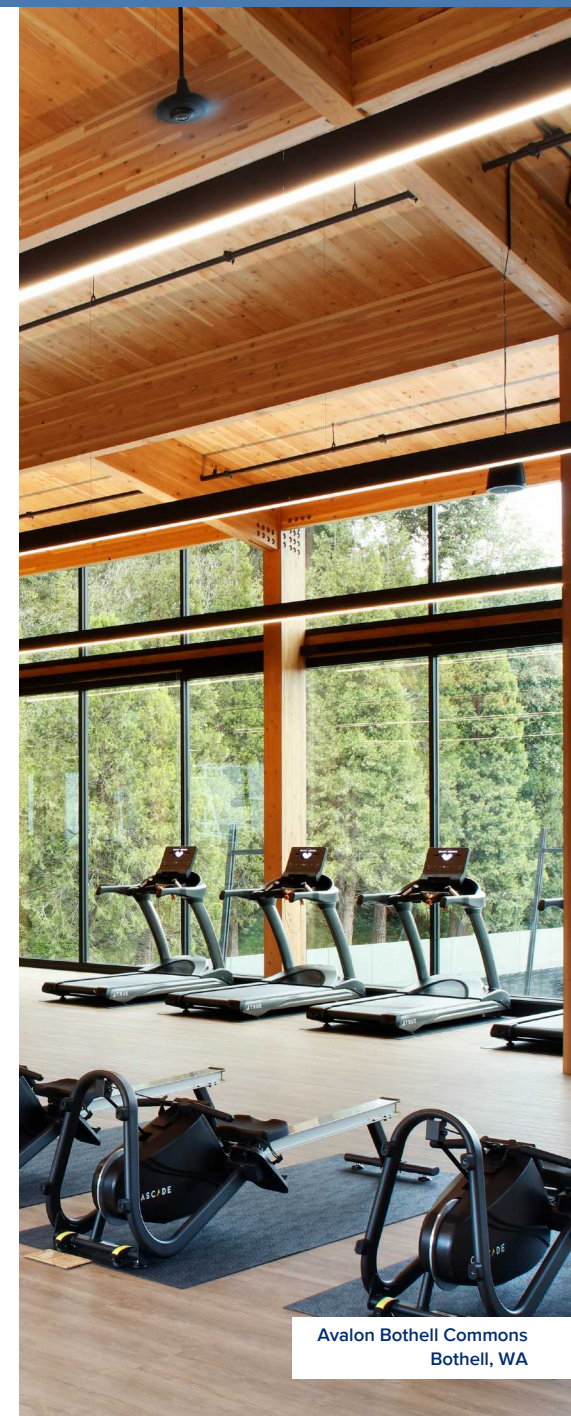
AvalonBay conducts pay equity reviews every two years for all permanent employees of the Company by engaging an external law firm specializing in such reviews. These reviews consider factors such as an employee's role, tenure in role, and geography. We conducted a pay equity review in 2024 and expect to conduct the next such review in 2026.

NON-REGULAR EMPLOYMENT

AvalonBay limits the use of non-regular employment. Less than 2% of our workforce is considered temporary.

EMPLOYMENT SECURITY AND RESPONSIBLE WORKFORCE RESTRUCTURING

We approach workforce planning with our core values in mind. As we transform our operations, our associates remain a top consideration. We take a thoughtful and responsible approach to ensure that our associates are treated fairly and consistently if the need for restructuring arises.



Avalon Bothell Commons
Bothell, WA

³⁰ Living wage as defined by the living wage calculator developed by Professor Amy K. Glasmeier at the Massachusetts Institute of Technology. By location, we utilize a three-year average of the single adult with zero children information.

³¹ Based on one working adult data.

Talent Management

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

As a part of the onboarding process for new hires, we provide numerous training courses either in person or online, including compliance-related areas such as ethics, cyber security, and anti-harassment. Certain courses are routinely required of all associates as a refresher.

To support associate success at AvalonBay, we provide a course aimed at helping them partner with managers to deliver results and prepare for career development conversations. Similarly, upon hire or promotion to people manager roles, associates take both online and instructor-led training courses to prepare them for success. These cover the employee lifecycle with topics such as recruiting/interviewing, hiring, onboarding, inspiring and engaging associates, setting expectations, delegating, managing work, career development, and coaching.

TALENT ACQUISITION

Our talent acquisition team works to expand our talent pipeline and expose open opportunities to the widest variety of candidates. We participate in traditional and nontraditional recruiting channels, including career fairs, networking events, trade schools, and nonprofits, to allow for immediate hires and broadening of our talent pipeline. Our strategy is centered on outreach with a focus on visibility and brand awareness, engagement, and development of impactful strategic relationships.

AvalonBay offers internship programs that provide opportunities for high school, undergraduate, and graduate students to

gain practical experience in the real estate industry including development, construction, maintenance, property management, asset management, marketing, and finance. These programs serve as a long-term source of talent for entry-level positions at AvalonBay. Where applicable, we look to partner with organizations to provide additional avenues of outreach and recruiting to ensure we have a broad candidate pool from which to select the most talented candidates.

STRATEGIC TRAINING MANAGEMENT

AvalonBay takes a holistic approach to training and considers the following factors in the management of our program:

- **Alignment with Business Strategy** — We continuously assess our training needs to align with our corporate goals, operational requirements, and leadership development. This ensures that our associates enhance their skills, improve performance, and drive innovation effectively.
- **Needs Assessment and Skill Gap Analysis** — The Learning and Development team collaborates with HR and various departments to identify critical skill requirements. This includes both current and future needs, considering key business initiatives such as digitization, automation, process innovation, and organizational restructuring.
- **Training Program Development** — We design and deliver learning programs using multiple methods to maximize engagement and effectiveness. Our approach includes instructor-led training (both virtual and in-person), e-learning, micro-learning, quick reference guides, mentorship, and on-the-job training.

- **Training Evaluation and Follow-up** — To maximize training effectiveness, participants provide evaluations for all instructor-led courses. Participant feedback and learning content are regularly reviewed to refine content, align with business needs, meet learner needs and expectations, and stay current with industry developments. Associate Perspective Survey results are reviewed annually to identify and address emerging training needs.

WORKDAY LEARNING (FORMERLY AVALONBAY UNIVERSITY)

In 2024, we transitioned our learning management system from AvalonBay University to Workday as part of a larger HR system initiative. Workday Learning is available to all associates (full- or part-time) and offers 598 courses, providing technical, management, ethics, and compliance training. In 2024, Workday recorded:

- 91,646 course completions
- 46,622 hours of online training
- 14,881 hours of classroom training
- 4,483 hours of on-the-job training

Overall, we provided about 22 hours of training per associate. People managers received an average of 17.7 hours and non-people managers received an average of 16.9 hours of training during the year.³² Approximately 94% of our associates participated in training. We spent roughly \$3.4 million on training, or approximately \$1,155 per associate.

MENTORSHIP PROGRAM

In 2024, mentors who were willing to share knowledge, skills, experience, and time were paired with mentees who were seeking to advance their careers. We had 157 associates participate in the fifth cohort of the program as either mentors or mentees.

Both mentors and mentees had access to resources to help build skills associated with AvalonBay's Leadership Behaviors.



AVA Arts District
Los Angeles, CA

³² Not all trainings categorize whether or not the associate is a People Manager; these breakouts are calculated based on the subset of trainings that capture that information.

PERFORMANCE APPRAISAL PROCESS

AvalonBay is committed to the professional development and career advancement of our associates. We expect our managers and associates to have ongoing check-in conversations and to record them in a year-end performance review. These ongoing conversations address career aspirations and position associates for success in their current role as well as their broader career. All full- and part-time associates participate in this year-end review process. All new associates receive a 90-day review. We use structured processes and tools to fairly assess performance and identify talent for growth opportunities. The yearly review process includes the following steps for the participating manager and associate:

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

Individual Development Plans and Goals

All associates at the director level and above are expected to complete an individual development plan, which includes short- and long-term career goals and development actions. These plans are discussed with their manager mid-year and at year-end.

Formal Talent Pipeline Development Strategy

AvalonBay has long considered human capital a strategic advantage. Achieving organizational goals and ensuring we are equipped for future growth requires a robust and integrated approach to talent management. For some time, we have been evolving our strategies with the goal of establishing a broad and sustainable talent pipeline, including attracting, identifying, growing, and retaining top talent. We believe this is critical to driving the long-term success of the organization.

Our talent management strategy is designed to:

- Identify and prepare a broad pool of associates for influential roles to drive our business forward.
- Ensure we have a robust talent pipeline with a broad range of experiences that are equipped to meet current and future organizational needs.
- Accelerate the development of associates across the organization, with particular emphasis on the development of our highest potential associates.
- Engage and retain top talent.

CASE STUDY

Mentorship Program Highlights

The AvalonBay Mentorship Program positively impacts both mentors and mentees. Our 2024 participants shared the following:

"Participating in the program has allowed me to step outside of my comfort zone and take on roles that will help me in my career advancement. It has helped me with my time management skills, conflict management, and how to better communicate with my peers and leaders. My mentor was knowledgeable, understanding, and personable. She provided me with tools from her own experience in leadership to help me with my career goals." —Tonisha Webb, AMP 2024 Mentee (Lead Customer Support SPNB, Virginia Beach)

"As a mentor, I was able to guide my mentee through challenges and help them develop both personally and professionally.

Witnessing their growth and success in achieving their established goals was incredibly rewarding, reinforcing my belief in the power of mentorship. Being a mentor truly helped me hone my leadership skills such as active listening, expressing empathy, relationship building, and offering constructive feedback. It provided me with the realization that successful connections can be forged with individuals at all levels and roles within the organization. I am proud to work for an organization that is dedicated to associate engagement and inclusivity and provides many opportunities for growth." —Jennifer McNally, AMP 2024 Mentor (Portfolio Operations Manager, Mid-Atlantic Region)



Building a talent pipeline requires purposeful investment in all levels of the organization, from entry-level associates to the highest-potential associates, with the end goal of building future leadership of the organization from within. We segmented our associate population and established a talent development program targeted to support the growth of each segment. The segments and development programs include: early/mid-career associates, people managers (director and below), high potentials (director and above), and future leaders.

EDUCATIONAL INSTITUTION PARTNERS

We partner with educational institutions and leading vendors to provide high-quality leadership and management development programs for nominated associates. On average, we jointly deliver a leadership development program every other year with the University of North Carolina Kenan-Flagler Business School. This course includes live learning with faculty,

along with four months of peer coaching facilitated by executive coaches focused on building leadership skills for director-level associates. We have 25 participants in our 2024/2025 program. Also, 14 leaders attended a leadership program provided by an external vendor. Delivered over a six-week period (spanning 2023/2024), the program included four virtual leadership sessions, a 360-degree assessment, and executive coaching.

INTERNAL CAREER PORTAL AND GIGS

In 2024, we transitioned our internal career portal to Workday to provide associates with expanded access to all open positions at AvalonBay. The Gigs platform was also moved and continues to provide access to internal development opportunities for all associates. Gigs enables associates to provide temporary and/or part-time support for projects, initiatives, and programs while in their current role. It also allows project and program owners to source a wide variety of talent for their teams. In 2024, 134 associates participated in a gig.

Training

MENTAL HEALTH AND AWARENESS TRAINING

AvalonBay partners with Lyra health for our associates' mental health support. Lyra houses a variety of training opportunities on its own learning platform. Associates can seek out on-demand training on various topics or attend small-group sessions facilitated by mental health professionals. Managers can access just-in-time training to support their teams' mental health.

Lyra also offers a Community Leads Program for leaders of our Associate Resource Groups (ARG). These meetings allow our ARG leaders to connect with other leaders to explore mental health strategies and campaigns, which they can bring back to their groups. They also build mental health literacy to promote mental health awareness in their communities, in addition to meeting with professionals to gain expert guidance on how to implement their new skills and knowledge base while receiving tips on how to navigate mental health conversations with colleagues.

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

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

Our internal SharePoint benefits site also houses a page dedicated to mental health training and resources.

SAFETY TRAINING

Our safety training program provides a method for the sharing of safety knowledge and experience through conversations, workshops, and classes. We encourage continuous feedback to increase our knowledge, improve our safety programs, and facilitate an Incident and Injury-Free (IIF)³³ culture.

All associates participate in onboarding safety training and many are required to participate in monthly training classes, depending on their job duties. As new or updated information becomes available, new training material is communicated to our associates and vendors at our work locations. In total, AvalonBay associates completed a combined 8,677 hours of safety training in 2024.

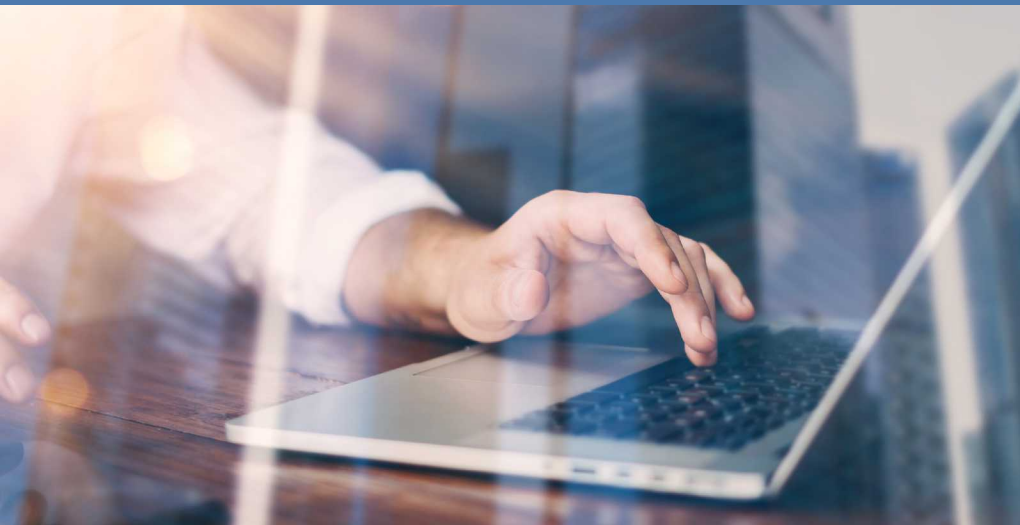
In 2024, AvalonBay continued utilizing updated monthly OSHA-based training courses for our Residential Services associates. Each course was designed and developed with input from AvalonBay associates and subject matter experts.

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

Each construction associate must keep current their OSHA 30-Hour Training and CPR/First Aid Training. Each vendor that visits our sites must provide proof of training related to their scope, as required by our contract agreements, before work begins.



³³ Incident and Injury-Free (IIF)[™] is a trademark of JMJ Associates, LLC.



CYBER SECURITY TRAINING

All AvalonBay associates have been taking mandatory cyber security training since 2015. The AVB Security Training and Awareness Program focuses on three main areas: (1) comprehensive introductory training for new hires, (2) refresher trainings for all associates three times a year, and (3) remedial training for associates that exhibit high-risk behaviors. In 2024, we continued enhancing associates' cyber awareness by highlighting topics such as avoiding common cyber risks, identifying and reporting potential security incidents, and distinguishing appropriate versus inappropriate activity on Company-owned computer systems. Associates completed over 4,527 hours of cyber security training in 2024.

PREPAREDNESS TRAINING

As part of our national partnership with the American Red Cross, AvalonBay hosts CPR training classes throughout the year.

AvalonBay also places an emphasis on annual Community Preparedness training. Over the past few years, we added Disaster

Preparedness and Workplace Violence courses to our training library which are available to all associates. We also have made our Emergency Procedures Manual available via a mobile app for easier access in an emergency. In 2024, our associates completed 1,096 hours of Disaster Preparedness training and 1,705 hours of training on the updated active shooter course.

ETHICS AND COMPLIANCE TRAINING

We recognize that maintaining our high standards of ethics requires consistent ethical behavior by all associates. We conduct periodic training to ensure associates understand our expectations regarding ethical conduct and performance and our commitment to human rights. All AvalonBay associates and temporary and contingent workers receive the trainings highlighted below to mitigate risk, behave ethically, and create a safe and welcoming workplace.

- In 2024, AvalonBay associates completed 11,341 hours of training related to Ethics and Compliance, including

courses on a respectful workplace, anti-harassment, ethics, fair housing, and accessibility, including 4,857 hours of training related to human rights.

- All associates are required to read and sign the AvalonBay Code of Business Conduct and Ethics annually. Upon hire, associates are provided with an electronic copy of the associate handbook, which also details conduct and behavior expectations.

Compliance Training

Compliance training courses are mandatory for either all or some of AvalonBay's associates, depending on their roles, to promote safety, mitigate risk, and ensure compliance with legal requirements. Examples of training topics include: Code of Conduct, cyber security, anti-harassment, fair housing, antitrust, hiring skills, and various safety-related courses.

Below is additional information on some of these trainings:

■ Code of Conduct Training

All AvalonBay associates are required to take conduct and ethics training upon hire and every two years thereafter. An updated Code of Conduct course was launched in 2022 and reassigned to all associates in 2024.

■ Harassment and Discrimination Prevention Training

As part of our commitment to foster a healthy and productive work environment free from intimidation, harassment, and discrimination, we require all associates to complete role-specific training when they join AvalonBay and at least every one or two years thereafter. These trainings, "Preventing Harassment and

Discrimination for Employees" and "Preventing Harassment and Discrimination for Managers," are important resources that help associates understand what harassment and discrimination are and the appropriate ways to interact with each other, our customers, and anyone with whom we conduct business. For our managers, this training emphasizes their important leadership role in preventing harassment and discrimination and creating an environment where all associates feel valued and safe.

JOB-SPECIFIC TRAINING

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

DE-ESCALATION TRAINING

With safety in mind, in 2024 we delivered de-escalation training to increase the effectiveness of on-site associates in predicting and preventing conflict and reducing challenging behaviors of residents and guests before they become more aggressive. Instructor-led training was piloted in one market with 37 participants, and e-learning training was subsequently rolled out to all on-site associates. In 2025 we plan to deliver an additional 15 instructor-led training events in specific submarkets and provide e-learning training to all newly hired onsite associates.

Inclusion & Diversity (I&D)

AvalonBay and our residents benefit when we include a wider range of experiences, perspectives, and skill sets to operate our communities, deliver results for our shareholders, and meet our business challenges. We continually strive to create an environment where everyone belongs, is valued, and can use their unique points of view to excel.

PROGRAMS SUPPORTING OUR I&D EFFORTS

Inclusivity Training

Our training offerings focus on building more action-oriented inclusive behaviors to encourage and enlist all associates in creating a culture of belonging. We offer voluntary training on building a culture of trust, running inclusive meetings, and building a group of advisors that offer different perspectives.

Supplier Expansion Program

A wide and varied bench of AvalonBay suppliers strengthens our supply chain, drives competition, fosters innovation, mitigates supplier risk, and ultimately benefits our business. In 2024, we developed an enterprise-wide supplier framework to cultivate a broader supplier base that includes small and medium-sized enterprises that are easily overlooked in a less intentional procurement process.

Associate Resource Groups (ARGs)

Our seven ARGs, each of which is open to all associates, provide support, networking, mentoring, professional development, and community engagement opportunities. Our ARGs include:

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

Associate Perspective Survey

Every year, we conduct an engagement survey called the Associate Perspective Survey to solicit feedback from associates. We use the survey results to understand areas that our associates believe need focus and improvement and to evaluate potential changes and improvements.

In 2024 the overall Company response rate was 86%, with an overall engagement score of 84.6%, which places us in the 71st percentile of companies using our survey vendor. We continue to focus on achieving our stated associate engagement goal to achieve the top 10th percentile of companies surveyed by our vendor.



Avalon Princeton Circle
Princeton, NJ

Inclusive Affordable Housing Award

In 2024, Avalon Princeton Circle won the Smart Growth Award from New Jersey Future for our role in transforming a previously underutilized space into the vibrant Terhune Harrison Mixed Use Village, knitting together several key residential and commercial sites. Pivotal in the design of the community was the designation of inclusive affordable housing that supports families and adults with special needs, underscoring our commitment to accessibility and inclusive business practices.

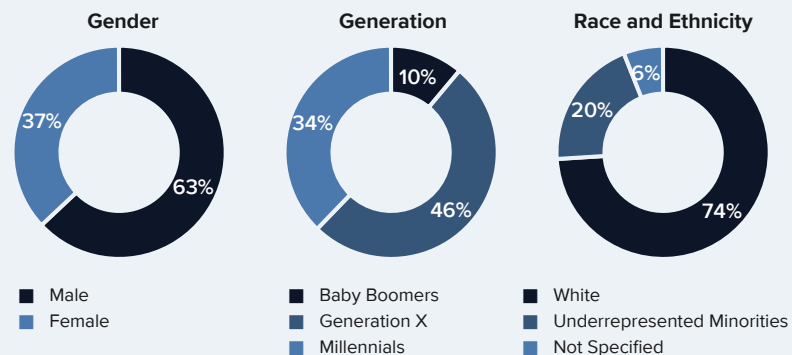
DIVERSE PERSPECTIVES IN LEADERSHIP

We believe we can grow the diverse perspectives within our leadership by:

- Creating an inclusive environment where all feel valued, supported, and treated fairly, which helps us retain a broad range of qualified associates for potential promotion to leadership.
- Broadening our recruiting methods and sources.
- Reducing (or implementing programs to curb the effect of) implicit bias through education and participation in voluntary training, team building opportunities, and implementing structured talent processes and tools.

We are committed to a work environment that supports, inspires, and respects all individuals and in which talent processes are merit-based and applied without bias. We make employment decisions (including decisions with respect to hiring, promotion, job assignment, pay, and termination) without regard to a person's race, ethnicity, color, religion, sex, national origin, sexual orientation, gender identity, pregnancy, age, disability, or other protected statuses under law or described in our Code of Business Conduct and Ethics. We will not deviate from being an equal opportunity employer.

LEADERSHIP TEAM REPRESENTATION



Philanthropy

Philanthropic Focus Areas

Building Strong Communities, our community investment and engagement program, embodies our Spirit of Caring core value and focuses on areas relevant to our business: disaster relief and community preparedness, affordable housing, and support for underserved communities.

SUPPORT FOR UNDERSERVED COMMUNITIES

One of the most important ways that we can build thriving communities is by focusing on communities that are often overlooked or need our support, which can spur economic growth, improve quality of life, and address health needs. In 2024, we invested in these areas by donating and volunteering to strengthen those that are underserved. Our donations supported a variety of causes that included support for women's empowerment, children with a cancer diagnosis, food and housing insecurity, the LGBTQ+ community, teachers, and veterans.

Stamp Out Hunger

Each year, the National Association of Letter Carriers collects non-perishable food items to benefit local food pantries in the nation's largest one-day food drive. Associates and residents at 84 AvalonBay communities helped fill the food bank shelves in their communities through donation drives.

AFFORDABLE HOUSING

Housing is essential for reducing intergenerational poverty and increasing economic mobility. Research shows that increasing access to affordable housing is the most cost-effective strategy for reducing childhood poverty and increasing economic mobility in the U.S.³⁴ We cooperate with affordable housing stakeholders across local jurisdictions where we have communities, and with agencies that support our affordable housing programs.

In addition to offering affordable housing options at many of our communities, in 2024, we have also donated more than \$432,000 through partnerships with Habitat for Humanity, the Bridge Housing Corporation, Mercy Housing, and True Ground Housing Partners (formerly known as the Arlington Partnership for Affordable Housing).

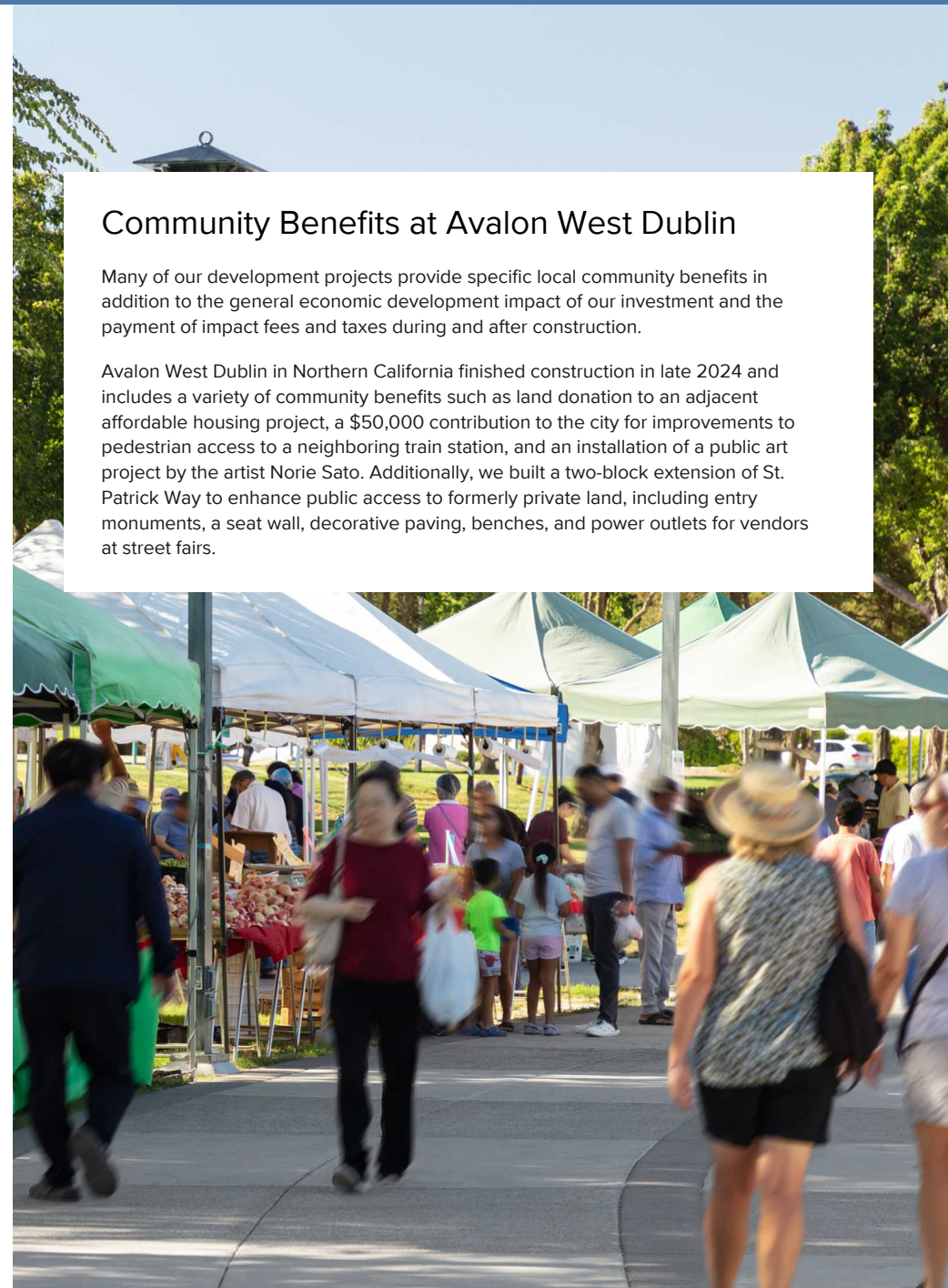
COMMUNITY PREPAREDNESS / DISASTER RELIEF

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

Community Benefits at Avalon West Dublin

Many of our development projects provide specific local community benefits in addition to the general economic development impact of our investment and the payment of impact fees and taxes during and after construction.

Avalon West Dublin in Northern California finished construction in late 2024 and includes a variety of community benefits such as land donation to an adjacent affordable housing project, a \$50,000 contribution to the city for improvements to pedestrian access to a neighboring train station, and an installation of a public art project by the artist Norie Sato. Additionally, we built a two-block extension of St. Patrick Way to enhance public access to formerly private land, including entry monuments, a seat wall, decorative paving, benches, and power outlets for vendors at street fairs.



³⁴ Explore more research by the Urban Institute at <https://www.urban.org/apps/pursuing-housing-justice-interventions-impact/increasing-housing-supply>

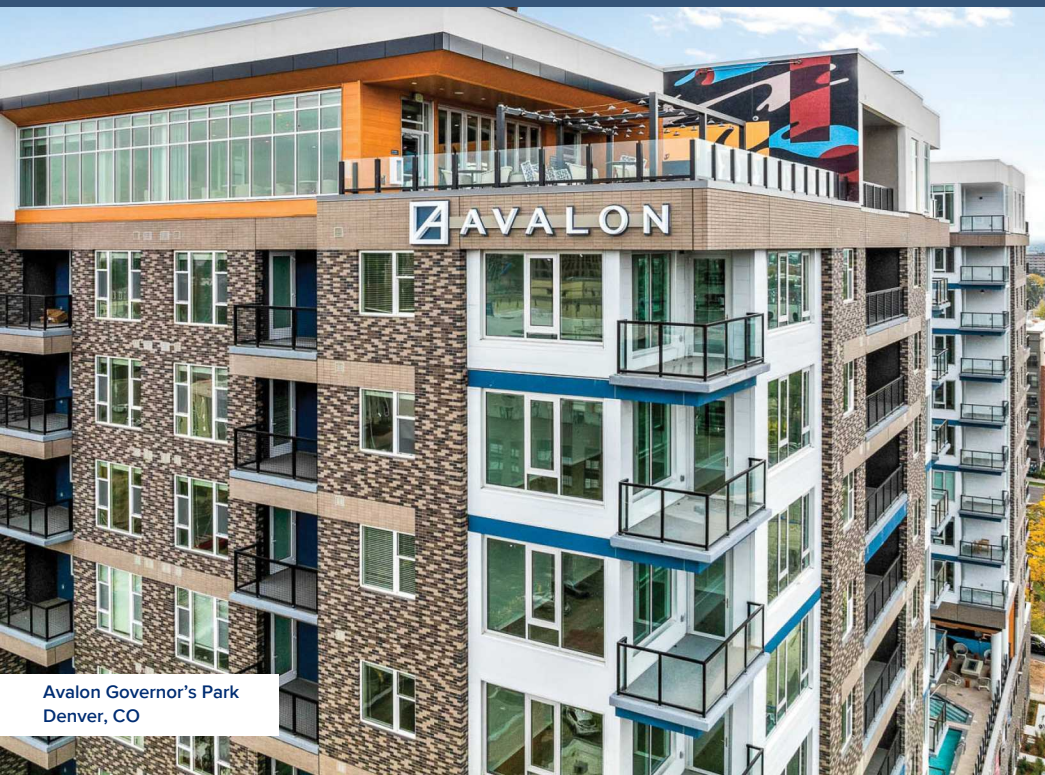
CASE STUDY

Apartment Donations

At the opening of Avalon Governor's Park in Denver, Colorado, we announced a donation to the Denver Public Schools Foundation that provides five deserving Denver teachers with rent-free housing for a year in this community. Approximately 140 teachers applied, and winners were randomly selected by the foundation from that group. The five rent-free apartments represent another step toward the foundation's goal of providing free housing to 150 district educators by the start of the 2025-26 school year.

A donation to Hospitality Homes in Massachusetts provided an additional two rent-free apartments - one at Avalon Prudential Center and one at Avalon North Station. Hospitality Homes provides temporary housing in volunteer host homes and donated accommodations for families and friends of patients seeking care at Boston-area medical centers.

We also donated one apartment to the Hackensack University Medical Center Foundation at Avalon Hackensack in New Jersey for use by families of patients that were receiving care at the center.



Avalon Governor's Park
Denver, CO



CASE STUDY

Vollapalooza

In 2024, our Vollapalooza events continued to grow with 13 of our 14 regions engaging in volunteer events. Associates at our communities, offices, and construction sites volunteered with at least one local philanthropic partner. Our continued commitment to engaging our communities through volunteerism increased our associate participation to the highest levels in Company history.

These volunteer events are held over a day or a week with the purpose of strengthening our ties to our communities, building our brand within a market, and increasing the engagement of our associates.

2024 Philanthropy Accomplishments

In 2024, AvalonBay contributed \$2.7 million in cash and in-kind donations, which included 55% of our associates volunteering 13,310 hours with 290 philanthropy partners and charitable organizations across the country. 2024 also marked the 13th anniversary of our Spirit of Caring Season. Collectively, we have made the following impact since 2015:

\$21.5M

Donated to charitable organizations

90,000

Volunteer hours (equivalent to over 4,000 days)

\$5.4M

In-kind donations

9,800+

Pints of blood donated to the American Red Cross

AMERICAN RED CROSS PARTNERSHIP

2024 marked the 10th year of our partnership with the American Red Cross and, to date, the cumulative value both sides have received from this partnership includes:

\$3.1M

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

1,700

Current and former AvalonBay associates trained in CPR

519

Blood drives, resulting in over 9,800 pints of blood donated

126,190

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





Donations

Our annual Disaster Responder Partner-level donation of \$250,000 provided ongoing support throughout 2024. This program powers the readiness for the American Red Cross to provide safe shelter, hot meals, emotional support, and resources to aid in the recovery from disasters. To support those impacted by Hurricanes Helene and Milton, AvalonBay and our associates donated almost \$20,000 through a matching campaign.

Blood Drives

We are proud of our ongoing commitment to help save lives with blood donations. In 2024, we continued our virtual Sleeves Up campaign, which collectively resulted in 1,100 pints of blood donated throughout the year.

Community Preparedness Week

We hosted our ninth annual AvalonBay Community Preparedness Week, a weeklong campaign aimed at improving resident and associate emergency and disaster preparedness. During the week, we engaged roughly 126,190 residents and 3,000 associates with the aim of helping them better understand Red Cross resources, materials, and available trainings.

REGIONAL PHILANTHROPY ENGAGEMENT

In addition to our national partnerships, Building Strong Communities focuses on establishing partnerships with the most impactful local nonprofits aligned to our focus areas of affordable housing and support for underserved communities. In 2024, our regions supported over 290 charitable organizations with financial contributions, volunteer hours, skills-based volunteering, and Board service.

Spirit of Caring Season

In 2024, we celebrated our 13th Spirit of Caring Season, a two-month Company-wide program that creates opportunities for our associates and residents to engage with our nonprofit partners and participate in their missions. The celebration included volunteer events and donation drives across the Company. In November and December, AVB associates volunteered more than 5,000 hours with local nonprofits.



Governance

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

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AvalonBay's Board of Directors

Our Board of Directors consists of 11 members, nine of whom are considered independent. Our Board comprises individuals with a breadth of characteristics, expertise, and experience, including three members who identify as female (27% of the Board) and two members who are from underrepresented minority groups (18% of the Board). The Board's range of skills, qualifications, and experiences are described in detail in our [2025 Proxy Statement](#). We have four standing Board committees described in detail below. The following Board committees consist solely of independent directors: Audit; Nominating, Governance, and Corporate Responsibility (NGCR); and Compensation Committee.

Stated below are the principal roles of each committee with regard to Corporate Responsibility matters.

Audit Committee

- Oversees the reliability and adequacy of the Company's public disclosures relating to corporate responsibility matters in SEC filings and our annual Corporate Responsibility Report. Meets periodically with relevant members of management.
- Reviews cybersecurity risks, controls, and procedures, including those related to data privacy and network security. Meets at least annually with personnel from our information technology group and receives periodic reports regarding cybersecurity risk assessments and related Company policies and initiatives.



Avalon North Andover
North Andover, MA

Nominating, Governance, and Corporate Responsibility Committee

- Assists the Board in overseeing environmental, social, and governance matters, including oversight of matters relating to (i) environmental goal setting, efforts and progress with respect to climate change and carbon emissions, energy management, waste management, and water scarcity, (ii) associate Inclusion & Diversity (I&D), health and safety, human rights and labor standards, community relations, philanthropy, associate engagement, and culture, and (iii) stockholder rights and engagement, business ethics, political activity and government relations, and Board composition/structure.
- Receives periodic reports from AvalonBay's management on these matters and meets with relevant personnel throughout the year.

Compensation Committee

- Oversees matters relating to human capital management, executive compensation, and workforce pay equity.
- Considers how environmental goals are incorporated in compensation programs.

Investment and Finance Committee

- Has oversight of climate-related risks and opportunities with respect to how environmental and climate change matters affect the Company's portfolio allocation risks and the risks of individual investments.
- Considers physical climate risk in protecting our assets and making investment decisions.
- Approves investment proposals that are outside of predetermined limits and criteria (full Board may also approve). Together with the Board, this committee receives regular updates on development and acquisition activity.














Avalon Annapolis
Annapolis, MD



Avalon Hill Country
Austin, TX

Board Experience

The following table summarizes certain qualifications, skills, and experiences of each director that the Board considered important in its decision to re-nominate that individual to the Board. Exclusion of a factor for a nominee does not necessarily mean the nominee does not possess that attribute. It means only that when the NGCR considered skills and experiences in the overall context of the members of the Board, certain attributes were not considered critical with respect to certain individuals.

SKILLS, ATTRIBUTES, OR EXPERIENCE	NAUGHTON	SCHALL	AEPPEL	BROWN	HAVNER	HILLS	HOWARD	LIEB	LYNCH	MUELLER	SWANEZY
 Accounting / Financial Literacy	■	■	■	■	■	■	■	■	■	■	■
 Real Estate Development	■	■	■	■	■				■	■	
 Board Diversity³⁵			■				■		■		■
 C-Level Management Experience	■	■		■	■	■	■	■		■	
 Financial/Capital Markets Experience	■	■	■	■	■			■		■	■
 Marketing / Brand Management / Consumer Focus			■	■		■	■				
 Non-AVB Public Board Experience	■	■	■		■			■	■		■
 Public Company CEO Experience	■	■			■						
 Real Estate Investment and Finance	■	■	■	■	■			■	■	■	■
 Leadership in Non-Corporate Settings (e.g., Military, Academia, Public Sector)							■		■		
 Technology, Information Security, and Innovation						■	■				

³⁵ Representation of gender or ethnic perspectives that expand the Board's understanding of the needs and viewpoints of our prospective and current residents, associates, and other stakeholders.

Corporate Responsibility Governance

Program Overview

The Corporate Responsibility team reports to our Executive Vice President of Portfolio and Asset Management, who ultimately holds responsibility for assessing and managing environmental, social, and governance related risks and opportunities alongside other members of the Executive Team. The Corporate Responsibility team leads reporting and implementation of AvalonBay’s environmental sustainability and social programs through both direct management and execution of certain initiatives as well as leadership of the four committees shown to the right.

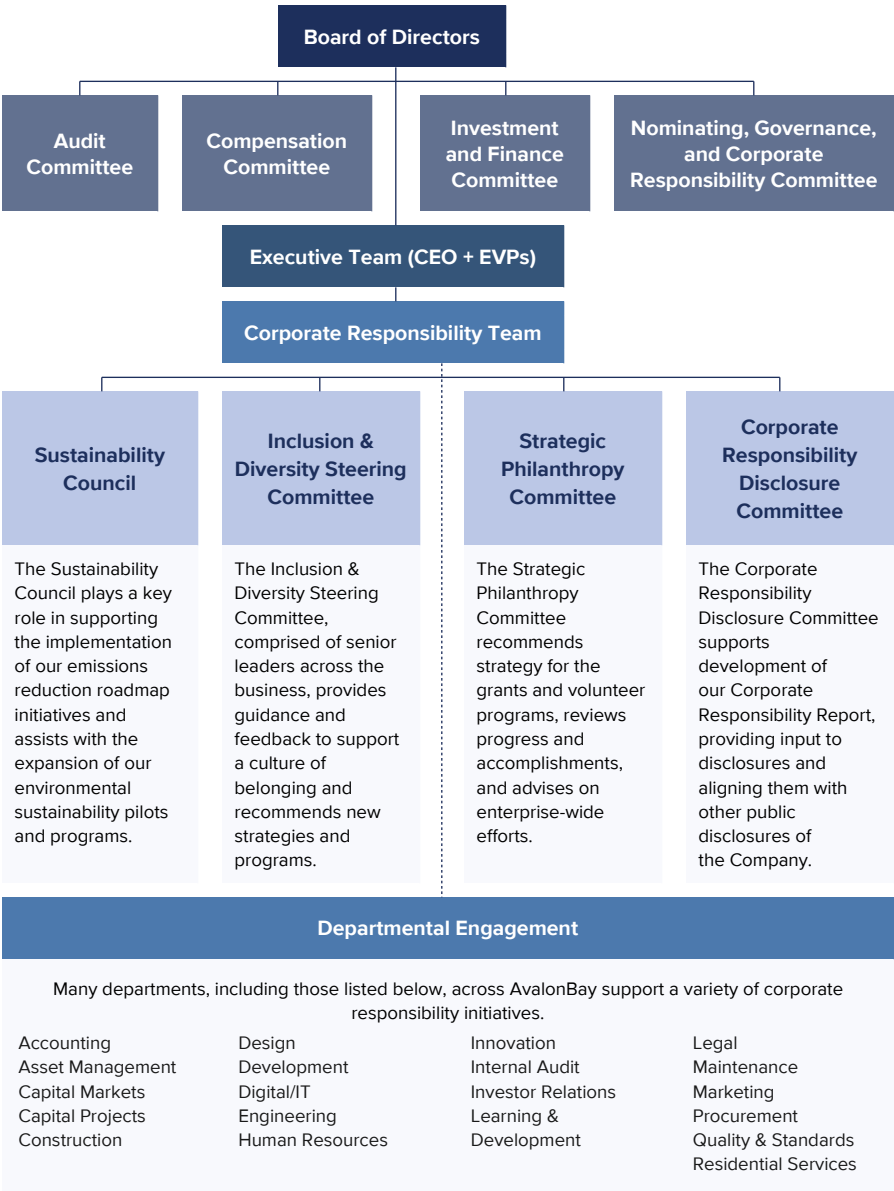
Key responsibilities of the Corporate Responsibility team include:

- Strategy and Goal Development:**
Develop and refine strategy and goals related to environmental sustainability and social programs.
 - Emissions Roadmap Oversight:**
Oversee the implementation of programs and strategies that support achievement of stated GHG emissions targets and other environmental goals.
 - Risk and Opportunity Identification:**
Identify, assess, and manage social and environmental-related risks and opportunities with regular review of potential impacts with key decision-makers.
 - Leadership Reporting:**
Provide regular updates on issues, progress, and reporting to executive leadership, the Board of Directors, and/or the Board’s NGCR and Audit committees.
 - Project Prioritization and Support:**
Identify and support targeted implementation of sustainability projects, ensuring alignment with corporate goals and asset-level value creation.

- Stakeholder and Resident Education:**
Educate internal stakeholders and residents by providing knowledge needed to make informed decisions that drive positive outcomes and strengthen community impact.
 - External Program Support:**
Support the creation and evolution of impactful external programs through direct engagement with industry associations and other subject matter experts that support market transformation.
 - Progress Reporting:**
Report on progress through the development of our annual Corporate Responsibility Report and submission to external third-party surveys, raters, and rankers.
 - Stewardship of Management Committees:**
Oversee committees dedicated to sustainability, I&D, philanthropy, and corporate responsibility disclosures, to ensure cohesive strategy implementation, accountability, cross-departmental engagement and collaboration, and transparency.

Remuneration Tied to Corporate Responsibility Performance

For 2024, we included in the corporate component of the annual bonus, received by all eligible full- and part-time associates, metrics and initiatives that focused on reducing our environmental impact. This financial incentive underscores our commitment to corporate sustainability practices and their importance to the overall success of our business and associates alike.



Responsible Business Practices

Our corporate culture is rooted in responsible business practices, which we work to integrate into all aspects of our business. We dedicate significant resources to ensuring compliance with our Code of Business Conduct and Ethics. To facilitate enforcement of our Code, AvalonBay maintains a confidential, anonymous hotline for associates to report any concerns about financial or reporting improprieties, workplace issues, or ethical matters. A strict non-retaliation policy protects any associate who makes a report in good faith. Also, we include questions relating to ethics, compliance, and safety in our Associate Perspective Survey.

In addition, AvalonBay:

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

Responsible Marketing

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

Internal Audit

Our Internal Audit group operates independently within the Company, reporting directly to the Audit Committee of the Board of Directors and administratively to the Chief Financial Officer. The group comprises professionally experienced and qualified associates with a variety of credentials and certifications related to fraud, information systems, accounting and controls, and construction.

The Internal Audit group performs continuous independent audits of key business, corporate, operational, financial, and information technology activities that focus on key controls, segregation of duties, and compliance-related matters. Most high-risk areas impacting the organization are evaluated annually through assessments and controls testing for effectiveness as part of the annual audit plan. The group reports the results of its activities, including audit findings and opportunities for internal control enhancement, to the Audit Committee and relevant management, committees, and process owners. Other vital functions performed by Internal Audit are to support the Company's ethical environment, core values, cultural norms, and commitment to integrity.

Examples include:

- Overseeing the dependability of AvalonBay's sustainability disclosures.
- Administering the Company's Sarbanes-Oxley (SOX) compliance process. This includes testing and verifying the design adequacy and operating effectiveness of significant financial and accounting-related business processes and IT controls.

- Assisting with reviewing, monitoring, and updating AvalonBay's Code of Conduct, associate handbook, and required annual associate affirmations for fraud and ethical misconduct prevention. The policies, procedures, requirements, rules, and guidelines in these documents help establish and reinforce the Company's ethical requirements, expectations, core values, and cultural norms.
- Taking an active and engaged role in helping monitor and oversee the Company's compliance, risk management, ethical integrity-based culture, general business and financial operations, issue mitigation, investigations, IT infrastructure, key financial and IT controls, and systems upgrades/implementations. This includes serving on and holding leadership roles on AvalonBay's Enterprise Risk Management, Inclusion & Diversity, SOX IT, Cyber Security, Quality Assessment, Corporate Responsibility Disclosure, and other compliance and governance-related committees.





Avalon Bothell Commons
Bothell, WA

Sound Investment Management

All new investment proposals are submitted to the Management Investment Committee or a designated subcommittee for review and approval. Investment packages, consisting of input from a variety of functional groups within AvalonBay, include an assessment of climate, biodiversity, and other risks and opportunities. Transactions that exceed specific size thresholds or are outside of certain guidelines are also submitted to the Investment and Finance Committee of the Board of Directors, or to the full Board in some cases. This well-rounded formal review process underscores our commitment to sound, sustainable, and long-term management of investments at AvalonBay. For more information, see the [Sustainability Strategy](#) section of this report.

EthicsPoint Hotline

AvalonBay uses EthicsPoint, an anonymous third-party-managed hotline available 24/7, for associates to report ethical and fraud concerns or other workplace issues. EthicsPoint operates independently from AvalonBay and will never communicate or reveal a reporter's identity (unless the reporter explicitly chooses to do so). To ensure all associates can use the hotline, EthicsPoint provides communication specialists and interpreters who are proficient in numerous languages.

Our Internal Audit group administers EthicsPoint and is promptly notified of any report or complaint. Internal Audit also ensures the Audit Committee is updated on all EthicsPoint reports and their resolutions. At a minimum, the group issues formal quarterly reports to the Committee. These reports are also issued to our external auditor. Additionally, if they choose, any

member of the Audit Committee can have complete access to EthicsPoint at any time. In 2024, AvalonBay did not experience any material breaches of its Code of Ethics that would be reportable by law in our financial filings.

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

Our Policy on Contributions

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

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

Risk Management

Program Overview

Guided by a structured and disciplined approach, AvalonBay's Risk Management team is tasked with assessing and managing risks that may hinder our ability to achieve our purpose of creating a better way to live.

The Risk Management department focuses on driving a risk-aware culture. We leverage external risk information from insurers, insurance brokers, and other industry resources, including natural catastrophe modeling, to stay apprised on the risk environment. We overlay this information with our incident reporting, claims management, and exposure data to report the potential impact of various risks to our Company.

Risk Management also translates trends in enterprise claims data into action-oriented loss control initiatives, policy updates, and operational changes. This collaborative mission-driven approach leverages our internal system data, associate and vendor insight, and our team's expertise to minimize risk of loss within our business.

Company-wide incidents and near-misses are required to be reported to document events, remediate issues, and inform future loss prevention activities.

Business Continuity and Crisis Management

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

Each asset has an Emergency Action Plan (EAP) that includes shutoff maps, evacuation maps, and contact information for associates. The EAPs are app-based, eliminating the need for Wi-Fi to access its functions. EAP summaries are also posted in clearly visible locations for associates. Each community is responsible for reviewing its EAP at least once per year. To expedite response and facilitate communication, AvalonBay's crisis response

platform provides web- and app-based capabilities. In 2024 the Company continued to train and educate associates in this area, and these efforts will continue in 2025.

Insurance Risk Management

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

Cyber Risk Management

INFORMATION AND DATA SECURITY

Recognizing the critical importance of protecting personal information, we prioritize data protection and privacy in our information security practices. We have implemented comprehensive data protection and privacy policies and procedures, which we regularly review and benchmark against industry standards and regulatory requirements.

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

Governance

Senior members of our IT Security team meet with the full Board or the Audit Committee at least annually to discuss cyber security matters. The Senior Director of Cybersecurity reports to the SVP-IT and the Cybersecurity Steering Committee. Our IT team reviews with the full Board or Audit Committee the Company's cyber security program against an established standard and regulatory requirements. They also review a cyber security dashboard with relevant metrics.

Additionally, we assign associate cyber security training across the Company at least three times per year and conduct phishing testing throughout the year to educate our associates and increase their awareness of potential cyber threats.

Risk Management

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

Vulnerability Management

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



Quality and Standards

QUALITY ASSURANCE

The AvalonBay Quality and Standards team is dedicated to enhancing transparency, closing gaps in the design process, improving construction execution, and establishing structured feedback loops for continuous improvement. This team develops processes and infrastructure to implement and measure outcomes.

A key focus is conducting early-stage design reviews to ensure strict adherence to standards and proactively address discrepancies. Additionally, the team prioritizes high-risk categories such as building envelope, acoustics, and

accessibility, engaging specialized consultants to review design intent, inspect installations, and conduct post-construction testing.

To drive continuous improvement, the team collaborates with Development, Construction, and Operations teams after project completion to gather insights and lessons learned. A Quality Dashboard tracks compliance with policies and process requirements, consolidating data from multiple sources to provide leadership with real-time visibility into project health across the Company's development and construction pipeline.

The Quality Assurance governance structure includes the Quality Assurance Steering Committee, a cross-functional group of senior leaders from Design, Construction, Development, Engineering, Asset Management, Internal Audit, and Corporate Responsibility. This committee provides strategic guidance and oversees the development and approval of new policies and procedures.

Additionally, the Executive Review Board (ERB) — composed of the Chief Investment Officer (CIO), Senior VP of Construction, Senior VPs of Development, and Senior VP of Design — is responsible for reviewing and approving policies before implementation.

PRODUCT AND MATERIAL STANDARDS

Our Product and Material Standards, managed by the Quality and Standards team, serve as a comprehensive resource encompassing specifications, construction details, product selections, model numbers, and lessons learned. Each standard undergoes rigorous research and evaluation to ensure the consistent delivery of high-quality assets. This vetting process often includes manufacturer facility visits, sample inspections, maintenance data reviews, and industry referrals to validate product performance and durability.

Aligned with the mindful MATERIALS Common Material Framework (CMF) and AvalonBay's broader Corporate Responsibility goals, these standards incorporate key sustainability considerations, including Ecosystem Health, Circularity, Climate Health, and Human Health. As part of this commitment, Environmental Product Declarations (EPDs) and Health Product Declarations (HPDs) are collected during product evaluations and integrated into the Request for Proposal

(RFP) process. To date, 41 standards have been designated as green standards.

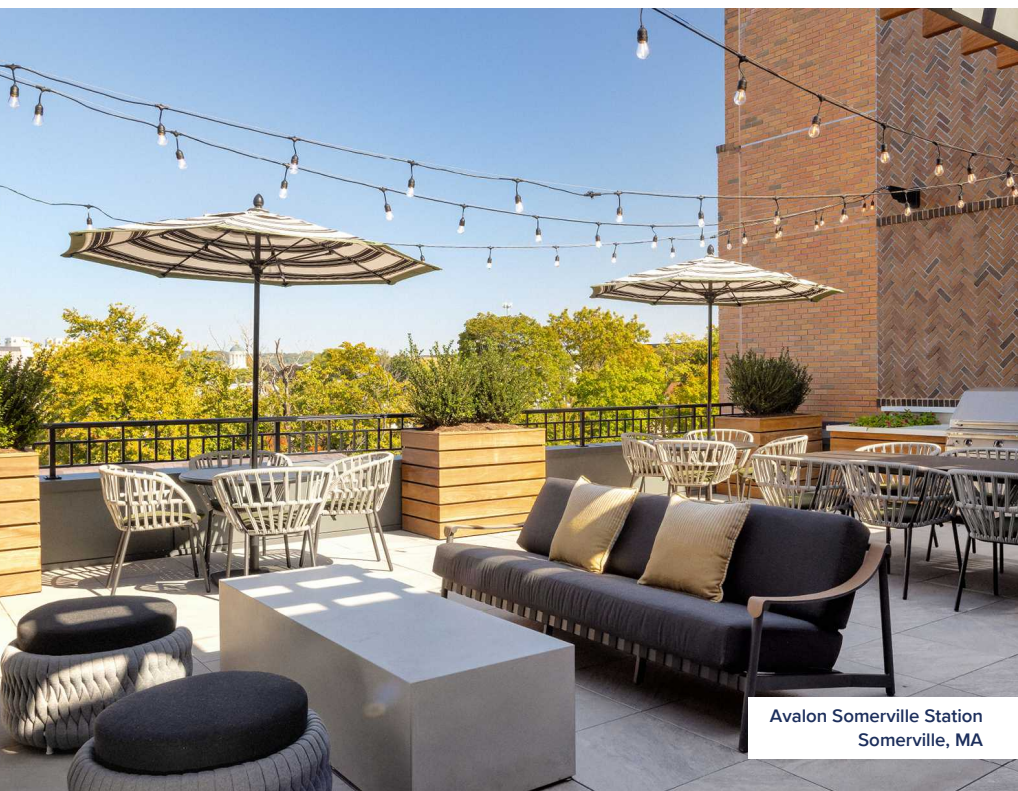
Additionally, the standards incorporate CSI Master Specifications for select products and trades, defining requirements for installation, safety, quality assurance, energy performance, sustainability, and durability. To ensure technical accuracy and practicality, subject matter experts from various AvalonBay functional groups actively contribute to the development and refinement of these standards.

Governance of the Product and Material Standards aligns with AvalonBay's Quality Assurance framework. The ERB reviews and approves all standards before implementation.

COMMITMENT TO ACCESSIBILITY

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

All AvalonBay associates involved in design and construction must complete our accessibility training at onboarding and every two years thereafter. We also use a formalized reasonable modification request process for our residents who face accessibility challenges to request changes that will enhance their ability to enjoy the community in which they live.



Avalon Somerville Station
Somerville, MA

Health and Safety

Development Safety

HEALTH AND SAFETY

AvalonBay focuses on creating communities, construction sites, and workplaces that are free from illness and injuries. The health and safety of our associates, residents, trade partners, and visitors are fundamental to our organization. We believe that the path to a safer work environment goes beyond compliance and includes a concerted approach that parallels our three Core Values: A Commitment to Integrity, A Spirit of Caring, and A Focus on Continuous Improvement.

AvalonBay Health and Safety (H&S) Governance

Providing technical safety resources at a regional level remains critical to meeting the safety needs of our associates. Our national H&S department is led by a Senior Director with oversight of a team of professionals distributed across AvalonBay's regions. This department also includes a role dedicated to our Residential Services safety program, which increases focus on our onsite Residential Services safety strategy for the protection of our associates, residents, contractors, and visitors. Supported by the entire H&S, Residential Services, and Engineering departments, this position interfaces closely with our Risk Management department and actively engages in supporting Operations. We also provide Safety support to capital improvement projects at our communities to ensure a safe site for our residents and other stakeholders.

The majority of our H&S team is credentialed by the Board of Certified Safety Professionals and supports and participates in the American Society of Safety Professionals (ASSP), the National Safety Council (NSC), Associated General Contractors of America (AGC), the National Fire Protection Association (NFPA), and Associated Builders and Contractors (ABC) at the regional and national leadership levels. In 2024, members of the team volunteered their time regionally with local OSHA emphasis programs including the OSHA Roundtables and OSHA Training Institutes.

Safe Culture Initiative

In 2024, AvalonBay continued building on the Culture of Care pledge as a member of the AGC. We continue to expand our commitment to safety by recognizing the potential stressors our associates, vendors, and contractors may experience, including those attributed to exclusion, unconscious bias, harassment, and the related impact on mental health and physical safety. We have made great strides in communicating our Safe Culture message to our associates and placed language that requires and promotes an inclusive job-site in our contract documents, policies, training orientations, and signage. In 2024, we were also awarded the AGC Diversity & Inclusion Excellence Award, which is an effort led by the Safety team.

Incident and Injury-Free (IIF)³⁶ Workplace

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

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

Launched as a safety communications initiative by our maintenance associates, AvalonBay's National IIF Committee has grown to include associates from Engineering, Maintenance, H&S, and Risk Management. Committee members from each region work together to ensure consistent and comprehensive communication around current policies, training, and best practices.

Site Safety Observation Program and Data Tracking

Our contractors are contractually obligated to meet the General Minimum Safety Requirements for AvalonBay job sites. Throughout 2024, contractors were evaluated for their safety reputation through our Safety and Financial prequalification process. Each contractor attends a preconstruction safety meeting before they mobilize to discuss how risks and hazards associated with their work will be mitigated. AvalonBay continued data collection through our External Safety Observation program, which logged 773 safety observations. This program measures trade partner noncompliance with AvalonBay's safety policies based on nearly 200 safety factors evaluated at each job site by our national H&S team. This data is used to influence vendor prequalification, contract awards, contract language, policies, and training. The Safety team also conducts Internal Safety observation to measure the AvalonBay team's compliance with the Safety program, and Safety performance feeds into the team's compensation.



³⁶ Incident and Injury-Free (IIF)[™] is a trademark of JMJ Associates, LLC.

Incident Tracking Metrics

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

FOCUS AREAS	INDICATOR TYPE	APPLICABLE GROUP	2024	2023
AvalonBay Construction Team Compliance with Internal Construction Safety Program ³⁷	Leading	AVB Associates ³⁸	93%	98%
Logged and Resolved Noncompliant Subcontractor Observations ³⁹	Leading	Subcontractors/Vendors	773	1,181
AvalonBay Construction Subcontractor/ Vendor TRIR ⁴⁰	Lagging	Subcontractors/Vendors	1.19	1.62
Industry Recognition — Associated Builders and Contractors (ABC) STEP Award	NA	NA	Platinum	Diamond

Safety Policies

In 2024, AvalonBay continued training new associates on our Construction Safety Policies, part of our Construction Safety Resource Manual. We also updated our entire library of construction safety policies based upon our collected safety data, lessons learned, and evolving industry trends. These fundamental policies represent the Company's general minimum standards to eliminate worker injuries and illnesses across our organization's operations. Additionally, as part of a comprehensive review of each of our Residential Services Safety Policies, in 2024 we began working on enhancements and improvements to reinforce our onsite safety efforts. This work will continue into 2025. Our teams also are required to keep PPE for all genders on site for visitors.

Regulatory Activity

In 2024, AvalonBay maintained partnerships with the Federal OSHA as well as local state OSHA offices. These partnerships are a voluntary agreement between OSHA and AvalonBay to improve workplace safety at our job sites. In 2025, we plan to expand our partnerships to include our expansion markets while continuing our existing partnerships. The collaborative effort between AvalonBay and OSHA has improved our field training program and fostered communication between trade workers and the regulatory agency.

Fire Elimination and Security

In 2024, AvalonBay continued the Fire Elimination and Security Program for wood frame construction projects.

All new wood frame projects are treated with MFIRE Spray Fire Inhibitor during construction. While under construction, we deploy sensors in our buildings to detect temperature rise as an early warning indicator of potential fire hazards. On qualified construction projects, the Fire Elimination and Security Program includes the use of centrally monitored surveillance cameras, audible alarms, and robust security measures to deter trespassing and mitigate the risk of arson.

ABC Safety Training and Evaluation Process and AGC Commendation

In 2024, ABC awarded AvalonBay the Platinum Safety STEP Management Award. The Safety Training and Evaluation Process (STEP) is focused on safety benchmarking and improvement to evaluate participating firms against world-class safety management systems while improving safety performance among ABC STEP participants. Participating ABC member firms are measured on two key incident rates and safety processes and policies covering 25 key components.

In 2024, the Associated General Contractors of America (AGC) awarded AvalonBay with a national certificate of commendation for excellence in safety recognizing our outstanding safety record in 2023.



³⁷ Measured monthly via an Internal Safety Observation Checklist.

³⁸ This includes Residential Services, Overhead Departments, and Construction Staff.

³⁹ Logged and tracked on a daily or weekly basis at each construction site.

⁴⁰ TRIR: Number of OSHA "Recordable" cases, multiplied by 200,000, and divided by total hours worked by all AVB Construction Subcontractors and Vendors.

OCCUPATIONAL HEALTH

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

FOCUS AREAS	INDICATOR TYPE	EMPLOYEE GROUP	2024	2023
AVB Associate LTIR ⁴¹	Lagging	AVB Associates	1.29	3.29
AVB Associate TRIR ⁴²	Lagging	AVB Associates	2.68	3.64

Community Safety

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

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

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

Onsite management has documented policies and procedures that outline periodic reviews (ranging from weekly to annually depending on task) of life safety items at our operating communities. These procedures cover the entire scope of each individual asset to assure the following: appropriate safety equipment is present; the equipment is in good condition; and the environment is free of any hazards. Deficiencies identified are to be documented and addressed in a timely manner with site and regional management. A minimum of one community team meeting per month is dedicated to safety.

⁴¹ LTIR: Number of incidents or illness resulting in associates missing work, multiplied by 200,000, and divided by the total number of hours worked by all associates.

⁴² TRIR: Number of OSHA "Recordable" cases, multiplied by 200,000, and divided by total hours worked by all associates. These metrics are accurate as of publication date.



Relevant Policies and Our Human Rights Statement

VENDOR CODE OF CONDUCT AND RESPONSIBLE SUPPLY CHAIN PRINCIPLES

We expect our vendors to conduct their business interactions with integrity, so we developed a [Vendor Code of Conduct](#) that requires accurate recordkeeping and reporting, safeguarding of assets and information, a prohibition against bribes and kickbacks, limits on gifts, avoidance of conflicts of interest, a prohibition against insider trading, a prohibition against AvalonBay associates directly conducting personal business with any vendor, and a requirement for prompt reporting of any violation to AvalonBay.

CODE OF CONDUCT

Our [Code of Business Conduct and Ethics](#) is designed to provide associates with a standard of behavior that must be followed in all of our business dealings or relationships.

BRIBERY/ANTI-CORRUPTION

Both our Code of Business Conduct and Ethics and our [U.S. Economic Sanctions Compliance and Anti-Corruption Policy](#) strictly prohibit all forms of corruption and bribery, and they outline employees' disclosure and compliance obligations with respect to such matters.

HUMAN RIGHTS STATEMENT

AvalonBay is committed to the protection and advancement of human rights and ensuring that our operations in all of our regions function with integrity. See our [Human Rights Statement](#) for more detail.

POLITICAL CONTRIBUTIONS

Our [Policy on Political Contributions](#) sets forth guidelines and approval requirements for political contributions and ensures that specific types of political contributions by or on behalf of the Company are prohibited.

SUSTAINABLE DEVELOPMENT POLICY

Our [Sustainable Development Policy](#) requires that most new developments meet internally prescribed design and construction requirements and achieve LEED Gold.

CLIMATE RISK-ASSESSMENT AND RESILIENCY POLICY

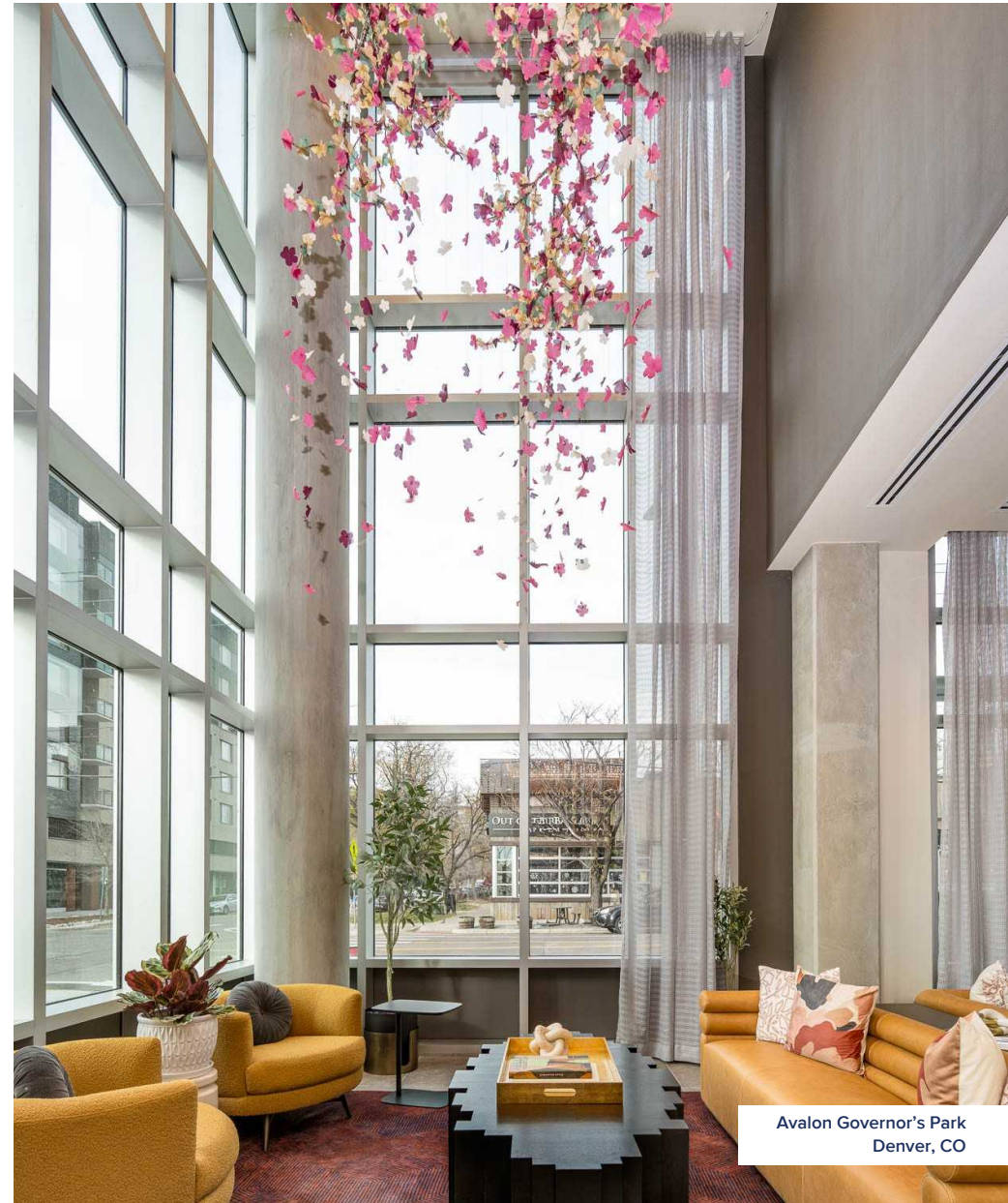
All new developments and acquisitions complete a third-party assessment that evaluates the physical climate risks associated with a particular location.

BIODIVERSITY RISK-ASSESSMENT POLICY

All new developments and acquisitions complete a third-party assessment that evaluates the biodiversity risks associated with a particular location.

ENVIRONMENTAL POLICY AND EMS

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



Avalon Governor's Park
Denver, CO

Conclusion

Thank you for reading our 14th annual Corporate Responsibility Report. We are proud to share our progress and activities on environmental sustainability, social impact, and transparent governance information material to our business and stakeholders.

The report was prepared by our Corporate Responsibility team, with support from the 60+ AvalonBay associates that provided data and content to make it a robust and comprehensive resource for understanding AvalonBay. We would also like to thank the countless associates across the organization who move our work forward by supporting the many pilots, initiatives, and programs described within this report.

We value your feedback and welcome any questions, comments, or suggestions on the report or our performance. For questions pertaining to this report, please contact the AvalonBay Corporate Responsibility team at cr@avalonbay.com.

“At AvalonBay, we believe sustainability is about more than meeting goals — it’s about creating long-term value through practical, data-driven solutions that strengthen both our communities and our business. By proactively integrating sustainability across our operations, we’re building a more resilient portfolio and preserving asset value. The progress we’ve made in 2024 reflects the power of organizational commitment — and our belief that real change happens when sustainability is embedded in everyday decisions across the organization.”

Pamela Thomas,
EVP, Portfolio and Asset Management



Avalon Princeton Circle
Princeton, NJ



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Global Reporting Initiative Content Index

GRI DISCLOSURE		LOCATION IN REPORT OR DIRECT ANSWER
GRI 2: General Disclosures 2021		
2-1	Organizational details	At a Glance — About AvalonBay, Portfolio Overview
2-2	Entities included in the organization's sustainability reporting	Please see our latest 10-K .
2-3	Reporting period, frequency, and contact point	Appendix — About This Report
2-4	Restatements of information	Appendix — Environmental Data
2-5	External assurance	Appendix — About This Report
2-6	Activities, value chain, and other business relationships	At a Glance — Vendors, Suppliers, and Contractors
2-7	Employees	Appendix — 2024 Employment Data
2-9	Governance structure and composition	Governance
2-10	Nomination and selection of the highest governance body	Please see our latest Proxy Statement .
2-11	Chair of the highest governance body	Please see our latest Proxy Statement .
2-12	Role of the highest governance body in overseeing the management of impacts	Governance — Corporate Sustainability Governance, Corporate Governance Documents
2-13	Delegation of responsibility for managing impacts	Governance — Corporate Sustainability Governance, Corporate Governance Documents
2-14	Role of the highest governance body in sustainability reporting	Governance — Corporate Sustainability Governance, Corporate Governance Documents
2-15	Conflicts of interest	Corporate Governance Documents, Human Rights Statement
2-16	Communication of critical concerns	In 2024, there were no material breaches in the code of ethics reportable by law in our financial filings. Please see our Code of Business Conduct and Ethics to learn more.
2-17	Collective knowledge of the highest governance body	Governance - Corporate Sustainability Governance, Corporate Governance Documents
2-18	Evaluation of the performance of the highest governance body	Please see our latest Proxy Statement .
2-19	Remuneration policies	Please see our latest Proxy Statement .

GRI DISCLOSURE		LOCATION IN REPORT OR DIRECT ANSWER
GRI 2: General Disclosures 2021		
2-20	Process to determine remuneration	Please see our latest Proxy Statement .
2-21	Annual total compensation ratio	Please see our latest Proxy Statement .
2-22	Statement on sustainable development strategy	At a Glance — A Message from Our CEO, Sustainability Strategy
2-23	Policy commitments	Corporate Governance Documents, Human Rights Statement
2-24	Embedding policy commitments	At a Glance — Vendors, Suppliers, and Contractors, Governance — Relevant Policies and Our Human Rights Statement
2-25	Processes to remediate negative impacts	Governance — Responsible Business Practices Corporate Governance Documents
2-26	Mechanisms for seeking advice and raising concerns	Governance — Responsible Business Practices
2-27	Compliance with laws and regulations	Please see our latest 10-K , 10-Q , and Code of Business Conduct and Ethics to learn more.
2-28	Membership associations	At a Glance — Corporate Responsibility Reporting and Recognition
2-29	Approach to stakeholder engagement	At a Glance — Stakeholders
2-30	Collective bargaining agreements	0% of AvalonBay Communities' employees are covered by collective bargaining agreement.
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	At a Glance — Materiality Assessment
3-2	List of material topics	At a Glance — Materiality Assessment
GRI 201: Economic Performance 2016		
3-3	Management of Material Topic(s)	Environmental — Climate Risks and Opportunities
201-2	Financial implications and other risks and opportunities due to climate change	Environmental — Climate Risks and Opportunities
GRI 203: Indirect Economic Impacts 2016		
3-3	Management of Material Topic(s)	At a Glance — Local Communities
203-1	Infrastructure investments and services supported	At a Glance — Local Communities

GRI DISCLOSURE		LOCATION IN REPORT OR DIRECT ANSWER
GRI 302: Energy 2016		
3-3	Management of Material Topic(s)	Environmental
302-1	Energy consumption within the organization	Appendix — Environmental Data — Energy
302-2	Energy consumption outside of the organization	Appendix — Environmental Data — Energy
302-3	Energy intensity	Appendix — Environmental Data — Energy
302-4	Reduction of energy consumption	Appendix — Environmental Data — Energy
GRI 303: Water and Effluents 2018		
3-3	Management of Material Topic(s)	Environmental — Water
303-1	Interactions with water as a shared resource	Environmental — Water
303-5	Water consumption	Appendix — Environmental Data — Water
GRI 305: Emissions 2016		
3-3	Management of Material Topic(s)	Environmental
305-1	Direct (Scope 1) GHG emissions	Appendix — Environmental Data — Emissions tables
305-2	Energy indirect (Scope 2) GHG emissions	Appendix — Environmental Data — Emissions tables
305-3	Other indirect (Scope 3) GHG emissions	Appendix — Environmental Data — Emissions tables
305-4	GHG emissions intensity	Appendix — Environmental Data — Emissions tables
305-5	Reduction of GHG emissions	Appendix — Environmental Data — Emissions tables
GRI 306: Waste 2020		
3-3	Management of Material Topic(s)	Environmental — Waste
306-2	Management of significant waste-related impacts	Environmental — Waste
306-3	Waste generated	Appendix — Environmental Data— Waste — Whole Building
GRI 401: Employment 2016		
3-3	Management of Material Topic(s)	Social — Well-Being and Benefits
401-1	New employee hires and employee turnover	Appendix — 2024 Employment Data
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Social — Well-Being and Benefits

GRI DISCLOSURE		LOCATION IN REPORT OR DIRECT ANSWER
GRI 403: Occupational Health and Safety 2018		
3-3	Management of Material Topic(s)	Social, Governance
403-1	Occupational health and safety management system	Governance — Development Safety
403-5	Worker training on occupational health and safety	Social — Safety Training
403-6	Promotion of worker health	Social — Benefits
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Governance — Development Safety
GRI 404: Training and Education 2016		
3-3	Management of Material Topic(s)	Social — Talent Management
404-2	Programs for upgrading employee skills and transition assistance programs	Social — Talent Management
404-3	Percentage of employees receiving regular performance and career development reviews	Social — Talent Management
GRI 405: Diversity and Equal Opportunity 2016		
3-3	Management of Material Topic(s)	Social — Inclusion & Diversity
405-1	Diversity of governance bodies and employees	Appendix — 2024 Employment Data
GRI 416: Customer Health and Safety 2016		
3-3	Management of Material Topic(s)	Social — Listening to Residents
416-1	Assessment of the health and safety impacts of product and service categories	Social — Listening to Residents

Statement of Use: AvalonBay Communities has reported the information cited in this GRI content index for the period January 1, 2024–December 31, 2024, with reference to the GRI Standards.

GRI 1 used: GRI 1: Foundation 2021

SASB

SASB CODE	TOPIC	DESCRIPTION	UNIT OF MEASURE	RESPONSE
IF-RE-130A.1	Energy Management	Energy consumption data coverage as a percentage of total floor area, by property sector ⁴³	Percentage (%) by floor area	78.90%
IF-RE-130A.2	Energy Management	(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity and (3) percentage renewable, by property sector	Gigajoules (GJ), Percentage (%)	(1) 546,159 GJ for Common Area, 2,475,877 GJ for Common and Residential (2) 56% (3) 2% (includes all solar and Green-e REC's) 1% if just solar
IF-RE-130A.3	Energy Management	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property sector	Percentage (%)	-1.91% for Common Area, -3.93% for Common Area and Residential
IF-RE-130A.4	Energy Management	Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR, by property sector	Percentage (%) by floor area	(1) 27% of eligible portfolio that has an energy rating and (2) 4% of portfolio is certified to ENERGY STAR
IF-RE-130A.5	Energy Management	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	n/a	See report sections titled Sustainability Strategy and Emissions and Energy for an understanding of how reducing emissions and increasing energy efficiency are integrated into our investment and operational strategies.
IF-RE-140A.1	Water Management	Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property sector	Percentage (%) by floor area	(1) 98% ¹ , (2) 43%
IF-RE-140A.2	Water Management	(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water Stress, by property sector	Thousand cubic meters (m ³), Percentage (%)	(1) 13,372,592 m ³ , (2) 46%
IF-RE-140A.3	Water Management	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property sector	Percentage (%)	3.62%
IF-RE-140A.4	Water Management	Description of water management risks and discussion of strategies and practices to mitigate those risks	n/a	See report sections Water , Energy Efficiency , and Environmental Performance
IF-RE-410A.1	Management of Tenant Sustainability Impacts	(1) Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements and (2) associated leased floor area, by property sector	Percentage (%) by floor area, Square feet (ft ²)	100% of new Retail leases representing 55,745 sf in 2024; 0% Residential.

⁴³ Data coverage reflects communities with actual consumption values and excludes communities with proxy estimates.

SASB CODE	TOPIC	DESCRIPTION	UNIT OF MEASURE	RESPONSE
IF-RE-410A.2	Management of Tenant Sustainability Impacts	Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption and (2) water withdrawals, by property sector	Percentage (%) by floor area	(1) 6%, (2) 60%
IF-RE-410A.3	Management of Tenant Sustainability Impacts	Discussion of approach to measuring, incentivising and improving sustainability impacts of tenants	n/a	See the Residential Programs and Access section of this report.
IF-RE-450A.1	Climate Change Adaptation	Area of properties located in 100-year flood zones, by property sector	Square feet (ft ²)	5,979,217
IF-RE-450A.2	Climate Change Adaptation	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	n/a	See the Physical Climate Risk section of this report.
IF-RE-000.A	Activity Metric	Number of assets, by property sector	Number	306
IF-RE-000.B	Activity Metric	Leasable floor area, by property sector	Square feet (ft ²)	83,821,507
IF-RE-000.C	Activity Metric	Percentage of indirectly managed assets, by property sector	Percentage (%) by floor area	0.33%
IF-RE-000.D	Activity Metric	Average occupancy rate, by property sector	Percentage (%)	93%

TCFD

TOPIC	DISCLOSURE	RESPONSE
GOVERNANCE	Describe the board's oversight of climate-related risks and opportunities	<p>The AvalonBay Board of Director's Committees with responsibility for climate related oversight include the Audit Committee, Compensation Committee, and the Nominating, Governance, and Corporate Responsibility Committee.</p> <p>See AvalonBay's Board of Directors section for more information.</p> <p>The charter for each committee outlining their exact responsibilities can be found on our Investor Relations webpage.</p>
GOVERNANCE	Describe management's role in assessing and managing climate-related risks and opportunities	<p>The Corporate Responsibility team reports to the Executive Vice President of Portfolio and Asset Management, who ultimately holds responsibility for assessing and managing climate-related risks and opportunities. The team collaborates with departments across the Company to advance a variety of corporate responsibility initiatives, and leverages cross-department committees such as the Sustainability Council to support the implementation and expansion of our environmental sustainability program.</p> <p>For more information, see the Corporate Responsibility Governance section.</p>
STRATEGY	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	<p>A list of climate risks and opportunities that AvalonBay has identified over the short, medium, and long term, can be found in the Sustainability Strategy section. Further climate-related risk factors are available in our 2024 10-K. As a developer, owner, and operator, our responsibility to our residents, associates, and investors includes mitigating these risks where possible and leveraging opportunities created by our industry's transition to a low carbon economy.</p> <p>More details regarding the scope of select climate risks and opportunities are also provided in the Sustainability Strategy section.</p>
STRATEGY	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	<p>AvalonBay's business, strategy, and financial planning is directly impacted by climate-related risks and opportunities.</p> <p>For example, we proactively plan and budget for the costs to meet climate policies and green building codes, to pay for rising energy prices and increased HVAC consumption in extreme hot and cold weather, to include decarbonization and resilience measures in our long-term capital planning, and to afford and procure insurance in high-risk markets. Our business strategy is also informed by stakeholder expectations around sustainability efforts at AvalonBay, such as residents seeking sustainable and resilient communities, and investors seeking climate-smart companies to invest in. The markets we choose to do business in are also informed by climate risk. For example, an assessment of climate risks for certain neighborhoods/submarkets within our regions has caused us to limit investments there.</p> <p>Additional information regarding the impact of climate-related risks on our business, strategy, and financials is included in the Climate Risks and Opportunities tables in the Sustainability Strategy section.</p>

TOPIC	DISCLOSURE	RESPONSE
STRATEGY	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	<p>Our strategy takes into consideration different future climate scenarios. 2030 emissions reduction targets for scope 1 & 2 are 1.5°C aligned, and for scope 3 are well-under 2°C aligned. CRREM 2050 asset stranding analysis uses a 1.5°C-aligned scenario analysis. Physical climate risk analysis takes into account RCP 4.5 and 8.5 across 2030, 2040, and 2050. Future water-stress analysis utilizes RCP 2.6, 7.0, and 8.5 looking at time horizons through 2050 and 2080.</p> <p>For more information, see the Resilience of Strategies section.</p>
RISK MANAGEMENT	Describe the organization's processes for identifying and assessing climate-related risks	<p>We make it a priority to assess acquisitions, operating communities, and future developments for climate risks to identify potential threats and implement appropriate risk mitigation tactics.</p> <p>This includes a transition risk assessment to understand what climate policies and green building codes will affect the community, analysis of how the community's environmental performance will align with our emissions reduction targets, and a biodiversity risk assessment of potential nature impacts.</p> <p>This also includes physical climate risk assessments to understand how the community scores across six different hazards: Flood, Precipitation, Wildfire, Wind, Heat, and Drought; and a water-stress assessment to identify priority sites to address.</p> <p>For more information, see the Climate Risk Management section.</p>
RISK MANAGEMENT	Describe the organization's processes for managing climate-related risks	<p>AvalonBay's climate-risk management strategy incorporates asset-level considerations across development, construction, acquisitions, operations, and dispositions. The ultimate goal is to bring deals to the investment committee that have reduced climate risk issues, in that prospective deals that have too high climate risk have already been abandoned by the time they reach that approval level. For example, an assessment of climate risks for certain neighborhoods / submarkets within our regions has caused us to limit investments there.</p> <p>For more information, see the Climate Risk Management section.</p>
RISK MANAGEMENT	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	<p>AvalonBay's Risk Management department focuses on driving a risk-aware culture. It leverages external risk information from insurers, insurance brokers, and other industry resources, including natural catastrophe modeling, to stay apprised on the risk environment. It then overlays this information with our incident reporting, claims management, and climate-related risk exposure data to report the potential impact of various risks to our Company.</p> <p>For more information, see the Risk Management section.</p>

TOPIC	DISCLOSURE	RESPONSE
METRICS AND TARGETS	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	<p>Transition Risk metrics include: Scope 1 & 2 emissions; Renewable energy production; Scope 3 emissions; Decarbonization Pathway (CRREM); Current and Future Regulations; and Biodiversity risk assessments (Birdlife International).</p> <p>Physical Climate Risk metrics include: Physical climate risk scores (Climate Check); and Water Stress (WRI).</p> <p>For more information, see the Emissions and Energy section.</p>
METRICS AND TARGETS	Disclose scope 1, scope 2, and, if appropriate, scope 3 greenhouse gas (GHG) emissions, and the related risks	<p>Our total 2024 emissions (MT CO₂e):</p> <ul style="list-style-type: none"> ■ Scope 1: 21,335 ■ Scope 2 (market-based): 18,662 ■ Scope 3: 510,956 <p>See the Emissions and Energy section for more details and the Climate Risks and Opportunities section for related risks.</p>
METRICS AND TARGETS	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	<p>Our 2030 emissions reductions targets are a 63% reduction in scope 1 & 2 emissions and a 61% reduction in scope 3 emissions, with a 2017 baseline. Our water targets are to reduce water use intensity 10% by 2027 in water-stressed areas and 2029 in non-water stressed areas, with a 2021 baseline. Our waste target is to maintain a 20% landfill diversion rate across the portfolio.</p> <p>As of 2024, we have achieved a -55% change in scope 1 & 2 emissions, and a -31% change in scope 3 emissions from our 2017 baseline.</p> <p>We have achieved a 5% reduction in water use intensity in water-stressed areas, and a 0% change in non-water stressed areas.</p> <p>We achieved a 31% waste diversion rate.</p> <p>See the Environmental Goals section for more details.</p>

Environmental, Social, and Governance Data

Environmental Data⁴⁴

SCOPE 1 & 2 LIKE-FOR-LIKE EMISSIONS (MTCO ₂ e) ⁴⁵	2024	2023	2022	2017 (BASELINE)
Like-for-like scope 1 emissions [Absolute]	18,352	17,199	17,762	14,532
Like-for-like scope 2 emissions (Market Based) [Absolute]	15,766	17,267	19,400	45,688
Like-for-like scope 1 & 2 emissions (Market Based) [Absolute]	34,117	34,466	37,162	60,220
Percentage change Like-for-like scope 1 & 2 emissions (Market Based) since baseline year	-43.3%	-42.8%	-38.3%	

SCOPE 1 & 2 TOTAL EMISSIONS (MTCO ₂ e) ⁴⁵	2024	2023	2022	2017 (BASELINE)
Total scope 1 Energy emissions [Absolute]	14,973	14,467	15,285	19,221
Total scope 1 Energy emissions [Intensity: kg CO ₂ e/sf]	0.82	0.77	0.83	1.13
Total scope 1 Fugitive emissions [Absolute]	6,362	5,233	5,253	5,099
Total scope 1 Fugitive emissions [Intensity: kg CO ₂ e/sf]	0.35	0.28	0.29	0.30
Total scope 2 emissions (Location Based) [Absolute]	47,809	49,293	50,632	57,992
Total scope 2 emissions (Location Based) [Intensity: kg CO ₂ e/sf]	2.62	2.63	2.75	3.40
Total scope 2 emissions (Market Based) [Absolute]	18,662	24,691	26,218	57,992
Total scope 2 emissions (Market Based) [Intensity: kg CO ₂ e/sf]	1.02	1.32	1.42	3.40
Total scope 1 & 2 emissions (Market Based) [Absolute]	39,996	44,392	41,503	82,311
Percentage change scope 1 & 2 emissions (Market Based) [Absolute] since baseline year	-51.4%	-46.1%	-49.6%	
Total scope 1 & 2 emissions (Market Based) [Intensity: kg CO₂e/sf]	2.19	2.37	2.55	4.83
Percent change scope 1 & 2 Emissions (Market Based) [Intensity: kg CO ₂ e/sf] since baseline year	-54.7%	-50.9%	-47.2%	
Total scope 1 & 2 emissions (Market Based) [Intensity kg CO₂e/FTE]	13.41	14.63	14.02	26.41
Total scope 1 & 2 emissions (Market Based) [Intensity kg CO₂e/\$revenue]	0.00001445	0.00001604	0.00001600	0.00003813

⁴⁴ Per the GHG Protocol, we are always working to make inventories more accurate, which sometimes requires retroactively updating and recalculating previous years' data to enhance comparability of inter-year results. This year, our efforts to calculate our new 1.5°C emissions reduction targets required a 2017 re-baselining as well as a methodology update for 2024 emission and consumption data. We therefore also updated the same metrics from 2023 and 2022 to follow this new methodology. These changes include updated square footages, refined approach for proxy measurements, updated emissions factor sources and other changes to increase data completeness and accuracy.

⁴⁵ Includes Communities, Corporate Offices, and Construction

SCOPE 3 TOTAL EMISSIONS (MTCO ₂ e) ⁴⁵	2024	2023	2022	2017 (BASELINE)
Total scope 3 emissions [Absolute]	510,956	478,031	489,328	584,464
Percentage change scope 3 emissions [Absolute] since baseline year	-12.6%	-18.2%	-16.3%	
Scope 3 Reduction Target emissions [Absolute]	366,585	307,964	N/A	468,715
Percentage change Reduction Target emissions [Absolute] since baseline year	-21.8%	-34.3%	N/A	
Scope 3 Reduction Target emissions [Intensity: kg CO₂e/sf]	4.37	3.81	N/A	6.29
Percentage change scope 3 Reduction Target emissions [Intensity: kg CO ₂ e/sf] since baseline year	-30.4%	-39.4%	N/A	
Scope 3 — C1: Purchased goods & services [Absolute]	61,771	55,740	40,509	31,767
Scope 3 — C1: Purchased goods & services [Intensity: kg CO ₂ e/sf]	0.61	0.56	0.41	0.35
Scope 3 — C2: Capital goods (Embodied carbon from developments) [Absolute]	112,559	62,587	58,806	184,513
Scope 3 — C2: Capital goods (Embodied carbon from developments) [Intensity: kg CO ₂ e/sf]	1.10	0.63	0.60	2.01
Scope 3 — C3: Fuel- and energy-related activities [Absolute]	17,516	17,572	17,768	18,589
Scope 3 — C3: Fuel- and energy-related activities [Intensity: kg CO ₂ e/sf]	0.17	0.18	0.18	0.20
Scope 3 — C5: Waste generated in operations [Absolute]	65,020	56,380	50,343	38,176
Scope 3 — C5: Waste generated in operations [Intensity: kg CO ₂ e/sf]	0.64	0.57	0.51	0.42
Scope 3 — C6: Business travel [Absolute]	83	77	202	236
Scope 3 — C6: Business travel [Intensity: kg CO ₂ e/sf]	0.0008	0.0008	0.0021	0.0026
Scope 3 — C7: Employee commuting [Absolute]	6,652	4,634	7,627	7,932
Scope 3 — C7: Employee commuting [Intensity: kg CO ₂ e/sf]	0.0652	0.0466	0.078	0.087
Scope 3 — C13: Downstream leased assets (Resident energy emissions) [Absolute]	189,006	188,953	221,774	246,027
Scope 3 — C13: Downstream leased assets (Resident energy emissions) [Intensity: kg CO ₂ e/sf]	2.25	2.34	2.78	3.3
Scope 3 — C13: Downstream leased assets (Resident fugitive emissions) [Absolute]*	57,556	59,914	59,825	57,225
Scope 3 — C13: Downstream leased assets (Resident fugitive emissions) [Intensity: kg CO ₂ e/sf]	0.69	0.74	0.75	0.77
Scope 3 — C15: Investments [Absolute]	791	32,444	32,474	0
Scope 3 — C15: Investments [Intensity: kg CO ₂ e/sf]	0.0078	0.33	0.33	0

RENEWABLE ENERGY — WHOLE BUILDING	2024	2023	2022	2017 (BASELINE)
Total Solar Production (kWh)⁴⁶	9,663,878	7,884,054	7,342,185	0
Total Operating Solar Installations	69	60	51	0
Total Operating Solar Panel System Size (kW)	10,758	8,495	6,969	0.0

⁴⁵ Includes Communities, Corporate Offices, and Construction

⁴⁶ Includes communities only.

1.5°C EMISSIONS REDUCTION TARGETS (NEW) ^{47,48}	2024	2023	2022 ⁴⁹	2017 (BASELINE)
Portfolio Size (Sq Ft) ⁵⁰	102,093,320 ⁵¹	99,456,767	N/A	91,612,515
Scope 1 & 2 emissions (Market Based) [Intensity: kg CO2e/sf]	2.19	2.37	N/A	4.83
Percent change scope 1 & 2 emissions (Market Based) [Intensity: kg CO2e/sf] since baseline year	-55%	-51%	N/A	
Scope 3 emissions [Intensity: kg CO2e/sf]	4.37	3.81	N/A	6.29
Percentage change scope 3 emissions [Intensity: kg CO2e/sf] since baseline year	-31%	-39%	N/A	

2°C EMISSIONS REDUCTION TARGETS (WITHDRAWN) ⁵²	2024	2023	2022	2017 (OLD BASELINE) ⁵³
Portfolio Size (Sq Ft) ⁴⁹	102,093,320	99,456,767	98,136,240	86,896,041
Scope 1 & 2 emissions (Market Based) [Intensity: kg CO2e/sf]	1.84	2.09	2.25	4.04
Percent change scope 1 & 2 emissions (Market Based) [Intensity: kg CO2e/sf] since baseline year	-54%	-48%	-44%	
Scope 3 Reduction Target emissions [Intensity: kg CO2e/sf]	4.37	3.81	4.15	5.52
Percentage change scope 3 emissions [Intensity: kg CO2e/sf] since baseline year	-21%	-31%	-25%	

ENERGY — COMMON AREA	2024	2023	2022	2017 (BASELINE)
Like-for-like Energy Consumption (kWh) ⁵⁴	213,954,198	202,980,658	213,147,004	231,897,608
Percentage change since baseline year	-8%	-12.5%	-8%	
Total Electricity Consumption (kWh)	164,099,688	169,885,378	174,394,672	193,161,709
Total Gas Consumption (Therms)	2,814,870	2,721,882	2,874,017	3,610,116
Total Propane Consumption (kBtu)	397,532	215,251	386,953	169,251
Total Oil Consumption (kBtu)	0	0	0	28,596
Total Steam Consumption (kBtu)	5,728,064	5,859,568	6,065,914	1,304,127
Total Energy Consumption (kWh)	248,370,851	251,417,080	260,494,763	299,378,577
Percentage change since baseline year	-17%	-16%	-13%	
Construction Energy Consumption (kWh)	6,823,610	4,690,519	8,041,940	7,357,378
Percentage change since baseline year	-7%	-36%	9%	

⁴⁷ Our new Scope 1 & 2 emissions reduction target is 1.5°C aligned and our new Scope 3 target is aligned to the well-below 2°C climate scenario. Our new emissions targets include all Scope 1 & 2 emissions including common area fugitive emissions, and the same Scope 3 emissions categories as our prior target, prioritizing reductions in embodied carbon in development (category 2), waste in operations (category 5), and resident energy-related emissions (category 13). Additional Scope 3 emissions are calculated but not targeted for reduction: purchased goods and services (category 1), fuel- and energy-related emissions (category 3), business travel (category 6), employee commuting (category 7), resident fugitive-related emissions (scope 13), and investments (category 15). The methodology now uses project level life cycle assessment (LCA) data to calculate embodied carbon emissions for Scope 3 category 2, includes estimations for common area fugitive emissions in Scope 1, and uses an updated proxy methodology based on increased utility data availability; this results in a change to our 2017 baseline values.

⁴⁸ Includes Communities, Corporate Offices, and Construction

⁴⁹ 2023 values shown against the 1.5°C targets have been back-calculated to display year over year progress 2023 values shown against the 1.5°C targets have been back-calculated to display year over year progress.

⁵⁰ This square footage represents the full year's total floor area regardless of ownership tenure.

⁵¹ We improved our square footage calculation methodology in 2024. This value reflects the more accurate measurement.

⁵² We have withdrawn from our 2°C SBTs, and are reporting 2024 progress against them to close out our term.

⁵³ The baseline for our 2°C SBTs differs from the baseline for our new 1.5°C emissions reduction targets, due to methodology updates.

⁵⁴ Includes Communities, Corporate Offices, and Construction

WATER	2024	2023	2022	2021 (BASELINE)
Total Water Consumption (kGal)	3,577,588	3,250,082	3,245,902	3,302,907
Percentage change since baseline year	8%	-2%	-2%	
Water Consumption - Water Stressed Areas [Like-for-like] (kGal)	1,498,319	1,453,231	1,166,293	1,238,758
Percentage change since baseline year	21%	17%	-6%	
Water Use Intensity - Water Stressed Areas [Like-for-like] (kGal/unit)	44.32	43.10	44.90	44.30
Percentage change since baseline year	0.05%	-3%	1%	
Water Consumption - Non-Water Stressed Areas [Like-for-like] (kGal)	1,831,040	1,768,070	1,821,907	1,729,674
Percentage change since baseline year	6%	2%	5%	
Water Use Intensity - Non-Water Stressed Areas [Like-for-like] (kGal/unit)	40.24	37.90	38.50	38.30
Percentage change since baseline year	5%	-1%	1%	
Reused Water Consumption (M ³) ⁵⁵	123,597	165,662	185,167	181,781
Construction Water Consumption (kGal)	9,013	14,124	10,638	10,854
Percentage change since baseline year	-17%	30%	-2%	

WASTE — WHOLE BUILDING	2024	2023	2022
Like-for-like Waste Consumption Intensity (lbs/apartment home) ⁵⁴	2,721	2,618	2,927
Total Non-hazardous Waste (MT) ⁵⁶	135,300	116,972	108,566
Percentage non-hazardous waste recycled	28.2%	27.7%	23.0%
Diversion Rate ⁵⁷	30.7%	29.8%	28.9%
Construction Waste Consumption (MT)	29,473	16,155	11,596

⁵⁵ Includes Communities only

⁵⁶ Includes Community and Construction Waste

⁵⁷ Includes Operating Communities only, Recycle and Compost Diverted from Landfill

2024 Employment Data⁵⁸

GENDER

	AVB ASSOCIATES	NEW HIRES ⁵⁹	LEADERSHIP TEAM ⁶⁰	EXECUTIVE TEAM	BOARD OF DIRECTORS
Total	2,982	728	258	8	11
Male	59%	64%	63%	63%	73%
Female	40%	34%	37%	38%	27%

RACE AND ETHNICITY⁶¹

RACE AND ETHNICITY	LEADERSHIP TEAM ⁵⁹	EXECUTIVE TEAM	BOARD OF DIRECTORS
White	74%	100%	82%
Underrepresented Minorities⁶²	20%	0%	18%
Not Specified	6%	0%	0%

RACE AND ETHNICITY	AVB ASSOCIATES
White	36%
Asian	7%
African American	17%
Hispanic/Latino	30%
Hawaiian/Other Pacific Islander	0%
American Indian	1%
Two or More Races	3%
Not Specified	6%

⁵⁸ The percentages above are rounded to the nearest whole number. Variations in decimal values may lead these not to sum to 100%.

⁵⁹ Includes rehires, temporary, and part-time workers.

⁶⁰ Leadership Team is defined as associates with the title of Directors and above.

⁶¹ Reference EEO categories.

⁶² Underrepresented Minorities include Asian, African American, Hispanic/Latino, Hawaiian/Other Pacific Islander, American Indian/Alaskan Native, and Two or More Races.

⁶³ Turnover calculations incorporate only "regular" associates; if temporary associates were included, the rate would be skewed since they are typically seasonal hires mid-year and therefore are not accounted for in the average headcount, which takes into account only the starting and ending headcount in a year. "Turnover Rate" is defined as number of separations divided by the average headcount (starting and ending regular headcount divided by 2).

⁶⁴ NMHC — National Multifamily Housing Council.

GENERATION

	AVB ASSOCIATES	NEW HIRES ⁵⁸	LEADERSHIP TEAM ⁵⁹	EXECUTIVE TEAM
Baby Boomers	9%	4%	10%	25%
Generation X	30%	19%	56%	75%
Millennials	48%	51%	34%	0%
Generation Z	13%	26%	0%	0%

EMPLOYEE TURNOVER

Total Turnover Rate⁶²	25 %
Voluntary turnover rate	18%
Involuntary turnover rate	8%
Corporate turnover rate⁶³	24%
NMHC voluntary turnover rate⁶⁴	21%
NMHC total turnover rate	20%

LEARNING AND DEVELOPMENT

	HOURS
Average hours of training per people managers	17.7
Average hours of training per non-people managers	16.9

Safety

U.S. BUREAU OF LABOR STATISTIC	AVERAGE
Lost Time Incident Rate (LTIR): AVB Employees ⁶⁵	1.29
Total Recordable Incident Rate (TRIR): AVB Employees ⁶⁴	2.68
Total Recordable Incident Rate (TRIR): Construction / Subcontractors ⁶⁶	1.19
Hours of Safety Training	8,677

Development and Construction

DEVELOPMENT IN 2024	
Number of communities beginning construction	9
Expected investment	\$1050M
Remediation of preexisting environmental contamination	\$2.20M
Remediation spend projected through completion	\$15.25M
Development communities under construction as of year-end	28
Average walk score for completed transit-oriented developments (total portfolio)	82
Total transit-oriented communities	113
Transit-oriented development communities completed in 2024	1
Capital cost for all development under construction as of year-end	\$2.25B

Home Count per AMI

HOME COUNT PER AMI ⁶⁷	
≤ 50%	1,349
> 50% and ≤ 80%	1,893
> 80% and ≤ 120%	301
> 120% and ≤ 150%	87

Health Qualifications

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

Community and Development Data

TOTAL COMMUNITY/APARTMENT COUNT	2024	2023	2022	2021
Number of properties	306	299	294	297
Number of apartment homes	93,518	84,130	82,583	80,094

AFFORDABLE COUNT	2024	2023	2022	2021
Number of designated affordable homes	3,630	4,206	4,232	4,531

CONSTRUCTION COUNTS	2024	2023	2022	2021
Properties/apartment homes under construction at year-end/homes	17/6,004	18/6,539	18/5,892	17/5,386
Completed properties/apartment homes at year-end/homes	9/2,981	1,393/6	5/1,858	9/2,752

⁶⁵ Includes Residential Services, Overhead Departments, and Construction Personnel

⁶⁶ Includes Construction Staff and Subcontractors.

⁶⁷ Our portfolio currently provides affordable housing at the following income-eligible levels, shown in the table below broken out by Area Median Income (AMI)

About This Report

This is AvalonBay's 14th annual Corporate Responsibility Report and summarizes our performance and activities related to environmental, social, and governance topics during calendar year 2024.

Report Parameters

This report covers issues and information material to our business and stakeholders. We followed standard disclosures from GRI Sustainability Reporting Guidelines. The report's boundary covers a reporting period for the 2024 calendar year and builds on the progress outlined in our previous year's report. The data in this report was sourced internally from responsible business units in the Company. The selected GRI performance indicators are those most relevant to AvalonBay's business and its corporate sustainability impacts and are based on our most recent materiality assessment. We are reporting with reference to the GRI Standards. AvalonBay measures and reports its emissions of greenhouse gases in conformance with the Greenhouse Gas Protocol standards and guidance, including the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and the Greenhouse Gas Protocol Corporate Value Chain (scope 3) Accounting and Reporting Standard developed by the World Resources Institute and the World Business Council for Sustainable Development.

Assurance Statement

Assurance content and figures referenced in AvalonBay's filed financial statements have been externally audited by a third-party auditor. The following 2024 annual metrics were independently verified and received limited assurance from LRQA Inc: scope 1 & 2 GHG emissions; scope 3 GHG emissions (Fuel- and energy-related activities (FERA), Waste, Downstream Leased Assets); and absolute waste generated, water use, and energy consumption. LRQA is a leading provider of independent assessment services with recognition from over 50 accreditation bodies around the world. The assurance statement for the environmental data is aligned with the ISO14064-3 standard and can be found on our website at: www.avaloncommunities.com/about-us/esg/esg-reports/

Trademarks

Avalon, AVA, eaves by Avalon, and Kanso are registered trademarks of AvalonBay Communities, Inc. Other words in this report marked with a ™ or ® are trademarks belonging to other third parties, including Incident and Injury-Free (IIF), which is a trademark of JMJ Associates.

Forward-Looking Statements

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements, which you can identify by the Company's use of words such as "expects," "plans," "estimates," "anticipates," "projects," "intends," "believes," "outlook," "may," "shall," "will," "pursue" and similar expressions that predict or indicate future events and trends and that do not report historical matters, are based on the Company's expectations, forecasts, and assumptions at the time of this report, which may not be realized and involve risks and uncertainties that cannot be predicted accurately or that might not be anticipated. These could cause actual results, performance, or achievements to differ materially from the anticipated future results, performance, or achievements expressed or implied by the forward-looking statements. Additional discussions of risks and uncertainties that could cause actual results to differ materially from those expressed or implied by the forward-looking statements appear in the Company's filings with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024 under the heading "Risk Factors" and under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations — Forward-Looking Statements" and in subsequent quarterly reports on Form 10-Q. The Company does not undertake a duty to update forward-looking statements.

Contact

Pamela Thomas, EVP, Portfolio and Asset Management
CR@avalonbay.com
AvalonBay Communities, Inc. 4040 Wilson Blvd., Suite 1000 Arlington, VA 22203

