

SUSTAINABLE DEVELOPMENT POLICY

November 2023



AvalonBay recognizes that the communities we design, develop, and operate have a significant impact on the environment – and our environment is rapidly changing. Buildings are responsible for approximately 40% of global greenhouse gas emissions (GHGs)¹ and AvalonBay is committed to reducing our impact to curb the wide-ranging effects of climate change. To that end, in 2018 AvalonBay was the first publicly traded multifamily REIT to set Science Based Targets (SBTs)² to align our 2030 scope 1, 2, and 3 reduction targets with the Paris Accord.

Our initial Building Certified policy was originally released in 2016 and revised in 2021 to include climate risk. This new version provides additional granularity and clarity around the expectations for new development projects as it relates to broad environmental goals and green building certifications. As AvalonBay continues to evolve our thinking in this area, we will update this policy accordingly.

Building Certified

Certification of our sustainable development practices is an important part of our governance structure 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.

Requirements for New Development Projects:

*The below Certification and Documentation section outlines LEED certification and internal documentation requirements. The Design and Construction section lists mandatory measures (except under Energy Efficiency – optional for Garden buildings) that will improve environmental performance while contributing to the required LEED certification. A template LEED scorecard can be found appended to the back of this policy (Appendix B) outlining a suggested path to LEED Gold. All below requirements are in line with current practice or design standards in most regions. **All Design & Construction requirements are applicable regardless of certification path.***

For the purposes of this policy, please see the below definitions:

- *Mid- & High-Rise Buildings = Four or more stories above grade*
- *Garden Buildings = Up to three stories above grade*

Certifications and Documentation:

- Achieve LEED certification at a minimum of the Gold Level for all Mid-rise and High-rise buildings using the LEED BD+C: Multifamily Mid-Rise v4 rating system.
- LEED certification using the LEED BD+C: Homes and Multifamily Low-Rise v4 rating system is encouraged but not mandatory for Garden buildings (i.e., stacked flats, townhomes, and direct entry product). If not pursuing LEED certification, Garden projects are encouraged to pursue

¹ <https://architecture2030.org/why-the-building-sector/>

² <https://sciencebasedtargets.org/companies-taking-action>

other 3rd party certifications such as NGBS, Passive House, Zero Energy Ready Homes, or Energy Star.

- All Mid and High-rise projects will include in the MIC package for MIC Class 2 approval a draft LEED scorecard showing the pathway to LEED Gold. Any request for deviation or exception to this standard will require review from the VP, Construction Support Services, SVP Design, and VP, ESG prior to submission for MIC Class 2 approval.

Design & Construction Requirements:

- Energy Efficiency
 - Garden Buildings: Projects are encouraged (but not required) to comply with all mandatory measures of ENERGY STAR for Homes version 3, achieve a HERS Index rating that meets or exceeds the ENERGY STAR HERS Index Target, install ENERGY STAR qualified appliances, and ensure all duct runs are fully ducted (i.e., no plenum air spaces).
 - Mid-Rise and High-Rise Buildings: Projects are required to comply with the requirements of ASHRAE Standard 90.1-2016. Design should comply with the mandatory provisions, and prescriptive provisions of Sections 5-10, as applicable. Where local code is more stringent than 90.1-2016, the local code will have primacy.
- Electrification
 - All new developments submitting for Class 3 MIC approval starting January 1, 2026 will prioritize electrification in apartment units (excluding common & amenity spaces) to reduce scope 1 emissions. After January 1, 2026, the use of onsite gas in apartment units will need to be approved by the MIC.
- Embodied Carbon Emissions Reduction
 - Track embodied carbon using a Life Cycle Assessment as outlined in the [Embodied Carbon Tracking Policy](#). Future versions of this policy will outline embodied carbon reduction targets from structure, foundation, enclosure, and gypsum products.
- Renewable Energy
 - Assess new development projects for onsite solar and battery storage as outlined in the [Solar Design Policy](#)
 - Additionally, if onsite solar generation is not pursued during initial development, teams should partner with the ESG team to investigate whether community solar programs exist for inclusion during lease-up.
- Water Reduction
 - All new developments must reduce indoor potable water use through use of fixtures and appliances that meet the current construction standards listed in Appendix A.
 - All new developments must reduce outdoor water use by minimizing overall irrigation demand and optimizing irrigation systems if they are needed. All irrigation will be sub metered separately from the whole building water meter. Please see the current construction standards in Appendix A for more detail on these requirements.
- Construction Waste
 - All projects are to reduce the total construction waste sent to landfills/incinerators by diverting 75% of the waste generated. Weight tickets must be collected from the waste haulers to confirm the diversion rate.
- EV Charging
 - Install EV chargers and infrastructure for future electric vehicle charging stations consistent with the [EV design standards](#).

Certification Completion

- Upon certification, projects pursuing LEED are encouraged to purchase and display LEED door decals to raise awareness of the building's certification. To purchase door decals or other LEED display items, visit [Green Plaque](#) and enter the projects USGBC/LEED Project ID Number.
- *Coming soon: In early 2024, all projects pursuing certification will be required to complete a new business process in iBEAM called the Green Building Certification Business Process (currently in development). This must be completed at DD, CD, Construction Start and Final Certification.*

Approved LEED Consultant List

Mid and high-rise projects pursuing LEED in line with the above are required to use one of the below approved vendors:

Region	Consultant	Contact Information
California / Colorado		
PNW		
NJ/NY		
Northeast / TX / NC		
Mid-Atlantic		
FL		

For projects looking to use a consultant not listed above, prior approval is required from the VP, ESG.

APPENDIX A – Green Construction Standards & Policies Referenced

- Energy Efficiency
 - [Building Commissioning Policy](#)
 - Windows | 08-53-1300-00
 - Electric Metering | 26-00-0000-00
 - Metering & Submetering | 22-05-1900-00
 - Tankless Water Heaters | 22-00-0000-00
 - Tanked Water Heaters | 22-00-0000-00
 - Kitchen Exhaust | 23-00-0000-00
 - Bath Exhaust | 23-00-0000-00
 - Apartment Thermostat | 23-00-0000-00
 - Common Area Thermostats | 23-00-0000-00
 - Apartment HVAC | 23-30-0000-00
 - Apartment Light Fixtures | 26-50-0000-00
 - Lighting Controls | 26-00-0000-00
 - Common Corridor and Breezeway Lighting | 26-50-0000-00
 - Model Apartment Lighting | 26-50-0000-00
 - Site Lighting | 33-70-1330-00
 - Emergency Lighting | 26-50-0000-00
 - Exit Signage | 26-50-0000-00
 - Parking Garage Lighting | 26-50-0000-00
 - Site Lighting | 33-70-1330-00
 - Apartment Ceiling Fan | 26-20-0000-00
- Embodied Carbon
 - [Embodied Carbon Tracking Policy](#)
- Renewable Energy
 - [Solar Design Policy](#)
 - Solar | 13-63-1300
 - Electric Metering | 26-00-0000-00
- Water
 - Apartment Plumbing Fixtures | 22-41-0000-00
 - Common Area Plumbing Fixtures | 22-41-0000-00
 - Metering & Submetering | 22-05-1900-00
 - Irrigation | 32-80-1300-00
 - Apartment Appliances | 11-31-1300-00
- Occupancy and Material Health & Transparency
 - [No Smoking Policy](#)
 - Bike Rack | 12-93-1300-00
 - Bike Repair Stand | 12-93-1300-00
 - Wood Look Vinyl Plank Flooring – Apartment | 09-65-0000-00
 - Resilient Flooring - Fitness | 09-61-0000
 - Interior Sealant | 07-90-0000-00
 - Exterior Sealant | 07-90-0000-00
 - Carpet – Apartment | 09-68-1600-00
 - Carpet - Common Area | 09-68-1605-00
 - Carpet – Common Area (Walk-Off) | 09-68-1605-00

- Paint - Exterior | 09-91-1300-00
- Paint – Common Area Interior | 09-91-2300-00
- Paint - Apartment Interiors | 09-91-2300-00
- EV Charging
 - Electric Car Charging Station Infrastructure | 26-00-0000-00
- Waste
 - Garden Trash Center | 11-82-0000-00
 - Garden Trash Center | 13-30-1300
 - Mid/Highrise Trash Chutes and Compactors | 14-91-8200



Template LEED Multifamily Midrise Scorecard

Multifamily Midrise [West Coast] [Suburban] Project

Yes	Maybe			
1	1	Integrative Process		
1	0	Credit	Integrative Project Team	1
0	0	Credit	Design Charrette	1
0	1	Credit	Trades Training	1
8	7	Location and Transportation		
P		Prereq	Floodplain Avoidance	Required
Performance Path				
0	0	Credit	LEED for Neighborhood Development Location	15
Prescriptive Path				
5	3	Credit	Site Selection - TOTAL	8
0	4		- Previously Developed	4
3	0		- Avoidance of Sensitive Land	3
2	0		- Infill Development	2
0	1		- Open Space	1
0	1		- Street Network	1
0	1		- Bicycle Storage & Network	1
2	1	Credit	Compact Development	3
1	1	Credit	Community Resources	2
0	2	Credit	Access to Transit	2
2	1	Sustainable Sites		
P		Prereq	Construction Activity Pollution Prevention	Required
P		Prereq	No Invasive Plants	Required
0	1	Credit	Heat Island Reduction	2
0	0	Credit	Rainwater Management	3
2	0	Credit	Non-Toxic Pest Control	2
6	4	Water Efficiency		
P		Prereq	Water Metering	
Performance Path				
0	0	Credit	Total Water Use	12
Prescriptive Path				
3	3	Credit	Indoor Water Use	6
3	1	Credit	Outdoor Water Use	4

Total YES: 52

Total MAYBE: 29.5

LEED Silver

Projects will need 60pts to achieve Gold. Maybe points provide flexibility to choose the best path for achieving Gold.

Certified: 40 to 49 points, Silver: 50 to 59 points, Gold: 60 to 79 points, Platinum: 80 to 110

Yes	Maybe			
20	6	Energy and Atmosphere		
P		Prereq	Minimum Energy Performance	Required
P		Prereq	Energy Metering	Required
P		Prereq	Education of the Homeowner, Tenant, or Bldg Manager	Required
18	6	Credit	Annual Energy Use	30
12	4		- Energy Model	
6	2		- Multifamily Home Size Adjuster	
0	0	Credit	Efficient Hot Water Distribution System	5
2	0	Credit	Advanced Utility Tracking	2
1.5	2	Materials and Resources		
P		Prereq	Certified Tropical Wood	Required
P		Prereq	Durability Management	Required
1	0	Credit	Durability Management Verification	1
0.5	1	Credit	Environmentally Preferable Products	5
0	1	Credit	Construction Waste Management	3
7.5	4.5	Indoor Environmental Quality		
P		Prereq	Ventilation	Required
P		Prereq	Combustion Venting	Required
P		Prereq	Garage Pollutant Protection	Required
P		Prereq	Radon-Resistant Construction	Required
P		Prereq	Air Filtering	Required
P		Prereq	Environmental Tobacco Smoke	Required
P		Prereq	Compartmentalization	Required
1	2	Credit	Enhanced Ventilation	3
0	0.5	Credit	Contaminant Control	2
3	0	Credit	Balancing of Heating and Cooling Distribution Systems	3
0	1	Credit	Enhanced Compartmentalization	3
1	1	Credit	Enhanced Combustion Venting	2
0	0	Credit	Enhanced Garage Pollutant Protection	1
1.5	0	Credit	Low Emitting Products	3
1	0	Credit	No Environmental Tobacco Smoke	1
3	3	Innovation		
P		Prereq	Preliminary Rating	Required
3	2	Credit	Innovation	5
0	1	Credit	LEED Accredited Professional	1
3	1	Regional Priority		
3	1	Credit	Regional Priority	4



Template LEED Multifamily Lowrise Scorecard

Multifamily Lowrise [West Coast] [Suburban] Project

Yes	Maybe			
1	1	Integrative Process		
1	0	Credit	Integrative Project Team	1
0	0	Credit	Design Charrette	1
0	1	Credit	Trades Training	1

8	7	Location and Transportation		
P		Prereq	Floodplain Avoidance	Required

Performance Path				
0	0	Credit	LEED for Neighborhood Development Location	15

Prescriptive Path				
5	3	Credit	Site Selection - TOTAL	8
0	4		- Previously Developed	4
3	0		- Avoidance of Sensitive Land	3
2	0		- Infill Development	2
0	1		- Open Space	1
0	1		- Street Network	1
0	1		- Bicycle Storage & Network	1
1	2	Credit	Compact Development	3
1	1	Credit	Community Resources	2
1	1	Credit	Access to Transit	2

2	1	Sustainable Sites		
P		Prereq	Construction Activity Pollution Prevention	Required
P		Prereq	No Invasive Plants	Required
0	1	Credit	Heat Island Reduction	2
0	0	Credit	Rainwater Management	3
2	0	Credit	Non-Toxic Pest Control	2

8	2	Water Efficiency		
P		Prereq	Water Metering	

Performance Path				
0	0	Credit	Total Water Use	12

Prescriptive Path				
6	0	Credit	Indoor Water Use	6
2	2	Credit	Outdoor Water Use	4

Total YES: 53

Total MAYBE: 31.5

LEED Silver

Projects will need 60pts to achieve Gold. Maybe points provide flexibility to choose the best path for achieving Gold.

Certified: 40 to 49 points, Silver: 50 to 59 points, Gold: 60 to 79 points, Platinum: 80 to 110

Yes	Maybe			
20	8			
P				
P				
P				
18	6			
0	0			
2	0			
0	1			
0	1			

1.5	2			
P				
P				
1	0			
0.5	1			
0	1			
0	0			

6.5	6.5			
P				
P				
P				
P				
P				
P				
P				
1	2			
0	0.5			
3	0			
0	1			
1	1			
0	2			
1.5	0			

3	3			
P				
3	2			
0	1			

3	1			
3	1			

Energy and Atmosphere 37

Prereq	Minimum Energy Performance	Required
Prereq	Energy Metering	Required
Prereq	Education of the Homeowner, Tenant, or Bldg Manager	Required
Credit	Annual Energy Use	30
Credit	Efficient Hot Water Distribution System	5
Credit	Advanced Utility Tracking	2
Credit	Active Solar-Ready Design	1
Credit	HVAC Start-Up Credentialing	1

Materials and Resources 9

Prereq	Certified Tropical Wood	Required
Prereq	Durability Management	Required
Credit	Durability Management Verification	1
Credit	Environmentally Preferable Products	5
Credit	Construction Waste Management	3
Credit	Material-Efficient Framing	2

Indoor Environmental Quality 18

Prereq	Ventilation	Required
Prereq	Combustion Venting	Required
Prereq	Garage Pollutant Protection	Required
Prereq	Radon-Resistant Construction	Required
Prereq	Air Filtering	Required
Prereq	Environmental Tobacco Smoke	Required
Prereq	Compartmentalization	Required
Credit	Enhanced Ventilation	3
Credit	Contaminant Control	2
Credit	Balancing of Heating and Cooling Distribution Systems	3
Credit	Enhanced Compartmentalization	3
Credit	Enhanced Combustion Venting	2
Credit	Enhanced Garage Pollutant Protection	1
Credit	Low Emitting Products	3

Innovation 6

Prereq	Preliminary Rating	Required
Credit	Innovation	5
Credit	LEED Accredited Professional	1

Regional Priority 4

Credit	Regional Priority	4
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