

AVALONBAY COMMUNITIES, INC.
U.S. ECONOMIC SANCTIONS COMPLIANCE
AND ANTI-CORRUPTION POLICY

I. Policy Statement

As a U.S. company, AvalonBay Communities, Inc. (together with its subsidiaries and affiliates, “**AvalonBay**” or the “**Company**”) must comply with all applicable U.S. laws, including economic and trade sanctions programs administered by the U.S. Treasury Department’s Office of Foreign Assets Control (“**OFAC**”), and anti-corruptions laws including the U.S. Foreign Corrupt Practices Act of 1977 (the “**FCPA**”). As a company, we strive to conduct ourselves according to the highest standards of ethical conduct. Throughout its operations, the Company seeks to avoid even the appearance of impropriety in the actions of its directors, officers, employees, and agents.

This U.S. Economic Sanctions Compliance and Anti-Corruption Policy (the “**Policy**”) is designed to familiarize you with U.S. economic and trade sanctions regulations administered by OFAC (herein “**OFAC Regulations**”) and conduct prohibited by anti-corruption laws. Nothing in this Policy limits the scope or requirements of other current or future policies enacted by the Company.

II. Seeking Guidance On These Issues

The Company’s management has appointed Melissa Dulski, Vice President - Assistant General Counsel, to serve as the officer in the Company’s Legal group (the “**Legal Group Officer**”) responsible for implementing and providing guidance and interpretation on matters related to this Policy. Company personnel with questions about the OFAC Regulations, anti-corruption laws, or the requirements of this Policy are obligated to seek guidance from Melissa at 703-317-4647 or Melissa_dulski@avalonbay.com.

III. OFAC Regulations

A. Overview

OFAC administers and enforces U.S. economic and trade sanctions programs through the OFAC Regulations. As explained below, OFAC Regulations target not only specific countries, but also entities, organizations, and individuals throughout the world deemed to be acting on behalf of these countries, or deemed to be terrorists, narcotics traffickers, or other sanctions targets (so-called “Specially Designated Nationals” or “**SDNs**” and persons identified on other OFAC-maintained lists).

OFAC Regulations are complex. For certain countries and regions, the U.S. government imposes comprehensive economic and trade sanctions that prohibit nearly all activities and transactions associated with the country or region, its government, and often its nationals. These activities and transactions include exports, re-exports, imports, services, financial dealings, trade in goods and services originating from the sanctioned country or region, and even

noncommercial activities. For other countries, economic and trade sanctions are less restrictive. Although the OFAC Regulations vary widely by country or region, and there are many exceptions and licensing opportunities, OFAC Regulations currently prohibit many or most dealings by U.S. persons, U.S.-Owned or -Controlled Foreign Entities,¹ and persons subject to U.S. jurisdiction, with the below-listed “**Prohibited Countries and Regions**” and their governments and government instrumentalities, wherever located:

- **Belarus (not comprehensive but extensive, dynamic sanctions)***
- **Crimea, Donetsk and Luhansk regions of Ukraine***
- **Cuba**
- **Iran**
- **North Korea**
- **Russia (not comprehensive but extensive, dynamic sanctions)***
- **Syria**
- **Venezuela (largely targeting the Government of Venezuela)**

* **Note on Russia, Belarus and Ukraine.** Since Russia’s late February 2022 invasion of Ukraine, the United States has imposed a series of highly impactful, complex sanctions and export controls on Russian and Belarusian interests and parts of Ukraine, including the comprehensive sanctioning of the so-called Donetsk and Luhansk regions of Ukraine (in addition to Crimea), scores of new oligarch and other designations on the OFAC Specially Designated Nationals list, various other restrictions on Russian financial institutions, targeted export controls, including imposition of license requirements on the export of various U.S.-origin items to Russia. The exportation of certain categories of *services* is also prohibited. And many have discovered Russian investments in U.S. businesses, concealed through complicated investment structures, including in the real estate sector. Sourcing of materials or services from overseas present another avenue of risk. These restrictive measures to counter Russia’s invasion of Ukraine continue to issue from the U.S. government and others, requiring ongoing vigilance concerning all matters relating to Russia, Belarus and Ukraine. Diligence on investors, targets and other counterparties should broadly consider any touches to these jurisdictions, backed, where appropriate, by representations.

It is important to note that the scope of OFAC Regulations and the Prohibited Countries and Regions can change at any time, as the recent events involving Russia, Belarus and Ukraine demonstrate.

In addition to the Prohibited Countries and Regions discussed above, OFAC maintains a list of SDNs as a more-targeted form of sanctions. This list, which is updated as frequently as several times per week, includes both individuals and entities and can be found at <http://sanctionssearch.ofac.treas.gov>. U.S. persons are prohibited from transacting with individuals and entities that appear on OFAC’s SDN list. Also prohibited are any transactions by

¹ As used herein, “**U.S. person**” includes all U.S. citizens and permanent resident aliens regardless of where they are located, all persons and entities within the United States, and all U.S. incorporated entities and their foreign branches.

U.S. persons that involve entities in which one or more SDN has a 50% or greater interest, even if such entities are not identified on the SDN list. Of course, it may be impossible to learn when an entity is owned by an SDN, or in what amount, so any suspicions or “red flags” regarding a transaction or entity—*i.e.*, unusual facts or circumstances—should be referred to the Legal Group Officer to be investigated to the extent reasonably possible.

In addition to the list of SDNs, OFAC and other U.S. government agencies maintain other lists that might restrict or limit transactions with specific individuals and entities. These lists, including the SDN list, are collectively referred to as the “**Consolidated Screening List**” and are available at the export.gov website. Some of the sub-lists that comprise the Consolidated Screening List may be relevant to the Company’s business, while others are not. Individuals and entities appearing on the lists relevant to the Company, including the SDN list, are collectively referred to as “**Restricted Persons.**” Absent approval from the Legal Group Officer, the Company should not conduct business with Restricted Persons.

In addition to barring U.S. persons from directly doing business in violation of U.S. economic and trade sanctions, certain OFAC Regulations prevent U.S. persons from “facilitating or assisting” foreign affiliates or companies to engage in prohibited transactions. In general, the Company should not assist or otherwise participate in transactions with another entity that involve the Prohibited Countries and Regions or a Restricted Person.

B. What the OFAC Regulations Mean for AvalonBay

Prohibited Countries and Regions. It is AvalonBay’s policy not to conduct business with or otherwise engage in any transaction involving a Prohibited Country or Region, including transactions with end-users located in a Prohibited Country or Region.

Although AvalonBay does not generally ship products to customers or distributors, for the sake of thoroughness it is noted that under this policy AvalonBay may not facilitate an unlawful transaction by shipping products to customers and distributors with knowledge or reason to know that the product will be re-exported to a Prohibited Country or Region. Any transaction involving a Prohibited Country or Region should immediately be brought to the attention of the Legal Group Officer and no further action taken without instruction.

Screening Restricted Persons. It is AvalonBay’s policy not to conduct business with any Restricted Person absent a specific license, exemption, or authorization from the U.S. government. Any Company transaction involving a Restricted Person should immediately be brought to the attention of the Legal Group Officer.

The Company implements the following processes to avoid transactions involving the Prohibited Countries and Regions and Restricted Persons, including SDNs:

- In the areas of Construction, Development, Redevelopment, and Investment AvalonBay communicates this policy regularly to officers and associates engaged in procurement activities and receives periodic certifications of compliance from relevant officers and associates.

- In the areas of Residential Services (renting of apartment homes), applicants for apartment homes are screened against the Consolidated Screening List by a third party as part of the regular applicant screening process.
- AvalonBay also relies on its banks to perform screening of incoming and outgoing payments.
- AvalonBay may also perform periodic batch screens for Restricted Persons as necessary, depending on the nature and extent of engagement with non-U.S. persons.

U.S.-Owned or -Controlled Foreign Entities. All foreign entities under the ownership or control of a U.S. person must comply with the OFAC Regulations, including foreign entities for which a U.S. person (1) holds a 50-percent or greater equity interest by vote or value in the entity; (2) holds a majority of seats on the board of directors of the entity; or (3) otherwise controls the actions, policies, or personnel decisions of the entity. This Policy applies to all AvalonBay entities, if any, that are organized outside the United States.

Blocking and Reporting. If AvalonBay comes into possession of property belonging to an SDN (such as advance payments), it must immediately block the property (i.e., put it in an interest-bearing account and leave it alone until further direction from OFAC). In accordance with 31 C.F.R. § 501.603, AvalonBay must submit a report to OFAC within ten business days from the date that property becomes blocked. A report on all blocked property held as of June 30 of the current year must be filed annually by September 30.

C. OFAC Enforcement and Penalties

Because OFAC Regulations protect vital U.S. economic, trade, and policy interests, penalties for even unintentional violations may be severe and may include millions of dollars in fines, imprisonment, and seizure of goods and assets. Other consequences include negative publicity and harm to business reputation, increased government scrutiny (including intrusive audits, and increased difficulty obtaining government licenses and approvals), and mandatory remedial compliance measures as a condition of settling government charges. Depending on the program, criminal penalties for willful violations can include fines ranging up to \$20 million and imprisonment of up to 30 years. Civil penalties for violations can range up to *the greater of* the statutory amount (which can be several hundred thousand dollars) or twice the amount of the underlying transaction for each violation.

IV. FCPA and Other Anti-Corruption Laws

A. Overview

Under the FCPA, it is illegal for US persons, including US companies or any companies traded on US exchanges, and their subsidiaries, directors, officers, employees, and agents, to bribe non-US government officials. The concept of prohibiting bribery is simple. However, understanding the full scope of the FCPA is essential as this law directly affects everyday business interactions between the Company and non-US governments and government-owned or

government-controlled entities. Violations of the FCPA can result in violations of other US laws, including anti-money laundering, mail and wire fraud, and conspiracy laws. Aside from the FCPA, the Company may also be subject to other non-US anti-corruption laws, in addition to the local laws of the countries in which the Company conducts business.

B. Prohibited Conduct

The Company strictly prohibits all forms of corruption and bribery and will take all necessary steps to ensure that corruption and bribery do not occur in its business activities. Company associates and agents are prohibited from directly or indirectly making, promising, authorizing, or offering anything of value to a non-US government official on behalf of the Company to secure an improper advantage, obtain or retain business, or direct business to any other person or entity. This prohibition includes payments to third-parties where the Company associate or agent knows, or has reason to know, that the third-party will use any part of the payment for bribes.

C. Enforcement and Penalties

The penalties for violating the FCPA and other anti-corruption laws are severe. In addition to being subject to the Company's disciplinary policies (including termination), individuals who violate these laws may also be subject to imprisonment and fines.

V. Employee Obligations and Consequences

A. Reporting Obligations

AvalonBay associates must promptly report to the Legal Group Officer any suspected or actual violation of this Policy by the Company or any of its officers, directors, or associates, or any third party such as agents, business partners, consultants or others acting on the Company's behalf. Once an associate has made a report, the associate has an obligation to update the report as new information comes into his or her possession.

Additionally, associates who are considering doing business or having business-related interactions with foreign companies or officials must contact the Legal Group Officer for further guidance.

When in doubt about the appropriateness of any conduct, the Company requires that you seek additional guidance from the Legal Group Officer before taking any action that may subject the Company to potential liability.

B. Training Obligations

The Company is committed to maintaining a business environment promotes compliance and ethical business practices. In furtherance of these goals, the Company may provide periodic trainings regarding compliance issues. All relevant associates have an obligation to attend such training programs, review any training materials that may be distributed including this Policy, and remain knowledgeable about compliance with this Policy.

C. Employee Disciplinary Action

If an associate violates any provision of this Policy, or fails to cooperate in implementing this Policy, the associate may be subject to disciplinary action, which may include, but not be limited to, suspension, demotion, reduction in pay, reprimand, and termination. Any associate who, in good faith, reports suspected legal, ethical, or Policy violations will not suffer any adverse consequence for doing so.

VI. Implementation and Responsibilities

The Legal Group has primary responsibility to ensure AvalonBay's overall compliance with U.S. economic sanctions laws and export controls and anti-corruption laws, including with respect to specific transactions implicating these laws, associate training, record-keeping, and compliance audits. The Legal Group Officer will participate in training programs or seek advice from outside counsel to stay current on topics, best practices, and changes in U.S. law, including topics outlined in this Policy, as well as other topics deemed to be appropriate. The Legal Group Officer will maintain records documenting such training or advice and the topics covered therein for at least five years. Additionally, the Legal Group will ensure that any necessary updates are made to the Company's policies, procedures, and processes, and that appropriate associates are educated on such matters.

Relevant Company associates are required to understand and comply with this Policy. All material records relating to export compliance—including any memoranda prepared by the Compliance Officer concerning steps taken regarding a suspicious transaction—shall be retained by AvalonBay for at least five years.

AvalonBay associates should be alert for suspicious circumstances that indicate potential violations. Deliberately ignoring or otherwise failing to take appropriate action in the face of suspicious circumstances may lead to liability and penalties under U.S. law.

Adopted: February 27, 2019

Revised: June 17, 2022