



ENVISION

# SUSTAINABILITY REPORT

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# ABOUT THIS REPORT

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**In our third annual sustainability report, we provide a high-level view of how Armada Hoffler operates and manages its sustainability priorities and other issues important to our business and stakeholders within and outside of our company.**

**This report covers progress and activities that took place from January 1, 2021, through December 31, 2021.**

**In preparing this report, we have referenced relevant reporting frameworks including the Global Reporting Initiative (GRI), the Sustainable Accounting Standards Board (SASB) Real Estate sector standards, and the United Nations Sustainable Development Goals (SDGs) to help inform our reporting. Throughout this report, we guide readers to additional information on our website.**

We value and welcome feedback from all interested stakeholders. Please send comments or questions about this report to: [marketing@armadahoffler.com](mailto:marketing@armadahoffler.com)

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# ABOUT OUR COMPANY

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## Who We Are and What We Do

Armada Hoffler Properties (NYSE:AHH) is a vertically-integrated, self-managed real estate investment trust with over four decades of experience developing, building, acquiring, and managing high-quality office, retail, and multifamily properties located primarily in the Mid-Atlantic and Southeastern United States. The Company also provides general construction and development services to third-party clients, in addition to developing and building properties to be placed in its stabilized portfolio.



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# A LETTER FROM OUR CEO

**Louis Haddad**

PRESIDENT AND CHIEF EXECUTIVE OFFICER



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**Welcome to Armada Hoffler's 2021 Sustainability Report.**

**In all that we do, we strive to conduct our business, the development, construction, and operation of new and existing buildings, in a manner that contributes to positive economic, social, and environmental outcomes for our customers, shareholders, employees, and the communities we serve.**

**In this report, we are introducing our new sustainability roadmap, which includes our three priority pillars: People, Planet, and Communities. While there is always more to do, I am proud of the achievements we have made during 2021.**



## **Empowering Our People**

We are committed to providing each employee with a safe, welcoming, and inclusive work environment and culture that enables them to contribute fully and develop to their highest potential. In 2021, we established a new Culture Committee Resource Group that will seek to create an even more innovative and inclusive environment within Armada Hoffler. We also continued to invest in developing our people, launching a High Performance Leadership program to help ensure we have a strong pipeline of future leaders. Additionally, we continued to make progress in our diversity, equity, and inclusion programs to spread a wider net for diverse talent.



## Protecting Our Planet

In a year that saw world leaders gather in Scotland to address the imminent risk to our planet of climate change, we at Armada Hoffler remained more committed than ever to minimizing our impact on the environment. We took additional steps to further gather and analyze our emissions data to best position ourselves to define our baseline in 2022.



## Supporting Our Communities

From our earliest days, Armada Hoffler has been dedicated to supporting local neighborhoods, cities, and towns. Today, we remain committed to working with local nonprofits, academic institutions, and civic leaders to make our communities a better place to work, live, and play. In 2021, this included creating new jobs and supporting local suppliers through projects such as our Chronicle Mill development in Belmont, North Carolina. We also continued to support partners such as the Ronald McDonald House of Maryland and other organizations that provide a helping hand to families during these trying times.

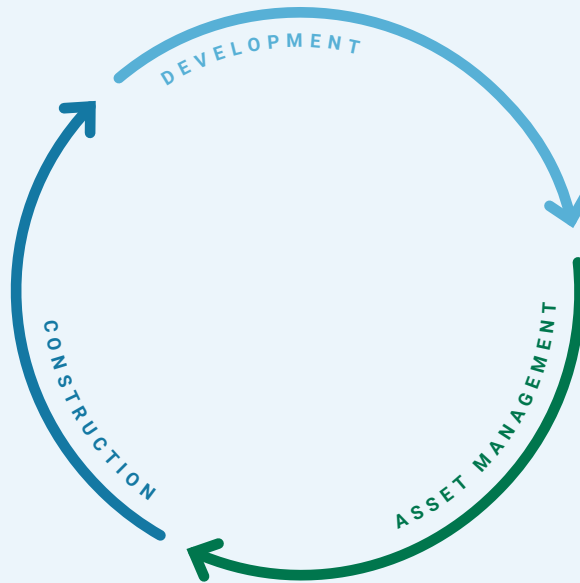
Underlying all we do is our commitment to conducting our business ethically and with integrity. I believe this starts with strong governance practices and leadership from our Board of Directors, whom I want to thank for their ongoing support and guidance during a year that continued to present challenges for business, society, and the environment.

As stakeholder interest in sustainability continues to grow, I am pleased to announce that we have enhanced our sustainability reporting by taking into consideration guidance from the Sustainable Accounting Standards Board (SASB) Real Estate sector standards and the United Nations Sustainable Development Goals (SDGs). Going forward, we remain committed to transparency and disclosure.

Finally, I would like to thank our Armada Hoffler employees for their ongoing resilience and dedication to the work that we do and the communities we serve. You are the core of our business and continue to be a source of inspiration. Thank you for all that you do.

As I look forward to 2022, I am optimistic that Armada Hoffler is well positioned to create ongoing value through our relentless focus on sustainability in all aspects of our business and ongoing engagement with stakeholders.

Louis Haddad  
President and Chief Executive Officer



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## DEVELOPMENT

The development team offers a broad array of client-driven commercial real estate services. We support various project types including mixed-use town centers, apartment and condominium buildings, luxury hotels, Class A and B office space, build-to-suit and speculative flex-tech office buildings, retail space, power centers and neighborhood retail centers, medical and special purpose complexes, as well as industrial, distribution and manufacturing projects.

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## CONSTRUCTION

Our in-house general contracting company helps navigate the complexities of our development projects and provides tight control over both costs and schedules, reducing development risk and ensuring on-time deliveries. Our integrated team of construction experts support both internal development activities and third-party customers.

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## ASSET MANAGEMENT

Our asset management team focuses on improving the performance and overall quality of our portfolio through an efficient balance of budgeting, financial management, operating expense analysis, real estate tax and insurance reviews, capital improvements, energy management programs, lease analysis, tenant and vendor relations, and market awareness.



## PORTFOLIO

### NUMBER OF ASSETS, BY PROPERTY SUBSECTOR

**7 office  
properties**

1.3M SQ. FT.

AVERAGE OCCUPANCY 96.8%

**37 retail  
properties**

4.1M SQ. FT.

AVERAGE OCCUPANCY 96.0%

**9 multifamily  
properties**

2,344 UNITS

AVERAGE OCCUPANCY 97.6%

### NON-STABILIZED PROPERTIES AND UNDER DEVELOPMENT

**2 office properties**

778,000 SQ. FT

**5 multifamily properties**

1,045 UNITS

**1 mixed use**

137 MULTIFAMILY UNITS

94,000 SQ. FT. OFFICE

40,000 RETAIL



Greenside  
Charlotte, NC



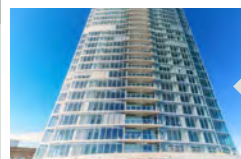
Wills Wharf  
Baltimore, MD



The Edison  
Richmond, VA



Encore 4505  
Virginia Beach, VA



One City  
Center  
Durham, NC



Exelon  
Baltimore, MD

## BY THE NUMBERS\*

1979

YEAR FOUNDED

137

EMPLOYEES

\$284.1 Million

TOTAL REVENUE

# CORE VALUES

QUALITY / SERVICE / FLEXIBILITY / INTEGRITY

\* Data as of December 31, 2021  
Excludes student housing properties held for sale

Armada Hoffler has always placed value on being a sustainability leader, driving higher standards both inside and outside of the real estate industry. Our sustainability strategy is built on three pillars.

# OUR SUSTAINABILITY ROADMAP

**Commitment:**

Conduct our business, the development and operation of new and existing buildings, in a manner that contributes to positive economic, social, and environmental outcomes for our customers, shareholders, employees, and the communities we serve.

## PEOPLE

**ASPIRATIONS**

Provide each employee with a safe, welcoming, and inclusive work environment and culture that enables them to contribute fully and develop to their highest potential.

**KEY PRIORITIES**

TALENT MANAGEMENT

DIVERSITY, EQUITY & INCLUSION

HUMAN RIGHTS

HEALTH & SAFETY

# PLANET

## ASPIRATIONS

Minimize our overall impact on the environment while encouraging and activating environmentally responsible behavior in the communities in which we operate.

## KEY PRIORITIES

GREENHOUSE GAS (GHG) EMISSIONS & ENERGY

WATER

WASTE

# COMMUNITIES

## ASPIRATIONS

Make our communities a better place to work, live, and play.

## KEY PRIORITIES

FOSTERING A SENSE OF COMMUNITY

ECONOMIC DEVELOPMENT

CHARITABLE GIVING

Strong  
Foundation:

ETHICS

GOVERNANCE

COMPLIANCE

## LINKAGE TO UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

We recognize the powerful role we play in not only supporting, but also contributing to achieving the United Nations Sustainable Development Goals (SDGs). Through core business and social investments, we believe we can contribute in the most meaningful way to the following goals.



### **SDG 8: Decent work and economic growth**

Through our projects we help to create job opportunities and revitalize urban and town centers. See page 37 for more details.



### **SDG 11: Sustainable Cities and Communities**

By integrating sustainability into all our design and development projects and working closely with local, state, and national officials, we are helping to build sustainable cities and communities. See page 36 for more details.



### **SDG 13: Climate Action**

We are working to reduce our energy use, where our environmental impact is greatest. See page 30 for more details.



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# SUSTAINABILITY GOVERNANCE

**Our Chief Operating Officer has responsibility for sustainability at Armada Hoffer and provides regular updates on our performance to the Nominating and Corporate Governance Committee of the Board of Directors as well as leads our internal Sustainability Committee. This senior-level cross-functional committee meets quarterly to support the Company's ongoing commitment to environmental, workplace health and safety, corporate social responsibility, corporate governance, and other sustainability matters. Members include representatives from Finance and Accounting, IT, Human Resources, Construction, Development, Asset Management, Business Development, and Marketing. Key responsibilities include:**

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Assisting senior management in setting the Company's sustainability strategy and developing policies and practices to support the strategy

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Integrating sustainability into the Company's broader business policies and practices

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Identifying and monitoring sustainability related risks and opportunities that may affect the business and its stakeholders

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Developing metrics to measures corporate performance related to sustainability

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Supporting the Company's sustainability reporting and public disclosure

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Overseeing compliance with corporate sustainability related policies and practices

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Reporting at least quarterly to the Company's CEO and at least annually to the Nominating and Corporate Governance Committee on the Company's sustainability performance

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## Q&A WITH CHIEF OPERATING OFFICER



*Here, Shawn Tibbetts, Chief Operating Officer, discusses sustainability at Armada Hoffler.*

### **Q: Where is Armada Hoffler in its sustainability journey?**

Armada Hoffler has been committed to sustainability since its inception over 40 years ago. The Company and its employees have a history of giving back and investing socially, both inside of the organization and in the communities in which we conduct business. The current evolution of the company includes increased focus on sustainably efficient practices, and we continue to look for and benchmark against best practices amongst our peers, industry, and other businesses in our communities to ensure that our strategic approach is representative of true corporate responsibility.

### **Q: What are the company's most urgent sustainability priorities?**

Armada Hoffler prides itself on being transparent while executing within our business model grounded by good governance. Consistent with our long-standing focus, we are continuously evaluating opportunities to improve the social fabric in and around our company. In terms of environmental consciousness, we think it's important to evaluate, analyze, and mitigate risks posed by the environment to the company's operations, as well as the impact of our operations on the environment. As a result, we are reviewing the aforementioned areas and intentionally weaving related objectives into the company's operations.

### **Q: How would you describe the role and engagement of your Board of Directors in sustainability?**

The Armada Hoffler Board of Directors provides sound leadership and guidance as it relates to governing all aspects of the business with a large focus on our sustainability approach. The Board of Directors provides directional support to ensure that the company is aligning with our stockholders' views on sustainability topics. The board, by virtue of governing with transparency, continues to set the tone for the actions of the company. They have been and continue to remain supportive and engaged in our efforts relating to all aspects of our business.

### **Q: How is Armada Hoffler working to make sustainability part of the company's overall business strategy?**

Armada Hoffler continues to review and refine the approach to business with sustainability in the forefront. The company sets new goals and objectives annually that appropriately integrate the topics of environment, social responsibility, and good governance while conducting our business. The company continues a legacy of leading by example while striving to achieve best-in-class independent ratings amongst our peers year after year. The strategy is dependent upon material practices and durable ideals that fit with the company's culture and therefore will stand the test of time.



# STAKEHOLDER ENGAGEMENT

**OUR STAKEHOLDERS INFLUENCE OUR BUSINESS IN A VARIETY OF WAYS AND ARE IMPACTED EITHER DIRECTLY OR INDIRECTLY BY OUR OPERATIONS AND ACTIVITIES.**

Stakeholder	How We Engage		Topics of Interest	
Employees	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Quarterly training sessions</li> <li>• Lunch and learns</li> </ul>	<ul style="list-style-type: none"> <li>• Biannual engagement surveys</li> <li>• Monthly internal newsletters</li> <li>• Emails, phone</li> </ul>	<ul style="list-style-type: none"> <li>• Employee safety</li> <li>• Equitable treatment and equal opportunity</li> <li>• Positive work culture</li> </ul>	<ul style="list-style-type: none"> <li>• Equitable and fair pay</li> <li>• Good benefits</li> <li>• Well-being</li> <li>• Environmental practices</li> </ul>
Tenants	<ul style="list-style-type: none"> <li>• Broker partnerships</li> <li>• Meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Emails, phone</li> <li>• Site visits</li> </ul>	<ul style="list-style-type: none"> <li>• Low environmental footprint</li> </ul>	
Investors and Stockholders	<ul style="list-style-type: none"> <li>• Quarterly earnings calls</li> <li>• Investor events</li> </ul>	<ul style="list-style-type: none"> <li>• Annual meeting</li> <li>• Roadshows</li> <li>• Emails, phone</li> </ul>	<ul style="list-style-type: none"> <li>• Business performance and planning</li> <li>• Corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>• Ethical and compliant behavior</li> <li>• Environmental stewardship</li> </ul>
Government and Regulators	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Industry groups</li> </ul>	<ul style="list-style-type: none"> <li>• Public consultations</li> <li>• Written correspondence</li> </ul>	<ul style="list-style-type: none"> <li>• Employee health and safety</li> <li>• Regulatory compliance</li> </ul>	<ul style="list-style-type: none"> <li>• GHG emissions and energy use</li> <li>• New construction planning</li> </ul>
Suppliers and Contractors	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Audits</li> </ul>	<ul style="list-style-type: none"> <li>• Contracting process</li> </ul>	<ul style="list-style-type: none"> <li>• Health &amp; safety</li> </ul>	<ul style="list-style-type: none"> <li>• Ethical and compliant conduct</li> </ul>
Local Communities	<ul style="list-style-type: none"> <li>• Public hearings</li> <li>• Council meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Emails</li> <li>• Community events</li> </ul>	<ul style="list-style-type: none"> <li>• Impacts from construction</li> </ul>	<ul style="list-style-type: none"> <li>• Economic development</li> </ul>

**Our employees are at the foundation of our success. We're committed to providing each with a safe, welcoming, and inclusive work environment and culture that enables them to contribute fully and develop to their highest potential.**



**Our future growth is dependent  
on our ability to attract,  
develop, and retain a highly skilled,  
engaged, and diverse workforce.**

## **WHY THIS IS IMPORTANT**

### **OUR APPROACH**

Armada Hofflers's Director of Human Resources is responsible for our human capital management priorities. We provide applicants equal opportunity for employment without regard to sex, race, color, national origin, religion, age, disability, veteran or current military status, sexual orientation, gender identity, or any other status or characteristic protected by applicable law. We prohibit discrimination and harassment of all forms.

2021 EMPLOYMENT METRICS	AMOUNT
Total Employees	137
Full-Time Employees	135
Part-Time Employees	2
New Hires	12
Average Years of Tenure of Executive Leadership	20.20
Average Years of Tenure of All Employees	10.73
10+ Year Employees	45/33%
Turnover Rate	22.4%

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## OUR CULTURE

We pride ourselves in maintaining a positive, dynamic, and fun work environment. Armada Hoffler's culture is one of energy, opportunity, and excitement, where teamwork is encouraged, and excellence is rewarded. We biannually survey employee satisfaction through a third-party vendor.

# 89%\*

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OF ARMADA HOFFLER EMPLOYEES SURVEYED SAY THEY ARE PROUD TO WORK FOR THE COMPANY.

**"Being a member of the Armada Hoffler family means receiving the best of both worlds: enjoying the benefits of a caring and inclusive family while contributing as a member of a competitive, strategic, and successful team. That's a big ol' check mark in the "self-esteem" box! Any family (in the functional sense), whether we're born into it or choose it, inherently supports, cares for, and roots for the success of one another. I feel this at Armada Hoffler."**



MARY K., EXECUTIVE ASSISTANT

A key element of our approach is engaging and listening to our employees. In 2021, based on feedback we received from employees on the need for increased employee engagement, we established a cross-enterprise Culture Committee Resource Group. Composed of 10 employees and led by our Director of Human Resources, it is working to:

- Drive the creation of a more diverse, innovative, and inclusive work environment
- Provide insight and advice to leadership
- Support professional development, including networking, mentoring, and learning opportunities
- Act as a retention tool, empowering and ensuring a positive employee identity
- Communicate new initiatives and support organizational change

Employees from various departments will serve on the committee on a rotating basis for one year.

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# LEARNING AND DEVELOPMENT

We believe our business will thrive when our employees are given the tools and opportunities to succeed. That is why we invest in employee education and skill development. Our goal is to provide development for all employees related not only to regulatory requirements and corporate policies, but ongoing learning opportunities to help our employees build their professional skills and capabilities necessary to meet business needs and advance their careers.

To support our employees, we encourage frequent performance check-ins between supervisors and their employees and also annual career path planning discussions.

In 2021, we launched a High Performance Leadership program for supervisors and mid-level managers. This year-long program, which includes both classroom learning and group and individual coaching, is designed

to provide participants with skills and strategies for more effective communication and team collaboration.

To help our employees develop their skills, we also offer a tuition reimbursement program through which Armada Hoffer reimburses employees up to \$2,500 for college courses per year and up to \$2,000 for certification courses and tests.



**"I decided to pursue my MBA to better myself and the Company. I believe it will give me a different perspective on my work and allow me to take that knowledge back into the Company."**

**"I was worried that my work hours would keep me from completing any higher education; however, my manager has fully supported me and helps me relate what I am learning to my work."**

**RAEGEN D., SENIOR FINANCIAL ANALYST**

	2021	2020
<b>Total training hours</b>	<b>5,019</b>	<b>3,097</b>
<b>Average number of hours of training per employee</b>	<b>34</b>	<b>19</b>
<b>LEED Accredited Professionals</b>	<b>6</b>	<b>6</b>
<b>LEED Green Associates</b>	<b>1</b>	<b>2</b>

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## COMPENSATION & BENEFITS

Our Total Rewards Program is designed to attract, motivate, reward, recognize, and retain the talent we need to realize our vision and deliver on our growth expectations, while taking a holistic view of employee wellbeing, including financial, emotional, physical, and social wellness.

**We offer more than 30 benefits, incentives, amenities, and rewards to all employees who work at least 25 hours per week.**

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### FINANCIAL BENEFITS

We offer market-competitive wages and top-tier benefits designed to motivate employees and reinforce our values and business priorities. Employees are eligible to participate in our 401(k) retirement savings plan. In 2021, we announced we will expand our employee match from 25% to 50% for employee contributions up to \$10,000 starting in 2022. We also offer financial workshops to help employees manage their personal finances and strengthen their financial literacy.

#### Committed to Paying a Living Wage

In 2021, to help ensure that our employees' salaries and benefits are sufficient to meet their basic needs, we conducted a living wage assessment using a market-rate analysis. In cases where we identified discrepancies, we made immediate adjustments.



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## MEDICAL BENEFITS

We provide comprehensive medical benefits that offer flexibility for the diverse and changing needs of our employees and their family members. Benefits include:

- Medical, dental, and vision coverage
- Healthcare savings accounts
- Flexible spending accounts
- Annual flu shot program
- “Get Stronger” Employee Wellness Incentive Program
- Employee Assistance Program
- Wellness initiatives
- Smoking cessation program
- Life and accidental death and disability insurance
- Short- and long-term disability

### Supporting Medical Costs for our Employees

We understand that healthcare costs can be a burden for employees. To help, during the 2021 health plan benefit renewal period, Armada Hoffer covered the cost of all plan increases so that our employees did not have to shoulder this additional expense.

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## OTHER BENEFITS

- Gym membership reimbursement
- Legal benefits
- Identity Theft Protection
- Paid time off
- Parental leave
- Bereavement leave
- Work/life balance benefits

### Championing Employee Flexibility

During COVID-19, the way we work changed fundamentally with the majority of our workforce shifting to remote work for more than 18 months. Through employee engagement surveys, our employees told us they liked the flexibility to work from home but still wanted opportunities to engage with colleagues in the office. This feedback, and an enhanced IT infrastructure put in place during the pandemic to support productivity and collaboration, led to our new hybrid office schedule. We will continue to look for other ways to increase flexibility for employees while retaining our culture of collaboration and meeting the objectives of our business.

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# DIVERSITY, EQUITY & INCLUSION

**At Armada Hoffler, we are committed to fostering a culture of belonging and equity, where diversity is celebrated, and inclusion is the norm.**

We believe a diverse and an inclusive workforce representing a rich mix of experiences, cultures, and backgrounds contributes different perspectives and innovative ideas that enable us to improve every day. And we believe that every employee should be provided the same opportunity to be heard, be respected, have a sense of belonging, and contribute to our mission.

We are working to attract and hire a wide diversity of people including into roles such as construction that have historically been predominantly male. By working with partners such as the National Association of Women in Construction and National Women in Real Estate we are starting to change the face of our sector.

We are also working to strengthen our culture of inclusion, which we believe is one in which Armada Hoffler employees—irrespective of gender, race,

ethnicity, nationality, language, age, cognitive or physical ability, sexual orientation, education, religion, socioeconomic situation, or background:

- Feel welcomed, trusted, respected, and valued as people and business partners.
- Can bring their authentic selves to work and feel safe to express aspects of themselves and perspectives that may be different from their peers.
- Will not look the other way when someone is not being treated equally or with respect.

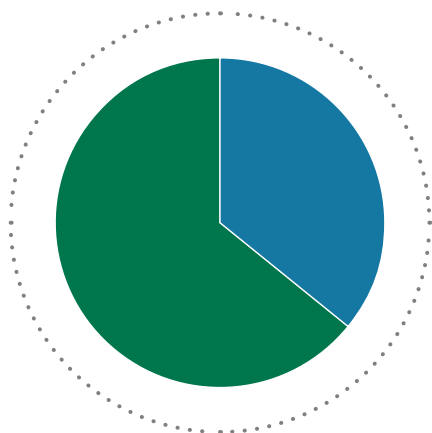
In 2021, we introduced Managing Unconscious Bias, a required online training course for all employees. We also marked key cultural events such as Black History Month and National Women's History with enterprise-wide awareness and communications campaigns.

## Disability Inclusion: Raising awareness and recognizing our strengths

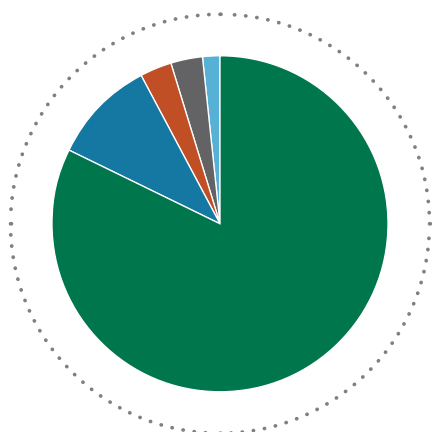
Individuals living with a disability are an underrepresented community of talent who can bring great strengths to the workforce. At Armada Hoffler, we are striving to break down the barriers that often limit these individuals from being considered for employment.

In 2021, we announced a new partnership with Eggleston Services, which provides education, training, and employment for persons with disabilities. Their mission is to help individuals with disabilities gain independence, confidence, and increased feelings of self-worth through on-the-job training and stable, rewarding work opportunities. Starting in 2022, through Eggleston Services, people living with disabilities will provide shredding services for Armada Hoffler.

## TOTAL WORKFORCE



MALE	64%
FEMALE	36%



WHITE	82%
BLACK	10%
LATINO	3%
ASIAN	3%
2+ RACES	3%

## DEMOGRAPHICS

**22%** OF BOARD OF DIRECTORS IDENTIFY AS FEMALE

**22%** OF BOARD OF DIRECTORS IDENTIFY AS AN ETHNIC MINORITY

**10%** OF EXECUTIVE LEADERSHIP IDENTIFY AS FEMALE

**20%** OF EXECUTIVE LEADERSHIP IDENTIFY AS AN ETHNIC MINORITY

**20%** OF DIRECTOR LEVEL OR ABOVE LEADERSHIP IDENTIFY AS FEMALE

**10%** DIRECTOR LEVEL OR ABOVE LEADERSHIP IDENTIFY AS AN ETHNIC MINORITY

**67%** OF HIRES IN 2021 IDENTIFY AS FEMALE

**42%** OF HIRES IN 2021 IDENTIFY AS ETHNIC MINORITIES

# HUMAN RIGHTS

Armada Hoffler believes in the fundamental dignity of the individual. As outlined in our [Human Rights Policy](#), the Company is committed to respecting and protecting the basic human rights of our employees using the [UN Guiding Principles on Business and Human Rights as a reference](#). The Company's Sustainability Steering Committee oversees compliance with the policy and works to ensure employees are aware of the policy.

Among other things, the policy:

- Prohibits the use of forced or compulsory labor or child labor
- Expressly acknowledges employees' rights to lawfully associate or not to associate with groups of their choosing without fear of retaliation; and
- Reinforces our commitment to maintaining a healthy and safe work environment that is free from violence, harassment, discrimination, and other unsafe or disruptive conditions.

Suspected violations of our Human Rights Policy can be reported confidentially to [humanrights@armadahoffler.com](mailto:humanrights@armadahoffler.com). If adverse human rights impacts are identified in our workplace or supply chain, we are committed to providing fair and equitable remediation.

	2021	2020	2019
Identified human rights violations in our workplace	0	0	0
Identified human rights violations in tier 1 supply chain	0	0	0



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## EMPLOYEE HEALTH AND SAFETY

**Armada Hoffler has a clear goal when it comes to health and safety: Zero Incidents.**

The Company complies with all health, safety, and security laws and regulations of the jurisdictions in which it does business and limits employee exposure to potential safety hazards through proper design, engineering and administrative controls, preventive maintenance, and safe work procedures.

The Company records, tracks, and reports all occupational injuries and illnesses in its incident reporting management system and encourages employee reporting of job-related injuries. We investigate all safety incidents and implement corrective actions to eliminate their causes.

As part of the Company's enterprise-wide safety management system, Armada Hoffler is investing in training, technology, and people. Our approach to safety is grounded in our Corporate Safety and Health Program, which applies to all employees and contractors. It is based on the U.S. Occupational Safety & Health Administration (OSHA) standards.

All employees—from those at our corporate headquarters to those working on our construction sites—receive mandatory quarterly safety training based on the requirements of their roles. Training ranges from first aid, workplace violence, and CPR training to hazardous waste operations, ladder safety, and emergency response training.

**Our training not only includes  
traditional OSHA compliance  
training but also information to  
employees on how to be safe off  
the clock as well.**

## Continuing to be Vigilant against COVID-19

Created in March 2020 in response to COVID-19, our Pandemic Preparedness and Response Plan is now integrated into our business operations. The plan outlines procedures ranging from job site temperature screening to decontamination and response procedures if we have a contamination event in an office or project site.

In 2021, we began to bring employees back to Armada Hoffler offices in phases based on local health conditions. We added a new six-foot social distance requirement and additional cleaning of facilities, bathrooms, and break spaces. We also provided masks and hand sanitizer to employees. To help protect the health of our employees and visitors, we require that employees who have not been vaccinated against COVID-19 provide negative test results each week.

To support our employees during this time of increased stress and anxiety, we launched a new employee health workshop series focused on stress management and provided resources for managers. In 2022, we will host sessions on positive thinking, emotional intelligence training, and other topics.

## SAFETY DURING CONSTRUCTION

We want all employees and sub-contractors working on our construction sites to go home safe at the end of each day.

A key part of our safety culture is our “Pause, Think, Act” approach. We empower all employees and sub-contractors to pause before performing a task, think about the hazards involved with the task, and then mitigate the risk before performing the task while acting in a safe manner.

Through onsite safety awareness materials and meetings, employees are reminded to consider safety on the job and to follow all safety procedures. We also work to prevent ergonomic injuries through onsite stretching programs.

At each site, we conduct monthly safety standdowns where teams come together to review and discuss safety. We also conduct quarterly safety council meetings to review safety performance and identify areas for improvement. In 2022, we plan to introduce a company-wide Safety and Health Committee led by our Director of Safety.

## Fire Safety

In recent years, a majority of our construction projects have shifted from concrete and steel structures to wood frame construction, increasing the risk of fire. We invest in fire safety training on each site, which includes a site-specific fire protection and prevention program. Onsite personnel are trained to use thermal imaging cameras after completing any spark-producing and temporary heating activities to help ensure the area is sufficiently cooled. Site safety leaders are also responsible for ensuring fire extinguishers are properly certified, charged, and regularly inspected.

# 97%

OF ARMADA HOFFLER EMPLOYEES SURVEYED  
AGREE THAT SAFETY IS A TOP PRIORITY IN  
THE COMPANY.\*

\* Based on results of confidential survey of Armada Hoffler employees in Virginia in 2021.



We monitor compliance through unannounced site safety audits. When our Safety Team observes incidents of non-compliance, they issue a safety violation ticket and may conduct immediate on-site training. Violations are entered into our Incident Reporting System within 24 hours and are tracked to closure. Annually, we review safety trends and adjust our annual training plan accordingly.

## Recognizing and Rewarding Safe Behavior

Often “gotcha” is associated with catching someone doing something wrong, but at Armada Hoffer, we are focused on recognizing people doing something good. During monthly inspections, members of our Safety Team give site workers a raffle ticket when they spot good safety practices. Each month, winning tickets can be redeemed for gift cards.

## SAFETY PERFORMANCE

In 2021, our total Incident Rate (TIR) was 1.34, which is well below the 3.10 national average for a company of our type and size.

	2021	2020
Lost-time injury rate (employees)	0.67	0
Lost-time injury rate (contractors)	0.24	0
Near-miss frequency rate (employees)	0	0.77
Near-miss frequency rate (contractors)	0.49	0
Total hours of health and safety training	539	360
Fatality rate (employees)	0	0
Fatality rate (contractors)	0	0

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**Armada Hoffler is committed to minimizing our overall impact on the environment while encouraging and activating environmentally responsible behavior in the communities in which we operate.**

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Reducing our impact on the planet is not only our responsibility as a corporate citizen, but it will also be a critical cost mitigation strategy as energy prices rise and the impacts of climate change further strain access to natural resources. Addressing climate risk will also help limit our exposure to future regulatory risks linked to carbon emissions.

## WHY THIS IS IMPORTANT

## OUR APPROACH

Armada Hoffer is always searching for ways to continue the reduction of energy- and natural-resource consumption and minimize waste in every part of our business. We incorporate leading environmental practices into our business and operations and work to foster environmental awareness and responsibility among our employees, vendors, and suppliers. Our intent is to minimize our impact to our environmental surroundings and mitigate the risk that our environmental surroundings pose to our business.

Our approach is guided by our [Environmental Policy](#), which outlines our commitment to operate in an environmentally responsible manner while complying with and striving to exceed all applicable laws, regulations, and company standards. The Company's Sustainability Steering Committee oversees the implementation of our Environmental Policy.

## Sustainability Practices across Project Design and Development

We work closely with our partners to integrate sustainability in projects. This includes:

- Incorporating sustainability within multifamily projects with energy-efficient living spaces, integrating technology, and innovative amenities
- Creating efficient design management
- Continuing to implement motion-sensor corridor lighting, smart controls for HVAC, ENERGY Star appliances, and rainwater collection systems
- Including health- and wellness-focused elements such as electric vehicle charging stations, walking paths and green landscaping, walking accessibility/transient-oriented projects
- Focusing on supply chain sourcing closer to job sites

# Supporting Sustainable Living



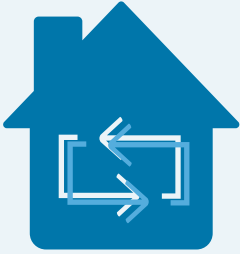
# GREENSIDE A

Situated in thriving Midtown Charlotte, North Carolina, our **Greenside** property consists of 225 apartment homes over eight floors with 350 structured parking spaces. The development is minutes from downtown Charlotte and is strategically located near the Carolinas Medical Center, the flagship hospital of Carolinas HealthCare System and one of the largest employers in Charlotte. In 2021, we engaged a local artist to create an outside mural and transformed the adjacent dog park with improved landscaping and fencing. Today, it offers dogs and their owners a great place to get outdoors and relax with other residents.

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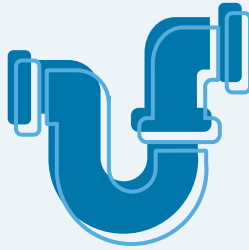
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## SUSTAINABLE FEATURES



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ENERGY-EFFICIENT HVAC  
AND CENTRAL HOT WATER  
SYSTEMS TO REDUCE  
ENERGY CONSUMPTION



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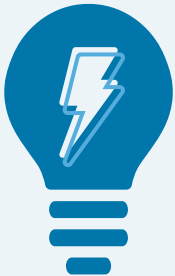
LOW-FLOW PLUMBING  
FIXTURES TO REDUCE  
WATER CONSUMPTION



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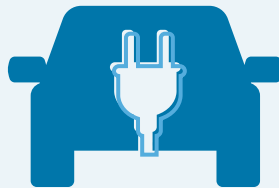
ENERGY STAR APPLIANCES  
DESIGNED TO REDUCE  
UTILITY BILLS

# APARTMENTS



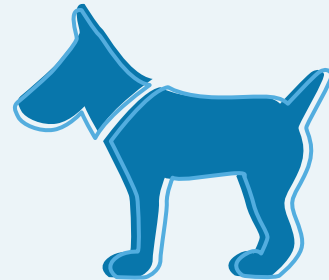
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LOW-ENERGY LIGHTING  
USED THROUGHOUT THE  
PROPERTY



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ELECTRIC CAR-CHARGING  
STATIONS ON-SITE



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DOG PARK

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## ADDRESSING CLIMATE CHANGE

We are committed to reducing our energy consumption and greenhouse (GHG) gas emissions by 2030. Our first step is to better understand our baseline emissions. In 2021, we partnered with ESG software company Measurabl to gather, analyze, and track our consumption and emissions across our portfolio. We plan to report our baseline data in our 2022 sustainability report.

We will use the results of our baseline inventory to assess our exposure to physical climate risk and identify opportunities to reduce our footprint through both portfolio-wide and property-specific solutions. We also have created a taskforce to analyze and review our portfolio to identify strategic opportunities related to renewable energy initiatives. The task force will present their recommendations to our Chief Operating Officer by the end of 2022.

In the meantime, we are already working to reduce our consumption and emissions in the following ways.

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## ENERGY EFFICIENCY AND CONSERVATION HIGHLIGHTS

We will install EV charging stations at all of our newly developed properties, as well as evaluate their placement in our existing centers. Including our two multifamily communities planned to open in 2022, 55% of our multifamily portfolio will have EV charging stations.

We have continued to transition our portfolio to high-efficiency LED lighting by 2030 in all landlord-controlled space. Below is progress we made in 2021.

### Retail Wall Packs, Canopy Lighting, and Light Poles

- 80% of our retail centers' wall packs have been transitioned to LED, with the goal of fully transitioning by the end of 2022.
- 73% of our retail centers' canopy lighting have been transitioned to LED, with the goal of fully transitioning by the end of 2022.
- 50% of our retail centers' light poles have been transitioned to LED, with the goal of fully transitioning by the end of 2025.

### Multifamily Common Area and Unit Lighting

- 44% of our multifamily portfolio's common areas now have LED lighting, with the goal of 100% by the end of 2023.
- 57% of our multifamily portfolio's exterior lights are now LED, with the goal of 100% by the end of 2023.
- 55% of our multifamily portfolio's interior unit lighting is now LED, with the goal of 100% by the end of 2025.

In addition, we prioritize our oldest, least efficient HVAC systems for improvement, and focus our efforts on some of our largest properties to ensure that we are maximizing our conservation efforts.



# WATER

We are focused on water conservation efforts within our operations and portfolio. We prioritize the oldest, least efficient fixtures for improvement, and focus our efforts on some of our largest properties to ensure that we are maximizing our conservation efforts. We are committed to having low flow plumbing fixtures in all of our landlord controlled office and retail properties by 2030.

## LEED Properties



### LEED Certified

WILLIAMS MULLEN  
(LEED LITE)\*

HAMPTON UNIVERSITY  
BIOMEDICAL RESEARCH  
BUILDING II\*

HYATT PLACE BALTIMORE\*

CURTIS INVESTMENTS  
OFFICE BUILDING\*

VIRGINIA NATURAL GAS\*



### LEED Silver

CLARK NEXSEN OFFICE  
BUILDING

LEGG MASON WORLD  
HEADQUARTERS\*

VIRGINIA BEACH ANIMAL  
CARE & ADOPTION  
CENTER\*

WILLS WHARF

1405 POINT STREET  
APARTMENTS

9 EAST 33RD STREET\*\*



### LEED Gold

ANNAPOLIS JUNCTION

EXELON HEADQUARTERS  
BUILDING\*

THAMES STREET WHARF

\* Involved in construction and/or development of projects. Armada Hoffler does not have an ownership interest.

\*\* Sold in November 2021.

# WASTE MANAGEMENT

**We are committed to minimizing waste in our operations and business activities. We dispose of waste conscientiously and aim to reuse and recycle wherever possible. The Company also encourages recycling and waste minimizing practices, such as the use of reusable water bottles, at our offices and among our employees.**

In partnership with our tenants at many of our retail and multi-use assets, we have implemented best practices for waste management, including single-stream recycling. On our construction sites, we recycle cardboard, plastic, and concrete. We also repurpose fire extinguishers by donating them at the end of their lives to local fire departments for use in training exercises.

At our corporate offices, we have eliminated disposable beverage items and gave employees reusable beverage containers.

In 2021, we reduced the purchase of single-use, disposable safety equipment by 60%. We achieved this by sourcing and purchasing reusable equipment and safety materials such as items made of recyclable and/or recycled materials.

## REDUCING PAPER WASTE

We continue to find innovative ways to reduce our use of paper, one of our largest sources of corporate waste. In 2021 we took action to decrease the waste, through our Safety Team's implantation of electronic verses paper-based documentation of inspections, requiring digital submission of plans and hazard analysis, and provided online access to safety program requirements and compliance information.

### 2021 Environmental Impact from Electronic Document Signing



17,000

POUNDS OF  
WOOD SAVED



52,000

GALLONS OF  
WATER SAVED



40,000

POUNDS OF  
CARBON  
DIOXIDE  
AVOIDED



2,800

POUNDS  
OF WASTE  
PREVENTED

# ENVIRONMENTAL PERFORMANCE DATA

## ENERGY

## GHG

## WATER

### USES AND EMISSIONS

55,301

MWH

16,138

MTCO2E

111,486

KGAL

### LIKE FOR LIKE

2021

29,320

MWH

2021

8,617

MTCO2E

2021

72,050

KGAL

2020

28,300

MWH

2020

8,322

MTCO2E

2020

64,860

KGAL

2019

29,830

MWH

2019

8,899

MTCO2E

2019

71,780

KGAL

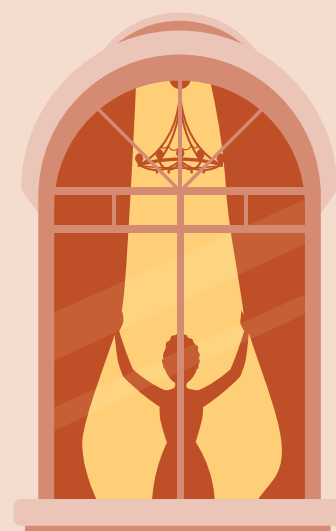
The data represents the consumption and scope 1 and 2 emissions for properties owned and stabilized for the entire calendar year excluding our student housing properties held for sale. Like for Like data excludes properties that were not owned and stabilized for all periods, the information above is related to four multifamily properties, four office properties, and twenty three retail properties. The vast majority of our properties have minimal landlord controlled space and therefore much of the information contained above is related to the common areas, amenity space, and parking areas. Certain properties are excluded due to the availability of information such as properties that represent ground leases, absolute net leases where tenant pays individually metered utilities, and properties subject to a condominium regime. We seek as much data coverage as possible; however, this means the data may include triple-net office space, resident-controlled apartment use, and tenant-controlled space.

# COMMUNITY

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**Armada Hoffler strives to be a strong corporate citizen by making our communities a better place to work, live, and play.**

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**Armada Hoffler is part of our communities. It is where our employees, customers, suppliers, and partners live and work. Supporting the growth of strong, resilient communities helps us and, we believe, inspires others to make the world a better place.**

## **WHY THIS IS IMPORTANT**

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### **OUR APPROACH**

We are working to lift communities to higher levels of inclusion, connectiveness, and prosperity. We do this through our core business of designing and developing buildings that bring people together and by helping to revitalize communities. We also are expanding economic opportunities within the communities in which we operate by working with diverse suppliers and supporting local job creation. And we contribute to economic growth through local, state, and federal taxes.

Beyond our commercial business, we collaborate with local nonprofits, academic institutions and civic organizations to help address areas of need through corporate and employee giving.

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# Fostering a Sense of Community through Building Design and Development

We work to bring people closer and foster a sense of community when we build, redevelop, and operate our buildings.



A key example is the Town Center of Virginia Beach, an ongoing, multi-phase development. The mixed-use project spans 17 pedestrian-friendly blocks and features a mix of retail, dining, office space, luxury residences, and entertainment and cultural venues.

The Town Center of Virginia Beach represents the city's emerging downtown core. With more than 50% of tenants who are new to Virginia Beach, this project serves as an economic catalyst for both the city and the broader region.

150+

TOTAL COMMERCIAL  
TENANTS

30+

RESTAURANTS & CAFES

14

TOTAL PROPERTIES

800K

SQUARE FEET OF CLASS A  
OFFICE SPACE

500K

SQUARE FEET OF  
RETAIL SPACE

750+

LUXURY RESIDENTIAL  
UNITS



## Tenant Engagement

Hearing from our residents is critical to ensure that we continue to deliver the highest quality living experience. We conduct biannual resident satisfaction surveys at all multifamily properties through which we receive quantitative feedback on overall resident satisfaction, quality of communication and responsiveness, property management and maintenance, and value for money.

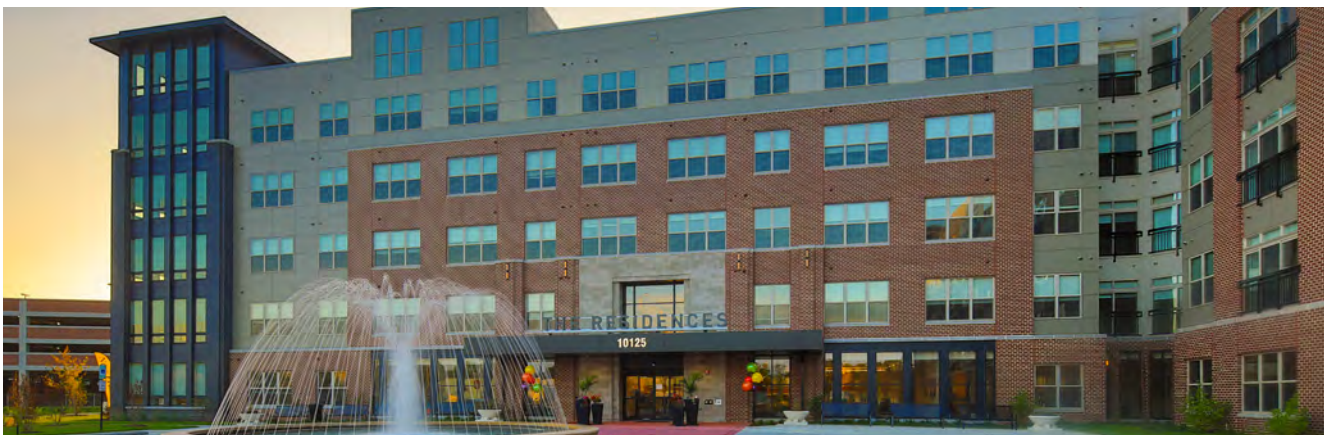
We also monitor our ORA Power Ranking scores, compiled by J Turner Research, for each multifamily property. In 2021, 91% of our multifamily properties achieved a score above the national average of 62. The ORA Power Ranking is based on monthly online reputation research of over 128,000 properties' lifetime reviews across multiple review sites. It is the multifamily industry's standard to measure and benchmark a property's online reputation.

**We remain connected to our office  
and retail tenants through  
reoccurring check-in meetings.**

## ECONOMIC DEVELOPMENT AND INVESTMENT

**Each time we break ground on a new project, we bring additional jobs to the local community. Projects help bring new investments such as restaurants, shops, and other small businesses, helping to revitalize neighborhoods.**

Armada Hoffler also believes it is our responsibility as a corporate citizen to pay our fair share of taxes, and we comply with tax requirements in every jurisdiction where we operate. Our owned facilities contributed to economic growth through local, state, and federal taxes.



# Bringing a Historical Property Back to Life in North Carolina through Adaptive Reuse

In 2021, Armada Hoffer began development of the Chronicle Mill, a seven-acre site that was previously a historic textile mill in Belmont, North Carolina, as a redeveloped adaptive use project.



As Belmont's first-ever textile mill, Chronicle Mill revolutionized the town into a center of innovation. Initially powered by steam, the mill eventually introduced electricity to increase production. The new \$50 million project is expected to serve as a catalyst for growth once again, connecting Belmont's downtown to the River District and surrounding neighborhoods.

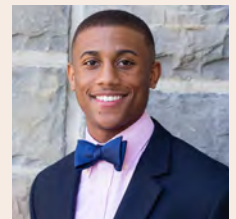
Taking an adaptive reuse approach, Armada Hoffer will take the existing structure of the mill—preserving the historical and architectural integrity of the building—and convert it into 240 modern apartments and 9,000 square feet of commercial space. This allows for the continued use of a viable community asset rather than it remaining vacant or slated for demolition. Repurposing Chronicle Mill will also create

employment opportunities and tax generation for the local community.

In addition, by upcycling the existing structure rather than building an entirely new structure we help conserve energy and natural resources. For example, we are using broken and unusable bricks from the original structure to form a retaining wall around the property. We also removed and sold more than 40 heart pine beams to a reclaimed wood group and 15,000 square feet of deck boards to a hardwood flooring company for reuse.

In addition to retaining its historical charm, the refreshed property will include modern energy-saving touches such as LED lighting, EV charging spaces, water-leak sensors, and low-flow fixtures.

**"Chronicle Mill is a prime example of our commitment to sustainability through the adaptive reuse of many materials. We are excited to deliver this project to the Belmont community."**



DONAGHVAN B., ASSISTANT MANAGER OF MULTIFAMILY OPERATIONS

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## COMMUNITY OUTREACH

**We strive to create stronger communities in all regions where we operate by giving back through corporate and employee giving.**

Working with local nonprofits, academic institutions, and civic leaders, Armada Hoffler's Outreach Committee provides philanthropic contributions to help address areas of significant need in our communities. It also organizes employee volunteering and

employee-led fundraisers. Employees can earn additional paid time off by participating in community outreach programs each quarter. In addition, Armada Hoffler provides corporate charitable donations including event sponsorships to local organizations.

In 2021, Coastal Virginia Business magazine recognized Armada Hoffler for its positive contributions to the community through several awards including:

- Giving Back award
- Best Local Leader Making a Difference: Lou Haddad, Armada Hoffler CEO



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### 2021 GIVING

\$68,251

CORPORATE  
CHARITABLE DONATIONS

\$12,210

EMPLOYEE GIVING

\$25,247

COMMUNITY  
OUTREACH DONATIONS

685

EMPLOYEE  
VOLUNTEER HOURS

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# COMMUNITY OUTREACH SPOTLIGHTS

## SUPPORTING LOCAL FAMILIES IN VIRGINIA

Armada Hoffler and its employees have supported disadvantaged students and their families at Thurgood Marshall Elementary School in Chesapeake, Virginia, for more than 30 years. Each year, our support starts with a back-to-school drive when employees donate school supplies. In November, we provide Thanksgiving meals and gift cards to families and in December we drop off “secret” holiday gifts for children selected by the school’s guidance counselors.

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## 2021 IMPACT

SCHOOL SUPPLIES DONATED FOR 72 STUDENTS

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100 THANKSGIVING MEALS PROVIDED

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PROVIDED 250 HOLIDAY GIFTS TO 35 CHILDREN  
(TOTAL VALUE OVER \$4,000)

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## SUPPORTING A CAUSE FOR A CURE

ALS, or amyotrophic lateral sclerosis, is a progressive, always fatal neurodegenerative disease in which a person’s brain loses connection with the muscles. According to the ALS Association, every 90 minutes, someone is diagnosed with the disease, and someone passes away from it. While there is no cure for ALS yet, researchers are working hard and leveraging emerging technologies to accelerate their efforts.

Armada Hoffler employees helped in the cause for a cure through the Walk to Defeat ALS. In 2021, more than 30 employees participated to raise awareness of the devastating disease and support ALS research.

**“I really appreciate Armada Hoffler’s commitment to outreach events. There are so many positives for me. Personally, I want to do all I can to raise money and awareness for the ALS Association—it gives me a great feeling of support to have my coworkers and company participate and financially support our local Walk to Defeat ALS. I also get a real sense of comradery to be part of a team and doing something good for the community.”**

**BERNARD S., VICE PRESIDENT OF CONSTRUCTION**



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## HELPING TO PROVIDE A “HOME-AWAY-FROM-HOME” FOR SERIOUSLY ILL CHILDREN AND THEIR FAMILIES

The Ronald McDonald House of Maryland (RMHC Maryland) gives a family with a sick child what they need most—each other—by providing a place for families to stay while their children receive the care they need at local hospitals. Since its doors opened in 1982, RMHC Maryland has served more than 50,000 families. 100% of the center’s annual budget comes from local donors—including Armada Hoffer. In 2021, our employees raised \$1,260, which helped RMHC Maryland purchase a new bus to transport families to appointments and drop off meals.



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## CYCLING TO CRUSH CANCER



Armada Hoffer is helping to stand up to cancer, specifically rare cancers. A quarter of all cancer deaths each year are due to rare cancers. Finding new treatments for them is difficult due to shortage of information and lack of tumor cells from patients to test investigational treatments. Even when treatments exist, it often takes significant time for a patient to be diagnosed. In addition, when diagnosed, patients often struggle to find a local healthcare provider trained to treat their type of rare cancer.

Since 2015, Armada Hoffer employees have participated in Crush Cancer, a high-energy cycling event to raise funds for rare cancer research and treatment such as next-generation tumor sequencing and less-invasive, more powerful diagnostics. 2021 was no different, with employees cycling either in-person or virtually.

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# RESPONSIBLE BUSINESS

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**We are committed to conducting business ethically and meeting or exceeding the laws and regulations that govern our business and industry. We believe this starts with strong governance practices, which are essential to providing long-term value for our shareholders, customers, employees, and communities.**



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# CORPORATE GOVERNANCE

Our Board of Directors has adopted [Corporate Governance Guidelines](#) that serve as a framework for the governance of the Company. The Nominating and Corporate Governance Committee of the Board of Directors reviews the guidelines annually and recommends changes to the Board as appropriate.

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## BOARD LEADERSHIP & DIVERSITY

As of December 31, 2021, the Armada Hoffler Board of Directors consists of nine directors, six of whom are independent based on rules for director independence. The Board is supported by a lead independent director. The Board has three committees: Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee, each consisting solely of independent directors.

We strive to maintain a healthy blend of director tenure, recognizing that longer-serving directors possess crucial institutional knowledge of our Company and its culture, while periodic refreshment brings a fresh outlook and contributes to Board independence and oversight. The average tenure of our directors is seven years.

We prioritize Board diversity and are mindful of the many ways the Board benefits from receiving a wide range of viewpoints and perspectives. Currently, two of our nine directors self-identify as women and two self-identify as ethnically diverse.

You can find more detailed information about our Board's unique set of experiences and qualifications and Committee Charters on our [website](#).



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## EXECUTIVE COMPENSATION

We are committed to a compensation program that is transparent, pays for performance, and aligns the interests of our executives with those of shareholders. Our Compensation Committee reviews and approves our executive and director compensation programs annually to ensure they are appropriate and reflect best practices. For more information, please see our 2022 Proxy Statement.

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## SHAREHOLDER RIGHTS

In 2021, Armada Hoffer adopted an amendment to the Company's bylaws to implement a "proxy access" provision. This enables eligible long-term stockholders to nominate and include their own director nominees in the Company's proxy materials, along with the candidates nominated by the Company's Board of Directors.

With the adoption of this bylaw amendment, a stockholder, or group of up to 20 stockholders, owning at least 3% of the Company's outstanding shares of common stock continuously for at least three years, is able to nominate and include in the Company's proxy materials eligible director nominees up to the greater of either

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**20% OF THE NUMBER OF DIRECTORS UP FOR ELECTION AT THE COMPANY'S ANNUAL MEETING OF STOCKHOLDERS OR**

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**TWO DIRECTOR NOMINEES, SUBJECT TO THE ADDITIONAL REQUIREMENTS SPECIFIED IN THE COMPANY'S BYLAWS.**

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**"Our Board of Directors believes this change is consistent with our objective of maintaining best-in-class governance and delivering value to our stockholders."**

LOUIS HADDAD, PRESIDENT & CEO

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## ETHICAL CONDUCT AND COMPLIANCE

**At Armada Hoffler, we believe in doing the right things the right way all the time and never taking shortcuts.**

In addition to adhering to all state and federal laws, rules, and regulations, we expect all officers, directors, and employees to adhere to the [Company's Code of Business Conduct and Ethics](#). Topics include, but are not limited to, conflicts of interest, use of corporate assets, discrimination and harassment, and insider trading. Failure to comply with the Code and other applicable policies and procedures is subject to corrective action, up to and including separation of employment, termination of contract, and referral for criminal prosecution. The Nominating and Corporate Governance Committee of the Board of Directors reviews the Code annually and recommends any changes to the Board of Directors for approval.

The Company conducts annual training for all employees on the Code, as well as on other corporate policies and procedures governing business conduct including anti-corruption, conflicts of interest, workplace harassment and discrimination, and safety and security policies.

Employees are encouraged to talk to the Chair of the Audit Committee of the Board of Directors, any other non-management member of the Board of Directors, supervisors, managers or other appropriate personnel about observed illegal or unethical behavior or to ask questions. The Company has adopted a Whistleblower Policy and does not allow retaliation for reports of misconduct made in good faith by employees.

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## OUR PERFORMANCE

	2021	2020	2019
% of employees completing annual Code of Business Conduct and Ethics training	100	100	100
Monetary losses from legal proceedings or fines related to ethical concerns	0	0	0

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## RESPONSIBLE SUPPLY CHAIN

Our [Vendor Code of Business Conduct](#) sets forth the basic requirements we expect from our vendors and suppliers. It includes, among other topics, conflicts of interest, environmental stewardship, anti-corruption, the use of conflict minerals, the conservation of assets, and the protection of whistleblowers. When selecting new vendors, we assess their policies and past performance against our Code. We include compliance with our Code as a standard part of all vendor contracts. We expect our vendors to hold their respective vendors, suppliers, and trade contractors to the standards and practices covered by our Vendor Code.

**We work with vendors and suppliers to improve environmental performance within our supply chain and reduce the environmental impact of our business activities. We also aim to purchase products that are designed and manufactured in a more environmentally sustainable manner.**

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## RISK MANAGEMENT

**We regularly encounter risks as part of the normal course of our business and have designed an enterprise-wide risk management framework, policies and processes to help accurately identify and manage all risks, including nonfinancial risks.**

We conduct an enterprise-wide risk assessment each year, which includes surveys of upper management and interviews with executive leadership. The results of this assessment are discussed with executive management and with the Board's audit committee. We also conduct a comprehensive business process risk assessment as required by Sarbanes-Oxley. Our Internal Audit team oversees and evaluates the operational effectiveness of controls designed to mitigate risk. Our Director of Internal Audit updates our Board of Directors quarterly on our internal audit plan.

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## DATA PRIVACY & CYBER SECURITY

**To ensure data protection and privacy, Armada Hoffer has a broad security program in place governed by its IT Policies and Procedures. The program is supported by an extensive catalogue of layered security controls designed to prevent and detect internal and external security threats to partner, employee, supplier, and company data.**

The Company's Director of Information Technology (IT) is responsible for developing and implementing IT plans and managing IT security to protect our systems and data. In the unlikely event we are exposed to a cyber breach, we have a quick, tested method in place to eradicate it, minimize the effect, and to recover efficiently and effectively with minimal impact to our business continuity. We conduct both annual internal and third-party risk assessments to continuously evaluate the effectiveness of our security controls and identify new threats and vulnerabilities and appropriate controls to mitigate risks.

The Audit Committee of Armada Hoffer's Board of Directors oversees the risk management processes related to cybersecurity. It meets regularly with the Company's IT personnel and senior management to

discuss recent trends in cyber risks and the Company's strategy to defend its IT networks, business systems and information against cyber attacks and intrusions.

As part of the Company's Information Security Awareness Program, all team members must complete online security awareness courses. In addition, team members receive ongoing security awareness communications related to specific risks. In 2021, we upgraded our employee training platform to include artificial intelligence capabilities, which will allow us to better target end-user weaknesses in IT security and better target follow-up training.

In 2021, Armada Hoffer did not experience any financial losses related to technology failure, cyber-attacks or security breaches.

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## PUBLIC POLICY & CORPORATE POLITICAL CONTRIBUTIONS

**Armada Hoffer does not make corporate political contributions. Officers, directors, or employees may make personal contributions to a candidate or party of their choice, provided that the contributions do not involve, directly or indirectly, Company funds or other assets.**



[ARMADAHOFFLER.COM/SUSTAINABILITY](https://armadahoffler.com/sustainability)