



SUN COMMUNITIES, INC.®

Environmental, Social and Governance Report

2021 Performance

Frenchtown Villa/Elizabeth Woods
Michigan

Letter From Our Chairman

2021 was another exciting year of growth for Sun as we continue adding to our portfolio of high-quality, attainable housing, vacation, and marina properties. This was made possible by acquisitions like Safe Harbor Marinas in 2020 and the announcement of the Park Holidays acquisition completed in 2022.

As we grow, we view our responsibility and stewardship to the environment, as well as to our team members, communities, and all stakeholders with a stronger resolve than ever. We are pleased to demonstrate improvement in these areas by enhancing our Environment, Social, and Governance (ESG) disclosures to establish a baseline.

Part of this enhanced reporting includes utilizing the Taskforce for Climate Financial Disclosures (TCFD), a framework to help public companies and other organizations disclose climate-related risks and opportunities. The reporting process allowed us to identify opportunities to apply the approach to all aspects of ESG within our business. As a result, this report is structured around the TCFD recommendations of Governance, Strategy, Risk Management and Measurements to clearly highlight the interwoven nature of ESG.

Strategy and metric alignment were a focus for Sun in 2021 as we worked with Safe Harbor to better understand the operational needs of each other's portfolios. Moving into 2022, we will continue this process of aligning and expanding ESG programs and disclosures, not only with Safe Harbor, but with the latest acquisition of Park Holidays.

Sun recognizes our team members and culture are the foundation to our success. To demonstrate our value for their contributions, we invested in various programs and benefits. These include the new Sun Minimum Wage, expanding volunteer opportunities, and programming to provide team members with purposeful ways to give back to their communities. It also builds camaraderie and further solidifies our commitment to ensuring inclusivity, diversity, equity and access within our company and industry by becoming a signatory of the CEO Action Pledge.

Looking back on 2021, we are proud of our many accomplishments and excited about Sun's future. We are pleased in our achievements of enhancing our ESG disclosures and establishing a baseline to demonstrate Sun's improvements. Our company remains committed to promoting ESG principles throughout all areas of our business and will continue to embrace sustainability practices to benefit everyone.

Thank you for your continued confidence in us.



Gary A. Shiffman
Chairman and Chief Executive Officer
Sun Communities, Inc.

A handwritten signature in black ink, appearing to be 'G. Shiffman', written in a cursive style.

Our Culture Statements



Live the Golden Rule

Treat others the way you want to be treated is a philosophy we don't just practice – we live by it. The exceptional experiences we deliver wouldn't be possible without understanding our impact on others. We always operate with respect, empathy, and consideration. It's not just a suggestion, it's our moral obligation.

Do the Right Thing

We choose honesty and integrity in all our actions, making the best and most educated decisions we can. Sometimes doing the right thing is easy or popular, other times it isn't. We don't get sidetracked when things go wrong, and we don't shy away from doing what is right.

We Over Me

Our team works as a collaborative and collective unit. No one operates alone and we keep the whole team in mind when making decisions about individual work. We know that we need each other to produce an unmatched experience for our residents and guests. Even more important, we trust each other enough to sacrifice our own goals for those of the team.

Nothing Changes if Nothing Changes

We don't sit still for long because we are constantly transforming both our industry and our company. That means we are open and flexible, using what works now to develop what will work next. Even if it isn't broke, we still make it better. Lots of people will say this has never been done – we say it hasn't been done yet.

Mindset is Everything

The guiding force behind all our actions is mindset. We can't always decide what happens to us, but we can always decide how to handle it. Bad experiences don't bring down our day because we learn, grow, and become resilient. We are successful because we choose to be, every day and every step of the way.

Keep it Simple

Let's not overcomplicate things. Can a different word explain your point more clearly? Use it. Can fewer steps streamline your work? Do it. We lead with what is the most important, shedding the complexity as we go. Simplicity isn't effortless, but it does make things a bit easier.

Be Yourself & Thrive

Diversity, Equity, Inclusion (DEI), and accessibility are at the heart of who we are and what we do. Our biggest competitive advantage is the variety of individual perspectives we all bring to Sun. We support and celebrate what makes us unique and create a space where we can all succeed.

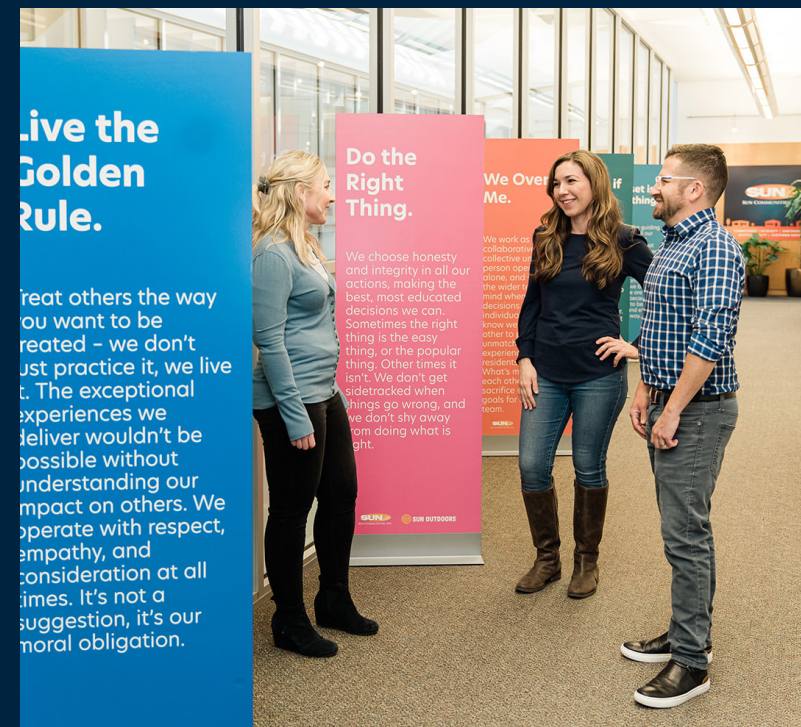


TABLE OF CONTENTS



Governance

Pages 5-12

- About Sun
- Leadership
- Policies & Procedures
- Stakeholder Engagement
- Industry Engagement
- Frameworks & Third-Party Rating Systems



Strategy

Pages 13-25

- Materiality
- Affordable Housing
- Team Members
- Diversity, Equity, Inclusion
- Supporting Our Communities
- Suppliers & Sourcing
- Environmental Resources & Impact
- Safe Harbor Marinas
- Park Holidays UK



Opportunity & Risk Management

Pages 26-32

- Safety
- Cybersecurity
- Learning & Development
- Climate Impact
- Reputation Management



Measurements

Pages 33-41

- Goals, Accomplishments & Targets
- Performance Metrics
- GRI



Governance

Sun has integrated governance practices across our organization, and we share the methods for providing oversight and structure in this section. As a company, we feel an obligation to do the right thing regarding important issues like the environment, as well as our social and business behavior.

About Sun

Our company is a fully integrated real estate investment trust (REIT) headquartered in Southfield, Michigan. As of December 31, 2021, Sun had 602 properties across 39 U.S. states; Ontario, Canada; and Puerto Rico.



The nation's premiere owner and operator of manufactured housing (MH) communities.



298 MH Communities | **106,007** MH Sites
50% of rental revenue



Offers recreational vehicle (RV) sites, tent camping, and vacation rentals with world-class amenities throughout the U.S. and Ontario, Canada.



179 RV Resorts | **37,833** Annual RV Sites
31% of rental revenue



The largest and most diversified marina owner and operator in the U.S.



125* Marinas
45,155 wet slips & dry storage spaces
19% of rental revenue

*Does not include five marinas managed by third parties.

Leadership

We have integrated governance practices within our entire company. As part of Sun's corporate governance, our board of directors are responsible to our stakeholders for the oversight of the company. They are also involved in guidance and strategic direction, as well as objectives and risk management activities of the organization.

The implementation of new initiatives, plus the refinement of our ESG-related reporting and materials is overseen by our Nominating and Corporate Governance Committee (NCGC). We believe in maintaining transparency and strong governance based on the highest ethical standards.

It is the role of the board of directors at Sun to make decisions for our stakeholders. They work with leadership to guide and manage policies, direction, objectives, and risk management activities.



Research & Development Center
Michigan

Board of Directors

The board met 8 times in 2021

All directors attended at least 75% of board and applicable committee meetings

Increased female directors to 3 of 8

- A** Audit Committee
 - C** Compensation Committee
 - E** Executive Committee
 - N** Nominating & Corporate Governance Committee
 - M** Manufactured Housing Finance Committee
- Member
 - Chair

ARTHUR A. WEISS, 73
 Attorney and Chairman, Jaffe, Raitt, Heuer & Weiss, Professional Corporation
Director Since: 1996
Committee Membership
 E M



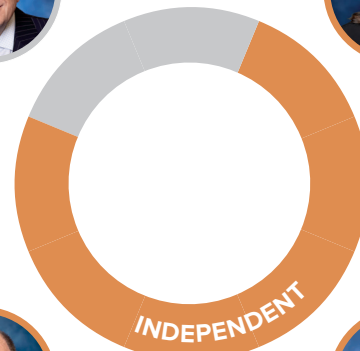
GARY A. SHIFFMAN, 67
 Chairman, Chief Executive Officer and Director, Sun Communities, Inc.
Director Since: 1993
Committee Membership
 E



TONYA ALLEN, 49
 President of the McKnight Foundation
Director Since: 2021
 N



CLUNET R. LEWIS, 75
 Lead Independent Director, Sun Communities, Inc. Retired attorney and businessman
Director Since: 1993
Committee Membership
 A C



MEGHAN G. BAIVIER, 42
 Executive Vice President, Chief Financial Officer and Chief Operating Officer of Easterly Government Properties, Inc.
Director Since: 2017
Committee Membership
 A N



RONALD A. KLEIN, 64
 Principal of JK Ventures LLC
Director Since: 2015
Committee Membership
 C N E M



BRIAN M. HERMELIN, 56
 Co-founder and Managing Partner of Rockbridge Growth Equity LLC
 Co-founder and General Partner of Detroit Venture Partners, LLC
Director Since: 2014
Committee Membership
 A C



STEPHANIE W. BERGERON, 68
 President and Chief Executive Officer of Bluepoint Partners, LLC
Director Since: 2007
Committee Membership
 A N



Policies & Procedures

Sun is committed to governance and transparency throughout our business. We have developed policies and procedures to foster corporate governance at the highest standards of transparency and ethical conduct.

Governance Policies

You can publicly find Sun's governance policies on our corporate Sun Communities website investor relations page. These policies include:

- Anti-Hedging Policy
- Charters for Audit Committee, Compensation Committee, Executive Committee, Nominating and Corporate Governance Committee
- Code of Conduct and Ethics
- Corporate Governance Guidelines
- Executive Compensation Clawback Policy
- Financial Code of Ethics for Senior Financial Officers
- Human Rights and Labor Policy
- Occupational Health and Safety Policy
- Stock Ownership Guideline
- Supplier Code of Conduct

<https://www.suncommunities.com/investor-relations/>



Research & Development Center
Michigan

Stakeholder Engagement

Sun is committed to engaging stakeholders across our organization and throughout the broader communities in which we operate. Continual engagement with our team members, residents and guests, shareholders, and local communities is paramount to our success.

Local Communities

Community engagement is what helps make Sun so successful. We actively participate in the broader communities in which we operate through our Sun Unity Program.

Residents and Guests

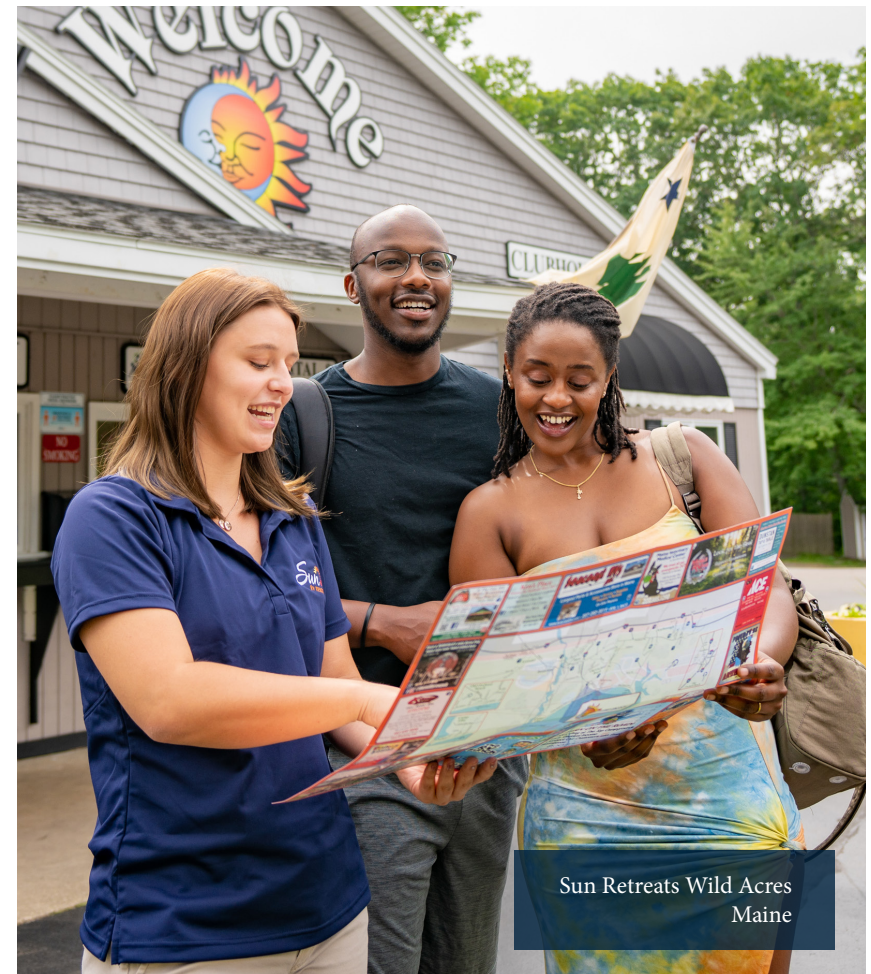
Our company values feedback from residents and guests to improve the services offered at our communities, resorts, and marinas. We engage with them through community events, one-on-one daily interactions, newsletters, NPS surveys, and email communications.

Team Members

We engage, gather feedback from, and communicate with our team members through various channels. These channels include conducting satisfaction surveys and one-on-one meetings with leaders. We maintain an anonymous hotline and online portal to report concerns, issues, or violations of our strict code of conduct, company policies, or laws, without fear of retaliation.

Shareholders

Our continuous engagement with our shareholders through quarterly earnings calls, Securities and Exchange Commission filings, proxy statements, press releases, investor conferences, and our annual shareholder meeting provides transparency. Shareholder feedback is encouraged and shared with our board of directors, and in turn may be considered in our governance practices and strategic decisions.



Sun Retreats Wild Acres
Maine

Industry Engagement

We believe in the power of alliance when it comes to making progress within our industry – that together is better.

Sun participates in the following national organizations:

- National Association of Real Estate Investment Trusts (Nareit)
- Manufactured Housing Institute (MHI)
- RV Industry Association (RVIA)
- National Association of RV Park & Campgrounds (ARVC)
- Association of Marina Industries (AMI)
- American Boat Builders & Repairers Association (ABBRA)

Nareit®



RV INDUSTRY ASSOCIATION



Educating & Connecting
Marina Professionals



Additionally, Sun participates in various local and state organizations dedicated to the MH, RV, and marina industries.



Sun Outdoors Petoskey Bay Harbor
Michigan

Frameworks & Third-Party Rating Systems

Sun utilizes globally accepted protocols to develop comprehensive programs that address the wide reach of ESG issues in our company, industry, and communities.

As part of our checks and balances process, Sun voluntarily participates in third-party rating assessments. The process of completing each framework is valuable in identifying the strengths of Sun's ESG initiatives and identifying opportunities for improvement.

Frameworks and Protocols

Global Reporting Initiative (GRI): a globally accepted framework for reporting ESG performance of an organization.

Greenhouse Gas Protocol: a globally accepted protocol regarding accountability for greenhouse gas (GHG) emissions associated with an organization.

Taskforce for Climate Financial Disclosures (TCFD): a guiding framework that establishes common principles for how companies and other organizations should provide information on the risks and opportunities associated with climate change.

UN Sustainable Development Goals (SDGs): 17 interlinked global goals designed to be a "blueprint to achieve a better and more sustainable future for all."

ISO 14001: an environmental management system that exists to help organizations minimize how their operations negatively affect the environment; comply with applicable laws, regulations, and other environmentally oriented requirements; and continually improve in the above.

Voluntary Rating Assessments

Carbon Disclosure Project (CDP): a non-profit that runs the global disclosure system for organizations to manage environmental matters such as GHG emissions, water use and climate change strategies.

Global Real Estate Sustainability Benchmark (GRESB): an industry benchmark for real estate and infrastructure investments across the world.

S&P Global Corporate Sustainability Assessment (CSA): an evaluation of companies' sustainability practices that focuses on criteria that are both industry-specific and financially material.



Strategy

We share our process for identifying and prioritizing ESG programs in this section. This is highlighted through Sun's engagement with stakeholders and needs assessments.

Materiality

Sun has established materiality at the entire portfolio level and within its operating segments. This approach allows us to develop portfolio-wide initiatives and commitments while also addressing material issues specific to any operating segments.

- 
Manufactured Home Communities:
 Attainable Housing
- 
RV: Human/Nature Interactions
- 
Marina: Coastal and Marine Conservation

Climate Change

- Energy Management
- Renewable Energy Portfolio
- Green Building

Water Usage

- Withdrawal & Consumption
- Water Scarcity Concerns

Waste Management

- Landfill Amounts

Other Issues

- Land
- Biodiversity

Talent Management

- DEI/IDEA
- Engagement
- Hiring Practices
- Team Member Learning & Development
- Health and Safety

Labor Practices

- Anti-harassment
- Non-discrimination
- Human Rights
- Supply Chain

Resident & Guest Relations

- Health & Safety
- Satisfaction & Experience

Community Relations

- Corporate Philanthropy

Enterprise Risk Management

The responsibility of enterprise risk management (ERM) is shared across our board of directors. Our committee for ERM is a team comprised of executive and senior leaders that report to the board of directors. Objectives for ERM ensure the following:

- Identify, prioritize, monitor, and mitigate significant risks
- Increase awareness of risks and opportunities
- Protect and organize assets, people, customers, and business partners
- Promote sustainability

ESG Steering Committee

In 2021, the ESG Steering Committee was established to align initiatives and actions addressing and managing material issues. The committee is sponsored by our Chief Financial Officer and chaired by our Director of Sustainability. Committee members represent marketing, development, human resources, sourcing, safety, and our operations.

This committee meets quarterly to establish strategies related to material issues, discuss progress of initiatives, and ensure cross-functional collaboration. The chair provides updates to the ERM committee regarding initiatives and actions that align with ERM priorities.

Our Commitment to Affordable and Sustainable Housing

Sun has a tremendous opportunity to be part of the solution for a widening need in the U.S. to provide high quality, yet affordable housing for both all-age and age-restricted populations.

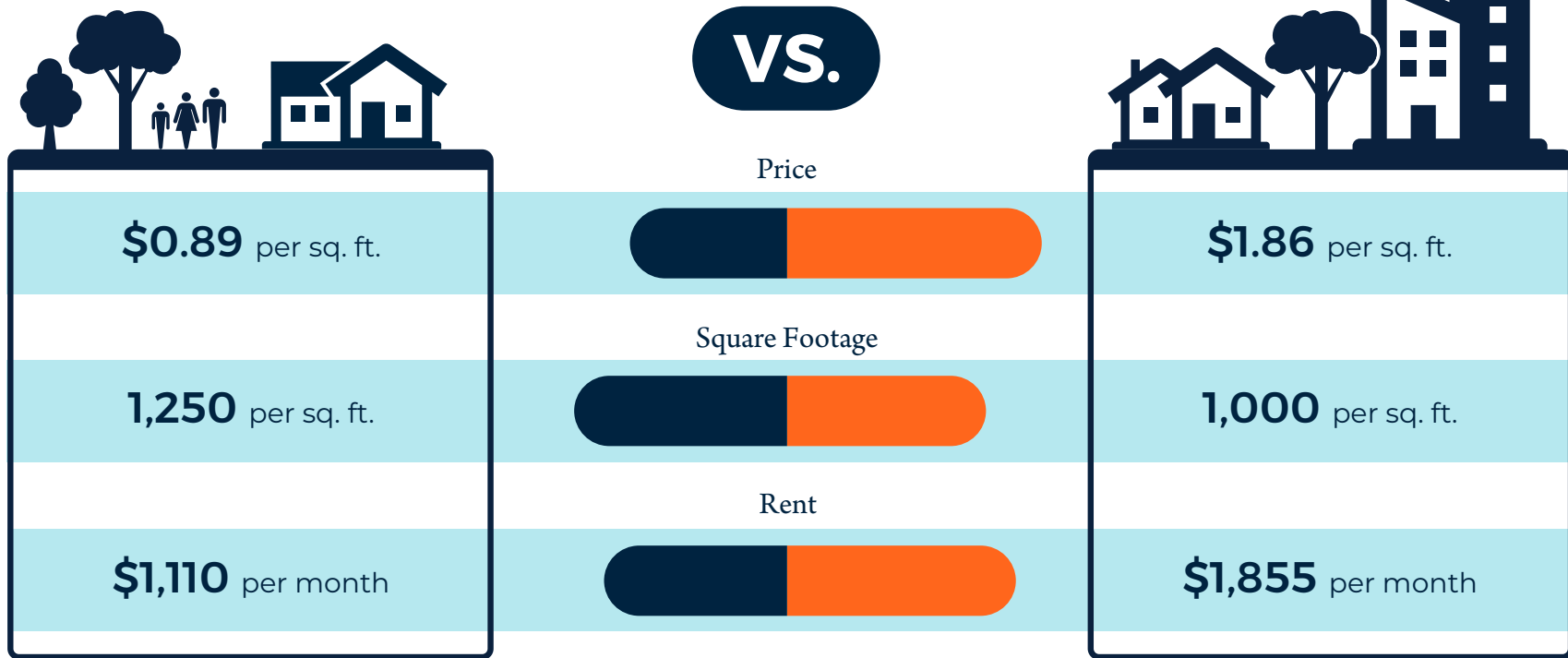
Manufactured housing costs are up to 50% less per square foot than conventional, site-built homes. This expands the opportunity for residents to own their home despite an affordable housing gap that is increasing every year.



Riverside Club
Florida

Manufactured Homes In Sun Communities

Other Rental Options*



Manufactured homes in Sun's communities provide 25% more space at ~50% less cost per square foot.

Manufactured Homes

✓ Average cost of a new Manufactured Home is **\$87,000** or roughly 2 years median income

Single Family Homes

✓ Average cost of Single Family Home is **\$308,597** or roughly 7 years median income

* Other rental options include multi-family, single family and duplex two-bedroom rentals; Data per Zillow - U.S. Median Monthly Rent (Zillow rent index, December 2021).

Team Members

Team Engagement and Retention

Without our team members, Sun could not offer the exceptional service and experience that our residents, guests and members have come to expect.

We are dedicated to enhancing their lives and well-being by recognizing their value through competitive benefits programs for our full-time and part-time team members.

To demonstrate their value, we introduced Sun Minimum Wage for team members at our MH and RV properties. This program went into effect July 1, 2021, ensuring hourly team members are paid a minimum of \$14 per hour.

Team members were also eligible for length of service or position-specific differentials above the \$14 minimum. We believe this is an important investment in our team members that will further enable them to provide a positive, vibrant, and meaningful lifestyle for themselves and their families.

Communication

The key to a successful team is good communication. Sun provides a broad range of channels for team members to interact with both their peers and the company at large. These channels include feeds within the company intranet to share accomplishments, a weekly update of news, and a platform to share suggestions or ideas that get reviewed by a dedicated team.



**Certified as a
Great Place To Work®**

Commitment to Diversity, Equity, Inclusion, and Accessibility

In early 2021, Sun created a multi-year road map for our DEI initiatives based on results from an extensive third-party assessment on our company culture and hiring practices.

In our first year of this journey, Sun:

- ✓ Launched the IDEA (Inclusion, Diversity, Equity, Accessibility) Council that was chaired by our Chief Financial Officer at the time and is now Executive Vice President special projects. This council is comprised of team members across the organization
- ✓ Conducted training for our operations leadership focusing on methods to build and promote a healthy, inclusive culture within our workplace
- ✓ Established new partnerships with organizations, as well as pilot groups of colleges and universities, that represent diverse talent
- ✓ Utilized technology to review job postings for bias and gendered language, which can prevent reaching the desired diverse talent pool
- ✓ Became a CEO Action for Diversity & Inclusion Signatory



Corporate Main Office
Michigan

Supporting Our Communities

Sun believes in making a positive impact in each community and the broader areas where we operate, seeking ways to lend our time and resources to others. We accomplish this through partnerships, corporate giving and matching, community events, scholarships, and volunteerism. In 2021, we proudly supported over 115 organizations across the U.S. and Canada. Sun team members increased volunteer hours over 400% from 2020 and provided over 5,600 hours to a wide range of causes.

Sun Unity Ambassador Program

In 2021, we launched the Sun Unity Ambassador Program. This initiative is aimed at empowering passionate team members across the organizations to serve as champions. It also extends the mission of Sun Unity to their local regions.

These team members focus on their impact through engagement with their peers, volunteerism, fundraising, and establishing relationships with charitable organizations in their community.

ESG IN ACTION

Military Adoption Program | Humane Society of Sarasota County Sun Outdoors Sarasota - Florida

At our Sun Outdoors Sarasota location, the local Sun Unity Ambassador established a partnership with the Humane Society of Sarasota County (HSSC) to sponsor adoptions for military veterans. This cause is important to both our Sun property team and supported passionately by our guests.

This adoption program provides military veterans and their families with a companion pet. These companion animals reduce stress and anxiety levels, mitigate depression, ease social reintegration, provide comfort, and restore confidence in affected veterans. Our support allows the HSSC to waive approximately 100 adoption fees for local service members in the community over a 12-month period.



Military Adoption Program
Sun Outdoors Sarasota

Suppliers and Sourcing

In 2021, Sun undertook a comprehensive assessment of our supplier partnerships and procurement processes to identify opportunities and risks within our supply chain. This assessment provided valuable insight into the needs of our diverse portfolio and opportunities to better leverage our needs and the supply base. It also established Sun's standard products, services, and processes.

This information allowed the team to develop supplier and sourcing strategies, maximizing the size and purchasing capabilities of Sun. The team was also creating a sustainable supply chain to accommodate our needs and geographic spread at the same time.

An initial step was to issue the Supplier Code of Conduct, which established the baseline expectations of what suppliers must meet to work with us.

Sun will continue these efforts and expand to include a comprehensive supplier management program. This program will be inclusive of supplier audits and business reviews throughout 2022 and beyond.



Managing Environmental Resources and Impact

Over the past several years, Sun has piloted and implemented resource management projects across our portfolio. Our approach to resource management is to identify reduction opportunities and technology alternatives to achieve effective energy and water management.

Resource Management Project Progress

- ✓ MH Same Community Portfolio achieved 12% reduction in GHG emissions since 2019
- ✓ RV Same Community Portfolio achieved 10% reduction in GHG emissions since 2019

In a survey conducted in mid-2021, our MH communities and RV Resorts reported:

- ✓ 95% utilize energy efficient products, including LED lighting and Energy Star appliances
- ✓ 87% utilize programmable thermostats and/or sprinklers
- ✓ 56% have recycling for cans, paper, glass, and/or plastics
- ✓ 71% utilize practices to minimize water needs for landscaping, which include options like xeriscaping and the use of native plants

Resource Management Ongoing Efforts

- We are increasing awareness of the impacts and opportunities for residents, guests, and members to be an active part of Sun's reduction efforts through signage, outreach, and information in newsletters.

Waste

- We work with our communities, resorts, and vendors to reduce total waste and increase the diversion from landfills.
- Sun works with a vendor to assist with determining disposal options for most of our MH communities and RV resorts. Through this partnership, we offer the most appropriate disposal options for the property including recycling when available.
- Some of our properties do receive municipal curbside pickup. We are working to identify options to calculate the amount of waste disposed at these locations.

Water

- Sun is working to improve the monitoring and measurement of water consumption, including metering, while implementing measures to reduce irrigation and landscape water needs.

Renewable Energy

- Over the next decade, our company intends to expand the use of renewable energy to meet the needs of our entire portfolio. This will be done through additional on-site generation, the purchase of off-site generated energy, and Renewable Energy Credits (REC).
- In 2021, Sun began generating energy from 13 on-site solar arrays. These arrays generated 1,235 MWH over the second half of 2021. By the end of 2022, we expect 14 additional arrays to be activated.

Managing Environmental Resources and Impact (Cont.)

Green Building Practices

- Sun incorporates best practices for green building into our development and expansion efforts. This includes expanding the use of Energy Star manufactured homes, as well as energy efficient lighting and building control systems.



Plan-It Friendly Certification

- Members of the National Association of RV Park and Campgrounds (ARVC) have the opportunity to certify RV resorts as a Plan-It Green Friendly Park. This recognition is part of the ARVC Plan-In Green Friendly Park Program.
- Resorts are evaluated on environmental practices and must meet at least nine of the 16 eco-friendly criteria to achieve this certification.
- All resorts at Sun Outdoors have achieved the required level of projects and programs to qualify as an ARVC Plan-It Green Friendly Park*.
- Sun has incorporated the eco-friendly criteria for the Plan-It Green Friendly Park Program into the acquisition process for RV resorts. New acquisitions are expected to receive their certification within 12 months of the acquisition.

Acquisitions

- Sun's acquisition process includes Phase I Environmental Site Assessment (ESA), electrical inspections, private water and sewer engineering inspections, and floodplain assessments. For California properties, we also conduct Phase I Seismic Evaluations.

**Some new acquisitions are still in the process of receiving an ARVC membership. Upon receipt of this membership, the resort(s) will submit to be recognized as a Plan-It Green Friendly Park.*

ESG IN ACTION**San Diego Bay****Sun Outdoors San Diego Bay - California**

The opening of Sun Outdoors San Diego Bay in 2021 allowed us to demonstrate the integration of green building practices into a ground-up development.

Energy

- 100% utilization of LED fixtures throughout the resort; reduced lighting energy consumption by 40% from non-LED fixtures.
- Utilization of solar powered lights for site markers.
- Implemented a lighting control system that can reduce occupancy-based lighting by 20% through sensing and adjusting to available ambient light.
- Utilization of reflective glass for increased energy savings.
- Installation of high efficiency tankless water heaters, which is estimated to reduce energy needs by 22% when heating water.

Landscaping

- Over 95% of the plant species used at Sun Outdoors San Diego Bay are native to Southern California and the Baja region.
 - Majority of plant species used are classified as low or very low water use; the remaining plant species are classified as medium water use with limited placement.
- Sun removed several acres of noxious invasive plant species in the surrounding buffer zone.
- A drip irrigation system is used across the property to reduce evapotranspiration.

Wildlife

- Glass installed at angles that help reduce bird strikes.
- Monitoring the property and neighborhood buffer zone for bird species.
- Installation of bird spikes on all light poles and bird wire on the edge of all buildings for raptor management. These systems deter raptors from sitting in perches where they can easily attack native waterfowl.

**Other**

- Built a central waste location with a compactor and recycling bins.
- Utilize recycled plastic furniture made by DuroGreen® for outdoor furniture needs.

Partnering with Living Coast Discovery Center

Located in the San Diego Bay National Wildlife Refuge next-door to Sun Outdoors San Diego Bay, the Living Coast Discovery Center is a non-profit zoo and aquarium on Sweetwater Marsh. Their mission is to inspire the community to connect with and care for our coastal environment. Through engaged conservation, they hope to achieve a thriving natural coast.

Sun continues to support the mission of Living Coast Discovery Center through volunteerism, financial contributions and in 2021, a grant to support the purchase of an ADA compliant guest shuttle bus to solve parking lot and access restrictions. Our guests at Sun Outdoors San Diego Bay enjoy discounted admission when visiting Living Coast Discovery Center.



SAFE HARBOR MARINAS

The addition of Safe Harbor Marinas allows Sun to continue expanding our diverse variety of outdoor hospitality experiences. Members of Safe Harbor Marinas can enjoy a one-of-a-kind boating network with access to an unparalleled boating lifestyle.

ESG Accomplishments

- Engaged executive leadership to develop a corporate sustainability strategy and integrated that within the larger corporate vision and framework.
- Established an ESG Council at Safe Harbor Marinas that is responsible for sustainability governance and held three meetings to review and approve strategy development.
- Completed the first materiality assessment by surveying or directly engaging with team members, and environmental non-governmental organizations (NGOs) that specialize in coastal, marine, and estuary stewardship.
- Finalized the ESG framework that consists of three “pillars” to guide Safe Harbor’s actions on material topics moving forward.
- Initiated a Rhode Island habitat restoration pilot program in 2022 by convening the Safe Harbor Coastal and Marine Stewardship Working Group along with an external Coastal Conservation Advisory Board to supervise the project.
- Began collecting data and measuring performance on key environmental and social indicators as required by global reporting frameworks such as the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), Task Force on Climate-Related Financial Disclosures (TCFD), and Global Real Estate Sustainability Benchmark (GRESB).



Ballena Isle
California

Park Holidays UK

In April 2022, Sun added 40 owned and two managed communities in the United Kingdom through the acquisition of Park Holidays UK.

Throughout 2022, the ESG teams for Sun and Park Holidays UK will be working to integrate and align ESG reporting.

ESG Accomplishments

- Provided strong customer management during the COVID-19 pandemic by offering flexible booking options, including full refunds and holiday deferrals. Despite the impact of COVID-19 and consistently high occupancy when open throughout the portfolio, the business maintained and improved its customer satisfaction scores.
- Introduced a Waste Electrical and Electronic Equipment (WEEE) collections process in many properties, which also reduces penalties for general waste contamination.
- Committed to supporting Give Us Time, a charity that provides holiday accommodations to military families, facilitating rehabilitation and reconnection after long periods of separation away from home as a result of an active-duty status. We have pledged 100 holidays per year to help support them in their efforts.
- Increased recycling efforts through mattress and glass recycling programs.



Rye Harbor Holiday Park Lodges
UK



Opportunity & Risk Management

Assessing the potential impacts on our business is a key component of managing Sun's ESG initiatives. Through this process, risks and opportunities that are unique to our business are identified to develop the appropriate responses our company must manage.

Providing a Safe Work Environment

We strive to provide a safe and healthy work environment for team members at Sun. Our company complies with all applicable health and safety laws, regulations, and company-specific policies. Sun seeks to minimize health, safety, and environmental risks to our team members, residents, and the communities in which we serve by utilizing safe operating procedures, while having emergency plans in place if an incident occurs.

Safety training is provided annually to all team members. They may also receive additional training related to specific hazards or risks related to their responsibilities.

Senior leadership reviews safety concerns during regular site visits, which occur every 6-8 weeks. Annual comprehensive safety inspections are also conducted.

Sun is committed to employing a multi-reduced risk through a faceted approach to manage in-depth regulatory oversight and programs. We are continuing to expand these programs in 2022.



Sun Outdoors Rocky Mountains
Colorado

Protecting Data and Information

Data Security and Cybersecurity

Sun is committed to protecting the confidentiality, integrity, and availability of our technologies and information resources. This includes resident and guest data through appropriate levels of cybersecurity and governance. We utilize a layered and defense-in-depth approach to protect these resources by ensuring we have the right information architecture, controls, policies, processes, and ongoing cybersecurity awareness education in place.

To safeguard and protect against cyber-attacks, we have implemented numerous security measures that include multi-factor authentication, encryption, incident response planning, and continuous monitoring. We are constantly working to improve our security posture and continue investing in cybersecurity, technology, and education.

Our company strives to align our information security program with internationally recognized standards that include NIST 800-53 and ISO 27001 frameworks. Sun passed the ISO 27001 audit and is awaiting the issuance of our final certification.



Corporate Main Office
Michigan

Learning and Development

We believe our team members are our greatest asset. Sun is committed to investing in learning and career development opportunities through programming and conferences, as well as Sun University, our corporate training program. These efforts help promote career longevity and satisfaction.



Educational Programs

We are committed to investing in learning and career development opportunities for our team. This responsibility is achieved through the various programming, conferences and resources provided, as well as online learning to promote career longevity and value.

Online

Expansive library of virtual training and resources which includes job-aids, toolkits, webinars, online courses, and certifications applicable to the industry. Team members can easily access consistent, high-quality training at any location, at their own pace.

On-site and In-Person

Knowledgeable and dedicated leadership are committed to on-site training for new hires, acquisitions, and advancement. Job rotation, job shadowing, and on-site mentoring allow for a hands-on and individualized experience.

Career Development

Through continued education, targeted training, engaging environments, and relationship building, we offer team members programs to enhance their skills and prepare them for career growth. Focused training areas include health and safety, as well as finances.



Corporate Main Office
Michigan

New Team Member Onboarding

We provide custom learning experiences for new team members covering operations, leadership, and skill building activities that encourage collaboration. Each respective program varies in length and engagement type.

2021 Elevate Conference

ESG IN ACTION

2021 Elevate Conference Orlando, Florida

Elevate is our bi-annual conference, last held in November 2021 in Orlando, Florida. It serves as a forum to unite our leaders and as a platform for our team members to further their knowledge and skills.

During this week-long event, attendees engaged in interactive courses covering topics such as diversity, equity, and inclusion, as well as safety, customer service and teamwork. Our executive leadership also shared our Culture Statements, and what those statements meant to them, during the Elevate Conference.

To ensure the safety of everyone at the Elevate Conference, Sun required negative COVID tests prior to attending. Attendees also took a rapid test upon arrival at the event location. Meeting room attendance was reduced with social distanced seating arrangements and indoor mask requirements.

We partnered with U.S. Hunger, formally known as Feeding Children Everywhere, to pack 124,956 meals that were distributed in Florida, Haiti, and via Full Cart, their virtual food bank.



2021 Elevate Conference
Florida

Sun offset the 332 tons of carbon dioxide (CO₂) that was created through travel, shipping, and event resource use.

Climate Impact

Climate change poses a clear threat and challenge to the real estate sector, as buildings contribute up to 30% of annual global GHG emissions. The impacts of climate change are material to the overall value of our company, as well as our ability to serve our residents, guests, employees, investors, and other stakeholders.

Sun is committed to reducing GHG emissions and improving the environmental performance of the properties within our portfolio.

Transitional Risks and Opportunities

Our company expects increasing policy and legal requirements for ground-up developments and expansions. We are preparing for an increase in required disclosures related to climate impact on our portfolio.

Sun anticipates the development of technologies that will reduce carbon emissions across our portfolio and are actively incorporating those options as they become available.

We are evaluating the impact that climate and climate-influenced weather may have on the markets we operate in, as well as the impact on residential and recreational demand.

Physical Risks and Opportunities

In 2021, we commissioned an analysis of climate-related risks to our assets inclusive of the Safe Harbor Marinas portfolio. Models were used to determine the risks of sea level rise, flooding, wildfire, water scarcity, cold and heat waves across time frames that include 2020, 2030, and 2050.

This risk analysis is the first step of a more comprehensive strategy revolving around our operations, climate, and biodiversity. In 2022, Sun will convene working groups to develop formal strategies around development, expansions, and retrofits of our operations that consider the risks and opportunities climate and nature present.

Reputation Management

Providing extraordinary service to our residents and guests is a top priority at Sun. We believe the best way to achieve this is to listen to what our customers are saying about their experiences and take action in areas where we can improve.

Net Promoter Score (NPS)

To help identify our strengths and areas of improvement, Sun uses NPS to create data based on resident and guest feedback. Customers are surveyed regularly, which begins with their move-in or check-in date, and again at various points throughout their stay with us.

Resident and guest feedback is received and addressed through other avenues that include social media engagement, as well as a phone line dedicated to resident and guest services. Our trained team members assist and escalate accordingly, allowing for a swift resolution.

Sun expanded its NPS survey in 2021 for new residents. These efforts now include a set of additional targeted questions that bring further clarity into their move-in experience, as well as identify potential areas of concern that are actionable by community leadership.

Our company and its residents should begin to experience the benefits from these informative new resident responses in 2022 and beyond. Sun is committed to excellence, value, and service, which creates a great atmosphere of friendly neighbors that become family.

ReviewTrackers

Almost 12,000 reviews were received by Sun Outdoors in 2021 through various review channels, including Google, Facebook, TripAdvisor, Booking.com, and Yelp.

- Out of these 11,900 reviews, there were 8,134 reviews that received a 5-star rating, and another 1,607 reviews that received a 4-star rating.
- The average rating for Sun Outdoors in 2021 was a 4.2 out of 5 stars for the entire year.














Measurements

No strategy is complete without incorporating methods for measuring the success of that strategy. This section includes the goals and measurements that Sun is utilizing for assessing the success of our ESG strategy.

Goals, Accomplishments and Targets

Goal	United Nations Sustainable Development Goals	2021 Accomplishments	2022 Target
Increase ESG strategy and performance disclosures		<ul style="list-style-type: none"> ✓ Submitted responses to GRESB, DJSI and CDP ✓ Established ESG Data collection and management process 	<ul style="list-style-type: none"> ❑ Respond to GRESB, DJSI and CDP ❑ Integration of Safe Harbor, Park Holidays, and Jellystone into ESG Reporting ❑ Establish short and long-term quantitative goals
Demonstrate commitment to sustainable business operations		<ul style="list-style-type: none"> ✓ Energy and water efficiency projects implemented at portfolio level ✓ Activation of 13 solar arrays 	<ul style="list-style-type: none"> ❑ Establishment of sustainable build standard for ground-up and expansion projects ❑ Completion of 14 additional solar arrays
Increase leadership around core ESG risks and opportunities		<ul style="list-style-type: none"> ✓ Launch of ESG Steering Committee ✓ Implement ISO 27001 for cybersecurity measures 	<ul style="list-style-type: none"> ❑ Conduct board education around key ESG topics ❑ Achieve ISO 27001 certification
Increase proactive outreach to investors surrounding ESG topics and concerns		<ul style="list-style-type: none"> ✓ More than 20 conversations with Investor regarding ESG related topics 	<ul style="list-style-type: none"> ❑ Continue proactive conversations with investors
Climate Risk & Opportunity Management		<ul style="list-style-type: none"> ✓ Completion of climate risk assessment for sea level rise, flood, water stress, wildfire, heat and cold wave zones impact on portfolio 	<ul style="list-style-type: none"> ❑ Development of short and long-term climate strategy
Enhance Team Member Well-being		<ul style="list-style-type: none"> ✓ Established a Sun Minimum Wage ✓ Expanded Parental Leave ✓ Continuation of Back to School program ✓ Sunfit Program ✓ Sun University Offerings 	<ul style="list-style-type: none"> ❑ Promotion and educational opportunities for Sun's Well-being Pillars (Financial, Social, Purpose, Physical, and Community) ❑ Retention and engagement analysis. ❑ Enhancements to our Employee Assistance Program (EAP) to provide a more comprehensive offering ❑ Continuing to monitor the evolving labor market to ensure our compensation and benefit programs remain competitive and attractive
Increase impact and engagement of SunUnity programming		<ul style="list-style-type: none"> ✓ Formed new partnerships with Camp Quality, Outdoor Afro and National Parks Foundation ✓ Launched SunUnity Ambassador Program ✓ 440% increase in volunteer hours 	<ul style="list-style-type: none"> ❑ 100% team member engagement in volunteering ❑ Provide opportunities for partners to utilize Sun facilities for events and outreach
Demonstrate commitment to Inclusion, Diversity, Equity and Accessibility		<ul style="list-style-type: none"> ✓ IDEA-focused training offered at Elevate Conference ✓ Joined CEO Action for Diversity and Inclusion ✓ Education Committee created within IDEA Council 	<ul style="list-style-type: none"> ❑ Provide regular awareness and education materials to our team members around key DEI themes and topics
Integrate ESG into Supply Chain		<ul style="list-style-type: none"> ✓ Published Supplier Code of Conduct 	<ul style="list-style-type: none"> ❑ Formalization of Supplier Program to include assessment of current supply chain, study of supply chain options and strategy

ESG Performance Metrics: Board & Social

Board of Directors		2021	2020	2019
Independence		75%	60%	60%
Gender Diversity (Female)		38%	29%	29%
Age	<50	25%	14%	14%
	50-64	25%	29%	29%
	>65	50%	57%	57%
Racial Diversity		14%	NR	NR
Average Tenure	Years	15	15	14

Team Member Demographics		2021 ⁽¹⁾	2020	2019
Total Positions filled		5,964	3,180	3,146
Overall Team Gender	Male	59%	48%	48%
	Female	40%	52%	52%
Diversity	White	77%	78%	77%
	Hispanic or Latino	12%	12%	11%
	Black or African American	4%	4%	4%
	Asian	1%	1%	1%
	Indigenous	1%	1%	1%
	Two or More Races	2%	2%	2%
	Chose not to disclose	3%	3%	4%
Age	Under 30	18%	12%	12%
	30-39	17%	14%	13%
	40-49	18%	16%	17%
	50-59	23%	25%	25%
	60 & older	25%	33%	33%

Safety		2021	2020	2019
Sun Communities & Sun Outdoors	Incident Rate	6.74	6.26	7.31
	DART Rate	1.72	2.14	1.78
Safe Harbor Marinas	Incident Rate	9.6	NR	NR
	DART Rate	6.1	NR	NR

1. 2021 includes Safe Harbor Team Members

2. In 2020 ESG Report, hours was mislabeled as number of webinars

ESG Performance Metrics data as of 12/31/2021

Sun Team Demographic		2021	2020	2019
Gender breakdown for managers/directors	Male	46%	46%	42%
	Female	54%	54%	58%
Gender for property managers	Male	31%	31%	30%
	Female	69%	69%	70%
Total number of veterans		8%	8%	8%

Sun Learning & Development		2021	2020	2019
Total learning hours	Hours	57,030	44,670	40,680
Webinars	Hours	824	3,173 ⁽²⁾	47
	# of webinars	17	NR	NR
Online Sun University	Hours	48,882	38,740	NR
	Programs offered	106	NR	26
External continued learning hours	Hours	2,800	2,764	NR
New Team member learning hour average in first year	Hours	22.75	22	NR

Sun Unity		2021	2020	2019
Volunteer Hours	Hours	5,667	1,265	2,700

Great Place to Work® Employee Survey		2021	2020	2019
% Employee Responses Rating Sun a Great Place to Work®		85%	86%	NR

ESG Performance Metrics: Environment

Greenhouse Gas		2021 ⁽¹⁾	2020	2019
GHG Emissions	tonne CO2	244,787	94,578	90,268
GHG Intensity	tonne CO2/ Thousand sq ft	9.23	14.54	15.14
Scope 1	tonne CO2	12,477	7,247	7,827
Scope 2	tonne CO2	126,635	77,901	72,402
Scope 3	tonne CO2	105,675 ⁽²⁾	9,430	10,039
Data Coverage		98%	97%	95%

Electricity		2021	2020	2019
Electricity Consumed	MWH	337,620	171,876	149,093
Renewable Energy Generated	MWH	1,235	NR	NR
% of Energy from Renewable		0.37%	NR	NR

Waste		2021	2020	2019
Total Waste	tonne	40,314 ⁽³⁾	NR	NR
% Waste Diverted		10%	NR	NR
Data Coverage		45% ⁽⁴⁾	NR	NR

Water		2021 ⁽⁵⁾	2020	2019
Total Water Consumption	m3	19,596,031	14,888,903	14,231,616
Purchased Water	m3	79%	84%	84%
Water Treatment	m3	13%	16%	16%
Water Intensity	m3/sq ft	0.73	2.29	2.39
Data Coverage		85%	74%	74%

1. 2021 includes Safe Harbor Resource Use
2. Scope 3 calculations include MH Leased Home Estimated Usage, Waste and new WTT Factors
3. Waste data collection method changed significantly in 2021. Removed historic data as calculation methods are not comparable
4. 55% of locations receive municipal curbside pickup with no current method of data collection
5. 2021 Data includes addition of Safe Harbor Marinas and MH Leased Home Estimated Usage

Notes on ESG Data

- Short-term target setting and base year establishment is being developed. The regularity of acquisitions creates a challenge in establishing base years in alignment with GRI GHG Protocol. Sun is evaluating options that would reduce the need to re-establish base years on a regular basis.
- Due to direct billing of residential usage, Sun utilized available utility data to estimate the energy and water consumption related to leased manufactured homes within Scope 3. Sun does not report on the utility usage of resident-owned homes.
- Sun considers all energy usage at our RV properties as within Scope 1 & 2 usage.
- Safe Harbor has provided the ESG data currently available. Over 2022, processes are being implemented to increase the ESG data points in the future.

ESG Performance Metrics: Sustainability Accounting Standards Board

Topic	Code	Accounting Metric	Measure	2021 Results
Energy Management	IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property subsector	Percentage (%) by floor area	<ul style="list-style-type: none"> 100% operational floor space, leased homes, vacation rental and RV usage Assumption ratio used for manufactured home rental Resident-owned homes excluded from reporting
	IF-RE-130a.2	(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity, and (3) percentage renewable, by property subsector	Gigajoules (GJ), Percentage (%)	(1) 1,215,432 GJ; (2) 99%; (3) >1%
	IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage by property subsector	Percentage (%)	8% reduction
	IF-RE-130a.4	Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR, by property subsector	Percentage (%) by floor area	(1) >1% of leasing square footage (2) Sun has 66 Energy Star certified manufactured homes within our leasing portfolio
Water Management	IF-RE-140a.1	Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	Percentage (%) by floor area	(1) 100% (2) 22%
	IF-RE-140a.2	(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water Stress, by property subsector	Thousand cubic meters (m ³), Percentage (%)	(1) 19,596 (m ³) (2) 26%

ESG Performance Metrics: Sustainability Accounting Standards Board Cont.

Topic	Code	Accounting Metric	Measure	2021 Results
Management of Tenant Sustainability Impacts	IF-RE-410a.1	(1) Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements, and (2) associated leased floor area, by property subsector	Percentage (%) by floor area, Square feet (ft2)	Not disclosed. Sun Communities in reviewing available data and intends to disclose in 2023
	IF-RE-410a.2	Not disclosed. Sun Communities in reviewing available data and intends to disclose in 2023	Percentage (%) by floor area	Not disclosed. Sun Communities in reviewing available data and intends to disclose in 2023
Climate Change Adaptation	IF-RE-450a.1	Area of properties located in 100-year flood zones by property subsector	Square feet (ft2)	187,566,319 sq ft
	IF-RE-450a.2	Description of climate risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	N/A	Not disclosed. Sun Communities in reviewing available data and intends to disclose in 2023
Activity Metrics	IF-RE-000.A	Number of assets by property subsector	Number	602
	IF-RE-000.B	Leasable floor area by property subsector	Square feet (ft2)	14,008,808 sq ft
	IF-RE-000.C	Percentage of indirectly managed assets by property subsector	Percentage (%) by floor area	52.8%
	IF-RE-000.D	Average occupancy rate by property subsector	Percentage (%)	98%

GRI Disclosures

GRI Disclosure Number	Disclosure Title	Location	Page
Organizational Profile			
102-1	Name of organization	Cover, Letter from the CEO	1, 2
102-2	Activities, brands, products, and services	About Sun Communities	6
102-3	Location of headquarters	About Sun Communities	6
102-4	Location of operations	About Sun Communities	6
102-5	Ownership and legal form	About Sun Communities	6
102-6	Markets served	About Sun Communities	6
102-7	Scale of organization	About Sun Communities	6
102-8	Information of employees and other works	ESG Performance Metrics: Board & Social	35
102-9	Supply Chain	Suppliers and Sourcing	20
102-12	External initiatives	Stakeholder Engagement	10
102-13	Membership of Associations	Industry Engagement	11
Strategy			
102-14	Statement from senior decision maker	Letter from the CEO	2
102-15	Key impacts, risks, and operations	Materiality	14
Ethics and Integrity			
102-16	Values, principles, standards, and norms of behavior	Leadership, Frameworks & Third-Party Rating System	7, 12
Governance			
102-18	Governance Structure	Leadership	7
102-20	Executive-level responsibility for economic, environmental, and social impacts	Leadership	8
102-29	Identifying and managing economic, environmental, and social impacts	Materiality	14
102-31	Review of economic, environmental, and social topics	Materiality	14
Stakeholder Engagement			
102-40	List of stakeholder groups	Stakeholder Engagement	10
102-42	Identifying and selecting stakeholders	Stakeholder Engagement	10
102-43	Approach to stakeholder engagement	Our Culture Statements, Stakeholder Engagement	3, 10
102-44	Key topics and concerns raised	Materiality	14

GRI Disclosures Cont.

GRI Disclosure Number	Disclosure Title	Location	Page
Reporting Practice			
102-50	Reporting period	January 1 – December 31, 2021	-
102-51	Date of most recent report	2021	-
102-52	Reporting cycle	Annual	-
102-53	Contact point for questions regarding the report	sustainability@suncommunities.com	-
Management Approach			
103-2	The management approach and its components	Leadership	7
Environment (Energy, Water, Emissions)			
302-1	Energy consumption within the organization	ESG Performance Metrics: Environment	36
302-4	Reduction of energy consumption	Managing Environmental Resources and Impact, ESG Performance Metrics: Environment	21, 36
303-1	Water withdrawal by source	ESG Performance Metrics: Environment	36
305-1	Direct (Scope 1) GHG Emissions	ESG Performance Metrics: Environment	36
305-2	Energy indirect (Scope 2) GHG emissions	ESG Performance Metrics: Environment	36
305-5	Reduction of GHG emissions	ESG Performance Metrics: Environment	36
Social			
401-2	Benefits provided to full-time employees that are provided to temporary or part-time employees	Team Members	17
403-1:7	Occupational Health and Safety	Providing a Safe Work Environment	27
403-9-10	Work-related Injuries & Illnesses	ESG Performance Metrics: Board & Social	35
404-1	Average hours of training per year per employee	ESG Performance Metrics: Board & Social	35
404-2	Programs for upgrading employee skills and transition assistance programs	Learning and Development	29
405-1	Diversity of governance bodies and employees	Commitment of Diversity, Equity, Inclusion, and Accessibility, ESG Performance Metrics: Board & Social	18, 35
413-1	Operations with local community engagement, impact assessments and development programs	Supporting Our Communities, ESG Performance Metrics: Board & Social	19, 35



Palm Creek
Arizona

Forward-Looking Statements

This document contains various “forward-looking statements” within the meaning of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended. We intend that such forward-looking statements will be subject to the safe harbors created thereby. For this purpose, any statements contained in this report that relate to expectations, beliefs, projections, future strategies, trends or prospective events or developments and similar expressions concerning matters that are not historical facts are deemed to be forward-looking statements.

The forward-looking statements contained in this document speak only as of the date hereof and we expressly disclaim any obligation to provide public updates, revisions or amendments to any forward-looking statements made in this document to reflect changes in our assumptions, expectations of future events or trends.



SUN COMMUNITIES, INC.®

27777 Franklin Rd. Suite 200
Southfield, MI 48034
SunCommunities.com