



## Environmental, Social & Governance Updates

Published 1/21/2021

This document contains information related to Sun Communities Inc.'s environmental, social and governance initiatives that may not have been captured in our [most recent ESG report](#) or other public documents on our site.

### Environmental

#### *Smart Thermostat Program*

Through December 31, 2020, we installed smart thermostats at **312** locations that replaced traditional thermostats. The smart thermostats connect through Wi-Fi to allow centrally managed heating and cooling scheduling and real-time adjustments to building temperatures. These smart thermostats contribute to a more efficient use of energy.

Smart thermostats provide an anticipated savings of **12%** on heating and **15%** on cooling costs. We estimate our smart thermostat program will reduce our energy usage by over **5 Million kWh** per year and save us over **\$600,000** per year. We intend to monitor and improve this program during 2021.

#### *Sun Solar Program*

In 2019 we began a program to invest \$24 million to install solar energy arrays at 19 of our California properties. We chose our California properties for this program because electricity costs are higher there than in other states and because federal tax incentives are available for this type of sustainability project. In 2020, 7 of the 19 projects were completed and energized; we anticipate the remaining 12 projects will be completed and energized in 2021.

The following table provides details on each property included in this program.

Project	Location	System size kW-DC	Solar Generation kWh	% Energy Offset from Grid	% Remaining Grid Reliance
Friendly Village of West Covina	West Covina, CA	179.01	273,454	25.7	74.3
Friendly Village of Simi Valley	Simi Valley, CA	396.09	621,470	50.2	49.8
The Colony	Oxnard, CA	270.95	401,232	63.3	36.7
Rancho Alipaz	San Juan Capistrano, CA	207.77	311,061	48.9	51.1
Pembroke Downs	Chino, CA	390.42	597,697	50.5	49.5
Napa Valley	Napa, CA	481.55	684,042	59.2	40.8
Oak Creek	Coarsegold, CA	129.6	193,322	82.3	17.7
49er Village	Plymouth, CA	402.57	574,632	49.8	50.2
Lazy J Ranch	Arcata, CA	544.73	686,650	79.1	20.9
Caliente Sands	Cathedral City, CA	255.15	418,771	43.3	56.7
Royal Palms	Cathedral City, CA	471.83	774,404	61.9	38.1
Vista del Lago	Scotts Valley, CA	346.28	493,217	37.8	62.2
Vines RV Resort	Paso Robles, CA	428.49	676,858	80.8	19.2
Wine Country RV Resort	Paso Robles, CA	486	734,917	71.1	28.9
Lemon Wood	Ventura, CA	401.36	600,447	54.6	45.4
Victor Villa	Victorville, CA	524.48	852,779	55.5	44.5
Lakefront	Lakeside, CA	388.8	610,998	30.9	69.1
Rancho Caballero	Riverside, CA	889.38	1,416,384	49.1	50.9

Renewable energy initiatives such as our solar energy program benefit the community by reducing greenhouse gases, alleviating environmental impacts from growth plans, and building positive relationships with neighbors.

Our solar energy program, consisting of approximately 16,000 solar panels spanning over 675,000 square feet, is expected to generate approximately 11.5 million kilowatt hours of electricity per year, enough to power 900 homes and reduce carbon dioxide emissions by more than 18 million pounds annually. The system’s environmental impact is the equivalent of planting 3,846 acres of trees or eliminating 29.5 million car miles.

## Social

### *Diversity, Equity & Inclusion*

In 2020, Sun has engaged with external stakeholders and third-party expertise to enhance and further develop its implementation of and expected outcomes of its diversity, equity, and inclusion efforts.

## Governance

### *Information Security Risk Oversight and Management*

Sun Communities operates, monitors and continually enhances an information security and risk management program which includes:

- A dedicated Information Security team
- Continuous threat monitoring, vulnerability scans and penetration testing
- Security controls aligned with ISO 27001:2013 objectives. Formal certification is planned for 2022.

- Maintaining a broad coverage, cyber security insurance policy
- Annual ITGC and SOX audits performed by internal and third-party auditors
- Risk assessment exercises to identify new, emerging threats

To date we have not experienced an information security breach, nor have we incurred any costs related to information security breaches, penalties or settlements.

At least once per year, our information technology experts provide our Board of Directors with a detailed report on cyber security program results, active initiatives and future plans, as well as addressing questions from members of the Board.

### **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, and 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 and 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.