



SUN COMMUNITIES, INC.®

Environmental, Social & Governance Report

Wildwood
Sandwich, IL

Table of Contents

Our Company

- 3 Highlights & Achievements
- 4 A Letter from Our Chairman and Chief Executive Officer
- 5 About This Report
- 6 Stakeholder Engagement

Environmental

- 7 2018 Environmental Initiatives
- 10 Manufactured Housing Industry Environmental Impacts
- 11 Partnering with Manufacturers for Sustainability

Social

Sun Team Members

- 13 Diversity & Inclusion / Hiring Military Members and Veterans
- 14 Training
- 15 Learning & Career Development
- 16 Sun University
- 17 Wellness & Engagement
- 18 Team Member Engagement

Sun's Residents & Guests

- 19 Our Residents
- 20 Our Commitment to Affordable and Sustainable Housing

Community Engagement

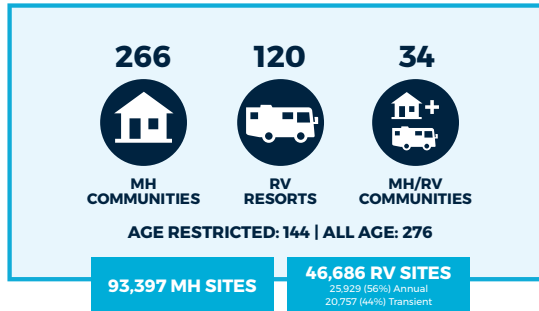
- 21 Sun Unity
- 23 Sun Unity Initiatives

Governance

- 26 Leadership and Governance
- 27 Board Diversity & Expertise
- 28 Policies & Procedures
- 30 Conclusion & Looking Ahead

Our Company

Sun Communities, Inc. is a fully integrated real estate investment trust (REIT) headquartered in Southfield, Michigan. Since 1975, Sun has been in the business of acquiring, operating, developing, and expanding manufactured home communities and recreational vehicle (RV) resorts, together with our affiliates and predecessors. We are the nation's premier owner and operator of manufactured home communities and RV resorts and are committed to providing the best service and value to our residents and guests.



At Sun we adhere to the Golden Rule

Treat others the way you want to be treated.

Our Core Values



Commitment



Intensity



Empowerment



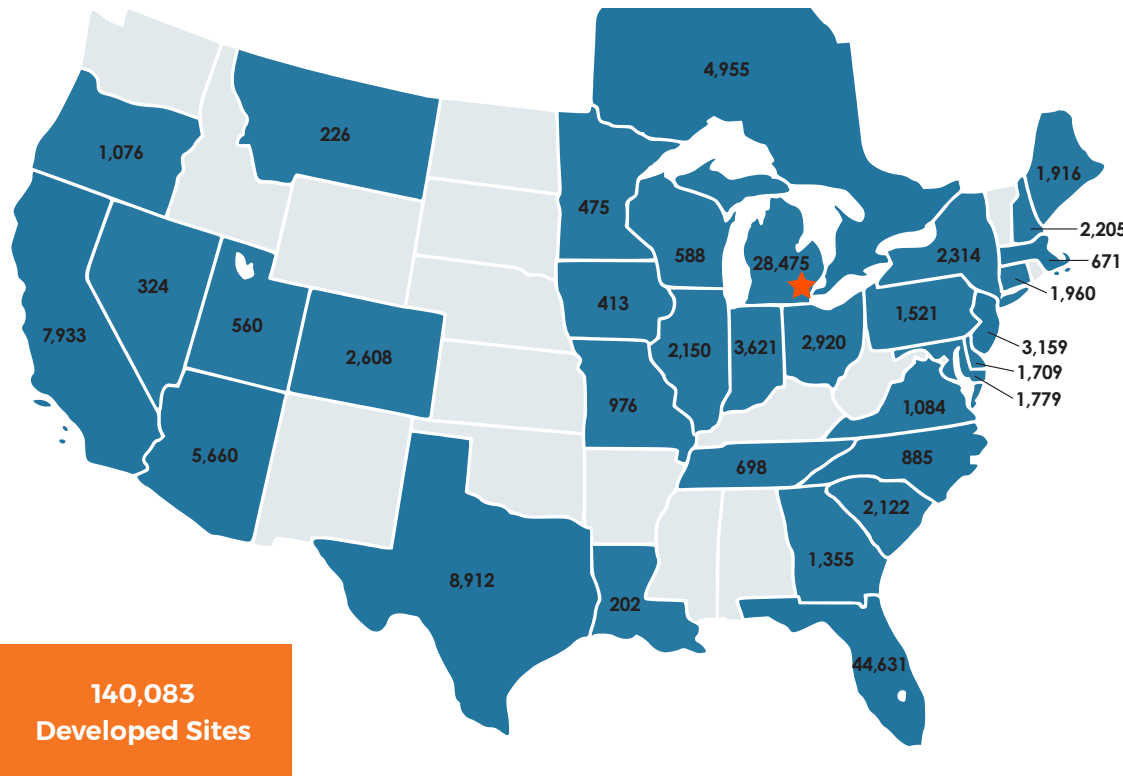
Accountability



Service

Our Stakeholders

- Team Members
- Residents and Guests
- Shareholders
- Local Communities



Portfolio data as of 10/31/2019

2018 Highlights & Achievements

Performance

\$1.1 Billion in Total Revenue for 2018 (14.7% increase)
2,600 revenue-producing sites (RPS) gained in 2018, a company record
#1 in 10-year Total Shareholder Return (TSR) among REITs ¹
6.7% same community NOI growth vs. 3.1% REIT average in 2018 ²
Occupancy rate of 96.1% as of 12/31/18

Awards & Recognition



Achievements



Retrofitted **25%** of our communities with LED lighting.



Launched due diligence process for a solar energy pilot program at 19 communities in California.



Replaced water meters at **over 200 communities** with real-time automatic meter reading (AMR) system to proactively monitor and identify leaks.



Team members throughout the organization volunteered a total of 3,470+ hours.
96% of all team members received safety training in 2018.

¹ KeyBanc: "The Leaderboard" publication
² Citi Investment Research, December 2018

A Letter from Our Chairman and Chief Executive Officer



At Sun Communities, we are proud to be a leader of delivering high-quality, affordable housing and vacation solutions to a broad spectrum of customers. We take our responsibility seriously to provide the vital economic function of affordable housing to an ever-growing population. In fulfilling this responsibility, we must embrace sustainability in all areas of our business, including environmental sustainability, sustainable shareholder value and growth, and sustainable social and governance practices.

We are proud to publish our Environmental, Social, and Governance (ESG) Report to highlight the hard work each and every team member at Sun Communities has done in furthering our sustainability goals.

In the report, we highlight how our Environmental, Social, and Governance principles have been fully integrated into our core values, culture, and day-to-day business practices. The Sun Communities Board of Directors recently amended the Governance Committee charter to include the oversight of our ESG initiatives, ensuring continued sustainability improvements now and into the future.

We have made environmental sustainability one of our main goals. In 2018, we converted approximately one quarter of our then 379 communities to LED lighting, which we expect will save close to 30 million kilowatt hours annually once the entire portfolio has been converted. We have initiated due diligence or started pilot programs for several new environmental initiatives like our “smart” sprinkler systems and solar energy conservation project at our California communities. These programs ensure that we continue to provide a great place to live for our residents while preserving the environment in which our communities reside.

We are proud of the contributions our team members have made to better the community by devoting a sizable amount of time and energy to important causes. Through our Sun Unity program, our team has volunteered or made charitable contributions to 97 organizations worldwide. We continue to raise the “unity” in community.

In 2018, we made a focused effort toward sustainable growth through the acquisition of 20 operating properties valued at \$364 million. 2018 also afforded us a unique opportunity to make a \$54 million strategic investment in Ingenia Communities Group – a leading owner, operator, and developer of manufactured home communities and RV resorts headquartered in Australia. Our investment, which equates to a roughly 9.9 percent stake in Ingenia, also includes the formation of a 50/50 joint venture where Sun will participate side-by-side in the development of manufactured home communities in Australia. We expect the investment to be highly profitable over time, both financially and in a manner that will enable us to expand our ESG initiatives on a global scale.

As we look back at our accomplishments in 2018, we are excited about what lies ahead and look forward to sharing our journey with you going forward. Thank you for your 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.



Lakeside Crossing
Conway, SC

About This Report

This report highlights Sun Communities’ ongoing sustainability and corporate responsibility initiatives. We uphold a company-wide commitment to our Environmental, Social, and Governance goals through various programs and everyday business practices.

This is our first formal ESG report, which uses data compiled from many of our internal processes and systems. However, numerous initiatives have been in place for several years prior to our formal reporting efforts. This report references disclosures from the Global Reporting Initiative (GRI) Standards Guidelines. See the GRI Index at the end of this report.

It also 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 Sun intends that such forward-looking statements will be subject to the safe harbors created as a result. These forward-looking statements reflect our current views with

respect to future events and financial performance, but involve known and unknown risks, uncertainties, and other factors, some of which are beyond our control. These risks, uncertainties, and other factors may cause actual results to be materially different from any future results expressed or implied by such forward-looking statements. The forward-looking statements contained in this report speak only as of the date hereof and Sun expressly disclaims any obligation to provide public updates, revisions or amendments to any forward-looking statements made in this report to reflect changes in Sun’s assumptions, expectations of future events, or trends.

Performance and initiatives for the 2018 reporting year are referenced in this report. For more information, please visit our website at **suncommunities.com**.

Stakeholder Engagement

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

Team Members

We engage, gather feedback from, and communicate with our team members through various channels, including annual team member satisfaction surveys; SunSource, our intranet site; a dedicated Concierge Team; the Sun Idea Box; and one-on-one meetings with leaders. We maintain an anonymous hotline and online portal for team members to report concerns, issues, or violations of our strict code of conduct, company policies, or laws, without fear of retaliation.

Residents and Guests

Resident and guest engagement is always of paramount importance at Sun. We value feedback from our residents and guests to improve our communities, resorts and services offered. We engage with them through community events, one-on-one daily interactions, newsletters, Net Promoter Score surveys and email communications that are designed to keep everyone informed about what's happening in their communities and resorts.

Shareholders

Sun Communities' 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.

Local Communities

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








2018 Environmental Initiatives



Current Environmental Initiatives

We are fully committed to reducing our environmental impact across the scope of our operations and through the services we deliver to our customers. Sun Communities continues to identify opportunities to invest in energy-efficient technology, water efficiency, and waste reduction strategies throughout our communities, resorts, and corporate headquarters.

By conserving natural resources, reducing our carbon footprint, and participating in efforts to protect the environment through our Sun Unity program, we are striving to achieve our environmental sustainability goals.

 Energy	<ul style="list-style-type: none"> • Conserve energy through energy-efficiency measures • Convert 100% of lighting to LEDs at all communities by the end of 2019 and our main office by 2020 • Investigate the potential of solar energy solutions in all new ground-up developments and key properties across our portfolio
 Greenhouse Gas Emissions	<ul style="list-style-type: none"> • Install solar in all new ground-up developments and key communities across our portfolio • Replace maintenance vehicles with electric vehicles to reduce emissions and fuel consumption • Reduce business travel and promote alternative options wherever feasible
 Water	<ul style="list-style-type: none"> • Conserve water through water efficiency programs • Replace over 200 water submeters to a real-time automatic meter reading system to monitor usage, detect leaks, and identify opportunities to further reduce water consumption • Reduce water consumption by retrofitting communities with water-efficient shower heads, faucets, toilets and irrigation systems
 Waste & Recycling	<ul style="list-style-type: none"> • Minimize waste through source reduction, reuse, and recycling • Recycle electronic waste
 Preparedness	<ul style="list-style-type: none"> • Evaluation of environmental issues during procurement and acquisition processes • Implementation and ongoing review of formal Emergency Preparedness and Disaster Recovery Plan that encompasses planning, preparedness, disaster mitigation, post-incident response and recovery • Executives and senior leaders belong to an Enterprise Risk Management committee that identifies, assesses and prepares for varied risks

2018 Environmental Initiatives



LED Lighting Project

As one of Sun's environmental initiatives, we continue to convert all of our communities to LED lighting. **As of year-end 2018, approximately 25% of the then owned 379 communities were retrofitted.** Once the entire portfolio is retrofitted, we expect to save between 20 and 30 million kilowatt hours across the portfolio per year.



Recycling Programs

We are doing our part with waste-reducing initiatives and recycling programs aimed at minimizing our environmental footprint. We are also working together with our communities and residents to do the same. Recycling programs, in place at many of our communities, provide residents the opportunity to reduce their environmental footprint. Team members at our main office participate in paper reduction and recycling programs, as well as electronic equipment and battery recycling.



Eastern Market of Detroit

Sun partners with Eastern Market of Detroit, which funds programs and education to ensure a locally sourced and sustainable food supply. Eastern Market conducts a seasonal weekly farm stand offering vegetables and fruits for sale to main office team members and over 1,500 other occupants of our building, which supports local farmers and growers.



2018 Environmental Initiatives



Water Reduction

Reducing our consumption of water resources is of paramount importance at Sun Communities. In order to decrease water usage, we are replacing water meters at **all of our 200+ submetered communities with an autoread “real-time” system.** This system proactively monitors usage and identifies leaks. Presently, we use meter bills at over 200 communities and plan to implement this at any submetered communities we acquire in the future.

As an additional water reducing initiative, “smart” sprinkler systems are being tested at four of our communities in California. We anticipate saving almost 8 million gallons of water annually at these four communities through this initiative. This system has smart sensors that run independently and reduce water usage. We plan to continue to expand this initiative across our portfolio after this initial test period.



Solar Energy Project

We have launched a project to convert **19 communities in California to partial solar energy between 2020 and 2021.** The implementation of this solar initiative is expected to **save 13–15 million kilowatt hours per year at these pilot communities.** Several communities have installed solar lighting features in clubhouses, on decks, and in other common areas.

Our goal is to continue to roll out solar programs in new ground-up developments and other areas of our current portfolio.



Manufactured Housing Industry Environmental Impacts

Sun Communities is uniquely positioned to reduce the environmental impacts across our business through our role in acquiring, developing, and expanding manufactured home communities and RV resorts. The manufactured housing industry is more energy efficient and reduces more greenhouse gas emissions and waste than conventional homes. Through our strategic partnerships with manufacturers, we are able to deliver energy- and water-efficient homes that are more economical over their life cycle than traditional homes, upholding our commitment to sustainability for our residents and the communities in which we operate.

Home Production: Manufactured vs Conventional

Greenhouse Gas Emissions

Greenhouse gas emissions over the life cycle of manufactured homes are significantly lower than conventional site-built homes. This life cycle includes:

- Raw material extraction
- Material production
- Transportation
- Home delivery
- Building usage

According to a study conducted by the University of Michigan, manufactured homes emit 3 percent less greenhouse gas than conventional homes. This makes these types of homes a more environmentally friendly housing option.

Source: Kim, Doyoon. "Preliminary Life Cycle Analysis of Modular and Conventional Housing in Benton Harbor, Michigan." University of Michigan Research, April 2008

Waste Reduction

This study also finds that manufactured home fabrication generates 2.5 times less waste than conventional site-built homes. Assembly lines used in the production of manufactured homes allow reduced waste generation through precise cutting and effective machine utilization. Overall, manufactured homes provide better environmental performance than conventional homes by consuming 4.6 percent less life cycle energy.

Energy Efficiency

Heating and cooling systems in manufactured homes can be up to 30 percent more efficient than standard homes. They also feature strict insulation requirements and low-e glass windows. Compared with standard single-family homes, these factors reduce:

- Dependency on public utilities
- Environmental footprint
- Utility costs for residents



Manufactured homes produce 2.5 times less construction waste

Total life cycle energy consumption is 4.6 percent lower for manufactured homes

Global warming potential for manufactured homes is 5 percent lower

Partnering with Manufacturers for Sustainability

As the nation's premier owner and operator of manufactured housing communities and RV resorts, we partner with home manufacturers to promote energy and water efficiency, indoor environmental quality, and resource efficiency throughout the manufacturing process. To drive sustainability and operational efficiency, we only partner with manufacturers that use resources effectively.

Efficiency Features in the Homes we Sell in Our Communities

- LED retrofit kits
- High-efficiency gas furnaces
- Energy Star appliances
- Energy-efficiency/insulated vinyl low-e glass windows
- Engineered HVAC duct system
- Energy Star thermostats
- Low-flow water fixtures (toilets, faucets, showers)

Efficiencies that are gained through the manufactured housing development process translate to monetary savings that are passed to us, and ultimately to our resident homeowners and renters. More efficient heating and cooling systems reduce dependency on public utilities, resulting in a cleaner footprint, and cost savings for our residents.



Social

Sun Communities is committed to upholding our core values of commitment, intensity, empowerment, accountability, and service to all of our stakeholders including team members, residents and guests, shareholders and communities. Integrating social responsibility across our business through our Sun Unity program, fostering a productive work environment for our team members, and creating affordable housing opportunities for our residents are critical to our continued success.

Commitment We are committed to being the best in the industry. We work hard to keep team members motivated and rewarded. Committed team members are part of our recipe for continued success and growth.

Intensity The work environment at Sun Communities is intense and full of positive energy. We work hard to increase the confidence and determination of our team members so they're prepared to meet the day-to-day challenges of the job.

Empowerment We provide the skills, resources, opportunities, and motivation for team members to succeed in their careers.

Accountability Every team member, no matter what role they hold, is equally responsible for contributing to the success of our company.

Service We have built our culture around a simple service philosophy: The Golden Rule. We treat others the way we want to be treated.

Awards & Recognition

In recognition of our commitment to our team members and growth, Sun Communities has received awards including Crain's Fast 50, and for the eighth consecutive year, it was named a Detroit Free Press Top Place to work.

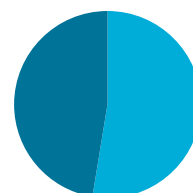


Sun Team Members

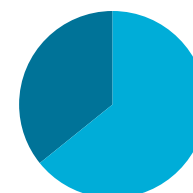
Diversity & Inclusion

At Sun, we believe everyone is unique, and we have a commitment to promote and celebrate individuals and collective achievements. We embrace diversity and create a culture of empowerment to foster new ideas and economic growth. Beyond gender, age, and race, we aim to be diverse in our thoughts, life, and work experience. We take pride in being different; it's what sets us apart.

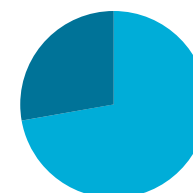
We are particularly proud of the age and gender diversity within our workforce. Approximately 50 percent of our workers are over 50 years of age, and approximately 27 percent of our workers are 60 and older. We strive to create an inclusive environment that challenges, inspires, rewards, and transforms our team to be the best and understand the important role diversity plays in fulfilling that goal.



52% Female Overall



64% Female Managers/Directors Corporate



72% Female Community/Resort Managers

Hiring Military Members and Veterans

Sun believes military service to our country should be rewarded with opportunities that leverage the skills, discipline, and dedication instilled in military members and veterans. We are proud to offer careers to military members and veterans at our locations across the country in management, sales, service, technology, and other opportunities worthy of our nation's military. We celebrate our veterans annually through recognition initiatives and donations to military-related nonprofits.



We are proud that military veterans make up 7% of our workforce.

Sun Team Members

Training

Sun Communities provides a safe and healthy work environment for our team members. We also actively seek opportunities to minimize health, safety, and environmental risks to both our team members and the residents in the communities we serve by utilizing safe operating procedures and practices. As part of our commitment to safety, we perform annual safety training programs for all employees to provide tools and safeguards for accident prevention. Our managers are responsible for ensuring that team members receive the appropriate training to perform their jobs safely.

In addition to safety training, all employees are required to complete annual training on key governance topics, including:

- Fair Housing
- Harassment Free Workplace
- Diversity & Inclusion
- Cybersecurity & Data Protection

In 2018, 100% of Sun team members received safety training.

Each team member completed an average of 14 hours of training in 2018.

We realized a 5% decrease in worker's compensation claims from 2017 to 2018 due in large part to our commitment to safety.



Sun Team Members

Learning and Career Development

We believe our team members are our greatest asset. We are committed to investing in learning and career development opportunities through programming, conferences, and Sun University to promote career longevity and career satisfaction.

Road to Success

Road to Success is our training program available to community and resort managers, assistant managers, and sales managers. This program is a hybrid training approach that includes online courses, one-on-one coaching, and in-person training at the main office. The training covers a variety of topics including leadership, communication, culture, and daily operations-related topics. All content delivered within this program is facilitated in collaboration with Sun Communities' operational leaders, skilled trainers, and experienced team members.

On average, over 200 team members participate in this training each year.

Executive Manager Certification Program

The Executive Manager Certification Program is a six-month development program for community and resort managers to increase operations knowledge, leadership experience, and professional skills supporting future career growth. This challenging program consists of written tests, stretch assignments, live oral exams, mentoring, presentations, and interaction with executive leadership. The experience provided gives managers the opportunity to build on their ability to collaborate, manage complex problems, and mentor others.

As a result of completing the program, many of the participating community and resort managers have demonstrated readiness for advancement, leading to promotional opportunities as Regional Vice Presidents.

Conferences

Sun hosts a biennial conference which serves as a forum to unite Sun Communities leaders from across its locations to focus on educational content, interacting with world-class speakers and thought leaders, and networking with peers, vendors, and the main office team. Sessions are focused on leadership, operations, sales, and marketing.

The conference has become one of Sun's most rewarding events for sharing best practices and interacting with internal and external contacts who have helped establish Sun Communities as a leading provider of manufactured housing communities and RV resorts in the United States and Canada.

Sun Team Members

Sun University

Our dedicated Learning and Development team has created and maintains Sun University, our corporate training platform. Our team members' participation is encouraged through various industry-specific conferences, certification courses, and other professional development programs. The training and content provided through Sun University has led to an increase in the knowledge of, and accountability for, our daily operations, policies, procedures, and professional development.

Sun University offers approximately 350 training options

- Books
- Online courses
- Webinars
- Live sessions

Topics

- Human Resources & Administration
- Information Technology
- Customer Service
- Sales & Marketing
- Community & Resort Operations
- Accounting & Finance



Sun Team Members

Wellness & Engagement



SunFit Wellness Program

A strong company cannot exist without healthy team members. We have developed the SunFit Wellness Program to encourage our team members to live healthier, happier, and more fulfilling lives both at work and at home.

To attract and retain top talent, Sun Communities offers a competitive and comprehensive benefits package, focusing on wellness and professional development.

- Medical Insurance
- Dental Insurance
- Vision Insurance
- Life, Disability, and AD&D Insurance
- Paid Time Off (PTO)
- 401(k) with Company Match
- Sun Rewards Program
- Tuition Reimbursement

- 430 fitness classes, and 1,150 personal training sessions are provided annually at our main office
- 160 fitness centers available for team member, resident, and guest use
- Lifestyle challenges are held annually by SunFit to encourage healthy choices
- Flu vaccination program for team members available at no cost



Sun Team Members

Sun Team Members

At Sun Communities, our team is our most valuable asset. In 2018, we employed over 4,000 talented individuals. In order to attract and retain top talent, we offer competitive benefits and training to foster professional development. We also enable our team members to have a work/life balance while upholding our values of commitment, intensity, empowerment, accountability, and service in every aspect of our work.

Team Member Engagement

We continually engage our team members and seek feedback to evaluate our success. Each year, Sun conducts team member satisfaction surveys through independent third-party survey providers to understand our performance and identify opportunities. Our team members provide valuable feedback to shape the direction of policies and practices throughout the company. This is refined through focus groups to help create, develop, and implement new programs.

Team Member Satisfaction Survey Highlights

- My employer enables a culture of diversity
- I like the people I work with at this organization
- I like the type of work I do
- I understand the importance of my role to the success of the organization
- I would recommend the organization and products and services to a friend



Sun's Residents and Guests

Our Residents and Guests

We have a diverse range of communities and RV resorts to meet the demand of our residents and guests. At our all-age communities, we offer affordable, welcoming, and gracious environments for residents of all ages. At our active 55+ communities, Sun provides the perfect place for retirement living, offering a selection of beautiful homes in exceptional locations to fit every budget. Our vibrant communities offer abundant amenities and services, fostering active lifestyles and creating a sense of community. Sun RV Resorts offer endless possibilities and quality experiences at unique destinations across the U.S. and southern Ontario.

At Sun Communities, our goal is to provide an extraordinary experience to both prospective and current residents and guests at all of our communities and RV resorts. Delivering customer service is key to our future success and long-term growth.

Our philosophy follows The Golden Rule, to “Treat Others the Way You Want to be Treated,” and is supported through our strategic approach to customer service for residents and guests at all of our locations:

- Continual community and resort reinvestment
- Provide great value for customers
- Maintain our communities and homes
- Listen to the “voice of the customer”
- Take a more direct and individual action approach to resident communication
- Take a team learning approach that inspires commitment rather than compliance
- Measure our performance from top to bottom

Given our dedication to providing the best service to our residents and guests:

- High MH portfolio occupancy of 96.1%
- Average MH resident tenure of 14 years
- 1,160 transient RV guests converted to annual residents in 2018



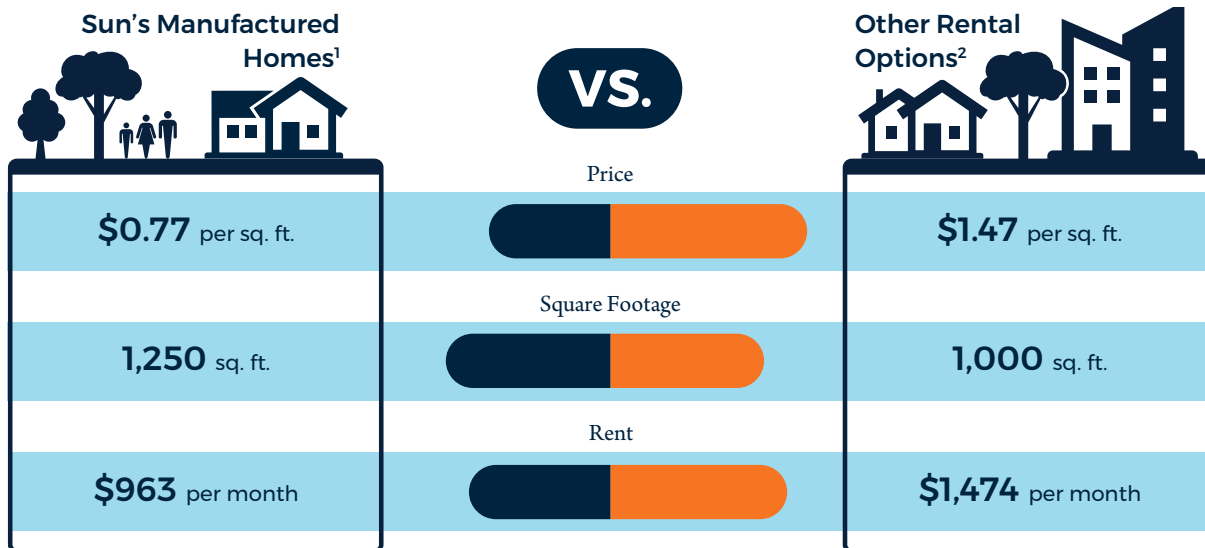
Sun's Residents and Guests

Our Commitment to Affordable and Sustainable Housing

We recognize the important opportunity of providing access to affordable and sustainable housing. Our business contributes to a vitally important function in our economy by providing high-quality, yet affordable, housing for both all-age and age-restricted needs. Manufactured homes cost up to 50 percent less per square foot than conventional site-built homes, expanding the opportunity for residents to own their home, despite an ever-increasing housing affordability gap.

Our commitment to providing accessibility for sustainable and affordable housing is achieved through our Sun Home Services (SHS) sales division. Our homes provide more space at less cost per square foot compared to other rental options.²

Providing Affordable Renting Options



¹ Company information

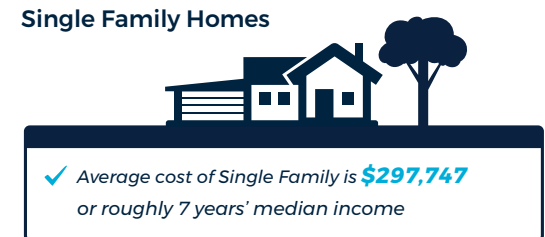
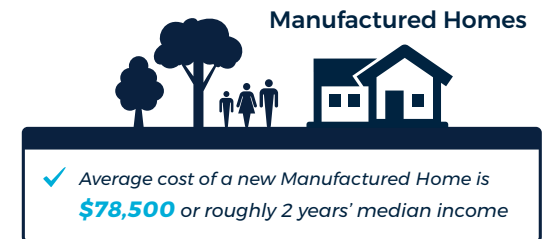
² Zillow – U.S. Median Monthly Rent (Zillow rent index, March 2019)

Includes multi-family, single-family, and duplex 2-bedroom rentals.

³ Manufactured Housing Institute; \$40,000 median household income assumed

Our homes provide nearly 25% more space at ~48% less cost per square foot compared to other rental options.

Providing Affordable Homeownership Opportunities³



Community Engagement



Sun Unity – Raising the “Unity” in Community

Sun Unity, our social responsibility program, was launched in 2016 to demonstrate and extend our local and global outreach. The program is composed of partnerships, community events, charitable match program, and the opportunity for team members to participate in individual philanthropic efforts through receiving eight hours of paid time off to do so.

Sun Unity aims to establish programs and a culture that unites our team, guests, residents, and community to maximize our impact in the communities we serve and the world in which we live.



Sun Unity continues to pursue goals to extend our local and global reach. In 2018 we set out to:

- Develop a “Give Back” team member culture
- Extend Sun Unity programs into the local area where our communities and resorts operate
- Provide opportunities to involve our customers in Sun Unity initiatives
- Increase support toward environment/health programs
- Expand our local and global volunteer opportunities



Community Engagement

We initiate social responsibility efforts through the Sun Unity program and aim to raise the “unity” in community. As a team, we join together to give back to the communities in which we live and work. We focus on promoting six main pillars to make the greatest impact with our resources.

Sun Unity works to promote six main pillars



Environmental Sustainability

We continue to focus on initiating and supporting efforts to promote sustainability through recycling, conservation of natural resources, and reducing our carbon footprint. Since 2016, Sun has partnered with Eastern Market of Detroit to help increase access to healthy, affordable food across southeast Michigan and support local farming by funding programs which ensure a sustainable food supply. In 2018, we increased support for environmental programs.



Community Impact

The communities in which we work and live rely on the unity of their people. Sun Unity continues to provide support for a greater impact through organized blood drives, backpack supply drives, charity run/walks, cleanups and disaster relief efforts. In 2018, we partnered with Life Remodeled, a non-profit that focuses on intentional and equitable revitalization of Detroit neighborhoods.



Health and Well-being

We have partnered with over 20 organizations to promote and improve health and well-being in the community. For example, our Sun Endurance Team participated in the Detroit Free Press Marathon, raising awareness and \$39,000 for spotlight charities including National Multiple Sclerosis Society, Team World Vision, and the Epilepsy Foundation.



Education

We are committed to improving the lives and futures of our team members, customers, and others through scholarships, tuition reimbursement, training programs, and tutoring outreach. In 2018, the Sun Unity Scholarship Program for guests, residents, and their family members awarded 78 students with a \$500 college scholarship.



Animal Welfare

Our team members are passionate about caring and protecting for animals within our communities and beyond. Sun team members and their children spent time on Bring Your Child to Work Day to craft blankets for animals at Detroit Dog Rescue and Sun Unity made a financial contribution to further support the organization and their cause.



Diversity & Inclusion

We support and promote various diversity and inclusion efforts with the understanding that differences are what make us stronger. Sun Unity celebrated and recognized the unique skills and experience of our veteran team members by making a significant donation to Disabled American Veterans in their honor. Locally, Sun provided financial and in-kind support to Angel's Place, an organization which provides homes and professional support to individuals with intellectual and development disabilities.

Community Engagement

Sun Unity Initiatives

Volunteerism

It's not just about making a donation, it's about making a difference.

Sun Unity encourages team members to volunteer by offering paid time for the hours spent volunteering during regular work hours. In addition, all team members who choose to volunteer their time during non-work hours with organizations or institutions may receive paid Sun Unity time.

Sun participates in various community and charity outreach programs, engaging with over 97 groups nationwide to give back with both service time and monetary donations.

3,470+

Volunteer hours tracked by Sun Team Members in 2018

Highlights

Volunteers of America	Team members partnered with Volunteers of America to adopt 11 families and provided them with holiday gifts and meals.
Just Our Soldiers' Helpers	Our Florida communities sent over 50 care packages to deployed service members.
Life Remodeled	160 team members partnered with Life Remodeled during their six day project to clean blighted alleyways in Detroit, creating safer spaces and sense of pride for those that live there.
Tofauti on the Move	51 of our team members shared their time and talents throughout the year to tutor 70 orphans in Africa via Skype, in partnership with <i>Tofauti on the Move</i> .



Community Engagement

Sun Unity Initiatives

Community-Level Initiatives

The “give back” spirit fostered at our Main Office also extends to our resorts and communities throughout the U.S. and Canada. At the community level, events are coordinated to involve our residents and guests because together we can make a greater impact.

Over 65 of our communities and resorts led local Sun Unity initiatives in 2018 including sending care packages to deployed service members, conducting school supply drives for underprivileged children, and participating in fundraising events for cancer.

Community-Level Initiatives for 2018

Sun Scholarship Program	We developed the Sun Scholarship Program to support our commitment to investing in the future of our residents and guests. In 2018, we awarded 78 students with \$500 college scholarships.
Work & Travel Program	As part of our Work & Travel Program, we are proud to have sponsored international students from over 14 different countries. This program provides students with a unique cultural experience while living and working at Sun RV Resorts, a division of Sun Communities. Existing team members also benefit from the cultural learning experience.
MyJump!	In partnership with MyJump!, Sun has continued to help our senior citizen residents achieve what’s left on their bucket lists. In 2018, we were able to assist 12 of our senior residents, including two veterans, check items off their lists.



Governance



At Sun Communities, we are committed to integrating strong governance practices across our organization. As part of Sun’s corporate governance, our Board of Directors is responsible to our shareholder for the oversight of the company and guiding the strategic direction, objectives, and risk management activities of the organization. We have formalized Board of Director oversight of our ESG programs and initiatives by our Nominating and Corporate Governance Committee. The committee will now oversee the implementation of new initiatives and the refinement of our ESG-related reporting and materials.

Sun is committed to maintaining transparency and strong governance based on the highest ethical standards. We have adopted the following strategies to achieve this goal:

- Amended our bylaws to permit stockholders, in addition to the board, to amend the bylaws by the affirmative vote of a majority of all the votes entitled to be cast on the matter
- Terminated our shareholder’s rights agreement (Poison Pill)
- 71 percent of directors are independent
- Annual election of directors
- Anti-Hedging Policy that prohibits stock hedging by directors or executive officers
- Strict Code of Business Conduct and Financial Code of Ethics for senior financial officers is enforced
- Executive Compensation “Clawback” Policy

Governance

Leadership and Governance

Our bylaws authorize the formation of committees and grants our Board of Directors the authority to prescribe the functions of each committee. Board members serve for one-year terms, or until their successors are duly elected.

- Audit Committee
- Compensation Committee
- Nominating and Corporate Governance Committee
- Executive Committee
- Manufactured Housing Finance Committee

Leadership & Governance Board Responsibilities	
Strategy	Periodically reviews management’s proposed strategy for the company
CEO Selection and Succession Planning	Responsible for selecting the chief executive officer (CEO) and developing a management succession plan
Evaluation and Compensation	Evaluates the performances of the board chairman, CEO, and other executive officers to determine and approve their compensations
Board Membership Criteria and Performance	Reviews membership criteria annually, and evaluates its own performance and the performance of its committees
Company Systems and Processes	The Board and the Audit Committee monitor the company’s current systems and procedures to prevent and detect wrongdoing by monitoring the audit and financial statement review functions, as well as the company’s legal compliance policies

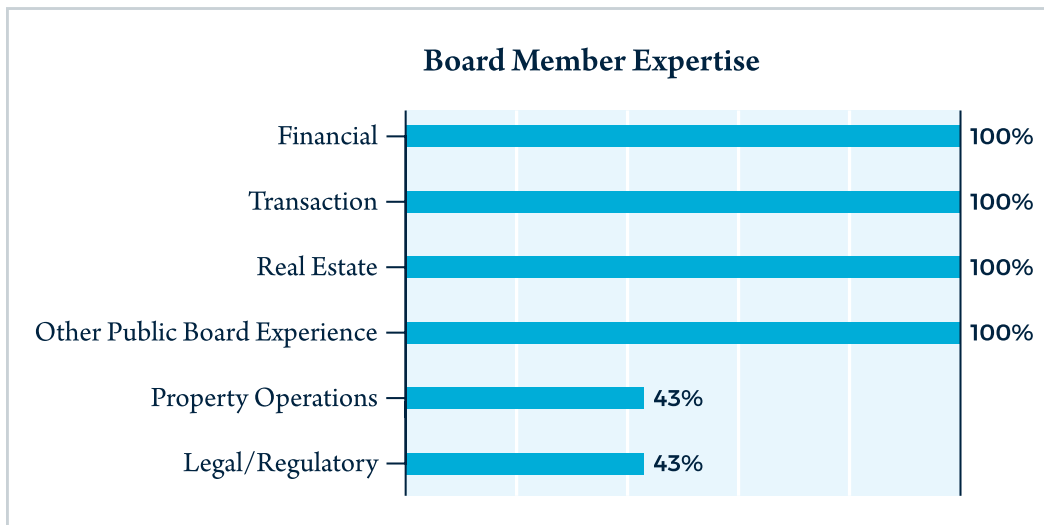
Enterprise Risk Management Committee (ERMC): One of the ways the board oversees and implements risk management functions is through the ERMC. This committee is composed of senior leaders and executives from across the organization including representatives from operations, sales, accounting, finance, tax, human resources, and internal audit, as well as others. The ERMC is tasked with identifying, monitoring, and mitigating our risks. As requested, the committee presents their work to the full board, which takes an active role in risk oversight.

Board Diversity & Expertise

At Sun, we believe that a board of directors with diverse experiences, backgrounds, and perspectives improves leadership effectiveness and decision-making. We enhanced the diversity of our board of directors with the addition of Meghan Baivier in 2017, reducing average director tenure, improving industry experience and gender diversity.

The board of directors attends training sessions on diverse topics on an annual basis. Some recent topics have included:

- Governance
- Shareholder Activism
- Sustainability in Real Estate
- Capital Markets
- Cybersecurity



Board composition is 29% female, exceeding the 2018 average of 17% for publicly traded REITs, and 24% for S&P 500 companies

Source: ISS Corporate Solutions

Policies & Procedures

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

These efforts are guided by a set of governance policies and procedures:

Ethics & Code of Conduct

The Code of Business Conduct and Ethics governs the business decisions made, and the actions taken by our company's team members, officers, and directors in an expression of our fundamental core values.

Human Rights Principles

We maintain a strong commitment to the advancement, preservation, and protection of human rights, which extends to Sun locations and business operations worldwide. Our principles are guided by the United Nations Universal Declaration of Human Rights, International Labor Organization (ILO) Convention, and the Sun Communities Code of Conduct and Ethics.

Nondiscrimination & Anti-Harassment

Our company is committed to recognizing and appreciating the variety of characteristics that make individuals unique, while promoting and celebrating our differences.

Safety & Compliance

As our most important asset, team members assist in our efforts to ensure that we fulfill our commitment to improve the quality of life for our residents. In fulfilling this mission, Sun provides a safe and healthy work environment for our team members, while complying with all applicable health and safety laws and regulations. We utilize an incident reporting system to track and analyze safety issues, risks, injuries, and claims.

Cybersecurity

We understand the importance of managing our cyber risk and are constantly working to monitor and enhance our security, digital defenses, and resiliency.



All communities are inspected every 6 to 8 weeks to ensure that we're meeting safety standards

Comprehensive safety inspections of our communities are completed annually

Third-party inspections are conducted on approximately 30 communities annually

Governance

Policies & Procedures

Executive Compensation

Our executive team manages, leads, and directs our team members and capital resources to achieve the best possible economic results. To attract and retain a skilled executive team, our executive compensation program is based on pay-for-performance.

Team Member Hotline

We maintain an anonymous hotline and online portal for team members to report any concerns, issues, or violations of our strict code of conduct without fear of retaliation. Sun provides an anonymous avenue for reporting inappropriate business practices through a third-party reporting hotline.

Audit Integrity & Internal Controls

Sun devotes substantial resources to audit integrity and our control environment, so we can adhere to regulatory and reporting requirements that guide our industry. Internal auditors assess Sun's risk governance, as well as develop and evaluate internal controls. In addition to internal audits, we hire independent auditors to ensure audit impartiality and compliance with the Sarbanes-Oxley Act (SOX).

Managing & Safeguarding Information

We rigorously control and protect personal and confidential information about customers, third parties, and team members, and use it only within the appropriate scope.

More detailed information and a full list of our governance policies and procedures can be found on our website: www.suncommunities.com





Vallecito
Newbury Park, CA

Conclusion & Looking Ahead

As the nation's premier owner and operator of manufactured housing communities and RV resorts, we pride ourselves on our commitment to team members, residents and guests, shareholders and the communities where we operate. Our talented group of team members strives to deliver unparalleled service and create positive impacts across our communities and RV resorts.

We continue to make progress on advancing our environmental sustainability strategy. To develop a comprehensive and integrated sustainability program, we have partnered with a sustainability and energy consultant to conduct a sustainability and data baseline assessment. This assessment will enable Sun Communities to build a foundation to respond to shifting market demands around sustainability and continue to demonstrate competitiveness with our peers.

The assessment will provide critical information regarding our performance. This will be used as a baseline across our portfolio, aligned with a commitment to our stakeholders to minimize our environmental impact and improve performance. We look forward to continuing to realize our goals, and create tangible value for our team members, residents, guests, shareholders, and communities.

GRI Disclosure Number	Disclosure Title	Reference/Location
102-1	Name of the organization	Our Company
102-2	Activities, brands, products, and services	Our Company
102-3	Location of headquarters	Southfield, Michigan
102-4	Location of operations	Our Company
102-5	Ownership and legal form	https://www.suncommunities.com/investor-relations/
102-6	Markets served	Our Company
102-7	Scale of the organization	https://www.suncommunities.com/investor-relations/
102-8	Information on employees and other workers	Our Employees
102-10	Significant changes to the organization and its supply chain	About This Report
102-12	External initiatives	Community Engagement
102-13	Membership of associations	Highlights & Achievements
102-14	Statement from senior decision-maker	A Letter from Our Chairman and Chief Executive Officer
102-16	Values, principles, standards, and norms of behavior	Governance Policies & Procedures
102-17	Mechanisms for advice and concerns about ethics	Governance Policies & Procedures
102-18	Governance structure	Governance
102-20	Executive-level responsibility for economic, environmental, and social topics	Leadership & Governance
102-22	Composition of the highest governance body and its committees	Leadership & Governance
102-23	Chair of the highest governance body	Gary Shiffman, Chairman and Chief Executive Officer
102-26	Role of highest governance body in setting purpose, values, and strategy	Leadership & Governance
102-27	Collective knowledge of highest governance body	Board Diversity & Expertise
102-30	Effectiveness of risk management processes	Leadership & Governance
102-31	Review of economic, environmental, and social topics	About This Report
102-35	Remuneration policies	Governance Policies & Procedures
102-38	Annual total compensation ration	CEO Pay Ratio in 2018 is 355:1
102-39	Percentage increase in annual total compensation ratio	Executive Compensation
102-40	List of stakeholder groups	Stakeholder Engagement
102-43	Approach to stakeholder engagement	Stakeholder Engagement
102-46	Defining report content and topic Boundaries	About This Report
102-50	Reporting period	About This Report
102-51	Date of most recent report	About This Report
102-52	Reporting cycle	About This Report
102-53	Contact point for questions regarding the report	investorrelations@suncommunities.com
102-54	Claims of reporting in accordance with the GRI Standards	About This Report
102-55	GRI content index	About This Report
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our Employees
403-4	Health and safety topics covered in formal agreements with trade unions	Employee Training
404-1	Average hours of training per year per employee	Employee Training
404-2	Programs for upgrading employee skills and transition assistance programs	Career Development
405-1	Diversity of governance bodies and employees	Board Diversity & Expertise
412-2	Employee training on human rights policies or procedures	Employee Training
413-1	Operations with local community engagement, impact assessments, and development programs	Community Engagement



SUN COMMUNITIES, INC.®

27777 Franklin Rd. Suite 200

Southfield, MI 48034

SunCommunities.com