

**Sun Communities, Inc.**  
**Energy, Water, and Waste Management Policy**

Sun Communities, Inc. is committed to reducing energy consumption and investing in energy efficiency and renewable energy, pursuing water conservation, and responsibly managing waste throughout our portfolio with the goal of continual improvement. This policy aims to decrease energy and water consumption and waste reduction, while making sound decisions on tracking and improving efficiency for energy and water usage and increasing waste diversion from landfills through recycling and composting where reasonable. We endeavor to accomplish these objectives by employing the following strategies:

**Environmental Management System**

Our environmental efforts are overseen by our Sustainability Director, who provides updates to Sun’s Board of Directors (“Board”) on a quarterly basis. Our Board plays a key role in identifying and monitoring our environmental risks and opportunities.

Sun aligns with the practices of ISO 14001 to effectively evaluate, prioritize and manage the environmental impacts from operations. This will be demonstrated through the following actions:

- Ensuring through management review that local environmental requirements are followed at our properties
- Conducting a materiality assessment to identify how to minimize the environmental impacts of our operations, as well as develop programs and procedures
- Providing education to our team members on the operational environmental impacts
- Educating and engaging residents, guests and member (“Customers”) on the benefits of joint participation in energy efficiency opportunities, water reduction, and best practices to reduce waste
- Complying with national and/or local energy, water, and waste rules, regulations, and requirements
- Leadership actively engaging in the development, implementation, and oversight of environmental initiatives
- Establishing long- and short-term goals to address environmental impacts
- Establishing and implementing mechanisms to measure the effectiveness of initiatives to address environmental impacts
- Collecting and reviewing environmental impact data to monitor the effectiveness of our programs and identify opportunities for improvement

### **Manufactured Home and Vacation Rental Standard**

Manufactured homes are subject to the Manufactured Home Construction and Safety Standards (“HUD Code”), rather than the international residential code. The HUD Code is a set of manufactured home industry standards published and maintained by the U.S. Department of Housing and Urban Development (“HUD”) that establishes standards for design and construction, strength and durability, fire resistance, energy efficiency, transportability and quality control. The HUD Code also sets performance standards for the heating and air conditioning, plumbing, thermal and electrical systems.

### **Partnerships with Sustainable Manufacturers**

We partner with home manufacturers to promote energy efficiency, indoor environmental quality and resource efficiency throughout the manufacturing process. Through our strategic partnerships with manufacturers, we can 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. We have established a “Sun Standard” for homes within our communities and our team that manages purchases ensures alignment with this standard. We continually works with residents to identify home refurbishments and replacements that provide most efficient energy and water usage.

### **Energy-Saving Strategies**

We encourage the implementation of the following energy efficiency strategies when and where they are feasible:

- Tracking energy consumption for Sun-owned and operated buildings, including vacation rentals at resort communities; we also investigate and recommends an approach for tracking utility usage for Sun-owned, leased manufactured homes
- Pursuing appropriate energy efficient design and construction strategies for new construction and redevelopment projects
- Ensuring that energy conservation efforts pursued by Sun MH Communities align with the organization’s financial criteria
- Using renewable energy when economically reasonable to reduce the impact of necessary energy usage; this includes installing on-site solar arrays and purchasing green energy from local electric utilities
- Converting operational lighting to LED lighting and, where feasible, installing occupancy sensors and timer controls for exterior lighting fixtures to both increase efficiency and reduce light pollution and energy waste
- Installing smart thermostats as part of new construction and elsewhere throughout our portfolio, where appropriate, to increase energy efficiency for heating and cooling and

save on operating costs. Smart thermostat scheduling also reduces the cost for heating and cooling

### **Water Conservation Strategies**

We are implementing water efficiency measures across the portfolio and is prioritizing efforts at communities where water usage is higher compared to similar communities within the portfolio.

In tandem with Sun's Climate Change Management strategy, our VP of Sustainability has identified water scarcity as a chronic risk during climate risk analysis. This information is reviewed to align and prioritize water conservation strategies. Sun considers the potential short- and long-term impacts of water scarcity when assessing and implementing water management projects during development, expansion and maintenance.

To mitigate the impacts of water-related risks, we utilize several strategies, including:

- When feasible, installing water meters to monitor and measure water consumption to identify areas for reduction opportunities and to track progress from water efficiency projects; using flow meters ,where feasible, for real time leak prevention and leak detection and repair
- Installing automatic meters to monitor usage, detect leaks and identify opportunities to further reduce water consumption. Automatic meters utilize technology to automatically collect data from water meters and then transfer that data to a centralized system where it can be analyzed.
- Where possible given existing systems and conditions, employing drip and smart irrigation to efficiently water exterior landscapes for communities in the portfolio and continuing to evaluate where to install high-efficiency fixtures at Sun properties. Such fixtures include appliances and plumbing equipment that conserve water without compromising performance (also known as low-flow or low-flush fixtures), and/or dry fixtures which do not require the use of water, such as composting toilets and waterless urinals.
- Pursuing appropriate water efficient design and development strategies for new construction and redevelopment projects.
- Ensuring that water conservation efforts pursued by Sun align with the organization's financial criteria.

### **Waste Conservation Strategies**

To conserve water, we follow several strategies, including:

- Working with team members, vendors, residents, and guests to reduce the amount of waste created and disposed of on-property and identify appropriate landfill diversions for the unavoidable waste
- Continuing to report and track water consumption, technical assessments and audits, and efficiency improvements
- Maintaining, implementing or participating in recycling and/or composting programs where applicable, across the portfolio

### **Resident and Guest Communications and Engagement**

Our Sustainability Team will work with property team members to develop communication and engagement approaches that best fit the property and resident/guest needs. Communications and engagements can include but would not be limited to tip sheets, video content and educational events. The timing and frequency of communications and engagement will be established based on the community and/or resort needs.

### **Performance Data Management**

Our ESG Reporting Team will monitor energy, water and waste management and performance utilizing utility data and waste data from the corporate invoice management system.

The ESG Reporting Team will maintain up-to-date and accurate community profiles as part of our data management platform, quarterly and across the portfolio. Its members will ensure new properties (including acquisitions and ground-up developments) will be integrated into data collection within six months of on-boarding

Twice per year, the ESG Reporting Team will assess the completeness of collected data and identify data gaps of concern. The ESG Reporting Team will work with the relevant departments to understand the cause of the data gap and identify processes for correcting any such issue.

On an annual basis, data will be reviewed to assess annual and historic performance to ensure progress is being made against goals established by the company. The ESG Reporting Team will assess the effectiveness of projects and initiatives implemented to achieve the goals during this annual review and recommend changes in goals and initiatives based on successes achieved and progress made.

The results of these reviews will be reported externally once per year as part of the annual ESG Report process. It may also be used for voluntary ESG Framework reporting.

**Responsibility**

It is the responsibility of all Sun employees to be familiar with this policy and to follow the best practices and guidelines outlined in this plan. It is the responsibility of Sun's VP of Sustainability or such other employee designated by the Company to oversee that the best practices and guidelines outlined in this plan are implemented, as appropriate, across the entire Sun portfolio and to ensure that the policy is updated as needed.

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