

# Sun Communities



Following a successful environmental engagement in 2022 - Sun Communities committing to become a net zero company - we launched a social engagement to initiate similar improvements on social elements within inclusion and resilience.

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## Engagement rationale

Sun Communities (SUI) is one of the largest owners and operators of manufactured housing communities, recreational vehicle resorts and marinas in the US and has a market capitalisation of c16bn USD. Overall, SUI scores second to last (rank 14) in the US Residential universe of 15 companies. There are several categories, in which SUI scores below peers especially within inclusion and resilience. We engaged to improve its ranking and with that improve its social efforts for the benefit of all stakeholders.

## Background

We have developed a proprietary framework that focuses on the social elements of a company. The key focus is on Security, Inclusion and Resilience with the goal to address and contribute to a variety of sustainable development goals.

## Theme for engagement

Social



As part of our efforts to improve the scores for the low scoring companies, we engaged to jumpstart improvements on the social aspects.

## Development

Positive

## Milestone



## Engagement objectives

Improve several social elements within Inclusion and Resilience. We focused on the following:

- 1. Community engagement in the development phase of a site**  
Limited processes to monitor and measure impact of developments on the communities yet.
- 2. Pay gap**  
Gender pay gap only measured for a small part of its portfolio.
- 3. Employee Wellbeing & Wellbeing of consumers/tenants**  
Low scores in its employee wellbeing survey and especially the low response rate of 20% stands out.
- 4. Affordability**  
Impact on their communities in terms of housing affordability is monitored (and historical rent increases were close to inflation) but lacks structure to assess housing affordability of their developments.
- 5. Pollution**  
Limited progress on pollution prevention.

We encouraged them to implement green building standards, improve its reporting in-line with peers and to add structure to assess its housing affordability on their developments.

## Engagement results

We had a positive call with SUI's ESG team. We went through all our objectives above and discussed action items and improvements to be made. SUI argued that several of the above items/low scores are due to recent large acquisitions that distorted the reporting, but also requires more internal integration work on their side. On developments, SUI will be working on developing their own green building standard for their developments.

## Next steps

Overall, we feel that the company is on top of their social agenda and committed to show improvements. We will follow-up to check on improvements towards the end of the year.



## Company

Sun Communities

## Country

USA

## Sector

Real Estate

## Market cap

Mid Cap

## Materiality

Improving social efforts can lead to improvements in security, inclusion and resilience of a company and be a benefit for all stakeholders.

## ESG Research

MSCI ESG Rating: BB  
Sustainalytics: 16.4 (low risk)

## Engagement initiated

Q2 2023

## Latest update

Q2 2023

## Kempen Fund

Kempen (Lux) Global Property Fund

