

SKYLINE CHAMPION

# Sustainability Report 2023



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# Introduction



## SKYLINE CHAMPION CEO LETTER

We believe that beautiful, affordable, efficient homes unlock the door to meeting the needs of thousands of families and positively impact the communities in which they reside.

As a result, we relentlessly pursue opportunities which incorporate innovative, affordable and sustainable solutions for our customers and the homeowner. Since 2018, we have continued to expand our operations across the United States and Canada, acquiring four companies and welcoming their employees into our Skyline Champion family. These strategic moves have positioned us to provide housing solutions to a larger market than ever before.

As a company, we recognize that the benefits of strong sustainability strategies reach far beyond our operations. As such, we carefully consider the needs of today's buyer and tomorrow's homeowner by designing homes which optimize resources from start to finish, while also seeking ways to keep home ownership affordable. A Smarter Way to Build® embodies our approach to creating homes, incorporating our commitment to the customer experience as well as our approach to the manufacturing and delivery of sustainable and attainable homes. Our efforts are widely recognized and, for the third year in a row, we were awarded the MHI Excellence in Manufactured and Modular Home Design awards by the Manufactured Housing Institute (MHI).

We continue investing in new automation technologies which allow us to streamline our processes leading to lowered waste generation

and energy demands during production, eliminates ergonomic stressors in physically demanding positions, and improves the overall quality of the final home. We are also further expanding our online digital experiences for our new and existing customers. In the past year, we engaged more than 875,000 followers on various social media platforms. This digital experience is helping us to gain and leverage consumer insights on the products and features of our homes, as well as generate new sales lead opportunities.

Finally, as the skilled trade labor force becomes more scarce, we recognize that employee satisfaction and stability is a material topic for us. We continue to make strides in our commitment towards building a global, diverse and inclusive culture, while also focusing on the future of our workforce to attract and retain talent. We recently updated our approach to talent development, creating a new program to enable our leaders to hire stronger talent while also learning to better manage their teams.

I am excited and encouraged by the work we have done during the course of fiscal year 2023. From quality and automation improvements to safety and talent development, the impact of our efforts is tangible. I am pleased to present our 2023 Sustainability Report, providing additional details on the sustainability-related work done over the course of the year.

**Mark Yost**  
PRESIDENT AND CHIEF EXECUTIVE OFFICER

## REPORT BOUNDARY

This is our inaugural Sustainability Report, which takes a materiality-based approach to disclosure and builds upon our [2022 Factsheet](#). Skyline Champion has prepared this Sustainability Report drawing upon guidance from the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB) Home Builders industry framework. We note that our manufactured home building process does not fit neatly within the Home Builders industry framework, but recognize there is a comparable parallel.

Unless otherwise noted, the information presented in this report covers facilities over which Skyline Champion maintained operational control during the fiscal year 2023, occurring from April 2, 2022, to April 1, 2023. In August 2023, we announced the acquisition of Regional Homes and in October 2023, we closed on the project. We anticipate incorporating their impact on sustainability matters in future years following their integration. We know that others address sustainability in terms of Environmental, Social and Governance (ESG) matters. We believe that sustainability is broader than just ESG but occasionally refer to ESG in this Report.

## MATERIALITY ASSESSMENT

Last year, we conducted a formal materiality assessment to identify sustainability topics that are most relevant and important to the sustainability Skyline Champion's business success. We began by identifying internal and external stakeholders – such as investors, customers, colleagues, and outside rating organizations. We then engaged those stakeholders through surveys and interviews to gather their insights and perspectives related to various sustainability topics. In total, 14 topics were determined to be material to Skyline Champion's stakeholders and are defined in **Appendix A**.

We further evaluated the identified material topics for inclusion in our sustainability disclosures as well as against rating methodologies and investment decision-making rubrics. Finally, we considered the results as part of our internal strategy and goal setting exercises. Additional details, including the matrix and definitions of our material topics, can be found in Appendix A of this report.

## ABOUT SKYLINE

At Skyline Champion Corporation, we are proud to be a leader in the North American homebuilding industry. Headquartered in Troy, Michigan, Skyline Champion's common stock is traded on the New York Stock Exchange (NYSE) under the symbol SKY.

We are proud to report that in fiscal year 2023 Skyline Champion delivered more than 25,900 homes across the U.S. and Canada.

In addition, our revenue grew by 18% to more than \$2.6 billion USD compared to fiscal year 2022. It is our belief that this success is driven by our comprehensive product offering and the factory built home advantage which provides strong brand reputation, a broad manufacturing footprint, and is supported by our complementary retail, construction services, and logistics businesses.

Our family of brands include Skyline Homes, Champion Home Builders, Genesis Homes, Athens Park Models, Dutch Housing, Atlantic Homes, Excel Homes, Homes of Merit, New Era, Redman Homes, ScotBilt Homes, Shore Park, Silvercrest and Titan Homes in the U.S., as well as Moduline and SRI Homes in Canada. As of October 2023, as previously discussed, we welcomed the Regional Homes team into our family of brands.

### SKYLINE CHAMPION 2023\*

**Founded in 1951**

**NYSE: SKY**

**#1 modular home builder in the US**

**#1 publicly traded manufactured home builder**

**~7600 Employees**

**>40 Manufacturing Facilities**

**>3 million homes sold since 1951**

**\$2.6 billion USD in revenue**

\*As of April 1, 2023 (Fiscal Year End)

## THE FAMILY OF CHAMPION® BRANDS



### MODULAR

### RETAIL



### PARK MODELS & CABINS

### BUILDER/DEVELOPER



### CANADA

### TRANSPORT

### FINANCIAL SERVICES

### TURN-KEY



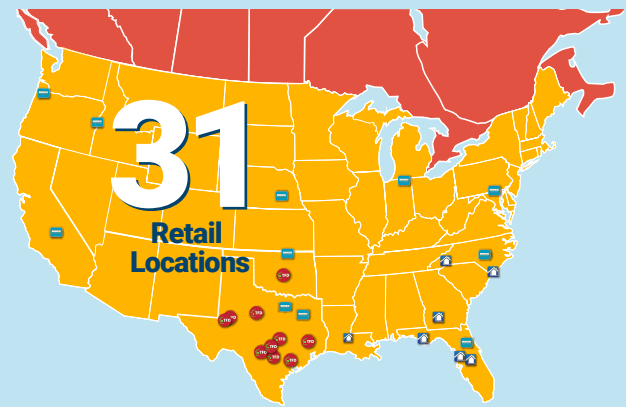
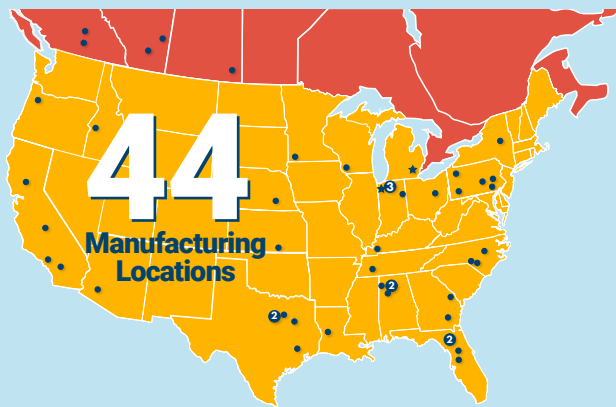
We design and build a diverse range of homes, including manufactured and modular residences, accessory dwelling units (ADUs), park-model recreational vehicles, and modular structures that can accommodate single-family, multi-family, and hospitality sectors. With more than 70 years of homebuilding expertise and a network of 44 manufacturing facilities spanning the United States and western Canada, we are making it possible for people to have a home that is built better, built faster, and is more attainable today than ever before.

Upon completion of the houses at one of our factories, our homes are sold to retailers which are then transported to a retail sales center or to one of our 31 controlled retail lots across the US. Houses may also be sold to builders and developers, which are typically transported directly to the home site,

whereby the structure is placed on a foundation or otherwise affixed to the property and readied for occupancy. Skyline Champion does not own or manage the properties that our homes are delivered to; we are only responsible for the production, shipping, and delivery of homes. Skyline Champion also operates a factory-direct retail business across the southern United States as well as Star Fleet Trucking, which provides transportation services to the manufactured housing and RV industries from several dispatch locations across the United States. We also provide construction services to install and assemble factory-built homes. In total, we operate 18 factory-direct sales centers across seven states and nine terminals for our logistics operations across five states in the United States.



## 2023 NORTH AMERICAN FOOTPRINT



\*Manufacturing locations and Retail locations are based on the 2023 Footprint, prior to the acquisition of Regional Homes.

### AWARDS & RECOGNITION

At Skyline Champion, we strive to push the possibilities of homebuilding and our efforts are being recognized year over year. At the beginning of fiscal year 2023, we were recognized for the third straight year by the Manufactured Housing Institute (MHI) with the [2022 MHI Excellence in Manufactured and Modular Home Design](#) awards in three distinct categories: Multi-Section, Single-Section, and Modular Housing Design. The awards reflect our continued excellence in design, quality and leadership across our portfolio. We also were recognized as an industry leader by the National Association of Home Builders which presented Skyline Champion with the National Association of Home Builders (NAHB) [Building Systems Councils \(BSC\) Jerry Rouleau Award](#) for Excellence in

Marketing and Home Design. Skyline Homes, one of our brands, was recognized for the third consecutive year as [America's Most Trusted® Manufactured Home Builder](#), having received the highest scoring in their proprietary study. Two of our other brands, Genesis Homes and Champion Homes, were also highly rated. Finally, at the end of our fiscal year, we were recognized with the [MHI 2023 Modular Housing Design Award](#) for the sixth straight year. The award recognizes Skyline Champion's leadership in both design and quality across the factory-built housing industry.

We continue to push the boundaries of home design without compromising our commitments to quality. For more information, please visit our [website](#).





# Governance

Our seven core operating principles guide and inform our approach to everyday business practices at Skyline as we seek to provide high-quality, affordable homes. These principles allow us to take a company-wide and plant-specific approach while also reinforcing our commitment to Corporate Responsibility across our value chain.

01

**Build & develop exceptional teams**

02

**Create a safe work environment**

03

**Build strong relationships**

04

**Take pride in our craftsmanship**

05

**Be open & honest**

06

**Act with integrity & respect**

07

**Run the business like it's your own**

## SUSTAINABILITY STRATEGY & DEVELOPMENT

As a leader in sustainable housing, we believe it is our responsibility to serve, support, and maintain transparency with all our stakeholders. As part of this overarching mission, we are dedicated to effectively managing relevant sustainability issues. We believe that our emphasis on such priorities plays a pivotal role in fostering sustainable business practices which are vital to our long-term growth and our overall success. We continue to deliver exceptional customer experience while increasing shareholder value, through actively engaging and serving our communities, and cultivating a workplace environment where talent can thrive.

### BOARD COMPOSITION & STRUCTURE

The Skyline Champion [Board of Directors](#) (Board) is ultimately responsible for oversight of the management of the Company and guiding business decisions for the long-term benefit of our stakeholders, including integration and oversight of ESG policies and practices across the company.

The Board consists of nine members, of which eight are considered independent in accordance with the rules of the U.S. Securities and Exchange Commission (SEC) and the New York Stock Exchange (NYSE). The role of the Chief Executive Officer (CEO) and the Board Chair remains split. This separation allows the CEO to focus on the Company's business operations, while the Board Chair can focus on corporate governance matters. There are three official [Committees](#) of the Board: Audit Committee; Compensation Committee; and the Nominating and Governance Committee. Each committee has a Committee Charter document that include a statement of purpose, committee authority, and responsibilities. Our corporate governance policies and practices include evaluations of the Board and its committees, a compensation recoupment policy, as well as expectations for continuing director education.

While upholding their role in overseeing and integrating the Company's efforts related to various opportunities and risks, the By-Laws explicitly

delegate the task of ESG matters to the relevant Board Committee: environmental sustainability to the Audit Committee; social and human capital matters to the Compensation Committee; and governance matters to the Nominating and Governance Committee. Members of the Board are informed of business matters through the CEO and other members of the senior management team, including through materials provided to them and through various Board and Committee meetings, both scheduled and unscheduled.

The Board's By-Laws also dictate that Directors are elected each year at the Annual Meeting of Shareholders. The Company's Corporate Governance Guidelines and the Nominating and Governance Committee Charter have established diversity as an attribute in evaluation of potential new directors. The intent remains to seek diversity broadly, including in experience and skillsets, as well as the capability to assist the Company in achieving its strategic initiatives. Following the recommendation of the Nominating and Governance Committee, at the 2023 Annual Meeting of Shareholders, Tawn Kelly was approved by the shareholders to join the Board. As a result, our current Board now includes two women; two directors from underrepresented racial and/or ethnic groups; and four members which have served longer than five years.

The 2023 Annual Shareholders Meeting provided shareholders the opportunity to voice their opinion on select performance metrics of the Board and Named Executive Officers, commonly referred to as “Say on Pay,” and to cast their vote on the frequency of such evaluations. In 2023, approximately 95% of shareholders agreed to an annual frequency of Say on Pay, with 88% voting in favor of the recommended compensation package for fiscal year 2023.

Additional information about our Board of Directors and Named Executive Officers can be found on our [website](#) and through our annual [Proxy Statements](#).

## SUSTAINABILITY OVERSIGHT & TRANSPARENCY

The Board of Directors retains formal responsibility for the oversight and integration of ESG matters and are supported by our Skyline Sustainability Champions. These Champions are tasked with promoting and driving sustainability, diversity, inclusion and equity as well as other material topics throughout our Company.

These Champions report to the various Board Committees which report back to the Board on a quarterly basis, or more frequently as needed. This approach allows us to further emphasize our approach to corporate social responsibility within our business and throughout our value chain. As such, we have aligned our six pillars of Corporate Responsibility to our Core Operating Principles to further inform our strategies.

## PILLARS OF CORPORATE RESPONSIBILITY

### Sustainability

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- ENERGY STAR® certified homes.
- Strict standards under federal building codes for energy efficient equipment, upgraded insulation, high performance windows, and low flow plumbing fixtures.
- Home operating costs can be up to 50% less per sq ft than conventional site-built homes.

### Health & Safety

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- Ongoing behavior-based safety and training programs with a goal of zero injuries.
- Investment in tools and equipment with added safety features.
- Responsibility for ensuring a safe work environment shared by EHS team, executive management and our Board of Directors.

### Community Outreach

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- Encourage civic involvement at local community level.
- Local teams provide support and assistance to charitable organizations through initiatives such as food and coat drives, tutoring and mentoring programs, blood drives, and other causes.

### Governance

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- Code of conduct certification required at all levels within the company (Board of Directors, management, and employees).
- Broadened diversity of Board of Directors with appointment of additional members and Bylaw revision to further engage with proposed diverse members.

### Human Capital

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- Commitment to equal opportunity in hiring, recruitment, development and training.
- Foster a safe, inclusive and respectful workplace free of discrimination and harassment.
- Value unique skills and diversity of thought.

### Stakeholder Engagement

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- Open and transparent communication with all our stakeholders – shareholders, employees, customers, suppliers, and communities we serve.
- Social responsibility to homebuyers, customers, employees and the communities in which they live and work.

## **BUSINESS ETHICS, COMPLIANCE & RISK MANAGEMENT PRACTICES**

Skyline Champion is committed to achieving excellence in governance practices and to establishing a strong foundation for the long-term success of the Company. We emphasize a culture of accountability and conduct our business in a manner that we believe is fair, ethical, and responsible. In doing so, we earn the trust of our stakeholders, including customers, employees, investors, partners, and regulators. Each year, we conduct reviews of our governance practices to ensure compliance with regulatory changes.

### **Code of Conduct**

Our [Code of Conduct](#) was developed in alignment with our Operating Principles and is meant to be viewed as the minimum standards that the Company expects from its employees, officers, and directors. Topics covered range from conflicts of interest to safety and health matters, as well as reporting of illegal or unethical behavior, or violations of Company policies. Employees receive annual training on the Code of Conduct led by our Finance, Human Resources, and Legal departments, earning a 98% certification rate in 2022.

### **Whistleblower Procedure**

As part of our Code of Conduct, we have an established procedure to report incidents which are known or suspected to be illegal, unethical, or in violation of Company policy. Employees are encouraged to report suspected violations to their supervisor, the Internal Audit Department, Legal Department, or to the Human Resources Department. However, we understand that in some cases this approach may not be appropriate. To allow for anonymous reporting we have partnered with a third-party to host a 24/7 Ethics Hotline. Information reported is shared with our Internal Audit function for evaluation and assignment for further review, investigation, and action if necessary. Skyline Champion prohibits retaliation against any individual, acting in good faith, who reports suspected misconduct.

### **CODE OF CONDUCT**

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**Conflicts of Interest**

**Related Party Transactions**

**Corporate Opportunities**

**Public Reporting**

**Confidentiality (Privacy)**

**Company Property**

**Fair Dealing**

**Compliance with Laws**

**Anti-Trust**

**Environment, Health, Safety,  
and Environmental Laws**

**Gifts and Entertainment**

**Political Activities**

**Relationship with Officials**

**Whistleblower Reporting  
Procedures**

## Human Trafficking Policy

Skyline Champion has also adopted a standalone [Human Trafficking Policy](#). We strictly prohibit our employees, subcontractors, and agents from engaging in any form of trafficking persons, or using trafficked labor. Our Supplier Code of Conduct further reinforces this stance within our supply chain. Our policies are designed to work together to prevent misleading or fraudulent recruitment practices as well as other forms of modern slavery

and/or entrapment. Employees, subcontractors, agents and suppliers are encouraged to report actions or suspected actions that are in violation of any of our policies or applicable laws to our Ethics Hotline. All reported concerns are investigated and retaliation in any form is strictly prohibited. Furthermore, Skyline Champion has established an internal process to interview and support victims or suspected victims of human trafficking and will fully cooperate with government authorities.

## SUSTAINABLE SOURCING & PRODUCT TRACEABILITY

At Skyline, we understand the importance of responsible supply chain management. Most of our suppliers are large, regional companies, with roughly 80% of our procurement spend with publicly-traded companies with robust sourcing and traceability practices in place.

Therefore, we believe the social and environmental risks are relatively low. However, we remain committed and alert to ensure we source our raw materials from companies that share our values with regards to human rights, ethics, and environmental responsibility. We leverage a third-party to help assess our suppliers for compliance with local and federal laws, as well as compliance with our own Supplier Code of Conduct, Human Trafficking Policy, and our approach to Conflict Minerals. Through fiscal year 2023, no issues of non-compliance have been identified.

### Supplier Code of Conduct

Skyline Champion's [Supplier Code of Conduct](#) outlines fundamental expectations for all of our suppliers, vendors, and contract manufacturers. Acknowledging that local laws for our suppliers vary by region, this policy instills the importance of human rights as being a universal constant. Our policy therefore covers topics including Labor Conditions such as fair wages, discrimination; Health and Safety including housing, hazardous materials and prevention of accidents and injuries;

Environmental topics including air emissions, solid and wastewater disposal, and handling and disposal of hazardous substances; and Community to improve the social well-being of employees and their families within their local communities. Skyline Champion reserves the right to request documentation needed to validate compliance including for audit purposes.

### Conflict Minerals Policy

At Skyline, we support the Dodd-Frank Act and are committed to doing our part to end the illegal trade of conflict minerals originating from the Democratic Republic of the Congo (DRC) and/or the adjoining countries (Covered Countries). Our established [Conflict Mineral Policy](#) outlines our commitments related to responsible sourcing as well as the specific actions taken in order to adhere to the Organisation for Economic Co-Operation and Development (OECD) Due Diligence Guidance. We work with third party vendors to assess our suppliers for compliance with our policies. We have not experienced any issues of non-compliance to date.

## DATA PRIVACY & CYBERSECURITY

Privacy and confidentiality are important topics to us at Skyline Champion. To manage information security risks, as well as other business resiliency risks, we maintain a robust risk matrix which is reviewed regularly by our cybersecurity teams, risk management teams, and is reviewed annually by the Board.

The Chief Financial Officer (CFO) oversees the risk management teams which are responsible for compliance with applicable laws and regulations as well as coordinating subject matter experts to identify, monitor and mitigate risks to the Company. For example, our dedicated cybersecurity team, led by our Vice President of Information Technology, is responsible for information security risk management and cyber defense programs.

The Information Security program incorporates multiple layers of physical, logical, and written controls. We also have mandatory privacy training initiatives in place for all employees which covers customer and supplier privacy procedures, as well as potential high-risk areas to monitor. These trainings are conducted during the on-boarding process and offered routinely throughout the year to existing employees. Furthermore, we enhanced our data privacy training in the last months of our fiscal year. Due to our formal required training and extensive risk management procedures in place, we have had zero significant information security incidents in the last three years.

In 2023, we began re-evaluating our current goals and strategies including our approach towards data privacy and cybersecurity, which we recognize as material topics for our company. We seek to promote a secure business through safe-guarding of Company, customer, and employee data. To further support this, we anticipate streamlining our data privacy and cybersecurity programs including launching an enhanced security awareness training for our employees.

For access to our current governance policies, guidelines, and statements please visit our [website](#).





# Environment

At Skyline Champion, we recognize that climate change, among other environmental topics, is a growing concern for our planet and that these risks may have a direct impact on our Company. As a result, Skyline Champion continues to seek opportunities to minimize and to mitigate environmental impacts across our operations as well as in the final products we deliver. This is demonstrated through our Smarter Way to Build® Program and highlights the many advantages of factory-built homes.

## ENVIRONMENTAL MANAGEMENT & COMPLIANCE

Skyline Champion's environmental management strategy incorporates regular evaluations of climate risks as well as opportunities, considers environmental compliance along with potential and current legislation, and focuses on mitigation to enhance our business resiliency.

To further support compliance efforts with applicable laws and regulations, our corporate Environmental Health and Safety (EHS) teams evaluate and implement best practices across our facilities. Formal, internal audits of our facilities are scheduled on a two- and three-year cycle, depending on the plant's risks, to ensure policies are in place and that appropriate training is provided.

We also regularly ensure that our products are within environmental compliance and permit thresholds through internal and third party audits. For instance, as part of our compliance efforts, every house we build undergoes third-party approvals and inspections in accordance with the U.S. Department of Housing and Urban Development (HUD) Code 3282. This standard outlines the various quality and safety standards a manufacturer of HUD-approved home designs must follow to ensure residential safety. This standard also requires the manufacturer to disclose details on certain environmental aspects, such as heat loss and heat gain of the home design and energy ratings of appliances furnished within the home.

Furthermore, we recognize that several of Skyline Champion's manufacturing operations are located in areas that may be subject to increased risk for natural disasters and severe weather events. The physical risks, both short- and long-term associated with natural disasters or severe weather conditions could delay manufacturing of factory-built homes or their deliveries, cause increased costs from damaged inventories, reduce availability of materials, and ultimately lead to the decreased demand for new factory-built homes in affected areas. These risks could adversely affect our earnings, liquidity, or capital resources. Furthermore, we also recognize transitional and regulatory risks associated with changing policies and legislation may impact our operations. Another example is the proposed U.S. Department of Energy regulations addressing new energy efficiency specifications for the construction of manufactured homes. Such proposed changes would impact the existing HUD-code and could significantly increase our costs.

## PRODUCT DESIGN AND IMPACT

Climate change, energy efficiency, and the impact of the materials we use are a growing focus for our stakeholders. We are addressing these topics head-on by changing the way we design our products and throughout the use phase of our homes. Through our Smarter Way to Build® program, we are focused on ease, timeliness and value of the customer experience while also building homes which leverage more sustainable methods and materials.

Our approach to construction enables us to build with precision and efficiency, minimizing the raw materials used and energy consumed while also reducing the total waste generated throughout the construction process. The combination of these aspects lead to a lower environmental impact by our direct operations during the manufacturing phase. When further considering the energy efficiency of the windows, insulation and exterior-facing materials, as well as the installation of Energy Star® rated appliances, the environmental impacts are extended to the use phase of our homes. Studies have shown that the average energy usage of one of our Champion Energy Star Homes is at least 20% below that of a comparable, standard site-built home. Furthermore, the factory-built approach compared to traditional, on-site home construction can reduce build time by up to 50%, in part thanks to the controlled environment which nearly eliminates costly weather delays.

## Design for Resource Efficiency

Product design plays a major role in our approach to reducing our environmental impact as well as that of our end-consumers. One way we are addressing this is by incorporating specific design elements into our home designs, such as LED lighting to improve energy efficiency. We also leverage the [Home Energy Rating System](#) (HERS) Index to evaluate the energy efficiency of the homes we design.

## Product Impact

We are also aware of the ongoing impact our design features have during occupancy of the home. In certain homes, we have incorporated the use of products carrying the [WaterSense Label](#) as a way to help improve water efficiency for the residents. Furthermore, a study conducted by the [University of Michigan](#) found that because modular homes have a higher air tightness, the energy consumption and greenhouse gas emissions are lower than those associated with conventional homes. During our fiscal year 2023, we constructed 2000 EPA Energy Star-certified homes and thousands of additional homes which qualified for the U.S. Internal Revenue Service (IRS) 45L energy efficiency tax credit.



HERS® Index is an industry standard used to analyze a home's energy efficiency performance.



WaterSense is an EPA-sponsored program that provides a label to products which meet certain specifications for water efficiency and performance.

### Reforestation Commitment

In addition to our focus on Product Impact and Design for Resource Efficiency, we have made a commitment to plant one tree for every tree consumed in our homebuilding process. Through our partnership with the Arbor Day Foundation, we have supported 22 projects across 12 states within the U.S. and one project in Canada since the beginning of our partnership in 2021, planting more than 900,000

trees so far. These 23 strategic reforestation projects target areas where our homes are built and delivered. These projects support a multitude of environmental conservation and risk management objectives, including wildfire recovery, watershed restoration, habitat and biodiversity restoration, storm damage mitigation, disease and insect outbreak prevention, and sustainable forestry efforts.

As a nature enthusiast, the Arbor Day Foundation initiative resonates with me. I feel a great sense of pride having joined an organization that is actively taking steps to ensure there are sustainable practices which support ecological, human and economic health and vitality.

**Thajeshni Gramoney**  
FINANCIAL REPORTING MANAGER

### OUR OPERATIONS

At Skyline Champion, we are devoted to operating our business in a sustainable, resource-efficient manner and have undertaken several initiatives designed to minimize our impact on the environment. We believe that our focus on environmental management, with the objective of improving sustainability and reducing costs of our operations, will provide a strategic benefit to the Company and make us a better partner in the communities in which we operate.

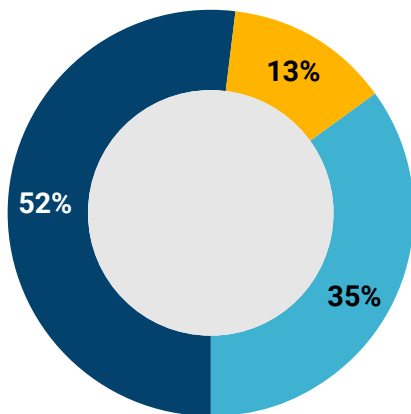
**74%** of our US plants are Energy Star Certified.

## ENERGY

In fiscal year 2023, our operations consumed approximately 71,685,037 kilowatt hours (kWh) of energy. The majority of this stemmed from the consumption of roughly 37,451,551 kWh of non-renewable, grid-supplied electricity. Stationary combustion of natural gas, as well as diesel, kerosene and other fuels accounted for approximately 25,270,671 kWh of energy consumed. The remaining energy was associated with mobile combustion of fuels such as diesel, gasoline, and propane.

We continue to seek opportunities to improve our energy efficiencies, including the rollout of LED lighting and motion-detecting light sensors across our facilities.

### ENERGY CONSUMPTION BY CATEGORY



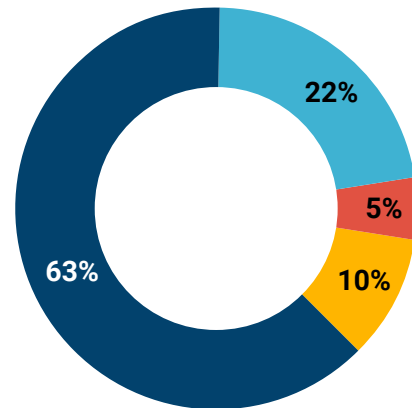
- Electricity (Non-Renewable)
- Stationary Combustion
- Mobile Combustion

## EMISSIONS

We calculated our operational emissions in accordance with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, leveraging invoices, meter readings, and estimations where necessary to develop our 2023 inventory. Across our facilities, we generated approximately 21,349 metric tons of CO<sub>2</sub>-equivalents (MT CO<sub>2</sub>e) on a location-based, operational control approach.

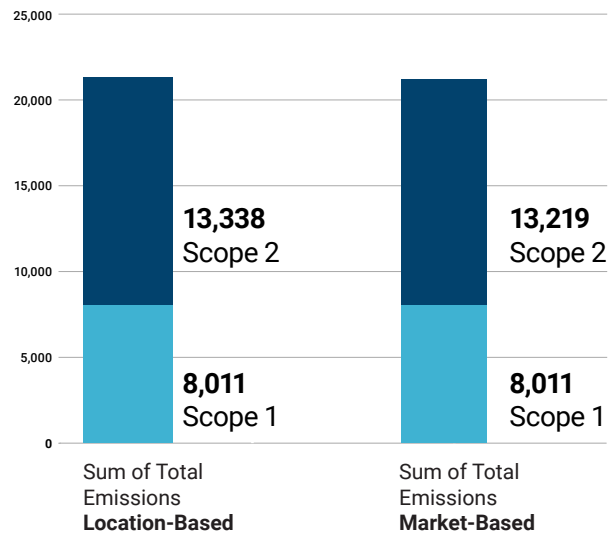
The majority of our company's Scope 1 emissions originated from natural gas, with additional contributions stemming from various other fuels included in our greenhouse gas inventory for the fiscal year 2023. These fuels encompassed propane, diesel fuel, motor gasoline, liquified petroleum gases (LPG), and kerosene. In terms of Scope 2 emissions, our primary source was non-renewable electricity procured from the grid.

### OPERATIONAL EMISSIONS BY CATEGORY



- Electricity (Non-Renewable)
- Stationary Combustion
- Mobile Combustion
- Process Emissions

### OPERATIONAL EMISSIONS MT CO<sub>2</sub>e



## WASTE

Third-party studies have consistently demonstrated that manufactured housing construction practices generate 2.5 times less waste than conventional home construction. Through our intensive research and development (R&D), process automation, and operational efficiencies, we continue to evaluate ways in which we can reduce the raw material consumption and total waste generated within our operations.

For example, we have implemented programs to recycle insulation material, lumber, metals, paper, and many other products both on-site at our plants where possible and through other third party vendors. Through standardization of processes and materials as well as having controlled environments to condition materials, we are able to further reduce the costly expense of wasted raw materials. Furthermore, through fiscal year 2023 we remained in compliance with local and national regulations regarding chemical management and waste disposal.

## THE CASE FOR AUTOMATION

Through process automation, we are improving product yield with precision cutting, improving the quality of our final products. These machines are eliminating ergonomic stressors for our employees, improving our safety performance metrics and overall employee wellbeing. Finally, the use of these solutions expedites our construction rate, further improving our customers' experience throughout the entire process.





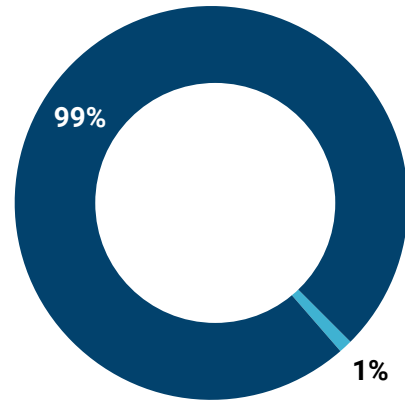
# Social

At Skyline Champion, we recognize the importance of helping our employees to feel valued and motivated. We are investing time and resources in our employee base to improve our recruitment efforts, enhance our training development initiatives, and increase employee retention.

**EMPLOYEE METRICS**

As of 2022, we had a total of 7,576 full-time and part-time employees across our entire organization, of which more than 99% were full-time. We are proud that the average tenure of our employee base is about 7.5 years, which speaks to our dedicated and motivated workforce.

**GLOBAL EMPLOYEE HEADCOUNT<sup>1,2</sup>**

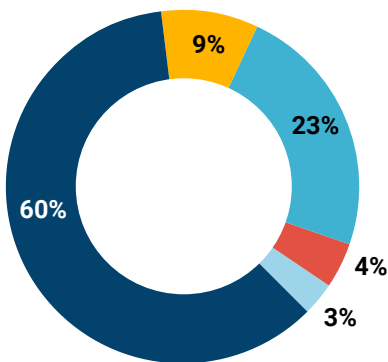


- Full-time
- Part-time

<sup>1</sup> Full-time are those working more than 30 hours per week.

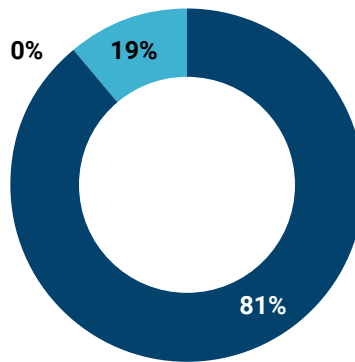
<sup>2</sup> Excludes interns and indirect contractors not directly employed by Skyline Champion.

**U.S.-BASED, FULL-TIME EMPLOYEE ETHNICITY**



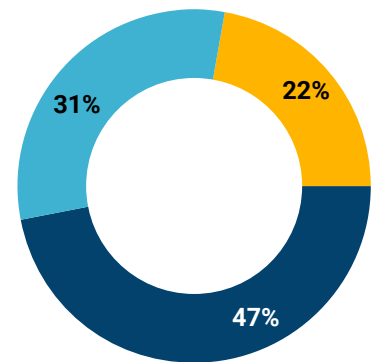
- White
- Hispanic or Latino
- Black or African American
- All other categories
- Not specified

**GLOBAL, FULL-TIME EMPLOYEE GENDER**



- Male
- Female
- Not Disclosed (0%)

**GLOBAL, FULL-TIME EMPLOYEE AGE**



- < 30
- 30-50
- > 50

## EMPLOYEE DIVERSITY, EQUITY AND INCLUSION

We respect, value, and honor the diversity of our employees and the communities in which we operate.

As part of our approach to Corporate Responsibility, we seek out unique skills and diversity of thought; we have sought opportunities to broaden the diversity of our Board of Directors; and we have maintained our Affirmative Action Plan. Within our Employee Handbook is our Equal Employment Opportunity Policy Statement and our Anti-Discrimination Commitment. We strive to create an inclusive work environment, one that rewards individuals for their contributions and fosters a positive work environment where all cultures are valued, appreciated, and respected.

For us, diversity stretches across a broad spectrum including ethnicity, gender, experience, skills and more. We continue to work towards enhancing diversity throughout the company. We are proud to be an equal opportunity employer, employing qualified candidates who reflect the communities in which we live and operate. In fiscal year 2023, women accounted for approximately 19% of our total workforce and 17% of our executive officers. As previously discussed, we recently added one more woman to the Board, bringing our current representation to 22% of the Board.

Our employees complete mandatory annual training on preventing discrimination and harassment, with additional training required for management on topics such as creating a positive work environment and cultural competency. In fiscal year 2023, we achieved a 95% completion rate for our preventing discrimination training for our employees.

To further expand our diverse workforce, we continue investing time and resources in Affirmative Action Planning (AAP) and implementing diverse hiring practices. Our dedicated human resources team is actively brainstorming innovative outreach opportunities with AAP experts as well as developing new training resources to educate our workforce on the importance and value of diversity and inclusion.

We encourage employees to report any and all concerns related to violation of Company policy as well as local and federal law through a variety of channels, including our compliance and ethics hotline which allows for anonymous reporting.

## FAIR LABOR AND HUMAN RIGHTS PRACTICES

We believe in the importance, value and respect of human rights, and as a Company, we are concerned for every individual, including those within our value chain.

As a result, human rights are deeply embedded within our Company, from our Operating Principles, our policies and procedures such as Human Trafficking, Conflict Minerals and our Codes of Conduct, to our employee handbooks.

As previously discussed, all employees within our Company are expected to comply with our Code of Conduct. To reinforce this commitment, we conduct annual training and certification on our Code of Conduct for all employees of the Company in addition to their onboarding training. In FY23, we achieved a rate of 98% completion. Select

employees also undergo training on our Human Trafficking Policy and Supplier Code of Conduct according to their business role and responsibilities.

As of April 1, 2023, our manufacturing locations in Canada employed nearly 750 workers, of which the majority belong to a trade association operating under collective bargaining agreements. At the time, this represented approximately 10% of our employees who are covered by an active union or other form of collective bargaining.

## EMPLOYEE ENGAGEMENT

We value employee feedback and understand the importance of maintaining open two-way communication channels with our employees. We also recognize that each location and team works together in a unique way, while upholding the Skyline Champion values.

As such, we conduct employee engagement surveys on a local level, allowing us the ability to understand and evaluate the specific needs of the workforce at their location. This approach has led to uncovering common themes, such as the need for increased training for both technical and non-technical skills, evaluation of compensation models, and policy updates. Most notably, we launched the Champion Manager Bootcamp training as part of our online Learning Management System, offering

managerial skillset training for all supervisors and those with supervisor responsibilities. In addition to the surveys, we also hold forums and town halls to provide opportunities for our employees to participate in discussions regarding career growth, diversity initiatives, mentoring, and volunteerism. We continuously use the results of the feedback to inform decision-making processes in the areas of leadership, communication, culture, inclusion, growth, and development.

## TALENT ATTRACTION AND RETENTION

At Skyline Champion, we believe that our ongoing success depends upon a workforce that is skilled, committed, and valued.

We have developed our recruitment practices to be more transparent, providing candidates with interview guides and our job postings are designed to provide equal opportunity to all applicants. Furthermore, current and potential employees can submit a pay range data request form, where applicable by law, allowing for greater transparency of wages offered for a given role. We also have internal referral programs and bonus structures designed to attract and retain high quality talent.

We offer competitive compensation and benefits packages that are tailored to meet the needs of our workforce. For example, we provide a variety of Company sponsored healthcare programs encompassing medical, dental, and vision coverage. We also offer savings plans to help secure long-term financial security and stability, and we offer additional benefits such as parental leave and paid time off.

In addition to base salary and benefits, Skyline Champion employees are eligible to participate in incentive plans, enabling employees to share in the Company's achievements, performances, and success. Furthermore, our executive compensation program is structured to attract, retain, and reward performance while aligning incentives with the achievement of the Company's strategic plan and both short- and long-term operating objectives. In accordance with our compensation philosophy established by the Compensation Committee and the Board, we believe our executive compensation is well aligned with performance, fostering a positive relationship between our operational performance and shareholder returns.

**88%** of our Shareholders voted in favor of the 2023 executive compensation package.

## EMPLOYEE TRAINING AND DEVELOPMENT

Throughout the year we offer opportunities for our employees to learn new skills and gain knowledge needed to advance within the Company and to fulfill their personal career goals beyond the basic training and onboarding programs. Recently, we enhanced our Human Capital Management program and our online Learning Management System, establishing a foundation intended to enable leaders to hire stronger talent and better manage their teams. This also includes training of goal setting, conducting performance evaluations, and more.

Training and Development programs offered during 2023 include:

- Training and development opportunities aimed at creating succession planning paths and individualized development plans;
- Onboarding programs with buddy systems, leadership trainings, skill matrices, and mentoring; and
- Third-party management system with training courses for professional development.

## **WORKFORCE HEALTH AND SAFETY**

The health and safety of our employees is our greatest priority. We seek to create a sense of community around behavior-based safety to promote an employee-first culture to improve workforce health and safety.

Our employees routinely undergo behavior-based safety training programs to reinforce our goal of zero injuries. We also invest in tools and equipment which provide additional safety features to support a safe working environment. While our employees are expected to follow all applicable safety standards, protocols, as well as laws and regulations, we recognize that there is always room for improvement. Our long-term vision is to have a transformed health and safety program that remains behavior-based with zero health and safety incidents.

Each of our employees are provided standard onboarding and training focused on risks associated within their role and in compliance with the U.S. Occupational Safety and Health Administration (OSHA) and other local laws. Core training modules include Emergency Evacuation, Proper Lifting, Pedestrian and Vehicle Safety, and Fire Protection among others. Other, more job-specific training is also offered such as Hoist/Cranes Training, Electrical Safety Training, and Hot Work training. Safety violations made by employees are taken seriously and are addressed according to the severity and the frequency, ranging from a verbal warning up to termination of employment.

Additionally, each of our locations performs regular safety audits to confirm that proper safety policies are in place and appropriate safety training is provided. The EHS team evaluates each facility to benchmark and implement identified best practices across the company. As previously discussed, our facilities are also visited by an EHS team member on a scheduled rotation according to their needs and risks.

## **EXAMPLES OF SKYLINE CHAMPION SAFETY GUIDELINES**

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**Plant Safety Statement – Safe Behavior**

**Accident Investigation**

**OSHA Reporting**

**Hearing Conservation**

**Haz Comm**

**Personal Protective Equipment**

**Respiratory Protection**

**Fall Protection**

**Ergonomics**

**Electrical Safe Work Practices**

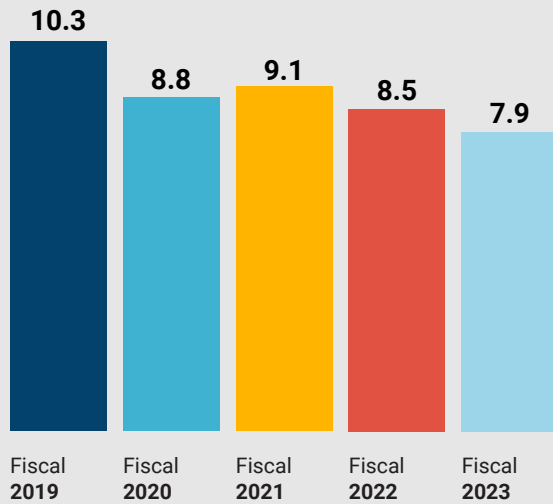
**Cranes, Slings and Ropes**

**Forklift and Mobile Equipment**

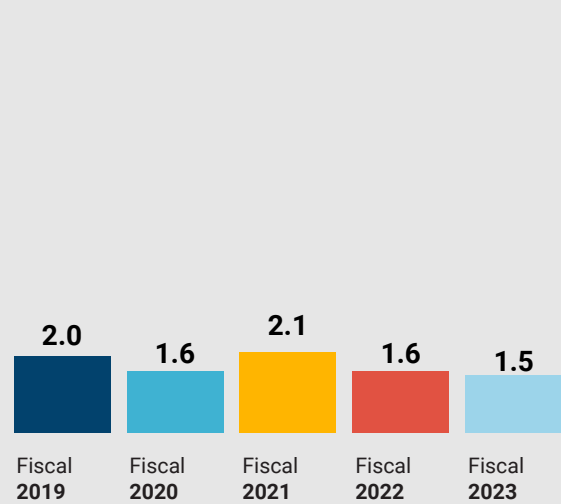
**Confined Spaces**



### OSHA RECORDABLES<sup>1,3</sup>



### LOST TIME ACCIDENTS<sup>2,3</sup>



<sup>1</sup> OSHA Recordables for Fiscal 2021 are reported including on-the-job incidents related to Covid-19. Excluding Covid-19 related incidents, the amount for Fiscal 2021 would have been 8.7.

<sup>2</sup> Lost Time Accidents for Fiscal 2021 are reported including on-the-job incidents related to Covid-19. Excluding Covid-19 related incidents, the amount for Fiscal 2021 would have been 1.4.

<sup>3</sup> Figures represent Skyline Champion employees and its direct contract employees whose daily functions are supervised by Skyline Champion. This excludes indirect contractors such as those involved with staging.

To validate and ensure our EHS efforts are effective, we measure and report on monthly key safety performances. These metrics are reviewed by our EHS team, which is managed and led by our Risk Management Senior Director, and are also shared regularly with the Board. Two key safety metrics we monitor are the number of OSHA Recordable Incidents and the Lost Time Accidents in any given fiscal year as compared to the prior year and the industry as a whole.

Since fiscal year 2019, our OSHA Recordable Incident Rate has declined from 10.3 to 7.9 recordables per 200,000 hours in fiscal year 2023. We have also seen

a decline in the number of Lost Time Accidents (LTA) over the same period, from an average of 2.0 to 1.5 accidents per 200,00 hours worked. We are also proud to report that there have been no fatalities for direct or contract employees since fiscal year 2019, when Skyline Corporation and Champion Enterprises first merged to create our Company.

We remain mindful of the daily focus and attention required to maintain such a safe working environment. Our goal remains zero incidents.

## SUSTAINABLE AND ACCESSIBLE HOMEOWNERSHIP

In addition to our commitments to incorporating environmental and safety considerations into product design and product impact management, we also recognize that we have an opportunity to support individuals seeking to buy and own their homes, despite an ever-growing housing affordability gap.

This gap is driven by a number of factors, including the limited availability of homes for sale, the cost to acquire homes, as well as financial circumstances of potential homebuyers. Our long-term vision is that Skyline Champion will continue to provide high-quality, high-efficiency and sustainably sourced housing at an affordable price, regardless of age, ability, or location.

Our strongest demographic groups are young single persons, married couples, first time home buyers, and homebuyers ages 55 and older. We believe they are drawn to the affordability and style choices of our factory-built homes, as well as the energy efficiency and low maintenance requirements which our homes offer. In calendar year 2022,

manufactured housing built in accordance with the HUD code is estimated to account for 11% of all new single-family homes according to the Institute for Building Technology and Safety (IBTS) and the U.S. Department of Commerce, Bureau of the Census.

Furthermore, we are proud to step in and support our communities in their time of need. In the U.S., we are one of a limited number of manufactured homebuilders that has been approved to support the U.S. Federal Emergency Management Agency (FEMA). We provide housing assistance following natural disasters and other housing crises in the United States. Early in fiscal year 2023, we received a Delivery Disaster Relief Order from FEMA for nearly \$200 million USD.

### BELLE MEADOW

At the end of fiscal year 2023, we announced a collaboration with Quartz Properties. The effort will develop 74 homesites in Asheville, North Carolina, featuring homes with four bedrooms, two or three baths, and an average size of nearly 1,600 square feet. The community, named Belle Meadow, will serve as a blueprint for increased modular adoption in the homebuilding space. In addition, the community will demonstrate the benefits of modular construction in build-for-rent residential applications.

Belle Meadow will feature single family and semi-detached rental homes which are being built off-site using our A Smarter Way to Build® process. This will reduce the waste and costs associated with construction, while providing precision quality and move-ready homes at a fraction of the time needed to build on-site. We are excited to see Belle Meadow launch in early 2024.



## COMMUNITY ENGAGEMENT

At Skyline Champion, we believe our success extends beyond the financial returns, but also in the ability to serve the communities where we live and work, demonstrating our commitment to be a responsible and good corporate citizen.

Our corporate responsibility focuses on delivering a better world through strategic nonprofit partnerships, pro bono work, volunteerism, and philanthropy. Our Company anticipates it will continue to partner with nonprofit organizations that work to make our communities a reflection of our commitments and values.

At many of our manufacturing facilities, team members volunteer throughout the community, sharing time and resources. It can be hard to track the exact impact that our employees have on their neighbors, but we remain incredibly proud of their efforts and their lasting impacts.

Some common examples of engagements during fiscal year 2023 include:

- Local teams supplied support and assistance to those in need through food, coat, and blood drives;
- Supported social organizations such as regional chapters of the Habitat for Humanity and other local charities;
- 20 employees provided educational and skilled trade support to the Topeka Impact Institute;
- Provided disaster relief support to the U.S. FEMA through the production, shipment, and delivery of NextGen Manufactured Housing Units (MHUs).

## TOPEKA IMPACT INSTITUTE CONSTRUCTION TRADES

Champion Homes Topeka started a partnership with the Impact Institute Construction Trades class to not only assist in the community, but to help future proof our workforce amidst dwindling numbers of the younger generation entering the building trades.

**Jay Ciokaj**  
RVP OF MIDWEST REGION



# Closing

Fiscal year 2023 was a year in which we have seen growth not only in the financial sense, but also for our sustainability journey. We continue to evaluate and explore ways in which we can support our workforce as well as our communities. We invite you to join us as we continue on this path and look forward to reporting our progress in future years.

For additional information or to contact us please visit our [website](#).

## **Non-GAAP Financial Measures**

This report includes certain non-GAAP financial measures. These non-GAAP financial measures should be considered only as supplemental to, and not as superior to, financial measures prepared in accordance with GAAP. We believe that the presentation of these financial measures enhances an investor's understanding of Skyline's financial performance. Non-GAAP measures should be read only in conjunction with consolidated financials prepared in accordance with GAAP. We believe that these financial measures are useful financial metrics to assess our operating performance from

period to period by excluding certain items that we believe are not representative of our core business. These financial measures should not be considered as alternatives to net income (loss) or any other performance measures derived in accordance with GAAP as measures of operating performance or as measures of liquidity. Pursuant to the requirements of SEC Regulation G, Skyline has provided reconciliations within these slides, as necessary, of the non-GAAP financial measures to the most directly comparable GAAP financial measure.

## Forward-Looking Statements

Some of the statements in this Report are not historical in nature and are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements about our expectations regarding our future liquidity, earnings, expenditures, and financial condition. These statements are often identified by the words “will,” “could,” “should,” “anticipate,” “believe,” “expect,” “intend,” “estimate,” “hope,” or similar expressions. These statements reflect management’s current views with respect to future events and are subject to risks and uncertainties. There are risks and uncertainties, many of which are beyond our control, that could cause our actual results to differ materially from those in our forward-looking statements, including regional, national and international economic, financial, public health and labor conditions, and the following:

- supply-related issues, including prices and availability of materials;
- labor-related issues;
- inflationary pressures in the North American economy;
- the cyclical and seasonality of the housing industry and its sensitivity to changes in general economic or other business conditions;
- demand fluctuations in the housing industry, including as a result of actual or anticipated increases in homeowner borrowing rates;
- the possible unavailability of additional capital when needed;
- competition and competitive pressures;
- changes in consumer preferences for our products or our failure to gauge those preferences;
- quality problems, including the quality of parts sourced from suppliers and related liability and reputational issues;
- data security breaches, cyber security attacks, and other information technology disruptions;
- the potential disruption of operations caused by the conversion to new information systems;

- the extensive regulation affecting the production and sale of factory-built housing and the effects of possible changes in laws with which we must comply;
- the potential impact of natural disasters on our supply chain, sales and raw material costs;
- the risks associated with mergers and acquisitions, including integration of operations and information systems;
- periodic inventory adjustments by, and changes to relationships with, independent retailers;
- changes in interest and foreign exchange rates;
- insurance coverage and cost issues;
- the possibility that all or part of our intangible assets, including goodwill, might become impaired;
- the possibility that all or part of our investment in ECN might become impaired;
- the possibility that our risk management practices may leave us exposed to unidentified or unanticipated risks;
- the potential disruption to our business caused by public health issues, such as an epidemic or pandemic, and resulting government actions; and
- other risks described in Part I – Item 1A, “Risk Factors,” included in the Fiscal 2023 Annual Report, as well as the risks and information provided from time to time in our other periodic reports filed with the Securities and Exchange Commission (the “SEC”).

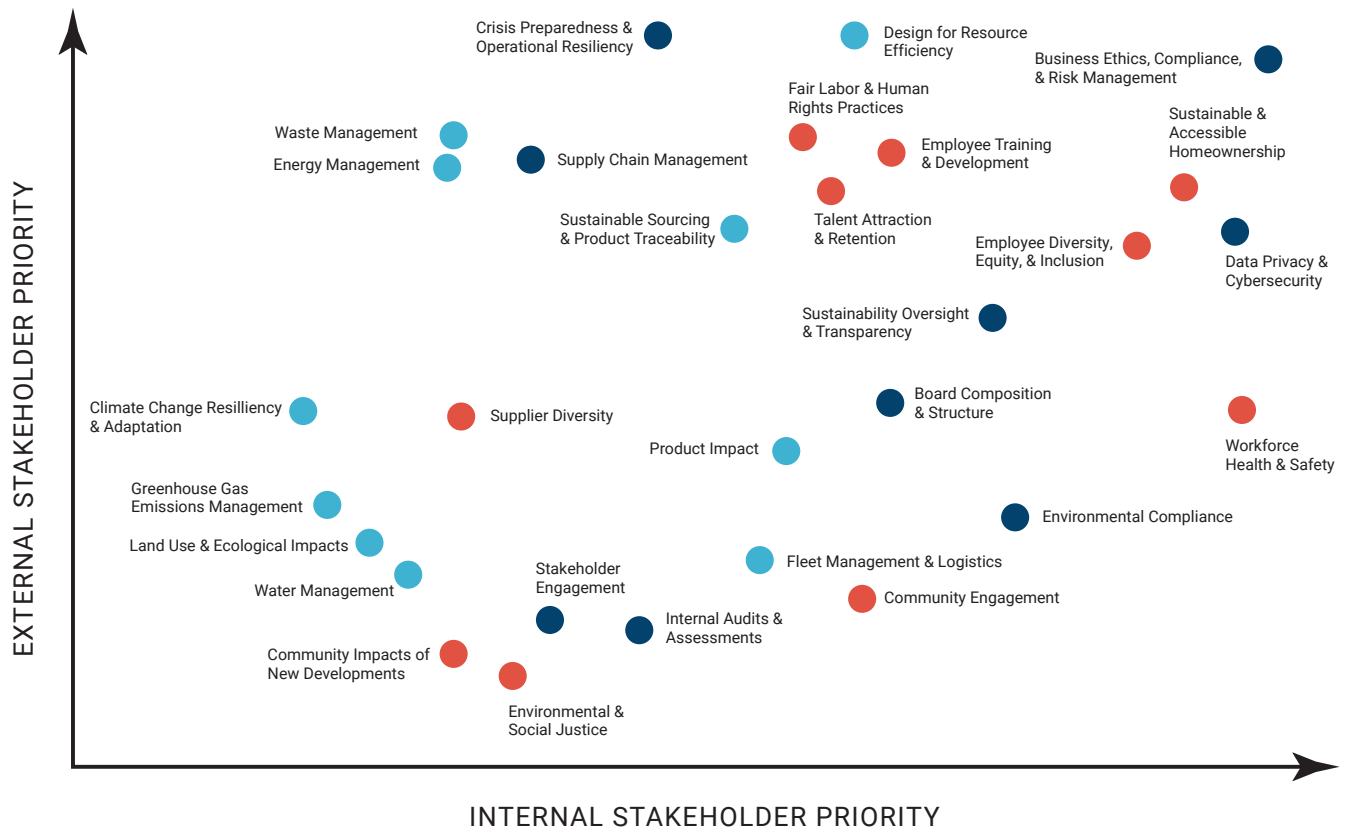
If any of the risks or uncertainties referred to above materializes or if any of the assumptions underlying our forward-looking statements proves to be incorrect, then differences may arise between our forward-looking statements and our actual results, and such differences may be material. Investors should not place undue reliance on our forward-looking statements, which speak only as of the date of this report. We assume no obligation to update, amend or clarify them to reflect events, new information or circumstances occurring after the date hereof, except as required by law.





# Appendices

## APPENDIX A: MATERIALITY ASSESSMENT



MATERIAL TOPICS	DEFINITIONS
Business Ethics, Compliance & Risk Management	Upholding Skyline Champion’s Code of Ethics and Business Conduct through integrity and ethical corporate behavior, while managing legal and corporate compliance.
Data Privacy & Cybersecurity	The sophistication and maturation of Skyline Champion’s information technology infrastructure, including policies and processes to prevent and mitigate cyber threats, and the security and protection of personal information collected or stored during Skyline Champion’s operations and compliance with applicable data privacy and information security laws.
Sustainability Oversight & Transparency	Skyline Champion’s governance structure to ensure the necessary depth and breadth of sustainability experience around sustainability-related policies, procedures, strategies, and initiatives, including senior executive leaders and directors; and the extent to which the company maintains transparency around policies/procedures, business operations, and sustainability activities.
Board Composition & Structure	The structure and composition of Skyline Champion’s Board of Directors in relation to expertise, diversity, and independence with respect to risk oversight and strategic development, including consideration of sustainability matters.
Environmental Compliance	Adherence to laws and regulations for all environmental issues as they relate to Skyline Champion’s operations.
Employee Training & Development	Dedication to supporting the development of Skyline Champion employees’ careers through industry-leading training and professional development programs that improve skills and support the flexibility of exploring a variety of career paths.
Sustainable & Accessible Homeownership	Commitment to providing high-quality, affordable housing for everyone regardless of age, ability, and location.



Workforce Health & Safety	Ensuring the health and safety of Skyline Champion’s workforce by advancing a strong culture of safety and wellbeing.
Employee Diversity, Equity, & Inclusion	Commitment to a diverse, equitable, and inclusive work environment for all employees, regardless of gender identity, national origin, race, color, creed, sexual orientation or other background characteristic.
Fair Labor & Human Rights Practices	Ensuring basic rights and freedoms are upheld throughout Skyline Champion’s operations, network, and supply chain, including direct and indirect suppliers, and protection of workers against unfair pay practices, work regulations, child labor, forced or slave labor, abusive treatment, or corrupt business practices.
Talent Attraction & Retention	The importance of effective recruiting and retention of the best people through fair wage practices and commensurate benefits packages to enable achievement of short- and long-term business objectives.
Design for Resource Efficiency	Incorporation of resource efficiency innovation into product design and manufacturing (e.g., product certification, green building standards, water sense, etc.) and communication of benefits.
Sustainable Sourcing & Product Traceability	Sourcing and procurement of raw material in an ethical, sustainable, and socially conscious way that prohibits forced labor or negative environmental impacts, and the ability to transparently trace raw materials within supply chain.
Product Impact	Development of finished products with reduced environmental and health related impacts (e.g., no/low VOCs, Environmental Product Declarations [EPDs], reducing chemicals of concern).

Skyline Champion has prepared the following materials based upon guidance from the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB) Home Builders industry framework. We note that our manufactured home building process does not fit neatly within the Home Builders industry framework, but recognize there is a comparable parallel and are reporting available materials below.

## APPENDIX B: SASB INDEX

<b>SASB TOPIC</b>		
<b>LAND USE &amp; ECOLOGICAL IMPACTS</b>		
<b>SASB METRIC</b>	<b>SASB CODE</b>	<b>SKYLINE NARRATIVE RESPONSE &amp; COMMENTS</b>
Number of (1) lots and (2) homes delivered on redevelopment sites	IF-HB-160a.1	Skyline Champion is a wholesale provider of factory-built homes, and is not in the business of land development. Skyline Champion delivers homes to its channel partners, who then deliver to the end consumer. We therefore are not able to track the final destination of our products to redevelopment sites.
Number of (1) lots and (2) homes delivered in regions with High or Extremely High Baseline Water Stress	IF-HB-160a.2	Skyline Champion is a wholesale provider of factory-built homes, and is not in the business of land development. Skyline Champion delivers homes to its channel partners, who then deliver to the end consumer. We therefore are not able to track the final destination of our products to high or extremely high water stressed sites.
Total amount of monetary losses as a result of legal proceedings associated with environmental regulations	IF-HB-160a.3	In Fiscal Year 2023, there were no monetary losses as a result of legal proceedings associated with environmental regulations.
Discussion of process to integrate environmental considerations into site selection, site design and site development and construction	IF-HB-160a.4	This standard is directed at site selection for land development for home construction, of which Skyline Champion does not engage.  In the course of executing our expansion plans, we have repurposed older buildings, both revitalizing the local community and preserving vacant land. This reduces the need for new building materials and extensive deployment of construction equipment, and thus reduces carbon emissions. Additional information on our growth strategy may be found in our <a href="#">2023 Annual Report 10-K</a> .

**SASB TOPIC**

**Workforce Health & Safety**

SASB METRIC	SASB CODE	SKYLINE NARRATIVE RESPONSE & COMMENTS
(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	IF-HB-320a.1	<p>7.9 OSHA Incident Rate for Champion employees and direct contractors. We do not track indirect contractor rates as they are outside of our control. In Fiscal 2023, there were no fatalities for our direct and contracted employees.</p> <p>Each of our locations continue to perform regular safety audits to ensure proper safety policies and procedures are in place for employees, contractors, and other visitors.</p> <p>See Workforce Health and Safety section above for additional information.</p>

**SASB TOPIC**

**Design for Resource Efficiency**

SASB METRIC	SASB CODE	SKYLINE NARRATIVE RESPONSE & COMMENTS
(1) Number of homes that obtained a certified residential energy efficiency rating and (2) average rating	IF-HB-410a.1	<p>In addition to leveraging the HERS rating system, we also follow the U.S. Environmental Protection Agency's (EPA) energy conservation and efficiency program for manufactured housing which is part of the Energy Star system. In Fiscal 2023, we constructed 2000 EPA Energy Star-certified homes as well as thousands of additional homes which qualified for the IRS 45L energy efficiency tax credits in the U.S.</p> <p>See Product Impact section above for additional information.</p>
Percentage of installed water fixtures certified to a water efficiency standard	IF-HB-410a.2	<p>In certain homes, we have incorporated the use of products carrying the WaterSense Label as a way to help improve water efficiency for the residents. We continue to evaluate opportunities to further track and monitor this metric in the future.</p> <p>See Product Impact section above for additional information.</p>
Number of homes delivered certified to a third-party multi-attribute green building standard	IF-HB-410a.3	<p>74% of our U.S. manufacturing facilities are certified to produce Energy Star energy efficient rated homes through a special EPA program for manufactured housing. Third party inspection quality assurance providers are certified through the EPA Energy Star program. These entities perform plant and site inspections to ensure all construction parameters are satisfied for final program approval. In Fiscal 2023, we constructed 2000 EPA Energy Star-certified homes as well as thousands of additional homes which qualified for the IRS 45L energy efficiency tax credits in the U.S.</p> <p>See Product Impact section above for additional information.</p>
Description of risks and opportunities related to incorporating resource efficiency into home design, and how benefits are communicated to customers	IF-HB-410a.4	<p>Environmental sustainability is at the forefront of what we do every day. We produce manufactured homes in controlled environments where our in-plant construction practices allow us to optimize resource efficiency throughout the building process. In part due to these efficient construction methods, manufactured and modular homes can cost up to fifty percent less per square foot than conventional site-built homes, expanding the opportunity for individuals to own a home despite an ever-growing housing affordability gap. However, at times there may be a tradeoff between incorporating the most energy-efficient designs and materials compared with maintaining affordability. We report the advantages of manufactured homes to customers on our website and in product offering materials. In addition to a lower carbon footprint, this efficiency is also communicated to customers through affordability. We offer homes at a variety of price points to maintain affordable homes for our customers.</p> <p>See Design for Resource Efficiency for additional information.</p>

**SASB TOPIC**

**Community Impacts of New Developments**

SASB METRIC	SASB CODE	SKYLINE NARRATIVE RESPONSE & COMMENTS
Description of how proximity and access to infrastructure, services, and economic centres affect site selection and development decisions	IF-HB-410b.1	<p>Skyline Champion is not directly involved in developing communities for homes. We therefore are unable to provide information regarding development decisions.</p> <p>With regards to our operational footprint, during the course of executing our expansion plans, we have repurposed older buildings, both revitalizing the local community and preserving vacant land. This reduces the need for new building materials and extensive deployment of construction equipment, and thus reduces carbon emissions. Additional information on our growth strategy may be found in our <a href="#">2023 Annual Report 10-K</a>.</p>
Number of (1) lots and (2) homes delivered on infill sites	IF-HB-410b.2	Skyline Champion is a wholesale provider of factory-built homes, and is not in the business of land development. Skyline Champion delivers homes to its channel partners, who then deliver to the end consumer. We therefore are not able to track the final destination of our products to infill sites.
(1) Number of homes delivered in compact developments and (2) average density	IF-HB-410b.3	Skyline Champion is not directly involved in residential land development. We design and build a range of manufactured and modular homes, park model RVs, ADUs, and multi-family housing. We then deliver these homes to our channel partners, who then deliver to the end consumer. We therefore are not able to track the final destination of our products to compact developments or their average density.

**SASB TOPIC**

**Climate Change Adaptation**

SASB METRIC	SASB CODE	SKYLINE NARRATIVE RESPONSE & COMMENTS
Number of lots located in 100-year flood zones	IF-HB-420a.1	As a wholesale provider of factory-built homes, Skyline Champion delivers homes to its channel partners, who then deliver to the end consumer. We therefore are unable to track the final destination of our products, including the locations in 100-year flood zones.
Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	IF-HB-420a.2	<p>Our manufacturing operations are located in areas which may be subject to natural disasters and severe weather. Such adverse weather conditions could delay factory-built home deliveries, increase costs by damaging inventories, reduce the availability of materials, and negatively impact the demand for new factory-built homes in affected areas. Furthermore, if our insurance does not fully cover business interruptions or losses resulting from these events, then our earnings, liquidity, or capital resources could be adversely affected.</p> <p>Our Star Fleet Trucking subsidiary provides transportation services. The transportation industry is subject to legislative or regulatory changes, including potential limits on carbon emissions under climate change legislation and Department of Transportation regulations regarding, among other things, driver breaks, classification of independent drivers, “restart” rules, and the use of electronic logging devices that can affect the economics of the industry by requiring changes in operating practices or influencing the demand for, and cost of providing, transportation services. We may become subject to new or more restrictive regulations relating to fuel emissions or limits on vehicle weight and size. Future laws and regulations may be more stringent and require changes in operating practices, influence the demand for transportation services or increase the cost of providing transportation services, any of which could adversely affect our business and results of operations.</p> <p>Additional information can be found in our <a href="#">2023 Annual Report 10-K</a>.</p>

**SASB TOPIC**

**Energy Management in Manufacturing**

SASB METRIC	SASB CODE	SKYLINE NARRATIVE RESPONSE & COMMENTS
(1) Total energy consumed, (2) percentage grid electricity (3) percentage renewable	CG-BF-130a.1	(1) Approximately 71,685,037 kWh. (2) 100% electricity is purchased from the grid. (3) 0% renewable.

**SASB TOPIC**

**Management of Chemicals in Products**

SASB METRIC	SASB CODE	SKYLINE NARRATIVE RESPONSE & COMMENTS
Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	CG-BF-250a.1	Skyline Champion is in compliance with local and national regulations regarding toxic and hazardous waste. We continue to identify opportunities to reduce our environmental impact across our operations by reducing raw material consumption and generation of waste.  See Waste section above for additional information.

**SASB TOPIC**

**Product Lifecycle Environmental Impacts**

SASB METRIC	SASB CODE	SKYLINE NARRATIVE RESPONSE & COMMENTS
Description of efforts to manage product lifecycle impacts and meet demand for sustainable products	CG-BF-410a.1	Environmental sustainability is at the forefront of what we do every day. In many of our plants, we have transitioned to LED lighting, and we recycle insulation material, lumber, metals, paper and many other products. Several of our U.S. manufacturing facilities are certified to produce Energy Star® energy efficient rated homes through a special EPA program for manufactured housing. Third party inspection quality assurance providers are certified through the EPA Energy Star program. These entities perform plant and site inspections to ensure all construction parameters are satisfied for final program approval.  See Product Impact section above for additional information.

**SASB TOPIC**

**Activity Metrics**

SASB METRIC	SASB CODE	SKYLINE NARRATIVE RESPONSE & COMMENTS
Number of controlled lots	IF-HB-000.A	31 controlled retail lots.
Number of homes delivered	IF-HB-000.B	25,910 homes delivered across North America.
Annual Production	CG-BF-000.A	Additional performance information can be found in our <a href="#">2023 Annual Report 10-K</a> .
Number of active selling communities	IF-HB-000.C	Skyline Champion is a wholesale provider of factory-built homes, and is not in the business of land development. Skyline Champion delivers homes to its channel partners, who then deliver to the end consumer. Manufactured housing communities are our customers. Skyline Champion does not operate its own selling communities.
Area of Manufacturing Facilities	CG-BF-000.B	Approximately 9,746,751 square feet.  This figure includes estimates of leased properties, as well as facilities which were closed or idle while under Skyline Champion's operational control during Fiscal 2023.

## APPENDIX C: OTHER KEY PERFORMANCE INDICATORS

### Social Metrics

CATEGORY	UNIT OF MEASURE	2023 PERFORMANCE
<b>Employees, by Gender</b>		
Male	Percent	81
Female	Percent	19
Undisclosed	Percent	<1
<b>Board Leadership, by Gender (as of July 2023)</b>		
Male	Percent	78
Female	Percent	22
Undisclosed	Percent	0
<b>Wage Metrics</b>		
CEO USD Pay Ratio	Ratio	216:1
Median Annual Pay, excluding CEO		\$37,440

### Environmental Metrics

CATEGORY	UNIT OF MEASURE	2023 PERFORMANCE
<b>Emissions, by Scope</b>		
Scope 1	MT CO2e	8,011
Scope 2, Market-based	MT CO2e	13,338
Scope 2, Location-based	MT CO2e	13,219
<b>Energy, by Source</b>		
Electricity	kWh	37,451,551
Natural Gas	kWh	20,461,893
Propane	kWh	6,175,525
Motor Gasoline Fuels	kWh	5,064,548
Diesel Fuels	kWh	2,252,117
Liquified Petroleum Gases (LPG)	kWh	170,309
Kerosene	kWh	109,094