

**Virtus Fund Policy**  
**Environmental Sustainability, Social Responsibility & Corporate Governance**

**Introduction**

Virtus Real Estate, LLC (“VRE,” or the “Firm”) is a sponsor of private equity real estate funds, with a focus on cycle resilient needs-based property sectors, such as healthcare, education, storage, and middle-income workforce housing. As a fiduciary, VRE’s primary role is to provide maximized returns for its stakeholders, as outlined in the Firm’s organizational documents, General Partnership documents and various policies.

VRE believes its participation in the integration of environmental sustainability, social responsibility, and corporate governance (“ESG”) represents being a good and responsible steward in the communities in which the Firm operates. Furthermore, ESG factors can have an impact on the overall performance of its Funds to varying degrees across sectors, regions, asset classes, and timeframes, and should be considered when evaluating real estate assets. Aligning the Firm’s actions with this policy allows VRE to build and maintain a culture of ethical behavior, transparency, and social responsibility that is to the benefit of all stakeholders, employees, and tenants who reside in the workforce, student housing, and senior living communities that the Firm has invested in. VRE will incorporate ESG considerations into its decision-making only when it determines, at its sole discretion, that these factors are financially material to an asset’s performance. As such, VRE will thoughtfully engage with its property management operators (“Operators”) and third-party vendors to implement and measure ESG factors across all levels of investment and operations.

**Purpose**

The purpose of this policy is to define the Firm’s position and decision-making processes with respect to ESG, as well as provide guidelines for employees and partners. This policy can also be used as a tool to communicate with stakeholders as to how the Firm integrates ESG considerations into investment decision-making processes across all asset classes.

**ESG Oversight**

VRE’s ESG initiatives are developed, monitored and measured by an internal committee. The ESG Committee is led by the CFO/CCO and is comprised of representatives from each of the following areas: Acquisitions, Asset Management and Development, Finance & Accounting, and Operations. Selection of ESG Committee members is done by an internal nomination process, with members committing to a two-year term. A list of ESG committee members is provided in Appendix I.

Final approval of all ESG policies and procedures is provided by the Firm’s Executive Committee (“EC”). The ESG committee will deliver an annual report, made available to all stakeholders, employees, Operators, tenants, and other third-party vendors as requested.

## **Methodology**

At a high level, VRE will measure the overall success of implementing its ESG policy as follows:

- Success in incorporating ESG factors within the Firm's daily, ongoing operations;
- Success in incorporating ESG factors within due diligence procedures to satisfy Valuation Investment Committee ("VIC") approval requirements;
- Success in engaging and collaborating with Operators, tenants, and other third parties on ESG issues;
- Working with Operators to implement ESG initiatives at investment properties; and
- Engagement with peers in the community (local, industry) to encourage adoption of ESG factors and develop best practices.

VRE has developed a comprehensive set of core and asset-specific metrics in order to analyze ESG performance across the Firm, Funds, Operators, and third-party vendors utilizing these four core aspects:

- 1) Preparedness – VRE will assess the management systems and policies developed to manage ESG risks;
- 2) Disclosure – VRE will assess whether reporting meets best practice standards, and is transparent with respect to most material ESG issues;
- 3) Quantitative Assessments – VRE will assess ESG performance based on quantitative metrics; and
- 4) Qualitative Assessments – VRE will assess ESG performance based on the analysis of incidents as they occur.

## **Environmental Sustainability**

VRE defines environmental sustainability as efforts to reduce energy consumption, limit water usage, select sustainable sites, improve air quality, responsibly utilize resources, and properly dispose of waste.

Initiatives will be monitored and measured to ensure they are in the best interests of stakeholders, with the potential to add value to real estate assets through a variety of means including market differentiation, the reduction of operating expenses, functional obsolescence, and the limiting of potential liabilities arising from such operations and investments. Furthermore, initiatives should be practical and cost-effective with relatively short payback cycles for the capital invested and relevant time horizon of each investment.

Prior to acquisition of any property, proper environmental due diligence must be completed and documented for final review by the VIC in order for a property to be approved for investment. Specific environmental factors will be determined based on property type and location. A copy of this audit list is provided as Appendix II. This audit list will be reviewed and revised as needed by the ESG Committee on an annual basis. The Firm will require completion of Phase I environmental site assessments ("ESA") where appropriate. Additionally, the Firm seeks to assess certain physical risks

related to climate change during due diligence, to the extent that information is available and material, as defined in Appendix II.

Post-investment, VRE will partner with Operators to develop an open dialog regarding the implementation and ongoing monitoring of the Firm's environmental guidelines for each property. The nature of such initiatives will vary based on property type, location, and investment goals. The Firm will utilize the environmental due diligence audit list coupled with an assessment of environmental sustainability activities that Operators participate in. VRE will seek to encourage tracking of energy use and water consumption metrics by third party property managers, where practical to do so.

At an operational level, VRE will apply the same investment due diligence procedures to ensure the Firm's environmental impact is minimized while still meeting its fiduciary responsibilities with regards to the operating budget. Measurement of these goals will be provided in the annual ESG report.

### **Social Responsibility**

VRE defines social responsibility as the Firm's obligation to protect and enhance the health and welfare of its employees, Operators, tenants, third-party vendors, and the communities in which it operates.

VRE supports measures that ensure the equal treatment of employees, Operators, tenants, stakeholders and third-party vendors regardless of race, religion, gender, ethnicity, marital status, sexual orientation, disability, or any other protected characteristic. Furthermore, the Firm is committed to ensuring compliance with respect to the American with Disabilities Act of 1990 ("ADA"). These measures are documented in the Firm's Code of Ethics, reviewed and approved by every employee in the Firm, and will be reviewed by the ESG committee on an annual basis to ensure these measures reflect the needs of an ever-changing society.

VRE supports inclusive hiring practices that promote equal opportunity across the Firm, its Operators, and third-party vendors. The Firm maintains a Diversity Policy, which is provided to all employees. As part of its broader ESG oversight, the ESG Committee will review anonymized workforce composition data annually, across departments, and present findings to the EC for review and approval. The EC will consider any material observations and determine if further action is warranted in alignment with applicable laws and Firm values.

Additionally, VRE will support community involvement through a number of ways, including matching select charitable donations and supporting employee participation in non-profit organizations. A full list of these charities and donation amounts will be provided in the annual ESG report.

Appendix III provides an audit list of these measures.

### **Corporate Governance**

VRE defines governance as a set of procedures, policies, and laws that affect the way the Firm and its Funds are directed and administered. VRE's goal is to ensure the Firm, its Funds, and their

underlying assets are operated in accordance with their organizational documents as well as with applicable laws, rules, regulations, policies, and procedures.

At the Firm level, these include, but are not limited to, the Employee Handbook, Code of Ethics, and the various policies related to Valuations, Cash Movements, Loans and Debts, Diversity, Political Contributions, and Cybersecurity, which have been developed to ensure VRE's ability to execute its fiduciary responsibility to the best of its abilities.

At the Fund level, the following documents and agreements have been developed to protect both GP and stakeholder positions and are in line with market standards. These included Confidential Private Placement Memorandums, Limited Partnership Agreements, Limited Liability Corporation Agreements, and Fund formation documents. Additionally, the firm will seek to evaluate the governance controls of operating partners prior to any partnerships or agreements, and again on an annual basis to the extent information is made available.

To ensure transparency and provide confidence to its stakeholders, the Firm benchmarks reporting standards against the Institutional Limited Partner Association ("ILPA"), the National Council of Real Estate Investment Fiduciaries ("NCREIF"), and Pension Real Estate Association's ("PREA"), implementing reporting recommendations where possible. Additionally, the Firm utilizes high-quality third-party auditors and fund administrators in the qualifying, testing, and disseminating of Fund level reporting.

As outlined in Appendix IV, VRE will monitor and measure its use of governance policies and procedures on an ongoing basis. In the instance of a breach or failure of governance at the Firm or Fund level, proper reporting of any incidents along with the corrective measures taken to mitigate future incidents will be provided to the EC for review.

In the event a governance issue arises with an Operator, third-party vendor, or property, the event will be provided to the ESG and EC committees simultaneously. The ESG committee will review an annual summary of compliance with governance with the EC before releasing it in the annual ESG report.

### **Engagement & Stewardship**

Post-investment, VRE may make efforts to engage with co-investors, operators, property managers, or other relevant stakeholders to improve performance of material ESG factors. This engagement will likely be through direct dialogue, and utilized in instances where VRE determines, in its sole discretion, there is a reasonable likelihood that engagement could influence behaviors to improve operational or financial performance.

VRE will consider collaboration opportunities on a case-by-case basis, particularly where collective action may enhance returns or address key risks. All stewardship activities will be coordinated through ongoing dialogue among internal teams, including investment, asset management, and ESG functions, to ensure alignment with investment objectives and fiduciary responsibilities.

## **APPENDIX I: ESG Committee Members**

2025-2027 Term

### **Chairperson**

Will Strong, CFO/COO

### **Committee Members**

Megan Shah, Director – Investor Relations

Lori Delabruere, Director – Property Accounting

Max Hand, Vice President – Acquisitions

Sky Sgovio, Vice President – Asset Management

Colin Gregory, Senior Associate – Asset Management

Matthew McKee, Manager – Construction Management

Taylor Robertson, Senior Fund Accountant

**APPENDIX II:  
Environmental Sustainability Due Diligence Audit List**

Environmental Sustainability Audit			
	In-Place	Improvement Possible	No
<b>Energy Efficiency</b>			
• Building energy metering			
• Building commissioning			
• Building commissioning recommendation implementation			
• Renewable energy usage and production			
• Carbon offset purchasing			
• Refrigerant management policy			
• Building Automation System			
• Programmable temperature controls			
• Energy efficient appliances			
• LED lighting fixtures			
• Daylighting usage			
• Lighting control system			
<b>Water Efficiency</b>			
• Building water metering			
• Low flow plumbing fixtures			
• Irrigation reduction policy			
• Native landscaping			
• Rainwater collection and reuse			
• Graywater collection and reuse			
<b>Sustainable Sites</b>			
• Site improvement plan			
• Protect or restore habitat			
• Light pollution reduction			
• Heat island reduction			
• On-site storm water management			
• Climate risk – flooding, wildfire, water depletion, sea level rise			
• Green building certifications			
<b>Transportation</b>			
• Public transportation access			
• Accommodations for alternative fuel vehicles			
• Bicycle facilities			
<b>Resources and Materials</b>			
• Waste management policy			
• Environmentally conscious cleaning policy			
• Locally sourced material purchasing			

**Air Quality**

- Low Volatile Organic Compound material purchasing
- Enhanced air filtration
- Environmentally conscious pest management policy

**APPENDIX III:**

**Social Responsibility Audit List**

<b>Social Responsibility Audit</b>			
	<b>In-Place</b>	<b>Improvement Possible</b>	<b>No</b>
<b>Policy Review</b>			
• Social Responsibility Policy			
• Code of Conduct/Code of Ethics			
• Diversity Policy			
• Non-Discrimination Policy			
• Anti-Corruption/Bribery Policy			
<b>Tenant Well-Being Initiatives</b>			
• Handicap Accessibility			
• Fitness Facilities			
• Affordability Profile (when applicable)			
• Access to healthcare facilities			
<b>Community Involvement</b>			
• Charitable Giving			
• Non-profit participation			
<b>Compliance Review</b>			
	<b>Yes</b>	<b>Improvement Possible</b>	<b>No</b>
• In good standing with applicable labor laws			
• In good standing with applicable work safety regulations			
• In good standing with Americans with Disabilities Act of 1990			
• Diversity metrics in place			
• General contractor safety record & plan			



**APPENDIX IV:**

**Corporate Governance Audit List**

<b>Corporate Governance Audit</b>			
	<b>In-Place</b>	<b>Improvement Possible</b>	<b>No</b>
<b>Policy Review</b>			
• Cybersecurity Policy			
• Political Contributions Policy			
• Gifts Policy			
• Business Continuity Plan			
• Compliance Manual			
• Cash Movements Policy			
• Valuation Policy			
<b>Standards Assessment</b>			
	<b>Yes</b>	<b>Improvement Possible</b>	<b>No</b>
• ILPA/PREA			
• Audit Reports			
• Internal Audit Results			
• Disaster Preparedness Plan Testing			
• Cybersecurity Penetration Testing			