

VÄRDE

| Environmental, Social and Governance Report

2026

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Leadership Letter

“To fundamentally change lives for the good by finding innovative ways to invest and create value.”

– Värde Partners Mission Statement

To Our Stakeholders,

For over three decades, Värde Partners has pursued a disciplined investment strategy focused on delivering strong risk-adjusted returns.

As we seek to create value for our investors through rigorous analysis and innovative solutions, environmental, social and governance considerations have become an integrated part of our investing process and platform.

We view ESG considerations as value-enhancing factors that strengthen investment outcomes rather than impose constraints. We believe that integrating these factors into our analytical framework is essential, especially as their material impact on investment outcomes and stakeholder value creation becomes increasingly evident.

We are anchored by our core principles of integrity, excellence, collegiality, innovation and humility. In upholding these values, we hold ourselves to a high standard, we're intellectually honest and we work as one team on behalf of our investors.

We are committed to maintaining a long-term view and aligning our interests with our investors while prioritizing sustainable value creation.

Thank you for your interest in these important matters, and we look forward to continuing the dialogue.

Sincerely,
Värde's ESG Council, chaired by Partner Anthony Iannazzo



ANTHONY IANNAZZO
PARTNER & CHIEF OPERATING OFFICER

About

Värde Partners is a leading global credit specialist with approximately \$16 billion in AUM¹. Founded in 1993, Värde has invested more than \$100 billion across the credit quality and liquidity spectrum.

With local investment teams and partnerships in the U.S., Europe and Asia, we invest across private and public markets with a focus on real estate, asset-based finance and corporate credit. Whether we are providing flexible capital solutions or capitalizing on inefficiencies in secondary markets, we bring discipline, rigor and creativity as we seek to deliver for our investors throughout ever-changing markets.

Asset-Based Finance

North America | Europe

- Commercial
- Consumer
- Fund Finance

Real Estate

North America | Europe | Asia

- Lending
- Capital Solutions
- Assets

Corporate Credit

North America | Europe

- Traded Credit
- Opportunistic
- Capital Solutions

Asia Private Credit

India | Australia | SE Asia

- Lending
- Capital Solutions

Community Engagement

Recognizing the vital role that strong communities play in economic growth and long-term value creation, we believe that driving positive impact through community engagement goes hand in hand with our mission.

Through firmwide philanthropic initiatives and sponsored volunteer programs, we strive to empower underserved populations, open doors for underrepresented talent and positively impact local economies. We also proudly support our employees' personal philanthropic efforts through charitable match programs for volunteer time or financial contributions.

COMMUNITY IMPACT



Commitment to Inclusion

Värde is committed to increasing diversity and fostering a culture of inclusion – both within our firm and broadly in the alternative investment industry. We have long believed that a team composed of individuals with varied backgrounds and perspectives leads to better investment and business outcomes.

We are highly intentional about cultivating an inclusive workplace where everyone feels that they belong, has a voice and can flourish. We continuously aim to evolve, update and broaden our initiatives to maintain open dialogue and support each other in meaningful ways.

PROGRAMS & INITIATIVES

- Women's Network (WOVEN)
- Working Parents' Network
- Värde Rotational Program
- Educational opportunities
- Programming for days and months of recognition

Partnerships



¹ Assets under management as of November 30, 2025. AUM includes all committed capital under management. This includes capital that is committed to a Värde-managed fund or account but is currently uncalled.

Approach

As a leading global alternative investment firm, we believe that the consideration of environmental, social and corporate governance (“ESG”) considerations should be integrated into our investment activities and general business practices as part of our operations and investment strategies. We further believe that ESG principles align naturally with our objectives of sound investment practices and value creation, in addition to being consistent with our purpose, culture and core values.

Värde’s ESG Council

We have a cross-functional ESG Council to provide strategic guidance on ESG policies and practices across our investment platform and business operations. By drawing upon expertise from various investing and business functions, we strive to ensure that our ESG approach remains relevant, diligently upheld and aligned with our investment objectives and our commitments to our investors.

ESG Council Members



Anthony Iannazzo
Chief Operating Officer



Alex Haag
Fund Analytics & Risk Management



Britta Rudeen
Investor Relations



Grace Tang
Asia Credit



John Batterman
Real Estate



Katherine Sinclair Taylor
Business Development



Kevin Medina
Global Chief Compliance Officer



Marie Suesse
Global Head of Human Capital & Communications



Nick Winter
Asset-Based Finance



Osvaldo Gattegna
Corporate Credit

External Industry Standards

Our commitment to responsible investing practices is in alignment, where appropriate, with recognized industry standards, including:



ESG Considerations

We are deeply committed to upholding our fiduciary duty to clients through responsible investing practices. As part of this commitment, we consider material ESG risks and opportunities in our investment processes where reasonably practicable and consistent with applicable investment agreements, the governing documents of any private fund, managed account or investment vehicle and our duty to seek the best risk-reward outcome for our investors.

Investment-Level Integration

We invest across global markets with a recognition that each investment opportunity is unique and requires a tailored approach.

Investment-level ESG integration is managed by the investment professionals responsible for each segment, who endeavor to identify ESG-related risks and opportunities and embed sound ESG practices throughout the investment lifecycle:

- **Initial Screening:** ESG factors are identified early on to flag potential risks and opportunities.
- **Comprehensive Due Diligence:** Material ESG risks are assessed, analyzed and documented as part of the due diligence process.
- **Investment Committee Review:** ESG considerations are incorporated into Investment Committee memos and are discussed during committee meetings as a critical part of decision-making. When material risks are identified, they are directly factored into underwriting decisions to ensure informed and responsible investment outcomes.
- **Ongoing Monitoring:** ESG factors are continuously assessed throughout the investment period, where applicable, to ensure ongoing alignment with our standards and objectives.

While we consider ESG factors in every investment, the specific factors we focus on vary by investment segment and individual opportunity. We apply a qualitative, risk-based assessment of ESG factors on a case-by-case basis as part of our standard investment procedures. Each of our investing segments identifies the ESG factors most relevant to their business and integrates these considerations into their investment analysis.

For instance, our Real Estate investment team employs a comprehensive due diligence and monitoring checklist, which includes a dedicated section for ESG-related information, covering areas such as greenhouse gas (GHG) emissions, climate change considerations and resilience planning to address potential climate-related risks and impacts.

MATERIAL ESG CONSIDERATIONS:

As outlined in our ESG Policy, material ESG considerations are those we determine have the potential to significantly impact—either positively or negatively—our ability to create, preserve and realize economic value for our stakeholders. These factors are central to our investment decision-making process and are assessed with the goal of protecting long-term value.

Examples of factors that may be relevant, include:

- **Borrowers with ESG Risks:** Borrowers whose real estate, assets or business practices may pose ESG risks, such as environmental contamination, social concerns or poor governance standards
- **Fair Debt Servicing Practices:** Debt servicing procedures and collection practices designed to ensure the fair and equitable treatment of customers
- **Asset Obsolescence or Substitution Risks:** Risks associated with assets that may become obsolete or face substitution due to emerging ESG trends, including physical or transition risks related to climate change
- **Data Protection and Cybersecurity:** Policies and practices that safeguard sensitive information and mitigate cybersecurity risks
- **Governance Structures:** Governance frameworks within borrower entities that ensure appropriate oversight, accountability and management of ESG issues

In practice, this may involve:

- Monitoring ESG-related risks and opportunities, which may include diversity, environmental sustainability and social initiatives and practices
- Supporting and encouraging ESG-related initiatives undertaken by portfolio companies to drive long-term value
- Promoting and encouraging the adoption or enhancement of policies and procedures to ensure compliance with applicable laws, including workplace safety and health laws
- Advocating for strict policies that prohibit bribery and other improper payments to public officials in alignment with foreign and local regulations

External Resources

To strengthen our ESG research, analysis and monitoring capabilities, we engage relevant reputable third-party service providers, including:

- Sustainalytics: Provides independent ESG research and risk ratings
- Arup: Provides ESG assessment and monitoring expertise for real estate investments
- GreenGen: Enhances ESG expertise for commercial real estate investments
- Partner Energy: Offers consulting services on energy efficiency and climate-related risk mitigation
- ACA Group: Offers broad ESG advisory services

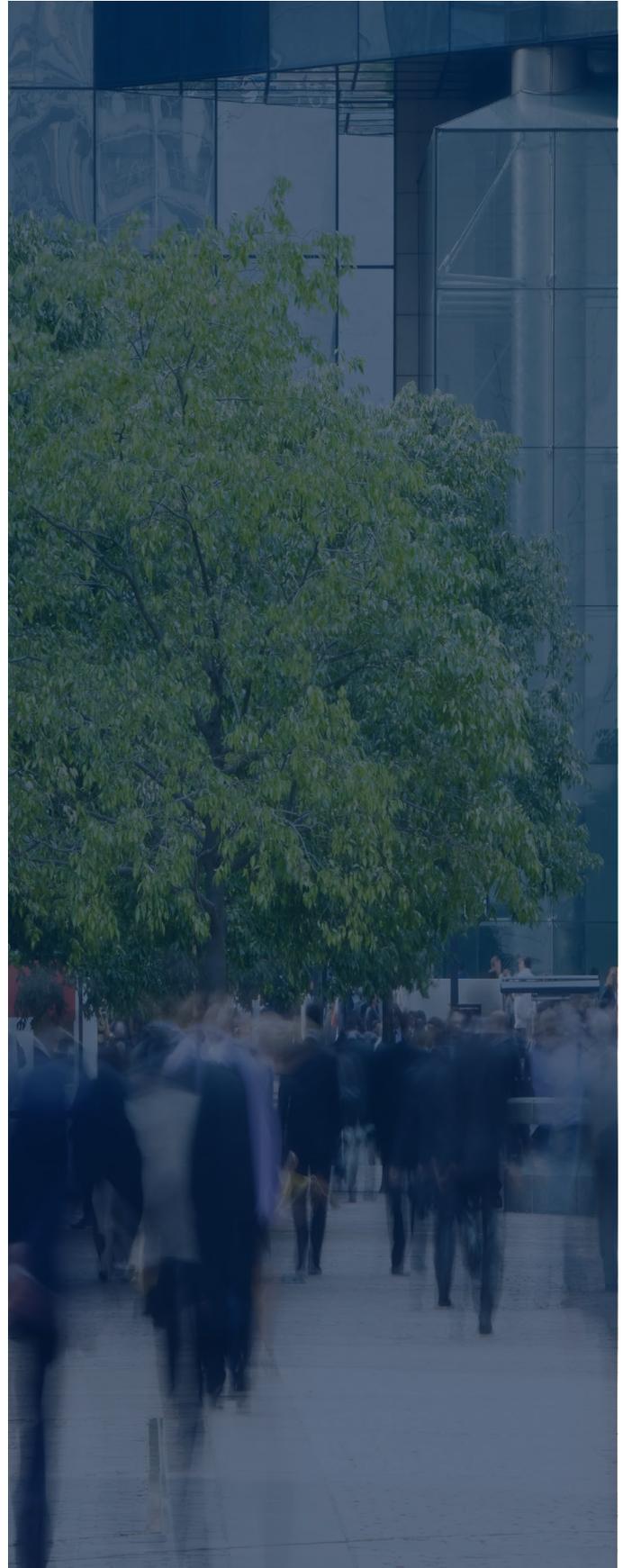
Training & Development

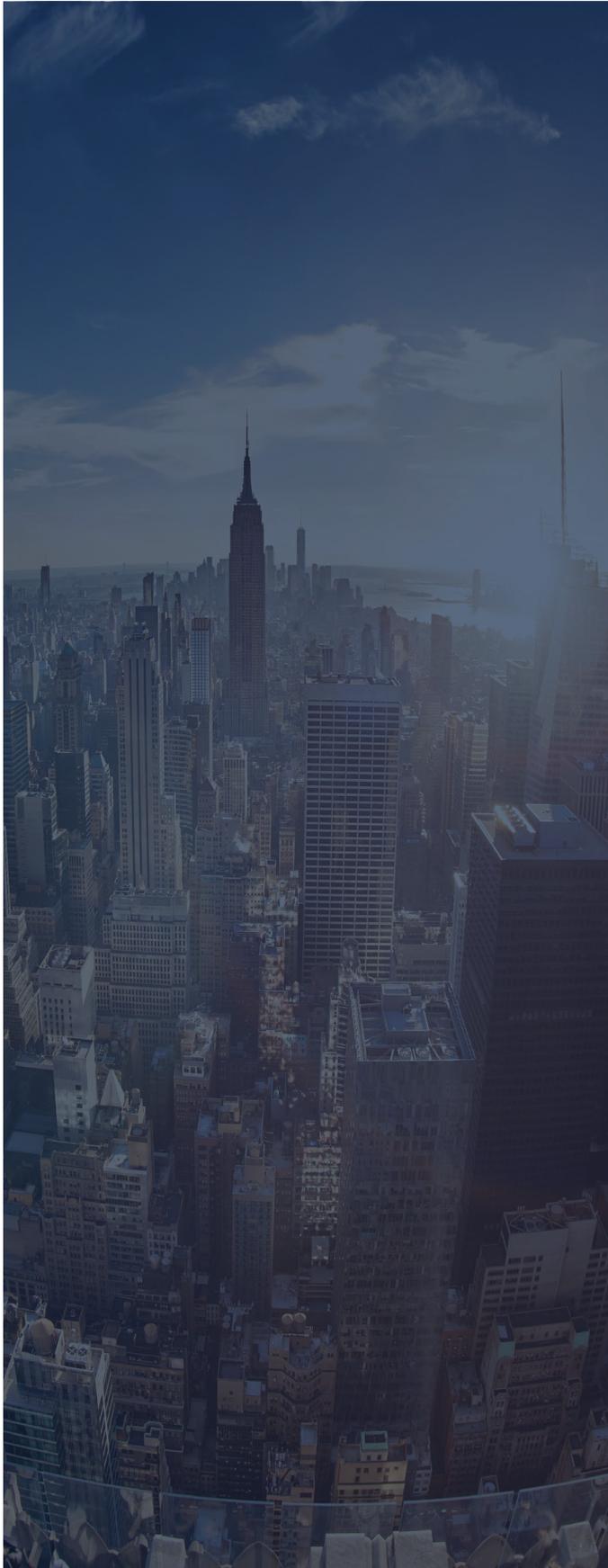
We facilitate targeted training and development for employees, including ESG-related training for investment professionals. Additionally, our investment professionals can engage with internal subject matter experts or external advisors to deepen their understanding and enhance their ESG analyses.

Reporting

We participate in annual reporting to the Principles for Responsible Investment (PRI), making reporting available to further inform stakeholders about our ESG commitments and progress. Where applicable, we report ESG developments that materially impact a fund or account, whether positively or negatively, and welcome the opportunity to discuss reasonable ad hoc reporting requests.

We strive to embed the consideration of ESG risks and opportunities into our investment processes — starting from initial due diligence through to exit — to drive informed decision-making and long-term value creation.





Progress – 2026 and Beyond

Our focus remains on enhancing and improving our approach across the firm through continuous development of our ESG capabilities and integration processes. We recognize that responsible investing is an evolving discipline requiring ongoing refinement and stakeholder engagement.

We review our ESG Policy annually to ensure it remains aligned with our firm's business practices and investment strategies. In 2025, no material changes were made to the policy, reflecting the stability and effectiveness of our established framework.

Final Remarks

As stewards of capital and active members of the communities where we live and work, we take seriously our role in driving positive change through our investments, community engagement and efforts to promote inclusivity within the industry.

In accordance with our fiduciary duty, we strive to maintain full alignment with our investors' interests. We believe our commitment to ESG principles aligns naturally with our goals of sound investment practices and long-term value creation, while also reflecting Värde's purpose, culture and core values. Furthermore, we remain committed to enhancing our ESG capabilities and welcome ongoing dialogue with our stakeholders as we continue to evolve our approach to responsible investing.

Thank you.



