Houlihan Lokey

Sustainability Report

2026

Contents

About the Report

This 2026 Sustainability Report informs stakeholders of our sustainability strategies, performance, and progress. The data represents our global operations for the fiscal year ended March 31, 2026, and is informed by the Sustainability Accounting Standards Board (SASB) standards for the Investment Banking & Brokerage sector. Some data may be based on estimates as our sustainability operations evolve.

If you have any questions or would like to provide your comments, please contact us at ESG@HL.com.

Welcome to Houlihan Lokey's sixth annual Sustainability Report.

CEO Letter

Throughout fiscal year 2026, Houlihan Lokey remained focused on delivering long-term value for our clients, shareholders, and other stakeholders, while advancing our sustainability priorities.

We expanded our global footprint through strategic acquisitions in key European markets, further positioning the firm as a premier global advisor. At the same time, we continued investing in our people and tools to best support our clients, integrating AI into training and work processes, and expanding employee benefits globally.

Our Sustainability Advisory Services team deepened its market presence with advisory work spanning sustainable value creation, climate risk, and sustainable debt structures.

Our priorities remain clear: deliver superior advisory services, foster a thriving workplace, and operate with integrity. We thank our clients, employees, and stakeholders for their continued trust.

Scott Adelson

Chief Executive Officer

Note From Board of Directors

The Board of Directors is pleased to share Houlihan Lokey's sixth annual Sustainability Report, reflecting the firm's ongoing commitment to strong governance and supporting its people and its communities.

Over the past year, the Board of Directors has remained engaged in guiding the firm's long-term strategy to ensure we build lasting value. We appreciate your interest and look forward to keeping this momentum going.

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Houlihan Lokey

About Houlihan Lokey

(as of 3/31/2026)

Houlihan Lokey, Inc. (NYSE:HLI) is a leading global investment bank recognized for delivering independent strategic and financial advice to corporations, financial sponsors, and governments.

With uniquely deep industry expertise, broad international reach, and a partnership approach rooted in trust, the firm provides innovative, integrated solutions across mergers and acquisitions, capital solutions, financial restructuring, and financial and valuation advisory. Our unmatched transaction volumes provide differentiated, data-driven perspectives that help our clients achieve their most critical goals.

Headquartered in Los Angeles

2,776
Global Employees

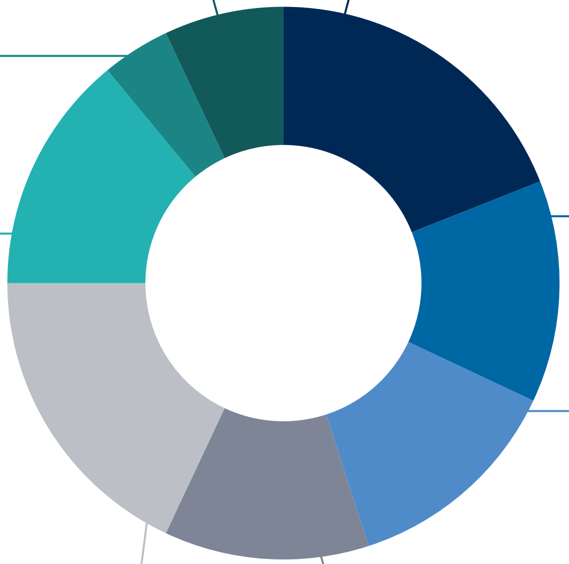
33
Locations Worldwide

1,900
Financial Professionals

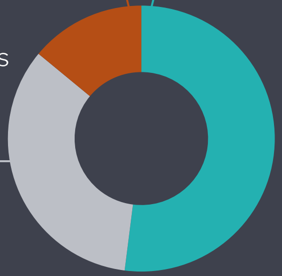
Houlihan Lokey

Industries Served

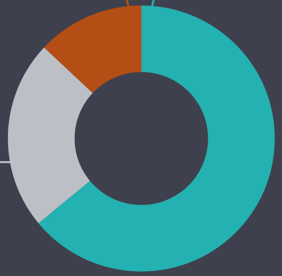
(as of 3/31/2026)



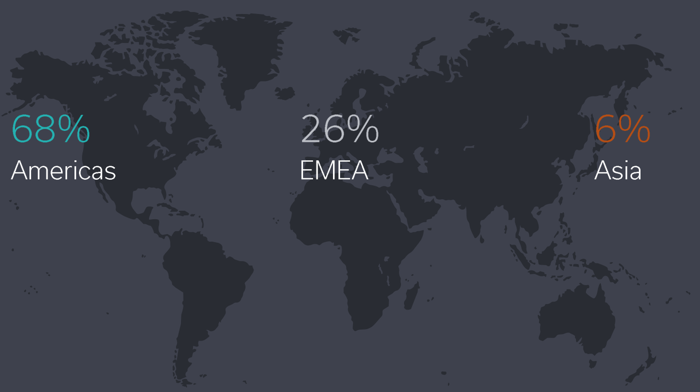
Clients



Business Practices



Regions Served



Houlihan Lokey

About Houlihan Lokey

2026 Business Impact

(as of 3/31/2026)

Our financial professionals provide differentiated advice by delivering a rigorous analytical approach with deep product and industry expertise across our Corporate Finance (CF), Financial Restructuring (FR), and Financial and Valuation Advisory (FVA) businesses.

No.1

U.S. M&A Advisor (11 consecutive years)

No.1

Global Restructuring Advisor (12 consecutive years)

No.1

Global M&A Fairness Opinion Advisor (25+ years)

LSEG.

(1) M&A ranking excludes accounting firms and brokers.

(2) Announced or completed transactions.

Houlihan Lokey

2026 Business Impact

(as of 3/31/2026)

During FY2026, we expanded our global platform through two strategic transactions.

We secured a controlling interest in Audere Partners (operating under the Natixis Partners brand), establishing the firm as a premier mid-cap advisory platform in France. Additionally, we acquired Mellum Capital's real estate capital advisory business in Munich and London, which, paired with the firm's recent expansion into infrastructure debt advisory, enhances our ability to serve clients across the capital structure.

$2.6B
Annual Revenue

2,000+
Clients Served Annually

644
CF Transactions Closed

143
FR Transactions Closed

2,519
FVA Fee Events

Houlihan Lokey

Sustainability Governance & Strategy

Sustainability considerations inform our corporate strategy, growth plans, risk management, and the prioritization of our programs and practices. Our approach is governed by a multi-level oversight structure:

BOARD OVERSIGHT

The Board of Directors provides guidance on our sustainability priorities, fostering a culture of responsibility and integrity.

01

EXECUTIVE OVERSIGHT

Executive management ensures sustainability initiatives align with our long-term vision and stakeholder expectations.

02

SUSTAINABILITY WORKING GROUP

A cross-functional team of subject matter experts manages our sustainability strategy, implementation, and reporting.

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Houlihan Lokey

Sustainability Priorities

Houlihan Lokey's business is diversified across clients, services, industries, professionals, and geographies, contributing to a unique and evolving set of sustainability-related priorities and material topics.

We consistently monitor and evaluate our current and emerging risks and opportunities that come from regulatory developments, topic-specific trends, and stakeholder interests. By focusing on the most material issues to our business, we can more effectively manage risk and drive impact where it matters most to our stakeholders.

We regularly assess voluntary reporting frameworks, including the International Sustainability Standards Board (ISSB) standards, Sustainability Accounting Standards Board (SASB) standards, Task Force on Climate-Related Financial Disclosures (TCFD), along with third-party sustainability ratings, and peer best practices. We also monitor and prepare for forthcoming mandatory reporting requirements in the jurisdictions in which we operate.

Social

- Opportunity and Inclusion
- Talent Recruitment, Development, and Retention
- Employee Engagement
- Sustainability Considerations within Client Services

Governance

- Professional Integrity and Business Ethics
- Enterprise Risk Management
- Cybersecurity
- Corporate Governance

Environmental

- Environmental Stewardship
- Sustainable Offices and Practices
- Global Footprint

Houlihan Lokey

Sustainability Advisory Services

Since 2023, our Sustainability Advisory Services (SAS) team has provided clients with strategic counsel on sustainability and related issues.

The SAS team provides support across the firm and sits within Houlihan Lokey's Financial and Valuation Advisory practice, a leading advisor to many of the world's largest financial sponsors and investors, as well as to boards of directors and business owners. Our suite of services provides tailored support and solutions to address our clients' objectives. Our approach is outcome-oriented, targeting several areas in which our clients are looking to strengthen oversight, manage risk, and enhance credibility with stakeholders.

> Sustainability is becoming a core input into how clients assess risk, access capital, and plan for growth. We help them prioritize what's material and build a strategy that positions the business to create lasting value over the long term and is defensible to regulators, lenders, and investors.

Charlotte Peyraud
Director, Co-Head of Sustainability Advisory Services

> We're seeing sustainability considerations increasingly factor into deal underwriting, and diligence, particularly at the intersection of energy and digital infrastructure. Clients that get ahead of this rather than reacting to it are the ones best positioned to protect value and unlock new opportunities as the market evolves.

Robert Teigman
Managing Director, Co-Head of FVA Energy and Infrastructure

SAS Areas of Support

Sustainability Financial Modeling and Value Impact

Sustainability Due Diligence and Analytics

Financed Emissions Reporting and Climate Assessments

Board Advisory and Resiliency Assessments

Sustainable Capital Solutions Advisory

In FY2026, the team hosted in-person events for clients and practitioners to facilitate peer exchange on challenges and best practices around sustainability reporting, regulations, and value creation. Broader market education was delivered through partner organization webinars and working groups, including the European Leveraged Finance Association (ELFA), and teach-ins focused on sustainable value creation and sustainable debt structures.

Core advisory work this year spanned board advisory, regulatory readiness, sustainability, financial and impact modeling and sustainable debt and transaction advisory. A significant focus was on helping clients build internal systems to track, report, and demonstrate the financial benefits of sustainability initiatives, including support for climate risk assessment.

Looking ahead, priorities include launching the Sustainable Advisory Services Junior Development Program, deepening financial modeling capabilities, linking sustainability drivers to valuation, and expanding geographic and product reach.

Houlihan Lokey

Industry Collaboration and Partnerships

Houlihan Lokey's strong reputation with regulators, auditors, and investors for our valuation experience and independent voice helps our sustainability experts to drive impact for the broader space.

During FY2026, we have grown our relationships with other organizations working at the ever-evolving intersection of data and sustainable finance. For example, we participate in a working group of the International Valuation Standards Council that aims to better demonstrate the connection between sustainability and the valuation of private assets.

Houlihan Lokey

Financial Advisory for Sustainability

Our SAS team partners with industry and product teams across Houlihan Lokey to integrate sustainability considerations throughout the investment lifecycle. In many cases, our sector coverage naturally supports positive environmental and social outcomes. By partnering with mission-driven companies, Houlihan Lokey plays a key role in shaping the financial strategies that enable clients to grow, scale, and deliver lasting impact. Our experience at the intersection of finance, innovation, and sustainability positions us as trusted advisors. Below are some of the industries and sub-sectors we support, along with example transactions:

Houlihan Lokey

Financial Advisory for Sustainability

Business Services

Our Business Services coverage spans a wide range of sectors that contribute to sustainable outcomes, including Environmental Services, Training and Education, and Transportation and Logistics. Our Environmental Services team, for example, advises companies redefining waste management, material reuse, and the integration of sustainability into everyday operations, including market leaders in sustainable waste and wastewater treatment, technology pioneers in industrial plastics recycling through closed-loop systems, and innovators in circular technology and device lifecycle management platforms. Our Testing, Inspection, Certification, and Compliance coverage works with companies providing solutions in ESG data, supply chain, and broader environmental and social compliance. Our Training and Education Technology coverage supports the growth of companies addressing challenges for some of the most vulnerable populations.

Source: Quotations sourced from publicly available deal announcements and transaction press releases

DTG
MACQUARIE
Assets of DTG Recycle, a portfolio company of Macquarie Asset Management, have been acquired by Waste Connections
Sellside Advisor

Environmental Services: Sale of DTG Recycle — DTG is the Pacific Northwest's largest vertically integrated recycler of construction and demolition (C&D) debris. Operating since 1999, DTG collects and recycles materials such as concrete, metal, wood, plastic, organics, and electronics. The company operates across a network of eight recycling facilities, one compost facility, and a limited-purpose landfill for non-recoverable C&D waste.

PENINSULA CAPITAL
EQA
Peninsula Capital has acquired EQA
Buyside Advisor

Testing, Inspection, Certification, & Compliance: EQA / Peninsula Capital — The company has achieved extraordinary growth in recent years, maintaining a leadership position in R&D+I certification while exploring new certification segments, notably ESG standards. EQA operates in a highly fragmented market with very positive long-term trends, including increasing regulatory compliance requirements, supplier audits across increasingly complex supply chains, sustainability and ESG pressures, digitalization and cybersecurity risks, and regulatory harmonization, among others.

Outcomes First Group
Tute
Outcomes First Group has acquired Tute Education
Buyside Advisor

Education & Training: Tute Education / Outcomes First Group (TPG) — Tute Education... delivers high-quality learning experiences to students across key stages one to five through a purpose-built online platform and offers flexible, scalable solutions that fill critical gaps in the education system to ensure every pupil receives the education they need to succeed.

ELG Empowering Learning Group
GraphiteCapital
thi investments
Empowering Learning Group, a portfolio company of Graphite Capital, has been acquired by THI Investments
Sellside Advisor

Education & Training: Empowering Learning Group (Graphite Capital) / THI Investments — From the outset, ELG's mission was to solve challenges facing schools, in particular behavioral issues in classrooms, which have intensified in recent years, driven by post-pandemic disruption, social media, and growing mental health concerns amongst pupils. This has reduced teaching time and increased staff attrition, which ELG is addressing with high-quality behavioral management training courses and recruitment support, significantly improving the learning environment, welfare, and academic outcomes of children.

Houlihan Lokey

Financial Advisory for Sustainability

Industrials

Through our Industrials coverage, we support companies across Packaging, Plastics, and Paper, Decarbonization Products and Services, Automotive, Building Products, and more. Many of our clients provide low-carbon, efficiency-driven products and technologies, including manufacturers of bio-based alternatives to traditional materials, companies reinforcing supply chains with lower environmental footprints, and providers of energy-efficient building and mobility solutions. Each reflects a growing demand for commercially viable, environmentally progressive solutions.

TRILL IMPACT
PRIMUTEC SOLUTIONS GROUP
Acquisition Financing
Trill Impact has acquired a majority stake in Primutec Solutions Group
Financing Advisor

Building Products: Primutec Solutions / Trill Impact — Primutec is a leading flat roofing services provider, currently operating across the Netherlands and Germany. Its core offering focuses on flat roofing, complemented by solutions in lightning protection, solar PV, and green roofing.

RESONAC
FIAMM
AURELIUS
Resonac has sold FIAMM Energy Technology to AURELIUS
Sellside Advisor

Chemicals: FIAMM Energy Technology (Resonac) / AURELIUS — AURELIUS sees untapped growth potential in FIAMM Energy Technology as an important player in the global energy transition: building on the business' strong brand and strategic positioning in its core markets, AURELIUS' dedicated in-house operations advisory team AURELIUS WaterRise will support the company with bespoke advice throughout its transformation.

TOKAI CARBON
TOKAI ERFTCARBON
DUBAG GROUP
TOKAI CARBON CO., LTD., has sold TOKAI ERFTCARBON GmbH to DUBAG Investment Advisory GmbH
Sellside Advisor

Metals & Engineered Materials: Tokai Erftcarbon (TEG) / DUBAG Group — TEG is a leading European supplier of high-quality, large-format graphite electrodes for electric steelmaking and a critical contributor to the decarbonization in the steel sector… [and] is strategically positioned to meet the increasing demand for high-power, high-stability super-size electrodes as steelmaking shifts from oxygen blast furnaces to more environmentally friendly electric arc furnaces.

IRPLAST
Cheyne CAPITAL
TOPPAN
Irplast, a portfolio company of Cheyne Capital, has been acquired by Toppan
Sellside Advisor

Paper, Plastics, & Packaging: IRPLAST SpA (Cheyne Capital Management) / Toppan Specialty Films — Driven by an entrepreneurial vision committed to sustainability, IRPLAST has invested in reducing the weight and thickness of films, designing mono-material solutions for complete recyclability, using raw materials from renewable sources and chemical recycling, and reusing production waste, resulting in a reduction of CO_2 emissions.

Source: Quotations sourced from publicly available deal announcements and transaction press releases

Financial Advisory for Sustainability

Infrastructure

Our Infrastructure team understands the unique dynamics of this market, from navigating complex transactions to identifying the right strategic or financial partners. Our coverage spans core, core-plus, and value-add infrastructure across Decarbonization Products and Services (including Renewable Installation, Operation and Maintenance Services, Carbon Capture, Utilization and Storage, and Energy Storage), Digital Infrastructure, Environmental Services, Power, Utilities and Renewables, and Transportation and Logistics.

Advanced Cooling Technologies, Inc., has sold a majority stake to Blackstone Energy Transition Partners

Sellside Advisor

Industrial Technologies: Advanced Cooling Technologies (ACT) / Blackstone Energy Transition Partners — ACT designs and manufactures highly engineered thermal management and energy efficiency solutions for mission-critical defense and space, advanced computing, and high-power density applications.

Engelmann, a portfolio company of DPE, has been acquired by Rivean Capital

Sellside Advisor

Industrial Technologies: Engelmann Sensor (DPE) / Rivean Capital — Engelmann offers a comprehensive portfolio of products and services, including heat, cooling, and water meters, electronic heat cost allocators, gateways, software, and data services, helping customers comply with EU Energy Efficiency Directive requirements and enabling accurate, consumption-based billing.

Stellex Capital Management has acquired the Clean Technology Systems Environmental division of Dürr Clean Technology Systems

Buyside & Financing Advisor

Industrial Technologies: Clean Technology Systems Environmental (Dürr Group) / Stellex Capital Management — We look forward to becoming the next steward of Dürr's Clean Technology Systems Environmental division and we welcome the company into our investment portfolio. We view the division as a global leader in environmental filtration and pollution control solutions - critical technologies that serve a wide range of industrial and adjacent markets.

Source: Quotations sourced from publicly available deal announcements and transaction press releases

Houlihan Lokey

Financial Advisory for Sustainability

Consumer

Our Consumer Group advises companies driving innovation across healthy food and beverage, plant-based products, sustainable and circular brands, and clean beauty and personal care. This includes companies formulating natural and organic products for personal care and home use, and businesses supporting broader trends in health, wellness, and conscious consumption.

F.I.L.A. Group has acquired Seven S.p.A.
Buyside Advisor

Consumer Products: Seven S.p.A. / F.I.L.A. — Seven S.p.A., a certified B Corp and market leader in Italy in backpacks, pencil cases, and bags, was acquired by F.I.L.A., a global leader in the production and distribution of creative expression tools, art materials, and stationery products, combining over a century of quality and innovation with a strong commitment to sustainability and educational development.

Vivera, a subsidiary of JBS, has acquired The Vegetarian Butcher, a portfolio brand of Unilever
Buyside Advisor

Food & Beverage: The Vegetarian Butcher / Vivera — The Vegetarian Butcher is a pioneering plant-based meat brand from the Netherlands, known for its innovative approach to meat alternatives and distinctive branding.

Millbo, a portfolio company of Apheon, has acquired a majority stake in Cain Food Industries
Buyside & Financing Advisor

Food & Beverage: Cain Food Industries / Millbo S.r.l. — The acquisition of Cain marks a transformational step for Millbo, creating a vertically integrated global leader in the clean-label bakery ingredients sector. The combined group will benefit from complementary R&D capabilities, expanded production capacity, and enhanced market access to meet growing global demand for natural preservation solutions.

Joolz, a portfolio company of Gimv, has been acquired by Bugaboo, a portfolio company of Mubadala
Sellside Advisor

Retail: Joolz Holding BV / Bugaboo International BV (Mubadala Capital) — Sustainability is at the core of the brand, with B Corp certification pending and a number of ESG-led initiatives, including sustainable materials.

Source: Quotations sourced from publicly available deal announcements and transaction press releases

Houlihan Lokey

Financial Advisory for Sustainability

Healthcare

Our Healthcare team brings in-depth sector knowledge and proven transaction experience across a broad range of sub-sectors, including Behavioral Health, Health and MedTech, Healthcare Services, and Post-Acute and Senior Housing — many of which are focused on supporting vulnerable populations.

KabaFusion, a portfolio company of Novo Holdings, has been acquired by Nautic Partners
Sellside Advisor

Healthcare / Homecare: KabaFusion (Novo Holdings) / Nautic Partners — Our expansion will enable KabaFusion to serve a greater number of patients with superior care.

Workplace Options, a portfolio company of WindRose Health Investors, has been acquired by Telus Health
Sellside Advisor

Healthcare Providers, Services & Managed Care: Workplace Options (WindRose Health Investors) / TELUS Health — TELUS Health's acquisition of WPO will significantly enhance its employee wellbeing platform by broadening both its product offering and provider network. Together, the combined organization will cover more than 150 million lives.

Source: Quotations sourced from publicly available deal announcements and transaction press releases

Houlihan Lokey

Human Capital Management

Our people drive our collective success. Our Human Capital Group (HCG), led by the Chief Human Capital Officer, delivers a meaningful employee experience that supports development, well-being, and long-term career success. We use a network of regional Human Resources Business Partners (HRBPs) to ensure local support and gather direct feedback to enhance the workplace experience.

2,776
Global Employees

354
Managing Directors (MDs) across CF, FR and FVA

12 Years
Average MD Tenure

25 Years
Average Operating Committee Tenure

392
Global Interns Hosted

Houlihan Lokey

Recruitment, Onboarding, and Development

We recruit talent committed to excellence and provide them with the tools to succeed. Our dedicated recruiting teams partner with leading academic institutions, host information sessions, and engage student organizations to attract top candidates.

Our onboarding program ensures new hires are ready to contribute from day one. In FY2026, our Corporate Finance EMEA team launched new recruiting initiatives, including Spring Insights Week and the Women in Banking Insights program.

Key Development Programs

Global New Hire Training

345 employees completed our comprehensive onboarding program.

Mentorship & Coaching

Business Development Coaching enrolled 11 Directors in our specialized program to enhance client engagement.

Online Learning

2,353 employees (86% of the firm) participated in professional development, completing over 4,700 hours of content.

VP Development Program

This program focuses on business planning, team management, and go-to-market strategies, with 14 VPs in the inaugural cohort.

Milestone & Role-Specific Training

We delivered targeted off-site training for 82 newly promoted Directors and Vice Presidents (VPs).

AI in Training

We integrated AI tools, such as Gemini and NotebookLM, to modernize content delivery and are developing personalized learning paths and automated compliance tracking.

Houlihan Lokey

Human Capital Management

Performance, Engagement, and Inclusion

Our biannual performance reviews, which include self-assessments and manager/peer feedback, are tied directly to our merit-based compensation structure. To ensure our focus remains on client outcomes, we do not use commission-based pay. For details regarding executive compensation, please refer to our Proxy Statement.

We measure employee sentiment through a biennial global engagement survey. Feedback from our most recent survey led to the launch of a new firmwide intranet, significantly improving transparency and access to resources.

We keep employees informed and connected through weekly firmwide communications from the CEO.

We foster a connected culture through our employee-led Houlihan Lokey Communities, which saw an 8% membership increase in 2026. By hosting curated programs, these groups play a vital role in driving employee engagement and deepening cultural awareness across the firm from the prior year.

Key Programs

- "Women@HL on Tour"
- "Together We Thrive" panel
- "Leaders' Lounge"
- "Stronger Together" seminar for Juneteenth and Pride Month

Houlihan Lokey

Human Capital Management

Employee Health, Safety, and Well-Being

Our Global Health and Safety Policy ensures a safe working environment, reinforced by role-specific training for office managers. To complement our extensive benefits package, our Healthy Living Committee designs tailored wellness programs and resources to support employee well-being.

Benefits and Wellness Highlights

Global Support

We offer extensive health insurance, retirement plans, Employee Assistance Program (EAP) resources, and family planning benefits. In FY2026, we strengthened benefits governance, improved data integrity for international transfers, and executed a seamless open enrollment with a 10% increase in U.S. enrollment rates.

New & Expanded Benefits

Our enhanced benefits package now includes extended parental medical cover in India, a new UK health assessment reimbursement, and updated life insurance in Japan.

Mental Health

In response to employee feedback, we launched the Mental Health Rx training program for managers and introduced dedicated well-being rooms in several of our larger offices.

Community Engagement

We build lasting partnerships in our communities through employee-led giving and volunteerism.

Our charitable program, HL Impacts, supports these efforts by providing corporate donations, matching employee gifts, and offering 16 hours of annual volunteer time off per employee.

HL Impacts FY 2026 Performance

5,055
Total Volunteer Hours

2,205
Office Organized Volunteer Events

69
Causes Supported

3,747
Matching Program Participants

1,541
Volunteers

In FY2026, we drove platform engagement to a 74% global participation rate.

This milestone was supported by strategic initiatives, including a $100 seeding campaign, increased matching limits, and expanded internal communications. Our employee-led efforts supported local causes, ranging from fundraising for PENCIL in New York to delivering aid for the Kerr County Flood Relief Fund in Texas.

Houlihan Lokey

Community Engagement

Charitable Giving Spotlight: Project in Sri Lanka

HL's Impact Trips were initiated as a way to create tangible, real-world impact beyond our day-to-day work. Our first two Impact Trips focused on funding and building sustainable water wells in Uganda and Kenya.

This year, our third Impact Trip to Sri Lanka was conducted in collaboration with World Vision Sri Lanka, a global humanitarian organization that has worked since 1977 to support vulnerable communities across Sri Lanka. The organization has reached nearly 100,000 children and their families through long-term development programs, advocacy, and relief response focused on health and nutrition; water, sanitation, and hygiene (WASH); economic development; and child protection programs.

We partnered with World Vision Sri Lanka to identify Kalewewa Vijaya Maha School, where renovation and WASH upgrades provided students with safe water and sanitation access, creating a healthier learning environment and better educational outcomes.

“

Working on real-world challenges together builds perspective, trust, and team cohesion and reminds us that purpose can extend well beyond our day-to-day roles.

Arun Reddy
Houlihan Lokey,
Managing Director

3
Classrooms Constructed and Renovated

10
Handwashing and Sanitation Facilities Installed and Renovated

Funded by over
$31,000
in personal contributions and firm matching

These efforts have had a direct impact on more than
460
students

Contents

Houlihan Lokey

Corporate Governance & Business Ethics

We are committed to robust corporate governance practices. The Board of Directors is 55% independent, and all Board committees—Audit, Compensation, and Nominating and Corporate Governance—are composed exclusively of independent directors. Refer to our Proxy Statement and investor relations website for additional details on our Board and governance practices.

Business Ethics and Integrity

Integrity is the foundation of our client service. Our global Compliance team implements policies and delivers regular updates to senior leadership and the Audit Committee to ensure adherence to ethical and regulatory standards.

This commitment extends to our responsible sales practices, which prioritize client outcomes through a compensation structure free of commission-based pay. To maintain accountability, all employees are required to complete annual ethics and compliance training. Furthermore, our confidential, third-party whistleblower hotline has been in place since 2006 to ensure accountability without fear of retaliation.

Houlihan Lokey

Risk Management & Cybersecurity

Oversight

The Board and Audit Committee oversee each phase of the ERM process and receive updates on its development and implementation on a routine basis.

Risk Assessment

Internal auditors and third-party advisors conduct annual enterprise risk assessments, which evaluate the effectiveness of our policies, programs, control and procedures, and management structures.

Process Management

Business units, senior management, and executives routinely monitor and review ERM strategy processes, statuses, and performance.

Strategy Integration

Executive and management teams leverage the risk assessment to develop and implement firmwide operational procedures designed to prevent and mitigate identified risks.

As a multinational financial advisory firm, we remain committed to meeting the diverse legal, regulatory, and compliance requirements across the regions in which we operate, while staying responsive to evolving industry dynamics. This requires both regional expertise and a unified global enterprise risk management (ERM) program overseen by the Board of Directors and the Audit Committee. In the past year, we invested in new Governance, Risk, and Compliance (GRC) technology, established a Global Fraud Risk and Controls Steering Committee, and performed our Enterprise Risk Assessment in-house for improved data collection and governance.

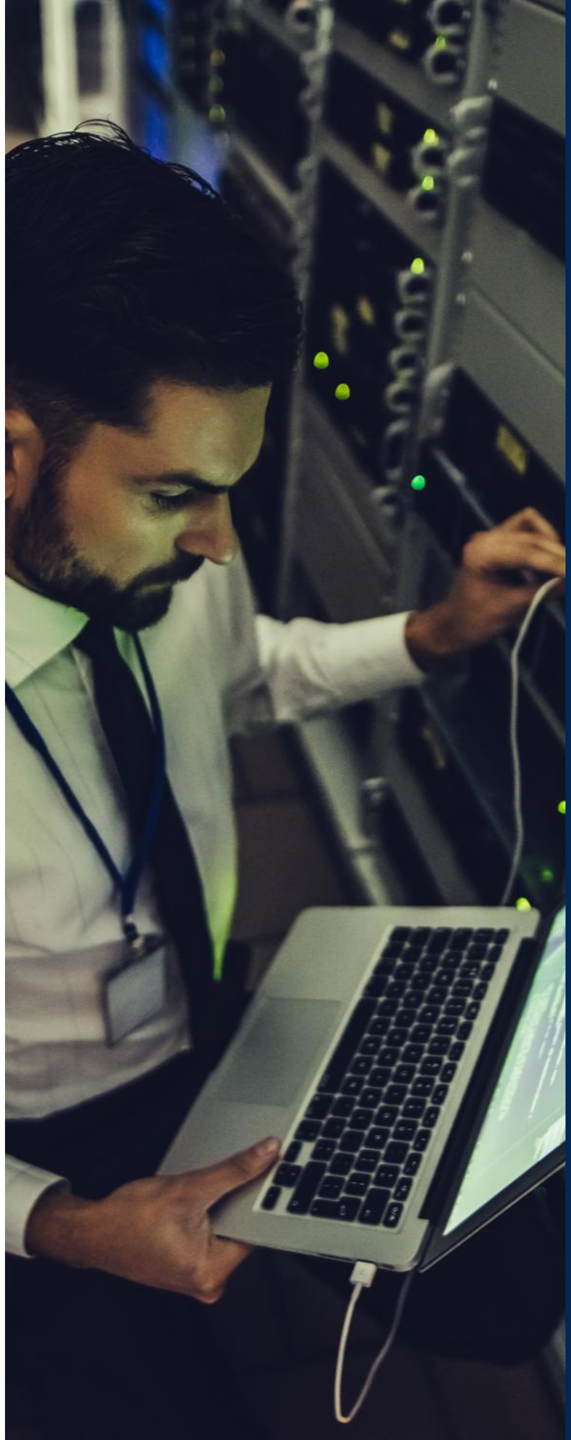
Houlihan Lokey

Responsible Third-Party Management

Houlihan Lokey maintains a global Third-Party Risk Management (TPRM) framework to identify, assess, and manage risks associated with vendors and service providers.

This formalized process helps protect our firm, clients, and stakeholders from potential legal, operational, cybersecurity, or reputational harm that could arise from third-party engagements.

Due diligence on critical and high-risk vendors includes assessments of financial stability, operational resilience, information security, data privacy, and compliance history. Houlihan Lokey leverages both internal teams and a third-party platform to evaluate documentation such as SOC reports, cybersecurity protocols, and business continuity plans. Contract terms for these vendors reflect heightened requirements, including performance standards, termination rights, and audit access.



Houlihan Lokey

Risk Management & Cybersecurity

Responsible Third-Party Management

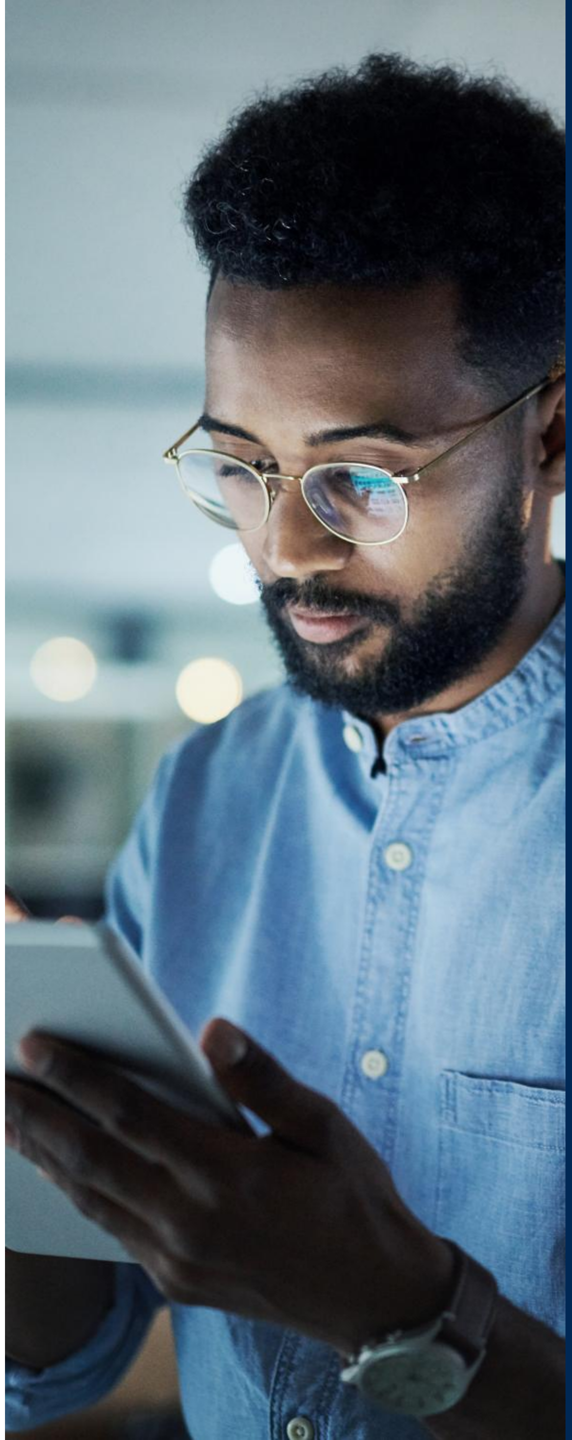
Oversight

Oversight responsibilities are shared across designated Vendor Owners, our centralized TPRM Team, the Risk Committee, and executive leadership.

Managing third-party risk is an important component of our sustainability commitments. By maintaining strong oversight of vendor relationships, we help promote responsible business conduct, safeguard sensitive data, and uphold stakeholder trust.

To support transparency and accountability, our TPRM platform serves as the central repository for all vendor records, contracts, and due diligence documentation. We also monitor vendors following onboarding through scheduled reviews and ad hoc reassessments to account for changes in vendor risk profiles, business needs, and the regulatory landscape.

In the past year, we streamlined the vendor onboarding process and refined the standard risk assessment methodology, introducing new controls to strengthen comprehensive vendor oversight firm-wide. Contract management efforts were initiated by collecting and centralizing contracts for newly onboarded vendors, with storage consolidated directly within each vendor's profile.



Houlihan Lokey

Cybersecurity and Data Privacy

Cybersecurity Oversight

Oversight of our information security program relies on a comprehensive and multi-layered approach encompassing operational, management, and Board-level responsibilities.

Our Security Team manages our cybersecurity risk assessment process, security controls, and responses to cyber threats. Our Chief Information Officer, Senior VP Global IT Operations, and IT Security Director work in concert to assess and manage our IT and cybersecurity program, supervise our security team, and report to our Executive Management Team. In addition, they hold regular meetings with our Cybersecurity Working Group, which includes key members of our Legal & Compliance and IT departments.

Our Board of Directors and Audit Committee receive regular cybersecurity updates from our IT team and advise on the overall program and related risks. Cybersecurity risks have been integrated within our overall ERM process, ensuring that they are addressed as a core component of organizational resilience and strategic oversight.

Refer to our Annual Report on Form 10-K for more information on Cybersecurity Strategy and Governance.

Houlihan Lokey

Cybersecurity and Data Privacy

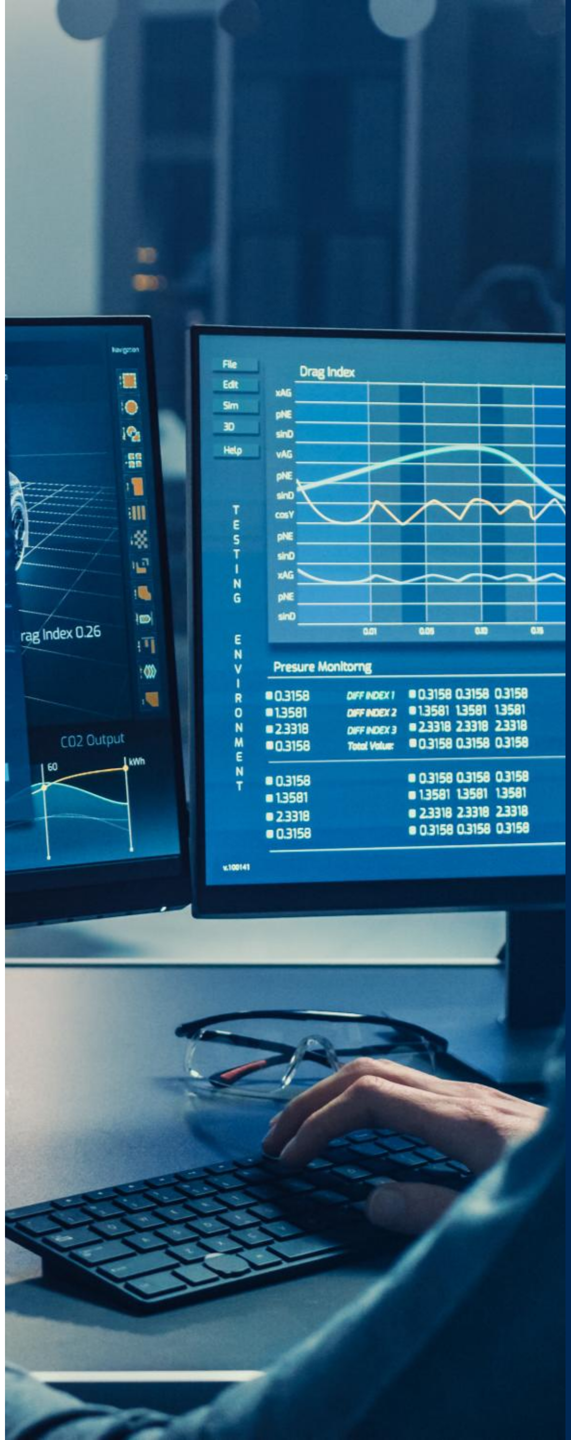
IT and Cybersecurity Policies

We protect the personal data of all our employees, clients, and stakeholders through our privacy and record retention policies.

Responsible AI Use

We have taken a proactive and measured approach to AI, following the introduction of our Generative AI Tools Usage Policy in 2026. This policy establishes a firm-wide framework for the responsible use of generative AI technologies, underscoring our commitment to innovation, data stewardship, and ethical conduct. At Houlihan Lokey, we view AI as a tool to augment—not replace—human expertise. All AI-generated outputs are treated as preliminary and must be reviewed, validated, and approved by qualified personnel before they are used. Critical decisions remain under human oversight to ensure accountability and uphold professional standards.

Our policy is jointly overseen by the IT and Legal & Compliance departments, providing cross-functional governance that aligns with internal standards and evolving regulatory expectations. As the AI landscape continues to develop, we remain committed to refining our governance to foster trust, safeguard integrity, and meet the expectations of our stakeholders.



Contents

Houlihan Lokey

Cybersecurity and Data Privacy

Houlihan Lokey Policies

We adhere to various data privacy rules across jurisdictions, defining the requirements for data collection, usage, and storage. Our expectation is for all third parties we engage to uphold the same standard of care, which is assessed during our vendor due diligence process. Policies include the following:

We align our information security program with the principles of the National Institute of Standards and Technology's (NIST) Cybersecurity Framework, which serves as our primary reference to guide detection, protection, response, and recovery efforts against cyber threats. In the past year, we have implemented Netskope, a client-side security solution that continuously validates and authenticates user activity regardless of physical location. This marks a significant architectural upgrade, allowing us to embed firewall protections directly at the user level and improve our ability to secure a distributed workforce.

The EMEA IT GRC function continued to mature, with the team focused on expanding GRC coverage across the region. A key milestone was the successful completion of the ISAE 3402 Type II audit, demonstrating the firm's commitment to strong internal controls and operational integrity.

We implemented a Secure Service Edge / Secure Access Service Edge (SSE/SASE) solution firmwide, establishing Zero Trust access to Houlihan Lokey computing resources across all regions. This initiative materially strengthens the firm's network security posture by ensuring all access requests are verified regardless of location or device.

Houlihan Lokey

Risk Management & Cybersecurity

FY2026 Cybersecurity Enhancements

We deployed a firmwide application whitelisting solution to control which applications can execute on Houlihan Lokey endpoints, preventing unauthorized or malicious files from running.

Together with the Zero Trust initiative, this represents a significant and strategic uplift to the firm's overall cybersecurity defenses. We completed the ISAE 3402 Type II audit for our EMEA IT GRC function and conducted regular employee training, including monthly phishing simulations.

4,000+
Third-Party Security Awareness Training Modules

1,400+
Hours of Phishing and Security Awareness Training

29,000+
Phishing Awareness Emails

Houlihan Lokey

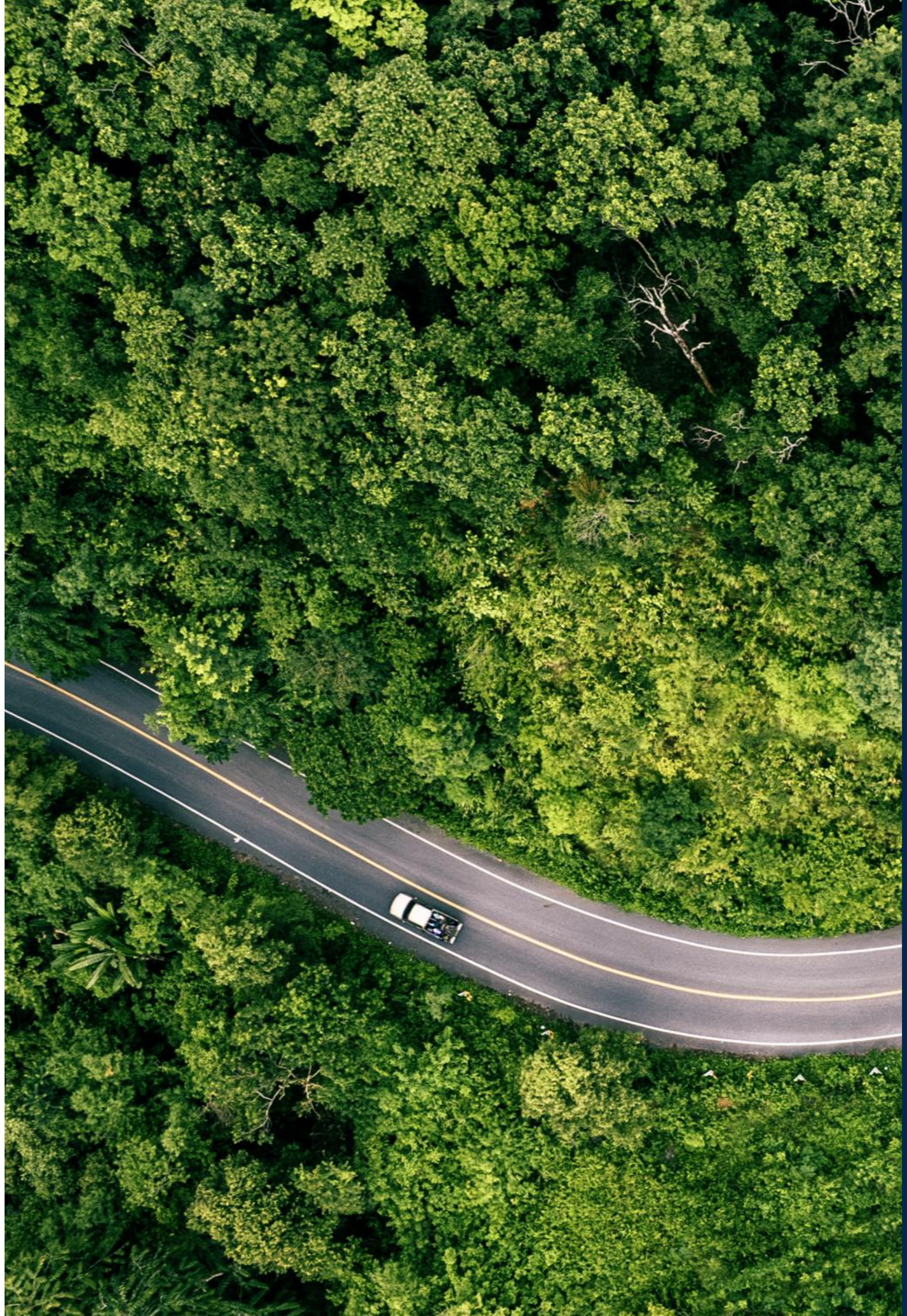
Environmental Stewardship & Climate Approach

While our environmental impact is primarily from office operations and travel, we are enhancing our data management to understand and mitigate our footprint.

Climate Strategy

Our climate strategy focuses on building a robust emissions baseline, improving operational efficiency, and enhancing data quality to prepare for evolving climate regulations and disclosure standards.

We conduct Scope 1 and 2 GHG emissions assessments across all offices and are advancing Scope 3 tracking. We have also conducted climate risk assessments and scenario analysis across our global facilities and business lines to understand our exposure to physical risks (e.g., flooding, extreme heat) and transition risks (e.g., policy changes, market shifts, technological disruption).



Houlihan Lokey

Global Footprint

Global FY2026 GHG Emissions

We made progress establishing a comprehensive baseline of our global footprint, engaging external parties to conduct Scope 1 and 2 assessments.

We are prioritizing consistent, centralized data collection across Scope 1, Scope 2, and select Scope 3 categories, gathered through third-party data management platforms.

Employee Travel

Business travel, a Scope 3 category spanning air travel, hotels, and ground transportation, remains essential to serving clients, and we're focused on tracking and reducing its impact through guidance on lower-carbon choices like non-stop flights, public transit, and video conferencing in place of travel.

This year, we refined our travel program to improve cost management, traveler experience, and sustainability, streamlining booking processes, strengthening supplier partnerships, and enhancing data dashboards. Looking ahead, we'll focus on greater automation, self-service capabilities, and supplier performance.

Houlihan Lokey

Environmental Stewardship & Climate Approach

Sustainable Offices

Our global offices reflect our commitment to operating responsibly. Office selection considers size, location, performance, and materials; all offices are leased, with interior features tailored to a global guidelines document.

We continue shifting from local data storage to cloud-based operations and promote e-waste recycling and circularity in procurement.

70%

of our global offices have green building certification

1 Curzon Street, London Office

Strategy & Design Philosophy

We focus on efficient, flexible office spaces that support in-office work and adapt to headcount growth and acquisitions. This year saw relocations or expansions in Tokyo, Paris, and Houston, and a downsized, renovated Los Angeles office, with active projects in Atlanta, New York, and Chicago.

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Disclaimer

Published in August 2026.

Forward-Looking Information

This report contains forward-looking statements. All statements other than statements of historical facts contained in this report may be forward-looking statements. The words "may," "will," "should," "expects," "plans," "anticipates," "could," "intends," "targets," "projects," "contemplates," "believes," "estimates," "predicts," "potential," or "continue" and other expressions that are predictions of or indicate future events and trends and that do not relate to historical matters identify forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties, and other important factors that may cause our actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. Important factors that could cause actual results to differ materially from expectations are disclosed under the "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" sections of our annual report on Form 10-K for the year ended March 31, 2026, and subsequent filings with the Securities and Exchange Commission (the "SEC"). All written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements. You should evaluate all forward-looking statements made in this presentation in the context of these risks and uncertainties. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, you should not rely on these forward-looking statements as predictions of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur, and actual results could differ materially from those projected in the forward-looking statements. The forward-looking statements in this report are made only as of the date hereof. Except as required by law, we assume no obligation to update these forward-looking statements, or to update the reasons why actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future.

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Sustainability Report 2026

Corporate Finance

Financial Restructuring

Financial and Valuation Advisory

HL.com