



Houlihan Lokey

Sustainability Report

2025

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About the Report

This 2025 Sustainability Report is intended to inform our stakeholders of our ongoing sustainability strategies, performance, and progress. We are confident that our focus on these key areas reflects our commitment to making a meaningful difference in our communities, environment, and economy. The data provided herein represents, to the best of our current knowledge, our global operations for the fiscal year ended March 31, 2025. Since our sustainability operations are still evolving, some of the information provided may be based on estimates. This report discloses metrics aligned to the Sustainability Accounting Standards Board's (SASB) Investment Banking & Brokerage sector standards.

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



Welcome to
Houlihan Lokey's
fifth annual
Sustainability
Report.

CEO Letter

We serve a diverse set of clients, including corporations, financial sponsors, and government agencies worldwide. Even during times of uncertainty and change, and the paradigm shifts that have marked our 2025 fiscal year, our approach to embedding our values in our day-to-day business remains consistent.

Of the many notable accomplishments and the progress made across Houlihan Lokey's sustainability priorities, I am particularly proud of the investments made in our employee development and training programs. These include the expansion of role-specific training, as well as cross-functional collaboration opportunities to promote employee development. We have expanded employee engagement within the Company and in our local communities to focus on our charitable efforts that are intentionally employee-led, allowing individuals to shape volunteer opportunities around the causes they care about. Our new centralized giving portal helps track donations and streamline access to matching funds, while keeping our local, people-first spirit at the core of our charitable work.

We continue to build and evolve our Sustainability Advisory Services (SAS) offerings for clients, helping to better meet their needs in an evolving regulatory and business environment. We have also focused on the responsible use of generative artificial intelligence (AI) technologies, and published a Company-wide AI Policy that underscores our commitment to data stewardship and ethical conduct.

To expand on our previous efforts, in FY2025, we embarked on accounting for our operational Scope 1 and Scope 2 greenhouse gas (GHG) emissions through data collection and management. As we are a tenant of 35 offices worldwide, this accounting is a significant exercise that demonstrates our commitment to informed decision-making. These efforts are described later in this report.

Regardless of what the coming year brings, we will continue to provide services that our clients value, build a great workplace that our employees are proud of, and operate as a responsible business that embraces and invests in our communities. We greatly appreciate your support of Houlihan Lokey and our commitment to transparent reporting.

Thank you.

Scott Adelson

Chief Executive Officer

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Note From Board of Directors

The Board of Directors is pleased to present Houlihan Lokey's fifth annual Sustainability Report showcasing the Company's ongoing efforts to ensure effective corporate governance and promote the well-being of our employees, our communities, and the environment.

The Board is pleased to report that management has done an excellent job of implementing the leadership succession plan announced last year. Scott Adelson, who completed his first year as CEO in June, has led the effort to increase collaboration across all business lines and deliver one firm to our clients, aided by the addition of Eric Siegert as Co-Chairman.

The Board shares management's view that Houlihan Lokey's people are its biggest asset. In this report, you will read about new initiatives to improve employee well-being, provide effective training and create inclusive opportunities for all. This, combined with the continued emphasis on community service and charity, provides the type of workplace culture that represents our core values.

At Houlihan Lokey, our success has always been built upon a strong foundation of compliance, ethical behavior, and systematic enterprise risk management. The Audit Committee of the Board continues to devote significant attention to management's efforts to continuously improve cybersecurity, compliance, and internal controls to manage the changing risk profile of a growing global enterprise.

Thank you for taking the time to review this year's Sustainability Report. The Board of Directors is excited to report on Houlihan Lokey's efforts to improve our workplaces and communities, and we look forward to sharing the Company's progress in future reports.



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About Houlihan Lokey

(as of 3/31/2025)

Houlihan Lokey, Inc. (NYSE:HLI) is a global investment bank with expertise in mergers and acquisitions, capital solutions, financial restructuring, and financial and valuation advisory.

We serve corporations, institutions, and governments worldwide through our offices in the Americas, Europe, the Middle East, and the Asia-Pacific region. Independent advice and intellectual rigor are hallmarks of our commitment to client success across our advisory services.

Headquartered
in Los Angeles

2,702

Global
Employees

35

Locations
Worldwide

1,893

Financial
Professionals

Our Commitment to Our Clients

Unwavering commitment to client success fuels our growth and creates lasting shareholder value. Our clients' success is at the heart of everything we do. We are:



Dedicated

To helping our clients achieve superior outcomes by providing thoughtful, caring advice while acting with honor and integrity.



Driven

To be recognized globally for providing the finest financial advice and service to our clients and for being the best place to work for our colleagues.



Committed

To supporting our clients with independent advice, intellectual rigor, and senior-level involvement.

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2025 Business Impact

(as of 3/31/2025)

Houlihan Lokey's financial professionals deliver meaningful and differentiated advice to clients on strategy and financial decisions and employ a rigorous analytical approach coupled with deep product and industry expertise.

Through our Corporate Finance (CF), Financial Restructuring (FR), and Financial and Valuation Advisory (FVA) business practices and Financial Sponsors Group, our expertise spans mergers and acquisitions, capital solutions, private funds advisory, bankruptcies, insolvencies, financial opinions, and a variety of financial and valuation advisory services.

No.1

M&A advisor
for the Past
10 Years in
the U.S.

No.1

Global
Restructuring
Advisor for the
Past 11 Years

No.1*

Global M&A
Fairness Opinion
Advisor Over
the Past 25 Years

*Based on number of
transactions and according to
data provided by LSEG
(formerly Refinitiv).*

**Announced or completed
transactions.*



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About Houlihan Lokey

2025 Business Impact

(as of 3/31/2025)

During FY2025, we continued to acquire more companies to deepen our industry coverage, expand our geographic reach, and add additional service offerings.

These acquisitions included Triago Management Development, enhancing our Capital Solutions Group and private capital advisory capabilities; Prytania Solutions Ltd., strengthening our FVA business in Europe; and Waller Helms Advisors, which bolstered our expertise in the insurance and wealth management sectors.

These acquisitions underscore our commitment to delivering comprehensive, high-quality financial services to our clients worldwide.

Source:
(1) LTM ended March 31, 2025.

Sustainability Report 2025

2,000+
Clients Served
Annually

\$2.4B⁽¹⁾
Annual
Revenue

564
Global
M&A Deals

145
Restructuring
Transactions

2,441
Global Completed
FVA Assignments

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Industries Served



19%
Industrials



15%
Business
Services



15%
Financial
Services



14%
Technology



13%
Consumer



13%
Healthcare

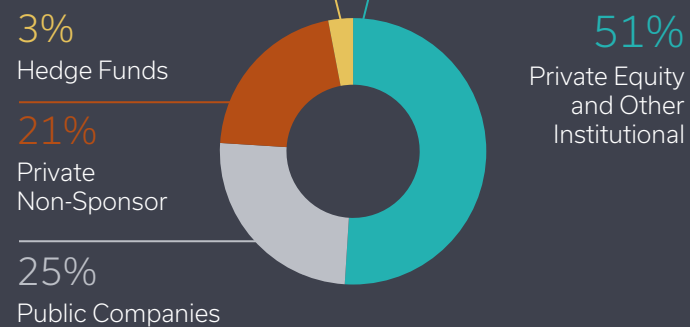


7%
Other

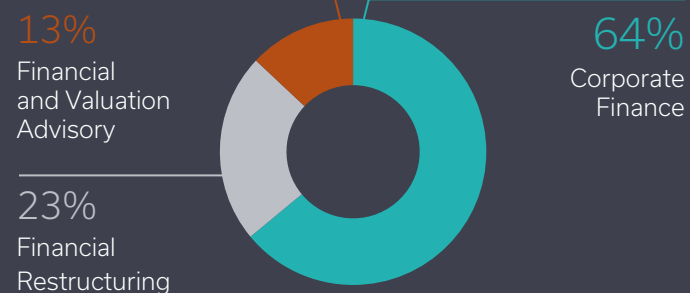


4%
Energy

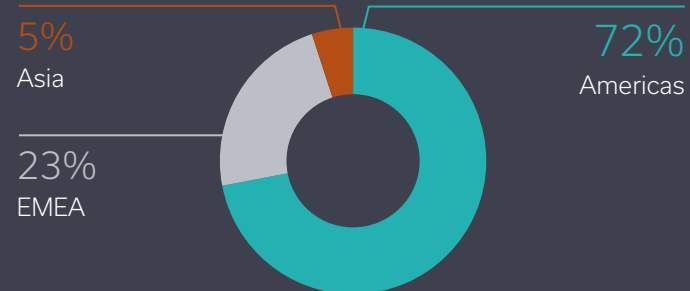
Clients



Business Practices



Regions Served



Sustainability Oversight

Our Board plays an active role in shaping the direction of the Company and helps guide our sustainability priorities. The Board receives updates on our sustainability program's progress and implementation, which is led by our executive management and Sustainability Working Group. We aim to cultivate a culture that prioritizes robust governance, social responsibility, and environmental stewardship, and encourage Company-wide involvement on these priorities throughout the firm.

BOARD OVERSIGHT

By supporting sustainability at the leadership level, the Board helps foster a culture of responsibility, integrity, and ongoing improvement across the organization. The Board remains actively engaged in shaping the Company's direction and providing guidance on our sustainability priorities.

EXECUTIVE OVERSIGHT

Our executive management provides strategic oversight of sustainability priorities to the Company. Its members remain engaged on sustainability matters by receiving regular updates on the progress of initiatives from key leaders throughout the Company and participating in firmwide events to facilitate dialogue with stakeholders to identify priorities and convey the Company's commitment to sustainable practices. This strategic guidance and participation help ensure that our sustainability priorities remain aligned with our long-term vision and stakeholder expectations.

SUSTAINABILITY WORKING GROUP

Our Sustainability Working Group, led by members of our Corporate Development team and other internal subject matter experts, manages the communication of our sustainability strategy, supports the implementation of initiatives, and collaborates across departments to evaluate and report on progress. Collaboration with our EMEA Sustainability Working Group on these efforts is paramount for a global impact within our Company.

COMPANY-WIDE INVOLVEMENT

We encourage employees throughout the firm to become involved with sustainability initiatives. Leaders across our business lines maintain an active dialogue with shareholders, employees, clients, industry groups, and advisors to strengthen our programs and adapt to a shifting landscape.

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*Constellation Place
Los Angeles Office*

Sustainability Strategy and Commitment

The consideration of sustainability informs our corporate strategy, growth plans, and the prioritization of our programs and practices.

We view our sustainability commitments as part of a comprehensive approach to the management of our business risks and opportunities, as well as to how we deliver long-term value to our clients and shareholders.

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Sustainability Priorities

Houlihan Lokey's business is diversified across clients, services, industries, professionals, and geographies, thereby 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 staying focused 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 International Financial Reporting Standards (IFRS), Sustainability Accounting Standards Board (SASB) standards, Task Force on Climate-Related Financial Disclosures (TCFD), third-party sustainability ratings, and peer best practices.



Social

Opportunity and Inclusion

Talent Recruitment, Development, and Retention

Employee Engagement

Sustainability Considerations within
our Client Services



Governance

Professional Integrity and Business Ethics

Enterprise Risk Management

Cybersecurity

Corporate Governance



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Environmental Stewardship

Sustainable Offices and Practices

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Sustainability Advisory Services

We are a dynamic firm driven to meet the needs of an evolving global marketplace by serving our clients in adaptive and innovative ways. As part of this commitment, we recognize the value of advising our clients on sustainability-related issues within a rapidly changing environment and have responded by integrating sustainability services into our core client work.

In 2023, we launched our Sustainability Advisory Services (SAS) offering with the aim of providing clients with strategic counsel on sustainability and related issues. The SAS team 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 bespoke support and solutions to address our clients' objectives. Our approach is outcome-oriented, targeting several discrete areas in which our clients are looking to strengthen oversight, manage risk, and enhance credibility with stakeholders.

“

In today's backdrop of shifting regulations, geopolitical uncertainty, and evolving investor expectations, our tailored approach helps clients, regardless of where they are in their sustainability journey, to navigate these changes, address near-term risks and opportunities, and build toward long-term resilience.

Charlotte Peyraud
Director, Co-Head of Sustainability Advisory Services



“

The SAS team provides strategic guidance to companies, directors, and financial sponsors navigating uncertain times, helping to focus on the issues most material to the business and investments, and identify where value can be created or preserved.

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



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SAS Areas of Support



Board Advisory
and Resiliency
Assessments



Sustainability
Due Diligence
and Analytics



Financed Emissions
Reporting



Sustainability
Financial Modeling
and Impact Valuation

Additional Advisory Services



IPO exit readiness
and sustainability
reporting advisory



Sustainable fund and
transaction advisory to
address sustainability
and related thematic
objectives



Tax credit
monetization



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Sustainability Advisory Services

Industry Collaboration and Partnerships

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

Our service offerings are supplemented by market data and insights via our partnerships with Persefoni and Novata, among others.

During FY2025, 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.

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Financial Advisory for Sustainability

Our SAS team partners with industry and product teams across Houlihan Lokey to help integrate sustainability considerations throughout the investment lifecycle. In many cases, our sector coverage naturally supports positive environmental and social outcomes. Below are a few examples of industries and sub-sectors we support:

Business Services

Our coverage spans a wide range of sectors that contribute to sustainable outcomes, including Environmental Services, Equipment-as-a-Service, Training and Education, and Transportation and Logistics. For example, our Environmental Services team advises companies redefining waste management, material reuse, and the integration of sustainability into everyday operations. These include market leaders in delivering sustainable waste and wastewater treatment solutions, technology pioneers in advancing industrial plastics recycling through closed-loop systems, and innovators in circular technology that offer device lifecycle management platforms that promote responsible consumption.

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 focus on providing low-carbon, efficiency-driven products and technologies. Examples include 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 of these businesses reflects a growing demand for solutions that are not only economically viable but also environmentally progressive.

Consumer

Our Consumer Group advises companies driving innovation in 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 supporting broader trends in health, wellness, and conscious consumption.

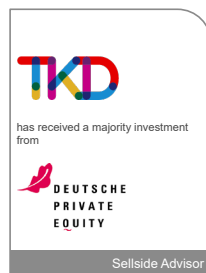
By partnering with such mission-driven companies, Houlihan Lokey plays a key role in shaping the financial strategies that enable deal teams to grow, scale, and deliver lasting impact. Our experience at the intersection of finance, innovation, and sustainability positions us as a trusted advisor in one of the most dynamic sectors of the global economy.

Impact Solutions Across Industries

Houlihan Lokey's global industry coverage model brings sector-specific knowledge and experience to many environmentally and socially impactful companies and industries, including those in the circular economy, environmental services, chemicals, and technology segments.

Notable Impact-Related Transactions FY2025

Circular Economy



Headquartered in Langenfeld, Germany, **TKD** is a leading player in circular tech in Europe. The company offers an easy-to-use, fully integrated, and sustainability-promoting full-service device lifecycle management platform to corporate customers. TKD offers contract and hardware management solutions, including device rental, provision, registration, repair, and maintenance, as well as customer support throughout the entire device lifecycle. TKD's services help companies reduce the workload for their IT and administrative departments and ensure that the circular economy and device longevity remain at the core.

Houlihan Lokey served as the exclusive financial sell-side advisor to the management and shareholders of TKD, supporting all aspects of the transaction, including preparing marketing materials, structuring and managing a competitive deal process, coordinating due diligence, and negotiating key deal terms. This represents another successful transaction for Houlihan Lokey in the circular economy and the device-as-a-service space.

Environmental Services



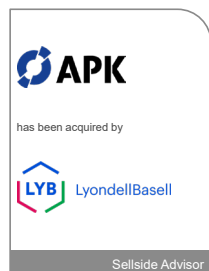
Founded in 1994 and headquartered in Browns Summit, North Carolina, **Shamrock** is a leading vertically integrated provider of industrial waste and wastewater treatment services. The company operates six permitted centralized wastewater treatment facilities and several solidification sites. Shamrock collects and transports recurring liquid waste for a highly diverse and attractive commercial and industrial client base across more than 20 states.

Houlihan Lokey served as the lead financial advisor to Shamrock during its sale to Republic Services. This transaction highlights Houlihan Lokey's preeminent position and continued success in advising clients in the environmental services sector, having successfully advised on 34 signed or closed transactions since the beginning of 2023.

Impact Solutions Across Industries

Notable Impact-related Transactions FY2025 (Cont.)

Industrial Chemicals



Headquartered in Merseburg, Germany, **APK** is the technology leader in solvent-based industrial plastics recycling. The company's patented closed-loop recycling solution, Newcycling®, enables the production of high-quality granulates from plastic waste feedstock, providing excellent economics as well as substantial CO2 savings relative to alternative mechanical and chemical recycling methods or incineration. APK's products are used across a variety of applications, including film and packaging, in the food and cosmetics industries.

Houlihan Lokey served as the exclusive sell-side financial advisor to APK during its acquisition by Netherlands-based multinational chemical company LyondellBasell Industries NV. This transaction highlights Houlihan Lokey's deep chemicals sector expertise in the plastics recycling market and execution capabilities in complex M&A situations.

Industrial Technology



Headquartered in Hanover, Germany, **Leichtmetall** is a specialty foundry that produces up to 30,000 tons of high-strength aluminum billets per year. The company primarily uses recycled input materials and operates electric smelters powered entirely by renewable energy sources, significantly reducing carbon emissions and energy consumption. Leichtmetall mainly targets the aerospace and defense, heavy machinery, special automotive, and renewable energy end markets.

Houlihan Lokey served as the sell-side financial advisor to Quantum Capital Partners during Leichtmetall's sale to UAE-based Emirates Global Aluminium. This transaction highlights Houlihan Lokey's deep industrials sector expertise across the metals and engineered materials space and its excellent cross-border execution capabilities.

Consumer Products



Based in Milan, **Naturaalia Tantum** develops, produces, and distributes a variety of natural and organic personal care products, natural food supplements, and ecological products for home and pet care. The company is a leading Italian supplier of "bio-only" (certified natural and without chemical additives) products.

Houlihan Lokey acted as the financial co-advisor to all shareholders and assisted in marketing the asset, managing the transaction process, and negotiating the financial aspects of the deal. The transaction demonstrates Houlihan Lokey's strength in the beauty and personal care sector as well as the benefits of strong Financial Sponsors Group coverage.

Human Capital

Our people drive our collective success. We strive to be an employer of choice, attracting and retaining individuals who reflect our values. Our collaborative, entrepreneurial culture gives employees the space to grow and take ownership of their work. We value candid feedback and transparent communication at every level to help make Houlihan Lokey the best workplace possible.

Our Human Capital Group (HCG), led by the Chief Human Capital Officer, is dedicated to delivering a meaningful employee experience that supports personal development, well-being, and long-term career success across the firm.

Over the last year, we have taken a fresh, more thoughtful approach to people operations, focusing on better communication across all our locations.



To better support our growing and integrated workforce, we rely on Human Resources Business Partners (HRBPs) within each region. These HRBPs serve as direct points of contact on behalf of HCG throughout our business.



Our Chief Human Capital Officer actively engages with office managers to understand the workplace experience and cultivate enriching environments that enhance employee retention and foster a stronger sense of community.

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Human Capital

About Our People

(as of 3/31/2025)

2,702	339	87
Global Employees	Managing Directors	Management Committee Members
16	13 years	
Operating Committee Members	Average Tenure of Managing Directors Across All Business Segments	
28 years	59%	
Average Tenure of Operating Committee Members	Internally Promoted Managing Directors	



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Human Capital

Recruitment and Onboarding

We look for people who bring talent, curiosity, and a shared commitment to excellence—whether they’re just starting out or bringing years of experience.

Our recruitment strategy focuses on not only hiring strong individuals but also creating an environment where people from all backgrounds feel supported and equipped to grow. Through structured outreach and hands-on onboarding, we aim to build teams that reflect our values and align with our culture.

Each of our core business units—CF, FR, and FVA—has a dedicated recruiting team. These teams work closely with leading academic institutions to identify and attract top talent. We participate in campus events, host virtual information sessions, and collaborate with student organizations to broaden our reach and build relationships with future analysts and associates.

We hold a global 10-week summer internship every year as part of our analyst and associate program for university juniors and first-year MBA students, which offers insights into investment banking, valuations, modeling, and Houlihan Lokey culture. Events include a leadership speaker series, a group volunteering event, and case studies presented by participants.



345

Global Interns

64%

Global New Hire Internal Conversion Rate

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Recruitment and Onboarding

Futures and Options Internship

Our Futures and Options internship program targets high-school students. Last summer, Houlihan Lokey hired interns in the New York office who worked primarily with the Portfolio Valuation team, and on projects such as the following:



Conducting research on CapIQ to gather data on industries, companies, and markets



Reviewing data rooms to support data collection and analysis



Assisting in building and updating Excel models



Creating presentations for client discussions, including market updates and valuation reports

For current working professionals, we focus on hiring individuals who bring depth and leadership, and who are excited to mentor and shape future talent. Employees contribute to our recruiting efforts by attending industry events, speaking at conferences, and representing the firm in their networks. We host networking events to connect with candidates in a more personal way. Once hired, we ensure that new joiners have the resources and training to succeed from day one. Our onboarding program, typically lasting 1-3 weeks depending on role and location, helps new employees build connections, understand our business, and feel ready to contribute.

In FY2025, our Corporate Finance EMEA team supported various recruiting initiatives such as Spring Insights Week and the Women in Banking Insights program. While these programs are designed and executed by our recruitment team, our training colleagues play an important role in helping to deliver content and supporting interactive sessions.

Talent Development

Our focus is on our employees' professional growth. We create opportunities for our employees to take on new challenges and invest in them throughout their careers. At Houlihan Lokey, learning and development are built into how we lead, manage, and grow.

Our in-house training team works closely with each business practice to offer relevant, timely, and practical programs. Whether through mentorship, coaching, role-specific training, or certification support, we help employees build the skills they need to succeed today and prepare for what's next.

2,353 (86%)
Employees Participated
in Online Professional
Development Courses

4,723
Hours of Content
Completed Across
2,362
Courses

345
Employees Completed
our Global New Hire
Training Program

82
Senior Vice Presidents
and Vice Presidents
Participated in On-Site
Training Specific to
Their Role

11
Senior Vice Presidents
Enrolled in Business
Development Training

35%
Increase in Mindr
Mentorship Program
Members

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Talent Development



Online Learning

469 unique courses designed to enhance both technical and interpersonal skills for employees and interns.



Milestone Training

Two to three days of off-site training focused on personal and professional development for newly promoted employees, which include:

- New campus hire training (global)
- FVA newly promoted Associate training
- FVA newly promoted Vice President training



Business Development Coaching

Six-month and one-year programs for newly promoted Senior Vice Presidents in CF and FVA to enhance business development and client engagement skills.



Career Advancement

An 18-month Director Development Program initiative in FVA, designed to prepare Directors for future promotion to Managing Director.



Sponsored Professional Certifications

Reimbursements for Chartered Financial Analyst and Certified Public Accountant accreditation preparation materials, tuition, and exam fees, as well as sponsorship for Continuing Professional Education courses to expand professional expertise.



One-on-One Training

Personalized sessions with internal training and talent development teams to build targeted capabilities.



Mindr Mentorship Exchange

A firmwide program, pairing colleagues using an algorithm based on interests, experience, and background, for a series of structured mentorship sessions that focus on personal and professional growth.



Best Speaker Series

Monthly sessions that connect employees with recognized leaders outside the investment banking industry for broader inspiration and learning.

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Talent Development

Our approach to training is informed by internal performance feedback, annual needs assessments, and contribution trackers that go beyond client delivery. Real-time feedback is built into select programs to continuously align employee development efforts with business priorities.

Role-specific training is available across business functions and we remain committed to offering developmental resources tailored to varying career journeys at Houlihan Lokey. Senior leaders are encouraged to mentor junior talent as part of this cultural commitment to professional growth. While most formal training is designed for full-time employees, contractors and part-time team members can also access our online learning platform.

Our new Vice President Go-to-Market Development Program was launched in 2025. This program focuses on developing core business development skills, including business development, team management, and networking.

- 
 Introduction to Building a Business Plan, Value Proposition, Building Relationships, and Presentation Skills Development
- 
 People Development, Continuous Performance Management, and Managing Multi-Generational Teams
- 
 Go-to-Market Strategies and Tactics, Growing Internal/External Networks, The Art of Storytelling, Perfecting Your Pitch, and Mock Joint Pitch Exercises

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Facilitating Firm-Wide Learning Through Cross-Team Collaboration

Human Capital

Talent Development

We prioritize internal education and cross-functional collaboration to build awareness, capability, and enthusiasm for sustainability.

Through regular calls and collaborative work streams, employees from across departments share insights, deepen understanding of evolving sustainability topics, and apply their expertise. This engagement drives broad integration of sustainability knowledge throughout the organization.

This initiative helps equip more of our client-facing professionals with the insights they need to initiate informed conversations with their clients about sustainability. As a result, we are seeing a growing number of internal champions who are empowered to amplify the reach of our sustainability efforts across both internal teams and client relationships.

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Employee Performance

Performance Review Process

Our performance review process is designed to reinforce a culture of continuous feedback, accountability, and career progression.

Formal reviews occur twice annually—mid-year and year-end—and are complemented by regular check-ins to support goal achievement and professional advancement.

At the beginning of each cycle, employees and managers set individual and team goals tied to business priorities. Progress is monitored jointly, with conversations focusing on performance, growth opportunities, and support needs. Each review cycle incorporates self-assessments, manager evaluations, and peer feedback, with additional input from manager effectiveness surveys to strengthen leadership accountability.

Team-based performance is also considered, especially for those in collaborative roles. To support review readiness and skill development, many business practices offer targeted training sessions and mentorship programs, particularly for junior employees.

In FY2025, we transitioned to a new system to manage our year-end and mid-year performance review cycles—an upgrade that has received positive feedback from both managers and employees for its ease of use and ability to streamline the collection and organization of performance feedback.



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Human Capital

Employee Performance

Compensation

We tie our compensation approach closely to how we evaluate and support employee performance.

By keeping pace with industry standards and focusing on what drives strong outcomes, we aim to reward meaningful contributions and uphold a fair, merit-based system. We assess both past performance and future potential to determine total compensation. Our framework does not include commission-based pay at any level.

Refer to our **Proxy Statement**  for details of our executive compensation program.



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Employee Engagement

We hold ourselves accountable by actively listening to employee feedback and acting on their input to strengthen the workplace experience. Our goal is to foster a culture that is collaborative, supportive, and responsive to the evolving needs of our people.

Last year, we resumed our global employee engagement survey in partnership with an external firm, furthering our efforts to better understand and respond to the needs of our workforce.

The survey captured employee perspectives across several key areas including culture, leadership, recognition, career development, and wellness. A central focus area that emerged in FY2025 was employee wellness, which helped inform the advancement of mental health initiatives, including the rollout of our global Mental Health Rx training program. The results also reinforced the importance of transparent communication and easy access to information and support.

The feedback gathered continues to guide our efforts to refine programs, elevate communication, and equip managers with insights to build stronger, more connected teams. One of the most tangible outcomes of this feedback was the launch of our new intranet and internal communications platform, which was developed in response to employee requests for better access to firm updates, resources, and cross-functional engagement. This centralized platform has helped improve transparency, strengthen connectivity across teams, and streamline access to development tools and Company-wide initiatives. As we evolve our approach, we remain committed to ensuring that employee feedback plays a central role in shaping how we grow together as a firm.

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Employee Engagement

Engagement Survey Results

Houlihan Lokey is committed to continuous improvement, with a key focus on employee engagement and feedback.

A biennial engagement survey, first introduced in 2020, helps assess employee sentiment, satisfaction, and areas for growth.

The 2024 survey showed strong results, with an overall engagement score of 75 out of 100—consistent with 2022 results.

With continued focus on listening and learning, there is strong momentum to build an even more engaged and successful workplace.

75 out of 100

Employee Engagement Survey Score

62%

Employee Engagement Survey Global Participation Rate

The key strengths identified include the following:



Camaraderie

Positive team relationships, mutual respect, and support for individual success.



Effective Teamwork

Strong collaboration, role clarity, and high-quality output.



Empowerment

Growing employee autonomy and career support, with slight improvement noted.

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Human Capital

Employee Opportunity and Inclusion

We aim to create a workplace where people feel they belong, are treated with respect, and have the support they need to do meaningful work. Our culture encourages connection across teams and gives individuals room to grow and contribute in ways that matter to them, and to the clients we serve.

We are cultivating a workplace culture built on respect, opportunity, and shared success. Our priority is to create a connected environment, in which every employee feels supported and empowered to thrive.

Community is at the heart of how we work and grow together.

Our Communities, Collaboration, and Engagement Council, which is led by senior leadership, works alongside our Houlihan Lokey Communities, which are led by our employees, to foster connectivity across the firm.

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Houlihan Lokey Communities

Our employee communities provide spaces for all employees to learn, celebrate, and support colleagues across the firm:

-  Asian and Pacific Islander Community
-  Houlihan Black Alliance
-  Houlihan Parents and Caregiver Circle
-  HL Pride
-  Women@HL
-  HL Veterans Community

 More on the way

Membership Growth in 2025

9% increase across all Houlihan Lokey Communities from FY2024



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Human Capital

Culture

In FY2025, Houlihan Lokey’s employee communities delivered a series of impactful programs that fostered connections across offices. From development workshops to cultural celebrations, these events reflect our continued commitment to cultivating a workplace rooted in a shared purpose.

One highlight was the "Together We Thrive" all-communities panel, where representatives from each Houlihan Lokey community openly discussed their perspectives on how employee communities drive success at the Company and beyond. The "Women@HL on Tour" series brought together over 270 employees across seven offices—more than half of whom were new to the community. The “Stronger Together” seminar for Juneteenth and Pride Month celebrations invited candid, intersectional dialogue that resonated deeply with attendees. Programs such as the HL Veterans Community’s mental health resilience session, the HPACC’s back-to-school Ask Me Anything (AMA) series, and APIC’s cultural observances demonstrate our focus on building community engagement.



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Culture

For select business units, Houlihan Lokey has a training series focused on fostering inclusive leadership and bridging conversations around mental health and cultural awareness.

Topics include driving innovation through collaborative thinking, addressing the stigma around mental health, and translating inclusive values into measurable impacts.

These sessions are designed to encourage open, candid conversations on complex issues, helping to create an environment in which employees feel safe, respected, and empowered to participate. Culture and inclusion themes were also integrated into Senior Vice President- and Director-level training programs, with access to curated panel discussions that bring together diverse perspectives and sparked deeper engagement.



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Employee Health, Safety, and Well-Being

Health and Safety

In FY2025, we introduced our Global Health and Safety Policy—marking a new milestone in our commitment to employee well-being.

Effective June 2024, this policy outlines the systems and responsibilities required to ensure a safe, healthy, and supportive environment for all employees, contractors, and visitors across our global offices.

We also introduced an enhanced internal training platform that allows Office Management Liaisons and regional Health & Safety Directors to complete role-specific safety training and ensure alignment with firmwide safety standards.

Our policy empowers employees and contractors to contribute to workplace safety and encourages proactive reporting of unsafe conditions. This framework reinforces our commitment to maintaining a safe, responsive, and healthy workplace for all.



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Employee Health, Safety, and Well-Being

Well-Being

Wellness at Houlihan Lokey extends beyond standard benefits.

Across our offices, we've added supplemental programs that support more balanced, sustainable ways of working and living. These efforts are shaped by our Healthy Living Committee, which brings forward ideas from across the firm to promote connection, movement, and everyday well-being. These include the following:



Yoga Classes



Fitness Memberships



Nutritious Snacks and Beverages



Working-Parent Resource Groups



Expert Webinars on Nutrition, Ergonomics, and More

Our Employee Assistance Program provides employees with access to mental and financial health resources, as well as referrals for childcare and opportunities to speak directly with nurses and clinicians.

We also provide women-focused healthcare and family planning benefits for all employees and dependents globally. These and other benefits are designed to help our employees, and their families, thrive both inside and outside the workplace.

In FY2025, we expanded our wellness offerings in Germany to address regional needs and increased support for childcare, elder care, and other dependent care services globally. These enhancements reflect our ongoing commitment to developing a holistic, inclusive benefits program that supports employees throughout different life stages.

We broadened our healthcare benefit for serious and complex conditions to support all U.S. based employees with expert guidance and care coordination.

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Employee Health, Safety, and Well-Being

Benefits

We show up as an employer by making the health and well-being of our employees and their families a core priority.

Our benefits are designed to reflect the different needs of our global workforce—balancing consistency with flexibility to make sure people can access care, take time off when they need it, and plan for the future. Benefits vary by region, but we aim to meet employees’ needs wherever they are located through the following:



Extensive Health, Dental, and Vision Insurance



Employee Assistance Program (EAP)



Retirement Plans



Life and Disability Coverage



Child and Family Care



Flexible Time Off and Circumstance-Based Leave of Absence Plans



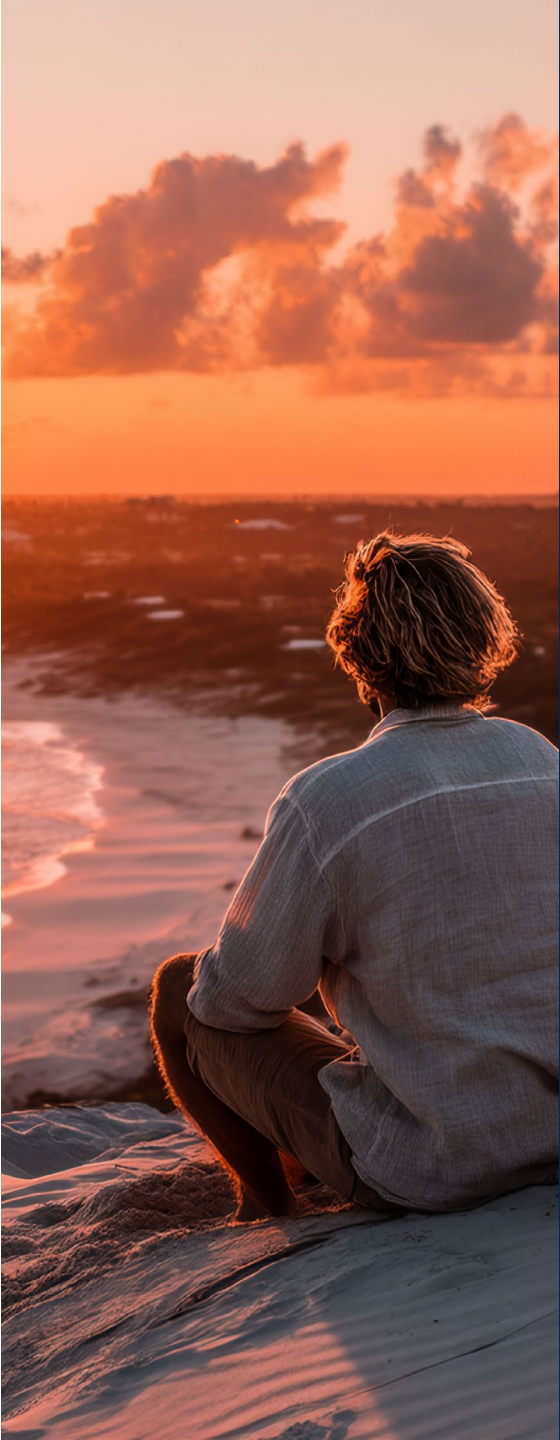
Employee Health, Safety, and Well-Being

Supporting Mental Health

In response to feedback from our employee engagement survey, we have taken deliberate steps to expand our internal mental health support.

In FY2025, we launched the global Mental Health Rx training program for members of our office management team, HCG, and key frontline personnel. The 10-week course aims to create a shared language around how we engage with colleagues who face mental health challenges and helps equip participants to respond empathetically and escalate concerns appropriately when needed.

Additionally, in several of our larger offices, we have introduced dedicated well-being rooms—quiet spaces where employees can decompress, nurse, or participate in wellness activities such as yoga or guided mindfulness. These efforts reflect our belief that well-being should be integrated into the everyday employee experience and supported at both the personal and institutional levels.



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Community Engagement

We believe that strong communities are essential for a thriving workplace and a sustainable business.

Through our community engagement efforts, we aim to build lasting partnerships, amplify our local impact, and encourage employees to give back in ways that reflect their values and the values of the firm.

HL Impacts FY 2025

160
Causes Supported

1,107
Employees Participated in an Organized Houlihan Lokey Volunteer Opportunity

223
Employees Donated and Received a Houlihan Lokey Match

1,280
Employees Participated by Donating, Volunteering, or both with Houlihan Lokey Impacts



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Charitable Giving

We are committed to supporting the communities that matter most to our people, where they live, work, and give back.

Through both financial support and hands-on volunteering, Houlihan Lokey is committed to contributing in ways that create a meaningful local impact. Our charitable giving program, known as HL Impacts, includes corporate donations, employee matching, and the Give-A-Day program, which offers two paid volunteer days per year. In FY2025, we introduced a centralized giving portal to help track donations and streamline access to matching funds, while still keeping our local, people-first spirit at the core of our charitable work.

Some of the beneficiaries of our programs include:



1,453
Annual Paid
Volunteer Days
Taken for Give-A-Day
Participation

\$1.17M
(USD)
Total Employee
Matching
Contributions
in FY2025

\$3.62M
(USD)
Total Contributions
Through Matching,
Give-A-Day, and
Donation in FY2025

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Charitable Giving

Our charitable efforts are intentionally employee-led, allowing individuals and offices to shape volunteer opportunities around the causes they care about.

Whether packing backpacks for students, preparing meals in local kitchens, or turning used hotel soaps into hygiene kits, our offices bring creativity and care to the way they give back.

While much of our giving is local, some efforts extend across borders. Our President of HL Europe, Phil Adams, joined his family for a 100k No Limits challenge—running ten races in ten European countries over five days—to raise funds for a disability sports program in Manchester. The effort drew personal support from colleagues in cities along the way, including Zurich and Heidelberg, and Houlihan Lokey matched employee donations, helping the campaign surpass its original fundraising target.

When wildfires swept across California, the firm responded with a Company-wide donation and match campaign. As part of this response, Houlihan Lokey contributed donations to seven nonprofit organizations actively supporting wildfire recovery and relief efforts in California. These stories reflect the spirit of our people and our belief that meaningful impact begins with individual action and is strengthened through shared commitment.



Our Hong Kong employees recycled hotel soap by adding them to hygiene kits for those in need



Houlihan Lokey employees packed art kits for underprivileged children in collaboration with UJA Federation of New York



100k No Limits Challenge

Charitable Giving Spotlight

A group of 12 colleagues from our Dubai Financial Restructuring Group traveled to Machakos, Kenya, where they partnered with Project Maji to bring clean water to a rural community and improve the water security infrastructure.

Over several days, they restored a broken borehole, installed new water access points to provide up to 8,000 liters daily, supported building a solar-powered irrigation system at a local school for ongoing farming needs, and trained students in climate-smart farming. The system now provides over 1,000 people with reliable water access and helps the school grow food for student meals.

The entire project was made possible through personal contributions, employee fundraising, and firm matching—with a total project funding of \$35,000+. For many on the team, from analysts to managing directors, the trip was both physically demanding and deeply rewarding.



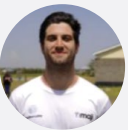
Arun Reddy
Managing Director
Houlihan Lokey

“ We tackled real-world challenges while building stronger connections as a team. Together, we funded and implemented a water well and irrigation system, providing clean water to over 400 students at Kiasa Primary School and enabling sustainable farming practices. *Beyond the immediate benefits of improved health and education, this project created a sustainable impact for the long term.* ”



Fiona Peters
Personal Assistant
Houlihan Lokey

“ This water well will significantly *enhance educational opportunities for girls in the community.* Access to clean water at the school *allows girls to attend classes more consistently and for extended periods, eliminating the challenges posed by scarce or difficult-to-access water.* Girls are currently not attending school due to access to clean water and needing to walk for water for their families. Thanks to this well, we hope to increase female attendance at school and encourage their education. ”



Carl Abi Karam
Analyst
Houlihan Lokey

“ Our team set up water wells and an irrigation system, providing vital resources for schools and communities, *while addressing water access and food security.* These improvements *enable the school to grow crops and provide meals for children, creating lasting change.* Being part of this effort has been inspiring and highlights the meaningful impact of active volunteering over simple donations. ”

Moments like this reflect what giving back means at Houlihan Lokey—that is, contributing with purpose, led by the causes that matter most to our people. Our mission is to strengthen our culture of charitable giving across all levels of the firm by encouraging employees to take part in efforts that reflect their values—and by supporting their contributions as they grow in their careers.

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Corporate Governance

We are committed to upholding robust corporate governance practices that protect and promote the enduring interests of our stakeholders and our organization.

In FY2025, we completed a key phase of our leadership succession plan, building on the groundwork laid in the previous year. Effective June 10, 2024, Scott Adelson assumed the role of CEO, following the transition of Scott Beiser to Co-Chairman after more than two decades of leadership. Mr. Adelson's appointment reflects his long-standing tenure and broad expertise across the firm.

With this transition, the firm's executive structure also evolved. Eric Siegert, Global Co-Head of Financial Restructuring, was appointed as Co-Chairman alongside Mr. Beiser and Irwin Gold, who, in addition to his role, continues to serve as Chairman of our Board of Directors. David Preiser, formerly Co-President, now serves as Vice Chairman. These transitions reflect our ongoing commitment to thoughtful succession planning and sustained leadership continuity.

Our Board is served by three standing committees with the following responsibilities:

Audit Committee 	Compensation Committee 	Nominating and Corporate Governance Committee 
<ul style="list-style-type: none"> • Financial Integrity • Legal and Regulatory Compliance • Risk Assessment and Management 	<ul style="list-style-type: none"> • Executive Compensation • Director Compensation • Incentive Compensation • Equity Plan 	<ul style="list-style-type: none"> • Board Composition • Director Identification and Selection • Corporate Governance Practices • Board Evaluations

For more information on Houlihan Lokey's ownership structure, please refer to our latest [10-K Annual Report](#). 

Board Composition

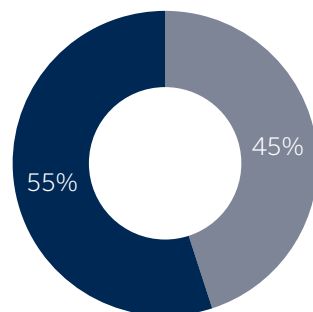
To strengthen independent oversight, all Board committees are composed exclusively of independent directors.

We also maintain high standards in director selection, placing strong emphasis on identifying individuals who bring a range of perspectives and backgrounds and who demonstrate integrity, sound business acumen, and a commitment to ethical leadership.

All Board members are expected to uphold our Code of Business Conduct and Ethics and adhere to our Corporate Governance Guidelines.

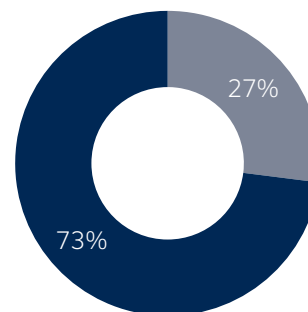
Independence

■ Non-independent
■ Independent



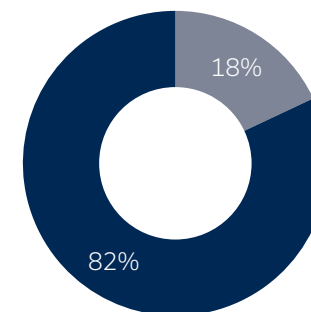
Gender Diversity

■ Female
■ Male



Racial and Ethnic Diversity

■ Black or African American
■ White



Refer to our latest [Proxy Statement](#) and [investor relations website](#) for additional details regarding our Board and governance practices.

Business Ethics and Integrity

Serving our clients with professionalism and integrity has long defined who we are.

As trusted advisors to decision-makers around the world, we are committed to upholding the standards that guide our industry and honoring the trust placed in us.



Business Ethics and Integrity

Responsible Sales and Marketing Practices

We are committed to upholding responsible and ethical sales practices that prioritize client needs and long-term value over short-term gains.

Our approach is guided by strong internal controls, including ongoing employee training, performance monitoring, and a sales framework that reinforces integrity at every stage.

Notably, our employees do not receive commission-based compensation—a deliberate choice that helps eliminate conflicts of interest and incentivizes recommendations driven by client outcomes rather than personal incentives. This structure, supported by oversight and systems, helps foster a culture of trust, accountability, and client-first decision-making.

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Responsible Sales and Marketing Practices

We provide thoughtful, independent counsel while maintaining rigorous ethical and regulatory compliance across all regions in which we operate.

Our global compliance teams develop and implement policies, monitor business activity, and reinforce adherence to internal expectations.

These teams deliver regular updates to senior leadership and, when needed, to the Audit Committee, ensuring our approach remains accountable, consistent, and aligned with our values.

01

Audit Committee

Oversees ethics and compliance programs and receives quarterly updates on reports to the ethics hotline.



02

Senior Leadership

Deliver regular ethics and compliance updates to executive management.



03

Legal and Human Capital Teams

Manage global compliance, ethics, and risk management strategies.



Awareness and Accountability

Our policies and procedures are designed to align with the financial services rules and regulations applicable to our business and to define the standards by which we conduct our work. These include protocols for managing conflicts of interest, safeguarding client data, maintaining accurate records, and identifying and reporting potential misconduct.

All employees, including part-time, temporary, and contract workers, are required to complete annual ethics and compliance training and adhere to our Code of Business Conduct and Ethics.

To support jurisdiction-specific needs, we have adapted our Employee Handbooks to reflect local regulatory requirements. Additionally, we have implemented a new training platform to broaden topic coverage and strengthen awareness of compliance expectations across regions.

Core Integrity, Transparency, and Business Ethics Policies

- Anti-Bribery and Corruption
- Anti-Money Laundering
- Client Due Diligence and Background Checks
- Communications and Public/Social Media
- Conflicts of Interest
- Data Privacy/Confidentiality/Cybersecurity
- Gifts, Entertainment, and Charitable Contributions
- Outside Business Activities
- Personal/Private Investments
- Political Contributions
- Records Retention
- Restricted List/Insider Trading
- Whistleblower Protection and Non-Retaliation

26,576

Legal and Compliance Courses Completed Globally

5,569

Anti-Money Laundering Courses Completed Globally

2,622

Anti-Harassment Courses Completed Globally

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Whistleblower Policy

Houlihan Lokey maintains a confidential and independent whistleblower mechanism to uphold the integrity of its business and foster a culture of accountability.

Since 2006, we have offered a 24/7 third-party ethics hotline that enables employees and other stakeholders globally to anonymously report potential violations of law and company policy, as well as unethical behavior. Reports are submitted in English, unless deemed necessary to be translated into local language, such as in Germany and France.

In addition, since 2012, we have posted flyers emphasizing ethical behaviors and hotlines in each office. The hotline is included in the Employee Handbooks, as well as Compliance policies such as the Code of Ethics, Compliance Manuals, and Anti-Money Laundering Program. Annual employee recertification of Compliance policies is required.

The importance of reporting unethical conducts is also reinforced annually at mandatory compliance meetings for U.S. employees. Employees are encouraged to report ethical misconduct through internal channels or via the ethics hotline.

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Whistleblower Policy

Ethics-related reports are treated as confidential and are reviewed and handled with care and discretion.

Immediate notifications are sent to key Legal & Compliance and HR leaders when a report is made, and benchmarking insights are shared through monthly reporting to help us continuously evaluate the system's effectiveness.

All reports submitted through the ethics hotline are reviewed by Houlihan Lokey's General Counsel and Global Head of Human Resources. These individuals confer to determine who will take the lead in acknowledging receipt of the report and managing further communication with the reporting party through the confidential system. The General Counsel oversees the investigation process and provides quarterly updates to the Audit Committee that summarize all reports and their resolution status.

The hotline is available to all stakeholders, and all reports submitted and their status of resolution are logged and reviewed by the Audit Committee on a quarterly basis.

Houlihan Lokey is firmly committed to its non-retaliation policy. We strive to maintain a work environment in which individuals feel safe and supported when speaking up without fear of negative consequences.

An employee who retaliates against someone who has reported a violation in good faith is subject to discipline.



Enterprise Risk Management

As a multinational financial services 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 enterprise-wide strategy to identify and mitigate risks across our operations—including global compliance, cybersecurity, and human capital management.

Our global enterprise risk management (ERM) program continues to serve as the foundation for harmonizing and enhancing risk management practices across the firm that spans all operations and is built to scale with our growth—whether through acquisitions or organic expansion. This year, we strengthened the program by investing in new governance, risk, and compliance (GRC) technology to support our annual enterprise risk assessment and to enhance the effectiveness of our EMEA Risk Oversight Forum. We also implemented a risk coverage mapping initiative to illustrate how Internal Audit’s assurance and advisory work addresses key risk areas, providing the organization with greater transparency and insight into our risk landscape.

To further improve our visibility into global regulatory obligations, the firm adopted a new technology module that maps multinational regulatory and risk frameworks—enabling a more comprehensive view of our risk exposure and compliance posture. This framework allows us to harmonize risk protocols across business lines and geographies, ensuring that we can adapt efficiently to emerging threats and regulatory expectations.

We further fortified our global compliance architecture to address the varying risk profiles of the regions in which we operate by conducting ongoing on-site compliance visits, delivering regional legal trainings, enhancing and updating our annual onboarding compliance programs, and appointing senior compliance professionals dedicated to onboarding in our APAC and EMEA offices.

Through these initiatives, we continue to refine and fortify our risk management and compliance programs in ways that are scalable and responsive to the diverse demands of a global financial services platform.

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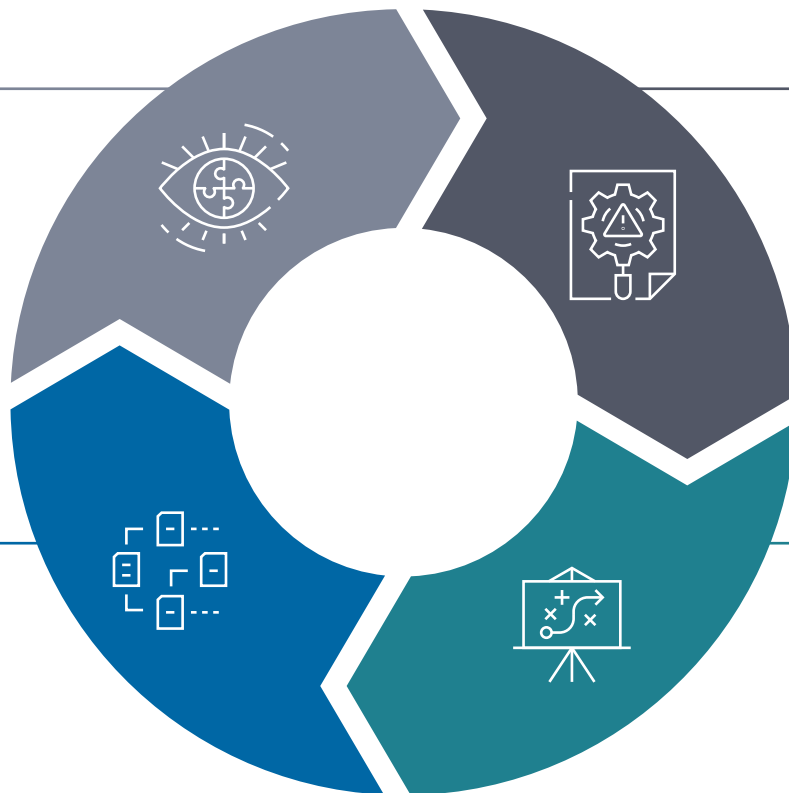
ERM at Houlihan Lokey

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.

Process Management

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



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.

Strategy Integration

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

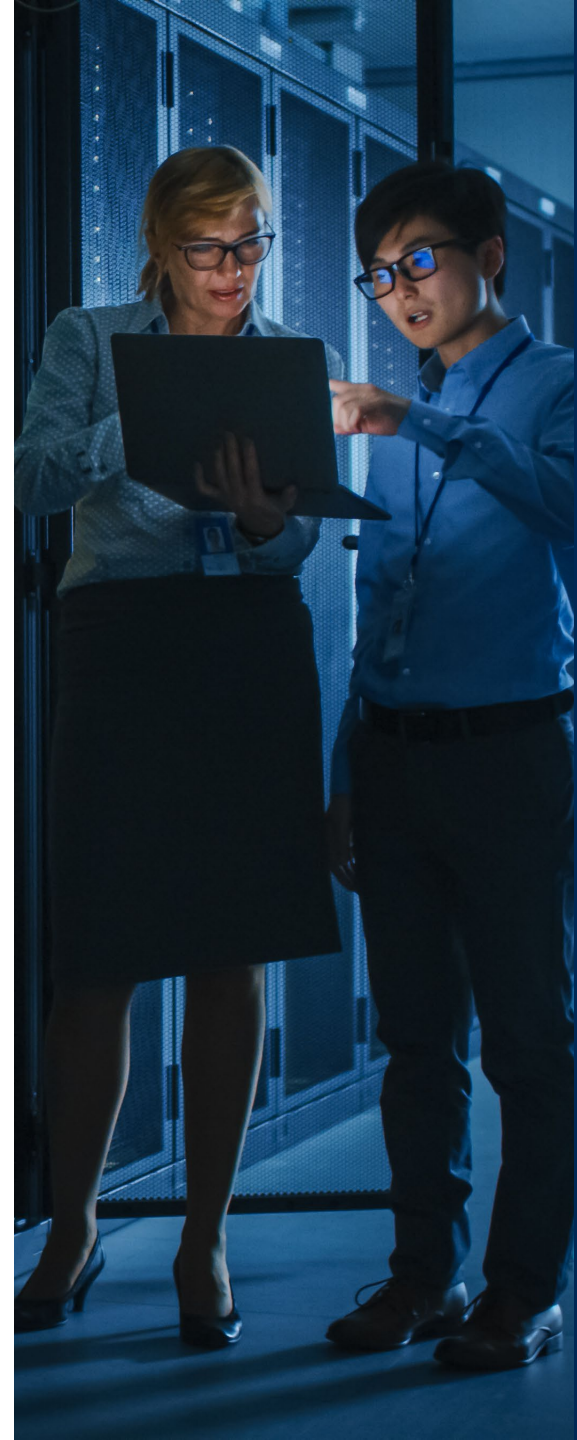


Responsible Third-Party Management

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.



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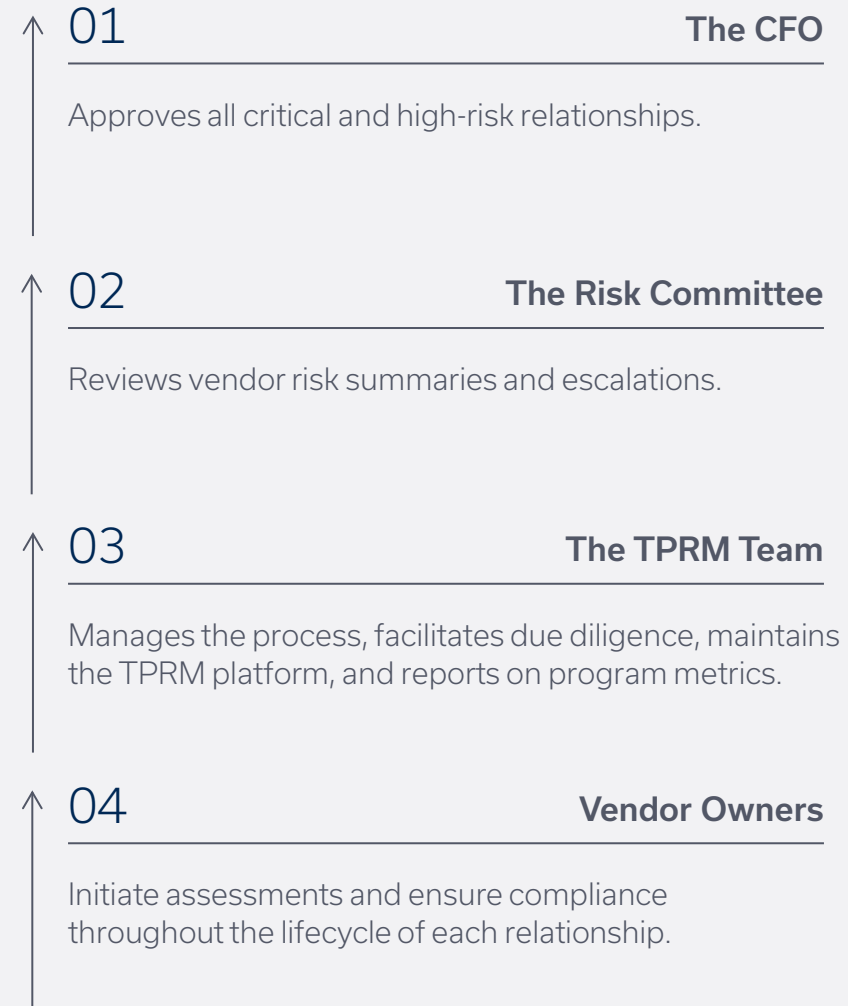
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Oversight

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.





Cybersecurity and Data Privacy

The management of IT and cybersecurity risks, including the confidentiality and privacy of our clients and employees, is critical to our business success. We continue to refine our approach as the threat landscape and operational needs evolve.

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.

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Infrastructure

Our cybersecurity infrastructure includes the following:

- Multi-factor authentication
- Encryption
- Firewalls and intrusion detection systems
- Antivirus and anti-malware software
- Security information and event management
- Cloud security monitoring
- Access controls

These measures are reinforced through the following:

- Regular vulnerability testing
- Annual penetration testing
- Third-party audits
- Robust incident response protocols

We have also expanded our EMEA cybersecurity team with regionally specialized talent to meet evolving regulatory requirements in global markets.

Additionally, one of our regional subsidiaries in the UK completed an ISAE 3402 Type II Controls Assurance Review, validating the effectiveness of internal controls at that location.

While this certification does not apply at the firm-wide level, it demonstrates our commitment to maintaining strong localized governance where applicable.

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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 [10-K Annual Report](#)  for more information on Cybersecurity Strategy and Governance.

01

Board of Directors and Audit Committee

Deliver regular ethics and compliance updates to executive management.

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Executive Management Team

Supervises the security team and receives regular meetings with our Cybersecurity Working Group.

03

Security Team

Manages cybersecurity risk assessment, security controls, and responses to threats.

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Cybersecurity and Data Privacy

Employee Cybersecurity Training

Our commitment to responsible digital practices extends to our workforce through regular training and awareness programs.

We deliver annual and periodic cybersecurity training to all employees and conduct monthly phishing simulations. Role-specific training is provided as needed to maintain a culture of vigilance that reinforces our core values of ethics and integrity.

6,100

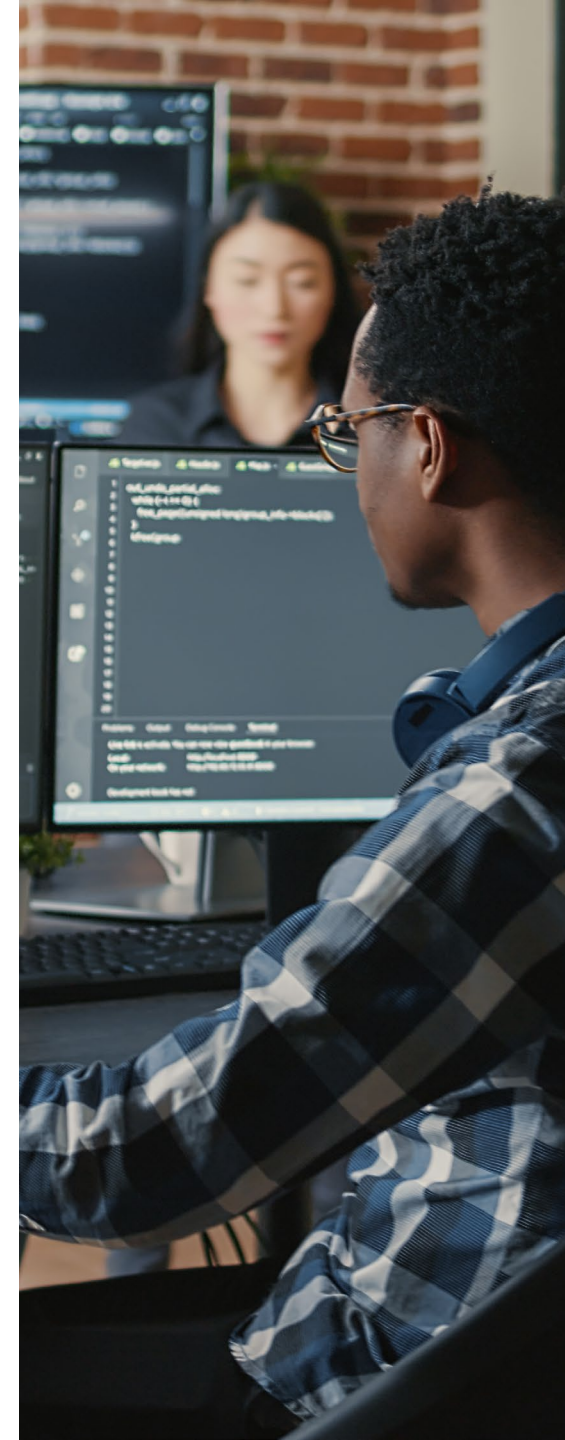
Third-Party
Security Awareness
Training Modules

1,476

Hours of Phishing
and Security
Awareness Training

29,308

Phishing
Awareness
Emails



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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 March 2025.

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.

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:

- Responsible AI Use
- Acceptable Use
- Access Control
- Backup
- Change Management
- Information Security
- Incident Response
- Logging & Monitoring
- Media Destruction & Removal
- Mobile Device
- Password
- Removable Media
- Vulnerability Management



Environmental Stewardship

Houlihan Lokey's environmental impact is primarily characterized by its direct operation of international offices and employee travel.

We recognize our increasing responsibility and continually deploy resources to enhance our environmental data management and understanding of our climate-related risks and opportunities. We optimize our work environments and business practices to embed sustainability considerations.

Our approach to environmental oversight and climate risk management is guided by our commitment to responsible business practices and long-term value creation. Our Global Head of Real Estate, Chief Human Capital Officer, and Head of Global Travel Services, together with the Sustainability Working Group and Corporate Development team members, lead initiatives to monitor and manage our environmental footprint globally while maximizing operational efficiency and sustainable growth. In addition to assisting the client Board and executive teams in navigating complex environmental challenges, our SAS practice provides strategic guidance to Houlihan Lokey in determining priorities for the firm.



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Climate Approach

Climate Strategy

The firm's climate strategy focuses on building a robust emissions baseline, improving operational efficiency, and enhancing data quality to prepare proactively for alignment with evolving climate-related regulations and emerging disclosure standards.

In FY2025, we kicked off Scope 1 and 2 greenhouse gas (GHG) emissions assessments across all offices, further embedding environmental performance into our office selection and design. We are also advancing Scope 3 GHG emissions tracking, with a near-term focus on business travel emissions. By improving data integrity and promoting lower-carbon choices, we aim to mitigate transition risks and align with stakeholder and regulatory expectations. These efforts are part of a broader enterprise approach to integrating climate considerations into decision-making, operations, and risk management.

We plan to evaluate and address, where relevant, the potential impacts of climate change on our business. As such, we plan to conduct climate risk assessments and a climate scenario analysis for our operations to better understand our Company's exposure to both physical and transition climate risks. This work will cover our global facilities and will consist of using climate scenarios to quantify risk exposure from physical risks—such as flooding, extreme heat, or rising sea levels. Additionally, we plan to leverage the scenario analysis to qualitatively assess the potential business impacts across operations from transition risks—such as policy changes, market shifts, and technological disruptions.

Global Footprint

Environmental Data Management and Quality

We made progress during FY2025 in establishing a comprehensive baseline of our global footprint. Houlihan Lokey engaged external parties to conduct Scope 1 and 2 GHG emissions assessments.

The efforts to quantify and understand our operational emissions focused on establishing a clear baseline and ensuring data quality to support future disclosures and target-setting. Currently, we are prioritizing consistent and centralized data collection for Scope 1, Scope 2, and select Scope 3 categories. Our emissions data are currently being gathered through third-party data management platforms.

We recognize the importance of data integrity and completeness in driving accurate reporting and actionable insights. Emphasis is being placed on validating existing data sources, identifying gaps, and establishing repeatable processes to enhance the reliability of emissions tracking over time. These efforts build upon initiatives already underway in our UK and German offices, where energy consumption and carbon emissions have been monitored through Streamlined Energy and Carbon Reporting (SECR) Regulation requirements over the past five years. These foundational steps are critical to informing longer-term decarbonization strategies and aligning with evolving regulatory and stakeholder expectations.



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Global Footprint

Employee Travel

We prioritize serving our clients effectively and meeting them where they need us, making business travel an integral part of our global operations.

Employee business travel is considered a Scope 3 category—while it results from activities not directly controlled by the Company, it is associated with our business operations. Business travel emissions stem primarily from air travel, hotel stays, and ground transportation booked for work-related purposes. As part of our broader climate mitigation strategy, understanding and addressing business travel emissions is essential for building a complete and accurate GHG inventory. By tracking these impacts and encouraging lower-carbon travel choices, such as rail over air or virtual meetings in place of in-person gatherings, we can reduce our indirect emissions, thereby reflecting our commitment to managing climate-related risks and driving progress toward long-term decarbonization goals.

We plan to update our travel policies regarding business travel by the end of the fiscal year. Over the past year, we have been focusing on expanding our efforts to educate and encourage employees to lessen the impact of their travel, including providing newsletters that contain guidance on tangible practices they can take, such as the following:



Staying at eco-friendly accommodations



Minimizing one-day trips



Taking lower-emission public transit if available



Prioritizing non-stop flights



Utilizing video conferencing when feasible



Sustainable Offices

Our global offices are a reflection of our culture and values, including our commitment to operating in an environmentally responsible manner.

Our office selection process considers a multitude of factors including size, location, operational performance, and materials use. All of our offices, including our headquarters, are leased. Under these agreements, we have the opportunity to tailor interior features to meet our workplace needs and objectives, which have been formalized in a global guidelines document.

To support our sustainability goals, we have continued transitioning from local data storage to cloud-based operations, helping reduce energy consumption and physical infrastructure demands. We also promote location-based e-waste recycling and are exploring ways to embed circularity principles into procurement and digital operations.

58%

of our global offices have green building certification



1 Curzon Street,
London Office

Examples of Sustainability and Wellness Features at our Offices¹

- Smart automation and efficient HVAC systems
- Cool roof technology and rainwater harvesting systems
- LED and time-sensor lighting
- Water conservation devices
- Recycling and composting services
- Access to public transit
- Bicycle parking and bike share stations
- Electric vehicle charging stations
- Fitness and shower facilities

¹Applicable at select offices; not representative of practices implemented across all offices or operations.

Sustainability Accounting Standards Board (SASB) Index

This index provides a structured disclosure of our ESG information in alignment with the SASB standard for the Investment Banking & Brokerage sector.

Topic	Metric	Response
Employee Diversity & Inclusion	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) professionals, and (d) all other employees	Not disclosed at this time
Incorporation of Environmental, Social, and Governance Factors in Investment Banking & Brokerage Activities	Revenue from (1) underwriting, (2) advisory, and (3) securitization transactions incorporating integration of environmental, social, and governance (ESG) factors, by industry	(1) N/A (2) Not disclosed at this time (3) N/A
	(1) Number and (2) total value of investments and loans incorporating integration of environmental, social, and governance (ESG) factors, by industry	We do not engage in investment or lending activities
	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment banking and brokerage activities	Refer to Sustainability Advisory Services
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	Refer to Note 17 Commitments and Contingencies
	Description of whistleblower policies and procedures	Refer to Business Ethics and Integrity
Professional Integrity	(1) Number and (2) percentage of licensed employees and identified decision-makers with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	(1) N/A (2) N/A
	Number of mediation and arbitration cases associated with professional integrity, including duty of care, by party	N/A
Systemic Risk Management	Global Systemically Important Bank (G-SIB) score, by category	N/A
	Description of approach to integrate results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	N/A
	Percentage of total remuneration that is variable for Material Risk Takers (MRTs)	N/A
Employee Incentives & Risk-Taking	Description of approach to variable remuneration of MRTs to which malus or clawback provisions were applied	No MRTs required the application of these provisions during FY2025
	Discussion of policies around supervision, control, and validation of traders' pricing of Level 3 assets and liabilities	We do not engage in trading activities

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Published in August 2025.

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, 2025, 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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Financial and Valuation Advisory

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