

Information on the integration of sustainability risks (Art. 6 EU Regulation 2019/2088)

Information on how Houlihan Lokey (Europe) GmbH incorporates sustainability risks into investment advisory services

Houlihan Lokey (Europe) GmbH is legally obliged to provide the following information on sustainability risks. For the avoidance of doubt, an application of ecological or social features in investment strategies or for other concrete financial instruments and the pursuit of a sustainable investment with a financial product is not intended.

Sustainability risks may be constituted by environmental, social or corporate governance events or conditions, the occurrence of which may have an actual or potential material adverse effect on investments, and also on the reputation of the investment advisor. Since such risks cannot ultimately be completely ruled out, Houlihan Lokey has developed strategies in relation to the financial services it offers in order to be able to identify and limit sustainability risks.

In light of the above, Houlihan Lokey is constantly striving to develop and improve its own standards. This includes, among other things, giving due consideration to ESG standards (Environmental, Social, Governance), *i.e.*, appropriate standards for environmental and social issues, and good corporate governance in the operation of its business.

As Houlihan Lokey evaluates sustainability risks most relevant to it, the impact of actions and practices on its broader stakeholder base is central to its process. From this perspective, Houlihan Lokey seeks to align their internal sustainability efforts with the UN Sustainable Development Goals (“**UN SDGs**”). The UN SDGs were adopted in 2015 with the aim of building broad scale support to address the toughest challenges of society, including severe poverty, gender, racial and economic inequality, and environmental devastation. As a responsible firm, Houlihan Lokey believes that aligning its efforts with the UN SDGs emphasizes the firm’s commitment and will support future progress.

UN SDG 3 – *Good Health and Well-Being*. The Houlihan Lokey Healthy Living Committee promotes nutritional foods and drinks, activities and fitness, and well-being support for employees alongside employee benefit programs.

UN SDG 8 – *Decent Work and Economic Growth*. The Houlihan Lokey Human Capital Group develops and executes recruitment, career building, and operational initiatives providing opportunities for skills development, mentorship, and advancement within a safe and respectful work environment.

UN SDG 5 and 10 – *Gender Equality and Reduced Inequalities*. Houlihan Lokey’s Diversity, Equity, and Inclusion Council advances representation through engagement opportunities, talent development and recruitment, and awareness-building activities.

UN SDG 12 – *Responsible Consumption and Production*. Houlihan Lokey promotes environmentally responsible practices across its offices through company-wide recycling and energy use programs, local procurement efforts, and employee engagement opportunities.

Houlihan Lokey integrates sustainability considerations in the areas of environmental, social and corporate governance into its analyses and decision-making processes, reports on them regularly and thereby promotes acceptance and implementation of such matters in the investment banking industry.

When providing investment advice, Houlihan Lokey seeks, where relevant, to identify potential risks that may also arise in connection with investments on which it is advising from a sustainability perspective. By identifying companies with an unacceptable risk potential and excluding them in the context of any investment recommendation, the remaining sustainability risks should be relatively minor as to potential adverse impact on any investment return. Sustainability risks that may not be identifiable in the identification process described above may have a material and negative impact on the returns associated with any given investment or other financial product.