



2025

Responsible
Investment
Report

THE
LONGREACH
GROUP

About this Report

The Longreach Group (Longreach or the Firm) presents the 2025 Responsible Investment Report, highlighting our continuing commitment to transparency, accountability, and advancement of our responsible investment approach across the Firm and our portfolio. We integrate material sustainability considerations throughout our investment lifecycle to mitigate risk, create value, and enhance long-term investment performance.

We put our belief into action through our role as a signatory to the Principles for Responsible Investment (PRI) and our membership in the ESG Data Convergence Initiative (EDCI). These commitments reflect our view that sustainability-related risks and opportunities are central to financial outcomes, and that their effective management supports stronger businesses and more resilient portfolios. Throughout the investment lifecycle, we apply governance processes, assessment frameworks, and our proprietary Responsible Investment Toolkit to identify and evaluate material sustainability factors across the portfolio.

This report reflects our meaningful steps forward in 2025, from deepening sustainability integration across our portfolio to strengthening the tools, partnerships, and governance that support our responsible investment approach. We will continue building on this strong foundation, focusing on the actions and outcomes that matter the most to our stakeholders and to the long-term performance and resilience of our investments.

Unless otherwise noted, the information included in this report covers the period from January 1, 2025, to December 31, 2025*. The report was developed with input from our leadership, internal and external subject matter experts, and portfolio company management.

We welcome your feedback and perspectives as we continue to advance our responsible investment journey. Please share your thoughts or questions at responsibleinvestment@longreachgroup.com.

*Statements included in this report may contain estimates, assumptions, and forward-looking information that are subject to change as methodologies, reporting processes, and underlying data continue to evolve.



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A Message from Our Founders

In presenting our 2025 Responsible Investment Report, we reflect on the progress made over the past year in deepening sustainability integration across our investment platform and sharpening the priorities that will guide our path forward.



At Longreach, continuous improvement, thoughtful stewardship, and alignment with global best practices are deeply embedded in our culture and values. These principles shape our approach to investments, influencing every stage of our work, from assessing opportunities and managing risks to engaging with our portfolio companies. Over the past year, we built on this strong foundation and strengthened our responsible investment approach by enhancing governance practices, refining internal processes, and deepening the integration of sustainability considerations throughout our investment lifecycle. We also continued investing in our people by expanding training and industry engagement to ensure that our team is well positioned to navigate an evolving landscape.

Alignment with global frameworks remains central to our approach. Through our continued membership in the EDCI, we support greater transparency, consistency, and comparability across the private equity industry. Guided by the Task Force on Climate-related Financial Disclosures (TCFD), we advanced our climate governance, risk assessment,

and reporting practices, with initiatives including climate risk scenario analysis, to align with evolving disclosure expectations while laying the groundwork for long-term resilience, decarbonization objectives, and future target setting.

Our portfolio companies are at the heart of our responsible investment efforts, and our focus is on delivering returns through responsible investment. As just one example, initiatives at APC Group focused on water treatment solutions, renewable-powered production, and more sustainable process chemicals for the pulp and paper industry, demonstrated that strong business growth and long-term competitiveness can go hand in hand with environmental responsibility. We also welcomed new portfolio companies in 2025, including Lightworks, thereby expanding our ability to drive sustainable value creation and broader impact across diverse sectors and value chains. In addition, we commenced investment due diligence on BEAUTE DE LABO and RAM Spreaders towards the end of 2025. These companies became part of our portfolio in early 2026, with climate risk scenario

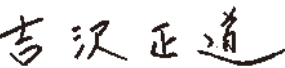
analysis serving as an important focus for the investment team.

We are grateful for the continued trust and partnership of our stakeholders. As expectations around sustainability, climate resilience, and responsible business practices evolve, we remain committed to advancing this progress by delivering enduring value for our investors, portfolio companies, employees, and the broader communities we serve.

Sincerely,



Mark Chiba
Co-Founder, Group Chairman and Partner



Masamichi "Masa" Yoshizawa
Co-Founder, Representative Director and Partner

Longreach Responsible Investment Progress

An overview of Longreach's 2025 responsible investment milestones and performance across governance, environmental, and social priorities.

2025 Snapshot

USD 1.30B

in Assets Under Management.

23 years

of investment track record.

3 years

of measuring carbon footprint across Fund 3 and Fund 4 portfolio companies.

Longreach 2025 Sustainability Highlights



Formally joined the EDCI.



Established our Responsible Investment Committee.



Completed our 2nd PRI Assessment with improved results.



Published our 2nd annual Responsible Investment Report, covering 2024 performance.



Completed our first climate risk scenario analysis as part of 2025 reporting.



Continued firm-wide Responsible Investment training.

Improved PRI Scoring

The 2025 PRI Assessment results showed steady improvement since our first assessment in 2023, reflecting continued strengthening of governance processes and reporting practices across our portfolio. Confidence Building

Measures remained at the maximum score, highlighting the reliability of our disclosed data. We achieved a five-star rating for our private equity investing and reporting, placing us among the top 10% of peer PE firms.

Indicator Improvements in 2025

PRI Assessment Scorecard

2023 → 2025 Module Score Progression

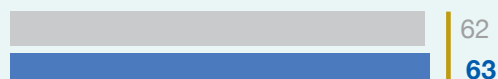
2025 Module Score

2023 Module Score

PRI Median

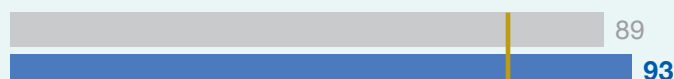
Policy Governance and Strategy

Module Rating ★★☆☆☆



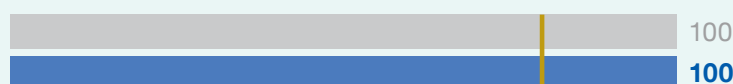
Direct - Private equity

Module Rating ★★★★★



Confidence building measures

Module Rating ★★★★★



0 20 40 60 80 100

Module Score (0-100)

To access our full public transparency report, please follow this link. [🔗](#)

Performance Highlights



Responsible Governance

Strong governance remains fundamental to our investment performance.

100% of new portfolio investments have passed pre-investment ESG screening since 2021.

100% of portfolio companies had cybersecurity insurance coverage in 2025.

100% of portfolio companies have a sustainability management system and action plan in place.

Portfolio Companies with Sustainability Policies

Sustainability Policies	2024	2025	Percentage Point
Code of Business Conduct	78%	90%	Up 12%
Environmental Policy	44%	50%	Up 6%
Employee Health and Safety Policy	67%	70%	Up 3%
Responsible Sourcing Policy	56%	60%	Up 4%
IT/ Cybersecurity Policy	78%	90%	Up 12%
Whistleblower Policy	N/A	100%	—



Environmental Impact

Building a more resilient portfolio.

Combined portfolio carbon footprint has declined from 24.63 to 12.03 tCO₂e per million USD since 2023, a **51%** reduction.

42% reduction in energy consumption per employee since 2023.

In addition to financed emissions, Longreach began measuring the GP's own Scope 3 emissions, while three portfolio companies took initial steps to build their understanding of their broader Scope 3 emissions.

Portfolio Financed Emissions and Carbon Footprint

Financed Emissions by Fund	2023	2024	2025
Fund 3 - Financed Emissions (Scope 1 & 2) (tCO ₂ e)	13,242.67	8,651.40	8,712.48
Fund 4 - Financed Emissions (Scope 1 & 2) (tCO ₂ e)*	N/A	65.21	534.49
Combined Portfolio Carbon Footprint (tCO ₂ e/million USD)	24.63	12.46	12.03

*Fund 4 closed in 2024.

Resource Consumption

Consumption Metrics	2023	2024	2025
Energy Consumption (kWh/employee)	11,915.09	7,419.36	6,924.13
Water Consumption (m ³ /employee)	6,074.24	2,796.92	4,680.80



Social Impact & Our People

Investing in and understanding our people to strengthen representation and well-being.

Overall, women's representation continued to grow across the portfolio.

Seven of ten portfolio companies conducted employee satisfaction surveys.

The turnover rate across portfolio companies improved by **1.50 percentage points** on average from 2024 to 2025.

Employee Engagement

Employee Engagement Indicator	2023	2024	2025
Pulse Survey Participation Rate*	96.0%	92.7%	87.4%
Portfolio Companies Conducting Surveys*	50.0%	44.4%	70.0%

*Comparability varies as more portfolio companies adopt the annual survey. Three of six and four of nine companies conducted the survey in 2023 and 2024, respectively, compared with seven of ten companies in 2025, with surveys at the remaining three companies still in progress.

Women Employees

Workforce Representation Indicator	2023	2024	2025
% Women among Full-Time Employees	35.9%	34.8%	35.7%
% Women in Management	15.2%	14.2%	16.6%



About Longreach

Longreach is an established, independent private equity firm with offices in Hong Kong and Tokyo. The Firm focuses on distinctive mid-market control buyouts in Japan, and selectively on Japan-related buyouts in Asia, across the industrial and technology, consumer related, and business services sectors.

We drive value creation by building companies that are resilient, well governed, and empowered for growth as the foundation for delivering consistent and attractive investment returns. We work as a trusted partner with absolute commitment to our investors, portfolio companies, people, and values.

Mission

Our continuing mission is to be an elite, independent private equity investment firm, as measured by consistent and long-term investment performance, execution quality and reputation, and aligned with sustainable environmental, economic, and social outcomes.

Business Model

To achieve our mission, we must execute on our core business model of consistently raising, deploying and returning capital with outstanding results for world-class investors.

Values & Culture

1. Truly Global and Cross-Cultural
2. Respect Different Opinions and Promote Diversity
3. Honest, Open, Constructive Discussion and Teamwork Culture
4. Generosity and Compassion
5. Personal Responsibility, Entrepreneurship and Excellence
6. Commercial Contributions and Productivity
7. Ethical Responsibility in Investing and Operations
8. Guardianship and Integrity

Our Portfolio

Since our first investment in 2005, we have continually refined our approach to identifying, building, and responsibly managing distinctive businesses that create lasting value. Our investments reflect our long-standing focus on resilient businesses with strong market positions and multiple pathways for operational and sustainable value creation. Our portfolio* spans three core sectors:

Industrial & Technology			
			
Consumer Related			
 	 	 	
			
Business Services			
 BLUESHIP			 三洋電機ロジスティクス株式会社

*Portfolio composition reflects investments made to date, including exited investments, as of April 2026. At the time of publication, Longreach had successfully exited C-United Co., Ltd. in 2026. In addition, RAM Spreaders and BEAUTE DE LABO formally became portfolio companies in early 2026; however, investment due diligence for both companies was already underway in 2025.

Value Creation

We have a long track record, and carefully built strategies and capabilities, in bringing hands-on value creation that generates absolute returns across our portfolio companies. This is a complex area, with specific requirements for each portfolio company. The defining elements of our value creation are:

- | | |
|--|---|
| <ul style="list-style-type: none"> Disciplined entry valuation, prudent deal structuring, and balance sheet strength. Management excellence and a culture of success aligned with globally benchmarked performance standards. Positioning portfolio companies to capture opportunities in high-growth markets. Clear strategic focus with realistic and accountable business plan execution. | <ul style="list-style-type: none"> Best practice corporate governance standards. Operational excellence to capture growth and efficiency gains. Integration of material sustainability risks and value creation opportunities across the entire investment lifecycle. Skillful and well-timed exit execution. |
|--|---|

Responsible Investment Strategy

At Longreach, responsible investment is embedded in how we identify, evaluate, manage, and exit businesses. Our approach identifies factors that are material from both a financial and sustainability perspective: they shape risk profiles, influence operational resilience, and inform long-term value creation.

In 2025, we focused on execution and consistency. With our core responsible investment framework firmly in place, our efforts centered on making sustainability integration more consistent, actionable, and directly linked to investment outcomes, value creation, and risk mitigation.

Two themes have defined our progress this year:

1. Early engagement: bringing sustainability priorities into focus sooner after transaction closing so that material factors identified during due diligence are translated into concrete action plans and Key Performance Indicators (KPIs) before momentum is lost.

2. Clearer continuity: ensuring that the findings from the due diligence process are actively carried forward into post-investment monitoring, quarterly reviews, and board-level discussions.

The practical outcomes of these efforts are visible across the portfolio. Sustainability is becoming an integral part of how we govern, manage, and grow our portfolio companies.

Key Sustainability Focus Areas

Our assessment of material sustainability factors is shaped by the sectors and geographies in which we invest. We focus on three core areas:



Environmental

Using energy and water resources effectively, promoting sustainable production and consumption, minimizing waste generation, enhancing environmental management to reduce pollution, and supporting efforts to combat climate change, including transitioning to renewable energy.



Social

Promoting fair labor conditions and human rights practices, supporting employee development through education and training, enhancing employee retention and well-being, and fostering diversity and equal opportunity.



Governance

Maintaining appropriate governance structures, including board oversight, audit and risk management, anti-bribery measures, and conflict of interest policies; encouraging portfolio companies to minimize risks related to environmental, public health, safety, and social issues; and prohibiting relations with criminal and anti-social forces, terrorist financing, money laundering, and inappropriate lobbying.

Team Spotlight

Sitting at the Intersection of Sustainability & Investment Execution

A key development of Longreach’s responsible investment program was the appointment of Aya Kagawa as Manager of Investor Relations and Sustainability in 2024. Throughout 2025, this role continued to prove instrumental in advancing Longreach’s commitment to making sustainability a practical discipline that supports strategic decision-making, risk management, and value creation.

Bridging investment execution, portfolio oversight, and stakeholder communication, Aya translates Longreach’s responsible investment commitments into repeatable processes across the investment lifecycle. She serves as a central point of coordination across portfolio companies, investment teams, investor relations, finance, and advisors, ensuring that sustainability considerations are incorporated into Investment Committee discussions, value creation initiatives, and portfolio company engagement.

Aya’s evolving role signifies the maturation of Longreach’s responsible investment approach. Initially focused on refining policies, tools, and reporting frameworks, her role increasingly centers on sustainability-related execution and portfolio monitoring. Working across investor relations, portfolio oversight, and sustainability initiatives, Aya helps ensure that material sustainability issues identified during due diligence are carried forward into post-investment engagement and value creation planning. In doing so, she supports investment teams and portfolio companies in strengthening risk management, enhancing resilience, and creating long-term value. Through portfolio-level KPI tracking and reporting, she also helps provide strategic insights that support investment and portfolio management discussions.



Manager of Investor Relations and Sustainability
Aya Kagawa

Longreach Responsible Investment Policy & Guidelines

Our Responsible Investment Policy & Guideline (the “Policy”) provides the foundation for how we integrate sustainability across our investment lifecycle. Grounded in globally recognized frameworks and first implemented in October 2020, the Policy was updated in 2025 to reflect the continuing evolution of our responsible investment approach and emerging best practices.

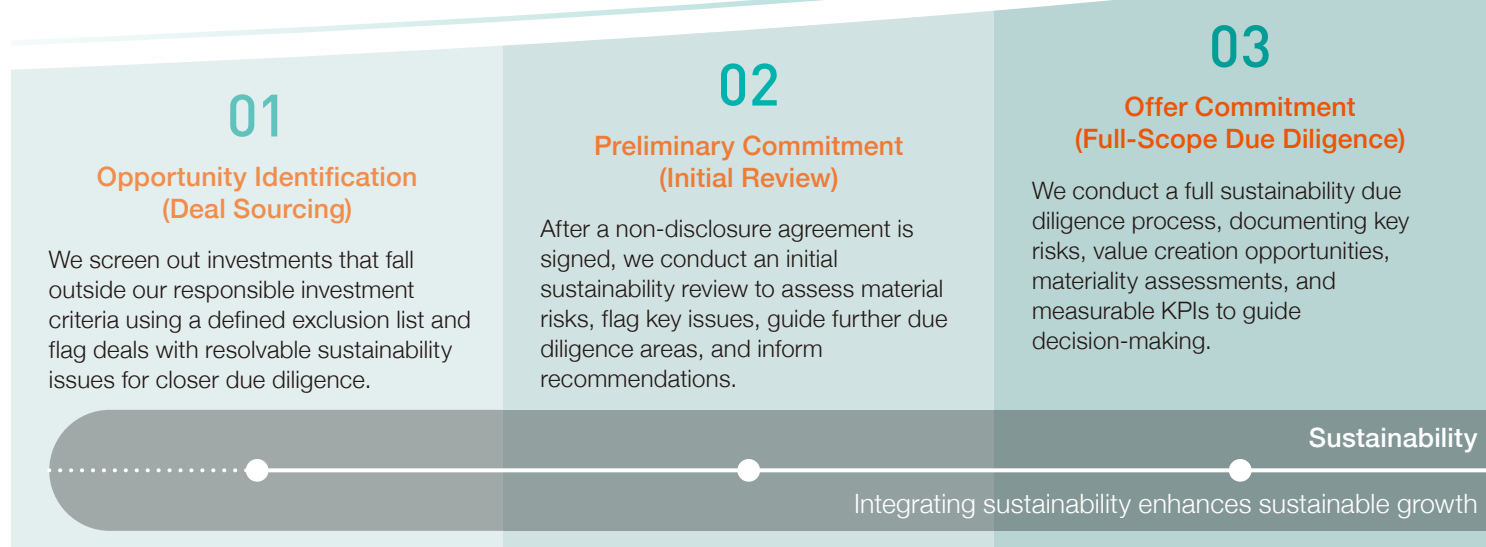
The 2025 revision focused on strengthening the documentation and tracking of material sustainability factors identified during due diligence. This ensures due diligence insights are carried into portfolio monitoring, management, and post-investment engagement.

Our approach continues to be informed by established global standards and frameworks, which support the standardization and comparability of sustainability metrics across our portfolio.

Responsible Investment Strategy

Sustainability Integration into the Investment Process

The Policy provides a structured framework for integrating material sustainability considerations throughout the investment lifecycle, from initial screening through ownership and exit. We apply a consistent and structured sustainability due diligence framework across all potential investments, covering areas including environmental compliance and risks, labor practices, human rights, health and safety, governance structure, internal controls, and business ethics. Sustainability considerations are embedded in financial, operational, and strategic factors. Material risks and opportunities are included in the overall assessment and inform the deal structure, valuation, and operational planning.



Embedding Sustainability Post-Investment

Post-investment, material sustainability issues identified during due diligence are systematically incorporated into the 180-day plan. A designated sustainability officer is appointed at each portfolio company, and key sustainability metrics are

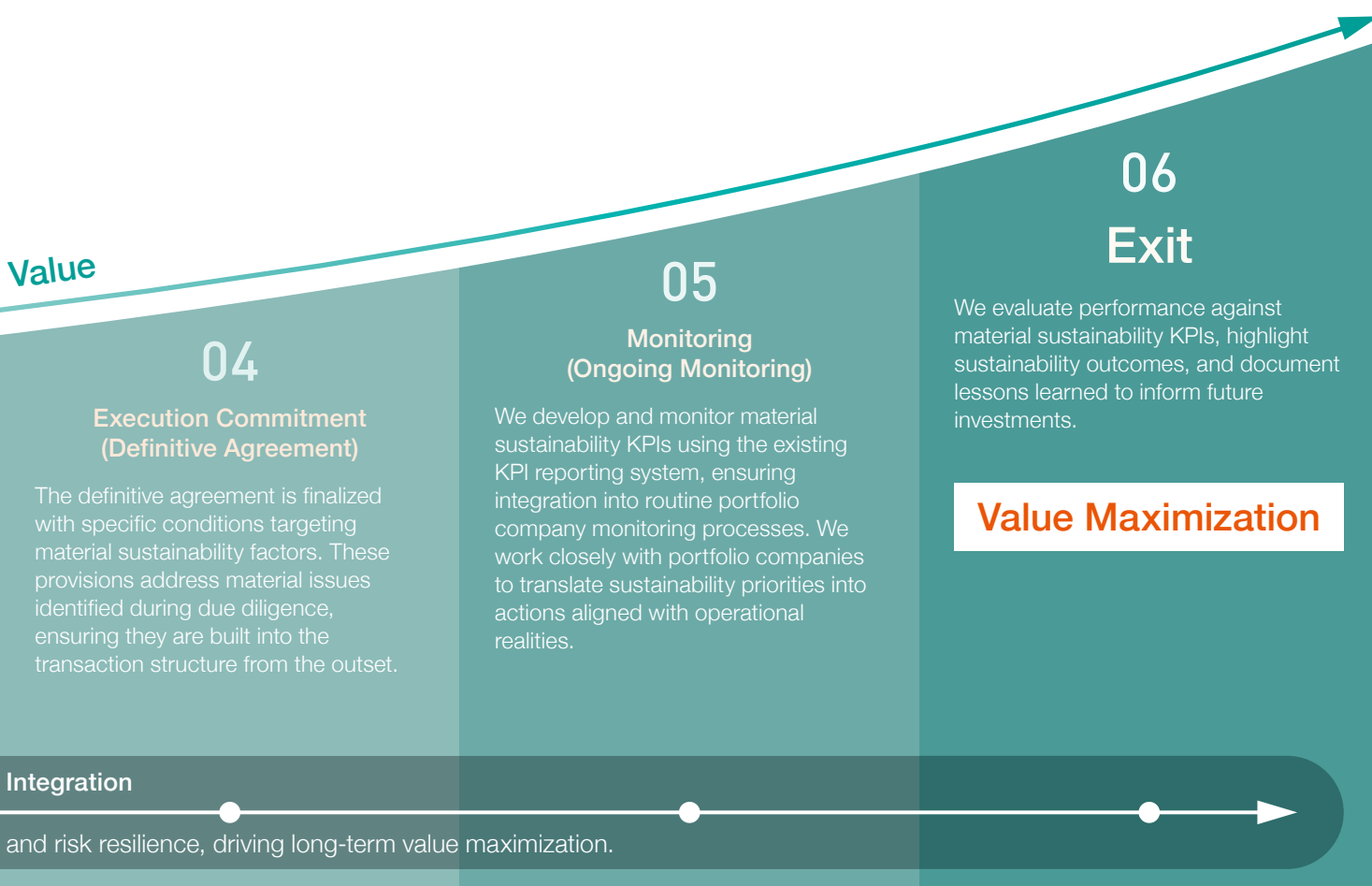
tracked and reported quarterly. This approach helps ensure continuity between due diligence findings, post-investment action plans, and ongoing portfolio oversight.

Identifying and Managing Climate-Related Risks

Climate risk is assessed at every stage of the investment lifecycle, from initial screening to exit. Consistent with our ongoing alignment with the TCFD, we assess both physical and transition risks.

Physical and transition risks are incorporated into deal evaluation. Factors considered include geography, sector exposure, carbon pricing dynamics, energy transition trends, and regulatory disclosure mandates. When needed, we engage third-party specialists for policy impact analyses and site-level physical risk assessments, including evaluations of flood, heat, and water stress exposure. Findings inform climate-related action plans developed collaboratively with portfolio companies.

Decisions on mitigating climate risks are made in collaboration with portfolio company leadership, drawing on their operational insights to proactively identify and address emerging issues. Progress is monitored by our Investment Committee and Responsible Investment Committee. Climate and sustainability considerations are discussed with portfolio company board-level and senior management teams, with investment teams incorporating these priorities during the investment period.



Policy Oversight

The Policy defines clear roles and responsibilities for oversight and implementation across the Firm.

Category	Responsible Party	Scope of Responsibility
Executive Oversight & Accountability	The General Partners	Ultimately responsible for the implementation of the Policy and associated guidelines, including making decisions on reviews and revisions of appropriateness.
Strategy and Implementation Oversight	Investment Committee; Group Chief Operating Officer	Oversee all sustainability factors material to an investment decision, including the monitoring and management of any identified material sustainability factors throughout the investment lifecycle, as well as overall coordination and ongoing compliance with the Policy.
Implementation & Execution	Partners with Oversight; Investment Team; Responsible Investment Committee; Investor Relations for External Communications	Responsible for end-to-end sustainability integration, from investment thesis through to exit, by establishing and overseeing systems that embed material sustainability factors into portfolio management. This includes overseeing sustainability-related portfolio monitoring, reporting on material sustainability issues to key stakeholders, managing sustainability engagement at portfolio companies, and preparing all responsible investment disclosures.
Support & Resources	All Members of Longreach	Responsible for understanding the Policy and for integrating the relevant commitments into their actions, as well as continuing to build their knowledge of responsible investment.

Engagement with Portfolio Companies

We tailor our engagement based on each portfolio company's business model, risk profile, and stage of ownership, focusing on factors that meaningfully influence operational performance and exit readiness to drive sustainable long-term performance. As all businesses operate under resource constraints, we prioritize initiatives that can deliver meaningful financial and sustainability outcomes. For companies with limited internal sustainability expertise, we partner with management to provide hands-on support and guidance in translating sustainability initiatives into clear, executable plans.



Governance

Strong governance remains fundamental to how we operate, invest, and create long-term value. Disciplined governance practices, clear accountability, and effective risk oversight are essential to building resilient businesses and maintaining stakeholder trust across our portfolio. When incidents occur at portfolio companies, we work with management teams to address them promptly. We then conduct a review to identify root causes, implement corrective actions, and apply relevant lessons learned across the portfolio where appropriate.

Over the past year, we strengthened governance oversight, internal controls, and execution discipline across the Firm and our portfolio companies. Our responsible investment approach has become increasingly systematic and embedded in how we assess opportunities, manage risks, and create long-term value across the portfolio. This included further refinement of our Responsible Investment Policy and proprietary Responsible Investment Toolkit. Additionally, we enhanced the alignment of sustainability-related responsibilities and considerations across investment teams and portfolio company leadership.

As stakeholder expectations and regulatory requirements evolve, we continue to advance our governance practices across cybersecurity risk management, climate-related risk oversight, responsible sourcing, and sustainability data management. These efforts strengthen operational resilience, improve transparency, and support consistent decision-making across our investment platform.

Abiding by Our Code of Ethics and Conduct

We require all employees to adhere to the highest standards

of conduct and comply fully with applicable laws, regulations, and our Code of Ethics and Conduct.

Our Code of Ethics and Conduct covers ethical, legal, and compliance matters, including conflicts of interest, anti-corruption, antitrust, anti-money laundering, cybersecurity, and insider trading, as well as environmental, health, and safety standards. Annual training is provided across these areas, supplemented by periodic refreshers focused on evolving regulatory expectations and emerging governance risks. Employees are also required to formally acknowledge and abide by the Code on a semi-annual basis, reinforcing accountability across the Firm and supporting consistent application of our governance and responsible investment policies.

Senior leadership promotes a culture grounded in integrity, transparency, and accountability, supported by established whistleblowing and non-retaliation procedures. We also work closely with portfolio companies to strengthen their governance practices and, where appropriate, support the development and enhancement of policies related to ethics, compliance, employee health and safety, climate-related oversight, responsible sourcing, cybersecurity, and risk management.

Portfolio Company Spotlight - SNJ

Strengthening Governance and Accountability to Support Sustainable Growth

Shin Nihon Juseitsu Group (“SNJ”) is a leader in the sales, installation, and servicing of residential solar panel and storage battery systems in Japan. During 2025, SNJ continued to strengthen governance, compliance, and operational accountability in alignment with Longreach’s broader responsible investment approach. The business remains well positioned to support Japan’s evolving energy security priorities and long-term clean energy transition.



Key Initiatives and Progress



1. Established its Corporate Philosophy, Mission, and Vision. Following communication to all employees, they were also published on the company’s website.



2. Refreshed compliance regulations and guidelines in 2025, including anti-corruption, anti-bribery, and internal whistleblowing measures, followed by training and awareness sessions for all employees.



3. Maintained ISO/IEC 27001-certified Information Security Management Systems at major sites and implemented equivalent systems at subsidiary locations, which were subsequently added to the certification scope following the external surveillance audit conducted in November.



4. Reinforced responsible sourcing through annual supplier confirmations regarding illegal labor, human rights, and conflict minerals, and expanded supplier oversight from two primary suppliers during 2025 to five key suppliers, with all newly onboarded suppliers to be subject to the annual supplier confirmations in the future.

Communicating Responsible Investment Progress

We maintain an ongoing dialogue with Limited Partners on the evolution of our responsible investment practices, including sustainability integration, governance oversight, and portfolio-level developments. These updates are communicated through Annual Meetings, annual and quarterly reporting, and targeted stakeholder engagement throughout the year, including Limited Partner Advisory Committee (LPAC) discussions and other targeted communications, as appropriate.

During 2025, we further enhanced our responsible investment disclosures through expanded alignment with the

EDCI and continued emphasis on climate-related disclosures informed by the TCFD. We also refined our sustainability data collection and reporting processes to improve consistency, comparability, and strategic insight across the portfolio, supporting more informed risk management and decision-making.

As Limited Partners’ expectations, the operating environment, and industry standards continue to evolve, we remain focused on instituting strong governance across the Firm and our portfolio companies. This includes the ongoing evaluation of compliance frameworks, information security practices, operational controls, and oversight processes to support effective risk management, long-term value creation, and organizational resilience.



Governance

General Partner Oversight of Climate-Related Risks

The General Partners oversee climate-related risks and opportunities as part of our broader portfolio oversight and risk management approach, evaluating both transition-related and physical climate risks that may impact portfolio company operations, business continuity, resilience, and long-term value creation. Climate-related considerations are integrated into key decision-making processes, including due diligence, portfolio monitoring, acquisitions, and exit planning. This helps ensure that financially material sustainability-related risks and opportunities are considered alongside broader commercial and operational priorities.

In 2025, we formally established a Responsible Investment Committee to oversee responsible investment strategy, governance processes, disclosures, and implementation priorities across the investment lifecycle. Oversight of climate-related matters is coordinated by our Group Chief Operating Officer across the Investment Committee, Responsible Investment Committee, and broader investment team, supporting consistent implementation and accountability across the Firm and our portfolio companies.

The Investment Committee ensures climate-related and broader sustainability factors are incorporated into investment due diligence, portfolio reviews, and ongoing risk assessment processes. This keeps climate and sustainability considerations anchored in our investment discipline, where they inform risk management, portfolio oversight, and long-term value creation, rather than being treated as a stand-alone reporting or compliance exercise. The General Partners receive regular updates on climate-related developments, portfolio-level exposures, and evolving stakeholder expectations, supporting ongoing monitoring and alignment with our broader responsible investment objectives.

Management of Climate-Related Issues

The Manager of Investor Relations and Sustainability is responsible for the day-to-day coordination and implementation of climate-related and broader sustainability initiatives across the Firm and our portfolio companies. This includes portfolio company engagement, sustainability-related data collection and reporting, and

monitoring of material sustainability factors throughout the ownership period.

During 2025, we focused on turning sustainability analysis into action across our portfolio. Earlier engagement with portfolio company management helped translate climate-related findings into more targeted action planning, clearer KPI tracking, and more consistent portfolio review discussions. As disclosure expectations and stakeholder requirements evolve, we will continue to strengthen our approach to implementation, engagement, and oversight across our portfolio.

Cybersecurity Governance

Consistent with global trends, cybersecurity has become increasingly important across our portfolio, with potential impacts on technology infrastructure, customer data, operational continuity, and regulatory compliance.

We address cybersecurity through investment due diligence, ongoing portfolio engagement, and targeted risk management initiatives. Throughout 2025, we continued to enhance our cybersecurity risk management approach. This included expanding cybersecurity-related assessments within our proprietary Responsible Investment Toolkit and implementing a policy requiring cybersecurity insurance coverage for each portfolio company to support risk mitigation and business continuity in an ever-changing digital operating environment.

Following an incident in which there was unauthorized access to a server at one of our portfolio companies, we acted immediately, working closely with the company's management team to launch an investigation and appoint an external cybersecurity advisor. The review confirmed that there was no material impact on the business. We also implemented targeted countermeasures and established additional safeguards to reduce the risk of similar incidents occurring.

We have applied findings from this experience across the portfolio, as highlighted by our initiatives with Dr.stretch.

Portfolio Company Spotlight - nobitel (Dr.stretch)



Adapting Governance for Emerging Technologies

Longreach identified information security, cybersecurity, and governance-related considerations as material factors for Dr.stretch within its broader sustainability assessment framework. Operated by nobitel, Dr.stretch is the pioneer and market leader in Japan's assisted stretching industry and one of the largest stretch studio chains globally, operating a growing international network of wellness and stretching studios.

During 2025, nobitel made substantive progress in strengthening its cybersecurity and governance frameworks, working collaboratively with Longreach to advance a structured program of initiatives in preparation for Information Security Management System (ISMS) certification renewal, targeted for 2026.

Maintaining ISMS Certification

To maintain ISO/IEC 27001:2022 certification obtained in April 2025, nobitel completed a comprehensive set of preparatory activities including internal audits, ISMS-related documentation updates, employee training, and business continuity planning drills. The company also strengthened the governance of generative artificial intelligence (AI) use to promote safe and secure technology adoption, including establishing guidelines, providing employee e-learning, monitoring unauthorized tools, and issuing warnings where needed. This demonstrates Longreach's broader recognition that responsible technology governance is an increasingly material

consideration in evolving digital operating environments. Establishing clear oversight frameworks for emerging technologies at an early stage supports both risk management and long-term organizational accountability. Information security evaluations were conducted across supply chain partners and franchise locations, extending nobitel's cybersecurity governance beyond its own operations. This reflects a recognition that operational resilience depends not only on internal controls but on the integrity of the broader network through which the business operates.





Responsible Ownership in Practice Spotlight: APC Group



Advancing Sustainability Through Operational Excellence

APC is a leading provider specializing in process chemicals and water treatment solutions for the pulp and paper industry as well as related fiber markets across Asia. Headquartered in Hong Kong with a presence spanning 22 markets, APC helps customers improve production efficiency, reduce water and energy consumption, and meet their own sustainability goals. APC has also evolved into an integrated solutions partner supporting sustainable packaging, water treatment, and resource-efficiency applications across interconnected value chains. These activities illustrate how sustainability can operate as a fundamental value creation principle rather than an ancillary consideration. This approach reflects the company's broader strategic transformation toward integrated,

sustainability-led solutions and long-term operational resilience.

Since Longreach's investment, APC has evolved toward a more structured, data-led, and governance-focused operating model. This has improved accountability, operational consistency, and visibility into sustainability performance across the organization. Sustainability governance is embedded at the highest level of the company, with the CEO overseeing sustainability initiatives and reporting quarterly to the Board using an integrated sustainability KPI dashboard. This data-driven approach supports operational visibility and measurable progress across APC's sustainability priorities.

Sustainability in Action for 2025

Climate & Circularity

- ✓ Energy intensity reduced to 0.0528 kWh/kg, **22%** below the 2022 baseline, surpassing APC's 2026 reduction target of 5% one year ahead of schedule.
- ✓ Emission intensity reduced to **0.043 tCO₂e/tonne**, a **41% improvement** from the 2022 baseline, with Scope 1 emissions down **9%**.
- ✓ **5,155 recycled totes** in use across operations, up **282%** from 2022.

Governance & Supply Chain

- ✓ **100%** supplier compliance with APC's proprietary Supplier Code of Conduct maintained across 251 active suppliers for the third consecutive year.
- ✓ **99% cybersecurity training completion** across designated staff, supported by continued investment in information security systems.

People & Safety

- ✓ Total Recordable Incident Rate of **0.78**, remaining below APC's target threshold of 1.00.
- ✓ Employee turnover decreased **from 9.5% in 2024 to 6.6%**, well below the **<10% target**.
- ✓ **69 training courses** delivered, with **7,239 instances** of employee participation recorded during 2025.

Water Treatment: Sustainability as a Growth Driver

APC recognizes the importance of water stewardship across industrial value chains. Through its integrated water treatment and process optimization capabilities, APC helps customers reduce water consumption, strengthen environmental compliance, and support resilient operations across fiber-related industries.

APC’s water treatment business grew **178% in 2025**, supported by the bolt-on acquisition of Malaysian specialist **i-Chem Solution Holding**. Together with fiber and surface technologies, these sustainability adjacency operations contributed around **11% of total group pro forma revenue**, reflecting the increasing strategic importance of sustainability-related revenue streams.

APC’s Jiangmen facility in Guangdong Province in southern China was built with sustainability at its core, incorporating natural light and ventilation systems alongside a phased renewable energy roadmap. In 2025, the facility installed a 2,324 m² solar panel array that currently supplies approximately 60% of the plant’s energy needs, generating approximately USD 80,000 in annual energy cost savings. Once fully commissioned, the solar project is expected to support an approximately 85% renewable energy usage rate at the facility and deliver approximately 300 tCO₂e in annual emissions reductions. Furthermore, the facility optimizes APC’s supply chain configuration by streamlining transportation routes and reducing distribution distances to

key customer markets, contributing to an estimated 830 tCO₂e reduction across the value chain in 2025.

APC also continues to invest in the communities and industries in which it operates, supporting more than 700 students through scholarships and industry-academia partnerships. Its broader community initiatives included launching a clean water program in Indonesia, donating a tractor and trolley to support municipal waste collection in India, and partnering with the Hong Kong Life Commitment Charity Club to provide support to elderly residents living alone, alongside an additional USD 5,000 contribution to the charity’s ongoing community work.



Governance and Accountability

Strong governance at APC reflects both the company’s commitment to responsible operations and Longreach’s proactive ownership approach. Our Responsible Investment Toolkit supported the identification of company-specific material sustainability factors and the development of action plans and KPIs aligned with our sustainability priorities. During 2025, APC further strengthened its governance and compliance processes through enhanced oversight structures, expanded third-party risk management, and

company-wide compliance training designed to reinforce ethical decision-making and consistent operational standards across regions.

APC’s next phase of growth will be supported by continued investment in renewable energy, digitalized sustainability performance management systems, and integrated customer solutions that strengthen operational efficiency, sustainability performance, and business resilience.



Environmental Impact

Our environmental strategy is grounded in the conviction that responsible stewardship of natural resources and proactive climate action enable more resilient businesses. We work with our portfolio companies to identify material environmental considerations, improve operational efficiency, and translate environmental priorities into practical actions that support long-term value creation.

Climate-Related Risks and Opportunities

Environmental and climate-related considerations remain integrated into our responsible investment strategy, portfolio oversight, and value creation planning. Climate-related risks and opportunities are considered across the investment lifecycle, including during screening, due diligence, post-investment planning, and ongoing monitoring.

This approach helps us identify where climate-related factors may affect business resilience, operational priorities, and future growth. Where material risks or opportunities are identified, we work with portfolio company management teams to determine practical actions aligned with each company's operating context and strategic direction.

Time Horizons

To support climate-related assessment and portfolio oversight activities, we consider environmental risks and opportunities across the following time horizons:

- ✓ **Short-term (0–1 year):** Risks or opportunities that may materialize within the current operating cycle, typically driven by near-term regulatory policy developments, market conditions, or operational considerations.
- ✓ **Medium-term (1–5 years):** Risks or opportunities that may arise within the investment horizon, including strategic shifts that could impact operational performance, portfolio resilience, or exit planning.
- ✓ **Long-term (5+ years):** Systemic and structural changes in the market, economy, or environment that may influence capital allocation, asset resilience, supply chains, long-term business competitiveness, and thus exit valuations.

Longreach Climate-Related Risks & Opportunities Assessment

We evaluate how physical and transition climate-related risks may affect portfolio companies across different operating environments and time horizons. Climate-related and sustainability-driven opportunities also remain an important area of focus, with several portfolio companies well-positioned to benefit from the energy transition, growing demand for resource-efficient solutions, and increasing customer and stakeholder appetite for sustainable business practices. For example, APC and SNJ have advanced a

range of operational initiatives aligned with their sustainability priorities, including renewable energy planning, energy-efficiency programs, emissions tracking enhancements, and resource management improvements. These efforts were supported by ongoing portfolio engagement, quarterly sustainability monitoring, and continued refinement of sustainability KPI tracking and reporting processes.

2025 Progress Update

In 2025, we continued advancing responsible investment practices from framework development toward more systematic execution and integration across our portfolio. Key areas of progress included broader integration of sustainability considerations into investment due diligence and portfolio monitoring processes, and enhanced engagement with portfolio companies on material sustainability priorities.

We also strengthened portfolio-level sustainability oversight through enhanced mandatory KPIs across Fund 3 and Fund 4 portfolio companies, including energy and water efficiency, responsible production and resource consumption, pollution prevention and control, and climate-related physical and transition risk considerations.

APC illustrates this integration, with sustainability considerations informing post-investment value creation and portfolio oversight. This included the installation of solar panels at APC's new Jiangmen facility to support energy efficiency and emissions reduction, alongside APC's continued expansion into water treatment solutions that address growing environmental needs. Together, these examples illustrate our approach to post-investment value

creation, showing how sustainability considerations are used to identify operational improvements, advance growth priorities, and strengthen long-term business performance across our portfolio.

Japan Systems continued to strengthen its environmental management practices through enhanced monitoring of resource consumption and climate-related risk management. Through ongoing energy-efficiency initiatives, including office lighting controls and upgrades to air-conditioning equipment, the company reduced electricity consumption by approximately 13% year-on-year and electricity costs by approximately 7% year-on-year in 2025. The company also progressed its greenhouse gas management efforts by initiating Scope 3 emissions measurement and enhancing visibility into value-chain emissions. In parallel, Japan Systems has been incorporating climate considerations into its business processes by assessing climate-related risks and opportunities on a deal-by-deal basis, helping to identify where climate change could have a material impact on business activities and customer engagements. These initiatives are contributing to a more systematic approach to environmental management and climate risk oversight.





Environmental Impact

Climate Risk Scenario Analysis

To evaluate the resilience of our portfolio companies under different climate-related futures, we engaged a third-party sustainability firm to conduct a qualitative scenario analysis informed by guidance from TCFD. The assessment began with two portfolio companies, APC and SNJ, and considered both transition and acute physical climate-related risks.

Scenario analysis provides a structured approach for considering how plausible future climate conditions could affect businesses, while also informing strategic planning, capital allocation, and risk management.



Transition Risks

Transition risks were evaluated through 2050 using two scenarios: (1) a Current State Scenario, which represents limited changes to climate policy and emissions trajectories, and (2) the International Energy Agency's Net Zero Emissions by 2050 (NZE) Scenario, reflecting a rapid global transition towards the goal of limiting warming to 1.5°C. The assessment considered potential exposure to evolving carbon pricing and climate-related reporting requirements across the companies' operations and value chains.



Physical Risks

Acute physical risks were evaluated through 2050 using climate projections from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6) with a focus on the increasing intensity of storms, heavy precipitation, and extreme heat. The analysis considered a lower-emissions pathway associated with approximately 1.5°C of warming and a higher-emissions pathway associated with approximately 2°C of warming.





Transition Risks

Under the Current State Scenario, APC’s exposure to the transition risks assessed was relatively limited. Under the NZE Scenario, more widespread carbon pricing and increasingly stringent climate-related reporting requirements could increase operating and compliance pressures, resulting in a higher risk profile. APC’s existing emissions measurement and sustainability data management practices, together with ongoing efforts to improve energy efficiency and increase renewable energy use, provide a foundation for responding to these evolving requirements.

SNJ demonstrated relatively limited exposure to the transition risks assessed under the Current State Scenario, while a more rapid global transition under the NZE Scenario could increase exposure to higher operational costs and more comprehensive disclosure expectations. SNJ has begun establishing emission measurement processes and implementing operational efficiency and resource conservation initiatives. Continued development of these efforts and broader decarbonization measures could support SNJ’s resilience as climate policies and stakeholder expectations evolve.



Physical Risks

Increasing storm intensity and heavy precipitation across much of East Asia could create potential disruption to APC’s operations and supply chain, particularly under the higher-warming scenario. The assessment identified a comparatively lower risk profile under the lower-emissions scenario. Projected increases in extreme heat across Asia could also affect APC’s operations and logistics, though the analysis identified a more limited level of exposure, as APC’s manufacturing activities largely take place indoors, where cooling capacity can moderate the effects of higher temperatures. APC’s geographically diversified operations and distribution network provide a degree of resilience by reducing reliance on individual operating locations, including during regional storms or heat events.

SNJ’s field-based installation and maintenance activities may be affected by more frequent or intense storms and heavy precipitation, which could disrupt fieldwork, site access, travel, and project schedules. Increasing extreme heat presents a comparable consideration, as rooftop installation, maintenance, and inspection work are directly exposed to high temperatures. This could contribute to project delays, employee health and safety concerns, and additional labor costs. Because SNJ’s operations are concentrated across Japan, regional heat events could affect several operating areas simultaneously. These risks are more pronounced under the higher-warming scenario. Physical climate risk will remain an important operational consideration for SNJ across potential future climate conditions.

The analysis indicates that both companies could face greater climate-related pressures under more challenging future pathways: transition risks increase under a rapid low-carbon transition, while acute physical risks become more pronounced under higher-warming scenarios. Existing emissions management, operational practices, and business continuity measures provide a foundation for resilience, while continued monitoring and targeted mitigation and adaptation measures can further support long-term operational stability for APC and SNJ.

This qualitative analysis is an initial step in evaluating the climate-related risks relevant to our portfolio and investment strategy, helping identify potential impacts on business performance and investment outcomes, while highlighting areas where deeper studies can strengthen investment decision-making, value creation, and portfolio resilience over time.



Environmental Impact

Emissions-Reduction Measures

Our approach to reducing operational and portfolio-level emissions is supported by portfolio engagement, sustainability KPI monitoring, and company-led environmental initiatives.



Energy Efficiency and Renewable Energy

Improving energy efficiency remains an important lever for reducing emissions and supporting operational performance. At Japan Systems and Blueship, the upgrade of the head office's heating, ventilation, and air conditioning (HVAC) system improved energy efficiency and contributed to a more than 13.5% reduction in energy consumption and a 6.7% decrease in electricity costs during the reporting period, representing approximately JPY 1.20 million in annual cost savings.



Resource and Water Management

Responsible resource and water management supports operational efficiency and environmental performance across the portfolio. Under our leadership, SNJ and Asproad began monitoring greenhouse gas (GHG) emissions, electricity consumption, and other environmental indicators, while nobitel began tracking emissions intensity per employee and relative to sales to support future environmental target setting.



Waste Reduction and Environmental Management

In 2025, food loss at C-United was reduced by 12.9% compared to 2019 levels through initiatives such as selling bread crusts, with proceeds donated to charitable causes. Furthermore, continued reductions in plastic usage across the company's operations are expected to decrease plastic consumption by 2.20 tons annually. As a newly introduced initiative, changes to the cutting board storage method were implemented to reduce plastic wrap usage and were expected to generate approximately JPY 1.80 million in annual cost savings in the financial year ending March 31, 2026.

Greenhouse Gas Emissions

During 2025, we continued to integrate emissions monitoring into portfolio oversight through sustainability KPI tracking, quarterly reviews, and engagement with management teams.

GP-Level Emissions

Scope	Source	2023	2024	2025
Scope 1 – Direct GHG Emissions	No direct emission sources	0.00	0.00	0.00
Scope 2 – Indirect Energy GHG Emissions	Purchased electricity	31.87	35.67	55.17
Scope 3 – Other Indirect GHG Emissions (Category 15: Investments)	Portfolio companies*	348.38	229.38	241.99
Scope 3 – Other Indirect GHG Emissions (Category 6: Business Travel)	Air travel (domestic and international flights)	N/A	N/A	69.81
Total GHG Emissions (tCO₂e)		380.25	265.05	366.97

This table illustrates our calculated Scope 1, 2, and 3 (Category 6: Business Travel and Category 15: Investments) GHG emissions associated with our operations for the financial year 2025 (January 1, 2025 to December 31, 2025). We adopted the GHG Protocol Corporate Accounting and Reporting Standard for measuring and reporting on these emissions. Our total GHG emissions during this reporting period include our Scope 1 and 2 emissions, which account for direct emissions from owned or controlled sources (including our Hong Kong and Tokyo offices) and indirect emissions from purchased energy, along with financed emissions from our Fund 3 and Fund 4 portfolio companies under Scope 3, Category 15 (Investments), all measured in tons of carbon dioxide equivalent (tCO₂e). To calculate our Scope 3 financed emissions, we used the Financed Emissions Standard developed by the Partnership for Carbon Accounting Financials (PCAF), with reference to the guidance published by the Initiative Climat International (ICI) on "Greenhouse Gas Accounting and Reporting for the Private Equity Sector." Our Scope 3 total includes Scope 1 and 2 emissions of our portfolio companies. See the appendix for detailed methodology.

*Scope 3 emissions for 2023 include only Fund 3 portfolio companies, while 2024 and 2025 figures include both Fund 3 and 4 portfolio companies. We began tracking Scope 3, Category 6 (Business Travel) emissions at the GP level in 2025.

Financed Emissions

Fund 3 and Fund 4 emissions metrics offer insights into the carbon efficiency of our investments and enable us to effectively manage our portfolio’s exposure to climate-related risks.

Fund 3 GHG Metrics	2023	2024	2025
Financed Emissions (Scope 1 & 2) (tCO ₂ e)	13,242.67	8,651.40	8,712.48
Portfolio Carbon Footprint (tCO ₂ e/million USD)	24.63	14.56	14.02
Weighted Average Carbon Intensity (tCO ₂ e/million USD)*	31.17	31.94	34.66

Fund 4 GHG Metrics	2023**	2024	2025
Financed Emissions (Scope 1 & 2) (tCO ₂ e)	N/A	65.21	534.49
Portfolio Carbon Footprint (tCO ₂ e/million USD)	N/A	0.62	3.63
Weighted Average Carbon Intensity (tCO ₂ e/million USD)	N/A	6.85	9.71

This table illustrates the total financed GHG emissions from Scope 1 and Scope 2 (market-based approach) for the 2023 to 2025 reporting periods. It also includes calculated metrics to assess the carbon footprint and intensity of our Fund 3 and Fund 4 portfolios, including the portfolio carbon footprint and weighted average carbon intensity (WACI). See the appendix for detailed methodology.

*Carbon intensity reflects the portfolio in that period and is subject to fluctuations based on market conditions (including fluctuations in foreign exchange rates), as well as the proportion of emission-intensive investments relative to total assets under management (AUM). Excluding foreign exchange impacts, Fund 3’s weighted average carbon intensity decreased by 7% in 2024.

**Fund 4 closed in 2024.

We calculate our GHG emissions based on industry standards, including:

- GHG Protocol Corporate Accounting and Reporting Standard
- 2006 IPCC Guidelines for National Greenhouse Gas Inventories
- PCAF: The Global GHG Accounting and Reporting Standard
- Initiative Climat International: Greenhouse Gas Accounting and Reporting for the Private Equity Sector
- MSCI ACWI Climate Indexes



Portfolio Company Spotlight - FCL Components



From Environmental Targets to Operational Results

In 2025, FCL Components advanced environmental performance through climate action, resource efficiency, and responsible supply chain management. The successful completion of its 9th Environmental Action Plan and the new targets set under the 10th Environmental Action Plan reflect the company’s commitment to continuous improvement and sustainable growth.

Key Achievements for FY2025*

1. Climate Action

- Reduced GHG emissions by 11% versus FY2024 and 35% versus the FY2014 baseline.

3. Responsible Supply Chains

- All procured materials and components comply with environmental regulations, such as RoHS (Restriction of Hazardous Substances) and REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals). In FY2025, the company published its Responsible Mineral Sourcing Policy on its website and completed the implementation of Steps 1–3 of the Organization for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.
- Strategic supplier engagement improved procurement efficiency and generated approximately JPY 100 million in annual cost savings, with further savings identified.

2. Environmental Performance

- In FY2025, FCL Components achieved a 15.8% reduction against the five-year average in industrial waste at its headquarters, saving JPY 372,000 per year. The company’s Nagano site reduced industrial waste by 3.0% compared with the five-year average, saving JPY 110,000 per year, while the Miyazaki site reduced it by 10.1% compared with the five-year average, saving JPY 59,000 per year.

4. Recognition & Future Roadmap

- Received EcoVadis Bronze recognition.
- Launch of the 10th Environmental Action Plan covering FY2025 through FY2028, focusing on enhancing environmental performance across the product lifecycle, promoting carbon neutrality and resource efficiency, and reducing waste while advancing social and ecosystem initiatives.

*FCL Components’ financial year ends on March 31.



Social Impact & Our People

At Longreach, an important foundation of long-term value creation is a leadership team that understands and promotes the well-being of the people and communities connected to our businesses. We foster equality and diversity in the workplace and integrate social considerations into how we invest in and engage with portfolio companies to drive sustainable returns. Through employee and community engagement, workforce health and safety, professional development, and responsible investment practices, we work to create positive outcomes for our people, our portfolio companies, and the broader communities in which we operate.

People & Culture

Inclusive Workplace

We promote an equitable workplace where all employees have opportunities to grow and succeed. Across our portfolio, we encourage companies to implement policies that support gender equality, including enhanced parental leave programs, flexible work arrangements, and professional development resources designed to strengthen employee engagement and retention, recognizing that such policies bring a positive impact to long-term sustainable growth. Creating workplace environments where employees are respected, valued, and empowered contributes meaningfully to organizational success.

Learning & Development

Investing in our people's growth and development remains core to how we operate and how we support portfolio companies. We provide employees with access to training opportunities that support both technical expertise and broader professional growth.

During 2025, employees from Longreach and our portfolio companies participated in training programs covering topics such as responsible investment practices, workplace well-being, sustainability-related risk management, and mental health. We encourage employees to pursue ongoing development opportunities to build skills and achieve professional growth, including through formal training sessions, knowledge-sharing initiatives, mentorship opportunities, and collaborative learning programs.

Portfolio Spotlight - Asproad Holdings (formerly known as J-CEP)

Advancing Career Development and Opportunities

Asproad invests in employee development through programs that support career growth, skill development, and workforce engagement. The company assigns Career Supporters and Career Planners to each CFM (Construction Field Manager) for regular visits, prepares dispatch manuals, engages in negotiations, and holds semi-annual CFM events to improve retention, morale, and workplace engagement. In 2025, the career support function was further strengthened by reorganizing it into (1) sales headquarters – strengthening the interview and site-visit system to support CFMs' career development and retention at client sites; and (2) engineer management headquarters – enhancing risk management and compliance as a specialized unit to improve CFMs' sense of security and career satisfaction. Through these initiatives, Asproad promotes employee engagement by supporting structured career development and fostering long-term retention.



Employee Spotlight

Jonathan Zhang, our Executive Director, shares his perspective on the role of employee engagement and inclusive leadership in supporting sustainable value creation. Drawing on his experience advancing sustainability initiatives across Longreach's portfolio, Jonathan highlights how empowering employees and cultivating diverse leadership teams can deliver lasting benefits for both businesses and their stakeholders.

Q: As you reflect on your journey at Longreach, which sustainability-related initiative are you most proud of, and how has it positively impacted the company or its stakeholders?

Jonathan: There have been multiple sustainability-related initiatives that I am proud to have supported, but two that stand out are the employee benefit enhancements we worked on at APC and Quasar. At APC, through discussions with management teams, we identified opportunities to improve the day-to-day lives of frontline employees, including upgrading worker dormitory accommodations and expanding medical insurance coverage to family members. These initiatives required relatively modest investment but delivered meaningful benefits for employees and their families. More importantly, they helped strengthen employee engagement and retention, contributing to a decline in employee turnover from 9.5% to 6.6% in 2025. The feedback from frontline employees is positive, and we continue to deliver quality service at frontline customer mills, leading to increased market share at a time when the market is highly challenging and peers are substantially cutting costs.

Q: How do you approach sustainability integration when working with portfolio companies?

Jonathan: Sustainability should not be viewed simply as a set of metrics or targets to track. Instead, it serves as a framework for engaging with stakeholders and identifying opportunities to improve the company in ways that benefit people and the environment. An important part of this process is engaging employees and management teams in open discussions about challenges and opportunities. Employees are encouraged to share ideas and perspectives on areas they believe can be improved. These grassroots insights often help identify initiatives that create value for the business while supporting broader sustainability objectives. Once priorities have been identified, we establish appropriate metrics to monitor progress.

Q: In formulating growth and value creation strategies, what people and culture-related themes have you championed?

Jonathan: One key theme has been employee engagement, particularly within manufacturing teams. Listening directly to operators can uncover opportunities to improve workplace practices, strengthen morale, and reduce turnover. We have seen positive results from this approach at portfolio companies such as Quasar and APC, where strong employee involvement contributed to improvements in both operational performance and workforce stability. Employees are encouraged to suggest improvement ideas based on their day-to-day experience. Translating this engagement into action, the December 2024 Employee Engagement Survey informed 2025 initiatives across six focus areas: Culture, Product & Technology, Efficiency, Job Satisfaction, Compensation & Benefits, Learning & Development. Another area of focus has been diversity. We believe diverse leadership teams contribute to stronger decision-making and organizational performance. Across several portfolio companies, we have supported increased female representation in senior leadership positions, including Chief Financial Officer (APC), Group Strategy Leader (Quasar), and Board Chair (EnTie Bank). These leaders have played an important role in building effective and collaborative management teams. At APC, female representation at the Executive Leadership Team level is 18% as of 2025, up from 13% in 2023.

Q: What advice do you give associates on balancing sustainability priorities with traditional financial objectives?

Jonathan: I encourage all colleagues to view sustainability not as a checklist, but as another lens through which to evaluate a business and uncover potential growth and margin improvement opportunities. Looking at a company from a sustainability perspective can help identify areas for value creation that may not be immediately apparent through financial analysis alone. At the same time, it is important that employees see sustainability champions as partners who are genuinely interested in improving the business and supporting its people, rather than simply introducing additional reporting requirements. When sustainability initiatives are aligned with business objectives and employee needs, they create meaningful benefits for all stakeholders.



Executive Director
Jonathan Zhang



Social Impact & Our People

Social Impacts of Investment

We integrate social factors into our investment and portfolio management processes. These considerations include labor practices, employee well-being, health and safety, community impacts, and human rights. Where social factors are identified as material in the due diligence process, we

work alongside portfolio companies to better understand existing practices, establish improvement priorities, and monitor progress over time. Strong management of human capital and stakeholder relationships can contribute to operational resilience and sustainable value creation.

Portfolio Company Spotlight - nobitel (Dr.stretch) and Lightworks

People-Centered Progress Across the Portfolio

Strong businesses are built around people. By supporting workplace culture, employee well-being, professional development, and community engagement, Longreach invests in and collaborates with portfolio companies to create environments where people and businesses can grow together.

Supporting Employee Well-Being and Community Health

nobitel continued to strengthen its approach to employee engagement and social impact during 2025 by introducing flexible work arrangements, such as (1) employment options without fixed overtime pay, (2) a four-day workweek option, and (3) assignment to multiple stores. The company also offered enhanced employee development programs, including training programs specifically designed for female trainers, as well as other targeted efforts to improve employee well-being and retention. In addition, nobitel continued its community engagement through partnerships with Ronald McDonald House, supporting pediatric patients and their families, and charitable sports programs in Indonesia. These initiatives reflect the company's commitment to creating positive outcomes for both employees and the communities it serves.



Building a Supportive Workplace

Lightworks continued to strengthen its employee-focused initiatives through programs for professional growth, workplace flexibility, and overall employee well-being. During 2025, the company further enhanced its internal learning platform, providing employees with access to training and development opportunities. The company also continued to support employees through a range of initiatives, including remote work arrangements, mentoring programs for mid-career employees, childcare and eldercare support, and office-based meal services.



Our Commitment to Charitable Giving

Supporting our local communities remains an important part of our corporate values. Through charitable contributions and community engagement initiatives, we seek to support organizations that address social and environmental challenges. Our charitable giving efforts focus on areas such

as education, healthcare, community development, environmental protection, and food security. We believe that contributing to community-based initiatives is an important extension of our broader commitment to responsible business practices.

2026 Recipients of Annual Donations





Previous Recipients of Annual Donations

2020	Japan: Japan Medical Association Hong Kong: Mother’s Choice Limited
2021	Japan: Red Cross Tokyo Hong Kong: Feeding Hong Kong Limited
2022	Japan: Red Cross Tokyo Hong Kong: Ecodrive Hong Kong Limited
2023	Japan: Teach for Japan Hong Kong: Feeding Hong Kong Limited
2024	Japan: Teach for Japan Hong Kong: Greeners Action
2025	Japan: Teach for Japan Hong Kong: Greeners Action

Human Rights and Labor Rights

We respect internationally recognized human rights principles and believe that fair labor practices are fundamental to responsible business conduct. Consideration of human and labor rights forms part of our broader approach to risk management and responsible investment.

As part of our due diligence and portfolio monitoring processes, we assess relevant workplace issues and ensure regulatory compliance. Our portfolio companies must comply with applicable labor laws and regulations and uphold standards related to fair treatment, non-discrimination, and workplace safety. Where opportunities for improvement are identified, we engage constructively with management teams to support ongoing enhancements to policies and practices. Through this continued dialogue and monitoring, we promote responsible labor practices and contribute to sustainable long-term business performance across our portfolio.



SASB Index

Asset Management & Custody Activities

Topic	Metric	Category	Unit of Measure	Code	Longreach Disclosure
Transparent Information & Fair Advice for Customers	(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	Quantitative	Number, Percentage (%)	FN-AC-270a.1	(1) 0 (2) 0%
	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers	Quantitative	Presentation currency	FN-AC-270a.2	USD 0
	Description of the approach to informing customers about products and services	Discussion and Analysis	N/A	FN-AC-270a.3	Communicating Responsible Investment Strategy – Page 7
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	Quantitative	Percentage (%)	FN-AC-330a.1	(a) Executive management Female: 8% Age 30–39: 8% 40–49: 25% 50–59: 33% 60–69: 33% (b) Non-executive management Female: 20% Age 30–39: 40% 40–49: 60% (c) Professionals Female: 27% Age 30–39: 82% 40–49: 18% (d) All other employees Female: 100% Age 30–39: 38% 40–49: 25% 50–59: 25% 60–69: 13%

Topic	Metric	Category	Unit of Measure	Code	Longreach Disclosure
Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	Amount of assets under management, by asset class, that employs (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing and (3) screening	Quantitative	Presentation currency	FN-AC-410a.1	USD 1.15 billion*
	Description of approach to incorporation of environmental, social and governance (ESG) factors in investment or wealth management processes and strategies	Discussion and Analysis	N/A	FN-AC-410a.2	Responsible Investment Strategy – Page 7
	Description of proxy voting and investee engagement policies and procedures	Discussion and Analysis	N/A	FN-AC-410a.3	Responsible Investment Strategy – Page 10
Financed Emissions	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	Quantitative	Metric tons (t) CO ₂ e	FN-AC-410b.1	(1) 334.27 tCO ₂ e (Fund 3), 351.14 tCO ₂ e (Fund 4); (2) 8,378.21 tCO ₂ e (Fund 3), 183.35 tCO ₂ e (Fund 4)*; (3) Not available
	Total amount of AUM included in the financed emissions disclosure	Quantitative	Presentation currency	FN-AC-410b.2	USD 768.85 million**
	Percentage of total AUM included in the financed emissions calculation	Quantitative	Percentage (%)	FN-AC-410b.3	60%***
	Description of the methodology used to calculate financed emissions	Discussion and Analysis	N/A	FN-AC-410b.4	GHG Emissions Reporting Methodology & Boundary – Page 29
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anticompetitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	Quantitative	Presentation currency	FN-AC-510a.1	USD 0
	Description of whistleblower policies and procedures	Discussion and Analysis	N/A	FN-AC-510a.2	Abiding by Our Code – Page 11

*The method used in last year's report was adjusted for 2024 and onward to reflect the proportion of emissions attributable to Longreach's equity ownership rather than total emissions.
 **AUM consists of Fund 3 and Fund 4.
 ***The amount included only covers the Net Asset Value of portfolio company deployed and does not include unused Fund 3 and Fund 4 capital commitments.

Activity Metrics

Activity Metrics	Category	Unit of Measure	Code	Longreach Disclosure
AUM	Quantitative	Presentation currency	FN-AC-000.A	USD 1.30 billion
Total assets under custody and supervision	Quantitative	Presentation currency	FN-AC-000.B	USD 1.30 billion****

****All assets are under The Longreach Group's control and supervision.

TCFD Index

Category	Disclosures	Reference Location
Governance Disclose the organization's governance around climate-related risks and opportunities.	a) Describe the Board's oversight of climate-related risks and opportunities.	Page 13
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	Page 13
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	Pages 17-20
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	Future Disclosure
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Future Disclosure
Risk Management Disclose how the organization identifies, assesses, and manages climate-related risks.	a) Describe the organization's processes for identifying and assessing climate-related risks.	Page 9
	b) Describe the organization's processes for managing climate-related risks.	Page 9
	c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	Pages 9, 12-13
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Pages 9, 17-18
	b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks.	Pages 4, 21-22
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Page 19-20

Appendix – GHG Emissions Reporting Methodology & Boundary

GHG Emissions Reporting Methodology & Boundary

As a private equity firm focused on Japan-related buyout opportunities in Asia, The Longreach Group operates from two main offices in Hong Kong and Tokyo. While Longreach manages four funds, this report focuses on Fund 3 and Fund 4, which represent the largest share of Longreach's assets under management.

Scope 1: Direct Emissions

No Scope 1 emissions were generated under the operational boundaries of The Longreach Group in the reporting period, as our Hong Kong and Tokyo offices do not have any mobile fuel combustion, stationary fuel combustion, or fugitive emissions data to provide.

Scope 2: Purchased Emissions

Our Scope 2 emissions consist only of purchased electricity consumption used for daily office operations.

Methodology

Equation 1: Purchased electricity carbon emission formula

$$E = D \times F / 1000$$

Where:

- E = Total carbon emissions from electricity use (tCO₂e)
- D = Total units of electricity consumed (kWh)
- F = Emission factor of CO₂ (kgCO₂e/kWh)

Electricity consumption data within the reporting period was provided by both offices in electricity units (kWh). Using Equation 1 and the total electricity consumed, total Scope 2 emissions were 55.17 tCO₂e.

Scope 3: Financed Emissions

Each portfolio company invested under Fund 3 and Fund 4 provided their total Scope 1 and Scope 2 GHG emissions and financial data, within the reporting period, to The Longreach Group.

Methodology

Equation 2: GP-level Financed Emissions formula:

$$\sum_F Attribution\ Factor \times Fund\ Emissions_F$$

Where, for unlisted equity:

$$Attribution\ Factor = \frac{Outstanding\ Amount_F}{Total\ equity + debt_F}$$

Therefore, the formula used:

$$\sum_F \frac{Outstanding\ Amount_F}{Total\ equity + debt_F} \times Fund\ Emissions_F$$

And it is noted that:

- ✔ F = Fund
- ✔ The outstanding amount of the portfolio company is equivalent to the value of equity and/or debt in the portfolio company.
- ✔ The attribution factor is equivalent to the percentage equity share held by the GP.

Using *Equation 2*, the GP-level financed emissions calculations in Fund 3 and Fund 4 were 241.99 tCO₂e.

Fund 3 and Fund 4 GHG Emissions Calculations

Aside from the absolute financed emissions, the portfolio carbon footprint and weighted average carbon intensity (WACI) were also calculated for comparability of emissions between funds and alignment for other disclosure requirements.

The **WACI** measures Fund 3’s and Fund 4’s exposure to potential carbon-intensive companies, expressed in tons greenhouse gas converted to carbon dioxide emissions using the greenhouse gas protocol per million USD revenue, written as tCO₂e/million USD revenue. This metric is recommended by the TCFD.

The **Portfolio Carbon Footprint**, also recommended by the TCFD, as well as the Hong Kong Securities and Futures Commission (SFC) disclosure, is a measure of the total carbon emissions for a portfolio normalized by the value of the portfolio, expressed in tCO₂e/million USD invested.

GHG Inventory Boundary

In FY2025, Fund 3 included five portfolio companies as of December 31, 2025. Fund 4 covered Asproad (formerly J-CEP) and nobitel, while SNJ, which was acquired in May 2024, is included in this year’s Responsible Investment Report.

Methodology

Equation 3: Portfolio Financed Emissions formula

$$\sum_C Attribution\ Factor \times PorCo\ Emissions_C$$

Where, for unlisted equity:

$$Attribution\ Factor = \frac{Outstanding\ Amount_c}{Total\ equity + debt_c}$$

And it is noted that:

- ✔ c = portfolio company
- ✔ For unlisted equity, the outstanding amount is the outstanding value of equity that the financial institution holds in the private company. It is calculated by multiplying the relative share of the financial institution in the respective portfolio company by the total equity for the respective portfolio company according to its balance sheet.

Equation 4: Portfolio Carbon Footprint formula

$$\sum_C \left(\frac{Attribution\ Factor \times PorCo\ Emissions_c}{Current\ Portfolio\ Value} \right)$$

Where,

- ✔ c = portfolio company
- ✔ The Current Portfolio Value is the Fund’s net asset value.

Equation 5: WACI formula

$$\sum_n^i \left(\frac{Current\ Value\ of\ Investment_i}{Current\ Portfolio\ Value} * \frac{Issuers\ Scope\ 1\ and\ Scope\ 2\ GHG\ emissions_i}{issuers\ \$M\ revenue_i} \right)$$

Where:

- ✔ i = portfolio company
- ✔ The current value of investment is Fund 3’s valuation (i.e., the fair value) of each portfolio company; and
- ✔ The Current Portfolio Value is the Fund’s net asset value.

Using *Equation 3*, the attribution factor was first calculated using portfolio companies’ financial data and multiplied by the total Scope 1 and 2 emissions (market-based approach) of each portfolio company respectively. Using *Equation 4* and *5*, the portfolio carbon footprint and WACI of Fund 3 and Fund 4 were calculated.

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