

OP Fund VI – Article 8 Website Disclosures

SUMMARY

Onex Partners Fund VI (“**Fund VI**” or the “**Fund**”) promotes environmental and social characteristics (“**ESG**”) within the meaning of Article 8 of Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial sector (“**SDFR**”) through the following:

- Selecting companies with a strong approach to ESG, with a particular focus on climate change, human capital management, and governance and/or implementing improvements in those areas, where warranted; and
- Avoiding investments in certain industries facing significant environmental and social risks

The promotion of environmental and social characteristics will be achieved through rigorous pre-investment due diligence in the areas noted above, as well as the implementation of an “ESG Practice Guide” (further defined in the ‘Engagement policies’ section) for all portfolio companies in which it has effective control, meaning that Onex controls more than 50% of the equity in the company (“**Controlled Company**”). Onex will use commercially reasonable efforts to implement the ESG Practice Guide for those companies in which it does not have effective control (“**Non-Controlled Companies**”). The Fund will also monitor portfolio companies’ attainment of the above environmental and social characteristics through the annual collection of the sustainability indicators (as set out in the ‘Monitoring of environmental or social characteristics’ section). The Fund will also monitor any new ESG-related factors and/or indicators that may become relevant over time.

If, based on the judgement and expertise of Fund VI’s investment professionals, the Fund determines that the company’s performance in relation to ESG is significantly deficient and it does not believe that it can engage with the company to improve its policies and practices, Fund VI will not invest. However, if deficiencies are identified as part of the due diligence process but Fund VI believes it can work with a company to improve them within a reasonable period of time, Fund VI will invest and address those deficiencies through the implementation of its ESG Practice Guide.

ESG considerations are assessed qualitatively and quantitatively as part of the Fund’s overall due diligence process. As many environmental and social considerations are specific to certain industries, Fund VI utilizes the Sustainability Accounting Standards Board Standards (“**SASB Standards**”) and the recommendations of the Task Force on Climate-Related Financial Disclosures (“**TCFD**”) to assist in determining the particularly important environmental and social factors for each company the Fund is seeking to invest in.

Fund VI also assesses a company’s approach to governance by performing initial due diligence prior to investment on various factors, including with respect to a company’s governance practices, including board oversight of ESG / climate risks and opportunities and its approach to human capital management, including those relating to diversity, equity and inclusion.

The Fund does not use a benchmark to assess its environmental or social performance but uses different ESG-related indicators (as described below) to assess the performance of its investments.

NO SUSTAINABLE INVESTMENT OBJECTIVE

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.

ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

Fund VI will promote environmental and social characteristics by investing in companies that it believes understand the environmental and/or social risks facing the company and/or its industry and that have appropriate policies and practices in place to reduce and/or manage such risks. Fund VI places a particular focus on investing in companies which, based on the judgement of Fund VI's investment professionals, either currently have or can develop within a reasonable period of time:

- (a) Strong governance practices, including board oversight of ESG/climate risks and opportunities;
- (b) A process to define their material ESG risks and opportunities and an approach to mitigate those risks and pursue appropriate opportunities;
- (c) A process to define and appropriately mitigate any climate-related physical and/or transition risks as defined by the TCFD;
- (d) A process to measure their carbon emissions in accordance with a recognized framework and, when those emissions are material, have or are developing plans to reduce them; and
- (e) Robust systems and policies relating to human capital management, including those relating to diversity, equity and inclusion.

The promotion of environmental and social characteristics will be achieved through a two-part approach at the due diligence phase and during its ownership period, which are further described in the 'Due diligence' and 'Engagement policies' sections. If, based on the judgement and expertise of Fund VI's investment professionals, the Fund determines that the company's performance in relation to the above is significantly deficient and it does not believe that it can engage with the company to improve its policies and practices, Fund VI will not invest.

Fund VI will utilize an ESG-linked subscription facility through which the interest rate paid by the Fund will vary based on whether each controlled company:

- Has 30% diverse non-executive directors (female and/or visible minority) within two years of being acquired by Fund VI; and
- Measures its Scope 1 and Scope 2 carbon emissions no later than twelve months after being acquired by Fund VI

The Fund complies with the exclusion criteria as set out in the Onex Responsible Investment Policy (as detailed in the 'Due diligence' section).

INVESTMENT STRATEGY

Onex Partners was established in 2003 to focus on investing in companies in Canada, the United States, and Europe. It benefits from its association with Onex, (the "**Company**" or the "Firm")¹, an investor and asset manager founded in 1984 that has \$49 billion of assets under management as of March 31, 2022, primarily in private equity and credit.

Onex Partners, which pursues the original investment strategy of the Firm dating back to 1984, has a long, established track record and a disciplined, active-ownership approach to private equity investing. Onex Partners focuses on all-weather, long-term investing in market-leading businesses with resilient value propositions. In partnership with talented management teams, Onex Partners strives to create value through multiple value creation levers. Consistent with Onex' historic investment approach, Fund VI has the primary purpose of making control investments in operating companies headquartered, organized, domiciled or whose principal executive offices are in the United States, Canada, or Europe. Onex Partners focuses on investments in four industry verticals in which it has deep experience: Industrials, Business Services & Software, Healthcare, and Financial Services.

ESG considerations are assessed as part of the Fund's overall due diligence process and are assessed qualitatively and quantitatively as part of the Fund's ESG assessment framework. As many ESG considerations are specific to

certain industries, Fund VI utilizes the SASB Standards and TCFD recommendations to assist in determining the potential materiality of ESG and climate change factors for each company considered by the Fund for investment. As detailed in the 'Due diligence' section, in addition to any company specific ESG factors, the Fund applies an exclusionary screen and assesses the governance, climate and human capital management practices of every potential investment in the Fund.

After making an initial investment, Fund VI will implement its ESG Practice Guide for every Controlled Company and use its commercially reasonable efforts to implement the ESG Practice Guide in Non-Controlled Companies (further detail is provided in the 'Engagement policies' section). The Fund will also monitor portfolio companies based on the sustainability indicators (as set out in the 'Monitoring of environmental or social characteristics' section) and any new ESG-related factors and/or indicators that may become relevant over time.

Fund VI assesses a company's approach to governance by investigating various factors prior to investment, including in relation to the strength and credibility of the management team, key compliance management policies and systems relevant to the company, control systems in place for large expenditures and cash transactions, management/board oversight of key risks of the business, key systems in place and approaches to human capital management, management representations provided in advance of an investment and the company's overall approach to corporate social responsibility.

PROPORTION OF INVESTMENTS

100% of the control investments of the Fund are used to attain the environmental / social characteristics promoted by the Fund, as detailed above, and subject to the "commercially reasonable efforts" standard with respect to Non-Controlled Companies.

MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

To measure and monitor the environmental and social characteristics it is promoting for each Controlled Company, the Fund will collect information relating to the following sustainability indicators annually and will consider the responses as part of its ongoing investment decision-making, throughout the lifecycle of the Fund.

- Has it completed an ESG materiality assessment?
- Does it have at least 30% diverse non-executive directors (i.e. female and/or visible minority)?
- Does it do quarterly reporting of ESG/climate to the board?
- Does it measure its Scope 1 and Scope 2 carbon emissions?
- Has it investigated carbon reduction initiatives?
- What percentage of renewable energy is used by the company?
- Does it have a health & safety policy?
- What is its annual Total Recordable Injury Frequency Rate (TRIF)?
- What is its voluntary turnover rate for employees?
- Does it have a diversity/anti-discrimination (or equivalent) policy?
- Does it conduct an annual employee engagement survey and what is the response rate to that survey?

For Non-Controlled Companies, Fund VI will use its commercially reasonable efforts to gather the above sustainability indicators on an annual basis and address any deficiencies in the company's approach in those areas. Fund VI will also monitor any new ESG-related factors and / or indicators that may become relevant over time.

METHODOLOGIES

To measure the attainment of the environmental and social characteristics promoted by the Fund, the following occurs:

- At the screening phase, companies that meet the exclusion criteria outlined in Onex' Responsible Investment Policy (as detailed in 'Due diligence') will be excluded.

- During due diligence, every potential investment will be subject to a process that examines the company's policies and practices in relation to the ESG factors set out above in order to ensure the environmental and social characteristics are being met. If a company's performance in those areas is assessed to be insufficient, and the Fund does not believe it can engage with the company to improve its policies and practices, the Fund will not invest.
- the Fund will work with Controlled Companies to ensure that the ESG Practice Guide is implemented within a reasonable period of time. For Non-Controlled Companies, Fund VI will use commercially reasonable efforts to implement the ESG Practice Guide.
- To measure whether the environmental and social characteristics promoted by the Fund are being achieved, the Fund will collect information annually in relation to the sustainability indicators, as defined in the 'Monitoring of environmental or social characteristics' section.

When the Fund acquires a control position in a company, the collection of the sustainability indicators will be mandatory. If data relating to the sustainability indicators is not available at the time the company is acquired, the Fund will work with the company to establish processes to collect that data. For Non-Controlled Companies, the Fund will use commercially reasonable efforts to gather the data relating to the sustainability indicators on an annual basis and to address any deficiencies in the company's approach in those areas.

DATA SOURCES AND PROCESSING

Fund VI relies on its own proprietary research including ESG information obtained directly from the company (including but not limited to data collected in relation to the Fund's sustainability indicators) as defined in the 'Monitoring of environmental or social characteristics' section.

The sustainability indicators will be collected directly from the portfolio company and maintained in an ESG data collection platform administered by Onex. In order to ensure data quality, this platform provides third-party verification of the data input by a portfolio company. The data is then available to the Fund for use and further processing or analysis, as required.

The calculation of Scope 1 and Scope 2 carbon emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard and the International Organization for Standardization (ISO) 14064-1 standard may involve some estimations and uncertainties. Scope 3 calculations also routinely utilize a variety of estimates in accordance with various international protocols.

LIMITATIONS TO METHODOLOGIES AND DATA

Potential limitations of the methodologies and data could include the inability to obtain the sustainability indicators from Non-Controlled Companies. However, as the Fund will be a significant investor in any portfolio company, it will use commercially reasonable efforts to gather the sustainability indicators on an annual basis and address any deficiencies in the company's approach in those areas. Additionally, as pre-investment ESG analysis and assessment will be included in all investment recommendations made to the Investment Committee, there is an additional layer of ESG review and approval for all investments.

DUE DILIGENCE

ESG considerations are assessed qualitatively and quantitatively as part of the Fund's overall due diligence process, subject to the limitations imposed by the time permitted for diligence, the data held or made available by or on behalf of the investee company, and other such attributes of a diligence process.

Exclusion Screening

The Fund complies with the exclusion criteria which are set out in the Onex Responsible Investment policy, meaning that the Fund will not make any investments in companies:

- Deriving significant revenue (>10% in a recent financial year) from the manufacturing of tobacco, adult entertainment, controversial weapons (chemical and biological weapons, anti-personnel land mines, cluster munitions, depleted uranium, white phosphorus, nuclear weapons), the mining of thermal coal, or the manufacturing of automatic or semi-automatic firearms for the civilian market; or
- Whose principal business (>50% revenue in a recent financial period) involves the production of palm oil that has not been certified as sustainable by the Roundtable on Sustainable Palm Oil, or the operation or management of private prisons.

ESG Integration

As many environmental and social considerations are specific to certain industries, Fund VI utilizes the SASB Standards to assist in determining the potential materiality of the environmental and social factors for each company the Fund is seeking to invest in. The Fund also considers the recommendations of the TCFD to determine whether there are material climate-related risks or opportunities. This analysis is integrated into the value creation plans and risk-management processes for each investment where potential or actual material risks are identified.

In addition to any company specific ESG factors, the Fund places a particular focus on investing in companies which, based on the judgement of Fund VI's investment professionals, either currently have or Fund VI believes can develop within a reasonable period of time:

- (a) Strong governance practices, including board oversight of ESG/climate risks and opportunities;
- (b) A process to define their material ESG risks and opportunities and an approach to mitigate those risks and pursue appropriate opportunities;
- (c) A process to define and appropriately mitigate any climate-related physical and/or transition risks as defined by the TCFD;
- (d) A process to measure their carbon emissions in accordance with a recognized framework and, when those emissions are material, have or are developing plans to reduce them; and
- (e) Robust systems and policies relating to human capital management, including those relating to diversity, equity and inclusion.

When considering a potential investment, Fund VI will engage in a rigorous due diligence process that examines the company's policies and practices in relation to each of the above. If, based on the judgement and expertise of Fund VI's investment professionals, the Fund determines that the company's performance in relation to the above is significantly deficient and it does not believe that it can engage with the company to improve its policies and practices, Fund VI will not invest.

ENGAGEMENT POLICIES

If deficiencies are identified as part of the due diligence process but Fund VI believes it can work with a company to improve them, Fund VI will invest and address those deficiencies through the implementation of its 'ESG Practice Guide' which focuses on three main areas: Governance, Climate, and Human Capital Management. Implementation of the ESG Practice Guide will be mandatory for Controlled Companies. The Fund will work with those companies to ensure that the ESG Practice Guide is implemented within a reasonable period of time. For Non-Controlled Companies, Fund VI will use its commercially reasonable efforts to implement the ESG Practice Guide.

If a company experiences a potential material ESG-related controversy, the Fund will consider the impact, facts, and circumstances of the incident, and evaluate whether further action is necessary. If further action is necessary, the Fund will engage promptly with the company and relevant stakeholders to develop a remediation plan.

DESIGNATED REFERENCE BENCHMARK

No specific index has been designated as a reference benchmark to determine whether the Fund is aligned with the environmental and social characteristics that it promotes.