

Onex Transportation Partners I

SFDR Website Disclosures

This section of the website sets out sustainability-related disclosures for the purposes of Article 10 of Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial sector (“SFDR”).

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SUMMARY

Onex Transportation Partners I LP (the “Main Fund”) promotes environmental characteristics within the meaning of Article 8 of SFDR by assessing the:

- sustainability risks of every investment, a process which includes relevant environmental and social (“ESG”) factors, metrics, and key performance indicators, during due diligence and ensuring that material sustainability risks identified are monitored and / or mitigated throughout the term of the investment;
- decarbonization potential of every investment by applying its Decarbonization Assessment Framework, which will rate the decarbonization potential of each potential investment on a five-point scale, with a score of “one” having the lowest decarbonization potential and a score of “five” having the highest potential. The Main Fund will ensure that within one year of the final close and on an ongoing basis thereafter, at least 65% of its investments will have a score of “three” or above on the Decarbonization Assessment Framework (“Covered Investments”).

For Covered Investments in which the Main Fund acquires effective control of more than 50% of the equity of the company (“**Controlled Company**”), the Main Fund will engage with the management team to develop, implement and/or accelerate decarbonization opportunities which, in the sole discretion of the Main Fund’s investment team, are significant and value-enhancing. If following an investment, the Main Fund does not have effective control of a Covered Investment (“**Non-Controlled Companies**”), the Main Fund will use commercially reasonable efforts to engage with the management team to implement significant and value-enhancing decarbonization initiatives. The Main Fund will monitor portfolio companies’ attainment of the above environmental characteristics through the annual collection of the sustainability indicators (as set out in the ‘*Monitoring of environmental or social characteristics*’ section). The Main Fund will also monitor any new ESG-related factors and/or indicators that may become relevant over time.

ESG considerations are assessed qualitatively and quantitatively as part of the Main Fund’s overall due diligence process. As many environmental and social considerations are specific to certain industries, the Main Fund 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 Main Fund is seeking to invest in.

The Main Fund 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 but not limited to board oversight of ESG / climate risks and opportunities and its approach to human capital management.

The Main 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.

Translation in French follows. In case of discrepancies between the French and the English versions, the English version will prevail.

RÉSUMÉ

Onex Transportation Partners I LP (le « **fonds principal** ») assure la promotion des caractéristiques environnementales au sens de l'article 8 du règlement (UE) 2019/2088 du 27 novembre 2019 sur la publication d'informations en matière de durabilité dans le secteur des services financiers (*sustainability-related disclosures in the financial sector*, « **SFDR** ») en évaluant :

- les risques en matière de durabilité de chaque investissement, un processus qui comprend des facteurs environnementaux, sociaux et de gouvernance (« **ESG** ») pertinents, des mesures et des indicateurs clés de performance, dans le cadre d'une diligence raisonnable et en veillant à ce que les risques importants décelés en matière de durabilité soient surveillés ou atténués tout au long de la durée de l'investissement;
- le potentiel de décarbonisation de chaque investissement potentiel en appliquant son cadre d'évaluation de la décarbonisation, lequel évaluera ce potentiel sur une échelle de cinq points, le pointage « un » ayant le plus faible potentiel de décarbonisation et le pointage « cinq » ayant le plus grand potentiel. Le fonds principal veille à ce que dans l'année suivant la clôture finale et de façon continue par la suite, au moins 65 % de ses investissements aient un pointage de « trois » ou plus dans le cadre d'évaluation de la décarbonisation (« **investissements couverts** »).

Pour les investissements couverts dans lesquels le fonds principal acquiert le contrôle effectif de plus de 50 % des fonds propres de la société (« **société contrôlée** »), le fonds principal s'engage avec l'équipe de direction à développer, à mettre en œuvre ou à accélérer les possibilités de décarbonisation qui, à l'entière discrétion de l'équipe d'investissement du fonds principal, sont importantes et procurent une valeur ajoutée. Si à la suite d'un investissement, le fonds principal n'exerce pas de contrôle effectif d'un investissement couvert (« **société non contrôlée** »), il déploie des efforts commercialement raisonnables pour s'engager avec l'équipe de direction dans la mise en œuvre d'initiatives de décarbonisation importantes et procurant une valeur ajoutée. Le fonds principal surveille l'atteinte par les sociétés du portefeuille des caractéristiques environnementales susmentionnées grâce à la collecte annuelle des indicateurs de durabilité (comme indiqué dans la section « *Suivi des caractéristiques environnementales ou sociales* »). Le fonds principal surveille également l'apparition des nouveaux facteurs ou indicateurs ESG qui pourraient devenir pertinents au fil du temps.

Le fonds principal évalue qualitativement et quantitativement les facteurs ESG dans le cadre de son processus global de diligence raisonnable. Étant donné que de nombreux facteurs environnementaux et sociaux sont propres à certaines industries, le fonds principal utilise les normes comptables sur la durabilité du Sustainability Accounting Standards Board (« **normes SASB** ») et les recommandations du Groupe de travail sur l'information financière relative au changement climatique (*Task Force on Climate-related Financial Disclosures*, « **TCFD** »), afin d'aider à déterminer les facteurs particulièrement importants pour chaque entreprise dans laquelle le fonds principal cherche à investir.

Le fonds principal évalue également l'approche d'une société en matière de gouvernance en procédant avant son investissement à une vérification diligente initiale de divers facteurs, notamment en ce qui concerne les pratiques de gouvernance d'une société, y compris, mais sans s'y limiter, la surveillance par le conseil d'administration des possibilités et des risques climatiques et liés aux facteurs ESG et son approche de la gestion du capital humain.

Le fonds principal n'utilise pas de base de référence pour évaluer sa performance environnementale ou sociale, mais a recours à différents indicateurs ESG (décrits ci-dessous) pour évaluer la performance de ses investissements.

NO SUSTAINABLE INVESTMENT OBJECTIVE

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

The investments underlying the Main Fund do not take into account the EU criteria for environmentally sustainable economic activities and the Main Fund does not commit to invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy Regulation.

ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

The Main Fund will invest in transportation assets which it recognizes are found within a sector that is currently responsible for a significant share of carbon and other global greenhouse gas emissions (CO₂e). The Main Fund will therefore promote environmental characteristics by prioritizing investments that can realize opportunities related to decarbonization. To do so, the Main Fund will place a particular focus on investments which, based on the judgment of the Main Fund's investment team, currently utilize, offer, or can develop within a reasonable period of time:

- Products or services that will provide a lower carbon alternative and/or facilitate or enable the transition to a lower carbon economy;
- Technologies that will drive emissions reductions when compared to existing technologies; and/or
- Potential or existing pathways to decarbonize the emissions associated with the investment's own carbon footprint.

The Main Fund expects that within one year of the final close and on an ongoing basis thereafter, at least 65% of the Main Fund's investments will have one or more of the above characteristics, in accordance with the approach detailed in this disclosure.

INVESTMENT STRATEGY

As detailed further in the 'Due diligence' section below, the Main Fund applies an exclusionary screen, assesses company-specific ESG factors, and applies its Decarbonization Assessment Framework to assess the decarbonization potential of every investment across a five-point scale. The Main Fund will ensure that within one year of final close and on an ongoing basis thereafter at least 65% of its investments will have a score of "three" or above on the Decarbonization Assessment Framework. A detailed analysis of each investment's decarbonization potential, together with the assessment of material sustainability risks, including material ESG risks and opportunities, is included in every final memorandum sent to the Investment Committee for investment approval. As detailed in the 'Engagement policies' section, during ownership of Covered Investments in Controlled Companies, the Main Fund will engage with the management team to develop, implement and/or accelerate decarbonization opportunities which, in the sole discretion of the Main Fund's investment team, are significant and value-enhancing. For Covered Investments in Non-Controlled Companies, the Main Fund will use commercially reasonable efforts to engage with the management team to implement significant and value-enhancing decarbonization initiatives.

The Main Fund assesses a company's approach to governance by performing initial due diligence prior to investment on the following factors (when they are applicable to a potential investment):

- Strength and credibility of the management team, including the review of background checks on the CEO and CFO, when available;
- Key compliance management policies and systems relevant to the company, including anti-corruption/bribery, anti-money laundering, tax law compliance, and trade sanctions;
- Control systems in place for large expenditures and cash transactions;
- Management/board oversight of key risks of the business, including social and environmental risks;
- Key systems in place and approaches to human capital management, including remuneration, and the mechanisms in place to assess the effectiveness of those approaches;
- Any management representations provided in advance of an investment; and
- The company's overall approach to corporate social responsibility.

PROPORTION OF INVESTMENTS

Within one year of final close and on an ongoing basis thereafter, a minimum of 65% of the investments made in the Main Fund (defined above as Covered Investments) will attain one or more of the environmental characteristics promoted by the Main Fund, in accordance with the approach set out in this document, 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 characteristics it is promoting, the Main Fund will work towards collecting information relating to the following sustainability indicators annually and will consider the information collected as part of its ongoing investment decision-making, throughout the lifecycle of the Main Fund:

- Scope 1 and Scope 2 CO2e emissions
- Where necessary in order to assess the decarbonization benefits, Scope 3 CO2e emissions, which are measured or estimated in accordance with accepted international standards/protocols
- Where necessary in order to assess the decarbonization benefits, the carbon intensity of all or part of an investment’s own carbon footprint
- Number of decarbonization initiatives investigated and/or implemented
- Percentage consumption of renewable energy

If the above information is not available in relation to an investment in a Controlled Company, the Main Fund will put in place processes to enable it to collect the sustainability indicators within one year of investment and annually thereafter. The Main Fund will use commercially reasonable efforts to collect the above sustainability indicators annually for Non-Controlled Companies.

METHODOLOGIES

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

- At the screening phase, companies falling within the exclusion criteria outlined in Onex’ Responsible Investment Policy (as detailed in the ‘Due diligence’ section below) will be excluded.
- During due diligence, the Main Fund will engage in a rigorous process that examines the company’s policies and practices in relation to the environmental characteristics promoted by applying the Decarbonization Assessment Framework. This framework will rate the decarbonization potential of each potential investment on a five-point scale, with a score of “one” having the lowest decarbonization potential and a score of “five” having the highest potential. The Main Fund will ensure that within one year of final close and on an ongoing basis thereafter at least 65% of its investments will have a score of “three” or above on the Decarbonization Assessment Framework.
- During ownership of Covered Investments in Controlled Companies, the Main Fund will engage with the management team to develop, implement and/or accelerate decarbonization opportunities which, in the sole discretion of the Main Fund’s investment team, are significant and value-enhancing, and thus promote the intended environmental characteristics of the Main Fund. If following an investment, the Main Fund does not have effective control of a Covered Investment, the Main Fund will use commercially reasonable efforts to engage with the management team to implement significant and value-enhancing decarbonization initiatives.
- To measure whether the environmental characteristics promoted by the Main Fund are being achieved, the Main Fund will collect information annually in relation to the sustainability indicators, as defined in the ‘Monitoring of environmental or social characteristics’ section above.

DATA SOURCES AND PROCESSING

The Main Fund 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 Main Fund's sustainability indicators) as defined in the *'Monitoring of environmental or social characteristics'* section above.

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 some of the data input by a portfolio company. The data is then available to the Main 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 Main 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 Main 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 Main Fund complies with the exclusion criteria which are set out in the [Onex Responsible Investment Policy](#), meaning that the Main 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

The Main Fund will assess the sustainability risks of every investment, a process which includes relevant ESG factors, metrics, and key performance indicators, during due diligence and will ensure that material sustainability risks identified are monitored and/or mitigated throughout the term of the investment.

As many environmental and social considerations are specific to certain industries, the Main Fund utilizes the SASB Standards to assist in determining the potential materiality of the environmental and social factors for each company the Main Fund is seeking to invest in. The Main 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.

Decarbonization Assessment Framework

In addition to any company specific ESG factors, the Main Fund places a particular focus on investing in companies which, based on the judgement of the Main Fund's investment team, currently utilize, offer, or can develop within a reasonable period of time:

- Products or services that will provide a lower carbon alternative and/or facilitate or enable the transition to a lower carbon economy;
- Technologies that will drive emissions reductions when compared to existing technologies; and/or
- Potential or existing pathways to decarbonize the emissions associated with the investment's own carbon footprint.

When considering a potential investment, the Main Fund will engage in a rigorous due diligence process that examines the company's policies and practices in relation to each of the above by applying its Decarbonization Assessment Framework, which will rate the decarbonization potential of each potential investment on a five-point scale, with a score of "one" having the lowest decarbonization potential and a score of "five" having the highest potential. The Main Fund will ensure that within one year of final close and on an ongoing basis thereafter at least 65% of its investments will have a score of "three" or above on the Decarbonization Assessment Framework.

ENGAGEMENT POLICIES

For Covered Investments in Controlled Companies, the Main Fund will engage with the management team to develop, implement and/or accelerate decarbonization opportunities which, in the sole discretion of the Main Fund's investment team, are significant and value-enhancing. For Covered Investments of Non-Controlled Companies, the Main Fund will use commercially reasonable efforts to engage with the management team to implement significant and value-enhancing decarbonization initiatives.

If a company experiences a potential material ESG-related controversy, the Main Fund will consider the impact, facts, and circumstances of the incident, and evaluate whether further action is necessary. If further action is necessary, the Main Fund will use commercially reasonable efforts to 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 Main Fund is aligned with the environmental characteristics that it promotes.