

Onex Partners Opportunities Fund

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**”).

FUND: Onex Partners Opportunities Fund LP, a Cayman Islands exempted limited partnership (the “**Fund**”)

PUBLISHED: 29 September 2023

SUMMARY

The Fund promotes environmental and social characteristics (“**ESG**”) within the meaning of Article 8 of SFDR 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 the Fund’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, the Fund will not invest. However, if deficiencies are identified as part of the due diligence process but the Fund believes it can work with a company to improve them within a reasonable period of time, the Fund 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, the 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 Fund is seeking to invest in.

The 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 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.

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

RÉSUMÉ

Onex Partners Opportunities Fund LP (le « **Fonds** ») assure la promotion des caractéristiques environnementales, sociales et de gouvernance (« **ESG** ») 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** ») par les moyens suivants :

- sélectionner des entreprises ayant une approche rigoureuse des facteurs ESG, avec une attention particulière aux changements climatiques, à la gestion du capital humain et à la gouvernance ou à l'administration des améliorations dans ces domaines, au besoin ; et
- éviter les investissements dans certaines industries confrontées à des risques environnementaux et sociaux importants.

La promotion des caractéristiques environnementales et sociales est réalisée par une diligence rigoureuse préalable à l'investissement dans les domaines mentionnés ci-dessus, ainsi que par la mise en œuvre d'un « Guide de pratiques ESG » (défini plus en détail dans la section sur les politiques d'engagement) pour toutes les sociétés du portefeuille dont Onex a le contrôle effectif, c'est-à-dire dont elle détient plus de 50 % du capital (« **Société Contrôlée** » ou « **Controlled Company** »). Onex déploie des efforts commercialement raisonnables pour mettre en œuvre le Guide de pratiques ESG dans les sociétés dont elle n'a pas le contrôle effectif (« **Société Non Contrôlée** » ou « **Non-Controlled Company** »). Le Fonds surveille également l'atteinte par les sociétés du portefeuille des caractéristiques environnementales et sociales susmentionnées grâce à la collecte annuelle des indicateurs de durabilité (comme indiqué dans la section « *Suivi des caractéristiques environnementales ou sociales* »). Le Fonds surveille également l'apparition des nouveaux facteurs ou indicateurs ESG qui pourraient devenir pertinents au fil du temps.

Si, sur la base du jugement et de l'expertise des professionnels de l'investissement du Fonds, celui-ci détermine que la performance d'une entreprise par rapport aux facteurs ESG est nettement déficiente et qu'il ne croit pas pouvoir travailler avec elle pour améliorer ses politiques et ses pratiques, le Fonds n'investit pas. Toutefois, si des lacunes sont décelées lors du processus de diligence, mais que le Fonds estime pouvoir travailler avec la société pour les améliorer dans un délai raisonnable, il investit et remédie à ces lacunes par la mise en œuvre de son Guide de pratiques ESG.

Le Fonds évalue qualitativement et quantitativement les facteurs ESG dans le cadre de son processus global de diligence. Étant donné que de nombreux facteurs environnementaux et sociaux sont propres à certaines industries, le Fonds utilise les normes comptables sur la durabilité du Sustainability Accounting Standards Board (« **Normes SASB** » ou « **SASB Standards** ») 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 cherche à investir.

Le Fonds évalue également l'approche d'une société en matière de gouvernance en procédant avant son investissement à une diligence initiale de divers facteurs, notamment en ce qui concerne les pratiques de gouvernance de ladite 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, dont les aspects de la diversité, de l'équité et de l'inclusion.

Le Fonds n'utilise pas d'indice 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 or social characteristics but does not have as its objective sustainable investment.

The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities and the 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 Fund 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. The Fund places a particular focus on investing in companies which, based on the judgement of the Fund'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 the due diligence phase and during the ownership period, which are further described in the 'Due diligence' and 'Engagement policies' sections. If, based on the judgement and expertise of the Fund'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, the Fund will not invest.

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

The Fund is exploring utilizing an ESG-linked subscription-based credit facility through which it is intended (provided that it is available on commercially reasonable terms) that the interest rate paid by the Fund would vary based on whether each Controlled Company:

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

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**"), 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, the Fund 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, the Fund 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, the Fund 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.

The Fund 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 a regular employee engagement survey and what is the response rate to that survey?

For Non-Controlled Companies, the Fund 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. The Fund 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, the Fund 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

The 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 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 a third-party check of some 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, the Fund 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 the Fund's investment professionals, either currently have or the Fund 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, the Fund 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 the Fund'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, the Fund will not invest.

ENGAGEMENT POLICIES

If deficiencies are identified as part of the due diligence process but the Fund believes it can work with a company to improve them, the Fund 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, the Fund 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.