ONEX

Climate Change Strategy

DECEMBER 2022*

*UPDATED MARCH 2026

Climate Change & Investment

As a publicly listed investment firm and multi-strategy alternative asset manager, Onex has an important responsibility to act in the best interests of our investors and broader stakeholders, which includes considering all material factors that may impact the risk-adjusted returns of our investments. We believe that integrating material sustainability[1] factors into our investment approach empowers us to enhance the long-term value and performance of our funds.

Climate change is one such factor. In our initial 2022 Climate Strategy, Onex recognized that all investors and businesses need to contribute to the objective of the Paris Agreement to limit global warming to well-below two degrees Celsius above pre-industrial levels. We acknowledge the current scientific consensus that to meet this goal, global greenhouse gas (GHG) emissions must be reduced and reach net zero by 2050. While climate change is already having an impact on different sectors of society, the potential financial impacts on specific markets, regions, industries, and investments, as well as the interrelationships between them, are complex and uncertain. In addition, the data and tools needed to assess those impacts are still evolving.

Considering these challenges, we believe that a thoughtful Climate Strategy requires a commitment to continuous learning and improvement. This updated Climate Strategy reflects that commitment. We will continue to learn and evolve our approach in this area through our own research, as well as through industry partnerships and memberships including the PRI and Initiative Climat International ("iCI") which is a private equity industry collaboration focused on understanding climate-related risks.

Our Climate Strategy was initially focused on measurement and understanding various methods to identify decarbonization opportunities within our investment platforms. We are now evolving our Climate Strategy to align with climate action best practices to work towards achieving a net zero by 2050 goal[2].

To work towards that goal, we are focusing our efforts on our most recent private equity funds where we have more ability to encourage decarbonization initiatives. Onex has adopted the Private Markets Decarbonization Roadmap ("PMDR") to guide its development of medium-term targets for certain investment funds within Onex' investment platforms and to anchor its disclosure to relevant fund investors. Developed by Bain & Company on behalf of the iCI and the Sustainable Markets Initiative's Private Equity Task Force, the PMDR was the result of a large-scale collaboration and consultation process, including input from more than 250 general partners, limited partners and global sustainability organizations, with the objective of translating high-level target-setting frameworks on decarbonization into a practical approach to

[1] We define sustainability broadly to include many of the factors that help to ensure businesses are successful over the long term, including governance best practices, prudent human capital management, and management of environmental and climate-related risks.

[2] This goal only applies to certain investments where we have control or significant influence and is subject to any fiduciary duty and applicable legal and regulatory obligations.

classification and disclosure of investment operating companies' approach to carbon measurement and reduction.

Onex' Approach to Climate

The core elements of our Climate Strategy are aligned with the four thematic areas of the recommendations from the Task Force on Climate-Related Financial Disclosures ("TCFD"):

Governance

- The Climate Strategy is spearheaded by the Head of Sustainability and overseen by the CFO of Onex who reports on progress under it to the Onex Board of Directors at least annually.
- The Head of Sustainability chairs the firm-wide Sustainability Committee, the mandate of which includes the implementation and evolution of the Climate Strategy, as well as sharing best practices, learnings, and innovations on climate-related issues.
- The Head of Sustainability is responsible for ensuring that the investment teams have the requisite tools, resources, guidance, and training on issues relating to climate.
- Each investment team is responsible for considering the climate-related risks and opportunities of potential and existing investments.

Strategy

- We will measure Onex' operational Scope 1, Scope 2 and select Scope 3[2] emissions every year and explore opportunities to reduce them.
- As an investment firm, the financed emissions associated with our investments are the source of our most significant carbon emissions[3]. We will measure or estimate the Scope 1 and Scope 2 carbon emissions associated with Onex' investment platforms on a go-forward basis and explore opportunities to reduce them. We will continue to work towards the measurement of material Scope 3 emissions.
- We will work with our investment teams and senior leaders to set decarbonization-related targets for relevant funds.
- Through our participation in the ESG Data Convergence Initiative ("EDCI") we measure and report the Scope 1 and Scope 2 emissions of our portfolio companies for certain private equity funds (as detailed below) and include them in our funds' Sustainability reports, where applicable. We will consider the benchmark data compiled by the EDCI as part of our overall assessment of our portfolio companies' carbon emissions.
- We will not necessarily exclude investments in carbon intensive sectors[4] as we believe that encouraging carbon reduction initiatives in all industries is a critical part of meaningful climate action.

[2] Category 6 Scope 3 emissions: Business travel

[3] Our financed emissions are our Category 15 Scope 3 emissions.

[4] As set out in 'Sustainability at Onex', we exclude investments in companies that mine thermal coal.

- Additional guidance will continue to be provided to our investment teams to assist them in integrating physical and transition climate change risks into all relevant stages of their investment processes.
- Our investment teams will consider investment and growth opportunities related to climate change and the transition to a lower carbon economy.

Risk Management

- Our investment teams will consider climate-related risks in their due diligence processes and seek to avoid investments that pose unacceptable climate-related risks.
- In our credit and public market investments, we will consider reported carbon emissions when credible data is available or estimate the carbon emissions associated with our investments. Where practicable, we will encourage our investee companies to measure and disclose their carbon emissions.
- Going forward, we will require annual reporting of Scope 1 and Scope 2 carbon emissions in our private equity control[5] investments and will monitor those emissions on an ongoing basis. For those investments that have significant carbon emissions, we will actively investigate carbon reduction opportunities in furtherance of our net zero goal and more broadly, including initiatives related to energy efficiency, fuel consumption reduction, and the use of renewable energy. Where warranted, we will also consider broader mitigation and adaptation strategies.
- We will monitor the evolving methodologies and best practices related to climate scenario analysis and consider the extent to which it can serve as a useful forward-looking tool to identify physical and transition climate risks.

Metrics & Targets

- We will continue to measure Onex' operational Scope 1, Scope 2 and select Scope 3[6] carbon emissions.
- We annually measure the Scope 1 and Scope 2 carbon emissions of our private equity control investments in our recent private equity funds and will continue to so in future private equity funds. We will continue to work towards the measurement of material Scope 3 emissions.
- We have set decarbonization-related targets across funds that are in scope of our net zero goal and will monitor and report on our progress against those targets to relevant investors.
- We use PMDR in relevant private equity funds to assess our portfolio companies' status and progress on carbon measurement and reduction.
- In our private credit funds, we will consider reported carbon emissions when credible data is available, or we will estimate the emissions associated with the holdings in those funds.

[5] "Control Investments' are those in which Onex owns more than 50% of the company's equity.
[6] Category 6 Scope 3 emissions: Business travel
[7] Smaller companies within our ONCAP funds might require additional time to measure their Scope 1 and Scope 2 carbon emissions.

Implementing our Strategy

Onex invests across a variety of asset classes and the implementation of our Climate Strategy will necessarily be different in each of those asset classes. Below is an overview of the incremental steps we have taken, or will take, to implement our strategy in each area of our business lines.

Private Equity

Accomplished:

- We utilize a carbon accounting and management software platform that assists our portfolio companies with measuring their carbon emissions.
- Portfolio companies in Onex Partners V, Onex Partners Opportunities, and ONCAP V annually calculate their Scope 1 and Scope 2 carbon emissions and working towards measuring or estimating their most material Scope 3 emissions.
- In accordance with industry practice, only flagship funds with a first close following the announcement of our net zero goal are formally in scope of that goal, but we have set medium term decarbonization goals anchored in PMDR for our most recent private equity funds.
- We have fully implemented our enhanced due diligence process to include additional guidance for our investment teams on the assessment of climate-related risks and opportunities.
- We provide disclosure to investors in relevant private equity funds of our portfolio companies' status on the PMDR and any progress that is made during our hold period.

Next Steps:

- Onboard any newly acquired companies in relevant private equity funds onto the carbon accounting and management platform on a go-forward basis.
- Provide or assist in obtaining climate-focused education/training for our portfolio companies that want to learn more about the climate risks and opportunities that might be material for their business.

Credit

Accomplished:

- We can provide relevant investors with a top-down estimate of the emissions associated with our relevant private credit funds, in accordance with the recommendations of the Partnership for Carbon Accounting Fundamentals ("PCAF").
- We have fully implemented our enhanced due diligence process to include additional guidance for our investment teams on the assessment of climate-related risks and opportunities.

Next Steps:

- Monitor evolving industry best practices to support the transition to net zero by 2050 in private credit funds and consider whether they are applicable and feasible for our private credit strategies.

Onex Corporate

- Each year, we measure Onex' operational Scope 1 and 2 emissions, along with select Scope 3[8] emissions, and continue to investigate opportunities to reduce them.

Oversight & Continuous Improvement

Onex' Climate Strategy is spearheaded by the Head of Sustainability and approved and overseen by Onex' CFO who reports on progress under it to the Onex Board of Directors. The Climate Strategy will be reviewed at least annually and updated as required.

[8] Category 6 Scope 3 emissions: Business travel

ONEX

Signatory of:

PRI Principles for Responsible Investment

onex.com