

## **Creative Capital. Thoughtful Solutions. Proven Approach.**

### **Onex Falcon Responsible Investment Policy**

Environmental, Social, and Governance (“ESG”) topics have always been an important part of Onex Falcon’s culture and investment approach, and in 2012 the firm established its first formal ESG approach. The program has two components: Onex Falcon’s own corporate citizenship and Onex Falcon’s role as an investor. It is the latter component that encompasses our responsible investment policy, and which mirrors Onex Falcon’s investment strategy: being an engaged partner that can be supportive of, and influential in, a company’s strategic initiatives despite being a non-control and credit-oriented investor.

Onex Falcon approaches responsible investing holistically, integrating qualitative and quantitative information into each stage of the investment lifecycle. Prior to investing:

1. Deal teams identify risks and opportunities to diligence, taking many forms of risk into consideration, including those related to ESG factors
2. Deal teams consider relevant ESG factors in the due diligence process, including disclosure topics from the Sustainable Accounting Standards Board (“SASB”)
3. ESG diligence topics and priority areas include the management of environmental risk and sustainability (environmental), employee safety and inclusion (social), and the execution of good governance and management practices (governance)
4. Deal teams conduct negative screening on industry- and company-specific matters
5. All relevant findings are formally summarized in the investment committee approval process prior to approving and closing any investment

While Onex Falcon is not a control-oriented investor, the firm still exerts its influence and monitors portfolio companies based on the ESG parameters discussed during due diligence and any new parameters that may become relevant. Once an investment is made:

1. Beginning in 2016, Onex Falcon began formally tracking and annually reporting ESG KPIs for each portfolio company
2. Deal teams seek to influence a portfolio company’s ESG performance by fostering close and meaningful partnerships with other company stakeholders, including management, other lenders, and investors
3. Each year, a working group of Onex Falcon professionals meet with two to three portfolio companies to discuss ESG matters and share best practices across the portfolio and with the investor base.