

**NFI**

# Environmental, Social + Governance Report for 2023



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# Letter to stakeholders

**Fiscal 2023 was a period of resiliency for NFI as we saw increases in vehicle production rates and improvements in financial results, while we continued to face turbulence from supply, inflation, and labour challenges. We navigated through this period of disruption by applying new approaches and working closely with customers, suppliers, and other partners. We remain committed to driving long-term sustainable value for all our stakeholders by investing in our products, people, and communities.**

Reflecting on NFI’s journey to recovery, we are reminded that the challenges we have faced also created opportunities and strengthened our approach to sustainability across the organization. It is with great pride that we share our vision of a zero-emission future through innovation and responsibility in our sixth annual ESG Report.

This report outlines milestones we achieved in 2023; of critical importance was the execution of a comprehensive refinancing plan that strengthened our balance sheet and provided us with financial flexibility, supporting our operational recovery and longer-term strategy.

As we worked through periods of significant challenge, we did not lose sight of our purpose: **We Move People**, which is simply the world’s most precious cargo. Our teams continue to be relentless in their pursuit of deploying leading technology, seeking operational excellence, ensuring safety, and delivering reliable products and the best value for our customers.

As a leader in zero-emission transportation and mobility solutions, we understand the importance of aligning our product and service roadmaps with market demand. We are proud to have made great strides to support our customers in their zero-emission journeys, from initial assessments to full deployment. From 2015 to 2023, we delivered 3,603 zero-emission buses (“ZEBs”) that have travelled more than 150 million zero-emission service miles and reduced emissions in six countries. In 2023, NFI saw a 27% increase in ZEB deliveries, with ZEBs accounting for 22% of total deliveries. We anticipate that ZEBs will account for 30% to 35% of our overall deliveries in 2024, increasing to around 40% in 2025<sup>1</sup>. More than 150 cities around the world have an NFI ZEB in service or on order, and our backlog continues to hit record highs.

While our products (battery-electric, fuel cell-electric, trolley-electric, clean-diesel, compressed natural gas or hybrid-electric) and services have tremendous environmental benefit, the work we do also has a positive social and environmental impact on all our stakeholders, including our team members, partners, and our communities. These initiatives and associated metrics are detailed in the Report, but we would like to highlight a few key points here.

In 2023:

- ✓ We focused on significant talent acquisition, recruitment, talent pipeline, and workforce developments efforts to meet higher expected production levels, with concentrated efforts in electrical skills training and partnering with industry trade associations to address labour shortages;
- ✓ We launched all new zero-emission buses for the UK and Asia Pacific markets through Alexander Dennis; and
- ✓ We improved our Supplier Code of Conduct to include enhanced sections on human rights, health and safety, and conflict and critical minerals.

In 2024, we plan to continue to expand our industry partnerships and collaboration across our value chains to support innovation towards shaping a future where mobility meets sustainability. Building on 2023, fostering employee engagement and teamwork while prioritizing a respectful and inclusive workplace will continue to provide opportunities for growth and development while maintaining a positive and supportive culture across our businesses. Investing in our people is crucial to our long-term business success and we are proud to have over 8,750 team members world-wide today. Additionally, we are working to strengthen the positive environmental and climate impacts of our operations by enhancing program measurements and actions. We look forward to continuing to create sustainable value through responsible and transparent management and delivering on our pledge to provide a better product, a better workplace, and a better world.

With increasing global temperatures, rising inflation, and deepening geopolitical tensions, we are focused on building business resilience to be sustainable for the long-term in an evolving environment of global emerging issues. In 2023, we were proud to establish an Executive Sustainability Council to provide strategic leadership of our sustainability and ESG efforts—now, and into the future.

We acknowledge that we are not on this journey alone, and to be successful in reaching a more sustainable future we need continued support and engagement from our team members, customers, suppliers, government partners, investors, creditors, community, and other partners. We are thankful to all stakeholders for their continued support and their commitment to our vision of leading the evolution of sustainable on-road mass transportation and mobility.



**Wendy Kei**  
Chair of the Board



**Paul Soubry**  
President and Chief Executive Officer

<sup>1</sup> Please review the Company’s February 29, 2024, press release and the 2023 Q4 and Fiscal Year MD&A for details on the assumptions that drive Fiscal 2024 guidance, Fiscal 2025 targets, as well as certain applicable risks.

# Report highlights

## 150M+

Electric service miles travelled by NFI ZEBs from 2015 - 2023



### Enhanced Supplier Code of Conduct



### Sustainable Leadership

Established NFI Sustainability Council to advance sustainable growth and climate action



### Best 50

NFI named Corporate Knights' Best 50 Corporate Citizens in Canada – second year in a row



### Developing our Workforce

Building diverse and talented candidate pipelines for a more inclusive and equitable workplace

## 84%

### Favorable response rate in our 2023 Employee Engagement Pulse Check Survey measuring NFI team member commitment and overall satisfaction<sup>1</sup>



### DEI

Diversity, equity, and inclusion strategic framework implemented across NFI

## \$10.9M

### Invested in NFI team member career development



<sup>1</sup> From NFI's 2023 Employee Engagement Pulse Check Survey with 65% team member participation rate.

# Land acknowledgement



Video: NFI Land acknowledgement by President and Chief Executive Officer, Paul Soubry

NFI's global headquarters is located on Treaty One Territory, the original lands of the Anishinaabe, Cree, Oji-Cree, Dakota, Lakota, and Dene peoples, and the birth place and homeland of the Métis Nation.

We acknowledge that our water is sourced from Shoal Lake 40 First Nation. We respect and give honour to the Indigenous peoples' history on this land and recognize First Nations, Métis, and Inuit peoples' ongoing contribution in our neighborhoods and communities today.

# About this Report

**NFI Group is committed to publicly reporting on sustainability-related topics affecting its business on an annual basis, with this being our sixth annual ESG Report (the “Report”).**

**This Report includes ESG metrics and discussions that are focused on areas NFI Group and its subsidiaries (collectively, “NFI” or the “Company”) believe are most relevant to our Company and our stakeholders, and are guided by the principles of accuracy, responsibility, and transparency.**

We encourage stakeholder feedback on the topics described in this Report. Our sustainability team can be reached at [esg@nfigroup.com](mailto:esg@nfigroup.com).

## Reporting Scope and Boundaries

This Report covers the operational activities of NFI globally for “Fiscal 2023”, the 52-week period from January 2, 2023 to December 31, 2023, unless otherwise indicated herein.

To develop this Report, NFI consulted with a broad range of internal and external stakeholders on regional and global levels, including key internal departments, customers, suppliers, investors, creditors, and community partners. All data presented in this report has been calculated according to industry standards and is explained in chart footnotes where appropriate. As a result of data coverage and quality improvements, a limited number of past performance figures have been restated as noted in footnotes, to better facilitate accurate comparisons of past performance.

## Definitions

In this Report, we use the term ESG to describe the ESG risks and opportunities to NFI, and sustainability as a broader term that includes NFI’s impact on the world. Zero-emission buses (“ZEBs”) consist of trolley-electric, hydrogen fuel cell-electric, and battery-electric buses and motor coaches. One equivalent unit (“EU”) represents one production “slot”, being one 30-foot, 35-

foot, 40-foot, 45-foot heavy-duty transit bus, one double deck bus, one medium-duty bus, one cutaway bus or one motor coach, whereas one articulated transit bus represents two EUs. An articulated transit bus is an extra-long transit bus (approximately 60 feet in length), composed of two passenger compartments connected by a joint mechanism. In this Report, where ZEB deliveries are referenced, the reference refers to EUs of ZEBs delivered.

## Assurance and Approval

This ESG report has been reviewed and published with the approval of NFI’s senior executives and the Board of Directors. The performance data within has been validated by management, and it is reported to various jurisdictional regulatory authorities as required. Third party assurance was not completed for this Report.

## Other

Some of the photos, images, and videos included in this Report were taken in previous years. All references to \$ in this document refer to U.S. dollars unless otherwise noted.



### Forward-Looking Statements

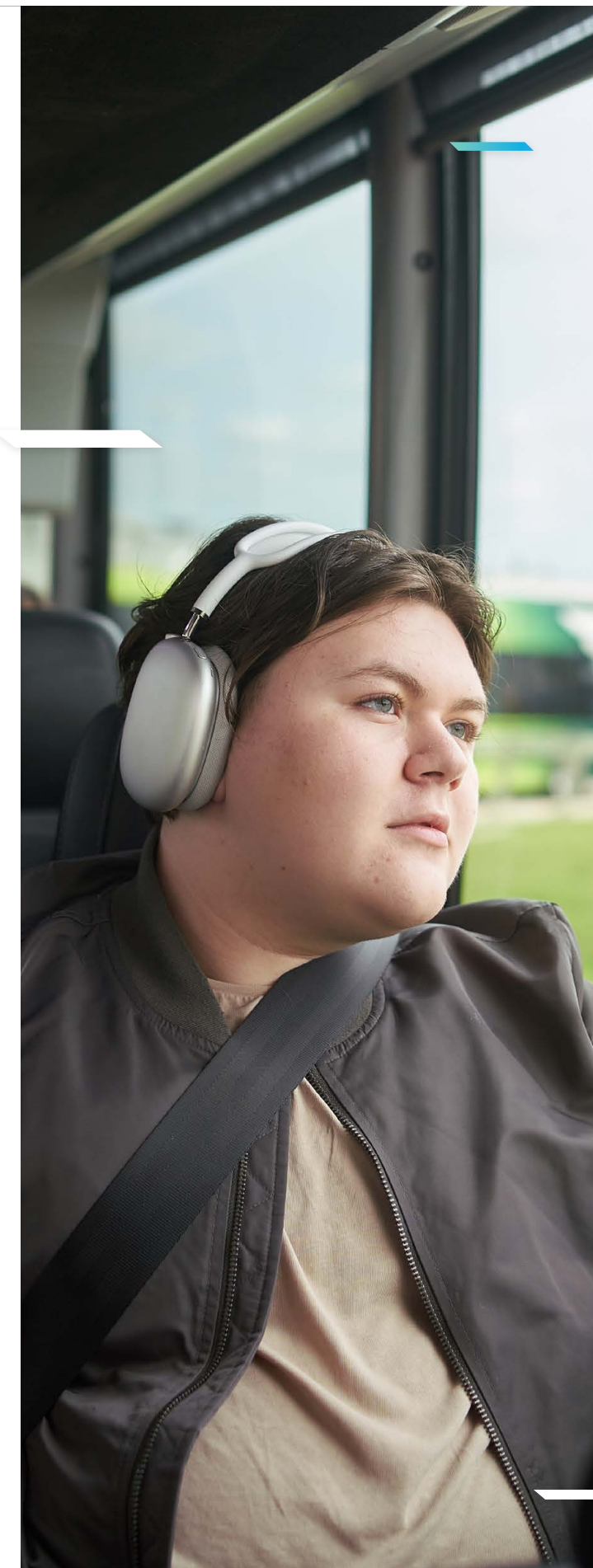
This Report contains “forward-looking information” and “forward-looking statements”, within the meaning of applicable Canadian securities laws, which reflect the expectations of management regarding the Company’s future growth, financial and operational performance and objectives and the Company’s vision, strategic initiatives, plans, business prospects and opportunities, including the Company’s social, economic, environmental, and governance-related impacts and objectives. The forward-looking information in this Report is included to assist the Company’s stakeholders in understanding these matters. This information may not be appropriate for other purposes. The words “believes”, “views”, “anticipates”, “plans”, “expects”, “intends”, “projects”, “forecasts”, “estimates”, “guidance”, “goals”, “objectives”, “targets” and similar expressions such as “may”, “will”, “should”, “could”, “would” are intended to identify forward-looking statements. These forward-looking statements reflect management’s current expectations regarding future events and speak only as of the date of this Report (or as otherwise indicated).

By their very nature, forward-looking statements require management to make assumptions

and involve significant risks and uncertainties, should not be read as guarantees of future events, performance or results, and give rise to the possibility that management’s predictions, forecasts, projections, expectations, or conclusions will not prove to be accurate, that the assumptions may not be correct and that the Company’s future growth, financial and operational performance and objectives and the Company’s vision, strategic initiatives, plans, business prospects and opportunities, including the Company’s social, economic, environmental, and governance-related impacts and objectives, will not occur or be achieved.

The Company cautions readers and investors not to place undue reliance on these forward-looking statements and information as a number of risk factors could cause the Company’s actual results to differ materially from the expectations expressed in such forward-looking statements. These factors – many of which are beyond the Company’s and management’s control and the effects of which are difficult to predict – include risks related to general economic and market factors; risks related to the Company’s business environment; risks related to the Company’s operations, strategy, financing, capital structure, tax, regulatory compliance,

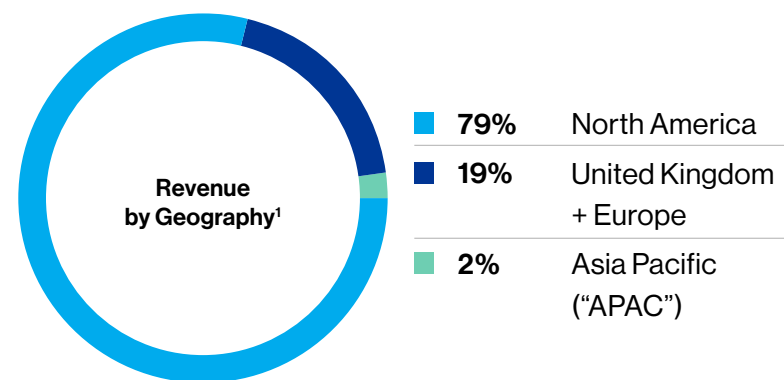
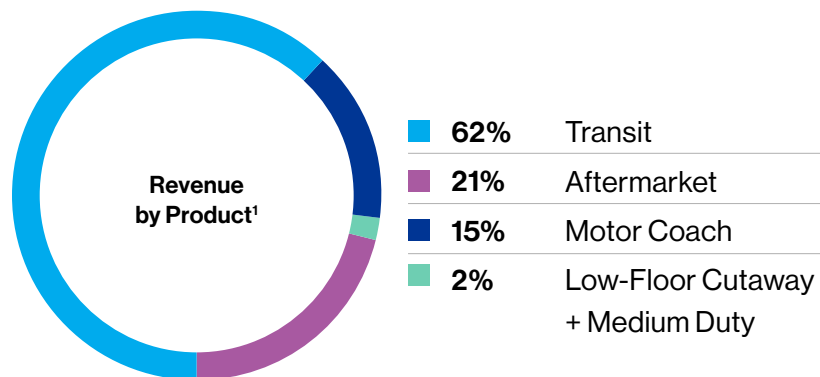
reputation, environmental and social risk; and the risks discussed in the “Risk Factors” section of the Company’s Annual Information Form and other disclosure documents filed with the Canadian securities regulatory authorities and available on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca). The Company cautions that the foregoing list of risk factors is not exhaustive and other factors could materially adversely affect the Company’s future growth, financial and operational performance and objectives and the Company’s vision, strategic initiatives, plans, business prospects and opportunities, including the Company’s social, economic, environmental, and governance-related impacts, and objectives. Except as required by law, the Company does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by the Company or on its behalf. The Company provides no assurance that forward-looking statements and information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.



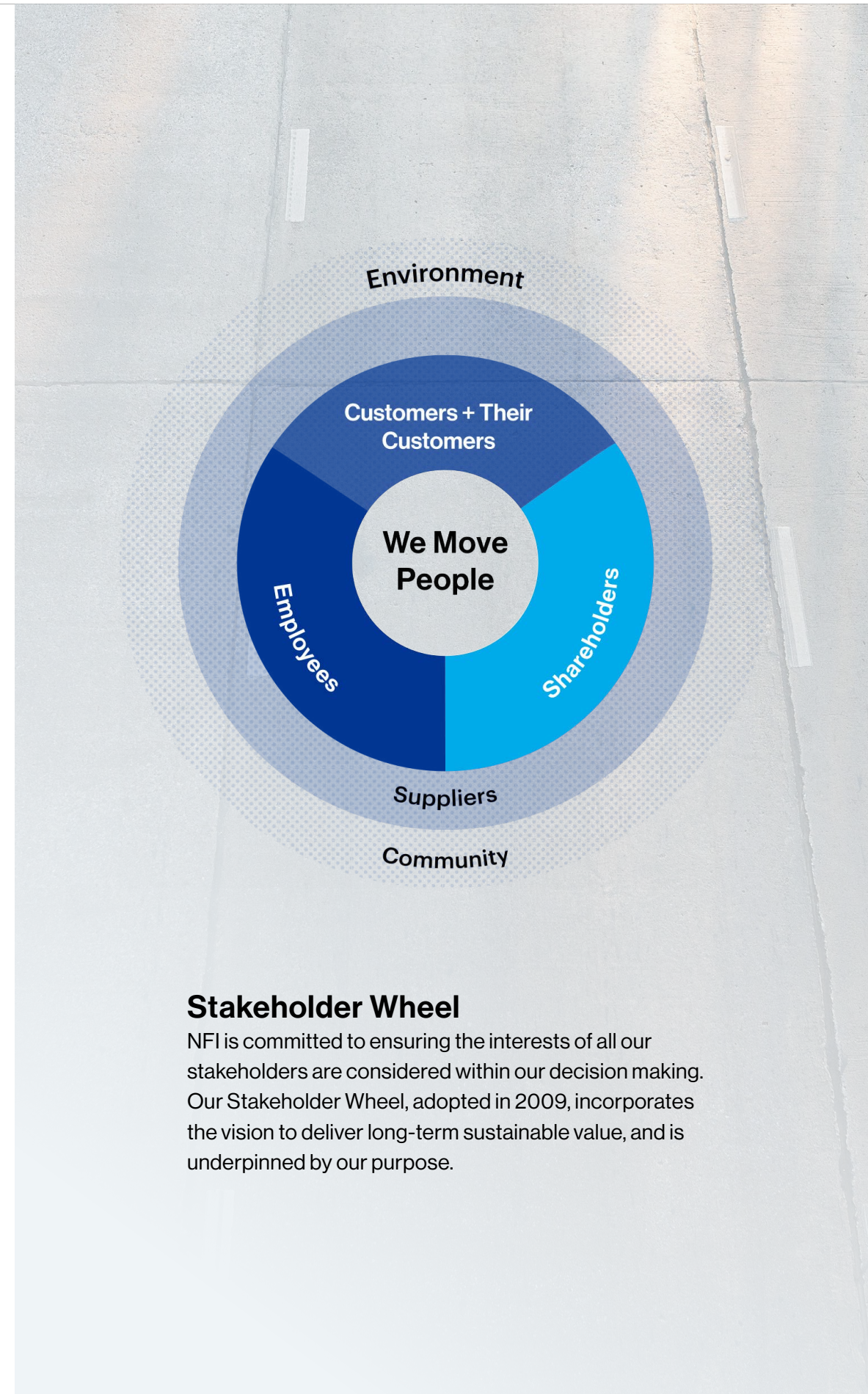
# About NFI

**NFI is leading the evolution to global zero-emission mobility.**

With over 100,000 buses and coaches in service around the world, NFI continues to build upon our legacy of innovation to deliver transit technology that meets the complex environmental and social demands of communities today and into the future.



<sup>1</sup> All metrics as of Dec 31, 2023



## Stakeholder Wheel

NFI is committed to ensuring the interests of all our stakeholders are considered within our decision making. Our Stakeholder Wheel, adopted in 2009, incorporates the vision to deliver long-term sustainable value, and is underpinned by our purpose.



# Our family of brands



Single and double deck bus manufacturer  
[alexander-dennis.com](http://alexander-dennis.com)



Low-floor cutaway and medium-duty bus manufacturing  
[arbocsv.com](http://arbocsv.com)



Fiber-reinforced plastics ("FRP") and composite technologies  
[carfaircomposites.com](http://carfaircomposites.com)



Part fabrication



Motor coach manufacturing  
[mcicoach.com](http://mcicoach.com)



Heavy-duty transit bus manufacturing  
[newflyer.com](http://newflyer.com)



Comprehensive parts organization  
[nfi.parts.com](http://nfi.parts)



Motor coach manufacturing  
[Plaxton coaches](http://Plaxton coaches)



Leading the ZEvolution™



# NFI We Move People

NFI's mission, vision, and values ("MVV") all tie back to our overarching purpose: We Move People. The world's most precious cargo. Our vision represents the path we're on and where we want to go. Our mission is a representation of the work we do every day. Our values are core to our operations, reflecting our culture and how we work as a team, while also being aspirational goals that we strive to achieve.

## Mission

To design, deliver, and support market-leading bus and motor coach solutions that are safe, accessible, efficient, and reliable.

## Vision

To lead the evolution of sustainable on-road mass transportation and mobility.

## Our core values



### Safety

The health and well-being of our team members and the safety of our products are our top priorities.



### Quality

We strive for excellence in our products, services, and all that we do.



### Integrity

We act with honesty, transparency, and integrity, treating each other with respect in a diverse, equitable, and inclusive workplace.



### Accountability

We take responsibility for our actions, seeking to build trust and earn a reputation for excellence and reliability.



### Teamwork

We work with our team members, our supplier partners, and our customers to pursue mutual benefits.



### Sustainability

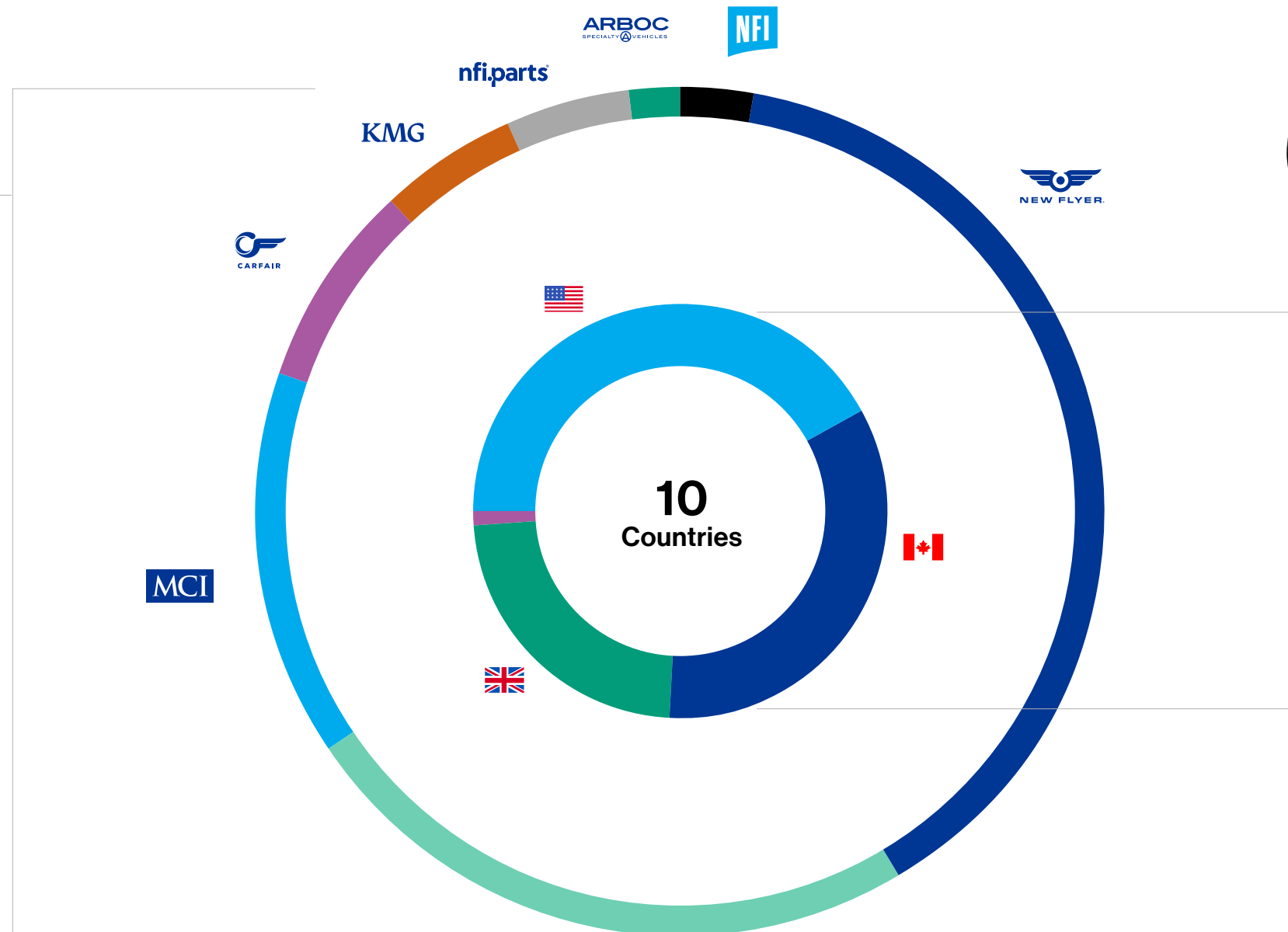
We seek long-term success for our business, our communities, and the environment through responsible sourcing, lean manufacturing, and sustainable operations.



# Our people

**8,566**  
Team Members<sup>1</sup>

- 241 NFI Group
- 3,321 New Flyer
- 2,067 Alexander Dennis
- 1,250 MCI
- 669 Carfair Composites
- 460 KMG
- 414 NFI Parts
- 144 ARBOC



<sup>1</sup> As of Dec 31, 2023

# Our communities

## North America



- 1 Anniston, AL** Bus Manufacturing  
★ Vehicle Innovation Center
- 2 Crookston, MN** Bus Completion
- 3 Renton, WA** Pre-Delivery Inspection Center
- 4 St. Cloud, MN** Bus Manufacturing
- 5 Winnipeg, MB** Bus Shell Assembly  
New Product Development



- 6 Pembina, ND** Coach Completion
- 7 Winnipeg, MB** Coach Shell Assembly  
Coach Manufacturing  
New Product Development



- 8 Arnprior, ON** Collision and Refurbishment Center
- 9 Blackwood, NJ** Service Center
- 10 Dallas, TX** Service Center
- 11 Des Plaines, IL** Service Center
- 12 Montreal, QC** Service Center
- 13 Hayward, CA** Service Center
- 14 Torrance, CA** Service Center



- 15 Middlebury, IN** Cutaway + Medium-Duty Bus Manufacturing



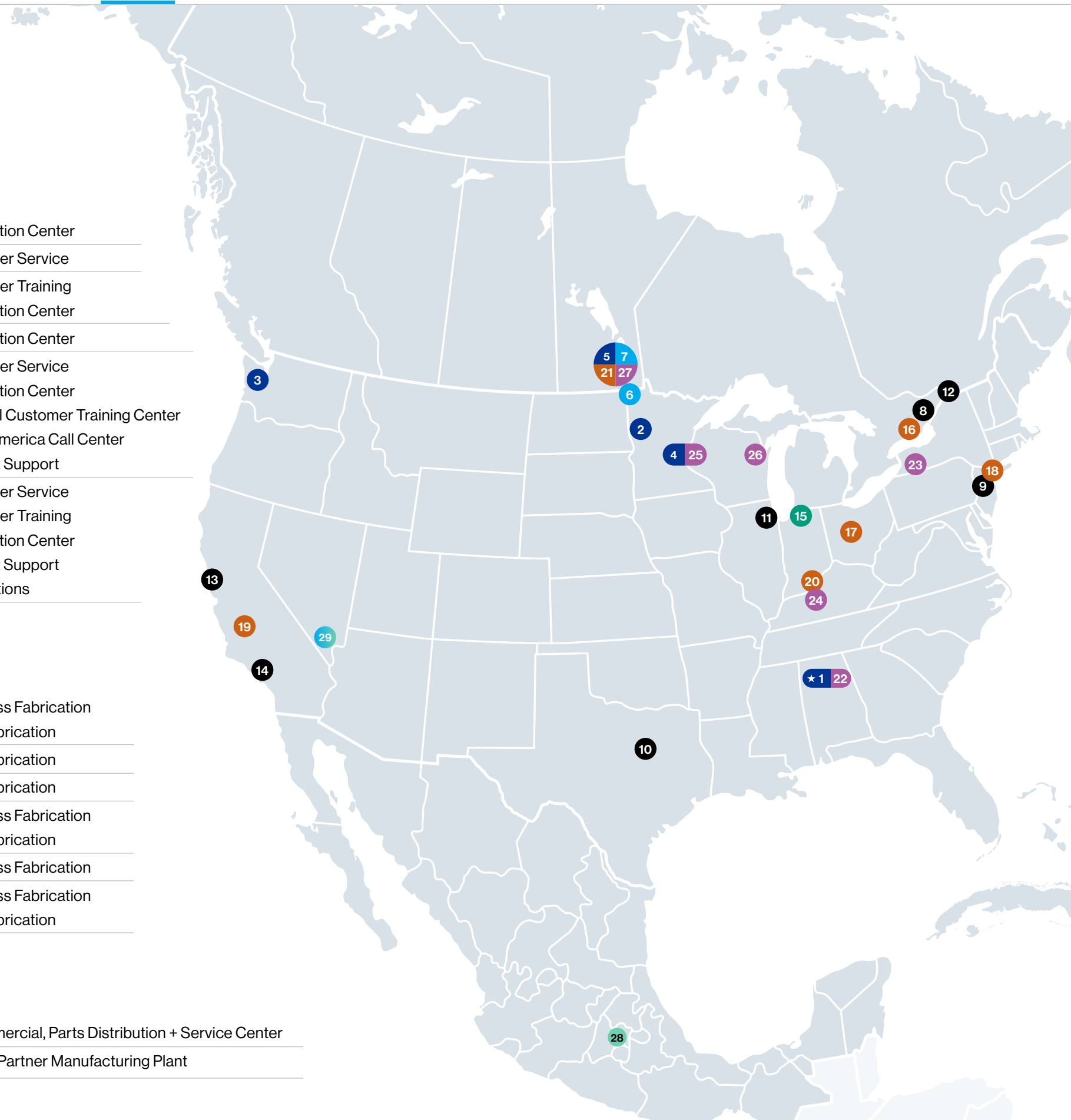
- 16 Brampton, ON** Distribution Center
- 17 Delaware, OH** Customer Service
- 18 East Brunswick, NJ** Customer Training  
Distribution Center
- 19 Fresno, CA** Distribution Center
- 20 Louisville, KY** Customer Service  
Distribution Center  
National Customer Training Center  
North America Call Center  
Product Support
- 21 Winnipeg, MB** Customer Service  
Customer Training  
Distribution Center  
Product Support  
Publications



- 22 Anniston, AL** Fiberglass Fabrication  
Parts Fabrication
- 23 Jamestown, NY** Parts Fabrication
- 24 Shepherdsville, KY** Parts Fabrication
- 25 St. Cloud, MN** Fiberglass Fabrication  
Parts Fabrication
- 26 Wausaukee + Gillett, WI** Fiberglass Fabrication
- 27 Winnipeg, MB** Fiberglass Fabrication  
Parts Fabrication



- 28 Ciudad de Mexico, Mexico** Commercial, Parts Distribution + Service Center
- 29 Las Vegas, NV** Build Partner Manufacturing Plant

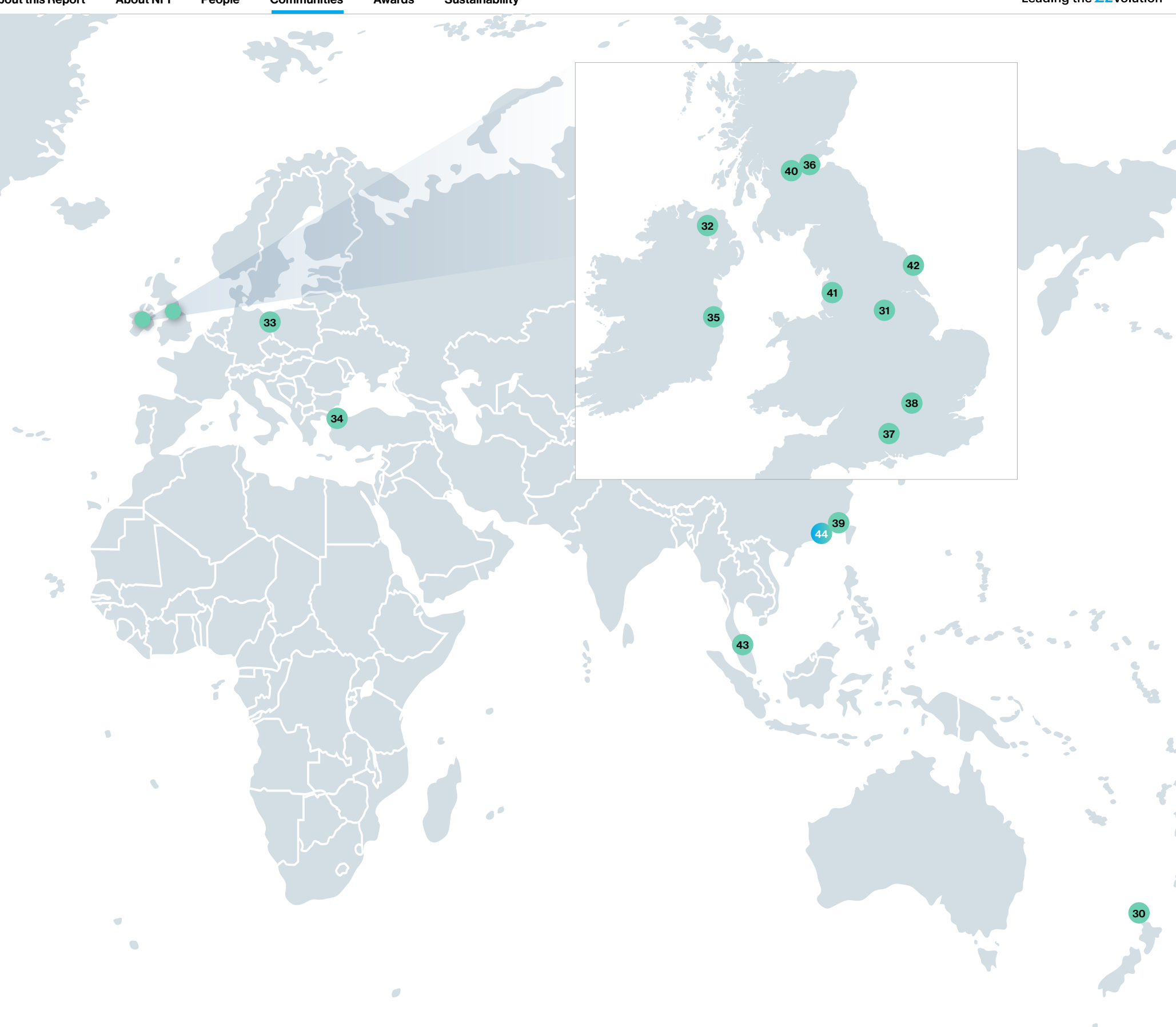


# Our communities

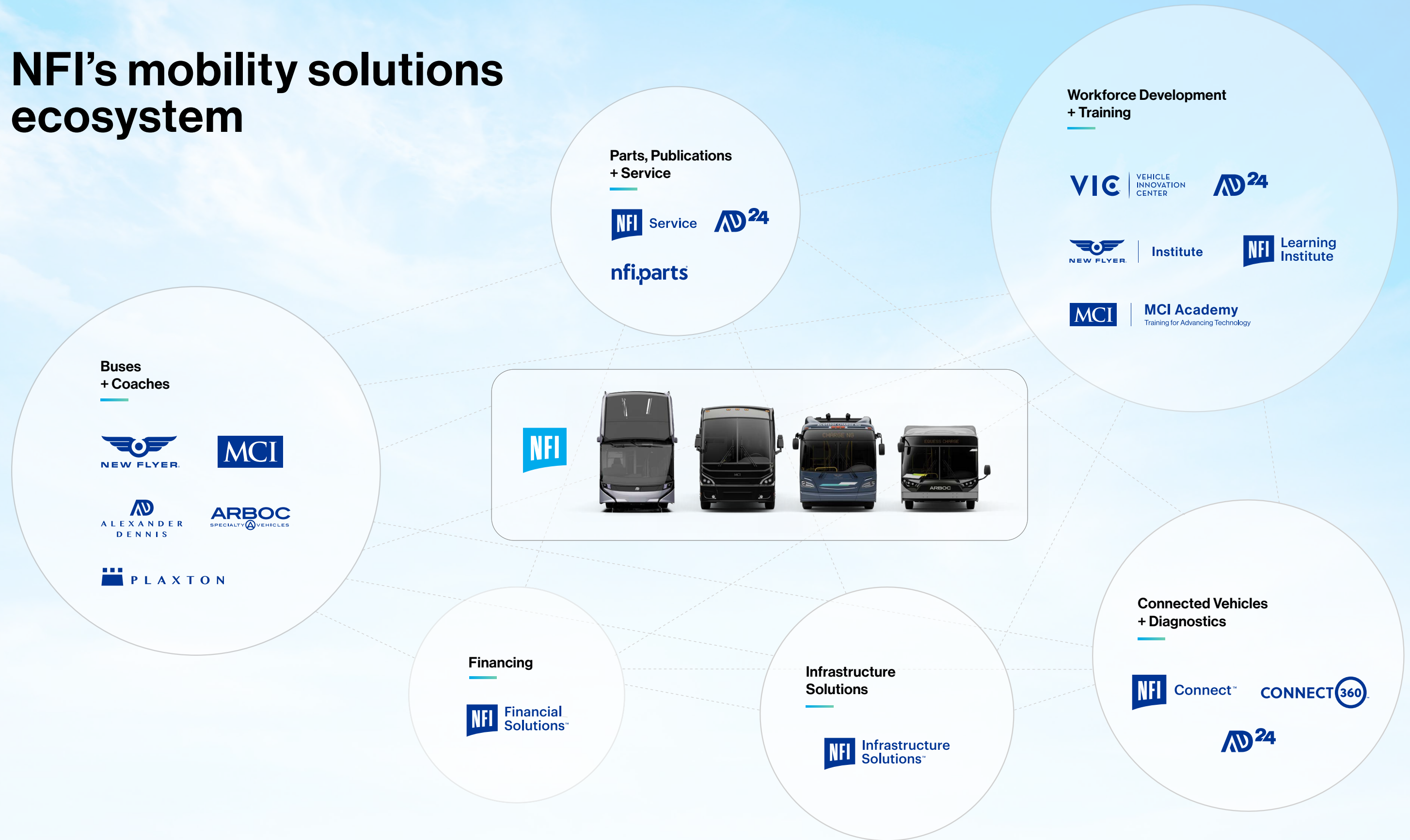
## International



30	<b>Auckland, New Zealand</b>	Commercial, Parts Distribution + Service Center
31	<b>Anston, England</b>	Parts Distribution + Service Center
32	<b>Ballymena, Northern Ireland</b>	Engineering Hub
33	<b>Berlin, Germany</b>	Commercial, Parts Distribution + Service Center
34	<b>Bursa, Türkiye</b>	Procurement Hub
35	<b>Dublin, Ireland</b>	Parts Distribution Center
36	<b>Falkirk, Scotland</b>	Bus Manufacturing
37	<b>Farnborough, England</b>	Design + Engineering
38	<b>Harlow, England</b>	Service Center
39	<b>Hong Kong</b>	APAC Head Office Commercial, Parts Distribution + Service Center
40	<b>Larbert, Scotland</b>	Bus Manufacturing Head Office
41	<b>Skelmersdale, England</b>	Parts Distribution + Service Center
42	<b>Scarborough, England</b>	Bus and Coach Manufacturing
43	<b>Singapore</b>	Commercial, Parts Distribution + Service Center
44	<b>Zhuhai, China</b>	Build Partner Manufacturing Plant



# NFI's mobility solutions ecosystem



# Our awards + accolades

## Our Company

### NFI named one of Corporate Knights Best 50 Corporate Citizens in Canada for second consecutive year

In April 2023, NFI was ranked among Corporate Knights' Best 50 Corporate Citizens in Canada for the second consecutive year.

The Best 50 Corporate Citizens in Canada highlights companies that outperform their peers in corporate sustainability leadership. To determine the ranking, Corporate Knights analyzed 286 large Canadian organizations on sustainable investments, sustainable revenues, and a range of other key ESG performance indicators.

“ At NFI, we take pride in being an employer of choice, and we continuously strive to be a good corporate citizen.



It is an honour for NFI to be named among the Best 50 Corporate Citizens in Canada for the second consecutive year, and we extend our thanks to Corporate Knights for this recognition. Our Company plays a pivotal role in driving positive environmental and social impacts and are committed to this by embedding the pillars of our sustainability pledge into our corporate strategy.”

—Natalia Klumper, Sustainability Manager, NFI

### Alexander Dennis' Enviro200AV wins Vehicle of the Year



In November 2023, Alexander Dennis' Enviro200AV autonomous bus for the CAVForth project was recognized as Vehicle of the Year at the UK's first dedicated awards for connected and autonomous vehicles.

Winners of the Self-Driving Industry Awards 2023 were announced by Cars of the Future at a ceremony at the Turner Contemporary art gallery in Margate, England. They recognize outstanding contributions to developing and implementing self-driving technology across various sectors. The partners' success shows their leadership in driving innovation and fostering a future where autonomous transportation is a reality.

“ This achievement is a testament to the dedication and hard work of our engineering team and partners.



Together, we are driving the future of autonomous transportation, setting new benchmarks for passenger experience, safety, efficiency, and sustainability.”

—Matthew Lawrence, Fleet Sales Director, Alexander Dennis

## Our President + CEO



### TDC Lifetime Achievement Award

In April 2023, Paul Soubry was awarded the Lifetime Achievement Award by the Transportation Diversity Council (“TDC”) during the 2023 Transportation and Infrastructure Summit. Established in 2010, TDC is a nonprofit organization that delivers world-class education and development programs promoting diversity in the transportation and construction industries.

### Ignatian Challenge Award



In November 2023, Paul Soubry was recognized with the Ignatian Challenge Award awarded by his alma mater St. Paul's High School at the 28th Annual Ignatian Challenge Award Tribute Dinner in Winnipeg, MB. The event raises funds for the school's bursary fund to ensure education accessibility for students who might not otherwise be able to attend the school. Actively engaging and supporting our communities is critical to creating a better world, a pillar of NFI's Sustainability Pledge.

# NFI's sustainability pledge – Our foundation

**Our sustainability pledge serves as our foundational commitment, guiding our daily actions, long-term planning, and driving ongoing improvement.**

This pledge shapes our organizational values and strategic decisions, establishing a solid framework for integrating sustainability into every aspect of our operations and fostering a positive impact on the world. Our sustainability strategy is driven by the three pillars of our pledge:



**A better product.  
A better workplace.  
A better world.**

## **A Better Product**

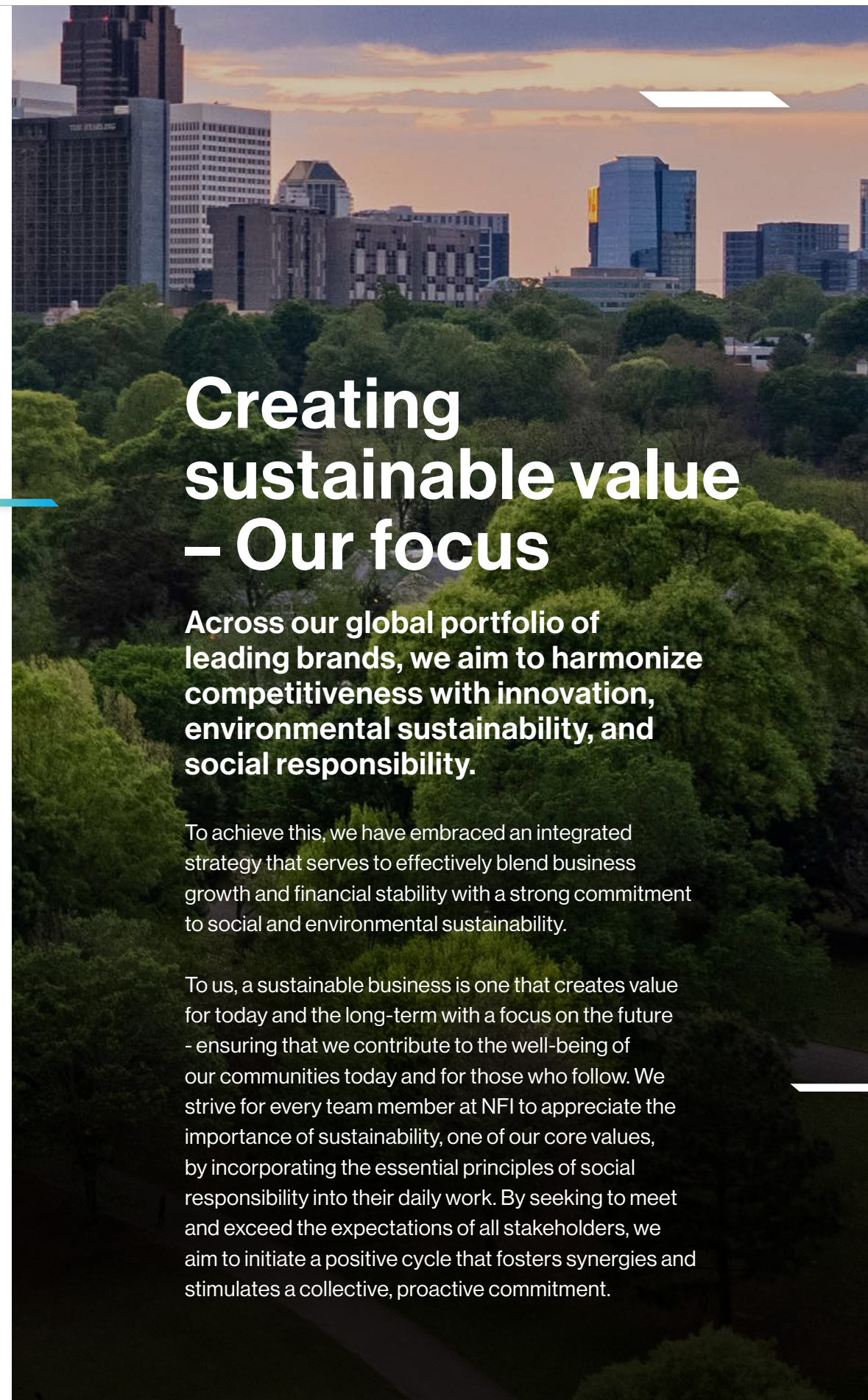
Creating a better product reflects our commitment to harnessing our talent, resources, and innovation to address the increasing demands of significant mobility challenges across the globe. Advancing the efficiency, safety, and sustainability of our products supports our customers and their passengers. Innovation enables the development of advanced features, materials, and designs that improve the overall performance, comfort, and environmental impact of our vehicles. We work to meet evolving regulatory standards and adapt to changing passenger and transportation system needs, ensuring our products and services lead in modern, efficient, and sustainable transportation.

## **A Better Workplace**

Creating a better workplace addresses the fundamental needs of our teams, encompassing their health and safety, well-being, career, opportunity, fairness, and connection. Engaged teams form the core of our sustainability strategy, and their contributions within an inclusive environment drive our results and impact. Our employees are provided with opportunities to make a meaningful difference, foster professional growth, and thrive in an environment that allows them to excel. This fits our purpose of not only physically moving people, but also moving people throughout their careers.

## **A Better World**

The need to create a better world has become increasingly apparent and urgent in recent years. Safeguarding the planet from the impacts of climate change, preserving natural resources, and prioritizing the safety and wellness of our communities is critical for ensuring a sustainable future. We understand the most valuable and lasting business outcomes are those that contribute to the well-being of both people and the planet.



# Creating sustainable value – Our focus

**Across our global portfolio of leading brands, we aim to harmonize competitiveness with innovation, environmental sustainability, and social responsibility.**

To achieve this, we have embraced an integrated strategy that serves to effectively blend business growth and financial stability with a strong commitment to social and environmental sustainability.

To us, a sustainable business is one that creates value for today and the long-term with a focus on the future - ensuring that we contribute to the well-being of our communities today and for those who follow. We strive for every team member at NFI to appreciate the importance of sustainability, one of our core values, by incorporating the essential principles of social responsibility into their daily work. By seeking to meet and exceed the expectations of all stakeholders, we aim to initiate a positive cycle that fosters synergies and stimulates a collective, proactive commitment.



# Advancing sustainability at NFI

**Advancing sustainability at NFI means we are committed to continually improving our processes by integrating sustainability into our core operations.**

This involves aligning with positive global trends, engaging stakeholders, setting strategic targets, and fostering a culture of environmental and social responsibility and innovation throughout our organization. Our commitment to sustainability not only reflects our ethical principles, but also positions us for long-term resilience and value creation.

**Throughout 2023, we concentrated on the following priorities:**

- ✓ Focused on the shared vision of a zero-emissions future to accelerate electric vehicle (“EV”) adoption and support employment in underserved and socially vulnerable communities through partnership and collaboration with thought leaders and industry groups across our value chains;
- ✓ Established a Sustainability Council to give strategic leadership to NFI’s ESG and sustainability programs, expanding our sustainability governance approach with an emphasis on risk management and strategic alignment to advance sustainable growth and climate action;

- ✓ Successfully negotiated new collective bargaining agreements with Unifor, GMB, and Unite Unions;
- ✓ In accordance with our Freedom of Association commitments, we reached three first agreements with the Communications Workers of America and United Steelworkers Unions at our Jamestown, Shepherdsville, and Anniston facilities;
- ✓ Completed a company-wide Employee Pulse Check Survey with a 65% response rate;
- ✓ Continued to innovate and grow our broad portfolio of comprehensive mobility solutions to support our customers at various stages in their zero-emission journeys;
- ✓ Explored opportunities amid sourcing challenges by diversifying our supplier base and focusing efforts on human rights and critical minerals by enhancing our Supplier Code of Conduct and instating a Conflict and Critical Minerals Policy;
- ✓ Confirmed alignment to SASB industry-specific topics and to several TCFD recommended disclosure topics to support investor decision-making;
- ✓ Focused on significant talent acquisition, recruitment, and talent pipeline and workforce development efforts to meet higher production levels, with concentrated efforts in electrical technician training and partnering with industry trade associations to address skilled trade shortages;

- ✓ Continued to retrain and upskill our workforce for high-demand skills to support the transition to a zero-emission future by investing over \$10M across the organization;
- ✓ Retained focus on maintaining the highest priority for the health, safety, and well-being of our employees through consistent improvement efforts and the addition of our Carfair Winnipeg fabrication site to our ISO 14001 and 45001 registration;
- ✓ Completed our third annual disclosure to the CDP Climate Change questionnaire and our second annual disclosure to the S&P Global Corporate Sustainability Assessment;
- ✓ Changed the Performance Share Units (“PSU”) compensation metric for the Long-Term Incentive Plan (“LTIP”) in the Executive Compensation Program from being based solely on a Return on Invested Capital (“ROIC”) target to a combination of ROIC, an ESG target, and a strategic target;
- ✓ Built diversity, equity and inclusion (“DEI”) maturity across the business through our Group DEI strategic framework commitments; and
- ✓ Contributed to community well-being through several employee led programs, in addition to our annual United Way Campaign raising \$422,253 for United Way agencies throughout North America.



# Continuing to create sustainable value

To us, being a sustainable business means a strategic investment in a future where our contributions to the environment, society, and overall economic well-being are built into our operating model.

We believe that this integrated approach not only creates long-term value, but it paves the way for a legacy of responsible, resilient, and impactful business practices. We continue this pursuit throughout 2024 and beyond.



## Governance

- ✓ Securing successful sustainable on-road mass transportation and mobility business performance
- ✓ Ensuring responsible and transparent management
- ✓ Upholding accountability
- ✓ Leading with integrity



## A Better Product

- ✓ Expanding industry partnerships and collaboration across our value chains to support our purpose
- ✓ Innovating to design, deliver, and support reliable market-leading bus and coach solutions
- ✓ Continuing to seek safety, quality, and environmental product enhancements
- ✓ Ongoing improvements to create efficient manufacturing facilities to sustain our product lines



## A Better Workplace

- ✓ Fostering employee engagement and teamwork
- ✓ Ensuring worker health and safety and continued ISO 45001 certification
- ✓ Championing a respectful, inclusive, and vibrant workplace culture
- ✓ Focusing on retention, workforce development and training, implementing our Community Benefits Framework ("CBF"), and Freedom of Association adherence
- ✓ Advancing our DEI roadmap and 50-30 challenge commitments



## A Better World

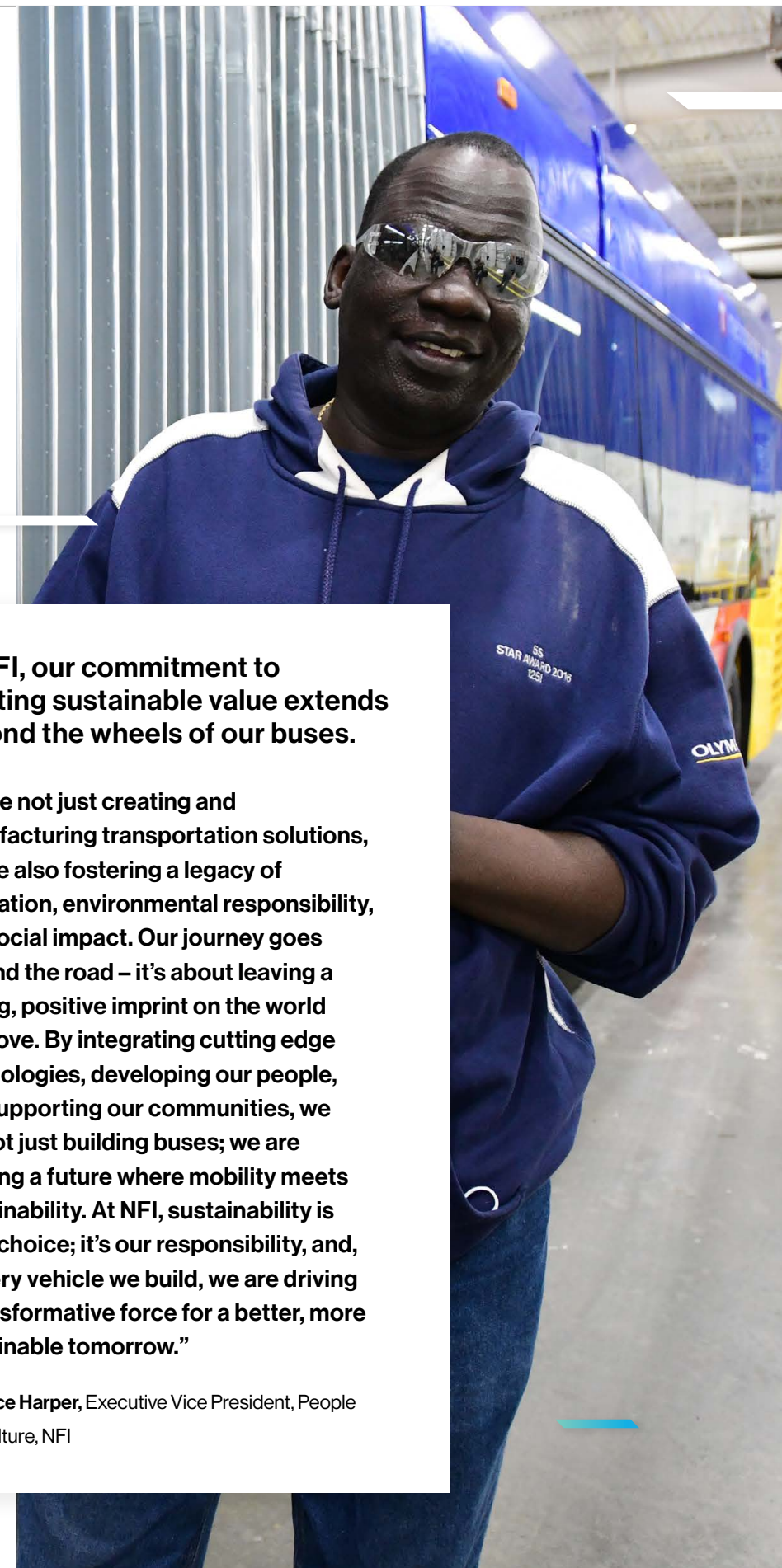
- ✓ Expanding our corporate social responsibility program
- ✓ Measuring and actioning operational sustainability and climate change programs
- ✓ Advancing sustainable supply chain management activities
- ✓ Ongoing natural resource consumption management, waste minimization efforts, and continued certification to ISO 14001
- ✓ Enhancing community workforce development initiatives, supported by the CBF
- ✓ Global community engagement and charitable initiatives, including the United Way sponsorship program



“ At NFI, our commitment to creating sustainable value extends beyond the wheels of our buses.

We are not just creating and manufacturing transportation solutions, we are also fostering a legacy of innovation, environmental responsibility, and social impact. Our journey goes beyond the road – it’s about leaving a lasting, positive imprint on the world we move. By integrating cutting edge technologies, developing our people, and supporting our communities, we are not just building buses; we are shaping a future where mobility meets sustainability. At NFI, sustainability is not a choice; it’s our responsibility, and, in every vehicle we build, we are driving a transformative force for a better, more sustainable tomorrow.”

—Janice Harper, Executive Vice President, People and Culture, NFI





# NFI Governance

ALEXANDER  
DENNIS

# Board of directors



## Robust governance program

- ✓ Dedicated committees for Audit, Operations and Technology, and HR, Compensation and Corporate Governance<sup>1</sup>
- ✓ Comprehensive governance framework
- ✓ Enhanced ESG disclosure and policy development
- ✓ Whistleblower and Fraud Hotline

### Facts

**80%**  
Board independence

**100%**  
of Directors own shares<sup>2</sup>

**50%**  
of Directors are female

**4**  
Geographical diversity across four countries

Over **300**  
years of combined work experience

<sup>1</sup> The HR, Compensation, and Corporate Governance Committee has dedicated oversight of our ESG program  
<sup>2</sup> 100% of the Directors who served on the Board in 2023 owned shares

# NFI Board skill and experience matrix



<b>Larry Edwards</b> ICD.D	<b>Adam Gray</b> Co-Founder and Managing Partner, Coliseum Capital Management, LLC	<b>Krystyna Hoeg</b> CPA, CA	<b>Wendy Kei</b> Chair FCPA, FCA, F.ICD Chair of the Board, Ontario Power Generation Inc.	<b>Paulo Cezar Da Silva Nunes</b> Board Member, Marcopolo S.A.	<b>Anne Marie O'Donovan</b> FCPA, FCA, ICD President, O'Donovan Advisory Services	<b>Colin Robertson</b> Vice Chair CBE	<b>Paul Soubry</b> ICD.D President & Chief Executive Officer, NFI	<b>Jannet Walker-Ford</b> Senior Vice President & Principal Director - National Transit & Rail Business Line Leader, WSP USA	<b>Katherine S. Winter</b> Chief Operating Officer, May Mobility
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<b>Location</b>	🇺🇸 Oklahoma, USA	🇺🇸 Connecticut, USA	🇨🇦 Ontario, Canada	🇨🇦 Ontario, Canada	🇧🇷 Rio Grande do Sul, Brazil	🇨🇦 Ontario, Canada	🇬🇧 Scotland, UK	🇨🇦 Manitoba, Canada	🇺🇸 Florida, USA	🇺🇸 Illinois, USA
<b>Gender Diversity</b>	Male	Male	Female	Female	Male	Female	Male	Male	Female	Female
<b>Racial Diversity<sup>1</sup></b>				●					●	
<b>Age (as of Mar 15, 2024)</b>	74	58	74	56	71	65	59	61	58	61
<b>Director Since</b>	2008	2012	2015	2022	2015	2024	2020	2009	2023	2019
<b>Independent<sup>2</sup></b>	●	●	●	●	●	●			●	●

**Skills + Experience<sup>3</sup>**

<b>Senior Leadership and People Resources</b>	●	●	●	●	●	●	●	●	●	●
<b>Public Company Board Service</b>	●	●	●	●	●	●	●	●	●	●
<b>Accounting, Finance and Risk Management</b>	●	●	●	●	●	●	●	●		●
<b>Manufacturing and Operations</b>	●		●		●		●	●		●
<b>Public and Private Commercial Vehicle Sector</b>					●		●	●	●	
<b>Government Relations</b>				●	●			●	●	
<b>Sustainability</b>			●	●		●			●	
<b>Technology and Innovation</b>			●			●			●	●
<b>Strategic Process</b>	●	●	●	●	●	●	●	●	●	●

**Board Committees (as of May 2024)**

<b>Audit</b>	●		●	●		Chair				
<b>Human Resources, Compensation and Corporate Governance</b>	Chair			●	●	●				●
<b>Operations and Technology</b>		●					Chair		●	●

<sup>1</sup> Individuals who self-identify as other than white.  
<sup>2</sup> Colin Robertson was the CEO of Alexander Dennis until September 30, 2020 when he transitioned into the Vice Chair role on NFI's Board of Directors. Paul Soubry is NFI's current President and Chief Executive Officer.  
<sup>3</sup> More detailed full descriptions can be found in the appendix.

# Sustainability governance

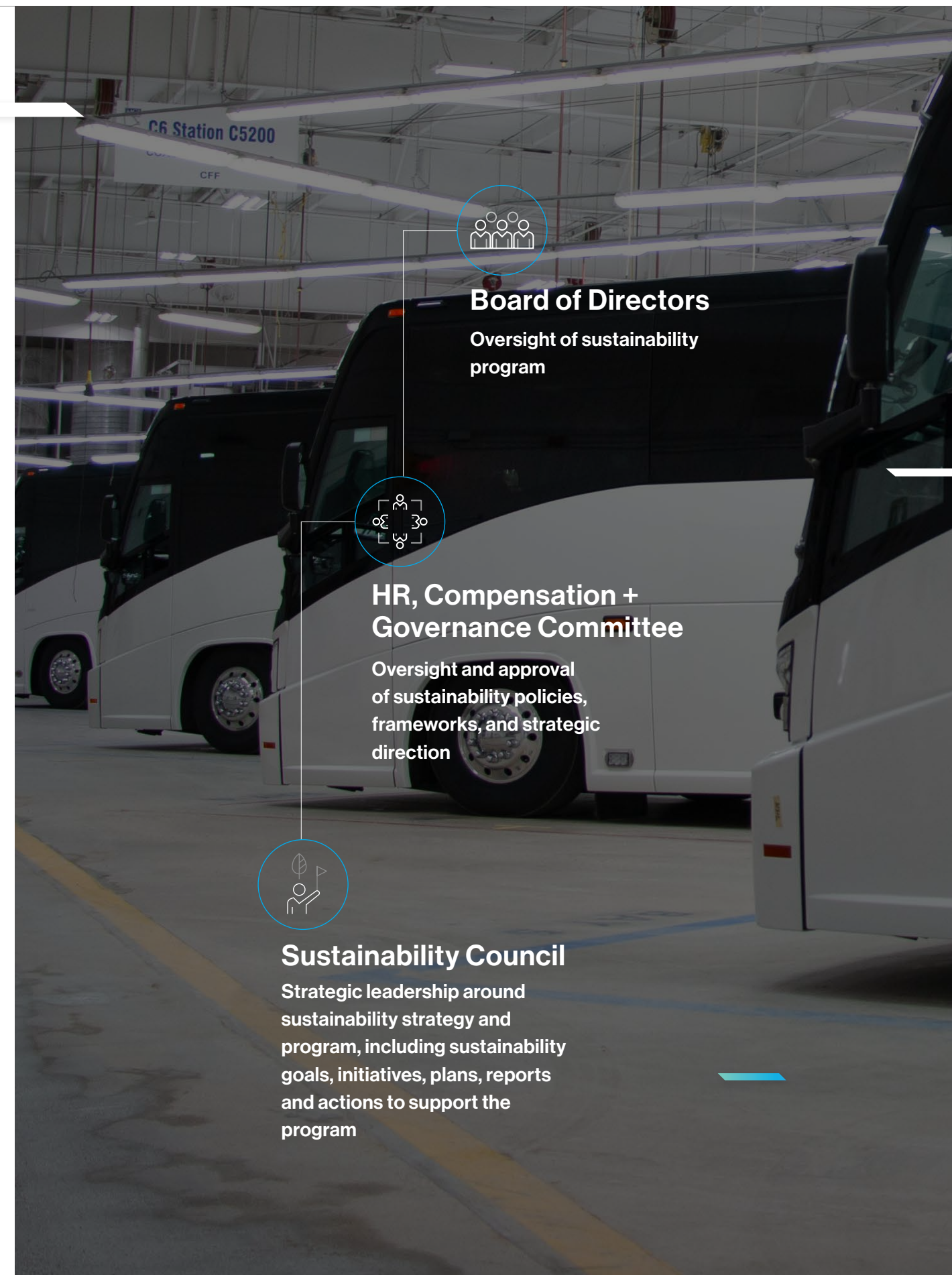
## Creating value through leadership

**At NFI, sustainability is viewed not just as an opportunity but a genuine mission to seek continuous improvement and to build resilience in an evolving environment of global emerging issues.**

NFI's Board of Directors ("Board") oversees the Company's sustainability program and approach, management's execution against the approach, key ESG initiatives, impacts, risks and opportunities, and reporting.

NFI's Human Resources, Compensation and Corporate Governance Committee ("HRCG") recommends to the Board the guidelines and practices related to corporate social responsibility ("CSR") and ESG matters, including approach, monitoring, impacts, risks and opportunities, performance and reporting, while overseeing, with the assistance of management, ESG matters for each ESG category with respect to current and emerging trends to ensure the management of risk and to foster long-term sustainable value creation.

In 2023, NFI established a Sustainability Council to provide strategic leadership to NFI's sustainability and ESG programs, with a focus on strategic alignment and risk management. The Sustainability Council is comprised of NFI's Group Leadership Team, and other functional experts, who support the HRCG through advisory activities and in executing assessments or decisions related to sustainability and ESG.



**Board of Directors**  
Oversight of sustainability program



**HR, Compensation + Governance Committee**  
Oversight and approval of sustainability policies, frameworks, and strategic direction



**Sustainability Council**  
Strategic leadership around sustainability strategy and program, including sustainability goals, initiatives, plans, reports and actions to support the program

# Stakeholder engagement to gain strategic insight

**Engaging with stakeholders is critical to crafting our sustainability policies and areas of focus.**

We strive to hear from individuals who may be affected by our business as these interactions foster trust and offer valuable opportunities for learning and collaboration.

## Stakeholder Identification

We have identified, and continue to consider, our stakeholders through a comprehensive evaluation to determine the individuals, groups, or organizations to whom we have responsibility or that influence our Company's performance. We routinely engage directly with our stakeholders to ensure they have accurate and credible information about our Company and our sustainability strategy. We prioritize transparent communication to enhance our comprehension of both stakeholder needs and our own, fostering responsible management for sustainable and inclusive growth. This commitment contributes to organizational resilience and a positive global impact.

In 2023, engagement activities focused on innovation, recruitment and workforce development, decarbonization, new business, and DEI.

## Communicating with our stakeholders



### Team Members

- Team member surveys
- Townhall meetings
- CEO and Leadership webcasts
- Xpressline suggestion and feedback program
- Global and local internal communications
- Whistleblower line



### Labour Unions

- Meetings
- Joint committees and other working groups to address various topics with the labour unions on all levels
- Town halls



### Investors, Shareholders + Financial Institutions

- Virtual and in-person meetings, including our annual general meeting
- Conferences and industry events
- NFI website
- SEDAR



### Suppliers

- Meetings with strategic suppliers
- Vendor surveys and feedback questionnaires
- Dedicated audits at selected suppliers



### Customers

- Industry-specific events and panel engagements
- Virtual and in-person meetings
- Press conferences
- Social media communications
- Customer surveys and reports
- Participation in tradeshows
- NFI's VIC and events
- Vehicle launch events
- NFI and subsidiary websites
- NFI's Company-wide Leading the Charge weekly newsletter



### Local Committees + NGOs

- Virtual and in-person meetings
- Participation and collaboration in working groups
- Meetings with representatives from NGOs and non-profit organizations
- Periodic meetings with schools and universities
- Common project development



### Industry Groups + Business Partnerships

- Thought leader discussions
- Industry-specific events and panel engagements
- Press conferences and webinars
- Social media communications
- Customer surveys and reports
- Participation in trade fairs
- NFI's VIC and events
- Vehicle launch events
- Participation in collaborative projects
- NFI and subsidiary websites

**Stakeholder engagement frequency:**  
Regular dialogue and periodic meetings

# Assessing our priorities: Key ESG topics













**At NFI, we strive to find and unlock new opportunities to create value by taking into account global trends, and by understanding the interests and expectations of our stakeholders related to our business.**

In 2022, NFI initiated its inaugural multi-stakeholder assessment of key ESG topics. The Corporate Sustainability Team conducted an assessment which included an online survey to evaluate the significance of topics both internally, gauging perspectives from key management team members and the Board, and externally, considering the viewpoints of key stakeholders who have an interest and influence on our business.

In 2023, our attention was directed towards evaluating the results of this assessment to prioritize the key ESG topics to be addressed. Recognizing the significance of advancing sustainability issues and considering global events and trends that could affect our business, NFI's Sustainability Council and the Board decided to elevate the significance of several key topics identified in the 2022 assessment. As a result, we updated our key ESG topics in 2023. The Corporate Sustainability Team continually monitors stakeholder expectations for disclosure directly through customer, industry and investor engagements, indicators from ESG scoring partners, and feedback from team members.

## NFI's Key ESG Topics

NFI identified 12 key topics for disclosure, listed in alphabetical order.

 <b>Climate Change</b>	 <b>Community Engagement</b>	 <b>Diversity, Equity + Inclusion</b>	 <b>Employee Health + Safety</b>
 <b>Employee Welfare</b>	 <b>Environmental Impact of Products + Services</b>	 <b>Environmental Management</b>	 <b>Governance + Business Integrity</b>
 <b>Human Capital Development</b>	 <b>Human Rights</b>	 <b>Innovation, Research + Development</b>	 <b>Sustainable Supply Chain</b>

In both 2022 and 2023, our sustainability strategy centered on fostering accountable senior leadership with activities revolving around understanding the implications of the evolving sustainability landscape on our business. This included establishing connections between emerging developments and our operating model to facilitate long-term value creation.

**In 2024, our focus is on formalizing sustainability objectives, beginning with the establishment of near-term strategic targets for our key ESG topics across all businesses**



# Enterprise risk management

**Understanding, managing, and mitigating risks is an important part of our success. Leaders across NFI are responsible for sustainable risk management to identify and manage risks that could impact our near- and long-term plans and objectives.**

At the core of our risk management program is our Enterprise Risk Committee (“ERC”), which meets ten times a year. The ERC, chaired by the Group Director, Audit and Risk Management Services, with membership from NFI’s executive leadership team, has responsibility to:

- ✓ Develop and communicate the Company’s risk management strategy and direction, and advise the Board Audit Committee (“Audit Committee”) on the Company’s overall risk appetite, tolerance and resilience, taking into account the current and expected macro-economic, political, business and industry environments;
- ✓ Design, support, and promote the risk management and governance framework, policies, and procedures used to assess and manage these risks across the Company, including requesting regular risk assessments and management updates from owners (both of objectives and risks) on select risk topics as the ERC deems appropriate;
- ✓ Monitor the risks to achieving our plans and objectives, and supplement these risk evaluations with analysis of external risks published through external risk identification and rating agencies;
- ✓ Assess the severity of the risks based on pre-defined risk scales for financial, operational, strategic, safety, compliance, cultural, reputational, environmental, social and governance categories; and
- ✓ Develop and communicate monitoring and/or mitigation strategies for the most significant risks.

A formal risk register, based on a ranking of risks by impact, likelihood, and velocity, is maintained by our Audit and Risk Management team, reviewed by the ERC, and communicated quarterly to the Audit Committee. The most significant risks are reported to and discussed at each Audit Committee meeting, and the Board may provide feedback on these risks.

In addition, the ERC reports to the Audit Committee on the effectiveness of the systems and processes relating to risk management, any significant weaknesses or failings that have been identified, and the conclusions of any testing carried out by internal and/or external auditors and/or others.



# Leading with integrity

**NFI is committed to conducting all business activities with the highest standards of fairness, honesty, and integrity, and to comply with all legal and regulatory requirements, across our stakeholder groups.**

We strive to deliver strong financial and operational performance, while always following ethical and legal business practices. Each director, officer, team member, and agent of NFI is bound by the Code of Business Conduct and Ethics (the "Code"). Each team member is required to acknowledge and sign their obligation to adhere to the Code.



The NFI Code of Business Conduct and Ethics and the NFI Whistleblower Policy are available at [nfigroup.com/esg/documents-charters](https://nfigroup.com/esg/documents-charters)

NFI Code training is conducted via NFI's learning management system and all leadership, administrative, and customer facing team members complete a knowledge assessment to test that they understand the Code and how it applies to them.

# Anti-corruption policy

**NFI is committed to conducting its business free of corruption, bribery, and any improper influencing action when dealing with government and public officials.**

NFI's anti-corruption principles govern relationships and interactions with public officials, payments, records of payments, and third-party dealings. Additionally, NFI team members within the scope of NFI's anti-corruption policy are trained to familiarize themselves with additional restrictions and specific requirements of the public agencies with whom they interact. Annual policy review is conducted for all administrative team members via NFI's learning management system. All manufacturing team members complete a review of the policy through stand up meetings biennially.



The Ethics Officer (the Executive Vice President, General Counsel and Corporate Secretary, NFI) can be reached at [ethics@nfigroup.com](mailto:ethics@nfigroup.com) for questions or guidance.

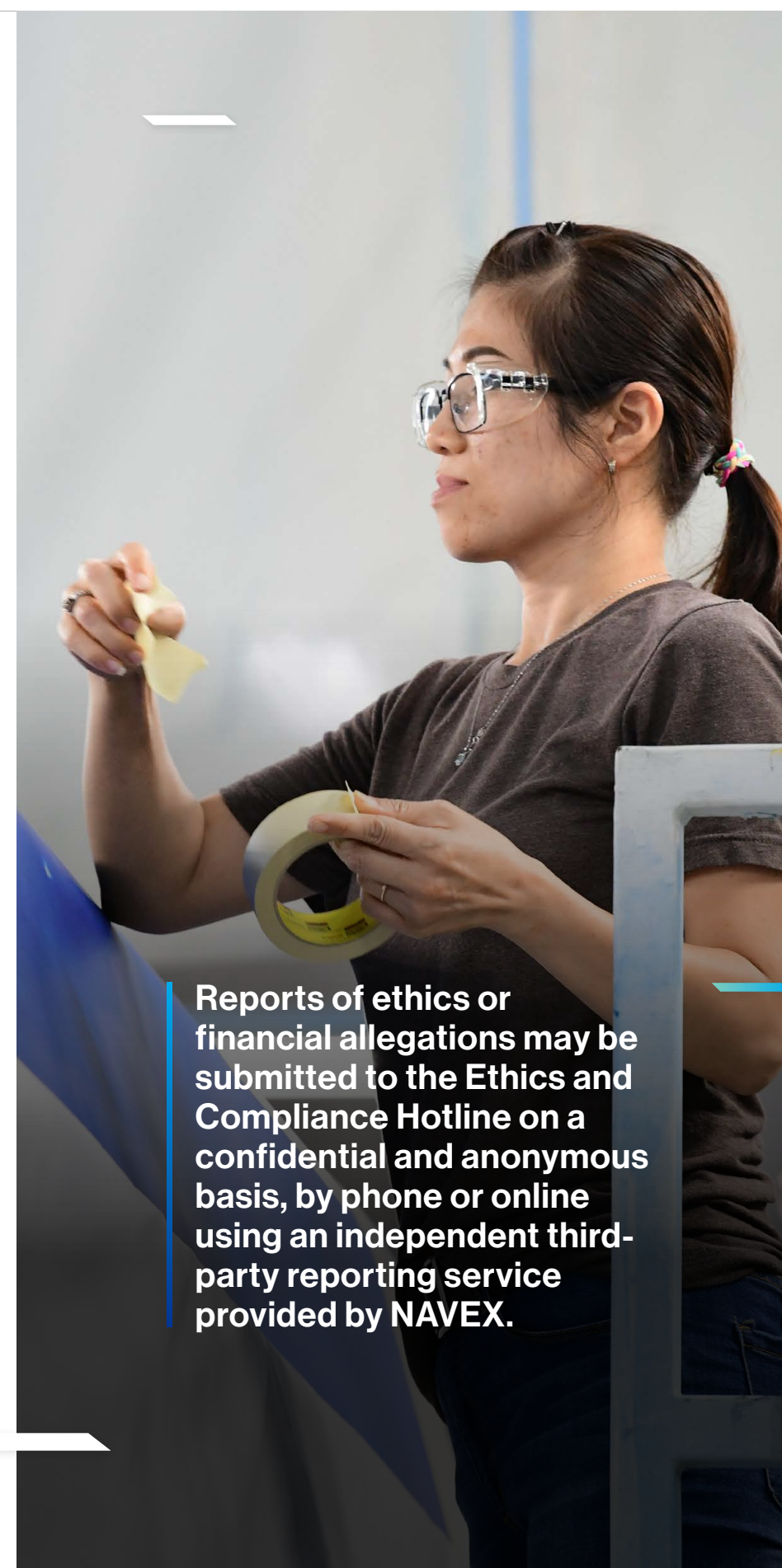
# Political advocacy

NFI does not make contributions of any kind (money, team member work time, goods or services), directly or indirectly, to political parties or candidates, or to promote or support ballot initiatives or measures, propositions or similar proposals or measures including through intermediary organizations such as political action committees, campaign funds, or trade or industry associations.



NFI's Political Contribution Policy is available at [nfigroup.com/esg/documents-charters](https://nfigroup.com/esg/documents-charters)

**Reports of ethics or financial allegations may be submitted to the Ethics and Compliance Hotline on a confidential and anonymous basis, by phone or online using an independent third-party reporting service provided by NAVEX.**



# Data + cyber security








**NFI addresses evolving cyber security risks through our established data and cyber security policies.**

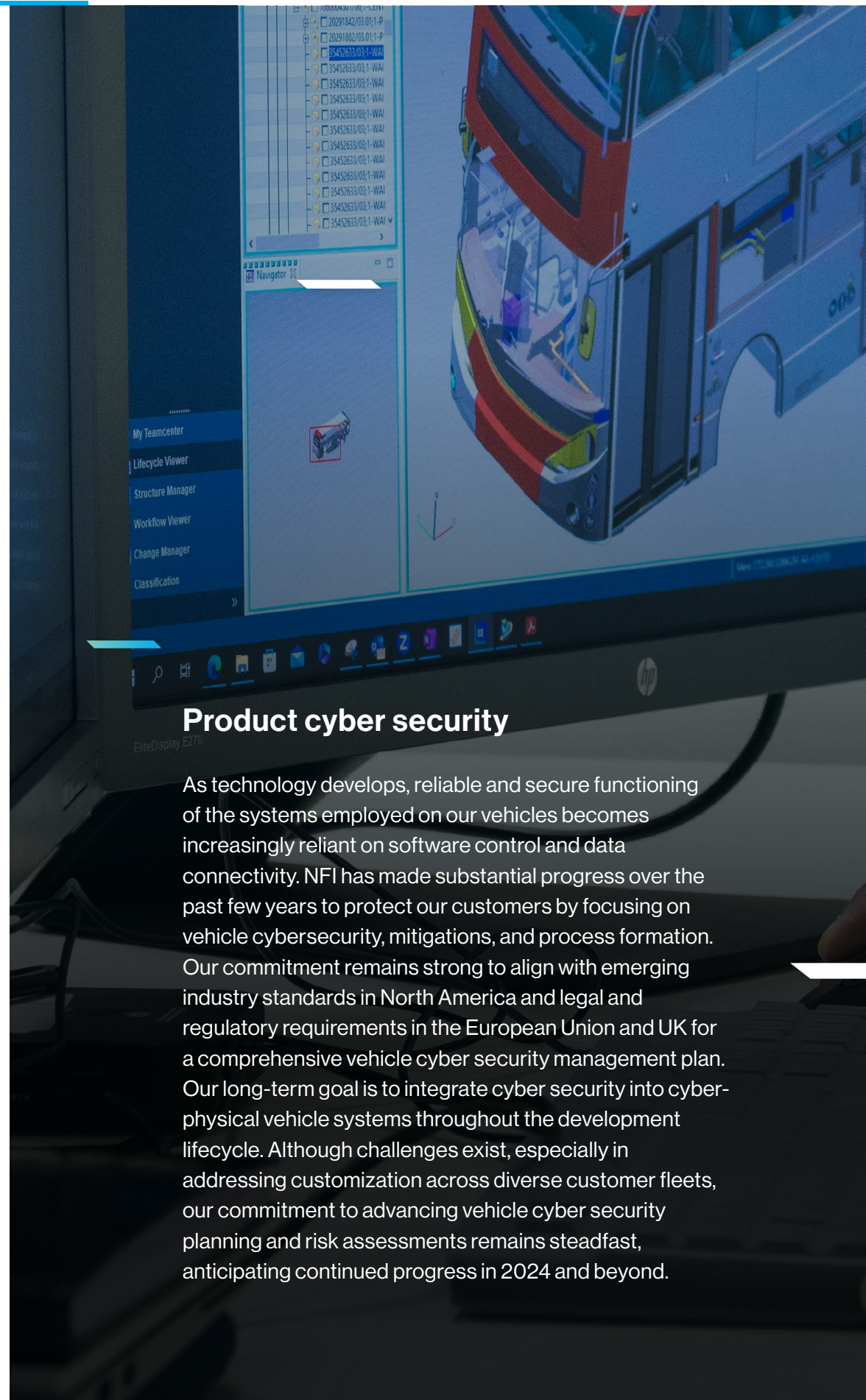
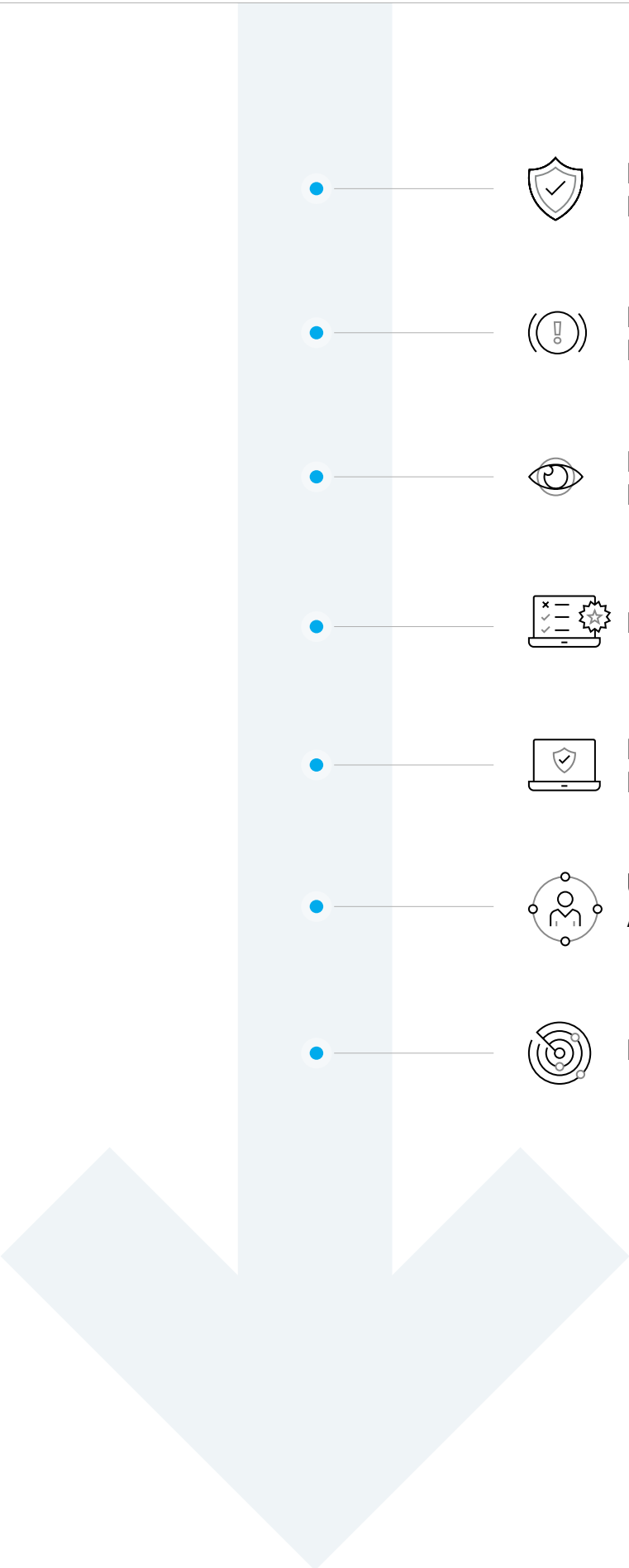
The more we rely on technology to collect, store, and manage information, the more vulnerable we can become to security breaches. For this reason, we built our cyber security defenses based on the Center for Internet Security (“CIS”) Critical Security Controls that are aligned to National Institute of Standards and Technology (“NIST”) Cyber Security Framework and International Organization for Standardization (“ISO”) Standards. These defenses create layers of protection.

NFI continues to update our NFI Group Data Privacy Policy outlining our commitment to comply with all applicable privacy laws in the countries in which we operate or conduct business. The applicable NFI subsidiaries comply with the General Data Protection Regulation (“GDPR”) regarding the use and management of personal data in regions in which GDPR applies.

Our Privacy and Data Security Incident Response Plan outlines workforce responsibilities and how to report any suspected incidents. Additionally, we have disaster recovery processes and protocols to ensure prompt recovery of lost data in an emergency. Regular training is provided to administrative team members regarding how to detect scam and phishing emails, and we encourage our team members to reach out to NFI’s ITS and Legal departments with questions or concerns.

Regular reporting to the IT Steering Committee, ERC, and Board is done to keep each group informed of cyber risks, and the actions taken to address them.

-  **Perimeter Defense**
-  **Privilege Escalation**
-  **Identity Defense**
-  **Detection**
-  **End-Point Defense**
-  **User Awareness**
-  **Response**



## Product cyber security

As technology develops, reliable and secure functioning of the systems employed on our vehicles becomes increasingly reliant on software control and data connectivity. NFI has made substantial progress over the past few years to protect our customers by focusing on vehicle cybersecurity, mitigations, and process formation. Our commitment remains strong to align with emerging industry standards in North America and legal and regulatory requirements in the European Union and UK for a comprehensive vehicle cyber security management plan. Our long-term goal is to integrate cyber security into cyber-physical vehicle systems throughout the development lifecycle. Although challenges exist, especially in addressing customization across diverse customer fleets, our commitment to advancing vehicle cyber security planning and risk assessments remains steadfast, anticipating continued progress in 2024 and beyond.

# Sustainable supply chains

**NFI seeks to do business with reputable business partners who are committed to ethical standards and business practices compatible with those set out in the NFI Group Supplier Code of Conduct.**

In 2023, NFI took steps to strengthen related supply chain policies and procedures including the expansion of our Supplier Code of Conduct to include enhanced sections on human rights, health and safety, and conflict and critical minerals. The Supplier Code of Conduct also addresses environmental stewardship, regional legal requirements, anti-corruption, and respect and collaboration within business relationships. The revised Supplier Code of Conduct was disseminated to NFI’s global suppliers with the requirement that they sign the document, agreeing to conduct their business within the requirements of the Code, and to flow down our Supplier Code of Conduct or equivalent requirements to their suppliers.

With increased regulatory focus on human rights, NFI utilized a risk-based approach in assessing and addressing potential human rights issues within our supply chain. Focused on our increased demand for electric vehicles, we targeted battery supply as a heightened risk area. NFI published an enhanced Conflict and Critical Minerals Policy to address specific human rights concerns around the mining and production of minerals in our product battery supply chain. We continue to work with our suppliers to integrate industry best practices such as those outlined by the Organization for Economic Co-operation and Development (“OECD”) and the Global Battery Alliance (“GBA”). NFI’s subsidiaries regularly evaluate membership to industry groups, and in 2023, NFI subsidiary Alexander Dennis became a supporting member of the GBA.

NFI recognizes certain geographic locations also pose a heightened risk of human rights concerns. To mitigate these risks NFI surveyed suppliers who are located in, or source parts from, higher risk locations to assess potential risks, and responses were tracked. Areas evaluated for risk encompass various forms of modern slavery, including forced labour, child labour, and human trafficking. In the event it is determined that a supplier engages in any of these activities, NFI will work with the supplier to develop alternate sources of supply or will terminate its relationship with the offending supplier.

NFI sourcing personnel receive training specific to the risks of prohibited labour practices to ensure diligence is sustained within supplier management processes. Key members of the teams also work with professionals specializing in human rights protection to receive training on current laws and policies in place globally. NFI is proud to provide Disadvantaged Business Enterprise (“DBE”) and Minority Women Business Enterprise (“MWBE”) the opportunity to participate in the sourcing of components and materials used in manufacturing. We establish an annual goal for DBE/MWBE participation in our North American supply chain and actively work to identify, onboard, and develop minority and disadvantaged businesses.



NFI’s Supplier Terms and Conditions may be requested through: [nfigroup.com/supplier](https://nfigroup.com/supplier)

## In 2024

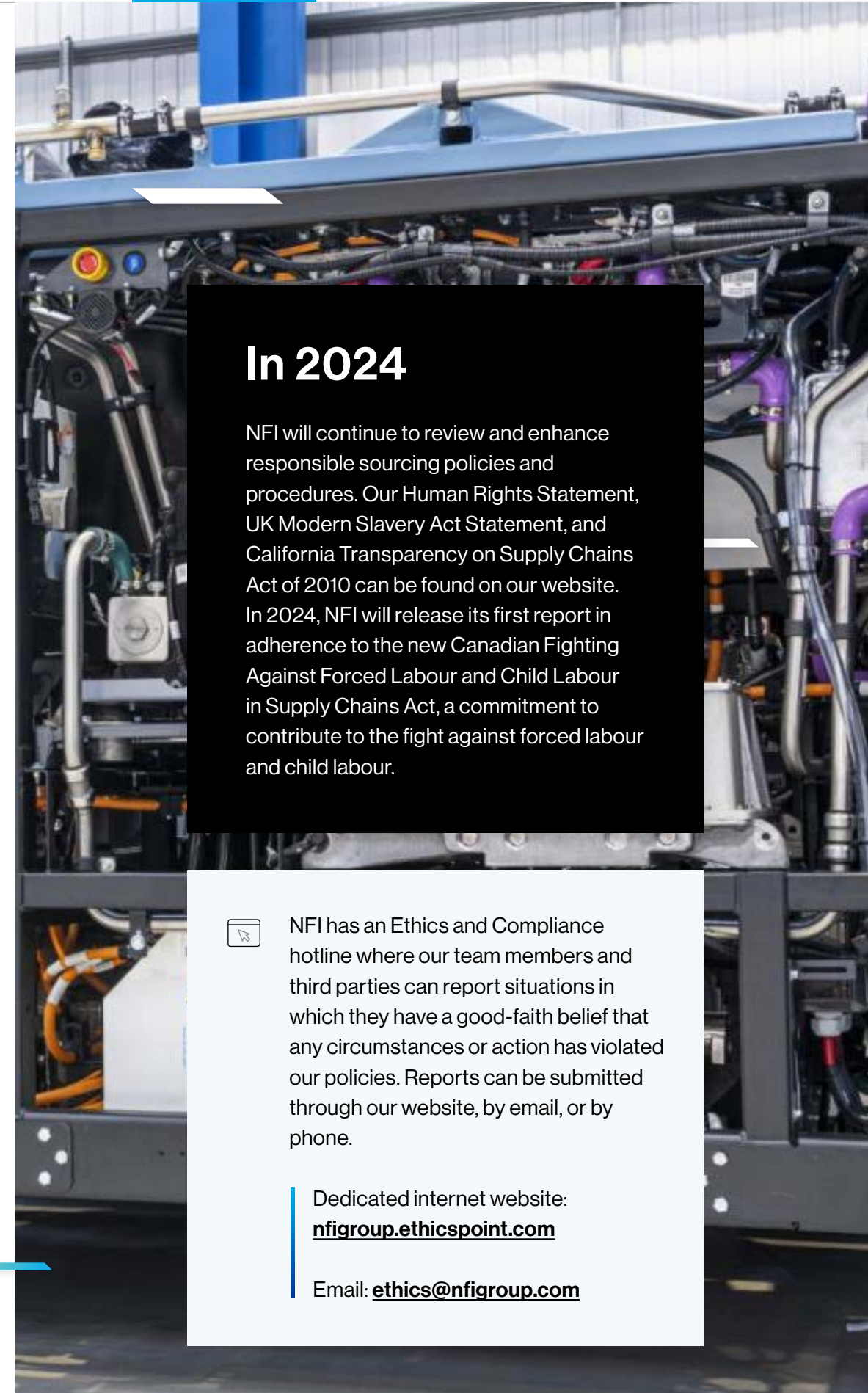
NFI will continue to review and enhance responsible sourcing policies and procedures. Our Human Rights Statement, UK Modern Slavery Act Statement, and California Transparency on Supply Chains Act of 2010 can be found on our website. In 2024, NFI will release its first report in adherence to the new Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act, a commitment to contribute to the fight against forced labour and child labour.



NFI has an Ethics and Compliance hotline where our team members and third parties can report situations in which they have a good-faith belief that any circumstances or action has violated our policies. Reports can be submitted through our website, by email, or by phone.

Dedicated internet website: [nfigroup.ethicspoint.com](https://nfigroup.ethicspoint.com)

Email: [ethics@nfigroup.com](mailto:ethics@nfigroup.com)





# A better product



A better product.  
A better workplace.  
A better world.

# A better product highlights

**72+**  
Megawatts of charging capacity delivered via NFI Infrastructure Solutions™ from 2018 through 2023

**150 Million**  
Electric service miles driven by NFI products

**445+**

**EV chargers delivered via NFI Infrastructure Solutions™ from 2018 through 2023**

**878**  
ZEBs delivered in fiscal 2023, 22% of total deliveries in 2023

**2**  
New types of ZEBs launched – Alexander Dennis Enviro100EV and Enviro400EV

**150+**  
Cities with NFI ZEBs in service or on order

**17**  
Zero-emission bus and coach models offered

**Partner of Choice**  
Named partner of choice by 11 U.S. public transit agencies for the FTA's 2023 Low-or-No Emission and Buses and Bus Facilities Grant Programs totaling \$207 million in grants

**\$10M**

**CAD financing through PrairiesCan to support the expansion of NFI's zero-emission heavy-duty transit and coach offerings**



# Supporting our customers on their sustainability journey

**Putting our customers first means creating innovative solutions, providing software-enabled services, and consistently improving the passenger experience with every product development.**

We engage with our customers to understand their needs so we can provide the highest quality experience from delivery to service. Working closely with our customers assists us in meeting their expectations.

Our customer base, ranging from public transit agencies to private operators, are dedicated to ensuring the safe transportation of their riders and customers. Our relationship approach extends beyond vehicle design to encompass crucial support elements like technical assistance, aftermarket parts, infrastructure solutions, and workforce development. This includes specialized high voltage training through the MCI Academy for ZEBs.



As customers are at different stages of their ZEB journey, we work closely to support their understanding of new innovations and the total cost of ownership associated with ZEBs. This includes supporting fleet transition planning efforts with our customers during product demonstrations, pilot programs, and range and duty cycle projections. We also continue to deliver clean-diesel transit and motor coaches that meet or exceed environmental laws, supporting customers at all stages in their journey.

# 17

**We offer 17 different ZEB models, and essential infrastructure support through NFI Infrastructure Solutions™, to meet a wide variety of customer needs**



— Jennifer McNeill  
Vice President, Sales and Marketing (Public Sector), New Flyer and MCI

NFI's Jennifer McNeill contributed to **CUTA's Urban Mobility Forum in the first quarter of 2023**, through her insights on Canada's public transit industry evolution to meet net-zero emission goals. As agencies think about the critical components in their zero-emission journey – infrastructure and technology, workforce, and vehicles – there are many potential partners to engage with and opportunities to take advantage of. NFI has grown our offerings to ensure agencies have a wide breadth of products and services in our ecosystem that will enable them to reach these goals including:

- ✓ Telematics through NFI Connect™ and Connect 360®
- ✓ Infrastructure support and deployment through NFI Infrastructure Solutions™
- ✓ Education and training through the Vehicle Innovation Center, the New Flyer Institute, and the award-winning MCI Academy
- ✓ The industry's widest range of zero-emission product offerings across our family of brands

# APTA EXPO

 **October 9-11, 2023**

 **Orlando, Florida**

Teams across NFI participate in hundreds of conferences and tradeshows annually to interact with our customers and showcase our cutting-edge technology. APTA EXPO is the world's largest public transportation showcase and NFI was proud to have the largest space on the show floor and over 75 team members on-site to support our customers.



## EXPO Highlights

- ✓ NFI welcomed EXPO attendees and industry leaders to its booth, measuring over 12,000 sq. feet
- ✓ NFI displayed three market-leading vehicles
- ✓ NFI President and CEO Paul Soubry, delivered company updates
- ✓ NFI provided five informative sessions on NFI's mobility solutions ecosystem
- ✓ NFI unveiled its latest technology enhancement; increased range with New Flyer's 60-foot battery-electric vehicle
- ✓ NFI honored David Warren's memory and unveiled the David Warren Innovation Room at the VIC
- ✓ NFI hosted Broward Transit's press event announcing their newly purchased MCI zero-emission D45 CRT LE CHARGE™



Read the full story in NFI's [Leading the Charge](#) **Read the newsletter**



NFI unveiled its latest technology enhancement; increased range with New Flyer's 60-foot battery-electric vehicle. In addition, NFI introduced New Flyer's Xcelsior CHARGE NG™ 40-foot bus, designed with a 3-door configuration for bus rapid transit ("BRT") applications.





# Celebrating our customers

We are proud to celebrate milestones with our customers at all stages of their zero-emission journey. In 2023, NFI contributed to many customers events through sponsorship, speaking engagements, and attendance.



In August 2023, NFI joined the Regional Transportation Commission of Southern Nevada for the unveiling of its first hydrogen fuel cell-electric bus.



In July 2023, Spokane Transit officially opened its first BRT, City Line, powered by New Flyer's new five-door zero-emission Xcelsior CHARGE® 60-foot articulated buses.



NFI joined EMBARK in Oklahoma City for its ribbon-cutting ceremony dedicated to the launch of RAPID – the region's first BRT service, powered by New Flyer Xcelsior® CNG buses.



Broward County Transit proudly unveiled its new zero-emission MCI D45 CRT LE CHARGE™ at a press event in NFI's booth during APTA EXPO.



In August 2023, Universal Coach Line was the first Canadian company to take delivery of a zero-emission, battery-electric MCI J4500 CHARGE™ coach.



In June 2023, Alexander Dennis handed over the first five of 100 electric double deck buses ordered by Transport for Greater Manchester to the Mayor of Greater Manchester, Andy Burnham.



In June 2023, MCI delivered three zero-emission J4500 CHARGE™ coaches to Roberts Hawaii, marking the first in the US tour and charter travel market.



In August 2023, Alexander Dennis announced that its partnership with BYD UK had officially handed over 1,500 electric buses to customers across the UK.

# Innovative and sustainable mobility solutions



## Zero-Emission

- ✓ NFI offers zero-emission vehicles from subsidiaries Alexander Dennis, ARBOC, MCI, and New Flyer.
- ✓ NFI ZEBs have travelled over 150 million electric service miles.
- ✓ A 40-foot zero-emission bus from New Flyer can avoid 110+ metric tons of greenhouse gas (“GHG”) emissions annually, which is what a conventional 40-foot clean diesel bus would emit per year.<sup>1,2,3</sup> This is the equivalent of removing 22 cars from the road for one year.<sup>3,4,5</sup>
- ✓ A 45-foot battery-electric coach from MCI can avoid 80+ metric tons of GHG emissions annually.<sup>6,7,8</sup>



## Low-Emission

- ✓ New Flyer CNG buses conform to the EPA and NHTSA comprehensive Heavy-Duty National Program that reduces GHG emissions and fuel consumption for heavy-duty highway vehicles.
- ✓ The average 45-foot motor coach replaces 54 cars on the road, and it’s the most favorable mode of transportation for lowest emissions per passenger mile when compared to automobiles, planes, and trains.<sup>9</sup>



## Autonomous vehicles

- ✓ Alexander Dennis continues development of autonomous bus technology in the CAVForth2 project in partnership with Fusion Processing, a partnership dating back to 2019. CAVForth2 will utilize an autonomous version of Alexander Dennis’ next-generation Enviro100EV electric bus with an upgraded version of CAVStar® ADS, developed and supplied by Fusion Processing. This partnership will create a modern, efficient, scalable, zero-emission, and autonomous Level 4 transportation solution.
- ✓ New Flyer’s XcelSior AV™ utilizes battery-electric propulsion while integrating advanced driver-assistance systems technology to meet Society of Automotive Engineers Standard J3016 Level 4 technology. It uses advanced driver assistance systems (“ADAS”) technology, incorporating a distinct combination of high-performing AV technologies and sensors including LIDAR (light detection and ranging), RADAR (radio detection and ranging), and cameras.

## Energy Savings

- ✓ On average, motor coaches use the least amount of energy and produce the lowest carbon dioxide emissions per passenger mile than other (non-passenger propelled) transportation modes.<sup>10</sup>
- ✓ New Flyer battery-electric technology lowers operational costs and reduces emissions: with no engine, transmission, intake or exhaust, customers can save up to \$140,000 in maintenance costs over the 12-year life of the bus.<sup>11</sup>
- ✓ Fuel cost savings delivered by in-motion charging are up to \$520,000 over the 12-year life of the bus. Actual savings will depend on regional fuel costs, energy costs, and charging methods.<sup>12,13,14</sup>
- ✓ The XcelSior CHARGE NG™ lightweight electric traction drive system provides up to 90% energy recovery.<sup>15</sup>

<sup>1</sup> Federal Transit Administration requirements <sup>2</sup> Altoona XD40 test report <sup>3</sup> Environmental Protection Agency <sup>4</sup> DOT Federal Highway Administration <sup>5</sup> Environmental Protection Agency <sup>6</sup> American Bus Association 2015 census <sup>7</sup> Average MPG for arterial and commuter duty cycles (mix of city & highway conditions), averaged between D4500 (diesel, 3.23 MPG/5.92 MPG) and D45 CRT LE (diesel, 4.12 MPG/5.92 MPG) Altoona reports <sup>8</sup> epa.gov/greenvehicles/greenhouse-gas-emissions-typical-passenger-vehicle <sup>9</sup> American Bus Association <sup>10</sup> American Bus Association <sup>11</sup> National Renewable Energy Laboratory <sup>12</sup> U.S. Energy Information Administration <sup>13</sup> Altoona XE40 test report <sup>14</sup> EIA Electric Power Monthly Report, Average Price of Electricity to Ultimate Customers by End-Use <sup>15</sup> Siemens Industry Inc.

# Industry-Leading Accessibility



- ✓ ARBOC continues to lead the industry, offering various accessible options to customers, including the first patented low-floor cutaway and low-floor non-kneeling cutaway, allowing access for all passengers. ARBOC's fully accessible light- and medium-duty buses feature entry ramps versus conventional wheelchair lifts and optional kneeling suspension provides greater ease of ingress for all passengers.
- ✓ New Flyer's SmartRider™, available on all Xcelsior® models, provides an unmatched accessibility experience for all passengers – enabling buses to kneel to variable heights and minimize the slope difference between a low-floor ramp and bus floor.
- ✓ The innovative design of MCI's D45 CRT LE and D45 CRT LE CHARGE™ vehicles provide easier boarding and greater independence.
- ✓ The Xcelsior AV™ automated transit bus provides precision docking that minimizes platform gaps, helping to ensure boarding is ADA-compliant (Americans with Disabilities Act Standards for Accessible Design), and increasing accessibility for all passengers.
- ✓ New Flyer offers an optional three-door configuration that includes a street-side door for BRT application. Available on all Xcelsior® 40-foot and 60-foot buses, the three-door bus design ensures faster, more flexible BRT platform boarding and enhanced passenger experience.



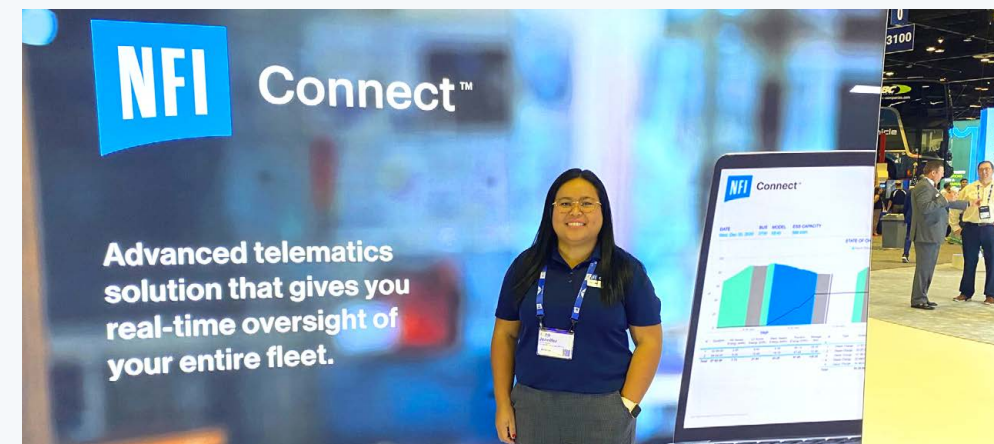
New Flyer battery-electric Xcelsior CHARGE NG™ 40-foot bus featuring 3-door configuration for BRT

[View the video](#)



## Infrastructure

NFI Infrastructure Solutions™ deploys electric vehicle supply equipment and charging systems that are compatible with all types, makes, and models of electric vehicles, adhering to North American industry standards. This was made possible through the efforts and assistance from the Electric Power Research Institute, the U.S. Federal Transportation Administration, the American Public Transportation Association, and the Society of Automotive Engineers. **As of the end of 2023, NFI Infrastructure Solutions™ had delivered 445+ EV chargers.**



## Connected Technology

NFI Connect™ is a proprietary, advanced telematics solution that gives our customers real-time oversight of their entire fleet, improving bus uptime and safety, and lowering costs. Now available on all NFI vehicles from Alexander Dennis, ARBOC, MCI, and New Flyer, NFI Connect™ finds fuel savings and energy efficiencies by identifying smart routes. Connect 360®, a standard feature on all zero-emission NFI vehicles, provides customers with a customizable performance dashboard that showcases smart analytic reporting to expand insight and intelligence for managing their zero-emission buses and coaches.

# Product safety + quality

**The safety and quality of our buses is paramount to delivering reliable and secure transportation solutions.**

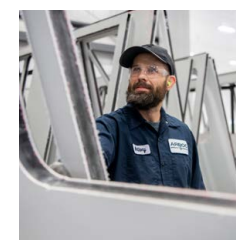
At NFI, safety starts at the pre-production phase before manufacturing, where our sales and engineering teams review customer specifications, and our supply and procurement teams assess component parts and build practice compliance with federal, state, municipal, and other vehicle guidelines and regulations.

In the production stage, each vehicle body is built by our experienced and trained workforce following documented processes. Throughout the build process, the independent Quality Operations department performs staged quality audits from start to finish, confirming both supplier guidelines and ISO 9001 standards are followed at every step. This underscores our dedication to quality, customer satisfaction, and a continuous improvement mindset. All vehicles are engineered with the customer in mind, undergoing rigorous road and functional tests before delivery.

Following vehicle delivery, our teams maintain communication with our customers through calls and on-site visits to improve the customer experience with our product. NFI Service Centers actively gather feedback from our customers, and we promptly review and address any concerns or suggestions.

We treat any potential safety issues very seriously, promptly investigating data to identify and address current and future product trend failures before they occur. A Vehicle Safety Committee, comprising senior leadership and management, has been formed in both North America and the UK. This committee meets regularly to proactively minimize potential product hazards throughout the entire lifecycle, encompassing research, design, development, production, marketing, sales, and service of buses and coaches.

From rigorous quality control processes to incorporating cutting-edge safety technologies, our focus remains on producing buses that adhere to the highest safety standards and regulations. Through continuous innovation and stringent safety protocols, we strive to set industry benchmarks, prioritizing the well-being of those who rely on our buses for their everyday journeys.





# Welcome to the VIC

**The Vehicle Innovation Center, or VIC, is North America’s first innovation hub dedicated to the advancement of bus and coach technology.**

Established in 2017, the VIC exists to promote collaborative research and development, education and innovation, progressive manufacturing, and bold thinking. With increased societal focus on sustainability to reduce greenhouse gas emissions, preserve natural resources, and improve quality of living in our communities, the demand for zero-emission buses and coaches is accelerating throughout North America. NFI has met this demand and raised the bar with its state-of-the-art VIC.

In 2023, the VIC proudly returned to welcoming customers, stakeholders, and industry leaders to in-person events after several years of virtual programming. Showcasing our refreshed technology gallery, latest generation zero-emission buses and coaches, and a one-of-a kind e-bus driving simulator, the VIC hosted 150 visitors at 42 events for face-to-face interactive learning experiences and factory tours at our neighboring Anniston, Alabama ZEB production facility. Continuing the best practices and lessons learned of the last few years, the VIC continued to provide virtual programming and technology keynotes at 24 virtual or hybrid events, reaching almost 2,000 attendees.



The VIC also took buses on the road in 2023, with 35 unique ZEB demonstrations and displays across Canada and the United States, including APTA EXPO 2023 in Orlando, Florida, with a showcase of vehicle technology supported by in-booth learning opportunities for hydrogen propulsion technology.

# 1,980+

**Visitors in 2023**

Virtual and in-person sessions



**The University of Alabama team was the first group to visit the VIC in 2023.**



**The VIC hosted five transit agencies from across Canada in October 2023 for two days of interactive sessions and hands-on training.**



**California’s Santa Rosa CityBus closed out the VIC’s programming for the year during their visit in December.**

# Industry partnerships to drive our zero-emission economy

At NFI, we know that working towards the net-zero world of the future requires innovation, partnership, and collaboration with thought leaders and organizations across our value chains to advance innovation in technology and business models and create new opportunities for growth. Developing, scaling, and deploying climate technologies together with our partners is critical to the decarbonization transition.























## Low- or No-Emission Grants

Our end products are a key driver to enable cities to lower emissions, decrease congestion, and enable economic opportunity. We are committed to continuing to innovate to deliver smarter, safer, more sustainable, and more connected public transportation.

NFI was named partner of choice by 11 U.S. public transit agencies for the FTA's 2023 Low-or-No Emission and Buses and Bus Facilities Grant Programs.

**In 2023, New Flyer supported successful applications for \$207 million in grants to support EV and charging infrastructure procurements in the United States.**

Here are some of NFI's key industry partners related to decarbonization:

 <p><b>Advanced Propulsion Centre UK</b> <a href="http://apcuk.co.uk">apcuk.co.uk</a></p>	 <p><b>American Public Transportation Association</b> <a href="http://apta.com">apta.com</a></p>	 <p><b>California Air Resources Board</b> <a href="http://arb.ca.gov">arb.ca.gov</a></p>	 <p><b>California Energy Commission</b> <a href="http://calstart.org">calstart.org</a></p>	 <p><b>CalSTA</b> <a href="http://calsta.ca.gov">calsta.ca.gov</a></p>	 <p><b>CALSTART</b> <a href="http://calstart.org">calstart.org</a></p>
 <p><b>Canadian Urban Transit Association</b> <a href="http://cutaactu.ca">cutaactu.ca</a></p>	 <p><b>Canadian Urban Transit Research &amp; Innovation Consortium</b> <a href="http://cutric-crituc.org">cutric-crituc.org</a></p>	 <p><b>Centre for Connected and Autonomous Vehicles</b> <a href="http://gov.uk">gov.uk</a></p>	 <p><b>The Center for Transportation and the Environment</b> <a href="http://cte.tv">cte.tv</a></p>	 <p><b>Confederation for Passenger Transport</b> <a href="http://cpt-uk.org">cpt-uk.org</a></p>	 <p><b>The Faraday Institute</b> <a href="http://faraday.ac.uk">faraday.ac.uk</a></p>
 <p><b>Hydrogen Fuel Cell Bus Council</b> <a href="http://hfcbuscouncil.com">hfcbuscouncil.com</a></p>	 <p><b>The International Association of Public Transport</b> <a href="http://uitp.org">uitp.org</a></p>	 <p><b>ITxPT Technology Standards For Public Transport</b> <a href="http://itxpt.org">itxpt.org</a></p>	 <p><b>Making Hydrogen Happen</b> <a href="http://makinghydrogenhappen.com">makinghydrogenhappen.com</a></p>	 <p><b>NYSERDA</b> <a href="http://nyserda.ny.gov">nyserda.ny.gov</a></p>	 <p><b>Scottish Enterprise</b> <a href="http://scottish-enterprise.com">scottish-enterprise.com</a></p>
 <p><b>The Society of Motor Manufacturers and Traders Limited</b> <a href="http://smmt.co.uk">smmt.co.uk</a></p>	 <p><b>Transform Scotland</b> <a href="http://transform.scot">transform.scot</a></p>	 <p><b>UK Research and Innovation</b> <a href="http://ukri.org">ukri.org</a></p>	 <p><b>Zemo Partnership</b> <a href="http://zemo.org.uk">zemo.org.uk</a></p>		

## Zero-emission bus incentive programs

As North American transit and coach fleets transition to zero-emission, a variety of incentive programs have been developed to accelerate market introduction of low carbon and zero-emission vehicles by offsetting incremental capital costs of advanced technology vehicles.

All NFI zero-emission bus and coach models have been approved by the California Air Resources Board (“CARB”) for the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (“HVIP”), which was launched in partnership between CARB and CALSTART to help accelerate early market introduction of clean, low-emission hybrid and zero-emission electric vehicles.

New Flyer and MCI’s public transit vehicles sold into select New York state-based transit agencies are eligible for The New York Truck Voucher Incentive Program (“NYTVIP”), administered by the New York State Energy Research and Development Authority (“NYSERDA”), which provides vouchers that helps make it easier for fleets to adopt zero-emission vehicle technologies while removing the oldest and most polluting diesel engines from the streets of New York.

**In 2023, NFI announced that New Flyer, MCI, ARBOC, and Alexander Dennis are now qualified manufacturers for the commercial clean vehicle credit under the US Inflation Reduction Act.**



## California Energy Commission

The transition to zero-emission public transportation offers opportunities to increase the resiliency of the communities our customers serve. AC Transit, along with partners New Flyer, The Mobility House, and Center for Transportation and the Environment (“CTE”), were awarded a California Energy Commission grant to pilot a first-of-its-kind bidirectional, vehicle-to-building EV charging project in Oakland, CA. This groundbreaking project will leverage power and stored energy from zero-emission electric buses batteries, owned and operated by AC Transit, to support the creation of a public-access resilience hub at the West Oakland Branch of the Oakland Public Library.

## PrairiesCan Jobs + Growth Fund



In 2023, NFI received \$10 million CAD in interest-free financing from Prairies Economic Development Canada (“PrairiesCan”) through Canada’s Jobs and Growth Fund to support the expansion of NFI’s zero-emission heavy-duty transit and coach offerings, as well as modernization upgrades to the MCI Winnipeg facility. The financing is part of PrairiesCan’s Framework to Build a Green Prairie Economy, which includes a \$100 million CAD commitment to support projects aligned with its five priorities.

## CalSTA

Humboldt Transit Authority, together with partners New Flyer and CTE, were awarded a California State Transportation Agency’s Transit and Intercity Rail Capital Program grant for the development and deployment of long-range hydrogen fuel cell electric buses as well as fueling infrastructure. This project supports the investment in New Flyer’s Xcelsior CHARGE FC™ R&D activity.

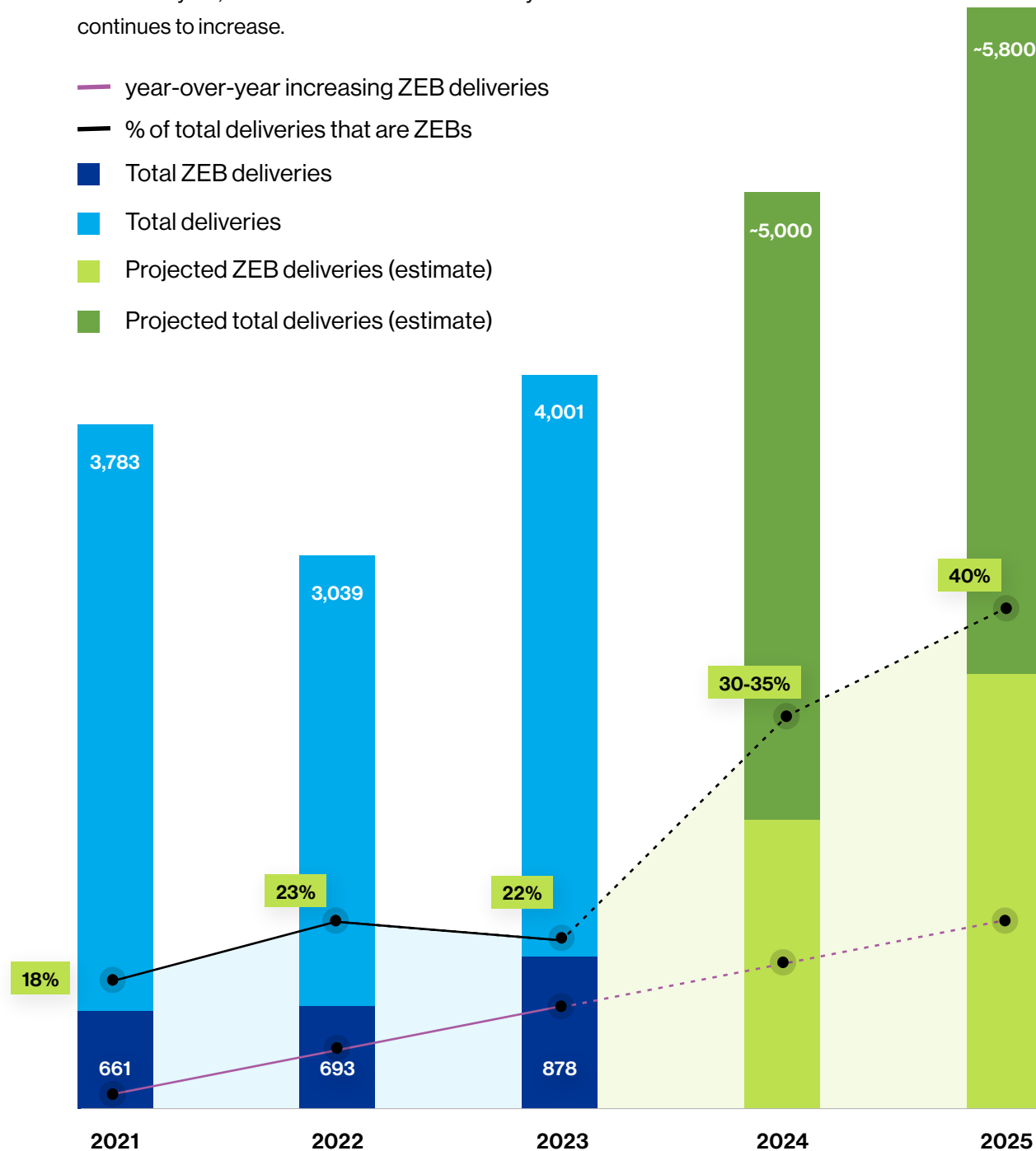


NFI remains committed to engaging with government officials to showcase our cutting-edge bus technology, which contributes to the broader transportation landscape in the evolution to a zero-emission future. These meetings serve as a platform to highlight the environmental and economic benefits of our innovative solutions, such as reduced emissions, increased fuel efficiency, and advancements in electric, hybrid and fuel cell electric propulsion systems. Demonstrating our commitment to sustainability, safety, and operational efficiency allows us to foster collaborative relationships with government stakeholders, facilitating potential partnerships and supportive policies that can accelerate the adoption of transformative technologies. Additionally, these engagements enable us to stay abreast of regulatory developments and government priorities, ensuring that our solutions align with and contribute to the evolving standards and goals within the public and private transportation sector.

# Increasing ZEB deliveries

Year-over-year, the number of ZEB's delivered by NFI continues to increase.

- year-over-year increasing ZEB deliveries
- % of total deliveries that are ZEBs
- Total ZEB deliveries
- Total deliveries
- Projected ZEB deliveries (estimate)
- Projected total deliveries (estimate)



# Impact of 2023 ZEB deliveries

## 2.1B lbs of CO<sub>2</sub> emissions avoided by our zero-emission vehicles

In Fiscal 2023, NFI delivered 878 ZEBs (22% of total deliveries), avoiding the equivalent of 2.1 billion lbs of CO<sub>2</sub> emissions over the expected 12-year life of those buses.<sup>1</sup>

- 878 Zero-Emission
- 204 CNG
- 798 Hybrid
- 2,121 Diesel<sup>2</sup>



<sup>1</sup> Value has been restated to address revision to previously reported calculation due to using more specific calculation parameters (as opposed to general averages).  
<sup>2</sup> Including ARBOC gasoline vehicles.



# Alexander Dennis unveils next-generation electric buses

The new Enviro100EV small bus and Enviro400EV double decker offer more choice, more flexibility, and more value with industry-leading energy throughput and warranties.

The new buses, launched in November 2023, join the wider family of next-generation zero-emission buses from Alexander Dennis. The next generation of Alexander Dennis battery-electric buses for the UK and Ireland are expected to be completed in 2025 with a new Enviro200EV single decker that will also be fully engineered and built in house.



▶ Video: Welcome to the next generation

## 250+ attendees

To celebrate this launch, Alexander Dennis hosted over 250 customers and team members in Farnborough for two days to unveil the vehicles and provide education on the new technology and benefits.



“ The pace of change in our industry is rapid. We are proud of the progress we’ve made with electric buses over the last seven years, and our wide range of low-emission technologies before that. Now it’s time for us to take the next step and take zero-emission buses to the next level. We’re giving authorities and operators more choice, more flexibility, and more value with our next generation of battery-electric buses.”

— Paul Davies, President & Managing Director, Alexander Dennis

## Innovation with leading technology partners

Alexander Dennis integrated the new zero-emission driveline in house, working with leading technology partners Voith Turbo for the Voith Electrical Drive System and Impact Clean Power Technology for a future-proof battery system. This battery system uses NMC lithium-ion cells, to delivers a higher total energy throughput – up to 1.4GWh in the Enviro400EV – allowing operators to meet operational requirements with the original set of batteries for longer.



## Next-generation vehicles fully supported by AD24

The next-generation buses are fully supported by the Alexander Dennis' AD24 aftermarket division. Completing the support suite is AD Connect, a new, bus-dedicated telematics solution that gives operators the vehicle and fleet performance data they need as well as enhanced diagnostics, parts, and repair information to further increase vehicle uptime.



“ Impact and Voith both stood out with their innovation and attention to detail when we chose the technology partners for our next generation of buses. Our engineers' work has extended beyond finding the best solutions for our customers as we have spent the time to design future-proof vehicle interfaces that also protect these critical components so that authorities and operators' investment will stand the test of time.”

—Chris Gall, Group Engineering Director, Alexander Dennis



## Benefits for passengers, drivers, and vulnerable road users

- ✓ Battery locations are optimized to balance weight distribution and avoid intrusion into passenger spaces
- ✓ The Enviro400EV features additional seating and an enhanced step-free floor area to improve access, increasing overall passenger capacity by up to 19%
- ✓ Access to the upper deck is via Alexander Dennis patented 'squarecase' with no angled steps, offering an optimum combination of practicality and safety
- ✓ Improved working environment for bus drivers with a new steering wheel, configurable dashboard display, and improved heating, cooling, and ventilation in the cab
- ✓ Latest assistance technologies such as a pedestrian advanced emergency braking system and audible warnings which meet current and upcoming targets of Transport for London's Bus Safety Standard
- ✓ Redesigned geometry of the vehicle front provides drivers with better direct vision and protects vulnerable road users





NFI

# A better workplace



A better product.  
A better workplace.  
A better world.

# A better workplace highlights



## ISO 45001

Registration for our first fabrication facility, Carfair Winnipeg, and all of NFI's heavy-duty and medium-duty transit and motor coach manufacturing facilities in North America



## Gender Pay Gap

Alexander Dennis mean gender pay gap reduced from 3.4% in 2022 to -1.5% in 2023

# 84%

Favorable response measuring NFI team member commitment and overall satisfaction in our 2023 Employee Engagement Pulse Check Survey<sup>1</sup>

# \$10.9M

Invested in team member training in 2023

# 99.7%

of employees at NFI's transit bus, coach, specialty vehicles, fabrication manufacturing, and parts facilities in Canada and the United States were at or above the living wage standard in their region



## 7 Unions

Globally - representing 53% of our global workforce



## Developing our Workforce

Building diverse and talented candidate pipelines for a more inclusive and equitable workplace



## 46 new eLearning courses rolled out in 2023

<sup>1</sup> From NFI's 2023 Employee Engagement Pulse Check Survey with 65% team member participation rate.



# Our workplace culture

**NFI fosters a workplace culture that values inclusivity, promotes continuous improvement, and actively supports team members by providing platforms for open team member feedback and ensuring timely responses.**

Our vision is to **drive business success by engaging and empowering our workforce.** We strive to do this through these actions:

- ✓ We prioritize the creation and maintenance of a safe work environment
- ✓ We care about the well-being of our team members, our communities, and the environment
- ✓ We cultivate a strong community spirit in our workplace by empowering all team members to actively participate and contribute
- ✓ We aspire to be a great organization to work for and an employer of choice
- ✓ We support our people through learning and development initiatives, while also fostering opportunities for growth and advancement
- ✓ We are committed to doing what is right and embodying Company values in all our actions

Engaging with our team members is critical as we move forward in our efforts to develop a positive and inclusive work culture. Team member engagement is encouraged through our Team Member Feedback Framework, which includes our Xpressline suggestion and feedback program, people surveys, roundtable communications, and 360-degree leadership feedback.

Additional internal communications to keep our team members involved in the business include interactive team meetings, email and video communications by the President and Chief Executive Officer and other management members, webcasts, and annual publications such as our ESG Report and financial reports.

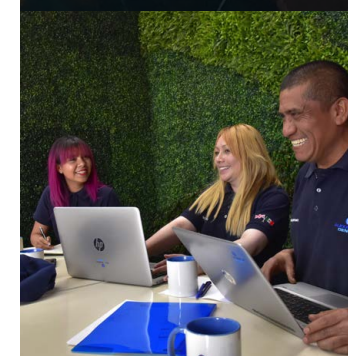
We work to ensure consistent two-way communication and the feedback we receive informs our people strategy and drives action plans to further enhance our workplace culture, foster inclusivity, and improve retention of our people — our most valuable assets.



## Shout-Outs

In 2023, when re-launching our mission, vision, and values across the entire organization, we also updated our Shout-Out program to reflect our core values. Shout-Outs provide a way to say thank-you to someone at NFI for going the extra mile, and we take a moment to say so publicly.

**82** In 2023, 82 team members recognized their peers by submitting a “Shout-Out” recognition.



## Employee Pulse Check

In 2023, we conducted an NFI-wide pulse check survey, with a 65% team member participation rate. The results showed an 84% favorable response to the employee engagement index designed to measure team member commitment and overall satisfaction.

# Human rights statement

## Our Commitment

At NFI, we are committed to respecting the human rights and dignity of individuals within our operations, supply chain, and communities where we do business, and to promoting and protecting the human rights of our team and other stakeholders. We strive to do this through our Code of Business Conduct and Ethics, our Supplier Code of Conduct, and other NFI policies. In recognition of the evolution of human rights and that circumstances may change over time, we regularly review our human rights approach and focus areas and make updates where appropriate.

## Our Approach

We view human rights within the meaning of internationally recognized human rights. Our approach is informed by international principles, including those encompassed in the United Nations Guiding Principles on Business and Human Rights Universal Declaration of Human Rights, and International Bill of Rights. We uphold the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, subject to and in accordance with rights and obligations under applicable laws.

Based upon our operational context and ability to influence, NFI's human rights approach focuses on the management of human rights within our operations, supply chain, and communities in which we do business. Among other things, we concentrate on labour and team member welfare. For example, the working conditions of our team members at a particular facility are, at minimum, in compliance with internationally recognized labour standards and the laws of the country in which they work.



Further information about NFI's Human Rights Statement is available [nfigroup.com/esg/documents-charters](https://nfigroup.com/esg/documents-charters)

In accordance with relevant laws and regulations, and as described in our Code of Business Conduct and Ethics as well as our Supplier Code of Conduct, we will:

- ✓ Treat people with respect and dignity, in accordance with reasonable expectations
- ✓ Foster a workplace free of harassment and discrimination
- ✓ Provide an inclusive workplace and promote diversity in the workplace
- ✓ Prohibit forced, bonded, trafficked, and child labour in our operation and avoid such labour in our supply chain
- ✓ Recruit ethically, based on the needs of our business and seek to recognize the talent and potential of new applicants
- ✓ Provide fair wages and benefits that are based on the consideration of numerous applicable factors
- ✓ Promote health and safety in the workplace as described in our Environmental, Health, and Safety ("EHS") Policy
- ✓ Adopt practices to protect the personal information of our team members and customers
- ✓ Recognize the freedom of workers to associate or not associate with a labour union, and to collectively bargain when represented by a legally recognized labour union
- ✓ Respect the right to freedom of association and to not undermine or pressure any team member from exercising this right



# Occupational health + safety

**At NFI, our commitment to protecting and continually developing our most important asset, our people, is at the core of every business decision we make. Our people come first.**

We are dedicated to safeguarding human health across our businesses, striving for a safe and healthy working environment, and continually working towards a goal of zero incidents. To prioritize incidents prevention, we've implemented an EHS policy, reinforced by our comprehensive environment, health and safety management system ("EHSMS") covering all NFI facilities, operations, contractors, visitors, vendors and suppliers through our Supplier Code of Conduct.

All of our heavy-duty and medium-duty transit and motor coach manufacturing facilities in North America, are registered to the ISO 45001 Occupational Health and Safety standard. In 2023, we also registered our first fabrication site, Carfair Winnipeg.

## Worker Training

Team member training and development are critical to ensure that team members have the knowledge and skills necessary to perform their job in a safe and competent manner. Safety training is provided to meet all regulatory requirements and to educate and reduce the risks associated with tasks or work-related hazards.



NFI's EHS Policy is available upon request at [nfigroup.com/contact-us](https://nfigroup.com/contact-us)

## Hazard Identification, Risk Assessment + Incident Investigation

Work-related hazards are identified through routine inspection by supervisors and the health and safety committee or representatives, who are trained to recognize hazards. As hazards are identified and the risk has been assessed, solutions are developed to eliminate and/or mitigate the risk.

Team members are advised during orientation of the importance of reporting hazards to their supervisors and understand they have the right to refuse unsafe work.

Incidents are investigated by the leader, the worker and a representative of the Joint Health and Safety Committee ("JHSC") or representatives. The objective of every investigation is to understand the factors that caused the incident in order to develop actions to prevent recurrence.

All team members that report hazards, unsafe work, or incidents can make these reports without fear of reprisal.

NFI has an occupational hygiene program that assesses and controls the workplace factors that may have an adverse impact on human health. All identified industrial hygiene exposures (chemicals, welding fumes, etc.) are assessed for risk of exceeding regulated exposure limits. Where there are exposure risks, engineering controls and personal protective equipment are used to mitigate the effects of exposure.

## Worker Participation + Consultation

We are committed to supporting team members by ensuring worker representation through a JHSC program focused on a cooperative approach to identifying and resolving safety-related risks. A well supported program is critical to the prevention of incidents and injuries within all facilities.

The JHSC consults and advises on the development and promotion of measures to protect the safety and health of persons in the workplace and monitoring the effectiveness of such measures. We continue to expand our JHSC program, and, in 2023, 95% of NFI employees were covered, with development underway for the remainder.<sup>1</sup>

1. Excludes APAC and Mexico.

## Work-Related Injuries

In 2023, NFI experienced an increase in both incident and lost time rates. Risks associated with ramp-up activities and significant facility reconfiguration work were factors for the increases.

NFI's Health + Safety Measures	2022	2023
<b>Incident Rate</b> per 200,000 work hours	2.8	3.2
<b>Lost-Time Incident Rate</b> per 200,000 work hours	1.0	1.5
<b>Fatality Rate</b> employees + contractors	0.0	0.0

High-consequence risks are identified by site-specific risk assessments. These risk assessments are reviewed annually and updated as new hazards are identified or new controls are implemented. Working with alternative fuels and high voltage presents high-consequence risks to our workers. Programs and training are in place minimizing the risks from these tasks.

The most common injuries experienced at NFI are ergonomic in nature. Enhancements have been made to the ergonomic training that all associates receive when hired, including annual refresher training.

# Today's talent, tomorrow's future

**At NFI, we have built our talent acquisition and retention strategies with the understanding that today's talent is instrumental in shaping a successful and sustainable future for NFI and the communities in which we operate.**

By prioritizing the acquisition and retention of top talent, we better position the organization to adapt to challenges, foster innovation, and maintain a competitive advantage in this dynamic business environment.

In 2023, we continued our proactive and forward-thinking approach to talent acquisition, which goes beyond traditional methods. Our commitment to strengthening our community engagement, building diverse candidate pipelines through a variety of sourcing initiatives and continually improving our processes to remove barriers in the recruitment and selection process contributes to a more inclusive and equitable workplace and improves our ability to retain talent.

As our talent needs increased in 2023, so did our ability to offer quality manufacturing jobs, with career advancement opportunities, to individuals from underserved, underrepresented, and historically disadvantaged communities. In 2023, Talent Acquisition and Workforce Development ("TAWD") teams were aligned under a single functional leader to combine strategies and efforts to foster a holistic and Company-wide approach to managing talent, workforce, and community well-being. This alignment creates consistency between the skills and attributes required in the recruitment processes and the organization's skill development needs.

Our CBF, a holistic approach to workforce and community well-being, continues to drive our TAWD strategy and reaffirms NFI as an employer and organization that our people are proud to be a part of.

Our vision is to drive business success by engaging and empowering our workforce. We do this through these actions:



**Addressing employment inequities across the manufacturing industry**



**Building and providing employment opportunities for people who represent the rich diversity of communities within which we operate**



**Developing and deploying a consistent, fair, and standardized approach to talent acquisition across our Company**



**Ensuring that equal employment opportunity exists for all individuals**



**Ensuring that all voices are respected, protected, and included across our team**

## Equal Employment Opportunity

**NFI seeks to employ the best qualified team, better representing communities in which we live and work, and promoting activity that is free from discrimination. We do this in accordance with our Human Rights Statement, Company values, and Code of Business Conduct and Ethics.**

We encourage the creation of diverse teams through hiring and advancement processes that work together to reduce biases and respect unique differences, ultimately leading to a more inclusive culture and a respectful workplace.

NFI is committed to recruit, hire, train and promote into all job levels the most qualified persons without regard to race, colour, religion, gender or gender expression, sexual orientation, national origin, age, marital status, genetic information, abilities, veteran, or historically disadvantaged group (defined as being Black, Indigenous, and/or People of Colour; women; 2SLGBTQIA+ persons; being unhoused or houseless; being a custodial single parent or primary care-giver; receiving public assistance; lacking a general education development or high school diploma; being a systems-impacted person or having other involvement with the criminal justice system; suffering from chronic unemployment; or being emancipated from the foster care system). We continue to develop and institutionalize programs and processes designed to eliminate identified barriers and help us achieve our recruitment diversity goals.



# Workforce development

**Workforce development is a critical aspect for meeting our labour demands. Our workforce development encompasses economic and social progress, and various strategies and initiatives aimed at enhancing the skills, knowledge, and abilities of individuals in the labour market.**

Workforce development is important for advancement, organizational success, and overall economic growth. We work closely with community groups to develop programs that support skill and career development for groups that are underserved in many workplaces, including but not limited to: women, Indigenous Peoples and founding nation groups, persons of colour and racialized communities, newcomers to our countries, persons with visible or invisible disabilities, the 2SLGBTQIA+ communities, those formerly incarcerated, and youth.

## Community Benefits Framework

NFI proudly developed a CBF in 2020 with the objective to expand upon existing workforce development approaches, while enhancing the hiring of diverse, underserved, underrepresented, and historically disadvantaged individuals. The CBF serves as the guiding framework from which all formal agreements outlining our commitments are created and implemented. We continue to work towards adopting this employment and community model for all NFI facilities.

Further information available upon request at [newflyer.com/our-impact/community-benefits-framework](https://newflyer.com/our-impact/community-benefits-framework)



## Participating in Community Skill Enhancement Programs

In 2023, NFI participated in the Canadian Manufacturers and Exporters (“CME”) EmpowHer program, a multi-sector, collaborative project designed to prepare women for employment in the construction, film, or manufacturing industries in Manitoba. The training these candidates received included job readiness and career awareness, industry specific safety training, skills for success with workplace education, industry technical training, and on-the-job experience. In 2023, New Flyer extended a warm welcome to 15 program participants for a tour of our Winnipeg manufacturing facility. Subsequently, this initiative resulted in two individuals securing on-the-job experience placements for three weeks in early 2024, ultimately leading to their successful recruitment for full-time positions.

## Veterans

NFI hosted members of the Minnesota Department of Veterans Affairs at our St. Cloud facility to promote career opportunities for veterans within the Company. This partnership aims to assist veterans in transitioning their military skills into civilian careers. Through this collaboration, NFI reaffirms its commitment to supporting veterans and leveraging their valuable skills in the civilian workforce. NFI also participated in The City of Anniston’s Veteran Well-Being Town Hall and Resource Fair, which aims to combat the continuing stigma veterans face with mental illness. NFI was one of 20 employers on site to support employment assistance programs.

NFI’s North American team is home to over 212 veterans who joined the team following service with the military, including the Canadian Armed Forces and the U.S. Air Force, Army, Navy, Marines, Coast Guard, and National Guard.

On November 11, 2023, NFI issued a special edition of Leading the Charge honoring some of our veterans across NFI.

**Leading the Charge 11.11.23**

[Read online](#)

**Honoring Veterans**

[View the Newsletter](#)

**November 11, 2023**

**Honoring Veterans**

November 11 marks Veterans Day in the United States and Remembrance Day in Canada, and it is a time for us to pay our respects to those who served or continue to serve during times of war, conflict, and peace, and to reflect upon the sacrifices of those who died while in service. From all of us at NFI, thank you for your service.

NFI's North American team is home to over 212 veterans who joined the team following service with the military, including the Canadian Armed Forces and the U.S. Air Force, Army, Navy, Marines, Coast Guard, and National Guard.



New Flyer partnership with Legacy Club, supporting career planning skills



TAWD team at EPIC's event in St. Cloud



## Our Future Workforce

NFI actively engaged in various community initiatives to promote education and career development throughout 2023, including:

- ✓ Participating in East Alabama's Worlds of Works event for the seventh consecutive year, engaging 8,200 students and organizing activities to showcase career opportunities
- ✓ Involvement in EPIC's Explore Potential Interests and Careers event in St. Cloud, MN, focused on advanced manufacturing, contributing to the region's economic development
- ✓ Speaking engagements at Jacksonville High School's Mastery Prep class, addressing 125 students on career options and essential skills, and at Munford Elementary's Kindergarten Career Tech Elf Workshop, emphasizing organization skills
- ✓ Hosting grade seven students at MCI Pembina, to showcase our manufacturing process and career opportunities, as part of Pembina-Walsh County Manufacturing Day;
- ✓ Interacting with students at Calhoun County Career Academy's Spring Open House, showcasing the benefits of joining our workforce and enhancing their curriculum through industry collaboration; and
- ✓ Collaborating with the Legacy Club to host a career planning soft skills workshop.

## NFI participated in Economic Development Winnipeg's Recruitment Mission to Paris, France.

The recruitment event was held in conjunction with the Government of Canada's 2023 Destination Canada Mobility Forum. The intent of the mission was to attract highly skilled, bilingual candidates interested in establishing a career and life in Winnipeg, MB. NFI was one of four attending employers, sharing our organization and career opportunities with talent on the global stage.

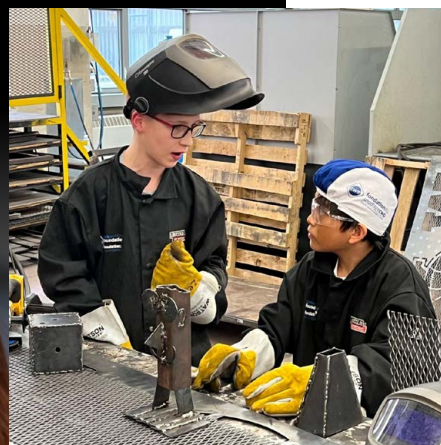
## Second Chance Employer

New Flyer has garnered recognition as a "second chance employer," actively employing individuals with criminal records or past mistakes. Understanding the challenges these individuals encounter in reintegrating into society, New Flyer is dedicated to offering them opportunities for rehabilitation and a new beginning through meaningful employment. New Flyer's commitment was highlighted through:

- ✓ Hosting a lunch and learn specifically aimed at impacting individuals with criminal backgrounds, reaffirming its dedication to providing support and pathways to success for those seeking to rebuild their lives;
- ✓ Supporting hiring initiatives for day release programs;
- ✓ Supporting hiring for newly released individuals as they begin their new journey;
- ✓ Collaborating with institutions on training skilled labour programs; and
- ✓ Attracting Second Chance Job Fair Tri-County Community Corrections.

New Flyer has been leading NFI's systems impacted initiatives. NFI plans to adopt many of these initiatives and successes across NFI, and to replicate successful programming across our North American facilities.

# Mind over Metal™ youth camp



**NFI supported a Mind Over Metal™ youth camp in Winnipeg, MB, in partnership with the Canadian Welding Bureau Welding Foundation (“CWB Foundation”), a national not-for-profit charity that supports the Canadian welding industry.**

NFI is committed to supporting the welding workforce of the future. These camps engage youth across Canada by introducing them to the welding trade in a fun, safe environment, providing information regarding the possible career paths through a welding education, and encouraging participants to consider careers in the welding industry.

Launched in 2015, Mind Over Metal camps were developed to address the current and projected welding skilled trade shortage across Canadian industries. Targeted at youth ages 12 through 17, the camps aim to change the perceptions of youth and their parents about welding, welding related, and skilled trades careers through hands-on learning. From April 25 through May 30, 2023, Grade 7 and 8 students at Tec Voc High School in Winnipeg, MB, explored the world of welding and developed welding skills through state-of-the-art training.

## Building the Welding Workforce of the Future

Due to the success of the Mind Over Metal camp in 2023, and its ability to attract youth to a career in welding, NFI is proud to continue support of the camp in 2024. Additionally, NFI will expand our reach by adding a pre-employment welding workshop, Women of Steel, designed to enable women to explore welding as a pathway towards further education or employment in welding or related skilled trades. These important programs open doors for youth to experience the welding trade, helping them to build confidence and skills to embark on a welding-related career—the foundation for building a highly-skilled welding workforce in Canada. This solidifies NFI’s commitment to supporting education and workforce development to drive the new mobility era.

**“ Tec-Voc High School was honored to host the Mind Over Metal camp. Students from six different middle schools in the Winnipeg School Division joined together to create a fun learning atmosphere where new friendships were forged and lifelong memories made.”**

— Tobias Punton, Work Education Coordinator, Heavy Vocational Department Head, Tec Voc High School



**Rob Marion**  
Vice President, Fabrication,  
North American Bus and Coach

In 2023, Rob Marion, NFI’s VP Fabrication for North American Bus and Coach, was proud to join CWB Foundation’s Board of Directors. His advocacy efforts will be critical to advancing welding related skills and technologies in Canada.

# Developing and empowering our team: NFI Learning Institute

**As our products have evolved to meet our customer and environmental specifications, so have the programs and processes used by the NFI Learning Institute to support organizational development.**

The NFI Learning Institute (“NFI LI”) is a group of skilled Learning and Development Specialists who strive for excellence in the development and the delivery of programs that range from onboarding and upskilling to technical, leadership, and professional development. These services are provided based on a shared service model that spans across all business locations. In 2023, the NFI LI increased its year-over-year investment in training, with total organizational expenditure of \$10.9 million.

## \$10.9M

**Invested in team member training in 2023**

New team members at NFI undergo a comprehensive two-week orientation, equipping them with essential technical skills and role exposure. Post-orientation, they follow a structured on-the-job training (“OJT”) plan, applying acquired skills. Upon demonstrating competence, they assume responsibilities to work independently. Continuous learning is ensured through annual safety, policies, and certification training. The NFI LI supports ongoing upskilling, cross-training, and introduction to new technologies. External subject matter experts are engaged when specific expertise is needed.

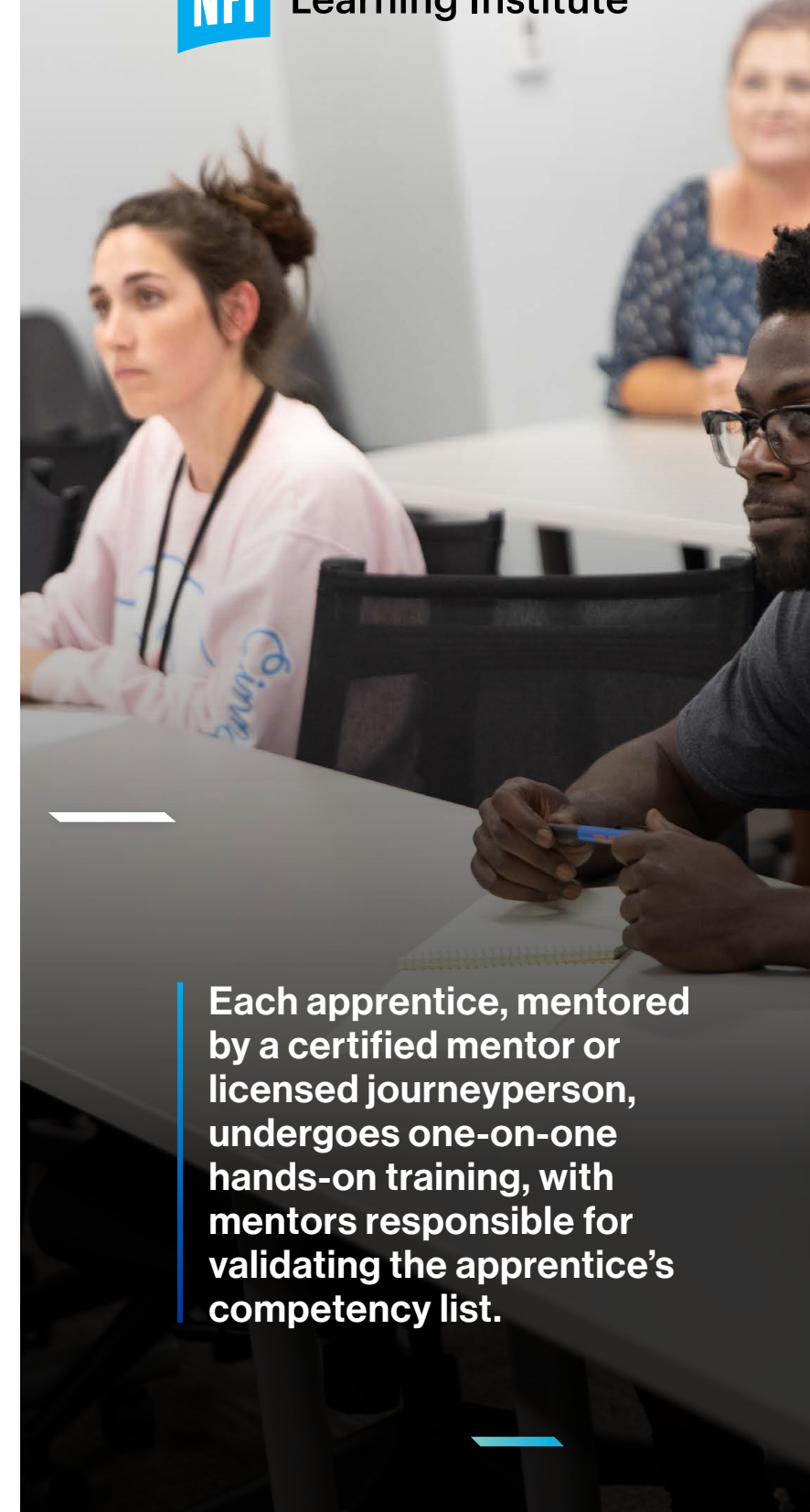
**The NFI LI efficiently meets high training demand through role-based OJT programs, time-efficient micro-lessons, video demonstrations, on-demand professional development, and upskilling with a blended eLearning and Instructor Led Training (“ILT”) approach.**

To accommodate a globally distributed workforce and reduce environmental impact, strategic placement of the team supports ILT course delivery across geographical areas. Accessible via the NFI Learning Institute Learning Management System (“LMS”), eLearning programs benefit all team members. ILT instructors use software for live webinars, providing just-in-time instruction across multiple locations and countries.

The NFI LI employs skilled curriculum developers collaborating with subject matter experts to create engaging technical and professional programs catering to diverse learning styles. Periodic reviews ensure program relevance and alignment with evolving team needs. The NFI LI actively integrates with organizational projects, incorporating training into new initiatives for enhanced project outcomes.

Alexander Dennis continued to grow and develop talent through its Business Graduate Program. In 2023, there were five graduates in the program that fulfilled business needs and gained real world experience across various functions of the business. One of our graduates secured a permanent role within the business before the end of the program, demonstrating the learning and development gained.

**Alexander Dennis also enhanced its AD24 Training Academy courses for apprentices across the UK and New Zealand locations to “futureproof” the bus industry workforce by addressing the industry’s skills gap with through upskilling to enable work on battery-electric and hydrogen fuel cell buses. Simultaneously, in North America, the Electrical Technician Apprenticeship Program (“ETAP”) received official registration from the Alabama Office of Apprenticeship, establishing it as a state registered and licensed apprenticeship program. ETAP, designed as a competency-based program, involves nearly 400 competencies to be fulfilled, along with over 300 hours of classroom training.**



**Each apprentice, mentored by a certified mentor or licensed journeyman, undergoes one-on-one hands-on training, with mentors responsible for validating the apprentice’s competency list.**

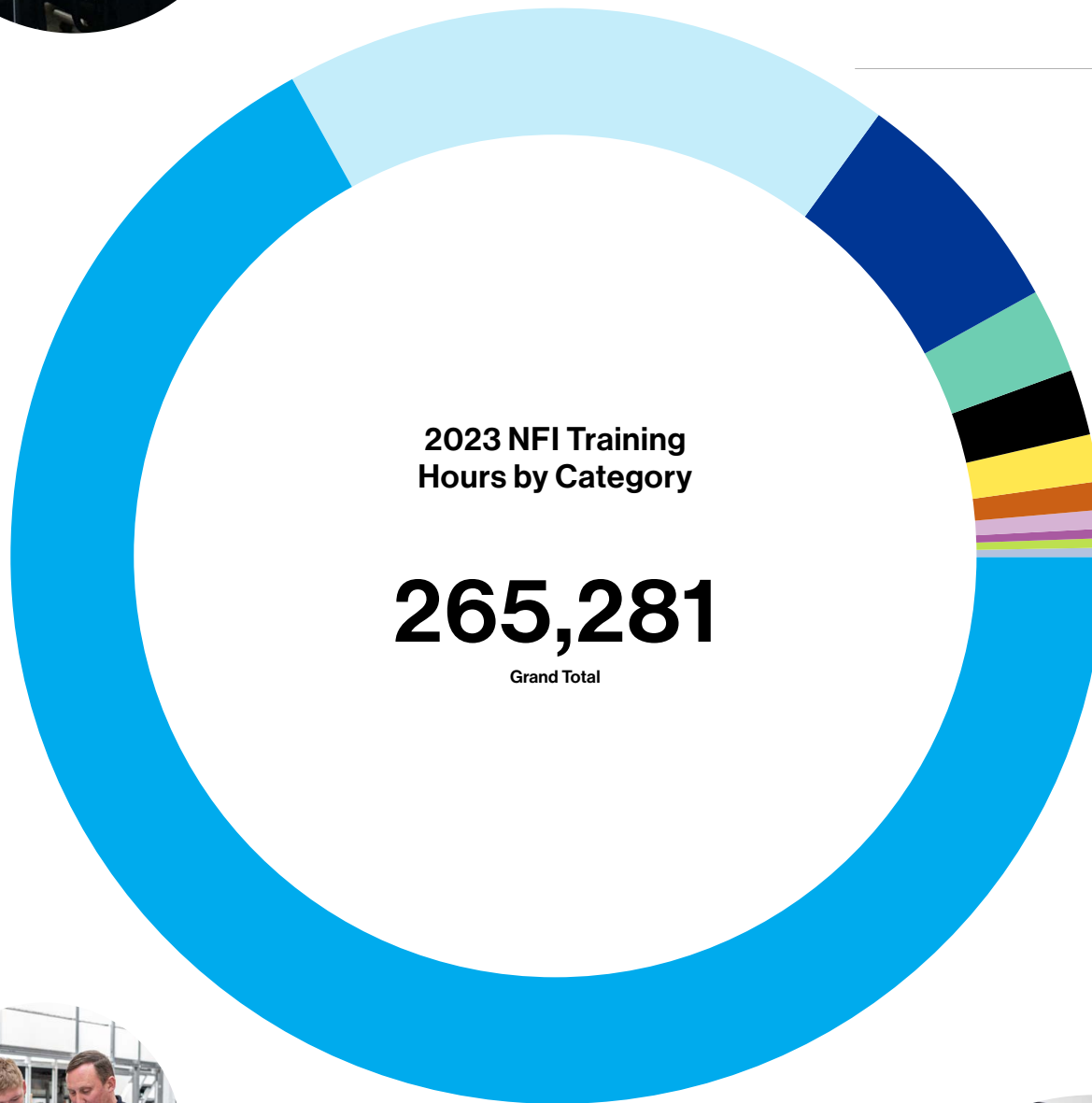
# Developing our leaders

Leaders play a significant role in enhancing NFI’s culture, attracting and retaining talent, and executing strategic goals. The NFI LI supports current and future leaders’ development through leadership programming, focused on foundational skills, annual senior leadership workshops, ongoing curriculum design to address skill gaps, onboarding through leadership orientation, an Emerging Leadership Program to develop future leaders, and the management of succession and talent management programs.

**NFI assists team members in their professional development and in advancing their careers by encouraging academic studies that contribute to Company goals and performance through an individual’s education. This is done through an Educational Assistance Program, managed by the NFI LI.**

In 2023, the NFI LI was proud to accomplish the following:

- ✓ Enhancement of tracking processes and management of certifications;
- ✓ Development of a registered apprenticeship program;
- ✓ Development and roll-out of 46 eLearning courses;
- ✓ Enhancement of our onboarding programs; and
- ✓ Continued development and enhancement of ILT technical training programs.



- **OJT:** 178,044
- **Technical:** 48,144
- **Safety:** 18,225
- **Orientation:** 6,757
- **OpEx:** 4,678
- **Professional:** 3,809
- **Computer:** 2,214
- **Leadership:** 1,463
- **Quality:** 1,106
- **Diversity, Equity + Inclusion:** 664
- **Communication:** 155
- **Financial:** 22



# Employee compensation

**NFI works to advance employment for all people. We are committed to administering all employment matters in accordance with the value we place on fostering a diverse and welcoming workplace that values the contributions of all team members<sup>1</sup>. We ensure that all team members protected categories, including gender, do not factor into compensation decisions.**

We believe fair and equitable pay is an essential element of any successful business model, and we are proud to stand with other companies that share this same value. NFI conducts pay gap analyses on an ongoing basis to identify any pay discrepancies and makes adjustments whenever unaccounted for discrepancies are found. We practice transparency and limit discretion in pay decisions.

# 99.7%

## Equal opportunity + pay equity

### Living Wage Assessment

NFI acknowledges and supports the need to contribute to the economic well-being of our team members and the communities in which our Company operates. NFI supports the growing number of companies committing to pay a living wage to their team members.

In 2023, NFI expanded our living wage assessment to include the NFI Parts and ARBOC facilities in Canada and the U.S., to understand the competitiveness of NFI's wage scales in relation to applicable local living wage guidelines. To conduct the study, NFI continued to expand the tool designed by Korn Ferry (retained to complete the independent living wage assessment) beyond the main transit production facilities. The methodology and tools used in the assessment were: Massachusetts Institute of Technology<sup>1</sup> for team members based in the U.S., and the Living Wage Rates Canadian for team members based in Canada.<sup>2</sup>

The review was conducted by comparing the current wage and medical/dental benefits of all employees in each jurisdiction to the living wage information available through external data sources, including the living wage definition of two adults and two children. This assessment with the expanded group consisted of 160 different counties/municipalities in Canada and the U.S.

**In 2023, 99.7% of NFI team members wages met minimum standards of living in their community. Team members that were found under the living wage will be reviewed to meet living wage in the annual wage increase cycle.<sup>3</sup>**

NFI seeks to pay fair wages, meeting or exceeding the amount for basic living needs. In 2024, we will continue to monitor the competitiveness of our wage levels.

### The Scottish Fair Work First Policy

**Alexander Dennis proudly supports the Scottish Government's Fair Work First policy and supports the need to contribute to the economic well-being of its team members and surrounding communities in which it operates.**

### 2023 Alexander Dennis Gender Pay Gap

Through our continued efforts, the mean gender pay gap at Alexander Dennis has been reduced from 3.4% in 2022 to -1.5% in 2023. In other words, for the first time, females are paid more than men in terms of mean hourly pay. Alexander Dennis was also pleased to report that they now employ the highest portion of females in their history at 8.9% and that 29% of new hires in 2023 were female. This is the highest ratio since the advent of gender pay gap reporting.

Alexander Dennis remains committed to closing the gender pay gap by continuing our strong links with educational institutions and progressing and developing female talent, as well as promoting an inclusive culture through education, promoting inclusive hiring practices, and creating a work culture that values diversity and inclusion.

## Looking ahead

We will continue to use a competitive survey process to measure our competitive position in the marketplace with regard to compensation and benefits against a group of peer companies. A peer group consists of employees in the same region, salary level, and classification, when available. We will also continue to monitor and expand disclosure regarding our gender pay gap ratios.

<sup>1</sup> <https://livingwage.mit.edu/>  
<sup>2</sup> <https://www.livingwage.ca/rates>  
<sup>3</sup> Excludes Alexander Dennis

# Respectful workplace

**NFI has zero tolerance for workplace discrimination and harassment. All team members are responsible for ensuring that NFI is a safe and respectful environment, free of discrimination and harassment, where high value is placed on equity, fairness, and dignity.**

Discrimination and harassment based on race, gender identity or expression, sexual orientation, colour, national or ethnic origin, religion, marital status, family status, citizenship status, veteran status, age, or disabilities is prohibited. NFI has zero tolerance for acts of violence, threats of violence, and acts of intimidation against another person or group.

All team members are required to complete training regarding the Respectful Workplace policy and reporting procedures on a two-year cycle, unless otherwise required by regulation.

In 2024, NFI plans to roll-out an enhanced Respectful Workplace policy and education and awareness initiatives, encompassing all North American businesses.

## 2023 Respectful Workplace Complaints



### Complaint Type

- **38** Inappropriate/Disrespectful Behavior
- **23** Personal Harassment
- **11** Violation of Company Policy
- **1** Sexual Harassment
- **0** Violation of Protected Class/Characteristic

**In 2023, 73 complaints were filed and investigated across all NFI Business Units, which represents less than 1% of our total workforce.**

These complaints are tracked in five main complaint categories and are reported on a quarterly basis. NFI has robust incident reporting and investigation processes to maintain confidentiality and to prevent non-retaliatory behavior.



**In 2023, 4,109 NFI team members completed Respectful Workplace training.**

# Labour relations

**As of December 2023, NFI works with seven unions globally, representing approximately 53% of our global workforce.**

In 2023, New Flyer ratified new five-year labour agreements covering production and inspection employees at a UNIFOR represented site and Carfair ratified its first collective agreement covering employees at a newly represented United Steelworkers (“USW”) location. New Flyer engaged in first contract negotiations with the Communications Workers of America (“CWA”) at two newly represented New Flyer locations in the U.S. These agreements were completed, and included a four-year labour agreement and a three-year labour agreement (ratified in January 2024). Our UK Scarborough site and Unite the Union reached agreement on new terms and conditions and the UK Falkirk site and Unite the Union reached agreement on new terms and conditions following rotating walk outs in late 2023 and January 2024. These agreements provide bargaining unit team members with a competitive wage and benefit package, recognizing their hard work and contributions, and supporting families and communities.

NFI’s relationships with labour unions are generally healthy and stable business partnerships. Consistent with our respect for team members and their bargaining representatives, we have worked collaboratively with our union partners to respond to business challenges and work to improve performance.

We manage our labour relations regionally, while keeping a global NFI perspective. The labour relations responsibility is held by the NFI employee and labour relations leader, with partnerships that go to the highest level of the NFI organization. Regular meetings are held with our union partners, starting with quarterly meetings between the plant and the union leadership. Regional heads of manufacturing participate in face-to-face meetings with the unions when visiting the manufacturing sites, and plant managers discuss business issues with local unions on a daily basis. These meetings provide critical input for making business decisions in a dynamic environment where schedules, supply impacts, and products are ever changing. NFI leadership devotes time to working productively with our union partners. This spirit of collaboration and consultation continues even during challenging times.

## There were a total of 31 labour management meetings held in 2023.

In 2023, we expanded on freedom of association rights outlined in our Human Rights Statement through the introduction of the Freedom of Association Statement (see following page) and signed Access and Neutrality agreements covering New Flyer, KMG, and Carfair US non-union locations with CWA and USW for a five-year period mutually recognizing freedom of association and collective bargaining rights.

## In 2023, four leadership refresher training sessions were held, outlining these rights and obligations. In addition, leadership training sessions are conducted upon hiring or promotion of managers. These rights are communicated to all employees and management at the New Flyer, KMG, and Carfair operations.



The way we manage labour relations is evolving as the nature of unions and our interactions with them evolve around the world. We work to share best practices and solutions among regions.





# Freedom of association

## Commitment

At NFI, we are committed to respecting human rights, including freedom of association and collective bargaining, within our operations globally. This commitment to respect the right to freedom of association and to not undermine or pressure any employee from exercising this right has been clarified in updates to our Human Rights Statement and Code of Business Conduct and Ethics in 2023. As part of our commitment to freedom of association and collective bargaining, as well as other human rights, we regularly review our risks, due diligence, and management systems related to human rights, which may result in changes.

## Our Approach

We view human rights within the meaning of internationally recognized human rights, as well as applicable laws where we operate. More specifically, our approach to freedom of association and collective bargaining includes our commitment to uphold the International Labour Organization's Declaration on Fundamental Principles and Rights at Work (the "Declaration"), subject to and in accordance with rights and obligations under applicable laws. As previously indicated in our Human Rights Statement (2021), NFI recognizes the freedom of workers to associate or to not associate with a labour union, and to collectively bargain when represented by a legally recognized labour union. In connection with our commitment, NFI prohibits any member of management or agent of NFI from undermining the right of employees to form or join trade unions, or to pressure any employee from exercising such right, in a manner contrary to the Declaration and applicable law.

## Implementation

Like other human rights, NFI operationalizes freedom of association and collective bargaining in a number of ways. We deliver training and awareness-raising activities among team members and management related to the freedom of association and collective bargaining, including practical "dos" and "don'ts". We monitor, and report externally on, our human rights commitments and efforts, including with respect to the freedom of association and collective bargaining. We encourage our team members to speak up, without retribution, about any concerns related to freedom of association, collective bargaining, and other human rights through a number of mechanisms (such as round tables, town halls, surveys, "pulse checks," and a confidential online mechanism). If such concerns were raised, they would be investigated in accordance with our Whistleblower Policy. We do not tolerate retaliation or reprisal against any workers exercising their rights in accordance with applicable law and corporate policies. If any shortcoming is identified with respect to NFI's operationalization of the freedom of association and collective bargaining, such shortcoming would be addressed.

NFI's quarterly assessment of enterprise risks provides further oversight for operationalization of the freedom of association and collective bargaining. Such risks are reported to the Board. Thus, they have visibility into any significant issue with respect to the operationalization of the freedom of association and collective bargaining.

Moving forward, NFI plans to report on significant risks to the freedom of association that have been identified, and measures taken to mitigate the risks. We will also disclose relevant information, such as collective bargaining coverage across our locations and businesses, and how NFI has been engaging with workers and unions.



# Employee well-being

**Support for mental health and well-being is critical for our team members, their families, and our ability to deliver on our goals and objectives. Throughout 2023, facilities across NFI organized health and wellness events, activities, and supports.**

## Cycle to Work program

Every year, Alexander Dennis offers a Cycle to Work program that allows team members the opportunity to save up to 42% on the cost of a new standard or electric bike and accessories. This initiative reduces climate change impacts, while supporting physical and mental health, and saving team members money that would otherwise be spent on fuel and parking. In 2023, we increased our budget for the program, which increased our uptake to 48 team members in 2023, from 41 in 2022.

## Flexible Work Program

NFI launched its Flexible Work Program in October 2021 in continued efforts to provide a progressive work environment through flexible work arrangements. The Flexible Work Program, which continued throughout 2023, is designed to include all operational and administrative roles where applicable and suitable flexible work alternatives exist. The program provides alternatives to work schedule arrangements, including alternative shift schedules, in addition to flex/hybrid or remote work in positions that are suited.

We desire the highest standards of service through an engaged, talented, and flexible workforce, and we believe that supporting team members in flexible work and schedule arrangements, where possible, will assist to achieve this.

## Mental Health in North America

In 2023, New Flyer and MCI facilities in Winnipeg held mental health and wellness events to provide information on services available to our team members in the province. This included participation from vendors including Blue Cross Manitoba, Mood Disorders Manitoba, Shapes Fitness, Altea Active, Canada Life, and the YMCA.

## Mental Health in the UK

### Mental Health First Aiders

In the UK, Alexander Dennis provides important support to all team members through their Mental Health First Aiders (“MHFA”) program. MFHA’s are taught to identify, understand, and respond to signs of mental health challenges; learn risk factors and warning signs; be prepared when a mental health crisis occurs; and assist team members with finding appropriate assistance for their specific circumstance. During Mental Health Awareness Week in 2023, MFHAs hosted a breakfast event to discuss how they can even better support team members in 2024.

### Mental Health Awareness Week at Alexander Dennis

Alexander Dennis continues to support the mental health and well-being of its team members by raising awareness with numerous events throughout the year and a focus on mental health during Mental Health Awareness Week. During Mental Health Awareness Week, Alexander Dennis hosted coffee mornings, talks, and lunchtime walks, for the team to come together and raise awareness about mental health and anxiety. Additionally, on Wear It Green Day, team members were invited to fundraise for the Mental Health Foundation, with all proceeds matched by the Company.

**2,429 metric tons CO<sub>2</sub>e avoided<sup>1</sup>**

**With just over 17% of our workforce in a flex/hybrid or remote work option in 2023, the decrease in daily commutes to the workplace equates to a reduction of approximately 2,429 metric tons of CO<sub>2</sub>e over the year<sup>1</sup>.**

<sup>1</sup> Calculated using Greenhouse Gas Protocol Scope 3 methodology



**We continue to take steps to reduce the stigma around mental health issues, inspire one another to take action, and create a culture where all team members can access the mental health support they need.**

# Team spirit

## Teamwork, community involvement, and a collaborative spirit are inherent aspects of our culture at NFI.

Employee-led social committees are established in various business units, with unique employee-planned events held throughout NFI locations annually. We are proud of these efforts to build stronger communities, to create a fun and caring workplace, and to support mental health awareness and connections. From hosting year-end holiday lunches to arranging roundtable and townhall meetings, our passion for a social and engaged workforce is evident through the initiatives our various social committees develop.



- ARBOC held chili cook-offs, a picnic, and cornhole tournament.
- ARBOC also paired birthday recognitions with monthly roundtable team discussions to increase opportunities for moments of celebration throughout the year.



- The Enviro400FCEV hydrogen bus was shown to team members at the Alexander Dennis Skelmersdale site in England, to showcase the new product and to foster a stronger sense of team and community. Team members had the opportunity to ride on the new, state-of-the-art vehicle ahead of the official customer launch.
- In August, Alexander Dennis celebrated a combined 490 years of service to the Company when 18 members of the Scarborough team reached their 25-and 45-year milestones.
- The Alexander Dennis next-generation Enviro500EV test and development vehicle was officially named Lewis in honour of the late son of an Alexander Dennis team member, Davy.
- To celebrate the launch of Alexander Dennis' next-generation electric buses, UK and APAC team members received a pair of not-for-sale socks (otherwise exclusively reserved for the invited guests of our event) featuring the beautiful pattern of the moquette (seat fabric) of the demonstrator buses.
- To celebrate Pride month and kick start conversations on how to best support 2SLGBTQIA+ team members, Alexander Dennis launched a Pride Network to provide a forum where team members can come together to make suggestions and improvements to make Alexander Dennis a place where everyone can be proud of who they are and where everyone takes pride in embracing and celebrating the diversity of each other.



- Carfair teams across Canada and the U.S. participated in a variety of activities including Halloween costume contests, Canada Day celebrations, BBQs, and more.
- Carfair teams supported the United Way fundraiser with the annual bus pull competition, "pie the manager", and other activities that helped NFI achieve our record-breaking amount of funds raised for 2023.
- Carfair Winnipeg hosted their first annual summer family day in July at Assiniboine Park, with over 175 attendees bringing dishes from their cultural backgrounds and activities such as face painting and games for children.
- Teams at St. Cloud had the opportunity to view a completed New Flyer battery-electric bus so they could see their work brought to life.





- ✓ New Flyer teams stayed active throughout the year with a softball tournament in Anniston, golf tournaments in Anniston and Winnipeg, a volleyball tournament in Winnipeg, roller skating in St. Cloud, and a family bowling day in Winnipeg.
- ✓ Teams got to show their creative side through Halloween costume contests in Anniston, get competitive with a pool tournament in Winnipeg, and enjoy some relaxing time at the movies with their families in St. Cloud and Winnipeg.
- ✓ The teams also participated in a number of fun activities in support of the United Way, including the highly anticipated bus pull competition and car shows.
- ✓ All New Flyer facilities hosted children's holiday parties, which brought cheer to our teams and their families.



- ✓ MCI hosted basketball and slo-pitch tournaments for Winnipeg team members, including teams from NFI subsidiaries New Flyer and Carfair.
- ✓ MCI team members and their families cheered on local sports team the Manitoba Moose and Winnipeg Blue Bombers.
- ✓ Teams got together for organized events at the Rec Room, A Maze In Corn, and a summer BBQ at Assiniboine Park.
- ✓ Veterans Day events were held in all MCI U.S. locations where our veterans were recognized and acknowledged for their service and contribution to the Country.



- ✓ NFI Parts teams hosted several employee appreciation events in 2023, including summer gatherings, a recognition event for Veterans, and many holiday themed events.
- ✓ Teams enjoyed some friendly competition with events for March Madness NCAA Basketball and the NHL Bracket Challenge.

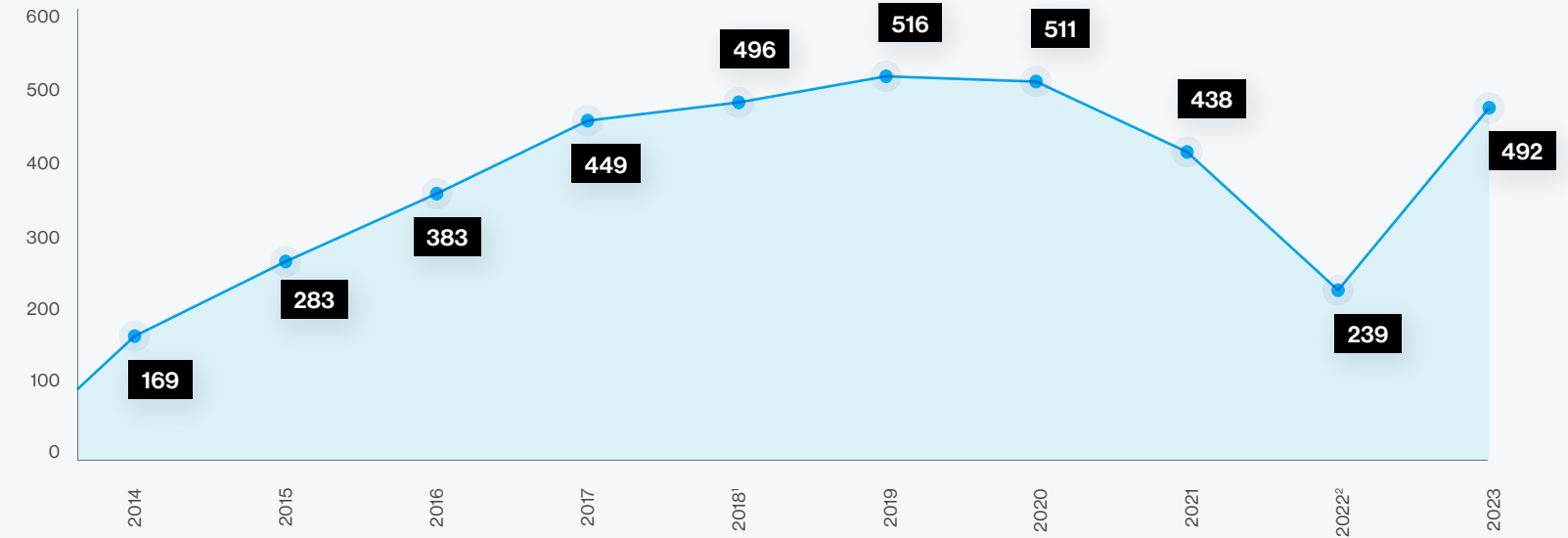


# Xpressline

Launched in 2014, Xpressline is an electronic employee suggestion and feedback program that was designed for use at New Flyer and NFI Parts and has delivered tremendous value. In 2023, Xpressline was relaunched across all NFI facilities in North America. Team members can now submit a suggestion and/or feedback and receive a response through the online system directly to their personal or Company email through their unique ticket number. Throughout 2023, 492 submissions were received, a significant increase over 2022, which shows high engagement from team members across NFI. Employee feedback through Xpressline can include, but is not limited to, the following:

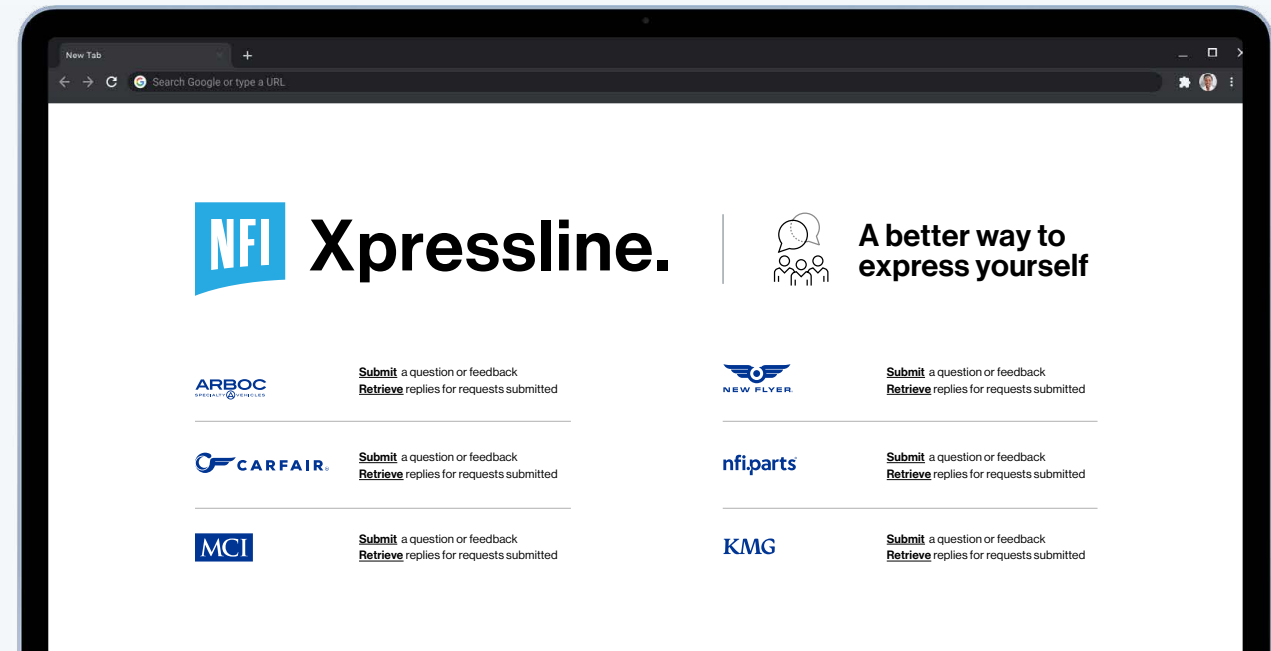
- ✓ General employee feedback
- ✓ Employee and labour relations concerns
- ✓ Company intranet improvement
- ✓ Social committee feedback and suggestions
- ✓ Safety concerns and suggestions
- ✓ Sustainability / environmental concerns and suggestions
- ✓ Respectful workplace concerns
- ✓ Loss prevention concerns and suggestions
- ✓ Border security concerns and suggestions
- ✓ Product and build process improvement suggestions
- ✓ Training and development concerns and suggestions
- ✓ DEI suggestions

Xpressline # of submissions per year



1 2018 submissions were mislabeled in the 2022 ESG Report

2 The drop in submissions in 2022 was due in part to a new system launch across all businesses, which resulted in downtime from mid-January through March 2022





# A better world



A better product.  
A better workplace.  
A better world.

# A better world highlights



3

New categories for self-identification added to our self-declaration program portal



95+

Partnerships with Community-Based Organizations

## \$3.9M

Collectively donated to the United Way since 2009



50%

Representation of gender and gender diverse members on the Board of Directors



DEI

NFI's diversity, equity + inclusion landing page increases visibility on DEI work across the organization

## ISO 14001

Registration for our first fabrication facility, Carfair Winnipeg, and all of NFI's heavy-duty and medium-duty transit and motor coach manufacturing facilities in North America



50-30 Challenge

Continued our commitments to Canada's 50-30 Challenge with a revised Board Diversity Policy



# Diversity, equity + inclusion = belonging at NFI

## Promoting DEI

NFI promotes and celebrates diversity through the creation of programs that recognize and support our differences, working to foster diversity in ways that create a sense of belonging while enabling individuality. A key step in creating an environment that encourages DEI is to embed it into everyday practices and educate individuals on the benefits.

In 2023, we focused on education and communication activities on our internal DEI landing page, to increase visibility of the work that is being done throughout the organization, and to make learning opportunities more readily available. An important step forward in our organizational DEI journey is ensuring that DEI is embedded in our day-to-day operations rather than just being a one-time training event.

## Fostering DEI

NFI's DEI roadmap provides the Company with a pathway for advancing racial equity, workforce diversity, and inclusion through a tangible roadmap, beyond legal compliance, and with a view to continuous improvement. Our roadmap is based on five core principles that guide our DEI commitments:

1. Strategic Priority
2. Climate Assessment and Demographic Data
3. Programs and Practices
4. Dedicated Resources
5. Engagement

<sup>1</sup> From NFI's 2023 Employee Engagement Pulse Check Survey with 65% team member participation rate.

We continue to focus on the findings of our 2021 DEI Survey feedback and will integrate feedback from our 2023 Employee Pulse Check Survey related to DEI for our Action Plan.

**In the Pulse Survey, we received a 79% favourable response to NFI promoting a respectful workplace that values diversity and inclusion, dignity of the person, courteous conduct, mutual respect, fairness and equity, positive communication between people, and collaborative working relationships.<sup>1</sup>**

### Our Objectives

- ✓ Advancing diversity, equity, and workforce inclusion by developing a culture of representation and belonging
- ✓ Promoting diverse, equitable, and inclusive leadership, challenging bias, and nurturing diverse talent
- ✓ Building upon practices to facilitate a diverse and equitable future

## Measuring DEI

With the launch of our voluntary self-declaration program in 2022, we have increased awareness of our team member diversity. In 2023, we updated our online self-service portal, which offers new options for team members to self-identify, and should provide NFI with a more holistic view to help us shape our ongoing DEI initiatives. **New categories added for self-identification include historically disadvantaged, 2SLGBTQIA+, and caregivers.<sup>1</sup>**

In 2023, there was a noted increase in the number of visible minorities and historically disadvantaged people in our teams, which we believe is due to our dedicated focus in working with community based organizations ("CBOs") to support the hiring of skilled talent into manufacturing jobs.

	2021	2022	2023
Indigenous People	0.4%	0.5%	0.5%
People With Disabilities	1.0%	1.4%	1.6%
Women	19.0%	19.1%	19.0%
Women in Middle Management and Above	22.2%	23.3%	22.9%
Women in Executive Roles	21.4%	17.2%	16.1%
Women in Board Roles	33.3%	40.0%	50.0%
Veterans	2.9%	2.6%	3.0%
Visible Minorities	19.4%	21.9%	24.2%
Visible Minorities in Middle Management and Above	12.1%	11.6%	11.8%
Visible Minorities in Executive Roles	3.6%	3.4%	3.2%
2SLGBTQIA+ <sup>2</sup>	—	—	1.2%
Historically Disadvantaged People <sup>2</sup>	—	—	1.3%
People with Caregiver Responsibilities <sup>2</sup>	—	—	1.4%

<sup>2</sup> In 2023, new categories were added for self-identification.



## Advancing DEI

Our diversity goals are rooted in our Board Diversity Policy, established in 2016 and updated in 2023, which recognizes the importance and benefit of having a Board and senior management of NFI comprised of diverse backgrounds, reflecting the changing demographics of the communities in which NFI operates.

There are now 31 members comprising NFI's executive leadership team, of which five (or 16%) are women. In March 2021, NFI joined the 50-30 Challenge, formalizing our commitment to advance diversity, inclusion, equity, gender parity, and economic prosperity in all our workplaces. An initiative of Innovation, Science and Economic Development Canada ("ISED"), signatory organizations aspire to two goals:

- ✓ Gender parity (50%) on Canadian board(s) and senior management
- ✓ Significant representation (30%) on Canadian board(s) and senior management of other under-represented groups, including racialized persons, people living with disabilities (including invisible and episodic disabilities) and members of the LGBTQ2S+ community. The program and participants recognize that First Nations, Inuit, and Métis peoples as founding peoples of Canada are under-represented in positions of economic influence and leadership.

**In 2023, NFI revised the Board Diversity Policy, thereby increasing its target objective for gender diverse Board representation to 50%. With changes to the Board composition in May 2023, NFI's Board now has 50% representation of gender diverse members.** There was also a target objective put in place that 30% of the Board and senior management will be comprised of members

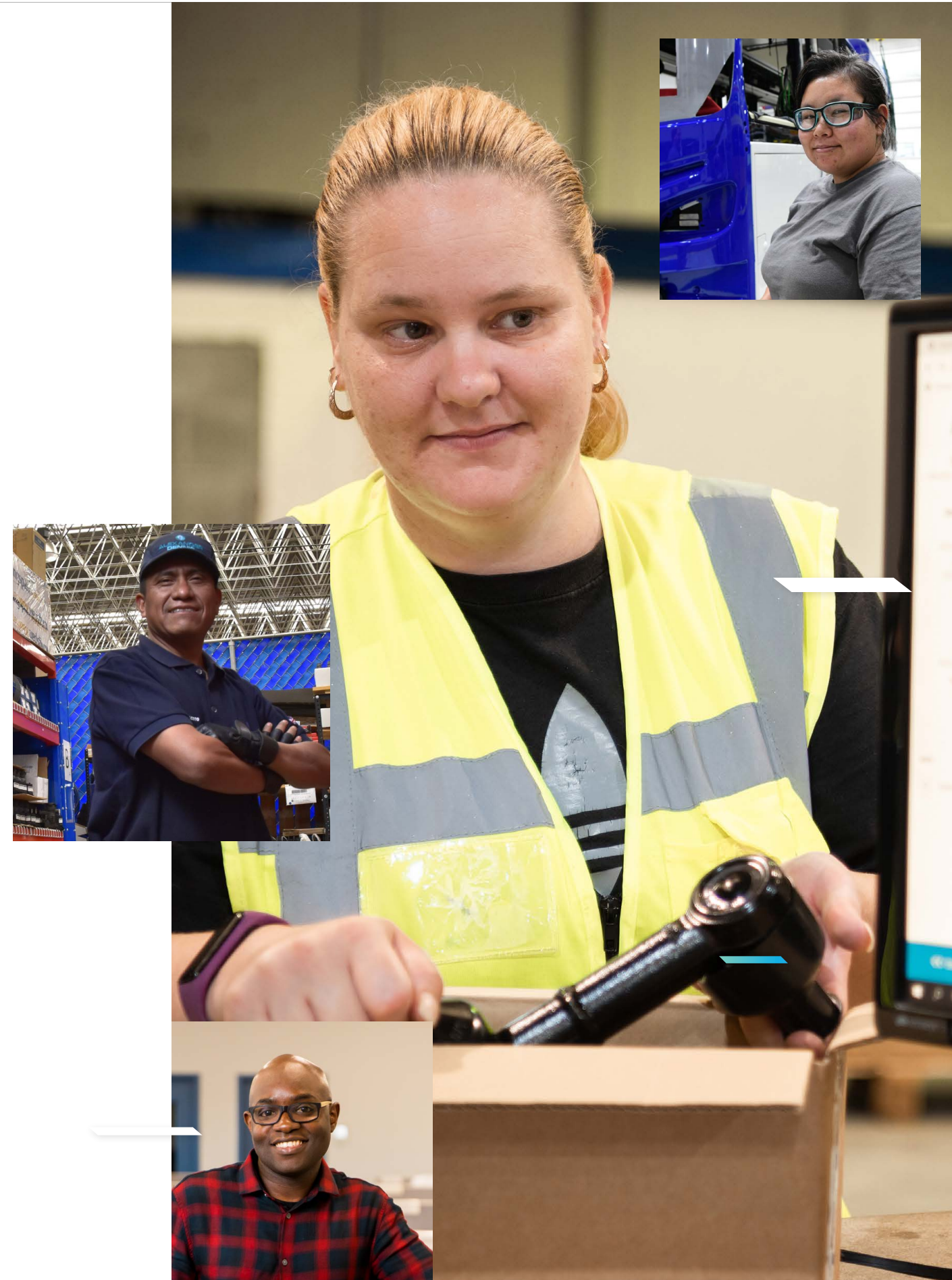
of other equity deserving groups, including those who identify as racialized, black, people of colour, people with sexual orientation diversity, people with disabilities and Indigenous peoples.

## We are committed to this journey

Our commitment extends beyond internal efforts, as we actively pursue initiatives with valued industry partners to elevate the well-being of our team members, communities, and the world around us. Recognizing the importance of collaboration, our industry partners play a vital role in advancing DEI across our geographic reach. In 2023, we expanded our TAWD teams to strengthen industry partnerships and advance DEI initiatives.

## The number of CBOs NFI partnered with increased from approximately 25 to over 95 in 2023.

The Talent Acquisition and Workforce Development Playbook developed in partnership with the TDC, and finalized in 2023, outlines processes to attract, retain, and source diverse candidates through strategic community partnerships. These efforts aim to drive inclusive economic growth while promoting opportunities in advanced manufacturing. Together, we strive to create a more inclusive and impactful future for everyone.



# Truth + reconciliation efforts

## Insights on Reconciliation and Action: TRC92 Indigenous Youth Employment Social Innovation Lab

To address the legacy of residential schools and contribute to Canadian reconciliation, NFI embraces Truth and Reconciliation Commission (“TRC”) Call to Action #92. We analyze these calls and integrate them into our employment practices, including workforce demographic monitoring, Indigenous insights learning programs, and active participation in the TRC92: Employer Consortium. Our commitment extends to collaborating with businesses and organizations to enhance Indigenous employment. Since 2021, we’ve been engaged in a social innovation lab, focusing on Indigenous youth employment in manufacturing. The team’s final report, released in fall 2023, outlines findings and prototypes, marking our ongoing commitment to truth and reconciliation.

NFI also engages in CME’s Indigenous Advisory Council, focusing on a long-term workforce development strategy rooted in partnership, understanding, and connection. The initiative aims to break down barriers, promote education on Indigenous history and culture, and create a new pool of Indigenous employees in Manitoba through collaborative engagement. Additionally, NFI is a member of the Minnesota Indigenous Workforce Initiative, showcasing commitment to diversity and inclusion by supporting the career development of Indigenous individuals. Launched in 2023, this initiative aims to create a skilled workforce and become an employer of choice for Indigenous people.



In 2023, NFI attended the Indigenous Education Awards (“IEA”) Reception and Job Fair, hosted by the Business Council of Manitoba (“BCM”). The IEA program was established in 2001 in partnership and funded by the federal and provincial governments, The Winnipeg Foundation, and BCM members.

## Work-Integrated Learning

In 2022, the BCM established a program expansion to address the gap between post-secondary education and employment opportunities by implementing the Work-Integrated Learning (“WIL”) program. NFI is a member of the BCM, which is comprised of almost 100 of Manitoba’s leading businesses in over ten diverse industries. The WIL program aims to use the BCM membership network to connect IEA recipients and other Indigenous post-secondary students with access to work placements at BCM member businesses. The goal of the program is to increase access to employment programs for Indigenous students in different levels of preparedness, industries, and fields of study — while providing a safe and valuable work experience opportunity.

**The awards provide Indigenous students attending one or more of the 12 accredited institutions in Manitoba with \$3,000 CAD to finance their tuition, academic costs, or alleviate other financial burdens throughout the academic year.**

The event brought Indigenous students together to acknowledge their accomplishments along with a reception with notable guest speakers and a career fair with employers in Manitoba looking to hire Indigenous students.

**In 2024, the WIL program has a goal of placing 80 Indigenous youth into employment opportunities.**

NFI is committed to helping meet this goal and advancing our reconciliation efforts and enriching the province of Manitoba.



Report available at:  
<https://unitedwaywinnipeg.ca/wp-content/uploads/2023/09/TRC92-Indigenous-Youth-Employment-Initiative-Report.pdf>

**NFI is actively involved in initiatives addressing Indigenous youth employment challenges, emphasizing collaboration and diverse perspectives.** In partnership with United Way Winnipeg, we contributed to the TRC92 Youth Employment initiative, promoting positive outcomes and fostering connections.

# Environmental performance

**At NFI, we are committed to monitoring and reducing our direct environmental and climate change impacts through our operations, products, responsible supply chain, and ongoing collaboration with institutional, industry and business partners.**

We acknowledge our responsibility towards the environment and local communities. To fulfill this responsibility, we regularly monitor and report on a range of environmental factors such as energy consumption, emissions, water management, waste generation, biodiversity, and compliance.

Each NFI manufacturing facility is evaluated to identify and categorize activities that could impact our environment. This assessment is performed annually by the EHS personnel responsible for those sites and considers the environmental footprint of our manufacturing processes. The scope includes parameters such as air emissions, raw material use, and waste generation.

## Energy

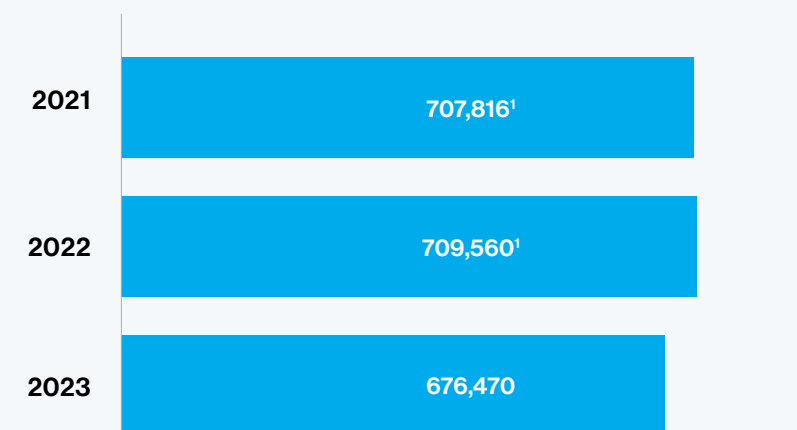
As the urgency of climate change grows, the effective management of energy and emissions becomes extremely important to reducing our direct GHG emissions and other air pollutants.

NFI primarily uses natural gas, kerosene, diesel, gasoline, propane, and purchased electricity for energy use. The majority of our manufacturing facilities are located in colder climates where heating is a major part of our energy usage. In 2023, despite starting with below-average temperatures, our northern facilities experienced milder weather later in the year, leading to reduced natural gas consumption for heating.

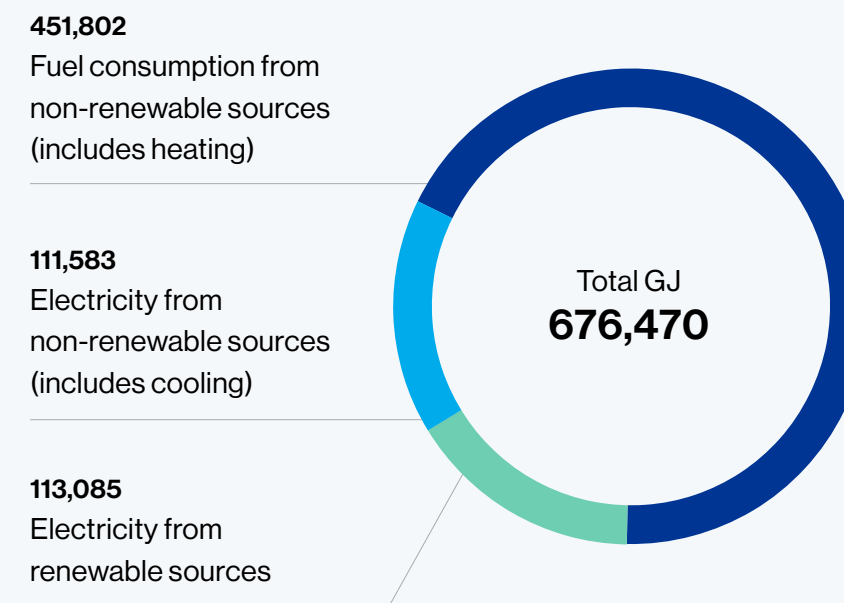
Energy reduction initiatives primarily target facility energy usage, as process energy consumption is comparatively minimal. Energy consumption data is summarized, validated, and reported to our leadership group. Where possible, large projects directly addressing facility energy consumption aim for a 10% energy reduction within the project's scope. We continue to achieve energy savings in our facilities through various measures, including LED lighting upgrades (including emergency and exterior lighting), radiant heating, enhanced ventilation and heating systems, boiler upgrades, infrared water heaters, variable frequency compressors, paint booth exhaust fan enhancements, and by enhancing the insulation and sealing of our facilities.

With our increasing zero-emission product line growth, we anticipate a potential increase in our energy usage in some of our production facilities due to product testing and charging requirements. We remain steadfast in our commitment to continually enhance energy efficiency and are reviewing opportunities to utilize renewable energy options where practicable.

### Total Energy Consumption in Gigajoules (GJ)



### 2023 Energy Consumption by Source (GJ)



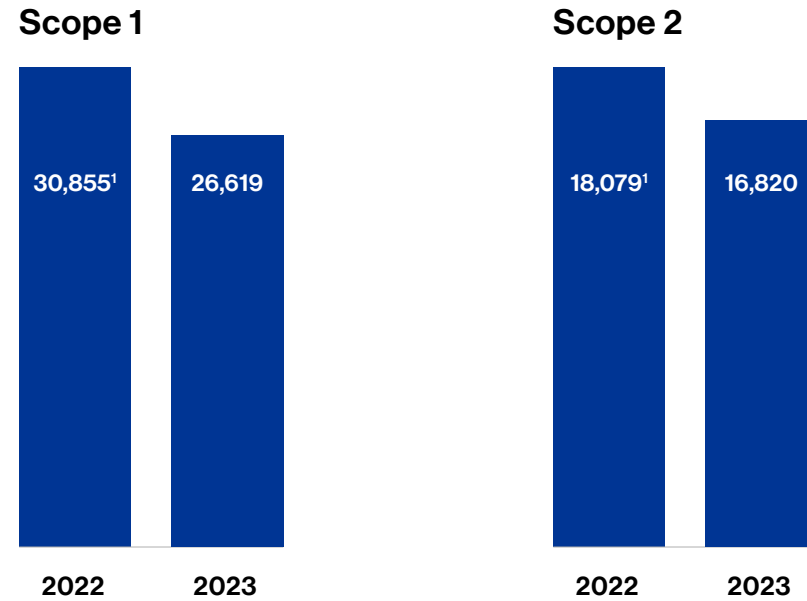
<sup>1</sup> Value has been restated to address revisions to previously reported calculation due to using more specific calculation parameters (as opposed to general averages).

## Scope 1 + 2 emissions

NFI's direct and indirect (Scope 1 and 2) GHG emissions are generated from our total facility stationary and mobile fuel use, refrigerant, process emissions, and electricity consumption.

NFI continues to work towards reducing our operational GHG emissions through facility energy efficiency projects and transitioning fuel-powered equipment to electric. For example, insourcing various components through our primary fabrication operations reduces our environmental footprint by centralizing production, in turn providing NFI with better control over our supply chain and its effects on climate change.

### Absolute Scope 1 + 2 Emissions (Metric Tons CO<sub>2</sub>e)<sup>2</sup>

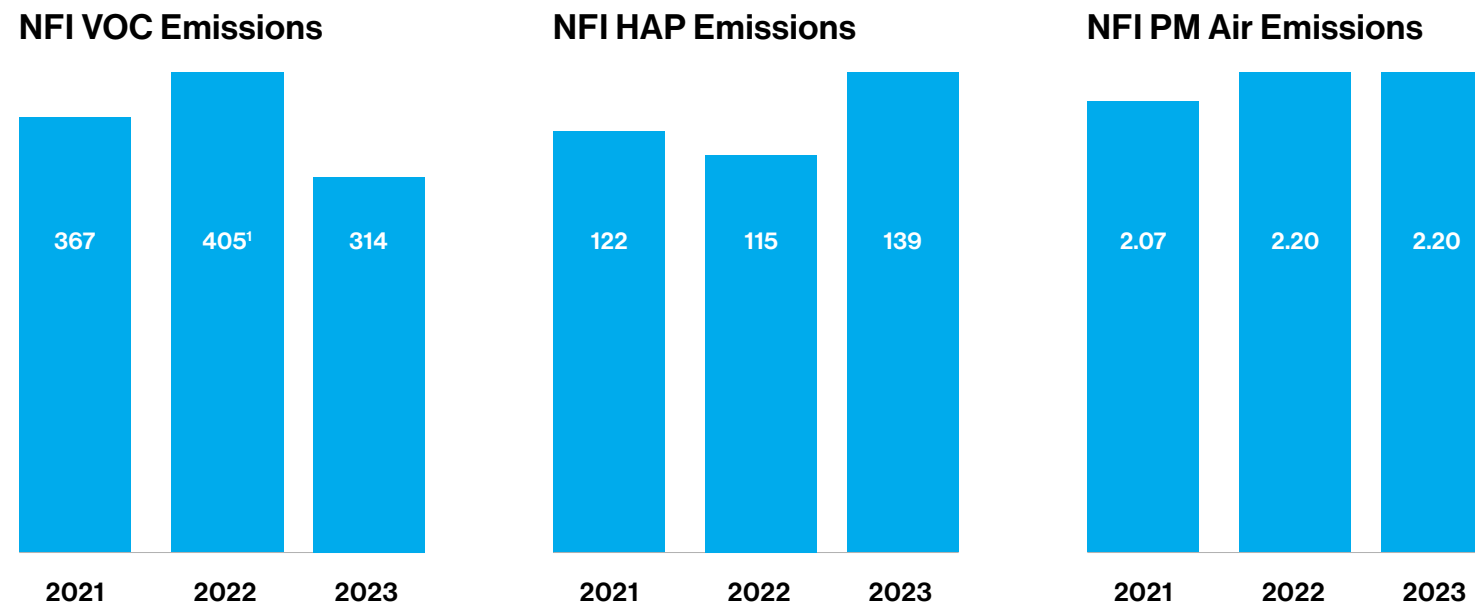


## Air pollutant emissions

Air pollutant emissions from NFI operations are quantified, monitored, and managed to meet local regulatory requirements and, where commercially reasonable, are reduced beyond those requirements.

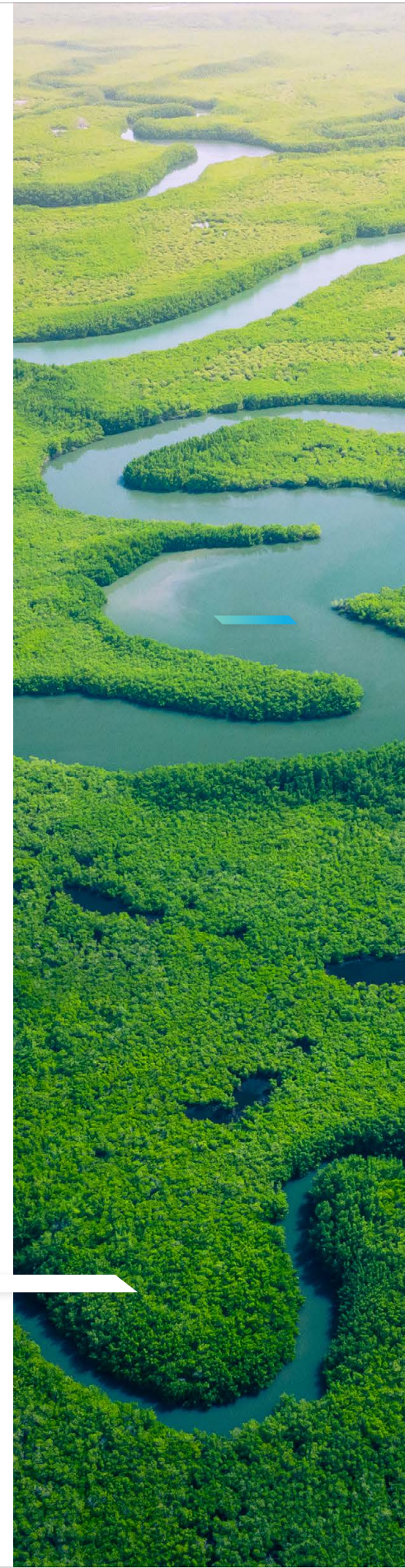
Volatile organic compounds (“VOCs”), hazardous air pollutants (“HAPs”), and particulate matter (“PM”) air pollutants from painting and fiberglass manufacturing activities are managed by striving to meet industry best practices and properly maintaining air pollution control equipment. NFI continues to evaluate improvement opportunities in its processes wherever commercially practicable to reduce air pollutant emissions.

### NFI Air Pollutant Emissions (US tons)



<sup>1</sup> Value has been restated to address revisions to previously reported calculation due to using more specific calculation parameters (as opposed to general averages).

<sup>2</sup> Scope 1 and Scope 2 emissions are calculated in accordance with the Greenhouse Gas Protocol's Corporate Accounting and Reporting Standard.



# Waste

NFI strives to manage waste in an environmentally conscious manner with waste management programs in place at each of our facilities. Lean manufacturing methodologies also drive efficiencies in the use of raw materials, reducing NFI's overall waste footprint.

The types of waste produced at NFI manufacturing facilities are characterized by the different stages of every bus or coach build, from pre-fabrication and pre-assembly to assembly of the bus or coach down the production line.

With production ramping up in 2023, our facilities saw an overall increase in industrial waste quantities compared to 2021 and 2022. Industrial waste data increases are also a result of continuing improvements in data collection methods.

Hazardous waste treatment and disposal is completed through the use of certified hazardous waste disposal contractors. All chemicals used in production are reviewed to minimize their use and evaluated for possible substitutions to reduce the impact on human health and the surrounding environment. Through ongoing enhancements in our data collection processes, our team achieved greater precision in gathering data for the current reporting year. Rather than relying on estimates, we utilized actual data values in our calculations, increasing accuracy and reliability in our data.

## 2023 Facts

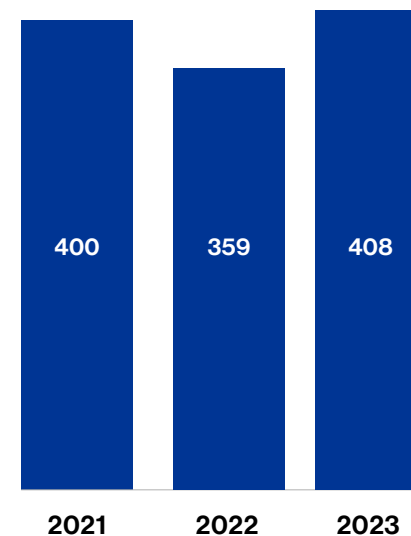
**1,713**  
US tons of wood was diverted from landfills

**767**  
US tons of cardboard was diverted from landfills

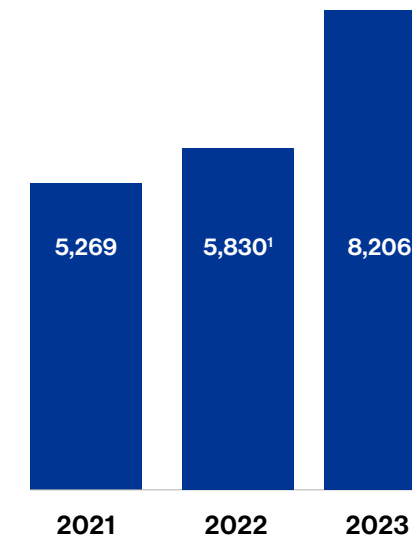
**3,123**  
US tons of metal was recycled

## Total Waste (US tons)

### Hazardous Waste

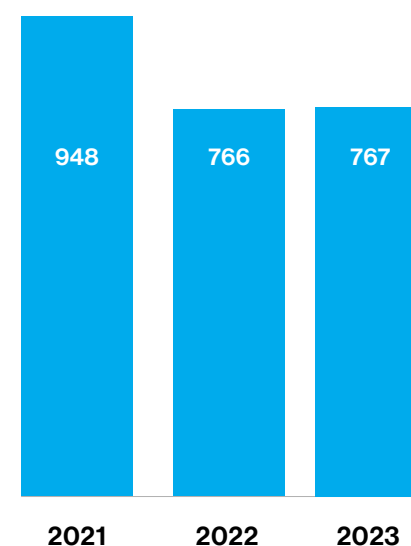


### Industrial Waste

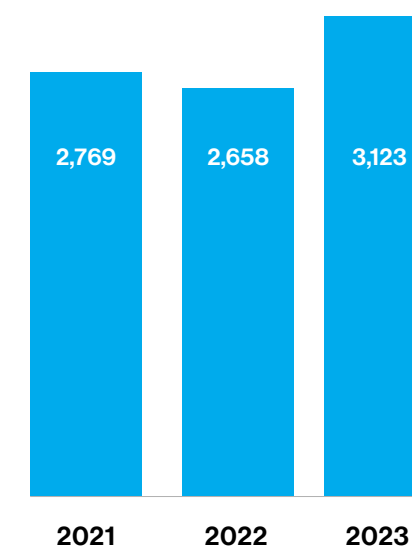


## Waste Diverted from Landfill (US tons)

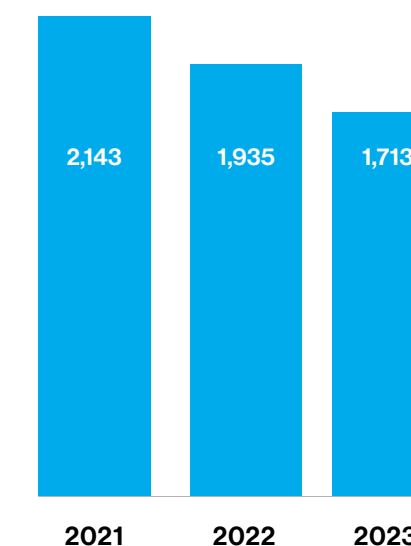
### Recycled Cardboard



### Recycled Metal



### Recycled Wood



<sup>1</sup> Value has been restated to address revisions to previously reported calculation due to using more specific calculation parameters (as opposed to general averages).

## Water

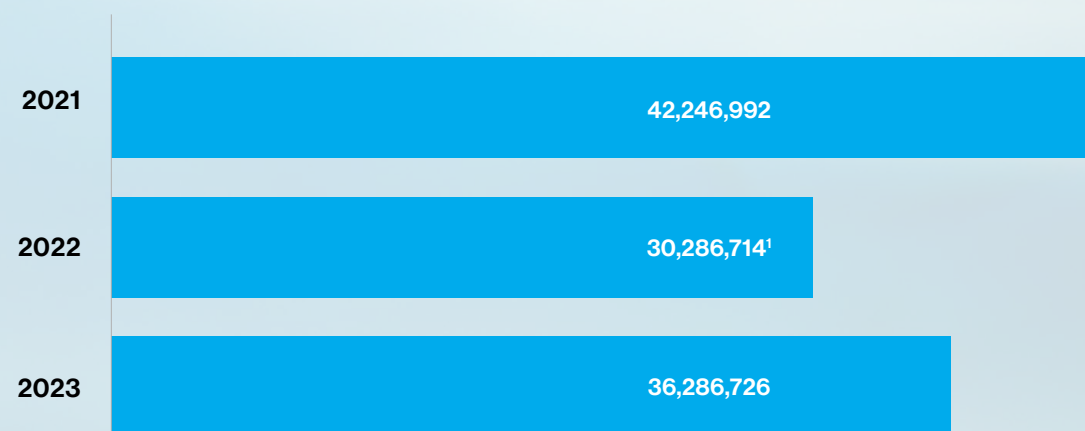
In NFI facilities, water is predominantly used for sanitary purposes, jurisdictionally mandated facility irrigation, and bus or coach water leak tests.

Weather leak testing for bus or coach shell integrity is our largest water consumption for manufacturing process usage, with a few of our facilities having the capability to conserve water through a water reuse system. Requirements for these tests vary by contract and can have a significant impact on our water consumption, resulting in fluctuations year over year.

In 2023, water consumption increases were a result of increased production levels and an increase in the number of employees recruited to meet the expanded production efforts.

In the context of climate change, NFI understands that safeguarding the use of potable water resources is important to continually improve on throughout all our facilities. We continue to advance our water efficiency use through facility improvements that include equipment upgrades and other water saving opportunities where possible.

### Total Water Consumption (US gallons)



<sup>1</sup> Values have been restated to address corrections to previously reported data

## Biodiversity + ecosystem health

As a manufacturer and provider of premier products and services, we rely on diverse ecosystem services, both directly and indirectly. Recognizing our obligation to protect our planet, we are dedicated to conserving and preserving biodiversity through responsible actions.

We mitigate potential impacts of our operations by working closely with regulators and local stakeholders, understanding that biodiversity and ecosystem services contribute directly to local livelihoods and are essential for poverty reduction and sustainable development.

We're proud that our zero-emission products contribute positively to ecosystem health by eliminating typical impacts associated with

traditional combustion engines. Communities benefit from reduced tailpipe emissions and noise levels, ultimately fostering a healthier ecosystem for everyone.

**Recognizing that we have a role to play in the sustainable development of our communities, our initial assessment of NFI global locations has found that none of our global facilities are situated in any key biodiversity-sensitive areas.<sup>2</sup>**

We continue to evaluate our operations' direct and indirect effects on local ecosystems to identify opportunities for collaboration with communities toward achieving sustainable development goals.

<sup>2</sup> Based on review of UNESCO World Heritage Sites, Natura 2000 Network of Protected Areas and Key Biodiversity Areas.

## Environmental compliance

Continuous improvement is a key driver of our EHSMS initiatives to enhance our environmental performance and compliance efforts.

Our EHSMS supports us in carrying out our activities in compliance with established processes such as internal verification audits, management reviews, monitoring and compliance of legal requirements and the identification and verification of the expectations of our stakeholders.

NFI always takes into consideration the environmental impact of our processes, starting with the design of our product to final delivery.

In 2023, NFI was not subject to any financial penalties for non-compliance with facility operations, environmental protection laws or regulations.

**In 2023, we added our first fabrication site, Carfair Composites in Winnipeg, to our ISO 14001: 2015 registration.**

NFI's North American heavy and medium duty transit and motor coach manufacturing facilities, along with one fabrication facility, are registered to ISO 14001:2015 to support our commitment to managing our environmental responsibilities.

# Support for education



**New Flyer joined the Conference of Minority Transportation Officials’ (“COMTO”) Philadelphia Chapter scholarship awards luncheon in Philadelphia, PA, as a proud sponsor supporting the next generation of transportation industry leaders.**

During the event, COMTO celebrated the academic excellence and achievement of its scholarship recipients and awarded nearly \$50,000 in scholarships to regional high school and college students.

As a long-standing advocate for DEI in the transportation industry, New Flyer is a proud COMTO member and co-founder of its first international chapter – the COMTO Toronto and Region chapter, providing critical leadership as the voice of equity in transportation.



**Apprenticeships are celebrated nationally in the UK with National Apprenticeship Week for England and Wales and Scottish Apprenticeship Week in Scotland.**

Alexander Dennis celebrated its young team members and their contribution to the success of the Company through multiple events, including, business updates over pizza lunches with management and a graduation ceremony for their 4th-year apprentices who completed their qualifications.

Alexander Dennis also headed to local high schools to promote how the Company’s apprenticeship program unlocks the potential to grow and develop the skills needed to help build zero-emission buses as the industry decarbonizes.



**Alexander Dennis joined Scarborough Training Education Careers college in England, which neighbors their Scarborough facility, to showcase the opportunities Alexander Dennis offers locally.**

At the event, Product Principal Engineer Robin Stephenson and Production Team Leader Dan Jones answered college students’ questions about bus and coach engineering and manufacturing careers.

Alexander Dennis also hosted the University of Cincinnati where students were part of an honours seminar study tour on sustainable energy solutions. Team members showed the students the Alexander Dennis Larbert factory, where we build the next generation of electric double deck buses. With the students’ wide range of backgrounds, including engineering, business, and finance, it was a highly engaging discussion on interdisciplinary approaches to sustainability.



**Alexander Dennis team members attended a local careers event at Larbert High School in Scotland, close to Alexander Dennis’ two sites in Scotland.**

Team members spoke to students ages 13 through 16 about how the subject/class choices you make in your early years at school can help develop your future careers in science, technology, engineering, and mathematics (“STEM”).

Additionally, long-standing Alexander Dennis team member Jim Park, who has been with the Company for 48 years, visited his granddaughter’s class at Scoil Naomh Brid in Culleens, Ballina, County Mayo, Ireland. Jim provided the primary school students with a presentation during their engineering week. The students enjoyed the introduction to engineering and had plenty of questions about the environmental benefits of electric buses.

# Community + charitable support

**NFI is proud to support community, charitable, and not-for-profit initiatives through community partnerships, sponsorships, and customer support.**

Program support is centered on community, non-profit, volunteer, public service, or charitable organizations focusing in the areas of youth, health, and community development. Our program objectives are as follows:

- ✓ Promote and enhance community relations
- ✓ Promote citizenship and active roles in our communities
- ✓ Support corporate objectives and NFI values
- ✓ Promote and enhance customer relations
- ✓ Provide widespread community benefit
- ✓ Provide our employees the opportunity to actively participate and contribute

Donations are approved in accordance with the NFI Group Code of Business Conduct and Ethics, NFI Group Political Contribution Policy, NFI Group Gift and Entertainment Policy, NFI Group Charitable and Community Support Policy, and applicable Customer's Code of Conduct, Business Ethics, and Gift Acceptance policies.

A number of community groups received support and contributions from NFI in 2023, including Pride Winnipeg, Canadian Welders Bureau, Wausaukee Recreation Association Youth Baseball/Softball, Arnprior Special Olympics, Crookston Ox Cart Days, Transcona Biz, Ronald McDonald House, Manitoba Filipino Festival, SHAD Canada, Willow Place, Women in Leadership, Macmillan Cancer Support, Crawfest, and the Winnipeg Jets Hockey Academy. In addition, each year the NFI team collectively invests hundreds of hours back into the communities where we work and live.



## \$3.9M

NFI collectively has donated more than \$3.9 million to the United Way from its workplace campaigns since 2009.

In 2023, the sixth NFI-wide United Way campaign was held across all North American locations, and our team came together to donate \$422,353 to United Way agencies—proudly supporting 21 different United Way agencies in the U.S. and Canada, in or nearby communities we operate in.

NFI's 2023 United Way campaign surpassed its goal by over 17%, with team member participation rates as high as 100% in some of our locations. Our team actively demonstrated unrelenting commitment to the communities in which we live and in which our business operates.



## 133

In 2023, NFI donated a total of 133 boxes of various produce to local charitable organizations through the Garden of Giving.

The Garden of Giving initiative, dating back to 2010, encourages team members to lend their gardening skills (or hone them if they are wanting to learn) to grow and harvest fruits and vegetables throughout the summer and fall. This produce is then donated to charitable organizations that help to feed those in need within the community. In 2023, NFI donated a total of 133 boxes of various produce to local charitable organizations Siloam Mission and the Union Gospel Mission. This more than doubled last years' harvest.



## £3,705

In 2023, Alexander Dennis team members raised over £1,852 for Macmillan Cancer Support, a leading UK charity.

Alexander Dennis colleagues across the UK came together to host a coffee morning to fundraise for Macmillan Cancer Support, an organization providing vital supports for those affected by cancer. Thanks to our team members' dedication and efforts, we have raised over £3,705 to date in aid of the charity.

### Team Pipeline Meet + Greet

NFI hosted the third annual Team Pipeline Meet and Greet at the VIC in Anniston, Alabama. Over 20 CBOs attended the event to gain information from one another regarding the benefits and services each organization has to offer in the community. The goal of this event was for NFI to be introduced to new CBOs and for all attendees to share their vision, goal, and purpose with all gathered.





### Celebrating Pride

NFI was a proud sponsor of Pride Winnipeg's 2023 celebrations, which included one of the largest Pride festivals between Vancouver and Toronto, supporting the diverse community in the city of our organizational headquarters.

To celebrate Pride month, Alexander Dennis announced it was working to make Alexander Dennis a place where everyone can be proud of who they are and where everyone takes pride in embracing and celebrating the diversity of their colleagues. In June 2023, to kick start conversations on how to best support 2SLGBTQIA+ team members, Alexander Dennis launched The Pride Network. The Pride Network is Alexander Dennis' 2SLGBTQIA+ network that is intended to offer peer to peer support, raise awareness and promote a better understanding of 2SLGBTQIA+ inclusion, and ensure accountability in policies and processes, addressing concerns and suggesting improvements.



### Skills Canada

NFI supported Skills Canada's national competition in Winnipeg, a non-profit charitable organization with a mission of promoting skilled careers in trades and technologies to youth and their communities. NFI understands the importance of inspiring and supporting our future skilled workforce and by supporting Skills Canada, we are helping to build confidence among youth entering careers in the skilled trade and technology sectors.

Our participation at the event helped to expose youth from across Canada to the many skilled trade and technology career opportunities available to them at NFI. Members of NFI's engineering team worked with Skills Canada's Mechanical CAD committee to develop a national project and assisted with hands-on-training at the competition. NFI also contributed a prototype and industry expertise to the Mechanical Engineering CAD design competition.



### Holiday Support for Local Organizations

During the holiday season, New Flyer's Anniston team donated over 350 turkey sandwiches to three community partners, including The Right Place, a non-profit charitable organization dedicated to assisting homeless and low-income individuals and families in securing safe, decent, affordable shelter. Additionally, the team donated 33 excess turkeys from their Thanksgiving celebration to two of our CBOs, Anniston Housing Authority and the Agency for Substance Abuse Prevention.



### OxCart Days Parade

NFI continues to support the OxCart Days Parade in Crookston, an annual event held in August, fostering community spirit through fun and interaction. In addition to engaging with residents and visitors, the team took the opportunity to advertise career opportunities, showcasing their commitment to both community engagement and talent acquisition. This dual approach highlights NFI's dedication to contributing to the vibrant atmosphere of the event while also promoting professional opportunities within the organization.



### Crawfest

In 2023, as one of the largest employers in Scarborough, Alexander Dennis sponsored the biggest festival in Yorkshire, England. Crawfest is a local community festival, located close to the Alexander Dennis site in Scarborough, England. The local community festival contains a line-up of live music and activities for the whole family all weekend and the Scarborough team were proud to support the event again.

# Community engagement

Together we are working to make a difference – not just at NFI, but in our communities around the world.

- ✓ NFI was once again pleased to partner with the True North Foundation and Bernie Wolfe Community School to participate in the Winnipeg Jets Hockey Academy. This program is designed to increase school attendance through the opportunity to have time on the ice practicing skating and hockey skills. In 2023, Grades 3/4 and 5/6 groups participated in the 10-week on-ice/off-ice program with volunteers from NFI.
- ✓ NFI Parts participated in the Winnipeg Holiday Hamper program through the local Christmas Cheer Board group to collect perishable and non-perishable items to be donated to families in need. Additionally, the team hosted fundraising events to help raise money for the program throughout the year.
- ✓ New Flyer Winnipeg, in conjunction with the Human Rights Committee, ran a Koats for Kids campaign, which collects winter gear for youth, and volunteered by delivering hampers for the Christmas Cheer Board, a grass roots community driven organization that delivers food, toys, and cheer to people in need.
- ✓ The New Flyer Anniston team contributed non-perishable goods to Community Enabler Developer, a local agency that provides food, clothing, after-school tutoring, health care, and utility assistance to the burgeoning number of people seeking aid, from the newly unemployed to the chronically disadvantaged. They also participated in the annual Anniston Toys for Tots drive delivering hope to children during the holidays season and a school supply donation drive where employees donated to the Board of Education who distributes these supplies to the community.

- ✓ For the ninth consecutive year, the New Flyer Anniston team sponsored children during the holiday season in partnership with the local Big Brother Big Sisters Chapter.
- ✓ ARBOC showed support to local animal shelters by participating in a blanket drive.
- ✓ New Flyer's Anniston team came together in April for its annual "Light It Up Blue" campaign to increase the understanding, awareness, and acceptance of people with autism. The team fundraised to help people with autism reach their full potential, benefiting the Arc of Calhoun and Cleburne Counties, a non-profit with the mission of serving individuals with intellectual and developmental disabilities and their families through support, education, advocacy, and public awareness.
- ✓ The Alexander Dennis Farnborough team got together to plant a pear tree at the Farnborough facility to maintain the heritage of the Dennis brand. When the Dennis brothers started as bicycle makers in 1895, they used to hang the frames on a pear tree to paint them. Ever since then, there has been a pear tree on the Dennis sites. The Alexander Dennis team was keen to continue this as a mark of respect.
- ✓ MCI's Winnipeg team worked at Harvest Manitoba to help sort donations for members of the community during the 2023 holiday season.
- ✓ To recognize Breast Cancer Awareness, the New Flyer Anniston team showed support to a local non-profit group, Anniston's Steel Magnolias, by wearing pink on the appropriate day.





NFI  
**Appendix**

# ESG data tables

Revenue	Unit of Measurement	2021	2022	2023
<b>Revenue by Region</b>				
North America	\$ millions (USD)	\$1,776	\$1,562 <sup>1</sup>	\$2,112
United Kingdom + Europe	\$ millions (USD)	\$441	\$441	\$523
Asia Pacific	\$ millions (USD)	\$127	\$58	\$50
<b>Total Revenue</b>	<b>\$ millions (USD)</b>	<b>\$2,344</b>	<b>\$2,061</b>	<b>\$2,685</b>
<b>Revenue by End Market</b>				
Manufacturing	\$ millions (USD)	\$1,870	\$1,576 <sup>1</sup>	\$2,130
Aftermarket	\$ millions (USD)	\$474	\$485	\$555
<b>Total Revenue</b>	<b>\$ millions (USD)</b>	<b>\$2,344</b>	<b>\$2,061</b>	<b>\$2,685</b>

Company Statistics	2021	2022	2023
<b>Team Members - By Subsidiary</b>			
NFI Group	206	212	241
New Flyer	2,755	2,890	3,321
Alexander Dennis	2,175	2,029	2,067
MCI	1,152	1,118	1,250
Carfair Composites	460	552	669
NFI Parts™	396	394	414
KMG	300	371	460
ARBOC	123	149	144
<b>Total Team Members</b>	<b>7,567</b>	<b>7,715</b>	<b>8,566</b>

Team Members - By Country	2021	2022	2023
USA	/	3,153	3,611
Canada	/	2,554	2,909
UK	/	1,897	1,936
Hong Kong	/	54	52
Mexico	/	29	25
Germany	/	8	11
Singapore	/	8	9
New Zealand	/	7	8
Ireland	/	4	4
Malaysia	/	1	1
<b>Total Team Members</b>	<b>/</b>	<b>7,715</b>	<b>8,566</b>

Company Footprint	2021	2022	2023
Facilities	/	45+	45+
Countries with operations	/	10	10

<sup>1</sup> Numbers have been adjusted to reflect new standards adopted in the Company. Please see the Financial Results for Fiscal 2023 for more details.

/ = no data available

Governance	2022	2023
<b>Board of Directors</b>		
Size of the Board	10	10
# of Independent Directors	8	8
% Independent	80%	80%
% of Independent Directors Who Self-Identify as Female	57%	63%
% of Independent Directors Who Self-Identify as Persons of Colour	10%	25%
Years of Combined Work Experience	300	300+
Geographic diversity: # of countries	4	4
% of Directors who own NFI shares	100%	100%
Board average age	64	64

Social	2021	2022	2023
<b>Occupational Health + Safety</b>			
NFI Incident Rate (per 200,000 work hours)	4.7	2.8	3.2
NFI Lost Time Incident Rate (per 200,000 work hours)	2.0	1.0	1.5
NFI Fatality Rate	0.0	0.0	0.0
<b>Union Relations</b>			
% of NFI's global workforce covered by collective bargaining agreements	62%	48%	53%
<b>Living Wage</b>			
% of employees at NFI's main transit bus, coach, specialty vehicles, fabrication manufacturing and parts facilities in Canada and the U.S. that are at or above the living wage standard in their region	99.78%	100%	99.70%
<b>Training</b>			
\$ invested in employee training	>\$7,000,000	>\$8,600,000	>\$10,900,000
Hours invested in employee training	/	>225,000	>265,000
<b>Employee Engagement</b>			
# of submissions submitted via Xpressline	438	239	492
<b>Team Diversity</b>			
Women	19.0%	19.1%	19.0%
Women in Middle Management & Above	22.2%	23.3%	22.9%
Women in Executive Roles	21.4%	17.2%	16.1%
Women in Board Roles	33.3%	40.0%	50.0%
Visible Minorities	19.4%	21.9%	24.2%
Visible Minorities in Middle Management & Above	12.1%	11.6%	11.8%
Visible Minorities in Executive Roles	3.6%	3.4%	3.2%
People With Disabilities	1.0%	1.4%	1.6%
Indigenous People	0.4%	0.5%	0.5%
Veterans	2.9%	2.6%	3.0%
2SLGBTQIA+	/	/	1.2%
Historically Disadvantaged People	/	/	1.3%
People with Caregiver Responsibilities	/	/	1.4%
<b>Community Support</b>			
\$ donated through annual United Way campaign	\$372,552	\$381,868	\$422,353

# ESG data tables

## Environment

	Unit of Measurement	2021	2022	2023
<b>Product</b>				
Buses and coaches in service (global)	EUs	105,000+	100,000+	100,000+
Countries with NFI buses and coaches in service		11	12	13
Countries with zero-emission NFI buses and coaches in service		5	6	6
Electric service miles travelled by NFI ZEBs since 2015	Miles	50,000,000+	100,000,000+	150,000,000
ZEBs delivered since 2015	EUs	2,032	2,725	3,603
EV chargers installed via NFI Infrastructure Solutions™ since 2018		275+	340+	445+
MW charging capacity delivered via NFI Infrastructure Solutions™ since 2018	MW	/	58+	72+
<b>Annual Deliveries</b>				
Total deliveries	EUs	3,783	3,039	4,001
ZEBs delivered	EUs	661	693	878
% of deliveries that were ZEBs	EUs	18%	23%	22%
<b>Workforce</b>				
% of workforce in flex/hybrid or remote work program		20%	17%	17%
CO <sub>2</sub> e reduction as a result of flex/hybrid or remote work program	Metric Tons CO <sub>2</sub> e	2,323	2,238	2,429
<b>Energy</b>				
Total Energy Consumption <sup>1</sup>	GJ	707,816	709,560	676,470
Fuel Consumption from non-renewable sources (includes heating) <sup>1</sup>	GJ	482,574	490,351	451,802
Electricity from non-renewable sources (includes cooling) <sup>1</sup>	GJ	111,497	101,918	111,583
Electricity from renewable sources <sup>1</sup>	GJ	113,745	117,291	113,085
<b>Emissions</b>				
Direct (Scope 1) <sup>1</sup>	Metric Tons CO <sub>2</sub> e	/	30,855	26,619
Indirect (Scope 2) <sup>1,2</sup>	Metric Tons CO <sub>2</sub> e	/	18,079	16,820
VOC Emissions <sup>1</sup>	U.S. tons	367	405	314
PM Emissions	U.S. tons	2.07	2.20	2.20
HAPs Emissions	U.S. tons	122	115	139
<b>Waste</b>				
Total Hazardous Waste Produced	U.S. tons	400	359	408
Total Industrial Waste Produced <sup>1</sup>	U.S. tons	5,269	5,830	8,206
Recycled Cardboard	U.S. tons	948	766	767
Recycled Metal	U.S. tons	2,769	2,658	3,123
Recycled Wood	U.S. tons	2,143	1,935	1,713
<b>Water</b>				
Total Water Consumed <sup>1</sup>	U.S. gallons	42,246,992	30,286,714	36,286,726
<b>Production Total</b>				
Buses & Coaches (various propulsion systems) <sup>1</sup>	EUs	3,656	3,217	4,022

<sup>1</sup> Values have been restated to address revisions to previously reported calculation due to using more specific calculation parameters (as opposed to general averages).

<sup>2</sup> Location-based emissions

/ = no data available

# Sustainability Accounting Standards Board (SASB) Response – Industrial Machinery & Goods

Topic	Metric	Category	Unit of Measure	Code	Response / Comment
<b>Activity metric</b>					
	Number of units produced by product category	Quantitative	Number	RT-IG-000.A	(1) Vehicles Zero-emission buses: 878 CNG buses: 204 Hybrid buses: 798 Diesel buses: 2,121  (2) Engines and power generation equipment is not applicable. (3) Parts and Components: Not disclosed.
	Number of employees	Quantitative	Number	RT-IG-000.B	8,566
<b>Energy Management</b>					
	(1) Total energy consumed	Quantitative	Gigajoules (GJ)	RT-IG-130a.1	676,470
	(2) Percentage grid electricity	Quantitative	Percentage (%)	RT-IG-130a.1	33
	(3) Percentage renewable	Quantitative	Percentage (%)	RT-IG-130a.1	Not disclosed.
<b>Workforce Health &amp; Safety</b>					
	(1) Total recordable incident rate (TRIR); (a) direct employees and (b) contract employees	Quantitative	Rate	RT-IG-320a.1	(a) 3.2 Regulatory Framework North America: OSHA UK: RIDDOR (b) Not disclosed.
	(2) Fatality rate; (a) direct employees and (b) contract employees	Quantitative	Rate	RT-IG-320a.1	(a) 0.0 (b) Not disclosed.
	(3) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	Quantitative	Rate	RT-IG-320a.1	Not disclosed.
<b>Fuel Economy &amp; Emissions in Use-phase</b>					
	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles	Quantitative	Litres per 100 tonne-kilometers	RT-IG-410a.1	Not disclosed.
	Sales-weighted fuel efficiency for non-road equipment	Quantitative	Litres per hour	RT-IG-410a.2	Not disclosed.
	Sales-weighted fuel efficiency for stationary generators	Quantitative	Kilojoules per liter	RT-IG-410a.3	Not disclosed.
	Sales-weighted emissions of: (1) nitrogen oxides (NOx) and (2) particulate matter (PM) for: (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium- and heavy-duty engines, and (d) other non-road diesel engines	Quantitative	Grammes per kilojoule	RT-IG-410a.4	Not disclosed.

# Sustainability Accounting Standards Board (SASB) Response – Industrial Machinery & Goods

Topic	Metric	Category	Unit of Measure	Code	Response / Comment
Materials Sourcing	Description of the management of risks associated with the use of critical materials.	Discussion and Analysis	n/a	RT-IG-440a.1	<p>The strategy followed by NFI Group to address the risk associated with using critical materials are as follows:</p> <p><b>Discussion of Risks</b>                      Availability and access of critical materials is fundamental to NFI's success leading the transition to zero-emission transportation. NFI's primary use of these materials is for high voltage batteries in battery-electric and fuel-cell buses, Fuel cell systems and diesel exhaust aftertreatment systems in our conventional propulsion vehicles. Critical materials and the components in which they are contained have seen a surge and continued growth in demand which poses a heightened risk of global supply shortages and price instability. These products also have a heightened risk of being mined and sold under the control of armed groups to finance conflict with extreme levels of violence and may be mined and sold without consideration for environmental impact and without consideration of human rights. NFI has taken the following steps to address these risks.</p> <p><b>Availability and Pricing Risk</b>                      NFI has signed Long Term Supply Agreements (LTSA's) with major suppliers of these critical components. These LTSA's include: supplier obligations and expectations around supply chain transparency, price competitiveness, and fulfillment of NFI's demand. Failing to achieve these obligations and expectations, or otherwise defaulting on the LTSA's, is mitigated against through defined penalties and liabilities to the supplier which are substantiated through insurance policy and financial transparency requirements.</p> <p>NFI has communicated volume projections with our battery suppliers which they are using to secure required cell supply through written and financial commitments with cell suppliers.</p> <p>NFI also uses redundant sources of supply for critical components (high voltage batteries, among others) to reduce the risks of material availability, price changes, and regulatory risks.</p> <p><b>Regulatory and Reputational Risk</b>                      NFI has a Conflict and Critical Minerals Policy to address the risks in the mining and production of these critical materials. The policy addresses requirements of NFI and its suppliers to conduct appropriate due diligence consistent with OECD, the Dodd-Frank Wall Street Reform and Consumer Protection Act and the Global Battery Alliance. It also requires disclosure and action by NFI and its suppliers when concerns are identified.</p> <p>NFI Group has a Supplier Code of Conduct including sections on Human Rights, Forced Labour, and Child Labour. The Supplier Code of Conduct is disseminated to suppliers with the requirement that they sign the document, agreeing to conduct their business within the requirements of the code, and to flow down our Supplier Code of Conduct or equivalent requirements to their suppliers. In signing our new Supplier Code of Conduct, suppliers also agree to act in accordance with our Conflict and Critical Minerals Policy.</p>
	Revenue from remanufactured products and remanufacturing services	Quantitative	Presentation currency	RT-IG-440b.1	Not disclosed.

# Task Force on Climate-related Financial Disclosures (TCFD)

We acknowledge the importance of addressing the impact climate change has on our business and the broader world in a transparent and proactive way to ensure our stakeholders are well-informed about our path toward a low carbon economy. This year we are pleased to publish our first TCFD-aligned disclosure report. As we embark on our climate disclosure journey, we aim to enhance the quality and completeness of our TCFD disclosures over time.

Governance	Comment / disclosure
Boards oversight of climate-related risks and opportunities	<p>NFI's Board of Directors (the "Board") has overall oversight and a mandate to monitor (directly or through any committee) NFI's sustainability program, including the Company's environmental, social and governance ("ESG") approach, management's execution against this approach and the material ESG initiatives, impacts, risks and opportunities, and disclosures.</p> <p>The Human Resources, Compensation and Corporate Governance Committee (the "Committee") is responsible for reviewing and recommending to the Board the guidelines and practices relating to environmental (including significant findings of risk and opportunities with respect to climate change raised by the Audit Committee for the Committee's consideration) and employee health and safety matters; monitoring the NFI's (i) performance against the guidelines and practices and (ii) compliance trends; and alerting the audit committee to material environmental matters, including climate change, consistent with its risk management and financial reporting oversight responsibilities.</p> <p>The Committee also reviews and makes recommendations to the Board on guidelines and practices related to corporate social responsibility and ESG matters, including guiding and overseeing the Company's approach to ESG matters and overseeing and monitoring NFI's ESG initiatives, impacts, risks and opportunities, performance and reporting, as well as how corporate social responsibility facilitates ESG matters; overseeing, with the assistance of management, ESG matters for each ESG category with respect to current and emerging trends to ensure the management of risk and to foster long-term sustainable value creation, including</p> <ul style="list-style-type: none"> <li>• understanding the gaps identified by management between the current state of ESG performance and the desired state of ESG performance,</li> <li>• understanding the strategy and actions required to close the gaps between the current state of ESG performance and the desired state of ESG performance,</li> <li>• understanding the priorities, plans and resource requirements related to ESG performance, and</li> <li>• monitoring and report to the Board.</li> </ul> <p>The Committee also approves material ESG factors to be listed within a formalized, internal "Sustainability Commitments" document; and oversees monitoring corporate social responsibility initiatives.</p>
Management's role in assessing and managing climate related risks and opportunities	<p>NFI's Sustainability Council assists the Company in fulfilling its responsibilities relating to NFI's sustainability strategy and program. The Council supports risk management, growth and financial stability through the sustainable development of NFI's businesses and committing to the improvement of the communities and regions in which we operate.</p> <p>The Council assesses recommended strategies to manage Company's ESG, which includes climate-related risks and opportunities, including:</p> <ol style="list-style-type: none"> <li>(a) Reviewing risks and opportunities over the short-term, medium, and long-term;</li> <li>(b) Assessing the impact of risks and opportunities on the Company's businesses, strategy, and financial planning; and</li> <li>(c) Ensuring risks and opportunities are included into the overall risk management program.</li> </ol>
Risk management	
Process for managing climate related risks	<p>NFI's risk management program is managed by an enterprise-wide risk committee in conjunction with the Company's Director of the Audit and Risk Management Services ("ARMS") department, and with executive level participation. The Company retains independent contractors and consultants to assist the ARMS department from time to time, as requested by management or the Audit Committee, in performing audits of various functions or processes within the Company's operating departments in order to assess whether their processes and procedures take into account significant risks and whether such risks have been adequately mitigated.</p>
Process for integrating climate-related risks into the organization's overall risk management	<p>At the core of our risk management program is our Enterprise Risk Committee ("ERC"), which meets ten times per year. The ERC, chaired by the Group Director, ARMS, with membership from NFI's executive leadership team and has responsibility to:</p> <ul style="list-style-type: none"> <li>• Develop and communicate the Company's risk management strategy and direction, and advise the Audit Committee of the Board of Directors on the Company's overall risk appetite, tolerance and resilience, taking into account the current and prospective macroeconomic, political, business and industry environments;</li> <li>• Design, support, and promote the risk management and governance framework, policies, and procedures used to assess and manage these risks across the Company, including requesting regular risk assessments and management updates from objective and risk owners on select risk topics as the ERC deems appropriate;</li> <li>• Monitor the risks to achieving our plans and objectives, and supplement these risks with analysis of external risks published through external risk identification and rating agencies;</li> <li>• Assess the severity of the risks based on pre-defined risk scales for financial, operational, strategic, safety, compliance, cultural, reputational, environmental, social and governance categories; and</li> <li>• Develop and communicate monitoring and/or mitigation strategies for the most significant risks.</li> </ul>



# Task Force on Climate-related Financial Disclosures (TCFD)

<p><b>Strategy</b></p> <p>Identified climate-related risks and opportunities and their impacts on the organization's businesses, strategy, and financial planning</p> <hr/> <p>Processes for identifying and assessing climate related risks.</p>	<p>The following climate-related risks have been identified by NFI in 2023, and will be enhanced over time to achieve the TCFD disclosure recommendations.</p> <p><b>The Company's business may be materially impacted by climate change matters, including risks related to the transition to a lower-carbon economy</b>                  Generally, the promulgation of climate change laws or regulations restricting or regulating greenhouse gas ("GHG") emissions increases the costs to operate the Company's businesses. Certain jurisdictions have promulgated laws and regulations to limit GHG emissions through requirements of specific controls, carbon levies, cap and trade programs or other measures. Comprehensive GHG legislation or regulation, including carbon pricing, may affect not only the Company and its businesses, but also its customers and suppliers. Complying with such GHG laws and regulations and related bid requirements has added and will continue to add to the Company's operating costs and, while the Company believes that it is in compliance in all material respects with such current GHG laws and regulations, there can be no assurance that the Company and its businesses will not be materially impacted by the increase in costs and resources required to manage and comply with any such laws and regulations that may be adopted in the future.</p> <p><b>Catastrophic events, including those related to impacts of climate change, may lead to production curtailments or shutdowns</b>                  The Company's facilities are subject to the risk of catastrophic loss due to unanticipated events and natural disasters, such as earthquakes, tornados, hurricanes, floods, droughts or water shortages, fires, explosions, pandemics or other violent weather conditions, and other potential events, risks and costs that may be exacerbated by or associated with the potential effects of climate change. Unexpected interruptions in the Company's production capabilities would adversely affect its productivity and results of operations. Some customer contracts do not have force majeure provisions and if there are unexpected interruptions or long-term disruptions to the production and delivery of transit buses or coaches due to catastrophic losses or unanticipated events, liquidated damages payable to customers may be significant. Moreover, any interruption in production capability may require the Company to make significant capital expenditures to remedy the problem, which would reduce the amount of cash available for its operations. The Company's insurance may not cover its losses. In addition, longer-term business disruption could harm the Company's reputation and result in a loss of customers. The occurrence of any of these events could materially adversely affect the Company's business, financial condition, liquidity and operating results.</p> <p>In 2023, NFI's risk management practices are a part of regular business operations to help enhance decision-making and resource allocation. The risk management process focuses on the identification of risks associated with the business and its operational and strategic objectives, and the assessment and mitigation of those risks. The alignment of risk mitigation efforts has been enhanced across NFI while taking into account both internal and external risk factors.</p>
<p><b>Metrics and Targets</b></p> <p>Greenhouse gas (GHG) emissions</p>	<p><b>2023 Absolute Scope 1 + 2 Emissions (Metric Tons CO2e)</b>                  Scope 1 Emissions: 26,619                  Scope 2 Emissions: 16,820</p>

# Board skills + experience

These are the full descriptions for the skills + experience of NFI's Board of Directors which can be found on page 21.



## Senior Leadership + People Resources

These qualities equip Board members with the knowledge, experience, and insight to effectively oversee the governance and management of the Company's strategy and operations and provide critical insight on motivating and managing people to help drive success of the business.



## Accounting, Finance + Risk Management

Our global businesses involve complex financial transactions and financial reporting requirements. Expertise and knowledge in complex accounting and financial issues provides valuable insight in the Board's role in the oversight of financial reporting.



## Public + Private Commercial Vehicle Sector

We manufacture and sell commercial transportation vehicles to both private and public transportation customers. Board members with experience and insight into these unique customer segments provide valuable guidance to our businesses and leadership teams.



## Public Company Board Service

Public company board experience provides the Board with important perspectives and knowledge in implementing best practices in governance required to navigate the responsibilities and unique challenges of a public company and understanding the Company's legal and regulatory environment.



## Manufacturing + Operations

We are a global manufacturer of market-leading bus and coach vehicles, aftermarket services and charging infrastructure solutions. Relevant experience in manufacturing and operations, LEAN manufacturing processes and managing complex supply chain issues provides valuable insight and helps the Board oversee the Company's complex global operations.



## Government Relations

Knowledge and experience in government and public policy and public funding mechanisms is important in providing oversight and insight to our businesses which operate in a highly regulated and, in some geographies, government-funded industry.



## Sustainability

Sustainability is a core value of our business, and experience in ESG best practices is instrumental in overseeing the Company in addressing ESG (including climate-related) opportunities and challenges in a responsible, thoughtful, and forward-thinking manner.



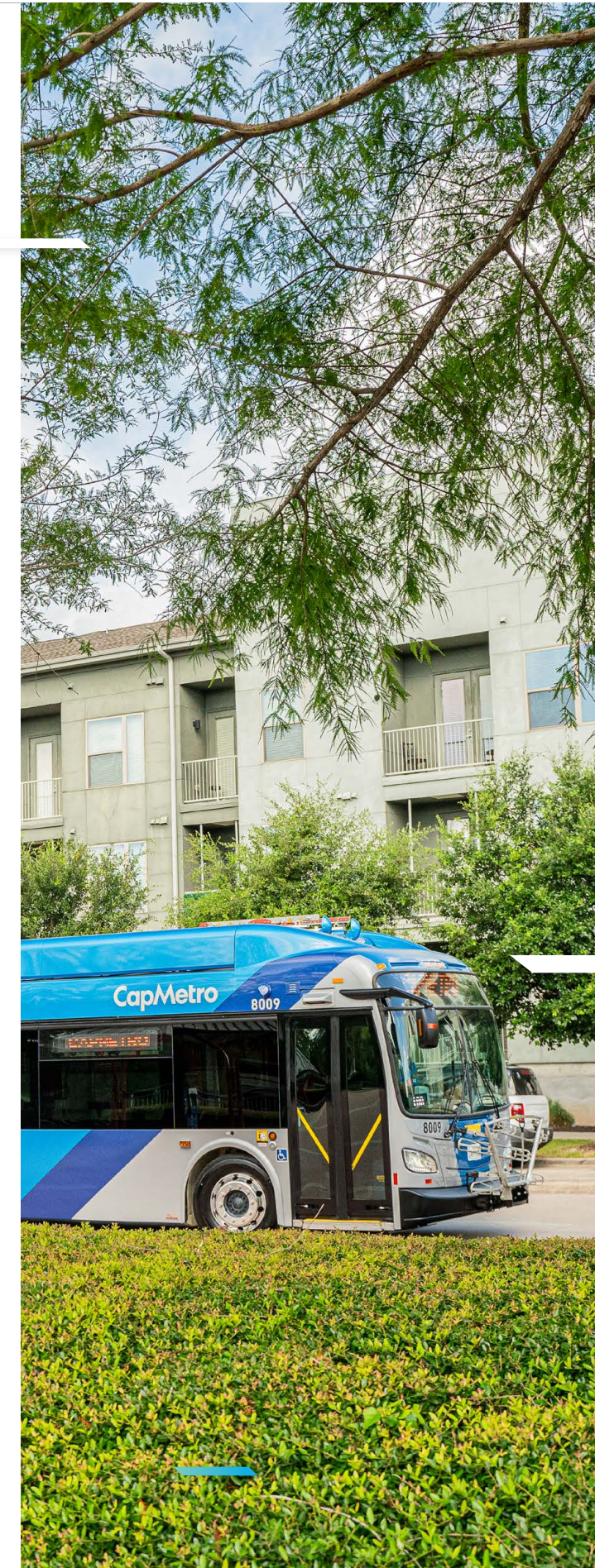
## Technology + Innovation

Technologies and new products and services are critical to the success of our businesses and experience in technology, research and development and integration of new technologies into products is an important skillset for assisting the Company in its growth and innovation leadership.



## Strategic Process

Board members bringing knowledge and experience in strategic planning processes are important in assisting management in defining, developing, and implementing the Company's vision, mission, values, and strategy to ensure the long-term success of the Company.





Leading the **ZE**volution™

