

2023



# Environmental, Social + Governance Report for 2022



# Land acknowledgment



Video: NFI Land Acknowledgment 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.

# Letter to stakeholders

**In a year challenged by supply chain disruptions, production inefficiencies and rapid inflation, we kept our focus on the bigger picture and our long-term strategy, while navigating the daily impacts of a volatile operating environment.**

To us, ESG is not optional—it is simply how we do business. We embed ESG into the fabric of our day-to-day operations, our long-term planning, and our relationship with the communities in which we work and live. We ensure that we look not just at the risks in front of us but also the opportunities. Throughout 2022, we maintained our focus on employee health and safety, capital allocation, and financial stability, and we also made great strides in our sustainability journey, including engagement with our stakeholders on the issues most relevant to them.

As we look back on the past 12 months and look forward to our vision for 2025, we see tremendous opportunity for our business to contribute and drive real change.

As transportation and mobility can be one of the largest contributors to overall emissions, these global concerns have increased the demand for zero-emission vehicles and infrastructure, presenting an unprecedented opportunity for our business. As leaders in market share and product innovation for such vehicles and related infrastructure, we are in pole position to help accelerate the transition to sustainable and zero-emission

transportation—what we call the ZEvolution. From 2015 through 2022, we delivered 2,725 zero-emission buses (“ZEBs”) that have travelled more than 115 million zero-emission service miles and driven emission reductions in six countries. In 2022, ZEBs were 23% of our total deliveries, up from 18% in 2021, and we anticipate that ZEBs will be 25% to 30% of our overall production in 2023, increasing to around 40% in 2025<sup>1</sup>. More than 130 cities around the world have an NFI ZEB in service or on order.

While our products and services (be they battery-electric, fuel cell-electric, clean-diesel, or hybrid-electric) have tremendous environmental benefit, the work we do also has a positive social impact on our people and our communities. This Report contains many exciting initiatives and important metrics that provide additional detail on our impact, but we would like to highlight a few key points here. Over the past 12 months:

- ✓ We completed our first materiality assessment, to determine where NFI will focus our ongoing efforts to continue to create long-term, sustainable value for all of our stakeholders;
- ✓ We initiated a sustainability roadmap, to action the results of our materiality assessment and our overall sustainability strategy;
- ✓ We completed our first annual disclosure to the S&P Global Corporate Sustainability Assessment (“CSA”) and second annual disclosure to the CDP Climate Change questionnaire;
- ✓ We implemented a diversity, equity, and inclusion (“DEI”) action plan and DEI Strategic Framework to address key issues identified in our 2021 DEI survey.

Engaging and retaining team members is a key area of focus for us in 2023 as we look to start scaling our production in the second half of this year.

We are also proud to note that our executive performance metrics for our long-term incentive plan now includes a combination of return on invested capital (“ROIC”), ESG, and strategic targets, aligning our Company’s performance with NFI’s long-term sustainability. We also reached one of our increased Board diversity targets: as of May 2023, NFI’s Board of Directors is now 50% female, and 63% of our independent Directors are female.

The way we see it: strong ESG practices, policies and initiatives is good business. The global transition to zero-emission has created an unprecedented business opportunity for NFI, as has our focus on a more diverse, equitable, and inclusive workforce. Our robust governance program underpins it all.

We continue to ensure that our actions meet our sustainability pledge to deliver a better product, a better workplace, and a better world. This is evident in our commitment to enable smart city development, reduce the harmful impacts of climate change, traffic congestion and noise pollution, and create economic opportunity for current and future generations. We do not do this alone and are thankful to our people, our customers, suppliers, investors, creditors and community partners for their commitment to our vision and for their support as we lead the transformation to a more sustainable future.

<sup>1</sup> Please review the Company’s March 1, 2023 press release and the 2022 Q4 and Fiscal Year MD&A for details on the assumptions that drive Fiscal 2023 and Fiscal 2024 guidance, and 2025 targets, as well as certain applicable risks.



**Wendy Kei**  
Chair of the Board



**Paul Soubry**  
President and Chief Executive Officer



Today, I am incredibly pleased to introduce NFI's

▶ **Video:** Introducing the NFI ESG Report for 2022

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# About this Report

**We are proud to present our fifth 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 business and our stakeholders, and are guided by the principles of accuracy, balance, and clarity.**

This Report is part of our continuous improvement process as we move to enhance ESG at NFI. We encourage stakeholder feedback on the contents and format of this Report to ensure it meets your needs and expectations through its ongoing evolution. Our sustainability team can be reached at [esg@nfigroup.com](mailto:esg@nfigroup.com).

## Reporting Scope and Boundaries

Our reporting reflects the current size and scope of NFI’s business lines, which have evolved over the years through a number of significant acquisitions, including North American Bus Industries (“NABI”) and Orion’s parts business in 2013; Motor Coach Industries (“MCI”) and Frank Fair Industries in 2015; ARBOC Specialty Vehicles (“ARBOC”) and Carlson Engineered Composites and Wausaukee-Sintex Composites in 2017; the launch of KMG in 2018; and the acquisition of Alexander Dennis Limited (“Alexander Dennis”) in 2019.

This Report covers the operational activities of NFI globally from January 1, 2022 to December 31, 2022, unless otherwise indicated herein. References to “Fiscal 2022” refer to the 52-week period beginning on January 3, 2022 and ending on January 1, 2023. 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. As a result of data coverage and quality improvements, a limited number of past performance figures published in our 2021 report have been restated where relevant and clarified in our footnotes throughout this Report.

## Definitions

Zero-emission buses (“ZEBs”) consist of trolley-electric, hydrogen fuel cell-electric, and battery-electric buses and coaches. One equivalent unit (or “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). In this Report, where ZEB deliveries are referenced, the reference refers to EUs of ZEBs delivered.

## Data Assurance

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 internal management, and it is reported to various jurisdictional regulatory authorities as required.

## Other

Photos, images, and videos included in this Report were taken at various points over the past few 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 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 ESG 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” and “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 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.sedar.com](http://www.sedar.com). 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 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.



# Report highlights

## 115M+

Electric service miles travelled by NFI ZEBs since 2015



### 1st

Response to S&P Corporate Sustainability Assessment (CSA)



### Initiated

Sustainability roadmap and Sustainability Council



### Updated

Code of Business Conduct and Ethics to affirm prohibition against child labour



### 2nd

Response to CDP Climate Change Questionnaire

## 1st

Materiality Assessment completed



### Enhanced

Commitments to Freedom of Association

## 100%

of employees at NFI's main transit bus, coach and fabrication manufacturing facilities in Canada and the U.S. were at or above the living wage standard in their region, as described later in this Report<sup>1</sup>

<sup>1</sup> As of May 2023



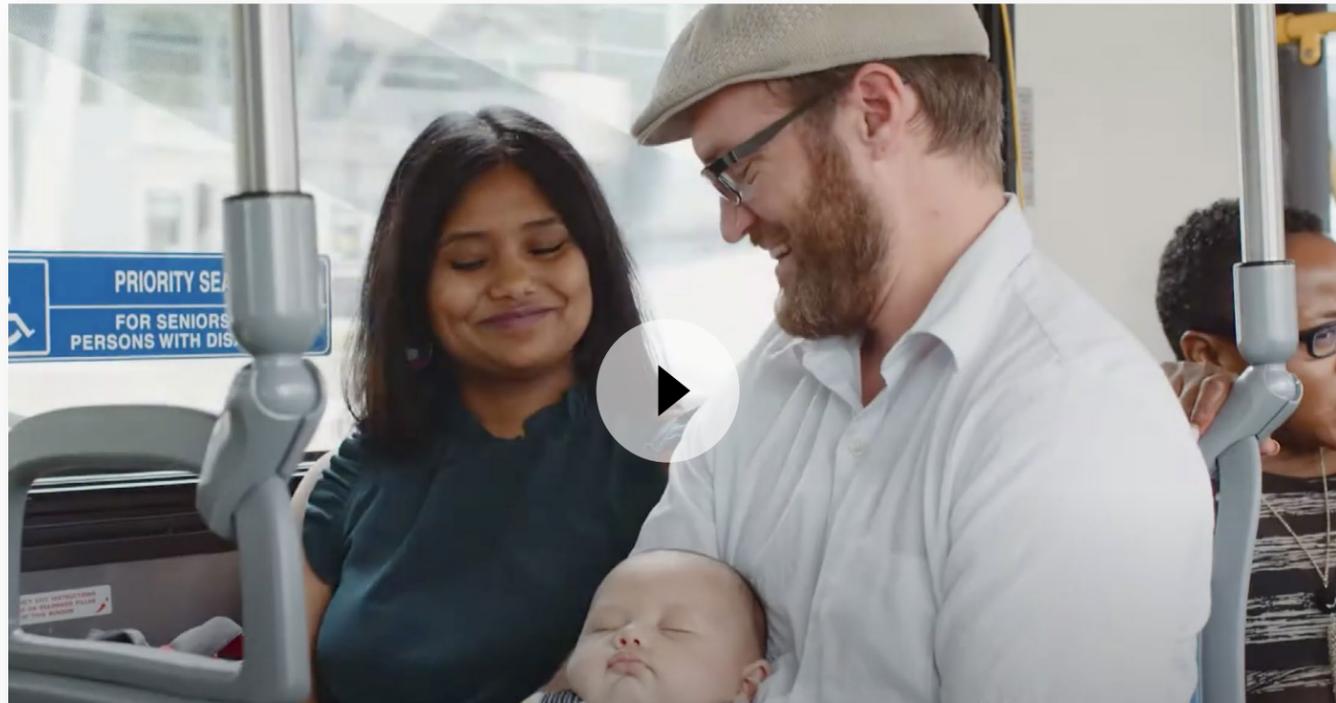
25% of Independent Directors self-identify as persons of colour<sup>1</sup>



63% of Independent Directors self-identify as female<sup>1</sup>

# About NFI

## Videos



▶ **Video:** To Move People

How far would you go to truly move people, to create something better and go where others won't? For us, good enough is never good enough. We are always pushing forward. Always rising above. Because at NFI Group we move people, millions of them around the world every day.

[Launch Video](#)



▶ **Video:** NFI is leading the ZEvolution™ to electric and zero-emission mobility

The world of transportation is changing, and everyone knows what's coming next. Zero-emission buses and coaches, moving millions of people all around the world. Change needs a leader, and we are that leader. It's not a revolution...we are leading the ZEvolution™ to a zero-emission future.

[Launch Video](#)

# About NFI

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

We continue 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.

## We move people.



### Facts

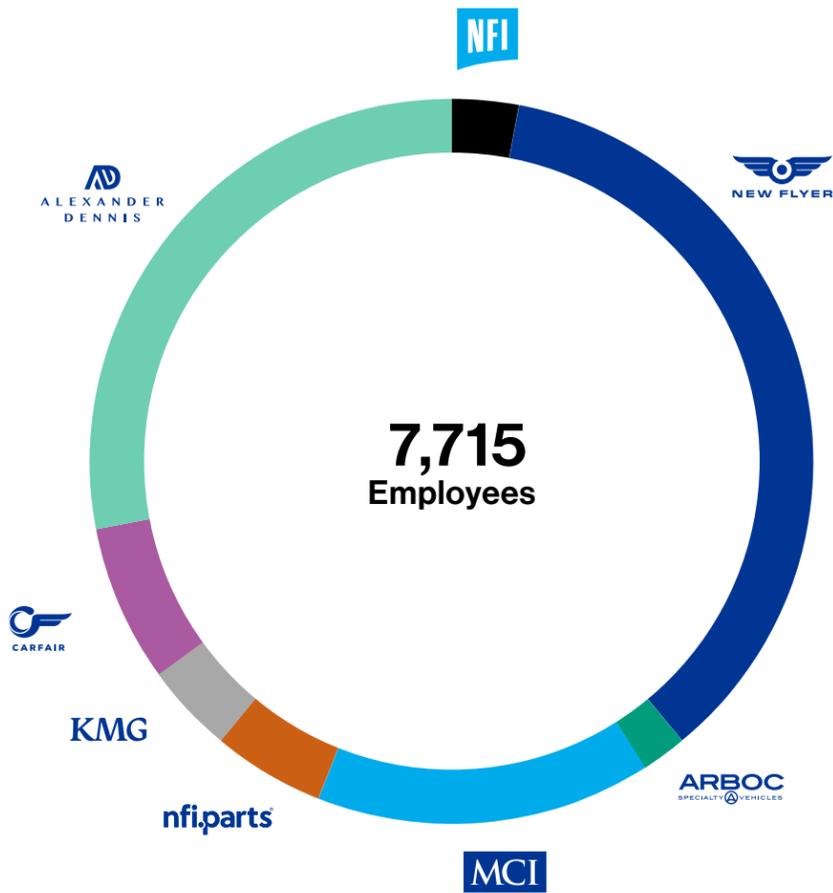
**~7,700**  
Team members

**45+**  
Facilities in 10 countries

**~100,000**  
Buses and coaches in service around the world

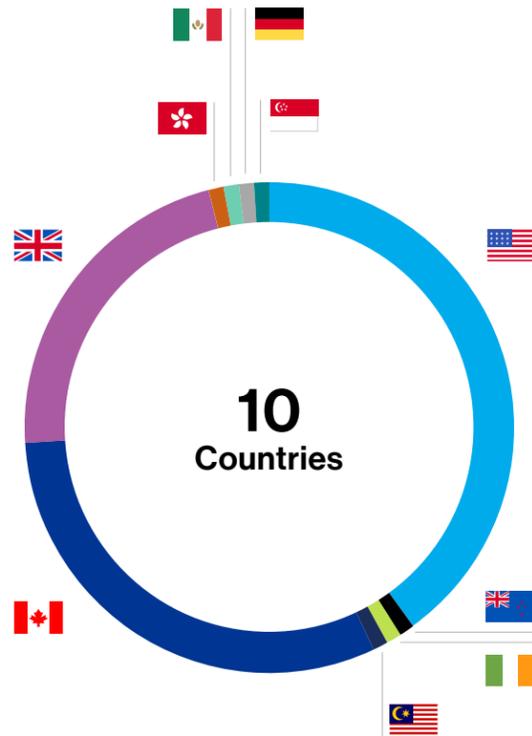


# Our people



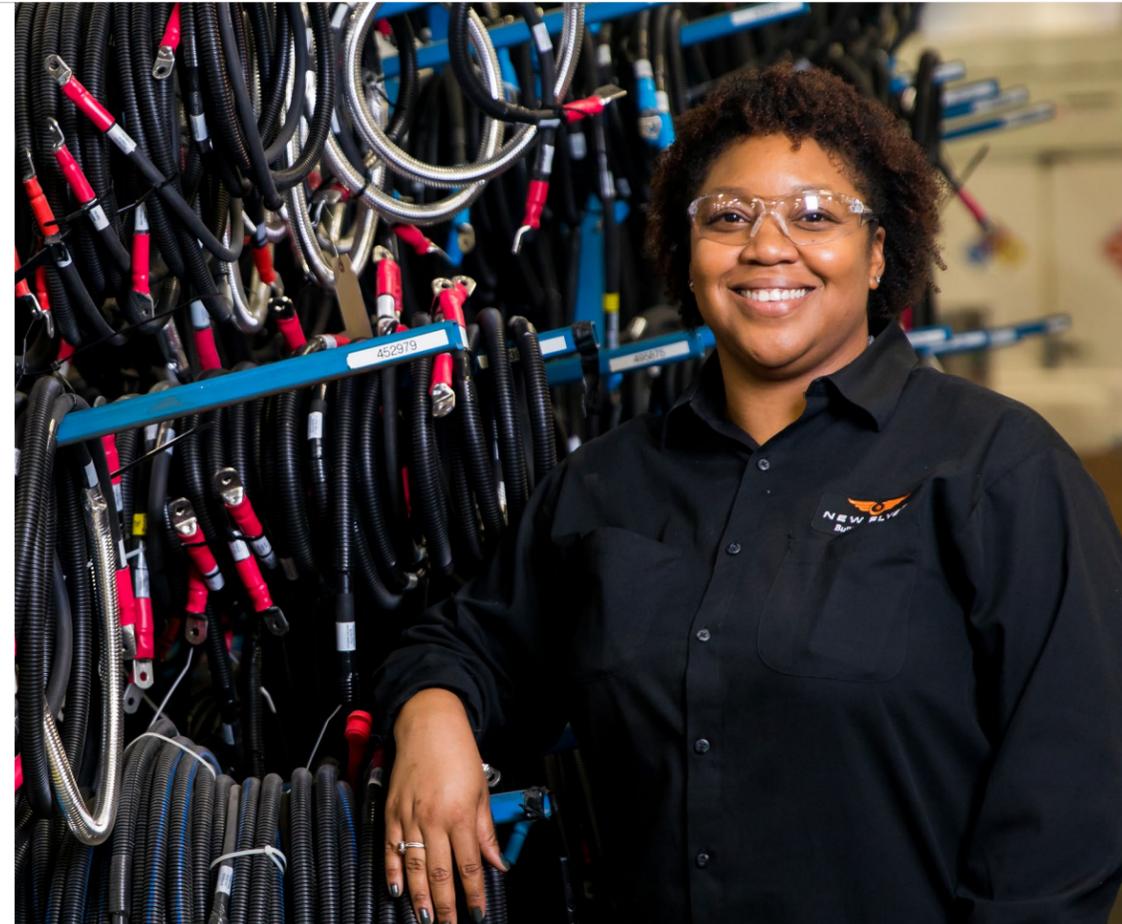
## Employees

212	NFI Group
2,890	New Flyer
2,029	Alexander Dennis
1,118	MCI
552	Carfair Composites
394	NFI Parts
371	KMG
149	ARBOC



## By Country

3,153	USA
2,554	Canada
1,897	UK
54	Hong Kong
29	Mexico
8	Germany
8	Singapore
7	New Zealand
4	Ireland
1	Malaysia



# Our communities



- **Anniston, AL** Bus Manufacturing  
★ Vehicle Innovation Center
- **Crookston, MN** Bus Completion
- **Jamestown, NY** Parts Manufacturing
- **St. Cloud, MN** Bus Manufacturing  
Parts Fabrication
- **Winnipeg, MB** Parts Fabrication  
Bus Shell Assembly  
New Product Development



- **Crookston, MN** D-Series Shell Completion
- **Pembina, ND** Coach Completion
- **Winnipeg, MB** Parts Fabrication  
D-Series Shell Assembly  
Complete J-Series  
Manufacturing  
New Product Development



- **Arnprior, ON** Collision and Refurbishment Center
- **Blackwood, NJ** MCI/NF Service Center
- **Dallas, TX** MCI/NF Service Center
- **Des Plaines, IL** MCI/NF Service Center
- **Montreal, QC** MCI/NF Service Center
- **Renton, WA** NF Service Center  
(MCI coming soon)
- **San Francisco, CA** MCI/NF Service Center
- **Torrance, CA** MCI/NF Service Center



- **Brampton, ON** NFI Parts Distribution Center
- **Delaware, OH** NFI Parts Customer Service
- **East Brunswick, NJ** NFI Parts Distribution Center
- **Fresno, CA** NFI Parts Distribution Center
- **Louisville, KY** NFI Parts Distribution Center  
Customer Training
- **Winnipeg, MB** NFI Parts Distribution Center  
Publications  
Customer Training



- **Middlebury, IN** Cutaway & Medium-Duty  
Bus Manufacturing



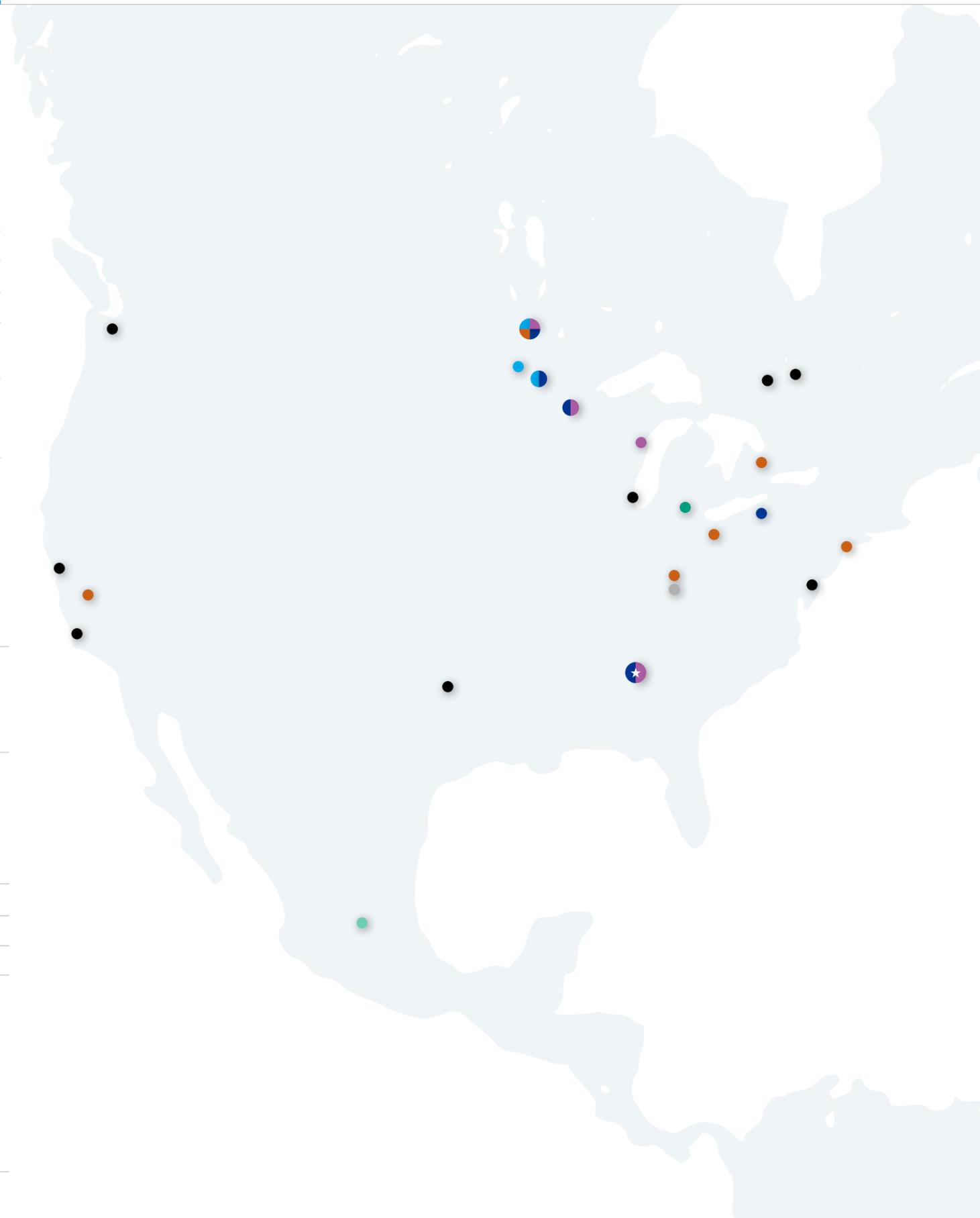
- **Shepherdsville, KY** Parts Fabrication



- **Anniston, AL** Fiberglass Fabrication
- **St. Cloud, MN** Fiberglass Fabrication
- **Wausaukee + Gillett, WI** Fiberglass Fabrication
- **Winnipeg, MB** Fiberglass Fabrication



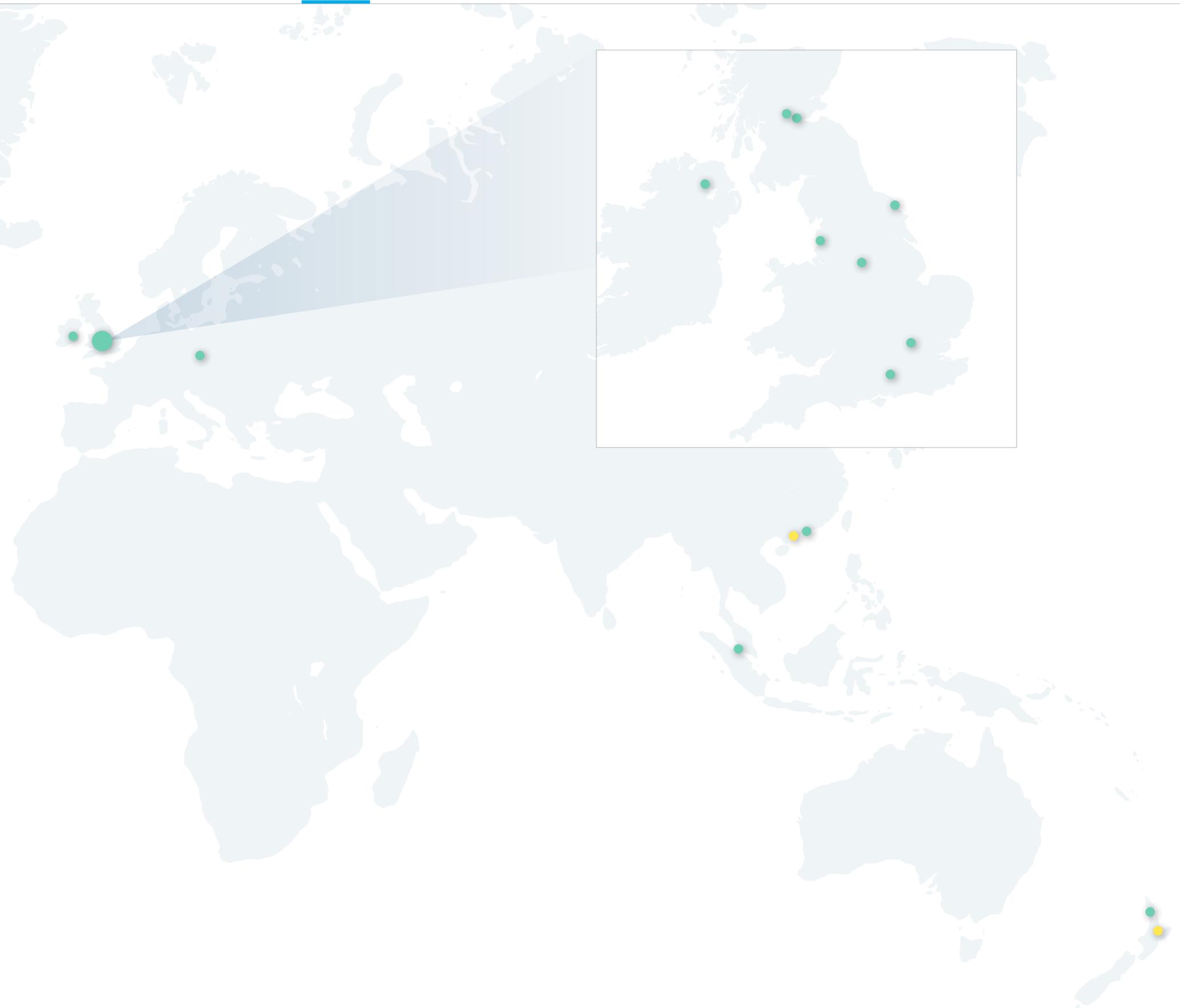
- **Ciudad de Mexico, Mexico** Commercial, Parts  
Distribution and Service  
Center



# Our communities



● <b>Auckland, New Zealand</b>	Commercial, Parts Distribution and Service Center
● <b>Anston, England</b>	Parts Distribution and Service Center
● <b>Ballymena, Northern Ireland</b>	Engineering Hub
● <b>Berlin, Germany</b>	Commercial, Parts Distribution and Service Center
● <b>Dublin, Ireland</b>	Parts Distribution Center
● <b>Falkirk, Scotland</b>	Bus Manufacturing
● <b>Farnborough, England</b>	Design and Engineering
● <b>Harlow, England</b>	Service Center
● <b>Hong Kong</b>	APAC Head Office Commercial, Parts Distribution and Service Center
● <b>Larbert, Scotland</b>	Head Office
● <b>Skelmersdale, England</b>	Parts Distribution and Service Center
● <b>Scarborough, England</b>	Bus and Coach Manufacturing
● <b>Singapore</b>	Commercial, Parts Distribution and Service Center
● <b>Tauranga, New Zealand</b>	Build Partner Manufacturing Plant
● <b>Zhuhai, China</b>	Build Partner Manufacturing Plant



# Our companies



New Flyer is North America's heavy-duty transit bus leader, offering the most advanced product line under the Xcelsior® and Xcelsior CHARGE® brands; infrastructure development through NFI Infrastructure Solutions™; and workforce development through NFI's Vehicle Innovation Center ("VIC"), the first and only innovation lab of its kind dedicated to advancing bus and coach technology. New Flyer actively supports over 36,000 heavy-duty transit buses (New Flyer, NABI, and Orion) currently in service.

[newflyer.com](http://newflyer.com)



Alexander Dennis is a global leader in the design and manufacture of double deck buses and the UK's largest bus and coach manufacturer. Alexander Dennis offers single and double deck vehicles under the brands of Alexander Dennis and Plaxton, and has over 31,000 vehicles in service in the UK, Europe, Hong Kong, Singapore, New Zealand, Mexico, Canada and the United States.

[alexander-dennis.com](http://alexander-dennis.com)



NFI Parts™ is North America's most comprehensive parts organization providing parts, technical publications, training, and support for buses and motor coaches, with over 90 years of experience. NFI Parts provides replacement parts for New Flyer® transit buses, MCI® motor coaches, Alexander Dennis buses, ARBOC® vehicles, and the product lines for the acquired NABI and Orion parts businesses. Additionally, NFI Parts has extensive cross references for parts that are common with other bus, coach, and cutaway product lines. NFI Parts supports a combined fleet of 75,000 active transit buses, motor coaches and cutaway vehicles, and serves more than 5,000 customers annually.

[nfiparts.com](http://nfiparts.com)



Carfair Composites Inc. is North America's leader in engineered fiber-reinforced plastics ("FRP") and composite technologies for buses, with over 50 years of experience.

[carfaircomposites.com](http://carfaircomposites.com)



KMG is NFI's part fabrication facility which launched in 2018 in Shepherdsville, Kentucky.



MCI is North America's public and private market motor coach leader, offering the luxury J-Series (an industry best-seller for over a decade), the workhorse D-Series, and the zero-emission battery-electric J4500 CHARGE™, D45 CRT CHARGE™, and D45 CRT LE CHARGE™ luxury and commuter coaches. MCI also provides maintenance, repair, 24-hour roadside assistance, parts, and technician training through the industry's only Automotive Service Excellence ("ASE") accredited and award-winning MCI Academy.

[mcicoach.com](http://mcicoach.com)

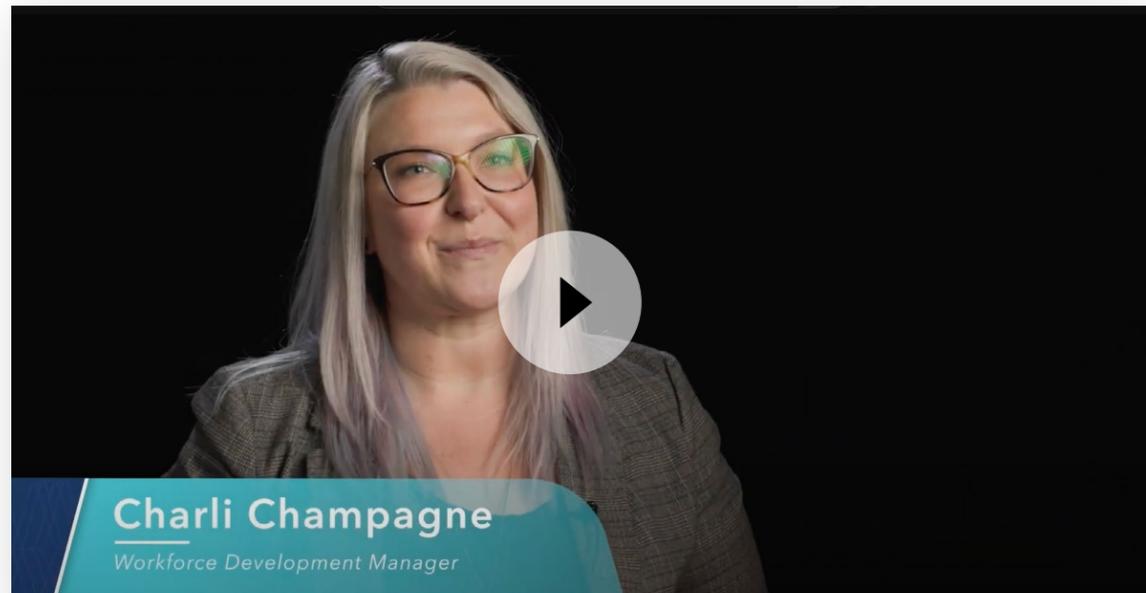


ARBOC is North America's low-floor, body-on-chassis ("cutaway") bus leader serving transit, paratransit, and shuttle applications, with more than 4,500 buses produced. Providing Equal Access for Everyone®, ARBOC also offers a medium-duty bus for transit and shuttle applications, the Equest, as a diesel or compressed natural gas ("CNG"), or the Equest CHARGE™ zero-emission battery-electric bus.

[arbocsv.com](http://arbocsv.com)



# Our awards + accolades



**Charli Champagne**  
Workforce Development Manager

▶ **Video:** CPHR Manitoba: Unity Award nomination



## Fact

**NFI has raised over \$3.5 million for United Way agencies since 2009.**

## CPHR Manitoba: Unity Award nomination



In 2023, NFI was nominated for the Unity Award as part of Chartered Professional in Human Resources (“CPHR”) Manitoba’s annual HR Excellence Awards. The CPHR Manitoba Unity Award recognizes organizations that have successfully demonstrated leadership in HR programs by establishing a culture of diversity, inclusion, advancing truth and reconciliation, and removing barriers to access. NFI was nominated for its harmonized, global approach to messaging and initiatives, targeted workforce development programs, and opportunities for education and continued learning. NFI was honoured to be nominated and congratulates all of the winners!

[Launch Video](#)

## United Way Campaign Committee Award

“ **Support for community is a key element of NFI’s identity, and a fundamental part of how we do business at NFI.**

**This year, after two years of cancelled in-person events due to the COVID-19 pandemic, our teams across North America came together through a variety of interactive events, including the return of our annual bus pull. These events, combined with employee and company contributions, provided precious dollars that will support the United Way in its mission to create lasting change in communities.”**

—Janice Harper, Executive Vice President, People + Culture

In January 2023, NFI was presented with a Campaign Committee Award at the annual United Way Winnipeg Celebration dinner, in recognition of workplaces that go over and above the “call of duty” to rally their team for a successful campaign. NFI’s annual United Way Workplace Campaign raised \$381,868 in 2022, supporting 18 different United Way agencies across the U.S. and Canada, located in or near communities where NFI has facilities.

The campaign was again championed by employees across North America, with Michelle Whyard, Director, Human Resources, MCI, as Campaign Chair, and teams participating from NFI subsidiaries New Flyer, MCI, Alexander Dennis, ARBOC, NFI Parts, Carfair Composites, and KMG, all raising funds through individual, team challenge, and virtual giving initiatives.

# Our awards + accolades



## Charli Champagne Named to Mass Transit's Top 40 Under 40 – Advancing Workplace DEI

In August 2022, NFI's Workforce Development Manager, Charli Champagne, was named to Mass Transit Magazine's Top 40 Under 40 list for advancing workplace DEI programs, supporting Truth and Reconciliation Commission ("TRC") calls to action, and championing initiatives supporting historically disadvantaged groups.

“ We are tremendously proud of Charli for this well-deserved recognition. She is an important change leader not only on our team, but in our community and industry as well.

**At NFI, we are committed to investing in and advancing diversity, equity, and inclusion. The work Charli leads is an example of our commitments in action, with results that illustrate steady progress. Her ability to pair data with strategy, to put plans into action, and to connect people with opportunity is unparalleled, and we congratulate her for earning this prestigious award from Mass Transit magazine.”**

—Janice Harper, Executive Vice President, People + Culture

## Corporate Knights 2022 Best 50 Corporate Citizens in Canada

In June 2022, NFI was ranked among Corporate Knights' 2022 Best 50 Corporate Citizens in Canada.

The Best 50 Corporate Citizens represent a rising standard and ambition for corporate sustainability leadership in Canada. To determine the ranking, Corporate Knights analyzed 332 large Canadian organizations against domestic and global industry peers using a suite of 24 quantitative ESG key performance indicators.

NFI received top quartile scores on water and nitrogen oxides ("NOx") productivity, clean revenue (earned from the production of zero-emission buses), clean investment, and above-average performance on board gender diversity.

## Alexander Dennis wins prestigious Scottish Engineering Sustainable Development Award

In May 2022, Alexander Dennis was recognized for Sustainable Development at the 2022 Scottish Engineering Awards. Central to the Alexander Dennis application was the development of Scotland's first hydrogen bus, the Enviro400FCEV. The project combined engineering and manufacturing excellence with innovation and business transformation to create the first ever Scottish-built hydrogen fuel cell bus.

“ I am delighted that we received the prestigious Sustainable Development Award at the 2022 Scottish Engineering Awards.

**It underlines the strength, depth and capability of the Alexander Dennis team members that are responsible for our product development and programme delivery. Our target is to continue to raise the bar as we develop new products that we expect to underpin the decarbonisation ambitions of our industry.”**

—Paul Davies, President and Managing Director, Alexander Dennis



# ESG at NFI

# Sustainable value

Our carefully planned and systematic approach to sustainability is embedded in our corporate strategy through our Sustainability Pledge, which guides our daily actions, long-term planning, and drives ongoing improvement:



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

## Our Vision

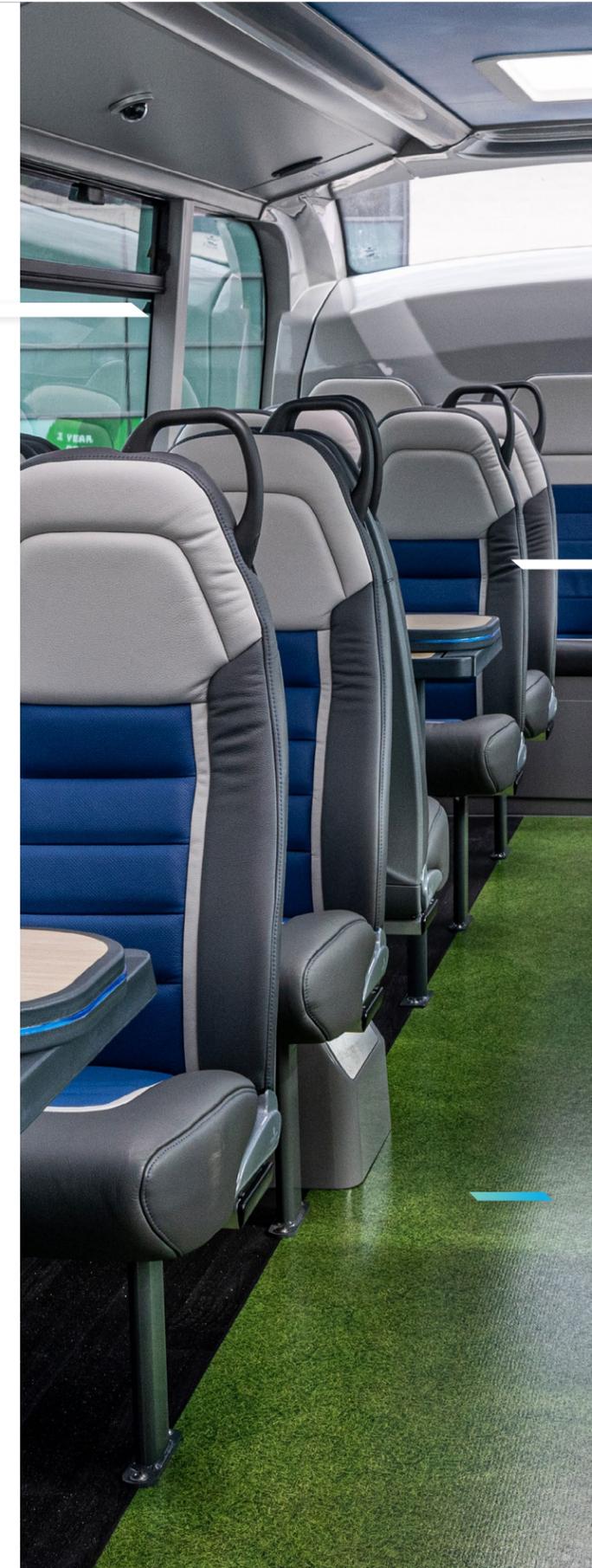
To lead the evolution of sustainable on-road mass transportation and mobility.

## Our Mission

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



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



# Sustainability governance

To adequately protect and monitor processes associated with sustainability, NFI has developed a sustainability governance model to support the effective and responsible performance of our business, contributing to the creation of sustainable value for all stakeholders. We operate with respect for the law, our internal policies, and professional ethics.

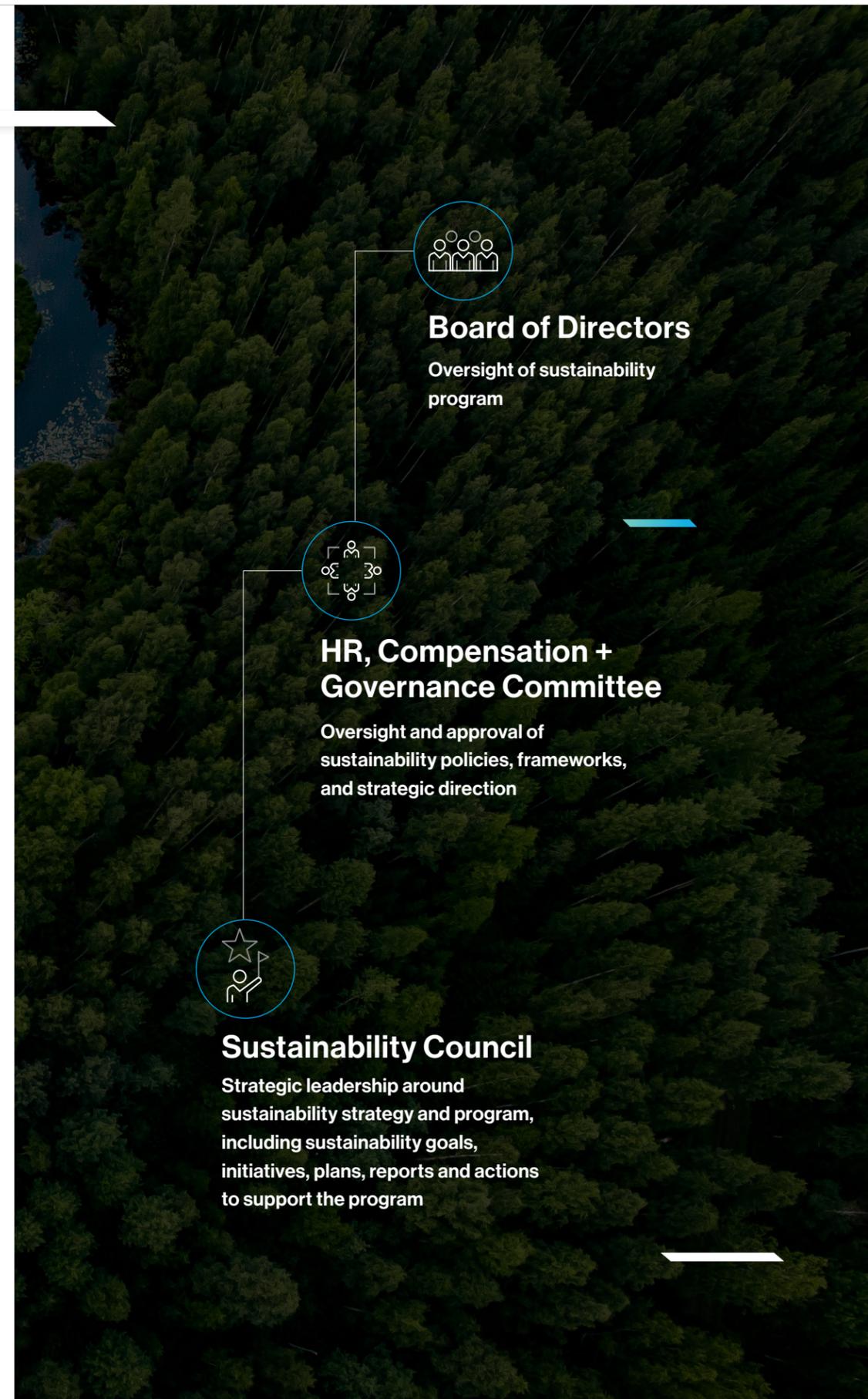
For NFI, sustainability is viewed not just as an opportunity but a genuine mission to seek continuous improvement and to build resilience in an evolving environment of global emerging issues.

NFI's Board of Directors ("Board") oversees the Company's sustainability program and approach, management's execution against the approach, material 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, 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.

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.



# Stakeholder engagement

**At NFI, building robust relationships with our stakeholders is integral to understanding their needs, interests, and expectations.**

Our proactive, multifaceted approach allows us to engage with our key internal and external stakeholders to increase our focus and attention on relationships that create long-term value, earn trust, and deliver on our commitments for a sustainable future.

## Stakeholder Identification

In 2021, we identified our key internal and external stakeholders, with consideration to the individuals, groups, or organizations to whom we have responsibility or that influence the Company's performance. We routinely engage directly with our stakeholders to ensure they have accurate, credible information about our Company and our sustainability strategy. We focus on open communication to strengthen our understanding of their needs together with ours; and to advance the responsible management of sustainable and inclusive growth in support of our organizational resilience and positive global impact.

In 2022, engagement activities focused on decarbonisation, new business, innovation, DEI, and our emergence out of the COVID-19 pandemic.

## Communicating with our stakeholders



### Customers

- Industry-specific events and panel engagements
- Press conferences
- Social media channel communications
- Customer surveys and reports
- Participation in trade fairs
- NFI's VIC and events
- Vehicle launch events
- NFI and subsidiary websites



### Employees

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



### Investors/ Shareholders

- Virtual and in-person meetings
- Conferences and industry events
- NFI website
- SEDAR



### Financial Institutions

- Virtual and in-person meetings
- Conferences and industry events
- NFI website
- SEDAR



### Suppliers

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



### Local Committees, and NGOs

- Direct contacts
- 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 channel 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



### Labour Unions

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

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

# ESG materiality assessment – our progress

In 2022, NFI launched its first multi-stakeholder materiality assessment, to identify material ESG topics most relevant for our Company and our stakeholders, and to provide insight on the changing risk landscape.

## Defining our ESG Materiality Assessment and Matrix

To assess material ESG topics for NFI, a thorough review was completed, including industry-related ESG frameworks, international standards, benchmarking against industry practices, emerging issues, and current NFI policies and procedures.

Throughout 2022, an online survey was distributed to our stakeholders to analyze both perception of the topics from the Company's perspective (key management team members and the Board of Directors) and other stakeholders' perspectives.

The perspectives gained from the materiality assessment, in combination with other risks and opportunities and the definition of the materiality matrix, will be used by our Sustainability Council to establish NFI's formal sustainability commitments and goals. This systematic approach will ensure we have a clear, measurable strategic plan in place to achieve our goals as we maintain and increase stakeholder confidence and create long-term sustainable relationships.

# ESG framework alignment

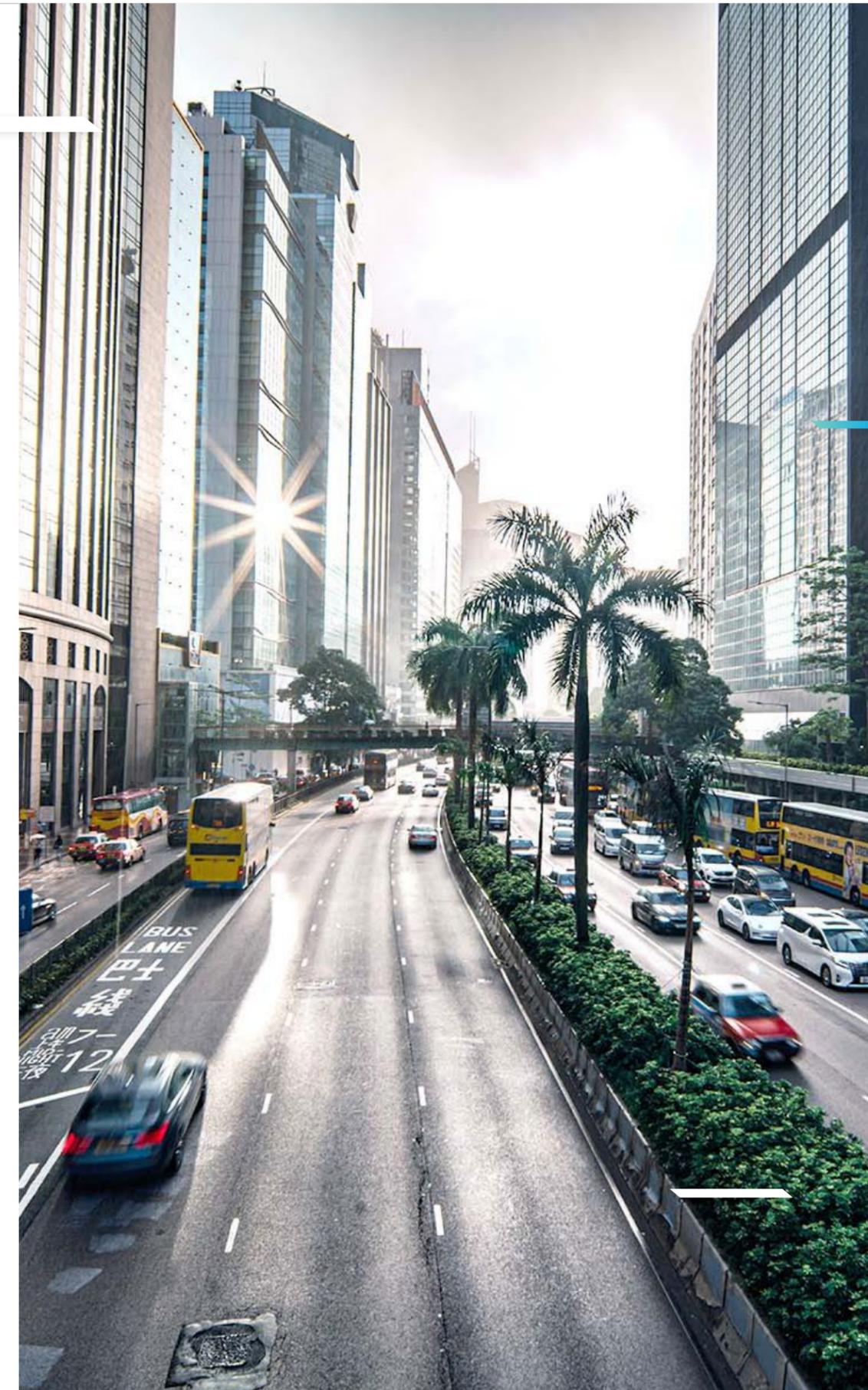
The ESG landscape related to sustainability and climate-related regulatory requirements and emerging international standards is advancing at a rapid pace, and NFI has been actively working to identify and establish the most relevant ESG framework(s) for our Company to align with, taking into consideration our material ESG topics. Framework alignment will help inform our formal sustainability commitments. We anticipate confirming alignment with TCFD and intend to disclose to this framework for the 2023 reporting year.



# Our ESG progress in 2022

**In 2022, in addition to completing our first materiality assessment, as part of our ongoing ESG priorities, we also:**

- ✓ Initiated a sustainability roadmap to action the results of our materiality assessment and overall sustainability strategy
- ✓ Continued to prioritize the health, safety, and well-being of our employees
- ✓ Completed our first annual disclosure to the S&P Global CSA and our second annual disclosure to the CDP Climate Change questionnaire
- ✓ Hired a talent acquisition manager to lead our commitment to strengthening our community relationships, establish connections to build a diverse candidate pipeline, and remove barriers in the recruitment and selection process
- ✓ Implemented an action plan to address key issues identified in our 2021 NFI Group-wide DEI survey and implemented NFI's DEI Strategic Framework to guide NFI's work towards equity and inclusion across the organization
- ✓ Increased the gender and sexual diversity target for the board and senior management from 30% to 50% (at the end of 2022, 50% of NFI's Independent Directors self-identified as female; as of the date of this Report, 63% of Independent Directors self-identified as female)
- ✓ Added a diversity target for the board and senior management of 30% for other equity deserving groups (racialized, black, people of colour, people with disabilities, and Indigenous peoples)
- ✓ Updated our Code of Business Conduct and Ethics affirming the Company's prohibition against child labour (defined as anyone under the age of 16)
- ✓ Changed the performance share unit ("PSU") performance 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, ESG target, and a strategic target for the 2023 financial year
- ✓ Implemented a Community Benefit Agreement for the New Flyer Anniston plant that establishes goals of 45% of new hires and 20% of promotions coming from groups who have historically been under-represented or underserved (including people of colour, women, and veterans), enhances training programs, and focuses on increasing access to employment and career advancement for these historically disadvantaged groups
- ✓ Enhanced commitments to Freedom of Association outlined in our Code of Business Conduct and Ethics and our Human Rights Statement, and released the NFI Group Freedom of Association Statement in 2022
- ✓ Shifted some of our strategic priorities to withstand supply chain challenges for the long-term health of the business
- ✓ Raised over \$381,000 through our annual United Way campaign, supporting 18 communities across North America
- ✓ In 2022, NFI expanded its living wage assessment to include the main transit bus, coach and fabrication manufacturing production facilities in Canada and the U.S. to understand the competitiveness of NFI's wage scales in relation to applicable local living wage guidelines. As of 2022, 100% of our employees at NFI's main transit bus, coach and fabrication manufacturing facilities in Canada and the U.S. were at or above the living wage standard in their region.



# Our ESG journey highlights: 2019 to today

**2019**  
1st ESG Report

**2020**  
2nd ESG Report;  
launched Community Benefits Framework

**2021**  
3rd ESG Report;  
inaugural CDP Climate Change Questionnaire participation; launched DEI survey to employees

**2022**  
4th ESG Report;  
completed ESG materiality assessment; completed Living Wage Assessment of main North American transit production facilities; inaugural S&P CSA response

**2023**  
5th ESG Report;  
developing sustainability roadmap in preparation for the net-zero economy

# Our ESG priorities in 2023



## Employees

- ✓ Sustainability training and engagement
- ✓ Environmental, health and safety and continued ISO 45001 certification
- ✓ Respectful and vibrant workplace culture
- ✓ Retention, workforce development and training, Community Benefits Framework, and Freedom of Association support
- ✓ Advance DEI roadmap, and 50-30 challenge commitments



## Company Management

- ✓ Business performance
- ✓ Leading with integrity
- ✓ Quality products, continuous innovation
- ✓ Robust governance practices
- ✓ Sustainability supply chain management



## Environment

- ✓ Zero-emission products and solutions
- ✓ Material ESG topics and ESG standard identification
- ✓ Energy and waste consumption management
- ✓ Continued certification to ISO 14001
- ✓ Continued industry partnerships to advance the net-zero economy



## Community

- ✓ Responsible corporate citizen
- ✓ Human Rights
- ✓ Community and charitable initiatives
- ✓ Team and community spirit, supported by the Community Benefits Framework
- ✓ Global United Way sponsorship program

“ In 2022, NFI completed its first ESG materiality assessment to inform the ESG factors most relevant to NFI and all our stakeholders, and has initiated a sustainability roadmap to action the results of our materiality assessment and overall sustainability strategy.

In 2022, we also implemented a DEI action plan; continued to prioritize the health, safety and well-being of our employees; and completed our first annual disclosure to the S&P Global CSA and our second annual disclosure to the CDP Climate Change questionnaire. Our Board of Directors is now over 50% female, and we have increased our Board diversity targets. Our teams also came together to raise over \$381,000 through our annual United Way campaign, supporting 18 communities across North America. We are focused on meeting the needs of tomorrow and continue to weave ESG into the fabric of our day-to-day operations and our long-term planning.”



**Janice Harper**  
Executive Vice President,  
People + Culture



# Principles + Governance

# Our values



## Safety

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



## Accountability

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



## Quality

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



## Teamwork

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



## Integrity

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



## Sustainability

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



# Board of directors



NFI's Board of Directors, May 2023.

## Robust governance program

- ✓ Dedicated committees for Audit and for HR, Compensation and Corporate Governance
- ✓ Comprehensive governance framework
- ✓ Enhanced ESG disclosure and policy development
- ✓ Whistleblower and Fraud Hotline
- ✓ Top 200 for Canada's Corporate Boards in Globe and Mail Board Games Survey

### Facts

**80%**

Board independence

**4**

Geographical diversity across four countries

**63%**

of Independent Directors are female<sup>1</sup>

**90%**

of Directors own shares<sup>2</sup>

Over **300**

years of combined experience

<sup>1</sup> As of May 2023

<sup>2</sup> Throughout 2022 and prior to the 2023 Annual General Meeting, 100% of Directors owned shares.

# NFI Board skill and experience matrix as of May 2023



**Wendy Kei**  
FCPA, FCA, F.I.C.D (Chair)  
Chair of the Board, Ontario Power Generation Inc.



**Colin Robertson**  
CBE (Vice Chair)



**Phyllis Cochran**  
CPA



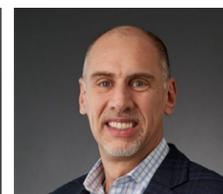
**Larry Edwards**  
ICDD



**Paul Soubry**  
ICDD  
President & Chief Executive Officer, NFI



**Krystyna Hoeg**  
CPA, CA



**Adam Gray**  
Co-Founder and Managing Partner, Coliseum Capital Management, LLC



**Katherine S. Winter**  
Chief Operating Officer, May Mobility



**Paulo Cezar Da Silva Nunes**  
Board Member, Marcopolo S.A.



**Jannet Walker-Ford**  
Senior Vice President & Principal Director - National Transit & Rail Business Line Leader, WSP USA

<b>Location</b>	🇨🇦 Ontario, Canada	🇬🇧 Scotland, UK	🇺🇸 South Carolina, USA	🇺🇸 Oklahoma, USA	🇨🇦 Manitoba, Canada	🇨🇦 Ontario, Canada	🇺🇸 Connecticut, USA	🇺🇸 Illinois, USA	🇧🇷 Rio Grande do Sul, Brazil	🇺🇸 Florida, USA
<b>Gender Diversity</b>	Female	Male	Female	Male	Male	Female	Male	Female	Male	Female
<b>Racial Diversity</b>	Y	N	N	N	N	N	N	N	N	Y
<b>Age (as of Mar 17, 2023)</b>	55	58	71	73	60	73	57	60	70	57
<b>Director Since</b>	2022	2020	2015	2008	2009	2015	2012	2019	2015	2023
<b>Independent</b>	Y	N	Y	Y	N	Y	Y	Y	Y	Y

<b>Skills + Experience</b>										
<b>CEO / Senior Executive</b>	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
<b>Board Experience</b>	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
<b>Public Company Experience</b>	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
<b>Financial Expert</b>	Y		Y			Y	Y			
<b>Manufacturing Experience</b>		Y	Y	Y	Y	Y		Y	Y	
<b>Transit or Coach Industry</b>		Y			Y				Y	Y
<b>Strategic Planning</b>	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
<b>ESG-related Experience</b>										Y
<b>Government Policy Experience</b>										Y
<b>Facility Operation Experience</b>		Y	Y	Y	Y	Y		Y	Y	
<b>LEAN / Business Transformation</b>		Y	Y		Y	Y		Y		Y
<b>Other Vehicle Industry</b>		Y	Y			Y	Y	Y	Y	
<b>Public-Private Partnerships</b>	Y					Y	Y			Y
<b>Risk Management Experience</b>	Y	Y	Y	Y	Y	Y	Y	Y	Y	
<b>Marketing Experience</b>		Y		Y	Y	Y	Y	Y	Y	Y
<b>IT Experience</b>	Y							Y		Y
<b>Research / Technology</b>							Y	Y		Y
<b>HR Experience</b>	Y		Y	Y		Y	Y	Y	Y	
<b>Financial Experience</b>	Y		Y			Y	Y		Y	
<b>Mergers and Acquisitions</b>	Y	Y	Y	Y	Y	Y	Y	Y	Y	

<b>Board Committees</b>										
<b>Audit</b>	Y		Chair			Y	Y			
<b>Human Resources, Compensation and Corporate Governance</b>	Y			Chair				Y	Y	
<b>Operations and Technology</b>		Chair		Y				Y		Y

# Leading with integrity

**NFI is committed to conducting all business activities with high standards of fairness, honesty, and integrity, and to comply with all legal and regulatory requirements, including with respect to employees, suppliers, competitors, government, and the public.**

We strive to deliver strong financial and operational performance, while always following ethical and legal business practices. Each director, officer, employee, and agent of NFI is bound by the Code of Business Conduct and Ethics. Leadership, administrative, and customer-facing employees are provided a copy of the Code on an annual basis, while all other employees are provided a copy biannually. Each employee 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 of Business Conduct and Ethics training is conducted via NFI's learning management system and a quiz is completed to test that all team members 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 employees 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. Training for all employees within the policy's scope is conducted on an annual basis.

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.

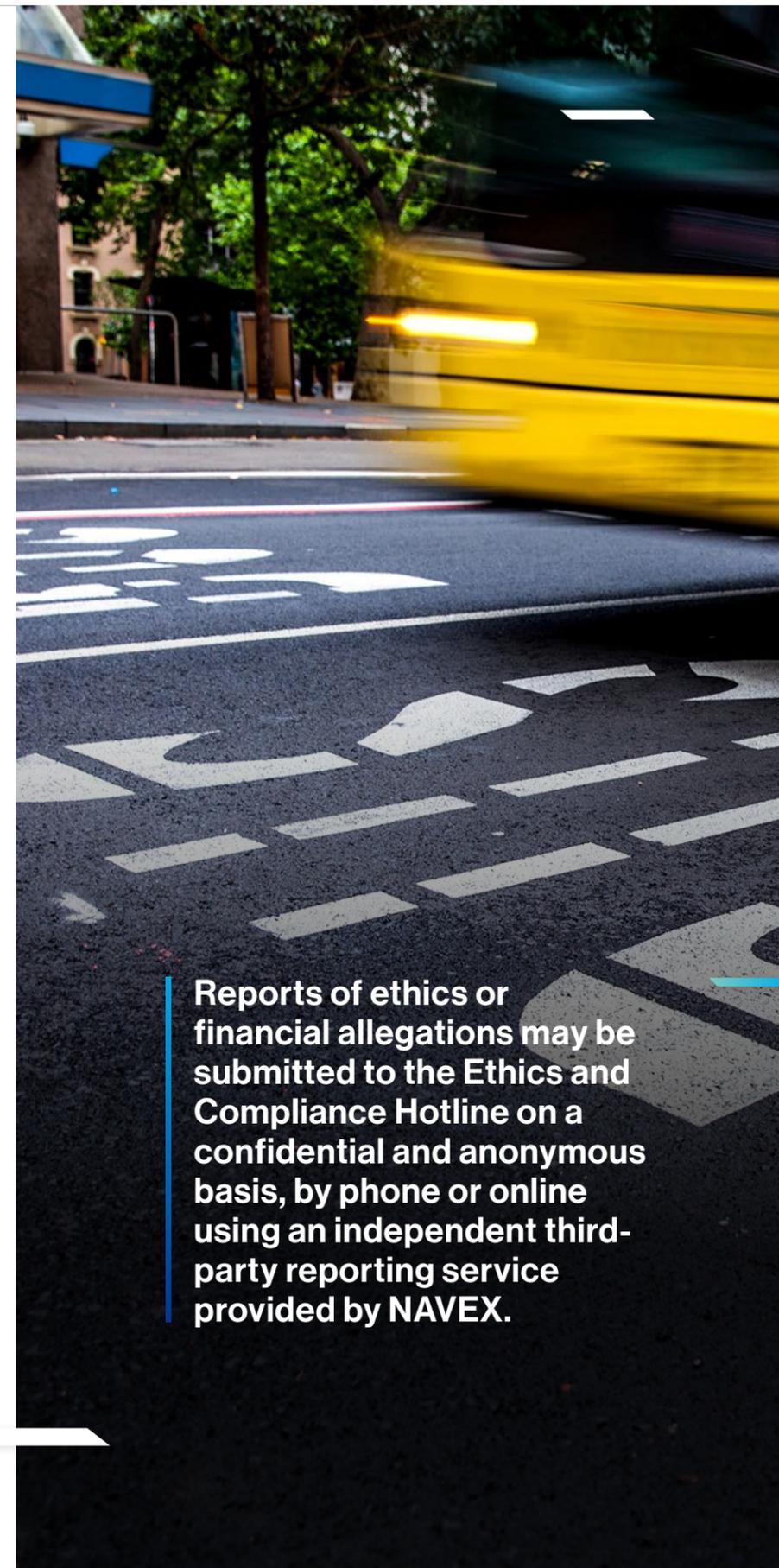
# Political advocacy

NFI does not make contributions of any kind (money, employee 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.**



# Enterprise risk management

**NFI believes that understanding, managing and mitigating risks is an important part of our success. All NFI leaders are responsible to identify and manage risks associated with achieving annual operating plans, long-term plans, and overall business approach and strategy.**

Our executive management team and key organizational team members monitor risks as members of the Enterprise Risk Committee (“ERC”), which meets regularly throughout the year. The ERC, chaired by the Group Director, Audit and Risk Management Services, has responsibility to:

- ✓ Develop the Company’s risk appetite, risk tolerance, and overall 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 macro-economic, political, business and industry environments;
- ✓ Monitor the risks noted to achieving our plans and objectives, and supplement these risks with analysis of external risks published through external risk identification and rating agencies; and
- ✓ 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 Committee deems appropriate.

A formal risk register, based on a ranking of risks by impact, likelihood, and velocity, is maintained by our Audit and Risk Management team, and reviewed by the ERC. Strategies include regular risk monitoring and risk mitigation where deemed appropriate.

The most significant risks are reported to and discussed by the Audit Committee of the Board of Directors at each Audit Committee meeting, and the Board of Directors provide feedback on these risks.

In addition, the ERC reports to the Audit Committee of the Board of Directors 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 other consultants.



# Supply chain management

**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.**

The NFI Group Supplier Code of Conduct specifically addresses Human Rights and DEI, Health and Safety, Environmental Stewardship, Anti-Corruption, Responsible Sourcing of Minerals, and Respect and Collaboration within business relationships. NFI expects our suppliers to acknowledge and comply with this Code of Conduct and cascade it down our entire supply chain.

NFI takes proactive steps to ensure that it does not conduct business with persons or entities that use forced, indentured, involuntary or child labour, or engage in human trafficking. All suppliers, domestic and foreign, are subject to on-site verification audits of their quality and management systems to ensure adherence to NFI's specifications and requirements. These supplier verification audits include a review of the supplier's safety management and human resources policies.

NFI sourcing personnel receive training specific to the risks of prohibited labour practices to ensure diligence is sustained within supplier management processes. Suppliers that operate in high-risk regions must provide an official certification attesting they do not participate in any of these activities. In the event it is determined that a supplier engages in any of these activities, NFI will move to develop alternate sources of supply and will terminate its relationship with the offending supplier.

Approved suppliers are required to manufacture products and

provide services in accordance with all applicable laws, statutes, rules, regulations, and ordinances, of all applicable government agencies and authorities, including environmental, occupational health and safety standards, employment and minimum wage requirements, and export/import requirements.

NFI is proud to provide Disadvantaged Business Enterprises ("DBE") and Minority Women Business Enterprises ("MWBE") the opportunity to participate in the sourcing of components and materials used in manufacturing. We establish an annual goal of MBE/DBE/MWBE participation in our North American supply chain and actively work to identify, onboard, and develop minority and disadvantaged businesses.

The NFI Group encourages suppliers or any of their employees, any sub-tier supplier or their employees, or anyone with the NFI Group to report any NFI Supplier Code of Conduct violations through our Ethics and Compliance Hotline, website, email, or by phone.



# Data security + privacy

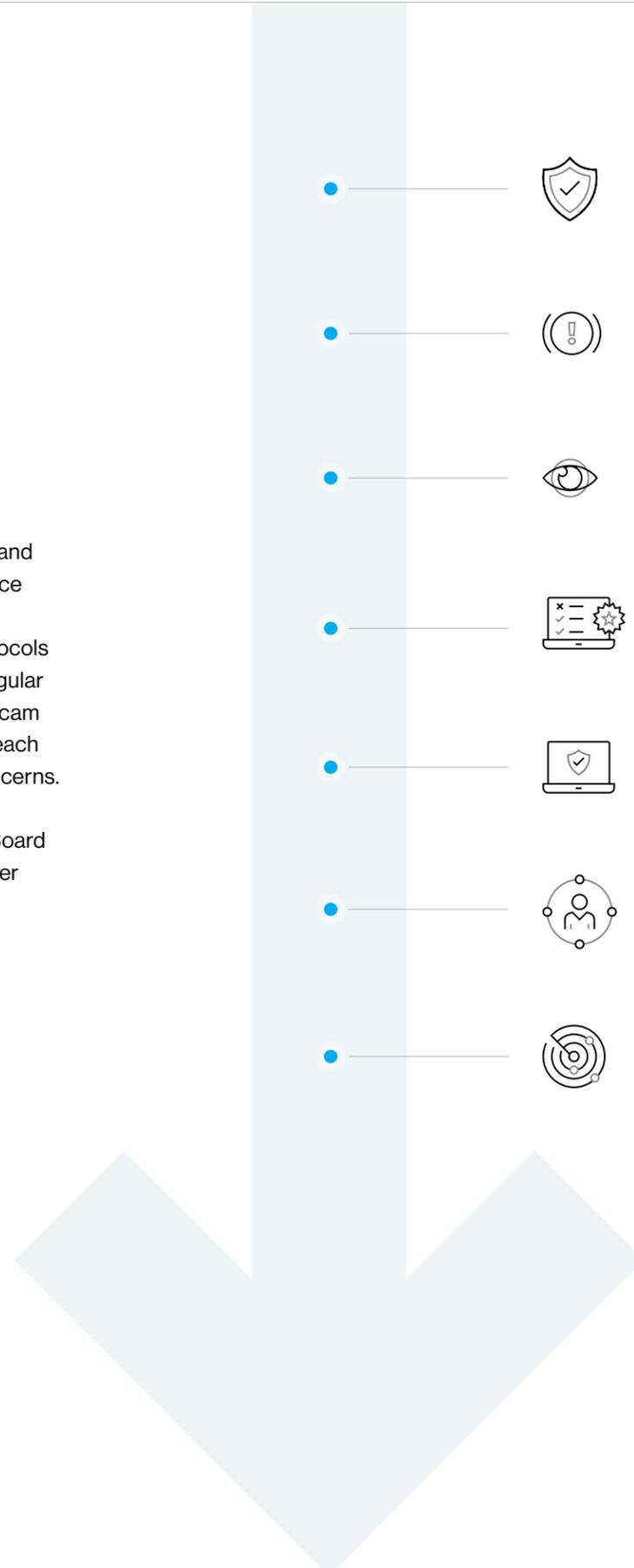
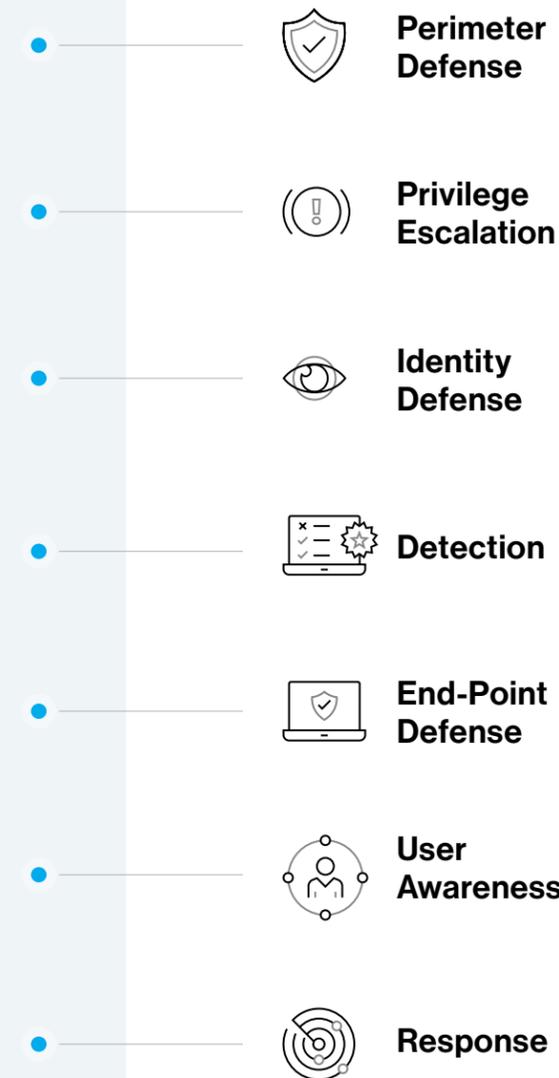
**To address constantly evolving cyber security risks, NFI has established data and cyber security policies outlining our guidelines and provisions for preserving the security of our data and technology infrastructure.**

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 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 has established an 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.

We have taken additional measures to implement a Privacy and Data Security Incident Response Plan that 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 employees regarding how to detect scam and phishing emails, and we encourage our employees to reach out to NFI’s IT and Legal departments with questions or concerns.

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





# A better product



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



# Better product highlights

**23%**

of 2022 NFI's production were ZEBs

**25-30%<sup>2</sup>**

of 2023 NFI production expected to be ZEBs

**30-35%<sup>2</sup>**

of 2024 NFI production expected to be ZEBs

**~40%<sup>2</sup>**

of 2025 NFI production expected to be ZEBs

<sup>1</sup> GREET Model Fleet Footprint Calculator & EPA Motor Vehicle Emission Simulator

<sup>2</sup> Please review the Company's March 1, 2023 press release and the 2022 Q4 and Fiscal Year MD&A for details on the assumptions that drive Fiscal 2023 and Fiscal 2024 guidance, and 2025 targets, as well as certain applicable risks.



MCI D45 CRT LE CHARGE™



New Flyer Xcelsior CHARGE NG™



Alexander Dennis Enviro400FCEV



New Flyer Xcelsior CHARGE FC™

**~8,000**  
NFI's EUs annual ZEB production capacity

**6**  
countries have NFI ZEBs in service or on order

**115M+**  
electric service miles travelled by NFI ZEBs from 2015 through 2023 Q1

**130+**  
cities with an NFI ZEB in service or on order

**2,891**  
ZEBs delivered from 2015-2023 Q1

**693**  
ZEBs delivered in Fiscal 2022

**3,661**  
ZEBs in backlog as at end of 2023 Q1 (36% of total backlog)

**50+**  
years of electric bus experience

**77+**  
megawatts of charging capacity delivered via NFI Infrastructure Solutions™ from 2018 through 2023 Q1

**390+**  
EV chargers delivered via NFI Infrastructure Solutions™ from 2018 through 2023 Q1

# Innovative and sustainable mobility solutions



## Zero-Emission

New Flyer's zero-emission Xcelsior CHARGE NG™ 40-foot transit bus can avoid up to 135 metric tons of GHG from tailpipe emissions per year (a traditional 40-foot clean diesel bus emits approximately 135 tons of GHG in one year).<sup>1</sup> This is equivalent to taking up to 29 cars off the road or planting up to 5,600 trees.<sup>2</sup>

Alexander Dennis' zero-emission electric buses reduce well-to-wheel GHG emissions by up to 63% compared to a conventional diesel bus<sup>3</sup> when charged with UK grid electricity, and even more when fully charged by renewable energy.

New Flyer's hydrogen fuel cell-electric Xcelsior CHARGE FC™ 40-foot transit bus can avoid 85-175 metric tons of GHG from tailpipe emissions per year compared to a diesel bus.

ARBOC's battery-electric Equess CHARGE™ and MCI's D45 CRT LE CHARGE™, D45 CRT CHARGE™ and J4500 CHARGE™ coaches are zero-emission vehicles.

NFI Parts™ continues to seek out green technology with its introduction of no-idle solutions, such as solar panels and electronic HVAC systems.



## Energy Savings

The Xcelsior CHARGE NG™ transit bus provides up to \$400,000 lower fuel costs over the 12-year life of the bus (compared to a 40-foot diesel bus; actual savings will depend on regional energy costs and charging methods). Its lightweight electric traction drive system provides up to 90% energy recovery.



## Interoperable

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 industry standards. All NFI electric buses are interoperable.

NFI is a member of the ITxPT, a non-profit association that works to enable interoperability between IT systems in public transport.

# 3,800,000

lbs of CO<sub>2</sub> emission prevented by each ZEB over 12-year life<sup>4</sup>

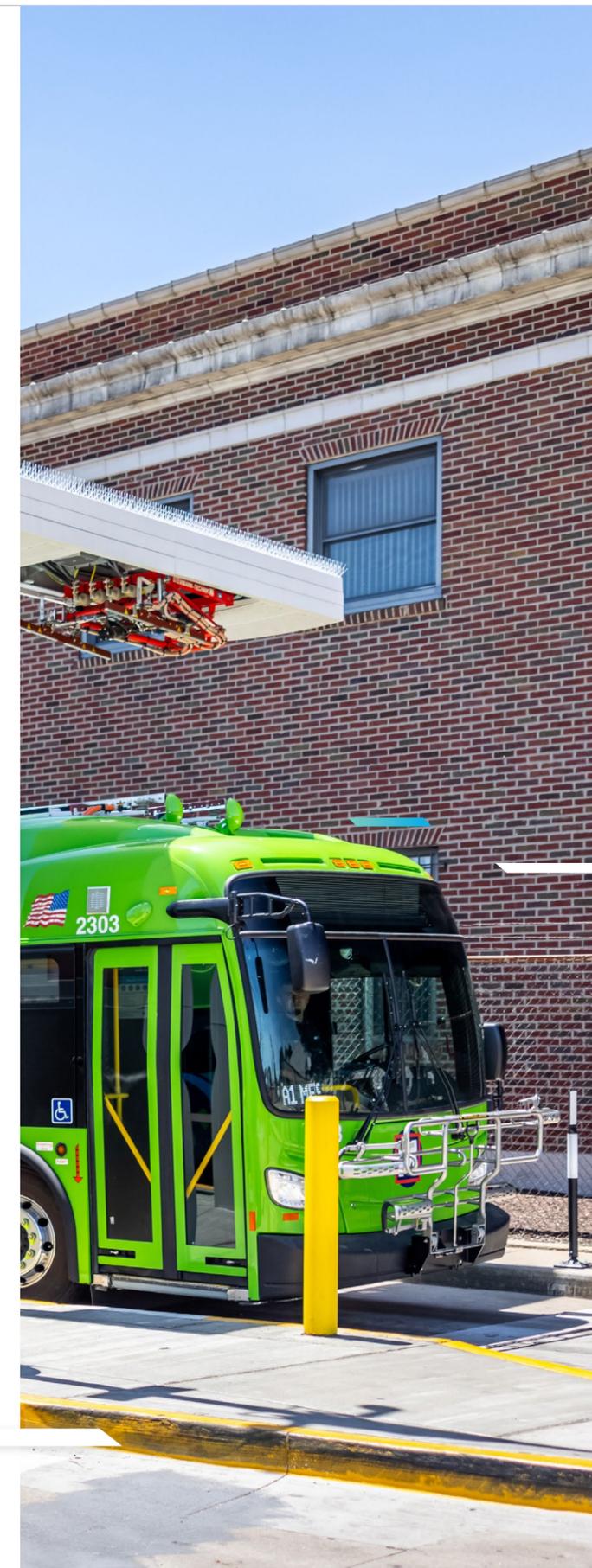


## Industry-Leading Accessibility

ARBOC continues to lead the industry by creating the first patented low-floor cutaway and low-floor non-kneeling cutaway, allowing equal access for all passengers. The innovative design of MCI's D45 CRT LE CHARGE™ vehicle provides easier boarding and greater independence. All of Plaxton's coach models are available in wheelchair-friendly versions, meeting the requirements of the UK's Public Service Vehicles ("PSV") Accessibility Regulations.

New Flyer's SmartRider™ ramp and suspension system enables buses to kneel to variable heights, minimizing the slope difference between a low-floor ramp and bus floor and ultimately providing unmatched accessibility for all.

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.



1 Federal Transit Administration and U.S. Environmental Protection Agency ("EPA").  
 2 U.S. Department of Transportation, U.S. EPA., and One Tree Planted.  
 3 American Bus Association, Altoona, and U.S. EPA.  
 4 GREET Model Fleet Footprint Calculator & EPA Motor Vehicle Emission Simulator

# NFI's mobility solutions ecosystem

Today, NFI provides a comprehensive mobility solutions ecosystem for our customers and partners, supporting all facets of their transition to zero-emissions.



# The industry's widest range of ZEBs

## Fuel Cell-Electric

## Battery-Electric

## Battery-Electric + Automated

30'



35'



40'



60'



Motor Coach



Single Deck

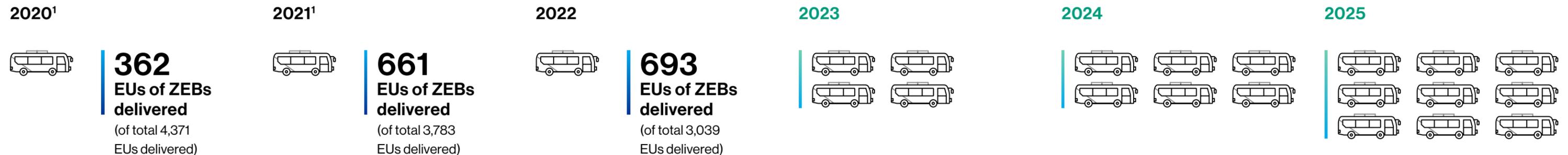
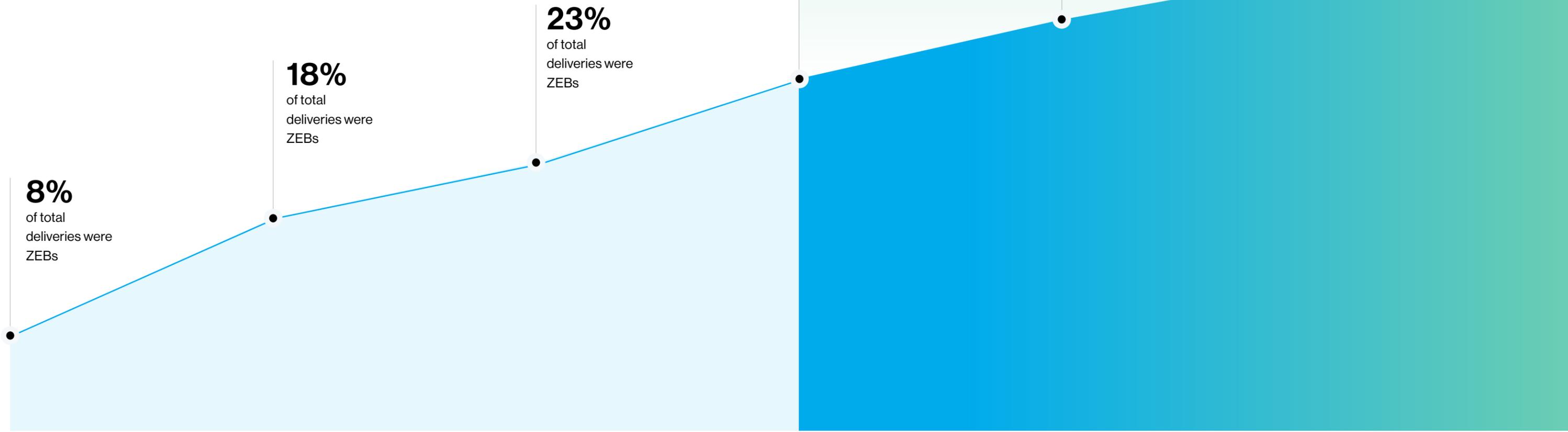


Double Deck



# Increasing ZEB deliveries

Year-over-year, the number of zero-emission buses delivered by NFI continues to increase, in both number and as a total percentage of deliveries.



<sup>1</sup> Slight corrections made to the 2020 and 2021 percentages, as compared to 2021 Report.

<sup>2</sup> Please review the Company's March 1, 2023 press release and the 2022 Q4 and Fiscal Year MD&A for details on the assumptions that drive Fiscal 2023 and Fiscal 2024 guidance, and 2025 targets, as well as certain applicable risks.

# Impact of 2022 ZEB deliveries

## 2.3B lbs of CO<sub>2</sub> Emissions

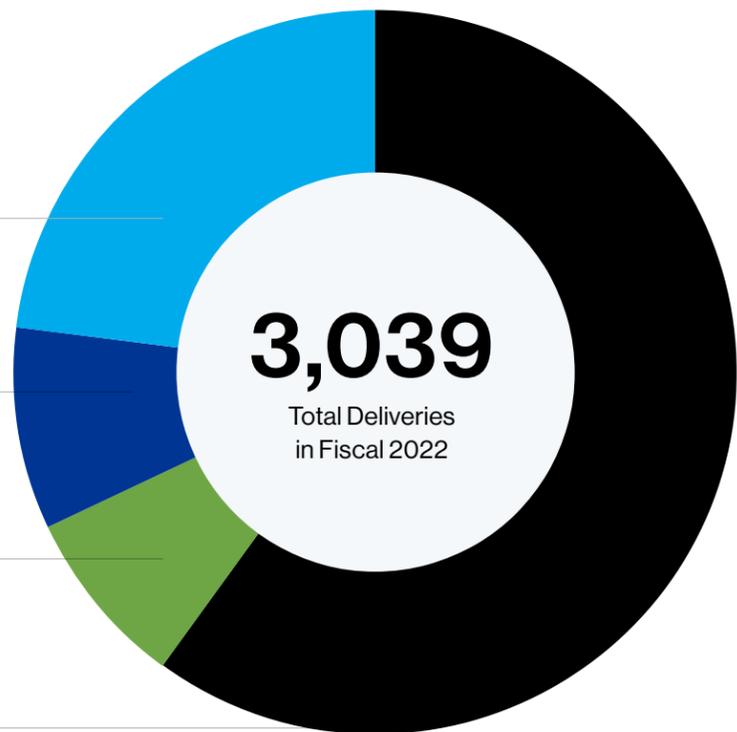
In Fiscal 2022, NFI delivered 693 ZEBs (23% of total deliveries), avoiding the equivalent of 2.3 billion lbs of CO<sub>2</sub> emissions over the expected 12-year life of those buses.<sup>1</sup>

**693**  
Zero-Emission

**269**  
CNG

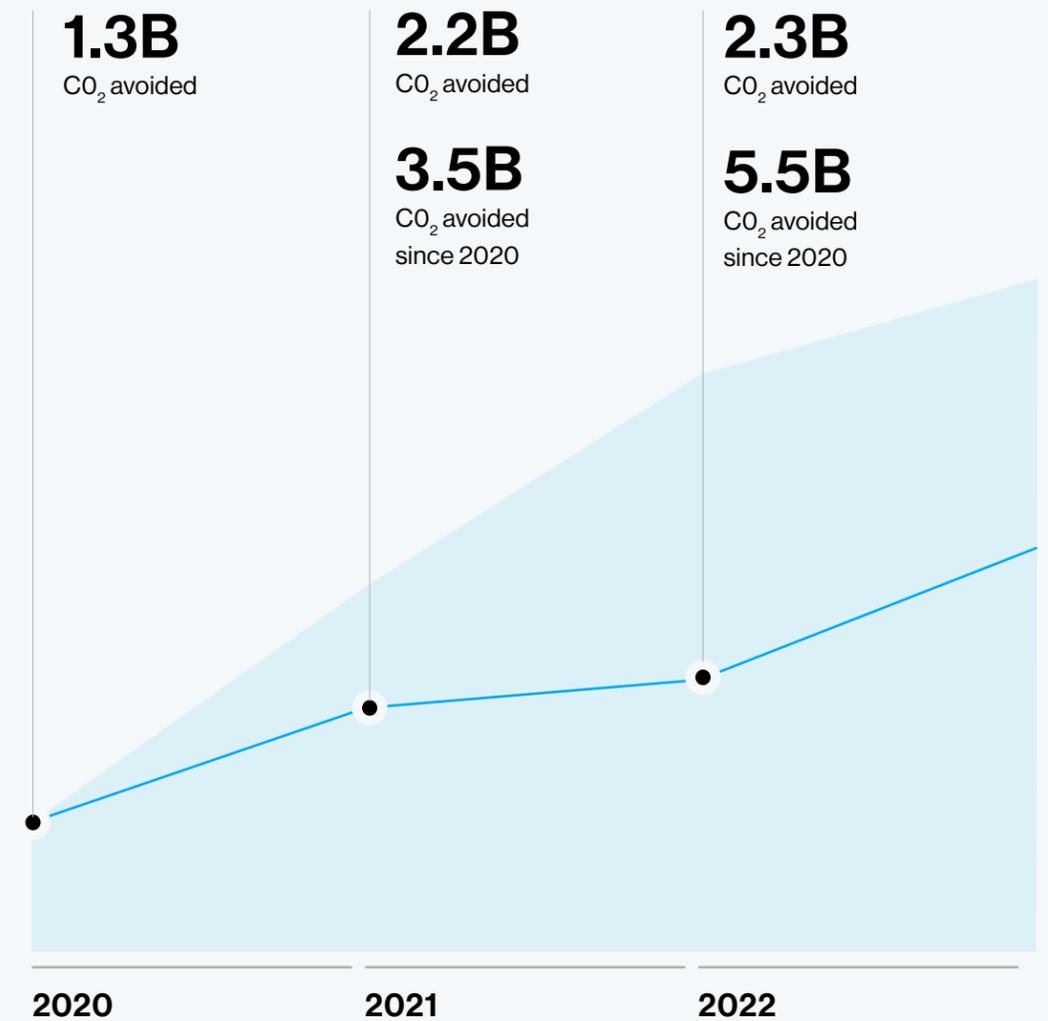
**243**  
Hybrid

**1,834**  
Diesel and/or Petroleum



## Lbs of CO<sub>2</sub> Avoided Annually

— Current  
 Cumulative since 2020



<sup>1</sup> GREET Model Fleet Footprint Calculator & EPA Motor Vehicle Emission Simulator

# New Flyer's zero-emission innovation and expertise on display during Vice President visit



**In February 2023, we welcomed United States Vice President Kamala Harris to our New Flyer of America manufacturing facility in St. Cloud, Minnesota.**

During the visit, Vice President Harris participated in a tour that included New Flyer Xcelsior CHARGE NG™ electric buses—the most advanced electric bus available in the United States—and saw the assembly of American-made battery packages used in New Flyer electric buses. She also delivered an address to NFI team members and special guests.

“Buses are our nation’s most popular form of public transportation. Every day, millions of Americans ride the bus to go to work, to church, to the grocery store, to wherever they need to go, buses are essential, and they are in desperate need of an upgrade. The electric buses being built in this factory are a model of American innovation and key to the future of public transportation,” said Vice President Harris.

Paul Soubry, President and Chief Executive Officer, NFI said, “It was fantastic to host Vice President Harris at our New Flyer facility in Minnesota, providing us with an opportunity to showcase our incredible team, our facility, and our industry leading solutions.”



**“ In 2009, then Vice President Joe Biden stood in this plant, when at the time you were building cutting-edge hybrid-electric buses, and said, ‘New Flyer is an example of the future.’ A lot has changed in the last 14 years, but one thing has not; you are still an example of America’s future.**

**You’re not just building better buses. You’re building a better America.”**

— Vice President Kamala Harris

**VIC** | VEHICLE INNOVATION CENTER

# Welcome to the VIC

**The Vehicle Innovation Center, or VIC, is the first and only facility in North America solely dedicated to the innovation and advancement of bus and coach technology.**

The VIC exists to promote research and development, education and innovation, progressive manufacturing, and bold thinking. With increased societal focus on sustainability to protect the environment, preserve natural resources, and improve quality of living in our communities, the demand for zero-emission buses and coaches is quickly increasing throughout the world. NFI has met this demand and raised the bar with its state-of-the-art VIC.

After pivoting to fully virtual events starting in 2020, the VIC hosted over 1,850 visitors for events in 2022. We now look forward to also adding in the ability to host valued customers, stakeholders, and industry leaders at our brick-and-mortar facility for face-to-face interactive learning experiences, including our unique technology gallery, demonstration ZEBs, and one-of-a-kind e-bus driving simulator – neighboring our Anniston, Alabama ZEB production factory – to further extend our outreach.

The VIC also took buses on the road in 2022, with 60 unique ZEB demos across every corner of the USA, including an extensive fuel cell-electric bus tour between Phoenix, AZ and Buffalo, NY, in winter, supported by customized virtual VIC workshops, to help support increased interest in hydrogen propulsion technology.

In 2022, we embarked on a full VIC refresh to update the rapidly



improving technology included on our zero-emission vehicle roster that the VIC showcases. The result is an interactive, futuristic gallery where visitors can connect directly to the technology to further enhance the unique learning and training experience that the VIC provides.

# 1,850+

**Visitors in 2022  
(virtual and in-person sessions)**

## Facts

**2017**  
Launch

**350+**  
Events since launch

**7,000+**  
Visitors

**25**  
Displays; added 8 new displays in 2022

**8**  
Interactive activities

**1**  
Simulator

**3**  
Charger types

**2**  
Product launch events in 2022



# Clean energy storage as an emergency response tool

**Each and every day, the buildings, facilities, and institutions that support our communities – hospitals, schools, service centers – rely on electrical utilities to power them. Like all systems, failure is always a possibility.**

So, what can these essential buildings do in such emergencies to mitigate outages during catastrophes?

At NFI, we believe that the ZEvolution™ will be part of the answer. EVs – both battery-electric and hydrogen fuel cell-electric – are mobile energy stores capable of not only accepting energy, but also working in reverse, in principle, to deliver power during critical times. With enormous amounts of onboard energy when fully fueled, electric buses (which exist in the hundreds or thousands in many urban areas) are power plants on wheels that can come to the rescue at a moment's notice to support communities beyond simply public transportation. Vehicle-to-end-use implementation ("V2X") provides a technical pathway to use EVs as a power source.

In 2022, NFI was awarded a grant by the California Energy Commission with partners The Center for Transportation and the Environment, AC Transit, Schneider Electric, The Mobility House, and the West Oakland Environmental Indicators Project to design, implement, and demonstrate vehicle-to-building ("V2B") technology and capability on two New Flyer transit buses owned by AC Transit. The project, which kicked off in 2023, will include both a 40' battery-electric and 40' fuel cell-electric bus, and will involve innovation by New Flyer's engineering team to retrofit the buses with hardware and in-house-developed software changes to allow reversible power flow. In parallel, other partners will complete the circuit by permitting chargers and building electrical systems to accept bus power. The technology will be demonstrated at two sites in Oakland, California, which have been identified as vulnerable and within systemically disadvantaged communities.



Battery-electric coach chargers designed and commissioned by NFI Infrastructure Solutions™ & MCI D45 CRT LE CHARGE™ coaches at Antelope Valley Transit Authority (AVTA) in Southern California.



# 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 decarbonisation transition.

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

## 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 15 U.S. public transit agencies for the FTA's 2022 Low-or-No Emission and Buses and Bus Facilities Grant Programs.

New Flyer supported successful applications for almost \$200 million in grants to support EV and charging infrastructure procurements.



**American Public Transportation Association**

[apta.com](http://apta.com)



**CALSTART**

[calstart.org](http://calstart.org)



**Canadian Urban Transit Association**

[cutaactu.ca](http://cutaactu.ca)



**Canadian Urban Transit Research & Innovation Consortium**

[cutric-crituc.org](http://cutric-crituc.org)



**The Center for Transportation and the Environment**

[cte.tv](http://cte.tv)



**Global Commercial Vehicle Drive to Zero™**

[globaldrivetozero.org](http://globaldrivetozero.org)



**Hydrogen Fuel Cell Bus Council**

[hfcbuscouncil.com](http://hfcbuscouncil.com)



**The International Association of Public Transport**

[uitp.org](http://uitp.org)



**ITxPT Technology Standards For Public Transport**

[itxpt.org](http://itxpt.org)



**Li-Cycle: Lithium-Ion Battery Recycling Partnership**

[li-cycle.com](http://li-cycle.com)



**Making Hydrogen Happen**

[makinghydrogenhappen.com](http://makinghydrogenhappen.com)



**Transform Scotland**

[transform.scot](http://transform.scot)



**Zemo Partnership**

[zemo.org.uk](http://zemo.org.uk)

# Leading the way in autonomous mobility around the globe



**In 2022, Alexander Dennis was announced as one of six finalists for the 3rd Dubai World Challenge for Self-Driving Transport 2023, alongside other finalists from France, China, USA, and Taiwan.**

This edition of the Challenge, announced by Chairman of the Board of Executive Directors of the Roads and Transport Authority for Dubai, focuses on self-driving buses.

Alexander Dennis' Enviro200AV bus has been shipped to Dubai for testing and the winner is expected to be announced later in 2023.

Dubai has a Smart Self-Driving Transport Strategy aimed to transform 25% of mobility journeys in Dubai into smart and driverless journeys by 2030. Alexander Dennis is pleased to be part of this exciting challenge to support autonomous mobility in Dubai.



**In May 2023, Scottish Transport Minister Kevin Stewart officially launched the CAVForth autonomous bus service across the iconic Forth Road Bridge near Edinburgh.**

CAVForth is one of the most ambitious and complex autonomous bus trials worldwide. The project is led by Fusion Processing Ltd in cooperation with project partners Stagecoach, Transport Scotland, Alexander Dennis, Edinburgh Napier University, University of the West of England and Bristol Robotics Laboratory. It is co-funded by the UK Government's Centre for Connected and Autonomous Vehicles.

The project's fleet of five Alexander Dennis Enviro200AV autonomous buses operate a scheduled passenger service seven days a week on Stagecoach's new AB1 route.

Buses will depart Ferrytoll Park & Ride in Fife for Edinburgh Park interchange every 30 minutes.

CAVForth operates at the highest level of autonomous vehicle technology currently permissible on public roads, SAE Level 4, requiring the buses to retain a safety driver. Stagecoach East Scotland's driving team has recruited 20 autonomous bus professionals to support this project.



**“ Our participation in this exciting project is a testament to the great expertise of our engineering team, who continue to lead technology development for tomorrow’s mobility.**

We believe that automated driving systems like the one we are trialling in CAVForth will further improve safety by reducing reaction times, as well as offering the ability to drive buses in a more efficient manner by optimising acceleration and deceleration to deliver significant energy savings and reduced wear and tear on the vehicle. We look forward to gaining further experience through CAVForth and continuing to develop this promising technology for our customers.”

— Paul Davies, President & Managing Director, Alexander Dennis



# A better workplace



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

# Better workplace highlights



## Safety Performance

Top strategic priority



## ISO 45001

Registration for all of NFI's heavy duty and medium duty transit and motor coach manufacturing facilities in North America

# 100%

of employees at NFI's main transit bus, coach and fabrication manufacturing facilities in Canada and the U.S. were at or above the living wage standard in their region

## Employee Well-Being

Initiatives continued throughout 2022 to support employee mental health



## Equal Opportunity

Free from discrimination



## 2022

Freedom of Association statement implemented in 2022; also included in 2021 Human Rights Statement



## Xpressline

Employee feedback program rolled out across all remaining North American locations

# \$8.6M

Invested in employee training in 2022



## Electrical Training

Electrical Technician Training Program ("ETTP") expanded in 2022 to provide high-demand electrical skills for new EV mobility era



# NFI people + communities: our priority

## 2022 was pivotal in our emergence and recovery from the COVID-19 pandemic.

As our business was beginning to look towards a more normalized operating environment, Russia invaded Ukraine, which led to an energy crisis across several countries and we also saw a global spike in inflation and interest rates. In addition, supply chain disruptions continued and were exacerbated in many instances, causing customer product delays necessitating periods of furloughs at NFI facilities.

Despite this adversity, our team rose to the challenge by coming together and by embracing innovative solutions and opportunities at every bend. Our people also dug deep to support our local communities via increased charitable efforts. At the best of times and in the worst of times, we stand behind our people and communities.

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.**



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

## Environment, Health, and Safety

We are committed to meeting our Environment, Health and Safety (“EHS”) responsibilities and maintaining a safe working environment at all locations by using a proactive approach, maintaining a robust EHS culture and reducing workplace injuries through the collaborative efforts of our safety teams across our business groups. This is supported by regular communication, safety goals set using industry benchmarking, and internal reporting on EHS risks and opportunities. We recognize, through our Environmental, Health & Safety Management System (“EHSMS”), the impact our direct operations, supply chain, and consumer use of our products and services has on the consumption of natural resources, energy, and water, and the generation of waste. As such, our EHS policy applies to all of our facilities and operations and EHS is the responsibility of all employees and individuals working at or visiting our facilities. NFI's Supplier Code of Conduct requires our contractors and suppliers be in compliance with all applicable EHS laws and regulations and encourages our suppliers to minimize environmental impacts within their operations where possible.

Our EHSMS commits us to continually improving our efforts to eliminate or minimize the environmental impacts of our products and operations, further shown through the certification of many of our manufacturing divisions.

**NFI's heavy-duty and medium-duty transit and motor coach manufacturing facilities in North America, have been registered to the ISO 9001 (quality), ISO 14001 (environmental), and ISO 45001 (safety) certifications, making NFI the first North American bus or coach manufacturer to achieve all three ISO certifications.**

**ARBOC has ISO 9001:2015 certification and Alexander Dennis has been awarded ISO 9001 certification for certain production facilities in the UK.**



**Each NFI bus is designed and built for either zero emissions or fuel efficiency.**

We are committed to complying with all applicable EHS laws and other requirements to which we subscribe and regularly communicate regulatory updates to leadership and our Board. Improved EHS performance is continually sought at all NFI locations through the integration of risk-based and cost-effective management practices, which are applied to site activities and included in our annual operating planning.

Environmental design criteria, including emissions output, resource use and waste generation, are critical considerations in the creation of our products. Engines are procured to be efficient and to meet, and sometimes exceed, regulatory emissions and efficiency requirements per country. On-board emissions measurements systems are employed during driving to reduce fuel consumption.

# Occupational health + safety performance

Safety performance is tracked and measured against our respective North American Industry Classification System codes as a benchmark for similar industry performance.

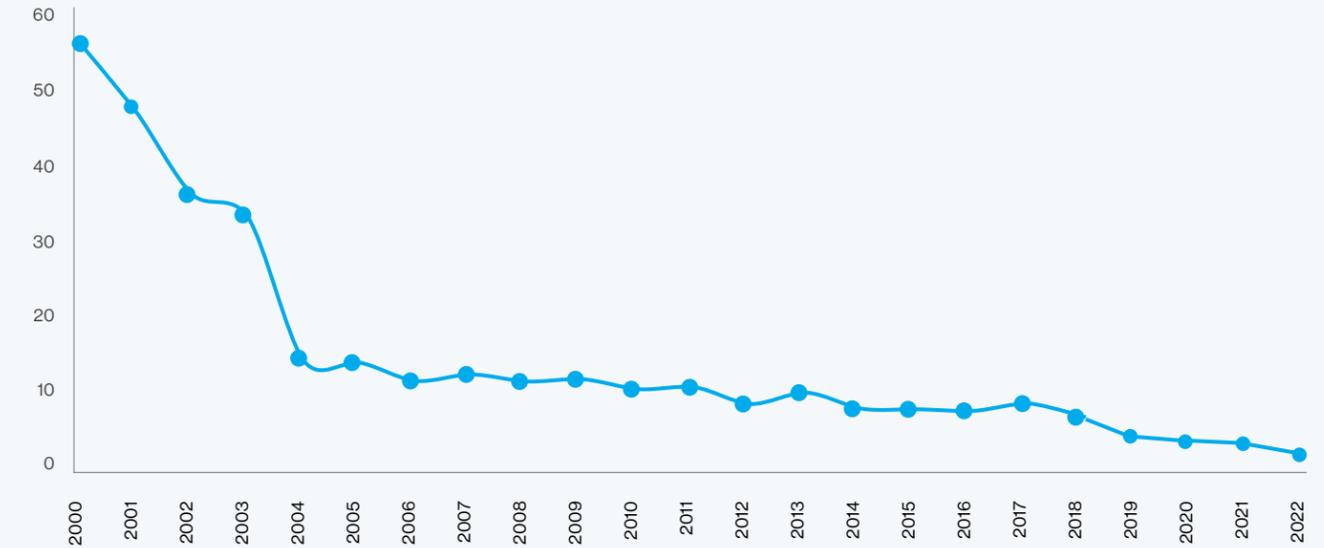
For NFI overall, the 2022 incident rates decreased significantly when compared to 2021. This is partially due to reduced production line rates as a result of supply chain disruptions. With anticipated higher production rates in 2023, we expect to see a corresponding change in rates.

	NFI OSHA Rate:	NFI Lost Time Rate:	NFI Fatality Rate:
<b>2023 Target Rates</b>	3.3	1.3	0.0
<b>2022 Safety Rates</b>	2.8	1.0	0.0
<b>2021 Safety Rates</b>	4.7	2.0	0.0

NFI's focus on occupational health and safety has resulted in strong and continuous improvements over the past two decades. Management believes that NFI's dedicated commitment to safety and health improvements is essential to the creation of a safe and healthy working environment and culture for NFI's employees and operations, and is also a competitive advantage for the Company.

## NFI OSHA Rate

(occurrences per 200,000 hours)



Since 2000, Our OSHA and Lost Time Rates have reduced by 90% and 96% respectively.

## NFI Lost Time Rate

(occurrences per 200,000 hours)



# Our workplace culture

**NFI fosters a workplace culture that values inclusivity, promotes continuous improvement, and embraces efforts to empower team members through employee listening channels and responsive action.**

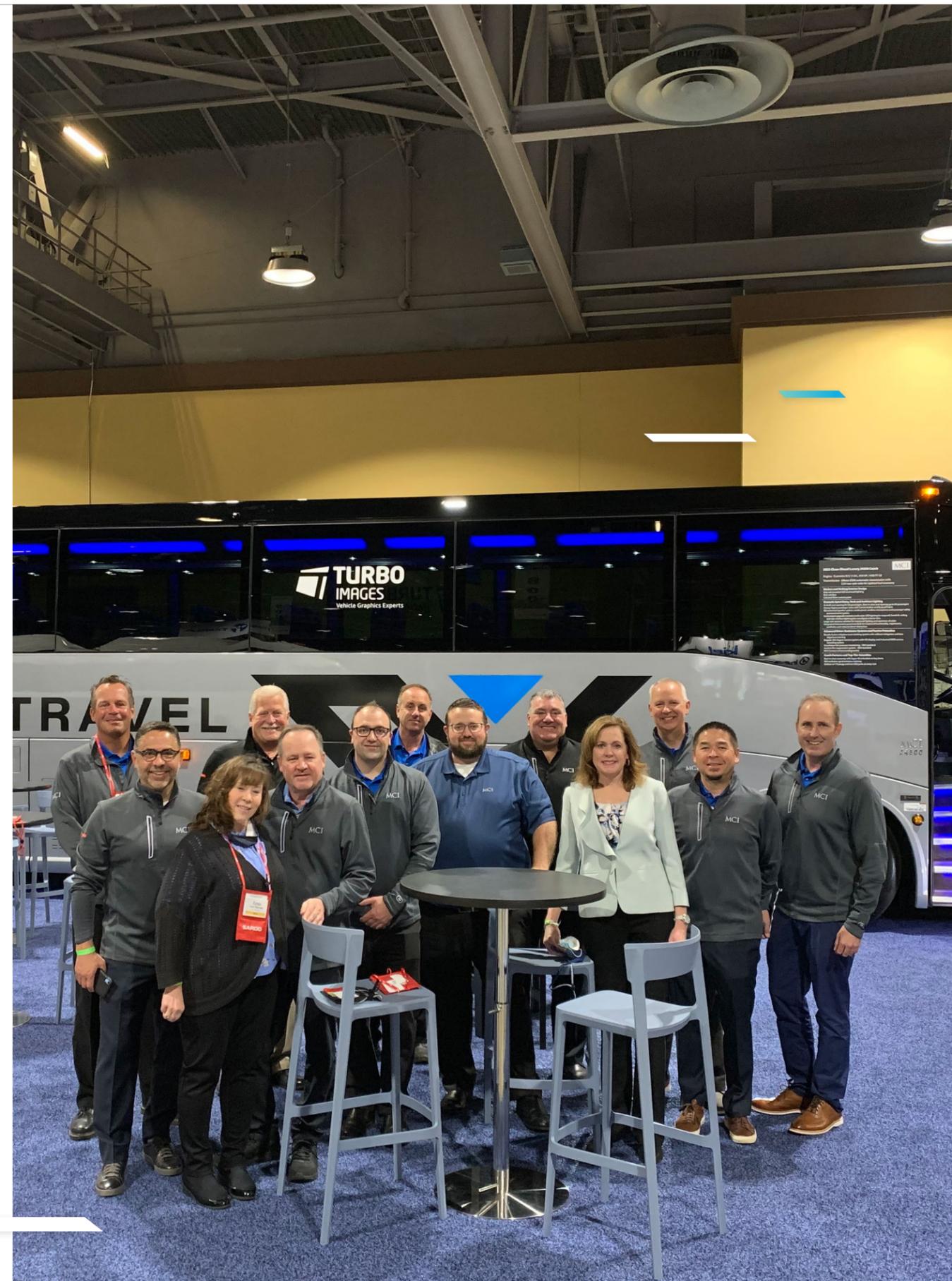
Our vision is to achieve business success by engaging our employees, and ensuring they have the resources to support their growth and the profitability of NFI. We do this through these principles:

- ✓ We care about our employees, our communities, and the environment
- ✓ We believe providing a safe work environment is critical
- ✓ We aim to create a community spirit within NFI, through social committees/company events encouraging employee involvement at all levels
- ✓ We aim to be a great organization to work for and an employer of choice
- ✓ We empower our people through learning and development and create opportunities for advancement
- ✓ We strive to do the right thing and aim to exemplify our core principles in everything we do

Engaging with our employees is critical to moving forward in our efforts to develop a positive and inclusive work culture. Employee engagement is encouraged through our Employee Feedback Framework, which includes our Xpressline suggestion and feedback program, employee surveys, roundtable communications, and 360-degree leadership feedback.

Additional internal communications to keep our employees involved in the business include interactive team meetings; email and video communications by the President & 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 most valuable assets.



# Attracting and retaining tomorrow's talent

**Talent acquisition has always been a critical part of NFI's success. In 2022, we made a commitment to continue a journey of strengthening our community relationships, establishing connections to build a diverse candidate pipeline, and removing barriers in the recruitment and selection process.**

These commitments have enhanced our ability to offer quality manufacturing jobs, with career advancement opportunities, to individuals from underserved, underrepresented and historically disadvantaged communities.

NFI hired a talent acquisition manager in 2022 to lead our strategy and work collaboratively with our workforce development team in our continued efforts to foster a holistic and Company-wide approach to workforce and community well-being.

NFI's Talent Acquisition Strategy outlines our dedicated efforts to attract talent from diverse pipelines that represent the communities in which we operate, to strive to provide the best candidate experience (which includes removing barriers in the hiring process), and to reaffirm NFI as an employer and organization that our people are proud to be a part of.

Our talent acquisition team established some of its priorities based on the foundation of our Community Benefits Framework ("CBF"), a holistic and national approach to workforce and community well-being.

## Together, the talent acquisition and workforce development teams have combined efforts to:

- ✓ Address employment inequities across the manufacturing industry
- ✓ Build and provide employment opportunities for people who represent the rich diversity of communities within which we operate
- ✓ Develop and deploy a consistent, fair, and standardized approach to workforce development across our Company
- ✓ Ensure that equal employment opportunity exists for all individuals
- ✓ Ensure 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, Business Values and Principles, 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; LGBTQ2S+ persons; being unhoused or houseless; being a custodial single parent or primary caregiver; 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 have instituted action-oriented programs designed to eliminate identified barriers and help us achieve our improvement goals.

# Developing and training our team: NFI Learning Institute

**The NFI Learning Institute is a group of dedicated training professionals that support NFI by focusing on employee development.**

Training occurs through formal classroom or virtual training, eLearning and blended learning programs, on-the-job training (“OJT”), as well as coaching and mentorship. NFI’s goal is to provide opportunities for all team members to improve existing (and acquire new) knowledge and skills.

The NFI Learning Institute provides shared learning and development services across NFI. In 2022, the NFI Learning Institute increased its year-over-year investment in training, with total organizational expenditure of \$8.6 million.

## \$8.6M

### Invested in training in 2022

Manufacturing requires diverse training supporting multiple shifts, tight manufacturing schedules, and a wide range of specialized and general skillsets. The NFI Learning Institute has implemented strategies to meet these demands, including role-based OJT programs, time-saving micro lessons, and professional development and upskilling from on-demand training and the educational assistance program. With a globally distributed team, the NFI Learning Institute offers standardized eLearning programs and strategically located Learning and Development Specialists.

Leaders play a significant role in enhancing NFI’s culture, attracting and retaining talent, and executing strategic goals. To drive NFI’s performance culture, the leadership team establish annual personal and professional goals, that are measured and monitored through a “Management By Objectives” goal structure. The NFI Learning Institute supports leaders’ development through a Leadership Program focused on foundational skills, yearly senior leadership workshops, course development to address skill gaps, onboarding through Leadership Orientation, an Emerging Leadership Program to develop future leaders, and the management of the formal succession program.

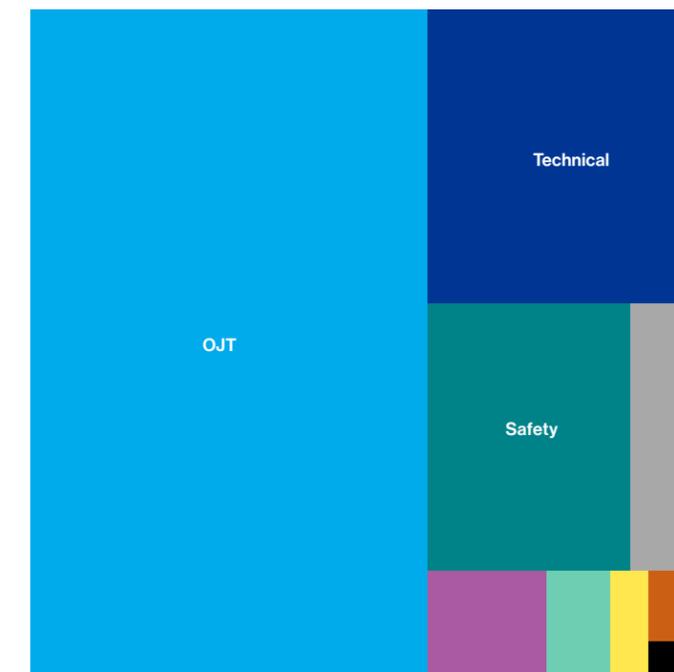
In 2022, the NFI Learning Institute developed an intranet site, a section of which is dedicated to leadership development and resources.

**NFI’s Educational Assistance Program is managed by the NFI Learning Institute. This program assists employees in their professional development and in advancing their careers by encouraging academic studies that contribute to Company goals and performance.**

The NFI Learning Institute regularly reviews curriculum and develops programs that support the evolving needs of our internal customers. In 2022, we focused on enhancing our manufacturing orientation to include job mentorship and formalized OJT. This has reduced the time to become proficient on the job and has increased confidence for our new team members. We have also continued to focus on professional development and technical training that supports changes in technology, specialized tooling, and safety requirements.

The NFI Learning Institute is firmly embedded into all organizational projects, and training is factored into all initiatives, supporting improved project outcomes. In 2022, we continued our focus on the development of eLearning programs that support the required soft, technical, lean, and safety-related skills needed by our teams.

**NFI Training Hours 2022 by Category**



OJT	117,305
Technical	38,748
Safety	21,313
Orientation	9,661
Professional	5,855
Computer	3,527
OpEx	1,932
Leadership	1,369
Quality	877
Diversity Equity & Inclusion	200
Financial	47

# Electrical technician training program for high-demand electrical skills



## The Electrical Technician Training Program (“ETTP”) is comprised of four preparatory modules:

### Red Level Training

#### Module 1

Electrical Theory and Components – the initial module focuses on electrical theory + fundamentals, the basic electrical components that form the various electrical systems on the vehicle as well as a deep-dive into the electrical schematics designed by the NFI Engineering teams.

#### Module 2

Bus Systems + Troubleshooting – this module focuses on the advanced PLC + Ladder Logic programming system that controls all electrical functions of the bus as well as advanced troubleshooting techniques.

### Blue Level Training

#### Module 3

Zero-Emission Propulsions – this module focuses on the New Flyer Xcelsior CHARGE® battery-powered all-electric bus - including high voltage (HV) safety, electric bus architecture and specific PLC programming, battery commissioning processes, charging systems and in-depth troubleshooting skills.

#### Module 4

Custom Options – this module focuses on the custom electrical systems chosen by the customer - such as camera surveillance systems, monitoring systems, vehicle monitoring and tracking systems and troubleshooting system interconnectivity.

## Since its initial launch in 2021, the ETTP has been rolled out in all of NFI’s U.S.-based transit facilities.

By the end of 2022, all electrical technicians from both the St. Cloud and Crookston, Minnesota facilities had achieved 100% completion of the first module of the ETTP, and the pilot group from the Anniston, Alabama facility also completed the first module. The content focuses on the systems and components that the technicians will be working with on a day-to-day basis, and includes 18 months of recorded OJT training following the completion of each level of training.

Upon completion, electrical technicians will have 40 hours of classroom training, which will include various hands on exercises.

As an electrical technician completes and progresses through each module, they will develop the knowledge and skillset to meet the increased demand for ZEBs. The technicians will be fully capable of working through basic, intermediate, and advanced electrical function tests, performing diagnostics and repairing non-functional systems by using advanced troubleshooting and critical-thinking skillsets; fully programming PLC systems; preparing electric buses to drive and operate on their own power through the commissioning process; and programming and validating various custom option systems.

In addition to the continuous improvement of the ETTP, the NFI Learning Institute has developed a four-year apprenticeship program that will initially be implemented at the Anniston, Alabama facility. This apprenticeship program is currently in the process of being officially registered with the State of Alabama, and will provide applicants interested in becoming electrical technicians an opportunity to become a certified Journeyman Electrical Technician. The apprenticeship program will provide the apprentice with 350 hours of classroom learning, daily training with an official mentor for the entirety of the program, and upon completion the apprentice will have over 250 signed competency skills that have been verified by the mentor.

# 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 employees and on ensuring that employees’ protected categories, including gender, should not factor into compensation decisions.**

We believe that fair and equitable pay should be 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.

<sup>1</sup> <https://livingwage.mit.edu/>  
<sup>2</sup> <https://www.livingwage.ca/rates>

## 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 employees.

In 2022, NFI expanded our living wage assessment to include the main transit bus, coach and fabrication manufacturing production 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 expanded the tool designed by Korn Ferry (retained to complete the independent Living Wage Assessment) beyond the main transit production facilities completed in 2021. The methodology and tools used in the assessment were: Massachusetts Institute of Technology (MIT)<sup>1</sup> for employees based in the U.S., and the Living Wage Rates Canadian for employees 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.

**100%**

**In 2022, 100% of our employees at NFI’s main transit bus, coach and fabrication manufacturing facilities in Canada and the U.S. were at or above the living wage standard in their region.**

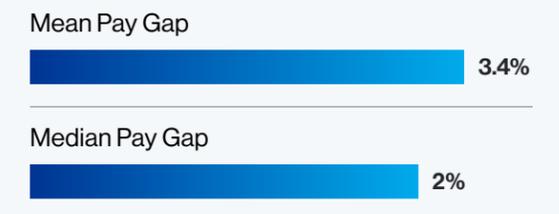
NFI seeks to pay fair wages, meeting or exceeding the amount for basic living needs. In 2023, we will review the wages for our NFI Parts, ARBOC and Alexander Dennis businesses in Canada and the U.S. to understand the competitiveness of those wage levels.

## 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 of our gender pay gap ratios.

### 2022 Alexander Dennis Gender Pay Gap

Alexander Dennis has been a part of NFI since 2019 and has been committed to closing the gender pay gap by developing strong links with educational institutions, progressing and developing female talent, and promoting an inclusive culture. Through its efforts, the Mean Gender Pay Gap has reduced from 13.8% to 3.4% and Median Gender Pay Gap has reduced from 16.6% to 2.0%.



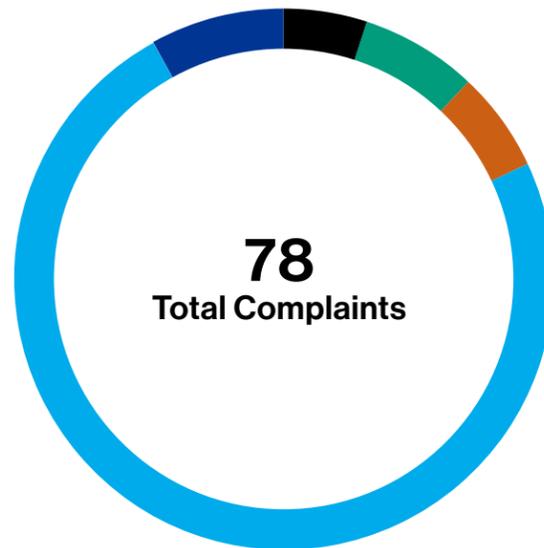
# Respectful workplace

**NFI has zero tolerance for workplace discrimination and harassment. All employees 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 employees are required to complete training regarding the Respectful Workplace policy and reporting procedures on a two-year cycle. In 2022, we reviewed our North American Respectful Workplace policies to refresh and standardize, and, in 2023, we will roll out an updated policy with additional education and awareness initiatives.

## 2022 Respectful Workplace Complaints



### Complaint Type

- 56 Inappropriate/Disrespectful Behavior
- 7 Violation of Company Policy
- 6 Sexual Harassment
- 5 Personal Harassment
- 4 Violation of Protected Class/Characteristic

In 2022, 78 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 2022, 3,494 NFI Team members completed Respectful Workplace training.



# 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 employee welfare. For example, the working conditions of our employees at a particular facility are, at minimum, in compliance with internationally recognized labour standards and the laws of the country in which they work.

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 Policy
- ✓ Adopt practices to protect the personal information of our employees 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 employee from exercising this right



Further information about the NFI Group Human Rights statement is available at [nfigroup.com/esg/documents-charters](https://nfigroup.com/esg/documents-charters)



# Labour Relations

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

In 2022, New Flyer ratified a new two-year labour agreement covering employees at a Communications Workers of America (“CWA”) represented site and engaged in First Contract Negotiations with CWA at a newly represented New Flyer location in the U.S. The UK Scarborough sites and Unite the Union reached agreement on certain new terms and conditions. The UK Falkirk and Unite the Union reached agreement on certain new terms and conditions following a three day walk out in September. 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 employees 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, with an overall NFI focus. 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 on a daily basis with local unions. 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 was a total of 20 labour management meetings held in 2022.**

In 2022, 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 2022, 19 leadership training sessions were held outlining these rights and obligations. In addition, leadership training sessions are conducted upon hiring or promotion of managers. These rights have been 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 statement

## Commitment

NFI is a leading global independent bus and motor coach manufacturer providing a comprehensive suite of mass transportation solutions to enable the future of mobility with innovative and sustainable solutions. At NFI, we are committed to respecting human rights, including the 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 2022. As part of our commitment to the freedom of association and collective bargaining as well as other human rights, we regularly review our human rights' risks, due diligence, and management systems, 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 the 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 the freedom of association and collective bargaining in a number of ways. We deliver training and awareness-raising activities among employees 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 employees 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.

Operationalization of the freedom of association and collective bargaining is further overseen as part of NFI's quarterly assessment of enterprise risks. Such risks are reported to the Board of Directors of NFI. Thus, they would 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.



# Workforce development

## Community Benefits Framework

NFI embeds itself firmly in the communities in which we do business. Communities are an integral part of our business and, as such, have been built into our stakeholder and workforce development frameworks. We work closely with community groups on the development of programs that support skill and career development for groups that are underserved in many workplaces, including but not limited to: women, Indigenous and founding nations groups, persons of colour and racialized communities, newcomers to our countries, persons with visible or invisible disabilities, the LGBTQ2S+ communities, those formerly incarcerated, and youth.

NFI continues to enhance its existing approaches to workplace development through the hiring of diverse, underserved, underrepresented, and historically disadvantaged individuals. The Community Benefits Framework (“CBF”), adopted by NFI in 2020, serves as the guiding framework from which formal agreements and programs outlining our local community partnership and workforce development commitments are created and implemented.



Further information is available at: [www.newflyer.com/our-impact/community-benefits-framework](http://www.newflyer.com/our-impact/community-benefits-framework)



## Transportation Diversity Council (“TDC”)

Our Anniston Workforce Development Program (“AWDP”) was introduced in 2020 by New Flyer and its partner, TDC; together, New Flyer and TDC have been continuing work in the Anniston, Alabama region. TDC is a nonprofit organization that delivers world-class education and development programs promoting diversity in the transportation and construction industries.

In 2022, the AWDP helped bring 15 local candidates from the Anniston area onto the New Flyer team. Of those hired, 14 remain with the company into 2023 and are working successfully in various roles including assembly, materials, our electrical apprenticeship program and one candidate was even selected to join our engineering team. This was made possible with the support of our diverse group of Community Benefits Organizations (“CBO”) and Community Partner Alliances (“CPA”), working together with New Flyer and TDC to identify and prepare candidates to enter the workforce.

New Flyer and TDC continue to provide all of our AWDP candidates various forms of support to aid in breaking down some of the barriers to employment these candidates currently face. Some of these pre-employment supports include assistance with resume building and interview preparation, classes delivered through the TDC “Get Ready to Work” program and also continued guidance and support throughout the application, interview and hiring processes. Once hired, the support continues with an additional “Life Skills” training program being delivered which focuses on a variety of topics including financial planning and management, and conflict resolution.



## Jobs to Move America & Greater Birmingham Ministries

In May 2022, New Flyer of America entered into a Community Benefits Agreement (“CBA”) with Jobs to Move America (“JMA”) and Greater Birmingham Ministries. This CBA has been built to support the creation of a robust jobs program through investments in pre-apprenticeship and training programs that create additional job pipelines for historically disadvantaged groups to quality manufacturing jobs and advancement.

Through this partnership, we have provided multiple supports to our current Anniston workforce including debt clinics offered to assist employees with wage garnishment relief where applicable, as well as the introduction of a Designated Community Organization with the objective of assisting employees with the internal complaint system.

This partnership has also increased our already robust candidate pipeline from historically disadvantaged groups, by increasing our presence in the community and providing support to candidates throughout the hiring process.

# Meet Edriecus



## Few people bounce back from felony charges like those Edriecus Elston faced in 2009. He was at work when his mother called to advise a warrant was posted for his arrest.

Edriecus grew up in Southern Alabama before his stepdad's work in the military took them to Germany for a few years. He was born and raised in Anniston, Alabama, and, after returning from Germany, made it back to Anniston in time to finish high school. After graduating, he spent some time working on and studying his passion of music, but ran into trouble, sidelining his life, and preventing completion of the program.

The trouble progressed and Edriecus found himself running into the law, which earned him serious criminal charges in 2009 – though he was never convicted.

It didn't matter. From then on, any company he applied to would learn of his charges through background checks and pass him over for a job. Life spiraled downward, making it difficult to provide for his growing family and gain employment and financial stability. Edriecus spent time in jail, experienced homelessness, and was also a custodial single parent for a short time.

"I bounced around living at different places and slept in my car. With the felony I got, background checks prevented getting a job and an apartment," said Edriecus. "I'm not a bad person – I just made some wrong decisions, but I'm not going to let my past define my future."

Edriecus came to New Flyer through our community outreach efforts which have led to connections with community benefits organizations like the Anniston Housing Authority, where a recruitment session was being held in Anniston. Edriecus was encouraged to pursue employment opportunities with New Flyer through this event.

Edriecus joined New Flyer in January 2021, first starting in the battery buildup area that directly supports production of zero-emission buses. His onboarding included five weeks of intensive technical training (including blueprint reading, use of power tools, electrical systems, and machine operation) and three days of workplace readiness training (including ethics, communication and teambuilding, financial health, and managing wellness).

"I like to learn, and I learn quick. I've always had a strong work ethic – I'm always on time, never late, and always willing to help – and I'm showing New Flyer they're not wasting their time on me."

**“ Unlike other places, everybody at New Flyer welcomed me with open arms. That’s the best part about New Flyer – I get judged on my work and not on my past.”**

Edriecus is a family man who is quickly overcoming judicial obstacles and challenges posed from his past. Today, his passion is cooking, and, outside New Flyer, he enjoys the challenge of running a food and catering business and doing church dinners.

"Since joining New Flyer, everything is coming back. I'm excited to get my life back – all I needed was that boost," said Edriecus.

"In 10 to 20 years, I hope to be a plant manager. I was always told to never settle, so if I have the ability to go further, why not take that opportunity? At the end of the day, I want to show my kids – my heartbeat – that no matter how hard it gets you can always get what you want if you apply yourself."

# Employee well-being initiatives

**At NFI, we know that supporting mental health and well-being is critical for our team members, their families, and our ability to deliver on our goals and objectives. Throughout 2022, facilities across NFI organized health and wellness events, activities, and supports.**

## Start Well program

Following a successful pilot in 2020, the Alexander Dennis Start Well program continued in 2022. The 2020 pilot included a week-long series of five 15-minute sessions starting at 8:00 a.m. local time, focused on stretches, breathwork and mindfulness meditation, to create a moment of calm and to help set members up for the day ahead. The 2022 program consisted of a 12-week program that included Optimal Breath sessions focusing on working towards and retraining natural breath to support our overall physical and mental well-being. Sessions were recorded for those unavailable to join at the specified time.

## 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 the improvement of physical and mental health and saving our team members money that would otherwise be spent on fuel and parking. In 2022, 41 team members took advantage of this program, up from 33 in 2021.



## Flexible Work Program

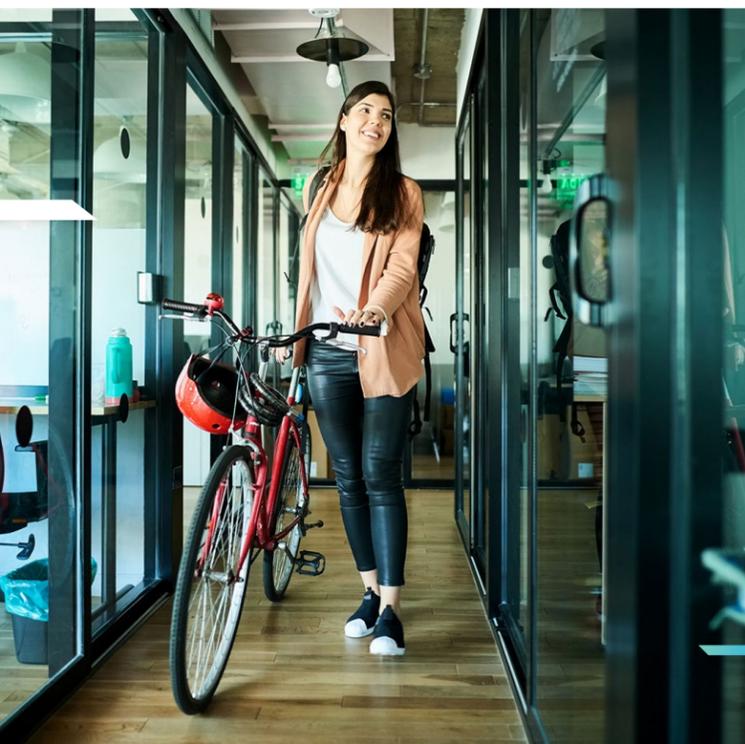
NFI launched its Flexible Work Program in October 2021 in continued efforts to provide a progressive work environment through flexible work arrangements. The Flexible Work Program is designed to include all operational and administrative roles where applicable and suitable flexible work alternatives. 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.**

## 2,238 tonnes CO<sub>2</sub>e Reduction<sup>1</sup>

**With just over 17% of our workforce in a flex/hybrid or remote work option in 2022, the decrease in daily commutes to the workplace equates to a reduction of approximately 2,238 tonnes of CO<sub>2</sub>e annually<sup>1</sup>.**

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



### Bell Let's Talk Day & Mental Health Wellness Fairs

NFI engages our North American employees in the world's largest conversation around mental health on Bell Let's Talk Day. We have taken big 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 for themselves and their loved ones. The week-long annual campaign encourages support for those who live with mental illness and those taking action, and encourages employees to participate in self-care. In March 2023, New Flyer also held a Mental Health Wellness Fair in Winnipeg to provide information on mental health services available in the province.

### Mental Health First Aiders

Alexander Dennis strongly believes that mental health and physical health should be valued equally. To proactively support mental health, Alexander Dennis provided training for more than 35 volunteer Mental Health First Aiders ("MHFAs") in 2020. MHFAs were 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 employees with finding appropriate assistance for their specific circumstance. Alexander Dennis ensured that all sites had representatives available to provide support to those in our facilities, as well as those working remotely. Continuing this effort in 2022, Alexander Dennis increased the number of MHFAs and has been involving them in ongoing internal health and well-being initiatives. During World Mental Health Day and Week, and Men's Health Month in November, Alexander Dennis also shared mental and physical health information with employees.



**We have taken big 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.**



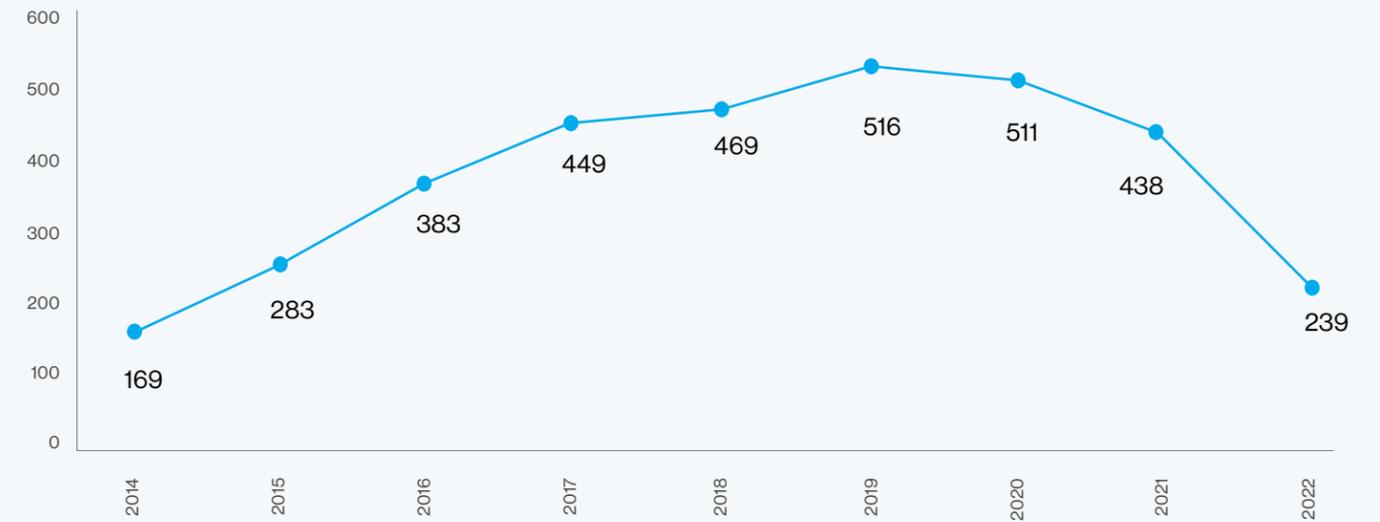
# Xpressline

Launched in 2014, Xpressline is an electronic employee suggestion and feedback program that has delivered tremendous value to New Flyer and NFI Parts. In 2022, Xpressline was developed and rolled out across all NFI facilities in North America.

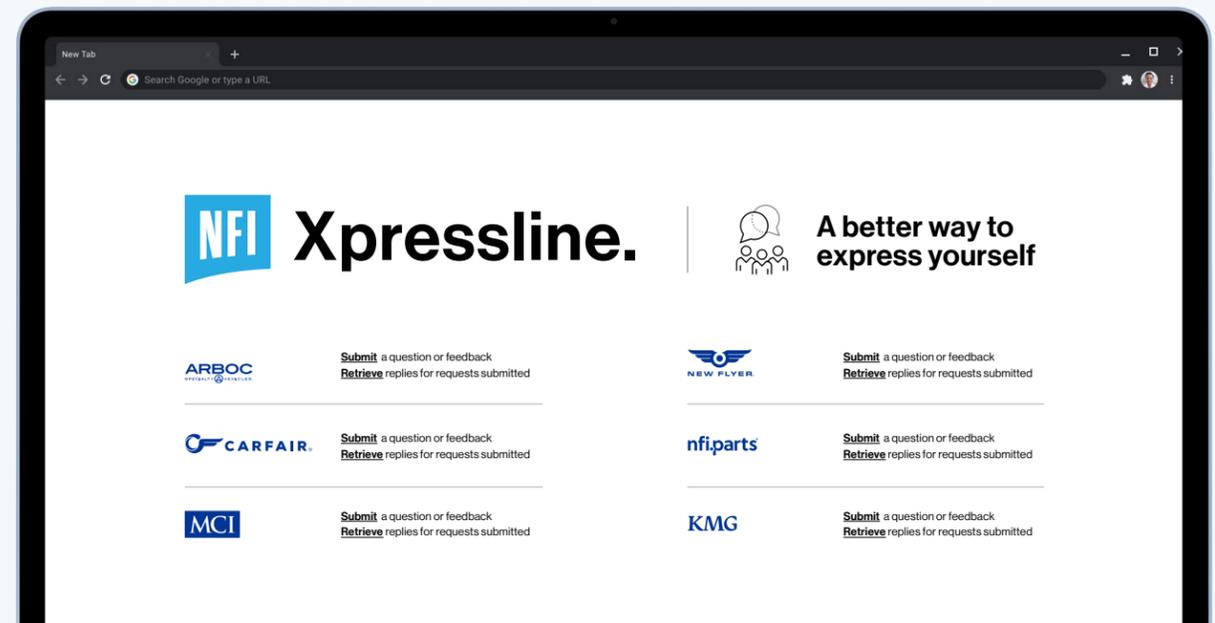
Employees can submit their suggestion and/or feedback and receive a response through the online system to their email or ticket number. In 2022, 239 submissions were received. Employee feedback through Xpressline can include, but is not limited to, the following:

- ✓ 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

# of Submissions<sup>1</sup>



<sup>1</sup> 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.

# Better world highlights



## DEI

Strategic Framework launched outlining goals and priorities for 2022–2024

# 115

Employees recognized by their peers in a “Shout-Out” recognition



## Scope 1 + 2

Emissions reported



## ISO 14001

Registration for all of NFI’s heavy duty and medium duty transit and motor coach manufacturing facilities in North America



## Energy Efficiency

Continuous improvement activities continue across NFI locations

# TRC92

Working with the Indigenous community of Winnipeg to actively address barriers to employment for Indigenous Youth

# \$3.5M

Collectively donated to the United Way since 2009



## 50-30 Challenge

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



## 522

Microlessons accessed by NFI employees, on topics ranging from Black Lives Matter, to Hispanic Heritage Month and 2SLGBTQ+ education



# Promoting diversity, equity + inclusion

**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 uniqueness.**

## Diversity + Equity + Inclusion = Success

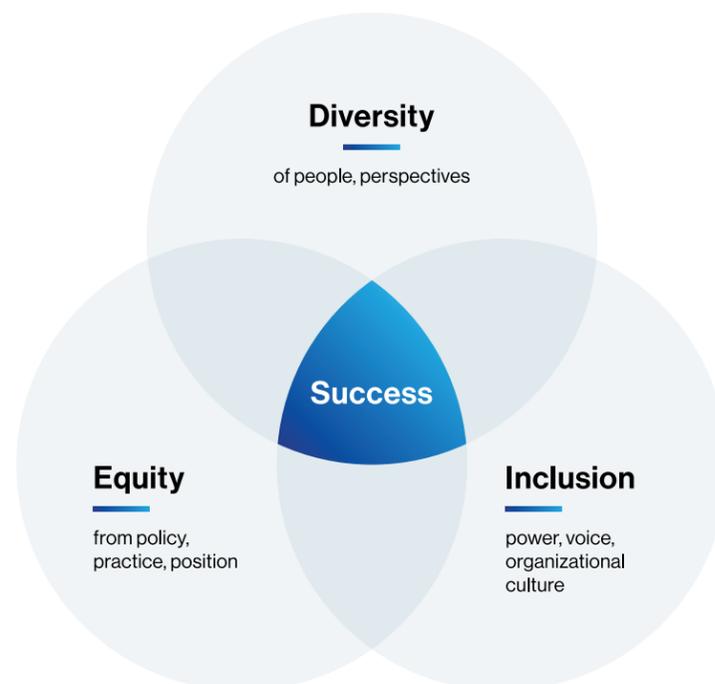
A key step in creating an environment that encourages diversity, equity, and inclusiveness is to embed it into everyday practices and educate individuals on the benefits.

In 2022, an internal DEI landing page was created to increase visibility of the work that is being done throughout the organization, and to make learning opportunities more readily available. Housed on both the North American and UK intranet platforms, the DEI Landing Page tracks the progress of our initiatives, announces important heritage and cultural recognitions and compiles all of our DEI learning opportunities in one convenient location.

With the addition of the DEI Landing Page, NFI launched its DEI Strategic Framework, which outlines our priorities and goals, spanning 2022 through 2024, along with our DEI Survey Action Plan. The creation of the landing page was born in part through the results of the 2021 organizational DEI Survey to create more visibility around DEI and the work that is being done in that space. Along with the launch to all employees, the progress of the two-year strategic framework and the action plan have been updated and tracked, creating increased visibility and accountability for the commitments made.

Ensuring that DEI is embedded in our day-to-day operations rather than just being a one-time training event is an important step forward in our organizational DEI journey. In addition to the interactive diversity and inclusion training program that has been offered since 2015 and which has been embedded into our core leadership training program, NFI also releases DEI microlessons throughout the year, which coincide with our cultural and heritage recognitions and provide additional information on recognizing biases and treating one another with respect.

**These microlessons are available for all employees. To date, we have seen 522 microlessons accessed on topics ranging from Black Lives Matter, to Hispanic Heritage Month and 2SLGBTQ+ education.**



## Diversity, equity + inclusion



Diversity, equity, and inclusion (DEI) has always been an integral part of NFI Group. We see this in our training programs, surveys, reporting, and participation in numerous committees and initiatives.

This page shines a light on that DE&I work and will be continually evolving to provide you with up-to-date, valuable resources and information.

Framework	Communications	Road Map
Affiliations	DEI Team + Contact	Policies + Procedures
Training	Workforce Development	DEI at NFI

The DEI Landing Page as presented on NFI's intranet.

# Fostering diversity, equity + inclusion

## Our principles + framework

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

Based on the findings of our 2021 DEI Survey, completed in coordination with external consultant Korn Ferry, we created our first DEI Survey Action Plan.

In 2022, our team worked through a total of 12 individual goals under four main areas of focus:

- 1. Clarifying and promoting a better understanding about our specific DEI efforts
- 2. Improving awareness and understanding of our current processes and procedures for reporting a concern on treatment of people
- 3. Reinforcing fairness in promotions and advancing diverse groups into professional positions and leadership.
- 4. Suggestions to leverage diverse perspectives to develop innovative solutions for customers

## 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 diversity, equity + inclusion

In 2022, NFI launched a new voluntary self-declaration program in North America and will be adding it as an option in our online self-service portal in 2023. This new program saw the expansion of categories with which team members are able to self-identify, which should provide a more holistic view to help us shape our ongoing DEI initiatives.

There was a noted increase in the number of women and persons of colour in senior management positions in 2022. For women in middle management and above roles, there was a 1.1% increase from 2021 to 2022.

**NFI now has 50% and in 2022 had 40% representation of women in Board roles in the Company and continues to work towards achieving parity of Board and senior management roles held by gender diverse individuals as outlined in the updated Board Diversity Policy.**



	2020	2021	2022
Women	19.3%	19.0%	19.1%
Women in Middle Management & Above	17.7%	22.2%	23.3%
Women in Executive Roles	20.7%	21.4%	17.2%
Women in Board Roles <sup>1</sup>	33.0%	33.3%	40.0% <sup>2</sup>
Visible Minorities	28.5%	19.4%	21.9%
Visible Minorities in Middle Management & Above	11.7%	12.1%	11.6%
Visible Minorities in Executive Roles	3.5%	3.6%	3.4%
People With Disabilities	1.2%	1.0%	1.4%
Indigenous People	0.5%	0.4%	0.5%
Veterans	3.1%	2.9%	2.6%

<sup>1</sup> Includes both Independent and non-Independent Directors  
<sup>2</sup> As of the 2023 AGM, the total number of female Board members has increased to 50%

# Advancing diversity, equity + inclusion

**Our diversity goals are rooted in our Board Diversity Policy, established in 2016 and updated in 2022, which recognizes the importance and benefit of having a board of directors and senior management of NFI comprised of diverse backgrounds, reflecting the changing demographics of the communities in which NFI operates.**

There are now 29 members comprising NFI's executive leadership team, of which five (or 17%) 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.



## The Prosperity Project

For a third consecutive year, NFI participated in gathering and submitting data for the Prosperity Project's 2023 Annual Report Card on Gender Diversity and Leadership. This groundbreaking research sets a new standard for collecting and publishing data on female leaders in Canada that was driven by the realization that Canadian women are being disproportionately affected by the pandemic in terms of job loss, the increased burden of childcare/home schooling, increased likelihood of taking voluntary furlough options and increased domestic violence. There is a specific focus on representation among Black and Indigenous women, as well as women with disabilities or those who identify as LGBTQ2S+. Over 17,000 women across 98 organizations at the leadership level of Corporate Canada participated by submitting their data.

By providing data to this important work, NFI is also able to gain insights into how we measure up in comparison to other organizations in of Canada. We are also able to glean very important statistical trends that help shape our strategies moving forward. One key insight to be taken away from the 2023 report is that the representation of women in senior management roles have risen over the past year. Additionally, if we look at the data provided back by The Prosperity Project, our percentages of Canadian women in all tracked categories are higher or equal to the industry averages with the exception of executive officer roles.

### We are committed to this journey.

In 2022, NFI revised the Board Diversity Policy, thereby increasing its target objective for gender and sexually diverse Board representation to 50%. With changes to the Board composition in May 2023, NFI's Board now has 50% representation of gender and sexually diverse members (63% when considering only Independent Board members). There was also a target put in place that 30% of the Board and senior management will be comprised of 30% members of other equity deserving groups, including those who identify as racialized, black, people of colour, people with disabilities and Indigenous peoples.

# Industry partnerships to advance diversity, equity + inclusion

**NFI strives to be an employer of choice, and this starts by providing employees the professional and personal opportunities and experiences to shape and contribute to our Company.**

We pursue initiatives with our business partners to enhance the well-being of our employees, communities, and the world around us.

Our industry partners listed here are integral to advancing DEI across our geographic reach.



## Manitoba

- ✓ Manitoba Start: [manitobastart.com](https://manitobastart.com)
- ✓ Economic Development Winnipeg: [economicdevelopmentwinnipeg.com](https://economicdevelopmentwinnipeg.com)
- ✓ Ukrainian Canadian Congress Manitoba Provincial Council: [uccmanitoba.ca](https://uccmanitoba.ca)
- ✓ The Link: [thelinkmb.ca](https://thelinkmb.ca)
- ✓ RaY: [rayinc.ca](https://rayinc.ca)
- ✓ The Momentum Centre: [momentumcentre.ca](https://momentumcentre.ca)
- ✓ TRC-92 Consortium
- ✓ TRC-92 Youth Employment Lab
- ✓ United Way Winnipeg: [unitedwaywinnipeg.ca](https://unitedwaywinnipeg.ca)

## Minnesota

- ✓ Minnesota Department of Employment and Economic Development: [mn.gov/deed](https://mn.gov/deed)
- ✓ Greater St. Cloud Development Corp: [greaterstcloud.com](https://greaterstcloud.com)

## Alabama

- ✓ 2<sup>nd</sup> Chance, Inc.: [2ndchanceinc.org](https://2ndchanceinc.org)
- ✓ 7 Springs Ministry: [7springsministries.org](https://7springsministries.org)
- ✓ Alabama Career Center System
- ✓ Alabama Department of Corrections: [doc.state.al.us](https://doc.state.al.us)
- ✓ Alabama Department of Rehabilitation Services: [rehab.alabama.gov](https://rehab.alabama.gov)
- ✓ Cheaha Headstart: [tcrchildcarecorporation.org/cheaha-regional-head-start](https://tcrchildcarecorporation.org/cheaha-regional-head-start)
- ✓ East Alabama Works: [eastalabamaworks.com](https://eastalabamaworks.com)
- ✓ Opportunity Center: [opportunity-center.com](https://opportunity-center.com)
- ✓ New Beginnings: [newbeginningsrecoverycenter.com](https://newbeginningsrecoverycenter.com)



**APTA Racial Equity Commitment Program**

[apta.com](https://apta.com)



**Conference of Minority Transportation Officials (COMTO) Toronto & Region**

[www.comtotorontoandregion.ca](https://www.comtotorontoandregion.ca)



**LATINOS IN TRANSIT**

**Latinos In Transit (LIT)**

[latinosintransit.org/about](https://latinosintransit.org/about)



**Transportation Diversity Council (TDC)**

[tdc-ntl.org](https://tdc-ntl.org)



**UK's Women in Transport**

[womenintransport.com](https://womenintransport.com)

# Truth + reconciliation efforts

In order to redress the legacy of residential schools and advance the process of Canadian reconciliation, the Truth and Reconciliation Commission (“TRC”) made 94 calls to action including Call to Action #92, which is focused on business and reconciliation.

We have examined these calls to action and our employment practices to implement applicable aspects of the calls to action within our business operations and to promote and advance reconciliation with our employee groups and the communities we serve.



TRC92: Winnipeg Employer Consortium

Some ways that we are working on this in our business include the following:



**We continue to measure and monitor workforce demographics to understand workforce representation and to identify opportunities for improvement.**



**In 2022, we provided various cultural competency learning opportunities for our Winnipeg-based team members, including the Turtle Island Project which provided an experiential learning journey, an instructor-led truth and reconciliation course, and involvement in an extensive 44-hour Safe Spaces Workshop.**



Truth and Reconciliation  
Commission of Canada



**We continue to support our leaders and HR team members through the Indigenous Insights learning program with the University of Winnipeg; this program supports organizations seeking to understand and respond to the TRC’s Calls to Action.**



**An important step towards advancing reconciliation efforts in our operations is through our active membership to the TRC92: Employer Consortium. NFI has participated in regular meetings with more than 30 companies in Manitoba, all centered around addressing Call to Action #92.**

# TRC92 Indigenous Youth Employment Lab

**In 2021, NFI accepted the challenge to further advance our commitment to truth and reconciliation by being a part of a social innovation lab focused on Indigenous youth employment, specific to the manufacturing industry. These activities continued throughout 2022.**

Through the formation of a diverse co-creation team consisting of strong Indigenous representation, NFI representatives, community trainers and cultural awareness educators, community, government and labour experts, along with facilitators and evaluators, we have been addressing and prototyping solutions to address the challenges that Indigenous youth face surrounding employment. The shared purpose of the social innovation lab is to ensure that:

- ✓ Indigenous young people between the ages of 18 and 29 have equitable access to jobs, training, and education opportunities in the corporate sector;
- ✓ Companies provide education for management and staff on the history of Indigenous peoples, including the history and legacy of residential schools, the United Nations Declaration on the Rights of Indigenous Peoples, Treaties and Aboriginal rights, Indigenous law, and Aboriginal Crown relations; and
- ✓ Skills-based training is provided in intercultural competency, conflict resolution, human rights, and anti-racism.

**To date, we have provided 212 hours of cultural competency training to over 50 employees across our 3 Winnipeg-based facilities. A key purpose for providing this training is to build a strong foundation of cultural awareness that supports and promotes a safe space across our organization, starting in Winnipeg. This ensures that when we are able to onboard Indigenous peoples, as well as individuals with other cultural backgrounds, we are welcoming them into a space that understands, respects and values those cultural differences.**

## Prototypes

To ensure that the momentum continues to move forward with tangible results, the co-creation team has adopted a model of prototyping, or putting ideas into action on a small-scale and revisiting to adjust prior to moving onto a larger scale. There are multiple prototypes currently underway at various stages of completion.

This direct project will be officially wrapping up in the first half of 2023; however, the work will live on through continued connections and the need to continue to press forward to make changes in NFI and elsewhere.

## Not Your Typical Job Fair

Not Your Typical Job Fair (“NYTJF”), a prototype co-created with young Indigenous job seekers between the ages of 18 and 29, as part of the TRC92 Youth Employment Lab, brought together 13 companies from the TRC92 Employer Consortium, in partnership with AMIK. The purpose behind NYTJF was to reduce the anxiety Indigenous young people feel around the job search; to create authentic relationships between Indigenous young people, community trainers, and employers; and to increase employment of Indigenous young people in companies working towards cultural safety.

**It is important to note, that only companies who completed the questionnaire and demonstrated values and practices in-line with being culturally safe workplaces, were invited to join this NYTJF. NFI is seen as being a leader in this field within the Winnipeg area, due to the work that we have been doing within the TRC92 Indigenous Youth Employment Lab.**

**Through this prototype, we were able to connect with 18 candidates. Of the 18 candidates we connected with, one wanted to proceed and has been hired to join our team.**

The role of NFI at the co-creation team was noted during interviews. The level of commitment and buy-in demonstrate a willingness to adopt ideas and make positive change.

“ **Best part: The willingness of employers – I know community trainers and organizations are interested, and I know the UWW folks are really committed but, to me, the employers are what encourage me the most.**”

— TRC92 Indigenous Youth Employment Lab Participant

## Access Pathways & Still Here

These two prototypes are utilizing the expertise of the community trainers and government representatives to provide wrap around supports to Indigenous young people who are entering the workforce.

There is a financial burden involved with starting a job, “Access Pathways” aims to significantly increase the visibility, ease of access and uptake of already in-place government programs to ease the financial burden on individuals entering the workforce.

“Still Here” aims to provide post-hire supports from a trusted person by way of assisting through the transition period, helping to access government supports, and answering questions that may arise through the employment process.



## HR Policy Collab

This prototype aims to benefit not only NFI, but also the other companies who are involved in the TRC92 Employer Consortium. By bringing various companies and experts together, we are examining current practices and working together improve policies, procedures and practices and this execution including by using a lens towards truth and reconciliation.

This prototype is still underway and will be concluding this summer with the goal of having revised policies in place to reduce possible barriers from our current policies and practices and making them more inclusive for all.

# Environmental performance

We are committed to monitoring and reducing our direct environmental impacts and are actively working towards limiting our climate change impacts through our operations, products, responsible supply chain and ongoing collaboration with institutional, industry and business partners.

NFI is aware of the impact our business operations has on the natural environment and local communities in which we operate. To manage these impacts, we implement resource efficiency and waste diversion initiatives within our operations and collect and track environmental performance data. Throughout this section, we highlight our performance on energy, greenhouse gas (“GHG”) emissions, air pollutant emissions, water, waste and environmental compliance.

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



# Energy

**Conserving energy is important to NFI. Energy efficiency is a key strategy of ours when minimizing our resource consumption, contributions to GHGs, and climate-related risks.**

The majority of NFI's manufacturing facilities are located in cold climate regions, and facility heat represents a large part of our energy consumption. Throughout 2022, outdoor weather temperatures were below average for longer than expected periods, resulting in higher than expected natural gas consumption to heat our facilities.

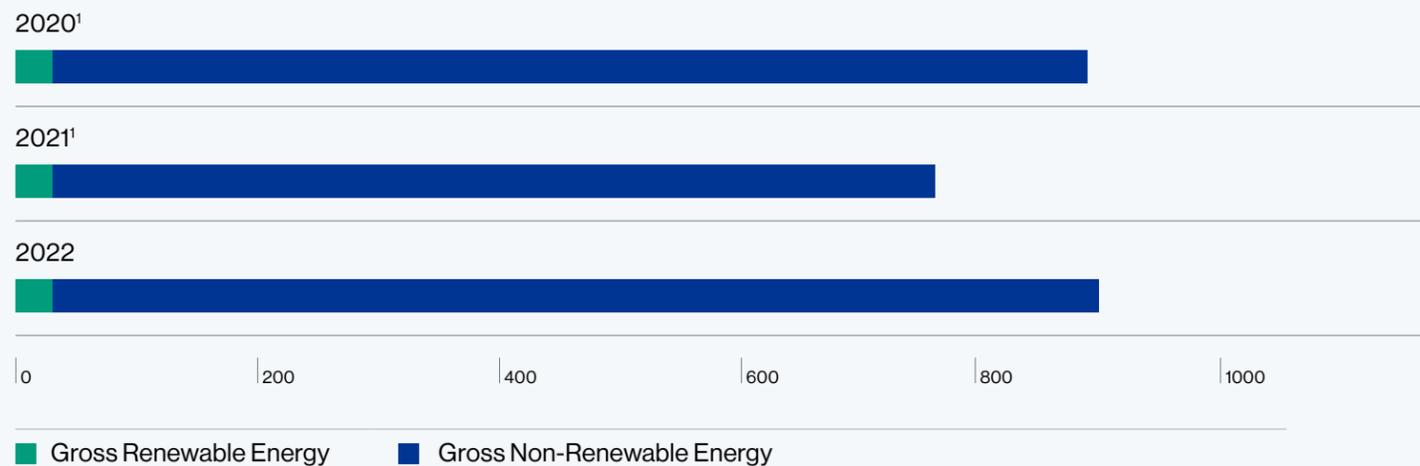
Energy reduction projects mainly focus on facility energy usage as process energy usage is minimal by comparison. Wherever possible, projects that are directly related to facility energy consumption aim to reduce consumption by 10%, within the context of the project. For these projects, energy consumption data is summarized, validated, and reported to our leadership group.

Large facility projects, including large energy reduction improvements, were slowed in 2022 and are on hold for 2023 due to the residual effects of the COVID-19 pandemic. Energy savings continue to be realized in our facilities through the installation of LED lighting (including emergency and exterior lighting), radiant heating, improved ventilation and heating, boiler system upgrades, infrared water heaters, variable frequency compressors, and paint booth exhaust fans, as well as insulating/sealing of our facilities. It is anticipated large facility projects will ramp up again in 2024 as lingering pandemic impacts are expected to have stabilized in the industry.

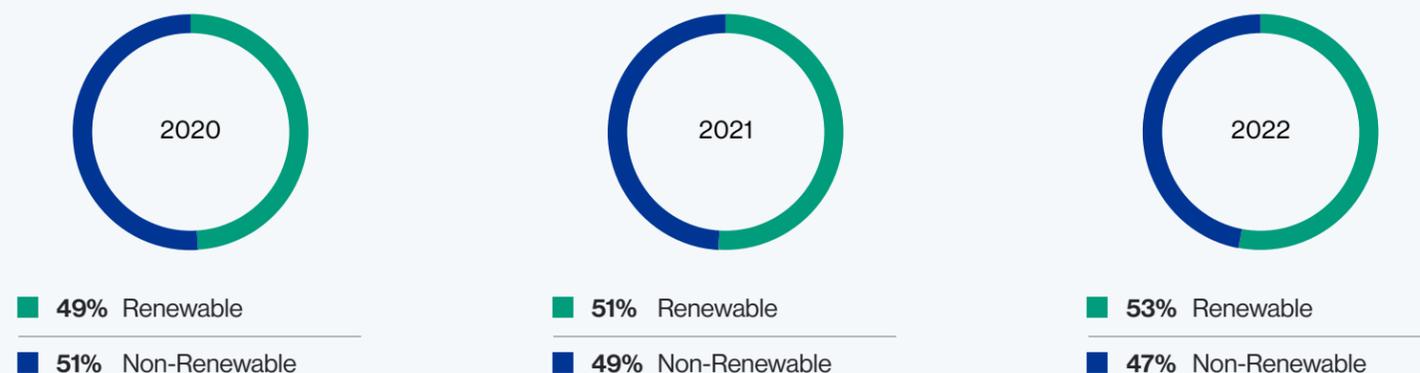
As the demands for our zero-emission product line increase, we anticipate a future increase of energy use in some of our production facilities as a result of product testing and charging requirements.

**A Note on Reporting:** The COVID-19 pandemic continued to impact facility usage and, subsequently, NFI's environmental metrics from 2020 through 2022. A variety of situations including, but not limited to, employees working from home, unplanned shutdowns and facility idling, adjusted production schedules, business reconfiguration, and site closures led to lower than expected demand on utilities and other environmental performance data. As we work towards continually improving our internal tracking and environmental reporting processes annually, year-over-year increases may still be seen. As production increases over time in comparison to 2022, increases in absolute values are expected.

## Total Facility Energy Consumption (GWh)



## Electricity



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

# Energy reduction at Alexander Dennis



**Alexander Dennis has implemented a dedicated cross-functional Energy Governance Committee (“Committee”) that meets monthly to discuss energy saving initiatives across various areas of the business, including Operations, Procurement, Aftermarket, IT, and HR.**

The Committee has been actively monitoring the energy consumption of Alexander Dennis facilities and processes at site level to identify opportunities to reduce energy from both an immediate and long-term perspective. The team is also capturing and tracking progress against current activities, as well as mapping out any future initiatives, in the Alexander Dennis Energy Governance database. Since beginning this initiative in 2022, Alexander Dennis has managed to reduce its electrical energy consumption across its UK sites by 230,000 kWh in 2022.

Alexander Dennis is currently building an Energy Management Framework that is expected to be implemented across all UK sites, benchmarking their energy consumption/intensity against industry standards, driving energy reduction through continuous improvement activities.

**Alexander Dennis has reduced its UK electrical energy consumption by 230,000 kWh in 2022.**



# Greenhouse gas emissions

**NFI’s direct and indirect (Scope 1 and 2) GHG emissions are generated from our total facility stationary and mobile fuel use, refrigerant, 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. Insourcing various components through our primary fabrication operations reduces our environmental footprint by centralizing production, in turn providing NFI better control over our supply chain and its effects on climate change.

### 2022 CO<sub>2</sub>e Emissions

Direct (Scope 1)	152,126
Indirect (Scope 2)	18,011

Throughout the near-term, NFI’s Sustainability Council will be working to further advance our climate change transformation efforts through a carefully considered time-bound climate transition plan.

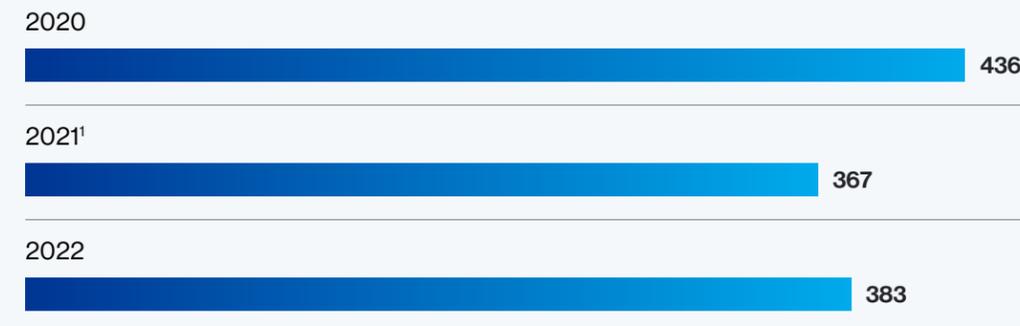
# Air pollutant emissions

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

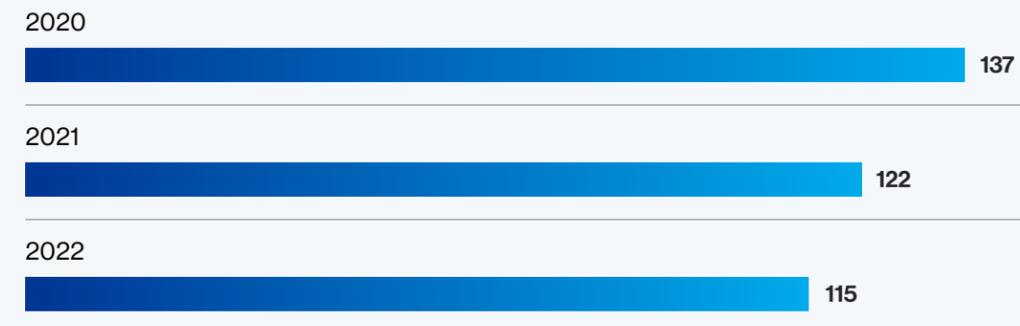
Volatile Organic Compounds (“VOCs”), Hazardous Air Pollutants (“HAPs”) and Particulate Matter (“PM”) air pollutants from painting and fiberglass manufacturing activities are managed by striving to meet industry best practices and properly maintaining air pollution control equipment. NFI has implemented powder coating technology wherever practicable to reduce air pollutant emissions.

Increases to VOC emissions are a result of improved data collection methodology and increased coach production from 2021.

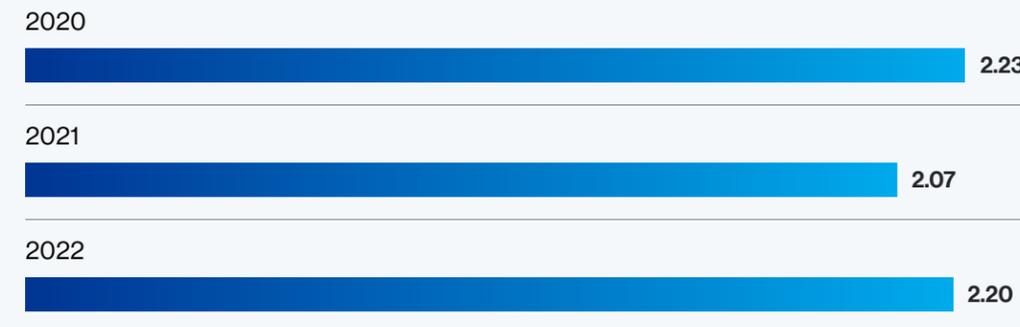
## NFI VOC Emissions (U.S. tons)



## NFI HAP Emissions (U.S. tons)



## NFI PM Air Pollutants (U.S. tons)



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

# Road to hydrogen

Fuel cell propulsion is no longer niche.



## 2022 will go down as a bellwether year for hydrogen and the role it will ultimately play in the rollout of the ZEvolution™.

As more of our valued customers transition to ZEBs, the strengths and weaknesses of the technology and how they play in the unique features of their operating environments come to light. As such, a sizable proportion of end users have or are expected to identify hydrogen as the favored pathway to decarbonizing their fleets, given its suitability for operating as a drop-in replacement for their traditional diesel counterparts. This has resulted in a notable uptick in interest and direct inquiries from customers on the topic, with a desire to understand more about the technology and NFI's offerings in this space, where we have been players since the technology was in its infancy, leading this market along the way.

### NFI has responded to this surge in interest in several different ways in 2022:

1. The VIC hosted a seven-stop, cross-U.S. tour with our 40' Xcelsior CHARGE H2™ fuel cell-electric transit bus. The event was attended by 10 transit agencies, spanning the southwest to the northeast. This first-of-its-kind showcase included walkarounds and ride-alongs with enthusiastic industry players to demonstrate our technology in action (and in winter conditions), showcasing our fuel cell propulsion as a serious solution in the transition to zero emissions. The demos were supported by customized, one-on-ones hosted virtually by the VIC to give a technical deep dive on the technology and answer questions that may have come up during the experience. Lastly, utilizing NFI Connect™, our all-encompassing data collection and management telematics system, we produced reports for each customer on bus performance in their specific operating context, and we amalgamated all data from the tour to add to our real-world data bank to share with our stakeholders and continue learning from.

2. New Flyer officially launched our next-generation successor to the Xcelsior CHARGE H2™: the Xcelsior CHARGE FC™. This latest-and-greatest bus, among numerous other improvements, incorporates four key technology enhancements: (1) the latest, more powerful fuel cell system with improved efficiency and serviceability; as well as three of the same advances we recently implemented on our battery-electric lineup: (2) a next-generation propulsion system that is more powerful, lighter and consolidated; (3) the latest high-power batteries that are also more energy-dense to help extend range; and (4) our in-house designed and fabricated composite battery enclosures that are lighter, environmentally resistant, serviceable, and integrate with Xcelsior®.
3. The VIC developed and presented further educational and engagement content to the interested public, including the virtual product launch of Xcelsior CHARGE FC™, a three-hour public webinar on fuel cell-electric propulsion, infrastructure, and other technologies and considerations for use in transit, and numerous customized virtual sessions with stakeholders and conference presentations on the topic in 2022.

We are excited to progress on our journey to promote hydrogen as a means to decarbonising fleets in the transportation sector and continue our position as leaders in fuel cell-electric propulsion technology.

# Waste

**NFI manages 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 build, from pre-fabrication and pre-assembly to assembly of the bus down the production line. With reduced production rates in 2021 and 2022, overall, existing facilities saw reductions in hazardous waste, industrial waste and recycling quantities compared to 2020. Industrial waste data increases are 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.

Waste to landfill is decreased through recycling where available. In 2022, NFI diverted 1,935 tons of wood and 766 tons of cardboard from landfills, and recycled 2,658 tons of metal.

## Facts

### 1,935

tons of wood was diverted from landfills

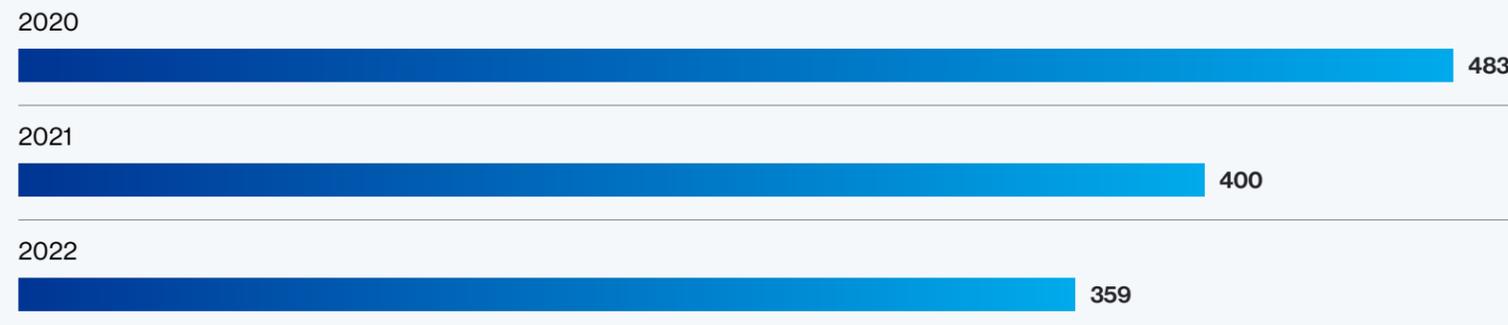
### 766

tons of cardboard was diverted from landfills

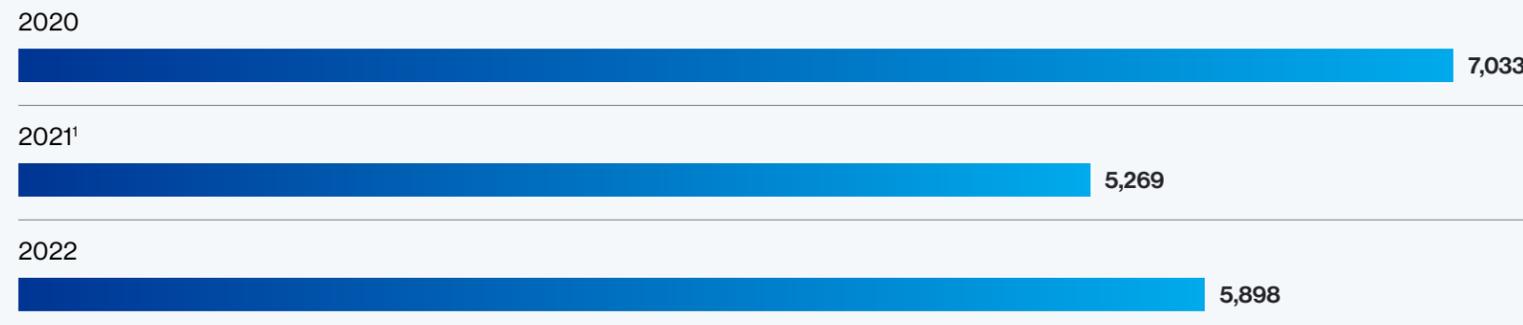
### 2,658

tons of metal was recycled

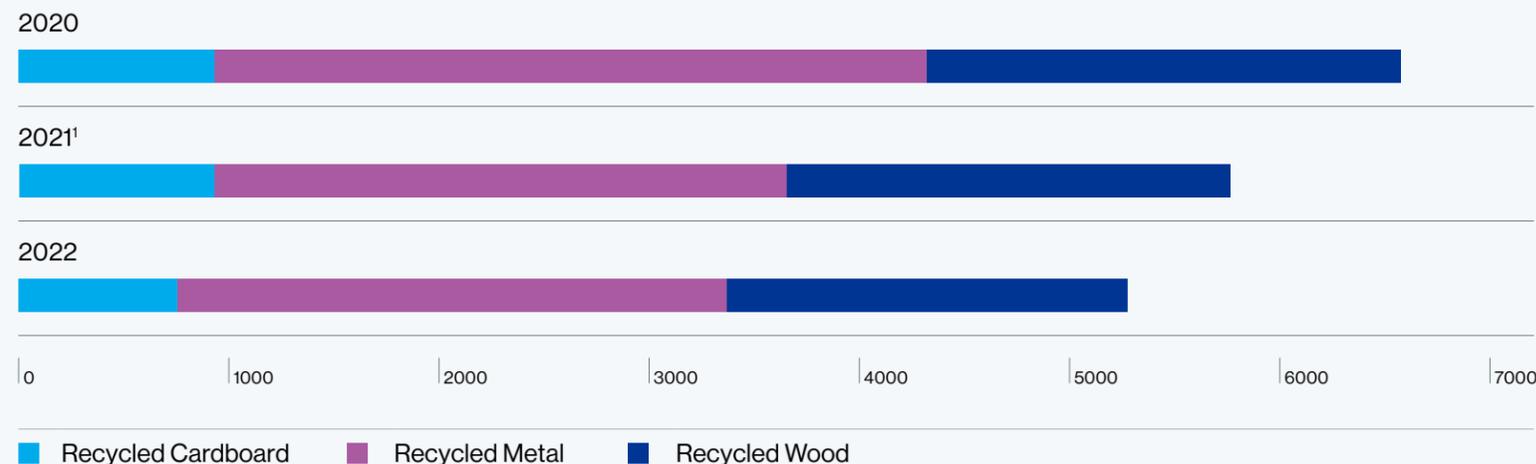
## NFI Total Hazardous Waste (U.S. tons)



## NFI Total Industrial Waste (U.S. tons)



## Waste Diverted from Landfill (U.S. tons)



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

# Circularity of our electric vehicle batteries

**NFI's current North American EV battery supplier designs its batteries with recycling in mind, ensuring there is opportunity for the circularity of the batteries we install on our buses. Circularity involves a product being created with its own end-of-life taken into account.**

Our current battery supplier uses clean, recycled materials in its product; more specifically, it uses aluminum, copper and cathode powders. This supplier also works with recyclers for end-of-life recycling and collaborates with Re-Cell, a national collaboration of industry, academia and national laboratories working together to advance recycling technologies along the entire battery life-cycle for current and future battery chemistries. In addition, this supplier certifies that none of its suppliers' products are sourced, manufactured or processed with materials sourced from the Democratic Republic of the Congo that contain gold, columbite-tantalite (coltan), cassiterite, wolframite, or their derivatives, tantalum, tin, tungsten, or gold ("Conflict Minerals"). Our battery supplier also maintains formal relationships with multiple trusted partners in the recycling space to ensure an environmentally-conscious end-of-life plan for defunct batteries from their assembly line or returned to them through their warranty provisions.

Batteries that fall outside of the supplier's warranty window are typically in the hands of our customers, but NFI is here to help. Leveraging our relationship formalized with Li-Cycle through an MOU signed and announced at APTA's EXPO show in late 2021, NFI can help direct and navigate the recycling process for our customers' Li-ion batteries through to one of the multiple Li-Cycle facilities throughout North America. This can provide circularity for both NFI and or customers, whether from an unexpected battery failure or the vehicle's end-of-life point.



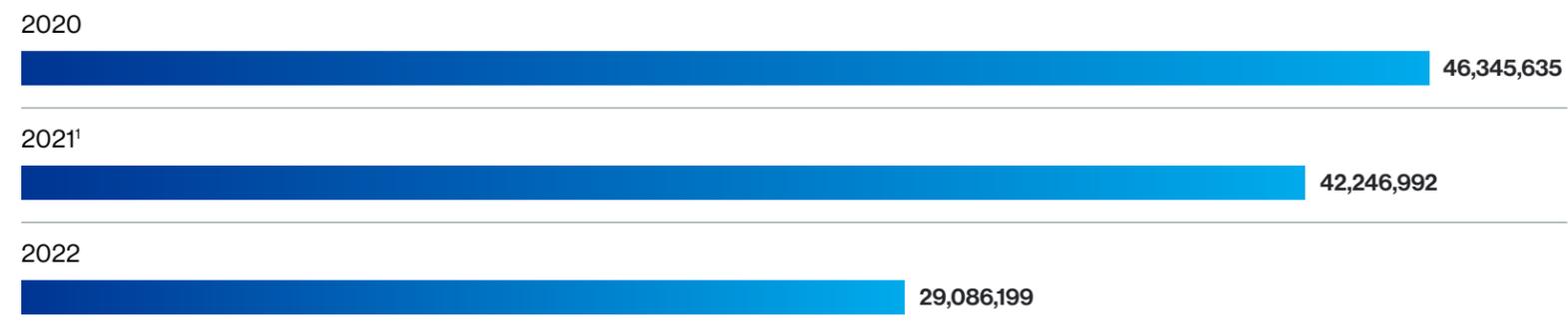
# Water use

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

Weather leak testing for bus shell integrity is our largest water consumption for manufacturing process usage. Requirements for these tests vary by contract and can have a significant impact on our water consumption, resulting in fluctuations year over year. Several of our facilities conserve water during the manufacturing process through on-site re-use of water required for extreme weather leak testing. In 2022, water consumption decreases were a result of overall decreased line rates and continual improvements to facility water management initiatives.

In the context of climate change, NFI understands that safeguarding the use of potable water resources is an important matter to continually improve on throughout all of our facilities. To advance water efficiency in 2022, facility improvements include equipment upgrades and other water reduction opportunities where available.

## NFI Total Water Consumption (U.S. gallons)



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

# Biodiversity

**As a manufacturer of goods and services and producer of world-class products for our customers and stakeholders, we rely directly and indirectly on various ecosystem services.**

We recognize it is our duty to protect the world we live in and take responsible actions to conserve and preserve biodiversity.

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.

Recognizing we have a role to play in the sustainable development of our communities, NFI has commenced an initial assessment of our global locations to better understand if any of our operational sites are located in or near biodiversity-sensitive areas.



# Environmental compliance

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

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

NFI always takes into consideration the environmental impact of our processes starting with the design of our product to final delivery. In 2022, NFI was not subject to any financial penalties for non-compliance with facility operations environmental protection laws or regulations.

**NFI's North American heavy duty and medium duty transit and motor coach manufacturing facilities are registered to ISO 14001:2015 to secure our commitment to managing our environmental responsibilities.**



# 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 principles
- ✓ 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 2022, including Pride Winnipeg, Save the Children, Men's Mental Health, Crookston Ox Cart Days, Winnipeg Art Gallery's Inuit Art Centre (Qaumajuq), Seniors at Home, and 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.



## £1,600

**In 2022, Alexander Dennis team members raised over £1,600 for Macmillan Cancer Support, a leading UK charity.**

Alexander Dennis colleagues across the UK joined thousands of others around the country to raise funds for Macmillan Cancer Support, a leading UK charity. Thanks to our team members' dedication and efforts, we raised over £1,600 in aid of the charity.





**\$3.5M**

**NFI collectively has donated more than \$3.5 million to the United Way from its workplace campaigns since 2009.**

In 2022, the fifth NFI-wide United Way campaign was held across all North American locations, and our team came together to donate \$381,868 to United Way agencies—proudly supporting 18 different United Way agencies in the U.S. and Canada, in or nearby communities we operate in.

We recognize that we are better together, and that our communities can thrive as a strong collective. NFI is extremely proud of its team efforts in contributing during another difficult pandemic year, proving just how much our teams value supporting our local community efforts.

NFI was presented with the Campaign Committee Award for going above the “call of duty” to rally our team during our 2022 workplace campaign.

NFI was a proud sponsor of Pride Winnipeg's 2022 celebrations, which included the second-ever National Pride Festival as well as a National Human Rights conference, supporting the diverse community in the city of our organizational headquarters.

“ **In this time of uncertainties and overwhelming challenges that continue to happen to our community, we are pleased to have NFI’s support to show our authentic selves and be able to increase our presence to ensure our communities’ needs, rights, and fights are seen and heard.**”

— Barry Karlenzig, Technical Sales Manager, New Flyer and MCI, and President of Pride Winnipeg.

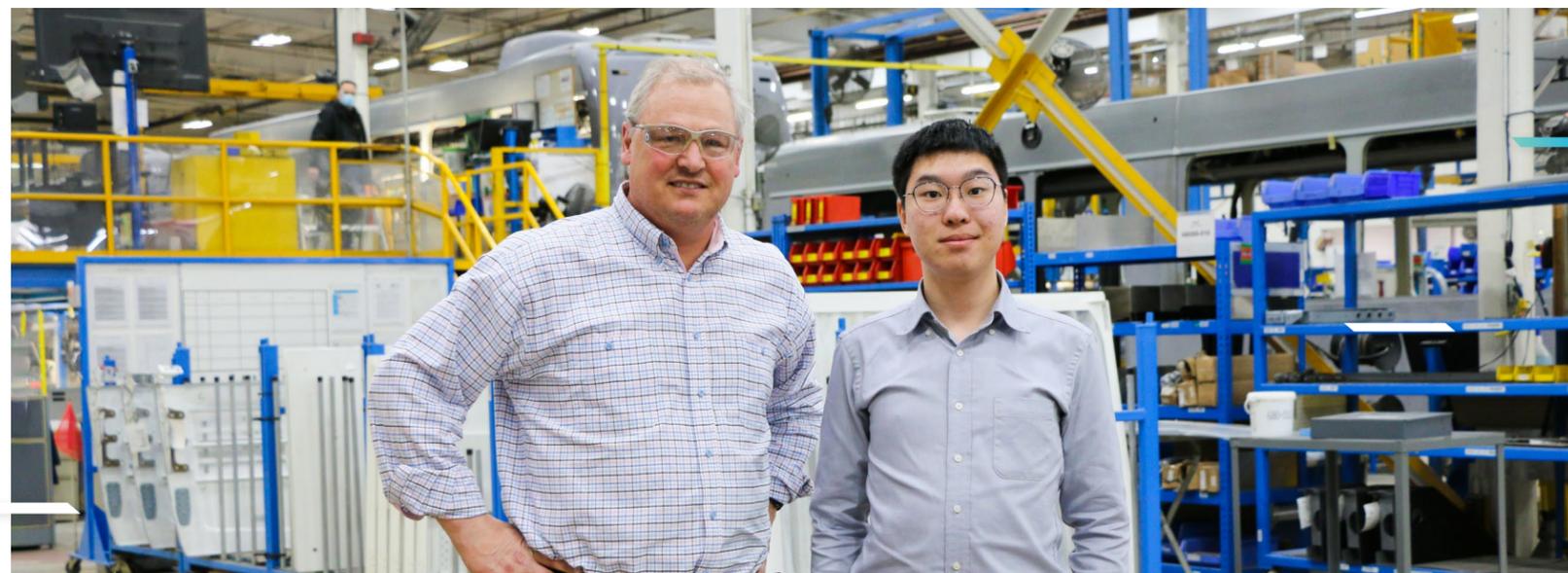


# Support for education

In April 2022, New Flyer and AROW Global awarded a \$10,000 New Mobility Bursary through NFI's Vehicle Innovation Center, to support underrepresented individuals in pursuit of education and skills development, and ultimately contribute to the advancement of DEI.

“ This bursary motivates me to...pursue a career in which I can improve infrastructure, such as urban planning or entrepreneurship in transportation.”

— Terrance Chen



MCI provided a coach and led the 2022 UMA Expo Maintenance Interchange & Competition, where the industry's best compete each year, inspecting a vehicle rigged with defects. The annual Maintenance Competition is for those who wish to test their technical knowledge and skills against the clock and North America's top bus and motorcoach mechanics. The competition is composed of a written exam and hands-on motorcoach inspections, both designed to be difficult and to require detailed knowledge of maintenance issues and safety regulations.



MCI proudly supported the American Bus Association Foundation's scholarship program to help fund education and workforce development to support the motor coach and tour industry.

# Gladstone Road Primary School community bus project

**Alexander Dennis team members completed an inspirational volunteer project for a local primary school near the Scarborough UK site, Gladstone Road Primary School.**

The Alexander Dennis team first received a request from the local primary school on how best to maintain an old bus, which the school had purchased to use as a nurture space. The bus was also used as a breakout space for the school, as well as an area for local parents to enjoy when visiting the school. The Alexander Dennis team got straight to work and was ready to support the request; however, before the Alexander Dennis team had a chance to provide more information, the school reached out with the unfortunate news that the bus had been vandalized and was no longer fit for purpose.



In the true spirit of community, the Alexander Dennis Scarborough team stepped in with a group of volunteers that assessed the damage to the vandalized bus, prepared a plan of action, and carried out the needed repairs.

The Alexander Dennis team has since received a wave of thank you letters from the local school children, grateful for supporting this important community project.



# Team + community 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.

We have continued to navigate effectively through the challenges presented over the last few years with COVID-19 and are now back in full swing with various in-person events led by local HR Teams and social committees. Together we are working to make a difference – not just at NFI but in our communities around the world. 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.

## Shout-Outs

Over 115 employees were recognized by their peers in a “Shout-Out” recognition over the past year. 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.



# For our employees

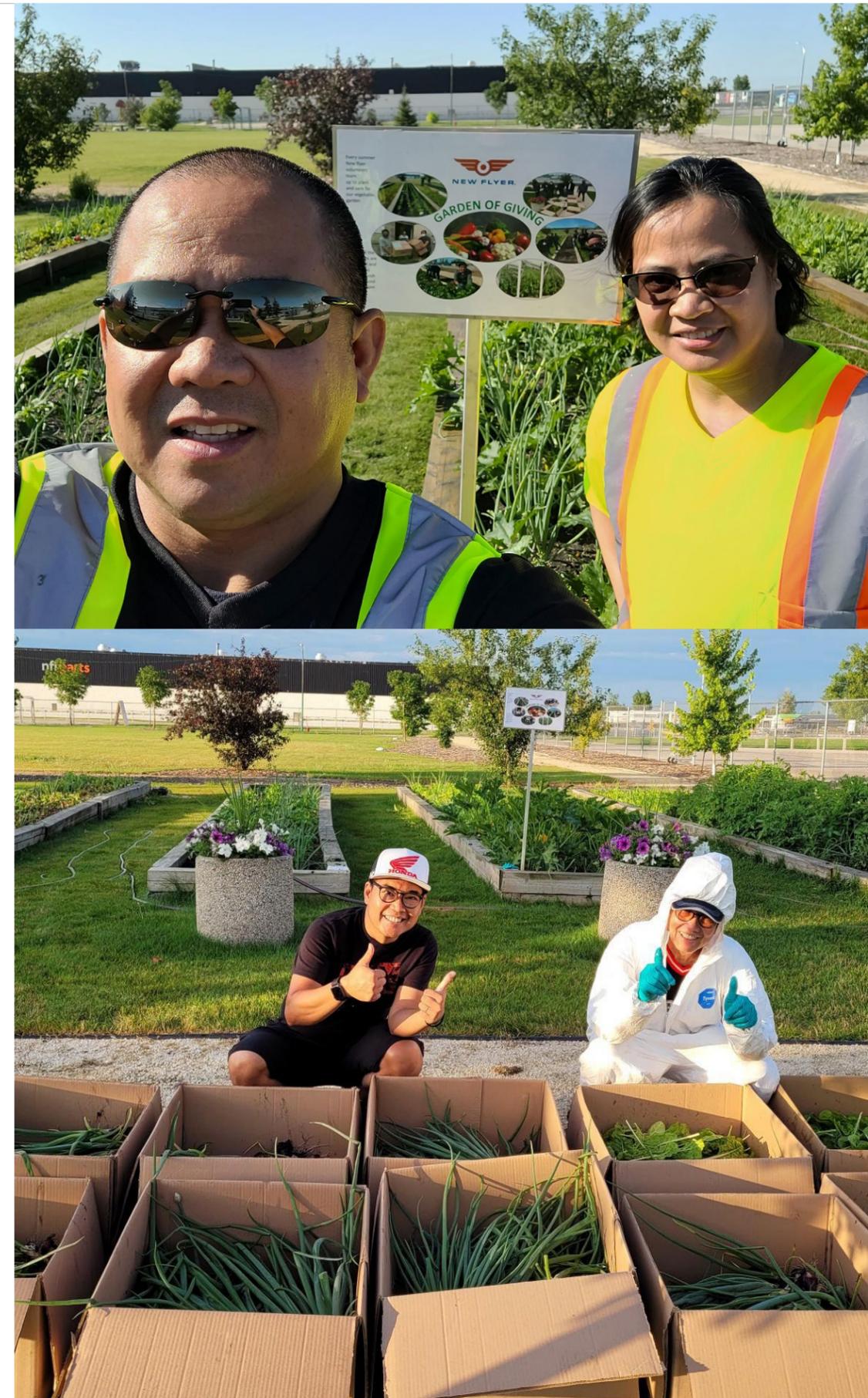
- In Anniston, Alabama, there were festive themed dress days, a BBQ cookoff, golf tournament, car show, and a Halloween costume contest. To recognize Breast Cancer Awareness, the team showed support to a local nonprofit group, Anniston's Steel Magnolias, by wearing pink on the appropriate day. The Kid's Holiday Party brought much cheer to the employees and their families; over 200 children enjoyed hours of fun, including an 18-lane bowling alley, two-story laser tag, and numerous games in the arcade. As the year ended, employees were able to highlight our zero-emission demo bus in two different holiday parades in their local area.
- The Crookston team participated in the OxCart Days Parade, held in the third week of August every year, a fun event for employees and residents. The local golf tournament also brought along friendly competition and winning smiles.
- St. Cloud made the effort to incorporate fun and activities into each month of the year with a wide selection of activities that ranged from bingo, a colouring contest, ice cream day, and bowling, to name a few. The year of festivities ended with a Kids Holiday Party.
- The Winnipeg team gathered for multiple events in 2022 from having fun in the sun at the Summer Staff Appreciation and Car Show, to enjoying great rounds at the New Flyer golf tournament while enjoying dinner and prizes, to playing like a champion during the staff badminton tournament. As the year ended, employees joined in with their families and team members to enjoy the festivities of the Kids Holiday Party and Staff Holiday Lunch.
- Throughout 2022, our Canadian and U.S. NFI Parts teams hosted employee appreciation and holiday luncheons for all six locations. Sports bracket challenges also provided a chance to have some friendly competition between the Parts Distribution Centers, with events for March Madness NCAA Basketball and the NHL Hockey Bracket Challenge.
- Our team members at Alexander Dennis launched a Community and Charity Calendar in 2022. The Alexander Dennis team held various activities and events throughout the year, including an Easter egg hunt, support for Pride month, a Santa's Sleigh event, and various wellness events.
- ARBOC held countless events, including chili cook-offs, a picnic and cornhole tournament, and a holiday lunch. ARBOC also paired birthday recognitions with monthly roundtable team discussions to increase opportunities for moments of celebration throughout the year.



# For our communities

- ✓ The Garden of Giving initiative started in 2010. This program encourages employees 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 2022, NFI donated a total of 57 boxes of various produce to local charitable organizations Siloam Mission and the Union Gospel Mission.
- ✓ For the eighth consecutive year, the Anniston team sponsored 72 children during the holiday season in partnership with the local Big Brother Big Sisters Chapter.
- ✓ MCI Winnipeg organized a Harvest Manitoba food drive during the holiday season in 2022. During this event, the team collected much needed non-perishable food items for families in need in the province.
- ✓ NFI Parts participated in the Winnipeg Holiday Hamper program through the local Christmas Cheer Board group to collect various perishable and non-perishable items to be donated to families in need. Throughout the year, the team hosts fundraising events, such as bake sales, to help raise money for the Holiday Hamper as well as employees donating items in November.
- ✓ In November, the 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. Team members worked diligently to collect a significant number of canned items to contribute to this important cause.
- ✓ ARBOC showed support to local animal shelters by participating in a blanket drive with the local animal shelter.
- ✓ Team Anniston developed pet calendars and donated the profits to the League of Animal welfare.

- ✓ 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 2022, Grades 3-4 and 5-6 groups participated in the 10-week on-ice/off-ice program with 10 volunteers from NFI.
- ✓ Alexander Dennis supported local organization Go Forth and Clyde with its Christmas on the Canal event, to give local families in the Falkirk area the opportunity to celebrate the season. The Ballymena team sponsored the Mayor Mid and East Antrim Borough Council's annual charitable ball, and the Scarborough team sponsored Yorkshire-based Crawfest, a not-for-profit family-focused festival that donates profits to local causes. Alexander Dennis colleagues across the UK also joined thousands of others around the country in providing coffee mornings to support Macmillan Cancer Support, a leading UK charity.





# ESG data tables



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

# NFI's ESG data tables

Revenue	Unit of Measurement	2020	2021	2022	2023 Guidance <sup>1</sup>	2024 Guidance <sup>1</sup>	2025 Target <sup>1</sup>
<b>Revenue by Region</b>							
North America	\$ millions (USD)	\$1,969	\$1,776	\$1,555			
United Kingdom & Europe	\$ millions (USD)	\$333	\$441	\$441			
Asia Pacific	\$ millions (USD)	\$118	\$127	\$58			
<b>Total Revenue</b>	<b>\$ millions (USD)</b>	<b>\$2,419</b>	<b>\$2,344</b>	<b>\$2,054</b>	<b>\$2,500 to \$2,800</b>	<b>\$3,200 to \$3,600</b>	<b>~\$4,000</b>
<b>Revenue by End Market</b>							
Manufacturing	\$ millions (USD)	\$2,018	\$1,870	\$1,569			
Aftermarket	\$ millions (USD)	\$402	\$474	\$485			
<b>Total Revenue</b>	<b>\$ millions (USD)</b>	<b>\$2,419</b>	<b>\$2,344</b>	<b>\$2,054</b>	<b>\$2,500 to \$2,800</b>	<b>\$3,200 to \$3,600</b>	<b>~\$4,000</b>

Annual Deliveries	Unit of Measurement	2020	2021	2022	2023 Guidance <sup>1</sup>	2024 Guidance <sup>1</sup>	2025 Target <sup>1</sup>
EUs delivered	EUs	4,371	3,783	3,039			
ZEB EUs delivered	EUs	362	661	693			
% of deliveries that were ZEB EUs	EUs	8%	18%	23%	25%-30%	30-35%	~40%

Company Statistics	2020	2021	2022
<b>Team Members - By Subsidiary</b>			
NFI Group	142	206	212
New Flyer	2,996	2,755	2,890
Alexander Dennis	2,156	2,175	2,029
MCI	1,244	1,152	1,118
Carfair Composites	378	460	552
NFI Parts™	396	396	394
KMG	483	300	371
ARBOC	128	123	149

Company Statistics	2020	2021	2022
<b>Team Members - By Country</b>			
USA	/	/	7,715
Canada	/	/	2,554
UK	/	/	1,897
Hong Kong	/	/	54
Mexico	/	/	29
Germany	/	/	8
Singapore	/	/	8
New Zealand	/	/	7
Ireland	/	/	4
Malaysia	/	/	1

Company Statistics	2020	2021	2022
<b>Facilities</b>			45+
<b>Countries with operations</b>			10

/ = no data available

<sup>1</sup> Please review the Company's March 1, 2023 press release and the 2022 Q4 and Fiscal Year MD&A for details on the assumptions that drive Fiscal 2023 and Fiscal 2024 guidance, and 2025 targets, as well as certain applicable risks.

Governance	2022	As of May 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	50%	63%
% of Independent Directors Who Self-Identify as Persons of Colour	13%	25%
Years of Combined Experience	300	300
Geographic diversity: # of countries	4	4
% of Directors who own NFI shares	90%	80%
Board average age	64	63

Policies + Statements	2022
<b>NFI Group-Wide Policies + Statements</b>	
Code of Business Conduct and Ethics (affirms prohibition against child labour)	Y
Anti-Corruption and Bribery Policy	Y
Political Contribution Policy	Y
Environmental Health & Safety Policy	Y
Human Rights Statement	Y
Freedom of Association Statement	Y
Whistleblower Policy	Y
Data Privacy Policy	Y
Board Diversity Policy	Y
Gift and Entertainment Policy	Y
Charitable and Community Support Policy	Y
Gift Acceptance Policy	Y
Supplier Code of Conduct	Y
Flexible Work Program	Y
North American Respectful Workplace policies	Y
<b>Management Committees/Councils</b>	
Enterprise Risk Committee	Y
Sustainability Council	Y

# NFI's ESG data tables

Environment	Unit of Measurement	2020	2021	2022	As of May 2023
<b>Product</b>					
NFI's buses and coaches in service (global)	Buses	-105,000	-105,000	-100,000	-100,000
Countries with NFI buses and coaches in service		11	11	12	13
Countries with electric NFI buses and coaches in service		/	5	6	6
Electric service miles travelled by NFI ZEBs since 2015	Miles	20,000,000+	50,000,000+	100,000,000+	115,000,000+
ZEBs EUs delivered since 2015	EUs	1,371	2,032	2,725	2,891
EV chargers delivered via NFI Infrastructure Solutions™ since 2018		175+	275+	340+	390+
MW charging capacity delivered via NFI Infrastructure Solutions™ since 2018	MW	/	/	58+	77+
<b>Workforce</b>					
% of workforce working as part of flex/hybrid or remote work program		/	20%	17%	
CO <sub>2</sub> e reduction as a result of flex/hybrid or remote work program	U.S. tons	/	2,323	2,238	
<b>Operational Environmental Performance</b>					
Total Energy Consumption <sup>1</sup>	GWH	859	749	864	
Gross Renewable Energy	GWH	33	32	32	
Gross Non-Renewable Energy <sup>1</sup>	GWH	826	718	832	
% Renewable Energy		49	51	53	
% Non-Renewable Energy		51	49	47	
<b>Greenhouse Gas Emissions</b>					
Direct (Scope 1)	CO <sub>2</sub> e	/	/	152,126	
Indirect (Scope 2) <sup>2</sup>	CO <sub>2</sub> e	/	/	18,011	
VOC Emissions <sup>1</sup>	U.S. tons	436	367	383	
PM Emissions	U.S. tons	2.23	2.07	2.20	
HAPs Emissions	U.S. tons	137	122	115	
<b>Waste</b>					
Total Hazardous Waste Produced	U.S. tons	483	400	359	
Total Industrial Waste Produced <sup>1</sup>	U.S. tons	7,033	5,269	5,898	
Recycled Cardboard	U.S. tons	949	948	766	
Recycled Metal <sup>1</sup>	U.S. tons	3,442	2,769	2,658	
Recycled Wood <sup>1</sup>	U.S. tons	2,293	2,143	1,935	
<b>Water Consumption</b>					
Total Water Consumed <sup>1</sup>	U.S gallons	46,345,635	42,246,992	29,086,199	
<b>Production Total</b>					
Buses & Coaches (various propulsion systems) <sup>1</sup>	EU	4,363	3,656	3,217	

**A Note on Reporting:** The COVID-19 pandemic continued to impact facility usage and, subsequently, NFI's environmental metrics in 2022. A variety of situations including, but not limited to, employees working from home, unplanned shutdowns and facility idling, adjusted production schedules, business reconfiguration, and site closures led to lower than expected demand on utilities and other environmental performance data. As we work towards continually improving our internal tracking and environmental reporting processes annually, year-over-year increases may still be seen. As production increases over time in comparison to 2022, increases in absolute values are expected.

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

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

/ = no data available

# NFI's ESG data tables

Social	Unit of Measurement	2020	2021	2022	2023 Target
<b>Occupational Health + Safety</b>					
NFI OSHA Rate	per 200,000 hours	4.4	4.7	2.8	3.3
NFI Lost Time Rate	per 200,000 hours	1.6	2.0	1.0	1.3
NFI Fatality Rate		0.0	0.0	0.0	0.0
<b>Union Relations</b>					
% of NFI's global workforce covered by collective bargaining agreements		47%	62%	48%	
<b>Living Wage</b>					
% of employees at NFI's main transit bus manufacturing facilities in Canada and the U.S. that are at or above the living wage standard in their region		/	99.78%	100%	
<b>Training</b>					
\$ invested in employee training	USD	-\$5,000,000	>\$7,000,000	>\$8,000,000	
Hours invested in employee training		/	/	>225,000	
<b>Employee Engagement</b>					
# of submissions submitted via Xpressline		511	438	239	
<b>Team Diversity</b>					
Women		19.3%	19.0%	19.1%	
Women in Middle Management & Above		17.7%	22.2%	23.3%	
Women in Executive Roles		20.7%	21.4%	17.2%	
Women in Board Roles		33.0%	33.3%	40.0%	
Visible Minorities		28.5%	19.4%	21.9%	
Visible Minorities in Middle Management & Above		11.7%	12.1%	11.6%	
Visible Minorities in Executive Roles		3.5%	3.6%	3.4%	
People With Disabilities		1.2%	1.0%	1.4%	
Indigenous People		0.5%	0.4%	0.5%	
Veterans		3.1%	2.9%	2.6%	
<b>Community Support</b>					
\$ donated through annual United Way campaign	USD	\$378,701	\$372,552	\$381,868	

/ = no data available



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