



Fighting Forced Labour and Child Labour

**Steps Taken by
NFI Group Inc. and
Certain Subsidiaries in
202)**

INTRODUCTION

In accordance with Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Canadian Act") this report is made on behalf of NFI Group Inc. ("NFI") and associated Canadian reporting entities listed under the heading "*Organization Structure and Activities*". The report also describes the steps undertaken by NFI Group in the financial year ended December 31, 2025, to prevent and reduce the risk that Forced Labour or Child Labour¹ is used in our operations and supply chains, within Canada, US and abroad. This report covers NFI and all its subsidiaries operating globally, except as described below (collectively, "**NFI Group**"). NFI subsidiary Alexander Dennis Limited and its own subsidiaries publish their own annual modern slavery statement in accordance with the UK Modern Slavery Act and are therefore out of scope for this report.

NFI Group is committed to upholding the human rights and inherent dignity of all individuals connected to our operations, our supply chain, and the communities in which we operate. In alignment with the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises, we work to identify, prevent, mitigate, and remediate human rights risks and adverse impacts. We recognize that global supply chains can present increased exposure to forced labour and child labour risks. As part of our responsibility, NFI Group conducts robust, risk-based due diligence and takes decisive action to reduce, eliminate, or otherwise address any occurrence of forced labour or child labour in our supply chain.

In accordance with the requirements of the Canadian Act, I confirm that the board of directors of NFI (the "Board") has reviewed and approved this report, pursuant to subparagraph 11(4)(b)(ii) of the Canadian Act.

I have the authority to bind the corporation.



Colin Robertson
Chair of the Board of Directors
NFI Group Inc.

¹ In this report, such terms are defined as they are in the Canadian Act.

ORGANIZATION STRUCTURE, ACTIVITIES AND SUPPLY CHAINS

Organization Structure and Activities

Headquartered in Winnipeg, Manitoba, NFI is a publicly traded holding company, which, together with its subsidiaries, is a leading independent bus and coach manufacturer and a leader in electric mass mobility solutions. NFI Group's offerings include zero-emission vehicles, vehicles with conventional propulsion systems, charging infrastructure and installation, telematics, vehicle financing, and full parts and service aftermarket support. These activities involve producing goods in Canada or elsewhere, and importing goods produced outside Canada. As at the end of 2025, NFI Group employed over 7,300 people in North America with just over 3300 residing within Canada.

Principal operating subsidiaries of NFI Group included in this report are described below:²



New Flyer Industries Canada ULC
New Flyer of America Inc.

New Flyer is North America's heavy-duty transit bus leader. Its offerings include manufacturing new Xcelsior® and Xcelsior CHARGE® buses in Canada and the United States; infrastructure development in North America through NFI Infrastructure Solutions™; and workforce development through NFI Group's Vehicle Innovation Center.



Motor Coach Industries International, Inc.
Motor Coach Industries, Inc.
MCI Sales and Service, Inc.
Motor Coach Industries Limited

Motor Coach Industries (MCI) is North America's public and private market motor coach leader. Products include the luxury J Series and commuter D Series. MCI manufactures coaches both in Canada and the United States. 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.



ARBOC Specialty Vehicles, LLC

ARBOC is North America's low-floor, body-on-chassis ("cutaway") bus leader, manufacturing cutaway and medium-duty buses. All ARBOC manufacturing takes place in the United States.



KMG is NFI Group's wholly owned part fabrication facility located in Shepherdsville, Kentucky. KMG produces parts for the manufacture of New Flyer and MCI vehicles, and for NFI Parts' aftermarket business.

² In addition to the subsidiaries mentioned above, the NFI Group includes the following holding subsidiaries: New Flyer Holdings, Inc.; Transit Holdings, Inc.; 1176846 Alberta ULC; New MCI Holdings, Inc.; MCII Holdings, Inc.; MCIL Holdings, Ltd.; Frank Fair Industries Ltd.; New Flyer Holdings Canada Inc.; NFI Holdings Canada Inc.; NFI International Limited.

For more information on NFI Group subsidiaries and locations, please visit [our webpage](#).

KMG Fabrication, Inc.



Carfair Composites USA, Inc.
Carfair Composites Inc.

Carfair is NFI Group's wholly owned fibreglass part manufacturing company with manufacturing operations taking place both within Canada and the United States. It produces engineered composite parts for the manufacture of New Flyer and MCI vehicles, and for NFI Parts' aftermarket business.



The Aftermarket Parts Company, LLC

NFI Parts™ is North America's most comprehensive parts organization providing aftermarket parts distribution, technical publications, training, and support for buses and motor coaches. It sells replacement parts for New Flyer, MCI, Alexander Dennis, ARBOC, NABI and Orion vehicles. NFI Parts operates across North America.

The Reliable Insurance Company Limited

The Reliable Insurance Company Limited

The Reliable Insurance Company Limited is NFI Group's wholly owned captive insurance company. Headquartered in Bermuda, it underwrites certain insurance policies for NFI Group companies, including those located in Canada.

Supply Chains

Overview

NFI Group has a global supply chain which consists of third-party raw material and component suppliers, as well as service providers who support our operations. Additionally, NFI Group has two wholly owned parts fabrication businesses which support our manufacturing and aftermarket businesses.

Components and Services Purchased

Components and services are carefully selected by members of NFI's Engineering and Supply teams based on technical performance, reliability, compliance with trade agreements such as USMCA or legislation such as Buy America, supplier alignment, and cost. Materials and products can range from raw materials, off-the-shelf distributed products, complex components specifically designed for our vehicles, or goods requested by our end users.

Prior to doing business with NFI, potential suppliers of complex, or otherwise difficult to source goods are subject to a holistic review which evaluates their ability to meet quality, delivery, and contractual requirements, provide long-term support, and engage in continuous improvement activities. New suppliers are required to complete a risk assessment survey and are required to allow NFI on site to perform an audit of their operations and business practices. While this review is primarily focused on the risk associated with day-to-day activities, quality systems, financial health, and production efficiency, suppliers are also

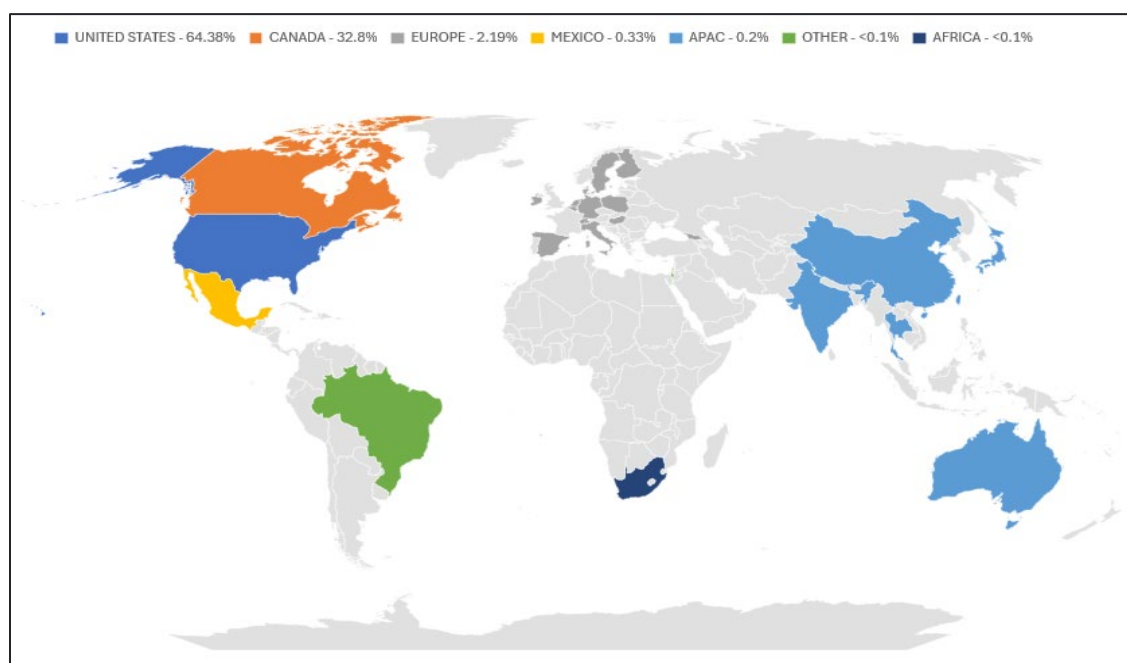
asked to supply information on their supply base, employee training systems, and compliance with human rights regulations.

Raw materials and components purchased by NFI Group from suppliers include the following:

| Type | Examples | Spend Portion |
|--|--|---------------|
| Drivetrain | Engines, Transmissions, Axles, Articulated Components | 28% |
| Body Rubber Composites | Fiberglass parts, Windows, Seats, Doors | 22% |
| Vehicle Systems | HVAC, Telematics, Destination signs, Cameras | 14% |
| Electric Bus and Infrastructure | High voltage batteries, Inverters, Electric motors, Chargers | 12% |
| Metals | Raw material, Fabricated structural parts, Wheels | 11% |
| Electrical | Wire harnesses, High voltage cables, Lighting | 9% |
| MRO | Paints, Lubricants, Adhesives, Hardware | 4% |

Tier 1 Suppliers Spend by Region

In 2025, NFI Group had over 3,600 Tier 1 Suppliers and service providers with the majority located in Canada and the United States. Outside Canada and the U.S., NFI Group sources primarily from Germany, Mexico, the United Kingdom, China, Israel, Turkey, Spain, India, and other countries as shown below.



Production and Distribution Activities

NFI's material and component supply base is comprised of fabricators, distributors, and assemblers. Fabricators transform raw materials such as metal, composites, or plastics into specific parts through operations such as cutting, forming, machining, or welding, and are typically used to produce custom components used in NFI's assembly activities. Distributors purchase and resell complete off-the-shelf goods from other manufacturers, suitable for instances in which direct relationships with said manufacturers are not favorable, commercially or otherwise. Assemblers combine multiple parts, subcomponents, or modules into complete units or systems and ensure that said units or systems are compliant with performance, safety, and reliability standards. NFI does not currently work directly with suppliers responsible for the mining or primary smelting of raw materials.

Components are shipped to NFI production and distribution sites through multimodal transportation networks. Suppliers are required to follow a routing guide which specifies which carriers are to be used, depending on Supplier and NFI production site location. Suppliers within a 100km range of a NFI site are required to deliver goods through their own means.

STEPS TAKEN TO PREVENT AND REDUCE RISKS OF FORCED LABOUR AND CHILD LABOUR

NFI Group took the following steps to prevent and reduce risks of Forced Labour and Child Labour in our operations and supply chain in 2025.

Supplier Code of Conduct

NFI advanced its supplier engagement efforts by implementing its updated Supplier Code of Conduct across its global supply base. During the reporting period, the company secured more than 400 new supplier attestations, with an additional 60 pending final verification of signing authority. Additionally, 20 suppliers submitted their own policies for review in alignment with NFI's due-diligence expectations. By year-end 2025, NFI had obtained signed Codes of Conduct from a total of 875 suppliers, reflecting meaningful progress toward stronger ethical sourcing commitments.

NFI enhanced its internal tracking and governance systems to provide greater accuracy and visibility into Code of Conduct compliance. The upgraded platform now distinguishes signature status by Code of Conduct version, business unit, and supplier criticality. Newly created dashboards enable real-time visualization of signature progress and support improved oversight across the entire supply base.

Finally, in late 2025, NFI introduced a structured compliance assessment matrix to evaluate supplier policies when a supplier is unable to sign NFI's Code of Conduct or cascade it to its own supply chain. This tool enables NFI to systematically compare supplier policies against its own standards and determine whether they sufficiently address the company's expectations for preventing forced labour, child labour, and broader human rights risks.

Training

NFI provides comprehensive training to ensure employees understand the regulatory, legal, and policy requirements that underpin the company's responsible sourcing practices. In 2025, NFI expanded its learning program with the release of two additional training modules designed to strengthen organizational awareness and reinforce compliance across its operations.

The first module focuses on key legislative frameworks governing forced labour, child labour, and responsible supply chain practices, including the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act (S-211), the UK Modern Slavery Act, the California Transparency in Supply Chains Act, and the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act. This training outlines how each of these acts applies to NFI, the company's obligations under the legislation, and the required actions employees must take to maintain compliance and support ethical sourcing.

The second module provides deeper instruction on NFI's internal policies, including the Supplier Code of Conduct, the Conflict and Critical Minerals Policy, and NFI's Supply Chain Due Diligence Policies. The module details policy requirements, identifies responsible stakeholders, and outlines the actions to be taken if potential non-compliance or risk indicators are identified within the supply base. As part of this module, employees are required to review the referenced policies and formally attest to their commitment to adhering to the processes and standards contained within them.

Supplier Assessment Questionnaires, Due Diligence, and Supply Chain Mapping

The Supplier Assessment Questionnaire is a tool to identify areas of inherent risk associated with a supplier and their upstream supply chain. Suppliers are asked to provide details about their operations, such as the critical minerals used in their products, areas from which the minerals originated, and the names and locations of the smelters of these materials. In late 2024, NFI issued a Supplier Assessment Questionnaire to 24 key suppliers on the basis of goods supplied or geographic areas of operation. Data obtained from supplier responses in 2025 provided improved visibility into the operating locations of several sub-tier suppliers, which will support NFI in setting clearer priorities and sequencing its due diligence efforts for 2026.

NFI identified a supply-chain risk involving a supplier of an electronic component that sourced materials from a gold refinery based in Entebbe, Uganda. In 2024, NFI identified that the gold refinery was sanctioned by the U.S. Department of the Treasury and determined that further investigation into the electronic components supply chain should be undertaken. Throughout the first half of 2025, NFI and the supplier held regular review meetings to monitor progress. Following receipt of detailed component-level and supply chain information, the supplier confirmed that the gold refinery was no longer present in the materials incorporated into products sold to NFI. Going forward, the supplier agreed to implement a new due-diligence policy and process to reduce the likelihood of sourcing raw materials from sanctioned or otherwise high-risk entities in the future.

Challenges in Responding to Requirements

As an integrated cross-border manufacturer, NFI proactively navigated ongoing changes to import tariff frameworks in both Canada and the United States. Frequent revisions to customs rulings required the organization to continuously recalibrate its compliance strategy, engage specialized external legal and freight advisors, gather updated data, and prepare revised documentation.

In addition to managing its own tariff exposure, NFI also faced supplier-driven tariff passthroughs, necessitating the development of enhanced tracking mechanisms and mitigation strategies to ensure full visibility and responsible supply chain oversight.

The unpredictability and short-notice implementation of tariff adjustments created significant operational challenges, making it extremely difficult to forecast workloads or maintain stable staffing plans. Although NFI remained committed to advancing its initiatives to prevent and reduce the risks of Forced Labour and Child Labour across its supply chain, the unplanned and resource-intensive nature of tariff management required the redeployment of personnel who would otherwise have supported this work. As a result, overall progress on several planned initiatives was slower than originally forecast, despite the organization's continued commitment to improving human rights due diligence and supply chain integrity.

POLICIES AND DUE DILIGENCE PROCESSES

Policies

NFI Group has embedded responsible business conduct into many of the policies and codes. The following documents demonstrate our commitment to responsible and ethical business practices, our position on human rights, and the standards which we hold our suppliers to.

- Code of Business Conduct and Ethics
- Human Rights Statement
- Anti-Corruption Policy
- Whistleblower Policy
- Supply Chain Due Diligence Policy and related processes
- Conflict and Critical Minerals Policy
- Our policy with respect to the *California Transparency in Supply Chains Act*
- Supplier Code of Conduct

These policies and codes can be found at nfigroup.com/esg/documents-charters.

Code of Business Conduct and Ethics

NFI Code of Business Conduct and Ethics prescribes the minimum moral and ethical standards of conduct required of all employees. This code is the foundation for subsequent policies and procedures associated with responsible sourcing. NFI Code of Business Conduct mandates that all activities are conducted with the highest standards of fairness, honesty, and integrity. We strictly prohibit the use of forced, bonded, or child labor and are dedicated to maintaining a transparent and ethical supply chain. We also ensure that all business transactions are properly authorized and documented, maintaining complete and accurate records. Our policies and practices are designed to prevent human rights violations and promote responsible business conduct, reflecting our commitment to respecting and protecting the human rights and dignity of individuals within our operations and the communities in which we do business. This proactive approach not only strengthens our commitment to responsible sourcing but also ensures that our supply chain aligns with our ethical standards and values.

Human Rights Statement

NFI Group is committed to respecting and protecting the human rights and dignity of individuals within our operations, supply chain, and the communities in which we do business. Our Human Rights Statement, informed by international principles such as the UN Guiding Principles on Business and Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, outlines expectations respecting the human rights and dignity of individuals within our operations, supply chain, and communities in which we do business. We focus on labor and employment practices, ensuring fair wages, safe working conditions, and a workplace free of harassment and discrimination. We prohibit forced, bonded, trafficked, and child labor, and promote diversity and inclusion. We also recognize the freedom of workers to associate with labor unions and collectively bargain. Our commitment extends to our suppliers, who are expected to uphold these standards within their operations and supply chains. We continuously strive to improve our human rights practices through due diligence, training, and stakeholder engagement, ensuring that we address and remedy any adverse human rights impacts.

Anti-Corruption Policy

NFI's Anti-Corruption Policy represents mandatory requirements of the Company that all employees must conduct themselves with the highest standards of fairness, honesty, integrity, and in compliance with all legal and regulatory requirements and corporate policies. These requirements are cascaded to our suppliers through the Supplier Code of Conduct. While not directly a child labour/forced labour policy, anti-corruption controls play a critical role in preventing labour exploitation by ensuring transparency, integrity, and lawful conduct across the supply chain.

Whistleblower Policy

NFI's Whistleblower Policy establishes the process for reporting internally any breaches or suspected breaches of the law, the Code of Business Conduct and Ethics, and/or corporate policies and procedures by employees. The requirements of this Policy are extended to our suppliers through the Supplier Code of Conduct. This mechanism enables employees and suppliers to confidentially report suspected forced labour or child labour concerns.

Conflict and Critical Minerals Policy

NFI Group's Conflict and Critical Minerals Policy demonstrates our commitment to ethical sourcing and human rights. We recognize the importance of conducting due diligence to ensure that conflict minerals, such as tantalum, tin, gold, and tungsten, do not finance armed groups in conflict regions. Additionally, we are dedicated to eliminating critical minerals, including cobalt, nickel, lithium, and graphite, from our supply chain if they are sourced without consideration for environmental impact or human rights. Our policy aligns with OECD guidelines and the Dodd-Frank Act, requiring suppliers to provide transparent information about their supply chains. We collaborate on industry-wide initiatives to support conflict-free products and commit to annual public reporting on our progress. This policy reinforces our dedication to responsible mineral sourcing and upholding the highest standards of ethical business practices.

Our Policy with respect to the California Transparency in Supply Chains Act

Our policy with respect to the California Transparency in Supply Chains Act identifies compliance and assesses potential human rights impacts across our supply chain. We incorporate supplier visits and checks into our Supplier Approval and Risk Assessment processes to ensure our key suppliers are committed to acting ethically and in compliance with all laws, including applicable slavery and human trafficking laws.

Supplier Code of Conduct

Our Supplier Code of Conduct sets forth a comprehensive set of supplier requirements to meet fundamental obligations in areas of human rights, labour, environment, anti-corruption, and ethical business practices. The Code of Conduct contains specific provisions prohibiting the use of forced and/or child labour and requires our Suppliers' compliance with our Supply Chain Due Diligence Policy. Suppliers are also required to cascade these requirements through their supply chain and confirm their commitment in writing.

Supplier Due Diligence Process

NFI Group has developed a comprehensive Supplier Due Diligence Policy and Supplier Assessment Questionnaire (SAQ) and risk assessment tool to help us identify and assess suppliers on human rights and sustainable sourcing risks, including risk of modern slavery including forced labour and child labour. By implementing these measures, we aim to enhance transparency, mitigate risks, and promote responsible business practices across our supply chain.

Our Supplier Due Diligence Policy is aligned with OECD for multinational enterprises and UN Guiding Principles on Business and Human Rights (UNGPs), and outlines a risk-based approach to identify, prevent, and mitigate adverse impacts in our supply chain. The Supplier Due Diligence Policy outlines our expectations for suppliers regarding human rights, labour standards, and environmental stewardship. The SAQ serves as a structured mechanism to assess suppliers on country risks as well as for those who supply of critical and conflict minerals. The tool was developed by an independent consultant and draws on publicly accessible and respected indices to assess country risks as well as thorough research to assess the sourcing of different critical and conflict minerals from different geographies. We also used the open-source templates from the Responsible Minerals Initiative (RMI) to help collect information from our suppliers. The templates include the Additional Mineral Reporting Template (AMRT), formerly known as the Extended Minerals Reporting Template (EMRT), as well as the Conflict Minerals Reporting Template (CMRT). Once our suppliers fill in the questionnaire and supply relevant documentation to verify their responses our human rights and sustainability experts assess the suppliers responses, provide a risk assessment and score and then in collaboration with the supplier develop an action plan.

During 2026 we will continue to roll-out the SAQ and developing action plans with our suppliers to ensure continuous improvement.

Under this Policy we follow the steps below to perform the due diligence required to assess the risk associated with our suppliers:

- a. **Identify Risks:** The SAQ and inherent risk assessment are completed to identify any associated risks. This assessment identifies whether the supplier deals with critical or conflict minerals or operates in high-risk countries. The assessment determines the supplier's risk level as high, medium, or low.
- b. **Take Action:** If the supplier is deemed high risk, the NFI team will issue additional due diligence questionnaires which address the use of critical and conflict minerals, ask for more information on the list of smelters used within their supply chain, and which of their suppliers have operations in high-risk countries. The completed questionnaires will then be reviewed by the Supply Chain Due Diligence Team.
- c. **Mitigate Risk:** The Supply Chain Due Diligence Team will conduct further checks based on external resources and public data and may request additional information from the supplier to ensure thorough risk assessment.
- d. **Remediation Process:** The NFI Supply Chain Due Diligence team is responsible for creating an action plan to address any risks found during the assessment of a supplier. This plan will outline the necessary actions and improvements the supplier must implement to avoid future suspension with NFI.
- e. **Re-assess for High-Risk Suppliers:** The Supply Chain Due Diligence Team will ensure the supplier provides regular updates on progress against the action plan. Warning notices may be issued for insufficient progress, potentially leading to termination of the relationship. The diligence steps are generally repeated based on the supplier's risk level—annually for high-risk, every two years for medium-risk, and every three years for low-risk suppliers.

FORCED LABOUR AND CHILD LABOUR RISKS

Risk Prioritization

As part of its Supplier Due Diligence Process, NFI assesses suppliers using an inherent-risk framework that categorizes each supplier as high, medium, or low risk based on responses to the SAQ.

Suppliers are asked to identify the countries in which their primary activities occur, including manufacturing, warehousing, and administrative operations. These locations are evaluated for both human rights risk and environmental risk. Human rights risk is determined using indicators such as levels of corruption, strength of the rule of law, prevalence of modern slavery and human trafficking, incidence of child labour, and the protection of children's rights in the workplace. Environmental risk is assessed using country-level performance on climate change, air quality, biodiversity, and broader environmental health, as measured by the Environmental Performance Index (EPI) developed by Yale University and Columbia University. Suppliers operating in countries with poor human rights records or weak environmental performance are classified as high risk. In addition, any supplier operating in a country subject to Canadian government sanctions is automatically designated high risk, regardless of other factors.

Suppliers are also required to disclose whether any of the products they provide contain conflict minerals or critical minerals, identify the specific minerals involved, and provide information on the upstream suppliers and their locations. Any supplier providing products that contain conflict or critical minerals is automatically deemed high risk.

If a supplier fails to respond to any of the key questions within the assessment, they are likewise assigned a high-risk rating.

NFI seeks to review suppliers identified as high risk on an annual basis to support ongoing monitoring and to help ensure alignment with the policies and statements described above. Where feasible, NFI aims to reassess medium-risk suppliers approximately every two years and low-risk suppliers approximately every three years. These timeframes reflect our intended approach and may be adjusted based on emerging risks, operational capacity, and the availability of new information. In 2026, NFI intends to explore integrating a more formalized severity and likelihood assessment methodology, in line with the UNGPs, to further support prioritization decisions.

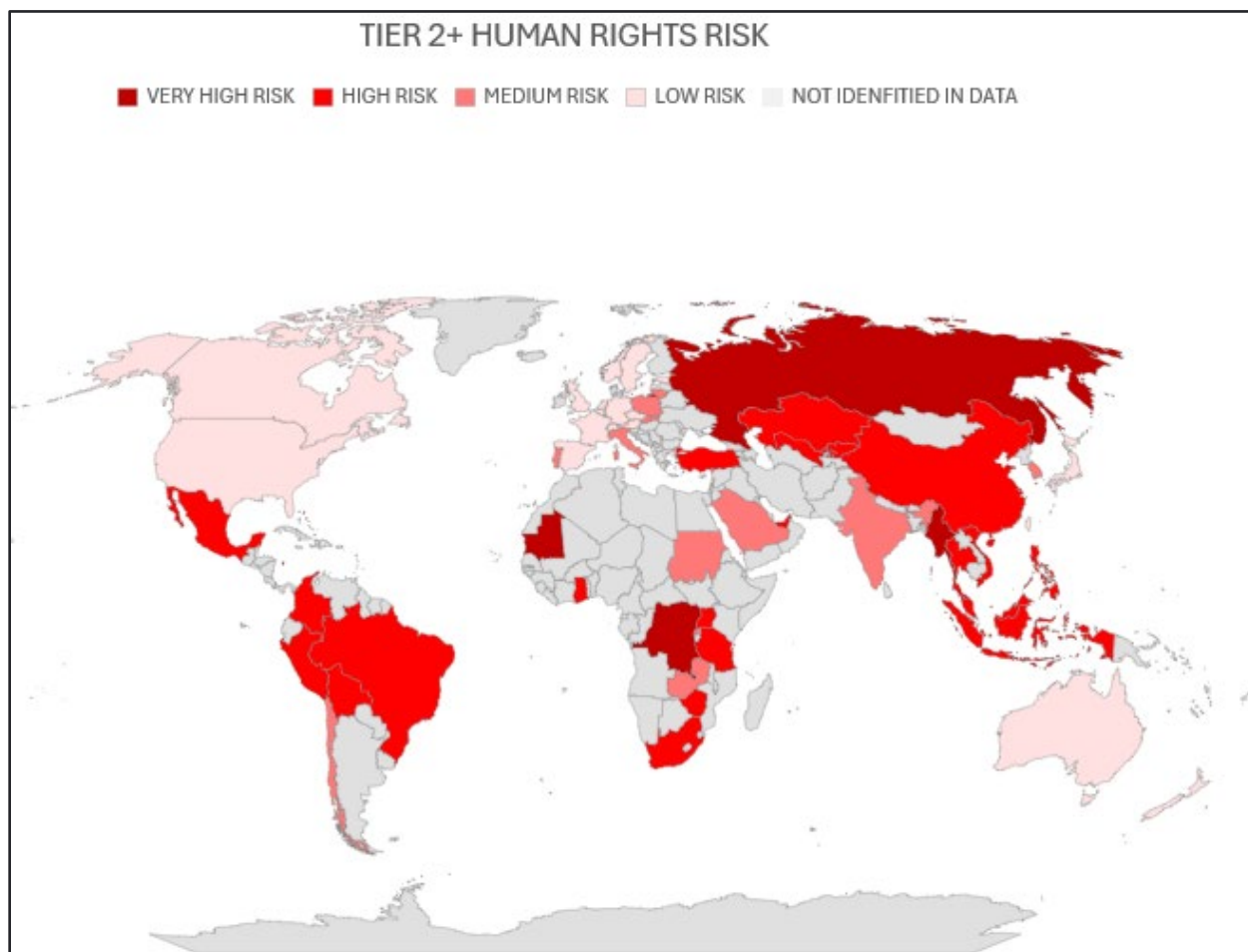
Zero Emission components

As outlined in the 2024 report, NFI recognizes the elevated human-rights and responsible-sourcing risks associated with components used in low and zero-emission vehicles. In addition to battery systems, which often contain conflict and critical minerals sourced from higher-risk jurisdictions, zero-emission buses and coaches also rely heavily on a wide array of electronic components. These electronics introduce further exposure to complex, globally distributed supply chains where upstream transparency can be limited.

In 2025, NFI produced over 12% more zero-emission buses and coaches than in the previous year. This growth, combined with NFI's highly customized product requirements, increased reliance on specialized electronic assemblies sourced from manufacturers around the world. As a result, NFI acknowledges that its expanding zero-emission product portfolio requires continued, risk-based due diligence to understand and address potential labour-related and material-sourcing risks within these global electronic supply chains.

Tier 2+ Human Rights Risk

Based on data from sources such as Transparency International's Corruption Perception Index, the World Justice Project, the Global Slavery Index, the US Department of State Trafficking in Persons Report, and UNICEF's Children's Rights in the Workplace Index, NFI utilized a composite index to identify holistic risk associated with human rights. Using the data obtained through supplier assessment questionnaires, NFI has created the following risk map:



Risk-mapping results indicate that 25 countries fall within the high or very-high-risk categories for labour-related human rights impacts. Consistent with the OECD's risk-based due diligence framework, NFI used this geographic risk screening to prioritize areas where the likelihood of adverse impacts is greater, and has identified three suppliers for heightened due diligence to further evaluate potential exposure to forced and/or child labour within their upstream supply chains.

REMEDIATION MEASURES

Remediating Labour-Related Harms

While NFI is continuing to develop its remediation framework, our current approach is guided by the principles set out in the UN Guiding Principles on Business and Human Rights and reflected in the NFI Supplier Code of Conduct. Through agreement to this Code, suppliers are expected to take effective and appropriate remediation measures if any confirmed instance of forced labour or child labour is identified within their operations or supply chains.

Where an incident is found within a supplier's own operations, NFI expects the supplier to provide remedies that meaningfully support affected individuals. This may include reimbursement of withheld or unpaid wages, facilitating access to necessary medical or psychological support, and engaging directly with affected individuals to help determine appropriate and dignified remedies. In cases where workers are below the minimum age defined by the ILO Minimum Age Convention, employment must cease immediately and the supplier is expected to take reasonable steps to support the individual's transition into formal education or a suitable remediation program.

If NFI and the supplier confirm that forced labour or child labour has occurred within the supplier's upstream supply chain, NFI expects the supplier to work with the relevant upstream entity to determine whether the issue remains ongoing or has been corrected. This process may involve engaging an independent third-party auditor to verify corrective actions. Where adequate remediation or preventive measures cannot be demonstrated, the supplier is expected to reassess and, if necessary, terminate the relationship with the upstream entity. Suppliers are also expected to strengthen their own oversight by implementing appropriate training, cascading relevant NFI policies throughout their supply chain, and maintaining current supply-chain documentation, including supply-chain maps, CMRTs, and relevant RMI certifications.

NFI's priority is to ensure that any remediation approach prioritizes the best interests and wellbeing of affected individuals, supports long-term risk reduction, and promotes responsible and sustainable supplier practices. Should remediation efforts result in changes to a worker's employment, NFI expects suppliers to ensure that affected individuals do not suffer disproportionate loss of income and that appropriate transitional support is provided. If a confirmed incident were to be found within NFI's own operations, NFI would follow the same principles, including immediate cessation, investigation, and direct remediation tailored to the needs of affected individuals.

Whistleblowers

NFI's Whistle-blower Policy outlines the process and provides guidance to employees and they are encouraged to use the toll-free lines to report any concerns or report via website here: [Ethics Point - NFI Group, Inc.](#)

Any Reporter who wishes to remain anonymous may create a password and will receive an identification number to identify their Report or Financial Allegations Report (the "Report Key"). The Report Key and password permits the Reporter to track the status of the Report or Financial Allegations Report and to submit further details, if required, on a confidential basis.

Our policy also states that any person reporting a concern submitted in good faith will be protected from retaliation or harassment of any kind.

Remediation Loss of Income

NFI Group is not aware of any instances of Forced Labour and/or Child Labour in our operations or supply chain. Accordingly, no remediation of loss of income has occurred.

TRAINING

As outlined earlier, NFI requires all employees involved in the sourcing of goods, services, or personnel to complete three mandatory training modules. These modules address core responsible-sourcing topics, including forced labour and child labour, the presence and implications of conflict and critical minerals in NFI's supply chain, and NFI's obligations under applicable legislation. Each module includes a brief assessment to confirm understanding, and employees are required to attest that they have reviewed and understood all relevant company policies. All training is developed internally and is refreshed upon significant policy or regulatory changes.

The purpose of this training is to strengthen employee awareness of potential human rights risks, ensure they can identify indicators of concern within and beyond NFI's operations, ask informed questions when engaging with suppliers, and escalate any potential issues to the appropriate internal teams.

More than 460 employees from Supply Chain, Engineering, and Human Resources departments were required to complete this training. By the end of 2025, over 95% had successfully finished all modules, demonstrating strong engagement with NFI's ethical-sourcing and compliance expectations.

ASSESSING EFFECTIVENESS

NFI has a number of corporate policies and procedures in place to prevent and reduce the risk that Forced Labour and Child Labour is used in our activities and supply chains. NFI Group ensures that these corporate policies and codes remain current and are adequately implemented, as well as address required areas of risk by having the policy owner review annually, and if required, update the document. This includes key documents which address Forced Labour and Child Labour.

To evaluate the effectiveness of our policies and procedures aimed at preventing and reducing risks of Forced Labour and Child Labour in our activities and supply chains, NFI Group is tracking the following key performance indicators:

- Production supplier approval of NFI's Code of Conduct or equivalent policies;
- Employee completion of available training modules
- Supplier completion of Supplier Assessment Questionnaires, and associated action or remediation plans where applicable
- Detected instances of Forced Labour or Child Labour requiring remediation

NFI is actively engaging with specialized third-party human-rights consultants and is considering the commissioning of an independent gap assessment to benchmark its current practices. The purpose of this assessment would be to provide clear insight into areas of strength and opportunities for improvement. In any event, NFI remains committed to continuously evaluating the effectiveness of its measures to prevent, detect, and reduce risks of Forced Labour and Child Labour throughout its operations and supply chains.

CLOSING REMARKS

NFI Group remains committed to advancing responsible business practices and protecting the dignity and rights of every individual connected to our operations and supply chain.

As we look ahead to 2026, we will continue strengthening our due diligence approach by completing additional Supplier Assessment Questionnaires, updating our Supplier Code of Conduct, and expanding supplier compliance to cover over 60% of our spend.

NFI intends to maintain training completion rates above 90% and prioritize onboarding for new employees to ensure awareness of human-rights and responsible-sourcing expectations across our team.

NFI intends to continue issuing and reviewing SAQs to identify risk and issuing supplier action plans and remediation efforts if deemed necessary. Further, NFI will continue to assess adoption of a formal remediation policy, building on the work undertaken by our subsidiary, Alexander Dennis Limited.

These efforts reflect NFI's ongoing commitment to continually improving our systems, reducing risks, and promoting ethical, transparent, and sustainable supply-chain practices across our global operations.



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