



Sustainability Report for 2025



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Letter to Stakeholders

In 2025, NFI continued to strengthen its business performance through increased vehicle deliveries, improved financial results, and sustained momentum across our aftermarket operations. These achievements were realized amid ongoing policy, trade, labour, and supply chain uncertainties. Throughout the year, we remained focused on delivering for our employees, customers, shareholders, and communities while advancing our purpose: **We Move People**.

Reflecting on 2025, our team continued to make meaningful progress across our sustainability priorities, and we are pleased to share our key achievements and milestones in the eighth edition of our annual Sustainability Report.

Our values and stakeholders remain central to how we make decisions. We aim to balance business growth and operational excellence with our social and environmental responsibilities. For NFI, sustainability involves integrating environmental, social, and governance considerations into our business in ways that support long-term resilience, risk-informed decision-making, and value creation for our stakeholders.

In 2025, we continued to strengthen our governance framework, including leadership changes at the Board level with new director appointments bringing additional skills and expertise. Supported by established oversight and accountability structures, we further advanced our sustainability governance practices, enterprise risk management processes, and data-informed decision-making capabilities.

NFI's focus on providing propulsion agnostic mobility solutions remains a key element of our strategy and positions us to support customers as transportation technologies and market conditions evolve. Our portfolio includes buses and coaches, aftermarket parts and service, workforce development, financing, connected technology, and infrastructure solutions. In 2025, we delivered 1,326 zero-emission buses and coaches (“ZEBs”), representing nearly 30% of total deliveries. From 2015 to 2025, NFI has delivered 5,965 ZEBs, which are estimated to have travelled

more than 325 million zero-emission service miles, supporting transit agencies and operators' fleet transition plans.

Beyond our products and services, we remain focused on the broader impacts of our business on our team members, supply chain partners, customers, and communities. While additional detail is provided throughout this Report, we highlight several areas of progress in 2025:

- ✓ We enhanced our cybersecurity and data governance practices by strengthening risk management, oversight, and company-wide controls, while advancing our cybersecurity maturity through the implementation of the NIST Cybersecurity Framework 2.0 and supporting governance tools.
- ✓ We invested approximately \$11.9 million and more than 275,000 hours in employee training and development while expanding workforce readiness through skilled trades training, leadership development, and programs supporting battery-electric and fuel cell-electric technologies.¹
- ✓ We continued to strengthen our sustainable sourcing approach by expanding Supplier Code of Conduct participation, enhancing responsible sourcing training, and advancing due diligence processes designed to identify and mitigate supply chain risks.
- ✓ We also continued investing in our workplace culture and communities.

More than 9,000 team members and family members participated in Open House events across our North American facilities, supporting engagement and connection across our organization. Through the generosity of our employees, we also raised more than \$533,000 for United Way organizations and community partners across North America.

As we look ahead, we continue to monitor evolving policy, trade, economic, and regulatory developments that may affect our industry. We believe our diversified portfolio, localized manufacturing footprint,

established customer relationships, and propulsion agnostic strategy position us to navigate changing market conditions, while recognizing that external factors may influence outcomes.

Our teams continue to monitor and manage the environmental impacts of our operations while working to enhance the quality and consistency of our sustainability reporting. In 2025, we aligned this Report with reference to the Global Reporting Initiative (“GRI”) Standards, representing a step forward in the evolution of our disclosure practices. As stakeholder expectations continue to evolve, we remain focused on strengthening our governance processes, improving data quality, and advancing reporting practices across our organization.

Sustainability-related objectives remain integral to our long-term success. By advancing innovation, and operating responsibly, we aim to contribute to long-term value creation while maintaining a focus on the health, safety, and well-being of our team members, partners, customers, and the communities we operate in and serve.

We invite you to explore our report and welcome any questions or feedback. Please feel free to contact us at sustainaibility@nfigroup.com.



Colin Robertson
Chair of the Board



John Sapp
President and
Chief Executive Officer

¹ \$11.9 million includes direct external training expenditures and an estimated value assigned to employee time invested in training activities.

2025 Report Highlights



Advanced NFI's sustainable sourcing approach

by strengthening internal training and expanding responsible sourcing expectations across our supplier base



1,326
ZEBs delivered in fiscal 2025,
30% of total deliveries in 2025



Strengthened employee engagement and retention

by delivering engagement survey action plans, investing in employee learning and development, improving governance and data visibility across people programs, increasing participation in feedback mechanisms, and reinforcing leadership accountability for culture outcomes.



Designed and delivered an internal Electrical Technician Program

to support battery-electric and fuel cell-electric buses

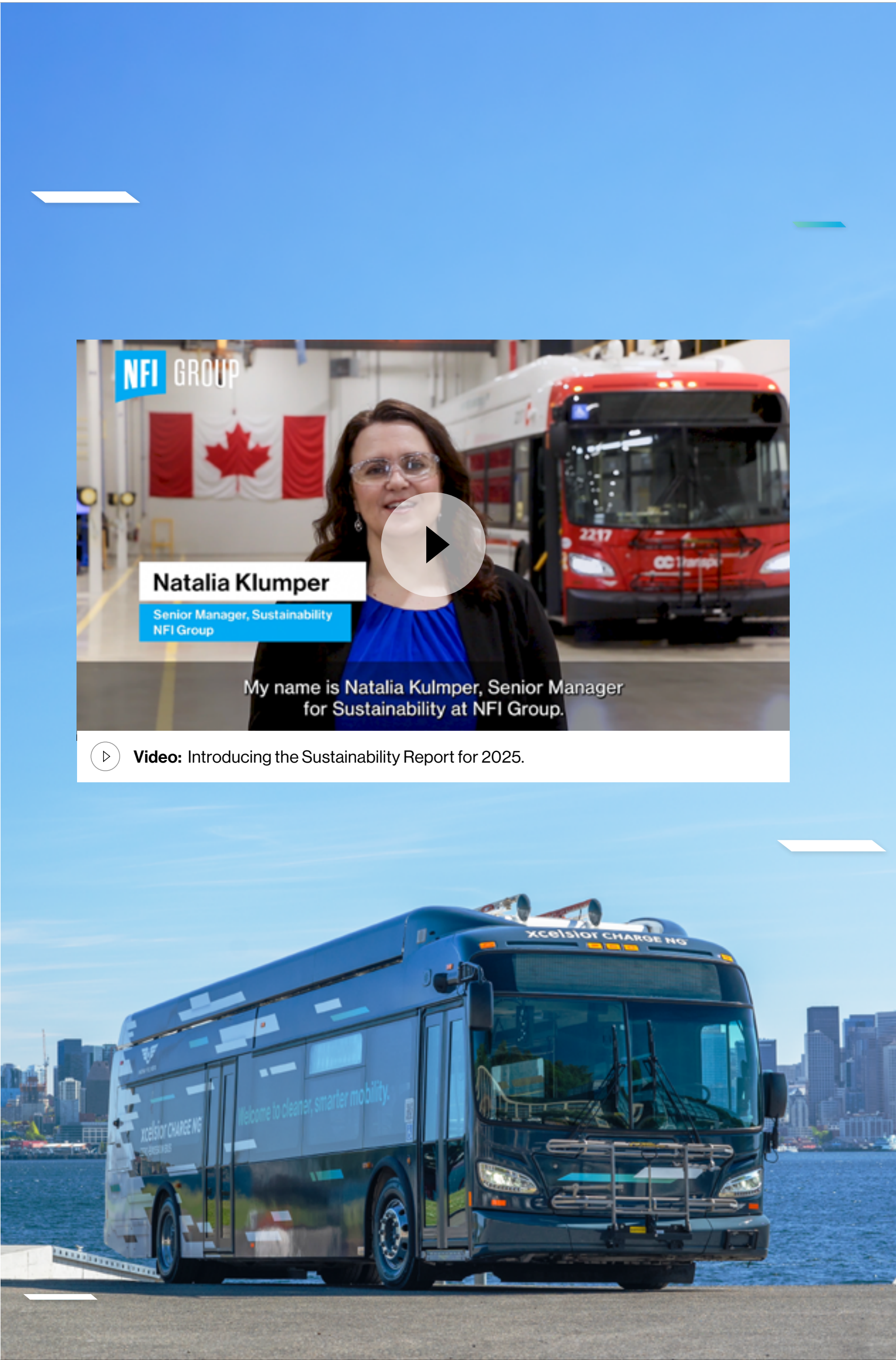


\$11.9M
Invested in NFI team member career development in 2025¹



\$533,034
donated to the United Way, supporting various United Way agencies in the U.S. and Canada in 2025

¹ \$11.9 million includes direct external training expenditures and an estimated value assigned to employee time invested in training activities.



About this Report

NFI Group Inc. aims to provide its stakeholders with an annual overview of our Company’s products and operations, highlighting some key sustainability initiatives and priorities. This sustainability report marks the eighth publication highlighting such activities and performance.

Our Sustainability Report (the “Report”) was developed in consultation 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, in pursuit of a clear and balanced description of our sustainability activities and performance identified as most relevant to NFI Group Inc. (“NFI Group” or “NFI”) and its stakeholders. NFI encourages you to provide feedback on the topics described in this Report. Our sustainability team can be reached at sustainability@nfigroup.com.

Reporting Scope

This report includes certain sustainability metrics and data for NFI Group for the year ending December 31, 2025, unless otherwise indicated. Financial or fiscal information is aligned with financial statements for the year ended December 28, 2025. Unless otherwise indicated, all dollar amounts are expressed in U.S. dollars and references to “\$”, “US\$” and “U.S. dollars” are to the lawful currency of the United States. References to “C\$” are to the lawful currency of Canada. References to “UK£” and “£”, are to the lawful currency of the United Kingdom. Unless otherwise indicated, references in this Report to “we”, “us”, “our” or the “Company” refer to NFI and all of its direct or indirect subsidiaries. As used herein, “North America” refers to Canada and the United States (or “U.S.”), the “UK” refers to England, Scotland, Wales, and Northern Ireland, and Asia Pacific (or “APAC”) refers to the region encompassing countries in East Asia, South Asia, Southeast Asia, and Oceania, including but not limited to New Zealand, China, Singapore, and Hong Kong.

The Company’s ownership, size, and structure did not change significantly throughout the reporting period.

Definitions

NFI defines zero-emission buses and coaches (“ZEBs”) as buses or coaches with a trolley-electric, hydrogen fuel cell-electric, or battery-electric propulsion system that do not have internal combustion engines and produce no direct tailpipe emissions. Low-emission buses and coaches are vehicles equipped with hybrid-electric or compressed natural gas propulsion systems, resulting in lower tailpipe emissions compared to diesel equivalents. One equivalent unit (or “EU”) represents one production “slot”, being one 30-foot, 35-foot, 40-foot, or 45-foot heavy-duty transit bus, one double-deck bus, one medium-duty bus, one cutaway bus, or one motorcoach, whereas one articulated 60-foot heavy-duty transit bus represents two EUs. In this Report, where deliveries are referenced, the reference refers to EUs delivered. In the context of our business, sustainability or sustainable operations represent a forward-looking objective to embed environmental stewardship, social responsibility, and economic resilience into the way we operate.

Methodologies and Approvals

Where relevant, the use of industry or international standards in data calculations has been noted in footnotes. However, not all data presented in this Report is derived from or directly aligned with such standards. Each year, we continue to strengthen our processes for collecting, validating, and managing environmental and operational data across our organization. This includes implementing enhanced internal controls, refining data collection methodologies, expanding team training, and leveraging digital tools to improve data traceability and quality assurance. Previously reported performance figures may be restated where improvements in data coverage, data quality, or reporting methodologies are identified. Any such restatements will be identified in the applicable footnotes.

In setting and implementing our strategy, objectives, metrics, and other sustainability-related actions, and in preparing this Report, we have made various assumptions, including those relating to political, economic, environmental, climatic, technological, scientific, and regulatory conditions and trends. These assumptions are inherently subject to uncertainty and may not prove to be correct. If any of these assumptions prove incorrect, it could have a material impact on our sustainability matters and performance.

The terms “sustainability” and “sustainable”, as well as similar terms used in this Report, are evolving, and NFI may reconsider the use of such terms at any time, including in response to evolving sustainability-related market practices, taxonomies, methodologies, criteria, and standards (collectively, “Sustainability Standards”).

There could be changes to the Sustainability Standards that governmental authorities, non-governmental bodies, the insurance and financial sectors, civil society, and NFI use to classify, measure, describe, evaluate, assess, report on, and verify environmental, social, and governance and other business activities, including our sustainability matters and performance, or to evaluate the impact of sustainability activities. In some cases, these Sustainability Standards may not yet exist. NFI may update its sustainability objectives and its progress towards those objectives, as appropriate, in light of new and evolving Sustainability Standards.

Within this Report, there is data and information obtained from third-party sources. The use of third-party data and information must not be taken as an endorsement of such third party or its data or information or be construed as granting any form of intellectual property. Although NFI currently believes these sources are reliable, it has not independently verified all third-party data and information, or assessed the assumptions underlying such data and information, and cannot guarantee its accuracy. In some cases, data and information may be limited in quality, inconsistent, or unavailable. These factors could have a material impact on our sustainability matters and performance.

This Report contains hyperlinks and references to third-party websites and other sources. Each such hyperlink and reference is provided solely for the reader’s convenience, and any information available at these sources is not included or incorporated by reference into this Report. NFI has not independently verified and cannot guarantee the accuracy or completeness of any information available at these sources, and takes no responsibility for such information.

This 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 is reported to certain jurisdictional regulatory authorities in such form as is required by such authorities.

Other

Photos, images, and videos included in this Report were taken at various points over the past few years. This Report has been prepared for information purposes only and not to promote, either directly or indirectly, any business interest.

Forward-Looking Statements

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

The Company cautions readers and investors not to place undue reliance on these forward-looking statements and information, as a number of risk factors could cause the Company’s actual results to differ materially from the expectations expressed in such forward-looking statements. These factors – many of which are beyond the Company’s

and management’s control and the effects of which are difficult to predict – include risks related to general economic and market factors; risks related to the Company’s business environment; risks related to the Company’s operations, strategy, financing, capital structure, tax, regulatory compliance, reputation, environmental and social risk; and the risks discussed in the “Risk Factors” section of the Company’s Annual Information Form and other disclosure documents filed with the Canadian securities regulatory authorities and available on SEDAR+ at www.sedarplus.ca. The Company cautions that the foregoing list of risk factors is not exhaustive, and other factors could materially adversely affect the Company’s future growth, financial and operational performance (including with respect to environmental or social matters) and objectives and the Company’s vision, strategic initiatives, plans, business prospects, and opportunities. 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.

Land Acknowledgement

NFI’s global headquarters is located in Winnipeg, Manitoba, Canada, on Treaty One Territory, the original lands of the Anishinaabeg, Cree, Oji-Cree, Dakota Oyate, and Dene peoples, and the birthplace and homeland of the Red River Métis Nation. We acknowledge that water for our global headquarters is sourced from Shoal Lake 40 First Nation, located in Treaty Three Territory. We honor the Indigenous Peoples who have cared for this land since time immemorial, and we recognize the ongoing contributions of First Nations, Métis, and Inuit peoples in our communities today.



About NFI

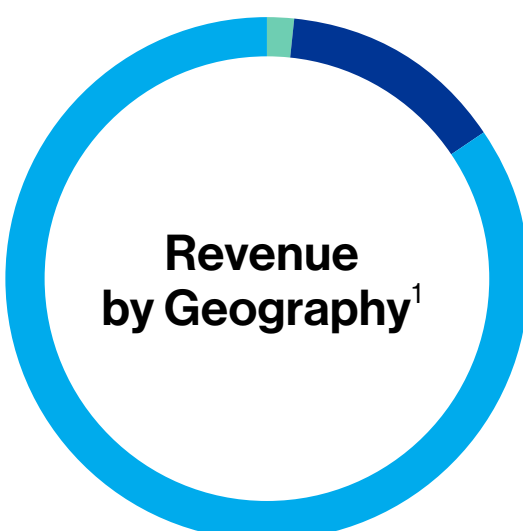
NFI is a leading global bus and motorcoach manufacturer and a provider of aftermarket parts and service solutions. With more than 9,000 team members across ten countries and operations spanning over 40 facilities, NFI delivers a comprehensive portfolio of bus and coach platforms.

Through its brands New Flyer® (heavy-duty transit buses), MCI® (motorcoaches), Alexander Dennis Limited (single- and double-deck buses), ARBOC® (low-floor cutaway and medium-duty buses), and NFI Parts™, NFI supports a diverse and extensive portfolio, serving public transit, commuter, and coach markets. In total, NFI supports an installed base of more than 100,000 buses and coaches worldwide. NFI offers a broad range of propulsion systems, including zero-emission electric (referring to propulsion systems that do not utilize internal combustion engines, such as trolley, battery, and fuel cell), natural gas, electric hybrid, and advanced diesel technologies, providing agencies with multiple fleet technology options.



Revenue by Product¹

66%	Transit
17%	Aftermarket
14%	Motorcoach
3%	Medium Duty and Cutaway



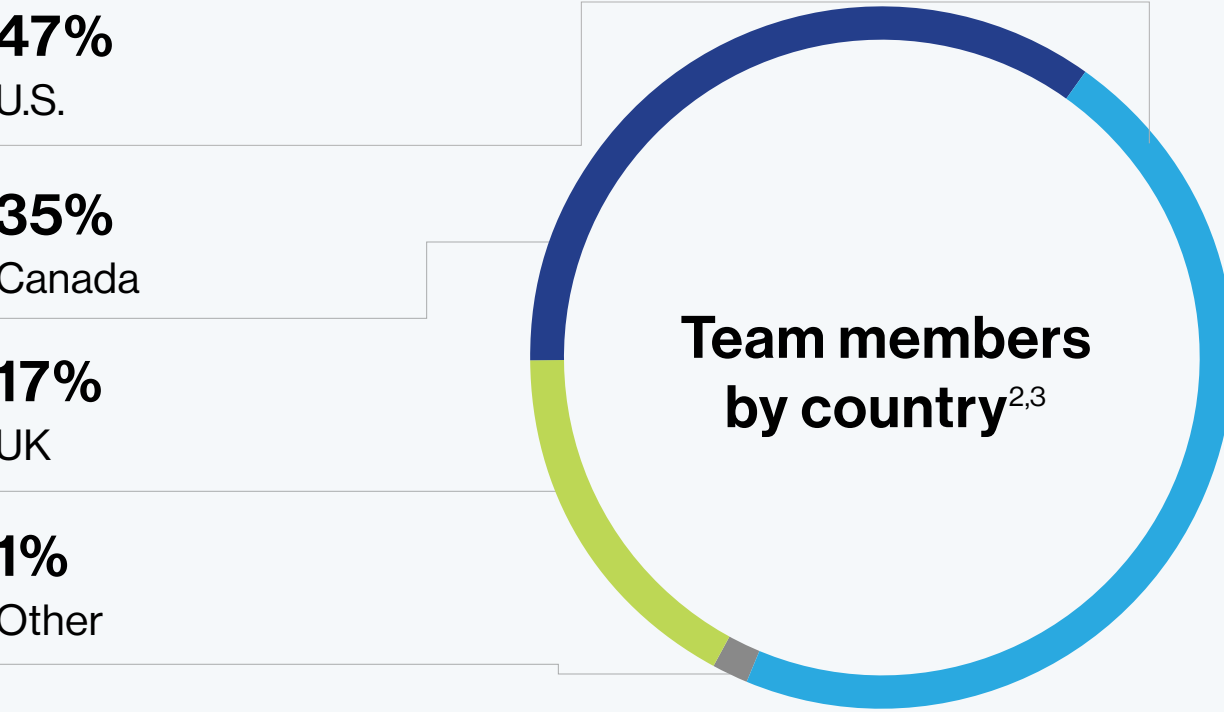
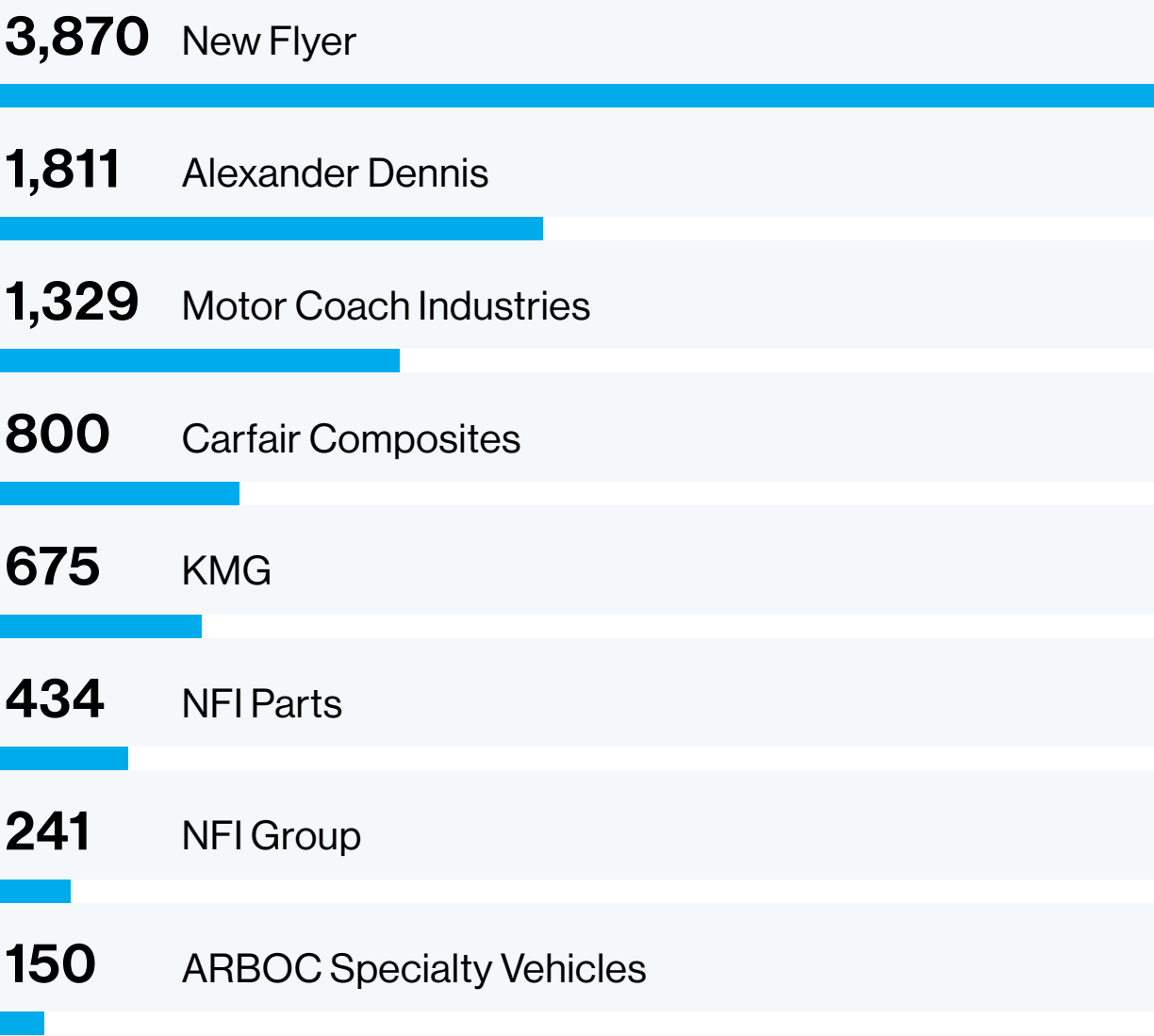
Revenue by Geography¹

85%	North America
14%	United Kingdom and Europe
1%	Asia Pacific (“APAC”)

¹ Disclosed in NFI Group's audited financial statements and should be read in conjunction with those filings

Our people

9,310 team members globally^{2,3}



² As of December 31, 2025
³ Metrics include full-time and part time employees

Our Brands

NFI manufactures products and serves customers in the following areas:

- United States and Canadian heavy-duty transit buses and charging solutions, and infrastructure planning and development (New Flyer)
- United States and Canadian low-floor cutaway buses and medium-duty buses (ARBOC)
- United States and Canadian motorcoaches (MCI)
- United States and Canadian double-deck buses (Alexander Dennis)
- Hong Kong, Singapore, Australia, and New Zealand single-deck and double-deck buses (Alexander Dennis)
- UK single-deck and double-deck buses (Alexander Dennis)

NFI also operates aftermarket parts and service businesses that support all of the vehicle manufacturing operations in North America, the UK, and APAC markets.



Single and double-deck bus manufacturer
alexander-dennis.com



Low-floor cutaway and medium-duty bus manufacturing
arbocsv.com



Part fabrication



Heavy-duty transit bus manufacturing
newflyer.com



Fiber-reinforced plastics (“FRP”) and composite technologies
carfaircomposites.com

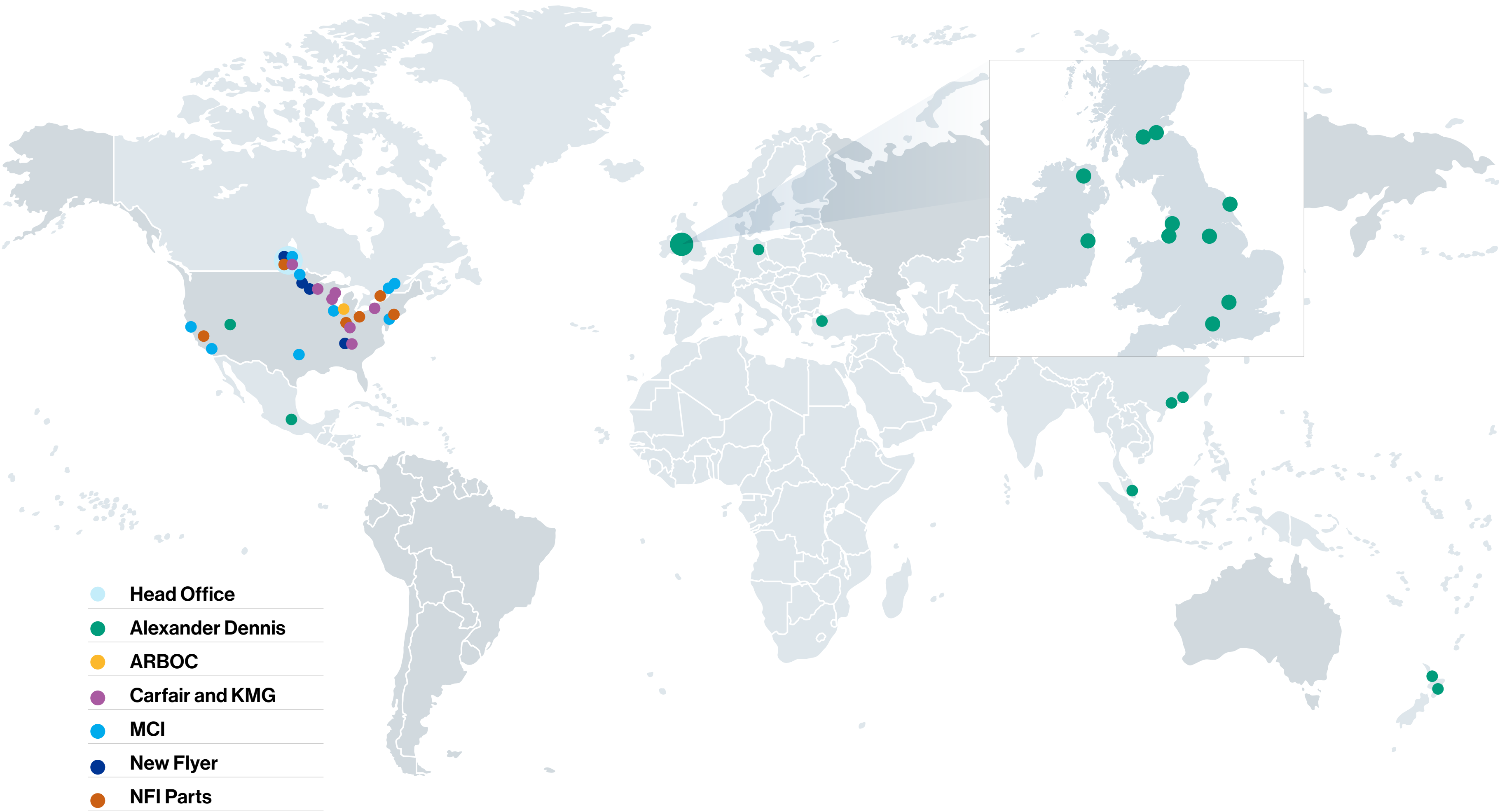


Motorcoach manufacturing
mcicoach.com



Parts organization
nfiparts.com

Our Facilities and Operational Footprint



NFI operates a geographically diverse network of manufacturing, fabrication, distribution, service, and innovation centers across North America, Europe, APAC, and the UK. This global footprint enables efficient delivery of transit and coach solutions while strengthening local employment, skills development, and supply chain resilience in the regions where we operate.

Our facilities serve unique roles across the value chain, from initial engineering design and component fabrication to full-vehicle assembly, customer training, and lifecycle support. Together, these locations reflect our vertically integrated business model and our commitment to maintaining high-quality, reliable production capabilities close to the communities we serve.

Our distributed footprint strengthens our ability to collaborate closely with transit agencies, coach operators, and partners and respond swiftly to customer needs. For a detailed listing of NFI locations, visit nfigroup.com/our-locations.

40+

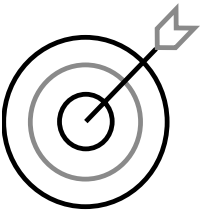
Facilities across the Group

10+

Countries with an NFI vehicle in service

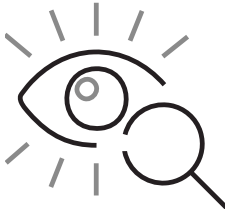
Our Mission, Vision, and Values

NFI’s purpose, “**We Move People**”, is reflected in the products and services we provide that move millions of passengers each day. NFI also seeks to develop our workforce and advance the careers of our team members, while delivering solutions that aim to support the global transition to low and zero-emission vehicles. Our vision represents the path we are on and where we want to go. Our mission is a representation of the work we do every day. Our values are core to our operations, reflecting our culture and how we work as a team, and what we aspire to achieve.



Mission

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



Vision

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

Our core values



Safety

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



Quality

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



Accountability

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



Integrity

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



Teamwork

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



Sustainability

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



Stakeholder Wheel

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

NFI’s Mobility Solutions Ecosystem

Buses and Coaches



Infrastructure Solutions



Workforce Development and Training



Institute



MCI Academy
Training for Advancing Technology



Learning
Institute

Financing



Connected Vehicles and Diagnostics



Parts, Publications, and Service



Service



nfi.parts

NFI’s Sustainability Pledge – Our Foundation

Sustainability
Core Value

Our Sustainability Pledge is a foundational expression of NFI’s long-term commitment to creating shared value for all stakeholders. Rooted in our purpose and values, our Pledge reflects NFI’s understanding that sustainability is central to business resilience, responsible growth, and meeting the evolving needs of our customers and communities.

As we respond to global socio-economic and environmental priorities, the NFI Sustainability Pledge establishes a clear foundation and set of strategic focus areas that define how NFI advances sustainability in practice. Through this commitment, our sustainability disclosures are informed by the Global Reporting Initiative (“GRI”) Standards, supporting transparency and consistency in how we report on our performance and impacts. We aim to align our efforts with the United Nations Sustainable Development Goals (“SDGs”), supporting meaningful contributions to global sustainability objectives. NFI has identified ten SDGs that are most relevant to its business and sustainability priorities, and where its activities may contribute to one or more associated SDG targets.



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



A Better Product
Focused on product innovation to support safety, quality, and reliable performance.



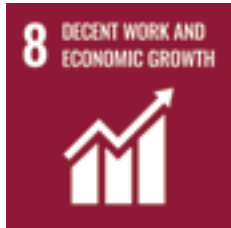
A Better Workplace
Supporting a safe, inclusive, and supportive workplace that promotes well-being, fairness, and career growth.



A Better World
Conducting our business responsibly, with consideration for environmental and community impacts.



NFI contributes to progress toward 10 of the 17 UN SDGs identified in the 2030 Agenda for Sustainable Development.



Our Awards and Accolades

A Better Product

Advancing innovation through autonomous technology.

In 2025, our commitment to safer, higher performing, and more efficient vehicles was recognized globally.

Enviro100AEV - Vehicle of the Year (2025 Self Driving Industry Awards)
Alexander Dennis' Enviro100AEV electric autonomous bus, developed with Fusion Processing, was named Vehicle of the Year for its groundbreaking integration of the CAVStar® automated drive system. Delivering SAE Level 4 capability, enhanced safety, and up to 20% energy savings, the Enviro100AEV showcases how connected, zero-emission technology is reshaping the future of public transit. The vehicle is already operating in major UK Government-funded autonomous mobility projects, demonstrating real world potential for more efficient, sustainable transit networks.



A Better Workplace

Advancing a people-first culture.

In 2025, our workplaces were recognized across regions for their strength in culture, inclusion, career development, and team member well-being.

- ✓ **Manitoba Top Employer for 2025 (NFI Group):**
Recognized for exceptional culture, career growth, diversity, inclusion, and community investment.
- ✓ **Employer of the Year – Large Business (New Flyer, Alabama Governor’s Committee on Employment of People with Disabilities):**
Awarded for leadership in accessibility, inclusive hiring, and strong partnerships supporting employment for people with disabilities.
- ✓ **Employer of the Year (Alexander Dennis, TEC Partnership Apprenticeship Awards):**
Celebrated for outstanding apprenticeship programs and commitment to developing future skilled talent.
- ✓ **Fellow CPHR Award (NFI’s Janice Harper, EVP People and Culture):**
Honored for exemplary leadership and long standing contributions to people centered workplaces and the HR profession.



These recognitions reinforce our dedication to inclusive work environments, meaningful career pathways, and people first leadership across our global operations.

A Better World

Reducing our environmental impact through improvement initiatives.

New Flyer received the **Top Participating Company Award** from the Canadian Manufacturers & Exporters Manitoba Consortium for Sustainable Improvement for the second consecutive year and the fourth time overall in 2025.

This award reflects our ongoing commitment to LEAN practices that reduce waste, improve resource efficiency, and decrease our environmental footprint. By embedding continuous improvement across operations, we support more sustainable manufacturing today while building a cleaner, more resilient transit future for the communities we serve.



Advancing Long-Term Sustainable Growth

Sustainability
Core Value

To us, being a sustainable business is about integrating environmental, social, and governance considerations into how we operate, balancing long-term resilience with evolving expectations from our stakeholders.



Governance

- ✓ Promoting responsible and transparent management by implementing clear policies and mandatory training requirements
- ✓ Upholding accountability through core values
- ✓ Leading with integrity



A Better Product

- ✓ Expanding industry partnerships and collaboration across our value chains to support our purpose
- ✓ Innovating to design, deliver, and support reliable bus and coach solutions
- ✓ Continuing to seek safety, quality, and environmental product enhancements where practicable
- ✓ Ongoing improvements to create manufacturing facilities with product line efficiencies



A Better Workplace

- ✓ Fostering employee engagement and teamwork through town halls, social committees, and appreciation events
- ✓ Promoting worker health and safety and continued ISO 45001 certification
- ✓ Championing a respectful, inclusive, and vibrant workplace culture through education and training
- ✓ Focusing on retention, workforce development and training, and Freedom of Association adherence
- ✓ Advancing our culture and inclusion roadmap through education and training



A Better World

- ✓ We track environmental metrics across certain operations, such as energy consumption, waste, and water use to understand our performance and identify areas for operational improvement
- ✓ Promoting a sustainable supply chain through our Supplier Code of Conduct
- ✓ Maintaining ISO 14001 certification across our North American manufacturing sites supports ongoing improvements in how we manage environmental impacts within our operations
- ✓ Enhancing community workforce development initiatives, supported by our Community Benefits Framework
- ✓ Global community engagement and charitable initiatives by contributing to community development and charitable partnerships



Our Core Values in Action

Empowering our people to drive continuous improvement across our value chain.

We are pleased to present our priority accomplishments in 2025:

**Teamwork**

Brought team members and families together at open houses across North America, celebrating our people through tours, vehicle displays, and community-driven activities.

**Integrity**

Ratified two new labour agreements in North America, continuing our ongoing collaborations and cooperation with labour unions.

**Integrity**

Contributed to community well-being through several employee-led programs and raised \$533,034 through our United Way campaign for agencies throughout North America.

**Integrity**

Enhanced talent acquisition and equal employment practices by strengthening systems and processes, expanding applicant tracking, streamlining partnerships, and supporting inclusive hiring through community outreach and cultural awareness training.

**Accountability**

Enhanced our cybersecurity and data governance practices by strengthening risk management, oversight, and Company-wide controls to support consistent, effective protection of information and systems.

**Sustainability**

Advanced NFI's sustainable sourcing approach by strengthening internal training and expanding responsible sourcing expectations across our supplier base.

**Accountability**

Strengthened employee engagement and retention by delivering engagement survey action plans, improving governance and data visibility across people programs, increasing participation in feedback mechanisms, and reinforcing leadership accountability for culture outcomes.

**Safety**

Integrated ergonomics and safety into Lean Kaizen processes at New Flyer sites and launched quarterly safety awareness campaigns across North America to reinforce consistent, safe work practices.

**Quality**

Invested \$11.9M and over 275,000 hours in employee training.¹

**Quality**

Launched internal electrical technician training, expanded robotics and Computer Numerical Control (CNC) machine skill development, and strengthened school and community pipelines to support emerging electric and hydrogen-electric platforms.

“ We take a systems-based approach to sustainability, grounded in how we govern our operations, develop our people, and make decisions across our global business. We continue to focus on integrating environmental, social, and workforce considerations into established management processes, using defined metrics, internal oversight, and transparent reporting to inform continuous improvement. This matters because our long term success depends on building a resilient organization, one that supports our teams, responds to the evolving expectations of customers and regulators, and responsibly manages risks and opportunities associated with a changing world. By embedding sustainability into our culture and accountability structures, we are making informed, responsible choices that support the long-term resilience of our businesses.



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

¹ \$11.9 million includes direct external training expenditures and an estimated value assigned to employee time invested in training activities.



Governance



Board of Directors

NFI Group’s Board of Directors (the “Board”) is responsible for overseeing corporate strategy, performance, risk management, executive compensation, and environmental, social, and governance (“ESG”) matters. The Board delegates specific responsibilities to standing committees, all of which report back to the full Board.



The Board is supported by the following committees:

- ✓ **Audit Committee**
Responsible for oversight of financial reporting, internal controls, enterprise risk management, compliance, and ethical conduct.
- ✓ **Human Resources, Compensation and Corporate Governance Committee (“Governance Committee”)**
Responsible for executive and director compensation, talent management and succession planning, board effectiveness, governance practices, diversity, sustainability oversight, and ESG-related goals embedded in executive incentives.
- ✓ **Operations and Technology Committee**
Responsible for oversight of operational performance, supply chain and manufacturing effectiveness, capital expenditures, technology strategy, innovation, and product development.

All committees operate under formal charters approved by the Board. These charters, and the composition of the committees, are available on NFI’s website: nfigroup.com/documents-charters.

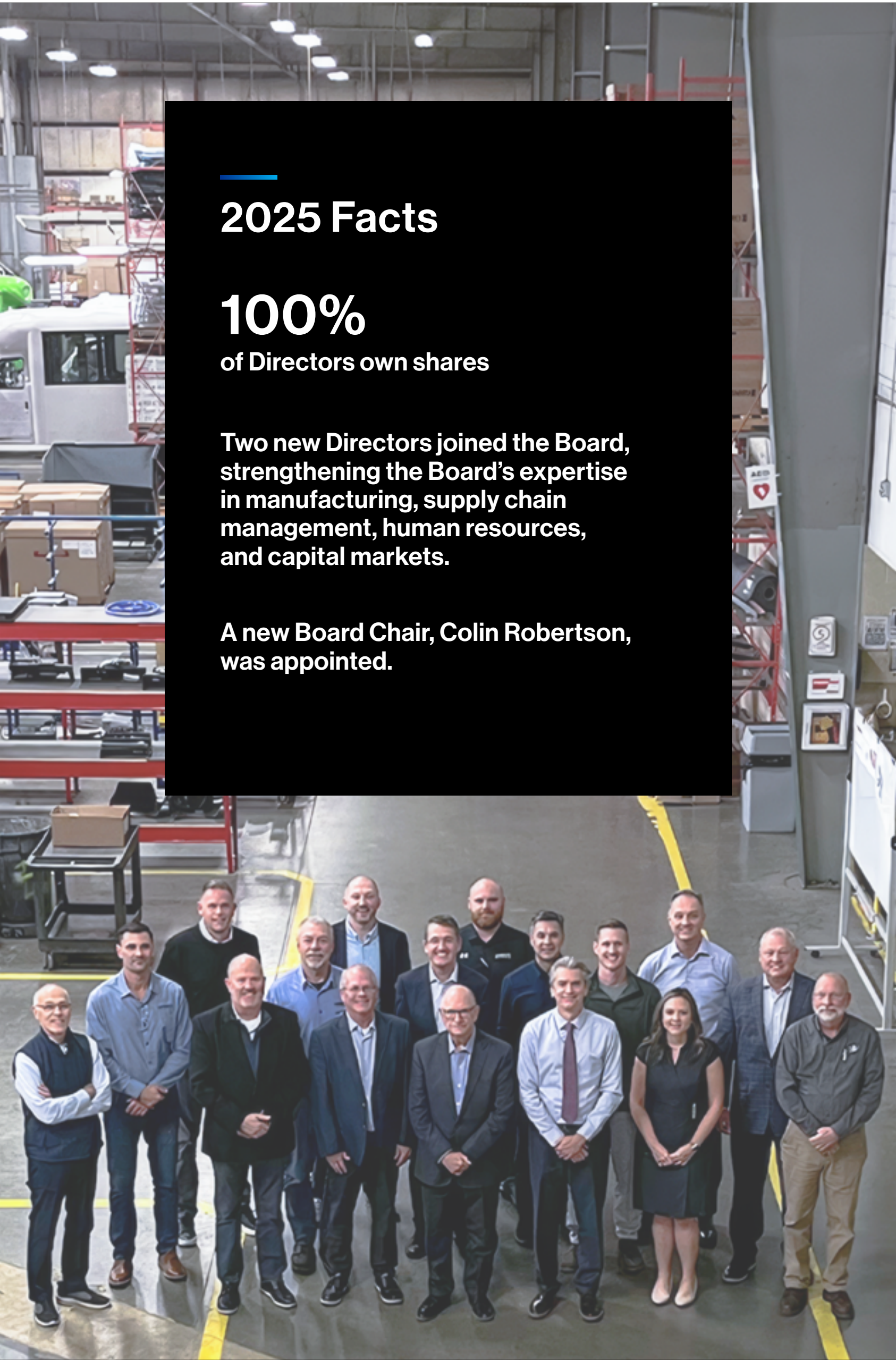
Directors collectively bring expertise in finance, manufacturing, transportation, technology, sustainability governance, and international business. The Board maintains a formal skills and experience matrix, shown on the following page, to ensure appropriate representation and effective oversight of NFI’s strategy and sustainability commitments. For more information, please read our [Management Information Circular](#).

2025 Facts

100%
of Directors own shares

Two new Directors joined the Board, strengthening the Board’s expertise in manufacturing, supply chain management, human resources, and capital markets.

A new Board Chair, Colin Robertson, was appointed.



2026 NFI Board Skills and Experience Matrix

	 Aziz Aghili	 Daniel Barclay	 Adam Gray	 Paulo Cezar da Silva Nunes	 Anne Marie O'Donovan FCPA, FCA, ICD	 Colin Robertson CBE Chair of the Board	 Maryse Saint-Laurent KC	 John Sapp	 John Scannell	 Jannet Walker-Ford
 Gender Diversity	Male	Male	Male	Male	Female	Male	Female	Male	Male	Female
 Director Since	2025	2026	2012	2015	2024	2020	2025	2026	2026	2023
 Senior Leadership and People Resources	●	●	●	●	●	●	●	●	●	●
 Public Company Board Service	●	●	●	●	●	●	●	●	●	●
 Accounting, Finance and Risk Management	●	●	●	●	●	●	●	●	●	●
 Manufacturing and Operations	●			●		●		●	●	
 Public and Private Commercial Vehicle Sector	●			●		●	●			●
 Government Relations				●			●	●	●	●
 Sustainability		●			●		●	●	●	●
 Technology and Innovation	●	●			●				●	●
 Information Technology Security (Cybersecurity)		●			●				●	●
 Strategic Process	●	●	●	●	●	●	●	●	●	●
Committees										
 Audit	●	●			Chair		●			
 HR, Compensation, and Governance				●	●		Chair			●
 Operations and Technology	●		●			Chair			●	●

Sustainability Governance

Accountable Leadership

Accountability
Core Value

Governance and Business Integrity
Key Sustainability Topic

Board-Level Oversight

At NFI, sustainability is supported through established governance and accountability structures across the organization. Oversight is provided by the Board, through its Governance Committee, which oversees sustainability-related matters, including the Company’s ESG approach, management’s execution of that approach, and the identification and oversight of material ESG initiatives, impacts, risks, opportunities, and related disclosures. Sustainability-related matters are reviewed on a quarterly basis.

Executive Accountability and Strategic Leadership

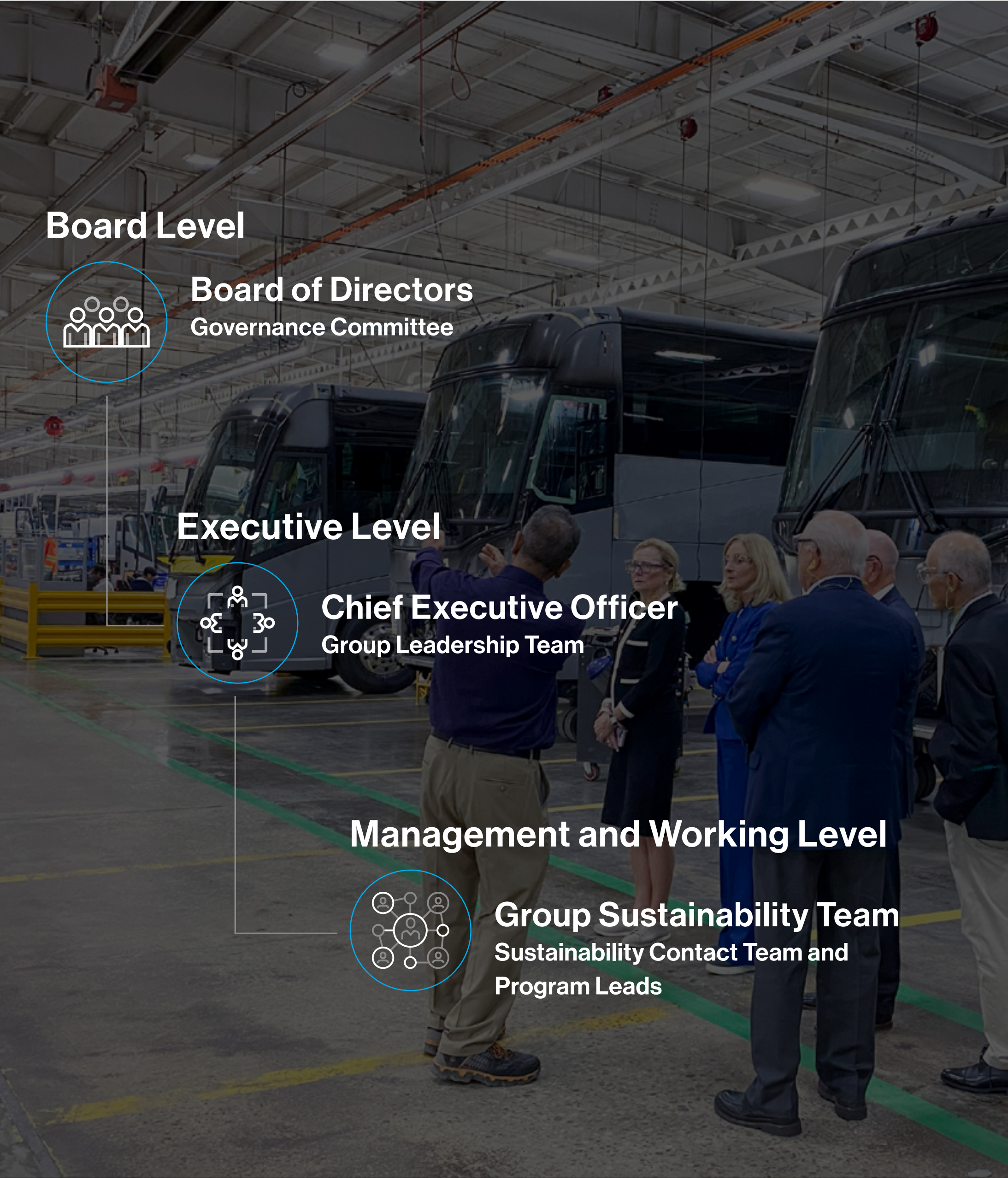
At the executive level, accountability for sustainability and ESG matters rests with the Chief Executive Officer (“CEO”), with oversight by the Executive Vice President, People and Culture, who is supported by management through the Sustainability Council. Comprised of members of NFI’s Group Leadership Team and other functional experts, the Sustainability Council meets quarterly and provides strategic leadership and advisory support with a focus on alignment with corporate strategy, business growth and integration, and risk management.

Program Execution and Operational Integration

Execution of the sustainability program is led by the Group Sustainability Team, under the oversight of the Group Director, Safety, Environment and Compliance, and the Group Senior Manager, Sustainability. The team is responsible for developing and implementing strategies to integrate sustainability considerations across NFI’s value chain and for monitoring progress against program objectives. The Group Sustainability Team collaborates closely with business units and cross-functional teams, including designated Sustainability Contact Team members who are senior leaders from across the organization, to provide guidance and support for the implementation of sustainability-related actions.

Enterprise-Wide Accountability

Decision-making responsibilities are structured to support effective governance and accountability, with the Board and Governance Committee establishing governance expectations, executive leadership providing strategic direction, and the Group Sustainability Team operationalizing priorities to support alignment and execution across the organization. Sustainability responsibilities are further embedded across the business through defined functional and site-level roles that integrate ESG requirements into day-to-day operations. Designated risk owners across key areas, including supply chain and operations, are responsible for identifying and managing ESG-related risks within NFI’s broader enterprise risk management framework, while program leads coordinate planning, execution, and performance tracking for specific sustainability initiatives.



Stakeholder Engagement

Communicating with our Stakeholders

Integrity
Core Value

Governance and Business Integrity
Key Sustainability Topic

Direct engagement with stakeholders is a core element of our sustainability approach and supports the identification of strategic risks and opportunities. We seek to engage transparently with customers, investors, suppliers, and partners to provide accurate, timely information and to understand how their priorities inform our sustainability strategy. Collaboration across our value chain supports the management of sustainability-related risks and opportunities, including those related to human rights, responsible sourcing, and ethical conduct.

To support accountability and informed decision-making, we publish information on key sustainability topics, including human rights, supplier conduct, codes of conduct, and anti-corruption policies. Our activities, performance, and progress are communicated through our annual Sustainability Report, and other sustainability-related assessments and benchmarks.

We encourage feedback from a broad range of stakeholders, recognizing that ongoing dialogue supports trust, learning, and continuous improvement as we refine our approach and respond to evolving expectations.

Stakeholder Identification

NFI identifies and prioritizes stakeholders by assessing their level of interest in our business outcomes, the impacts of our activities on their needs and expectations, and their influence on our operations. This structured approach supports targeted engagement and enables us to focus on the relationships most critical to creating shared benefits.

In 2025, stakeholder engagement continued to focus on areas aligned with our strategic priorities, including business growth and innovation, community impact, workforce development, and education.

Stakeholder engagement mechanisms:

Regular dialogue and periodic meetings



Labour Unions

- Meetings
- Joint committees and working groups to address various topics with the labour unions on all levels
- Town Halls and Round Tables



Investors, Shareholders, and Financial Institutions

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



Suppliers

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



Team Members

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



Customers

- Industry-specific events and panel engagements
- Support throughout the entire vehicle life cycle
- Virtual and in-person meetings
- Press conferences
- Social media communications
- Customer surveys and reports
- Participation in tradeshows
- NFI's VIC and events
- Vehicle launch events
- NFI and subsidiary content
- NFI's Leading the Charge newsletter



Local Committees and NGOs

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



Industry Groups and Business Partnerships

- Thought leader discussions
- Industry-specific events and panel engagements
- Industry insights through board appointments with APTA, CUTA, and CUTRIC¹
- Press conferences and webinars
- Social media communications
- Customer surveys and reports
- Participation in tradeshows
- NFI's Vehicle Innovation Center and events
- Vehicle launch events
- Participation in collaborative projects
- NFI and subsidiary websites

¹ American Public Transportation Association ("APTA"), Canadian Urban Transit Association ("CUTA"), and Canadian Urban Transit Research & Innovation Consortium ("CUTRIC")

Strategic Sustainability Priorities

Sustainability
Core Value

Accountability
Core Value

Our approach to sustainability is grounded in a clear understanding of stakeholder expectations, evolving global trends, and the long-term resilience of our business.

In 2022, we undertook a comprehensive sustainability assessment to better understand the sustainability topics that matter most to our business and our stakeholders. This assessment engaged a wide range of internal and external stakeholders, ensuring that diverse perspectives were captured across our value chain. Through structured surveys and analysis, participants were asked to evaluate sustainability factors based on their relative importance, both in terms of impact to our stakeholders and to our operations. This process enabled us to clearly identify stakeholder priorities, emerging risks and opportunities, and areas where our organization is best positioned to create positive social and environmental outcomes.

Building on the 2022 assessment, we refreshed our sustainability analysis in 2023 and review it regularly to ensure continued relevance in a rapidly changing global context. Reviews incorporate key global socio-economic trends and the rising expectations for corporate responsibility. By considering these broader dynamics alongside stakeholder input, we strengthen the alignment between our sustainability efforts and our business strategy. This forward-looking perspective allows us to proactively address external risks, anticipate future expectations, and remain agile in response to change.

Through this iterative and structured process, we identified 12 key sustainability topics that are relevant to both our stakeholders and our business success. These topics reflect areas where we have both the responsibility and ability to manage sustainability-related risks and opportunities.

The selected topics form the foundation for setting priorities and informing our sustainability objectives, performance metrics, and reporting practices. This approach supports consistency, accountability, and progress monitoring over time.

NFI’s Key Sustainability Topics

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



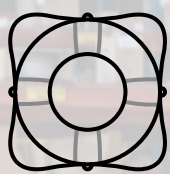
Climate Action



Community Engagement



Culture and Inclusion



Employee Health and Safety



Employee Welfare



Environmental Impact of Products and Services



Environmental Management



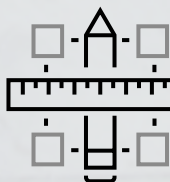
Governance and Business Integrity



Human Capital Development



Human Rights



Innovation, Research, and Development



Sustainable Supply Chain

Enterprise Risk Management

Accountability
Core Value

Governance and Business Integrity
Key Sustainability Topic

Understanding, managing, and mitigating risks is an integral part of our corporate culture and supports NFI's long-term sustainability and resilience related to risks. Leaders across the organization are responsible for identifying and managing risks that may affect our operations, strategy, and ability to realize opportunities over the near and long term.

At the core of our risk management approach is a formal Enterprise Risk Management ("ERM") program that provides a continuous and systematic process to identify, assess, manage, and monitor key risks across NFI. The program considers risks across strategic, operational, financial, compliance, reputational, environmental, social, and governance categories, as well as emerging risks influenced by broader economic, political, and industry conditions.

Governance and Oversight

Oversight of enterprise risks is provided by the Board of Directors through its Audit Committee, which receives regular updates on the Company's most significant risks and the effectiveness of risk management processes. Management oversight is led by the Enterprise Risk Committee ("ERC"), which meets ten times a year and is chaired by the Group Director, Audit and Risk Management Services. The ERC includes members of NFI's executive leadership team and operational unit leadership.

The ERC is responsible for:

- Developing and communicating NFI's risk management strategy and direction
- Advising the Audit Committee on the Company's overall risk appetite, tolerance, and resilience
- Monitoring risks to achieving corporate objectives and plans
- Assessing risk severity using defined criteria for impact, likelihood, and velocity
- Developing and overseeing monitoring and mitigation strategies for the most significant risks

Audit & Risk Management Services supports the ERM framework, ensuring consistency, governance, and reporting across the organization.

Identifying and Managing Key Risks

Enterprise risks are identified through structured internal assessments, leadership engagement, and consideration of external risk trends and publications from recognized risk identification and rating sources. A formal enterprise risk register is maintained, ranking risks based on impact, likelihood, and velocity. Accountability for each material risk is assigned to appropriate leaders to support effective management and mitigation.

The enterprise risk register is reviewed regularly by the ERC and communicated quarterly to the Audit Committee. The most significant risks are discussed at each Audit Committee meeting, and by the Board.

Risk Response and Monitoring

Risk response strategies may include mitigation actions, control enhancements, risk transfer, or risk acceptance, consistent with approved risk appetite and tolerances. Progress on priority risks and mitigation activities is monitored by management and escalated to the Board when necessary.

Supporting Strategy and Long-Term Resilience

ERM insights are integrated into NFI's annual operating and long range planning processes, supporting informed decision making, investment evaluation, and resource allocation. Related programs such as internal controls, cybersecurity, disaster recovery, and crisis management operate within their respective functions and provide key inputs into the enterprise risk perspective.

Further information on risk management and risk factors can be found in [NFI's Annual Information Form](#).



Conducting our Business Responsibly

Integrity
Core Value

Governance and Business Integrity
Key Sustainability Topic

Ethics and Business Conduct

NFI's organizational ethics framework is designed to support ethical, lawful, and responsible business practices across all operations. The foundation of this framework is the Code of Business Conduct and Ethics (the "Code"), which applies to all directors, officers, team members, and agents. The Code addresses key areas including conflicts of interest, gifts and hospitality, accurate recordkeeping, and expectations for interactions with third parties.

All covered team members are required to formally acknowledge and adhere to the Code. Ethics training is delivered through NFI's learning management system, with leadership, administrative, and customer-facing team members completing periodic knowledge assessments to reinforce understanding and application of the Code.

Oversight of ethics and compliance is led by NFI's Ethics Officer, who is the Executive Vice President, General Counsel, and Corporate Secretary. Ethics- and finance-related concerns may be reported through NFI's Ethics and Compliance Hotline, providing confidential and accessible escalation channels. Matters are reviewed and addressed in accordance with established governance and investigation protocols, with reporting to senior leadership and the Board of Directors as required.

Anti-Corruption

NFI's anti corruption principles govern interactions with public officials, payments, recordkeeping, and third party relationships. Team members within the scope of the anti corruption policy receive targeted training addressing regulatory requirements and public sector restrictions.

Training is refreshed through periodic policy reviews:

- Administrative team members complete annual reviews through our learning management system
- Manufacturing team members complete biannual reviews

Reporting mechanisms, including the Ethics Hotline and internal reporting channels, support prompt identification and management of potential misconduct. Confirmed cases are addressed through established investigation and disciplinary processes, with lessons learned used to improve training and controls.

Political Advocacy

NFI is committed to responsible and transparent public policy engagement. The organization does not make contributions of any kind — financial or in kind — to political parties, political candidates, ballot initiatives, or similar measures. This prohibition applies directly and indirectly, including through third party intermediaries such as political action committees, campaign funds, trade associations, or industry groups.



Human Rights Statement

Integrity
Core Value

Human Rights
Key Sustainability Topic

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 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 in a manner consistent with internationally recognized human rights standards. 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 are committed to upholding 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 focus on labour and employee welfare. The working conditions of our team members at our facilities are compliant with the 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 are committed to:

- ✓ Treat people with respect and dignity, in accordance with reasonable expectations
- ✓ Foster a workplace free of harassment and discrimination
- ✓ Provide an inclusive workplace and embrace the diversity of our workforce
- ✓ Prohibit forced, bonded, trafficked, and child labour in our operations and avoid such labour in our supply chain by obtaining supplier commitments to our Supplier Due Diligence Policy and assessing compliance with its requirements
- ✓ Recruit ethically, based on the needs of our business, and seek to recognize the talent and potential of new applicants, and will not require team members to pay any fees to NFI or to authorized agents or recruiters in exchange for their employment
- ✓ Provide fair wages and benefits that are based on the consideration of numerous applicable factors, including meeting all legal requirements where team members work
- ✓ 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 team members and customers
- ✓ Recognize the freedom of workers to associate or not associate with a labour union, and to collectively bargain when represented by a legally recognized labour union
- ✓ Respect the right to freedom of association and to not undermine or pressure any team member from exercising this right, including not threatening, intentionally intimidating, or using physical or legal attacks against stakeholders, including union members and union representatives, exercising their legal rights to freedom of expression, association, and peaceful assembly

Select NFI policies, statements, and charters are available at nfigroup.com/documents-charters



Data and Cybersecurity

Accountability
Core Value

Safety
Core Value

Governance and Business Integrity
Key Sustainability Topic

Our business activities are increasingly influenced by the growing use of digital technologies and reliance on IT systems. Data protection and cybersecurity at NFI focuses on safeguarding information, maintaining customer trust, and supporting regulatory compliance. These programs protect data integrity, reduce risk exposure, and enhance operational resilience by preventing disruptions and enabling reliable service delivery.

Our cybersecurity and data protection policies align with recognized frameworks, including the NIST Cybersecurity Framework (“CSF”) 2.0, the General Data Protection Regulation (“GDPR”), and applicable national and local privacy laws. These frameworks guide how personal data is protected, how risks are identified and managed, and how accountability and breach response processes are structured. This alignment supports consistent governance and responsible data handling across NFI.

Data and Cybersecurity Management

NFI’s cybersecurity and data governance programs apply across the organization’s information technology environment, and data assets include data classification, access management, safeguarding, and retention practices aligned with applicable privacy, security, and compliance requirements. These programs support operational continuity, enterprise risk management, and responsible data stewardship for both internal and public-facing services.

Governance, Risk Management, and Cyber Resilience

Cybersecurity governance is supported through defined accountability and senior-level oversight, supported by executive level review and integration with the enterprise risk management framework. NFI regularly reports to the IT Steering Committee, Enterprise Risk Committee, and Board of Directors to keep each group informed of cybersecurity risks and mitigation activities. Cybersecurity risks are managed through processes that identify and assess threats, apply safeguards, continuously monitor the technology environment, and maintain readiness for incident response. These processes include vulnerability scanning, risk assessments, and ongoing control evaluation.

Team member training is delivered through a structured cybersecurity awareness program that includes secure practice guidance, phishing simulations, and periodic refreshers to strengthen security awareness across the workforce. Incident response procedures are documented and designed to support the detection, assessment, containment, and recovery from cybersecurity events. These procedures are supported by a formal incident response plan that is periodically exercised and reviewed to maintain readiness.

Perimeter Defense

Privilege Escalation

Identity Defense

Detection

End-Point Defense

User Awareness

Response

Performance Monitoring and Continuous Improvement

The NFI cybersecurity team evaluates cybersecurity performance using threat and vulnerability metrics, incident response indicators, data-protection measures, and resilience key performance indicators (“KPIs”). These measures help assess how effectively risks are being identified, managed, and mitigated. Cybersecurity and data protection metrics are collected through operational systems, security tools, and governance processes, with metrics defined at the NFI Group level and aligned with corporate goals. Scope and applicability are periodically reviewed to ensure ongoing relevance.

In 2025, we advanced cybersecurity maturity by implementing the NIST CSF 2.0 guidelines, conducting a third party assessment, and deploying a governance, risk, and compliance (“GRC”) system that centralizes information and supports standardized workflows. These improvements strengthened oversight of risks and controls across the Company. We plan to continue to advance data governance practices through expanded use of the GRC platform, supporting consistent documentation, audit readiness, and risk management processes. Ongoing training and cultural reinforcement will continue to emphasize team members’ role as a critical line of defense.

Product Cybersecurity

Accountability
Core Value

Safety
Core Value

Governance and Business Integrity
Key Sustainability Topic

Increasing use of advanced driver assistance systems, electrical actuation of primary functions, shared electronic platforms, and rising customer demand for connected features have expanded both cyber attack surfaces and potential impacts. NFI's product cybersecurity framework is informed by ISO/SAE 21434:2021 and UN/ECE Regulation 155, ensuring that cybersecurity considerations are embedded across engineering processes and aligned with recognized industry expectations¹. The scope of NFI's Vehicle Cybersecurity Policy covers all vehicles entering the public domain, including trials and commercial deliveries. The policy applies to advanced engineering projects, new product development, current model engineering, reliability improvements, new technology programs, and any cybersecurity-related legislative requirements. Once vehicles enter service, NFI monitors cybersecurity risks and collaborates with customers to mitigate emerging threats.

Product Cybersecurity Governance and Integration

Product cybersecurity is overseen by the Functional Safety and Cybersecurity Committee, with input from the Executive Leadership Team. Cybersecurity requirements are integrated into product development through project-specific cybersecurity management activities aligned with ISO/SAE 21434. This includes assignment of responsibilities, cybersecurity relevance assessments, cybersecurity cases for each item, and a maintained cybersecurity plan for all applicable projects.

Supplier and component cybersecurity is supported through close collaboration between Engineering and Procurement. Key procurement personnel are designated to ensure suppliers have the awareness and competency needed to meet cybersecurity expectations.

Vulnerability Management and Incident Response

NFI conducts structured vulnerability disclosure and response processes, including validation of exploitable vulnerabilities, additional threat analysis and risk assessment (TARA), and temporary containment measures until permanent remediation is developed. Once vehicles are in operation, NFI monitors for new vulnerabilities, updates supply agreements to require prompt notification from suppliers, and continually evaluates cybersecurity trends and events for potential relevance to in-field fleets.

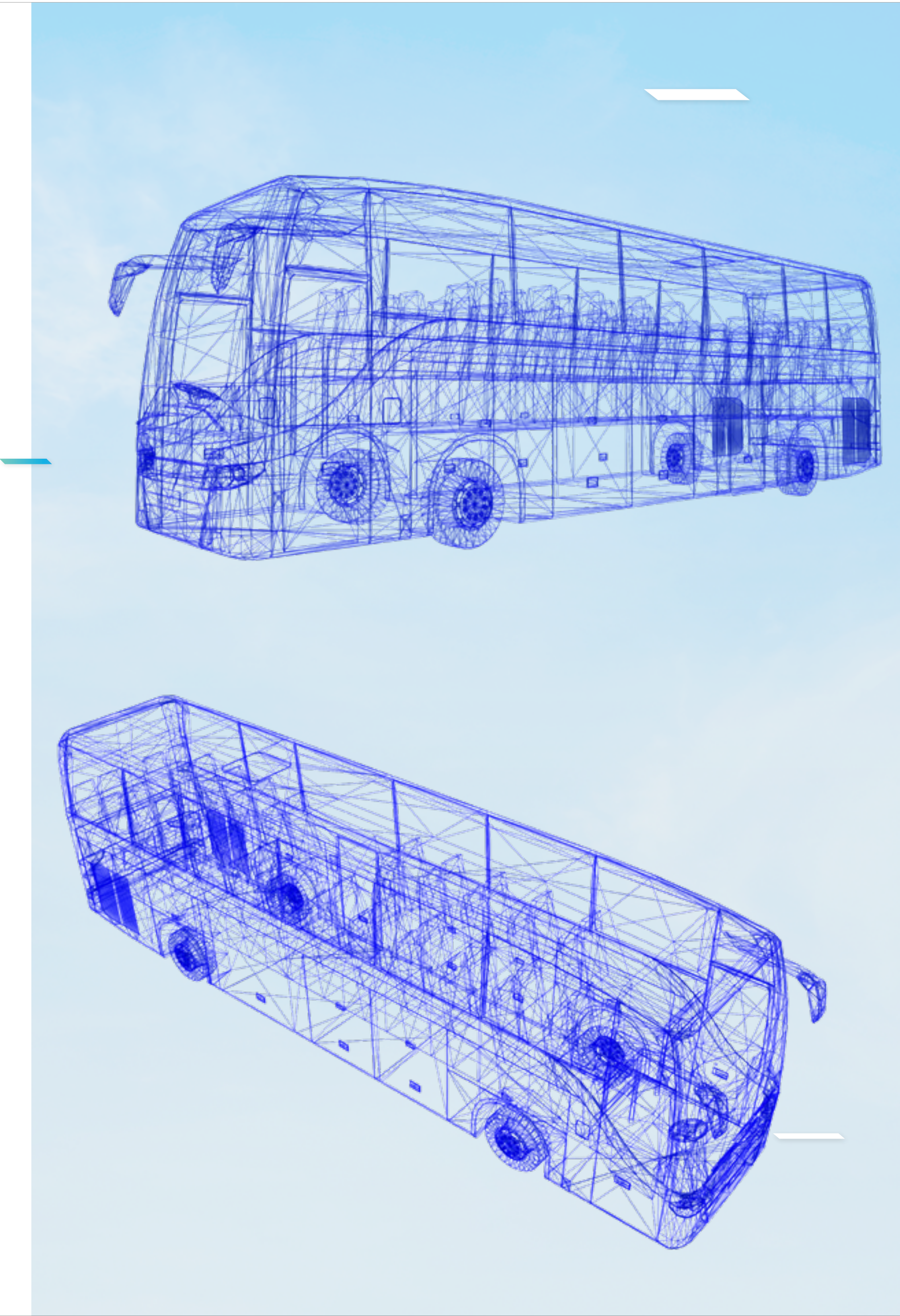
Monitoring and Lifecycle Management

NFI monitors product cybersecurity using defined threat analysis and risk-assessment criteria, with metrics focused on risk severity, attack feasibility, and effectiveness of implemented risk treatment actions.

Cybersecurity data is collected through ongoing lifecycle monitoring aligned with ISO/SAE 21434, including event identification, vulnerability assessment, and remediation tracking. Clear boundaries are established for the systems NFI owns versus systems specified by customers or third party developers.

Product Digital Resilience

In 2025, NFI advanced its cybersecurity posture through refinement of internal policies, completion of additional threat assessments, and enhancements to vehicle architecture and software management processes. Ongoing monitoring supports the continued assessment of system integrity. NFI progressed formal threat assessments and real world penetration tests across multiple vehicle configurations, supporting the development of complete cybersecurity safety cases for all major platforms. Key challenges included the highly customized nature of NFI vehicles, which complicates standardization of cybersecurity assessments, and the Company's reliance on strong supplier engagement due to limited vertical integration. NFI's product cybersecurity processes are being progressively advanced for continued alignment with ISO 21434 and evolving industry standards.



¹ Information listed in the Product Cybersecurity section of this Report refers to NFI's North American transit and coach products; Alexander Dennis products are covered by separate, closely aligned policies.

Sustainable Supply Chains

Sustainability
Core Value

Sustainable Supply Chain
Key Sustainability Topic

Human Rights
Key Sustainability Topic

NFI's sustainable supply chain approach is grounded in strengthening ethical sourcing, facilitating regulatory compliance, and reducing risks related to human rights, labour practices, and critical materials. Our supply chain objectives focus on securing high quality, cost controlled, and reliable components while mitigating the risks of forced labour, child labour, and geographic risks.

Supplier expectations are guided by a suite of policies, including the Supplier Code of Conduct, Supply Chain Due Diligence Policy, Human Rights Statement, Anti-Corruption Policy, Conflict and Critical Minerals Policy, and transparency legislation compliance, which together establish requirements for ethical business conduct, labour rights protections, and environmental stewardship. Suppliers are expected to uphold these standards across their own operations and value chains.



Supply Chain Scope and Supplier Engagement

NFI's supply chain spans several thousand Tier-1 suppliers across North America, producing components ranging from drivetrains and vehicle systems to high-voltage batteries, raw materials, and electronics. These suppliers include fabricators, distributors, and assemblers who deliver components to NFI production sites through multimodal transportation networks.

Strategic Sourcing leads supply chain due diligence, supported by Sourcing Business Management, which gathers supplier information, identifies risks, and disseminates ESG related requirements. Suppliers must indicate alignment with our Supplier Code of Conduct and related policies.



Due Diligence and Risk Management

NFI conducts ESG risk assessment primarily through its Supply Chain Due Diligence Policy and Supplier Assessment Questionnaire (“SAQ”), which evaluates country-level human rights indicators, environmental performance, and exposure to conflict-affected minerals. High-risk suppliers undergo additional due diligence steps, including enhanced questionnaires, documentation reviews, corrective action plans to address identified risks, ongoing monitoring of supplier progress against those plans, and periodic reassessments based on supplier risk level.

Non-conformance is addressed through action plans, remediation measures aligned with the UN Guiding Principles on Business and Human Rights, and, where necessary, termination of supplier relationships. Supplier engagement is strengthened through annual or periodic reassessments, training, and policy cascading.

Environmental and social criteria are integrated via the Supplier Code of Conduct, which outlines expectations on emissions, waste, labour rights, and workplace protections. Critical materials such as batteries and electronics are managed through the same risk based due-diligence structure.



In 2025, New Flyer and MCI acknowledged select suppliers with Supplier Performance Awards in recognition of delivery, quality, and cost performance, as well as support in engineering, service, and aftermarket.

Performance Monitoring and Reporting

NFI tracks several ESG-related KPIs across its supply chain, including:

- ✓ Supplier approval of the Supplier Code of Conduct or equivalent policies
- ✓ Employee completion of responsible sourcing training modules
- ✓ SAQs issued and completed, along with resulting action or remediation plans
- ✓ Instances of forced or child labour requiring remediation
- ✓ DBE program spend, where applicable



Progress and Continuous Improvement

In 2025, NFI advanced its sustainable sourcing framework through expanded implementation of its updated Supplier Code of Conduct. A significant number of new supplier signatures were secured, with additional suppliers in stages of verification. A structured assessment matrix was introduced to evaluate equivalent supplier policies when a direct signature is not feasible. Additionally, the Company broadened its internal training program with new modules addressing regulatory requirements, responsible sourcing legislation, and NFI's internal sustainability policies. Enhanced due diligence activities from 2024 into 2025 provided deeper insight into upstream risks and informed targeted supplier engagement and remedial actions, as needed.

NFI continued to expand the Supplier Code of Conduct coverage towards its established targets. Tariff changes and evolving compliance requirements created operational challenges that temporarily diverted resources from due-diligence activities.

Looking ahead, NFI aims to continue expanding Supplier Code of Conduct compliance coverage, with phased targets aligned to supplier criticality and spend concentration. NFI continues to assess opportunities to enhance its approach to supply chain sustainability and due diligence over time.



Supply Chain Management

The following policies and codes together form NFI's supply management system for addressing supply chain environmental and social risks:

- ✓ 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 (inclusive of provisions on Modern Slavery and Child Labour)



NFI's Supplier Terms and Conditions may be requested through: nfigroup.com/supplier

NFI GROUP

A Better Product



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

Working with our Customers

Accountability
Core Value

Sustainability
Core Value

Environmental Impact of Products and Services
Key Sustainability Topic

NFI takes a relationship-driven approach to customer engagement, working in close partnership with transit agencies and coach operators to understand their operational needs, long-term objectives, and the communities they serve.

Our customers range from large public transit systems to smaller regional and private bus and coach operators. Across this diverse customer base, there is a shared focus on providing safe, reliable, and comfortable transportation for their riders.

We go beyond the design and manufacture of buses and coaches by focusing on long-term partnerships that support customers' success. This includes providing technical expertise, strategic guidance, and clear, consistent communication throughout the lifecycle of a customer's fleet. We support our customers with a broad suite of services, including aftermarket parts, infrastructure planning for zero-emission fleets, workforce training, and dedicated service support. Together, these services are intended to help customers make informed decisions, operate their fleets effectively, and respond to evolving service requirements.

Customer Engagement

An ongoing focus on direct engagement, structured feedback, operational data, and industry insight supports our understanding of evolving customer needs and expectations. We maintain ongoing dialogue with our customers through regular in-person and virtual meetings, participation in industry conferences and trade shows, attendance at customer vehicle launches, and educational programming delivered through the Vehicle Innovation Center, New Flyer Institute, MCI Academy, and AD24. These engagements provide opportunities to discuss operational challenges, technology considerations, and long-term fleet planning priorities.

Customer insights are further captured through internal feedback channels. Sales teams regularly share customer input and market observations, aftermarket teams provide insights based on customer buying behaviors, while product demonstration programs enable operators to evaluate new technologies in operational settings and provide feedback to engineering and product teams.

Aligning Innovation to Customer Needs

Innovation plays a central role in how NFI responds to changing customer needs and informs the development of our products and services. Customer insights are an important input into our innovation process and are gathered through regular engagement with transit agencies and coach operators. These inputs include direct customer meetings, maintenance and service feedback, warranty data, fleet performance analytics, and targeted focus groups or design reviews tied to specific vehicle programs.

These insights are used to identify emerging operational trends, challenges, and potential areas for improvement related to reliability, performance, safety, and customer experience. Customer input is considered part of the development and refinement of vehicle technologies, digital tools such as remote monitoring and performance analytics platforms, and lifecycle service offerings that support fleet operations. By integrating customer insights into product development, digital initiatives, and service planning, NFI seeks to align innovation activities with the operational needs of customers.

Innovation priorities are also influenced by external factors, including regulatory developments and market conditions. Requirements related to safety, emissions, and other standards inform product development activities, while operational considerations such as reliability and total cost of ownership are evaluated as part of ongoing technology assessment and improvement efforts.



Meet Farah Shah

Project Leader, New Product Development



“ **My career has focused on the automotive and transit sector, and I joined New Flyer’s engineering team in 2012. As part of the New Product Development team, I lead projects from concept through production readiness, working closely with design, test, and shop teams on scheduling and budgeting. I enjoy seeing ideas grow into products that benefit our customers, and I’m proud of the positive impact our work has on the environment, passenger safety, and ridership.**



Industry Collaboration and Partnership

Teamwork
Core Value

Innovation, Research, and Development
Key Sustainability Topic

Collaboration across the transit and coach ecosystem helps support innovation, operational performance, and the long-term development of transportation systems. We work with a range of partners, including suppliers, transit and coach agencies, industry associations, standards bodies, academic institutions, and technology providers, to share knowledge and contribute to the advancement of transportation solutions.

Our teams participate in industry organizations globally, such as the American Public Transportation Association, the Canadian Urban Transit Association, CUTRIC, the American Bus Association, the United Motor Coach Association, the Confederation of Passenger Transport, the UK Coach Operators Association, and research-focused organizations, including CALSTART and the Center for Transportation and the Environment. Through these partnerships, among several others, we take part in working groups, technical discussions, and standards development activities related to transit and coach vehicles, infrastructure, and emerging zero-emission technologies.

We also collaborate with universities and research institutions on advancements in vehicle technology, energy systems, and fleet operations. These partnerships support applied research, testing activities, and workforce development initiatives that contribute to the broader transit manufacturing and transportation ecosystem.

Across our supplier network, we maintain collaborative relationships intended to support supply chain resilience, technology integration, and product development. Participation in industry forums, public policy consultations, and collaborative research initiatives enables us to exchange perspectives on operational considerations and evolving industry requirements.

Engagement with government and public sector stakeholders provides opportunities to share industry perspectives related to transit vehicles, infrastructure, and technology deployment. Through dialogue with national, state, provincial, and local stakeholders, NFI supports dialogue on policy, funding, and regulatory frameworks relevant to transit modernization, while recognizing that policy outcomes are determined by public authorities.

Key Industry Partners:

 American Public Transportation Association apta.com	 Canadian Urban Transit Association cutaactu.ca	 Canadian Urban Transit Research & Innovation Consortium cutric-crituc.org	 American Bus Association buses.org
 United Motorcoach Association uma.org	 CALSTART calstart.org	 The Center for Transportation and the Environment cte.tv	 Confederation for Passenger Transport cpt-uk.org
			 UK Coach Operators Association www.uk-coa.co.uk



In 2025, MCI launched its latest model-year J4500 coach, with numerous product improvements that stemmed from customer feedback, and New Flyer introduced and evaluated new hydrogen fuel cell technologies through structured pilot programs with transit partners.

Our Products and Services

Quality
Core Value

Teamwork
Core Value

Innovation, Research, and Development
Key Sustainability Topic

Delivering Value Across the Vehicle Lifecycle

Innovation efforts are focused on enhancing vehicle efficiency, value, reliability, passenger experience, and connectivity. We collaborate with our suppliers on new products, designs, and technological advancements intended to address customer requirements. For our zero-emission bus (ZEB) offerings, battery and fuel cell suppliers support advancements in vehicle range and efficiency, while NFI’s Infrastructure Solutions team works with charging and hydrogen infrastructure equipment suppliers to advance the technologies that support ZEB deployment. Technology providers support the development of data-enabled transportation systems, and NFI works with suppliers on logistics planning initiatives, such as shipment consolidation, to improve supply chain efficiency.

Aftermarket parts and support services are an established component of NFI’s business model and support ongoing fleet operation. These services provide parts availability and technical support throughout a vehicle’s operating life and contribute to fleet maintenance and long-term customer support.

NFI Parts made several improvements to customer engagement by enhancing digital tools and expanding direct customer feedback channels. Key improvements include the launch of an enhanced NFI Parts webstore and website updates to improve usability, access to product and technical information, and overall customer experience. These tools support efficient parts sourcing, maintenance, and repair, helping customers extend the service life of vehicles and components while reducing reliance on manual and paper-based processes. A customer relationship management (“CRM”) system upgrade is underway to improved data visibility and support customer relationship management processes. In addition, NFI Parts conducted in-person surveys with its top customers to gather direct feedback and insights, supporting more informed engagement, continuous improvement, and service enhancements.

Additional details on NFI’s products and services can be found on our corporate websites and in the [2026 Annual Information Form](#).



Meet Michael Hamm

Vehicle Application Engineering Supervisor,
Production Engineering



“ I’ve been interested in automotive design from a young age and joined New Flyer in 2004, progressing through several roles. As a Supervisor, I lead a team of 13 Vehicle Application Engineers and Specialists who support our urban and municipal customers by providing engineering expertise from proposal review through pre-production and production. My team serves as the link between our customer-facing and engineering groups.

NFI is a leader and innovator in transportation, with trailblazing work in battery electric and fuel cell technologies. We’re focused on continuous improvement to meet evolving customer needs, and it’s rewarding to know our work helps move millions of people every day.

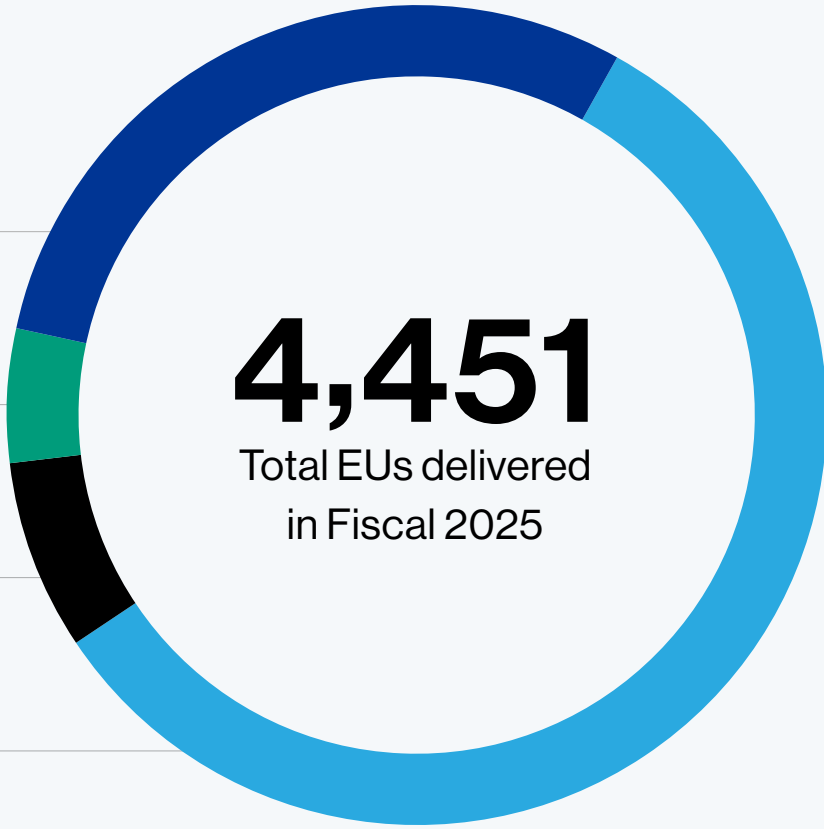
2025 Deliveries¹

1,326
Zero-Emission

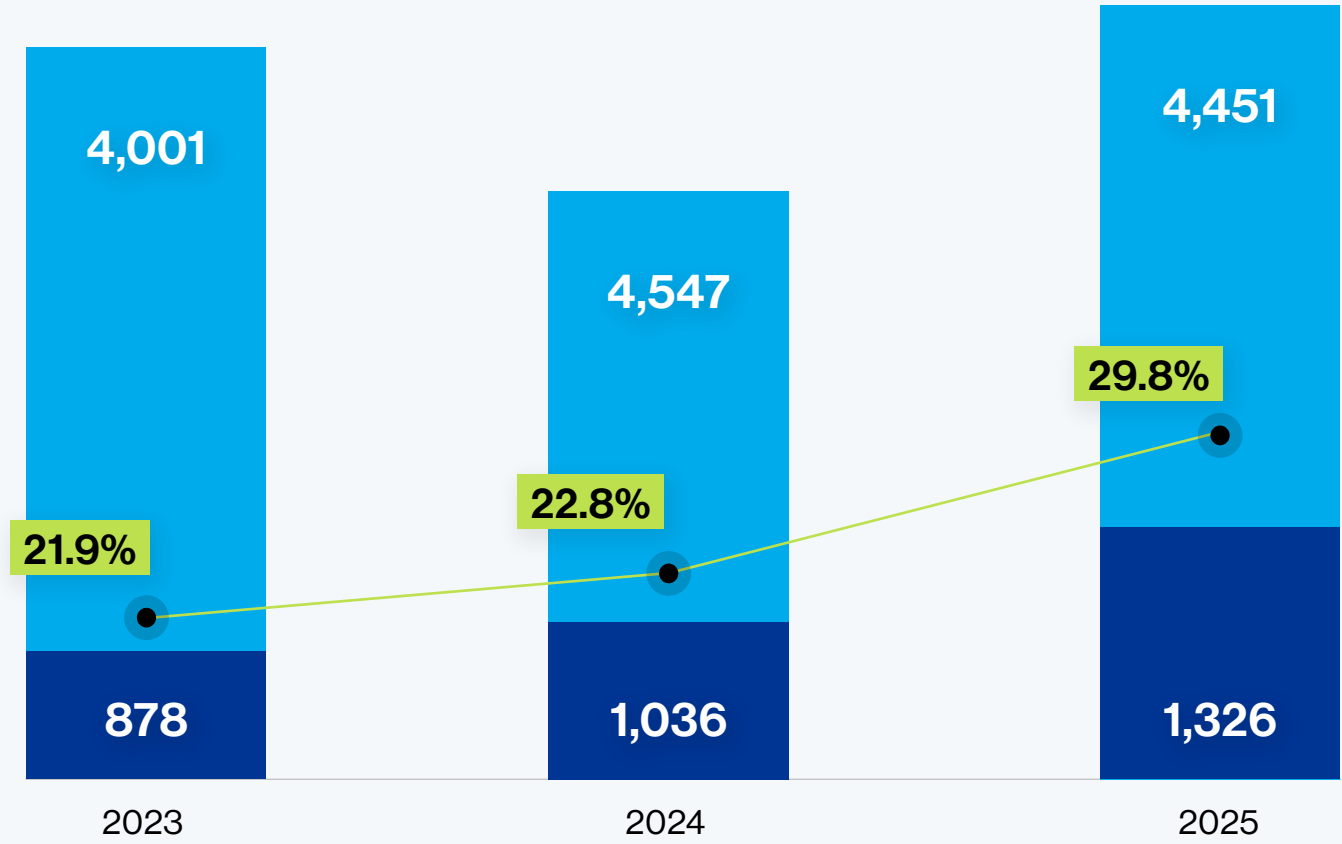
244
CNG

324
Hybrid

2,557
Diesel



- Total ZEB deliveries
- Total deliveries
- % of total deliveries that are ZEBs



¹ Disclosed in NFI Group’s audited financial statements and should be read in conjunction with those filings

Infrastructure and Connected Technology

Sustainability
Core Value

Climate Action
Key Sustainability Topic

Environmental Impact of Products and Services
Key Sustainability Topic

Infrastructure Solutions

In North America, our infrastructure solutions support customers’ planning and deployment of zero-emission vehicle infrastructure. These services are delivered through a dedicated team, NFI Infrastructure Solutions™, and are designed to be technology-agnostic. Depending on the project, services may include planning, engineering, procurement support, construction oversight, installation coordination, commissioning, and post-commissioning support.

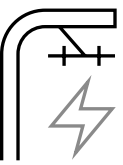
Service scope varies by customer need and project requirements and may include charging infrastructure support, consulting, route modeling, energy and fleet planning, utility coordination, facility assessments, and upgrades to support zero-emission bus operations. Infrastructure projects are managed using established project management practices and are designed to meet applicable safety standards, engineering requirements, and local, provincial/state, and national building codes.

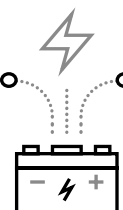
Infrastructure projects involve coordination across engineering and commercial teams, with project-specific collaboration among utilities, equipment suppliers, and engineering, construction, and installation partners, as applicable. Contract structures are intended to align with relevant public funding conditions and regulatory requirements, whether infrastructure services are delivered independently or in conjunction with vehicle procurement.

Safety considerations are incorporated into project planning and execution processes. Performance is monitored internally using established occupational health and safety metrics.

As part of its ongoing operations, the NFI Infrastructure Solutions™ team remains attentive to evolving industry conditions, regulatory frameworks, and infrastructure requirements.

Facts:

 **690 EV chargers**
delivered via NFI Infrastructure Solutions since 2018

 **Over 115MW charging capacity**
installed via NFI Infrastructure Solutions since 2018

Connected Technology

NFI Connect™ is a proprietary telematics solution available on all NFI vehicles produced by Alexander Dennis, MCI, and New Flyer. The system provides customers with access to fleet operating data through dashboards and alert functions, supporting fleet monitoring and operational oversight.

Data generated through NFI Connect™, including warranty information, maintenance feedback, and performance metrics helps NFI to analyze reliability trends and fleet performance patterns. These insights may inform internal evaluation of product performance and support ongoing review of product requirements and design considerations.



Meet Jennifer Adriano
Connect Data Science and Applications Development Lead



“ I joined New Flyer in 2019, and today, I manage a team of three and lead the software and reporting work for the NFI Connect team, providing data and insights to support sales, engineering, and customers. What I enjoy most about working at NFI is the collaborative culture and the opportunity to work on diverse projects, including developing the Connect 360 reports for fuel cell-electric buses, which allowed me to learn more about fuel cell technology and collaborate with experts across the organization.

Vehicle Innovation Center

Sustainability
Core Value

Innovation, Research, and Development
Key Sustainability Topic

The Vehicle Innovation Center (“VIC”) is NFI’s hub for showcasing advanced transit technologies and supporting industry education. Through in-person and virtual events, technology workshops, and vehicle demonstrations, the VIC helps stakeholders understand emerging propulsion systems and operational considerations through the lens of technology. The team also gathers publicly available supplier data, benchmarks technologies, and deploys demonstration vehicles to support real world evaluation.



Operations and Stakeholder Engagement

Led by the VIC Manager and supported by a multidisciplinary team, operations are aligned with NFI’s sales and marketing priorities, and content is developed through a structured, iterative process that ensures technical accuracy and alignment with stakeholder needs. The VIC provides fleet-transition guidance, collaborates with technology suppliers through gallery showcases and benchmarking activities, and ensures visitor safety and accessibility through established plant safety procedures, ADA-aligned facilities, and routine program feedback.



Measuring Engagement

Key metrics include event attendance across various formats and the number of vehicle demonstrations, industry presentations, facility tours, and supplier engagement activities. Innovation metrics include supplier discussions, questionnaire reviews, and the advancement of technologies for internal sourcing and engineering review. Metrics are captured through registration and learning systems, standardized attendance logs, and post-event surveys.



Activities and Program Highlights

In 2025, the VIC delivered several stakeholder engagement activities, including a 41-stop fuel cell-electric bus tour and 18 additional bus demonstrations. Many in-person VIC events supported customer learning on electrification pathways. The team delivered presentations at key industry conferences and conducted technology benchmarking, including a high-power battery market survey and multiple technical reviews. The Driver Impact Study was released, and new educational content on hydrogen, battery science, and propulsion-diverse fleet planning was developed. Messaging was updated to reflect evolving regulatory dynamics and the role of propulsion diversity.



Supporting the Technology Transition

Looking ahead, the VIC plans to continue to support informed discussions related to emerging propulsion technologies and fleet transition considerations within the transit sector. Ongoing efforts are expected to focus on maintaining up-to-date reference information, broadening educational materials, and ensuring that learning environments reflect a range of vehicle technologies and configurations. Future updates aim to prioritize balanced, technology-agnostic information to support awareness and understanding of evolving transit solutions, while remaining responsive to stakeholder interests and industry developments.

Product Safety

Safety
Core Value

Product safety is a core priority across NFI and is embedded throughout the vehicle lifecycle to protect passengers, operators, technicians, and the public, while supporting regulatory compliance and customer trust. NFI’s approach emphasizes safety-by-design, compliance with applicable jurisdictional requirements, and continuous monitoring of in-field performance to identify and address safety risks.



Across NFI, product safety is guided by applicable regulatory frameworks and internal engineering and quality standards, including vehicle legislation, safety engineering procedures, and risk assessment practices relevant to each market. These requirements inform vehicle design, development, testing, manufacturing, and validation activities. Product safety processes apply across design and engineering, prototype and validation testing, manufacturing and supplier controls, in-field monitoring, service practices, and incident management for all vehicle platforms and markets in which NFI operates.

Product safety is supported through cross-functional oversight involving Engineering, Quality, Service, Operations, and senior leadership. Dedicated safety or vehicle safety committees provide forums for escalation, review of safety issues, and decision-making related to mitigation actions, production controls, or recalls where required. Safety responsibilities are clearly defined to ensure accountability across design compliance, homologation or certification, and ongoing conformity of production.

A Vehicle Safety Committee, comprised of senior leadership and management, has been formed in both North America and the UK (which covers the rest of world markets). This committee meets regularly to identify steps to proactively minimize risks throughout the entire lifecycle, encompassing research, design, development, production, marketing, sales, and service of buses and coaches.

In-field product safety is monitored through customer and operator feedback, service and warranty data, incident reporting systems, and issue tracking tools. Reported safety issues are investigated, corrective actions are implemented as needed, and regulatory notifications and customer communications are managed in accordance with applicable requirements. Insights from incidents, field performance, and lessons learned are fed back into engineering, manufacturing, and future product development to support continuous improvement in product safety.



Safety



Safety is one of our core values at NFI. Product safety is a foundational consideration within NFI’s product development and manufacturing processes. Production teams regularly review safety-related topics relevant to their work areas, including product design, assembly, and quality considerations to support safe product performance throughout the vehicle lifecycle.

Product Quality

Quality
Core Value

Product quality is fundamental to NFI’s ability to deliver safe, reliable vehicles that perform as intended throughout their service life and support customer satisfaction and total lifecycle value. Across NFI’s businesses, product quality focuses on building vehicles in accordance with approved engineering designs and applicable standards, while using structured validation, manufacturing controls, and in-field feedback to continuously improve performance and reliability.

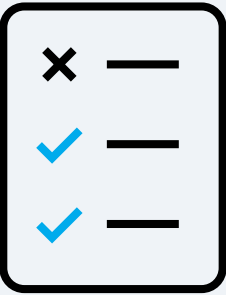


NFI’s product quality management is guided by documented quality policies, established internal standards, and our quality management system certified to ISO 9001 requirements. Quality processes span the full product lifecycle, including design and engineering, manufacturing, supplier quality, in-field performance monitoring, and after-sales support. These processes apply to all parts, components, sub-assemblies, and finished vehicles manufactured or sourced for NFI products.

Product quality is supported through defined leadership roles, quality and reliability functions, and cross-functional oversight involving Engineering, Quality, Manufacturing, and Service. Quality performance, issues, and improvement actions are reviewed through established escalation and decision-making processes to ensure accountability and timely resolution.

During product design and development, quality is supported through design reviews, validation and prototype testing, first-article inspections, and risk-based testing approaches coordinated between Engineering and Quality. Manufacturing and supplier quality are managed through inspection plans, control plans, quality gates, audits, torque and functional testing, and supplier performance monitoring, with dedicated quality and supplier development resources at the facility level.

Product defects, non-conformities, and customer feedback are captured through quality management systems, warranty and service reporting tools, and structured issue-management processes. Trends are analyzed to identify systemic issues, inform corrective actions, and feed lessons learned back into design, engineering, and manufacturing processes. Product quality performance is monitored using a combination of build, audit, warranty, field performance, and supplier indicators, with metrics applied across current vehicle models, facilities, and markets. NFI continues to strengthen product quality through organizational alignment, targeted process improvements, enhanced data analytics, and multi-year quality planning initiatives that emphasize cross-functional collaboration, supplier performance, and continuous improvement.



Quality

30 Shout-Out Entries

In 2025, 30 shout-outs were submitted related to our core value of Quality!



Quality is one of our core values at NFI, and the NFI Learning Institute manages all training requirements for our team members, promoting quality. Each morning, our production teams participate in stand-up meetings in their respective cell, and any quality issues are communicated to team members by a Quality Assurance representative. The quality team works alongside our production team members, assisting with the interpretation of quality standards and related drawings. We strongly believe in quality at the source, to identify and systemically correct issues, to promote building quality into our vehicles, and team members are encouraged to bring quality concerns forward.

NFI GROUP

A Better Workplace

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



Our Workplace Culture

Accountability
Core Value

Integrity
Core Value

Teamwork
Core Value

Employee Welfare
Key Sustainability Topic

Our vision is to drive business success by engaging and empowering our workforce. We strive to achieve this through the following actions:

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

At NFI, workplace culture is the environment we intentionally define and maintain across our operations to support safety, respect, accountability, and engagement. Our culture is shaped by our purpose and values, which guide decision-making, inform expected and demonstrated behaviors, and influence the day-to-day work across the organization. This culture is reinforced through clearly defined values, formal policies, and people programs designed to promote safe, respectful, and inclusive workplaces.

A strong workplace culture supports the ability to attract, retain, and engage talent, while enabling innovation, productivity, and operational effectiveness. Employee engagement and retention are important contributors to business performance, and a positive workplace culture helps foster collaboration, accountability, and continuous improvement in support of long-term sustainability objectives.

Consistency Across Our Operations

Our workplace culture framework applies across all NFI Group locations and business units. While we operate in diverse geographic and regulatory contexts, we maintain a consistent cultural foundation to ensure alignment with shared values, expectations, and standards.

A Shared Responsibility

Workplace culture is guided by NFI's Mission, Vision, and Values, Code of Business Conduct and Ethics, Respectful Workplace Policy, and Human Rights Statement, and supported by programs such as Values in Action and feedback and reporting mechanisms including Xpressline. Oversight is led by the People and Culture function under the direction of the Executive Vice President, People and Culture, with accountability shared across leadership and team members. Culture-related performance and risks are monitored through engagement and pulse surveys, leadership 360 reviews, onboarding and exit feedback, and ethics and conduct reporting, with regular review by senior leadership and annual reporting to the Board's Governance Committee.

Responsibility for fostering culture is embedded across the organization. Senior leaders define values, model expected behaviors, and integrate culture into business decisions. Front-line leaders reinforce cultural expectations through daily leadership practices, while the People and Culture department designs and maintains supporting programs, policies, and analytics. All team members contribute by demonstrating Company values and supporting a respectful and inclusive workplace.

Measuring Engagement and Strengthening Culture Over Time

Workplace culture is measured using a combination of quantitative and qualitative indicators, including participation and feedback trends, turnover, and retention outcomes. In 2025, NFI monitored engagement survey action plans, strengthened accountability within people programs, and increased participation in feedback mechanisms, enhancing insight into employee experience and workforce stability. Looking ahead, we intend to continue investing in leadership development, employee education, recognition, and communication programs to further strengthen culture and engagement outcomes across future feedback cycles.



Meet Stephen Swan

Senior Designer, Advanced Architecture Development, Electrical Engineering



I joined MCI as a co-op student in 2007 and became full-time in 2008, progressing through several roles within the Engineering team. In my current position, I support the engineering and development of our product lines, with a focus on vehicle electrical systems. One of my favorite projects was the launch of the D45 CRT LE, the industry's first low-entry motorcoach, where I was involved from early prototype development through delivery to customers.

What I enjoy most about working at NFI is the people. Everyone truly cares about what they do and consistently goes above and beyond. I also enjoy the variety and challenge of the work—every day brings something new, and the projects and innovations make it an exciting place to be.

Team Recognition – Shout-Out Program

The shout-out program in our North American business units was designed to allow team members to recognize their colleagues for going the extra mile. In 2026, NFI rebranded its North American shout-out program as Values in Action to align recognition with the Company's core values and expanded the program to Alexander Dennis, extending participation to international team members.

78 In 2025, 78 “Shout-Out” recognitions were submitted by team members recognizing their colleagues.

Workplace Safety and Health

Safety
Core Value

Employee Health and Safety
Key Sustainability Topic

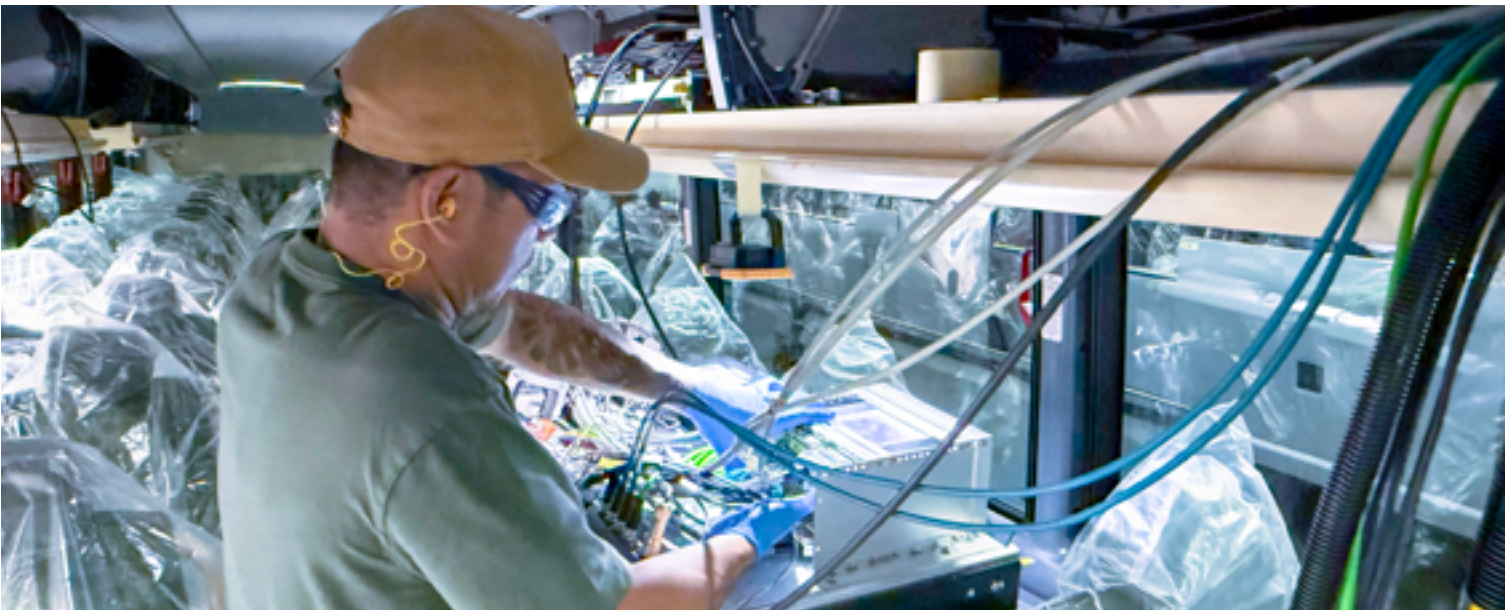
At NFI, workplace safety and health is a foundational priority and central to how we operate and how we care for our people. Our approach is focused on preventing harm, promoting health and well-being, complying with applicable regulations, and fostering a safety-first culture across all operations, including manufacturing, testing, field service, and office environments. We are committed to continuously reducing incidents through structured risk management, employee participation, and ongoing improvement of our safety systems and practices.

Management System and Standards

Our workplace safety and health program is integrated into the Environmental, Health and Safety (“EHS”) function, guided by an EHS Policy and supported by a comprehensive Environment, Health and Safety Management System (“EHSMS”). This system establishes the principles, processes, and controls required to identify hazards, assess risks, and prevent incidents. The EHSMS applies across NFI facilities and operations and extends to contractors, visitors, vendors, and suppliers through expectations outlined in our Supplier Code of Conduct. The system is designed to support incident prevention, regulatory compliance, and continuous improvement and is aligned with recognized occupational health and safety management practices, including ISO 45001 at registered sites.

Accountability and Worker Participation

Oversight and accountability for EHS are supported through defined structures and resourcing. An EHS Director and EHS Senior Managers provide leadership and strategic direction, supported by site EHS Managers and EHS Specialists at many NFI sites. Joint Health and Safety Committees (“JHSCs”), or worker representatives, where applicable, are in place at all locations to ensure worker participation in identifying and addressing health and safety risks. These structures support shared responsibility and help integrate EHS considerations into operational decision-making.



Hazard Identification, Risk Assessment, and Prevention

Hazard identification and risk assessment are core components of NFI’s safety management approach. Work-related hazards are identified through routine inspections conducted by supervisors and health and safety committees trained to recognize potential risks. When hazards are identified, risks are assessed, and solutions are developed to eliminate or mitigate exposure. For specific projects or continuous improvement initiatives, EHS teams conduct formal risk assessments, and external industrial hygiene consultants are engaged as needed to perform specialized exposure monitoring and focused assessments.

A range of controls and prevention programs are used to reduce the likelihood and severity of incidents. These include engineering controls such as fall-protection systems and machine safeguarding; administrative measures such as new-hire orientation, written procedures, mandatory training, and safety certifications; and personal protective equipment (“PPE”) requirements based on completed risk assessments and industrial hygiene findings. These measures are intended to address risks associated with routine operations as well as non-routine tasks.



Worker Engagement and Health Protection

Worker participation is an essential part of NFI’s EHS program. Team member involvement is supported through JHSCs that take a cooperative approach to identifying and resolving safety-related risks. Daily toolbox talks are distributed across NFI facilities to reinforce hazard awareness and safe work practices. Workers are also involved in incident investigations and corrective action development, helping ensure that learnings are practical and relevant to frontline work.

Health protection and well-being are supported through targeted programs designed to manage occupational exposures. Occupational health considerations are embedded within broader risk assessment processes and exposure monitoring activities.



Incident Reporting, Investigation, and Learning

Incidents, near misses, and unsafe conditions are required to be reported and investigated to identify root causes and prevent recurrence. Typically, investigations involve the supervisor, the affected worker, and a member of the JHSC or a worker representative. The objective of every investigation is to understand contributing factors and implement corrective actions. Safety alerts are distributed when incidents or near misses have broader organizational relevance, and lost-time incidents, significant environmental releases, and major near misses are reviewed during monthly EHS Council meetings involving site and senior leadership.

Measuring Safety Performance and Driving Improvement

NFI tracks workplace safety performance using established lagging and leading indicators. Lagging indicators include Recordable Injury Rate and Lost Time Injury Rate, aligned with relevant regulatory recordkeeping criteria. Leading indicators tracked at most sites include audit completion, closure of corrective actions and prevention plans, completion of incident verification activities, and safety certification completion rates. These metrics are tracked weekly and reported through monthly EHS Council reports.

NFI’s Health + Safety Measures	2023	2024	2025
Incident Rate per 200,000 work hours	3.2	4.4	3.6
Lost-Time Incident Rate per 200,000 work hours	1.5	1.6	1.3
Fatality Rate team members and contractors at NFI locations	0.0	0.0	0.0

In 2025, several actions were taken to strengthen safety performance. At New Flyer sites, ergonomics and safety improvements were incorporated into existing Lean Kaizen processes, enabling safety considerations to be embedded into operational improvements, contributing to the lower incident and lost time rates in 2025. In addition, quarterly safety awareness campaigns were launched across North America in the fourth quarter, with a focus on reinforcing key safety behaviors and risk awareness.

Overall, NFI’s approach to environmental, health, and safety is grounded in a culture of shared responsibility, where leadership engagement, employee involvement, and continuous learning are integrated into day-to-day operations. Through consistent performance monitoring, system alignment, and targeted capability development, safety is reinforced as a core value that shapes behaviors, decision-making, and accountability across the organization.



19 In 2025, 19 shout-outs were submitted related to our core value of Safety!

Safety is one of our core values at NFI, and the NFI Learning Institute manages all training requirements for our team members, promoting safety. Each morning, our production teams participate in stand-up meetings in their respective cell and are educated on various safety topics. At NFI, we believe that everyone can be a safety leader, and it is the responsibility of all team members to maintain a positive and proactive attitude toward safety to accomplish our goals while working and performing safely.

The majority of our North American heavy-duty and medium-duty transit and motorcoach manufacturing facilities, along with two North American fabrication sites, are registered to the ISO 45001 Occupational Health and Safety standard.

Shaping the Future with Today’s Talent

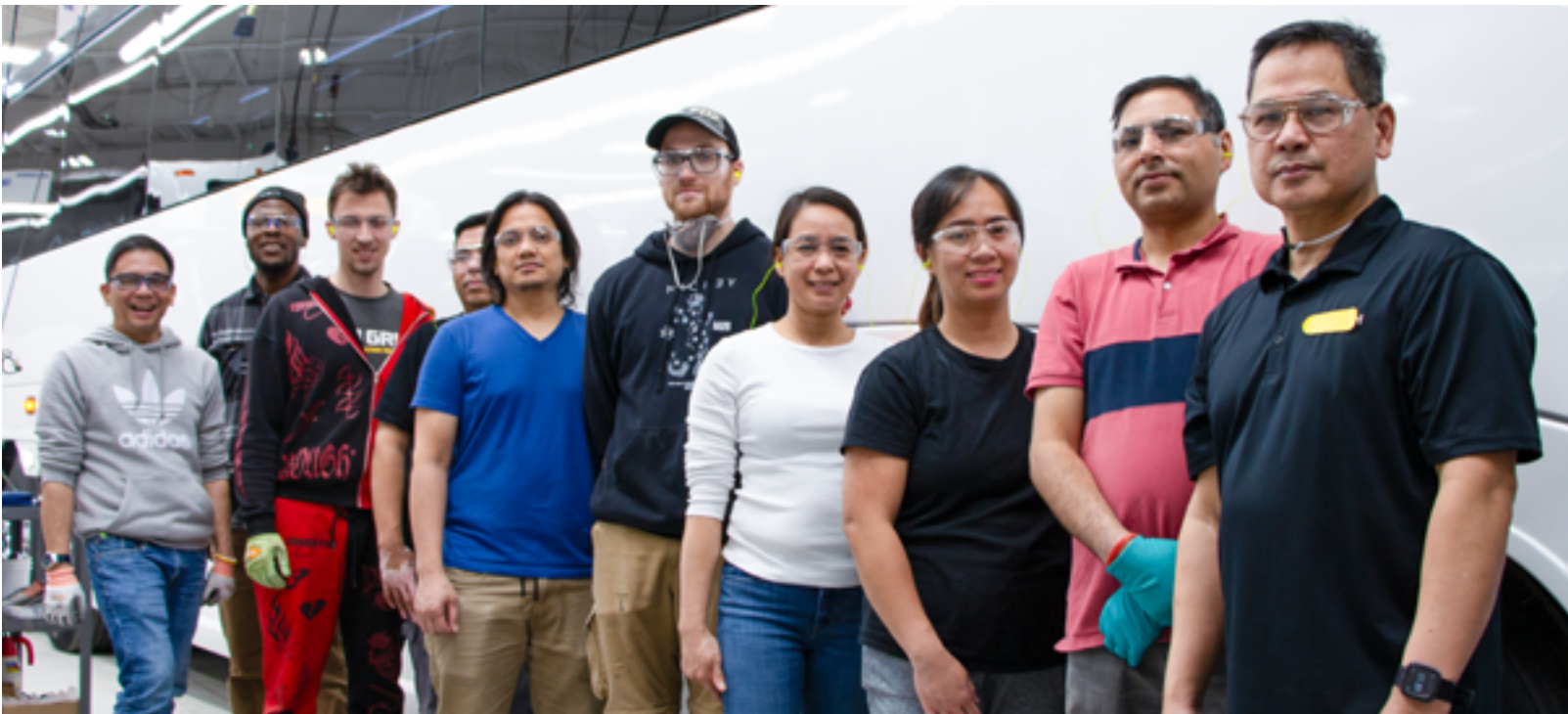
Accountability
Core Value

Integrity
Core Value

Human Capital Development
Key Sustainability Topic

Building an Inclusive and Future-Ready Workforce

Shaping the future with today's talent is central to our long-term business success and our commitment to responsible workforce practices. Our employment practices are designed to build a skilled and inclusive workforce that reflects our core values, supports our business strategy, and contributes positively to the communities in which we operate. We are committed to fair, compliant, and inclusive employment practices that provide equitable access to opportunity while enabling NFI to attract and retain the talent needed to meet current and future business demands.



Supporting Fair Employment

Our practices are guided by a suite of policies and commitments that establish clear expectations for fairness, respect, and human rights. These include the NFI Code of Business Conduct and Ethics, Human Rights Statement, Equal Opportunity Policy, Board Diversity Policy, and Supplier Code of Conduct. Together, these frameworks reinforce our commitment to non-discrimination, inclusive employment practices, and ethical conduct across our workforce and value chain. These principles are embedded in recruitment, selection, and workforce planning processes across all geographies and facilities.

Recruitment and selection for all salaried and hourly team members across all operating locations and are governed by a centralized structure led by the Group Talent Acquisition and Workforce Development Manager who reports to the Group Director of Human Resources. This role works collaboratively with the Senior Manager of Culture and Social Responsibility and the Director of the NFI Learning Institute to ensure appropriate oversight, alignment, and accountability across talent, learning, and inclusion objectives.



Equal Employment Opportunity

NFI is committed to fostering a diverse and inclusive workforce by providing equal employment opportunities for all individuals. We strive to recruit, hire, train, and promote the most qualified candidates, regardless of any characteristics protected by law.

In alignment with our Human Rights Statement, Code of Business Conduct and Ethics, and Company values, we actively work to reduce biases in our hiring and advancement processes. We aim to create an environment that respects and values unique differences, ultimately contributing to a more inclusive culture and a respectful workplace. We are dedicated to eliminating barriers and continue to develop programs that support recruitment and advancement of all individuals.



Inclusive Hiring Practices and Talent Pipelines

NFI applies structured and consistent hiring processes to promote fairness, inclusion, and compliance. Job descriptions are reviewed to promote clarity and inclusiveness, and accommodation options are offered throughout the recruitment and interview process. Interviews use standardized questions and multi-person selection teams to reduce bias and support equitable decision-making. Background checks are conducted only after a conditional offer of employment is made, preserving fairness while facilitating compliance with regulatory requirements. An applicant tracking system (“ATS”) supports transparency, recordkeeping, and consistency across each stage of the hiring lifecycle.

Attracting skilled talent from a variety of backgrounds is supported through strengthened community outreach and partnerships. NFI works directly with community agencies and organizations to reduce employment barriers. These partnerships support sourcing, onboarding, and continued career development, enabling NFI to build inclusive talent pipelines while contributing to local community development. We partner with educational institutions and community organizations to support work-integrated learning, pre-employment training, and skills development in advanced manufacturing and skilled trades.

Recruiters and hiring managers receive training to ensure consistent, compliant, and inclusive hiring practices. All recruiters and hiring managers are required to complete interview training that covers structured interviewing, fairness, and awareness of inclusive hiring practices. Detailed procedural manuals are available through HR SharePoint resources, and Human Resources participates in interviews to provide guidance, reinforce equitable practices, and address any concerns as they arise.

Candidate experience and accessibility are important considerations throughout the hiring process. NFI offers accommodation at all stages of recruitment and provides flexibility in interview formats, including both onsite and virtual options. Clear, timely, and respectful communication is prioritized to support transparency and trust. NFI continues to seek opportunities to improve accessibility and remove barriers for new candidates and current employees with disabilities.



In 2025, New Flyer was recognized by the State of Alabama as Employer of the Year for its work supporting people with disabilities, reflecting progress in this area.

Supplier Alignment

Suppliers and staffing partners are expected to align with NFI's practices by demonstrating fair, non-discriminatory hiring and workplace practices. Alignment is assessed through policies, documentation, and measurable outcomes, including compliance requirements for U.S. facilities subject to Office of Federal Contract Compliance Programs (“OFCCP”) and Affirmative Action Plan reporting.

Partnering for Talent Development

Talent Acquisition processes are closely connected to retention and development. Candidates are assessed against both current role requirements and long-term potential, supporting stronger quality-of-hire outcomes. When skill gaps are identified, NFI works with community partners to develop future talent pipelines. Talent Acquisition partners with Learning and Development to align hiring with growth opportunities, promote internal mobility, and support structured onboarding, helping employees succeed early and progress throughout their careers.

Strengthening Future Talent Outcomes

NFI tracks a range of hiring, pipeline, and workforce indicators to inform decision-making and continuous improvement. These include open and filled requisitions, time-to-fill, and turnover. Quality of hire and retention are supported through performance evaluations conducted at 30 days, three months, five months, and one year.

We expect to continue to broaden outreach through sustained partnerships with community organizations, educational institutions, and organizations. Ongoing improvements to data quality, reporting, and governance are expected to support metrics, analysis, and data-driven decision making, helping ensure our talent practices continue to support both business needs and inclusive growth.

Workforce Development

Accountability
Core Value

Integrity
Core Value

Human Capital Development
Key Sustainability Topic

Community Engagement
Key Sustainability Topic

Workforce development is a strategic priority that supports long-term business success, equitable growth, and team member readiness for current and future roles. We take a proactive, forward-looking approach to developing our workforce by combining strong external partnerships with structured internal training and continuous learning opportunities. Our workforce development efforts are designed to equip team members with the skills, knowledge, and capabilities needed to succeed in advanced manufacturing environments while supporting individual career growth and long-term employability.

Workforce development is guided by a clear mission and vision that shape our programs and priorities. Our mission is *Developing the Best People Through Sustainable Continuous Improvement*, and our vision is that team members are empowered through acquired skills and knowledge to achieve both organizational and individual goals. These principles are supported by frameworks such as our Community Partnership Framework, which guides how and with whom we partner externally, and our Educational Assistance Policy, which supports team member learning and development.

Developing Skills Across the Talent Pipeline

Workforce development spans the entire talent pipeline, from early awareness initiatives through post-secondary education and ongoing team member development. Externally, we work with educational institutions, apprenticeship bodies, and community organizations to build awareness of advanced manufacturing careers and develop standardized programs aligned to our talent needs. Internally, workforce development includes comprehensive onboarding, core skills and safety training, and structured on-the-job learning that prepares new team members to work independently once competence is demonstrated. We also invest in leadership development for managers and emerging leaders, cross-functional training to support professional growth and succession planning, and stretch assignments that build capability across the organization.

The NFI Learning Institute oversees internal training programs and customized learning initiatives. In partnership with the Talent Acquisition and Workforce Development Manager, the Learning Institute ensures that training delivered through external educational institutions and community partners aligns with role-specific skill requirements. Together, these teams identify skills gaps, secure appropriate resources, and leverage internal expertise or external providers to

build the capabilities required to meet current workforce demands and strengthen the future talent pipeline.

Workforce skills and future capability needs are assessed using a variety of data-driven inputs. These include analysis of time-to-fill and hard-to-fill roles, workforce planning forecasts, and turnover trends to identify emerging gaps. Employee feedback gathered through surveys, training evaluations, and competency-based assessments provides additional insight into skill strengths and development needs. These inputs are used to shape targeted workforce development strategies aligned with changes in technology, operations, and market conditions.

A range of programs support team member learning and upskilling across roles and career stages. These include apprenticeship programs and upskilling initiatives for skilled trades, foundational leadership development programs, and the Employee Performance Review (“EPR”) process, which encourages regular career discussions and development planning. Team members have access to educational assistance, mentoring opportunities, stretch assignments, and learning resources delivered through the Learning Management System (“LMS”). Succession planning is also supported through job profiling for key roles and identification of critical skills required for long-term business continuity.

Equitable access to development opportunities is supported through standardized processes designed to be consistently applied across business units and locations. Workforce development programs are structured so they can be replicated and scaled, helping ensure that team members across locations and job types have access to learning and advancement opportunities. Standardized methodologies embedded within collective bargaining agreements further support fairness and consistency in access to training and development.

External partnerships play an important role in workforce development. Guided by the Community Benefits Framework, each facility builds relationships with community-based organizations, educational institutions, and training providers that share the goal of strengthening local communities and supporting equitable access to employment opportunities. These partnerships help deliver training, expand access to career pathways, and develop talent pipelines aligned with local workforce needs.





Measuring Progress and Preparing for the Future

Workforce development programs are evaluated and improved through ongoing collaboration with community-based organizations and internal stakeholders. Evaluation considers factors such as the number of candidates sourced and hired through partnerships, progression into new roles, demonstrated competency through assessments, and overall program outcomes. Feedback and results are used to refine programs and inform future initiatives.

NFI tracks a range of workforce development and readiness indicators to support continuous improvement. These include training hours, training costs, certifications completed, the number of candidates sourced and hired through community-based organizations.

In 2025, NFI continued to strengthen its workforce development efforts by expanding community partnerships into additional regions and replicating programs across locations. Initiatives such as high-school job shadow programs, enhanced skilled-trade training, and broader awareness of manufacturing career pathways were extended to more communities. The ATS was further leveraged to track applicant sources from community partners, improving visibility into pipeline effectiveness. These efforts continued to focus on supporting community and business workforce needs.

NFI plans to further enhance workforce development by expanding training programs for mechanics, continuing to roll out partnerships to support additional facilities, and strengthening inclusive talent pipelines. NFI is also preparing for future technologies by building workforce readiness for automation, digital tools, and advanced manufacturing through upskilling and reskilling initiatives, strengthened systems and processes, and continued collaboration with educational and community partners.

Community Benefits Framework

In 2024, we revised our **Community Benefits Framework** (“CBF”) to integrate workforce development initiatives across all business units, further enhancing our efforts to expand our talent pipeline. The CBF now serves as the foundational framework for all formal agreements that outline and implement our commitments. We remain dedicated to expanding this model, striving to adopt this approach at every NFI facility, ensuring a consistent focus on community impact and inclusive employment practices across the organization.



The Next Generation of Talent

Accountability
Core Value

Quality
Core Value

Human Capital Development
Key Sustainability Topic

Community Engagement
Key Sustainability Topic

Preparing for the future of manufacturing requires deliberate investment in skills, technology readiness, and long-term talent pipelines. At NFI, our future workforce strategy focuses on developing skilled manufacturing talent, strengthening early-career pathways, and building organizational readiness for evolving technologies. Through a combination of apprenticeships, technical training, industry partnerships, and collaboration with educational institutions, we work to ensure our workforce is equipped to support advanced manufacturing today and in the years ahead.

NFI supports the development of skilled manufacturing talent through a range of manufacturing-specific initiatives. These include apprenticeship programs, partnerships with skilled-trade organizations such as the Canadian Welding Bureau (“CWB”) and Skills programs, and collaboration with manufacturing sector councils and post-secondary institutions. NFI also participates in manufacturing advisory committees, contributing industry insight to help align training programs with evolving workforce and technology needs. These efforts support both individual skill development and broader industry capacity.

Building Manufacturing Skills and Workforce Readiness

Preparing for future manufacturing workforce needs is an ongoing priority. As demand for battery-electric and fuel cell-electric vehicles, and advanced manufacturing systems increases, NFI continues to enhance technical capabilities through targeted electrical skills training and continuous improvement initiatives. This approach supports readiness for electrification, automation, diagnostics, and other emerging manufacturing requirements while reinforcing a culture that values innovation, efficiency, and sustainability.

A range of programs are in place to strengthen manufacturing skills for both current and future roles. These include advanced manufacturing initiatives in high schools that build early awareness of manufacturing careers, electrical apprenticeships, weld development programs, industrial paint programs, and the planned development of future mechanics. Leadership development is also integrated into this approach, recognizing that strong frontline and technical leadership is essential to supporting and retaining skilled manufacturing talent.

Partnerships with schools play a critical role in building future manufacturing pipelines. NFI engages with students as early as kindergarten through facility tours, presentations, advisory councils, and career events that introduce manufacturing concepts and pathways. At the high school and post-secondary levels, we support job shadowing, co-operative education placements, and internship programs that provide meaningful work-integrated learning experiences. Collaboration with educational institutions also enables the development of customized training solutions and targeted micro-credentials that accelerate skill development and improve job readiness.

Measuring Progress and Preparing for the Future

Workforce readiness for new manufacturing technologies is assessed by comparing current workforce capabilities against the skills required for future-state operations. This analysis helps identify skill gaps and informs the selection or design of targeted training programs. Progress is evaluated through feedback channels, performance assessments, and ongoing review of how effectively new skills are applied in operational settings. Manufacturing readiness is tracked through records maintained by the NFI Learning Institute, including training hours, completion of on-the-job training, participation in training programs, and involvement in Company projects.

In 2025, the NFI Learning Institute designed and delivered an internal Electrical Technician Program to support battery-electric and fuel cell-electric buses and coaches. Robotics and CNC operation training is supported through structured on-the-job learning and vendor-led training where specialized expertise is required. Additional progress was made through strengthened school and community manufacturing pipelines, including improvements to internship recruitment processes, increased school presentations and facility tours, expanded job shadowing opportunities with high schools, and growth in candidates sourced and hired through community partners.

NFI expands its manufacturing workforce pipelines by strengthening partnerships with educational institutions, apprenticeship governing bodies, and community organizations. This includes ongoing refinement of electrical technician training to reflect technology changes, regular review of on-the-job training for evolving machinery, robotics, and artificial intelligence, and targeted efforts to generate new manufacturing talent aligned with advanced manufacturing needs. Through these efforts, NFI supports a skilled and resilient manufacturing workforce aligned with business objectives and broader industry development.



Meet Shianne Pineda

Production Welder



“ I joined New Flyer in early 2024 as a Production Welder after completing my Red Seal apprenticeship in Manitoba, and I’m proud to work on our chassis while continuing to learn from my peers. What I enjoy most is the people — from leadership to my teammates, I’ve felt supported, encouraged, and excited about the career growth ahead. My advice to women interested in the trades is simple: don’t be afraid to go for it. No matter the obstacles, with the right team and organization behind you, there’s always an opportunity to succeed.

NFI Learning Institute

The NFI Learning Institute (the “Institute”) supports team member training, development, and long-term workforce capability across the organization. The Institute’s purpose is to ensure team members have the skills, knowledge, and competencies required to work safely, deliver quality products, adapt to change, and grow in their careers. Team member learning and development at NFI is supported by formal policies, tools, and frameworks that establish consistency, transparency, and accountability. These include training policies and procedures, the Educational Assistance Policy, apprenticeship frameworks, standardized leadership programs, and structured tools such as Job Instruction Breakdowns (“JIBs”), On-the-Job Training (“OJT”), forms, feedback mechanisms, and succession and talent management templates. Learning content is managed through a centralized Learning Management System (“LMS”), which supports instructor-led training, eLearning, micro-learning, and certification tracking.

Learning Programs and Core Training

Learning and development programs delivered by the Institute span onboarding, technical and role-specific training, safety and regulatory compliance, leadership development, digital learning, and coaching. In partnership with the People and Culture teams, the Institute delivers standardized onboarding for all new team members across North America. Manufacturing team members also complete core skills training, such as math and measurement, blueprint reading, document navigation, and the use of air and hand tools to establish a consistent baseline of knowledge. Training is delivered through classroom instruction, virtual sessions, eLearning, and structured on-the-job learning, supplemented by external training providers where internal subject-matter expertise is not available.

Program Design and Learning Delivery

Learning and development is overseen by the Director of the NFI Learning Institute, supported by the Learning and Development Manager and the Leadership and Professional Development Manager who lead distinct portfolios focused on technical manufacturing development and leadership and professional development. Training delivery is supported by Learning and Development Specialists and, in larger facilities, in dedicated training rooms, technical labs, and computer labs. Where dedicated spaces are not available, training is delivered through internal conference rooms or external venues. Curriculum development typically involves collaboration between Learning and Development Specialists and subject-matter experts, with peer review and defined review

cycles to ensure relevance, accuracy, and consistency across locations.

Capability needs and learning priorities are identified through a combination of strategic planning, compliance requirements, and operational inputs. These include long-range planning objectives, certification and regulatory requirements across jurisdictions, quality system data such as internal process reviews and field reports, and identification of upskilling needs linked to career development and talent management. Informal training needs assessments are conducted before launching new programs to confirm desired outcomes and determine the most effective delivery method. The Institute also administers 360-degree feedback for leadership groups, providing insights into strengths and development areas. This process enhances self-awareness and supports the creation of targeted individual development plans.

Accessibility, Quality, and Compliance

Equitable and accessible learning opportunities are supported through inclusive design and flexible delivery methods. eLearning content is developed with features such as subtitles and translated materials, including French and Spanish, where required. The LMS allows team members to self-enroll in courses for just-in-time learning, and training is delivered across all shifts where needed to accommodate operational requirements. Micro-learning for specialized topics are provided through external partners, with additional learning resources sourced from platforms where in-house expertise is limited. Translation support and plain-language course design are used to reduce barriers for team members with limited English proficiency.

Training quality is supported through standardized curriculum design and evaluation processes. All Learning and Development Specialists are certified in the Evaluation, Reflection, Generalization, and Application (“ERGA”) learning model, which guides curriculum development and delivery. Learning objectives are clearly defined for each program, outlining the expected changes in learner behavior. New programs undergo peer reviews, and where training is delivered by trainers not regularly involved in the Institute, Train-the-Trainer approaches are used to support consistent messaging. Learning assessments and feedback mechanisms are embedded to support continuous improvement.

Safety-critical and compliance training is closely monitored through structured

Quality
Core Value

Human Capital Development
Key Sustainability Topic



regulatory and certification tracking processes. Certification status reports are generated weekly and shared with relevant stakeholders. Training status notifications are issued to team members and leaders, supporting timely completion and regulatory compliance across locations.

Supporting Education

We see access to education as an important way to support employee growth, strengthen talent pipelines, and contribute to long-term workforce readiness. Learning opportunities are designed to support both current and future roles, encourage leadership development, and adapt to changing industry and technology needs. Education support includes a mix of internal development programs, leadership development and succession planning for senior leadership roles, and financial assistance for external learning such as post-secondary education, certifications, and trades training. Our Educational Assistance Program is offered across most of our North American businesses, with plans to introduce a similar program in the UK. Learning activities are guided by established policies and processes to help ensure relevance to business needs, and are delivered through a combination of instructor-led and digital training, mentorship, and subject-matter expert-led content. Program quality and participation are monitored through feedback, learning assessments, and training activity metrics. In 2025, NFI delivered a range of technical, safety, leadership, and professional development training, supported by partnerships with post-secondary institutions and expanded use of digital learning to improve accessibility.

Measuring Impact and Building Future Capability

Learning outcomes are increasingly integrated with broader talent processes. In 2025, tools were developed to support cross-training, succession planning, and talent management, including skills matrices and a formal Talent Management Program aligned to performance management. Leadership development initiatives included the rollout of an updated Emerging Leadership Program to North American team members, with expansion planned to additional regions. Leadership resources such as Leadership Lens and Leadership Power Half Hour were introduced to support ongoing development, alongside regular leadership feedback through 360-degree assessments.

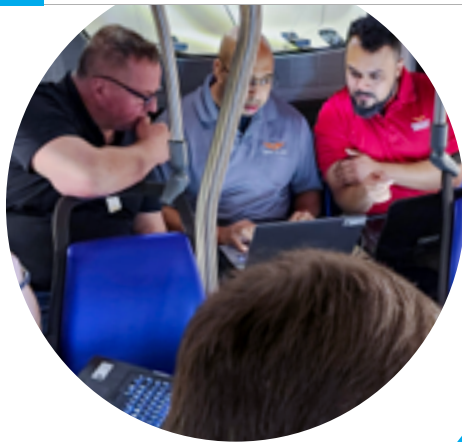
The Institute tracks a range of training activity and capability indicators. These include total training hours, average training hours per team member, completion of OJT, number of courses by category, training distribution by location, and compliance with safety-critical training requirements. In 2025, the annual average training hours per team member were approximately 28–30 hours, consistent with prior reporting periods. Internal training methods in 2025 consisted of approximately 16% eLearning, 61% classroom instruction, and 23% OJT. Additionally, a variety of programs and enhancements were delivered, including leadership development initiatives, conversion of training materials into French, technical programs such as paint development and electrical training, and expanded support for manufacturing operations across regions. Inclusion training was rolled out for senior leadership groups, and Learning and Development Specialists completed additional training on LMS use and administration.

The Institute focuses on strengthening learning delivery through continued investment in digital and blended learning tools, targeted use of virtual reality, and AI-supported content development, and aligning learning plans and outcomes with business needs. These activities support workforce readiness, leadership development, and long-term organizational capability.

\$11.9M

invested in team member training in 2025¹

¹ \$11.9 million includes direct external training expenditures and an estimated value assigned to employee time invested in training activities.



2025 NFI Training Hours by Category

On-The-Job Training	173,987
Technical	38,420
Safety	31,819
Orientation	13,511
Professional	7,619
Computer	5,187
OpEx	4,436
Quality	1,428
Leadership	1,407
Financial	525
Culture and Inclusion	517
Communication	174



Total Rewards

Employee compensation is designed to support a fair, equitable, and sustainable employment relationship that enables the organization to attract, motivate, and retain talent across all areas of the business. Our approach to compensation is grounded in maintaining pay that is internally equitable, externally competitive, and aligned with the skills, experience, and contributions employees bring to the organization. Fair and transparent compensation practices are an important component of NFI’s long-term business sustainability and workforce stability.

Responsible Compensation

Compensation is guided by established policies and governance frameworks that promote consistency and accountability. These include Salary and Wage Administration Policy, Incentive Plan documents, and the provisions of applicable collective agreements. Together, these documents outline how pay is administered across business units and employee groups, facilitating alignment with organizational principles.

NFI’s compensation programs include all major employee groups across the organization. This encompasses hourly and salaried employees, unionized and non-union roles, administrative and operational functions, and executive positions. Compensation and eligibility for incentives and benefits vary by role, business unit, and geography, reflecting differences in market conditions, collective agreements, and regulatory environments.

Compensation programs are structured to reflect differing responsibilities across employee populations. Executive compensation programs are overseen by the Board’s Governance Committee, which provides strategic direction and oversight. Non-executive compensation programs are overseen by the Executive Vice President, People and Culture, with day-to-day administration managed by the NFI People and Culture team and a dedicated Compensation Manager function. Business Unit HR teams support consistent application across locations. External compensation specialists are engaged where required to support benchmarking, policy development, or major initiatives.

Fair Pay Practices

We are committed to non-discrimination in all compensation practices. Compensation decisions are intended to be made without regard to protected characteristics, and are guided by policies that limit discretion and support transparency. Alexander Dennis conducts gender pay gap analyses in the United Kingdom on an ongoing basis and takes action to address unaccounted-for discrepancies where identified. NFI complies with all applicable reporting requirements in the jurisdictions where it operates.

Benefits, Well-Being, and Total Rewards

Employee compensation is complemented by a comprehensive suite of benefits and well-being programs designed to support health, financial security, and overall wellness. In North America, benefits typically include medical, dental, and vision coverage; employee assistance programs; life and accidental death and dismemberment insurance; disability coverage; and employer-sponsored retirement programs. Benefits provided in the United Kingdom and other regions reflect local regulatory and market practices. Across all locations, benefits programs are designed to support employee well-being and contribute to workforce attraction and retention.

Monitoring Performance and Continuous Improvement

NFI tracks selected compensation-related indicators to support oversight and continuous improvement, including aggregate incentive performance outcomes and wage levels in relation to local living-wage benchmarks in North America. NFI Group has partnered with a third party to develop a North American methodology for living-wage assessments.

98.1%

In 2025, 98.1% of NFI team members in North America earned wages that met or exceeded the living wage standards in their respective communities.¹

¹ This value excludes Alexander Dennis at this time.

Integrity
Core Value

Human Capital Development
Key Sustainability Topic

Culture and Inclusion
Key Sustainability Topic

NFI remains committed to maintaining competitive, fair, and sustainable compensation practices. This includes continued use of market-based benchmarking, regular living-wage assessments, and ongoing refinement of compensation frameworks and governance practices. Compensation systems, data quality, and reporting continue to be enhanced as part of broader people and culture modernization efforts, supported by the Compensation Manager function. Benefits programs are also reviewed and benchmarked to support employee well-being and align with evolving workforce needs.



2025 Alexander Dennis Gender Pay Gap

Alexander Dennis continued to make measured progress in gender representation. In 2025, women accounted for 9.8% of its workforce overall and for 14.9% of leadership roles. This resulted from a higher proportion of women joining the business compared to our overall female population at Alexander Dennis. Additionally, the median gender pay gap at Alexander Dennis decreased from 4.4% in 2024 to -0.2% in 2025. Alexander Dennis remains committed to closing the gender pay gap in the years ahead. Alexander Dennis continues to be an active member of Women in Transport and Women in Bus and Coach, working with peers to advance opportunities for women in our industry, and offering development opportunities for our female team members.

The full report can be found here:
[Alexander Dennis Gender Pay Gap Report for 2025](#)

Respectful Workplace

Integrity
Core Value

Culture and Inclusion
Key Sustainability Topic

NFI has zero tolerance for workplace discrimination and harassment. All team members are responsible for a safe and respectful environment, free of discrimination and harassment, where high value is placed on equity, fairness, and dignity. Discrimination and harassment based on race, gender identity or expression, sexual orientation, colour, national or ethnic origin, religion, marital status, family status, citizenship status, veteran status, age, or disabilities is prohibited. NFI has zero tolerance for acts of violence, threats of violence, and acts of intimidation against another person or group.

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

Respectful workplace complaints are tracked in five main complaint categories, these include:

- ✓ Inappropriate / Disrespectful Behavior
- ✓ Personal Harassment
- ✓ Violation of Company Policy
- ✓ Sexual Harassment
- ✓ Violation of Protected Class / Characteristic

NFI has robust incident reporting and investigation processes to maintain confidentiality and to prevent non-retaliatory behavior. Reporting to leadership is conducted on a quarterly basis.

Xpressline

Accountability
Core Value

Xpressline is an electronic employee suggestion, feedback, and question submission platform created by NFI for our North American team members. Submissions can be made by team members confidentially or they can opt to include their information. Submissions are tracked by main categories, and team members receive a response back personally via email if disclosing their information or using a ticket number if they opt for a confidential submission.

278

In 2025, 278 submissions were received, an 11% decrease in submissions from 2024.

Employee feedback through Xpressline can include, but is not limited to the following:

- ✓ General Employee Feedback
- ✓ Respectful Workplace Concerns
- ✓ Safety Concerns & Suggestions
- ✓ Border Security Concerns & Suggestions
- ✓ Loss Prevention Concerns & Suggestions
- ✓ Product & Build Process Improvement Suggestions
- ✓ Training & Development Concerns & Suggestions
- ✓ Employee & Labour Relations Concerns
- ✓ Social Committee Feedback & Suggestions
- ✓ Company Intranet Improvement
- ✓ Diversity & Inclusion Suggestions
- ✓ Sustainability / Environmental Concerns & Suggestions

The categories of general employee feedback, employee and labour relations concerns, and safety concerns and suggestions, continue to be the top three areas of submission. In 2025, NFI issued refreshed communications on this program at sites with low submissions and exploring options to expand the program to our team members outside of North America.



Labour Relations

Teamwork
Core Value

Integrity
Core Value

Human Rights
Key Sustainability Topic

Labour relations are grounded in respect for human rights, lawful employee representation, and constructive engagement with unions and employee representatives. Labour relations are managed with a regional focus while maintaining a global NFI perspective, reflecting differences in labour frameworks across jurisdictions while applying consistent principles across the organization. NFI respects freedom of association and the right to collective bargaining and recognizes that employees may choose whether or not to be represented by a legally recognized labour union. The organization prohibits any member of management or agent of NFI from interfering with or undermining these rights.

Labour-Management Relationships

Labour relations focuses on maintaining constructive relationships between the Company and its unions to support market-competitive wages, benefits, and working conditions. This includes supporting collective bargaining processes, administering collective agreements, resolving grievances and disputes, and facilitating compliance with applicable labour legislation. The overall objective is to foster stable labour–management relationships that support operational effectiveness, employee engagement, and long-term business sustainability.

Policies and Ethical Conduct

NFI's labour relations practices are guided by collective bargaining agreements, commitments to freedom of association and non-retaliation, and broader corporate policies, including the NFI Group Human Rights Statement, Code of Business Conduct and Ethics, Respectful Workplace Policy, and Whistleblower Policy. Together, these frameworks establish expectations for ethical conduct, respect for workers' rights, and responsible labour practices across the organization.

Union Representation and Workforce Coverage

Labour relations at NFI include unionized employees with representation from seven unions globally, representing nearly 60% of our global workforce.

Dialogue and Administration

Labour relations is led by the NFI Labour and Employee Relations team, overseen by the Director of Labour and Employee Relations and supported by dedicated specialists. This function partners closely with People and Culture, plant management, and senior leadership.

Engagement with unions and employee representatives is supported through ongoing dialogue and regular meetings. Quarterly labour–management meetings are held at the facility level, with additional interactions occurring through daily discussions between plant management and local union leaders. Regional manufacturing leaders participate in face-to-face meetings with union representatives during site visits, and senior leadership engages with union officials on broader issues affecting the business. These interactions support collaboration, transparency, and informed decision-making in a dynamic operating environment.

Compliance with collective agreements is supported through structured interpretation and administration processes. Following the ratification of new or renewed agreements, Labour and Employee Relations conducts collective agreement interpretation sessions and provides guidance to People and Culture and management teams. This helps ensure consistent application of contract provisions and supports understanding during operational or organizational changes.

Progress and Labour Relations Priorities

In 2025, several actions were taken to strengthen labour relations. In North America, the Labour and Employee Relations team focused on building collaborative relationships with union business agents, through regular communication and in-person engagement. Outcomes during the year included the successful ratification of new collective agreements at multiple locations. These included a 3.5-year agreement with Unifor at Carfair Winnipeg and a 5-year agreement with IAM at MCI Pembina in North Dakota. In the UK, a recognition agreement was established with the Scottish Trade Unions, and we engaged in consultation with Unite the Union and GMB on restructuring proposals.

Labour and Employee Relations continues to work closely with People and Culture, leadership teams, and union partners to promote constructive dialogue, dispute prevention, and stable labour–management relationships across the organization.



Freedom of Association

Teamwork
Core Value

Integrity
Core Value

Human Rights
Key Sustainability Topic

Respecting freedom of association is a key element of our commitment to human rights and responsible employment practices. We recognize and respect the right of all workers to freely choose whether to associate or not associate with a labour union, to elect representatives, and to engage in collective bargaining through legally recognized unions, in accordance with applicable laws. NFI prohibits any member of management or agent of the Company from interfering with, undermining, or exerting pressure on employees in relation to the exercise of these rights.

Policies, Application and Representation

Freedom of association and collective bargaining is guided by established policies and governance frameworks. These include collective bargaining agreements, the NFI Group Human Rights Statement, the Code of Business Conduct and Ethics, the Respectful Workplace Policy, and the Whistleblower Policy, along with compliance with local labour laws in all jurisdictions where NFI operates. Together, these documents establish clear expectations for non-retaliation, ethical conduct, and respect for workers' rights.

Freedom of association rights apply to all NFI employees globally, including employees working at unionized and non-unionized facilities. Where employees choose representation, NFI recognizes and engages with legally recognized unions in accordance with applicable collective bargaining agreements and related commitments.

Freedom of association is integrated within NFI's labour relations, People and Culture, and human rights oversight structures. The Company's commitment is articulated in its Human Rights Statement and Code of Business Conduct and Ethics, and is supported through regular review of human rights risks, due diligence activities, and internal management systems. Where these reviews identify opportunities for improvement, NFI works to address identified gaps.

Implementation, Training, and Ongoing Commitments

Freedom of association is operationalized through a combination of training, communication, and safe reporting mechanisms. Training and awareness-raising activities are provided to all team members, including practical guidance on acceptable and unacceptable conduct related to union organizing and collective bargaining. Employees are encouraged to speak up without fear of retaliation through multiple channels, including town halls, engagement surveys, pulse checks, and a confidential reporting mechanism. Any concerns raised related to freedom of association or other human rights are investigated in accordance with the Whistleblower Policy, and retaliation or reprisal is not tolerated.

Supervisors and leaders receive targeted training on freedom of association and neutrality expectations. Neutrality training sessions are conducted to clarify legal obligations, non-retaliation requirements, and respectful communication practices to ensure leaders understand their responsibilities.

In 2025, NFI took specific actions to support freedom of association, including conducting neutrality training for leadership teams and adhering to neutrality principles. There were no formal complaints related to freedom of association identified in 2025.

NFI is committed to strengthening its approach to freedom of association through continued neutrality training, incorporation of neutrality principles into broader labour agreements where applicable, and enhanced communication to foster employees' understanding of their rights. Through these actions, NFI aims to maintain a respectful, lawful, and consistent approach to freedom of association across its 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.



Employee Well-Being

- Safety

Core Value
- Integrity

Core Value
- Employee Welfare

Key Sustainability Topic
- Employee Health and Safety

Key Sustainability Topic

Employee well-being is understood as supporting team members’ ability to maintain their physical health, psychological safety, and work–life balance so they can contribute effectively and sustainably in the workplace. Our approach recognizes that well-being is multi-dimensional and encompasses physical, mental, social, and financial aspects of employees’ lives.

Employee well-being is important to NFI because it supports the health, safety, and overall well-being of our team members. By fostering a supportive work environment, we aim to help employees perform their roles safely and effectively, remain engaged, and sustain their contributions over time. Supporting well-being can also help mitigate risks related to fatigue, disengagement, and turnover while contributing to a safer and more resilient workforce.

Programs and Support

Well-being is supported through a combination of programs, benefits, and practices embedded within our broader people, safety, and workplace policies. These include health and wellness benefits, employee assistance programs ("EAP"), respectful workplace initiatives, flexible work arrangements where operationally feasible, and leave programs that support personal and family needs.

Oversight of employee well-being is shared across senior leadership functions, including the People and Culture leadership team, EHS, and the Executive Vice President, People and Culture. These groups are responsible for monitoring workforce trends, overseeing relevant programs, and identifying opportunities to support team member well-being within the organization's operational context.

NFI offers a range of programs and resources to support employee well-being. These include extended health and wellness benefits, preventative care programs, employee assistance programs that provide confidential counselling and support services, psychological safety and respectful workplace initiatives, flexible work arrangements where feasible, personal and family leave programs, and connection and community engagement activities. Financial well-being is supported through retirement planning resources, employee savings or investment programs, and access to financial education or counselling resources.



Monitoring Well-Being and Strengthening Support Over Time

Employee well-being needs are identified and monitored through a combination of employee engagement and pulse surveys, workforce data analysis, benefits and EAP utilization trends, absenteeism and turnover monitoring, exit interviews, onboarding feedback, and ongoing dialogue between team members and leaders. These inputs are consolidated and analyzed in aggregate through HR systems and, where appropriate, reviewed by employee group or business unit to identify trends, pressure points, and opportunities for targeted support. Individual-level data is protected and not used for identification purposes.

Looking ahead, NFI Group's focus remains on continued education and awareness related to employee well-being and exploring opportunities to enhance existing programs.



Team Spirit and Belonging

Team spirit reflects the collective commitment of team members to collaborate, support one another, and contribute to shared organizational goals. Grounded in unity, mutual respect, and a shared sense of purpose, it helps create environments where individuals feel valued, engaged, and connected. This contributes to social cohesion across the organization and supports responsible business practices by encouraging constructive and respectful collaboration. While inherently qualitative, team spirit can be observed through participation in workplace initiatives, peer recognition aligned with core values, and everyday behaviors that promote positive and inclusive work environments.

A strong sense of team spirit supports employee engagement, psychological safety, and organizational resilience. Collaborative and supportive workplaces are better positioned to sustain morale, productivity, and problem-solving capacity, particularly during periods of change or operational complexity. Team spirit also contributes to employee satisfaction and retention by helping foster a workplace culture where individuals feel connected to their colleagues and to the broader purpose of the organization.



Integrity
Core Value

Teamwork
Core Value

Employee Welfare
Key Sustainability Topic

Policies, Leadership, and Employee-Led Initiatives

Team spirit is supported by formal policies, leadership expectations, and employee-led programs. Our Respectful Workplace Policies, Code of Conduct, and Company values establish clear expectations for behavior and collaboration across the organization. The value of teamwork is embedded throughout the employee lifecycle, including performance management processes and internal communications. Leaders play an important role by modelling collaborative behavior, encouraging participation in engagement initiatives, and visibly supporting activities that bring teams together.

A variety of programs and initiatives further reinforce team spirit. Our Social Committees operate across NFI's facilities and locations, providing opportunities for employees to lead, plan, and participate in locally relevant social and engagement activities, with guidance from our People and Culture teams. In addition, Company-wide initiatives, such as United Way campaigns, workplace celebrations, milestone recognitions, and facility events, encourage participation across teams and business units and help foster a shared sense of purpose.

Monitoring Belonging and Strengthening Engagement

Team spirit and cohesion are monitored using a range of qualitative and indirect indicators. These include results from engagement and pulse surveys that assess collaboration, belonging, and workplace culture; participation levels in events, social committee activities, and recognition programs; and trends in turnover, retention, and exit interview feedback. Additional insight is drawn from employee feedback mechanisms such as Xpressline and Respectful Workplace reporting.

Our focus remains on strengthening the structures that support team member connection and engagement and we will continue to rely on team member feedback, participation trends, and engagement indicators to guide future actions and ensure that efforts to foster team spirit remain aligned with team member experience and organizational priorities.

2025 Open Houses Across North America

Teamwork
Core Value



NFI also supports team spirit by creating opportunities for team members and their families to connect with the organization. In 2025, Open House events were held across North American operations, allowing team members to invite family and loved ones into the workplace to learn more about NFI’s operations and culture. These events were designed to strengthen connection, understanding, and pride in the work team members do every day.

From May to October, 20 of NFI’s North American facilities participated in this initiative, bringing over 9,000 team members and their families to visit. Each Open House provided families with a behind-the-scenes look at the day-to-day work at NFI, offering age appropriate explanations of roles, processes, and the impact of our operations. By opening our doors to loved ones, we created meaningful opportunities for team members to share their contributions and for families to better understand how their support connects to our organization’s success.

The events were designed to be inclusive and family friendly, featuring various activities such as sports games,

face painting, and other interactive experiences. Importantly, each Open House was tailored to reflect the unique character and interests of its facility, ensuring programming was relevant, engaging, and locally meaningful. This flexible approach allowed teams to showcase their work in ways that resonated with their communities and families.

Beyond celebration, the initiative supported our broader sustainability goals by strengthening workplace culture, enhancing employee engagement, and reinforcing a sense of belonging. By recognizing team members not only as professionals but as parents, caregivers, and family members, the Open House initiative contributed to a supportive and resilient organizational environment.

Overall, the Open Houses highlighted our belief that a strong workplace culture starts with people—creating spaces where team members feel valued, connected, and proud of the work they do.

NFI GROUP

A Better World

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

Culture and Inclusion

Integrity
Core Value

Culture and Inclusion
Key Sustainability Topic

Employee Welfare
Key Sustainability Topic

Human Rights
Key Sustainability Topic

Culture and inclusion shape the environment in which our team members work and interact each day. Culture reflects the shared values, purpose, and behaviors that guide how work is done, how decisions are made, and how individuals are treated. It encompasses the expectations set for leaders and team members, the policies and procedures that support safety and respect, and the overall tone and experience of the workplace. Inclusion describes how individuals experience that environment, including whether they feel respected, supported, and able to fully participate and contribute.

An inclusive culture helps attract and retain talent, strengthens employee engagement, and supports innovation by encouraging diverse perspectives and collaboration. Higher levels of engagement are associated with improved productivity, stronger problem-solving, and a more positive overall employee experience, all of which contribute to the sustainability of the organization.



Policies and Values Supporting Inclusion

Culture and inclusion are supported by a foundation of policies, programs, and governance structures designed to promote respect, fairness, and accountability. These include the Respectful Workplace Policy, the Human Rights Statement, and the Code of Business Conduct and Ethics, alongside accessible reporting mechanisms such as Xpressline. NFI's Mission, Vision, and Values ("MVV") provide a shared framework for expected behaviors, reinforced through programs such as Values in Action, leadership accessibility, inclusive meetings, and transparent communication practices.



KMG

Meet Reo Wiser

Maintenance Technician 1



“I served as a Specialist in the U.S. Army from 2007 to 2012 and saw combat twice during that time. I had the opportunity to lead others in active combat missions and valued the strong camaraderie among my fellow soldiers. Serving and protecting people back home was something I took great pride in.

I joined KMG in October 2018 as a Team Lead, was promoted to Cell Lead, and now work as a Maintenance Technician 1. My military background gave me a strong sense of duty, leadership, and problem solving skills, and I believe veterans bring valuable leadership and core values to any organization.”

Leadership Accountability and Inclusive Practices

Culture and inclusion starts with the CEO, and is led by the Executive Vice President, People and Culture, with oversight and implementation supported by senior People and Culture leadership and leaders across the organization. Responsibility for fostering an inclusive culture is shared across leadership levels, reinforcing that culture and inclusion are integral to how NFI operates rather than stand-alone initiatives. A range of processes are used to strengthen inclusion across the organization. Leaders are supported through inclusion-focused training and ongoing development opportunities, including short, accessible learning sessions. An MVV portal on our Company intranet provides clarity on cultural expectations and behaviors for all team members. Hiring practices are designed to be accessible and inclusive, with leaders receiving bias-mitigation training as part of recruitment processes. NFI also works closely with community partners through its Community Benefits Framework to help remove barriers to employment and broaden access to job opportunities.

Measuring Culture, Inclusion, and Employee Experience

We measure aspects of workplace culture and inclusion through a combination of qualitative and quantitative indicators. These include insights from employee engagement surveys, 360-degree feedback programs, participation in the Values in Action program and feedback received through Xpressline. Together, these tools provide a comprehensive view of employee experience and help identify strengths and opportunities within the workplace environment. Data related to culture and inclusion is reviewed monthly and through quarterly reporting cycles.



Building an Inclusive and Consistent Workplace Culture

In 2025, NFI continued to focus on strengthening the foundation of its culture and inclusion efforts. Emphasis was placed on leadership training, enhancement of training content, and reinforcing behaviors that support safe and inclusive spaces across the organization. These efforts were aimed at building consistency in expectations and experience across locations and teams.

NFI's focus is on cascading inclusion training throughout the organization, expanding learning opportunities, and enhancing onboarding programs to more clearly set expectations for an inclusive workplace from the outset. Efforts to strengthen culture and inclusion are guided by a multi-year workplan and include policy alignment with local regulatory requirements, engagement with community-based organizations, and leadership development activities. Together, these practices support a safe, respectful, and inclusive workplace for all team members.

Workforce and Leadership Representation by Group ¹	2023	2024	2025
Indigenous People	0.5%	0.6%	0.6%
People With Disabilities	1.6%	1.6%	1.6%
Women	19.0%	20.0%	20.0%
Women in Middle Management and Above	22.9%	21.0%	24.0%
Women in Executive Roles	16.1%	19.0%	20.0%
Women in Board Roles ²	56.0%	56.0%	44.0%
Veterans	3.0%	2.4%	2.6%
Visible Minorities	24.2%	24.7%	27.2%
Visible Minorities in Middle Management and Above	11.8%	15.0%	14.0%
Visible Minorities in Executive Roles	3.2%	1.0%	1.0%
2SLGBTQIA+	1.2%	1.1%	1.1%
Historically Disadvantaged People	1.3%	1.4%	1.4%
People with Caregiver Responsibilities	1.4%	0.6%	1.2%

¹ Based on voluntary declarations.
² This statistic excludes members of NFI's management on the Board.

Fostering Opportunity and Inclusion

NFI's roadmap outlines a clear pathway to advance workforce inclusion, grounded in continuous improvement. It is guided by five core principles that shape our commitment:

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



Truth and Reconciliation Efforts

Integrity
Core Value

Culture and Inclusion
Key Sustainability Topic

NFI's Truth and Reconciliation efforts are grounded in the recognition of the legacy and ongoing impacts of Canada's residential school system and the importance of contributing meaningfully to reconciliation with Indigenous Peoples. Guided by the Truth and Reconciliation Commission of Canada's Call to Action #92, NFI seeks to advance reconciliation within its sphere of influence by examining how its employment practices, workforce development activities, and community partnerships can better support Indigenous inclusion, equity, and opportunity. These efforts align with NFI's broader commitments to sustainability, respect for human rights, and positive social impact.

Focus Areas and Organizational Approach

Truth and Reconciliation initiatives currently focus on employment and workforce development, leadership education, and community partnerships within Canada. These efforts are informed by the organization's broader human rights and culture frameworks and its commitment to ethical and inclusive employment practices. Truth and Reconciliation activities are operationalized through existing workforce development, learning, and community engagement processes, with collaboration across People and Culture, Workforce Development, and Learning and Development functions, and activities guided by business and community needs.

Partnerships and Indigenous Engagement

Indigenous perspectives are incorporated into program design through partnerships with post-secondary institutions and Indigenous-led or Indigenous-serving organizations. Examples include collaboration with Red River College Polytech and White Earth College to help shape training pathways, inform program design, and better understand how to engage Indigenous learners and communities in culturally respectful ways. These partnerships provide insight into program accessibility, relevance, and community needs.

Measuring Progress and Building Capability

Progress on Truth and Reconciliation efforts is currently monitored through voluntary workplace representation data, the number and nature of organizations engaged through workforce development initiatives, and partnerships with Indigenous communities and institutions.

In 2025, NFI advanced its Truth and Reconciliation efforts by engaging external experts to develop additional leadership training related to Indigenous history and reconciliation. This training is intended to deepen leader awareness and understanding and is planned for rollout in 2026. These actions represent steps toward strengthening internal capability and awareness as a foundation for future progress.

NFI acknowledges that its Truth and Reconciliation journey is ongoing, and in looking ahead, NFI intends to continue advancing Truth and Reconciliation by deepening partnerships with Indigenous communities and educational institutions, enhancing leadership education, and improving the measurement and reporting of related activities. Through these efforts, NFI seeks to contribute to reconciliation in ways that are respectful, meaningful, and aligned with the needs of Indigenous communities and the organization's values.



Environmental Performance

Sustainability
Core Value

Climate Action
Key Sustainability Topic

Environmental Management
Key Sustainability Topic

Environmental performance is a key component of NFI's sustainability strategy and reflects our commitment to responsible operations, resource efficiency, and impact management. We monitor and manage key environmental aspects across our operations, including energy consumption, greenhouse gas emissions, air emissions, water management, waste generation, and biodiversity, using a structured, data-driven approach to reduce adverse impacts and improve performance over time. Each North American manufacturing facility conducts an annual evaluation of activities that impact, or have the potential to impact, the surrounding environment. These assessments are led by site-level EHS personnel and inform operational controls, risk management, compliance with applicable environmental requirements, and continuous improvement initiatives.

Energy

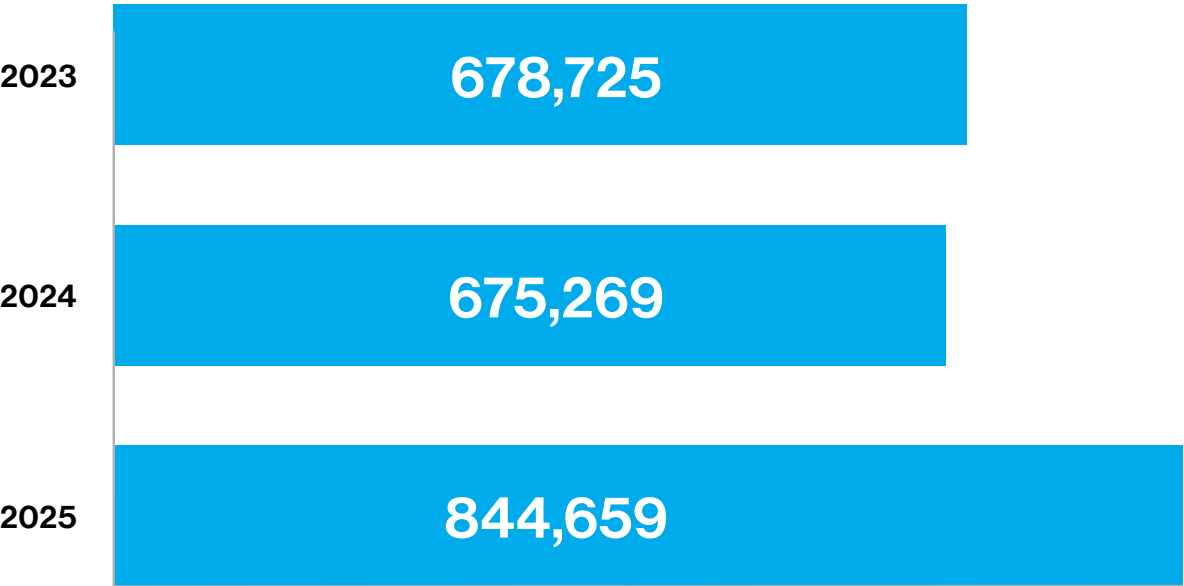
NFI's energy management approach focuses on monitoring and improving energy performance across operations to support sustainability and climate objectives. Energy consumption is measured at the site level, reviewed monthly, and consolidated within centralized systems to inform decision-making, identify trends, and facilitate alignment with greenhouse gas accounting and sustainability reporting.

Energy use is largely driven by building-related loads, with the majority of consumption attributable to facility heating and cooling systems and the performance of the building envelope. Process-related energy use is limited. Many facilities are located in colder climates where space heating represents a significant portion of energy demand, and performance is influenced by factors such as weather conditions and production volumes.

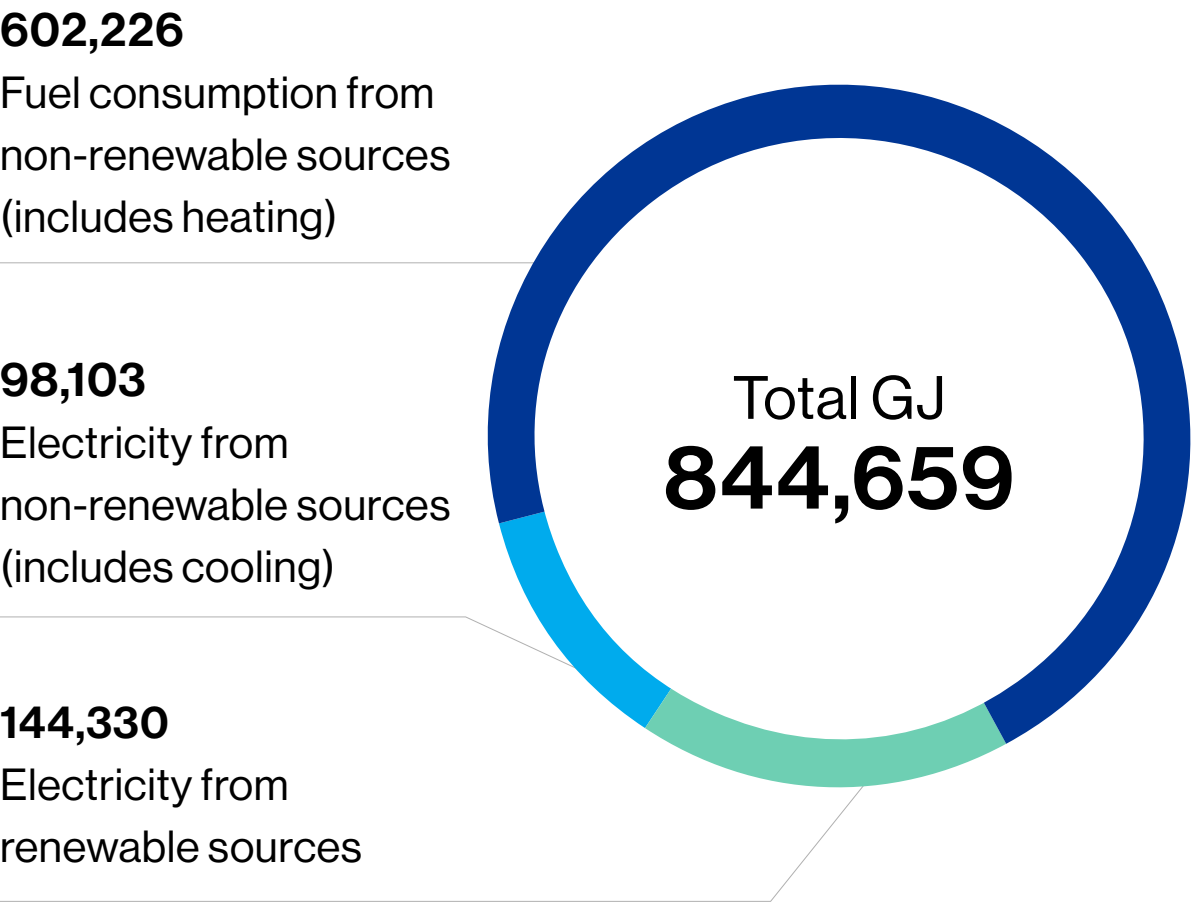
The increase in energy use in 2025 was primarily driven by higher natural gas consumption for space heating. This increase aligns with a pattern observed at several sites that experienced below-normal winter temperatures, contributing to elevated heating demand.

Energy efficiency initiatives primarily target facility energy use and include operational improvements, preventive maintenance, and equipment upgrades such as LED lighting, HVAC and boiler improvements, building insulation enhancements, and ventilation system upgrades. Where feasible, larger projects targeting facility energy consumption aim to achieve a 10% reduction within their scope. NFI continues to pursue continuous improvement, evaluate renewable energy opportunities where practicable, and enhance data systems to support proactive energy management.

Total Energy Consumption in Gigajoules (GJ)



2025 Energy Consumption by Source (GJ)

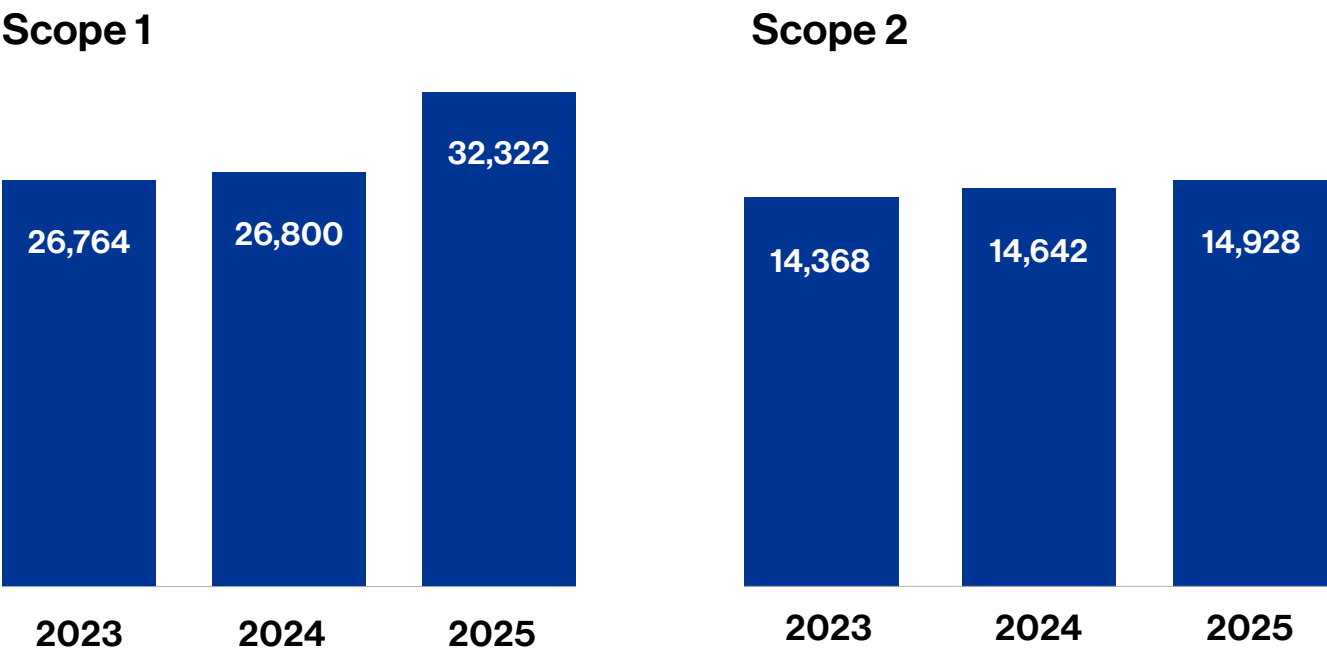


Greenhouse Gas Emissions

NFI monitors and manages its direct and indirect greenhouse gas (“GHG”) emissions (Scope 1 and Scope 2) to support informed decision-making, emissions-reduction planning, and alignment with applicable climate policies and regulatory requirements. Scope 1 and Scope 2 emissions consumption data are collected across all business divisions and calculated in alignment with the Greenhouse Gas Protocol Standard. Calculations are reviewed regularly and supported by internal audits to promote data accuracy and consistency.

Emissions reduction efforts are primarily driven through energy efficiency initiatives, operational optimization, electrification of fossil-fuel equipment where practicable, and the integration of renewable energy sources. NFI also advances emissions performance through production process improvements, preventive maintenance programs, lean manufacturing initiatives, and employee engagement. Reporting boundaries include all sites within NFI’s operational control in the United States, Canada, and the United Kingdom.

Absolute Scope 1 and 2 Emissions (Metric Tons CO₂e)¹



¹ Scope 1 and Scope 2 emissions are calculated in accordance with the Greenhouse Gas Protocol’s Corporate Accounting and Reporting Standard.

Air Pollutant Emissions

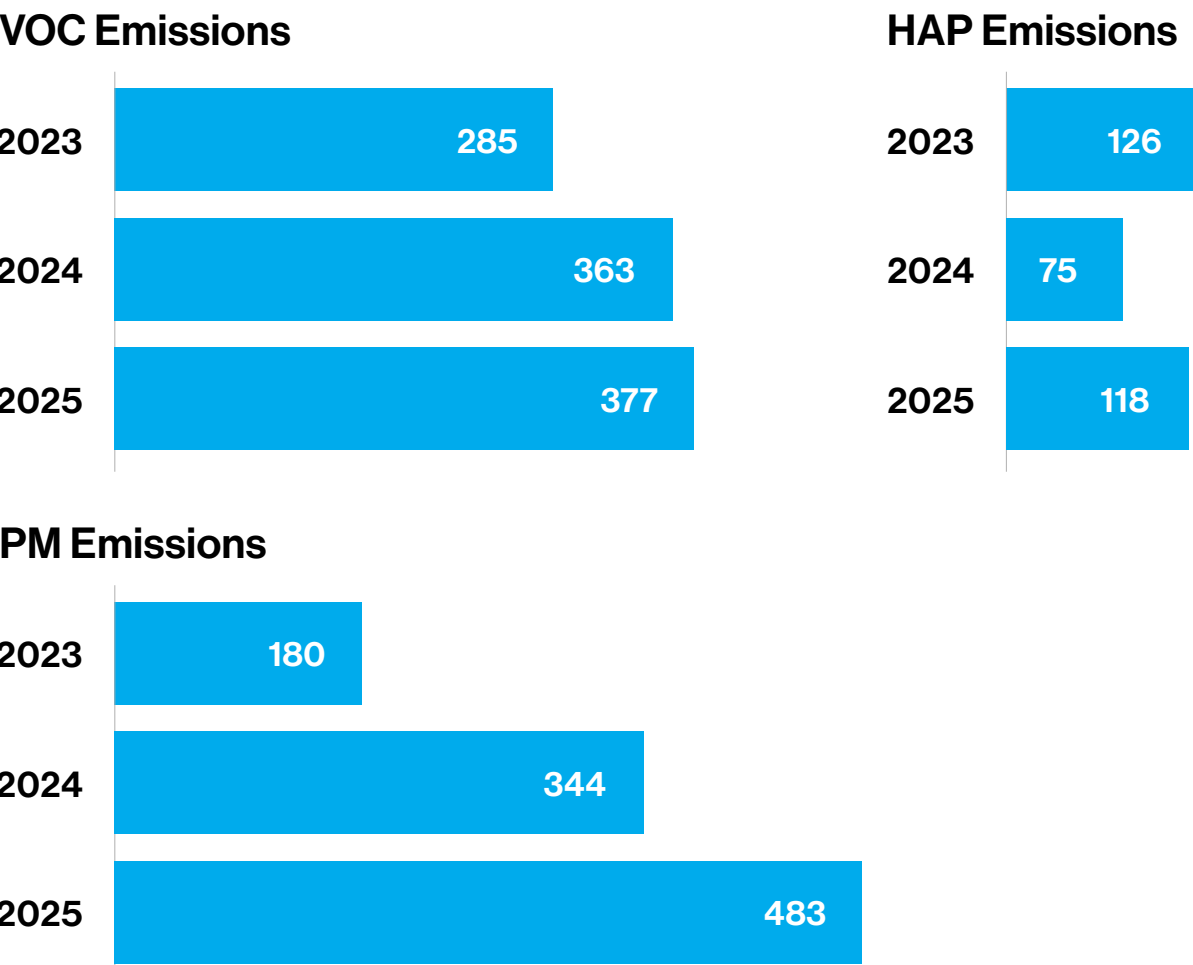
Air emissions management focuses on minimizing non-greenhouse gas air emissions from NFI’s operations and supporting clean air in the communities where we operate. Air pollutant emissions are managed to meet applicable regulatory requirements and, where commercially reasonable, are reduced beyond those requirements. Air emissions are primarily associated with painting, coating, and fiberglass manufacturing processes, which can generate volatile organic compounds (“VOC”), hazardous air pollutants (“HAP”), and particulate matter (“PM”).

Air emissions management is guided by applicable regulatory frameworks in the jurisdictions in which we operate and is supported through internal compliance oversight and regular monitoring. Air emissions are measured through calculation-based methods using material inputs (paints, solvents, chemicals).

NFI continues to pursue improvements in air emissions performance through process optimization, controlled production environments, proper maintenance of air pollution control equipment, and planned actions such as increased use of low-VOC materials and deployment of particulate and fume capture systems.

Air emission increases in 2025 are primarily associated with higher production line rates.

Air Pollutant Emissions (Metric Tons)



Waste

Effective waste management is a core component of NFI's sustainability strategy and focuses on reducing waste sent to disposal, increasing material diversion, and facilitating compliance with applicable regulatory requirements. Across manufacturing and fabrication operations, waste management practices emphasize recycling, material recovery, responsible disposal, and regular monitoring of waste streams to support continuous improvement and resource efficiency.

The primary waste stream generated is industrial waste from manufacturing and fabrication activities, with additional waste streams including recyclable materials and hazardous wastes, particularly those associated with painting and coating processes. Waste management activities are guided by regulatory frameworks, with compliance supported through waste manifests, internal audits, inspections, and the use of licensed waste management providers.

Waste is collected and tracked through site-specific systems using approved third party waste haulers, with tonnage reports reviewed regularly. NFI reduces waste generation and increases diversion through recycling programs, material optimization, and process improvements where feasible. Hazardous wastes such as paint-related materials, solvents, oils, and adhesives are managed and disposed of by certified contractors. Chemicals used in production are regularly reviewed to minimize use and identify feasible lower-impact alternatives.

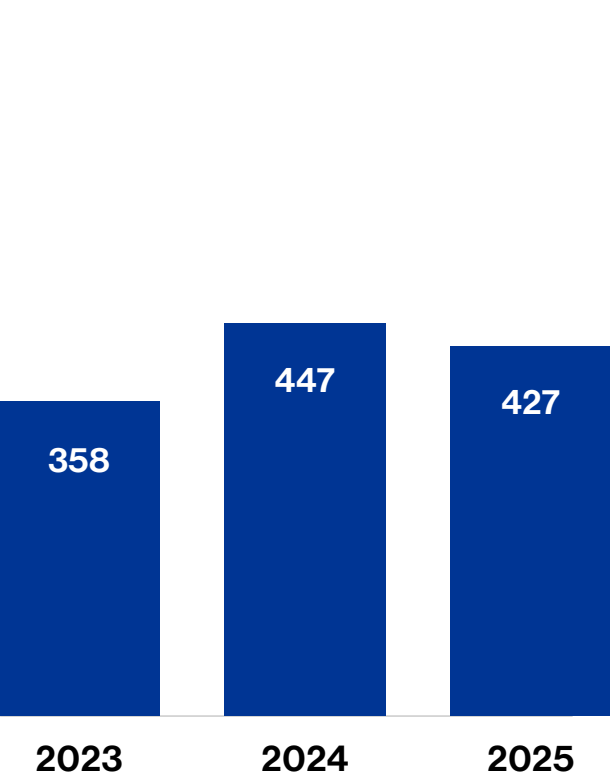
Hazardous waste generation decreased in 2025 compared to the prior year. This reduction was primarily associated with lower painting activity at certain sites, reflecting temporary production adjustments during the year. In contrast, waste disposed to landfill increased, generally corresponding with higher production volumes and associated operational activities. This trend was particularly evident at locations undergoing facility expansion activities.

Recycled material volumes increased during the year. These increases were associated with higher production, as well as enhanced data collection processes and targeted yard clean-up activities at select locations.

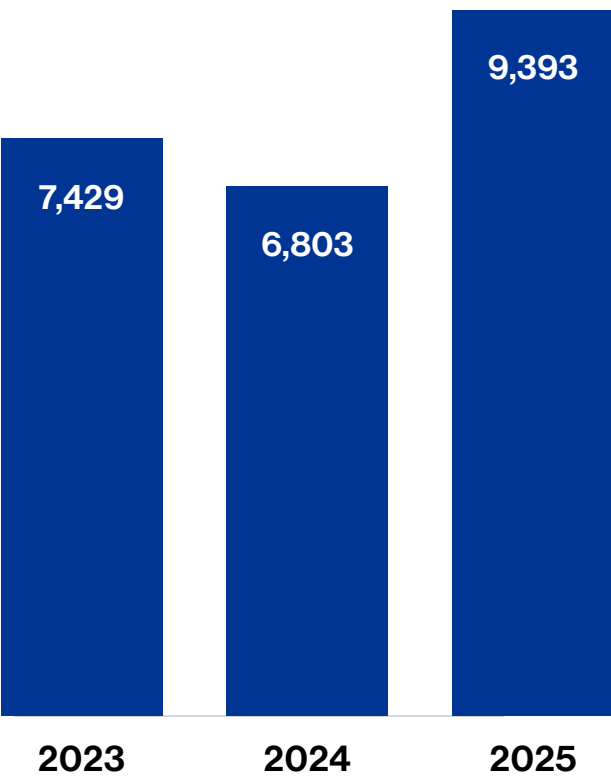
Ongoing priorities include reducing landfill disposal, increasing diversion rates, improving on-site segregation, and strengthening waste data quality through enhanced hauler engagement and more proactive tracking and digitalization.

Total Waste (Metric tons)

Hazardous Waste

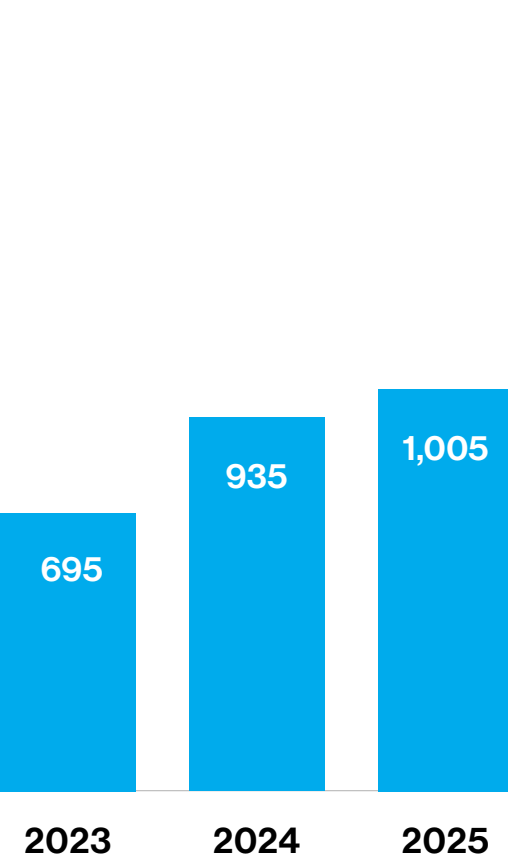


Industrial Waste Direct to Landfill

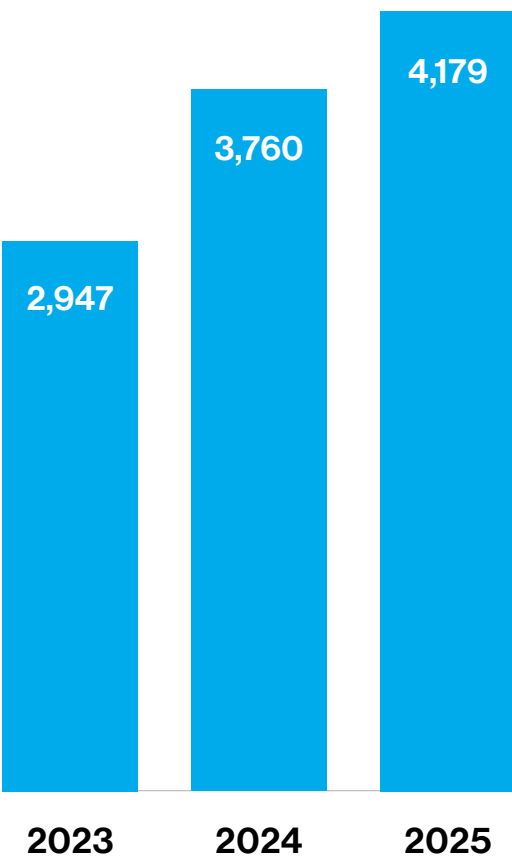


Waste Diverted from Landfill (Metric tons)

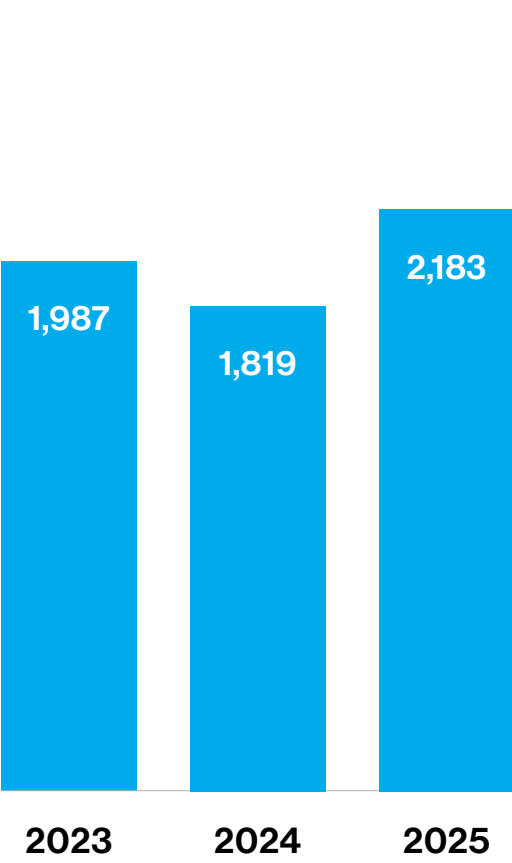
Recycled Cardboard



Recycled Metal



Recycled Wood



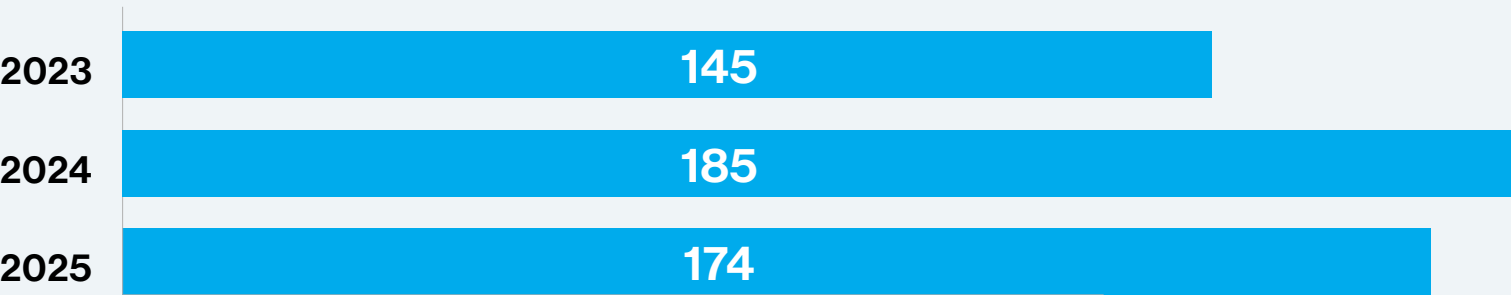
Water

At NFI facilities, our water management approach focuses on responsible water use, minimizing consumption where feasible, preventing pollution, and managing water-related risks across operations. Water stewardship practices emphasize reuse and recycling, leak detection, and regular monitoring to support operational efficiency and environmental protection.

Water use is primarily associated with manufacturing activities, particularly bus and coach water leak testing, as well as sanitary uses and jurisdictionally required facility irrigation. Leak-testing represents the most significant process-related water demand, with water consumption varying year over year based on production volumes, customer requirements, and workforce size. Several facilities have implemented water reuse systems to reduce consumption in leak-testing activities, and wastewater is reused for non-process applications where practicable.

Water consumption is tracked to identify trends, inefficiencies, and potential leaks. Water quality protection is supported through compliance with regulations and established hazardous materials and waste management practices. Water-related risks, including availability and climate-related impacts such as drought or flooding, are considered through facility-level assessments to support operational resilience.

Total Water Consumption (Megaliters)



In 2025, total water consumption decreased modestly compared to the prior year. The reduction was primarily associated with operational changes at certain sites and improvements in the maintenance and management of underground water systems. Additional decreases were observed in connection with reduced water testing activities at select locations. Enhanced water recycling initiatives and conservation practices implemented across parts of the organization also contributed to overall efficiency gains. While these factors collectively influenced year-over-year performance, the relative impact of each driver may vary by site. NFI remains committed to improving water efficiency through facility upgrades, increased reuse, and enhanced monitoring. Future efforts are expected to focus on reducing wastewater discharges through process optimization and treatment improvements, strengthening water conservation practices across operations, and enhancing data quality through more proactive and consistent tracking. These actions are intended to improve transparency and support long-term water stewardship objectives.

Biodiversity and Ecosystem Health

As a manufacturer and provider of buses and coaches, we rely on diverse ecosystem services, both directly and indirectly. While NFI's operations are primarily industrial and located in developed or urban areas, NFI recognizes its reliance on ecosystem services and is committed to avoiding, minimizing, and managing potential impacts through compliance with environmental requirements and responsible site management practices.

Biodiversity and ecosystem protection at NFI is guided by applicable species protection laws, environmental impact assessment requirements, and habitat protection regulations across the jurisdictions in which the Company operates. Based on an initial assessment of global locations, none of NFI's facilities are situated within key biodiversity-sensitive areas. Potential ecosystem interactions are managed through established environmental controls, including stormwater management, spill prevention, hazardous materials handling, and land-use practices designed to limit unintended impacts on surrounding environments.

Some facilities incorporate landscaping and small-scale greening initiatives, such as maintained green spaces or seasonal gardens, which may provide modest local ecosystem benefits. In limited cases, species such as migratory birds may nest at our locations, and are protected by maintaining buffers around active nests. Water reuse practices such as recycling water used for leak testing and reusing wastewater for irrigation also indirectly support ecosystem considerations by reducing freshwater withdrawals.

We continue to evaluate our direct and indirect effects on local ecosystems, consider site-level habitat enhancements and community partnerships where feasible, and strengthen internal capabilities to improve biodiversity-related data collection, organization, and transparency over time.

Environmental Performance and Continuous Improvement

Continuous improvement is a key element of NFI Group's EHSMS and supports enhanced environmental performance and regulatory compliance across operations. The EHSMS provides a structured framework for managing environmental responsibilities through established processes, including internal audits, management reviews, regulatory monitoring, and verification of stakeholder expectations. Environmental impacts are considered throughout the lifecycle of NFI's products, from design through final delivery.

NFI's commitment to environmental management is further supported by ISO 14001 registration at its North American heavy- and medium-duty transit and motorcoach manufacturing facilities, as well as two fabrication facilities.



Community and Charitable Support

NFI Group supports community and charitable initiatives in the communities where it operates through financial contributions, in-kind donations, sponsorships, and employee volunteerism. These activities focus on community well-being, equity, education, and local capacity building, and are intended to benefit employees, community partners, and other stakeholders.

Community investment is focused on communities where NFI operates, with emphasis on social services, health and well-being, youth, education, workforce pathways, and inclusion. Long standing partnerships with United Way agencies across North America remain a core component of this approach.



Approach to Community Investment

Community and charitable giving is guided by NFI's Community Support and Sponsorship Policy, which establishes criteria for decision making, including alignment with NFI's purpose and values, relevance to local communities, transparency, and responsible stewardship of resources. Oversight is provided through a formal governance structure led by the Community Support and Sponsorship Committee, supported by a centralized annual budget and defined approval processes.

Community partners are selected based on policy-defined criteria, including non-profit or community-based status, alignment with NFI's values and focus areas, and demonstrated community benefit. Employee engagement is encouraged through Company-wide campaigns, facility-level initiatives, volunteer opportunities, and programs such as the Garden of Giving, which promote hands on involvement.

Integrity
Core Value

Sustainability
Core Value

Community Engagement
Key Sustainability Topic

Community Engagement and Inclusive Contribution
In-kind contributions and sponsorships are managed through centralized intake and tracking processes to ensure consistency, transparency, and appropriate use. Inclusion and accessibility are supported through the Community Benefits Framework, which emphasizes local relevance, engagement with community groups, and alignment with broader culture and inclusion commitments.



Measuring Impact and Ongoing Commitment

NFI tracks key inputs and outputs related to community investment, including financial contributions, participation in workplace campaigns and volunteer programs, number of locations and partner organizations involved, and in-kind donations. Impact is primarily assessed qualitatively through community reach, employee engagement levels, longevity of partnerships, and funds distributed to community organizations.

Several community groups received support and contributions from NFI in 2025, including United Way, Pride Winnipeg, the CWB Welding Foundation, Harvest Manitoba, Arnprior Special Olympics, Transcona Biz, Cancer Care Manitoba, Crookston Ox Cart Days, the Winnipeg Jets Hockey Academy, Macmillan Cancer Support, and numerous local sponsorships and partnerships. These efforts resulted in significant employee participation and continued support for food security and community services. Looking ahead, NFI aims to strengthen long-term partnerships, enhance consistency in tracking and reporting, and further align community investments with its sustainability pillars of A Better Workplace and A Better World.



NFI Supports the United Way

\$533,034

NFI collectively has donated more than \$4.88 million to the United Way from its workplace campaigns since 2009. In 2025, the eighth NFI-wide United Way campaign was held across all North American locations, and our team came together to donate \$533,034 to United Way agencies —proudly supporting over 20 different United Way agencies in the U.S. and Canada, in or nearby communities we operate in.

Garden of Giving

350

In 2025, NFI donated a total of 350 boxes of various produce to local charitable organizations, Siloam Mission and the Union Gospel Mission, through the Garden of Giving. The Garden of Giving initiative, dating back to 2010, encourages team members at New Flyer and MCI Winnipeg to lend their gardening skills to grow and harvest fruits and vegetables throughout the summer and fall. The produce is then donated to charitable organizations that help to feed those in need within the community.



Appendices



Sustainability Data Tables

Revenue	Unit of Measurement	2023	2024	2025
Revenue by Region				
North America	\$ millions (USD)	\$2,119.4	\$2,452.7	\$3,077.5
United Kingdom + Europe	\$ millions (USD)	\$523.4	\$626.9	\$496.4
Asia Pacific	\$ millions (USD)	\$49.7	\$42.7	\$40.7
Total Revenue	\$ millions (USD)	\$2,692.5	\$3,122.3	\$3,614.6
Revenue by End Market				
Manufacturing	\$ millions (USD)	\$2,137.5	\$2,490.9	\$2,995.8
Aftermarket	\$ millions (USD)	\$555.0	\$631.4	\$618.8
Total Revenue	\$ millions (USD)	\$2,692.5	\$3,122.3	\$3,614.6

Company Statistics	2023	2024	2025
Team Members by Subsidiary			
NFI Group	241	229	241
New Flyer	3,321	3,560	3,870
Alexander Dennis	2,067	1,936	1,811
MCI	1,250	1,331	1,329
Carfair Composites	669	753	800
NFI Parts™	414	421	434
KMG	460	630	675
ARBOC	144	135	150
Total Team Members	8,566	8,995	9,310

Team Members by Country			
USA	3,611	3,973	4,336
Canada	2,909	3,113	3,302
UK	1,936	1,801	1,557
Hong Kong	52	48	47
Mexico	25	28	30
Germany	11	8	12
New Zealand	8	7	10
Turkey	0	6	7
Singapore	9	6	6
Ireland	4	4	3
Malaysia	1	1	0

Facilities	45+	44	44
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1 Based on voluntary declarations.
2 This statistic includes members of NFI's management on the Board.

Governance	2023	2024	2025
Board of Directors			
Size of the Board	10	10	10
# of Independent Directors	8	8	8
% Independent	80%	80%	90%
% of Independent Directors Who Self-Identify as Female	56%	56%	44%
% of Independent Directors Who Self-Identify as Persons of Colour	22%	22%	11%
Years of Combined Experience	300+	300+	300+
Geographic diversity: # of countries	4	4	4
% of Directors who own NFI shares	100%	100%	100%
Board average age	64	65	65

Social			
Occupational Health & Safety			
NFI Incident Rate (per 200,000 work hours)	3.2	4.4	3.6
NFI Lost Time Incident Rate (per 200,000 work hours)	1.5	1.6	1.3
NFI Fatality Rate	0.0	0.0	0.0
Union Relations			
% of NFI's global workforce covered by collective bargaining agreements	56%	56%	44%
Living Wage			
% of employees at NFI's main transit bus, coach, specialty vehicles, fabrication manufacturing and parts facilities in Canada and the U.S. that are at or above the living wage standard in their region	99.7%	99.7%	98.1%
Training			
\$ invested in employee training	>\$10,000,000	>\$15,000,000	>\$11,000,000
Hours invested in employee training	>265,000	>450,000	>279,000
Employee Engagement			
# of submissions submitted via Xpressline	492	312	278
Team Diversity ¹			
Women	19.0%	20.0%	20.0%
Women in Middle Management & Above	22.9%	21.0%	24.0%
Women in Executive Roles	16.1%	19.0%	20.0%
Women in Board Roles ²	50.0%	50.0%	40.0%
Visible Minorities	24.2%	24.7%	27.2%
Visible Minorities in Middle Management & Above	11.8%	15.0%	14.0%
Visible Minorities in Executive Roles	3.2%	1.0%	1.0%
People With Disabilities	1.6%	1.6%	1.6%
Indigenous People	0.5%	0.6%	0.6%
Veterans	3.0%	2.4%	2.6%
2SLGBTQIA+	1.2%	1.1%	1.1%
Historically Disadvantaged People	1.3%	1.4%	1.4%
People with Caregiver Responsibilities	1.4%	0.6%	1.2%
Community Support			
\$ donated through annual United Way campaign	\$422,353	\$456,597	\$533,034

Sustainability Data Tables

Environment	Unit of Measurement	2023	2024	2025
Product				
Buses and coaches in service (global)	EUs	100,000+	100,000+	100,000+
Countries with NFI buses and coaches in service		13	13	13
Countries with electric NFI buses and coaches in service		6	6	6
Electric service miles travelled by NFI ZEBs since 2015	Miles	150,000,000	220,000,000+	325,000,000+
ZEBs EUs delivered since 2015	EUs	3,603	4,639	5,965
EV chargers delivered via NFI Infrastructure Solutions™ since 2018		445+	570+	690
MW charging capacity installed via NFI Infrastructure Solutions™ since 2018	MW	72+	92+	115+
Annual Deliveries				
EUs delivered	EUs	4,001	4,547	4,451
ZEB EUs delivered	EUs	878	1,036	1,326
% of deliveries that were ZEB EUs	EUs	22%	23%	30%
Operational Environmental Performance				
Energy				
Total Energy Consumption	GJ	678,725	675,269	844,659
Fuel consumption from non-renewable sources (includes heating)	GJ	454,677	435,733	602,226
Electricity from non-renewable sources (includes cooling)	GJ	110,995	95,966	98,103
Electricity from renewable sources	GJ	113,052	143,570	144,330
Emissions				
Direct (Scope 1)	Metric tons CO ₂ e	26,764	26,800	32,322
Indirect (Scope 2) ¹	Metric tons CO ₂ e	14,368	14,642	14,928
VOC Emissions	Metric tons	285	363	377
PM Emissions	Metric tons	180	344	483
HAP Emissions	Metric tons	126	75	118
Waste				
Total Hazardous Waste Produced	Metric tons	358	447	427
Total Industrial Waste to Landfill	Metric tons	7,429	6,803	9,393
Recycled Cardboard	Metric tons	695	935	1,005
Recycled Metal	Metric tons	2,947	3,760	4,179
Recycled Wood	Metric tons	1,987	1,819	2,183
Water Consumption				
Total Water Consumed	Megaliters	145	185	174
Line Entries				
Buses & Coaches (various propulsion systems)	EU	4,023	4,689	4,426

¹ Location-based emissions.

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

Topic	Metric	Category	Unit of Measure	Code	Response / Comment
Material Sourcing	Description of the management of risks associated with the use of critical materials.	Discussion and Analysis	N/A	RT-IG-440a.1.	See below:

Our Supplier Due Diligence Policy is generally aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (UNGPs). The policy establishes a risk-based framework to identify, prevent, and mitigate adverse human rights, labour, and environmental impacts associated with our supply chain, including risks related to the sourcing of critical and conflict minerals. It sets clear expectations for suppliers regarding responsible business conduct, ethical sourcing, and environmental stewardship.

To operationalize this approach, we use a Supplier Assessment Questionnaire (SAQ) as a primary screening and due diligence tool. The SAQ assesses supplier exposure to country-level risks and the sourcing of critical and conflict minerals. It was developed by an independent consultant and leverages publicly available and reputable global indices to evaluate country risks, as well as detailed research on mineral sourcing risks by geography. We also use open-source templates from the Responsible Minerals Initiative (RMI), including the Conflict Minerals Reporting Template (CMRT) and the Additional Minerals Reporting Template (AMRT) (formerly the Extended Minerals Reporting Template), to support standardized data collection from suppliers.

Once suppliers complete the SAQ and provide supporting documentation, our human rights and sustainability specialists review the responses and assign a risk rating. Where high risks are identified, we work collaboratively with suppliers to develop time-bound corrective action plans aimed at addressing identified gaps and driving continuous improvement. During 2026, we will continue to roll out the SAQ and advance supplier action plans across our supply base.

Under the Supplier Due Diligence Policy, we apply the following due diligence steps to assess and manage supplier risk:

a. Risk Identification
Suppliers complete the SAQ and an inherent risk assessment to identify exposure to critical and conflict minerals and operations in high-risk countries. Based on this assessment, suppliers are categorized as low, medium, or high risk.

b. Risk Response
For suppliers classified as high risk, additional due diligence questionnaires are issued. These questionnaires request detailed information on the use of critical and conflict minerals, smelter and refiner lists, and supplier exposure to high-risk jurisdictions. Responses are reviewed by the Supply Chain Due Diligence Team.

c. Risk Mitigation
The Supply Chain Due Diligence Team conducts enhanced reviews using external data sources, public information, and supplier-provided documentation. Additional information may be requested where necessary to complete the risk assessment.

d. Remediation and Action Planning
Where risks are confirmed, the Supply Chain Due Diligence Team develops a corrective action plan in collaboration with the supplier. Action plans define required corrective measures, timelines, and expectations, and failure to make sufficient progress may result in escalation, including potential suspension of supplier engagement.

Topic	Metric	Category	Unit of Measure	Code	Response / Comment
Remanufacturing Design and Services	Revenue from remanufactured products and remanufacturing services	Quantitative	Presentation currency	RT-IG-440b.1.	Not disclosed.
Activity metric	Number of units produced by product category	Quantitative	Number	RT-IG-000.A	(1) Vehicles Zero-emission buses: 1,326 CNG buses: 224 Hybrid buses: 324 Diesel buses: 2,557 (2) Engines and power generation equipment is not applicable. (3) Parts and Components: Not disclosed.
Energy Management	Number of employees	Quantitative	Number	RT-IG-000.B	9,310
	(1) Total energy consumed	Quantitative	Gigajoules (GJ)	RT-IG-130a.1.	844,659
	(2) Percentage grid electricity	Quantitative	Percentage (%)		29
	(3) Percentage renewable	Quantitative	Percentage (%)		3
Workforce Health and Safety	(1) Total recordable incident rate (TRIR)	Quantitative	Rate	RT-IG-320a.1.	(a) 3.6 Regulatory Framework North America: OSHA UK: RIDDOR (b) Not disclosed.
	(2) fatality rate	Quantitative	Rate		(a) 0.0 (b) Not disclosed.
	(3) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	Quantitative	Rate		Not disclosed.
Fuel Economy and Emissions in Use Phase	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles	Quantitative	Liters per 100 Tonne-kilometers	RT-IG-410a.1.	Not disclosed.
	Sales-weighted fuel efficiency for non-road equipment	Quantitative	Liters per hour	RT-IG-410a.2.	Not disclosed.
	Sales-weighted emissions of: (1) nitrogen oxides (NOx) and (2) particulate matter (PM) for: (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium- and heavy-duty engines, and (d) other non-road diesel engines	Quantitative	Grams per kilojoule	RT-IG-410a.4	Not disclosed.

GRI Content Index

Statement of use	NFI Group Inc. has reported the information cited in this GRI content index for the period January 1, 2025, to December 31, 2025, with reference to the GRI Standards.	
GRI used	GRI 1: Foundation 2021	

GRI Standard	GRI Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organizational details	pp. 7-9
	2-2 Entities included in the organization's sustainability reporting	pp. 5, 7
	2-3 Reporting period, frequency and contact point	p. 5
	2-4 Restatements of information	p. 5
	2-6 Activities, value chain and other business relationships	pp. 7-9, 27–28
	2-7 Employees	pp. 7, 57 , 66
	2-8 Workers who are not employees	pp. 39-40
	2-9 Governance structure and composition	pp. 17-19
	2-10 Nomination and selection of the highest governance body	pp. 17-18
	2-11 Chair of the highest governance body	p. 17
	2-12 Role of the highest governance body in overseeing the management of impacts	p. 19
	2-13 Delegation of responsibility for managing impacts	p. 19
	2-14 Role of the highest governance body in sustainability reporting	p. 19
	2-15 Conflicts of interest	p. 23
	2-16 Communication of critical concerns	pp. 23, 49
	2-17 Collective knowledge of the highest governance body	pp. 18, 73
	2-18 Evaluation of the performance of the highest governance body	p. 17
	2-19 Remuneration policies	p. 48
	2-20 Process to determine remuneration	p. 48
	2-22 Statement on sustainable development strategy	p. 3
	2-23 Policy commitments	pp. 23-24, 27-28
	2-24 Embedding policy commitments	pp. 19, 23, 39
	2-25 Processes to remediate negative impacts	pp. 27-28, 49
	2-26 Mechanisms for seeking advice and raising concerns	pp. 23, 49
	2-28 Membership associations	p. 31
	2-29 Approach to stakeholder engagement	pp. 20
	2-30 Collective bargaining agreements	pp. 50-51
GRI 3: Material Topics 2021	3-1 Process to determine material topics	p. 21
	3-2 List of material topics	p. 21
	3-3 Management of material topics	Throughout Report

GRI Content Index

GRI Standard	GRI Disclosure	Location
GRI 101: Biodiversity 2024	101-4 Identification of biodiversity impacts	p. 62
	101-5 Locations with biodiversity impacts	p. 62
GRI 102: Climate Change 2025	102-5 Scope 1 GHG emissions	p. 60
	102-6 Scope 2 GHG emissions	p. 60
GRI 103: Energy 2025	103-2 Energy consumption and self-generation within the organization	p. 59
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	p. 23
	205-2 Communication and training about anti-corruption policies and procedures	p. 23
GRI 302: Energy 2016	302-1 Energy consumption within the organization	pp. 60, 67
	302-4 Reduction of energy consumption	p. 60
	302-5 Reductions in energy requirements of products and services	pp. 32-34
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	pp. 60-62
	303-2 Management of water discharge-related impacts	p. 62
	303-4 Water discharge	p. 62
	303-5 Water consumption	p. 62
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	p. 60
	305-2 Energy indirect (Scope 2) GHG emissions	p. 60
	305-6 Emissions of ozone-depleting substances (ODS)	p. 60
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	p. 60
GRI 306: Waste 2020	306-3 Waste generated	p. 61
	306-4 Waste diverted from disposal	p. 61
	306-5 Waste directed to disposal	p. 61
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	pp. 39-40
	403-2 Hazard identification, risk assessment, and incident investigation	pp. 39-40
	403-4 Worker participation, consultation, and communication on occupational health and safety	pp. 39-40
	403-5 Worker training on occupational health and safety	p. 40
	403-6 Promotion of worker health	p. 40
	403-8 Workers covered by an occupational health and safety management system	p. 40
	403-9 Work-related injuries	p. 40
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	pp. 56-57
	405-2 Ratio of basic salary and remuneration of women to men	p. 48
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	p. 50
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	pp. 24, 27
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	p. 27
	414-2 Negative social impacts in the supply chain and actions taken	pp. 27-28
G RI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	p. 35

Task Force on Climate-Related Financial Disclosures (TCFD)

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

Governance	Comment / disclosure
Board oversight of climate-related risks and opportunities	From a Group perspective, NFI's Board of Directors (the "Board") has overall oversight and a mandate to monitor (directly or through any committee) NFI Group's sustainability program, including the Group's environmental, social and governance ("ESG") approach, management's execution against this approach and the material ESG initiatives, impacts, risks and opportunities, and disclosures. Meeting quarterly, the Human Resources, Compensation and Corporate Governance Committee (the "Committee") is responsible for reviewing and recommending to the Board the guidelines and practices relating to environmental (including significant findings of risk and opportunities with respect to climate change raised by the Audit Committee for the Committee's consideration) and employee health and safety matters; monitoring NFI Group's (i) performance against the guidelines and practices and (ii) compliance trends; and alerting the audit committee to material environmental matters, including climate change, consistent with its risk management and financial reporting oversight responsibilities. The Committee also reviews and makes recommendations to the Board on guidelines and practices related to corporate social responsibility and ESG matters, including guiding and overseeing the Issuer's (NFI's) approach to ESG matters and overseeing and monitoring the Issuer's ESG initiatives, impacts, risks and opportunities, performance and reporting, as well as how corporate social responsibility facilitates ESG matters; overseeing, with the assistance of management, ESG matters for each ESG category with respect to current and emerging trends to ensure the management of risk and to foster long-term sustainable value creation, including: ✓ Understanding the gaps identified by management between the current state of ESG performance and the desired state of ESG performance, ✓ Understanding the strategy and actions required to close the gaps between the current state of ESG performance and the desired state of ESG performance, ✓ Understanding the priorities, plans and resource requirements related to ESG performance, and ✓ Monitoring and report to the Board The Committee also approves material ESG factors to be listed within a formalized, internal "Sustainability Commitments" document; and oversees monitoring corporate social responsibility initiatives.
Management's role in assessing and managing climate related risks and opportunities	NFI Group's Sustainability Council (the "Council") assists the Company in fulfilling its responsibilities relating to NFI Group's sustainability strategy and program. The Council supports risk management, growth and financial stability through the sustainable development of NFI Group's businesses and committing to the improvement of the communities and regions in which we operate. The Council consists of the NFI Group leadership team, leadership representing strategy, audit and risk management, finance, and the sustainability functional team. The Council assesses recommended strategies to manage NFI Group's sustainability and climate-related risks and opportunities, including: (a) Reviewing risks and opportunities over the short-term, medium, and long-term; (b) Assessing the impact of risks and opportunities on the Group's businesses, strategy, and financial planning; and (c) Ensuring risks and opportunities are included into the overall risk management program.
Strategy	Comment / disclosure
Identified climate related risks and opportunities and their impacts on the organization's businesses, strategy, and financial planning	The following climate-related risks have been identified by NFI Group in 2025 and will be enhanced over time to achieve the TCFD disclosure recommendations. The Company's business may be materially impacted by climate change matters, including risks related to the transition to a lower-carbon economy Generally, the promulgation of climate change laws or regulations restricting or regulating greenhouse gas ("GHG") emissions increases the costs to operate the Company's businesses. Certain jurisdictions have promulgated laws and regulations to limit GHG emissions through requirements for specific controls, carbon levies, cap and trade programs or other measures. Comprehensive GHG legislation or regulation, including carbon pricing, may affect not only the Company and its businesses, but also its customers and suppliers. Complying with such GHG laws and regulations and related bid requirements has added and will continue to add to the Company's operating costs and, while the Company believes that it is in compliance in all material respects with such current GHG laws and regulations, there can be no assurance that the Company and its businesses will not be materially impacted by the increase in costs and resources required to manage and comply with any such laws and regulations that may be adopted in the future. This applies to all NFI Group operating subsidiaries, including Alexander Dennis, which may also face increased compliance costs, evolving regulations, and associated operational impacts related to climate change. Catastrophic events, including those related to impacts of climate change, may lead to production curtailments or shutdowns The Company's facilities are subject to the risk of catastrophic loss due to unanticipated events and natural disasters, such as earthquakes, tornados, hurricanes, floods, droughts or water shortages, fires, explosions, pandemics or other violent weather conditions, and other potential events, risks and costs that may be exacerbated by or associated with the potential effects of climate change. Unexpected interruptions in the Company's production capabilities would adversely affect its productivity and results of operations. Some customer contracts do not have force majeure provisions and if there are unexpected interruptions or long-term disruptions to the production and delivery of transit buses or coaches due to catastrophic losses or unanticipated events, liquidated damages payable to customers may be significant. Moreover, any interruption in production capability may require the Company to make significant capital expenditures to remedy the problem, which would reduce the amount of cash available for its operations. The Company's insurance may not cover its losses. In addition, longer-term business disruption could harm the Company's reputation and result in a loss of customers. The occurrence of any of these events could materially adversely affect the Company's business, financial condition, liquidity and operating results. These risks and a more fulsome list of our operational risks listed in the <u>NFI Annual Information Form</u> . These risks have not been categorized by short-, medium-, or long-term time horizons. Business opportunities are not disclosed.

Task Force on Climate-Related Financial Disclosures (TCFD)

Risk Management	Comment / Disclosure
Processes for identifying and assessing climate related risks	In 2025, NFI Group's risk management practices are a part of regular business operations to help enhance decision-making and resource allocation. The risk management process focuses on the identification of risks associated with the business and its operational and strategic objectives, and the assessment and mitigation of those risks. The alignment of risk mitigation efforts has been enhanced across NFI Group while taking into account both internal and external risk factors. In 2024, NFI Group conducted a qualitative climate-scenario analysis to identify and assess the potential implications of a range of plausible future states under conditions of uncertainty to be used as a forward-looking assessment of risks and opportunities. A review of the analysis is completed on a regular basis for continued relevance to the business.
Process for managing climate-related risks	NFI Group's risk management program is managed by an enterprise-wide risk committee in conjunction with the Company's Director of the Audit and Risk Management Services ("ARMS") department, and with executive level participation. The Company retains independent contractors and consultants to assist the ARMS department from time to time, as requested by management or the Audit Committee, in performing audits of various functions or processes within the Company's operating departments in order to assess whether their processes and procedures take into account significant risks and whether such risks have been adequately mitigated.
Process for integrating climate-related risks into the organization's overall risk management	At the core of our risk management program is our Enterprise Risk Committee ("ERC"), which meets ten times per year. The Sustainability function participates in these meetings and presents an overview of sustainability-related risks. The ERC, chaired by the Group Director, ARMS, with membership from NFI Group's leadership team has responsibility to: - Develop and communicate the Company's risk management strategy and direction, and advise the Audit Committee of the Board of Directors on the Company's overall risk appetite, tolerance and resilience, taking into account the current and prospective macroeconomic, political, business and industry environments; - Design, support, and promote the risk management and governance framework, policies, and procedures used to assess and manage these risks across the Company, including requesting regular risk assessments and management updates from objective and risk owners on select risk topics as the ERC deems appropriate; - Monitor the risks to achieving our plans and objectives, and supplement these risks with analysis of external risks published through external risk identification and rating agencies; - Assess the severity of the risks based on pre-defined risk scales for financial, operational, strategic, safety, compliance, cultural, reputational, environmental, social, and governance categories; and - Develop and communicate monitoring and/or mitigation strategies for the most significant risks.

Metrics and Targets	Comment / disclosure
Greenhouse gas (GHG) emissions	2025 Absolute Scope 1 and 2 Emissions (Metric Tons CO₂e) Scope 1 Emissions: 32,322 Scope 2 Emissions: 14,928

Board Skills and Experience

These are the full descriptions for the skills and experience of NFI’s Board of Directors which can be found on page [18](#).



Senior Leadership and People Resources

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



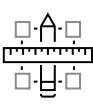
Manufacturing and Operations

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



Public Company Board Service

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



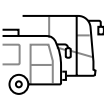
Technology and Innovation

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



Sustainability

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



Public and Private Commercial Vehicle Sector

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



Strategic Process

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



Government Relations

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



Accounting, Finance and Risk Management

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



Information Technology Security (Cybersecurity)

Knowledge and experience in the oversight of design, implementation and management of appropriate information security technology, policies and procedures is an important skillset to assist in protecting the Company’s IT infrastructure, networks, and data.





We Move People

