



MAY 2021

Environmental, Social & Governance Report for 2020



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INTRODUCTION

About This Report

This ESG report (“Report”) covers the activities of NFI Group Inc. and its subsidiaries (collectively, “NFI” or the “Company”) from January 1, 2020 to December 31, 2020, unless otherwise indicated herein.

To develop this Report, NFI consulted with a broad range of stakeholders on regional and global levels, including customers, suppliers, investors and community partners. NFI sought expertise in Human Resources, Legal, Procurement, Ethics and Compliance, Health and Safety, Risk Management, Investor Relations and Communications. The Report is published with the approval of NFI’s Board of Directors.

As a result of data coverage and quality improvements, a limited number of past performance figures published in our 2019 report have been restated, and these are clarified in our footnotes.

All references to \$ in this document refer to U.S. dollars unless otherwise noted.

— ESG Frameworks

This Report includes environmental, social and governance metrics and discussions that are focused on areas NFI believes are most relevant to our business and our stakeholders, and are guided by the principles of accuracy, balance, and clarity. NFI continues to assess a variety of frameworks to determine which of these address matters most relevant to our stakeholders and our organizational goals. Our annual ESG report will reflect any additional content required by selected frameworks; future reporting could include frameworks such as the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), and/or the United Nations Sustainable Development Goals (SDG).

NFI expects to respond to the CDP Climate Change Questionnaire for the first time in summer 2021, following which our environmental metrics will be adjusted to support ongoing disclosure requirements. Reporting through the CDP will provide NFI with a framework to systematically measure and disclose our risks and opportunities related to carbon and climate change, and to create targets around areas of meaningful impact.



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

— Forward-Looking Statements

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

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

The Company cautions readers and investors not to place undue reliance on these forward-looking statements and information as a number of risk factors could cause the Company’s actual results to differ materially from the expectations expressed in such forward-looking statements. These factors – many of which are beyond the Company’s and management’s control and the effects of which are difficult to predict – include risks related to general economic and market factors; risks related to the Company’s business environment; risks related to the Company’s operations, strategy, financing, capital structure, tax, regulatory compliance, reputation, environmental and social risk; and the risks discussed in the “Risk Factors” section of the Company’s Annual Information Form and other disclosure documents filed with the Canadian securities regulatory authorities and available on SEDAR at www.sedar.com. The Company cautions that the foregoing list of risk factors is not exhaustive and other factors could materially adversely affect the Company’s future growth, financial performance and objectives and the Company’s vision, strategic initiatives, plans, business prospects and opportunities, including the Company’s social, economic, environmental and governance-related impacts and objectives. Except as required by law, the Company does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by the Company or on its behalf. The Company provides no assurance that forward-looking statements and information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

Recovering from the pandemic to lead the evolution to electric and zero-emission mobility.

Without a doubt, 2020 was a year none of us will ever forget.

The pandemic impacted our operations around the world and brought with it many challenges. To say that we are extremely proud of the response from the NFI team globally is a massive understatement.

Since the onset of COVID-19, NFI has diligently focused on the health and safety of our people and on delivering for our customers who provide essential mobility services. NFI sought to achieve a balance in our decision-making and in our response to the realities of the pandemic. Despite a challenging 2020, as we move forward, we are proud of our history and excited about our future.

As we reflect on the impacts of the pandemic, a silver lining has been the increased focus on ESG issues by companies, governments, investors and the community at large. NFI's commitment to lead in zero-emission mobility and to best-in-class ESG practices and performance has never been in more clear focus.

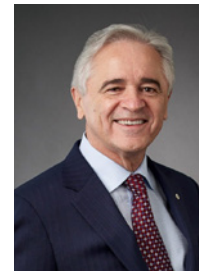
NFI has progressed from a bus and coach manufacturer to a sustainable mobility solutions provider, and battery-electric buses and coaches are leading the charge to a zero-emission future (we call it the **ZE**volution™). Since 2015, we have delivered over 1,380 ZEBs that have travelled more than 40 million zero-emission service miles and driven emission reductions in four countries. In 2020, we delivered 389 zero-emission buses (ZEBs), or 9% of our total deliveries, and we anticipate that ZEBs will be 20% to 25% of our overall

production in 2021. Our mobility solutions enable smart city development, reduce the harmful impacts of climate change, traffic congestion and noise pollution, and create economic opportunity for current and future generations. More than 80 cities around the world have an NFI ZEB in service or on order.

This publication marks our third annual ESG Report and demonstrates significant growth and maturity in our company-wide ESG practices. We have also added an ESG section to our website, where stakeholders can keep informed of the latest updates. In addition, 2021 will mark NFI's first year of formal disclosure under CDP, a global non-profit organization with defined environmental impact disclosure frameworks and definitions.

As one of the world's largest designers, manufacturers and supporters of mass transportation solutions, we know that we have a responsibility to lead. We are committed to the journey, and we will continue to work to improve our ESG practices and reporting each year.

Passengers around the world are seeking modern sustainable transportation options as traffic congestion and air quality continue to challenge today's growing cities. We commit to playing our role by leading the **ZE**volution™ to global sustainable mobility.



A blue ink signature of Brian Tobin, P.C., OC.

**The Honourable
Brian Tobin, P.C., OC
Chair of the Board**



A blue ink signature of Paul Soubry.

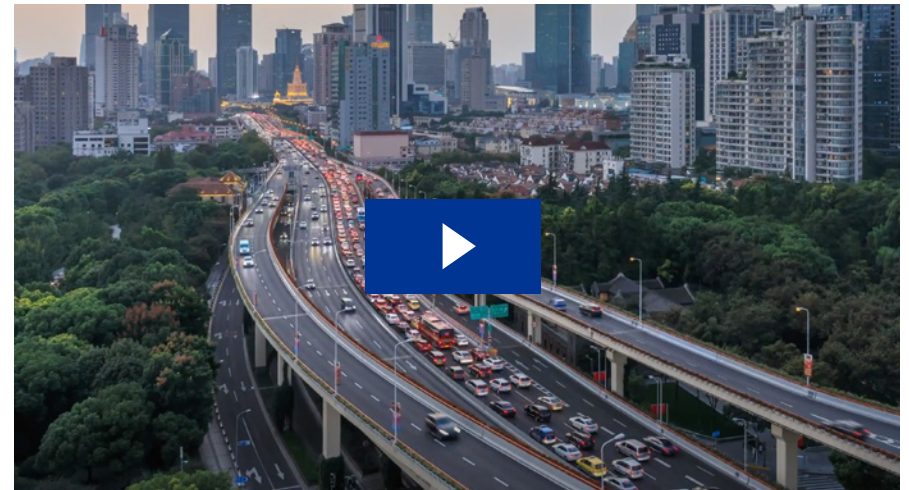
**Paul Soubry
President & CEO**

About NFI

Video Links



— NFI exists to move people



— NFI is leading the **ZE**volution™ to electric and zero-emission mobility

INTRODUCTION

About NFI

NFI is leading the evolution to global zero-emission mobility. We continue to build upon our legacy of innovation to deliver transit technology that meets the complex environmental and social demands of communities today and into the future.

— Our Why? To Move People.

Our Vision:

To enable the future of mobility with innovative and sustainable solutions.

Our Mission:

To design and deliver exceptional transportation solutions that are safe, accessible, efficient, and reliable.

Our Strategy:

We seek long-term success through industry-leading transportation solutions and commit to continuous investment in our people and processes, to optimize, defend, diversify and grow our business. Our products, services, and our company are built to rely on.



~8,000

team members

50+

facilities in 10 countries

105,000+

buses and coaches in service around the world



ARBOC Equest CHARGE™



BYD ADL Enviro400EV



New Flyer Xcelsior CHARGE NG™



MCI D45 CRT LE CHARGE™

INTRODUCTION

Seeking Long-Term Success

NFI is committed to creating long-term and sustainable value for all our stakeholders, while also being responsible to the environment and the communities in which we live and work.

At NFI, the consideration of all our stakeholders' interests is critical to our decision making. In 2009, we implemented a stakeholder engagement system that encompasses the various parties displayed in the model.

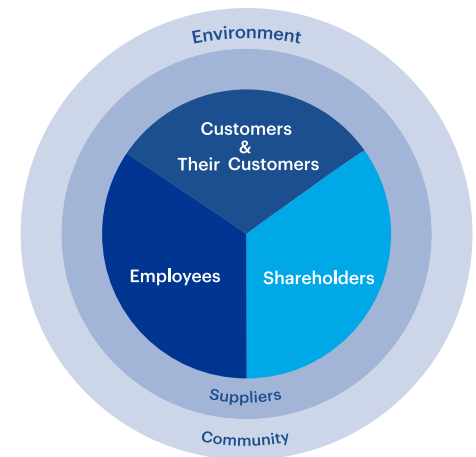
In some jurisdictions, NFI participates in consultations with representatives of the communities in the immediate vicinity of our production facilities. These community meetings are used to discuss any significant process or production rate changes that could impact the environmental conditions in the area. These meetings are the forum used to highlight safety and environmental improvements incorporated into our manufacturing operations.

Our suppliers are subject to our environmental, labor, and human rights codes of conduct, verified through site visits. Our Environmental Health & Safety Policy encompasses all facilities, operations, contractors, and vendors/suppliers.

We recognize, via our Environmental Management System (EMS), the impact our direct operations, supply chain, and consumer use of our products and services has on the consumption of natural resources, energy, and water, and the generation of waste. Our EMS identifies how our operations interact with the environment and commits to continually improving our efforts to minimize environmental impacts. Our commitment is further shown through the

certification of many of our manufacturing divisions. NFI's heavy-duty and medium-duty transit bus and motor coach manufacturing facilities in North America have been registered to the ISO 9001 (quality) certification. New Flyer's heavy-duty transit bus manufacturing facilities have also been registered to ISO 14001 (environmental) and ISO 45001 (safety) certifications, making them the first North American bus or coach manufacturer to achieve all three ISO certifications. ARBOC was awarded ISO 9001:2008 in 2009 and is now ISO 9001:2015 certified. ADL has been awarded ISO 9001 certification for some of its production facilities in the UK, and MCI production facilities are scheduled for ISO 14001 and ISO 45001 registration in 2021.

Our commitment to minimizing environmental impacts is why each bus is designed and programmed for either a) zero emissions, or b) fuel efficiency and, in turn, a reduction in emissions. Our zero-emission and battery-electric products demonstrate our commitment to a sustainable future. Environmental design criteria, including emissions output, resource use and waste generation, are critical considerations in the creation of our products. Engines are designed to be efficient and to meet, and sometimes exceed, regulatory emissions and efficiency requirements per country. On-board emissions measurements systems are employed during driving to reduce fuel consumption.



As a publicly traded company on the Toronto Stock Exchange (TSX), NFI ensures decisions are made to drive shareholder value and provide long-term returns. As you'll see throughout this Report, employees and customers are also critical stakeholder groups that drive our business and strategy.

Our Companies



New Flyer is North America's heavy-duty transit bus leader and offers the most advanced product line under the Xcelsior® and Xcelsior CHARGE® brands. It also offers infrastructure development through New Flyer Infrastructure Solutions™, a service dedicated to providing safe, sustainable, and reliable charging and mobility solutions. New Flyer actively supports over 35,000 heavy-duty transit buses (New Flyer, NABI, and Orion) currently in service, of which 8,600 are powered by electric motors and battery propulsion and 1,900 are zero-emission.



→ newflyer.com



Alexander Dennis Limited ("ADL") is a global leader in the design and manufacture of double deck buses and the UK's largest bus and coach manufacturer. ADL offers single and double deck vehicles under the brands of Alexander Dennis and Plaxton, and has over 31,000 vehicles in service in the UK, Europe, Hong Kong, Singapore, New Zealand, Mexico, Canada and the United States. ADL's focus on zero-emission includes single deck, 2 axle double deck and 3 axle double deck battery-electric bus models, as well as electric range hybrid double deck and 2nd generation hydrogen fuel-cell battery-electric double deck, the H2.O. ADL has over 500 battery-electric buses in service in the UK, North America and New Zealand, plus another 500 battery-electric buses on order.



→ alexander-dennis.com



MCI is North America's leading public and private market motor coach brand, building the industry's best-selling J4500 coach, its smaller version J3500, and the new battery-electric zero-emission J4500 CHARGE™. In addition to the J series, MCI builds the Buy America-compliant and Altoona-tested D model series, including the ADA-accessible D45 CRT LE Commuter Coach, the battery-electric, zero-emission D45 CRT LE CHARGE™, the all new private-sector D4520, and the public sector D45 CRT. MCI also provides maintenance, repair, 24-hour roadside assistance, parts, and technician training.



→ mcicoach.com



ARBOC is North America's low-floor, body-on-chassis ("cutaway") bus leader serving transit, paratransit, and shuttle applications. With more than 4,000 buses produced, ARBOC leads the low-floor cutaway bus market providing unsurpassed passenger accessibility and comfort. ARBOC also offers the Equest, a medium-duty bus used for transit and shuttle applications, and the Equest CHARGE™, a zero-emission battery-electric model.



→ arbocsv.com



NFI Parts™ is North America's most comprehensive parts organization, providing parts, technical publications, training, support for its OEM product lines (transit buses, motor coaches and cutaways), as well as other manufacturers through our extensive cross reference database.



→ nfi.parts



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

→ carfaircomposites.com

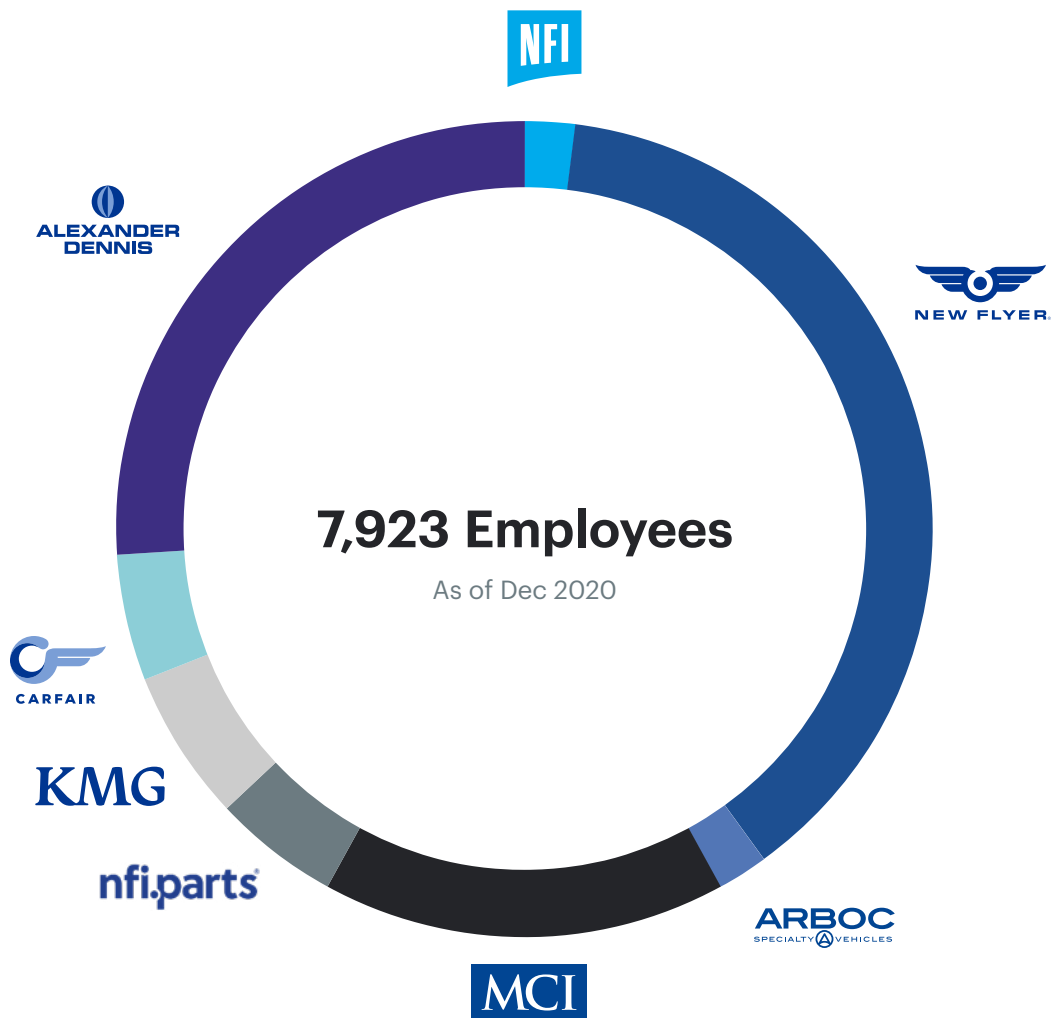


KMG is NFI's part fabrication facility which launched in 2018 in Shepherdsville, Kentucky.

Our People



● 142 Employees	NFI Group
● 2,996 Employees	New Flyer
● 128 Employees	ARBOC
● 1,244 Employees	MCI
● 396 Employees	NFI Parts
● 483 Employees	KMG
● 378 Employees	Carfair Composites
● 2,156 Employees	Alexander Dennis Limited



INTRODUCTION

Our Milestones

- **1895** Dennis founded in England
- **1907** Plaxton founded in Scotland
- **1924** Alexander founded in Scotland
- **1930** Western Auto and Truck Body Works founded in Winnipeg, Canada
- **1932** Motor Coach Industries founded in Winnipeg
- **2001** Dennis, Alexander and Plaxton become Alexander Dennis Limited
- **2008** ARBOC Specialty Vehicles founded in Middlebury, IN
- **2010** NFI acquires TCB Industries
- **2013** NFI acquires Orion Parts and North American Bus Industries in Anniston, AL
- **2015** NFI acquires Motor Coach Industries and Frank Fair Industries
- **2017** NFI acquires ARBOC Specialty Vehicles
- **2017** NFI Parts established (New Flyer, NABI, Orion and MCI Parts)
- **2017** NFI opens Vehicle Innovation Center (VIC) in Anniston, AL
- **2017** NFI acquires Carlson Engineered Composites and Wausaukee-Sintex Composites
- **2018** NFI launches KMG Part Fabrication in Shepherdsville, KY
- **2019** NFI acquires Alexander Dennis Limited
- **2019** NFI introduces Infrastructure Solutions™
- **2020** NFI introduces the national Community Benefits Framework
- **2020** NFI launches NFI Forward, a transformational initiative to move NFI from a holding company to an integrated operating company
- **2021** NFI unveils its strategy, entitled Leading the **ZE**volution™, to drive the evolution to zero-emission mobility



INTRODUCTION

Our Communities



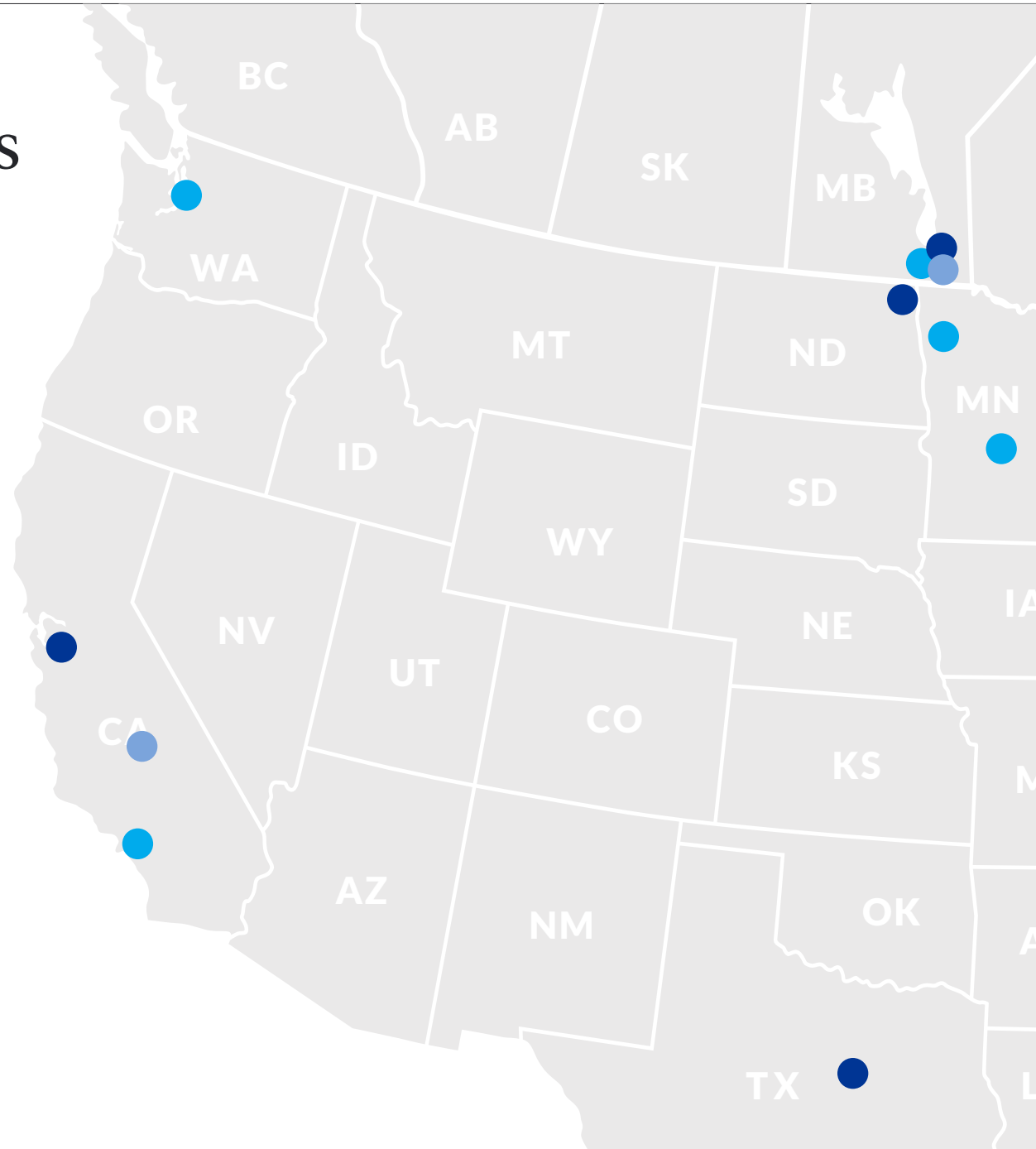
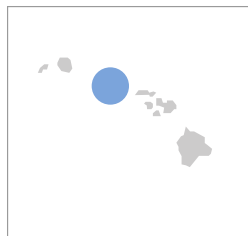
- **Crookston, MN**
Bus Completion
- **Ontario, CA**
NF Bus Completion
MCI Service Center
- **Renton, WA**
NF Service Center
- **St. Cloud, MN**
NF Bus Manufacturing
Fiberglass Fabrication
Part Fabrication
- **NFI Winnipeg, MB**
Parts Fabrication
Fiberglass Fabrication
Bus Shell Assembly
New Product Development

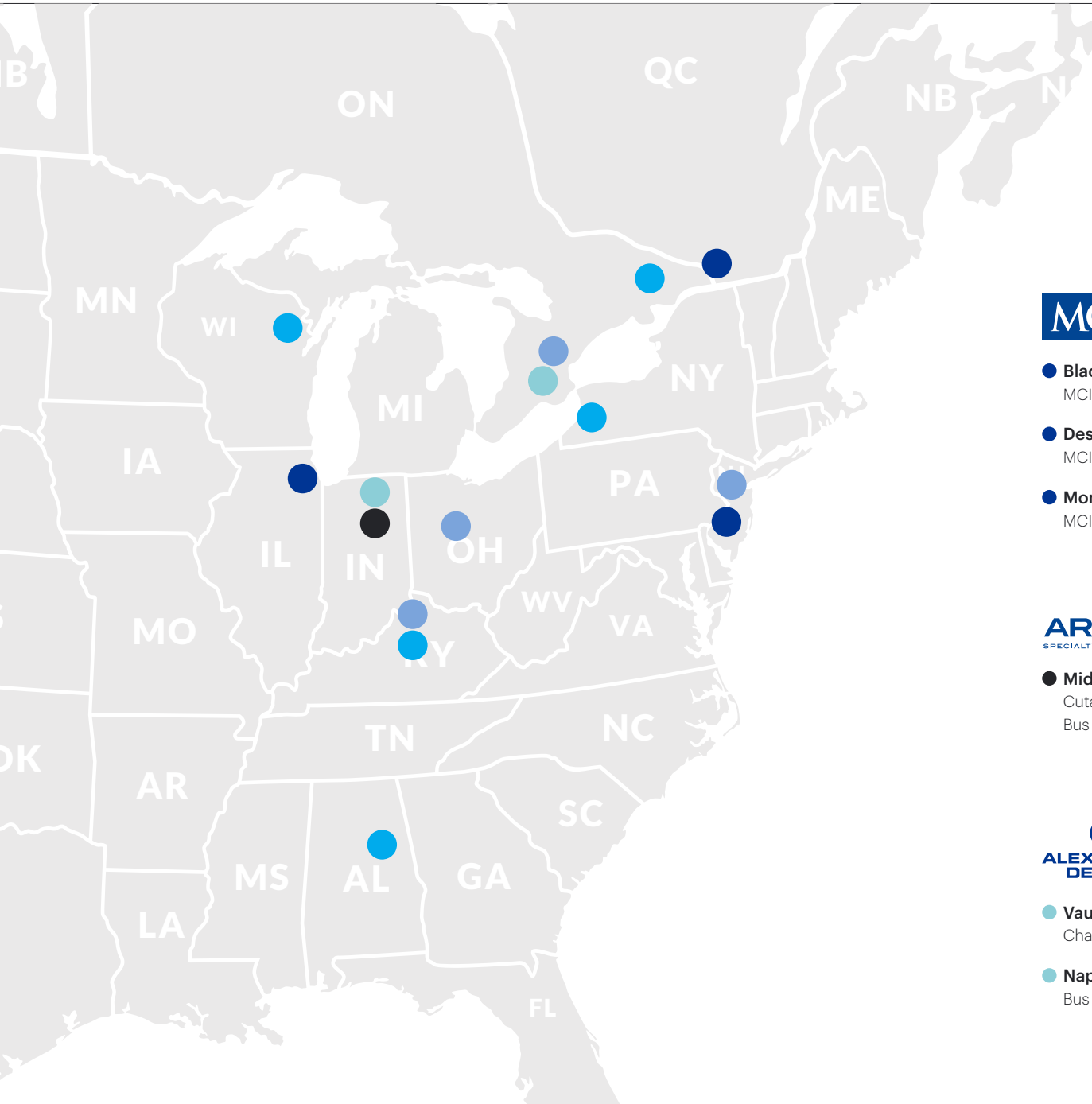


- **Fresno, CA**
NFI Parts Distribution Center
- **Honolulu, HI**
NFI Parts Distribution Center
- **Winnipeg, MB**
NFI Parts Distribution Center
Publications
Customer Training



- **Dallas, TX**
MCI Service Center
- **Hayward, CA**
MCI Service Center
- **Pembina, ND**
MCI-D Shell Completion
- **Winnipeg, MB**
Parts Fabrication
MCI-D Model Shell Assembly
Complete J Model Manufacturing
New Product Development
Fiberglass Fabrication





- **Anniston, AL**
NF Bus Manufacturing
Part Fabrication
Vehicle Innovation Center
- **Arnprior, ON**
NFI Service Center
- **Jamestown, NY**
Parts Manufacturing
- **Shepherdsville, KY**
Part Fabrication
- **Wausaukee & Gillett, WI**
Fiberglass Fabrication



- **Blackwood, NJ**
MCI Service Center
- **Des Plaines, IL**
MCI Service Center
- **Montreal, QC**
MCI Service Center



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



- **Vaughan, ON**
Chassis Manufacturing
- **Nappanee, IN**
Bus Manufacturing



- **Brampton, ON**
NFI Parts Distribution Center
- **Delaware, OH**
NFI Parts Distribution Center
- **East Brunswick, NJ**
NFI Parts Distribution Center
- **Louisville, KY**
NFI Parts Distribution Center
Publications
Customer Training



- **Anston, England**
Parts Distribution and Service Center
- **Falkirk, Scotland**
Bus Body Manufacturing
- **Farnborough, England**
Design and Engineering
- **Harlow, England**
Service Center
- **Larbert, Scotland**
Head Office
- **Skelmersdale, England**
Parts Distribution and Service Center
- **Scarborough, England**
Bus & Coach Manufacturing
- **Dublin, Ireland**
Parts Distribution Center
- **Ballymena, Northern Ireland**
Engineering Hub
- **Ciudad de Mexico, Mexico**
Service Center
- **Berlin, Germany**
Commercial Office
- **Kowloon, Hong Kong**
APAC Head Office
- **Auckland, New Zealand**
Parts Distribution and Service Center
- **Singapore**
Commercial Office

INTRODUCTION

Our COVID-19 Response

The COVID-19 pandemic has had a significant impact on our company and our team around the world.

Across NFI, we idled the majority of our facilities for nearly two months (Mar – May 2020), which resulted in nearly 8,000 people on temporary furlough. We resumed production in the second quarter of 2020, which saw many of our people return to our manufacturing facilities, and we worked diligently to create a safe environment for their return.

At the beginning of the pandemic, we launched a dedicated COVID-19 Response Team that has coordinated Safe Work, Communications, Risk and Operations Initiatives, and we have provided consistent communication to all employees throughout the ongoing pandemic.

Our focus remains on the health, safety and well-being of our team members no matter where they are working.

A few of our initiatives have included:

- Providing PPE required for all staff
- Specialized cleaning and sanitizing
- Ensuring physical distancing and re-engineering processes where feasible
- Work from home, where feasible
- Implementing health and temperature checks
- Implementing symptom disclosure policies
- Dedicated online portals for communication

NFI COVID-19 Training Sessions

	Leadership	Employees	Visitors
Total # of Training Hours	1,774	12,174	376
Total # of Training Sessions Attended	639	7,014	1,502



14,323

Total # of Training Hours

9,155

Total # of Training Sessions Attended





ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT FOR 2020

Principles & Governance



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

Our Core Values

- **1. We pledge to be customer focused**
in providing safe, accessible, reliable, and technologically advanced transportation solutions with the goal of providing the lowest total cost of ownership to keep people and communities moving.
- **2. We must earn the trust of those we serve and those they serve**
through a steadfast commitment to safety and quality delivered as promised.
- **3. We foster smart leadership**
at every level of NFI, to continuously raise standards and advance technological innovation and service performance. We're passionate about a never-ending pursuit of operational excellence.
- **4. We believe in sustainability**
and the positive social, economic, and environmental impact of the work we do every day.
- **5. We value honesty, hard work and team work**
and those who do that work with pride and integrity. We strive to be a great place to build careers.



NFI Board of Directors



Hon. Brian Tobin*
(Ontario)
Board Chair
HRCH Committee Member
Member since 2005



Colin Robertson
(United Kingdom)
Vice Chair
Member since 2020



Phyllis Cochran*
(South Carolina)
Audit Committee Chair
Member since 2015



Larry Edwards*
(Oklahoma)
HRCG Committee Chair
Audit Committee Member
Member since 2005



Paul Soubry
(Manitoba)
President & CEO
Member since 2009



Katherine Winter*
(Illinois)
HRCG Committee Member
Member since 2019

Kathy is the VP & GM, Autonomous Transportation & Infrastructure Division, Intel Corporation



John Marinucci*
(Ontario)
Member at Large
Member since 2005



Adam Gray*
(Connecticut)
Audit Committee
Member since 2012
Adam is co-founder and Managing Partner at Coliseum Capital Management, LLC



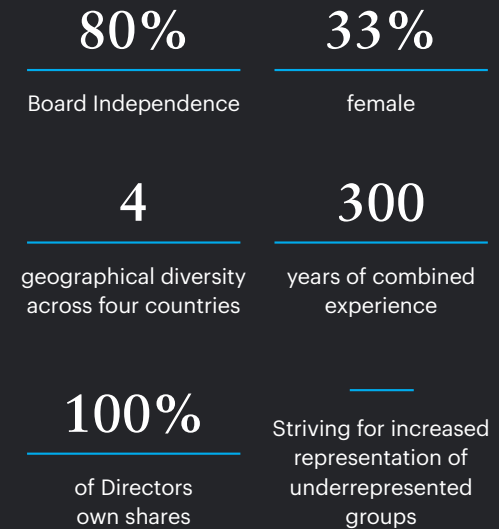
Krystyna Hoeg*
(Ontario)
Audit Committee Member
Member since 2015



Paulo Nunez*
(Brazil)
HRCG Committee Member
Member since 2015
Paulo also serves on the Board of Directors of Marcopolo S.A. Management, LLC

* Denotes Independent Directors

Key Facts



Robust Governance Program

- Dedicated Audit, HR and Nomination Committees
- Detailed policy framework
- Enhanced ESG disclosure and policy development
- Whistleblower and Fraud Hotline
- Highest ISS Ranking for Audit, Risk and Shareholders rights

Our ESG Disclosure Journey



Our ESG Priorities for 2021

Company Management	Environment	Employees	Community
Business performance	Zero-emission products and solutions	Celebrating, fostering and measuring diversity, equity and inclusion	Responsible corporate citizen
Leading with integrity	Emissions management, including footprint rationalization	Environmental health and safety	Human Rights
Quality products, continuous innovation	Energy and water consumption management	Respectful and vibrant workplace culture	Community and charitable initiatives
Robust governance	Infrastructure Solutions to support zero-emission projects	Community Benefits Framework and initiatives	Team and community spirit, supported by the Community Benefits Framework

“ ESG will continue to drive our decision making in 2021 and beyond. We are focused on both our internal initiatives, including an increase in the diversity of our team and reduction of our carbon footprint, and on the environmental and social benefits created by our products. ”

Janice Harper, Executive Vice President, People & Culture



Our Sustainability Pledge



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

Our Sustainability Pledge guides our daily actions and long-term planning. NFI is passionate about creating a better product, a better workplace, and a better world.



The NFI logo consists of the letters 'NFI' in a bold, white, sans-serif font, centered within a solid blue square. The background of the entire page is a blurred, blue-tinted image of a road or tunnel with city lights visible through the windows on either side.

NFI

ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT FOR 2020

Better Product



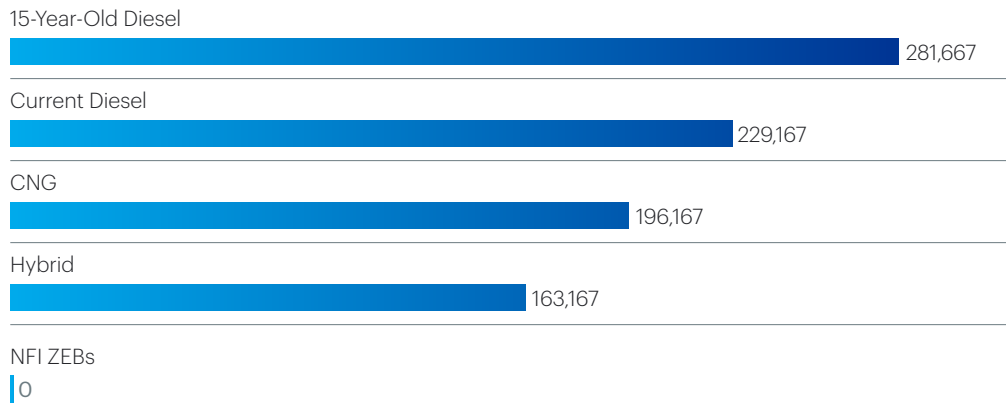
A better product.
A better workplace.
A better world.

BETTER PRODUCT

The Power of a Bus

- For every \$1 communities invest in public transportation, it generates \$5 in economic returns¹
- Americans took 4.66 billion bus trips in 2019¹; UK passengers took 4.6 billion bus journeys from Apr 2019-Mar 2020²; and Canadians took 1.89 billion bus trips in 2019³
- Every ZEB prevents the emission of 3,380,000 lbs of CO₂ over a 12-year life, the equivalent of the emissions from 28 cars per year⁴

Annual Tailpipe Emissions⁴ (CO₂, lbs)



Comparative Cost and Time to Delivery

Transit mode	Cost	Time to deliver
Light Rail Transit (LRT)	\$3B - \$6B	>5 years
100 Transit Buses	\$40M - \$50M	1 - 2 years
100 ZEBs	\$90M - \$100M	1 - 2 years

1. APTA 2. NISRA and Gov.uk 3. Stats Can 4. GREET Model Fleet Footprint Calculator & EPA Motor Vehicle Emission Simulator
 5. APTA's Economic Impact of Public Transportation Investment 6. APTA and The National Association of Realtors
 7. The Hidden Traffic Safety Solution: Public Transportation

Key Facts

+24%

home values near public transportation⁶

\$11.7B

offset to annual car operating costs⁵

49,700

jobs created from every \$1 billion invested⁵

10x

safer per mile to travel by public transit than automobiles⁷

40

cars removed from the road for every 1 bus



New Flyer buses, from left: Xcelsior AV™, Xcelsior CHARGE NG™, Xcelsior CHARGE H2™, and Xcelsior CNG.

BETTER PRODUCT

Product Highlights

NFI's portfolio of companies have 450 combined years of experience in business development, manufacturing, transportation solutions and the supply of buses and coaches.

Xcelsior CHARGE NG™, next-generation, zero-emission, battery-electric transit bus



Environment:

The zero-emission Xcelsior CHARGE NG™ transit buses do not emit any greenhouse gas, as compared to the 100 to 160 tons on average emitted from a 40-foot conventional diesel bus. ADL's zero-emission electric buses reduce well-to-wheel greenhouse gas emissions by up to 63% compared with a conventional diesel bus (when charged with grid electricity), and even more when fully charged by renewable energy.

In 2020, ARBOC released the zero-emission battery-electric Equess CHARGE™, and MCI launched the J4500 CHARGE™. In addition, NFI Parts™ continues to seek out green technology with its introduction of no-idle solutions, such as solar panel and electronic HVAC systems.



Energy Costs:

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



Industry-Leading Accessibility:

ARBOC led the industry by creating the first patented low-floor cutaway and low-floor non-kneeling cutaway, allowing equal access for all passengers.

The innovative design of MCI's D45 CRT LE CHARGE™ vehicle provides easier boarding and greater independence.

All of Plaxton's coach models are available in wheelchair-friendly versions, meeting the requirements of the UK's Public Service Vehicles (PSV) Accessibility Regulations.

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

The Xcelsior AV™ automated transit bus provides precision docking that minimizes platform gaps, helping to ensure boarding is ADA-compliant (Americans with Disabilities Act Standards for Accessible Design), and increasing accessibility for all passengers.



Quiet:

During the Altoona Interior Noise: 0 to 35 mph Acceleration Testing, the Xcelsior CHARGE H2™ scored the lowest dBA level, making it the quietest bus on the market.



Interoperable:

New Flyer Infrastructure Solutions™ deploys electric vehicle supply equipment and charging systems that are compatible with all types, makes and models of electric vehicles, adhering to industry standards. ADL's electric buses are similarly available with interoperable charging interfaces for slow and opportunity charging.

BETTER PRODUCT

NFI Leading the **ZE**volution.™

NFI is leading electric bus mobility.

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



Xcelisior CHARGE®



BYD ADL Enviro200EV

Leading Electric Bus Mobility

105K

vehicles in service (ZEB replacement opportunity)

50+

years of electric bus experience

13

countries with NFI buses in service

40M+

electric service miles since 2015

80+

cities with an NFI ZEB in service or on order

1,371

ZEBs delivered from 2015-2020

389

ZEBs delivered in 2020

632

ZEBs in backlog as at end of 2020 (5.8% of total backlog)

\$24.7M

Infrastructure Solutions revenue in 2020

20-25%

of 2021 production will be ZEBs

8,000

annual ZEB production capacity

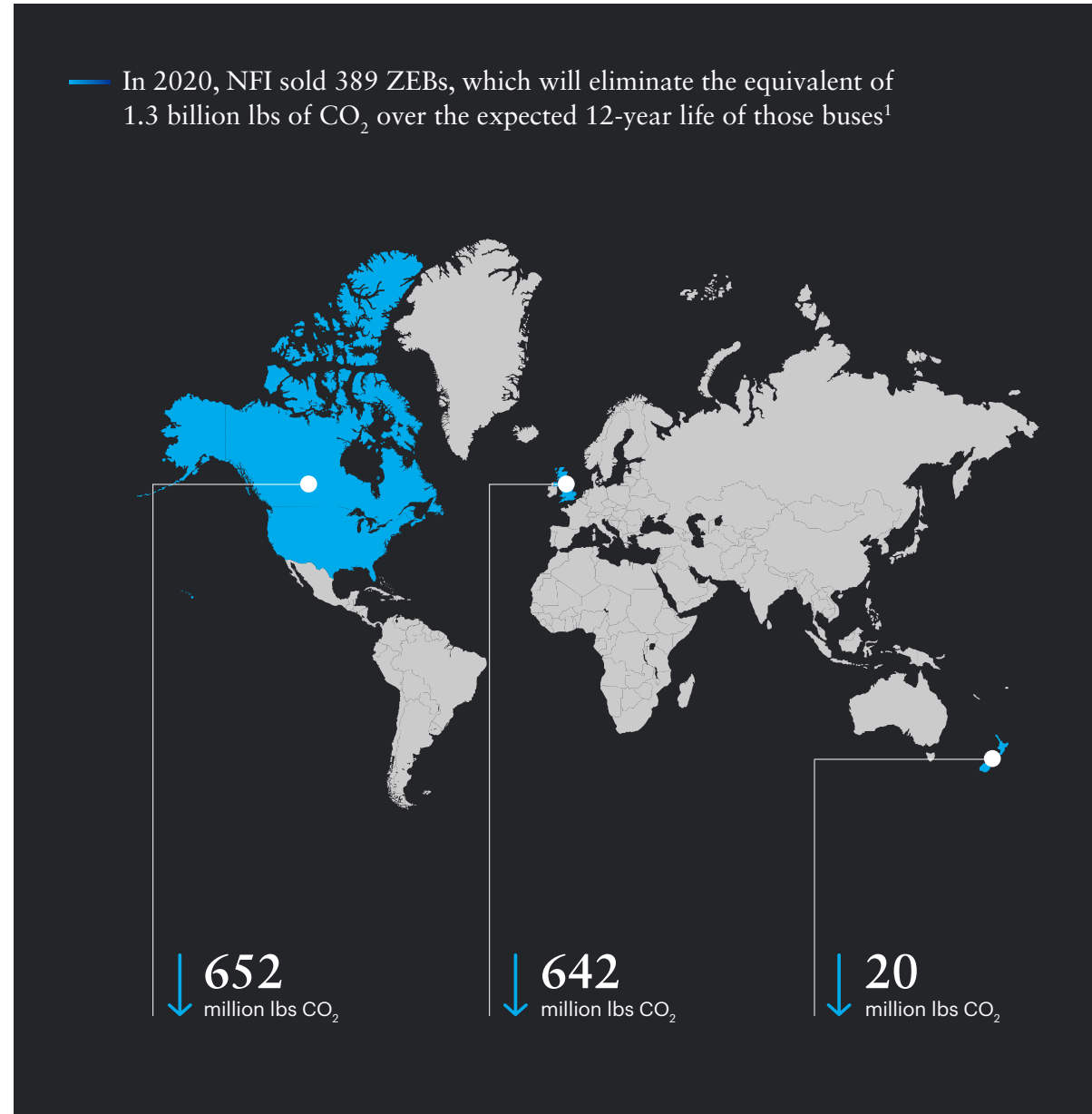
Impact of 2020 ZEB Deliveries

NFI 2020 Deliveries by Propulsion Type



- Diesel
- CNG
- Hybrid
- Battery-Electric

In 2020, NFI sold 389 ZEBs, which will eliminate the equivalent of 1.3 billion lbs of CO₂ over the expected 12-year life of those buses¹



1. GREET Model Fleet Footprint Calculator & EPA Motor Vehicle Emission Simulator

Our Zero-Emission Journey Dates Back to 1969...



1994
First compressed natural gas (CNG) bus

BAE SYSTEMS

2005
First diesel hybrid with BAE and first gas engine hybrid



2012
First battery-electric bus



2015
Launched New Flyer Connect®

NEW FLYER.
INFRASTRUCTURE SOLUTIONS™

2018
Launched New Flyer Infrastructure Solutions™

Continued on next page

1969
First North American electric trolley



1998
First diesel hybrid vehicle produced with Allison



2010
20 hydrogen fuel cell buses for 2010 Olympics



2014
First production of fuel cell range extender



2017
Opened VIC and launched next generation battery-electric bus



2019
Acquired ADL and launched Connect 360™



...and continues in 2021



New Flyer Xcelsior AV™

North America's first SAE Level 4 automated heavy-duty transit bus; zero-emission, battery-electric



Battery Recycling Pilot

Successful launch of battery recycling pilot with Li-Cycle Corporation



ADL H2.0

Next-generation hydrogen fuel cell-electric double-deck



MCI D45 CRT LE CHARGE™

Zero-emission, battery-electric, low-floor motor coach

New Flyer Xcelsior CHARGE NG™

Next-generation, zero-emission, battery-electric transit bus



ARBOC Equess CHARGE™

Zero-emission, battery-electric, medium-duty low-floor transit



MCI J4500 CHARGE™

Zero-emission, battery-electric luxury motor coach



+ more to come in 2021

Case Study King County Metro



18-month evaluation of two NFI battery-electric vehicles followed by the purchase of twenty 60-foot EVs will help lower Seattle emissions and assist King County Metro in achieving its vision of 100% zero-emission vehicles by 2040.

In early 2021, King County Metro awarded New Flyer with an order for 20 of its 60-foot (articulated) battery-electric Xcelsior CHARGE® buses, following the completion of an 18-month electric bus pilot project and evaluation.

King County Metro is one of the 10 largest transit agencies in the United States, providing over 122 million annual passenger trips in King County, Washington, and the city of Seattle. In January 2020, King County Metro announced its commitment to achieve a 100% zero-emissions fleet powered by renewable energy no later than 2040. The addition of these 20 battery-electric buses marked a key milestone in helping King County Metro reach its goal to improve air quality, reduce carbon emissions, and provide equitable access to sustainable transportation.

The 18-month pilot project involved testing the Xcelsior CHARGE™ buses against King County Metro's pre-determined key performance indicators (KPIs), including range, performance, and service.

King County Metro noted that the strong partnership it found in New Flyer was a key determining factor in the decision to purchase additional buses.

"New Flyer has been a very good partner to us throughout this lease. It's very important because, what happens after you buy the bus? What happens after you put the infrastructure in place? You need to have a strong partnership with a company that has the resources, the will, and the ability to support the product,"

- Danny Ilioiu, Zero Emissions Fleet Strategic Planning Manager, King County Metro and Seattle

"Having delivered over 1,830 buses to King County since 1979, with over half comprised of zero-emission or hybrid electric propulsions on common and proven Xcelsior® bus platforms, New Flyer technology has assisted Metro's transition to clean, quiet, reliable and sustainable transit,"

- Chris Stoddart, President, New Flyer and MCI

NFI subsidiary ARBOC has also supported Metro's commitment to fast, equitable, and reliable service, with 37 low-floor cut-away buses delivered since 2011 including the Freedom, Independence, Liberty, and Mobility models.



New Flyer Xcelsior CHARGE®, King County Metro, Seattle, WA

BETTER PRODUCT

The “VIC”: The Industry’s Vehicle Innovation Center

— The only ZEB collaboration center of its kind.

The Vehicle Innovation Center is the first and only innovation lab in North America solely dedicated to the innovation and advancement of bus and coach technology. The VIC provides comprehensive electric vehicle (EV) and automated vehicle (AV) training and workforce development, now available online.



Vehicle Innovation Center, Anniston, AL



2017

Launch

3,000+

Visitors

200+

Agencies / Operators

650+

Attendees for 2020
Virtual Sessions

BETTER PRODUCT

The VIC: Vehicle Innovation Center

The center's focus is to promote research and development, education and innovation, progressive manufacturing, and bold thinking, as well as to:

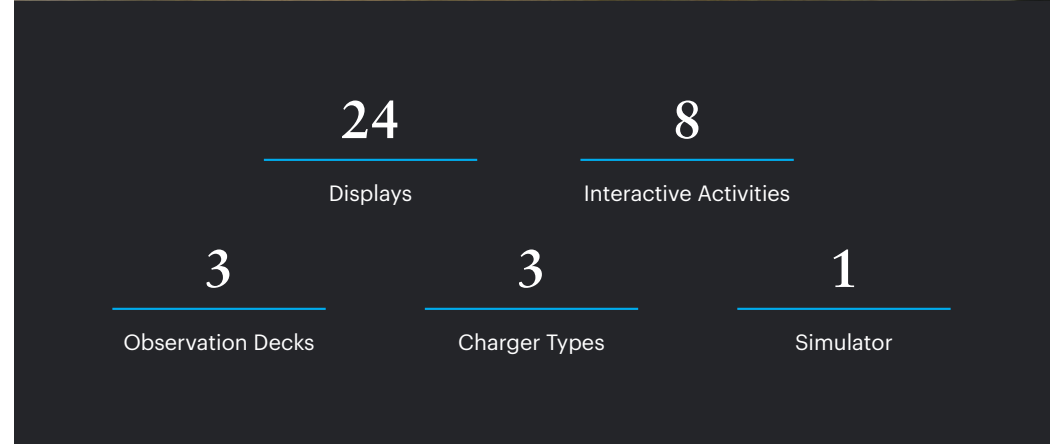
- Foster dialogue through discussion, education, and training on the latest zero-emission, connected, and autonomous driving vehicle technologies
- Engage learning through interactive exhibits, simulation and hands-on experiences, and observations
- Generate interest and commitment to clean air, quality, safety, and economic benefits for people, communities, and businesses
- Harness the positive influence of collaboration, environmental stewardship, and social change to advance smart mobility solutions
- Advance bus and coach technology through sustainable research and development, fresh innovation, progressive manufacturing, and bold thinking

With increased societal focus on sustainability to protect the environment and preserve natural resources, the demand for zero-emission battery-electric buses is quickly increasing throughout the world. NFI has met this demand and raised the bar with its state-of-the-art VIC.

In 2020, the VIC pivoted to virtual learning sessions and hosted over 650 attendees.



The VIC's battery-electric bus simulator



Leveraging Four Pillars to Enable the Future of Mobility

Today, over 3.9 billion people live in urban areas (more than 54% of the world’s total population), and urbanization is expected to intensify. By 2045, the global population living in urban areas is expected to surpass 6 billion. As cities continue to grow, so too will demand pressure on urban services – including the need for efficient and sustainable mobility, cleaner air, and multi-modal transportation.

NFI is best positioned to enable the future of mobility and meet today and tomorrow’s urban demands for scalable solutions. NFI is accomplishing this through a four-pillar approach.

Our comprehensive, unmatched, innovative approach directly supports the evolution of zero-emission technology, the need for equitable access to mobility, and the development of the workforce that will drive a sustainable future.

Through intensive internal training via the NFI Learning Institute, and external training provided virtually and in-person by the Vehicle Innovation Center, NFI is delivering critically needed workforce development to its teams and those of transit agencies across North America, building knowledge and skills on EV and AV technology in the face of rapid zero-emission bus adoption.

Communities are demanding cleaner air and less congestion, world leaders are advocating for mitigation of climate change, and cities are demanding safer, more reliable and efficient mobility. Through a world shifting gears, transit has stepped into the spotlight as a critical enabler of remobilization, and NFI’s four-pillar approach will continue to meet the need for greater sustainability, equity, and accessibility in moving people around the world.

NFI’s Four-Pillar Approach

1

Buses & Coaches



2

Infrastructure



3

Smart, Connected Technology



4

Workforce Development



BETTER PRODUCT

The Industry's Widest Range of ZEBs

30- & 35-foot

Medium-Duty, Low-Floor Electric



Single-Deck

Battery-Electric



35-foot

Battery-Electric



Double-Deck

Battery-Electric



40-foot

Battery-Electric



Double-Deck

Fuel Cell-Electric



40-foot

Fuel Cell-Electric



Motor Coach

Battery-Electric



60-foot

Battery-Electric



Motor Coach

Battery-Electric Low-Entry



60-foot

Fuel Cell-Electric



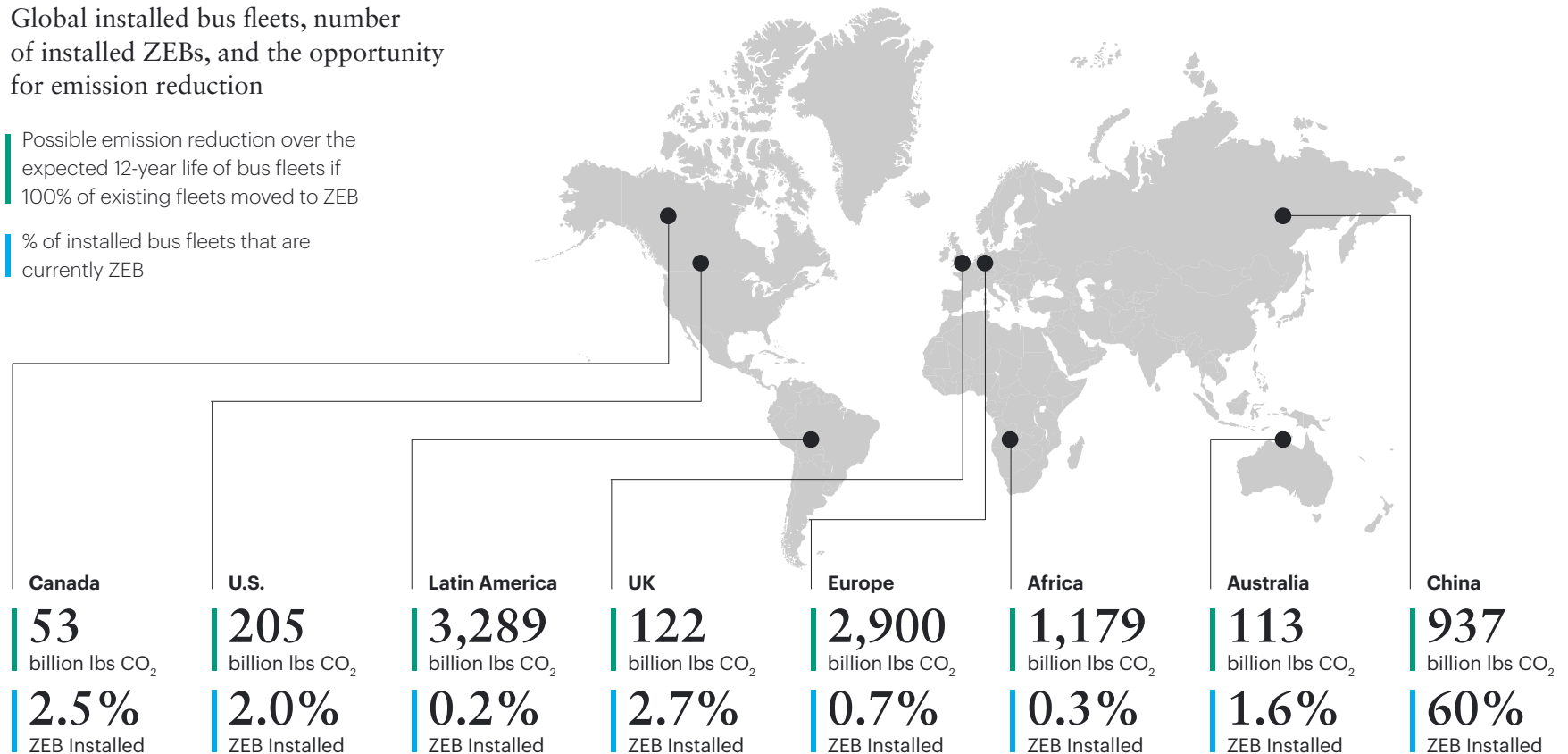
The Global ZEB Opportunity

It will take time to move to 100% ZEB fleets given current fleet status and adoption rates, but there is a massive opportunity for emission reduction as countries around the world transition to ZEBs. If each region pictured below were to move to a 100% ZEB fleet, the combined equivalent of ~9 trillion lbs of CO₂ would be eliminated over the expected 12-year minimum life of those buses.

Global installed bus fleets, number of installed ZEBs, and the opportunity for emission reduction

Possible emission reduction over the expected 12-year life of bus fleets if 100% of existing fleets moved to ZEB

% of installed bus fleets that are currently ZEB



Source: Sustainable Bus, ACEA, Stagecoach, Inside Climate News, PRI, Industry Week, Bus Industry Confederation, Management Estimates. Canada/US reported in Equivalent Units. Data as of end of December 2020.

Case Study Cradle-to-Grave Sustainability

Battery Recycling

As part of its environmental and community commitments, NFI is continuously exploring ways to sustainably recycle end-use products. In January 2021, NFI announced the successful launch of a battery recycling pilot with North America's largest lithium-ion battery recycler, Li-Cycle Corporation ("Li-Cycle").

Li-Cycle offers a proprietary, closed loop lithium-ion battery resource recovery service producing minimal solid waste, and zero liquid and air emissions that can sustainably produce battery grade lithium, cobalt, and nickel products. The pilot was Li-Cycle's first program in the heavy duty vehicle space.

NFI provided Li-Cycle with 45 end-of-life lithium-ion battery modules (used for research and development) totaling 3,200 pounds to be processed at Li-Cycle's Spoke facility and turned into black mass, which is then further refined to recover critical materials such as nickel and cobalt.

Li-Cycle's patented Spoke & Hub technologies recover an impressive 95% of all lithium-ion battery materials – extracting high-grade materials for battery reproduction, at a lower economic and environmental cost than mined and refined material.

Key differentiators of the Spoke & Hub model include an automated process at Spoke facilities where batteries are received in any state of charge and are mechanically shredded with no sorting, dismantling, discharging, or thermal processing needed. Patented Li-Cycle Hub technology then intakes the black mass produced at Spoke plants, processes the materials hydrometallurgically (i.e. using aqueous solutions for the recovery of metals), and outputs high-purity battery building blocks to be redirected to the lithium-ion battery supply chain and broader economy.

New Flyer and Li-Cycle are both members of CALSTART, an international nonprofit dedicated to accelerating the pace of clean technology and the adoption of clean transportation.



The NFI logo consists of the letters 'NFI' in a bold, white, sans-serif font, centered within a solid blue square. The background of the entire page is a blue-toned image of a road curving through a tunnel or underpass, with city lights visible through the windows on either side.

NFI

ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT FOR 2020

Better Workplace



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

Environment, Health & Safety Policy

Understanding the importance of sustainability, NFI is committed to protecting human health and the environment within our facilities and globally. We recognize the impact we have through our direct operations, supply chain, and consumer use of our products and services, through the consumption of natural resources, energy, water, and the generation of waste. As such, this policy applies to all of our facilities and operations, as well as contractors and suppliers through NFI's Supplier Code of Conduct.

At NFI, we believe that nothing is more important than the health and safety of our team members and others visiting or working in our facilities. We are committed to meeting our Environment, Health and Safety (EHS) responsibilities and maintaining a safe working environment at all locations. Health, safety and the protection of the environment is the responsibility of all and a top priority for NFI.

We are committed to complying with all applicable EHS laws and other requirements to which we subscribe. Improved EHS performance is continually sought at all NFI locations through the integration of risk-based and cost-effective management practices, which are applied to site activities.

Adherence to the EHS policy is the responsibility of all employees and persons working at or visiting our facilities.

With world-class workplaces and manufacturing facilities, NFI continues to lead the industry in the design, build, and delivery of fuel-efficient and zero-emission buses and coaches.

Our Environment, Health & Safety Policy may be requested through:
nfigroup.com/contact.



NFI Infrastructure Solutions™ installation

Ongoing Commitments

- Seek to integrate EHS considerations into our product and process design, manufacturing and business planning.
- Consider the life cycle perspective.
- Protect assets through robust risk assessment practices.
- Provide safe and secure facilities for employees, customers and visitors by:
 - Maintaining and improving a progressive EHS management system with programs designed to prevent incidents and provide effective procedures in the event of emergency.
 - Maintaining and supporting active health and safety committees or representatives at each location.
 - Continuously striving to maintain a clean and organized workplace, free from debris and recognized hazards.
 - Providing support for all EHS procedures, including but not limited to supervisory training and the prompt elimination of recognized hazards.
- Require that contractors, suppliers, and their workers meet or exceed all NFI EHS program requirements.
- Develop an understanding among those in leadership positions of their responsibilities to provide and promote a safe, healthy and environmentally responsible workplace.
- Prevent pollution with top priority of waste prevention at source, elimination of wasteful practices, and recycling.
- Responsibly, efficiently, and sustainably use natural resources such as energy, water and wood products.
- Minimize our contribution to climate change, and develop and produce products that transport people while also reducing greenhouse gas emission footprints.
- In accordance with our EHS management system requirements, periodically review this policy statement to ensure its continuing suitability and communicate changes and additions as appropriate.



2020 Occupational Health & Safety Performance

Safety performance is tracked and measured against our respective North American Industry Classification System (NAICS) codes as a benchmark for similar industry performance. Reports are produced and shared monthly with management and employees. 2020 incident rates showed improvement even though normal production operations and deployment of EHS resources were significantly impacted due to COVID-19 response activities. NFI did not have a fatality at any of its locations in 2020.

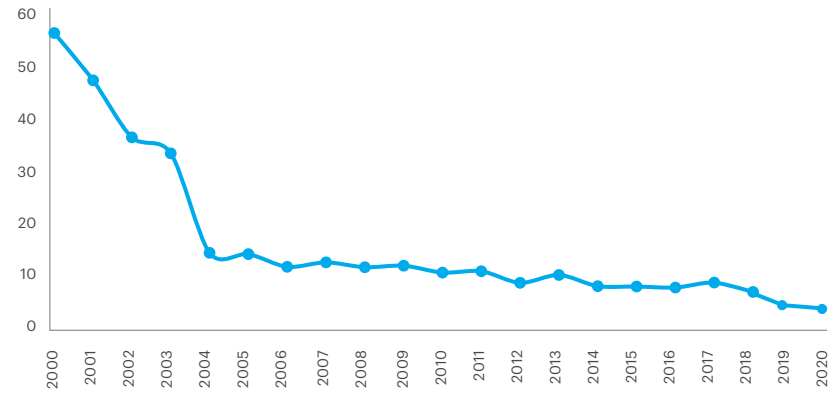
2020 NFI OSHA Rate: 4.4 → **2021 NFI OSHA Target Rate: 3.4**
2020 NFI Lost Time Rate: 1.6 → **2021 NFI Lost Time Target Rate: 1.3**
2020 NFI Fatality Rate: 0.0 → **2021 NFI Fatality Target Rate: 0.0**

NFI is focused on employee safety. OSHA and Lost Time incident rates are tracked and reported monthly to both management and employees. Weekly and monthly reports capture all NFI employees, while contractor injuries are investigated and recorded with the Primary Contractor responsible for work.

Safety

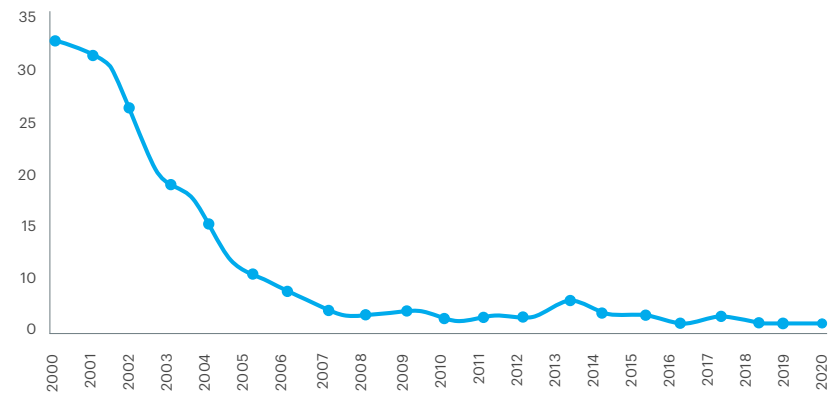
NFI's focus on occupational health and safety has resulted in strong and continuous improvements over the past two decades. Management believes that NFI's dedicated commitment to safety and health improvements is not only a competitive advantage for the organization, but is essential to the creation of a safe and healthy working environment for NFI's employees and operations.

NFI OSHA Rate
(occurrences per 200,000 hours)



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

NFI Lost Time Rate
(occurrences per 200,000 hours)



Case Study Clean and Protect™

NFI launched the Clean and Protect™ product and solution line to assist operators with restoring and maintaining consumer confidence during the COVID-19 pandemic.



In 2020, NFI Parts™, the parts subsidiary of NFI, launched its Clean and Protect product line—a suite of safety, cleaning, and disinfecting products—as a response to the COVID-19 pandemic.

Clean and Protect products are critical components in restoring and maintaining rider confidence, and each work to support the five principles of bus and coach transportation safety:

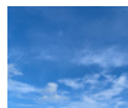
— The Five Principles of Bus and Coach Transportation Safety



Disinfecting



Distancing



Air Quality



PPE



Communication

— Proactive Air and Surface Purification (“PASP”)

NFI’s Proactive Air and Surface Purification (“PASP”) system is an example of a solution available from the Clean and Protect™ line. The PASP system uses proprietary technology to create advanced purification by producing High Energy Clusters that are distributed throughout the interior of the vehicle, safely sanitizing both air and surfaces, leaving behind no harmful residue. It is mounted directly in the passenger compartment, allowing for deactivation of viruses as they are introduced into the vehicle. Virus deactivation at the source of introduction is one of the critical factors to increasing passenger and vehicle safety.

— PASP: “The Most Validated Purifier on the Market”

Testing at the University of Florida confirmed the PASP technology deactivates SARS-CoV-2, the virus that causes COVID-19, as well as coronavirus 229E. The technology has also been tested in a stationary mass transportation vehicle environment where surface bacteria levels were reduced to almost non-detectable levels and VOC (volatile organic compounds) air quality measurements were reduced by almost 96%. In-service testing done in partnership with the City and County of Honolulu showed overall bacteria count reduction of 99.3% and validated the technology’s ability to deactivate the SARS-CoV-2 virus.

— Keeping Riders Safe in Washington State

In early 2021, NFI announced that GO Transit and Valley Transit, both located in Washington state, were keeping their riders safe with the PASP system, where it is able to disinfect the vehicle while it is on the road, without downtime or additional cleaning during service.

“We’re extremely happy to have something installed in our fleet that is able to disinfect air and surfaces throughout the day,” said Ron McDonald, General Manager, Valley Transit. “The unit running while buses are on the road, paired with daily cleaning crews and new driver barriers, covers all bases.”

BETTER WORKPLACE

Workplace Culture

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

Our vision is to achieve business success through aligned and engaged employees, and the delivery of resources and services to prepare our people to support the growth and profitability of the company guided by the principles of NFI. We do so with these values at work:

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



Workplace Culture

In addition to annual performance reviews, NFI provides leadership development, team coaching and mentorship by the management support team, and also conducts and assesses leadership performance each year through anonymous peer surveys.

In addition, the leadership team has personal and professional goals established each year, which are measured and monitored through a "Management By Objectives" goal structure.

We measure progress in employee satisfaction through our Employee Feedback Framework, which includes employee surveys, electronic feedback, round table communication, and 360 leadership feedback.

In 2020, we conducted an anonymous COVID-19 employee pulse check to gauge progress on safety, wellness, and employee satisfaction and to determine the effectiveness of COVID safety protocols and emergency response communication. A series of eight questions included an overall 58% response rate from all NFI employees. Employees were also asked to assess whether they felt that NFI was a great organization to work for and this question received a favourable response rate of 90% in 2020, improving from 82% in 2018 and 78% in 2016. Another COVID Pulse Check Survey is scheduled for Fall 2021. The next full survey is scheduled for Summer 2022.



— NFI December 2020 Employee Pulse Check

How would you rate your overall wellbeing at this time?



Overall, I feel NFI is a great organization to work for



Equal Employment Opportunity

NFI seeks to employ the best qualified team, better representing communities we work and live in, and promoting activity free from discrimination. We encourage team-building and respecting unique differences, all of which lead to a better culture and respectful workplace in accordance with our Human Rights statement.

— Employment

NFI is committed to recruit, hire, train and promote into all job levels the most qualified persons without regard to race, color, religion, gender or gender expression, sexual orientation, national origin, age, marital status, genetic information, disability, veteran, or disadvantaged status (defined as being homeless, being a custodial single parent, receiving public assistance, lacking a general education development or high school diploma, having a criminal record or other involvement with the criminal justice system, suffering from chronic unemployment, or emancipated from the foster care system).

We have instituted action-oriented programs designed to eliminate identified obstacles and help us achieve our improvement goals.

— Compensation

We work to advance employment for all people and are committed to administer all employment matters in accordance with the value we place on fostering a diverse and welcoming workplace that values the contributions of all employees and that employees' protected categories, including gender, should not factor into compensation decisions.

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

— Living Wage Assessment

NFI acknowledges and supports the need to contribute to the economic well-being of our team members and the communities in which our companies operate.

As an important first step, NFI has commenced a living wage assessment of the main transit bus production facilities of New Flyer, its subsidiary, in Canada and the United States to understand the competitiveness of New Flyer's wage scales in relation to applicable local living wage guidelines. We anticipate completing this initial assessment work over the next 12-month period and will provide an update on our progress and the opportunities observed in the 2021 ESG Report.



Leading with Integrity

NFI is committed to conducting all business activities with the highest standards of fairness, honesty, and integrity, and to complying with all legal and regulatory requirements, especially with respect to employees, suppliers, competitors, government and the public.

We strive to outperform our competitors fairly and honestly, while always following ethical and legal business practices. Each director, officer, employee and agent of NFI is bound by the Code of Business Conduct and Ethics when hired or retained. Employees in leadership, administrative, and customer roles are provided a copy of the Code on an annual basis. All other employees are provided a copy of the Code on a biannual basis. Each employee is required to sign and acknowledge their obligation to adhere to the Code.

NFI Code of Business Conduct and Ethics training is conducted via NFI's learning management system and a quiz is completed to test that all team members understand the Code and how it applies to them. The NFI Code of Business Conduct and Ethics may be obtained at: www.nfigroup.com

The NFI Whistleblower Policy outlines procedures for the receipt, retention, and treatment of complaints regarding actual or apparent violations of the Code, the Disclosure and Insider Trading Policy, and the law generally and specifically regarding internal accounting controls or auditing matters. NFI Whistleblower Policy may be obtained at: www.nfigroup.com

Reports or Financial Allegations Reports may be submitted to the Ethics and Compliance Hotline on a confidential and anonymous basis, by phone or online using an independent third-party reporting service provided by NAVEX Global.



Paul Soubry, President & Chief Executive Officer, NFI, speaks to CBC reporters at NFI's production facility in Winnipeg, Canada.

Anti-Corruption and Bribery Policy

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

NFI's anti-corruption principles govern relationships and interactions with public officials, payments, records of payments and third-party dealings. Additionally, NFI employees within scope of this policy are trained to familiarize themselves with additional restrictions and specific requirements of the public agencies with whom they interact. Training for all employees within the policy's scope is conducted on an annual basis.

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

Political Advocacy

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

NFI's Political Contribution Policy may be found at: www.nfigroup.com



Respectful Workplace

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

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

All employees are required to complete training regarding the Respectful Workplace policy and reporting procedures on a two-year cycle. NFI has robust incident reporting and investigation processes to maintain confidentiality and to prevent non-retaliatory behavior.



Human Rights Statement

— Our Commitment

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

— Our Approach

We view human rights within the meaning of internationally recognized human rights. Our approach is informed by international principles including those encompassed in the United Nations Guiding Principles on Business and Human Rights, Universal Declaration of Human Rights, International Bill of Rights, and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work.

Based upon our operational context and ability to influence, NFI's human rights approach focuses on the management of human rights within our operations, supply chain and communities in which we do business. Among other things, we concentrate on labor and employee welfare. For example, the working conditions of our employees are, at minimum, in compliance with internationally recognized labour standards and the laws of the countries in which we operate.

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 strive 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 promote diversity in the workplace.
- Prohibit forced, bonded, trafficked and child labor in our operation and to avoid such labor in our supply chain.
- Recruit ethically based on the needs of our business and seek to recognize the talent and potential of new applicants.
- Provide fair wages and benefits that are based on the consideration of numerous applicable factors.
- Promote health and safety in the workplace as described in our Environmental, Health, and Safety Policy.
- Adopt practices to protect the personal information of our employees and customers.
- Recognize the freedom of workers to associate or not associate with a labor union, and to collectively bargain when represented by a legally recognized labor union.

Further information about the NFI Group Human Rights statement is available at www.nfigroup.com.

Supply Chain Management

NFI seeks to do business with reputable business partners who are committed to ethical standards and business practices compatible with those set out in the NFI Group Supplier Code of Conduct. NFI strongly encourages suppliers to exceed the requirements of this Code and to promote best practices and continuous improvement throughout their operations.

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

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

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

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

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



Data Security & Privacy

NFI has established data and cyber security policies outlining our guidelines and provisions for preserving the security of our data and technology infrastructure.

We understand that the more we rely on technology to collect, store, and manage information, the more vulnerable we can become to security breaches. For this reason we have outlined considerable security measures in our mobile device usage, social media and email/Internet usage policies to provide NFI team members with instructions on how to protect personal and company devices, safely use email, manage passwords and transfer data securely.

NFI has established a group data privacy policy outlining our commitment to comply with all applicable privacy laws in the countries in which we operate or conduct business. The applicable NFI companies comply with the General Data Protection Regulation (GDPR) regarding the use and management of personal data in regions in which GDPR applies.

We have taken additional measures to implement a Privacy and Data Security Incident Response Plan that outlines workforce responsibilities and how to report any suspected incidents. Regular training is provided to employees regarding how to detect scam and phishing emails, and we encourage our employees to reach out to NFI's legal department with questions or concerns.



NFI Learning Institute

— NFI invested approximately \$5 million in training in 2020.

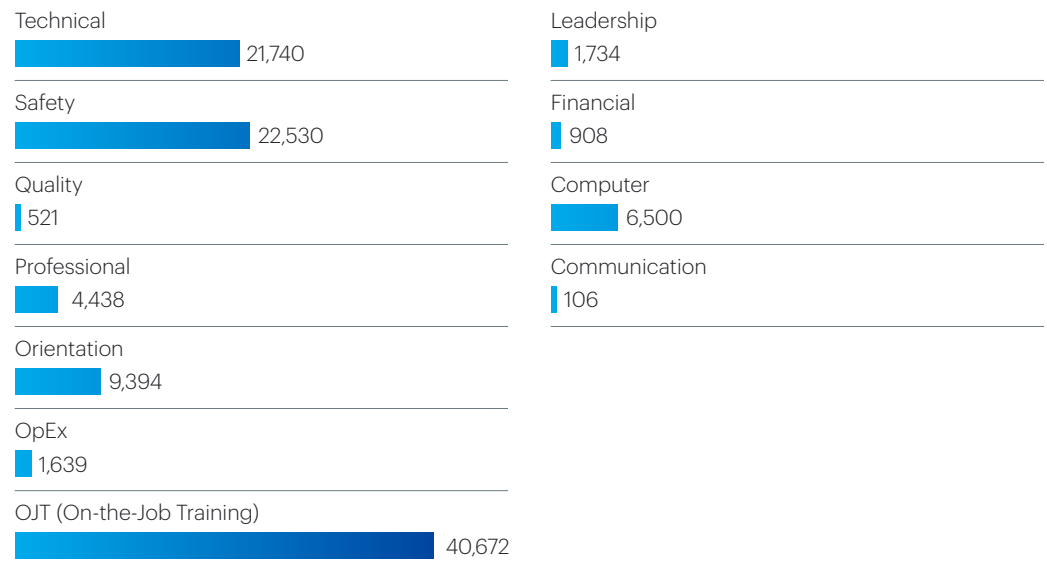
NFI delivers considerable training and educational programming that is directed at supporting the success of the organization and its workforce. The NFI Learning Institute drives training and development across all businesses through the delivery of training programs that support the diverse needs of our workforce. To ensure that the programming is relevant and meets the ever-changing requirements of NFI and the industry, the NFI Learning Institute engages in maintaining strong internal local and regional partnerships that help support training priorities aligned with organizational goals.

NFI focuses on all areas of development which include a robust orientation program for those joining NFI, technical and professional development that supports the workforce in their current and future roles, plus leadership training and workshops for current and emerging leaders.

To meet the training needs of a geographically widespread workforce, the NFI Learning Institute conducts training in person and online.



— NFI Training Hours 2020 by Topic



Xpressline

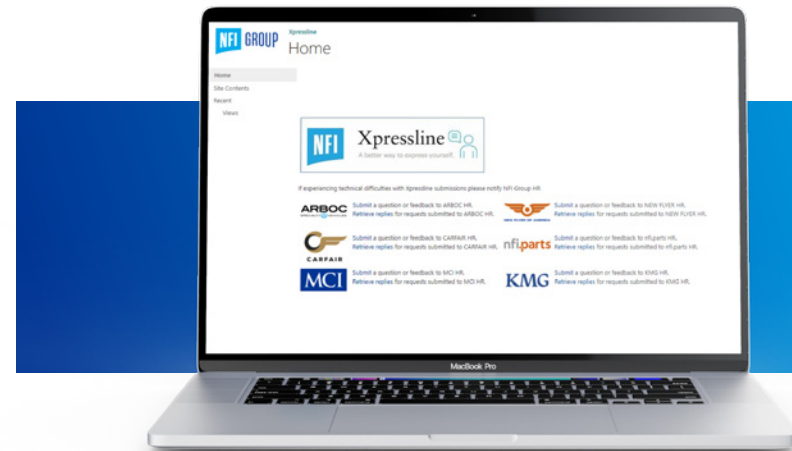
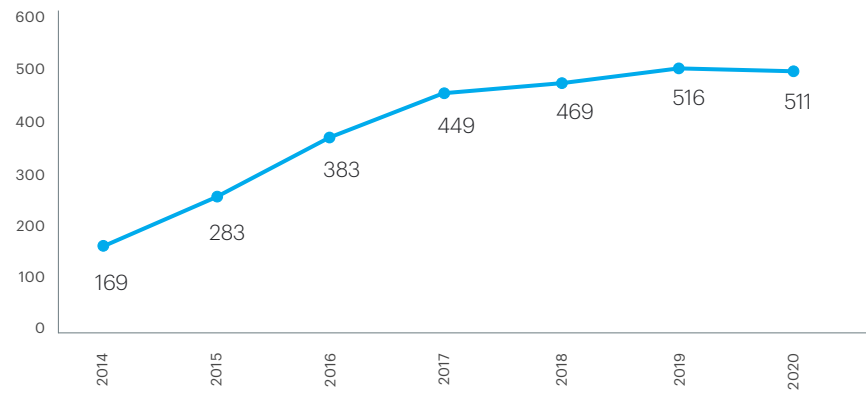
Launched in 2014, Xpressline is an electronic employee suggestion and feedback program that has delivered tremendous value to New Flyer and NFI Parts and will be extended to MCI in 2021.

Employees can submit their suggestion and/or feedback and receive a response through the online system to their email or ticket number. In 2020, we received 511 submissions even with the impacts of COVID-19 and two months of idled facilities, and we have seen a steady increase in submissions since 2014.

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

- General Feedback
- Company Intranet Improvement
- Social Committee Feedback and Suggestions
- Safety Concerns and Suggestions
- Environmental Concerns and Suggestions
- Respectful Workplace Concerns
- Loss Prevention Concerns and Suggestions
- Border Security Concerns and Suggestions
- Product and Build Process Improvement Suggestions
- Training and Development Concerns and Suggestions

— % of Submissions





Case Study

ADL's Employee Well Being Initiative

NFI strongly believes that mental health and wellbeing is important for a healthy lifestyle. Early on in the pandemic, ADL realized that mental health has become an important challenge in the workplace and implemented a series of initiatives to support its team members throughout 2020.

— Start Well program



ADL organized a week-long series of five 15-minute sessions starting at 8:00 a.m. local time, focused on breathwork and meditation, to create a moment of calm and to help set members up for the day ahead. The sessions were recorded for those unavailable to join at the specified time.

Feedback was incredibly positive for these breath and meditation sessions, and ADL has plans to extend this series into 2021.

- 87% found the sessions beneficial
- "created a sense of togetherness"
- "it was good to relax my mind for the start of the day"
- "Great to see the company invest in something like this"

— Mental Health First Aiders

ADL strongly believes that mental health and physical health should be valued equally. To proactively support mental health, ADL provided training for more than 35 volunteer Mental Health First Aiders. Mental Health First Aiders were taught to identify, understand and respond to signs of mental health challenges; learn risk factors and warning signs; be prepared when a mental health crisis occurs; and assist employees with finding appropriate assistance for their specific circumstance. ADL ensured that all sites had representatives available to provide support to those in our facilities, as well as those working remotely. #endthestigma

"When I had the chance to volunteer to become a Mental Health First Aider, I thought it was a great opportunity to be a part of an initiative at our workplace which will increase mental health awareness and reduce the stigma attached to mental health. Mental Health is something which can affect anyone and everyone."

- Mental Health First Aider, UK

— Mental Health Awareness e-Learning

In addition, ADL managers participated in an online mental health awareness program to learn to better understand and support mental health in the workplace. Externally hosted programs were also held for line managers.

Electronic guides and handouts were provided to managers and employees, on topics including supporting remote working and holding effective virtual meetings.

"Following the success experienced at ADL, NFI is now looking to roll out these practices more broadly across the Group."

The NFI logo consists of the letters 'NFI' in a bold, white, sans-serif font, centered within a solid blue square. The background of the entire page is a blurred, blue-tinted image of a city skyline at night, with light trails from a road or highway in the foreground.

NFI

ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT FOR 2020

Better World



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

Celebrating Diversity, Inclusion & Equity

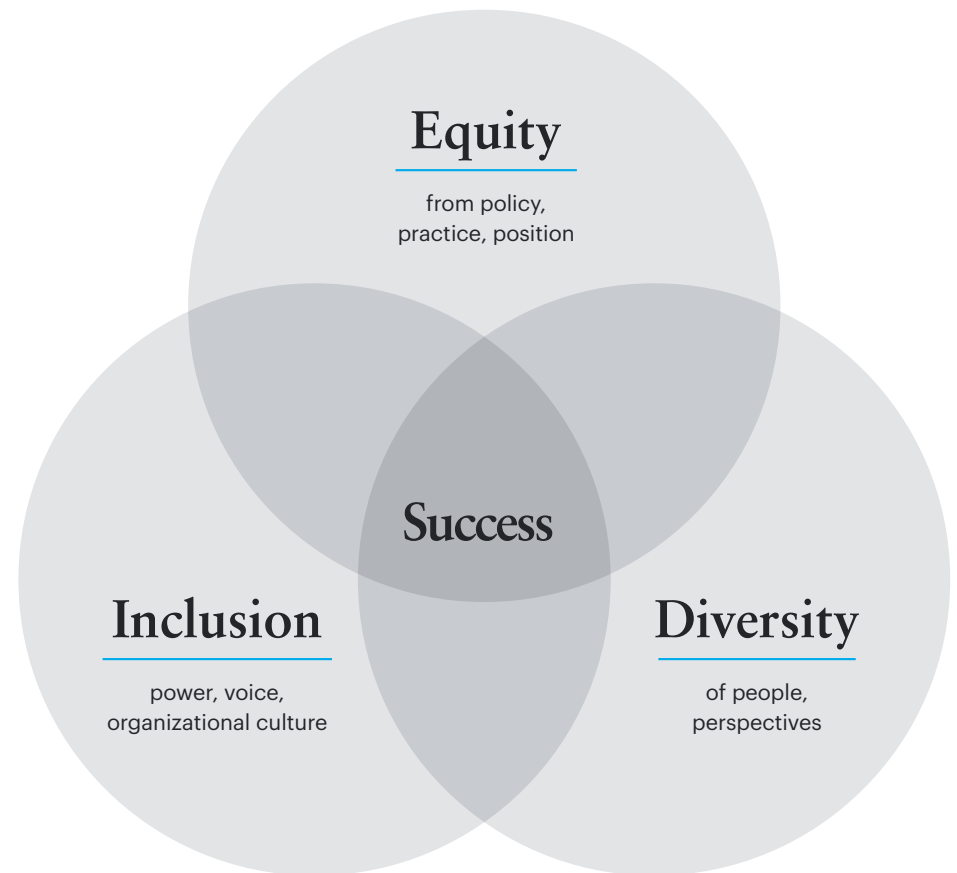
NFI celebrates diversity through the creation of programs that recognize and support our differences, working to foster diversity in ways that create a sense of belonging while enabling uniqueness.

— Diversity + Inclusion + Equity = Success

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

An interactive diversity and inclusion training program was first rolled out to our leadership team in 2015 and has become a critical component of our training programs. This program describes the benefits of diversity and takes each leader on a journey of exploration of their personal biases and how they can impede their ability to create an inclusive environment. This program has been firmly embedded into our leadership program and to date has been delivered to more than 600 leaders ranging from executives to team leads.

NFI embeds itself firmly in the communities where we do business. Communities are such an integral part of our business that they have been built into our stakeholder and workforce development frameworks. We work closely with community groups on the development of programs that support skill and career development for groups that are underserved in many workplaces which include: women, Indigenous and founding nations groups, persons of color and racialized communities, newcomers to our countries, persons with visible or invisible disabilities, the LGBTQ2S+ communities, those formerly incarcerated, and youth.

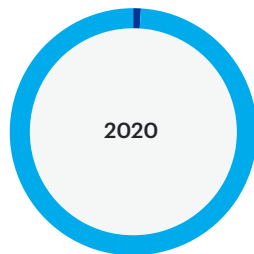


Measuring Diversity, Inclusion & Equity

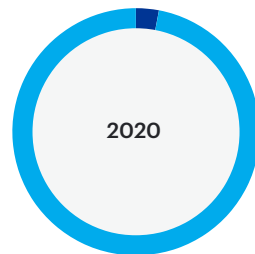
NFI measures diversity to ensure representation is tracking in a positive direction, adjusting focus where required, and implementing actions to more effectively and inclusively manage a diverse workforce.

Although changes in organizational headcount, driven by acquisitions and business optimization efforts, have impacted historic and year-over-year numbers, we have instituted action-oriented programs focused on training, workforce development, and community outreach designed to address problem areas by region and representation.

NFI is an equal opportunity employer.



● 1.32% Disadvantaged Workforce



● 3.12% Veterans Workforce



Diversity & Inclusion

	2017	2018	2019*	2020
Women	25.0%	21.0%	18.7%	19.3%
Women in Middle Management & Above	25.0%	21.0%	19.6%	17.7%
Women in Executive Roles	12.5%	20.6%	15.8%	20.7%
Women in Board Roles	25.0%	25.0%	38.0%	33.0%**
Visible Minorities	19.4%	23.5%	19.0%	28.5%
Visible Minorities in Middle Management & Above	11.7%	11.2%	6.8%	11.7%
Visible Minorities in Executive Roles	3.7%	3.4%	5.6%	3.5%
People With Disabilities	n/a	2.0%	2.1%	1.2%
Indigenous People	0.5%	0.7%	0.5%	0.5%

*Note: Alexander Dennis included in 2019 onward

**NFI increased the number of Board positions by 1 in 2020; it did not lose a female Board member

Fostering Diversity, Inclusion & Equity

Our Objectives

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

NFI is committed to reviewing its Diversity, Equity, and Inclusion efforts in 2021, and is doing so with the help of external consultant Korn Ferry. This effort is comprised of a qualitative and quantitative review to prioritize and focus on interventions that are targeted and specific.

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

There are now 29 members comprising NFI's executive leadership team, of which six (or 21%) are women. Our overall executive leadership team was reduced in 2020 as we combined business units and lowered our overhead expenses in response to COVID-19. Although 2020 was a challenging year due to the impacts of the pandemic, we were able to maintain Group-wide female representation at 19%.

As of the end of 2020, NFI had reached and maintained a target objective that the Board would be comprised of 25% female Directors, reinforcing its commitment to gender diversity. This target will be revisited in 2021.

In March 2021, NFI joined the **50-30 Challenge**, formalizing our commitment to advance diversity, inclusion, equity, gender parity, and economic prosperity in all our workplaces.

An initiative of Innovation, Science and Economic Development Canada ("ISED"), signatory organizations aspire to two goals:

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

We are committed to this journey.



Community Benefits Framework

NFI is enhancing its existing approaches to workplace development through the hiring of diverse, underserved, and underrepresented individuals. The Community Benefits Framework (CBF) serves as the guiding framework from which formal agreements and programs outlining our local community partnership and workforce development commitments are created and implemented.

The measures outlined in the CBF are intended to identify, train, and onboard new hires and support the development and deployment of pre-apprenticeship/apprenticeship programs and ongoing career development of people including veterans, women, people of color, people with differing abilities, and underrepresented and underserved individuals in the field of advanced manufacturing.

Adopted by New Flyer in 2020, the CBF informs local workforce development actions, diversity and inclusion, community benefits, and a path to manufacturing jobs for disadvantaged, underserved, and under-represented individuals.

Workforce Development Programs



Accelerate Anniston™ is the first initiative of our Anniston Workforce Development Programs (“AWDP”), a national workforce development initiative introduced by New Flyer and its partner the Transportation Diversity

Council (“TDC”), a nonprofit organization delivering world-class education and development programs that promote diversity in the transportation and construction industries, with additional programs to come in other locations in future years. The Local Program underway in Anniston, Alabama includes the hiring of 20 individuals from disadvantaged or underserved populations, and includes compensation training and social support commitments.

Anniston Workforce Development Program Progress Report 2021 Q1

Community Partnerships

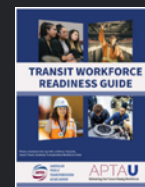
# of Community-Based Organizations Engaged	10
# of Community-Based Organizations Signed	7
# of People Referrals	8

Workforce Development

# of Hires	5
# of Hires (Target)	20
# of Training Hours Delivered	1,750
# of Hires Completing Pre-Apprenticeship	5
# of Hires Entering Electrical Apprenticeship Program	-
# of Employee Engagement Committee Members	10
# of Employee Engagement Committee Meetings to Date	5

Educational Bursaries and Social Investment

# of Educational Bursaries Awarded	In progress
Value of Educational Bursaries	\$25,000
Value of Stipends (Travel/Daycare/Housing)	\$500



APTA 2021 Workforce Readiness Guide

NFI’s Diversity, Inclusion & Equity initiatives and New Flyer’s CBF were profiled in the APTA 2021 Workforce Readiness Guide by the American Public Transportation Association, a comprehensive handbook capturing the state of workforce readiness in North America, and outlining key initiatives that will help drive it forward. As the electrification of mass mobility continues, workforce development and equity for every person to participate in the transportation industry will remain a critical enabler of the new mobility era. For details, visit newflyer.com/CBF.

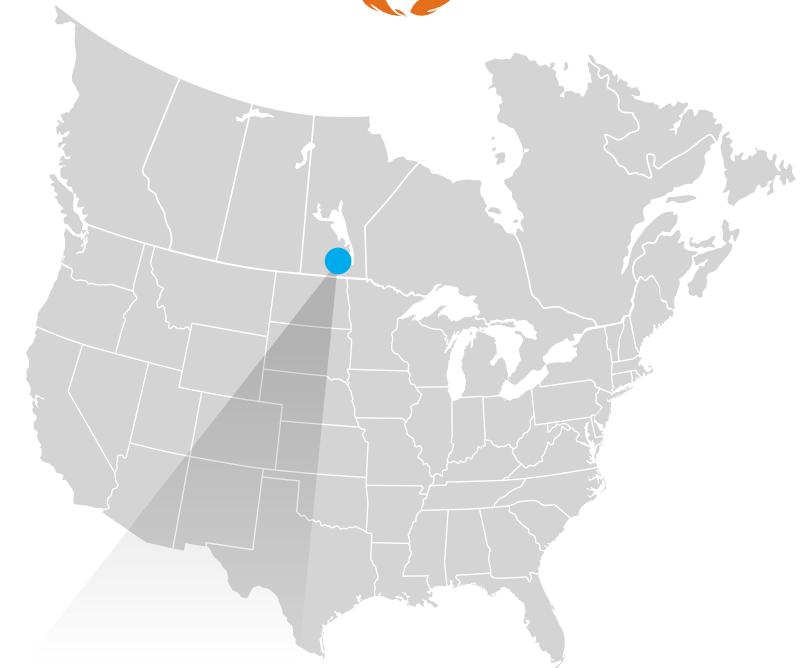
Truth & Reconciliation Efforts

In order to redress the legacy of residential schools and advance the process of Canadian reconciliation, the Truth and Reconciliation Commission made 94 calls to action, including some directed at businesses.

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

- Measuring and monitoring workforce demographics to understand workforce representation and identifying improvement opportunities;
- Delivering diversity and inclusion training as a required leadership development module to promote awareness of diverse workplace and understanding of unconscious and implicit bias;
- Implemented Indigenous Insights learning program with University of Winnipeg that supports organizations seeking to understand and respond to the Truth and Reconciliation Commission's Calls to Action; and
- Participating in TRC92 Employer Consortium Youth Employment Initiative.

NFI is committed to building respectful relationships, ensuring that Indigenous peoples have equitable access to jobs and training, and developing leadership and workforce intercultural competencies. We continue to focus on approaches to advance reconciliation efforts in our operations.



NFI's global headquarters is located on Treaty One territory, the original lands of the Anishinaabe, Cree, Oji-Cree, Dakota, Lakota, Dene peoples, and the birth place and homeland of the Métis Nation. We acknowledge that our water is sourced from Shoal Lake 40 First Nation. We respect and give honor to the Indigenous peoples' history on this land and recognize First Nations, Métis, and Inuit peoples' ongoing contribution in our neighborhoods and communities today.

Case Study

Innovation in Accessibility



ARBOC has been innovating in accessibility since 2008, with the goal of Equal Access for Everyone®. The ARBOC Freedom, built on the General Motors 4500 cutaway chassis, provides a single, non-discriminatory patented angled and accessible entranceway for passengers of all mobility capabilities, including wheelchair riders and those using walkers. The single-plane floor inside the vehicle reduces trip hazards and ensures ease of navigating throughout the bus.

“The innovative fully accessible, low-floor Freedom is the only bus of its kind,” said Doug Minix, General Manager, ARBOC. “It offers all the benefits of a low-floor bus at a competitive price and makes superior accessibility available to everyone.”

— Making Transit More Accessible To Customers

In December 2020, ARBOC announced a firm order of fifty-three 27-foot Freedom buses from TransLink (via ARBOC’s local distributor Dynamic Specialty Vehicles Ltd.). TransLink, formally the South Coast British Columbia Transportation Authority, is the statutory authority responsible for the regional transportation network of Metro Vancouver in British Columbia, Canada, including public transport, major roads, and bridges.

TransLink will utilize the new buses to support the rejuvenation of the Community Shuttle fleet within the Metro Vancouver area, adding more low-floor buses for enhanced accessibility and livability for its transportation network that provides 247 million trips per year.



ARBOC Freedom bus

Environmental Performance

Each NFI facility is evaluated to determine and categorize activities that could potentially impact the environment or health and safety.

This assessment is performed annually by the environment, health and safety (EHS) personnel responsible for the facility and considers the environmental footprint of our manufacturing processes. The scope includes parameters such as air emissions, raw material and natural resource usage, and waste generation. The majority of our greenhouse gas (GHG) emissions are related to heating, cooling, and ventilating our facilities. NFI's production is not energy intensive, and consideration is given to reduce energy consumption and GHG emissions for each facility upgrade. The ongoing monitoring of key environmental metrics helps provide the basis for more focused improvement initiatives.

A Note on Reporting: The COVID-19 pandemic impacted facility usage and, subsequently, NFI's environmental metrics in 2020. A variety of situations—including, but not limited to: employees working from home, unplanned shutdowns and facility idling, adjusted production schedules, business reconfiguration, and site closures — led to lower than expected demand on utilities. In addition to the impacts of the COVID-19 pandemic, 2020 was NFI's first full year of operation with ADL as a subsidiary company; as a result, a number of reported absolute values may have increased from 2019 levels.

NFI expects to respond to the CDP Climate Change Questionnaire for the first time in Summer 2021, following which time our environmental metrics will be adjusted to support ongoing disclosure requirements. Reporting through the CDP will provide NFI with a framework to systematically measure and disclose our risks and opportunities related to carbon and climate change, and to create targets around areas of meaningful impact. Going forward, as we continue to improve our environmental reporting, including our internal tracking and reporting processes, year-over-year increases may still be seen. We also anticipate production to increase in 2021 as compared to 2020, which will likely increase absolute values.

In July 2020, NFI announced its transformative cost reduction initiative, "NFI Forward", focused on moving NFI from a holding company to an integrated operating company. As part of NFI Forward, NFI has launched a significant footprint review, focused on rationalizing facility footprint throughout the organization. This review and subsequent actions will lead to meaningful baseline information, as well as provide direction in terms of the development of science-based targets moving forward.

Consumption	Units	2020**	2019
Total Energy Consumption	GWh _{eq}	852	1,054*
Gross Renewable Energy	GWh	33	35
Gross Non-Renewable Energy	GWh _{eq}	820	1,019*
Renewable Electricity	%	49	54
Non-Renewable Electricity	%	51	46
Facility Heating Totals			
Carbon Dioxide Emissions – CO ₂ Total	US tons	159,266	199,781*
Methane Emissions – CH ₄ total	US tons	3.03	3.80*
Nitrogen Oxide Emissions – N ₂ O total	US tons	2.89	3.64*
Particulate Matter Emissions <30µm	US tons	10.00	12.57*
Sulfur Dioxide Emissions – SO ₂ total	US tons	0.79	0.99*
Volatile Organic Compound Emissions – VOC total	US tons	7.24	9.10*
Solvents Emissions (VOC)	US tons	436	415
Particulate Matter Emissions <30µm (production total)	US tons	2.23	1.30
Hazardous Air Pollutant (HAP) Emissions	US tons	137	136
Total Water Consumption	US gal	47,601,675	40,651,177*
Total Hazardous Waste	US tons	483	540
Total Industrial Waste	US tons	9,526	8,930
Recycled Cardboard	US tons	4,724	1,080
Recycled Metal	US tons	3,886	3,280
Recycled Wood	US tons	10,939	1,470
Production Total: Buses & Coaches (various propulsion systems)	Vehicles	4,363	3,915

*2019 values have been corrected to address an error made in previously reported natural gas usage and water usage.

**Some direct and indirect emissions (such as GHG emissions produced by company vehicles) are not yet included.

Climate Change

NFI continues to work on electrification and battery technologies that reduce the demand for fossil fuel consumption, and our zero-emission product range illustrates our abilities in these areas. Insourcing various components through our primary fabrication operations centralizes production and in turn provides NFI better control over our supply chain and its effects on climate change.

NFI Greenhouse Gas (GHG) Emissions (US tons)

2018	2019	2020
VOC 7.155	VOC 9.10	VOC 7.24
SO ₂ 0.781	SO ₂ 0.99	SO ₂ 0.79
PM 9.887	PM 12.57	PM 10.00
N ₂ O 2.862	N ₂ O 3.64	N ₂ O 2.89
CH ₄ 2.992	CH ₄ 3.80	CH ₄ 3.03
CO ₂ 156,151	CO ₂ 199,781	CO ₂ 159,266

A Note on Reporting: NFI has divided its emission profile into two streams, representing building and process energy requirements, and direct chemical emissions from manufacturing and service processes. Carbon Dioxide (CO₂), Methane (CH₄), Nitrous Oxide (N₂O) and fluorinated gas (none) emissions are related to heating our facilities.

A Note on Reporting: 2020 metrics are impacted by several factors, including but not limited to the COVID-19 pandemic. Please see detailed note "A Note on Reporting" on Page 60 explaining these items and their impact.

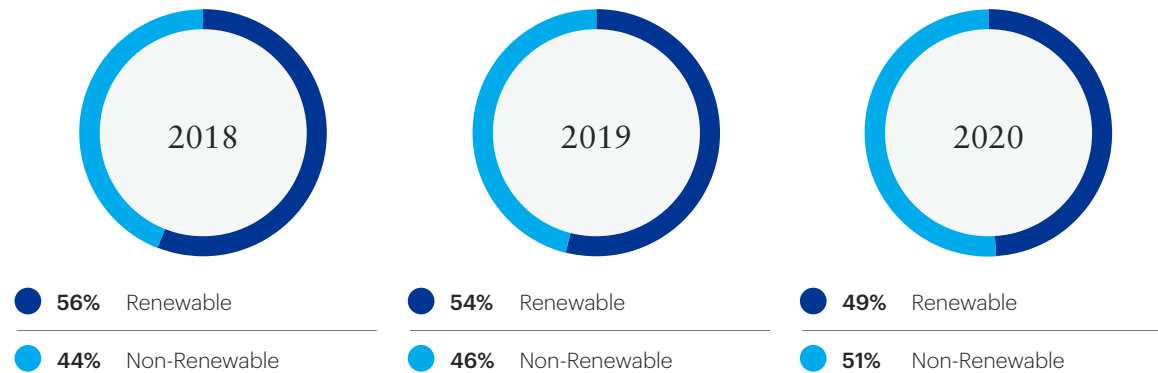
Energy

Conserving energy is important to NFI. Energy use reduction is a key strategy to mitigate our contributions to GHG and climate change risks, as well as to minimize resource usage. Renewable electricity metrics for 2020 are provided to the right.

The majority of NFI's manufacturing facilities are located in cold climate regions, and facility heat represents the majority of our energy consumption. Reduction projects focus on facility energy usage as process energy usage is minimal by comparison. Energy conservation is increased on a project basis. Wherever possible, projects that are directly related to facility energy consumption aim to reduce consumption by 10%, within the context of the project. For these projects, energy consumption data is summarized, validated, and reported to our leadership group.

Facility projects were slowed in 2020 due to the COVID-19 pandemic and will resume in 2021. Energy savings have been realized in our facilities through the installation of LED lighting (including emergency and exterior lighting), radiant heating, improved ventilation and heating, boiler system upgrades, infrared water heaters, variable frequency compressors, and paint booth exhaust fans, as well as insulating/sealing of our facilities.

NFI Electrical Energy Use



A Note on Reporting: 2020 metrics are impacted by several factors, including but not limited to the COVID-19 pandemic. Please see detailed note "A Note on Reporting" on Page 60 explaining these items and their impact.

Air Emissions

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

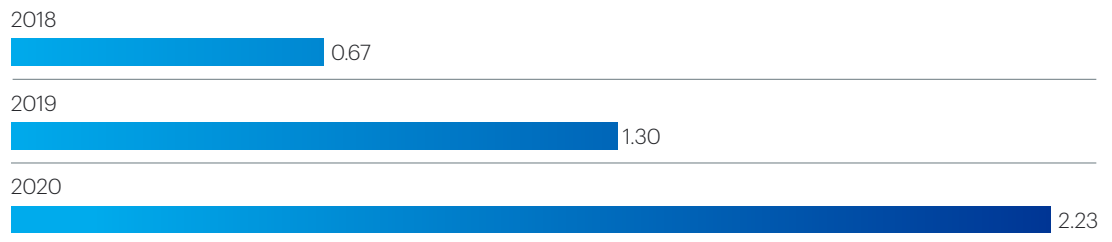
Volatile Organic Compounds (VOCs), Particulate Matter (PM), and Hazardous Air Pollutant (HAP) air emissions from painting and fiberglass manufacturing activities are managed by striving to meet industry best practices and properly maintaining air pollution control equipment. NFI has implemented powder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

- Increases shown in 2020 VOC and HAPs emissions are largely due to the addition of newly acquired sites, including a full-year of ADL operations.
- Increases seen in PM can be attributed to improvements made to our internal tracking and reporting processes.

NFI VOC Emissions (US tons)



NFI PM Emissions (US tons)



NFI HAPs Emissions (US tons)



A Note on Reporting: 2020 metrics are impacted by several factors, including but not limited to the COVID-19 pandemic. Please see detailed note "A Note on Reporting" on Page 60 explaining these items and their impact.

Water Use

In NFI facilities, water is predominantly used for sanitary purposes, jurisdictionally mandated facility irrigation, and water leak tests. Water testing for bus shell integrity is our largest water consumption for manufacturing process usage. Requirements for these tests vary by contract and can have a significant impact on our water consumption. We are able to conserve water during manufacturing process through on-site re-use of the water required for extreme weather leak testing.

Waste

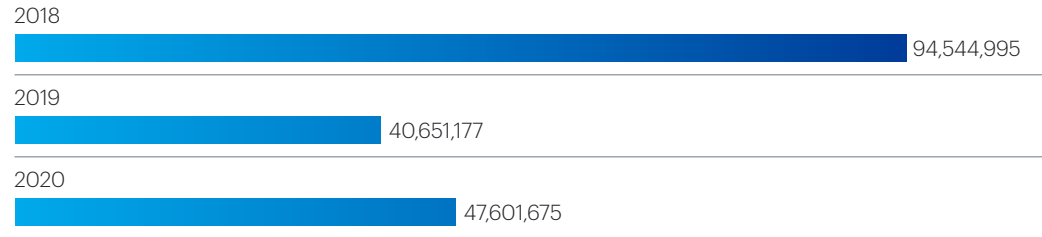
NFI manages waste in an environmentally conscious manner, and waste management programs are in place at each of our facilities. Lean manufacturing methodologies also drive efficiencies in the use of raw materials, which reduces NFI's overall waste footprint.

→ Due to reduced production rates in 2020, existing facilities saw reduced industrial waste in 2020; however, with the addition of newly acquired sites, the total industrial waste shows an overall increase.

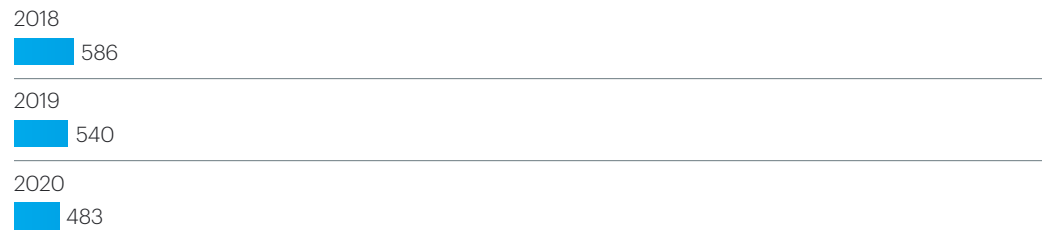
Hazardous waste is disposed using certified hazardous waste disposal contractors. All chemicals used in production are reviewed prior to use in order to minimize the use of hazardous products, and to evaluate the substitution of products that minimize the impact on environmental or human health.

Waste streams are reduced through recycling where applicable. In 2020, NFI diverted 10,939 tons of wood and 4,724 tons of cardboard from landfills, and recycled 3,886 tons of metal.

NFI Total Water Consumption (US Gallons)



NFI Total Hazardous Waste (US tons)



NFI Total Industrial Waste (US tons)



A Note on Reporting: 2020 metrics are impacted by several factors, including but not limited to the COVID-19 pandemic. Please see detailed note "A Note on Reporting" on Page 60 explaining these items and their impact.

Case Study

Building the Best Drivers in the Industry

Helping to educate drivers to enable safer communities.

In February 2020, MCI introduced the Motorcoach Operator Certificate Program, a driver training program to help answer the industry's shortage of qualified drivers and to help contribute to safer communities. The Motorcoach Operator Certificate Program is part of the ASE-accredited (Automotive Service Excellence) MCI Academy, and is a graduated sequence of online training courses on safety, federal regulations, and coach systems, designed to meet the needs of both new and experienced drivers, and enable career advancement.

In an independent recruitment survey, external training was cited as one of employees most preferred incentives for staying with a company. It can also incentivize job seekers to apply because of the potential to advance their career.

MCI Academy's program is online, free of charge and spans all skill levels. The program is designed around four levels of training. The first three levels include eight hours of training per level with coursework taught via video and PowerPoint narratives. Level 4 is a Master level certificate for the most experienced coach operator.

The Level 3 Certificate helps prepare entry-level drivers to meet new Federal Motor Carrier Safety Administration (FMCSA) rules for Commercial Driver's License (CDL) application. Mid-career drivers benefit by Level 2 and 1 coursework designed to improve road safety and coach system knowledge. There is also Master Level coursework for drivers who complete the three levels of certification.

"The beauty of the program is that drivers can complete their training while waiting for their groups or during their off hours from any location via laptop or mobile device," said Scott Crawford, MCI Training Manager. "And operators will benefit from drivers who are well-trained, engaged and proud to work in a profession that contributes to the well-being of transportation businesses, passengers and road safety."

Over 2,500 customers, including both public and private operators, participated in training this year. In 2020, 29,874 courses were completed, for a total of 30,278 hours of training.



Community Support

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

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

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

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

A number of community groups received support and contributions from NFI in 2020. We support a variety of community, health, and youth organizations and programs, such as Canadian Museum of Human Rights, Crookston Ox Cart Days, Diabetes Canada, Winnipeg Art Gallery Inuit Art Centre (Oaumajug), and Winnipeg Jets Hockey Academy. In addition, the NFI team collectively invests hundreds of hours back into the communities where they work, and live each year.

In 2020, the third NFI-wide United Way campaign was held across 31 locations, and our team came together to donate \$378,701 to United Way agencies across North America—proudly supporting 23 different United Way agencies in the U.S. and Canada, in or nearby communities we operate in. We recognize that we are better together, and that our communities can thrive as a strong collective.

Our team stepped up and participated in the 2020 United Way “Walk this Way Event”, logging a total of over 1 million steps or 1,065 kilometers.

NFI collectively has donated more than \$2.5 million to the United Way from its workplace campaigns over the past decade.



Team & Community Spirit

Teamwork, community involvement, and a collaborative spirit are inherent aspects of NFI culture. Employee-led social committees are established in various business units, with unique employee-planned events held throughout NFI locations annually. Although in-person events were limited in 2020, groups held several virtual events to promote team connections and collaboration between sites, and between those working from home and on site during this time. We are proud of these efforts to build stronger communities, and to create a fun and caring workplace.

Shout-Outs and Standing Ovations

Over 60 employees were recognized by their peers in a “Shout-Out” or “Standing Ovation” recognition over the past year. Shout-Outs provide a way to say thank-you to someone at NFI for going the extra mile, and we take a moment to say so publicly. The Standing Ovation is a way for colleagues to recognize their fellow team member for their efforts in the local community. We want to recognize our NFI community for their accomplishments outside of the workplace walls. Whether someone has run a marathon, volunteered with a local charity, or has an accomplishment they want to share with others, we want to hear and share their story.

We’re In This Together Campaign

During COVID, employees were asked to share “good deeds” stories and “well wishes.” Over 30 different stories were shared on how people supported friends, family and their community. Employees also shared personal stories on how they spent their time during the COVID-19 pandemic.



The NFI logo consists of the letters 'NFI' in white, bold, sans-serif font, set against a blue square background that has a slight wave-like shape at the bottom.

NFI

Leading the **ZE**volution.™