



2023 Environment,
Social, and
Governance Report



Table of Contents

03	CEO MESSAGE	29	Innovation in fare capping	45	Additional Benefits
04	Who We Are	29	50th Anniversary of ACMI	46	The Community
04	Enabling a safer world and getting you there. Smarter	30	Nuvotronics mmWave Solutions	46	Quality Education
04	About us	30	Redefining Inclusive Mobility	46	Marine Corps Scholarship Foundation
05	Cubic Five Pillars	31	OUR PEOPLE	46	Sustainable Cities and Communities
06	Where We're Located	32	Our Talent	47	OUR PLANET
07	Cubic History	32	Attracting the Right Talent	48	Environmental Management
08	Cubic Defense	32	Our new hires by the numbers	48	Building resilient infrastructure to promote inclusive and sustainable industrialization
09	Cubic Transportation Systems	32	2023 Internship Program	49	Environmental Oversight Highlights
10	Fully Integrated Mobility Approach	33	Keeping and Growing Our Talent	49	Ensure access to affordable, reliable, sustainable, and modern energy for all
11	Awards and Recognitions	33	Talent Talks	50	Energy and Emissions
12	OUR ESG STRATEGY	34	Cubic Behavior Models	50	We must take urgent action to combat climate change and its impacts
14	Our ESG Principles	34	Our TEAMS innovate to make a positive difference in people's lives	50	Water Consumption
15	Materiality Assessment	35	Employee Resource Groups	50	Waste
16	Corporate Governance	35	Our Remuneration Practices	51	Data Integrity
17	Ethics and Compliance	36	Equal Employment and Opportunity	51	Forward-Looking Statements
18	ESG Governance	36	Fighting for equal opportunities everywhere		
18	Stakeholder Engagement	37	Diversity and Inclusion		
19	Enterprise Risk Management	37	Engagement		
20	Responsible Business Practices	37	Leading by example		
21	Global Trade Compliance	37	Occupational Safety and Health		
22	OUR BUSINESS	38	Our Goal		
23	Integrated Supply Chain	38	Global HSE Policy		
23	Supply Chain Due Diligence	39	Occupational Health and Safety Programs		
24	Supplier Diversity	40	ISO 45001 Certification		
25	Product Quality	40	Recent Accomplishments		
25	Quality Certifications	41	Good Catches		
25	Quality Assurance and Monitoring	42	HSE Metrics		
26	Customer Satisfaction	43	Security and Crisis Management		
26	Customer satisfaction through continuous feedback	43	Ensuring business continuity		
26	Ensuring customer satisfaction with our Umo system	44	Benefits		
28	Data Security and Privacy	45	Physical, Emotional, Social and Financial Wellbeing Offerings		
28	Information Security				
29	Innovation and Product Stewardship				

Message From The CEO

For 70 years, Cubic has been in the business of making a positive difference in people's lives. And while our operations have transformed decade by decade, we've held true to this purpose and promise throughout our growth and evolution.

Today, our more than 5,000 CUBES worldwide are united in delivering the innovations that simplify daily journeys in transportation and enable a safer world in defense. Every day, we hold ourselves accountable through ethical processes and operate in a way that is responsible toward our planet and for all people.

In this report, we proudly demonstrate our commitment to our Environmental, Social and Governance (ESG) strategy and highlight the meaningful ways that Cubic is working to serve our customers, partners and each other with trust and respect while doing the right thing. A few highlights we've featured include:

- Since launching our inaugural ESG report in 2020, we've made significant progress in strengthening our commitment to sustainability and ensuring it's at the core of how we do business.
- Through our Integrated Supply Chain transformation, we're focused on delivering on our customers' needs and expectations with greater efficiency in managing demand and sourcing and procuring materials, while clearly understanding our impact on the entire supply chain.
- In 2023, we launched various internal programs serving our long-term objective to continue attracting, developing and retaining the best talent. This includes enhancing learning and development initiatives, creating a dedicated team focused on executing our diversity, equity and inclusion programs, and building on our commitment to community engagement.
- We have put together ambitious goals to continue our progress in lessening our impact on the environment and bolstering our impact on our community. As you will read in this report, we approach this commitment with the same rigor, pride and passion for innovation that fuels everything we do as a business.

It's an exciting and pivotal time for our company as we continue to transform and grow. Leveraging our technology-driven, market-leading position, we will remain dedicated to corporate responsibility, which is at the heart of who we are and what we do at Cubic.



“Every day, we hold ourselves accountable through ethical processes and operate in a way that is responsible toward our planet and for all people.

Stevan Slijepcevic
President & CEO

Who We Are

Enabling a safer world and getting you there. Smarter.

Cubic solves today's biggest challenges through innovative products in defense and transportation. Our businesses make traveling safer and more efficient while helping to reduce the carbon footprint and provide the U.S. and its allies the tools and technology to enable a safer world.

Cubic Transportation Systems (CTS) is an industry-leading integrator of payment and information solutions and related services for intelligent travel applications.

Cubic Defense empowers defense, intelligence and commercial customers with mission-inspired solutions that deliver assured data access, converged digital intelligence, and superior readiness.

AT A GLANCE

5K+

Employees

50%

Globally impacted with 50% US and 50% international employees

70+

Over 70 years of entrepreneurship and technology innovations

2021

Became privately owned in May of 2021 after being publicly traded since 1959

About us

Our employees embody our Mission, Purpose and Vision every day to help our customers and partners solve their most challenging problems.



OUR MISSION

Cubic is a technology-driven, market-leading global provider of innovative, mission-critical solutions that reduce congestion and increase operational effectiveness and readiness through superior situational understanding.



OUR PURPOSE

Our teams are motivated to deliver on our customers' needs by providing them with the right solutions that create the best outcome for all.



OUR VALUES

We believe in creating excellence through teamwork and collaboration, upholding a commitment to ethics and integrity through a distinct culture that focuses on collaboration, agility, accountability and execution.

Cubic Five Pillars

At Cubic, we are leading the organization through a clear strategy and core goals focused on, who we want to be as a company over the short and long term, and defining the behaviors that will drive our culture over the next decade. We believe in creating excellence and upholding a commitment to ethics and integrity through a distinct culture that focuses on collaboration, teamwork, agility, accountability, and execution.

The Five Pillars align Cubic’s priorities across our organization to help us stay focused and achieve the best outcomes for our teams, as well as our customers and partners. Through these Five Pillars our teams have an executable focus on agility, accountability, and execution so we can better perform for our teams and our company.



CUBIC® FIVE PILLARS

FINANCIAL PERFORMANCE

Achieve our commitments in Bookings, Revenue, Earnings, Cash and NextCubic.



PORTFOLIO STRATEGY

Be customer centric and strategically position our sub-businesses for long-term growth and enhanced profitability.



FUNCTIONAL TRANSFORMATION

Drive continuous improvement in our key business processes within the Integrated Supply Chain, Program Management, Finance, HR, and Legal & Contracts.



COMMERCIAL TRANSFORMATION

Strengthen our commercial processes for pricing, margin expansion, pipeline and pursuit management, and contract management.



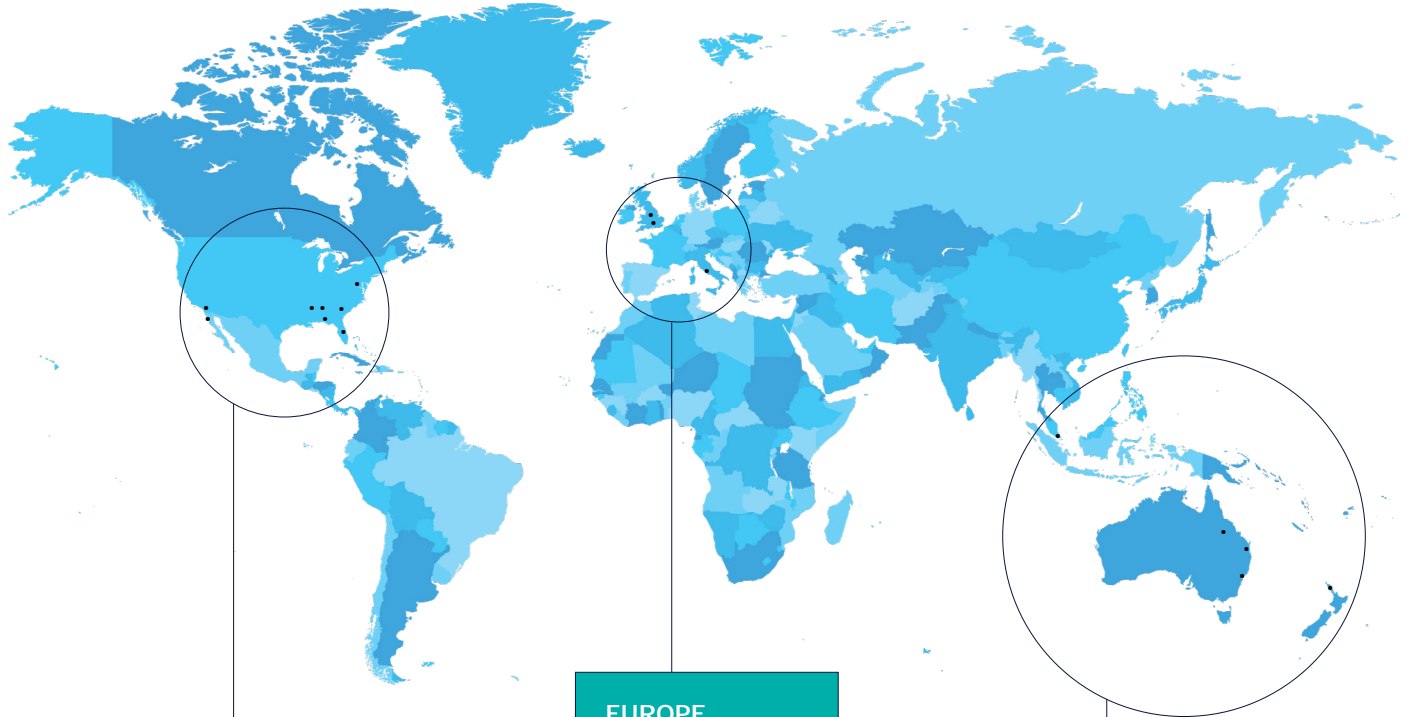
HUMAN CAPITAL

Focus on agility, accountability, collaboration and execution so that we better perform for our teams, our customers and our shareholders.



Where We're Located

With our global headquarters in San Diego, California, Cubic has offices in over 75 locations in more than 20 countries around the world.



NORTH AMERICA

- San Diego, California (Headquarters)
- Orlando, Florida (Defense)
- Durham, North Carolina (Defense)
- Tullahoma, Tennessee (Transportation)
- Knoxville, Tennessee (Transportation)
- Ashburn, Virginia (Defense)
- Tijuana, Mexico (Transportation)
- Huntsville, Alabama (Defense)

EUROPE, MIDDLE EAST, AFRICA

- Roma, Italia (Defense)
- Surrey, United Kingdom (Transportation EMEA HQ)
- Wiltshire, United Kingdom (Defense)

ASIA-PACIFIC

- Brisbane, Australia
- Queensland, Australia
- Sydney, Australia (Transportation APAC HQ)
- Singapore, (Defense)
- Auckland, New Zealand

Cubic History

Founded in 1951 by Walter J. Zable, Cubic began as a small electronics company operating from a modest San Diego storefront. Through the commitment of our dedicated team of employees, we soon began experiencing rapid growth and product diversification. Among our early successes were the development of equipment for precision distance measuring, aerial photo mapping and surveying.

1950s

- MICRO-DIST** precision electronic survey equipment made Cubic the world leader in land and off-shore surveying systems
- MOPTAR** evaluated air traffic control systems at the National Aviation Facilities Experimental Center

1960

- SECOR** satellite survey system made the first direct coast-to-coast measurement of the United States
- AGAVE** was a classified program to track and recover NASA's film canisters returning from our first spy satellites

1970

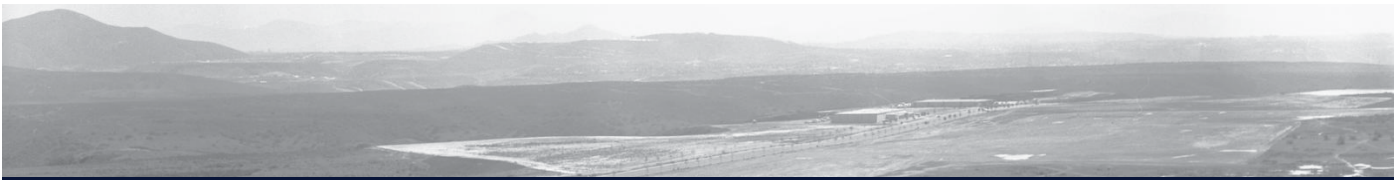
- Established a position in **automated fare collection** in San Francisco, Washington, D.C., Hong Kong and the United Kingdom

1980

- Kadena Interim Training System** contract awarded to Cubic
- Cubic smart card technology is introduced in the Washington, D.C. Metro area
- Cubic's **Joint Surveillance Target Attack Radar System** and **Personnel Locator System** products are used during Persian Gulf War
- Cubic Transportation wins London's **Automated Fare Collection** contract
- Cubic's **survival radio** was aboard Apollo 13 on its 1970 mission
- Delivered the first-ever **ACMI** system for TOP GUN fighter pilot training

2000

- Cubic acquires an Orlando-based manufacturer of virtual training systems for the U.S. military
- Cubic Transportation rolls out first wholly contactless fare system in the U.S. (Atlanta)
- Cubic wins Navy contract to develop game-based training software for Littoral Combat Ships
- Cubic expands C4ISR portfolio and secure / expeditionary communications capabilities with acquisition of GATR Technologies and TeraLogics
- Cubic wins \$539.5 million contract from New York MTA to replace iconic MetroCard System with new world-class fare payment system
- Cubic acquires assets of Shield Aviation and creates new business, ISR Systems
- Cubic acquires Trafficware and GRIDSMART to strengthen Intelligent Traffic Management Offering



[Click here to see more of Cubic's history](#)



Cubic Defense

Cubic Defense looks to empower defense, intelligence, and commercial customers with mission inspired solutions that deliver assured data access, converged digital intelligence and superior readiness.

Mission requirements are constantly evolving. Tomorrow's battlespace will be more complex and contested. A new advantage is needed. Our customers need to train, connect, and adapt quickly — with precision — across all domains.

Enabled by six decades of success, Cubic's commitment to continuous innovation ensures our customers are always prepared for their next mission with a complementary portfolio of capabilities that include:

Trusted Capabilities to Accelerate the NextAdvantage™

Edge Compute and Networking

Platforms that provide a persistent information advantage, enabling users to connect, secure, and analyze mission-critical data throughout the mission chain.

Digital Intelligence

Geospatial and full motion video solutions that ensure a decision advantage with a real-time situational overview of the intelligence and operational environments to support decision-making at every echelon.

Secure Communications

Software defined radios, digital beam forming systems and protected waveforms that deliver adaptive and intelligent spectrum dominance.

Live, Virtual, Constructive (LVC) Training

Training solutions that deliver unprecedented realism, superior readiness, and maximum value, preparing warfighters to face any adversary, anywhere, anytime.

Advanced Microelectronics

Our revolutionary PolyStrata architecture provides an unprecedented platform for mmWave performance, integration, and miniaturization.

Expeditionary Communications

The world's most portable and secure satellite antennas deliver up to a 50% reduction in pack-out weight and volume compared to a deployable rigid antennas of similar size.



AT A GLANCE

10K+

Edge compute and networking modules

2300

Inflatable satellite antennas

500K

Ground training kits

2000

P5 air combat training systems

Cubic Transportation Systems



At Cubic Transportation Systems, we know there's more to journeys than the destination. That's why we are passionate about partnering with transportation agencies and municipal partners to deliver seamless, integrated and efficient mobility solutions that simplify daily commutes, reduce traveler frustration and make journeys safer—all while helping transportation agencies and communities realize their public equity objectives.

Since 1951, transportation agencies and municipal partners worldwide have relied on Cubic Transportation Systems to deploy transportation technologies that enhance the quality of life for their citizens. We work with agencies to make public transportation the most attractive option for people; and where roads are essential, our intelligent transportation solutions keep people safe and reduce congestion

Our solutions are scalable to ensure we're the right-sized partner for any job, from mid-size communities like Victoria, BC, and Milwaukee, WI, to

urban metropolises like London, New York City, and Sydney. With over 1,500 transportation projects across every continent under our belt and a network of convenient, locally based offices with dedicated support teams, we have the technology and the know-how to solve your mobility challenges

At the core of our business is the cloud hosted dynamic revenue management platform that drives many of the world's fare collection and transaction processing systems for transportation. Our revenue management solutions are future-ready and easily scalable, providing Account Based Fare Collection for cities of all sizes. Whether you're a regional agency utilizing our Umo SaaS platform or a mega city or country deploying our comprehensive UMB Enterprise platform we are your partner for every step of the journey. Beyond our back-offices we produce & partner to deliver next generation devices including hands-free fare gates, validators designed for accessibility, automated services leveraging AI and mobile apps with virtual cards from Apple & Google.

30+

Years of partnerships

2800

Global employees

50+

Years of experience

400

Transit products

Cubic Transportation Systems (continued)

The road to better infrastructure begins with a relentless focus on delivering the next generation of products that connect people, vehicles and communities. We equip traffic managers with real-time and predictive traffic insights to manage network infrastructure, improve congestion, reduce emissions and get travelers safely to their destination. Our intelligent transportation technologies help create safer, more efficient and environmentally conscientious communities across the world.

In addition to being a trusted partner to agencies of all sizes around the world, our commitment and focus on diversity, equity, accessibility, inclusion and belonging is realized via our work with industry groups including the Conference of Minority Transportation Officials (COMTO), Women's Transportation Seminars (WTS), and Latino's in Transit (LIT). Our work in designing for accessibility is strengthened by our partnership with the Institute for Human Centered Design to ensure no rider is left behind.

Fully Integrated Mobility Approach

Our mobility platforms are changing what it means to be a modern city.

CONGESTION MANAGEMENT

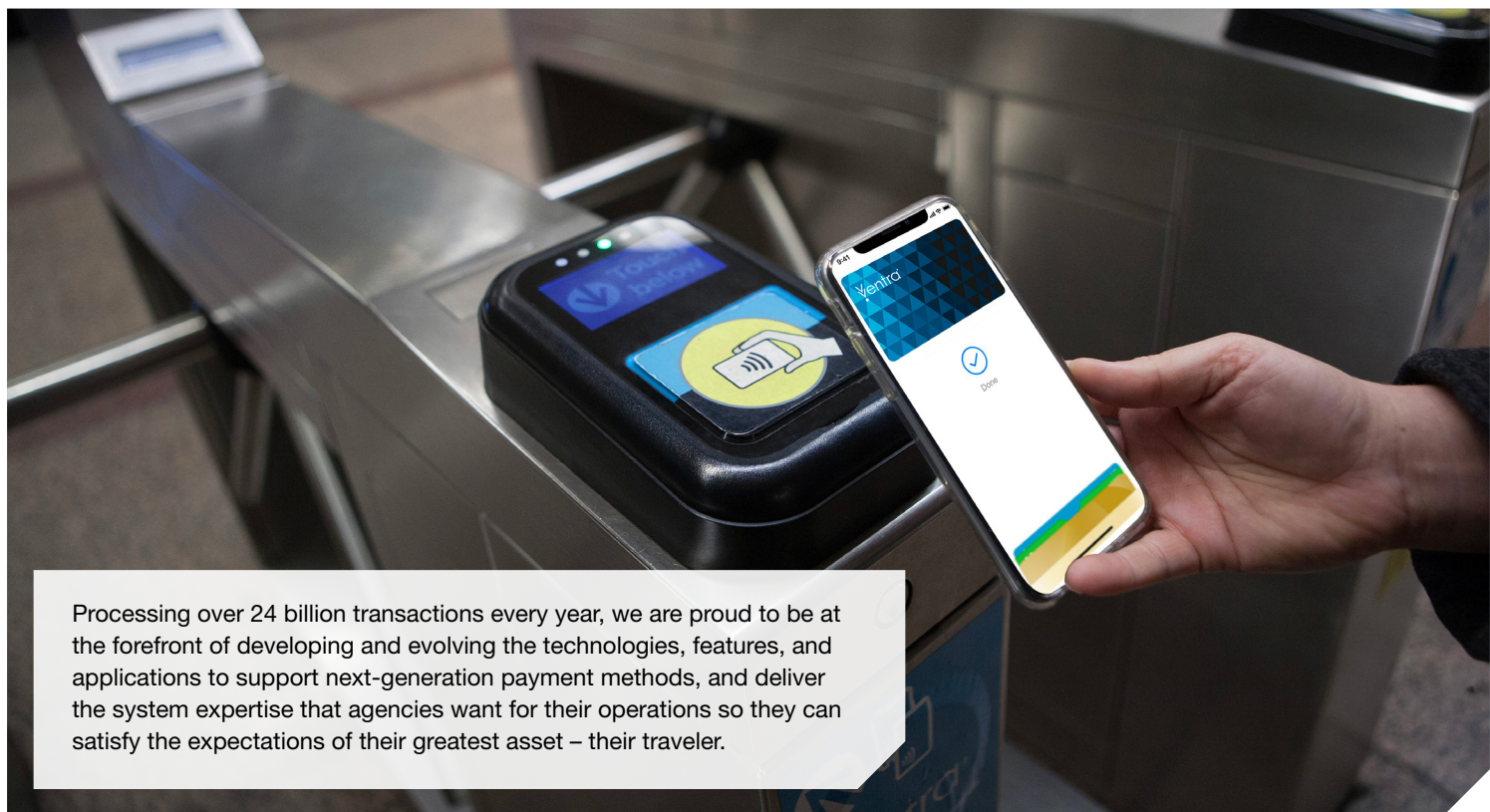
Managing transportation network demand and reducing vehicle stops, delays and congestion.

INTERSECTION SAFETY AND EFFICIENCY

Improving intersection safety for motorists, pedestrians and cyclists.

ROADWAY PLANNING AND SIMULATION

Providing predictive insights and real-time conditions to optimize traffic infrastructure and safety.



Processing over 24 billion transactions every year, we are proud to be at the forefront of developing and evolving the technologies, features, and applications to support next-generation payment methods, and deliver the system expertise that agencies want for their operations so they can satisfy the expectations of their greatest asset – their traveler.

Awards and Recognitions



Executive Mosaic has recognized Cubic Corporation President and CEO Stevan Slijepcevic for the second straight year in the annual Wash100 Award.



Cubic Senior Vice President & Chief Human Resources and Diversity Officer, Deborah Cegielski for being named 2023 HR Executive of the Year by SDHR Forum.



Christian Henry, Senior Vice President and General Manager, North America Eastern Region, Cubic Transportation Systems, has been named to the 2022 Transportation Power 100 list by City & State New York. City & State's Transportation Power 100 identifies influential figures such as Henry, who play a key role in updating and expanding New York's transportation infrastructure



Cubic was ranked 7th in the Business Reports Top 25 Companies of San Diego of 2023.



We are excited to share that Cubic has been named as one of Built In's 100 Best Large Places to Work for 2023 in San Diego.



We are excited to have earned the designation VETS Indexes Recognized Employer in the 2023 VETS Indexes Employer Awards.



We are proud to announce that the National Association for Business Resources has recognized Cubic as a 2023 San Diego The Best and Brightest Programs in Wellness winning company. This award honors companies that distinguish themselves as having the most innovative business acumen and human resource practices.



Cubic was named to the 2023 list of Healthiest 100 Workplaces in America presented by Healthiest Employers.



Transport Ticketing Global has awarded Cubic Transportation Systems the prestigious "Ticketing Enabler of the Year" award for collaborating with the Metropolitan Transportation Authority in developing innovative fare collection technology. We're proud to have contributed to more efficient and accessible mobility for all riders.

Our ESG Strategy

This report includes data and activities for fiscal year 2023, ending September 30, 2023, unless noted. This report has been prepared in reference to the Global Reporting Initiative (GRI) Standards.

Cubic had previously set targets in alignment with the NextCUBIC FY2025 strategic plan with the goal to drive performance improvements against baselines in areas across environmental, social capital, human capital, supply chain and corporate governance. Cubic's priorities are based on elements that are material to us, as otherwise considered as part of the materiality assessment. We have also included information of interest to our stakeholders which represent

areas where existing work has been accomplished and where opportunity for improvement exists. You can learn more about Cubic and ESG programs at www.cubic.com/esg

In 2020 we began our journey to develop a strategy for ESG. We have and continue to aspire to be, best in class in what we do, and how we do it. That strategy focused on specific and measurable targets, based on our individual priorities, under each of the elements of ESG. In 2023, we continue to build on, and integrate these strategic objectives throughout the entire business. Our forward-looking targets look to achievements from now until 2025.



Our ESG Strategy (continued)

ASPIRATION

ENVIRONMENT

We aim to reduce our CO2 intensity footprint by 25% through multiple initiatives and projects including: real estate footprint consolidation and finding alternative sources of energy (i.e. solar) and other energy efficiency projects.

OUR PROGRESS

We have embarked on a journey to better understand our global impact on energy expenditure, emissions output, water consumption and waste minimization. Our cross-functional team allows us to delve into intricate facets of our consumption patterns, pinpointing key areas where our actions can yield the most significant positive impacts. Some activities will include a comprehensive water and waste consumption study, as well as putting systems in place to accurately track Scope 1, 2 and 3 emissions.

HUMAN CAPITAL

We want to: achieve an employee engagement score of 85%, achieve a best-in-class total recordable incident rate of 0.3 and continue advancing our Inclusion and Belonging programs.

2023 was the first year we performed an employee engagement survey where we scored 65% to an industry best practice of 70%. Using that as our baseline our 2025 goal of 85%, we are seeing the right trajectory and well within our ability to attain our long-term goal. To improve those scores, we created joint employee-executive committees designed and focused on the top three categorized opportunities that came out of the employee engagement survey.

Our ESG Principles

OUR PEOPLE

Cubic values diversity, equity, inclusion and belonging, and the well-being of our employees. We invest in their growth and development, ensuring a safe, inclusive and supportive environment where they can thrive both personally and professionally.

THE ENVIRONMENT

As responsible stewards of the planet, we are unwavering in our commitment to environmental sustainability. Our practices are rooted in sustainable sourcing, energy efficiency, and waste reduction. We firmly believe in leaving the Earth in a better state for future generations.

RESPONSIBLE BUSINESS PRACTICES

Transparency and integrity define the core of our business. We are committed to open and honest communication, holding ourselves accountable for our actions and decisions. By adhering to the highest ethical standards, we earn the trust of our stakeholders and the broader community.

Materiality Assessment

To better understand Cubic's environment, social and governance impacts, we have engaged with our internal and external stakeholders including employees, suppliers, distributors, and customers.



The results of our materiality assessment help us better prioritize our areas of focus. This year's report helped us identify the material and financial impact areas that apply to Cubic and our operations. The material topics applicable are shown below and more information on each can be found in this report. The topics we considered during our materiality assessment are as follows:



ENVIRONMENT

- Energy
- Water and Effluents
- Waste Management
- Environmental Management



SOCIAL

- Labor Relations and Employment Practices
- Occupational Safety and Health
- Training and Education
- Diversity, Equity and Inclusion
- Non-Discrimination
- Security
- Community Engagement
- Customer Health and Safety



CORPORATE GOVERNANCE

- Responsible Business Practices
- Customer Satisfaction
- Product Innovation
- Product Quality
- Enterprise Risk Management
- Integrated Supply Chain
- Global Trade Compliance
- Ethics and Compliance

Corporate Governance

Cubic believes that strong governance helps ensure the sustainable success of our company through transparency and accountability.

Recognizing that Cubic's businesses and operations are varied and global in nature, Cubic's Board is composed of seven Independent Directors who bring diverse viewpoints and perspectives; exhibit a variety of skills, professional experience, and backgrounds; and effectively represent the long-term interests of stakeholders.

Cubic's Board of Directors has demonstrated its willingness to evolve over time along with governance processes and practices. With the Board's guidance, we benchmark our governance practices against peer companies as well as best practices at other companies. We continue to evaluate existing governance provisions to ensure that they are robust and meaningful.

To support the Board of Directors, as well as our executive leadership team, Cubic has established various business processes to ensure that key risks and market trends are well understood and that our resources are deployed appropriately to meet current and future needs. These include our ethics and compliance program, enterprise risk management program and ongoing stakeholder engagement.

CORPORATE GOVERNANCE DOCUMENTS

- Auditing
- Anti-Bribery and Anti-Corruption
- Enterprise Risk Management
- Supplier Code of Conduct
- Business Development and Capture Control
- Corporate Responsibility
- Conflicts of Interest
- Code of Conduct
- Program Controls



Ethics and Compliance



Ethics are the foundation of our Cubic values, and our Code of Conduct establishes the standards of business conduct that all our employees are expected to meet. The Corporate Ethics & Compliance team is overseen by Cubic's SVP & General Counsel, comprised of legal and compliance experts, who collaborate with all departments across the company, to build a program that demonstrates Cubic's commitment to ethical standards and acting with integrity. Our ethics and compliance program is owned by every Cubic employee and their consistent participation is critical to our success.

Employees are encouraged to speak up and actively participate in identifying potential risk and inappropriate behavior. Our Cubic Helpline provides a confidential and secure way for employees to obtain advice or raise concerns. The Cubic Helpline is available 24/7, accommodates multiple languages, allows reporting via phone, online or text; is managed by an independent third-party administrator and allows employees to remain completely anonymous. In addition, employees may reach out to a Human Resources business partner, or member(s) of the legal or compliance team to discuss issues or concerns. The helpline and our compliance champions are an important part of our ongoing ethics and compliance initiatives.

We further strengthen our program with policies and annual trainings that cover global trade practices, third-party due diligence, dealings with the U.S. government, data privacy, anti-bribery and anti-corruption, anti-trust and fair competition – topics that complement Cubic's Code of Conduct and ensure that business is being conducted with integrity and transparency. These messages are delivered to each employee at onboarding and again with mandatory annual training on a variety of ethics and compliance topics.



ESG Governance

Cubic stakeholders are increasingly seeking information about how we manage issues related to Environmental, Social and Governance (ESG) practices. We believe that corporate responsibility and sustainability plays an important role in our business and operating strategies and creates long-term value for our people, customers, communities and stakeholders. Cubic's Board governance processes are designed to keep Board members informed about significant ESG issues impacting our company.



Stakeholder Engagement

We actively engage with our stakeholders on a year-round basis to discuss Cubic's strategy, financial performance and key business developments.

Our annual review with our stakeholders is focused on topics including workplace safety, environmental management, GHG emissions, culture, diversity initiatives and our Environmental, Social & Governance (ESG) strategy. It is clear that topics relating to environmental and social matters are becoming increasingly important to our stakeholders as part of their assessment of the company's risks and opportunities.

Enterprise Risk Management

Cubic's senior management and our Board of Directors recognize their responsibility to protect stakeholder value by ensuring that we adequately address significant risks that could have a material impact on our ability to meet business objectives. To address these responsibilities, Cubic has developed an Enterprise Risk Management (ERM) program. As part of this program, the Board reviews and approves the procedures adopted and conclusions reached by our Executive Leadership Committee (ELC) with reference to such enterprise risks. The Board also discusses major enterprise risks and appropriate mitigation measures with the CEO and the General Counsel. The General Counsel also functions as the chief risk officer of the company.

Members of senior management work with the CEO and Board to establish overall enterprise risk strategies and oversight of policies, systems and processes related to enterprise risk. Leadership reports periodically to the Board on its activities and findings, highlighting the key enterprise risks we face and management's actions for managing those risks. The Board's focus is to identify, and ensure we have a plan to respond to, those enterprise risks that could seriously impact our short- or long-term ability to continue normal operations.



Leadership directs and engages in risk management practices for all Cubic business segments. Senior officers meet periodically to identify, assess and rank the perceived severity of enterprise risks related to their businesses. Appropriate mitigation plans are implemented and tracked.

As part of its oversight function, the Board monitors enterprise risk as part of its regular deliberations throughout the year. When granting authority to management, approving strategies, making decisions and receiving management reports, the Board considers, among other things, the enterprise risks facing the company.

Responsible Business Practices



Cubic has a longstanding commitment to preserving human rights and conducting business with fair labor practices, in line with our Human Rights policy and Code of Conduct. We hold both our employees and suppliers to strict standards that reflect our core values. Our expectations for suppliers are clearly outlined in our Third-Party Code of Conduct, and for employees, in our internal Code of Conduct, both available on cubic.com.

As a responsible corporate citizen, we avoid contributing to global conflict and never support unlawful labor practices. Our commitment includes compliance with relevant United Nations sanctions resolutions and domestic laws.

In our pursuit of responsible business practices, we've established a world-wide due diligence framework to evaluate and address human trafficking risks. We utilize the software solution, OneTrust, to automate supplier verification of known indicators of human trafficking risks, enabling us to focus our audits on high-risk suppliers.

Cubic has been an active member of the Social Responsibility Alliance (SRA) since 2017, collaborating in the development of tools to assess risk within supply chains. Our risk assessment processes rely on the SRA's Slavery and Trafficking Risk Template (STRT), the Department of State (DoS) Trafficking in Persons Report, the Department of Labor (DoL) Goods Produced by Child and Forced Labor List, and data from KnowTheChain, the United Nations Global Compact, and the Global Slavery Index.

The heart of our program lies in our policies, "Corporate Social Responsibility in Supply Chain Management" and "Human Rights Policy," which emphasize our commitment to human rights and responsible business practices. We maintain an ethics hotline and employ two full-time supply chain compliance experts to support our journey toward sustainable development. To that end, Cubic also has a Quality Consolidated Supplier Survey that contains questions surrounding ethical practices from our suppliers. More detailed information on our suppliers, due diligence practices and supplier diversity can be found in the Integrated Supply Chain section.

Global Trade Compliance

As a global company, we ensure compliance with all export/import laws and regulations concerning products, technical data/ technology, software, and defense services in countries which we operate. Global Trade Compliance (GTC) supports all business units to ensure that the relevant regulations are met in support of business pursuits.

To ensure that Cubic employees understand their role in ensuring effective trade compliance, tiered training is offered and may be required depending on the specific role/department. GTC is available to provide guidance and answer any inquiries related to export and import compliance.

Employees are required to provide advance notice to GTC if any unauthorized or non-U.S. persons will have access to Cubic facilities, to controlled item(s) or services. Cubic U.S. employees traveling internationally need to submit a travel request to be vetted by GTC and Security.

Business associates are expected to be familiar with applicable export and import laws and regulations. GTC works closely with key departments (i.e., Programs, Business Development, Logistics, and Contracts) to communicate trade compliance requirements to 3rd parties/customers.

Our Business

Integrated Supply Chain

At Cubic we strive to exceed our customers' expectations by anticipating and satisfying their needs. In order to accomplish this, in 2022 we created an Integrated Supply Chain dedicated to helping us better understand our customers' needs and demand, how we source and procure parts and how we manufacture quality parts on time.

We have developed the necessary policies and programs to ensure that our suppliers around the world meet laws and industry regulations, treat their workers fairly, deliver quality goods at a fair price and adhere to ethical conduct. We require our suppliers share our commitment to environmental, social and governance priorities – as well as our commitment to strong performance and continuous improvement.

Supply Chain Due Diligence

Cubic conducts supplier due diligence to combat human rights abuses and prevent the use of conflict minerals. Our diligence frameworks align with, The Organisation for Economic Co-operation and Development (OECD) guidance, and are designed to prevent funding non-state armed groups and human trafficking in our supply chain. Our programs involve supplier audits and certifications; risk analysis, verification, and mitigation; diligence and training (both internal and external); public reporting; programs to assist suppliers in improving their own capacities; and formal annual process review meetings involving stakeholder consultation and engagement.

Cubic's requirements for suppliers include cooperation in our diligence processes, correction of immediate risks, and adherence to responsible manufacturing practices. We focus on preventing the use of conflict minerals from conflict zones, such as the Democratic Republic of Congo, and expect suppliers to respond promptly to inquiries regarding the sourcing and origin of products.

To assess risks, we employ a supply chain risk mapping exercise using, the U.S. Department of Labor Goods Produced by Child and Forced Labor and the U.S. Department of State Trafficking in Persons reports as guides. We quantify our business volume with high-risk suppliers and apply a similar process for assessing the risk of human rights abuses related to conflict minerals.

In collaboration with the Responsible Mineral Initiative, we support the audit of raw mineral smelters to maintain transparency in the raw mineral supply chain. Our training empowers employees responsible for supplier selection to ensure ethical labor practices, and we maintain internal accountability standards that every employee and contractor must meet.

To mitigate the risk of modern slavery within its supply chain, Cubic has:

1. included clauses prohibiting forced labor in our standard terms and conditions and contracts;

2. communicated our Third-Party Code of Conduct including the requirement to respect human rights in their business operations and supply chain;

3. provided training to purchasers directing them to tie a supplier's ethical performance to procurement decisions when it is appropriate; and

4. included protections against modern slavery in its supplier corrective action platform. These processes, paired with our on-site supplier audits, are designed to create an expectation for our vendors to follow the law and preserve human rights, remediate insufficient controls, and incentivize the development and maintenance of good controls.

Our Business (continued)

Supplier Diversity

At Cubic, we are committed to building a workforce that mirrors the world in which we do business. In support of this commitment to diversity and inclusion, Cubic sources materials and services from a diverse base of global suppliers. In this regard, Cubic supports the growth and prosperity of the Small Business (SB), Minority Business Enterprise (MBE), Woman- Owned Business Enterprise (WBE) and Disadvantage Business Enterprise (DBE) and is working to include an LGBTQ minority business designation in 2024.



SUPPLIER CLASSIFICATION	NUMBER OF SUPPLIERS (ACTIVE)	TOTAL 2023 SPEND (%)*
Minority Business Enterprises (MBE)	18	0.73%
Woman-Owned Business Enterprise (WBE)	12	0.29%
Disadvantaged Business Enterprise (DBE)	20	0.30%
Small Business (SB)	39	21.08%
Other than Small Business (Large Business [LB])	10	43.61%

*There are many suppliers in our database that are not classified as well as foreign suppliers not captured in these calculations. We are constantly updating our vendor database although this data changes over time. Many suppliers change their classifications and/or lose their classification under these designations.

Product Quality

We allocate extensive resources toward delivering the highest quality products, earlier, while exceeding our customers' expectations at all experience touch points. Our quality policy provides a framework for setting quality objectives and is regularly reviewed to ensure it continues to support the company's strategic direction. Top management ensures that the responsibilities and authorities for relevant roles are assigned, communicated, and understood within the organization. It also ensures that the Quality Management System (QMS) is managed, monitored, controlled, and maintains a customer focus.

Quality Certifications

Cubic has a long history of sound quality management practices. This is proven through our certifications to consensus standards including:



SO 9001|ISO 9001: 2015 – Quality Management Systems



AS9100D – Quality Management System - Requirements for Aviation, Space and Defense Organizations



CMMI-DEV V2.0 – Maturity Level 3 for Product and Service Development

Our Quality Management System (QMS) applies to all Cubic locations to ensure they meet the needs of our stakeholders including the military and commercial customers we serve globally. Our integrative set of standards ensures Cubic employees are responsible for working in compliance to the applicable processes, and follow set and controlled process flows for all matters of product quality.

Quality Assurance and Monitoring

Quality objectives are determined each year as part of our corporate strategic planning. Performance to these objectives is monitored and reported during management reviews. Our current objectives, common for all covered Cubic sites are:

98% on time delivery

98% customer acceptance rate

Drive cost of quality **< 5%** of revenues

Maintenance customer satisfaction score **> 80%** (Average of 4 on 5-point scale) – based on Customer Performance Assessment Reporting (CPAR).



Cubic DTECH Mission Solutions maintains a standard five-year warranty on all new DTECH Mission Solutions' core devices. This warranty is based on a proven track record of high reliability for all DTECH families of solutions to include M3-SE, M3X, Vocality and XD.

[Read more about our manufacturer's warranty on new DTECH Devices here.](#)

Customer Satisfaction

Customer satisfaction is one of the most critical management objectives. As such, the focus on enhancing customer satisfaction is maintained and solidified through our Cubic Quality Policy.

Customer satisfaction is enhanced by continual measurement of product and service conformity and on-time delivery. There is a closed loop corrective action process in place, should planned results not be met.

Cubic senior management has established processes to ensure that customer and applicable statutory and regulatory requirements are clearly defined, understood, documented, and consistently met. They ensure that risks and opportunities affecting conformity of products and services are determined and addressed.

Customer satisfaction through continuous feedback

As an entity that spans multiple market-spaces, Cubic Defense (CD) employs both pro and retroactive methods to drive customer satisfaction.

From the initial bid through contract award, CD makes use of various process gates to ensure compliance with all requirements and the generation of an executable program. These processes establish various checkpoints, requiring approvals from key stake holders, which must be met to proceed with the program. This proactive approach to bid creation and contract execution, strives to identify and address issues early, rather than letting them compound. This ultimately leading to better program execution and customer satisfaction.

Following contract award, the majority of CD's Department of Defense (DoD) customers provide bi-annual feedback via a formal Contractor Performance Assessment Report (CPAR); whereas major commercial customers are asked to provide feedback via a Customer Performance Report. In both instances, Cubic catalogs the responses, analyzes trends, and carefully reviews all feedback with specific focus being paid to negative or satisfactory ratings. In instances where non-positive ratings are received, the team establishes an action plan to determine the root cause of the issue and to remedy the situation with the customer, driving more favorable future ratings.



Customer Satisfaction (continued)

Ensuring customer satisfaction with our Umo system

Umo is a software-as-a-service (SaaS) product solution operated by Cubic Transportation Systems, Inc. designed for implementation with small to mid-sized customers.

The Umo Program Managers are the agency day-to-day points of contact who support customers with white-glove training, configuration, growth, and technical support. They work closely with customer success who monitor program adoption, make recommendations on strategies and tactics, and provide comprehensive support to assist agencies with reaching their identified program goals.

This process is supported by providing agency team members with access to our Umo Support Center which features a searchable help center, ticket support and tracking and a Umo Community Forum. Agency personnel are also provided access to the Umo Marketing Hub, which houses a multitude of rider and agency facing assets designed to promote use of their Umo program, whether the agency is in soft launch or full revenue service.

Additionally, our commitment goes above and beyond for our customers by creating a Umo community of users and providing systemic communications throughout the life of the contract. By joining the community, agencies receive:

- Regional customer summits and workshops
- Quarterly Webinars
- Detailed release notes and feature highlight comms
- Newsletters
- Monthly calls for additional support and planning



In July of 2023, New York Governor Kathy Hochul announced the Metropolitan Transportation Authority customers have tapped into the transit system more than one-billion times using the Cubic OMNY fare-payment system. This incredible milestone proves our commitment to providing the best product and service to our customers for long term success.

SOURCE: [LinkedIn](#)

Data Security and Privacy



Securing the data and privacy of our employees and customers is a top priority for our business. Because of that, we have established robust systems to ensure cybersecurity governance is embedded into the inner workings of our business. Each business unit and Information Technology Security (ITS) has assigned at least one technically qualified person(s) as the main point of contact to lead the implementation of cybersecurity assurance across all sub-businesses. To accompany that is

a cybersecurity assurance strategy and plan developed by each Cubic business unit for all active products, systems, and service contracts. But risks are ever-present. We conduct regular strategic risk assessments meant to detect and assess changes in our internal business and technologies, as well as the broader industry environment. We scrutinize each detail of our processes and systems to accurately measure our sources of strategic privacy risk. Its output contributes to the compliance and risk mitigation plan for the following year.

Our Chief Information Security Officer (CISO), along with the General Counsel and Compliance teams, publish an internal training course distributed to all CUBES globally. Our annual Data Privacy training looks to provide the assessment skills and knowledge base to help protect CUBES, their colleagues, and our customers from the consequences of a data privacy breach.

Information Security

Information security is no longer a technology-focused problem but a basic requirement for business survival. Cubic is committed to the protection of information, information systems and critical infrastructure across the Cubic Domain.

We follow best practices and industry standards to protect the confidentiality, integrity, and accessibility of Cubic information. This includes personal information, through appropriate physical and cyber security procedures including but not limited to: protecting privileged access (credentials) to the Cubic Domain, selecting and maintaining high-quality passwords, installing and maintaining security software on digital devices, keeping antivirus software up-to-date, running regular security scans on digital devices, and avoiding potential sources of cyber infection.

Innovation and Product Stewardship

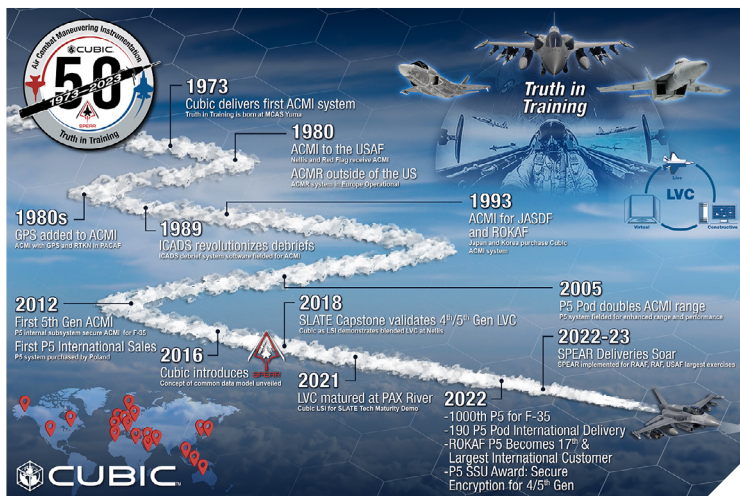
Innovation is fundamental to Cubic's purpose. Since 1951 our global innovators have been creating breakthroughs that bring the next generation of technology to our industries.

We recognize the importance of investing in sustainable industries, scientific research, and innovation, to facilitate sustainable development. Our teams work to promote technological advancements that fulfill our customers needs, create new jobs and enhance energy efficiency. Bridging the digital divide is also a significant focus, ensuring that everyone has equal access to information and knowledge. By investing in these areas, we contribute to building a more sustainable and inclusive future.



Innovation in fare capping

Cubic has partnered with participating customers to introduce fare capping policies, capable through and powered by Cubic Transportation's technology. Fare capping is one way Cubic and our customers are delivering value by making public transit more accessible and affordable. As an example, customers using the Los Angeles County Metropolitan Transportation Authority (Metro) public transit can now use their TAP card to pay per ride, until they hit a daily (or other frequency) fare cap. Once this cap is reached, riders will not be charged for additional rides for the remainder of the set period. Fare capping is one of the latest rider benefits added to the TAP regional contactless fare system. This all-in-one system and fare-capping ability streamlines fare payments for riders, simplifies operations for riders and consolidates the number of fare products needed to create a comprehensive rider experience. [Click here to read more](#)



50th Anniversary of ACMI

2023 marked the 50th anniversary of the first Air Combat Maneuvering Instrumentation (ACMI) training system delivered. Since 1973, Cubic has continued to deliver “truth in training” across 30 ranges worldwide with over 2,300 P5 Combat Training Systems/Tactical Combat Training Systems in use globally by 17 coalition partners. No matter the operation, these advanced capabilities are designed to support the warfighter and provides a readiness advantage that enables mission success at the edge, anywhere, at any time. [Click here to read more](#)

Innovation and Product Stewardship (continued)

Nuvotronics mmWave Solutions

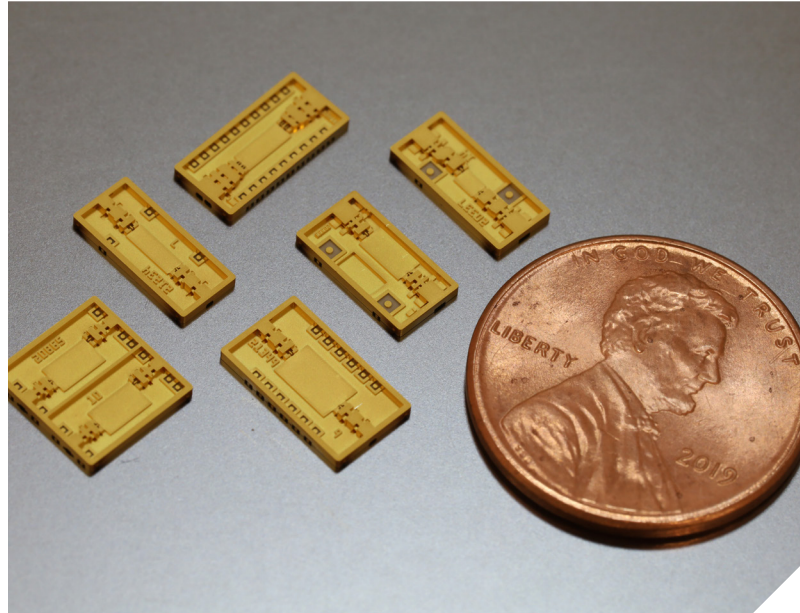
CUBIC

NUVOTRONICS

Nuvotronics recently introduced innovative commercial space-grade mmWave product lines and capabilities that deliver

high-performance solutions to the broadband satellite communications industry. Highlights include a showcase of wideband filters, revolutionary packaging solutions, power combiners, and state-of-the-art phased array antennas. These innovations are engineered to meet or exceed the stringent performance requirements demanded by space-qualified applications. These new product lines are poised to address the evolving needs of the commercial space and broadband satellite communications sector. Focused on providing timely and differentiated solutions, Nuvotronics' mmWave offerings empower customers to tackle challenges regarding size and demand for higher data rate more effectively—particularly in the high-frequency ranges vital for next-level communication technologies.

[Click here to read more](#)



Redefining Inclusive Mobility

Cubic Transportation Systems' recent partnership with McMaster University, aims to develop the next generation of diverse engineers, scientists, and leaders to deliver the future of public transport, for all. By joining forces, we launched the Centre of Excellence for Artificial Intelligence and Smart Mobility. Through it, Cubic and McMaster are creating one of the largest transportation institutes in North America to tackle urbanization's bottlenecks and bring mobility into the modern age. McMaster Automotive Resource Centre (MARC) and Cubic will work with university undergraduate, postgraduate, faculty research staff, as well as government agencies, start-ups and other industry partners to address the transportation challenges through multidisciplinary research and product development. [Click here to read more](#)



Our Talent

Attracting the Right Talent

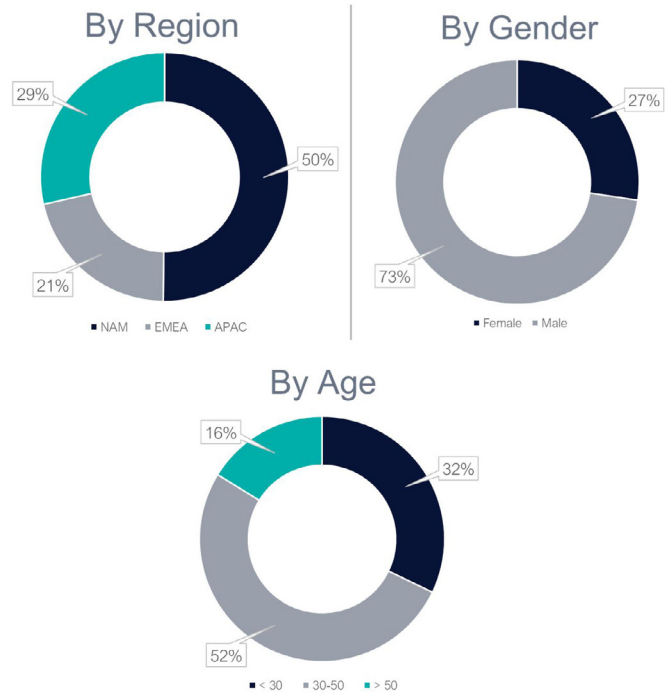
Cubic is focused on hiring the right talent to strengthen our competitive advantages and to position Cubic as a technology-driven, market-leading company. We look for bright, innovative minds from a variety of backgrounds and experiences. At Cubic, we know that a diverse, engaged workforce drives innovation and delights our customers. Because of this, we focus talent attraction efforts on individuals and groups who work hard, collaborate well and want to make a positive difference in people’s lives.

We engage with various organizations and sites that bring people of differing backgrounds together to advertise our jobs, build relationships and partner to help members reach their potential, hopefully as future Cubic employees. Our Employee Resource Groups are active in and passionate about assisting our talent attraction efforts.

We are committed to increasing women in our workforce from our 2020 baseline of 24.4% to 30% by fiscal year 2025.



Our new hires by the numbers



2023 Internship Program

One important element to our talent strategy are interns. Internship programs are a great opportunity for students to put theory into practice and learn about our industry. Interns bring fresh and creative perspectives and allow Cubic to develop a pipeline of talent for future openings within our organization.

Cubic had a successful summer intern program in 2023, we hired 39 summer interns in all disciplines across multiple locations across the US. Half of the interns we hired for the summer continued during the school year in a part time basis. We are excited to continue our internship programs through the summer of 2024 and beyond.

Our Talent (continued)

Keeping and Growing Our Talent

At Cubic, we foster a culture that supports and encourages continuous learning, and we promote opportunities to help our employees grow by offering online training; on-demand learning; virtual, instructor-led programs, networking and experiential opportunities. We are continuously evolving our learning and development opportunities to meet the needs and conditions of our dynamic, diverse workforce.



86%

Annual retention rate for full time employees

99%

The return-to-work rate for eligible employees who returned after taking parental leave

Talent Talks



Cubic leverages Talent Talk webinars and podcasts to provide just in time knowledge, tools, resources, guides and development to ensure understanding and alignment of our robust people processes for our global employees. Talent Talk webinars also encompass business acumen for our new hires, career development geared towards all employees, manager specific programming and leadership development to prepare our future leaders to fill critical roles.

The programs and processes we currently have in place to support employee growth and development include (but are not limited to):

- Our evolved performance management process which aligns with our values and how we reward employees for “how” they achieve results as well as “what” they achieve.
- The redesigned Talent and Organizational Review process that enables Cubic to assess and evaluate the skills and capabilities of employees and gain insight into the overall talent landscape and succession bench strength at Cubic. These outcomes inform development planning activities, enabling meaningful action plans to support talent strategies while developing, engaging and retaining successors for key leadership roles.
- An enhanced Onboarding experience provides regionally focused onboarding programs and the Talent Talk: New Hire Edition program, which promotes an understanding of our Cubic businesses and leadership career paths. The program features business leaders across Cubic discussing Cubic products and services and career guidance based on personal experiences.
- LinkedIn Learning: Licenses are made available to those actively looking to enhance their skills in a multitude of genres as well as focused learning activities.
- Experiential Opportunities: Employees identify growth and development opportunities within annual Individual Development Plans (IDPs). Managers can then facilitate opportunities to expand an employee’s skills through experiences, developmental relationships and formal education.
- Tuition Reimbursement Program: For employees seeking to expand their career development and growth through formal certificate and degree programs, Cubic offers a global Tuition Reimbursement Program. Through this program, eligible employees can receive reimbursement toward tuition fees, textbooks, and other related expenses for accredited courses or programs.

Cubic Behavior Models

Our TEAMS innovate to make a positive difference in people’s lives

Our talented, global workforce is our greatest strategic asset. We focus on attracting, developing, and retaining the best talent, creating memorable employee experiences and maximizing the potential contribution of every individual. Part of our human capital strategy Cubic continues to operate through data, using top notch analytics to drive our decision regarding diversity, culture, employee well-being and employee development. Additionally, we are focused on improving our systems and tools to provide leadership with real-time human capital metrics which allows for actionable insights, and drive progress against our strategic growth priorities.

TEAMS

- Together we create excellence
- Ethics are the foundation
- Absolute customer focus
- Meet our commitments
- Success through innovation

Cubic leverages behavior models to establish a common language and which defines expectations for employees at all levels across the company. This includes comprehensive training and coaching on what is expected to meet the company’s objectives, strong performance, our criterium for recognition, and employee development.



Some of the ways we are embedding our Cubic Behavior models into the employee journey include:

- Evolving our performance management process to align with our values and behaviors to reward employees for “how” they achieve results as well as “what” they achieve.
- Debuting several customized learning and development programs available to all employees to fuel continuous learning. Employees at all levels of the organization (from individual contributors to senior leaders) have an opportunity to tap into these programs. These include Talent Talk webinars, on-demand learning, and Podcasts with leaders, to name a few.
- Re-engineering select reward and recognition programs to celebrate successes that make a significant impact and reflect these behaviors. The peer recognition platform allows employees to tag the positive Cubic behavior when giving employee recognition.



Employee Resource Groups

The Diversity & Inclusion (D&I) Committee’s recent progress includes a strategic plan focused on learning from industry best practices, enhancing diverse recruiting outreach and driving engagement. Cubic currently has ten Employee Resource Groups (ERGs) with both U.S. and international chapters to promote a culture of belonging and inclusion; working together effectively to help employees maximize their own potential and support our business objectives.

The strategy includes training resources, tutorials, and required practice such as relevant workplace scenarios intended to help employees to recognize and mitigate our unconscious biases. One resource is the Cubic D&I toolkit which includes short learning modules to reinforce behaviors and norms. It includes train the trainer activities to learn from thought leaders, access to Cubic’s D&I committees, and “Cube Talks”: a conversation series sponsored by our ERGs covering topics that connect our strategy to our goals. Our Cubic Out and Proud Employee Network recently sponsored a Cube Talk on creating a safe space for our LGBTQ+ employees, balancing work from home with children, and focusing on career development for underrepresented groups.

 CWIN	Cubic Women’s Network
 OPEN	Cubic Out and Proud Employee Network
 CAPA	Cubic Asian Pacific Alliance
 HOLA	Cubic Hispanic and Latin Alliance
 Maana	Cubic Maana Alliance
 FUSION	Fusion
 CAN	Cubic Abilities Network
 CVET	Cubic Veteran Engagement Team
 C-YoPro	Cubic Young Professionals
 C-Green	Cubic-Green



CUBES across Asia Pacific gathered in person and online to support and show allyship for “Wear It Purple Day.” The day celebrates LGBTQIA+ youths and advocates for their right to be proud of who they are and to bring awareness to the statistics around discrimination, harassment and issues they face.

Our Remuneration Practices

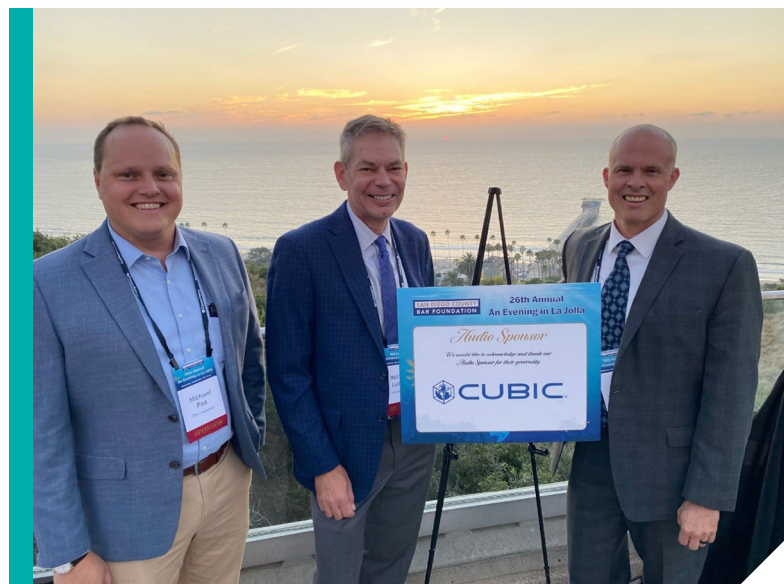
Our remuneration decisions are based on relevant business factors, including but not limited to the job requirements and responsibilities for the job in which an employee is performing, location of where the work is being performed, and job performance. We comply with all federal, state and local laws and regulations, and prohibit remuneration discrimination based on many factors, including but not limited to race, age, religion, and gender.

Equal Employment and Opportunity

We believe in treating employees and applicants with dignity, decency and respect. We strive to have a diverse workplace where employees work together in a positive and fulfilling environment, one that facilitates our culture of inclusion. Our employment decisions are based on merit, experience, and talent potential, without regard to race, color, sex (including sexual orientation and gender identity expression), religion, national origin, ancestry, age, mental or physical disability, marital or family status, pregnancy, childbirth or related medical conditions, military or veteran status, genetic information, compensation, or any other characteristic protected by federal, state, or local laws.

Our goal is to continue to build a talented workforce reflecting the communities in which we live. As a result, we take actions in our local communities to ensure equal employment opportunity for minorities, women, disabled individuals, and covered veterans.

Our commitment to equality in the workplace spans across all employment-related decisions, from hiring and promotions, to transfers and compensation, as well as career development programs. We also follow best practice decision-making processes globally to ensure that employment decisions are free from unfair, unethical, or unlawful biases. If employees ever feel they or others were treated unfairly, our Human Resources Business Partners address each of those through direct reporting or our helpline with the highest degree of care and transparency



Fighting for equal opportunities everywhere

Cubic sponsored the 26th Annual An Evening in La Jolla fundraiser, organized and hosted by the San Diego County Bar Association. This fundraiser helps supports access to justice for underserved communities, including: immigration and asylum seekers, low-income communities, survivors of domestic violence, people with disabilities, veterans, the homeless, low-income seniors and at-risk youth. We had the privilege of several dedicated Cubic legal team members attending the fundraiser picture here (left to right): Michael Paa, Matt Luxton, and Ab Jenkins.



We frequently deploy our GATR satellite antennas to support hurricane disaster recovery operations. We work with several of our global disaster relief customers so they can utilize our antennas and receive our support during relief efforts. These antennas are critical to areas where communication and connectivity are interrupted. Our GATR antennas can provide communications, networking and high-bandwidth internet connectivity via satellite for critical infrastructure and communications between local medical providers, emergency responders and more.

Diversity and Inclusion

Innovation is the lifeblood of Cubic, and can only flourish with diverse perspectives, inclusive environments and highly engaged teams. Cubic is committed to a globally inclusive workplace where people of all backgrounds can contribute and thrive knowing they are respected, empowered, and supported. A diverse and engaged workforce positions Cubic for continued growth by enabling diversity of thought and collaboration, accelerating our ability to innovate and problem solve.

To foster a culture of belonging Cubic has focused efforts on the following primary initiatives:

1. Ensuring diversity in our hiring, development, and retention strategies,
2. Leveraging Employee Resource Groups to promote community and employee inclusion, and
3. Delivering training and communications focused on building awareness and skill in creating diverse, inclusive, and belonging cultures.

We recognize that in addition to training, unconscious bias requires mitigation. Over the last year, we launched initiatives to better understand our diverse workforce, tailored our programs to their needs and updated our processes and procedures to be more inclusive. We updated our data collection process for our U.S. and Canadian employees to include veteran, LGBTQ+ and disability status. Options to include preferred pronoun in our standard email signatures were made available and we updated our policies to better protect our diverse employees.

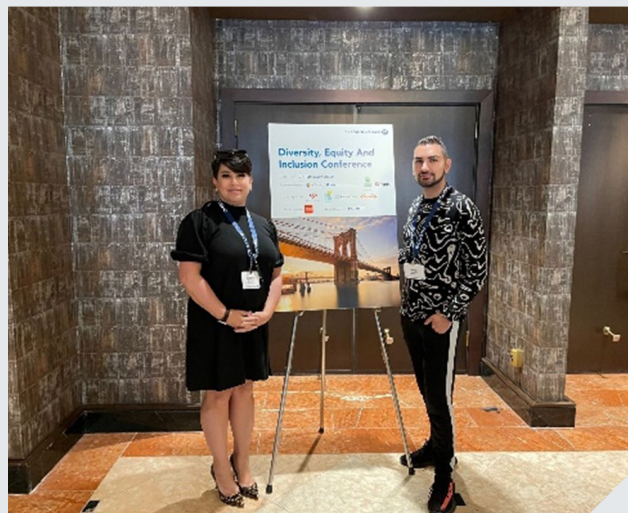
To gain greater visibility of our workforce diversity, we introduced self-identification: a voluntary and confidential process where employees provide information about diversity dimensions like race/ethnicity, LGBTQ+, veteran or disability status. By giving our employees a voice, including a safe place to share their thoughts and ideas, we are able to act both proactively and reactively when necessary and make Cubic a stronger organization for all.

Learn more about Diversity and Inclusion at Cubic on cubic.com/about/diversity-inclusion

Engagement

In 2023, we held our Cubic Employee Engagement Survey. We used this to collect employee feedback on our culture and our organizational practices. We used those results to measure against industry benchmarks and outscored those benchmarks, particularly in the areas of diversity and inclusion. Our other key strengths, highlighted our diversity in hiring people from a variety of different backgrounds, effective manager support and ensuring that employees contribute through meaningful work.

As we move forward, we will continue to enhance communication efforts to keep our employees well-informed about our business strategy through regular updates, town hall meetings, and other communication channels. We will continue to prioritize employee well-being and hear from our employees as we shape these initiatives.



Leading by example

Cubic was proud to be the lanyard sponsor at The Conference Board's Diversity, Equity and Inclusion Conference New York where our Chief HR and Diversity Officer Deborah Cegielski, MBA and HR Operations Director George Torosyan joined prominent CDO leaders and DEI experts to share experiences, research, and insights. They also were part of panel discussions offering insight on pressing DEI topics, sharing best practices, and exploring strategies to create environments that foster inclusion and belonging. [Click here to read more](#)

Occupational Safety and Health

As a global business, we take environmental, health and safety seriously. We want to make sure everyone's working environment is fit for purpose – for employees, contractors, and anyone visiting our sites. We want our health, safety and environmental (HSE) performance record to speak for itself, and we want our people to take pride in continuously improving our safeguards and policies.

The behavior of our people lies at the heart of our success. We have seen success particularly in areas of identifying risk and accident avoidance. Our global team has made significant strides in devising appropriate communications on

health and safety matters. Through increased auditing, inspections and employee participation, our teams are constantly identifying and mitigating new and previously unforeseen risk. Clear and consistent communication is integral in our approach to promoting best practices in the workplace, as is outlining organizational standards and expectations.

Having a world class approach to health and safety not only makes the business a more attractive option for new talent but it also helps to increase efficiency and stimulate ideas for new and safer products and processes.

Continuously improving our performance in HSE has been a key focus of our ESG strategy. Our global teams deliver appropriate communications on safety and health matters including organizing frequent safety topics, elevating the discussion of safety issues at management meetings and improving the visual boards around the facilities to help reinforce key messages. Through showcasing data and key performance indicators and providing feedback, we are better able to communicate with and educate our employees on their own safety and wellbeing.



Our Goal

Establish a certified Occupational Safety and Health Management Systems for 100% of our geographies by 2025

Occupational Safety and Health (continued)

Global HSE Policy

Cubic's policy is to minimize risk for our people, the environment, adjacent communities and other stakeholders through the promotion of a strong culture of health and safety. As a result, we are committed to effective communication and consultation on health and safety matters with all relevant stakeholders.

Health and safety is not only the responsibility of management, it is a responsibility that all employees must share. Contractors and suppliers are also expected to maintain high standards of responsible care for these issues.

All Cubic locations must develop local health and safety procedures that address the requirements of this policy as a minimum.

In particular, Cubic expects those working for us directly, and on our behalf, to work safely, act responsibly, adhere to health and safety rules and procedures, use protective equipment where necessary and generally contribute to the maintenance of safe and healthy conditions. To support these commitments, Cubic businesses are required to manage their activities, and employees are expected to act, as far as reasonably practicable, to ensure that we will:

- Meet or exceed all health and safety laws and regulations in the countries where we operate
- As appropriate, communicate with relevant regulatory officials, trade associations and industry groups regarding Cubic's commitment to these issues
- Ensure that all employees understand their responsibilities for and ways to improve performance related to health and safety compliance.
- Align company operations with good practices in workplace health and safety compliance, by encouraging safe behaviors and re-educating unsafe behaviors.
- Identify and address risk in our operations and to provide safe working conditions and to prevent incidents.
- Support risk management activities by monitoring work-related near misses, investigating root causes of any accident or near miss, minimizing related hazards and finding better ways to reduce the number and severity of work-related incidents
- Identify and set objectives, targets and plans and investing in techniques and technology, to improve health and safety conditions as appropriate.
- Facilitate communication, co-operation, education and training to maximize the contribution of all employees to the achievement of high standards in health and safety matters.
- Conduct due diligence regarding health and safety issues during corporate transactions.
- Require contractors and other visitors to comply with all relevant health and safety requirements when on Cubic business
- Report appropriate performance information as required by Cubic's reporting requirements.
- Implement and follow company policies and procedures regarding use of alcohol or medications during business hours, and never allow these substances to affect the safety of any employee or other person.

Occupational Safety and Health (continued)

Occupational Health and Safety Programs

The following programs are active within Cubic’s worldwide operations:

Management Systems

- Change Management
- Joint Employee-Management Safety Committees
- Auditing
- Onboarding New Employees
- Learning and Development

General Safety

- Personal Protective Equipment
- Hot Work
- Control of Hazardous Energy
- Machine Guarding
- Shop Tools
- Working at Heights
- Material Handling
- Powered Industrial Vehicles

Occupational Health and Chemicals

- Bloodborne Pathogens
- Hearing Conservation
- Ionizing Radiation
- Laser Safety
- Ergonomics
- Extreme Weather Safety
- Hazard Communication
- Respiratory Protection
- Compressed Gas Cylinders

Environmental

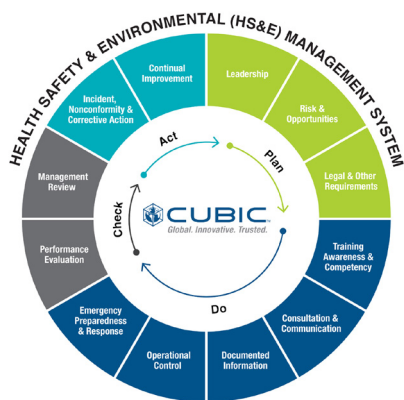
- Water
- Waste
- Air
- Environmental Awareness

Incident Management

- Accident and Near Misses
- First Aid, CPR, AED
- Portable Fire Extinguishers
- Infectious Disease Management

Risk Management

- Contractor Safety
- Assessing Job Hazards
- Lone Workers
- Driver Safety



ISO 45001 Certification

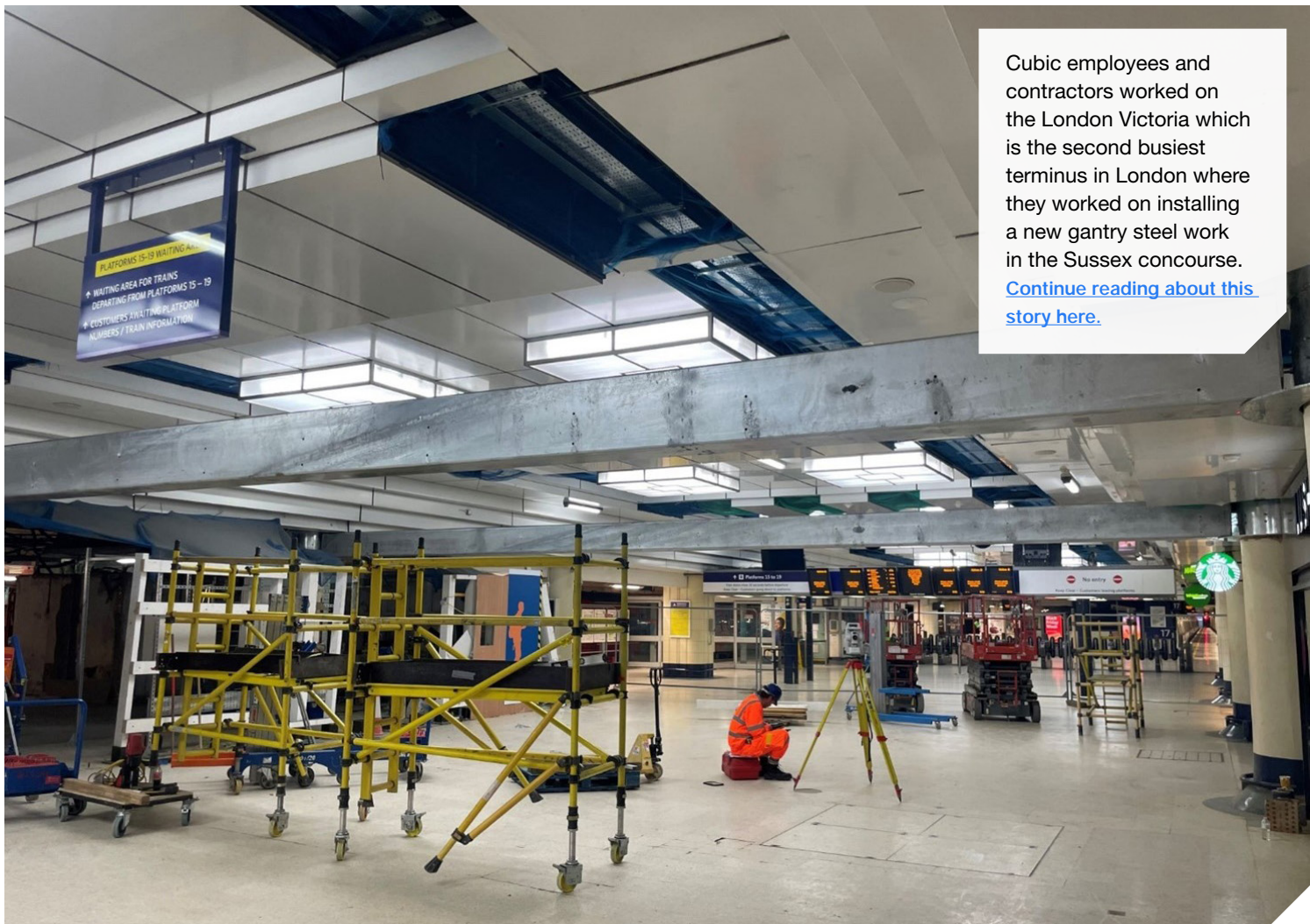
As part of a globally recognized function, Cubic Health and Safety is certified to ISO 45001 Occupational health and safety standard in its Asia-Pacific and Europe, Middle East and Africa locations. All North American locations are working to also be certified under the 45001 standard in the coming years. This system is an integral piece in aligning our global operations to providing a safe and healthy working environment regardless of where our Cubes are.

- ISO 45001 – New Zealand (CTS)
- ISO 45001 – UK (CTS)
- ISO 45001 – Australia (CMPS)

Recent Accomplishments

- 10% fiscal year over year reduction in total incidents.
- Obtained re-certification approval for our ISO 45001 covered locations.
- Implemented a campaign to further educate and train our joint HSE employee-management committees giving them detailed areas of emphasis for their weekly walkthroughs.
- Implemented a new hire orientation process in that now ensures all employees are given introduction to and resources for, all HSE matters applicable to them.
- Made significant updates to our intranet site for employees to more easily, quickly find the resources they need, as applicable to them based on where they work geographically.

Occupational Safety and Health (continued)



Cubic employees and contractors worked on the London Victoria which is the second busiest terminus in London where they worked on installing a new gantry steel work in the Sussex concourse.

[Continue reading about this story here.](#)

Good Catches

Good Catch is a program introduced to increase Cubic's ability to capture events before they occur. A good catch is any undesired act or condition. That is, anything outside of the norm that would be considered "undesired" by means of what our operating conditions state or what our workplace safety guidelines would list as safe. You can consider a good catch as:

- something positive to prevent something negative;
- addressing behavior or acts that may result in an incident;
- catching something early before it becomes an issue;
- something that has or had the potential to cause an incident but didn't.

The good catch program is a unique element to Cubic's health and safety management system that expands on the work we do to capture both incidents and non-injury events according to the Incident Reporting, Notification and Investigation program. Just in 2023 alone we captured upwards of 1,000 good catches.

Occupational Safety and Health (continued)

HSE Metrics

We know there is more that can be done and with that, have set a best-in-class injury frequency rate target of 0.30 by 2025. We will continue to improve on this metric and will continue to work on achieving zero lost time injuries around the world

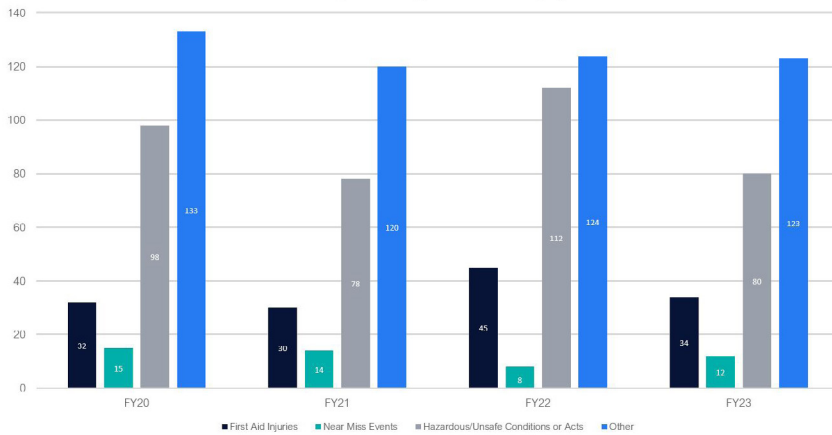
While accountability for safety starts at the top of the organization with our CEO and Business Presidents, line management play a vital role by working with their regional HSE leaders to implement and maintain necessary safety processes including:

- Taking reasonable and practical steps to manage and reduce safety risks.
- Assuring the effectiveness of safety risk controls.
- Promoting safety awareness.
- Complying with all applicable regulatory requirements.
- Advising the senior leaders of improvement needs.
- Striving to continually improve safety.

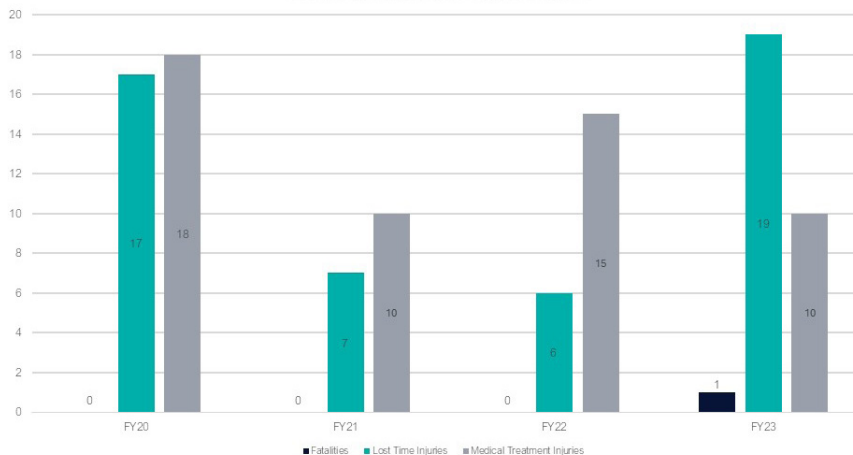


We communicate our safety expectations, raise awareness of safety compliance issues and provide our employees with opportunities to share best practices through a number of channels.

General Incidents (excluding Recordables) by Fiscal Year



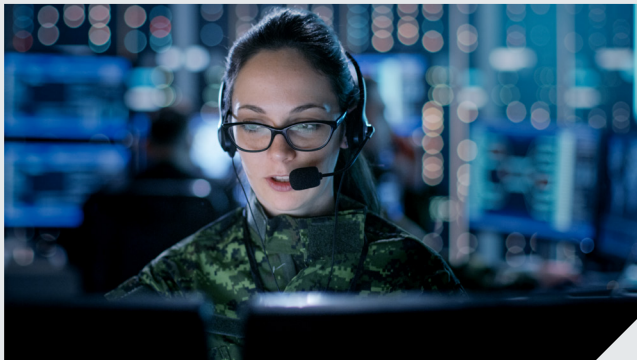
Recordable Incidents by Fiscal Year



Security and Crisis Management

We work tirelessly to ensure our employees, intellectual property, our customers' privacy and our business are protected. Our Global Security team consists of an extensive network of professionals across the globe focused on industrial security, classified personnel and sites, physical security, and crisis management. Their efforts help maintain a safe and secure working environment while helping uphold our contractual agreements and requirements with government agencies.

This last year, the Global Security team delivered a first-of-its-kind training series on Workplace Violence Prevention throughout North America. The rate of workplace violence incidents is increasing. It's important that we equip our workers with the skills and knowledge on how to recognize, de-escalate and respond to potential or actual, workplace violence incidents. So far, more than 700 employees have completed this training in North America, with plans to expand this throughout the global population.



Annually, the Global Security team conducts Security Operations Annual Reviews (SOAR). SOARs were created as a means of performing a top-down review of the facility, in order to audit its current security elements against established requirements. Many of our facilities and programs require stringent physical and technical security elements, as mandated by being a Federally Cleared Defense Facilities (FCL). Working with government customers means we are subject to requirements set by various federal, state and local agencies. The SOAR program helps ensure we identify any gaps we have in our programs or facilities.

Ensuring business continuity

In the professional world, unplanned events could negatively influence Cubic's reputation or constitute a crisis. They tend to be low probability, high impact events for which a coordinated, enterprise response is most appropriate. Cubic's Crisis Management and Emergency Preparedness programs ensure all phases of emergency management are handled with the utmost consideration for the business as well as the safety and security of our employees.



The Crisis & Emergency Preparedness Manager oversees the Crisis Management program across the globe. This work involves managing the documented plans at each location to address crisis response and communications, as well as managing the roles and responsibilities of individual sites' Crisis Management teams. These teams exist at the corporate level, as well as regionally around the globe. These teams undergo training and participate in periodic exercises to ensure the company is ready to respond should we encounter a critical event.

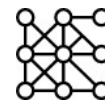
In 2023, our teams worked to develop site specific Business Continuity Plans. This inter-disciplinary plan required taking an extensive look at all aspects of the business, the threats it may face, and how to eliminate, reduce, mitigate, and recover from them. The plan and its associated tools help to prioritize risk, based on the severity of the threat, its potential effects and likelihood that it may occur. From this, appropriate response plans are put in place, so we are able to more quickly recover losses, continue production and mitigate any effects to personnel. Business continuity plans look to provide consistency in addressing potential disruptions for scenarios including but not limited to:



Mitigating against losses to facilities and plans for natural disasters



Labor shortages and losses of key personnel



Information technology outages or attacks, or power and internet losses



Losses of critical third parties (strategic vendors) and finding alternatives where feasible

Benefits

Cubic provides a comprehensive benefits and wellbeing package crafted to support the physical, emotional, financial, and social stability of our team members. Unless explicitly specified otherwise, the benefits outlined below are extended to all Cubic employees in the United States. Cubic employees working outside of the United States have access to a global wellbeing programs and region-specific benefits, which may encompass supplementary offerings alongside mandatory statutory benefits.



<p>HEALTH BENEFITS Cubic offers a variety of medical plans that can differ by region. All Cubic employees, regardless of region, will have access to two consumer driven high deductible medical plans that include a health savings account. Employees who enroll in one of these plans receive an annual employer contribution.</p>	<p>LIFESTYLE SPENDING ACCOUNT A Lifestyle Spending Account (LSA) provides employees with a flexible well-being benefit designed to meet individual needs. Annually, full-time employees are eligible for up to \$850, and part-time employees are eligible for up to \$250.</p>	<p>VIRTA HEALTH Virta Health uses research-backed nutritional ketosis along with medical supervision and one-on-one daily health coaching. Available to CUBES or their dependents that are suffering from Type 2 diabetes or obesity at no cost to them.</p>
<p>HINGE HEALTH Hinge Health offers virtual physical therapy to care for back and joints, recover from a recent or past injury, or prepare for surgery.</p>	<p>BRIGHT HORIZONS Employees can take advantage of back-up childcare, adult care, pet care, and virtual tutoring benefits offered through Bright Horizons.</p>	<p>PET INSURANCE We understand that every family member, whether they have two legs, or four, deserves quality health care. With MetLife Pet Insurance, pet parents have the power of choice to customize their pet insurance to meet their needs.</p>
<p>RETIREMENT PLAN Cubic provides a 401(k) plan that includes a company matching contribution of 100% on the first 3% offered compensation and 50% on the next 3% for a max of 4.5% if you defer 6% or more. The plan also has loan provisions and can accept rollovers from qualified retirement plans.</p>	<p>TIME OFF Cubic believes that employees should have opportunities to enjoy time away from work to help balance their lives and to care for themselves or family members when necessary. This includes paid time off that can be used for vacations, appointments, illness, or taking care of others. In addition, Cubic provides a total of 11 paid holidays per year</p>	<p>EDUCATIONAL ASSISTANCE Cubic provides financial support for employees pursuing educational advancements to enhance their professional skills and improve their career advancement opportunities at Cubic.</p>

Benefits (continued)

Physical, Emotional, Social and Financial Wellbeing Offerings

- Walkingspree app and challenges
- Les Mills On Demand Fitness Classes
- Live Weekly Fitness classes
- Periodic, area focused webinars
- Global 5K Walks
- Mental health and stress awareness month resources
- Employees Assistance Program(me)
- Employee Discount Programs
- Career Growth Path
- Employee Resource Groups
- Nectar Rewards and Recognition

Additional Benefits

- Company paid short term and long-term disability.
- 6 weeks of company paid disability leave benefit.
- 6 weeks of company paid parental leave benefit.
- 9/80 Workweek
- MetLife Legal plan
- Education Assistance Program
- Company paid life and AD&D Insurance
- Accidental Injury and Critical Illness Insurance
- Flexible Spending Accounts
- EV Charging Stations
- Employee referral program



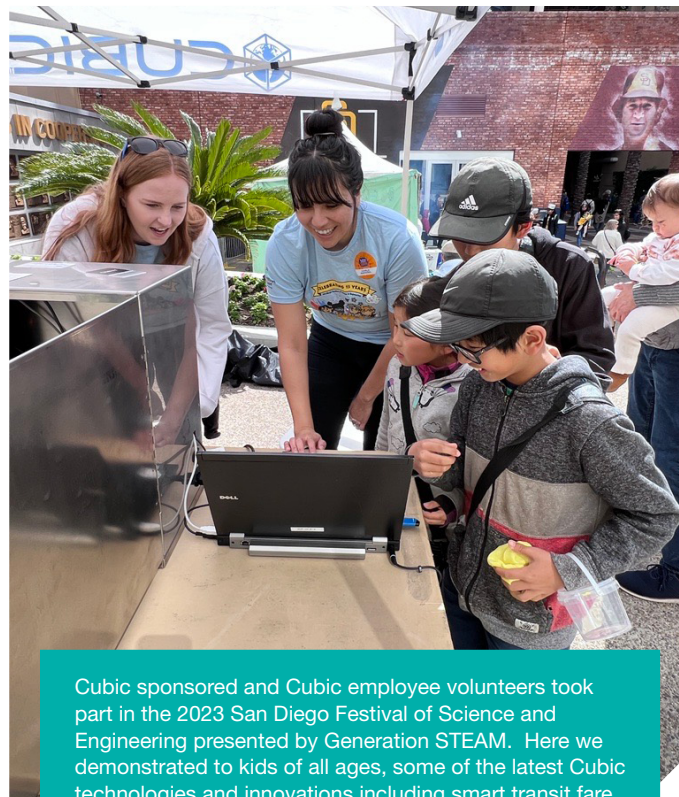
The Community

Our dedication to being a responsible corporate citizen extends beyond our operations. We believe that serving our employees and the wider community is integral to fostering a sustainable world. By supporting local initiatives and prioritizing community welfare, we can do our part to contribute positively to society. We recognize that investing in the well-being of others is not just morally imperative, but essential for fostering a thriving business environment.

Quality Education

We firmly believe that education is a fundamental right and a powerful tool for individual and societal development. Our commitment here extends beyond our organizational boundaries to the communities we serve, the partnerships we cultivate, and the initiatives we champion.

We actively support and invest in programs that promote inclusive and equitable education. Our efforts are focused on ensuring that individuals from all backgrounds and circumstances have access to quality education. By partnering with educational institutions, nonprofits, and community organizations, we strive to bridge gaps and remove barriers that hinder access to education.



Cubic sponsored and Cubic employee volunteers took part in the 2023 San Diego Festival of Science and Engineering presented by Generation STEAM. Here we demonstrated to kids of all ages, some of the latest Cubic technologies and innovations including smart transit fare payment systems and 3D printing capabilities. Generation STEAM's mission is to empower and spark a love of science, technology, engineering, art, and math (STEAM) in K-12 students and expose them to careers in which their unique strengths can be utilized.



Marine Corps Scholarship Foundation:

Cubic was a 2023 sponsor of the Marine Corps Scholarship Foundation, the nation's oldest and largest provider of need-based scholarships to military children, dedicated to empowering the educational dreams of military families.



Sustainable Cities and Communities

The public transportation sector has faced unprecedented challenges in 2020 as it continues to deliver an essential service. Our customers continue to be challenged with providing safe mobility options for travelers but with greatly reduced operating revenues. Cubic has prided itself in building confidence in public transportation. Our award winning, customer-centric solutions, continue to improve safety and accessibility in public transit.

Through regional fare structuring, leveraging automation and analytics, our transportation business is allowing for more convenient and simpler travel across the footprint in which we operate. Our products are making travel easier and more efficient, improving the traveler experience.

Environmental Management



Cubic is purpose-driven to make a positive difference in the lives of our people, customers and communities. We are innovating the design and delivery of our products and services, while simultaneously mitigating adverse environmental impacts.

- **Transportation:** Cubic provides a suite of tools that help cities achieve a broad range of social and environmental policy goals. Through innovative incentive solutions we enable cities to encourage and reward travelers for modal shift in an equitable way. Our results-driven ethos allows us to hit specific targets customers give us in terms of modal shift, equity, carbon emissions and health.
- **Defense Systems:** Our inflatable satellite communications terminal, GATR, provides up to 80% less weight than competing solutions with four times the performance, while dramatically reducing the ecological footprint of the operation compared to competing, fixed asset solutions.
- **Defense Training:** Game-Based Training solutions recreate physical training conditions in a high-fidelity virtual environment, reducing the number of air-, water- or land-craft used in global training exercises while fostering high-transfer learning and operational readiness to end-users.

Building resilient infrastructure to promote inclusive and sustainable industrialization

We have made significant improvements in our Gridsmart cameras product line with improved built-in durability. These enhanced cameras provide all road users with a safer and more efficient intersection experience.

Environmental Management (continued)

Environmental Oversight

As we continue our ESG journey, our approach to sustainability includes engaging with our people, customers, and communities on areas with the most material impact to our business and the environment – including energy, greenhouse gases, water and waste.

Cubic consistently examines ways to optimize our technologies and engage our people to improve the environmental performance of daily operations. We know that with lower energy consumption, reduced emissions, and reduced waste generation, we are more competitive, environmentally conscious, and able to create sustainable value.

Cubic's internal Health, Safety and Environment (HSE) group drives our overall approach to environmental matters and establishes company-wide processes and goals. HSE team members monitor and help ensure global regulatory health, safety and environmental requirements are being met, per region.

Highlights

- Our approach to environmental management closely follows standards set by the International Organization for Standardization (ISO). We maintain our ISO 14001 certification in our New Zealand businesses with plans for expansion across the globe.
- We have processes in place to ensure that our global facilities are always in compliance with local, federal and international environmental laws and strive to develop and sustain environmental excellence.
- In all areas in which we operate we are considered a small quantity generator, meaning we use and dispose of small amounts of chemicals and create small amounts of hazardous waste.
- We have reduced our environmental footprint at manufacturing locations by consolidating processes and centralizing facilities. Based on our real estate management plans and the impacts of COVID-19 on the global commercial real estate market, we are planning to reduce our overall footprint between 20-30% by fiscal year 2025.
- We comply with storm water prevention programs in California and North Carolina. Two of our three manufacturing locations have a “notice of no exposure” because we do not have processes that could potentially contaminate local waters.
- Cubic's largest manufacturing locations, in Tullahoma, Huntsville and Tijuana, Mexico require no air or industrial wastewater discharge permits.

Cubic has built and operates an integrated energy systems consisting of solar, storage and electric vehicle (EV) charging stations, which provides free access to EV charging and optimize utility bills savings by using natural resources.

Ensure access to affordable, reliable, sustainable, and modern energy for all

We are continually investing and identifying new solutions for sustainable energy, and to prioritize energy productivity. Our efforts extend through our products, services, and technological advances as well as how we are addressing our real estate portfolio. We believe these activities not only encourage economic growth for our business but also contribute to a healthier environment for present and future generations.



Environmental Management (continued)

Energy and Emissions

In 2023, Cubic sites consumed approximately 23,563 megawatt-hours of electricity globally, generating approximately 10,202 metric tons of carbon dioxide (CO₂) emissions¹⁷. This energy expenditure tracks to our last reported energy figures from the 2020 Sustainability Report. Our 2023 number accounts for a roughly 5% increase in energy usage year over year.

On a global basis, Cubic does not have the robust systems in place to accurately report a complete profile for energy usage or scope 1, 2 and 3 emissions data. We are beginning to develop the tracking mechanisms to capture and report Scope 1 and 3 emissions in the future, as well as more globally capture Scope 2 (purchased electricity even from leased offices).

We continue to explore opportunities for real estate consolidation and reduction. We have embedded a means of utilizing renewable energies in our strategy for any additions to our real estate portfolio as well as changes to our existing infrastructure, as feasible.

We must take urgent action to combat climate change and its impacts

By 2025, we aim to reduce our CO₂ intensity footprint by 45% through multiple initiatives and projects including: real estate footprint consolidation and using alternative sources of energy (i.e. solar).

Water Consumption

Cubic has not collected global data associated with our industrial water uses as we believe this represents a low material risk to the organization. The scale at which our global operations rely on industrial water utilization to manufacturer or deliver services is materially low. To better understand and improve our general industrial water usage, our goal is to complete a water consumption baseline assessment in fiscal year 2024; these results will determine future actions in this area.

Waste

Cubic facilities are considered small quantity generators, in most cases very small quantity generators, and represent a low material risk to the organization. Small quantity users and generators means we use very small amounts of hazardous chemicals in our manufacturing and assembly operations thus leading to small waste volumes. We follow a stringent chemical management approach regarding the use and disposal of these small quantities of chemicals required to manufacture and/or assemble our products. The small amount of waste generated is managed and disposed of in compliance with applicable regulatory requirements. Site operations managers are responsible for the day-to-day handling of these chemicals, while our facilities and HSE teams oversee the sourcing, storage, use and disposal procedures implemented at each applicable location.

We have a limited number of manufacturing locations, some of which are zero hazardous waste emitting facilities. To better understand and improve our general waste impacts, our goal is to complete a waste sources and volume baseline assessment in fiscal year 2024; these results will inform future goals in this area.



Data Integrity

ESG data is shaped by a landscape of evolving methodologies, advancing standards and expansions in data accessibility over time. We understand that we must keep pace with broadening data sets and emerging global standards. A key part of our ESG strategy includes identifying and ensuring that we can accurately capture the applicable information needed to report on ESG issues that have the most material impact on our business and that are of the most interest to our people, our communities and stakeholders. The ESG data presented in this report has been collected, reviewed and internally validated; it is the most complete and correct information that we have at the time of publication. In some cases, estimates have been supplied using best practices for ESG reporting. This data has not been subjected to any internal or external audit procedures

FORWARD-LOOKING STATEMENTS

In this report, “Cubic,” “we,” “our,” and “us” refer to Cubic Corporation, a Delaware corporation and its wholly owned subsidiaries, except as otherwise indicated or as the context otherwise requires. In addition, this report contains “forward- looking statements” intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995.

These forward-looking statements are not historical facts, but rather are based on current expectations, estimates, assumptions and projections about our business, future financial results and the industry in which we operate, and other legal, regulatory and economic developments. These forward- looking statements include, but are not limited to, future strategic plans and other statements that describe the company’s business strategy, outlook, objectives, plans, intentions or goals, and any discussion of future operating or financial performance.

We use words such as “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe,” “target,” “future,” “may,” “will,” “could,” “should,” “potential,” “continue,” “guidance” and other similar expressions to identify such forward-looking statements. Forward-looking statements are uncertain and to some extent unpredictable, and involve known and unknown risks, uncertainties and other important factors that could cause actual results to differ materially from those expressed or implied in, or reasonably inferred from, such forward-looking statements.

Where in any forward-looking statement we express an expectation or belief as to future results or events, such expectation or belief is based on current plans and expectations of our management, expressed in good faith and believed to have a reasonable basis. However, there can be no assurance that the expectation or belief will occur or that anticipated results will be achieved or accomplished. The forward-looking statements included in this report speak only as of the date hereof. We undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.



