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Cubic's Environmental and Sustainability Statement

Introduction

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. 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.

Cubic recognizes that our global day-to-day operations create an impact on the environment including social value priority themes and accepting our responsibility to lessen that impact wherever we can on our own and our customers operations.

As a business we have assessed all areas with respect to this environmental impact, specifically:

1. Continually Monitoring our company "Carbon Footprint" and NOx Emissions
2. Maintain a current 'impacts and aspects register' and associated Environmental Improvement Plan to allow us to measure performance against targets.
3. Meet our legal obligations, related to waste management and electrical and electronic equipment and battery disposal.
4. Increasing the management of sustainability within our supply chain.

Accordingly, we have identified targets for continuous improvement in our environmental performance, supporting an ISO 14001 compliant Environmental Management system incorporating practical procedures and controls to reduce environmental damage and pollution

Environmental Management

Cubic has two distinct business units the compromise multiple portfolio businesses within them:

- **Transportation Systems**: 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.

- **Cubic Defense**: 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.

As we continue our environmental management 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.

Ensuring 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 and 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.

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.

Highlights

At Cubic, we are committed to operating responsibly and minimizing our environmental impact across all global locations. Through continuous improvement, strategic consolidation, and proactive stewardship, we are reducing our footprint, enhancing resource efficiency, and strengthening our long-term commitment to environmental excellence. The following highlights reflect our ongoing efforts to protect the environment while supporting the communities and customers we serve.

- 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

Our Targets

Our targets for 2025 are a 15% CF and a 10% NOx reduction on the respective 2024 figures

- Renewable Energy: 100% electricity from renewables has been used at all CTSL sites from Jan 2022, and Zero carbon gas from Jan 2024. We will also look to adopt renewables on our buildings as opportunity allows e.g. PV's.
- Reduce the environmental impact of our products: Sustainability in design ensuring appropriate consideration to environmental impacts when designing products.
- Supply chain: Working together to minimize our impact on ourselves and our customers.
- Sustainability: Supporting the Global Cubic Corporation Sustainability strategy recognizing that as a business we need to give back, at a local level and globally.
- Emergency Preparedness/Business continuity: Our disaster recovery and business continuity plans cover all areas of the business, including environmental incidents; and are tested annually
- Reduce electricity consumption: incorporating low power technologies in our Offices as opportunities allow.
- Reduce vehicle emissions including NOx: transitioning the fleet onto low and zero emission vehicles starting in 2022 completing 100% fleet by 2029.
- Reduce air travel: use trains wherever possible – and continue use of virtual team meetings.
- Reduce landfill and recycle recycling bins located around the offices including all printed paper waste utilizing shredding services converting it to animal bedding saved 29 trees in 2023.
- Net Zero/Carbon Neutral commitment: Committed to meet this by 2030, plan and strategy documents underpin this commitment.

Operations

In terms of our 3 Scopes:

- Scope 1 (Vehicles and generators) – Vehicle mileage increased compared to 2021 but were offset by the reductions from the Work at home activity.
- Scope 2 (Utilities) – We have continued to take advantage of any office refurbs to reduce utility usage utilizing e.g. LED lighting, PIR sensors, Inverter driven lower power consumption aircon). Sever room reduction planned utilizing virtual servers.
- Scope 3 (Rail flights, Work from home, Waste, Hotels stays, Key subcontractors/suppliers) – post covid air travel has increased and are close to pre pandemic levels.

In 2023, Cubic sites consumed approximately 23,563 megawatt-hours of electrically 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.

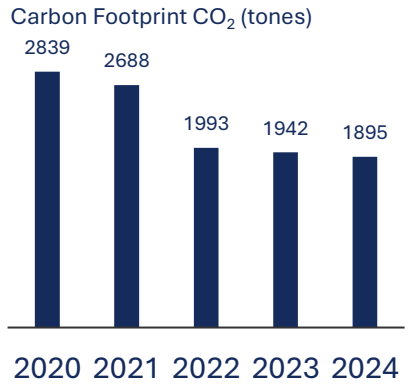
Waste

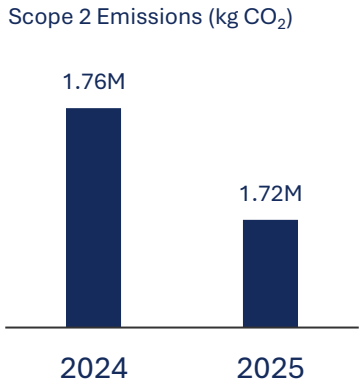
Cubic facilities are considered small quantity generators, in most cases very small quantity generators, and represent a low material risk to the organization. Small quantity users and generators means we use very small amounts of hazardous chemicals in our manufacturing and assembly operations thus 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.

Scope 3 Emissions

Cubic tracks pounds of landfill, recycled, and hazardous waste generated at its facilities. Emissions from the off-site treatment and disposal of these wastes are reported under Scope 3, Category 5 – Waste Generated in Operations. Landfilled waste is assumed to be disposed of at municipal landfill facilities, while recyclable materials are processed by third-party recyclers. Hazardous waste is shipped to permitted TSDF contractors for treatment and disposal. Cubic converts the weight of each waste stream to CO_2e using disposal-method-specific emission factors consistent with the GHG Protocol.





Emissions and energy use

Reduction Target/Actual Achieved	NOx (kg)	Year
3% reduction target / - 26% (COVID and reduced office attendance)	1080	2020
5% reduction target / + 9%	1179	2021
5% reduction target / +11%	1317 (4731)*	2022
5% reduction target / +6%	1396 (7500*)	2023
5% reduction target / + 5%	1466	2024

*2022/2023 – DfT issued NOx calculation for diesel vehicles – hence huge apparent increase in NOx

Opportunities

Scope 3 Emissions

As Cubic advances its environmental strategy, one of our most significant opportunities lies in improving the visibility, accuracy, and completeness of our Scope 3 emissions data. Today, Scope 3 represents the largest and most complex component of our organization's carbon footprint, reflecting emissions generated across the entire value chain from purchased goods and services to transportation, waste, and end-of-life treatment. While we have made progress in tracking internal operations and direct emissions, our next major step is enhancing the systems, processes, and partnerships needed to better quantify and manage our upstream and downstream impacts.

Our opportunity plan focuses on building a more robust, integrated approach to Scope 3 data collection and reporting. This includes strengthening relationships with key suppliers to standardize environmental disclosures, expanding our internal tracking systems to capture additional categories of Scope 3 data, and developing clearer methodologies for estimating emissions where direct measurement is not yet possible.

As new regulations and customer expectations emerge globally, the ability to provide high-quality Scope 3 data will be essential for transparency and for enabling informed decision-making across procurement, product development, and operations. We see this work as an opportunity to enhance the sustainability of our entire value chain. In the near term, we will conduct a materiality assessment to identify which Scope 3 categories are most relevant to Cubic's business model and which represent the largest potential impact. From there, we will invest in the tools and processes needed to systematically gather supplier emissions data, integrate emissions metrics into procurement criteria, and develop stronger partnerships that support low-carbon innovation. Over time, this improved visibility will allow us to identify hot spots, target reduction initiatives, and collaborate more effectively with suppliers, customers, and partners. By enhancing the accuracy of our Scope 3 data today, we position Cubic to make more strategic, future-ready sustainability decisions tomorrow.

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 (e.g., solar).

Life Cycle Assessment Program Development

One of the most meaningful long-term opportunities for Cubic lies in building a formal Life Cycle Assessment (LCA) program. As customers increasingly request product-level carbon data and sustainability attributes—especially in government, transportation, and defense markets—LCA capabilities provide a structured, transparent method to quantify environmental impacts across the entire product lifecycle. Developing an LCA program allows Cubic to evaluate materials, manufacturing processes, distribution, product use, and end-of-life pathways to identify carbon hotspots and design more sustainable alternatives. This approach creates an opportunity to embed environmental considerations directly into engineering, sourcing, and product development workflows. By establishing standardized LCA methodologies, Cubic can generate Environmental Product Declarations (EPDs), support customer carbon reporting requirements, and position our products competitively in markets where sustainability is becoming an evaluation criterion. Over time, an LCA program would also support material substitution, circularity initiatives, and more informed procurement decisions, helping Cubic reduce Scope 3 emissions in a targeted, data-driven way.

Material tracking

Cubic already tracks total weights of landfill, recycling, and hazardous waste, placing the company ahead of many peers in terms of waste visibility. However, there remains a strong opportunity to improve waste segregation and material-level tracking to enhance both sustainability performance and emissions accuracy. Expanding waste tracking from broad categories (e.g., "recycling") to more specific material types (e.g., paper, cardboard, plastics, metals, e-scrap) allows Cubic to apply more precise emissions factors and target high-impact waste streams. This additional detail enables Cubic to improve diversion rates, reduce landfill dependency, and identify opportunities for closed-loop or circular material recovery. Operationally, improved waste segregation can be supported through redesigned collection systems, clearer signage, training programs, and closer partnerships with waste vendors capable of providing material-level reporting. These actions not only reduce Scope 3 emissions relating to waste treatment but also lower disposal costs and support customer expectations around responsible waste management. Over time, better material-level tracking also supports the development of more sustainable packaging, procurement decisions, and product design considerations—further strengthening Cubic's environmental performance.

Opportunities

Employee commuting emissions tracking

Employee commuting represents a frequently overlooked but material category within Scope 3 emissions, particularly for organizations with a mix of onsite, hybrid, and field-based workforces. As Cubic strengthens its emissions reporting capabilities, establishing an employee commuting emissions tracking program offers a meaningful opportunity to improve the completeness of the company's Scope 3 inventory. The program may begin with a companywide commuting survey to quantify commuting distances, transportation modes, fuel types, and work schedules. This creates a baseline that Cubic can use to estimate annual emissions associated with employee travel to and from work. Tracking these emissions not only improves the accuracy of the company's GHG inventory but also opens pathways for targeted reductions. Opportunities include providing EV charging stations at major facilities, incentivizing carpooling or public transit use, promoting hybrid and remote work models where operationally feasible, and exploring bike-friendly workplace enhancements. By strengthening visibility into employee commuting patterns, Cubic can improve the quality of its Scope 3 reporting while identifying practical engagement-based programs that reduce emissions and support a positive employee experience.

Fleet optimization and vehicle transition strategy

Cubic's global vehicle fleet represents a significant opportunity to reduce Scope 1 emissions while generating both environmental and operational benefits. Although the company already tracks gasoline, diesel, and propane usage, there is substantial potential to reduce emissions through a structured fleet optimization program. A comprehensive fleet optimization strategy may involve implementing telematics to reduce idle time, optimizing routing and vehicle utilization, and right-sizing vehicles to match specific operational needs. More significantly, transitioning appropriate portions of the fleet to hybrid or fully electric vehicles over time presents a major emissions-reduction opportunity. This transition also aligns with emerging customer expectations, many of whom are pursuing low-carbon transportation strategies. Cubic can further support this opportunity by evaluating charging infrastructure at company locations, integrating sustainability metrics into fleet procurement decisions, and setting a clear long-term roadmap for achieving its stated target of a zero-emission fleet by 2029. Collectively, these actions enable Cubic to meaningfully reduce direct emissions, improve cost efficiency, and support broader sustainability commitments.

Waste segregation and material tracking improvements

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Our Environmental Management System

Plan

We begin by identifying risks, setting clear HSE objectives, and establishing the policies, standards, and controls needed to prevent harm. This phase includes thorough planning based on data, risk assessments, regulatory requirements, and business needs—ensuring our approach is intentional and aligned with our operational goals.

Do

With a plan in place, we put it into action. This includes implementing programs, conducting training, and integrating HSE practices into daily operations. Our teams lead by example—working together to apply safety protocols, monitor environmental impact, and promote a culture of accountability.

Check

We regularly monitor performance to ensure that our HSE activities are effective and on track. Through audits, inspections, and data analysis, we measure progress against our goals and identify opportunities for improvement. Feedback from our teams and stakeholders is a critical part of this phase.

Act

Based on what we learn, we adapt. We take corrective and preventive actions to improve outcomes and strengthen our systems. This continuous improvement loop helps us evolve our HSE practices, enhance safety culture, and raise the bar year after year.

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Our EMS

ISO 14001 Certification

We are certified to BS EN ISO 14001:2015 in various locales which is underpinned by our top-level management commitment to our continuous improvement strategy, reducing our environmental impact and that of our clients. We continue to engage with all staff / areas of the business and our environmental committee membership reflects this.

Environmental Committee

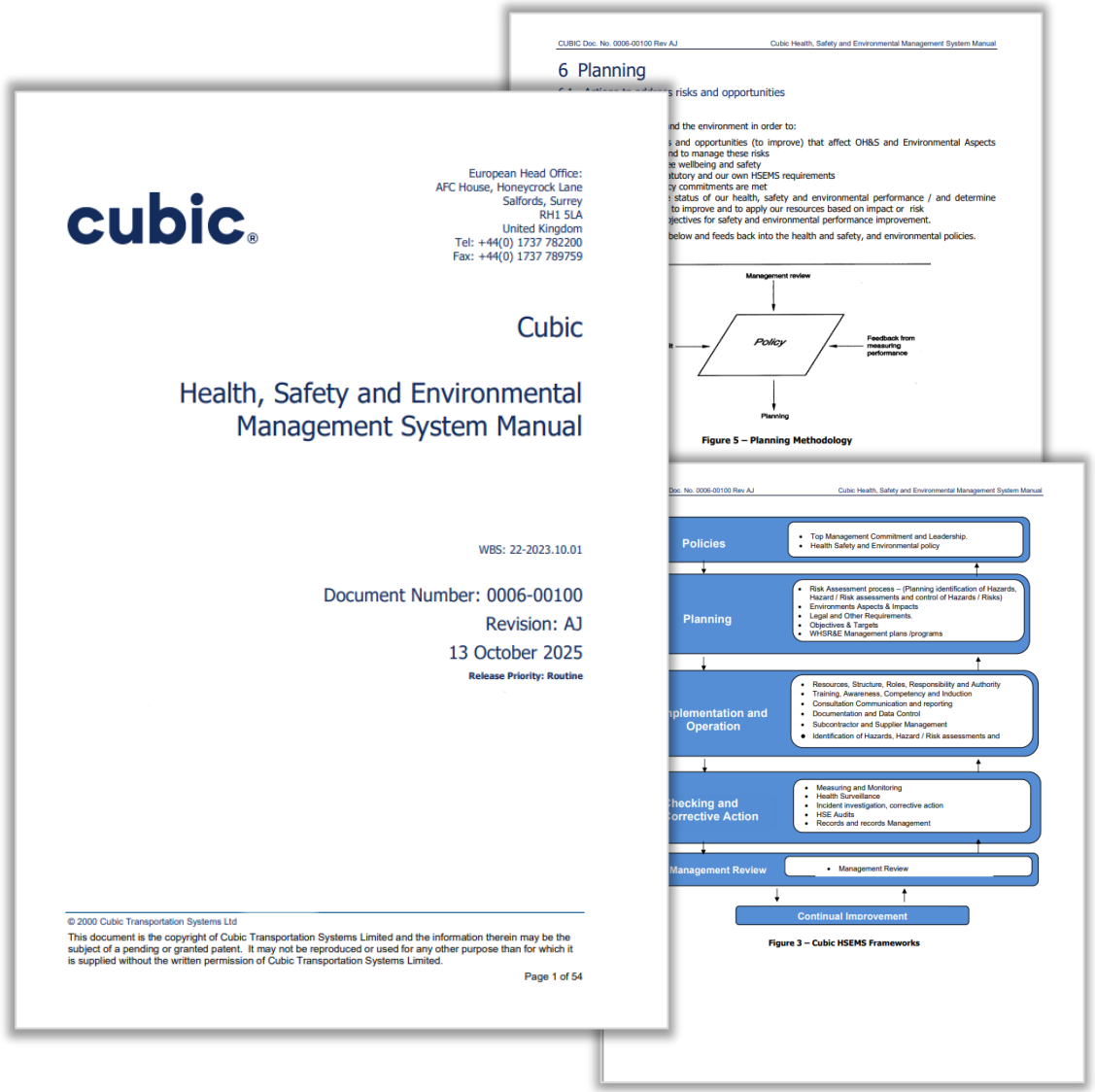
Cubic maintains a joint management/employee environmental committee to provide a forum for Environmental consultation, monitoring and Improvement. The objectives of this Committee are:

- Promoting environmental and sustainability performance by providing a forum for discussion.
- Promote and support staff systems for the reporting and control of environmental concerns.
- Escalating issues to the board of directors as required.

Chaired by the Head of HSE, consisting of 8 regular members with a direct line up to the board, with the main responsibilities of the committee are:

- Assessment of the environmental aspects and impacts relating to the company's operations and supporting the development of the annual environmental objectives.
- Implementing and monitoring the reduction strategies.
- Driving opportunities for CF/NOx reduction reporting into the integrated management review.

In summary, the 2030 Net Zero/Carbon neutral commitment will reduce our environmental impact, business costs, whilst also supporting our customers



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