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Introduction

Cubic Corporation ("Cubic") and its group of companies (including Cubic Transportation Systems Ltd, Cubic Surface Transportation Systems Ltd, Cubic (UK) Ltd and Cubic Defence UK Ltd) recognize the significant adverse impacts of procuring goods that fund human rights abuses, and we are resolved not to contribute to global conflict in the way we do business. To achieve this goal, we have created processes to engage with suppliers, assess risks and create transparency within our supply chain, and educate our employees on human trafficking and the role they play in eradicating it.

About our Business and Supply Chain

Cubic is a leading international provider of cost-effective systems and solutions addressing the mass transit and global defense markets' most pressing challenges with business units and employees in many countries throughout the world, including USA, Mexico, Canada, Australia, New Zealand, the United Kingdom, Ireland, Germany, India, South Korea, Oman, Singapore, and Saudi Arabia. Cubic Corporation leads centralized procurement on behalf of its operation units, with procurement teams located in Orlando, Florida; San Diego, California; and Tullahoma, Tennessee. Some ancillary procurement activities also occur in Concord, California; Ashburn, Virginia; Huntsville, Alabama; the United Kingdom; Sugarland, Texas; and Australia and New Zealand, where Cubic's offerings are generally service-based. Cubic's labor and material supply chains extend throughout nearly every industry and in dozens of countries throughout the world.

About Our Anti-Human Trafficking Program

Cubic's program was designed around the Organisation for Economic Co-Operation and Development (OECD) Due Diligence Guidance for Responsible Business Conduct. At the heart of our program are our worldwide policies entitled "Corporate Social Responsibility in Supply Chain Management" and "Human Rights Policy." These policies set forth our commitment neither to tolerate nor profit from human trafficking and to suspend or terminate our relationship with any supplier we reasonably suspect is sourcing from, or linked to, any party committing human rights abuses. Our "Human Rights Policy" was designed to reflect Cubic's commitment to respect human rights in a way consistent with the UN Guiding Principles on Business and Human Rights regarding the Corporate Responsibility to Respect Human Rights and the United Nations Global Compact (UNGC) Declaration on Human Rights: Guidance for Businesses. We maintain an ethics hotline, available 24/7, worldwide, for anyone to report violations, and we maintain two fulltime employees dedicated to supply chain compliance issues as well as a Senior Director of Responsible Sourcing to lead Cubic's push towards more sustainable development.

Averting modern slavery practices is part of Cubic's overall Social Responsibility Program. Social responsibility in the supply chain is discussed on page thirty-seven of Cubic's Code of Business Conduct (available here) and page three of our Code of Conduct for Third Parties (available here). Our Code of

Business Conduct states, among other things, that we will take all reasonable steps to ensure that our supply chain is free of products made by forced labor; while our Code of Conduct for Third Parties obligates our suppliers to obey all applicable laws regarding the prohibition on use of trafficked or child labor and to cooperate with us in our diligence process to ensure no such practices exist in our supply chain. Cubic provides overview training on anti-human trafficking to all employees as new hires and again as an annual refresher. Select Purchasers/Subcontract Administrators and Purchasing management receive annual training regarding supply chain modern slavery risks specific to Cubic and how their actions can mitigate those risks.

Cubic's processes and procedures require suppliers to be surveyed prior to onboarding, and high-risk suppliers are audited annually for social responsibility while lower risk suppliers are surveyed at least every three years. Supplier compliance diligence and documentation is kept on a shared folder for easy accessibility by those who may need the information.

Cubic's Supply Chain Compliance Group's annual process review meetings incorporate insight from its consultations with departments throughout the corporation and worldwide; including stakeholders from the Quality, Engineering, Legal, and Procurement departments. Cubic's Senior Counsel maintains oversight of the processes and presents the processes and progress to the CEO and Board of Directors quarterly. Cubic's Modern Slavery statement is sent to the CEO and Board of Directors for review and approval prior to publication.

About Our Progress This Year

With the increased growth of Modern Slavery reporting legislations worldwide, Cubic took this year as an opportunity to coordinate with program stakeholders worldwide and create a world-wide due diligence framework. The creation of this framework serves as the foundation of risk evaluations and process improvement throughout Cubic. Facilitation of this framework is done by the software solution, OneTrust, which allows us to automate supplier verification of known indicators of human trafficking risks. This software solution will allow Cubic to further assess supplier risk and focus our audits on suppliers whose practices most affect modern slavery risk. Although Cubic has been unable to perform on-site supplier audits, Cubic's Supply Chain Compliance Team is trained to perform Corporate Social Responsibility Audits and will perform on-site audits alongside its Quality Audit team this year.

Cubic has maintained membership in the Social Responsibility Alliance (SRA) since 2017 to provide valuable industry expertise in the continued development of open-source tools to assist organizations in determining areas of risk within their supply chains. The most recent version of the SRA's flagship risk template, the Slavery and Trafficking Risk Template (STRT), can be downloaded at http://www.socialresponsibilityalliance.org/. Cubic considers this template, including the Department of State (DoS) Trafficking in Persons (TiP) Report, the Department of Labor (DoL) Goods Produced by Child and Forced Labor List, and benchmarking data from KnowTheChain and the United Nations Global Compact, as the foundation of its risk assessment processes.

Cubic also annually updates its statement in the UK Modern Slavery Registry to help increase awareness of Cubic's developing program and to ensure Cubic implements leading practices into its program going forward.

About Our Risks and Risk Assessment Processes

Reflected in our Due Diligence Framework, Cubic's due diligence program was built according to the OECD Due Diligence Guidance for Responsible Business Conduct. This internationally recognized guidance lays out best practices for designing a robust diligence program by laying out steps to identify actual and potential risks within our operations and supply chain and to design responses to effectively mitigate those risks.

To identify and assess risks, our Supply Chain Compliance Group engaged the engineering group to perform a supply chain risk mapping exercise using the DoL Goods Produced by Child and Forced Labor and the DoS Trafficking in Persons report as a guide for which commodities pose the greatest risk of human rights abuses. We create a list of internal commodities sorted by risk that the Supply Chain Compliance Group uses to quantify the amount of business Cubic does with its suppliers that have exposure to high risk industries. A similar process is used to identify and assess risk of human rights abuses in the supply chains of the Conflict Minerals. Cubic buys a large volume of various electronics, electronic/mechanical components, and sheet metal parts for its business which contain minerals or components implicated in many countries as being high-risk for forced labor. Cubic is a member of the Responsible Mineral Initiative and uses its membership to support the audit of raw mineral smelters on responsible mineral sourcing and groups that work to maintain transparency in the raw mineral supply chain. These minerals are ubiquitous in electronic component manufacturing, in which much of Cubic's products can be classified. For more information on Cubic's Conflict Minerals program, please reference our Specialized Disclosure form (available here). To assist in the identification and assessment of risks with the Asia-Pacific region, where Cubic's offerings are primarily service-based, the procurement function has instituted formal assessments at supplier on-boarding; using a modified version of the Slavery & Trafficking Risk Template (STRT).

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 its 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.

To verify that Cubic's supply chains are well-prepared to protect material supply chains from human trafficking and slavery, Cubic has a dedicated team that performs on-site audits of its top tier suppliers. Although these audits are announced audits, Cubic retains the right with its suppliers to perform unannounced audits. The standard audit form includes a review of contractual requirements for suppliers to maintain compliance with labor, health, safety and environmental laws, regulations or codes of conduct as well as documented procedures to verify that child labor is not in use in their supply chain and labor agencies do not use forced, involuntary prison, indentured, bonded, trafficked or slave labor.

Cubic assesses the effectiveness of its Modern Slavery program through several means. Most of Cubic's direct suppliers/service providers are located within the United States, the United Kingdom and European Union, and Australia where the risk of modern slavery in industrial settings is low. Cubic, therefore, determines its effectiveness by processes identified to decrease the likelihood of slavery within global supply chains. Suppliers are sorted by the amount of business identified as potentially high risk through our Supply Chain Risk Mapping exercise. This business is quantified, and these figures serve as the basis for risk quantification regarding the reach of our supplier audits and what controls are in place within our supply base (policies, contractual requirements, codes of conduct, etc.). Implementation of the Slavery and Trafficking Risk Template (STRT) into Cubic's OneTrust supplier risk management software allows Cubic to automate supplier risk evaluation and expand the scope of its effectiveness to include other factors contributing to forced labor worldwide, such as use of at-risk workforce, policy communication, and process controls. Cubic expects these metrics to change as its program develops and industry reporting standards are formalized.

By keeping up to date with reported findings, Cubic maintains awareness and bridges communication throughout our supply chain; ever increasing our awareness of, and compliance with, industry best practices and the needs of human rights legislations worldwide

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