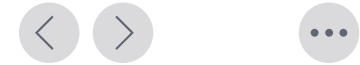




Innovating today for a safer tomorrow

Sustainability Report 2021

ULTRA.



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A message from our Chief Executive

Innovating today for a safer tomorrow

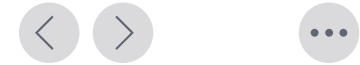
At Ultra we partner with our customers, applying technology and innovation, to allow them to solve mission critical problems that protect the societies in which we live, and make the world a safer place. This is why we exist – to innovate today for a safer tomorrow.

Ultra has always believed that the work it does plays a vital role in maintaining stability and sustainability in society and that the solutions we provide are key to protecting the environment, social and governance standards that societies demand. The tragedy unfolding in Ukraine demonstrates how true this is. We have also tried to provide these solutions in the most sustainable way, within the constraints placed on us by customers. This report highlights many significant achievements in accelerating our long-term sustainability strategy.

Despite the global challenges of the past few years, we have not lost sight or pace in our ESG ambitions which focus on the four key pillars shown below. This year, we have incorporated Governance, 'Doing the right thing' as our fourth critical pillar. An important step in affirming that the way in which we do business is as important as what we do:



Simon Pryce
Chief Executive



Social Value

Social Value is the long-term, sustainable improvement for society that can be gained by promoting positive social, economic, and environmental impact. Ultra's 'A Positive Force' framework sets measurable objectives to develop these critical areas.

The importance of, and case for, delivering Social Value is clear. In our employee engagement survey, we saw a significant increase of +14.1pts on employees being satisfied with what Ultra puts back into the community. This equated to 53.2% of employees believing strongly that we make a difference, compared with 39.1% in our 2019 engagement survey. Volunteering, Matched Funding and STEM outreach are key components of Social Value activity that engages our employees, clients and suppliers, and builds the Ultra brand.

For UK Government departments and their industrial partners, Social Value will underpin post-Covid recovery with associated sustainability and prosperity goals. The positive impact Ultra is making will be assessed against associated themes, metrics and UN Sustainable Development Goals.

In addition to our sustainability report, a more detailed impact report will be developed to provide an objective assessment of the Earned Social Value of our 2021/22 activities and how they have contributed to the associated themes:

- + Equal opportunity
- + Wellbeing
- + Covid-19 recovery
- + Tackling economic inequality
- + Fighting climate change

Ultra will report on this for the first time in 2023, working with our charity partners, communities,

In our employee engagement survey, we saw a significant increase of +14.1pts on employees being satisfied with what Ultra puts back into the community.

and related organisations to develop a framework for qualification of investments, initiatives and measures to sustain and scale our Social Value contributions.

Ultra Social Value aims and themes

Our investment in local communities across the Group demonstrates our goals of conducting our business in an ethical, safe, and sustainable way. Our policies on delivering sustainability and Social Value are closely linked to the United Nations Sustainable Development Goals (SDGs) – these address global challenges across environment, social and economic subjects. The SDGs are a collection of 17 interlinked global goals designed to be a "blueprint to achieve a better and more sustainable future for all".

Our approach to sustainability and Social Value are reflected in Ultra's alignment to the following key SDGs:



Quality Education, which forms a part of our Positive Force framework. Our aim is to support improved education for young individuals.



Responsible Consumption and Production. We're working towards ensuring responsible consumption and production throughout our businesses and supply chain, driving responsible sourcing.



Climate Action focuses on progress made on our net zero strategy, supplier engagement, and building our resilience as a sustainable business.



2021/22 TOP CONTRIBUTIONS



Focus on STEM

Our teams are engaged with Primary and Secondary schools in our local communities, supporting learning and development of STEM skills and knowledge. In support of our Diversity, Equity & Inclusion strategy, 2022 will bring a centrally coordinated approach to further strengthen our contributions, targeting education outreach to under-represented groups.

+ FIND OUT MORE

Giving back fund

Our teams continue to undertake fundraising activities to support STEM and young people across all our territories including Back to School drives, providing kits of school supplies, refurbished IT equipment and old furniture. In addition to volunteered time, during 2021 Ultra donations represented an approximative value of over £15,000.

+ FIND OUT MORE

Talent management – learning and development

Ultra has made great improvements in support of learning and development across our workforce. The promotion of lifelong learning, creativity and innovation is evidenced through on-the-job learning, formal qualification and opportunities to pay it forward (STEM outreach). The organisation has upgraded online learning platforms and introduced a mentoring scheme via our 'Ultra Fellows' initiative. Aligned to STEM outreach, Ultra is also invested in work experience, internships, and bursaries, providing routes for employment for young people via Apprentice and Graduate programmes. For over 14 years, Ultra has been supporting Arkwright Engineering Scholarships, with more than 44 Scholarships to date.

+ FIND OUT MORE



Supply Chain Code of Conduct

In 2022, we published our ONE Ultra Supply Chain Code of Conduct which outlines the expectations and standards that we expect throughout our supply chain with a focus on sustainability and responsible sourcing.

+ FIND OUT MORE

Waste reduction initiatives

We have developed comprehensive ONE Ultra policies on Single-Use plastics, waste, and packaging which are significantly contributing to reducing our environmental impact year on year. Regular review and relaunch of our policies supports increased employee and other stakeholder awareness.

+ FIND OUT MORE

Sustainability awareness campaign and engagement sessions

Our Environmental Working Group (EWG) and environment champions are actively driving sustainability awareness and interest from our employees on driving responsible production and consumption. Through our learning platform in myHR and LinkedIn Learning we have been able to provide all of our teams with access to sustainability awareness training.

+ FIND OUT MORE



Carbon reduction (net zero) plan

We have developed, and are refining, our carbon reduction plan to support achievement of a goal of net zero which we plan to launch in 2022. Ultra's environmental strategy and workplace initiatives, such as 'think before you print', link organisational accountabilities with the responsibility of everyone in reducing energy and resource consumption.

+ FIND OUT MORE

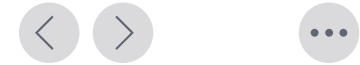
Supporting charities on climate action in developing countries/carbon offsetting

To date, Ultra has supported local charities, including donations to wildlife charities and engaging in a plethora of environmental clean ups through our Giving Back days scheme. In addition to this, Ultra has a carbon reduction plan which we will be expanding in 2022 to include an element of carbon offsetting through charities in developing countries which will actively support this SDG.

+ FIND OUT MORE



As Ultra progresses with our Positive Force agenda, we will focus on more UN SDGs, developing plans for tangible actions across our businesses worldwide.



Ultra is fundamental to ESG

Ultra is a key defence, nuclear power generation and crime prevention solutions provider. Ultra, and the defence industry in general, play a vital role in protecting the environmental, social, and governance standards that societies demand. Nuclear power generation and the safety and control solutions we provide are necessary elements of a carbon neutral future, and our ballistic solutions are the bedrock of solving gun crime around the world.

What does 'A Positive Force' mean to our Ultra stakeholders?



Employees

A Positive Force inspires and supports our employees allowing them to engage in CSR initiatives and increase Ultra's social responsibility.



Customers

A Positive Force helps demonstrate to our customers that we aim to deliver products and services in an ethical, safe and sustainable way.



Communities

A Positive Force engages with our communities, striving to operate in a sustainable manner, minimising our environmental impact, and shows that we are an active positive contributor to our communities.



Suppliers

A Positive Force represents what it means to work with us, our expectations regarding social responsibility, and that we want to source from a responsible and sustainable supply chain.



Investors

A Positive Force communicates Ultra's commitment to being a sustainable business to deliver value to shareholders long term.

Our Purpose

Our Company purpose to 'Innovate today for a safer tomorrow' lies at the heart of Ultra's value proposition and everything we do.

We deliver this purpose through innovation in our technologies and our openness to searching for new ways to deliver outstanding solutions to our customers' most complex problems in defence, security, critical detection and control environments. It's by providing them with the insight, technology and services they need to perform at their best that we help them make the world a safer place, tackling some of the biggest challenges our society faces

WHERE WE OPERATE

Ultra's core markets are the 'five-eyes' nations: the USA, Canada, UK, Australia and New Zealand.

% of 2021 sales:

North America	63%
UK	19%
Mainland Europe	7%
Australia and New Zealand	4%
Rest of the World	7%

WORKING IN DEFENCE: WHAT ULTRA DOESN'T DO

- + We do NOT export or provide defence equipment or services to any country that is subject to United Nations Security Council (UNSC) sanctions regimes, nor prevented by the 'five-eyes' governments.
- + We do NOT manufacture, distribute, sell, maintain, or acquire controversial weapons (including cluster munitions, anti-personnel land mines, or chemical and biological weapons).
- + We do NOT manufacture nuclear weapons.

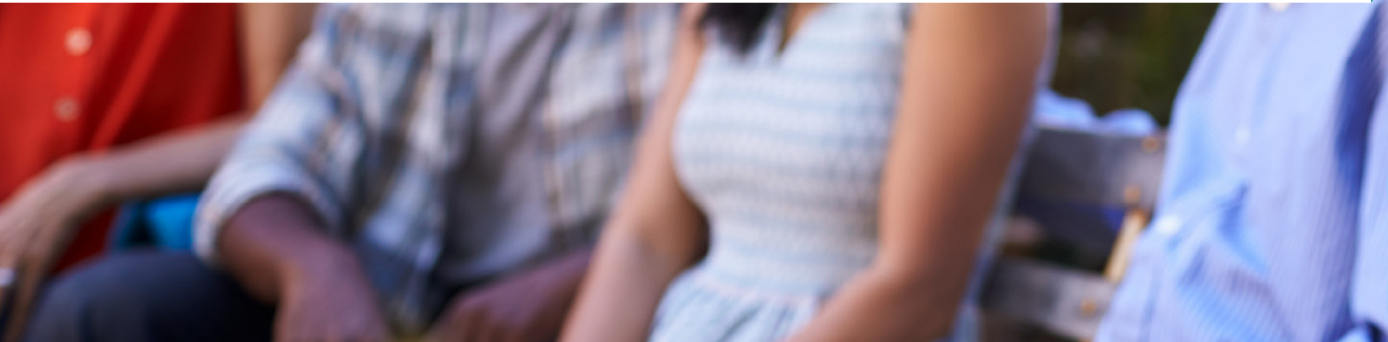




Protecting our planet and society

“Protecting our planet includes both reducing our environmental footprint but also protecting the societies and world that we live in. The increase of near peer threats is amplifying the need for allied defence investments in the ‘five-eyes’ nations and Ultra is a key part in creating the technologies that keep us all safe. Within the environmental space we have focused on our global alignment to ISO 14001 Environment and ISO 50001 Energy Management Systems, waste reduction and carbon reduction plans, with Ultra’s commitment to and upcoming signature of the United Nations ‘Race to Zero’ underpinning this.”

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Protecting our society



Long-term vision

Increasingly acting as a strategic adviser with our end customers, particularly on the specification and design of mission-led solutions and increasing our engagement with research customers such as DARPA and DSTL to protect societies against emerging threats and prevent technological surprise

We live in an ever-changing, unpredictable, interconnected, and risky world.

The tragic recent events seen in Ukraine reinforce why defence is vital to preserving peace and democracy, and enabling the free world.

Deterrence forms the purpose of our industry. Protecting our societies in a sustainable way means democratic governments are seeking solutions that can be relied upon to counter a rapidly evolving and expanding threat environment.

These defence technologies help governments:

- + Protect their societies from violent invasion and loss of freedom;
- + Preserve democracy, tolerance and peace;
- + Create, sustain and protect critical infrastructures;
- + Create and protect systems which support societies and protect culture;
- + Secure space and protect national borders for people and places to evolve; and
- + Protect society by finding and prosecuting perpetrators of gun crime.

At Ultra, we believe that this is the very definition of sustainability and what we partner with customers to deliver. Together with strong ethics and values, and high levels of oversight and regulation, defence is therefore a key element in enabling the free world.



Carbon reduction (Race to Zero)



Medium-term goals

- + Sign up to Race to Zero with a published and approved carbon reduction plan in 2022
- + Formally agree Science Based Targets
- + Each business unit to launch carbon reduction initiatives across all regions
- + Undertake climate-related financial risk and opportunity screening assessment in 2022, aligned to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)



Long-term vision

- + Continuously improve on our carbon reduction plan and publish progress – to achieve net zero
- + Meet or exceed reduction targets for single-use plastics and waste across all our sites, including reducing or recycling site waste by 10% annually

Almost 1 in 3 of the UK's largest businesses are leading the way in the world's transition to a low carbon economy, committing to align with ambitions and eliminate their contribution to climate change by 2050. Ultra has made an internal commitment to become a net zero organisation. The Ultra Executive Team has committed to a goal, and we are now working to define the detailed ONE Ultra carbon reduction plan to achieve this. Once outlined, we will become a signatory to the 'Race to Zero' during 2022.

Ultra is in the process of a carbon footprint external audit, the output of which will identify areas for improvement and formalise milestones to achieve our net zero roadmap. Ultra is evaluating its products, operations, activities, and services to determine where we can invoke changes to reduce our carbon emissions and therefore reduce our overall impact on the environment. The evaluation will be reviewed on a periodic basis, considering changes in international standards, measures, and legislation.

Since 2020 we have made progress on:

- + Measurement and reporting of carbon emission scope 3, see page 11
- + Quarterly environmental news bulletins across the Group, reporting plans and progress
- + Embedding the ONE Ultra approach of 'avoid, reduce, reuse, recycle and offset'
- + Meeting all reduction targets for waste and single-use plastics
- + Alignment and some certification to ISO 14001 and ISO 50001
- + Reduced our site footprint across our regions by 21,000 sq ft since 2019

Encouraging employees in the workplace to reduce carbon emissions

Ultra is committed to reducing its carbon emissions and continuing to raise awareness across our workforce regarding energy management. This has allowed us to consider many slight changes which accumulate to a net year-on-year reduction in greenhouse gas emissions.

Our focus has been on saving energy and thinking smartly about use of natural resources. An awareness campaign aimed at encouraging everyone to reduce their own carbon emissions challenges everyone to make changes while at work and home, highlighting the difference each small step can make in reducing our environmental impact.

Our Ultra businesses are working hard to implement infrastructural changes to initiatives including but not limited to:

- + Switching off lights when not needed and/or installing light activating motion sensors
- + Switching off equipment, including PCs and laptops, when not in use
- + Print only when necessary
- + Elimination of paper copies of documentation on our shop floors
- + Avoid, reduce, reuse, recycle and offset wherever possible to eliminate waste
- + Working with our customers and suppliers to identify ways to reduce the environmental impact
- + Selecting sustainable materials as part of our product and building design and build process
- + Environmentally friendly transportation: car shares, electric cars, public transport, biking
- + Sustainable equipment refurbishment or replacement, look for energy-efficient and clean energy options



Climate change, energy and emissions

2022 areas of focus

- + Global certification to ISO 14001 – Environmental Management System
- + Global alignment to ISO 50001 – Energy Management System for certification in 2023
- + A target for reduction of 10% of GHG emissions relative to revenue (tCO₂e/£m) for 2022 (against the 2021 GHG emission baseline)
- + ONE Ultra Single-Use Plastic Policy – target to eliminate single-use plastic cutlery, plates, straws and cups
- + Launch the ONE Ultra Packaging Policy – creating a circular economy and limiting single-use plastic packaging
- + Globally align businesses on Earth Day Giving Back activities – including environmental clean ups and a spotlight on recycling

Climate change is one of the biggest threats to our modern world. Defence will play a key part in responding to emerging geo-political and conflict-related threats exacerbated by climate change but defence also needs to embrace the green energy transition to ensure that as an industry we are best placed to protect our citizens.

The aim of effective environmental management at Ultra includes the continuous improvement of environmental performance. Environmental protection is not only a central goal of our Positive Force framework, but we also want to be a leader within our industries. We want to live up to our voluntary commitments on environmental matters and compliant behaviour. Environmental sustainability is a growing and vital part of Ultra's sustainability strategy.

The Ultra Way is a key part of our environmental journey, continuously improving everything we do, every day, empowering people across the workforce to develop and innovate to reduce our environmental footprint – over the entire lifecycle of our products and system solutions.

Our environmental strategy

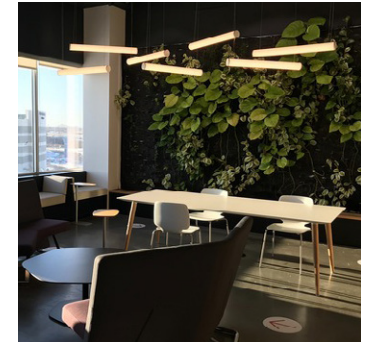
During our second full year of our ONE Ultra approach, we have focused on limiting the adverse impact of our business on the environment by:

- + Introducing common measures across Ultra to start to certify all our businesses to global Environmental and Energy Management Standards
- + Updating and implementing our Environmental policies which aim to reduce our impact on the environment – continuing with a ONE Ultra Packaging Policy
- + Reducing our waste and carbon emissions through sharing and implementing ongoing Environmental initiatives across our businesses

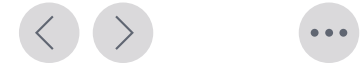
Our environmental policy

Ultra's established environmental policy addresses compliance with environmental legislation, conformity with standards for waste disposal and noise, the economical use of materials and the establishment of appropriate environmental performance standards. Progress is monitored through annual reporting. Each site plans and manages compliance with environmental requirements and the processes for the storage, handling and disposal of hazardous or pollutant materials are reviewed on a continuous basis. Ultra is moving towards a global ISO 14001 certification unifying our environmental management system across our businesses.

In 2021, Ultra continued the process of aligning our businesses worldwide to the ISO 50001 Energy Management standard, an international standard recognising organisations that enhance their energy performance by implementing an energy management system (EnMS) – all based on a model of continuous improvement. This activity will further support the reduction of Ultra's energy use, ability to identify new ways to reduce emissions through our whole supply chain, and associated cost. The organisation will advance to global certification across every business in 2023.

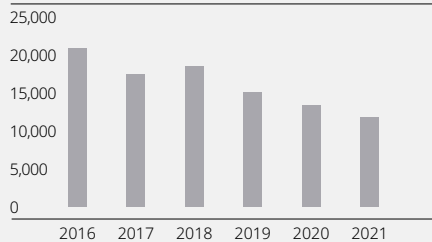


In 2021, Ultra continued the process of aligning our businesses worldwide to the ISO 50001 Energy Management standard

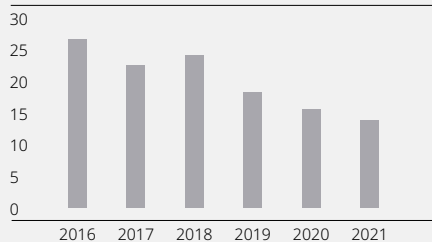


Climate change, energy and emissions continued

**FIGURE 1
COMBINED SCOPE 1 AND 2 EMISSIONS FROM ALL ULTRA BUSINESSES**



**FIGURE 2
COMBINED SCOPE 1 AND SCOPE 2 INTENSITY METRIC: tCO₂e/£M REVENUE**



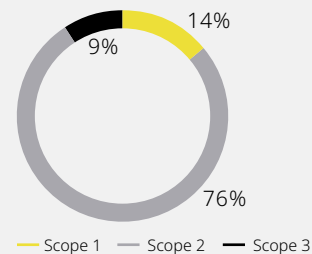
2021 emissions

In 2021, Ultra's measured GHG emissions totalled 12,974 tonnes of CO₂ (tCO₂e) which relative to revenue equates to 15.3 tCO₂e per £m of revenue:

- + Scope 1 (direct fuel consumption and business vehicles) – 1,855 tCO₂e (14.3%)
- + Scope 2 (electrical power consumption) – 9,901 tCO₂e (76.3%)
- + Scope 3 (grey fleet business miles and business air travel elements) – 1,217 tCO₂e (9.4%)

Figure 3 shows measured GHG emissions by scope for 2021. Figures 1 and 2 show combined scope 1 and 2 emissions compared to prior years for tCO₂e and emissions relative to revenue (scope 3 data not available for prior years). The declining trend in emissions from 2018 onwards reflects action to reduce emissions and activity changes resulting from Covid-19 in 2020 (and to a lesser degree 2021).

**FIGURE 3
TOTAL EMISSIONS BY SCOPE tCO₂e**



Safety, Health, Environment specific standards

Ultra has developed a global single Environmental Management System (EnMS). Ultra UK sites have achieved ISO 14001 certification. Alignment across our North America and Australia regions has been completed with certification planned for 2022. We recognise that most of the GHG scope 1 and 2 is contributed to by energy usage. Real time data will enable us to realise efficiencies in reduction of energy consumption.

An EnMS toolkit has been developed and will be launched across the organisation in 2022. This will allow all Ultra's UK businesses to align to ISO 50001 as a first step with certification undertaken by year end. Implementation and alignment across our North American and Australia regions will be ongoing during 2022.

Energy efficiency measures undertaken 2021

The Group has been actively engaged in measures to reduce its energy and emissions throughout the reporting period as follows:

- + Moving our facilities to energy agreements sourced from clean energy when they expire
- + Replacing old halogen, T8 and inefficient lamps with low-energy LEDs
- + Investing in PIR (Passive Infrared) detectors connected to office lighting
- + Replacing ageing office equipment with energy-efficient products
- + Expanding video conferencing and online meetings (as opposed to face-to-face meetings)
- + Replacing older, inefficient boilers, along with older electricity water heaters
- + Revising our remote-working policies to enable employees to have a more flexible approach to their working day, while meeting our business needs

- + Investing in improvements to our employee connectivity and facilities which has demonstrably improved our teams' effectiveness
- + A new company car policy to encourage lowering emissions
- + Encouraging the move to hybrid and electric vehicles by instigating the associated infrastructure
- + Revised travel policies to refocus our team on essential travel only
- + Formalised guidelines addressing environment and sustainability in building refurbishments/relocations

This has resulted in a reduction to 11,756 tCO₂e in 2021 vs 15,010 tCO₂e in 2019 on a comparable basis, i.e. scopes 1 and 2 only; scope 3 not measured in 2019; (2020 not comparable due to Covid-19). Relative to revenue, this resulted in 13.8 tCO₂e/£m revenue in 2021 vs 18.2 tCO₂e/£m revenue in 2019, a reduction of 24% against the target of 10%.

Ultra is committed to the Science Based Targets Initiative framework and has summarised our progress towards the Taskforce on Climate-related Financial Disclosures, as shown in the Sustainability governance section on pages 14 and 15 of this report.

Pollution, waste, biodiversity and habitat



Medium-term goals

- + Our goal is to eliminate all single-use plastic cutlery, plates, straws, and cups across every site by the end of 2022 and establish a waste working group to drive further reduction of waste both within Ultra and our supply chain
- + We aim to assess existing packaging across the Group to review how to reduce our packaging waste. This includes engaging with our supply chain to reduce non-essential packaging when they ship products or allow recycling when they next deliver



Long-term vision

- + Avoid, reduce, reuse, recycle or offset all site waste

Prevention of pollution

The markets in which we operate are increasingly focused on sustainability and reduction of pollution. This is particularly evident in our Energy business which makes critical sensors and systems for nuclear power generation. We make every effort, where possible, to reduce adverse environmental impacts. Prevention of pollution at Ultra includes using resources and materials more efficiently, material and energy substitution, as well as reusing, recovering, and recycling as much scrap and waste material as we can. We set ourselves measurable targets for the focus areas of decarbonisation, circular economy, and transformation of the workforce. This ensures an effective operationalisation of sustainability, with clear responsibilities and processes. These activities are further reinforced by initiatives such as our single-use plastics reduction initiative and the creation of a ONE Ultra Packaging Policy.

Protection of the environment, biodiversity, and restoration of natural habitats

Ultra recognises the importance of protection of the environment, of biodiversity, and the need for conservation and restoration of natural habitats. Ultra strives to not only limit our business impact on the environment, but also support maintaining biodiversity.

In 2021, Ultra actively supported maintaining biodiversity by:

- + Continuing our 'avoid, reduce, reuse, recycle and offset' initiative across all our sites to reduce the amount of waste we contribute to landfill sites
- + Supporting local animal organisations to help preserve endangered species in our community spaces through protection and development of protected habitats – for example the Kangaroo Pouch Animal Orphanage
- + Supporting biodiversity partnerships local to our businesses e.g., employee volunteering at local Wildlife Trust parklands

Ultra launched our ONE Ultra Single-Use Plastics Policy in 2020.

Single-Use Plastic 2021 progress

- + 21 single-use plastic initiatives and improvements made globally
- + More than 36,000 face masks recycled
- + Ultra has committed to eliminating single-use plastic cutlery, plates, straws and cups by the end of 2022
- + Reduced our plastic consumption by over 75,000 items
- + More than £10,000 saved on purchasing plastic cups, cutlery and bottles every year going forward
- + Several Ultra sites have moved vending machines over to biodegradable cups, resulting in a reduction of 46,000 single-use plastic cups being used

Every day, Ultra assumes and exercises responsibility in issues relating to the environment, safety, and society. We pay particular attention to the use of resources and the emissions of our product portfolio, sites, and plants. Our goal is to continuously reduce our carbon footprint and lower our pollutant emissions. Through innovations and outstanding quality, we aim for high workplace and product safety.



Prevention of pollution at Ultra includes using resources and materials more efficiently, material and energy substitution, as well as reusing, recovering, and recycling as much scrap and waste material as we can.

Our technology and products

Our technology, products, and the environment

We are immensely proud of the work we do to protect military personnel, who risk their lives to protect us. Through our technology we keep societies safe, make the jobs that our military personnel do less risky, and ensure we are protecting our nations. Technology is at the heart of Ultra's mission to 'innovate today for a safer tomorrow.'

In every market where we operate, Ultra's work is about using our know-how and ingenuity to protect and defend what matters. We know that technology and harnessing technological innovation is key to supporting sustainable development. We are investing in our engineering teams across the Group, providing targeted training in sustainability in design, and we are always looking for new projects that support sustainable development. From a sustainability perspective, often, our projects require us to upgrade systems or keep existing complex systems operational for decades without having a significant impact on our customers' operations. This approach typically saves time and money, and has a lesser effect on the use of the world's raw materials and production of waste.

Sustainable resources – our products

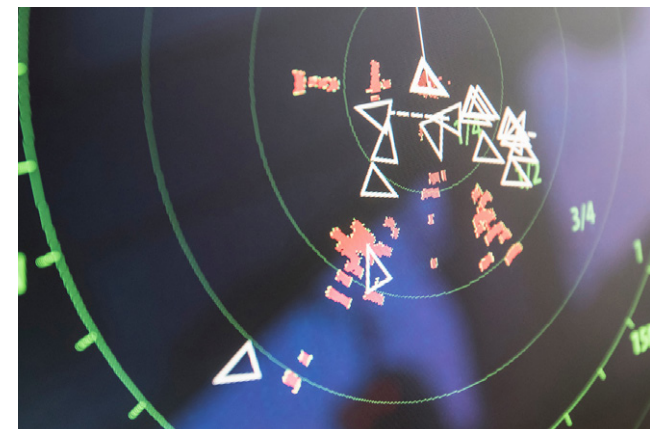
Opportunities to improve product differentiation through improved energy efficiency outcomes are a key part of our systems design, partnering with customers and end users. Our 'A Positive Force' sustainability framework will seek to differentiate Ultra. Through living our values and embedding environment and sustainability factors into how we do business, we align with the needs of our communities, one of our five key stakeholder groups.

Environmental considerations are made throughout a product's lifecycle, from concept through to disposal. All Ultra businesses ensure their practices and processes consider the environment – but we recognise that there is more to do in our industry. Ultra expects all suppliers to fully comply with applicable laws and adhere to internationally recognised environmental, social, and corporate governance standards. Adopting procedures and practices to minimise any negative impacts to the environment, we work with suppliers to reduce the impact of our products and to take account of environmental factors in the materials and components used. Controls are in place at sites to drive efficiency and minimise waste, which is disposed of appropriately using specialist contractors where necessary.

Those of our businesses that require use of hazardous substances, e.g. radioactive sources, as part of standard operations do so in line with local and government legislation and security aspects, which is monitored closely by compliance audits, executed by regulatory bodies.



Through our technology we keep societies safe, make the jobs that our military personnel do less risky and ensure we are protecting our nations.



TCFD COMPLIANCE SUMMARY (FOR OUR FULL TCFD COMPLIANCE STATEMENT PLEASE READ ULTRA'S 2021 ANNUAL REPORT)

Governance

Progress to date

The Ultra Board has overall responsibility for how we identify and manage climate-related risks, delegated to the CSR (Corporate Social Responsibility) Committee which oversees our climate change strategy, programme and goals.

The risk framework is linked to the financial statements testing, with scenario and sensitivity testing of relevant principal risks in support of the viability and going concern statements approved by the Audit Committee. While climate risks are assessed as increasing, they do not yet feature as a principal risk for the Group; however, they will be included in this analysis if they are assessed as a principal risk in the future.

Strategy

Progress to date

Although recognised as an emergent and increasing risk in the medium to long term, our risk assessments indicate that climate change is not yet a principal risk due to the nature of our sector, markets and operational footprint, but an area of opportunity to mature our climate and CSR agenda against a backdrop of a low emissions/intensity business.

The following key climate change risks and opportunity specific to Ultra, have been identified:

- + **Risk:** Stakeholder climate change and ESG strategies have a reduced business and investment appetite for businesses perceived as immature in management of impacts of climate change or insufficiently committed to stopping/reversing global warming (Medium level risk for the short to long term)
- + **Risk:** Extreme weather events due to climate change threaten business continuity at our operating sites (Low risk in the short term rising to medium in the medium term if we fail to invest in resilience)
- + **Risk:** Costs of power/utility supplies increase due to climate change regulatory actions (Low risk for medium to long term)
- + **Risk:** Increased costs of implementing Ultra's climate strategy or new 'taxation' on Ultra's own residual emissions/activities (Low risk for the medium to long term)
- + **Risk:** Climate change consequences increase geo-political disruption/uncertainty (Low risk/potential opportunity in the long term)
- + **Opportunity:** Our Energy business produces sensors and controls used in the safe operation of nuclear power generation. This is recognised as an opportunity for possible future market growth as nuclear energy plays a part in the transition away from fossil fuel generation, as well as a factor that may contribute positively to offset unavoidable residual CO₂ emissions as part of Ultra's net zero aspiration

Risk management

Progress to date

Risk assessment approach:

- + Ultra's general risk management framework, embedded into the strategic planning process as outlined in the risk management section of the Annual Report and Accounts, requires our business units to assess risk in relation to the delivery of their proposed strategy and objectives. Consideration of climate risks forms part of the risk considerations for this process
- + At corporate/functional level, Ultra refreshed its climate focused risk review, taking into account the recognition of business interruption risk from business units. In 2021, this review included consideration of direct impacts from a sea level rise of 1 to 2 metres generated by global warming of up to 2 degrees celsius. None of our major sites would be at direct risk from sea level risk, with 3 minor sites potentially at risk of flooding from other extreme weather factors. This process generated the full list of climate-related risks identified above and substantiated the overall assessment of climate change as an increasing emergent risk, but not a principal risk for Ultra in the short term
- + As reported in the risk section of the Annual Report and Accounts, the Executive Team and the Board undertake an annual exercise to set the risk appetite against our principal risks. While climate change is not yet a principal risk, the Board and Executive Team's appetite for all regulatory and stakeholder compliance risks in 2021 (which would include climate change) has been set at 'Low'

TCFD COMPLIANCE SUMMARY (FOR OUR FULL TCFD COMPLIANCE STATEMENT PLEASE READ ULTRA'S 2021 ANNUAL REPORT)

Risk management continued

Risk management and assurance approach:

- + Businesses report progress against in-year objectives, incidents and changes in their risk environment as an embedded element of their business performance review process. No climate-related incidents or issues were emergent for 2021 from business units
- + Amongst other environmental targets, a key performance indicator for a 10% reduction in like-for-like greenhouse gas emissions for 2021 (compared to 2019 as a pre-Covid-19 comparator)
- + The CRO has worked closely with the CSR Committee and team in developing our CSR strategy and frameworks for its delivery, which incorporates climate change and emissions considerations and which is reported in full in our ESG report.
- + The approach to management of the external stakeholder climate risk identified above is addressed at corporate level through collaboration of the CRO, CSR, and Customer and Investor Relations teams
- + Focusing on business interruption from extreme natural and weather events related to climate change, Ultra engaged in 2021 with a new site insurance partner across our global footprint on a two-year basis, where risk engineering expertise to address business interruption risks was a key selection criterion

Metrics and targets

Progress to date

Metrics

Recognising Ultra's current climate risk profile, metrics are focused on near-term risks/opportunities:

- + Measurement of CO₂ emissions. For 2021 and before, Ultra has, at minimum, complied with regulatory emissions reporting requirements, including SECR, UK ESOS and TCFD, which includes all scope 1 and 2 emissions and, from 2020, defined elements of scope 3 emissions. In 2021, scope 3 emissions in relation to business air travel were added to 'grey fleet' (personal cars used for business purposes) in our coverage of scope 3. We will continue to expand our scope 3 emissions reporting coverage in line with regulatory requirements and to support our monitoring of achievement against the aspiration to achieve net zero
- + We monitor delivery of management actions against site risk engineering reports
- + We support and monitor ESG assessments/ratings of Ultra by specialist ESG index rankings as an indicator of stakeholder climate risk perceptions
- + We use standard business metrics relating to cost, revenue, profit etc, to assess and monitor business opportunities including future opportunities in our energy business driven by the transition away from fossil fuels in power generation

Targets

For 2021, we set a GHG emissions reduction target of 10% relative to revenue against reported emissions in 2019 (2020 was discounted as unrepresentative due to Covid-19). The actual reduction of like-for-like emissions reductions achieved in 2021 was 4.4 tCO₂e, delivering a reduction relative to revenue from 18.2 tCO₂e/£m revenue in 2019 to 13.8 tCO₂e/£m revenue in 2021, or a reduction of 24% against the 10% target (scope 1 and 2 only as scope 3 was not reported in 2019).

READ OUR FULL STATEMENT IN OUR 2021 ANNUAL REPORT

We consider we are currently partially compliant with the metrics and targets requirements of TCFD, with further work identified for 2022 to 2023, to enable us to expand our monitoring and reporting coverage of scope 3 emissions (beyond the grey fleet and air travel implemented so far), and to develop hard targets to replace our current year-on-year reduction targets.

For 2021, we set a GHG emissions reduction target of 10% relative to revenue against reported emissions in 2019, delivering a reduction of 24% against the 10% target.

Investing in sustainable workplaces

Ultra Forensic Technology's state-of-the-art facilities in Montreal

Ultra Forensic Technology is a hidden jewel in Canada's high-technology ecosystem, as a global leader in innovating in technology for crime-fighting and public safety to more than 80 countries worldwide. One of its key strengths is the quality and commitment of its people and exceptional team that is helping fulfil the vision of innovating today for a safer tomorrow.

Investing in environmental initiatives safeguards Ultra's ability to operate long term.

Last year, Forensic Technology put the finishing touches to its refitted facilities and new offices. This was a significant team project through which our values of sharing, agility and empowerment have been paramount to deliver with so much innovation.

Sustainability was incorporated into every aspect of the workspace.

Examples of Ultra's environmental workplace initiatives:

- + Removed plastic within kitchen facilities
- + Compostable coffee cups
- + Reselling old cell phones for a second life to employees
- + Funds donated to Sun Youth
- + Replaced plastic bags with paper bags where possible
- + No garbage or recycling bins at desks, only lounge spaces have garbage bins, recycling, and composting.
- + A cultural initiative to raise awareness about waste
- + Infrastructure for virtual meetings to reduce travel
- + Facilities to encourage green commuting options among employees such as carpooling, EVs, biking and public transport links
- + Measures to make the workplace completely paperless
- + Opt for recycled office supplies like toilet paper, green cleaning products, tissues, pens, and bin liners
- + Passive solar design to reduce heating and cooling costs
- + Renewable energy or shift to a green power option
- + Smart meters and heat recovery systems
- + Sustainable lighting fixtures and fittings
- + Infrastructure for water capture systems, installed for using rainwater for flushing toilets
- + Plant-based or recycled materials for production and packaging, where possible
- + Measures for managing waste responsibly
- + Composting (where applicable) and improved recycling



UK Intelligence & Communications new site plans for 2022

In 2021, Ultra signed a long-term lease for a new Intelligence & Communications facility which will house its new new Centre for Defence Innovation and primary location for I&C in the UK. It is one of our defined aspirations for our new site that we reduce the carbon footprint, maximise renewables and have a plan to achieve net zero for the site by around 2030. The site will be gas free and will have a solar array on the roof installed, complemented by renewable electricity.



Sonar Systems 2022 Canadian site upgrade

Alongside many of the transformation and continuous improvements, Sonar Systems completed the refurbishment and upgrade of its Halifax sites in Canada in 2022. Ultra Sonar Systems has moved over to compostable utensils and will have a full recycling programme for composting, plastics, return recyclable items and metals. A central rubbish system will be introduced in the office to reduce the number of small bins and encourage sorting at central locations. The production floor is getting all new bins colour coded to help sort and recycle further, along with a lime green bin for items that can be used for STEM activities at schools. Further improvements for managing waste responsibly are planned for 2022.

Avoid, reduce, reuse, recycle, offset

Ultra has invested in sustainable everyday items from cleaning materials to eliminating single-use plastics. Measures have been put in place to move to recyclable and/or biodegradable materials, promoting reusables and the removal of items entirely.

Some examples of recycling and reducing include:

- + Ultra Energy started an on-site garden and the first crop of vegetables was donated to a local food bank. In break rooms employees are encouraged to separate compostable materials like food waste, this is then composted on-site to reduce landfill waste. The investment has raised awareness about sustainability and is reducing our carbon footprint.
- + Ultra Communications has a face mask recycling programme in collaboration with a local recycling company. Collection boxes are available, whereupon used masks are transported to specialised facilities for sanitary recycling into other products.
- + Ultra SMaP has focused on continuously tracking waste streams, monitoring to reduce waste via engineering processes and facility improvements.
- + Ultra Cyber has been recycling old/obsolete IT equipment that was in storage, donating where possible to local communities.
- + Ultra PCS has removed aerosol cleaning solutions and replaced with environmentally friendly alternatives.



Unused computer equipment

Computers with new SSDs (solid state drives), monitors and extras (keyboards, mice etc.) have been donated by Ultra PCS to IT Schools Africa, an organisation that sends refurbished equipment to schools in Africa and gives children access to computers and online education and skills. We are looking to expand this relationship across the Group.

Leading by example

A passion for recycling: Charlie Hitchingham

Ultra promotes a culture of dealing openly with mistakes, listening to our peers, and sharing lessons learnt.

Charlie is a Software Engineer at Cyber based in Tampa, FL. He has always had a passion for recycling and the environment.

"I started collecting the recyclable goods in the Tampa office when I was working late one night and noticed the office cleaners dumping the recycle bins into the bag with their regular trash. From that day forward, I started hiding the Blue Recycle bin every night in a closet. Then on my way home on Friday I would empty the bin at the University of South Florida campus's recycle centre."

Ultra is **increasing our focus on improved recycling** and reviewing the treatment of waste downstream to ensure that it is sorted and disposed of at Mixed Recycling Facilities with nothing going into landfill. Disposable face masks are being sorted and recycled, Ultra has asked employees and visitors to 'snap your straps and save wildlife' before responsibly disposing of them.

"It feels good to be part of the solution and I'm very proud that Ultra is encouraging this activity across the Group."

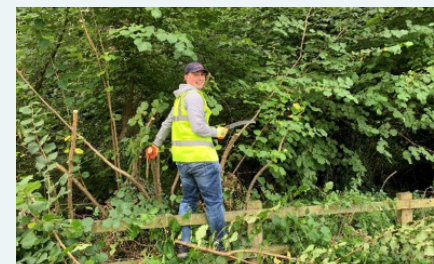


It feels good to be part of the solution and I'm very proud that Ultra is encouraging this activity across the Group



Environmental Giving Back spotlight

- + A team of UK PCS employees took part in Keep Britain Tidy's Great British Spring Clean. They cleaned part of the canal situated alongside an Ultra site. They were also the first team at Ultra to volunteer their time in 2021, taking advantage of Ultra's Giving Back community days. The team covered 6 miles of the canal, gathering just under 30 bags of rubbish.
- + A team from the Ultra Energy business collaborated with a local parish council to help clear a derelict area of rubbish, brambles, nettles, and undergrowth to revitalise a community park. The space has been made safe for families, as well as offering rewarding developmental projects for youth clubs and societies to repurpose the land for outdoor and environmental activities.
- + On Earth Day, the Ultra Specialist RF business handed out wildflower seeds to all employees and held plant exchanges. Employees submitted pictures of the environmentally friendly projects they had at home and those who participated got an insect house to take home.



Left and above: Ultra clearing a community park and canal.



Above: Ultra's wildflower seed exchanges and insect houses.

Supporting our people

“As part of our ‘Supporting our People’ pillar, Ultra was awarded the highest level of employer recognition, the UK Armed Forces Covenant Employer Recognition Scheme Gold Award. Together with continued engagement with veterans’ charities we have established a Veterans Committee. This further connects Veterans and Reservists across the Group, creating a global community and aligns well with our ‘Uniquely Ultra’ diversity equity and inclusion workstream. To strengthen these activities, we are exploring opportunities to further engage with our customers’ navies through two-way secondment opportunities.”

- **20** Building our talent pipeline >
- **21** Developing our people >
- **23** Compelling reward and recognition >
- **24** Succeed through Diversity and Inclusion >
- **26** Creating a winning culture >
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Building our talent pipeline



Medium-term goals

- + Global graduate recruitment
- + STEM global plan
- + Reduce average age of open requisitions
- + Increase engagement and usage of global referral programme
- + Take part in process improvement opportunities



Long-term goals

- + Improve strategic workforce planning
- + Grow and retain talent in line with succession planning

Having the right talent at Ultra is critical to our success. We have continued to invest in our internal talent acquisition (TA) team and expanded globally in the USA, Canada, and UK regions to support additional recruitment needs, which led to excellent outcomes in 2021:

- + 776 offers accepted (113% to our goal)
- + 82% of offers extended are accepted
- + Reduced UK agency spend by £431,922
- + Added our Forensic Technology and Communications Strategic and Operating Business Units into our TA model

With the implementation of our new HRIS system, Workday, which we have internally branded as 'myHR', the team adapted quickly to redesign the operating processes within and outside the system. Having access to all employees and their qualifications in myHR has significantly improved the quality of internal talent discussions through our Organisation and Succession Development Plan (OSDP) process.

The TA team created and facilitated a Manager Fundamental training called 'The War for Hiring and Retaining Talent: What You Need to Know to Compete' for all managers at Ultra, as well as training for interviewing and partnering with the TA team.

We also invested in a recruitment campaign which encourages employees to promote our open positions on social media to attract the right talent. This resulted in additional Glassdoor reviews, an improved presence on LinkedIn and additional referrals for our open positions.

Additionally, we launched a new Global Referral Programme that rewards our employees for successfully referring people to Ultra and allows them the option to donate their referral payment to a local charity.



Developing our people



Medium-term goals

- + Implement Group-wide development programmes (Graduate Programme, Global Mentor Programme, Adviser Programme)
- + Increase manager capability in key areas e.g. change and transformation, communication etc.
- + Drive and accelerate functional excellence through identification of functional competencies, assessment of current capability and creation of build, buy and borrow strategies by function
- + Improve understanding and insights of key talent and succession through consistent and improved organisation and succession planning process



Long-term goals

- + Continue to improve and implement Group-wide development programmes to deepen leadership capability
- + Continue to increase manager capability in key areas
- + Well established functional capability models for all key functions across Ultra

Strong leadership will be a critical differentiator in Ultra's long-term success. It will enable us to deliver business results, strategy, and transformation. Even more importantly, it helps us to create the right culture to attract and retain diverse talent so that employees feel engaged, empowered, and excited to work at Ultra.

Within Ultra, we have superb leaders who are technically and operationally excellent. However, we also understand the challenging environment that all global companies are now operating in post the global pandemic. Couple this with the transformation agenda that we have over the next few years, and the task of our leaders going forward will be much greater. For this reason, we have spent the past year focusing on developing our leaders across the organisation, as well as seeking out talented colleagues who we believe are our future.

In 2021, we continued our investment in and further developed several key initiatives to develop our diverse leadership team, which include:

- + Improving our operating model, which launched in January 2021. Specifically, within the Maritime and Intelligence and Communications Strategic Business Units, we created four Operating Business Units in each Strategic Business Unit. 40% of leadership roles within these new SBUs were filled with individuals who were new. This has strengthened our leadership and created more bench strength for Ultra.

- + Launching our Ultra 'STAR' leadership model, which focuses on four key areas: Self, Thought, Achieving Through Others and Delivering Results, which are underpinned by leadership competencies. This framework has been used in designing a leadership development programme but has also been used in:
 1. Assessing our current leaders
 2. Competency-based interviews for all leadership roles
 3. Internal promotion and hiring into leadership roles
 4. The basis of our 360-feedback process which has been designed and will be launched in 2022
- + In 2021, we partnered with Duke Corporate Education to design an 18-month leadership development programme for four different cohorts. Approximately 120 leaders, from top executives to new and emerging leaders, taken part in the Duke/Ultra Star programme to date. In 2021, the four cohorts have completed several modules covering topics such as leadership purpose, coaching, strategy, innovation, presence, art of perception and resilience. The programme is expected to complete for these first 120 participants in April 2022
- + In 2020, we created the Manager Fundamentals programme, and a community on our Group intranet. Based on feedback gathered through focus groups, we improved the programme in 2021 by introducing live virtual sessions led by leaders across Ultra. Our kick-off sessions were co-led by our Chief Executive, Simon Pryce, and our Chief Financial Officer, Jos Sclater. Our focus in 2021 was on our transformation and the critical role our managers play in supporting that work, recruiting and retention, and change management. A total of 17 sessions were offered in 2021 with an average attendance of 74 managers per session



In 2021, we partnered with Duke Corporate Education to design an 18-month leadership development programme for four different cohorts.

Developing our people continued

- + Creating a mentor programme with a comprehensive toolkit. This is currently being trialled with our Strategies for Success development programme and our Programme Management group. It will be launched to the wider organisation in 2022.
- + In October 2020, we launched LinkedIn Learning across the organisation, enabling us to deliver more e-learning content to our employees, leaders and development groups. To date we have had nearly 60% of our employees activate their licences and they have completed approximately 3,000 courses to date.

We are excited by the progress we have made in the past year with our new leadership development journey and believe this is the first step towards enabling our leaders to achieve, not just their own personal goals, but Ultra's vision of 'innovating today for a safer tomorrow'.

Strategies for Success

Supporting the development of women in leadership roles in Ultra is a top priority in achieving our employee goal of 'creating a dynamic and inspiring work environment that attracts, develops and retains the best diverse talent'.

To help build a stronger pipeline of diverse talent, and to unlock the potential of women in Ultra, we partnered with an external organisation to create a programme called 'Strategies for Success' (S4S). Our core focus is to shift the diversity in our senior leadership and meet our 2024 stakeholder goal of having '40% of all leadership roles filled with a diverse candidate'.

The initial launch of S4S included establishing a community for 80 women in 2020. 60 additional women went through the S4S programme in two cohorts in 2021. Additionally, we held a regional virtual session and an end-of-year event with all 140 women from the past two years to celebrate this achievement.

In 2021, we saw 25% of the women that participated in the programme with either a promotion or a significant stretch assignment. The 2021 retention rate for the women in the programme was 94% retention.

Some of the comments we received from the participants are as follows:



The S4S programme provided me the confidence and support to pursue larger assignments and further promote myself!



S4S supported my decision to stretch my own perceived ability and ask for a more senior title to support my work.



The S4S programme has not led to a promotion or a stretch assignment for me yet but it has subtly changed my views on several women and work-related topics and on what is next for me. I would even say that it has changed my behaviour in my current position in which I am often the 'only woman in the group'. I would tend to think that this change of attitude will, on the long term, allow me to better exploit my full potential.



S4S was great for reminding me of many areas of knowledge and training that I may have touched over the years but not felt empowered or supported enough to implement. It was also great to network and meet a lot of other like-minded women across Ultra business units. I think it's really positive that Ultra is driving new directives at a corporate level such as S4S, Diversity and Inclusion, Manager Fundamentals, and One Ultra. Though I know that progress takes time and things can be slow to fully implement, it's promising to see things moving in the right direction.



Compelling reward and recognition



Medium-term goals

- + Encourage employees to participate in and share in the success of Ultra through involvement in Group share schemes
- + Create greater understanding and clarity around how reward works at Ultra
- + Ensure that our total reward package enables us to attract and retain the best talent



Long-term goals

- + Develop global benefits plan
- + Continue consolidation of global end-to-end reward processes and myHR functionality – including skills development for advanced comp, global mobility, grading and benchmarking
- + Support recruitment and retention initiatives – including development and promotion of graduate programmes and employee value proposition

How we reward and recognise our employees helps us create an engaging work environment, allows employees to feel valued for their contributions, builds commitment to the organisation, enables us to create the right culture, ensures delivery of performance to meet our organisational targets and most of all, supports us in achieving our employee goal of making Ultra a great place to work.

In Q2 2021, we re-launched the Ultra Sharesave schemes, this time including our Australia group, which resulted in more participation from employees. We were pleased to see that participation doubled in the UK and Canada. We were able to smoothly transition all employees to this new platform and assisted them with getting adjusted to using a new administrator.

In 2021, we continued to improve our performance management process. To help drive the cultural change desired across the organisation all senior leader and manager performance was assessed against both strategic objectives (the 'WHAT') as well as the degree to which they have worked in line with our ASPIRE values (the 'HOW'). We have run our mid-year and end of year processes through the myHR platform, enabling greater analytics and governance.

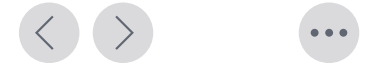
With increased mobility across Ultra due to the ONE Ultra focus, we appointed a new global mobility provider which will support our ability to recruit and relocate prospective and current employees, and for potential graduate rotation programmes.

We also improved reward and recognition communications through our many internal communication channels and various training courses which were held to inform employees of our new annual pay review process and bonus processes. We also held senior leader reward workshops to improve education and awareness for end of year discussions and the myHR launch. We also successfully delivered our recruitment and retention award programme for critical role employees.

Finally, we created and launched a reward book to explain our reward philosophy and provide more information on reward at Ultra, helping with understanding and sharing the different components of what we do, why we do it and how we do it.



The right culture ensures delivery of performance to meet our organisational targets and most of all, supports us in achieving our employee goal of making Ultra a great place to work.



Succeed through Diversity and Inclusion



Medium-term goals

Be You

- + Build inclusive networks that keep us focused on what matters most
- + Encourage employees to share personal stories
- + Disrupt bias in every stage of the employee lifecycle
- + Leverage strategies to connect leaders and underrepresented people
- + Embed transparent and fair reward and recognition

Be Open

- + Leverage our social responsibilities activities to expose people to difference
- + Leverage our brand to promote diversity through supply chain
- + Provide a framework for suppliers new to the journey
- + Award contracts to bidders committed to DEI
- + Ensure Ultra is recognised by our stakeholders as an equitable business

Be Ultra

- + Use plain language job descriptions focusing on 3 to 5 skills and attributes
- + Use early careers programmes to target all people
- + Standardise diverse interview panels
- + Encourage shadowing and sponsorship for all people
- + Ensure all development programmes have a DEI lens built-in
- + Hold leaders accountable for building high performing diverse teams



Long-term goals

- + People at every level and location know what they can do
- + People share their personal stories
- + People feel like they can be their whole selves
- + Leaders give fair access to opportunities

- + It feels safe to share ideas
- + Underrepresented people want to stay at Ultra
- + We work with and encourage diverse suppliers
- + We share our learning externally

Uniquely Ultra

In January 2020, we expanded upon our Diversity, Equity, and Inclusion (DEI) plan. This was created by the Uniquely Ultra team and underpins all that we do.

Be You – We believe you get better ideas and better outcomes when people can be themselves at work. When they feel able to act and speak naturally, knowing their colleagues have got their back.

Be Open – We want Ultra to be famous as a place where diverse talent thrives. We are not there yet, but we will be if we are open and respectful with each other and if we keep measuring and improving what we do.

Be Ultra – We believe the most successful teams are the ones that combine as many different strengths, ideas, and perspectives as possible – all working towards the same goal.

Our Diversity strategy is split into three strategic pillars:

1. Having a conversation (Human moments):

Creating an environment where people can speak up with ideas, questions, concerns, and even mistakes is vital to leveraging the benefits of diversity, because it can help make inclusion a reality. Promoting awareness and understanding through open dialogue in safe spaces will be a continuous building block of our strategy.

New perspectives – DEI speakers: In 2021, we had the privilege of engaging with some fantastic speakers, which sparked questions and discussions we might not have otherwise had. We held discussions on Disability in business, Islamophobia and Neurodiversity to name a few.

Employee Resource Groups (ERGs): In 2021, we engaged and created a sense of community for our colleagues by introducing Employee Resource Groups. ERGs are voluntary, employee-led collectives designed to foster an inclusive workplace, and they particularly focus on welcoming minority groups. So far, we have three ERGs: Women@Ultra, BIPOC@Ultra and our Ultra DEI Board.

Communications: With the support of our Uniquely Ultra and our communications teams we have reached out to our colleagues in multiple ways including our new DEI Teams channel, a Uniquely Ultra intranet site, broadcast activities on Ultra TV and published an Ultra DEI calendar that contains notable events and celebrations.

Coaching: We have held several coaching and training events, many of which focused on our line managers. These included Unconscious bias awareness, Neurodiversity, and Diversity of thought. We have also issued guidance on 'how to be an ally at Ultra,' 'how to respect my ethnic name,' 'accessibility guidelines' and 'language of inclusion.'

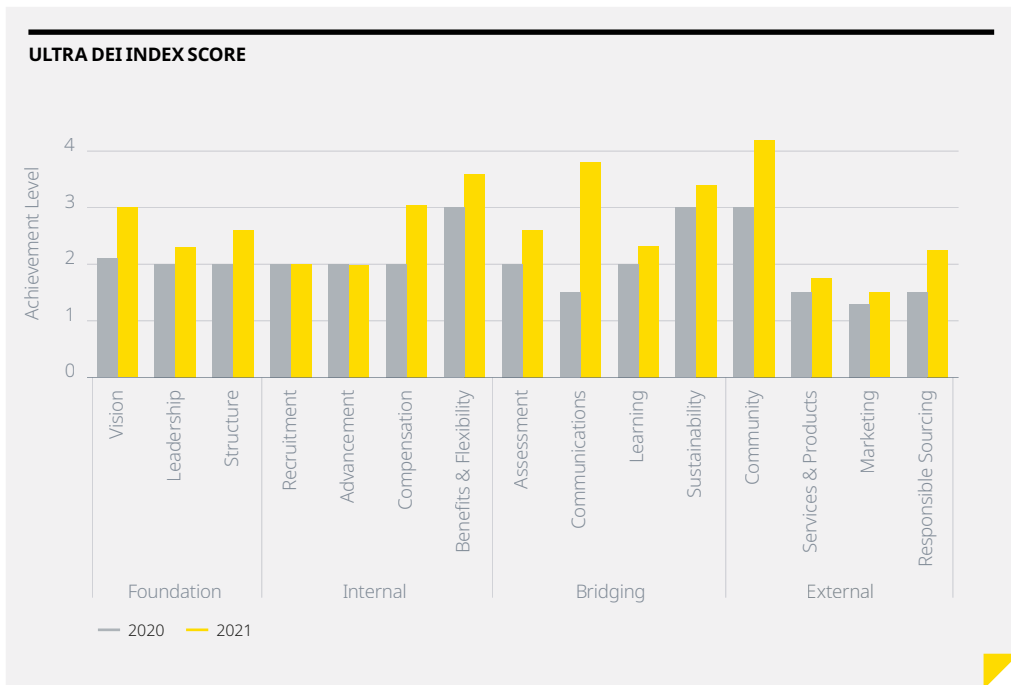
2. Adapting our business around our people (Human applications):

Ultra has begun a journey of critically examining and improving our culture, norms, and approaches with a Diversity, Equity, and Inclusion lens.

Succeed through Diversity and Inclusion continued



Above: Ultra celebrating International Women's Day 2022.



We believe that bringing your whole self to work means bringing all components of what makes us, 'you' to the workplace. We have encouraged the use of pronouns and simplified our dress code to 'dress appropriately'.

We are committed to ensuring that our recruitment processes are without barriers and increase representation of underrepresented groups in our succession planning.

120 Ultra women have taken part in our senior and high potential women development programme, and we have signed up to be 'disability confident' to help us recruit, retain and develop disabled people. Ultra has also signed up to the MoD Women in Defence Charter and launched a Supplier Code of Conduct to ensure our suppliers maintain the high standards Ultra expects in all parts of DEI.

Our new Diversity, Equity and Inclusion policy commits Ultra to:

- + Encourage equity, diversity and inclusion in the workplace
- + Create a working environment free of bullying, harassment, victimisation and unlawful discrimination, that protects dignity and respect for all, and where individual differences and the contributions of all staff are recognised and valued
- + Training managers and all other employees about their rights and responsibilities under the equity, diversity and inclusion policy
- + Take complaints of bullying, harassment, victimisation and unlawful discrimination seriously made by fellow employees, customers, suppliers, visitors, the public and any others during the organisation's work activities
- + Take decisions concerning staff being based on merit
- + Review employment practices and procedures when necessary to ensure fairness and update them to consider changes in the law

- + Monitor the make-up of the workforce with information such as age, ethnic background, and sexual orientation. Assess how the equity, diversity and inclusion policy, and any supporting action plans, are working in practice, reviewing them annually, and considering and taking action to address any issues

3. Who we are and how we're doing (individual humans):

By measuring Ultra's diversity equity inclusion progress, we are:

- + Monitoring improvement in the diversity of our business
- + Removing the emotion out of assessing this topic
- + Holding ourselves accountable

We selected The Global Diversity and Inclusion Benchmark (GDIB) as a powerful enabler of strategic conversations and an effective planning tool to help us deliver our diversity, equity, and inclusion objectives. You can find this information in the chart opposite.

FOR FURTHER DETAILS ON DIVERSITY, EQUITY AND INCLUSION PLEASE VISIT OUR:

+ 2021 Diversity Report

+ 2021 Gender Pay Gap Report

Create a winning culture



Medium-term goals

- + Continue to improve Employee engagement score
- + Reducing and repurposing facility footprint space and equipment to improve working environments



Long-term goals

- + Zero lost time health and safety incidents
- + Top quartile Engagement Survey value scores

In our employee engagement survey, we saw a significant increase of +14.1pts on employees being satisfied with what Ultra puts back into the community.

Employee engagement

We received participation from 74% of our employee population (3,296) in our 2021 engagement survey. We are pleased to see that our overall company favourability has increased from 59.2% in 2019 to 61.6%. The highest favourability was shown in the categories of 'Manager Relationships', 'Teamwork and Collaboration', and 'Understanding the strategy of my business.'

The overall engagement index for Ultra was 67.7%, this was a 2.3% decrease from the 2019 survey and a 7.8% decrease from the 2020 pulse survey.

This was driven by:

- + Progress in employees feeling proud to work for Ultra with a +1.3pts score versus the main survey in 2019
- + A small decline in work giving our employees a feeling of personal accomplishment (-0.9pts) and employees recommending Ultra as a good place to work (-0.2pts)
- + A large decline of -10.1pts in employees intending to stay with Ultra for the next 12 months. This is clearly disappointing although it reflects global trends post the pandemic and uncertainty around the acquisition of Ultra

Here are a few highlights of the employee comments we received from the survey:

- + "I am really impressed over the last two years with the transformation. Ultra is a good place to work for."
- + "I have greatly enjoyed working for Ultra. I feel empowered to make decisions and I feel supported in those decisions."
- + "I can see genuine improvements in the way that Ultra management communicate and feel that the new open and honest meeting approaches are great for creating an empowering work place with invested employees, I can't wait to see what Ultra develops into as the potential is huge."



I have been blown away by the changes that have been made – the new logo, values and the ONE Ultra vision are inspiring, and I am excited to be a part of the future business. I especially like the work that has been done around diversity, branding and future strategy. This is beginning to feel like a 'proper' modern, connected organisation instead of an outdated siloed manufacturing establishment.

Flexible working

We are committed to creating a culture that allows our colleagues to reach their potential, within an inclusive and supportive environment. In the particularly challenging environment of Covid-19, our focus on providing a Covid-19-safe work environment for our people was a vital pre-requisite to continuing operations throughout 2021 as a critical defence and energy industries supplier. Beyond the basic principles of following the advice and regulatory requirements in local jurisdictions of our sites, we have modified shop floor workplaces, shared areas, catering arrangements and shift patterns to implement effective social distancing at sites and have optimised remote home-working for our people wherever appropriate. Experience from managing Covid-19 in health and safety terms will be taken forward to underpin the health and wellbeing of people through the tail end of the pandemic, and in terms of health and safety support for a more flexible approach to balance between home and site working, where that has benefits for our business and people.

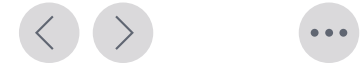
Living our values

Throughout the year we encourage our employees to recognise those who are living our values and celebrate each other. We received an incredible 926 employee nominations from peers for great work done across Ultra in 2021. In December 2021, we held our first ever ASPIRE recognition awards designed to elevate the awareness of our values and celebrate employees who go the extra mile for our customers, embed continuous improvement practices, create a great culture within Ultra, and achieve outstanding results for our projects and communities. Of the 26 finalists, seven winners were selected to win a business grant, personal cash reward and an Ultra trophy.

Recognising technical talent

We now recognise the deep technical talent within Ultra with the launch of the Ultra Fellows at the end of 2021. Eight Ultra Fellows were selected globally across the business. These Ultra Fellows will support and inspire the development of technical talent and skill within the business and our communities and will share their knowledge and expertise both internally and externally through work such as mentoring and STEM engagement activities.





Health and wellbeing



Medium-term goals

- + Continue focus on employee wellbeing via resources and activities across the Group
- + Conduct two Continuous Improvement 'Sprints' per business unit per month



Long-term goals

- + Continue to embed a Continuous Improvement culture at Ultra – improving everything we do every day
- + Improve our engagement survey scores for 'I am able to balance my work and personal life' and 'I am satisfied with the benefits provided by Ultra'

Mental health and wellbeing

Across many of our sites, we have mental health first aiders or Health, Security and Wellness committees which are there to encourage people to talk more freely about mental health. We also offer employee assistance programmes to all employees, which provide access to advice and counselling 24/7. We aim to promote early intervention to enable quicker recovery, reduce stigma and create a positive culture.

Initiatives such as wellbeing biscuit briefings, activities aligned to calendar events (World Mental Health Day), and charitable team events have all contributed to raising the importance of wellbeing and mental health.

We moved quickly in the first few months of 2020 to protect the health of our employees, including requiring or encouraging office-based staff to work from home, depending on the advice of local authorities. Our information technology (IT) teams ensured that thousands of people could work from home each day. Employees working from home took a health-based risk assessment as part of our home-working ergonomics programme. This gave them advice and, where appropriate, support in the provision of office and IT equipment.

Ultra updated business continuity plans and supporting guidance to ensure the safety and health of our workers at facilities remained a priority. These plans included robust cleaning programmes, health screening, social distancing, and providing additional personal protective equipment in accordance with local guidelines.

We also strengthened our approach to mental health. We provided resources to address the challenges of remote working and to support employees. We set up local health and wellbeing programmes and awareness campaigns to encourage employees to pay attention to their physical and mental wellbeing, and to support them as they did so.

Throughout the Covid-19 pandemic, communication with all employees has been more important than ever before. We increased communication through multiple channels to stay connected with colleagues at home and in our facilities by regularly communicating changes through Ultra TVs located on our production floors, in weekly newsletters, and on our intranet (UltraNet), and providing support during unclear times. For example, communicating the changes of the US Covid-19 Vaccination Mandate which impacted a substantial portion of our employees and business units. As we learned of government updates, we turned them into practical workable solutions and guided our leadership teams through them.

Risk assessments were required to be submitted for approval for all business travel to ensure the safety of all employees.

We adapted to operating through online meetings and trainings to continue development of leaders, managers, and high potential employees.

Continuous Improvement

A new Ultra Continuous Improvement Group was launched and is rolling out our 'Ultra Way' methodology out across Ultra.

The Ultra Way utilises a special set of tools and skills from decades of international best practices, as well as the wealth of expertise and experience across Ultra. At its core is a focus on our customers, a belief in everyone's ideas, teamwork, and the support of leadership. It is about how everyone at Ultra can think about improving everything we do, every day.



As part of Mental Health Awareness Month in the US, our **Naval Systems team raised \$950** through an online donations platform for the National Alliance on Mental Illness (NAMI). NAMI is the largest grassroots mental health organisation in the United States dedicated to building better lives for the millions of Americans affected by mental illness.

In 2021, the **Ultra Sonar Systems team introduced biscuit briefings**. Run on a monthly basis, the informal information sessions create an opportunity for employees to come together in a relaxed format to raise awareness and discuss key themes. Health and wellbeing is a mainstay feature of biscuit briefings. Topics include managing wellbeing, addressing mental health stigma, sources of stress, coping strategies, self-care such as mindfulness, and signposting both internal and external support. Sessions are led by HR and in-house Mental Health First Aiders.

Health and safety



Medium-term goals

- + Complete ISO 45001 certification programme for all UK sites, plus pilot global North America sites
- + Implementation and alignment to new Safety Management System toolkit (ISO 45001) across our North America and Australia regions
- + HSE communications and Ultranet improvements
- + Complete programme of installing 'Safety walls'
- + Globally aligned HSE training

ONE Safety initiative: Think Safe, Act Safe, Be Ultra Safe

Safety is central to the responsible delivery of our systems and products. We are committed to maintaining the highest standards. To strengthen this, Ultra's Safety Committee was established in 2020 and comprises a diverse group of representatives from across the business, demonstrating our commitment to uphold safety above all else, improve collaboration, share ideas and best practice, and embed safety throughout the Group.

The Committee made great progress in 2021, establishing a cohesive approach to continuous improvement, safer workplaces, and aligning globally under Ultra's ONE Safety initiatives. Local HSE representatives have been operating at business level to improve alignment, communication, and engagement with greater employee involvement, supporting positive change and enabling us to meet our safety goals and targets. All new hires now attend health and safety training during the onboarding process and employees attend training every two years, or more frequently depending on their role. We expect the Ultra workforce to only start work when all required safety measures are in place and to intervene when anything appears unsafe, or conditions change. We investigate incidents and aim to learn from them, sharing findings to improve safety performance across our organisation and our industry.

Ultra seeks to continually improve on employee engagement in this area, empowering the workforce to speak up about hazards in our workplace, encouraging safety suggestions and input via improved interventions delivered through monthly safety talks and:

- + Toolbox talks
- + Intranet and UTV (Ultra TV)
- + Guide packs
- + ONE Ultra Safety resources
- + Safety walls



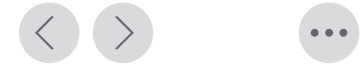
A ONE Ultra Safety Culture initiative was launched by the Committee in January 2021. In support of our ASPIRE values, the mission is to develop a culture of safety within Ultra that is inclusive, innovative, accountable, engaged and drives its people, systems, and product.

Ultra's goal is to be the safest workplace possible:

- + Create a strong safety culture
- + A responsibility for us all
- + Everyone is involved
- + Focus on environmental and energy initiatives

Ultra's purpose to 'innovate today for a safer tomorrow' Health, Safety and Environment (HSE) walls

Ultra is dedicated to embedding safety into our culture and strives to work safely at all times. An area of improvement the organisation has concentrated on in 2021 is employee engagement. HSE walls are being installed across Ultra as part of this drive. They consist of wall-sized murals that display our vision and mission statements. The focal space provides critical information about each site's local programme as well as universal messages across the global workforce.



Health and Safety continued

Since 2021, we have made progress on:

- + Improved communications with safety talks issued monthly
- + Safety briefings becoming part of the fabric of the Ultra Way
- + Implementation of a safety recognition programme via Ultra Reward Hub
- + Developed a ONE Ultra HSE global training programme
- + Consistent, validated regional safety training
- + Aligned and improved HSE induction for new employees

Currently, all UK businesses have adopted and are operating to a single global safety management system proved compliant with ISO 45001. The management system has been modified for global compliance purposes and North American and Australian businesses, which will adopt and operate it through 2022 for ISO certifications in 2022 and 2023.

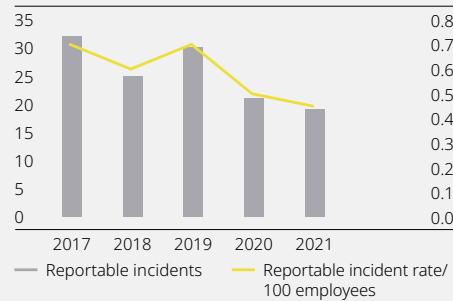
In response to the Covid-19 pandemic, we took additional steps to make workplaces safe for our workforce and contractors. Ultra embedded Covid-19 guiding principles to facilitate greater social distancing, cleaning stations, and working from home where possible. Structural changes included replacing door release buttons with sensors, installing Perspex screens and repurposing meeting rooms to accommodate breaks and lunches aligned with social distancing requirements. Continuous improvement of sites at a local level has been established through risk assessments and employee engagement.

Personal Safety Performance – 2021 accident data

Trends in reportable accidents and accident rates per 100 employees are illustrated in Figure 7. Our number of reportable accidents per 1,000 employees reduced to 0.4% in 2021 (2020: 0.5%).

As a result of our management of the Covid-19 pandemic, we had fewer employees on-site compared to other years. However, those able to work from home were typically from the more benign office environments compared to operations workstations. In addition to overseeing our Covid-19 controls, our HSE teams also progressed the roll-out of our ONE Ultra HSE programmes and this is reflected in the downward trend in accidents.

FIGURE 7: EXTERNALLY REPORTABLE INCIDENTS



In response to the Covid-19 pandemic, we took additional steps to make workplaces safe for our workforce and contractors.



Ultra SMaP has achieved a Gold in the internationally renowned RoSPA Health and Safety Awards, the longest running industry awards scheme in the UK, having achieved zero accidents and high Health & Safety standards.

Through the RoSPA (Royal Society for the Prevention of Accidents) Awards scheme, which is open to businesses and organisations of all types and sizes from across the UK and overseas, judges consider entrants' overarching occupational health and safety management systems, including practices such as leadership and workforce involvement. The award is now in its 63rd year.

Everyday preventive actions - COVID-19

What you can do

1 Wash your hands often with soap and water for at least 20 seconds. If soap and water are not available, use an alcohol-based hand sanitizer.



4 Avoid close contact with people who are sick.



2 Clean and disinfect frequently touched objects and surfaces.



5 Cover your cough or sneeze with a tissue, then throw the tissue in the trash.



3 Avoid touching your eyes, nose and mouth with unwashed hands.



6 Stay home when you are sick.



Transforming our business



Medium-term goals

- + Training for managers and HR on how to use our new HR system (myHR)
- + Continue to run continuous improvement 'sprints' on key HR processes
- + Increase use of workforce planning and analytics within myHR to support key business intelligence and decision-making
- + Continue to check and improve the quality of our data



Long-term goals

- + Extend use of myHR to other core HR processes to drive efficiencies
- + Support organisation changes

In 2021, our first ever global HRIS system, Workday, internally branded as 'myHR', went live in April. Since we launched the system, there have been more than 20,000 successful transactions completed. We successfully launched our annual performance review and compensation process in the system which will be completed during Q1 of 2022.

We implemented a new HR Governance structure overseeing all our processes and the myHR platform to ensure we are maintaining consistency with our processes and have the right people owning the processes. We have four global process owners who cover the four major functions within HR (Talent Management, Talent Acquisition, Reward, and core HR) and manage the processes within the system and outside of the system. We held several training sessions for employees, managers, and HR teams to prepare them to effectively utilise this new system and improve the efficiency of these new processes.

An HR Shared Service team was created with a team focusing on the maintenance and development of myHR and two teams providing HR transactional support to the Operating Business Units and functions who utilise the system.

We also ran our first global HR Continuous Improvement 'sprint' on Ultra's onboarding process in Q4 2021. It identified several new opportunities to improve how we onboard new employees across our Group. We are confident this will improve the onboarding experience for our new hires and hiring managers and improve employee engagement and retention.



We implemented a new HR Governance structure overseeing all our processes and the myHR platform. This ensures we are maintaining consistency across our processes and have the right accountability in place.

Ultra Communications recognised as one of 'Montreal's top employers'

This award is for excellence across all facets of employee and community life, including environment factors and recognises exceptional places to work. Some of the successes behind Ultra Communications, selection include:

- + Openness to the next generation of employees through paid internships, summer employment and apprenticeships.
- + Support of ongoing professional development for all employees through in-house and online training programmes, as well as tuition subsidies for academic courses.
- + Work and personal lives balance through a number of flexible work options, including flex hours and working from home.

Teamwork and diversity. When asked how Ultra boosts diversity in a traditionally male-dominated industry, President Alain Cohen said: "We recognized that we need to grow fast and tap into a broader demographic base to get to where we need to be, and to energize the culture. So we set some ambitious diversity and inclusion targets, and we've been seeing it pay off nicely."

On **teamwork**: "There's a culture of deep trust and respect at Ultra," he says. "We win and lose as a team, always. The second thing is that, regardless of what function they're in, everyone's a problem-solver. And the third one is that it's everyone's company. We're growing rapidly, and we want everyone to feel that their contribution is connected to that success."



ONE Ultra support for Armed Forces

Demonstrating our commitment to our military and other forces' veterans, reservists, and their families, in December 2020, we launched our ONE Ultra Forces Charter, which sets three key principles for Ultra:

1. To recognise, respect and show gratitude of service, honouring the commitment and sacrifices made by the Forces community
2. To take positive measures to prevent any disadvantage to the Forces community
3. To recognise that special treatment may be appropriate, especially for the injured or bereaved

In 2021, Ultra received the Ministry of Defence Armed Forces Employer Recognition Scheme Gold Award.

The Employer Recognition Scheme was launched in 2014 by the then Prime Minister David Cameron to recognise employer support for the wider principles of the Armed Forces Covenant and the full spectrum of Defence personnel. This includes the Reserves, service leavers, cadets, spouses and wounded, injured and sick. The Gold Award represents the highest badge of honour, awarded to companies that employ and support those who currently serve, veterans, and their families. Ultra is extremely proud to be recognised with this prestigious award and, in line with our 'Employee' and 'Communities' 2024 goals, have continued to grow our programme of activities in support of the forces community.

Our charter supports our ASPIRE values and strategic priorities and is built upon our commitment to a sustainable future by engaging with our communities, striving to operate in a sustainable manner, minimising our environmental impact, and showing that we are an active positive contributor to our communities. In recognition of the dedication and sacrifice of our Forces Community, who allow the societies in which they serve to maintain their independence, Ultra donated over £67,000 to military, veteran, and civil forces charities in 2021 as part of our Giving Back fund.

We are committed to being a forces friendly employer, which supports our diversity and inclusion agenda. We want to ensure that our Service personnel, veterans, and their families are treated fairly and are not disadvantaged because of their service.

+ See our website for more details and to read our ONE Ultra Forces Charter.



Pictured above are (L-R): **Air Vice Marshall Ranald Munro**, Commandant General Royal Auxiliary Air Force; **Dave Ody** (Ultra); **Rt Hon Jeremy Quin** MP, Minister for Defence Procurement; **Heather Crammond** (Ultra); and **Maj Gen Simon Brooks-Ward**, Assistant Chief of Defence Staff Reserve Forces and Cadets.

Pictured below are (L-R): **Vice Admiral Jerry Kyd CBE**, Fleet Commander; **Richard Cashin**, Former Global Director, Strategy and Business Development at Ultra; **Gavin Parker**, VP (Vice President) Public Affairs at Ultra; and **Commodore Jude Terry OBE**, Deputy Director People and Training.



Armed Forces activities in 2021:

- + Partnering with Operation Gratitude to host a 'Day of Giving.' Employees put 750 care packages and 'thank you' cards together for veterans in their community
- + Participation in the Poppy Run, designed to raise money for current and ex-soldiers
- + Marking 11 November, employees shared photos and experiences of themselves and their families in the Armed Forces
- + Funding for scholarship and veterans' education and employment programmes
- + Donating to the American Humane's programme, Pups4Patriots™. Training assistance dogs to veterans with Post-Traumatic Stress and Traumatic Brain Injury





Giving back

"In 2021, considerable progress was made through our Giving Back activities. Community volunteering applications grew despite Covid-19, with a total of more than 2,000 hours contributed across all territories. Team orientated events centred around our four pillars included environmental clean-ups, local charity fundraising and education outreach. In 2021, Ultra contributed £312,000 via a combination of employee fundraising, Match Funding, and local business donations. In the past two years this amounts to more than £500,000 to charitable causes (including the Ultra 2020 Covid fund).

Strong progress has also been made in the creation of a ONE Ultra STEM outreach framework. A working group was formed which included representatives from across our businesses including the technical community, HR, CSR Committee, and Uniquely Ultra groups. Key 2022 measures include the number of STEM ambassadors we train, and the number of activities undertaken by our teams across Primary and Secondary education."

34 Giving back framework	➤
34 Donations and funding	➤
35 Corporate charity partnership	➤
35 STEM framework	➤
36 ONE Ultra Forces Charter	➤
36 Social Value	➤
37 Giving back case studies	➤



Giving back framework



Medium-term goals

- + Target 40% uptake for Group-wide community days



Long-term goals

- + Target 50% uptake for Group-wide community days (1 per employee)
- + >1% of Group operating profit contributed in cash or in kind to community and charity activities aligned to Ultra vision and values and to include STEM education

In 2021, Ultra launched our first ever 'giving back' framework. Every employee now has available up to two days per year to support activities within their local communities.

Despite Covid-19, team applications continued to grow in 2021 with more than 2,000 hours contributed across all of Ultra's regions.

During November, the Sonar Systems HR team held a Giving Back Day across all three regions: Australia, Canada and the UK. The team's chosen cause, the Ronald McDonald House Charity, is an independent non-profit organisation whose mission is to create, find, and support programmes that directly improve the health and wellbeing of children. Activities included prepping meals, gardening, litter picks, cleaning and spending time with some of the families. An enriching day with a sense of pride in what the team puts back into the community.



Donations and funding



Medium-term goals

- + The 2022 Giving Back fund is set at £300k
- + We have aligned with selected charities that have had regular engagement with our teams throughout 2020/2021 and will continue to support them through 2022



Long-term goals

- + Our aim is to contribute over 1% of Group operating profit to our local communities and charitable activities aligned to Ultra vision and values and to include STEM education

Our matched fund of £200,000 was launched in June 2021. The aim of the fund was for Ultra to match the local fundraising and/or support local business teams worldwide to encourage local activity.

Ultra's fundraising activities were slower in the first half of the year due to Covid-19 lockdowns, however they picked up strongly in H2. The full £200,000 fund was donated to worthy causes that were important to our people in 2021.

In addition to this, £70,000 was raised by teams and more than £30,000 was donated by our businesses locally.

Our Covid-19 fund from 2020 contributed £130,000 and further donations/support in STEM has resulted in Ultra donating over £500,000 to charitable activities in the past two years.



Corporate charity partnership



Medium-term goals

- + Corporate charity partnership framework £150,000 in 2022



Long-term goals

- + Corporate charity partnership £250,000 in 2024 contributing to >1% of Group operating profit pledge
- + Contribution measured in cash or in kind to community and charity activities aligned to Ultra vision and values and to include STEM education

Ultra's charitable coverage is aligned to Ultra ASPIRE values and key initiatives including but not limited to: Diversity and Inclusion, and Armed Forces levelling up and wellbeing.

A few examples of charities that we have worked closely with are listed below:

Australia



Kangaroo Pouch Animal Orphanage

Canada



UK



USA



STEM framework



Medium-term goals

- + STEM framework launch with £100k budget to coordinate a ONE Ultra approach
- + Our new focus on STEM education will enable teams to support Primary and Secondary activities and begin a consistent approach to reach more young people from groups under-represented in engineering. For example, free school meal eligibility, ethnic minority students, Special Educational Needs and Disabilities (SEND) students and rural locations



Long-term goals

- + Our STEM contributions will form part of our goal of contributing >1% of Group operating profit to local communities

In 2021, a STEM working group was formed which includes representatives from across our businesses including the technical community, HR, CSR Committee, and Uniquely Ultra. The goal of our ONE Ultra STEM framework has been to develop a consistent global standard to be leveraged for shared resources, materials, best practice, and collaborative working. The framework can also be flexed for use in any local business unit to meet local needs and better align with business campaigns.

The new ONE Ultra STEM framework is due to be launched in 2022 with ambassadors trained across Ultra.



ONE Ultra Forces Charter



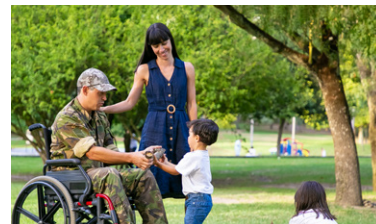
Medium-term goals

- + In support of the Forces Charter, creation of a ONE Ultra Veterans Committee
- + The committee will align three activities in line with our Forces Charter covering:
 1. Seeking to support the employment of veterans
 2. Supporting Military and other Forces charities
 3. Offering support to our local cadet units, either in our local community or in local schools

Significant veterans' charities engagement continued throughout 2021.

Progress has been made with our Veterans Committee network which is growing in membership with more than 20 volunteers across the business offering their support to help drive our Forces Charter initiatives.

Ultra is also a corporate supporter for American Humane's Pups4Patriots programme through donation of funds previously planned for trade show 'give aways'. Following a pilot, this model of donations will be rolled out across all businesses for major defence shows.



Social Value

To meet and exceed our objectives and maximise the contribution to Social Value, sustainability and prosperity, Ultra makes grants to a diverse portfolio of beneficiaries across both military forces and community led charities. Our grants are typically to military serving and veteran groups or to individuals and communities undertaking extraordinary, unique initiatives that offer motivation and inspiration to us all.

Our aims and objectives

- + To support activities and challenges that serve a higher purpose and:
 - + improve mental health and wellbeing
 - + inspire others to achieve
 - + promote equality, diversity, and inclusion
 - + level-up the playing field in ensuring our recruitment process is inclusive and accessible
 - + offer adventurous and highly rewarding developmental and transformative experiences, and
 - + inspire and support vulnerable groups and the wider community
- + To promote excellence and success by supporting a full breadth of regional and local activities and by supporting individuals to make a difference
- + To increase opportunities for all by supporting grass-roots activity in support of education, environment, health and wellbeing, sports and community led clubs (e.g., cadets)
- + To enable recovery and rehabilitation by supporting wounded, injured and sick (WIS) service members and veterans to take part in competitive sport and challenges

Our Giving Back Corporate Charity Partnerships resources are balanced across forces sport (from grass roots to the elite level) and specific initiatives where the physical activity serves a wider, greater, and higher purpose.

Following the success of our Covid-19 Fund, Ultra's 'Giving Back Match Fund' focuses on activities that inspire, support mental health and wellbeing, increase diversity and inclusivity or to help to 'level up' where inequality of opportunity may exist. In 2021, Ultra set aside a total of £200,000 to match the funds raised by all our teams, maximising the social impact of our employees' fundraising activities.

The following criteria are applied:

- + Charities or causes must be related to, or support initiatives, that benefit our local communities
- + Charitable activity must demonstrably align with at least one of Ultra's ASPIRE values: Agile, Sharing, Performing, Innovating, Rewarding, Empowering
- + Charities and causes that result in long-term relationships in our communities e.g., STEM activities, supporting academic institutions or helping those in need (food banks, women and children's charities, local disaster relief)

The new Social Value model will challenge and encourage Ultra to think beyond our own, internal objectives, and consider the impact of our organisation on the wider community and environment.

A selection of case studies on the following pages help to illustrate our Social Value impact on equal opportunity, wellbeing, Covid-19 recovery, tackling economic inequality and fighting climate change within our communities and across our charities.

Team Ethos grants

Sport, challenge, and adventure are critical to the morale, motivation, and wellbeing of our armed forces, yet taking part is often expensive and in some cases, beyond the means of our people. Supported by Ultra, Team Ethos awards financial grants to reduce the personal cost of participation.

Team Ethos has assured both 'Economic Equality' and 'Equal Opportunity' for over 10 years by supporting grass roots activity, those wounded, injured, or recovering from adversity and supporting the development of elite athletes to compete at the highest levels, representing the UK internationally.

More recently, Team Ethos has extended its value proposition in response to social, environmental, and economic changes, in part accelerated by the impacts of Covid-19. Groups and organisations from the armed forces community have been invited to submit bids to receive a grant from this special purpose fund. Specifically, the trustees will award grants to groups or organisations which create the opportunity to improve mental and physical wellbeing in armed forces personnel, including WIS veterans, through sport, challenge, or adventure. This Fund actively supports Ultra's core values, especially our 'empowering' value by providing a vulnerable group from within all of Ultra's local communities with the help and tools they need to empower them to realise their own path to recovery.

Polar Preet

Preet Chandi completed her 700-mile solo expedition to trek unassisted to the South Pole this winter in just 40 days. Preet has made history as the first woman of colour to complete a solo crossing on the continent, catapulting her into the history books as one of the greatest living explorers. In a season in which several other South Pole expeditions have failed to reach their goals, Preet's solo achievement is a standout success. We are honoured to have been able to support Polar Preet on her incredible journey through our Covid-19 bounce back fund with Team Ethos.

"My aim for this expedition is to inspire others to achieve anything they want and to redefine what's possible. The power of seeing someone that looks like you can change or shape how you view yourself. I want to show and tell you that the world is your oyster. There is so much you can do, let's break down those barriers!"

Completing the challenge five days ahead of time, Preet's expedition personifies Ultra's ASPIRE values. Performing ahead of schedule, coping with adversity, and adapting to the most challenging of earth's environments. Preet's mission is to pay this forward, sharing her experience to inspire others.



We are very proud to be supporting Preet and her incredibly brave expedition in Antarctica. She brilliantly symbolises our EMPOWERING, PERFORMING and AGILE Company values and we hope that her mission goes on to inspire many more future generations of men and women.

Simon Pryce
Chief Executive, Ultra Group

Team Ethos grants

Turn to Starboard

In the autumn of 2020 Ultra donated £20,000 from our Covid-19 fund to support a plethora of UK military services charities, Team Ethos.

A Forces Sailing charity called Turn to Starboard was one of the beneficiaries of Ultra's bounce back funding. This charity uses sail training to provide an environment to reinforce the sense of value and belonging and provides a focus on resettlement and reintegration. By providing internationally recognised qualifications, they also support veterans with excellent career building opportunities.

As a result of our (and other) donations, Turn to Starboard was able to run a high-profile sailing expedition from Land's End to John O'Groats called THE LONG WAY UP. The event was a life-changing sailing adventure along the west coast of mainland Britain for 50 veterans, and those affected by military operations to experience freedom on the water, meet people facing similar challenges as their own, enjoy great camaraderie and gain valuable skills that apply to everyday life. Participants returned as competent and weathered sailors with valuable mileage and experience towards an RYA Yachtmaster qualification.

Turn to Starboard's mission is:

- + To help serving and retired Armed Forces personnel and their families readjust after operations and assist them in meeting the unique demands placed on them by Service life
- + To focus on re-integration, re-engagement and reinforcing a sense of value and belonging for beneficiaries
- + To provide Royal Yachting Association (RYA) sailing courses and career building opportunities to help make beneficiaries make 'the right turn'

We look forward to continuing our support and engagement with Team Ethos and beneficiaries in 2022.



TTS has been a real tonic to my mental health. This experience has given me the confidence that I can deal with the challenges of daily life. Working in a small team with veterans has proven I can lead a useful life and can look positively towards my future.

Turn to Starboard participant

Thank you SO much to everyone at TTS for what was probably the best month of my life. I loved every moment, it really helped me keep the black dog at bay. Upon getting home the difference in me was noted by the family too.

Turn to Starboard participant

It feels like a pivotal point in my life and because of the trip, going forwards I feel fitter mentally and physically for my post-forces' days.

Turn to Starboard participant



The Turn to Starboard team showed a clear commitment to their cause and how much joy they get to see transformational changes in people. This was a fantastic opportunity to experience first-hand what the charity is about, and I walked away feeling inspired to learn new skills and ways I could improve my own welfare.

Ultra

I had a really great day sailing with Turn to Starboard. Everybody was so welcoming and friendly and made us feel totally at ease about doing something new. It quickly became clear from the stories they were telling about veterans that have sailed with them how much the charity can help with people's wellbeing.

Ultra



Supporting veterans in our communities

Veterans Hub

Set up as a part time venture in late 2017, the Veterans Hub is a community project providing a safe and secure location for veterans and their families to come together. Their aims and objectives are to:

- + improve mental health and wellbeing
- + inspire others to achieve
- + promote equality, diversity, and inclusion
- + support levelling up by hosting drop-in clinics and advice services
- + offer highly rewarding developmental and transformative experiences, and
- + inspire and support vulnerable groups and the wider community

In line with Ultra's Communities goal, a team from Ultra spent 100 hours helping to refurbish new premises at the Veterans Hub. This included removal of all old shelving and racking, and repairing and painting the new office, a therapy room and kitchen. The racking was repurposed within the new shop area and an IT suite and network was installed to allow veterans to produce CVs and apply for jobs. Office furniture and IT equipment was gifted to complete the upgrade.



This is just to say a huge thank-you to the Ultra team for the support that you have shown and continue to show the Hub. It is no exaggeration to say that this project, and the life changing support that it offers to veterans, their families, and those still serving, is only possible thanks to the generosity of the community that surrounds us.

What the Ultra team has done for us, and the veterans of this community can never be understated, and even though it may not seem like much to yourselves, to us it has been a game changer, which has enabled us to create an all-encompassing project that will make positive difference to all that come through the doors.

Once again, from myself and everyone at the Hub, thank-you for everything that you have done.

The Veterans Hub embodies several of Ultra's ASPIRE values. The organisation is empowering families with opportunities to access employment, readjust after operations, and assist them in meeting the unique demands placed on them by Service life. To focus on re-integration, re-engagement and reinforcing a sense of value and belonging for beneficiaries. They have been agile in broadening their portfolio, becoming a staging post for other services such as a community allotment, fully fitted gym and wellness rooms, as well as offering drop-in clinics and advice services from the mainstream charities and local government services.



Fundraising examples from across Ultra (1)



Women's Care Center

Sonobuoy's team in Columbia City in Indiana and Victor, New York raised a phenomenal \$48,706 for Women's Care Center (WCC). The centre provides free, confidential pregnancy tests, ultrasounds, counselling, support, and education for pregnant women.

Evan Thomas, a Systems Engineer at Sonobuoy Systems, organised the fundraiser, which included a mix of in-person fundraising buckets and online donations through the WCC website.

Women's Care Center serves 30,000 women annually from 33 centres in 11 states, including Illinois, Indiana, Kentucky, Maryland, Michigan, Minnesota, Nebraska, North Dakota, Ohio, Pennsylvania and Wisconsin.

Ultra's Match Funding initiative doubled Sonobuoy System's achievement to bring the total amount raised to \$97,412.



The money that the team raised, along with Ultra's matched funding, will be used to provide care and counselling to over 1,000 women in our Fort Wayne community who would likely not have been able to afford this care otherwise. In supporting an organization like WCC that provides care and counselling to those in need, we are showing our whole workforce that we seek to uplift the underprivileged in our communities. This is an amazing way to empower the women of Ultra, and of our community.

Evan Thomas



MOVEMBER®

November

Teams from across Ultra took part in **November in 2021**. In the spirit of Ultra's ASPIRE values, our global community of fundraisers got creative growing moustaches, organising all-inclusive fun activities, and completing amazing feats of endurance. All to make a difference and raise awareness about men's health issues. Donations contributed towards work in mental health and suicide prevention, prostate cancer and testicular cancer.

Steve Rogers, a Senior Program manager at Ultra Sonar Systems, completed **six duathlons over six days for Movember**. Each duathlon consisted of a 10km run, 45km cycle ride and another 5km run, a total of 60km every day to represent the 60 male suicides that happen every hour of the day across the world.

Collectively, the Ultra team raised an impressive £7,507. Their endeavours were rewarded with a successful Match Funding application, doubling up the amount donated to £15,014.



Globally, the rate of suicide is alarmingly high, particularly in men. Over half a million fathers, partners, brothers and friends commit suicide every single year. Too many men are 'toughing it out', keeping their feelings to themselves and struggling in silence. Stronger social connections can reduce the risk of suicide and Movember aims to reduce the rate of male suicide by 25% by 2030. I want to help them get there. Help me stop men dying too young.

Steve Rogers



SSAFA Carol Concert

Ultra was delighted to provide a donation of £2,000 towards an uplifting Carol Service held at The Guards' Chapel in St. James's Park, London in support of SSAFA, the UK's oldest national tri-service military charity.

The Carol Service raised a staggering £240,000, a significant sum that will enable SSAFA's dedicated welfare advisers and volunteers to help a lot more beneficiaries in the coming year with personalised support.



Scoo-B-Doo Neonatal

40 staff from across our Ultra PCS sites took part in the **Ultra Steppers one million step challenge**, whereby each employee taking part walked a million steps each in three months (equivalent to 500 miles!).

This initiative was put in place to help raise money for the neonatal charity Scoo-B-Doo, one of PCS's employee charities for 2021. They raised nearly £1,319. A successful application to our Match Funding initiative saw the final donation rise to £2,638.

Fundraising examples from across Ultra (2)



Fessenden Challenge

An annual sailing event that brings the maritime industry together to not only boat race but to network and engage while raising money for the Not Forgotten Charity.

The Not Forgotten is a unique national Tri-Service charity which provides entertainment, leisure, and recreation for the serving wounded, injured or sick and for ex-service men and women with disabilities.

Formed in 1920, the association offers activities which many of us often take for granted. However, for the thousands of injured and wounded serving and ex-service men and women, many of whom are lonely and vulnerable, their support can bring genuine happiness, a much-needed boost and something to which they can look forward.

The event raised approximately £7,500 for the charity, contributing towards:

- + improving mental health and wellbeing
- + inspiring others to achieve
- + promoting equality, diversity, and inclusion
- + offering highly rewarding developmental and transformative experiences, and
- + inspiring and supporting vulnerable groups and the wider community

Ultra representatives embodied our APSIRE values performing well on the day, coming in in 10th place, which was a success in itself!



Andamooka Observatory

During 2021, our Ultra Sonar Systems team in Australia donated £4,000 to the Andamooka Observatory. The contribution is in support of the Observatory's 'STEM under the Stars' project. The funding has been used to update their public outreach astronomy kit and offerings. As part of a team building activity, members from the Ultra team will be visiting the Observatory in 2022 to see how donations have been used and to explore ongoing support for the organisation.

Engineering support

Ultra Communications has contributed \$2,500 to a local Montreal Technology Summer Camp programme for 11-16-year-old students designed to raise their awareness and interest in STEM fields. In addition, Ultra volunteers also participated in interactive video sessions to explain what we do at Ultra and to answer the students' questions during the camp.

In 2020, Ultra Communications collaborated with the Quebec Order of Engineers Foundation to jointly create the **Ultra Women in Engineering Bursary Award**. This \$5,000 bursary is awarded to a female student to facilitate university undergraduate engineering studies. Now in its second year, the 2021 award was presented to Ms. Hannah Nguyen from Montreal by Ultra's Denis Couillard in a virtual award ceremony on 28 April.



Ultra supporting STEM

Ultra supports Ferndown Upper School to build new Digital Education Centre

Ultra Energy has supported Ferndown Upper School's (FUS) technical and digital ambitions. Partnered with Ultra and other local businesses in the area, the school has successfully secured a capital BID (from the Department for Education) to expand their digital facilities. This will enable the school to provide highly skilled technical routes into software development and digital support career paths for young people in the Dorset area. Digital education spaces will include: a software development lab, a network engineering workshop, Raspberry Pi lab, graphical engineering suite and seminar suite.

Ultra's involvement will help to raise the profile of STEM careers and pioneer a new way to educate for our future economy.



We have worked with local businesses to design our curriculum and facilities to match career paths that are in high-demand in the Dorset area. This includes developing the environment where students can work collaboratively to become software developers like those in industry. We look forward to working further with our local business partners for our students' work placements and supporting our local digital sector in becoming even more successful.

Toby Osborne

Director of Technical and Digital Education (FUS)

Ultra Cyber supports placement and apprentice students

Ultra Cyber continued its relationship with South East Physics Network and CyberFirst supporting an eight-week summer placement programme. It hosted four summer placements within the UK. The US team also supported a School Supplies Fundraising Drive to support Title 1 schools in the Germantown and Tampa area. Title 1 is a federal funding programme to aid low-income students in elementary and secondary schools. The goal of Title 1 is to improve educational assessment scores by enhancing regular education. This funding allows schools to determine how money should be spent within certain guidelines.

In September 2021, Ultra Cyber **celebrated winning the Engineering Apprentice Employer of the year**, with one of their apprentices achieving runner up Apprentice of the year.



\$10,000 AUD scholarship awarded to Flinders University student

Ultra partnered with the Playford Memorial Trust Scholarship programme to offer a second \$10,000 AUD tertiary scholarship for the 2021 academic year.

The recipient, studying a double degree in Masters Engineering (Electronics), Bachelor Engineering (Robotics) (Honours) with a Bachelor of Engineering (Computer and Network Systems) (Honours) joined the Sonar Systems team for vacation work at the end of the year.

The award is open to students from the three South Australia universities who are studying electronic engineering, computer science, systems engineering or applied physics, supporting local university STEM students in our community.



We are pleased to continue our partnership with the Playford Memorial Trust Scholarship programme to offer financial support to students pursuing careers in technology areas aligned with Ultra's focus. The development of a skilled resource base is critical to the future success of Ultra, our partners and our customers.

Doug Burd

Former Managing Director of Ultra Sonar Systems Australia



Sun Youth

Forensic Technology (FT) employees continued their annual involvement with **Sun Youth**, a Montreal-based charity. The organisation focuses on providing emergency services such as food assistance as well as clothing, medical, financial, and material assistance to the local community in need. The business supports scholarships for students to help them pay their admission fees through College, encouraging them to continue their education. Throughout the year employees have volunteered time gardening, preparing, and distributing Christmas baskets and fundraising. Over \$16,000 has been donated since the inception of Ultra's Covid fund and Giving Back days.



Ultra flies at the Bournemouth Air Festival STEM event

In early September, Ultra joined the STEM marquee at the Bournemouth Air Festival. The marquee hosts a number of the region's high profile industry experts specialising in various STEM sectors. Supported by colleagues, Ultra's apprentices, graduates and early career professionals were on-hand to speak to and inspire the next generation of engineers, scientists, researchers, and IT specialists.

American Humane and Ultra partner to support America's veterans

American Humane is the country's first national humane organisation. Founded in 1877, American Humane is committed to ensuring the safety, welfare and wellbeing of animals, and our leadership programmes are the first to serve in promoting and nurturing the bonds between animals and people.

American Humane's programme, Pups4Patriots™, mission is to put a healing leash into the hands of a veteran in need. The programme finds dogs in search of forever homes and trains them to offer the best possible assistance to veterans with Post-Traumatic Stress (PTS) and Traumatic Brain Injury. The two are trained together at no cost to the veteran.

The invisible wounds of war, including PTS and TBI, can cause debilitating symptoms in veterans, leading to depression, social isolation and, far too often, suicide. Up to one in five veterans who served in Iraq and Afghanistan are diagnosed with PTS and, according to a 2016 report from the Department of Veterans Affairs, an average of 20 veterans commit suicide each day.

Research shows that specially trained PTS service dogs can reduce stress and anxiety levels, mitigate depression, ease social reintegration, provide comfort and restore confidence in affected veterans.



For many brave members of our nation's armed forces, coming home as a civilian is only the beginning of another daunting battle," said Dr. Robin Ganzert, president and CEO of American Humane. "Service dogs are an invaluable asset to veterans with trauma, but tragically, there are many obstacles standing in the way of veterans in need of service dogs including long waiting lists and exorbitant costs. Ultra's donation will cover the training of a qualified, lifesaving service dog for an affected veteran, and we are so grateful for their support."



Ultra is committed to acting as a positive force in the communities in which we operate," said Simon Pryce, Chief Executive of Ultra. "We are very proud to be supporting American Humane's Pups4Patriots™ programme which demonstrates our strong commitment to supporting our serving military, veterans and their families who have done so much for us all."





Doing the right thing

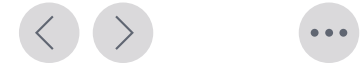
“Corporate Governance is at the heart of everything we do – so in 2021 we included our ‘Positive Force’ fourth pillar – Doing the right thing.

Our additional focus in this area demonstrates that it is not only important what we do, but also how we do it, in line with our ASPIRE values. We actively welcome advancements in governance and recognise its increasing importance in meeting with our obligations. We receive regular corporate governance updates to ensure adherence to, and active promotion of, all aspects of our Code of Conduct – throughout our workforce and supply chain.

We are actively promoting our fourth pillar as an integral part of our ‘Positive Force’ framework.”

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Employee training

We have a zero-tolerance approach to bribery and corruption anywhere in the world. We will walk away from any business that we can't win fairly or legally. Our success is built on the trust of our customers, employees, investors and the general public. We know the best way to gain and maintain this trust is to demonstrate that we act ethically and with integrity in all of our business practices.

We updated our anti-bribery and corruption manual and policy in 2020, which is consistent with the UK Bribery Act, and the US Foreign Corrupt Practices Act, and any breaches can lead to dismissal or termination of contract. The policy guides our employees about what constitutes a bribe and prohibits giving or receiving any excessive or improper gifts and hospitality.

Our Board of Directors oversees our programme to prevent bribery. They are supported by our Group Company Secretary, who has primary and day-to-day responsibility for implementing the policy and for monitoring its use and effectiveness. Every year we launch Group-wide anti-corruption and bribery training. In the training we provide several challenging scenarios to help our people know what to do if they were to come across issues such as bribery, fraud and conflict of interest. We strive to create an environment in which our people feel included and confident to 'speak up' and so provide a number of routes for them to seek help or raise concerns.

The training included a clear stance on non-retaliation against someone who raises a concern in good faith.

To date, this training and refresher training has been completed by 99% of our organisation with refresher training due to complete within the whole organisation by March 2022. New employees are required to complete the training as part of their induction process.

Every two years we undertake global employee training on our Ultra Code of Conduct, which sets the standards we expect all our employees and everyone who represents Ultra to adhere to. It also sets the standards everyone dealing with Ultra can expect us to demonstrate. It is a guide to doing the right thing, helping us to operate our business responsibly, make ethical decisions and maintain our reputation. Alongside the Code of Conduct, Ultra provided mandatory training and certification for employees through our Learning Management System.

We are pleased to report there were no incidents of unethical behaviour or failure to comply with regulations by Ultra employees in 2021.

We are also pleased to see an increase in support, awareness, and feedback about our new Speak Up whistleblower channel for employees to ask questions or report concerns they think may be a violation of our ASPIRE values and Code of Conduct. Speak Up is an entirely independent, anonymous, and confidential reporting channel that is available 24 hours a day, seven days a week.

Data privacy

Ultra is committed to data responsibility and safeguarding the privacy of all personal data.

We respect the privacy of all categories of personal data (known as Personally Identifiable Information or PII in some countries where we operate) and apply appropriate technical, organisational and security measures to protect it in both real and digital environments.

We believe in the power of data to build stakeholder trust and produce clear and transparent Privacy Notices describing how personal data is collected, processed, and secured in accordance with applicable Ultra frameworks and data privacy law. These commitments ensure that our employees, customers, suppliers, and other partners can be confident that their personal data remains protected, and their rights are respected.

2021 was a pivotal year for data privacy with the launch of Global Data Privacy training. Supporting key transformation initiatives including the implementation of the HRIS; changes to Covid-19 workplace protocols; and updating key internal policies, ensure Ultra continues to fulfil obligations set out in data privacy law. All joiners now attend data privacy training during the onboarding process and employees attend training every two years, or more frequently depending on their role.

We believe that privacy can only be sustainable when it is intentionally woven into everyday operations and Ultra's Group Data Protection Officer oversees data privacy activity across Ultra working with business teams to promote this privacy by design ethos. A network of Privacy Champions in Operating Business Units and functions provides daily support.

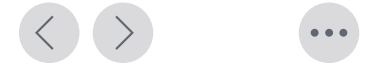
Internal policy documents applying to Ultra operations globally are reviewed annually with recent updates to the Data Protection Policy and Employee Privacy Notices. As a National Cybersecurity Alliance Data Privacy Day Champion, Ultra is proud to publicise its commitment to privacy sustainability and empowering employees to respect privacy, safeguard data and enable trust.

Ultra takes a proactive approach to building secure data management systems, operating information security policies designed to prevent pollution of our digital solutions. As technology continues to improve Ultra seeks to implement energy-saving initiatives like centralising key IT services, extending the life of IT equipment and investing in cloud computing to reduce power consumption.

Adopting uncompromising access control; multiple layers of security; clear roles and responsibilities; transparent data privacy regimes; and routine risk assessment and mitigation, Ultra holds ISO 27001 accreditation for identified information security management systems operated within our business units in accordance with scope requirements.

Regular security audits and assessments take place across Ultra's IT networks led by Information Security and Data Privacy subject matter experts to ensure Ultra practices are not just compliant but are responsible and sustainable.





Information Security

Ultra has its own in-house developed Cyber Security business called CORVID. As a unified Ultra team, Corporate Security, Group Data Protection Officer, Information Technology (IT), and CORVID work together to ensure that all Ultra information is protected to the highest standards. Compliance with the diverse security and regulatory data protection requirements from around the world default to the most stringent requirements and standards.

CORVID was developed in 2013 to safeguard Ultra's military, aerospace, and critical infrastructure data, as well as that of its customers and supply chain. Ultra identified that traditional cyber defences were unable to combat the evolving complexity of cyber threats – CORVID was created to provide a more comprehensive solution to the cyber problem.

The protection CORVID offered to solve Ultra's cyber challenges was so successful that the decision was taken to make the services available commercially. We've been leveraging our technologies, capabilities, and people to deliver industry-leading cyber protection for ourselves and our customers from the start.

Ultra's Cyber Security team continuously works on network hardening, auditing, patch management, and access control across diverse networks to meet National Institute of Standards and Technology (NIST) 800-171 standards.

Vulnerability scanning is performed on a routine basis and then reviewed jointly with Security, IT, and CORVID. The reviews identify gaps and vulnerabilities requiring mitigation, reducing our attack surface. Internal audits are also performed routinely for compliance and insider threat monitoring.

All joiners are provided security training during the onboarding process and all employees attend training annually. Privileged users on the network are provided a more in-depth training focused on their specific role in the protection of Ultra information.

Information Assurance

Ultra operates in both public and private sector markets globally. We understand these markets and the comprehensive legislative and regulatory security conditions and requirements that they demand.

Our security SMEs work closely with Government agencies, the Defence sector and Industry clients carrying out risk assessment, treatment, and residual risk management activities to ensure that the information systems and technology we operate and supply, have the appropriate security controls.


We ensure that the systems and technology we deliver are secure by default and are protected in accordance with the relevant policy. In addition to this, where required, we ensure that they are accredited to national standards by the appropriate accreditation body.

Ultra holds ISO 27001 accreditation for identified information security management systems operated within our business units, demonstrating compliance with scope requirements. Ultra has a comprehensive Group information security governance framework in place. This framework is based around comprehensive, and ongoing, risk assessment. Two key inputs, threat and vulnerability, are discussed in the section below.

Ultra has its own in-house security team that delivers preventative and detective security controls across all Ultra businesses. The Team has developed a comprehensive threat hunting framework, designed to keep pace with the techniques used by malicious cyber actors. When the system raises alerts, Incident Response Analysts follow precise play books to ensure business impact is kept to a minimum. This system and the procedures are subject to annual review and accreditation by the Internationally recognised CREST Organisation.

The Team also carries out monthly vulnerability scans of the Ultra internal, and external IT estate. The results of those scans are made available to the individual businesses through a dedicated portal. The Team also has regular meetings with all businesses to discuss their cyber posture. Ultra has also developed a sophisticated and intelligence fuelled system to provide email protection service. All emails that reach the user's inbox are clearly colour coded, alerting of any potential issues.

 **Data Privacy Statement**

 **CORVID Cyber Security**

Our CSR Committee

The CSR Committee is Chaired by Rikki Douglas, VP Business Development, Ultra Sonar Systems and is supported by Ultra's newly appointed Director of Corporate Social Responsibility. The Committee comprises representatives from across the business and develops strategy recommendations on sustainability for the Executive Team to review and incorporate into Group strategy, for example our CSR Committee is leading Ultra's journey to 'net zero' and how this can be achieved, in addition to our global Giving Back days and STEM frameworks.

Our Executive Team is responsible for assessing our environmental and social risks and opportunities, including those relating to climate change, prior to sending it to the Board for review and monitoring progress through our risk management process, overseen by our Chief Risk Officer.

Our Ethics Committee

An entirely independent Committee currently made up of two independent individuals, Major General (Retired) Tim Cross CBE and Simon Lowe, who have vast combined experience within the fields of ethics, culture and governance.

We were looking for a third member of the Committee, to be based in North America, to join the Committee in 2021, however have delayed this recruitment due to the proposed acquisition of Ultra.

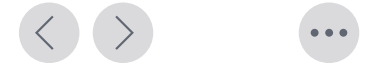
The Committee aims to visit Ultra sites on a rotating schedule at least four times a year and has a formal remit to:

- + Get an independent view of how ethically we are behaving across our businesses;
- + Monitor alignment with best practice in our business ethics and compliance procedures;
- + Assess how our culture and values are embedded throughout Ultra; and
- + Review Speak Up reports and challenge the integrity and independence of our Speak Up platform.

The Ethics Committee meets with a diverse group of employees at each site visit, without management present, and meets with management separately. Following the visits, an independent, unbiased and unedited report on the perceived ethics and culture within the business is provided to management. The Committee challenges management where necessary and, where applicable, provides impartial advice on how ethical and cultural matters could be improved.

The Committee then provides honest, objective, feedback to the full Executive Team twice a year, and annually to the Board.





Working with suppliers



Medium-term goals

- + Signing up Ultra's top 30 suppliers to the new Ultra Code of Conduct by the end of 2022



Long-term goals

- + 100% of Ultra's top suppliers and suppliers agreeing a contract with Ultra after 2022 signed up and following the expectations set out in the code

Supplier Code of Conduct

Our suppliers are critical to our ability to run our businesses. They are involved in almost every step of our operations – and are often key to having a positive impact on local communities and achieving successful business outcomes.

We are pleased to report that Ultra's new Supplier Code of Conduct was launched in Q1 2022. This Global Supplier Code of Conduct applies to all suppliers to Ultra and other partners who supply products and services using contracts or purchasing terms. Ultra expects all suppliers to fully comply with applicable laws and adhere to internationally recognised environmental, social and corporate governance standards. We also expect our suppliers to implement the high standards which Ultra lives by; these cover:

- + Anti-Bribery and Corruption
- + Collective bargaining
- + Competitive behaviour and anti-trust
- + Conflicts of interest
- + Diversity, Equity, and Inclusion
- + Export and Import controls, sanctions and obligations
- + Fair pay and benefits
- + Health, Safety and Environment
- + Lobbying and political support
- + Preventing facilitation of tax evasion
- + Responsibly sourced materials
- + Safeguarding confidential information
- + Slavery, human trafficking and labour exploitation
- + Working with stakeholders

In support of the implementation, awareness training will be provided to our top suppliers.



A full copy of our new Supplier Code of Conduct can be found here: <https://www.ultra.group/media/3094/ultra-supplier-code-of-conduct-english-march-2022.pdf>

Reducing waste

We are working with our suppliers to help develop a circular economy, where products are made with the least amount of waste and can later be recycled or reused.

We are working together to develop reusable packaging solutions for our products. In 2021, we launched a waste management programme to reduce, reuse and recycle waste across our UK operations. Global implementation will be supported by embedding the 2022 launch of the ONE Ultra Packaging Policy.

We are also supporting the change to a circular economy through our procurement choices, responsible commercial decisions that customers expect us to make.

2021 circular economy progress:

- + Reuse of recycled pallets rather than purchasing new
- + Recycling of upcycled plastics that can be re-used
- + Compostable and biodegradable plastic alternatives e.g., biodegradable plastic peanuts as an alternative to polystyrene peanuts
- + Wood packaging such as wood wool and wood chips
- + Returnable boxes to and from suppliers
- + Increase the use of recycled materials, recyclable materials, and the ability to separate materials to support the circular economy
- + Sustainable sourcing, ensuring that packaging materials of products derive from legally harvested sources via the use of certified materials (e.g., FSC) or comparable in line with global timber regulations

Supporting our people

Our people are our most valuable asset. Our diversity represents many ideas, experiences, and backgrounds. Every person at Ultra has a role to play to ensure we maintain an engaging and safe workplace where we all work together in a respectful, open, and empowering environment. These core values extend to ensuring that suppliers working at our sites care for their people.

We work to respect the rights of people employed in our supply chains. We require all our suppliers to meet and comply with our safety standards and with our approach to human rights and modern slavery.

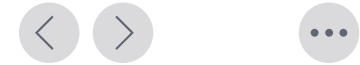
Modern slavery

Modern slavery is a crime and a violation of fundamental human rights. We believe that all employment should be freely chosen and oppose all forms of slavery, human trafficking and labour exploitation. Ultra has a zero-tolerance approach to modern slavery and we comply with applicable labour, employment and modern slavery laws. We are committed to:

- + Acting ethically and with integrity in all business dealings and relationships
- + Implementing and enforcing effective controls to ensure modern slavery does not take place anywhere in our business or our supply chains

We expect our suppliers to adopt the same stance and set out Ultra's expectations for compliance in our Supplier Code of Conduct.

During 2021, we relaunched our Modern Slavery and Human Trafficking Policy and adopted the changes in the UK to comply with the changes to the Modern Slavery (Amendment) Bill.



Working with suppliers continued

Conflict minerals

Ultra is committed to working with suppliers who ensure the responsible sourcing of materials. This means our suppliers must only provide products made from materials, including constituent minerals, that are sourced responsibly and verified as 'conflict free' in accordance with OECD guidelines. We work with suppliers who can provide Ultra with supporting data of their supply chain of minerals. We require all suppliers and their supply chain to be compliant with prevailing legislation in respect of conflict minerals as set out in our Supplier Code of Conduct and supplier management and qualification processes.

Collective bargaining

Ultra believes that individuals should be free to decide whether to join a trade union or other equivalent organisation of their choice and to bargain collectively in support of their mutual interests. This means we respect the individual choice of the worker and the relevant processes and laws for collective representation and consultation where applicable.

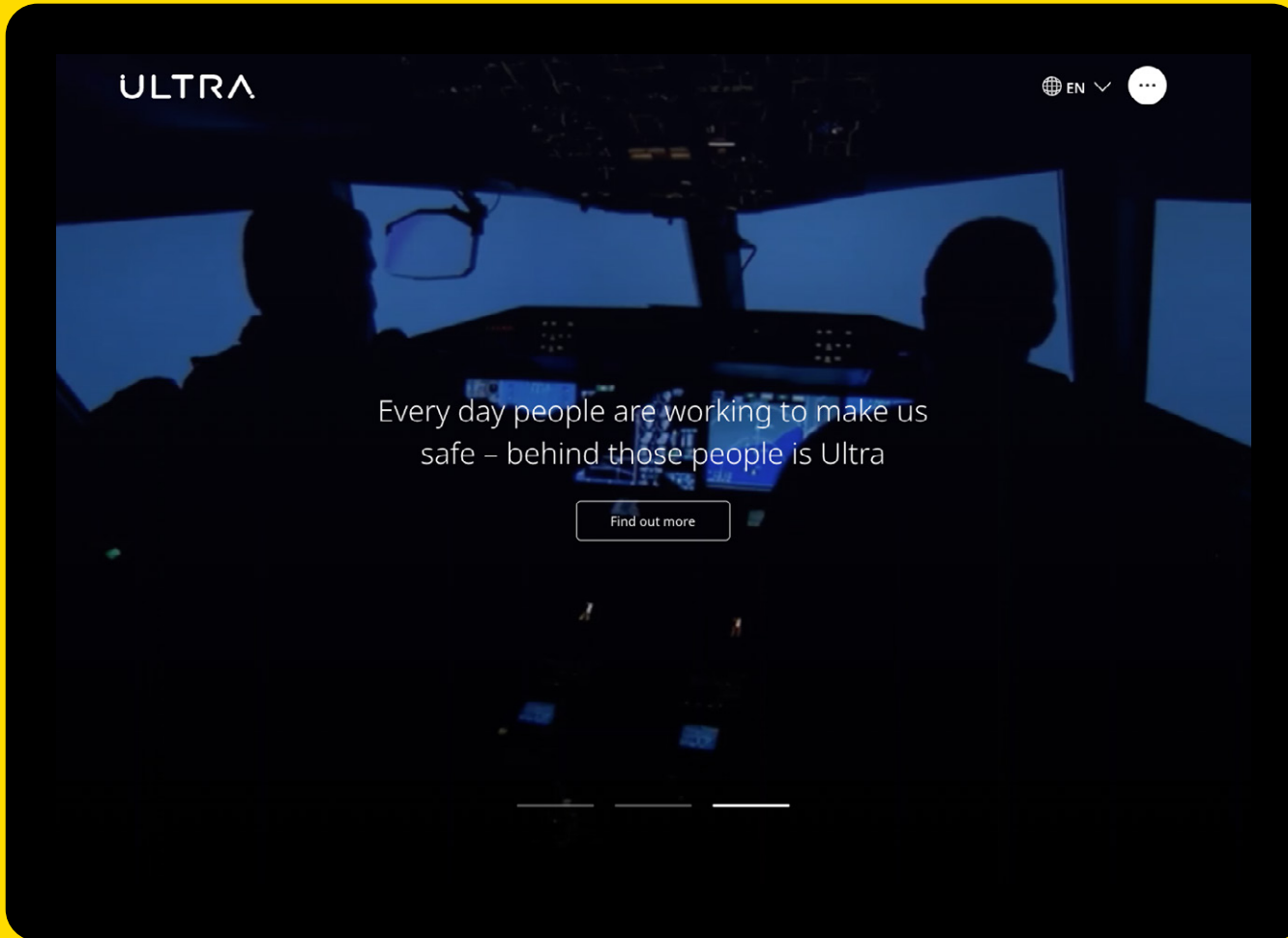
Human rights

We believe in our obligation to respect core human rights, protect individuals against abuse of human rights and take positive action to facilitate enjoyment of basic human rights. This means respecting and observing equality and human rights legislation and introducing policies that promote rights and freedoms for all. We value and encourage diversity within our workforce and our talent acquisition pipelines support increased representation and inclusion.

Ultra has zero-tolerance of bullying, harassment and discrimination towards workers, including all forms of physical, verbal or psychological abuse and we expect our suppliers to adopt the same stance. We work collaboratively with our suppliers to ensure that like our own employees and contingent workers, theirs are protected from bullying, harassment and discrimination and they and their supply chain can compete fairly and have an equal chance of success.



Ultra has zero-tolerance of bullying, harassment and discrimination towards workers, including all forms of physical, verbal or psychological abuse and we expect our suppliers to adopt the same stance.



Read more here:

www.ultra.group

Group policies

ONE Ultra Forces Charter

Annual Reports and Results

Employee Code of Conduct

Supplier Code of Conduct

Sustainability Reports

Modern Slavery Statement

Reporting channels and resources

Our internal intranet ('Ultranet') was launched in 2020 and uses weekly newsletters, monthly townhall packs and Ultra TV to disseminate messages and news across the Group.

In addition, this is our second Sustainability Report which demonstrates Ultra's commitment to our local communities and activities have significantly grown over 2021. We also

continuously expand the sustainability section of our website to provide our stakeholders with year-round information regarding our sustainability progress.

Frameworks and standards

The three pillars of our sustainability plan, 'Protecting our planet and society', 'Supporting our people' and 'Giving back' align well with recommendations made by the World Economic Forum in

conjunction with Deloitte, EY, KPMG and PwC in September 2020, "Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation". We also support the United Nations Sustainable Development Goals (SDGs) and will ensure these are considered when reviewing our sustainability measures and focus areas in 2022 and beyond.

For more information contact:
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