



Innovating today for a safer tomorrow

Sustainability Report 2020

ULTRA.

We protect the societies in which we live and make the world a safer place

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.

Contents

02 A message from our CEO	05 Our Sustainability focus areas:
03 Protecting what matters	11 Supporting our People
05 Ultra – A positive force	12 Diversity and inclusion
06 Sustainability governance	14 Developing our people
06 Our governance	15 Health and Wellbeing
07 Business Integrity	16 Information security
08 Reporting and assurance	17 Protecting our Planet
09 Stakeholder engagement	17 Climate Change, Energy and Emissions
	18 Pollution, Waste, Biodiversity and Habitat
	20 Our technology & products
	21 Giving back
	21 Donations and funding
	24 Giving back framework

Forward-looking statement

This Sustainability Report contains certain forward-looking statements with respect to the operations, strategy, performance, and growth opportunities of the Group. By their nature, these statements involve uncertainty and are based on assumptions and involve risks, uncertainties and other factors that could cause actual results and developments to differ materially from those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of this Sustainability Report and, other than in accordance with its legal and regulatory obligations, the Company undertakes no obligation to update these forward-looking statements. Nothing in this Sustainability Report should be construed as a profit forecast.

A message from our CEO



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.

We formalised our purpose, to 'Innovate today for a safer tomorrow', at the beginning of 2020 as part of the next stage of Ultra's development. To make us more effective in delivering against this purpose, we created a common vision, mission and set of clear ASPIRE values. These are the values that anybody who interacts with the Ultra team can expect to see demonstrated, in both words and actions. We believe that our ability to act with AGILITY and embrace change, to SHARE and win as a team, to PERFORM through consistent delivery, to INNOVATE and challenge the way we think, to REWARD by celebrating success, and to EMPOWER and trust each other, will enable extraordinary performance for all our stakeholders.

In consultation with our stakeholder groups, we defined what extraordinary performance looks like and created key performance indicators with specific targets that we use to monitor delivery. These are set out in the Stakeholder Engagement section of this report.

Delivering for all our stakeholders is embedded in the way we do business. Our strategies to deliver our stakeholder objectives are developed and updated as part of our strategic planning process. The specific actions to deliver against the objectives are developed in, and are a key element of, our annual planning cycle. Our financial performance results from these actions – it does not drive them. Our performance management and oversight processes monitor progress against these actions to ensure delivery against all our annual and longer-term stakeholder objectives.

We believe that sustainability is key for all our stakeholders and is therefore core to what we are trying to deliver. However, to highlight and better communicate the importance in our decision making of the impact on our workplace and the environment, we developed our 'A Positive Force' sustainability plan. This focuses on three critical areas:

Supporting our People

As an organisation that is built on the actions of its very capable people, we need them to be engaged and understand what we are attempting to achieve and how we how we are trying to achieve it. We do this through an ongoing programme of communication, training, and positive reinforcement. In 2020 we increased our engagement score to almost 76%, an increase of 6% over 2019 and well ahead of our target for improvement. We also delivered against all our diversity and inclusion objectives, for example launching our first Women's Leadership Programme, conducting unconscious bias training for all senior management and enhancing our leadership development courses. Diversity remains a key focus area for Ultra and in the broader industries in which we work. We have much to do to create a more inclusive environment here, but we are beginning to make progress and I am really pleased to report that over the last year one in three people that we hired into leadership positions were women, and women now make up over 25% of Ultra's senior leadership.

Protecting our Planet

We aspire to deliver solutions to our customers' most challenging problems in a way that meets their needs while minimising the impact it has on the

environment. Internally, we are currently focused on limiting GHG emissions through reducing waste and limiting production-adjusted energy and water use. In 2021 we have set a target for a further 10% reduction in GHG emissions versus the 2019 base. Considering the increasing focus on carbon neutrality, in 2021 we are also revisiting the relevance of our environmental impact measures and improvement objectives.

Giving Back

In support of the communities in which we live and work, Ultra acted quickly in 2020 to confront Covid-19, enabling remote working and safety controls on our sites. We also supported relief efforts that provided over \$220,000 to organisations which are supporting those most impacted by Covid-19 within our local communities.

As well as our Environmental and Social initiatives, we have also made significant progress on Governance, launching a new Code of Conduct in July 2020 which sets the standards we expect all our employees and everyone who represents Ultra to adhere to. We have relaunched our whistle-blowing channel for employees to ask questions or raise concerns, reviewed and revised our Anti-Bribery and Corruption policies and processes and are now in the second year of full company training. Our ASPIRE culture also reinforces our goals to maintain the highest standards in corporate governance and to go beyond the law in doing the right thing for all stakeholder groups.

We are proud of the work we do that helps keep our society safe. I am very pleased with the sustainability progress Ultra has made over the course of 2020, through aligning our passionate and dedicated employees, and focusing them on corporate responsibility at every level of our organisation. There is more to be done in 2021 and beyond but we are confident that, through our transformation to ONE Ultra and our continuous improvement culture, we will continue to deliver for our stakeholders while having an ever more positive impact on the world around us.

Simon Pryce
Chief Executive

Protecting what matters

We live in an ever-changing, unpredictable, interconnected, and risky world. To protect our society in a sustainable way, our customers are seeking solutions to a constantly-increasing range of problems that the rapidly expanding and evolving threat environment is creating. 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, values and high levels of oversight and regulation, defence is therefore a key element in enabling the free world.

WHAT ULTRA DOES NOT DO:

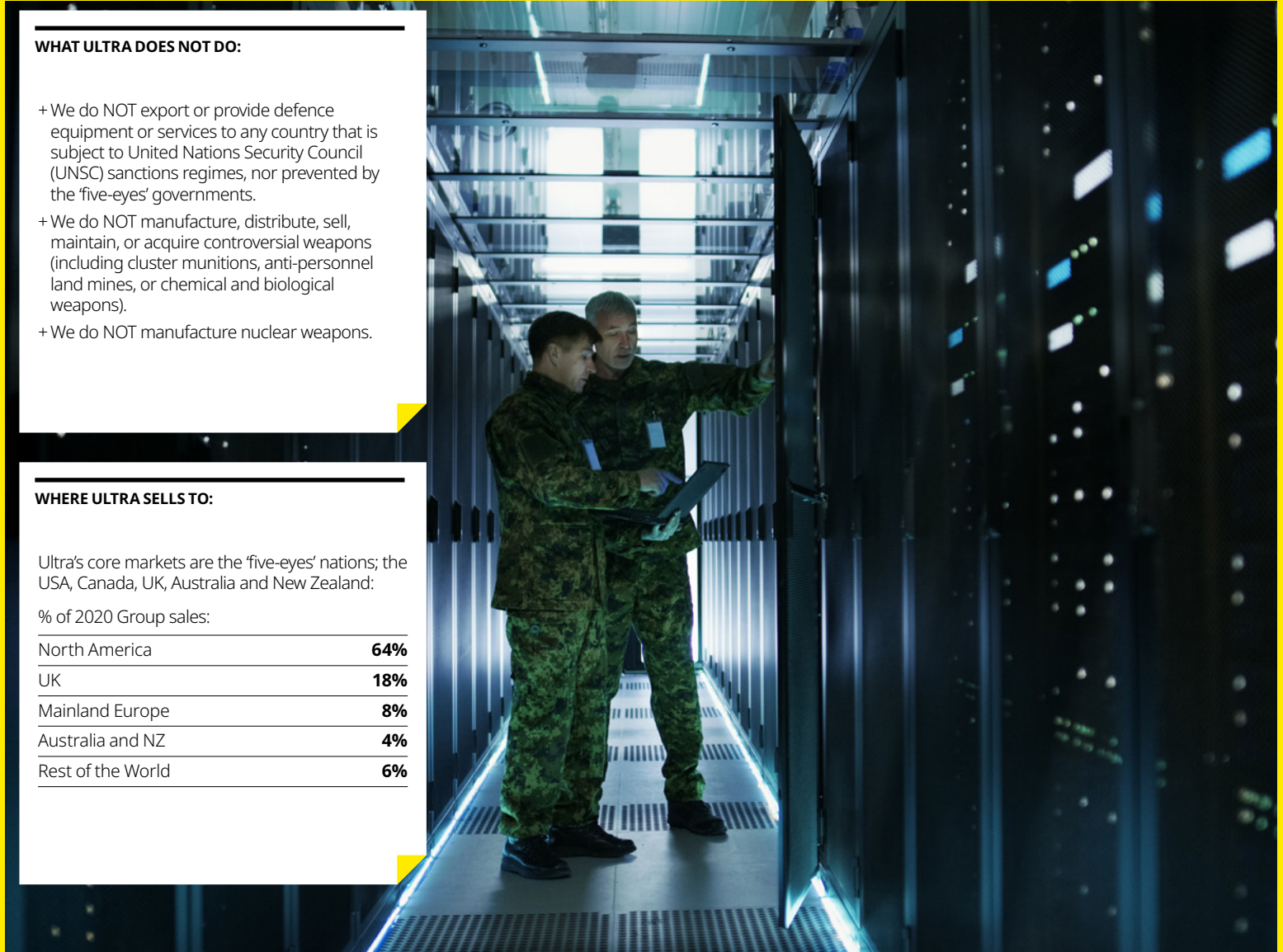
- + We do NOT export or provide defence equipment or services to any country that is subject to United Nations Security Council (UNSC) sanctions regimes, nor prevented by the 'five-eyes' governments.
- + We do NOT manufacture, distribute, sell, maintain, or acquire controversial weapons (including cluster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

WHERE ULTRA SELLS TO:

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

% of 2020 Group sales:

North America	64%
UK	18%
Mainland Europe	8%
Australia and NZ	4%
Rest of the World	6%



WE ARE
Protecting
society

Finding and prosecuting perpetrators of gun crime

Police link crimes, guns and suspects across national borders

A violent transnational gang, operating between Spain and Portugal, has been stopped thanks to diligent police work, rigorous cross border protocols, and an innovative Ultra technology-based program called the INTERPOL Ballistic Information Network (IBIN). IBIN proved its value on the streets of Portugal and Spain, where police using Ultra's IBIS® (Integrated Ballistics Identification System) technology were able to share and leverage their ballistic data to develop two suspects in Spain who were responsible for a series of violent car jackings and a murder in Portugal.

IBIS is able to compare thousands upon thousands of digital signatures from gun cartridge cases at speeds well beyond human capacity, and is able to link evidence to firearms, crimes to crimes, and cases to suspects. Using Ultra's IBIS technology, what previously took firearm examiners months is now accomplished in minutes.

"What originally appeared as isolated crimes became a correlation between 50 crimes, including homicide, attempted homicide and attempted murder against police officers," explains Fernando Dias, the LPC firearm examiner. In all, nine firearms were responsible for the 50 crimes that had occurred across northern Portugal.

"The transnational, organized gang that terrorized regions of northern Portugal no longer exists and more than half of the members are in prison. "The link with Spain was the final piece in the puzzle that allowed us to put an end to this gang," Fernando Dias boasts.



Ultra – A Positive Force

We believe that the only way we can deliver sustainably for all our stakeholders is through consistent alignment and focus on conducting our business ethically, responsibly and sustainably.

Sustainability is integrated throughout our business in strategic planning, risk management, innovation, and many other areas. We actively engage with our stakeholders to understand, anticipate, and address their short- and long-term needs.

In 2020 we launched 'A Positive Force', our commitment to a sustainable future, which focuses on three core areas:-

- 1. Supporting our People
- 2. Protecting our Planet
- 3. Giving Back

Ultra's commitment to 'A Positive Force':

- + Communicate our commitment internally and externally;
- + Make a positive contribution to all our stakeholders;
- + Measure and minimise our impact on the environment;
- + Effective reporting of our ESG (Environmental, Social and Governance) activities and progress against our goals and targets.

A Positive Force

WHAT DOES 'A POSITIVE FORCE' MEAN TO OUR STAKEHOLDERS?

Employees
A Positive Force inspires and supports our employees so they feel they are working for a business that is socially responsible, and supports sustainability. It also allows them to engage with our CSR initiatives.

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.

Sustainability Governance

Our Governance

We are committed to maintaining the highest standards of corporate governance. It is essential to our growth strategy to maintain the trust and business integrity of our stakeholders and deliver value for them over the long-term. ESG is embedded throughout our governance structure and oversight processes, which are set out in full in our 2020 Annual Report and Accounts. This separate report highlights how the sustainability elements of our strategy and governance ensures environmental and social considerations are key in every decision we make.

Overall responsibility for sustainability within Ultra sits with the Board of Directors. The Board believes a solid governance reporting framework is essential to the long-term sustainability of the business. Our CSR Committee develops strategy recommendations on sustainability for the Executive team to review and incorporate into Group strategy. The Executive team recommends the Group strategy to the Board for review and approval and develops actions to deliver it. The Board reviews, challenges and approves the strategy and underlying actions to deliver it. The Board then delegates day-to-day accountability and responsibility for those actions, including sustainability actions, to the Executive team which delivers them in conjunction with, and sometimes through, the CSR Committee. Clear and effective governance structures are in place to support the Board in overseeing the effective execution of these actions. Progress against these actions is monitored by the Executive team through monthly performance and management oversight processes, a summary of which is reviewed by the Board.

The Board sets and reviews our environmental and social risk appetite annually as part of our integrated risk management framework. 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.

CSR Committee

Our CSR (Corporate Social Responsibility) Committee was established in December 2019, and reports into the Executive team. The Committee formally presents to the Executive team at least twice per annum and presents to the Board annually. The Committee comprises a diverse group of representatives from across the business, demonstrating our commitment to improve collaboration, share ideas and best practice and embed sustainability throughout the Group.

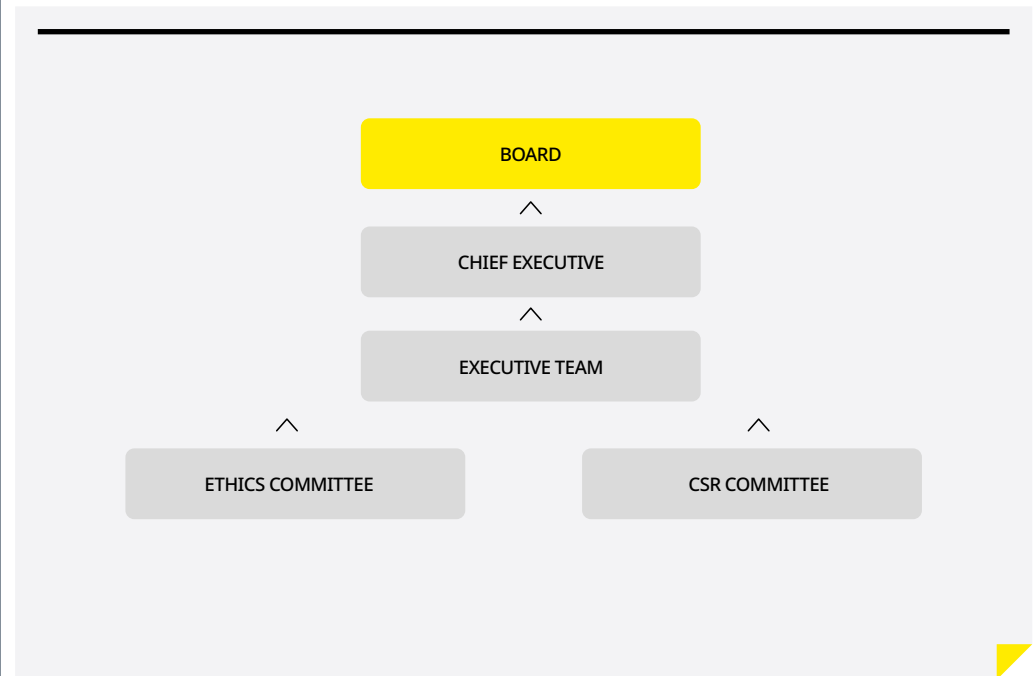
MAIN RESPONSIBILITIES

The primary role of the CSR Committee is to assist the Executive team and Board in:

- + understanding the views of stakeholders of the Company in relation to Environmental and Social (E&S) matters;
- + understanding the Company's impact on communities and the environment and seek to reduce impact where possible;
- + ensuring the processes and mechanisms used by the Company to engage with key stakeholders in relation to E&S matters are fit for purpose and assist in contributing to a wider society;
- + ensuring a Group-wide approach to CSR strategy implementation, promoting and sharing CSR best practice and lessons learnt across our businesses;
- + driving Group-wide initiatives regarding environmental impact reduction and sustainability measures and targets;
- + overseeing activities regarding charitable donations and Group-wide community initiatives;
- + reporting to the Executive team and the Board on the Company's performance against sustainability goals and targets

The CSR Committee made great progress in 2020 and established a group Sustainability framework across the group named 'A Positive Force'.

Local CSR Sub-Committees have also recently been established at operating business level to improve alignment, communication and engagement with greater employee involvement, supporting positive change and enabling us to meet our sustainability goals and targets.



+ ADDITIONAL LINKS

[2020 Annual Report and Accounts](#)

Sustainability Governance continued

Business Integrity

At Ultra, we cultivate a culture of ethical conduct and workplace integrity that strengthens our relationships with employees, customers, and suppliers. This includes our willingness to maintain the highest standards in corporate governance, to go beyond the law in doing the right thing, to be always transparent and forthright in the conduct of our business.

In July 2020, we launched our new 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. The training was split into two modules and launched to all employees in local languages. We also relaunched our Speak Up platform, which is our global whistleblower channel for employees to ask questions or report concerns they think may be a violation of our ASPIRE values or 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. We will be reviewing the Code of Conduct annually to reflect the needs of our business, regulations and best practice.

Anti-bribery and corruption

The Company has a zero-tolerance approach to bribery and corruption anywhere in the world. This message is emphasised in the Company's new Code of Conduct, which also includes practical examples of corrupt behaviour that is not tolerated, and points employees to specific policies containing more information on all aspects of anti-bribery and corruption (ABC).

As part of internal controls enhancements during the year, the previous anti-bribery corruption policy, gifts and hospitality policy and selection and management of intermediaries policy were consolidated into a single ABC Manual, which was approved by the Board and re-launched in Q3 2020. The Company has implemented an annual review cycle in respect of the ABC Manual.

The Company's Board members, officers and other workers were required to complete interactive, tailored, online ABC training provided by NAVEX Global. Core training was mandated for all, with more advanced modules for those within the Company operating in a higher-risk environment. All our Directors completed the advanced ABC training modules. Third-party Risks training was mandated for workers responsible for managing intermediaries and associated persons. In addition to this enhanced training, bespoke in-person and virtual ABC training was delivered by the Company's lawyers to Executive team members.

The Internal Audit function conducted a review of the Company's ABC policies and procedures in 2020 and ABC controls have formed part of the controls environment reviewed by Internal Audit in Business Unit reviews. ABC compliance with the manual will be a specific controls focus area from 2021.



Ethics Committee

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

The Ethics 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 Ethics Committee challenges management where necessary and, where applicable, provides impartial advice on how ethical and cultural matters could be improved.

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

Sustainability Governance

continued

Reporting and assurance

Reporting channels and Resources

In 2020 we enhanced our internal reporting through the establishment of a global intranet – the ‘Ultranet’ – with weekly newsletters from the Ultranet News and monthly Townhall meetings.

In parallel, this is our first Sustainability Report which we intend to publish annually alongside our annual report and accounts to highlight our commitment to sustainability.

We have also expanded the sustainability section of our website to provide our stakeholders with year-round information regarding our sustainability progress.

Ultra publishes a range of resources that provide further information which can be accessed on the links on this page.

Frameworks and Standards

The three pillars of our sustainability plan, ‘Supporting our People’, ‘Protecting our Planet’ 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 2021 and beyond.

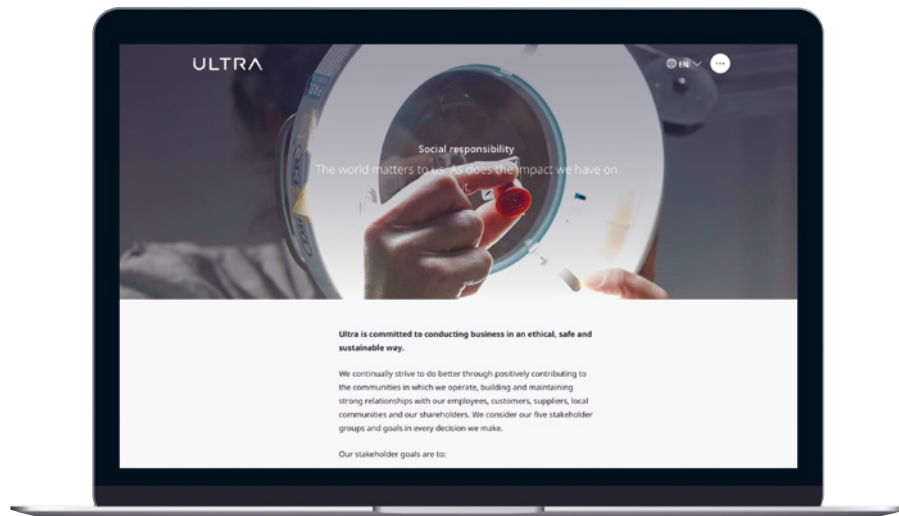
Task Force on Climate-Related Financial Disclosures (TCFD)

The table on the right should be read in conjunction with the following sections of our full 2020 Annual Report and Accounts:

- + Principal Risks and uncertainties pages 54-57
- + Audit Committee Report pages 85-87

OUR PROGRESS TOWARDS THE TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

Governance	Our Executive Team, and ultimately our Board, are responsible for assessing and managing relevant climate related risks and opportunities.
Strategy	We have set a target for reduction of 10% of GHG emissions relative to revenue (tCO2e/£m) for 2021 (against the 2019 GHG emission baseline).
Risk management	Climate related risks are integrated into our risk assessment process and are assessed using our risk framework. Climate related risks are reviewed by the board and monitored regularly through our risk management process. We have thorough processes in place for assessing and managing climate related risks, which are integrated into our overall risk management framework.
Metrics and targets	Climate-related targets have been set for 2021. We monitor our scope 1, scope 2 and required elements of scope 3 GHG emissions, and the related risks. We are expanding our metrics to include further scope 3 emissions elements progressively from 2021. We have integrated carbon emissions into our KPIs to help us manage climate-related risks and opportunities and performance against targets.






+ ADDITIONAL LINKS

- | | |
|--|---------------------------------|
| ultra.group | Code of Conduct |
| Policy Summaries | LinkedIn |
| ONE Ultra Forces Charter | Twitter |
| 2020 Annual Report | |

Stakeholder engagement



ONE Ultra is all about us delivering extraordinary and sustainable outcomes for all our stakeholders. As part of developing our vision and strategy for ONE Ultra, and after consulting with them, we defined for each of our stakeholder groups what extraordinary performance would look like at the end of 2024 and developed key performance indicators with specific targets that monitor delivery for them.

Each year Ultra develops specific actions and sets annual delivery targets to ensure we can meet our 2024 goals for each of our stakeholders. Our progress in 2020 and our 2021 goals are detailed here.

2024 STAKEHOLDER GOAL	PROGRESS IN 2020	COMMENTARY	2021 GOALS
 <p>Employees: Create a dynamic, inclusive and inspiring work environment that attracts, develops and retains the best diverse talent pool</p>	<ul style="list-style-type: none"> + 75.5% engagement score, above our internal target + More than 50% of critical management roles filled by internal candidates + More than 26% of management roles are held by women + Succession plans in place for all key management roles + Less than 10% Group employee voluntary turnover 	<p>Our engagement score rose to 75.5%, well ahead of our 2020 goal and we've delivered against our diversity and inclusion, training and leadership objectives.</p> <ul style="list-style-type: none"> + We've been agile in adapting to the new working environment with a launch of our global home-working policy. + We have improved the strength of our leadership group. We have more work to do to achieve our aspiration, especially around the diversity of this talent and building a stronger bench below the Operating Business Unit (OBU) Leadership Team level. This year, in conjunction with Duke University, we created a Leading Star, Next Generation Star and Emerging Star training course for current and future leaders. 	<ul style="list-style-type: none"> + Increase employee engagement score + Reduce voluntary turnover + Two Ultra Way sprints per month
 <p>Customers: To partner with customers, delivering innovative solutions that create 'win-win' outcomes for all parties</p>	<ul style="list-style-type: none"> + Delivered share gains in Strategic Business Units 10% more than the market + Appointed new Chief Technology Officer 	<ul style="list-style-type: none"> + For the first time, we have a cross-Group technology roadmap that will inform our future investment decisions. We have some great innovation happening in areas such as sonobuoys, advanced C2I/Comms networking, adaptive detection and visualisation and specialist surface radar + On-time delivery of production contracts increased in the year from 76.2% to 82.8%. This reflects the improvements made to Project Management excellence and operational oversight as part of our FIX workstreams, however we recognise there is still a way to go to bring this up to our targeted level. 	<ul style="list-style-type: none"> + Improve Solution Vitality Index + Improve customer feedback score + Improve labour productivity + Reduce cost of poor quality + Improve on time delivery
 <p>Suppliers: Develop group-wide partners with like-minded values that provide best-value solutions, technical innovation and support mutual success, fairness and respect</p>	<ul style="list-style-type: none"> + Appointed new Head of Group Procurement + Developed a new centre-led, category-based operating model that optimises procurement and ensures the organisation works together effectively to deliver the most value possible on our external spend 	<ul style="list-style-type: none"> + Covid-19 and Brexit brought the procurement teams across the Group together and allowed us to solve problems with suppliers at a Group level. + This collaboration was impressive and we were able to avoid any significant disruptions. Our trusted suppliers were key to helping us to look ahead and adjust our orders and inventory. + Explaining our vision of procurement to suppliers allowed them to support us and help identify opportunities in key categories. 	<ul style="list-style-type: none"> + Reduce total cost of procurement + Reduce late supplier deliveries

Stakeholder engagement

continued

2024 STAKEHOLDER GOAL	PROGRESS IN 2020	COMMENTARY	2021 GOALS
 <p>Communities: To conduct business in an ethical, safe and sustainable way, acting as a positive force and making an active contribution to our communities</p>	<ul style="list-style-type: none"> + Corporate Social Responsibility (CSR) Group strategy + Environmental reduction targets set + Footprint reduction targets set + Group approach to health and safety created + Launched charitable matching scheme + Code of conduct launched to all employees 	<ul style="list-style-type: none"> + We launched our CSR Steering Committee, who launched 'A Positive Force' our commitment to a sustainable future in Q4 2020. + In addition, we set 2021 emission reduction targets and commenced a number of other Group initiatives to support our sustainability goals, including setting targets to improve revenue per square foot and reduction of physical locations, and reduce our consumption of single-use plastics. + 2020 also saw the launch of our Covid-19 fund, and \$220,000 was donated during the pandemic. Our giving back framework of communities days and matched funding was also launched in Q1 2021. + Our Health & Safety goal is to align to the international standard ISO45001 H&S Management Standard. Alignment to this standard will start across our businesses in 2021. 	<ul style="list-style-type: none"> + Reduce carbon emissions by 10% vs 2019 + Near miss reportable accidents to increase + Refine sustainability measures and set targets for 2022 and beyond
 <p>Investors: Deliver outstanding through-cycle value for shareholders, through effective execution of Ultra's strategy</p>	<ul style="list-style-type: none"> + Delivered market share gains + Grew order and revenue book + Operating margin grew + Improved Average Working Capital Turn + Improved ROIC 	<p>After delaying payment of the 2019 full year dividend in March 2020 by withdrawing the proposed recommendation from the 2020 AGM, the Ultra Board confirmed in July 2020 that our liquidity position had remained strong during the pandemic. An additional interim dividend equivalent to the 2019 final dividend, and a 'normal' 2020 interim dividend, were paid in full in September 2020.</p> <ul style="list-style-type: none"> + We met all our financial and market share targets in 2020, with particularly strong operating margin, cash flow and ROIC performance. 	<ul style="list-style-type: none"> + Improve net operating profit margin before transformation costs + Improve order book and sales above our core markets + Improve working capital turns

Our Sustainability focus areas

Supporting our People

This Sustainability Report, our first consolidated disclosure of this nature, focuses on the key ESG areas relevant to our business and stakeholders. Understanding and prioritising the ESG topics on which our business has the biggest impact allows us to focus and report on the key issues our stakeholders are facing. These pillars were created through our CSR Committee and endorsed by the Executive team and Board. They are the foundation of our 'A Positive Force' commitment to a sustainable future.



Our people and culture

Our employee goal at Ultra is to create an inclusive, inspiring and dynamic work environment that attracts, develops and retains the best diverse talent. Understanding what motivates our employees and how we can support their wellbeing helps us to provide a supportive workplace with opportunities that enrich skills and experience.

In Q1 of 2019 we set out an ambitious People strategy with several initiatives, focused around six HR pillars, and we have made significant progress in delivering against these. See our 2020 Annual Report and Accounts for more detail on what we have been doing across each of these six pillars.



Ultra's six HR pillars:

1. Build the Talent Pipeline
2. Strengthen leadership and functional capability
3. Compelling Reward and Recognition
4. Succeed through Diversity
5. Create a winning culture
6. Transform our business

In 2020, we concentrated our efforts on:

- + Starting the alignment of all our businesses with global ISO 45001 Health and Safety management standard moving towards a global strategy
- + Launching our new Code of Conduct
- + Supporting the health and wellbeing of our employees during Covid-19 through locally led initiatives and our group Reward Hub
- + Creating our ONE Ultra Forces Charter for Military and other Forces' Veterans, Reservists and their families across all territories, highlighting Ultra as a Forces friendly employer
- + Supporting and encouraging academic and STEM (Science, Technology, Engineering and Maths) engagement in our communities
- + Creation of Uniquely Ultra – supporting increased Diversity, Equity and Inclusion across all our businesses
- + Improving internal recruitment and developing our talent

IN OUR 'SUPPORTING OUR PEOPLE' PILLAR WE HAVE FOCUSED ON FOUR CORE AREAS:

1. Diversity and inclusion
2. Developing our people
3. Health and wellbeing
4. Information security

Supporting our People
continued

Diversity and inclusion

Improving diversity, equity and inclusion is a priority for us. During the year, we refreshed our strategy and looked to accelerate its implementation. We appointed a full-time senior leader accountable for the implementation of this strategy, reporting to the Global HR Director. Our approach focuses on three key areas: inclusive workplace; diverse people; and social responsibility.

We strive to build and nurture an inclusive workplace in which all our employees give their best for our customers and are recognised and rewarded for their contribution. Some of our key progress in 2020 is detailed below:

- + Unconscious bias in the workplace impacts our recruitment decisions and employee development, impairing diversity and retention rates, as well as promoting a disconnected culture. In 2020, partnering with external experts, we delivered unconscious bias workshops for all our 170 leaders. These sessions provided pragmatic understanding of the neuroscience behind unconscious bias and clear, research-based and practical actions to tackle bias and increase inclusion across Ultra. In January 2021, we will be inviting all line managers (600+ colleagues) to attend the workshop, enabling us to engage all employees on this topic through e-learning and team discussions.
- + In 2020, we launched 'Strategies for Success', a programme developed for our current and future female leaders. This initiative helps build a stronger pipeline of diverse talent with an objective to unlock the potential of women in Ultra. We are already achieving positive results: 13% of the participants have been promoted; 18% have moved roles; 64% have taken on stretch assignments; and 90% have formal mentors. Phase two will be developed in early 2021, giving more female leaders the opportunity to take part in the programme, while continuing the development of the 2020 cohort members through an ongoing series of learning interventions and network events.

+ 2020 also saw the creation of the Uniquely Ultra employee group. These ~100 volunteers have been pivotal in the development of our strategy, what we want to achieve and the plan of activities for 2021. As representatives of all our employees, the Uniquely Ultra team will be central in the expansion of our diversity, equity and inclusion pursuits throughout 2021 and beyond.

+ We have a range of policies in place to help employees achieve balance between their work commitments and personal priorities. In 2020, we revised our Equality and Diversity, Bullying and Harassment, and Family policies to align to our strategy and values and behaviours. We are committed to treating everyone with fairness, dignity and respect.

+ Building awareness and engagement in science, technology, engineering and maths (STEM) with young people from an early age is a key focus of Ultra. Many of our local businesses engage in STEM outreach programmes with activities such as internships, engaging in academic boards, guest lectures, joint R&D activities, plant tours and supporting technical projects. 2021 will see us coordinate and amplify these activities further. We continue to focus on early-career recruitment as an opportunity to bring more diverse talent into the organisation.

We also made great progress in 2020 on gender diversity, with one in three people that we hired into leadership positions identifying as women, and now over 25% of Ultra's senior leadership are women. For more details on gender equality and our gender pay gap please see our 2020 Gender pay gap report, published on our website.

We still want to go further on all aspects of diversity. In 2021, working with external experts, we will work with expert organisations for neurodiversity and LGBTQ+, to further us along our journey where everyone can thrive and bring their whole self to work.

We are making great progress with our HR strategy and have a strong plan in place with the resources to support its delivery over the coming years. With the implementation of our Global myHR people solution, we will be able to draw more data insights from the information that we have, to drive the right interventions that have a positive impact across Ultra. We will use this to refresh our People plan during 2021.



GENDER DIVERSITY AND ULTRA'S BOARD

Within Ultra's plc Board, we have 25% women and one of BAME origin. We will work towards meeting the Hampton-Alexander gender target of 33% as we continue to refresh our board composition. The Parker report recommendation to have at least one Director from a non-white ethnic minority is met. As our Board is refreshed, whilst we appoint on merit, we are conscious of the need to ensure we have diverse representation, and this will continue to be a key area of focus for the Nomination Committee.



Supporting our People
continued



Strategies for Success (S4S) Women's leadership group

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'. At present, only 23% of our total workforce are women, with a much smaller percentage of these occupying senior leadership positions. This doesn't represent the business that we want to be, and we are committed to driving progress to improve in this area.

To help build a stronger pipeline of diverse talent, and to unlock the potential of women in Ultra, we have 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 S4S programme enables the women to:

- + Explore ways to further take control of their career through building greater belief in themselves and others
- + Explore personal work and leadership style and reflect on the impact this has on their career success and future progression
- + Build a clear development plan that maximises career potential

To deliver the programme, we created an S4S community for our 80 women leaders which promotes dialogue and is a learning space to share experiences and challenges. It is also a place to hear about seminars and webinars relating to women-specific topics.

Feedback from our female leaders:

At the end of 2020, we surveyed our four cohorts of 20 women leaders to fully understand the effectiveness of our S4S programme. We are pleased to have helped our employees improve their confidence by over 1.5 points.

Testimonies:

"I feel it has given me a real boost in my morale and I'm very positive about the steps Ultra are taking to promote women within the organisation. There is a very positive shift in the new Ultra mindset. I am very proud to be a part of this transformation."

"The mentoring programme, along with all the activities related to the S4S programme, has allowed me to actively focus on what I want to achieve with my career and professional growth. It serves as a constant reminder to push myself to learn, gives me motivation to grow, and reminds me of the successes I've achieved. All of these impact my day-to-day activities and aid in becoming a better employee."



Uniquely Ultra diversity networking group

Uniquely Ultra is the Group's Diversity and Inclusion employee steering group. In 2020, we asked for employee volunteers to help us shape our diversity, equity and inclusion agenda. We were delighted when ~100 employees stepped forward.

Through workshops and focused working groups we have made huge strides developing our mission statement, strategic plan, and actions for 2021 and beyond. This has enabled us to begin to describe how our employees can build on fostering even more diverse workforces and inclusive workplaces in 2021.



Supporting our People continued

Developing our people

Strengthening our Leadership capability

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. Couple this with the transformation agenda that we have over the next few years, and the ask 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 2020, we have invested in and further developed several key initiatives to enable us to succeed in developing our diverse leadership team, these include:

- + Improving our operating model, which has been effective from January 2021. Specifically, within the Maritime and Intelligence & Communications Strategic Business Units (SBUs), we created four Operating Business Units (OBUs) in each SBU. 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. As a basis of our 360-feedback process which has been designed and will be launched in Q2 of 2021.

- + In partnership with Duke Corporate Education we have designed an 18-month leadership development programme for four different cohorts: Leading Stars, Next Generation Stars, Rising Stars, and Emerging Stars with 120 participants in total. Module 1 was delivered in November/December with an overall rating of 4.3 out of 5.0.
- + Creating a Manager Fundamentals programme, to include a community on our Group intranet, where we invited 600+ managers to the platform. This community is regularly updated with content focused on improving the way we manage and develop talent. Topics have included: Transforming Ultra, Diversity & Inclusion, Interviewing Skills, Manager Role Expectations, Communication Skills, Change Management, and Conflict Resolution.
- + Creating a mentor programme with a comprehensive toolkit. This is currently being trialled with our Strategies for Success development programme. It will be launched to the wider Group in 2021.
- + Launching LinkedIn Learning across the organisation, enabling us to deliver more e-learning content to our employees, leaders and development groups.

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'.

STEM EDUCATION

STEM activities in schools, colleges and universities are supported across all our businesses, and within our supply chain.

Our STEM outreach forms the basis of many of our local activities. We have many STEM ambassadors across the Group – a network we are keen to expand further to help inspire the next generation of scientists and engineers. Here are some examples of our achievements in 2020:

- + Our North American teams participated in over 17 in-person and virtual STEM fairs
- + We partnered with Texas Tech University, Texas A&M University and the University of Texas to provide internships to hire new talent. We are also working with the Texas A&M Engineering Experiment Station to start a mentorship programme and pipeline into Ultra of their AI talent, utilising their Innovation Centre for testing activities and teaming with them to chase opportunities
- + We continued our partnership with Budmouth College's CEIL Programme (Centre of Excellence for Industrial Liaison) providing work placements and interviews/soft skills for students, as well helping their 'BudSat' cube satellite team with regular engineering support and mentoring
- + We have built a strong relationship with Lancaster University including lecturing on courses, providing summer placements, year in industry, BSc/MSc projects and product development
- + We sponsored two women scholars through Arkwright Engineering Scholarships



- + In Australia, we awarded a student our inaugural scholarship in partnership with the Playford Memorial Trust Scholarship. In addition, we also hosted two interns in Australia through the Defence Industry Internship Program, one of whom will be commencing permanent employment at Ultra in 2021.

Supporting our People continued

Health & Wellbeing

Mental Health & 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 employees, which enable them to access advice and counselling 24/7. Mental health and wellbeing are important to us. We aim to promote early intervention which enables quicker recovery, reduces stigma and creates a positive culture.

Human rights

We recognise our responsibility to respect the human rights of every individual who works for us – either as an employee, through our supply chain or within one of our communities close to our operations – as set out in the International Bill of Human Rights, and the eight fundamental conventions on which the United Nations Guiding Principles on Business and Human Rights are based. If any of our employees have concerns about human rights issues within the business and they feel they are unable to raise concerns through normal reporting lines, they can raise concerns through the Speak Up platform, which is our independent whistleblowing hotline and portal. Our modern slavery statement can also be found at www.ultra.group.

Health & Safety

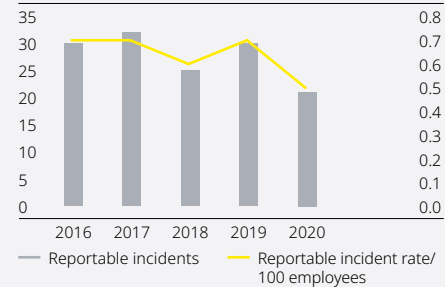
The well-being and safety of Ultra's employees remains a vital priority for the Board, Executive Team and all business leadership, not just as an ethical pillar of social responsibility, but because a healthy, valued team working in a safe environment is a foundation-stone of high performance. We are 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 has been a vital pre-requisite to continuing operations

throughout 2020 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 well-being of people through the tail end of the pandemic, and also 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.

All operating businesses are required to adhere to a written health and safety policy, fully compliant for the jurisdictions in which we operate, with local management owning the day-to-day health and safety risk management for the people in their charge. The businesses manage a range of safety risks, from office and light manufacturing environments, to providing services at customer sites or units, including military bases and platforms. Businesses report safety-related incidents and KPIs covering lost time accidents and externally reportable incidents, including rates per 1,000 employees as an embedded part of the monthly Business Performance Report which is reviewed by the Executive Team. Safety performance and strategy are reviewed by the Board as a specific concern annually, and safety is the first item on the agenda of every Board and Executive Team meeting. Externally reportable incidents and rates per 100 employees are show in Figure 1.

The safety of the products and services provided to users and customers is also a key priority for Ultra. Each business ensures the appropriate legal and ethical levels of safety are met across a product's lifecycle, with particular emphasis on the manufacturing, in-service and disposal phases.

FIGURE 1
EXTERNALLY REPORTABLE INCIDENTS



+ ADDITIONAL LINKS

[2020 Annual Report & Accounts](#)

Supporting our People
continued



Supporting our workforce during Covid-19 – Flexible working

In March 2020, our IT team enabled 2,400 employees to become remote workers within two weeks of Covid-19 global lockdowns. Eight months later, we launched our Global Home-Working Policy (for roles where this can be done). It includes a common way to conduct risk assessments to ensure that we set our employees up effectively and safely to work from home and a common way to apply for a change to current working practices.

To underpin this new policy, we will also be working on how we can support employees from a mental and physical well-being perspective if they can work from home, as well as training for employees and managers on how to make virtual/remote working individually and in teams work effectively.

Our businesses provide tools, well-being programmes and support that enable colleagues to balance their work-life with their commitments, supporting career development opportunities at each life stage.

We offer a range of health and well-being benefits, including Employee Assistance Programmes, a comprehensive wellness programme as part of our US benefits provision, and virtual team drinks and events. The content available depends on where our employees are based. For example, Ultra employees can get discounted rates at gyms and health clubs, health screening, private health insurance and private dental in a number of locations globally.



One Ultra One Safety, Think Safe, Act Safe, Be Safe

In line with the wider transformation to become ONE Ultra, the strategy in health and safety is to move to a ONE Ultra One Safety culture, built on common principles and policies while retaining the flexibility to ensure we meet local as well as Group-wide compliance needs. In 2020 we established a central Health, Safety & Environment (HS&E) working group, to set the agenda and goals for alignment which we will be rolling out from 2021. These include alignment globally to a single management system as a baseline for achieving ISO 45001 accreditation as our benchmark standard for all operating sites starting from 2022. In addition, we are unifying our approach to training and communicating for HS&E as the basis for development of a single safety culture.

2021 AREAS OF FOCUS FOR OUR 'SUPPORTING OUR PEOPLE' PILLAR:

- + STEM Engagement – supporting our HR initiative in conjunction with Uniquely Ultra, increasing and developing our academic and STEM engagement
- + ONE Ultra Forces Charter – supporting Military and other forces veterans, reservists and their families – forces friendly employer
- + ONE Ultra alignment to ISO 45001 – Health & Safety Management, for accreditation from 2022
- + Health & Well-being – Well-being of our personnel and communities through focused local initiatives
- + ONE Ultra alignment to ISO 26000 Social Responsibility guidance

Information security

Data Protection, Privacy and Security

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

We respect the privacy of personal data and apply appropriate technical, organisational and security measures to protect it. All personal data is processed and secured in accordance with applicable data protection and privacy law and Ultra security frameworks. Ultra uses an internally developed solution named Corvid to deliver proactive and intelligence-driven cyber security, designed to both detect and defend Ultra against cyber-attacks. Regular security audits and assessments take place across Ultra's whole network.

Ultra produces clear and transparent Privacy Notices describing how personal data is collected and processed. These commitments ensure that our stakeholders can be confident that their personal data remains protected, and their rights are respected.

Ultra has appointed a Group Data Protection Officer to oversee data protection and privacy activity across the Ultra business and a network of Privacy Champions in each Strategic Business Unit & Operating Business Unit to provide daily support. Joiners attend training during the onboarding process and all employees attend training every two years, or more frequently depending on their role.

Ultra holds ISO 27001 accreditation for identified information security management systems operated within our business units, demonstrating compliance with scope requirements.

Ultra's full Data Protection policy can be found on www.ultra.group

+ ADDITIONAL LINKS

[Data Protection Policy](#)

[Corvid Cyber Security](#)

Protecting our Planet



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. Environmental sustainability is therefore a growing and vital part of Ultra's sustainability strategy.

Our Environmental Strategy

In our first 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 align 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 – starting with a ONE Ultra Single Use Plastics Policy
- + Reducing our waste and Carbon emissions through sharing and implementing ongoing Environmental initiatives across our businesses

Developing Our Environmental Approach – 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 accreditation unifying our environmental management system across our businesses.

In 2020, Ultra has also started 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) 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.

IN OUR 'PROTECTING OUR PLANET PILLAR' WE HAVE FOCUSED ON THREE CORE AREAS:

1. Climate Change, Energy and Emissions
2. Pollution, Waste, Biodiversity and Habitat
3. Our technology & products

Climate Change, Energy and Emissions

Climate-related factors are specifically considered as part of our embedded risk review processes, which take account of near and longer-term risks. For risk management, addressing the potential impacts of

climate change plays a crucial role in our long-term approach to sustainability, and this year we have identified climate change as a potential root cause to emerging risks to our operating and global market environments within our 10-year strategic planning timeframe. Our business-wide risk review exercise in 2021, which is integrated into the strategic planning process, will include specific climate change scenarios of temperature increases up to 2 degrees Celsius (in line with the Science based targets initiative) and testing of potential impacts including related natural catastrophe predictions, impacts on markets and changing regulation.

2020 emissions

2020 proved a challenging year with changes to our operational model and ways of working in the face of the Covid-19 pandemic. Our factories remained fully operational throughout the pandemic, with up to 60% of our staff moving to work from home; we are taking positive lessons from the change in ways of working and are integrating them into our developing ESG strategies, for the benefit of all our stakeholders to make our organisation more efficient and improve our environmental performance.

Streamlined Energy and Carbon Reporting (SECR) framework and UK Energy Savings Opportunity Scheme (ESOS)

The Group's increasing focus on sustainability and its carbon footprint are reflected in us establishing an Ultra CSR Committee. We were registered under the UK Carbon Reduction Commitment (CRC) run by the UK Environment Agency. This scheme came to an end last year and has been replaced by the SECR framework. We have made our first submission under this new scheme in 2020. In addition, Ultra implemented the viable recommendations from the 2019 independent UK ESOS energy review which was conducted in compliance with phase 2 of the scheme. ESOS operates on four-yearly compliance phases with the next review for compliance under ESOS phase 3 due by the end of 2023.

In 2020, Ultra started the process of developing an energy management system which will provide the baseline for future accreditation to ISO 50001 Energy Management standard, an international standard recognising organisations that enhance their energy performance by implementing an energy management system based on a model of continual improvement. This activity will further support the reduction of Ultra's energy use and associated cost.

Energy Efficiency Measures Undertaken 2020

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

- + Replacing old halogen, T8 and inefficient lamps with low-energy LED's.
- + Replaced ageing office equipment with energy-efficient products.
- + Expanded video conferencing and online meetings (as opposed to face-to-face meetings).
- + Older, inefficient boilers have been replaced, 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 video conferencing facilities which has demonstrably improved our teams' effectiveness
- + A new Company car policy to encourage lowering emissions and making electric cars more accessible, including the installation of charging points at some of our premises
- + Revised travel policies to refocus our team on essential travel only

We have set a target for reduction of 10% of GHG emissions relative to revenue (tCO2e/£m) for 2021 (against the 2019 GHG emission baseline). Ultra supports and 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 page 7 of this report.

Protecting our Planet continued

Encouraging employees in the workplace to reduce carbon emissions

Making small changes to our everyday workday makes a big difference in reducing our environmental impact as a Group. We think about how we can save energy and resources and actively encourage our employees to:

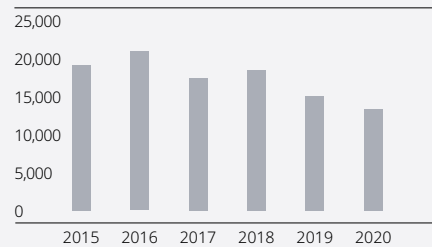
- + Remember to turn lights off when not needed
- + Switch off equipment, including PCs and laptops, when not in use
- + Print only when necessary to reduce both energy and paper usage
- + Reuse and recycling wherever possible with an aim to eliminate single-use plastics across our sites
- + Use materials and packaging efficiently, reusing where possible/practicable
- + Consider if travel is essential – even to our own offices!
- + Work with our customers and suppliers to identify ways to reduce the environmental impact of our operations.

2020 emissions

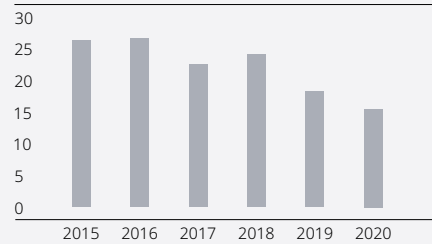
Total scope 1 to 3 emissions measured for 2020 was 13,409 tonnes, which relative to revenue equates to 15.6 tCO₂e per £m of revenue. These are broken down by scope and region in Figures 5A and 5B.

Emissions with comparative prior-year's data for combined scope 1 and 2 emissions (scope 3 data not available for prior years) are shown in Figure 4A, for tCO₂e and emissions relative to revenue. Declines in 2019 and 2020 reflect action to reduce relative emissions and activity changes resulting from Covid 19.

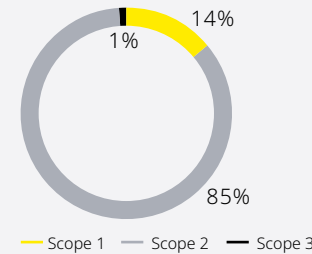
**FIGURE 4A
COMBINED SCOPE 1 AND 2 EMISSIONS FROM ALL ULTRA BUSINESSES**



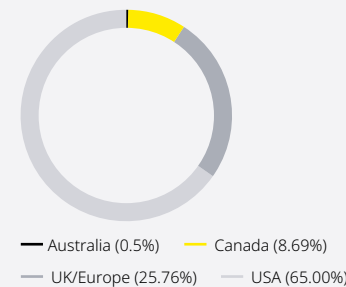
**FIGURE 4B
COMBINED SCOPE 1 AND SCOPE 2 INTENSITY METRIC: tCO₂e / £M REVENUE**



**FIGURE 5A
TOTAL EMISSIONS BY SCOPE tCO₂e**



**FIGURE 5B
TOTAL tCO₂e EMISSIONS BY REGION %**



Pollution, Waste, Biodiversity and Habitat

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, for example in our single-use plastics reduction initiative. We are revising our approach in 2021 to monitoring and reporting of packaging waste to broaden the scope of previously reported UK only data under ONE Ultra.

Protection of the environment, biodiversity and restoration of natural habitats

As a responsible corporate citizen, 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 2020, Ultra actively supported maintaining biodiversity by:

- + Continuing our 'reduce, reuse, recycle' initiative across all of 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 new endangered habitats – examples of which include supporting the New England Aquarium
- + Supporting biodiversity partnerships local to our businesses, e.g. employee volunteering at local Wildlife Trusts. Ultra will build on the progress made in these initiatives in 2021.

Protecting our Planet continued

WE ARE THINKING differently

Covid-19 – speeding up our reduction in emissions

Ultra is not a heavy manufacturing or mass production business therefore most of our emissions come from energy consumption in our facilities and from business travel.

In late 2020, we started the alignment of our businesses to ISO 50001 Energy Management Standard, understanding what we need to do to bring all our Ultra sites to one common standard. This focus has allowed us to consider many small changes which accumulate to a net year-on-year reduction in our GHG emissions (vs. 2019 base).

Covid-19, whilst disruptive, has encouraged our teams to be agile and to think differently about our impact on the world around us – including how we can have a positive impact on our GHG emissions.

We have taken the opportunity in 2020 to update our policies and practices to actively take steps towards year on year reduced emissions including:

- + Moving our facilities to energy agreements sourced from clean energy when they expire (where applicable/possible)
- + Improving our video conferencing facilities across all of our sites therefore reducing the number of people travelling between them both nationally and internationally
- + Improving our Flexible working (including specifically Home Working) policies
- + Improving our working practices, working closely with our stakeholders, to encourage the reduction of business and commuting travel
- + Adoption of hybrid and electric vehicles and associated infrastructure where possible/ applicable

WE ARE THINKING responsible

Our new single use plastic policy

Single-use plastics are choking our natural environment. Although many plastics are recyclable, it is often not cost effective to recycle and millions of tons of plastic waste is dumped into oceans and landfills every year, causing harm to our environment and ecosystems. We were therefore pleased to launch our ONE Ultra Single-Use Plastics Policy in late 2020, its aim to actively reduce Ultra's plastic usage and waste across all our sites.

Our new policy aims to:

- + Demonstrate our collective commitment to tackle unnecessary plastic usage
- + Drive continuous improvement to significantly reduce single-use plastic usage and waste
- + Work with all of our stakeholders to drive awareness and encourage our teams to seek suitable alternatives to plastic
- + Measure, and report on, plastic usage to ensure it declines over time

The CSR Committee have arranged for every employee to be issued with an Ultra branded reusable tumbler or water bottle worldwide.

This will support our target of reducing all single use plastics across all our sites in 2021 by 20%.



Protecting our Planet continued

Our technology & products

Our technology, products and the environment

We are very 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'.

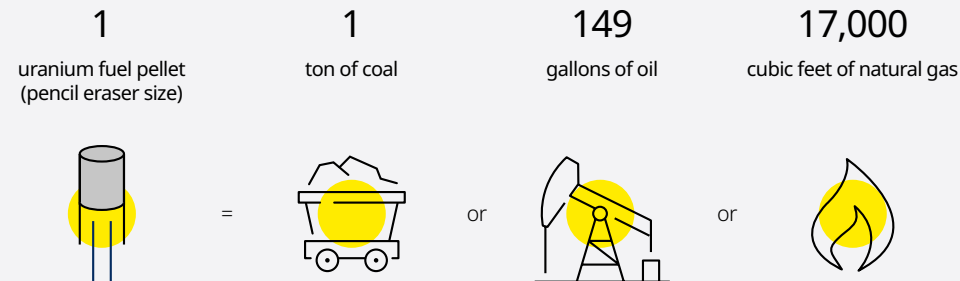
In every market where we operate, Ultra's work is about using our know-how and ingenuity to protect and defend what matters. We know that technology and harnessing technological innovation is key to supporting sustainable development. We are investing in our engineering teams across the Group, providing 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, 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 plan will seek to crystallise a wider opportunity to differentiate ourselves more widely within our sector, through living our values and embedding environment and sustainability factors into how we do business to meet the needs of our communities as 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. 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.

NUCLEAR ENERGY PRODUCTS



Nuclear Energy Generation forms a crucial part of limiting worldwide carbon emissions. Uranium is an abundant metal and is full of energy: one uranium fuel pellet creates as much energy as one ton of coal, 149 gallons of oil or 17,000 cubic feet of natural gas. (source: www.nei.org).

According to the United Nations, limiting global warming to 1.5°C above pre-industrial levels is necessary to avoid catastrophic consequences

and irreversible changes. To limit the global temperature increase, 90% of electricity in 2050 will likely need to be from low carbon options. Ultra's Energy business contributes directly to this effort, focusing predominantly on producing critical sensors and controls systems for nuclear power generation, a zero-emission clean energy source that prevents the addition of billions of metric tons of carbon emissions each year compared with coal or gas fired generation.

2021 AREAS OF FOCUS FOR OUR 'PROTECTING OUR PLANET' PILLAR:

- + Global alignment to ISO 14001 – Environmental Management System for accreditation from 2022
- + ONE Ultra development of Energy Management System as basis for future accreditation to ISO 50001 – the international Energy Management Standard
- + We have set a target for reduction of 10% of GHG emissions relative to revenue (tCO₂e/£m) for 2021 (against the 2019 GHG emission baseline)
- + ONE Ultra Single-Use Plastic Policy – limited single-use plastic across sites, including a specific target to reduce our consumption of single-use plastics by 20% in 2021

Giving back



Ultra actively supports the local communities in which we operate. We believe that by working with local partners towards shared goals, and by empowering our teams to engage with local people, we can create lasting positive contributions that promote social and economic development.

Ultra supports our employees' involvement in social initiatives to make a positive impact. In 2020, they have been involved with initiatives such as collecting and donating clothing, food and supplies to groups in need of extra support, volunteering in community projects and promoting STEM-related activities in schools. We always welcome ideas for such initiatives at a local and Group level to encourage ongoing engagement are actively supporting this on a continuous basis.

IN OUR 'GIVING BACK' PILLAR WE HAVE FOCUSED ON TWO CORE AREAS:

- 1. Donations and funding
- 2. Giving back framework

DONATIONS & FUNDING

ONE Ultra Covid-19 Fund

In line with Ultra's Communities goal, we launched our Covid-19 fund in May 2020, which was created specifically to support Covid-19 charities and initiatives in our local communities.

Due to the urgent need for donations during the pandemic, we asked our employees to nominate projects that they would like to be considered for support from our Fund, including local charities, initiatives or other community causes that are directly impacted due to Covid-19. Since inception, we have donated more than \$220,000 across 50+ organisations where our teams have had a demonstrable positive impact by providing much-needed funding across the USA, UK, Canada and Australia.

In Q1 2021 we launched our ONE Ultra Giving Back Framework. Our employees will be encouraged to volunteer for 'community days' to support charities, environmental projects, STEM and educational programmes, as well as other social initiatives that align with our Ultra ASPIRE values. This active contribution framework will support the engagement of our employees with initiatives that are important to them. The programme will encourage working as a team and make a real difference to the communities in which we operate.



Supporting the National Center for Missing and Exploited Children (NCMEC)

In September 2020, Ultra donated from its Covid-19 fund to support NCMEC to continue their important work.

NCMEC is the USA's clearing house and comprehensive reporting center for all issues related to the prevention of and recovery from child victimization. It leads the fight against abduction, abuse, and exploitation – because every child deserves a safe childhood.

During the pandemic, NCMEC has worked around the clock to ensure that its mission to recover missing children, reduce exploitation, and prevent victimization never stops. With more children online than ever, the work of NCMEC has never been more critical.

NCMEC embodies several of the Ultra's ASPIRE values. The organisation is empowering families with their online safety education program, NetSmartz, which teaches children to be safer online. By sharing safety tips and providing tools, NCMEC's programmes bring awareness to potential online risks which help prevent victimization. Lastly, NCMEC rewards families and children by enabling them to make safer choices on- and offline.

Giving back continued

DONATIONS & FUNDING

Team Army Sports Foundation launches new COVID Bounceback Fund with Ultra

In January 2021, Ultra, in association with the Trustees of the Team Army Sports Foundation announced the creation of a Covid-19 Bounceback fund for 2021/22. The fund has been created to help groups and communities recover from the effects of the Covid-19 pandemic.

The Armed Forces have been on the frontline in the national response to the pandemic and many veterans have had to take extreme measures to remain shielded and protected. The Bounceback fund will provide opportunities to undertake challenging, adventurous activities which will help to improve health, wellbeing and recovery in the community.

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 during 2021 or 2022.

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.



Ultra supporting STEM learning with donations to Australian Observatories

The Ultra Covid-19 fund has donated to the Andamooka Observatory in Australia to enable it to keep the STEM learning program available during the Covid pandemic. This will support further engagement in the community, bolstering morale for the township.

Woomera has a population of 146 people and one of the town's main attractions is the Woomera Baker Astronomy Observatory which houses a new telescope. The observatory runs many community STEM and Science based projects and initiatives, Astronomy activities, and they actively support National Science Week.

Andamooka has a population of approximately 320 people and has an observatory. Andamooka Observatory takes great pride in promoting STEM learning opportunities to remote area locations through astronomy. The observatory is run purely

by volunteers and is supported by the tourism and education industries, so it has been severely impacted by Covid-19.

Other smaller towns in these surrounding areas have been impacted by COVID-19, many of whom provide a service to Ultra and others when on deployment. Ultra relies heavily on teamwork to deliver to customers in the field and to see others in very remote areas supporting their community in the face of adversity shows courage and spirit. Their resilience and tenacity are admirable and fosters the 'can do' attitude that Ultra strives to achieve.

These STEM related organisations align well with Ultra's ASPIRE values:

- Agile:** adapting to current difficult conditions
- Innovating:** challenging to think in new ways
- Rewarding:** seeking out and rewarding positive contribution



Giving back continued

DONATIONS & FUNDING

Ultra supporting Make-a-Wish Foundation UK

Ultra donated to help Make-a-Wish continue its work during the pandemic – while also supporting aerospace related wishes.

Make-a-wish Foundation is a locally nominated charity for Ultra's Cheltenham site. The charity's mission is to grant wishes and bring happiness to children with critical illnesses.

Make-a-wish has been significantly impacted by COVID-19 with a reduction in donations and it has had to make major changes to survive, including reducing its employee headcount by almost half.

A direct result of COVID-19 is that there are currently over 2000 'wishes' outstanding from critically ill children that may never be granted.

Ultra's team has been engaged with the charity by offering support, sharing ideas including help with risk assessments regarding working in the COVID-19 pandemic and actively supporting them to return to their office in a COVID safe environment.

The donation was used to purchase sanitation stations, bottles of anti-bacterial sprays/hand washes/gels, surface wipes, facemasks, as well as to increase cleaning shifts in the charity's office throughout the day. The donation also contributed to cleaning equipment, visual management, signage and protection screens – all of which allowed the charity to get back to granting those important wishes.



Ultra COVID-19 Fund supports United Services Organization, USA

Ultra's Covid-19 Fund has contributed to the United Services Organization (USO). The USO strengthens America's military service members by keeping them connected to family, home and country, throughout their service to the nation.

Since 1941, the USO has been the nation's leading organization to serve the men and women in the U.S. military, and their families, throughout their time in uniform. From the moment they join, through their assignments and deployments, and as they transition back to their communities, the USO is always by their side.

Today's USO continuously adapts to the needs of our men and women in uniform and their families, so they can focus on their very important mission. They operate USO centers at or near military installations across the United States and throughout the world, including in combat zones, and even un-staffed USO service sites in places too dangerous for anyone but combat troops to occupy.

USO airport centers throughout the country offer around-the clock hospitality for traveling service members and their families. Their trademark USO tours bring America and its celebrities to service members who are assigned far from home, to entertain them and convey the support of the nation. And, their many specialized programs offer a continuum of support to service members throughout their journey of service, from the first time they don the uniform until the last time they take it off.

The USO is not part of the federal government. A congressionally chartered, private organization, the USO relies on the generosity of individuals, organizations and corporations to support its activities, and is powered by a family of volunteers to accomplish a mission of connection. Ultra is proud to support their wonderful work for our service personnel, veterans and their families.

See our ONE Ultra Forces Charter to learn more about our commitment to our Forces Community.

[+ ULTRA'S ARMED FORCES CHARTER](#)



Giving back continued

DONATIONS & FUNDING

Ultra supporting New York local STEM students

Ultra's Long Island site works closely with local universities, primarily Stony Brook University. In May 2020, Ultra's COVID-19 Fund donated to support three additional placement students for 10 weeks (up to 20 hours per week each) enabling them to shadow and rotate with Ultra's engineers and technicians to get full exposure of STEM activities within the organization.

Many STEM students attend college away from Long Island, then interview for and accept employment near their college upon graduation. Due to COVID-19, local businesses, restaurants, bars, sports stadiums, and beaches were closed, thereby most students were unable to make extra money to pay their bills or to put towards their tuition and/or books.

This initiative provided Ultra with the opportunity to reach STEM students and directly helped STEM students who had lost the ability to make money for college over the summer with traditional summer jobs.



Supporting our Troops in Canada

In December 2020, the Ultra Covid-19 Fund donated to the Support our Troops, a Canadian Armed Forces Community, which needed immediate relief during the pandemic.

Established in 2007, Support Our Troops meets the unique needs and special challenges faced by members of the Canadian Armed Forces community as a result of military service. It operates within Canadian Forces Morale and Welfare Services.

The services provided by Support our Troops includes providing financial assistance to promote family resiliency and to support the recovery, rehabilitation, and reintegration of members with a physical and/or mental illness or injury.



Well recognized by its trademarked yellow ribbon, the organization also provides an opportunity for supporters to show their care, compassion and support to serving members, veterans and their families through donations, attending community events and fundraising.

In response to the Covid-19 pandemic, Support Our Troops recognizes now more than ever that Canadian Armed Forces members and their families may require financial support for basic needs.

The newly established Covid-19 Emergency Grant will provide an immediate solution of modest support to members and their families during this global pandemic to provide applicants with additional time to determine other available solutions.



Giving back framework

In Q1 2021, we launched our ONE Ultra Giving Back Days. Our employees are encouraged to volunteer for 'community days' to support charities, environmental projects, STEM and educational programmes, as well as other social initiatives that align with our Ultra ASPIRE values.

Following feedback from our employees in 2020, we know that giving back at a local level is important. This active contribution framework will support the engagement of our employees with local initiatives. The programme will encourage Ultra employees and networks to work as a team and make a real difference to the communities in which we operate.

ONE Ultra Forces Charter – A forces friendly employer

Our Forces defend and protect us at home and abroad, sacrificing many of their civilian freedoms while doing so, and often facing hardship and a risk of serious injury and death during the course of their duties.

As part of our ESG strategy, we have committed to actively supporting our Forces community – both Civil and Military. We recognise the value that serving personnel, veterans, and their families, contribute to our safety, our business, and defence of the regions in which we operate. 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 of the Forces community
3. To recognise that special treatment may be appropriate, especially for the injured or bereaved

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.

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

[+ ULTRA'S ARMED FORCES CHARTER](#)



Giving back continued

GIVING BACK

Supporting our local communities during Covid-19

Ventilator Challenge UK

We are proud to have assisted the UK Government with its "Ventilator Challenge UK" (VCUK), helping to produce as many ventilators as possible to support the NHS in treating people impacted by Covid-19. VCUK saw numerous employees come together in difficult circumstances from across our businesses in the UK. We had only one objective in mind: to find quick and effective solutions to any issues that arise daily.

Over the course of Spring and Summer 2020, our team of dedicated employees helped the Consortium with:

- + Technical solutions, providing concessions and supporting data
- + Performing test coverage analysis and suggesting process improvements
- + Setting up build lines for the manufacture, testing and programming of key Printed Circuit Board assembly
- + Providing support and guidance in best practice for configuration control and compliance of complex processes and supply chains.

It was a great example of ONE Ultra working tirelessly together as a single team for a common cause: delivering solutions to complex and ever-evolving problems.

Thank you to all our teams involved!

Supporting Food Banks throughout our communities

The pandemic has caused many people across the world to struggle to provide food for their families having faced tough choices to make ends meet. Our employees have truly embraced our Sharing value, not only providing food parcels to local communities, but also giving their time to help those in need.

Our team at Ultra Communications in Montreal organise a foodbank drive every year to support Moisson Montreal as well as having teams volunteer to help for the common good of the community by assembling food baskets. In June 2020, we also donated to help support the charity.

We have provided funding to several charities that help aid struggling communities, including:

- + Lebanon County Christian Ministry, an active non-profit safely providing emergency food, clothing and shelter and other necessities such as heating oil and water bill assistance to the whole community of Lebanon County

- + Manna's Vision, a charity that strives to ensure that the local community has access to safe, sufficient, nutritious food – contributing to making Montgomery County, Maryland a place where all can live in dignity.
- + Faithworks Wessex, an organisation that provides help to the vulnerable in Energy UK's local community. They look after several food banks, support the homeless, offer debt and budget support, offer addiction and recovery services, and, provide dementia care in addition to a range of Mental Health First Aid.
- + Lancaster Cares, who support Lancaster, PA residents with food, housing, and funds to address emerging issues due to COVID-19.
- + 'Mary's Child', a charity that was created to love, care and support families and individuals in need, by providing practical support, pastoral care, and signposting to other charities and agencies as needed.



2021 AREAS OF FOCUS FOR OUR 'GIVING BACK' PILLAR:

- + Giving Back Days – up to two days per employee to support local community initiatives
- + Giving Back Fund to match local charitable fundraising and sponsorship efforts

+ ADDITIONAL LINKS

See our website for more details of the other organisations supported through our 2020 Covid-19 Fund.



ultra.group