Ultra – Company Response
Transparency International Defence Company Index
February 2021

The 2021 assessment is based on data obtained from Ultra 2018 and 2019 Annual Reports, the 2019 website and a submission made April 2020 and does not include improvements that have been implemented and maintained since.

In addition to a relaunch of the Ultra brand and website, these improvements include compliance-related measures that have been communicated within Ultra and can be found by accessing our website: https://www.ultra.group/.

Ultra has always taken a zero-tolerance approach to bribery and corruption of any type and will continue to do so. The Board of Directors and Executive Team wholeheartedly endorse all anti-bribery and corruption commitments.

Ultra is undergoing major transformational and cultural change impacting the core of the Anti-Bribery and Corruption compliance framework: from structural change, taking Ultra from a Group of loosely aggregated businesses to ONE Ultra, to changes to culture, operations, people, and training. These changes are driven by an Executive Team with the capability and experience to lead a global organisation and do business the right way. Significant Board changes have introduced an enhanced balance of skills and experience setting the ‘tone from the top’.

Actions that have taken place since the assessment data was submitted include:

- A Global Code of Conduct, approved by the Board and available via the website, launched July 2020. With ethics at the heart of the Code, the document delivers unequivocal messages about the way Ultra conducts business with ethical conduct being as important as the solutions offered to customers.
- The introduction of the Global Code of Conduct was accompanied by introductory videos, promotional activity, and the launch of annual training
for all employees with each signing to confirm understanding and agreement to abide by the Code.

- The operation of the Global Code of Conduct is the responsibility of Senior Management Teams across Ultra and is monitored by the Board twice annually via a compliance reporting process, ensuring high standards of ethical behaviour are maintained.

- Introduction of an updated ABC Manual approved by the Executive Team and Board in October 2020, launched with annual training. The ABC Manual comprises policies dealing with ABC, Gifts and Hospitality and Selection and Management of Intermediaries. Every employee at completion of ABC training confirms understanding and agrees to abide by the ABC Manual.

- Introduction of tailored, interactive ABC training modules implemented across Ultra (launched in November 2019). Comprising a three-tier structure, every employee globally is required to complete Basic training annually, currently at 98% completion.

- Advanced training introduced at the same time for employees in roles where they may be exposed to a greater level of ABC risk with employees responsible for managing intermediaries and associated persons completing a Third-Party Risks training module.

- Introduction of an intermediary risk assessment tool (RiskRate from Navex Global) in November 2019 to effectively manage the regulatory and reputational risks that intermediaries can expose Ultra to. At this time ABC training became mandatory for all intermediaries as part of the onboarding / re-qualification due-diligence process.

- Compliance risks, stated in the 2019 Annual Report, available via the website, are recognised as a principal risk for Ultra, attracting scrutiny from the Executive Team and Board. Ultra invests in an internal audit function to look at Controls frameworks across all processes, including ABC, and initiate investigations where necessary in consultation with the Chief Risk Officer, a new role created in 2018.

- The internal audit function initiates risk assessments including feedback regarding the effectiveness of business ethics training programmes. This is used to update training programmes and enables Ultra to develop tailored
mitigation plans. Ethics and Audit Committees assist with a review of ethics and culture throughout the business.

The General Counsel and Company Secretary (Executive Team role) is responsible for evaluating and coordinating disclosure of criminal offences to relevant authorities.

Formation of an Internal Communications function has significantly improved communications across the business including re-launch of the Ultra website and development of a global intranet site. This function works closely with Legal and Compliance teams introducing key ethics initiatives including the launches of the Global Code of Conduct and ABC Manual.

Compliance oversight and scrutiny of ethics initiatives is embedded into Ultra core processes through approval of bids, performance review risk discussions and issues identified via monthly Business Performance Review processes.

While geographical focus is the UK, US, Canada, Australia and New Zealand, Ultra strives to work in other jurisdictions where valuable work helps to deliver a safer tomorrow for the citizens of those jurisdictions - as long as this valuable work can be delivered safely, ethically, and with integrity.

In July 2020, EthicsPoint, Ultra's independent, external, global, anonymous, and confidential whistleblower hotline available 24/7 was re-branded and re-launched as ‘Speak Up’. All employees can report concerns without fear of reprisal and the CEO has clearly articulated that Ultra will walk away from any business that cannot be won fairly or legally. Ultra has documented a clear stance of non-retaliation against anyone who speaks up within the Code of Conduct. All reports are made available to the PLC Board, which receives regular reports on the resulting investigations and actions taken.

The Ultra Ethics Committee was relaunched December 2020. Via site visits and face to face meetings with employees, their key focus has been assessing how company values are communicated and embedded. An entirely independent committee, they report their findings twice annually to the Executive Team, annually to the Board and review all reports generated via ‘Speak Up’.

Ultra has a policy defining conflicts of interest within the Code of Conduct which applies to the entire workforce and the Board. There are procedures in place to manage any conflicts of interest that may arise.
Introduced June 2020, an articulated values-oriented Reward Philosophy is designed to drive behaviours that reinforce Ultra values. Integrity and ethics run through these values and ways of working supported by a new organisational structure in place from January 2021.

15% of Senior Leadership Team remuneration is based on individual performance criteria measured against goals for five stakeholder groups. Communities is one of the stakeholder groups where Ultra delivers clear ethical, social, and environmental annual goals.

Ultra’s Giving Back framework was approved in December 2020 and seeks to align a Group-wide approach to community days, charitable donations and matched funding. In 2020 Ultra’s COVID-19 fund donated approximately US$220,000 to charities and causes that were COVID-related, or were suffering as a result of COVID, to help the communities in which we operate.

Ultra is committed to ensuring there is transparency in its approach to tackling ethics throughout its supply chains. To this end, ethical issues like modern slavery are regularly discussed at monthly Procurement Council meetings. A Global Procurement function established 2020 provides oversight of operations across the business.

Contact details for further information and questions:

Gabriella Colley | Head of Investor Relations and Internal Communications
gabby.colley@ultra-electronics.com

Alex Dent | Deputy Company Secretary
alexandra.dent@ultra-electronics.com