

Annual Report – As at December 31, 2023

FORCED LABOUR IN CANADIAN SUPPLY CHAIN

Reporting for entities

1. *What steps has the entity taken in the previous financial year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by the entity or of goods imported into Canada by the entity? Select all that apply. (Required)

- **Gathering information on worker recruitment and maintaining internal controls to ensure that all workers are recruited voluntarily**
- **Developing and implementing due diligence policies and processes for identifying, addressing and prohibiting the use of forced labour and/or child labour in the organization's activities and supply chains**
- **Requiring strategic suppliers to have in place policies and procedures for identifying and prohibiting the use of forced labour and/or child labour in their activities and supply chains**
- **Developing and implementing child protection policies and processes**
- **Developing and implementing anti-forced labour and/or -child labour contractual clauses**
- **Developing and implementing anti-forced labour and/or -child labour standards, codes of conduct and/or compliance checklists**
- **Developing and implementing grievance mechanisms**
- **Developing and implementing training and awareness materials on forced labour and/or child labour**
- **Engaging with supply chain partners on the issue of addressing forced labour and/or child labour**

2. Please provide additional information describing the steps taken (if applicable) (1,500 character limit).

Ultra Electronics TCS has implemented several corporate policies and internal codes of conduct policies to ensure that all employees and everyone who represents Ultra operate with the highest standards of responsibility, ethics and integrity. The corporate policies and codes of conduct include...

- **Safeguarding Children and Young Workers Policy**
- **Ultra Employee Code of Conduct Policy**
- **ISO Certified**
- **'Speak Up' Internal website for employees to report actions or behaviours inconsistent with Ultra's Code of Conduct**

3. *Which of the following accurately describes the entity's structure? (Required)

- **Corporation**

4. *Which of the following accurately describes the entity's activities? Select all that apply. (Required)

- Producing goods (including manufacturing, extracting, growing and processing)
 - in Canada **YES**
 - outside Canada **NO**
- Selling goods
 - in Canada **YES, to government defence and/or prime contractors**
 - outside Canada **YES, to government defence and/or prime contractors**
- Distributing goods
 - in Canada **NO**
 - outside Canada **NO**
- Importing into Canada goods produced outside Canada **Yes,,we import high-technology hardware and electronic components from outside Canada**
- Controlling an entity engaged in producing goods in Canada or outside Canada, or importing into Canada goods produced outside Canada **NO**

5. Please provide additional information on the entity's structure, activities and supply chains (1,500 character limit).

As at December 31, 2023, Ultra TCS Inc. was a wholly owned subsidiary of Ultra Electronics Holdings plc. Ultra Electronics Holdings plc is defence technology specialist and is a wholly owned subsidiary of Advent International, private equity firm. Due to the nature of the Corporation's activities as a Defence Contractor to the Canadian and US governments, our supply chain is based mostly of local (Canadian and US) corporations that have similar regulations to adhere to.

6. *Does the entity currently have policies and due diligence processes in place related to forced labour and/or child labour? (Required)

- Yes

6.1 *If yes, which of the following elements of the due diligence process has the entity implemented in relation to forced labour and/or child labour? Select all that apply. (Required)

- Embedding responsible business conduct into policies and management systems

7. Please provide additional information on the entity's policies and due diligence processes in relation to forced labour and child labour (if applicable) (1,500 character limit).

To ensure Ultra is a business all our stakeholders can trust, Ultra created their own Supplier Code of Conduct which sets out the minimum standards we expect our suppliers and the broader supply chain to meet. We are committed to meeting these standards and adopt a zero-tolerance of inappropriate business conduct in any form. In order for us to do business together, we expect our business partners, to conduct business in an ethical, safe and sustainable way and to comply with all applicable laws and regulations. Ultra is committed to working with suppliers who ensure and can demonstrate responsible sourcing of materials. Ultra requires strategic suppliers to comply with the Ultra Supplier Code of Conduct. Compliance is required as a part of the commercial terms agreed between us.

What this means for our suppliers:

Only providing products made from materials, including constituent minerals, that are sourced responsibly and verified as 'conflict free' in accordance with the OECD guidelines.

Providing Ultra with supporting data of their supply chain of minerals when requested.

Committing to attaining appropriate certifications or phasing out material when the material 'chain of custody' supplied is "indeterminable" or otherwise unknown.

Having effective processes in place to detect counterfeit parts and materials and applying stringent checks to ensure no counterfeit items enter the Ultra supply chain.

8. *Has the entity identified parts of its activities and supply chains that carry a risk of forced labour or child labour being used? (Required)

- **No, we have not started the process of identifying risks.**

8.1 *If yes, has the entity identified forced labour or child labour risks related to any of the following aspects of its activities and supply chains? Select all that apply. (Required)

9. *Has the entity identified forced labour or child labour risks in its activities and supply chains related to any of the following sectors and industries? Select all that apply. (Required) **NO**

- **Manufacturing**

10. Please provide additional information on the parts of the entity's activities and supply chains that carry a risk of forced labour or child labour being used, as well as the steps that the entity has taken to assess and manage that risk (if applicable) (1,500 character limit).

11. *Has the entity taken any measures to remediate any forced labour or child labour in its activities and supply chains?
(Required)

- **Not applicable, we have not identified any forced labour or child labour in our activities and supply chains.**

11.1 *If yes, which remediation measures has the entity taken?
Select all that apply. (Required) **NO**

12. Please provide additional information on any measures the entity has taken to remediate any forced labour or child labour (if applicable) (1,500 character limit). **N/A**

13. *Has the entity taken any measures to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains? (Required)

- **Not applicable, we have not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains.**

14. Please provide additional information on any measures the entity has taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains (if applicable) (1,500 character limit). **N/A**

15. *Does the entity currently provide training to employees on forced labour and/or child labour? (Required)

- **Yes**

15.1 *If yes, is the training mandatory? (Required)

- **Yes, the training is mandatory for employees making contracting or purchasing decisions.**

16. Please provide additional information on the training the entity provides to employees on forced labour and child labour (if applicable). (1,500 character limit).

The following courses are mandatory for all relevant employees and must be re-taken annually.

- **Procurement Integrity Act Course**
- **Anti-Bribery & Corruption Course**
- **Contract Labour & Material Charging Course**
- **Mandatory Disclosure Training Course**
- **Workplace Harassment and Violence Course**

17. *Does the entity currently have policies and procedures in place to assess its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains? (Required)

- **Yes**

17.1 *If yes, what method does the entity use to assess its effectiveness? Select all that apply. (Required)

- **Other, please specify.**

18. Please provide additional information on how the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains (if applicable). (1,500 character limit).

All new hires must go through a thorough screening process and background check with 3rd party providers that validate (among various items) Social insurance number, age and legal status.



Frank Furfaro
Vice-President of Finance & Administration

May 31, 2024