Welcome to your CDP Water Security Questionnaire 2020

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

L3Harris Technologies, Inc. (L3Harris), formerly known as Harris Corporation, and L3 Technologies combined complementary strengths in a merger of equals on June 29, 2019. L3Harris, headquartered in Melbourne, Florida, is an agile global aerospace and defense (A&D) technology innovator, delivering end-to-end solutions that meet customers' mission-critical needs. We provide advanced defense and commercial technologies across air, land, sea, space and cyber domains. We support government and commercial customers in 130 countries, with our largest customers being various departments and agencies of the United States (U.S.) Government and their prime contractors. Our products, systems and services have defense and civil government applications, as well as commercial applications.

We structure our operations primarily around the products, systems and services we sell and the markets we serve. As part of the merger, we implemented a new organizational structure, which resulted in our reportable operating business segments that are referred to as:

Integrated Mission Systems (IMS), including multi-mission intelligence, surveillance and reconnaissance and communication systems; integrated electrical and electronic systems for maritime platforms; and advanced electrooptical and infrared solutions;

Space and Airborne Systems (SAS), including space payloads, sensors and full-mission solutions; classified intelligence and cyber defense; avionics; and electronic warfare;

Communication Systems (CS), including tactical communications; broadband communications; integrated vision solutions; and public safety; and

Aviation Systems (AS), including defense aviation products; security, detection and other commercial aviation products; commercial and military pilot training; and mission networks for air traffic management.

Our operational excellence program, e3 (excellence everywhere every day) is a Business Operating System committed to excellence, innovation, customer satisfaction and continuous improvement. e3 provides a common language, processes, and metrics across the enterprise and includes regular reviews and performance metrics to drive continuous improvement as a foundation for innovation. A key element of our e3 program is environmental sustainability, which includes water-related sustainability metrics and goals. We are committed to advancing environmental sustainability and compliance. The Company's robust environmental, health and

safety (EHS) management system provides the framework for policies and standards, as well as enterprise initiatives to reduce solid waste, water usage and greenhouse gas emissions.

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	January 1, 2019	December 31, 2019

W0.3

(W0.3) Select the countries/areas for which you will be supplying data.

Australia
Canada
China
Costa Rica
Germany
India
Italy
New Zealand
Portugal
Republic of Korea
Singapore
Thailand
United Kingdom of Great Britain and Northern Ireland
United States of America

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

USD

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

No

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Not very important	Not very important	L3Harris operations do not rely on substantial water volume and water quality for our day to day operations. Facility level water consumption is tracked corporate-wide on a quarterly basis. L3Harris has limited water consumption at some sites (manufacturing facilities), however, activities at the majority of L3Harris sites involve electronic and software programming, with primary water consumption generally related to sanitary use by employees (restrooms, hand washing etc.), landscape irrigation, and heating and cooling. Based on this operational activity and tracked water consumption, reliance and use of significant volumes of process water is limited. As such, water use and potential water risks would not be deemed as substantive. For these reasons, our importance rating is not very important. The availability of sufficient qualities of good quality freshwater is anticipated to remain as not very important in the future. L3Harris has a diverse well-established supply chain with suppliers located across the globe, which limits our exposure to water risks in our value chain and provides a level of risk mitigation for potential climate-related impacts such as shifts in precipitation patterns, increase in frequency and/or intensity of extreme weather events such as hurricanes, droughts, and floods, which could otherwise disrupt the value chain. While supply chain resiliency is evaluated, the scope of our formal risk assessment has not been extended to climate change or water-related risks in the value chain as of this reporting year. While a formal assessment of water-related risk in our supply

			chain has not yet been completed, no substantive impact or change in future water dependency is anticipated based on the above reasons.
Sufficient amounts of recycled, brackish and/or produced water available for use	Not very important	Not very important	L3Harris operations do not rely on substantial water volume of recycled water for our day to day operations. Facility level water consumption is tracked corporate-wide on a quarterly basis. L3Harris has limited water consumption at some sites (manufacturing facilities), however, activities at the majority of L3Harris sites involve electronic and software programming, with primary water consumption generally related to sanitary use by employees (restrooms, hand washing etc.), landscape irrigation, and heating and cooling. Based on this operational activity and tracked water consumption, reliance and use of significant volumes of process water is limited. As such, water use and potential water risks are not deemed as substantive. For these reasons, our importance rating for sufficient quantities of recycled water is rated as is not very important. L3Harris has a diverse well-established supply chain with suppliers located across the globe, which limits our exposure to water risks in our value chain and provides a level of risk mitigation for potential climate-related impacts such as shifts in precipitation patterns, increase in frequency and/or intensity of extreme weather events such as hurricanes, droughts, and floods, which could otherwise disrupt the value chain. While supply chain resiliency is evaluated, the scope of our formal risk assessment has not been extended to climate change or water-related risks in the value chain as of this reporting year. While a formal assessment of water-related risk in our supply chain has not yet been completed, no substantive impact or change in future water dependency is anticipated based on the above reasons.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

Yes, fines, enforcement orders or other penalties but none that are considered as significant

W2.2a

(W2.2a) Provide the total number and financial value of all water-related fines.

Row 1

Total number of fines

0

Total value of fines

0

% of total facilities/operations associated

0.01

Number of fines compared to previous reporting year

This is our first year of measurement

Comment

L3Harris had two notice of violation (NOV) enforcement orders related to wastewater permit exceedances. No fines were issued, and new processes were implemented to correct the issues and prevent further exceedances.

W3. Procedures

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Direct operations

Coverage

Full

Risk assessment procedure

Water risks are assessed as part of an enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market
Enterprise Risk Management
Databases
Other

Tools and methods used

WRI Aqueduct
FAO/AQUASTAT
Internal company methods
External consultants
National-specific tools or standards

Comment

L3Harris has a process in place for conducting a Water Risk Assessment (WRA) that evaluates potential water related risks including water scarcity, flooding, poor water quality, etc. on operationally-critical water, energy resources for major L3Harris facilities and operations. L3Harris utilizes external consultants to assist with the development of the WRA. Additionally, L3Harris conducts a detailed aspects/impacts risk assessment that focuses on a variety of risks, including water related risks. The process occurs annually at major L3Harris locations and is separate from the WRA. However, both exercises do identify similar risks and impacts, and therefore actions items may be similar. Internally, L3Harris has established an Environmental, Health & Safety (EHS) management system to collect data around water use. In addition, L3Harris leverages our Enterprise Risk Management work and assessments to further identify water risks. The most recent WRA was completed in April of 2019.

In addition, our Board uses an enterprise risk management (ERM) process, administered by management, and considers risks and related mitigation identified through the ERM process or raised in the context of a range of matters on which management reports to our Board or one of its committees. The risks and opportunities identified through this process may include elements such as climate change and water-related issues.

Supply chain

Coverage

None

Comment

L3Harris has not yet extended the environmental assessment and review to the supply chain.

Other stages of the value chain

Coverage

None

Comment

L3Harris has not yet extended the environmental assessment and review to other stages of the value chain.

W3.3b

(W3.3b) Which of the following contextual issues are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Water availability at a basin/catchment level	Relevant, sometimes included	L3Harris operations do not rely on substantial water volume and water quality for our day to day operations. Facility level water consumption is tracked corporate-wide on a quarterly basis. L3Harris has limited water consumption at some sites (manufacturing facilities), however, activities at the majority of L3Harris sites involve electronic and software programming, water consumption related to sanitary use by employees (restrooms, hand washing etc.), and heating and cooling. For the reasons above, water availability at a local level is relevant to our operations. Water availability issues are assessed as part of our Water Risk Assessment (WRA) where we evaluate potential water-related constraints including water scarcity, flooding, poor water quality, biodiversity impacts, etc. that may exist now or in the future in the watersheds where L3Harris operates, in order to assess any potential impacts to business operations. This assessment is important for mitigating risks of operational disruption that could occur due to potential water unavailability. L3Harris partners with an external consultant to conduct the WRA and the following publicly available tools and data sets are utilized to complete the assessment: World Business Council for Sustainable Development(WBCSD) Global Water Tool, World Resource Institute (WRI) Aqueduct Water Risk Atlas and World Wildlife Fund (WWF)-DEG Water Risk Filter. The finalized

		WRA information is integrated into the risk assessment process.
Water quality at a basin/catchment level	Relevant, sometimes included	L3Harris operations do not rely on substantial water volume and water quality for our day to day operations. Facility level water consumption is tracked corporate-wide on a quarterly basis. L3Harris has limited water consumption at some sites (manufacturing facilities), however, activities at the majority of L3Harris sites involve electronic and software programming, water consumption related to sanitary use by employees (restrooms, hand washing etc.), and heating and cooling. For the reasons above, water quality at a local level is relevant to our some of our operations. Water quality issues are assessed as part of our WRA where we evaluate potential water-related constraints including water scarcity, flooding, poor water quality, biodiversity impacts, etc. that may exist now or in the future in the watersheds where L3Harris operates, in order to assess any potential impacts to business operations. This assessment is important for mitigating employee health risks that could occur due to potential water quality issues. L3Harris partners with an external consultant to conduct the WRA and the following publicly available tools and data sets are utilized to complete the assessment: WBCSD Global Water Tool, WRI Aqueduct Water Risk Atlas and WWF-DEG Water Risk Filter. Finalized WRA information is integrated into the risk assessment process.
Stakeholder conflicts concerning water resources at a basin/catchment level	Not relevant, explanation provided	Stakeholder conflicts concerning water resources is limited to support of L3Harris employees and not material for operating processes as L3Harris operations currently do not (and are not anticipated in the future) to rely on substantive water volume or water quality for our day to day operations.
Implications of water on your key commodities/raw materials	Relevant, not included	While L3Harris operations do not rely on substantial water volume and water quality for our day to day operations and our manufacturing operations are mostly assembly related, water is relevant to L3 Harris's commodities and raw materials needs because some of our key commodities/raw materials are sourced from water intensive industries such as precious metals/mining. However, L3Harris has a diverse well-established supply chain with suppliers located across the globe, which limits our exposure to water risks in our value chain. Due to the limited exposure the scope of our formal risk assessment has not been extended to climate change or water-related risks in the value chain as of this reporting year. While a formal assessment of water-related

		risk in our supply chain has not yet been completed, no substantive impact is anticipated based on the above reasons. Regardless, we plan to consider inclusion of implications of water on our key commodities/raw materials in future assessments.
Water-related regulatory frameworks	Relevant, sometimes included	Water-related regulatory frameworks are relevant to L3Harris because some of our sites hold wastewater discharge permits and are subject to local regulatory frameworks. Water-related regulatory frameworks are evaluated annually during the environmental aspects and impacts assessment. (internal company methods) Additionally, L3Harris locations annually review legal and other requirements including water related regulations. A location would review water related regulations or other legislation to ensure compliance is maintained at the site.
Status of ecosystems and habitats	Relevant, sometimes included	Generally, our operations are in developed areas and do not impact ecosystems and habitats, therefore issues regarding ecosystems and habits have limited relevance to our operations. However, any biodiversity impacts (ecosystems and habitat impacts) related to new construction are evaluated through the local regulatory planning and permitting processes. In addition, as part of our WRA we evaluate potential water-related constraints including water scarcity, flooding, poor water quality, biodiversity impacts, etc. that may exist now or in the future in the watersheds where L3Harris operates in order to assess any potential impacts to business operations. L3Harris partners with an external consultant to conduct the WRA and the following publicly available tools and data sets are utilized to complete the assessment: WBCSD Global Water Tool, WRI Aqueduct Water Risk Atlas and WWF-DEG Water Risk Filter. Once the WRA is finalized the information is integrated into the risk assessment process. In addition, L3Harris does support community outreach projects that may interact with local organizations and municipalities to support ecosystem health; i.e. Brevard County Florida efforts to clean and maintain the Indian River Lagoon.
Access to fully-functioning, safely managed WASH	Relevant, sometimes included	A sanitary working environment is essential to employee health and safety, therefore assessing access to fully functioning, safely managed WASH services for all employees is relevant to our operations.

services for all employees		Sanitation services and requirements are included in the annual aspects and impacts assessment (internal company method), as a sanitary working environment is essential to employee health and safety. The Aspect/Impacts Risk Assessment is completed by L3Harris locations/facilities annually reviewing legal and other requirements, changes to regulations, process changes, and environmental risks. The opportunities are risk-ranked and prioritized. These risks could be internal to L3Harris operations or external to stakeholders and the communities in which we operate. Selected risks and corresponding action plans are then tracked and managed as part of the location's objectives and targets. Objectives and targets are reviewed annually and tracked to completion.
Other contextual issues, please specify		

W3.3c

(W3.3c) Which of the following stakeholders are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Customers	Relevant, sometimes included	Water risk impacts are considered for some customers, but not all. For example, for specific government contracts (e.g. General Service Administration (GSA) and the California Department of General Services) L3Harris is required to provide annual reports to satisfy climate-related reporting requirements. In addition, as part of these contracts L3Harris is required to provide copies of our most recent Climate Risk Management Plan (CRMP) and Water Risk Management Plan (WRMP).
Employees	Relevant, always included	Employee water and sanitation needs are an essential part of employee health and safety and are therefore included in the aspect and impact assessment. The Aspect/Impacts Risk Assessment is completed by L3Harris locations/facilities annually reviewing legal and other requirements, changes to regulations, process changes, and environmental risks. The opportunities are risk-ranked and prioritized. These risks could be internal to L3Harris operations or external to stakeholders and the communities in which we operate. Selected risks and corresponding action plans are then tracked and managed as

		part of the location's objectives and targets. Objectives and targets are reviewed annually and tracked to completion.
Investors	Relevant, sometimes included	External stakeholders and the communities we operate in are taken into consideration in our water-related risk assessments as deemed relevant. Any investor requests, if received, would be evaluated and potentially included in the assessment as appropriate. Investor considerations are also incorporated as necessary as water-related issues or risks arise. Our ERM process, among other things, is designed to identify material risks across L3Harris with input from each business segment and function. The risks and opportunities identified through this process may include elements such as climate change and water-related issues, which may be relevant for further engagement with or communication to our investors. Water-related risk assessments may be informed through relevant input received from our subsequent investor engagement by our executive leadership, Investor Relations organization, and/or our Board.
Local communities	Relevant, always included	Water use and discharges are evaluated for their impact on local communities.
NGOs	Relevant, not included	Risk assessments have additional focus on external stakeholders and the communities we operate in. Any NGOs requests, if received, would be evaluated and potentially included in the assessment as appropriate. We have not received NGO requests that, based on evaluation, were considered in our water-related risk assessments.
Other water users at a basin/catchment level	Relevant, not included	Although not considered during annual assessments at this time, the aspect of other water users at basin/catchment level may be appropriate to evaluate in the future based on L3Harris operations and identified water aspects/impacts.
Regulators	Relevant, always included	Regulators are relevant to L3Harris because some of our sites hold wastewater discharge permits and are subject to local regulatory frameworks. Regulatory agency requirements are reviewed annually in the aspects and impacts assessment. The Aspect/Impacts Risk Assessment is completed by L3Harris locations/facilities annually reviewing legal and other requirements, changes to regulations, process changes, and environmental risks. The opportunities are risk-ranked and prioritized. These risks could be internal to L3Harris operations or external to stakeholders and the communities in which we operate. Selected risks and corresponding action plans are then tracked and managed as

		part of the location's objectives and targets. Objectives and targets are reviewed annually and tracked to completion.
River basin management authorities	Relevant, sometimes included	Where applicable, consideration of river basin management authorities would fall under regulatory agencies as part of the review.
Statutory special interest groups at a local level	Not relevant, explanation provided	L3Harris is unaware of any special interest groups at a local level that are impacted by water-risks, but we respond to relevant requests as necessary. The requests would be evaluated and potentially included in the assessment as appropriate.
Suppliers	Relevant, not included	Our current assessment does not include supply chain in the current scope. L3Harris has a diverse well-established supply chain with suppliers located across the globe, which limits our exposure to water and climate-related risks in our value chain and provides a level of risk mitigation for potential climate-related impacts such as shifts in precipitation patterns, increase in frequency and/or intensity of extreme weather events such as hurricanes, droughts, and floods, which could otherwise disrupt the value chain. While supply chain resiliency is evaluated, the scope of our formal risk assessment has not been extended to climate change or water-related risks in the value chain as of this reporting year. For example, supply chain interruption could occur due to severe weather events and damage to local and/or national infrastructure resulting in a late delivery of wireless products to a customer, which could have a monetary penalty in the millions ($US) based on agreed upon contracts. While a formal assessment of water-related risk in our supply chain has not yet been completed, with expertise from members of the ESG Working Group supported, by representatives from Supply Chain, water-related risks and will be considered into our overall business strategy as necessary over the next two years with expertise from members of the ESG Working Group, supported by representatives from Supply Chain.
Water utilities at a local level	Relevant, always included	Water utilities at a local level are evaluated annually in our aspects and impacts assessment. The Aspect/Impacts Risk Assessment is completed by L3Harris locations/facilities annually reviewing legal and other requirements, changes to regulations, process changes, and environmental risks. The opportunities are risk-ranked and prioritized. These risks could be internal to L3Harris operations or external to stakeholders and the communities in which we operate. Selected risks and corresponding action plans are then tracked and managed as

		part of the location's objectives and targets. Objectives and targets are reviewed annually and tracked to completion.
Other stakeholder, please specify		

W3.3d

(W3.3d) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

L3Harris has a process in place for conducting a Water Risk Assessment (WRA) that evaluates potential water related risks including water scarcity, flooding, poor water quality, etc. on operationally-critical water, energy resources for major L3Harris facilities and operations. L3Harris utilizes external consultants to assist with the development of the WRA. The most recent WRA was completed in April of 2019. Additionally, L3Harris conducts a detailed aspects/impacts risk assessment that focuses on a variety of risks, including water-related risks. The process occurs annually at major L3Harris locations and is separate from the WRA. The Aspect/Impacts Risk Assessment is completed by L3Harris locations/facilities annually reviewing legal and other requirements, changes to regulations, process changes, and environmental risks. The opportunities are risk-ranked and prioritized. These risks could be internal to L3Harris operations or external to stakeholders and the communities in which we operate. Selected risks and corresponding action plans are then tracked and managed as part of the location's objectives and targets. Objectives and targets are reviewed annually and tracked to completion. Both exercises identify similar risks and impacts, and actions items may be similar. In addition, L3Harris leverages our ERM work and assessments to further identify water risks.

In addition, L3Harris leverages our ERM work and assessments to further identify water risks. Our ERM process, among other things, is designed to identify material risks across L3Harris with input from each business segment and function. Internally, L3Harris also used an established Environmental, Health & Safety (EHS) management system to collect and analyze data around water use.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

No

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

Our ERM process is used to survey our senior leader and subject matter experts to determine and prioritize substantive/material financial impacts. Our company-wide risks are assessed regularly on potential impact, likelihood to occur, trends, and current mitigation, and specifically include risks associated with business continuity/natural disasters (e.g. floods, fires, hurricanes, etc.) and environmental compliance. An overall financial impact assessment is made ranging from under $10M (not significant/substantive) to greater than $200M (catastrophic), which corresponds to the overall size of the company. The ERM process engages senior leadership to focus company resources to mitigate the risks that could have the most significant impact to the business.

W4.2b

(W4.2b) Why does your organization not consider itself exposed to water risks in its direct operations with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	L3Harris operations do not rely on substantial water volume or water quality for our day to day operations. Facility level water consumption is tracked corporate-wide on a quarterly basis. L3Harris has limited water consumption at some sites (manufacturing facilities). However, activities at the majority of L3Harris sites involve electronic and software programming, and water consumption is related to sanitary use by employees (restrooms, hand washing etc.), landscape irrigation and heating and cooling. Based on this operational activity and tracked water consumption, reliance and use of significant volumes of process water is limited. As such, water use and potential water risks are not deemed as substantive. Sites representing the largest water usage and environmental footprints and that were deemed most critical to operations based on the size of the facility and their role as manufacturing facilities representing key components of operations and material production were evaluated in the 2019 WRA. While the WRA revealed some water-related risk, no substantive impact is anticipated. We continue to track and work to reduce our water consumption, particularly at the sites where risks were identified, to meet our environmental sustainability goals. We also plan to complete regular water risks assessments every two years and broaden the scope as necessary to cover our operations. In addition, project-based reviews and Eco-treasures hunts are completed, which include an evaluation of projects that would help decrease our overall water consumption and other environmental impacts (e.g., energy use, greenhouse gas emissions). In 2019, Sustainability Calculators and

		project review checklists were developed and rolled out to the business to integrate environmental sustainability into capital projects and review the projects for environmental sustainability risks and opportunities. The tools were designed to: Provide support during the planning and scoping process of capital projects Help determine technology and equipment options with lower environmental sustainability impacts while maintaining program and/or functional requirements Standardize how project impacts are calculated across the company The Sustainability Calculators are used to evaluate impacts and cost to gauge financial investment required and to understand the positive/negative impact projects have on accomplishing our environmental sustainability goals.

W4.2c

(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	L3Harris has a diverse well-established supply chain with suppliers located across the world, which limits our exposure to water risks in our value chain and provides a level of risk mitigation for potential climate-related impacts such as shifts in precipitation patterns, increase in frequency and/or intensity of extreme weather events such as hurricanes, droughts, and floods, which could otherwise disrupt the value chain. While supply chain resiliency is evaluated, the scope of our formal risk assessment has not been extended to climate change or water-related risks in the value chain as of this reporting year. While a formal assessment of water-related risk in our supply chain has not yet been completed, no substantive impact is anticipated based on the above reasons.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity

Efficiency

Primary water-related opportunity

Improved water efficiency in operations

Company-specific description & strategy to realize opportunity

Improved water efficiency represents significant opportunity for associated water OPEX savings. To realize this opportunity, eco-treasure hunts are conducted annually to discover energy efficiency and water conservation risks and opportunities while enabling employees to build a culture of continuous improvement. The Sustainability Calculators are also used as part of the eco-treasure hunts to estimate the potential savings of the opportunities or alternative technologies identified during the events to align key metrics and standardize savings calculations. Other location-based projects are also reviewed for technology-related energy improvements and efficiencies on an ad hoc basis.

An example is an Irrigation Management Project, which was implemented at the SAS Colorado Springs, CO Campus: The location is utilizing irrigation management to reduce water consumption. A 50% reduction was achieved (during the 6-month watering period) through a combination of conservation, system maintenance, and xeriscaping. Annual Results:

Water reduction of 737,000 gallons

$6,200 dollars savings

47.8% Year-over-year reduction – helping the facility work toward achieving its water reduction target and the overall corporate water goals.
The water and cost savings demonstrate what this opportunity was strategic for L3Harris

Estimated timeframe for realization

1 to 3 years

Magnitude of potential financial impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

6,200

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact

In 2019, Sustainability Calculators and project review checklists were developed and rolled out to the business to integrate environmental sustainability into capital projects and review the projects for environmental sustainability risks and opportunities. The tools were designed to:

Provide support during the planning and scoping process of capital projects

Help determine technology and equipment options with lower environmental sustainability impacts while maintaining program and/or functional requirements

Standardize how project impacts are calculated across the company

The Sustainability Calculators are used to evaluate impacts & cost to gauge financial investment required and to understand the positive/negative impact projects have on accomplishing our environmental sustainability goals. Per project estimations using the Sustainability Calculator, this will reduce water costs associated with water use and consumption.

The estimated annual financial impact is based on annual savings achieved from a recent project at the SAS Colorado Springs, CO Campus: Water (Irrigation Management Project.) The location is utilizing irrigation management to reduce water consumption. A 50% reduction was achieved (during the 6-month watering period) through a combination of conservation, system maintenance, and xeriscaping. Annual Results:

Water reduction of 737,000 gallons x water price of $8.4 per 1000 gallons

$6,200 dollars savings

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

Yes, we have a documented water policy, but it is not publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

	Scope	Content	Please explain
Row 1	Company-wide	Commitments beyond regulatory compliance Commitment to water-related innovation Commitment to water stewardship and/or collective action	We have a Corporate Policy on Environmental Compliance as well as a Corporate Policy on Sustainability. These policies apply to all locations, including non-U.S. locations. In the instance that the local regulations are more stringent, the Location is to comply with or exceed the higher standard. Our Corporate Environmental Compliance Policy includes water-related regulatory compliance obligations. All L3Harris operations worldwide must comply with applicable national or federal, state and local laws, regulations, directives and corporate policies. Our Corporate Sustainability Policy includes water-related sustainability policy including our commitment to conducting business as responsible corporate citizens and commitment to business practices that support a sustainable global environment by effectively managing our environmental footprint through the careful use of energy and natural resources including water. It includes commitment to continuously strive for a more efficient and sustainable environment through: Resource conservation, pollution prevention, waste reduction, and diversion; Minimize environmental impacts in the areas of greenhouse gas (GHG) emissions, water, and waste; Give back to communities by volunteering and donating resources; Create innovative approaches to minimize negative environmental impacts and improve economic bottom lines. The policy provides a framework for implementation where: Corporate EHS representatives are responsible for developing and managing the environmental sustainability strategy for the corporation in collaboration with business

			segments and functions. EHS and functional representatives work with corporate, business segment and local leadership to develop appropriately scoped environmental sustainability initiatives and projects that align with the corporate strategy including: Monitoring and tracking consumption of natural resources at designated Locations and develop and implement strategies to minimize and optimize their use. Communicating environmental sustainability responsibilities, projects and objectives. Facilitating data collection. Facilitating the creation of Green Teams at designated Locations to plan and execute EHS related efforts including environmental sustainability. Providing assistance to other functions as required in assessing environmental sustainability aspects in purchasing.

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual	Please explain
Board-level committee	Board level responsibility for overseeing our ethics and compliance programs and our activities related to corporate citizenship and responsibility and environmental sustainability including water-related issues is carried out through our Board's Nominating and Governance Committee. This committee assists the L3Harris Board of Directors (our Board) in overseeing our ethics and business conduct program, our environmental, health and safety (EHS) programs and our charitable, civic, educational and philanthropic activities, and also monitors and takes appropriate action regarding strategic issues and trends relating to environmental, social and governance (ESG) efforts and corporate citizenship and responsibility. Through the Board's Nominating and Governance Committee, the Board monitors progress against

	targets and goals related to water-related risks at the board level and provides oversight of our corporate strategy, plans of action, management policies, and performance objectives Our Board plays an active role in overseeing the formulation and implementation of our overall business strategy. A specific example of the Board Nominating and Governance Committee's active role in strategy and decisions around water-related issues includes the 2019 approval to publicly announce our goal to reduce water consumption. If water-related issues are identified, the board would be notified during either the quarterly or annual review.

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Overseeing acquisitions and divestiture Overseeing major capital expenditures Providing employee incentives Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding major plans of action Reviewing and guiding risk management policies	L3Harris is committed to responsible and effective corporate governance to enhance the creation of sustainable, long-term shareholder value and to be accountable and responsive to our shareholders. Through the Board's Nominating and Governance Committee, the Board monitors progress against targets and goals related to water at the board level and provides oversight of our corporate strategy, plans of action, management policies, and performance objectives. Board meetings occur quarterly, and environmental sustainability performance, including water-related goals, is reviewed and guidance is given to adjust strategy annually. In addition, our Board also routinely receives updates on and discusses topics of strategic importance and holds executive sessions solely for independent directors, and separately with our Chief Executive Officer (CEO) and Chief Operating Officer (COO) present, at each regularly-scheduled Board meeting to discuss strategic matters and other significant business developments including those related to water-related risks and opportunities.

		Reviewing and guiding strategy Reviewing and guiding corporate responsibility strategy Reviewing innovation/R&D priorities Setting performance objectives	

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)

Chief Executive Officer (CEO)

Responsibility

Both assessing and managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Quarterly

Please explain

The L3Harris CEO and COO provide joint leadership on water-related issues. They are briefed by the Corporate Vice President (VP) of Global Operations on water-related issues at least quarterly during Functional Quarterly Reviews (FQR) where they provide leadership and direction on the implementation of water-related strategy. As Board members, they provide the Board at least quarterly updates on water-related risks and opportunities of strategic importance.

The VP of Global Operations reports directly to our COO. Corporate Environmental Sustainability is part of the EHS function and reports to the VP of Global Operations. This group is directly responsible for assessing and managing climate-related risks and opportunities day-to-day. The Corporate Environmental Sustainability function includes establishing environmental baseline, targets and roadmap; deploying sustainability plan and targeting improvements; and developing long-term sustainability goals and ESG strategy.

Name of the position(s) and/or committee(s)

Chief Operating Officer (COO)

Responsibility

Both assessing and managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Quarterly

Please explain

The L3Harris CEO and COO provide joint leadership on water-related issues. They are briefed by the Corporate Vice President (VP) of Global Operations on water-related issues at least quarterly during FQRs where they provide leadership and direction on the implementation of water-related strategy. As Board members, they provide the Board at least quarterly updates on water-related risks and opportunities of strategic importance.

The VP of Global Operations reports directly to our COO. Corporate Environmental Sustainability is part of the EHS function and reports to the VP of Global Operations. This group is directly responsible for assessing and managing climate-related risks and opportunities day-to-day. The Corporate Environmental Sustainability function includes establishing environmental baseline, targets and roadmap; deploying sustainability plan and targeting improvements; and developing long-term sustainability goals and ESG strategy.

Name of the position(s) and/or committee(s)

Sustainability committee

Responsibility

Both assessing and managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

More frequently than quarterly

Please explain

In 2019, L3Harris also stood up a cross-functional ESG Working Group that serves as a formal sustainability committee to harmonize ESG programs. Led by the Senior Environmental Sustainability Manager, the ESG Working Group has executive sponsorship and includes representatives from Ethics, Human Resources, Risk, Communications, Legal, EHS (Operations), and Investor Relations, and is supported by representatives from Facilities, Engineering, Supply Chain, and Government Relations as needed.

The ESG working group meets on a monthly basis and is involved in the Company's assessment and management of water-related risks and opportunities. The members of this committee comprise of management and executive level members that have operational responsibility for the implementation of decisions taken at the board level and day-to-day management of climate and water-related issues throughout the various functions of the business where they serve.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	Monetary and non-monetary incentives are provided to the Corporate executive team and to all employees for management of water-related issues or advancement of water-related opportunities. As noted previously, on June 29, 2019, L3 Technologies and Harris Corporation merged to become L3Harris. The description in our 2020 proxy statement of our executive compensation program, and of the philosophy, principles and key practices that shape it, apply for L3Harris and also generally applied for Harris prior to the merger. Following the merger, L3Harris began work to re-baseline company metrics and adjust long-term environmental sustainability goals. Until then, legacy Harris environmental sustainability goals acted as the interim targets for all L3Harris sites and facilities in 2019.

W6.4a

(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive	Performance indicator	Please explain
Monetary reward	Board/Executive board Corporate executive team	Other, please specify Pre-determined objectives related to ESG focus areas	The overall objective of our executive compensation program is to encourage and reward the creation of sustainable, long-term shareholder value. Our guiding principles provide a framework for our executive compensation program to meet this objective. The compensation program for our executive officers include base salary, annual cash incentive award compensation and equity-based long-term incentive compensation. For annual cash incentive awards, our Annual Incentive Plan is based on formulaic calculations of our financial results against pre-determined financial performance measure targets, as well as performance reviews relative to pre-determined objectives for the fiscal year. Pre-determined objectives generally emphasize ethics; compliance and safety; operational

			excellence; talent; engagement; diversity and inclusion; and ESG focus areas.
Non-monetary reward	Corporate executive team Other, please specify employees	Reduction of water withdrawals Reduction in consumption volumes Improvements in efficiency - direct operations Improvements in efficiency - supply chain Improvements in efficiency - product-use Improvements in waste water quality - direct operations Improvements in waste water quality - supply chain Improvements in waste water quality - product-use Implementation of employee awareness campaign or training program Supply chain engagement Implementation of water-related community project	Employees that demonstrate extraordinary achievement to customer or operational excellence, including environmental initiatives to reduce reliance on natural resources, are eligible for recognition through the company wide AppreciatingU recognition program. Employees that demonstrate extraordinary achievement to customer or operational excellence, including environmental initiatives to reduce reliance on natural resources, are eligible for recognition through the companywide recognition program. Our rewards and recognition program, AppreciatingU, is designed to provide a method of recognizing individual employees or teams' contributions to furthering the goals and objectives of the company, as well as the celebrate the achievements that make the company successful. The awards are a non-monetary way of showing recognition for contributions through ThankU, URock and UXcel award certificates. These recognitions may additionally be celebrated through news articles posted to internal company communications. Work on Green Teams or other sustainability efforts could receive this type of incentive.

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

No

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

No, and we have no plans to do so

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	5-10	Objectives related to water use and water discharge are evaluated on an annual basis as part of the overall environmental sustainability program. Annually, L3Harris sets targets, goals and objectives as part of our strategic growth planning (SGP) process. In 2018 Harris finalized their long-term goals, which included a water consumption reduction target of 20% over a baseline year of 2017 by 2025. As noted previously, on June 29, 2019, L3 Technologies and Harris Corporation merged to become L3Harris. Following the merger, L3Harris began work to re-baseline company metrics and adjust long-term environmental sustainability goals. During this time, legacy Harris environmental sustainability goals acted as the interim targets for all L3Harris sites and facilities in 2019. The corporate goals were used to guide Segment and site level reduction initiatives and projects for the year. Annually, we collect water data to track to our target and analyze the data to re-evaluate our goals.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	5-10	Objectives related to water use and water discharge are evaluated on an annual basis as part of the overall environmental sustainability program. The strategy for achieving long-term objectives involves identifying water-related opportunities through our annual corporate Strategic Growth Planning (SGP) process, our facilities infrastructure and real estate planning

			process, and through facility eco-treasure hunts. Water efficiency projects are identified through the Facilities Infrastructure Planning process (e3 projects) and our eco treasure hunt process. Eco-treasure hunts are conducted annually to discover and realize energy efficiency and water conservation risks and opportunities while enabling employees to build a culture of continuous improvement. Other location-based projects are also reviewed for water-related conservation or efficiencies on an ad hoc basis.
Financial planning	Yes, water-related issues are integrated	5-10	Financial planning for water-related projects is evaluated and integrated into our facilities infrastructure and real estate planning process and through facility eco-treasure hunts. Water efficiency projects are identified through the Facilities Infrastructure Planning process (e3 projects) and our eco treasure hunt process. Sustainability Calculators are used to estimate costs and the potential savings of the opportunities identified to align key metrics and standardize cost and savings calculations. These estimates are integrated into corporate, segment, and facility financial planning as appropriate. Other location-based projects are also reviewed for technology-related energy improvements and efficiencies on an ad hoc basis and financial planning for these projects is done at the local level.

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

10

Anticipated forward trend for CAPEX (+/- % change)

10

Water-related OPEX (+/- % change)

248

Anticipated forward trend for OPEX (+/- % change)

0

Please explain

In 2018 there was capex dedicated to water conservation projects (e.g. low flow equipment upgrades) and OPEX was limited to legacy Harris only water and Wastewater expenditures. In 2019, CAPEX increase was minimal (due to continued implementation of various water conservation projects) and with the merger, OPEX increased by approximately 248% based on estimated operational expenses (i.e., actual water usage and average utility cost of water),

In 2020 we expect the CAPEX to increase by 10% and OPEX to remain relatively flat due to the increase in water efficiency projects identified through the Facilities Infrastructure Planning process (e3 projects) and our eco treasure hunt process. No major operational changes are expected that will impact our OPEX water costs,

W7.3

(W7.3) Does your organization use climate-related scenario analysis to inform its business strategy?

	Use of climate-related scenario analysis	Comment
Row 1	Yes	As part of our 2019 WRA, we evaluate water scarcity, flooding, poor water quality and biodiversity impacts. that may exist now or in the future in the watersheds where L3Harris operates to assess any potential impacts to business operations. L3Harris partners with an external consultant to conduct the WRA and the following publicly available tools and data sets are utilized to complete the assessment: WBCSD Global Water Tool, WRI Aqueduct Water Risk Atlas and WWF-DEG Water Risk Filter. In addition to baseline water risk, the WRI Aqueduct Water Risk Atlas also projects how climate change and socioeconomic development could affect water resources in the future. The tool includes four indicators projected to 2020, 2030 and 2040, using a 1950-2010 baseline, under three different climate scenarios (optimistic, business as usual and pessimistic which are based on the IPCC 5th Assessment Report): projected change in water stress, seasonal variability, water supply, and water demand.

W7.3a

(W7.3a) Has your organization identified any water-related outcomes from your climate-related scenario analysis?

No

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, and we do not anticipate doing so within the next two years

Please explain

Water is not considered material.

W8. Targets

W8.1

(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Company-wide targets and goals Business level specific targets and/or goals Site/facility specific targets and/or goals	Targets are monitored at the corporate level Goals are monitored at the corporate level	Annually, L3Harris sets targets, goals and objectives as part of our strategic growth planning (SGP) process. In 2018 Harris finalized their long-term goals, which included a water consumption reduction target of 20% over a baseline year of 2017 by 2025. As noted previously, on June 29, 2019, L3 Technologies and Harris Corporation merged to become L3Harris. Following the merger, L3Harris began work to re-baseline company metrics and adjust long-term environmental sustainability goals. During this time, legacy Harris environmental sustainability goals acted as the interim targets for all L3Harris sites and facilities in 2019. The corporate goals were used to guide Segment and site level reduction initiatives and projects for the year.

W8.1a

(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.

Target reference number

Target 1

Category of target

Water consumption

Level

Company-wide

Primary motivation

Reduced environmental impact

Description of target

Reduce water consumption by 20%

Quantitative metric

% reduction in total water consumption

Baseline year

2017

Start year

2018

Target year

2025

% of target achieved

13

Please explain

Legacy Harris Long-term targets and goals were finalized in 2018. These goals were approved by our executive leadership team and board and publicly announced in June of 2019. As part of our merger, re-base-lining work conducted in 2019 included collecting combined data for L3 Technologies and Harris Corporation to determine our water usage for a new baseline year as a combined company. For this report and comparison to the 2017 base year of the legacy Harris water reduction target, we have included Harris only water consumption in the '% of target achieved' field of this table. Based on 2019 legacy Harris data, we saw a 2.6% reduction in overall water usage compared to our baseline year of 2017. Total water consumption for L3Harris in 2019, which includes the combined data for L3 Technologies and Harris Corporation is 512,024 thousand gallons. This data will be used to establish our new L3Harris target in the coming year.

W8.1b

(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.

Goal

Promotion of water data transparency

Level

Company-wide

Motivation

Corporate social responsibility

Description of goal

Disclosure of water-related data in first ESG report in 2021

This goal is important to L3Harris because transparency in ESG data is also important to our stakeholders

Baseline year

2019

Start year

2019

End year

2021

Progress

As part of our merger, re-base-lining work conducted in 2019 included collecting combined data for L3 Technologies and Harris Corporation to determine our water usage for a new baseline year as a combined company. Total water consumption for L3Harris was tracked in 2019 and included the combined data for L3 Technologies and Harris Corporation. This data will be used to establish our new L3Harris water reduction target in the coming year and begin to track our reduction efforts against the new baseline year. In addition, in our efforts to integrate water-related issues into our operations, we identify, implement, and track water related efficiency projects as part of our e3 program. Our goal is to disclose this water-related data and information and describe how we integrate water-related issues into our long-term strategic business plan in our first ESG report in 2021. This water tracking and disclosure are important to L3Harris for the sake of evaluating our water usage sustainability and providing transparency to our stakeholders.

Goal

Other, please specify

Increase water conservation efforts: Identification and implementation of eco-treasure hunt/e3 projects annually

Level

Company-wide

Motivation

Reduced environmental impact

Description of goal

Conduct eco-treasure hunts and implement water efficiency projects. As part of our environmental sustainability strategy, (and to support our company wide target to reduce

water consumption by 20%) in 2019 we established our goal to complete both Segment level and Corporate sponsored eco-treasure hunts annually to identify water-related efficiency projects. Eco-treasure hunts are conducted to discover and realize energy efficiency and water conservation risks and opportunities while enabling employees to build a culture of continuous improvement.

Baseline year

2019

Start year

2019

End year

2025

Progress

After our merger, we rolled out our e3 program, which provides a common language, processes, and metrics across the enterprise and includes regular reviews and performance metrics to drive continuous improvement as a foundation for innovation. A key element of our e3 program is environmental sustainability including water-related goals. Through our e3 program, we identify, implement, and track water related efficiency projects. Water efficiency projects are identified and implemented as part of the annual Facilities Infrastructure Planning process (e3 projects). The indicator used to assess progress against the goal is the number of eco-treasure hunts conducted.

In 2019, two Corporate sponsored eco-treasure hunts were completed at our facilities in Palm Bay, FL and Rochester, NY. It is our goal to continue annual identification of water efficiency projects through the Facilities Infrastructure Planning process (e3 projects) and continue annual Segment level and Corporate sponsored eco-treasure hunts and track the opportunities identified from these processed and the associated reduced environmental impact realized from implementation of the identified projects.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

No, but we are actively considering verifying within the next two years

W10. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

The VP of Global Operations, reports directly to our Vice Chairman, President and COO and is a peer of our Segment Presidents and functional leader for global operations. He has five functions under his purview including: Continuous Improvement, Manufacturing Engineering, Environmental, Health and Safety (EHS), Supply Chain, and Quality. As part of the EHS organization, the corporate environmental sustainability function reports directly to the VP of Global Operations and the Board's Nominating and Governance Committee oversees EHS water-related issues.

W10.1

(W10.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	Vice President, Global Operations	Other, please specify VP, Global Operations

W10.2

(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

Yes

SW. Supply chain module

SW0.1

(SW0.1) What is your organization's annual revenue for the reporting period?

	Annual revenue
Row 1	18,074,000,000

SW0.2

(SW0.2) Do you have an ISIN for your organization that you are willing to share with CDP?

No

SW1.1

(SW1.1) Could any of your facilities reported in W5.1 have an impact on a requesting CDP supply chain member?

We do not have this data and have no intentions to collect it

SW1.2

(SW1.2) Are you able to provide geolocation data for your facilities?

	Are you able to provide geolocation data for your facilities?	Comment
Row 1	No, this is confidential data	

SW2.1

(SW2.1) Please propose any mutually beneficial water-related projects you could collaborate on with specific CDP supply chain members.

SW2.2

(SW2.2) Have any water projects been implemented due to CDP supply chain member engagement?

No

SW3.1

(SW3.1) Provide any available water intensity values for your organization's products or services.

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission	Are you ready to submit the additional Supply Chain Questions?
I am submitting my response	Investors Customers	Public	Yes, submit Supply Chain Questions now

Please confirm below

I have read and accept the applicable Terms