



L3HARRIS™
FAST. FORWARD.

SUSTAINABILITY REPORT 2021

A satellite is shown in orbit above Earth. The satellite has a white body with various instruments and a large array of blue solar panels. A bright green laser beam is directed from the satellite towards the Earth's surface. A wavy orange line is visible in the background, possibly representing a signal or data path. Other smaller satellites are visible in the distance.

➤ SUSTAINABILITY IS NOT JUST FOR OUR COMPANY. IT IS FOR OUR WORLD. SOME PROGRESS MAY BE SLOW. SOME MAY BE **FAST**. BUT IT WILL ALWAYS BE **FORWARD**.

L3Harris has prioritized investments in end-to-end satellite solutions in spacecraft, payloads, ground software and advanced algorithms.

Our values of Integrity, Excellence and Respect are at the heart of everything we do and inspire our team members around the globe.

➤ INTEGRITY

OUR DECISIONS AND ACTIONS ARE BASED ON ETHICAL, HONEST AND ACCOUNTABLE PRACTICES.

➤ EXCELLENCE

WE PERFORM AT THE HIGHEST LEVELS THROUGH FLAWLESS EXECUTION, CUSTOMER FOCUS AND CONSTANT INNOVATION.

➤ RESPECT

WE TACKLE EVERY CHALLENGE WITH A SUSTAINABLE, COMMUNITY-MINDED AND INCLUSIVE APPROACH.



TABLE OF CONTENTS

05 APPROACH

- 05 A MESSAGE FROM CHRISTOPHER E. KUBASIK
- 06 ABOUT L3HARRIS
- 07 HIGHLIGHTS OF 2021
- 08 STAKEHOLDER ENGAGEMENT
- 09 FOCUS AREAS

10 STORIES

- 11 PRODUCT TECHNOLOGY
- 12 ENERGY AND CLIMATE CHANGE
- 13 DIVERSITY, EQUITY AND INCLUSION
- 14 COMMUNITY
- 15 GOVERNANCE

16 GOVERNANCE

- 17 CORPORATE GOVERNANCE
- 19 BUSINESS ETHICS
- 21 ANTI-CORRUPTION
- 22 LOBBYING AND POLITICAL ADVOCACY

23 ENVIRONMENTAL

- 24 EHS AND SUSTAINABILITY MANAGEMENT SYSTEM

- 25 SUSTAINABLE PRODUCTS/ SERVICES AND PACKAGING MATERIALS
- 26 ENERGY AND CLIMATE CHANGE
- 29 WATER
- 31 WASTE AND HAZARDOUS WASTE

34 SOCIAL

- 35 HUMAN CAPITAL
- 38 DIVERSITY, EQUITY AND INCLUSION
- 40 HEALTH AND SAFETY
- 42 HUMAN RIGHTS
- 43 COMMUNITY
- 44 SUPPLY CHAIN MANAGEMENT
- 45 DATA PRIVACY AND CYBERSECURITY

RESOURCES

- 2021 GRI/SASB/TCFD/UN SDG INDEX [↓](#)
- 2021 DIVERSITY, EQUITY & INCLUSION REPORT [↓](#)
- 2021 ANNUAL REPORT [↓](#)
- 2022 PROXY STATEMENT [↓](#)
- CODE OF CONDUCT [↓](#)
- SUSTAINABILITY REPORT LANDING PAGE [↗](#)
- CORPORATE WEBSITE [↗](#)

COVER IMAGE: The FVR-90 unmanned aircraft system can fly safely at high altitudes while providing communications and imagery back to command centers staffed by scientists, firefighters or others.

HERE: L3Harris supports assembly, integration and testing of NASA's James Webb Space Telescope.

VICE CHAIR AND CEO LETTER

A MESSAGE FROM
CHRISTOPHER E. KUBASIK

Protecting everyday life is central to our mission at L3Harris — from developing innovative technology that safeguards our nation and allies, to our unwavering commitment to sustainability. Despite challenges during the pandemic, our L3Harris team remained focused on creating vital solutions safely and with integrity, excellence, and respect at the forefront.

These values continue to guide our Environmental, Social and Governance (ESG) strategy. Our annual Sustainability Report showcases our progress and transparency on employee initiatives, environmental goals, community efforts and governance standards.

Our 47,000 employees continue to prove they can adapt and perform in nearly any setting. In this “new normal,” we bolstered initiatives to keep our employees safe and healthy, while working with our supplier base to meet customer expectations throughout evolving COVID-19 challenges.

In 2021, we also took a more active role in monitoring climate data to mitigate long-term risk throughout the L3Harris global portfolio. We initiated alignment with the Task Force on Climate-Related Financial Disclosures to advance our transparency in climate-related risks and opportunities.

We remain keenly focused on a greenhouse gas (GHG) emissions reduction goal of 30% by 2026, reaching beyond enterprise opportunities to identify renewable energy projects across our business. A major win this year: the start of commercial operation for an L3Harris-supported solar farm that will help eliminate roughly 110,000 metric tons of CO₂ per year.

Supporting our community also extends to our neighbors in the areas where we live and work. We focus our community engagement strategy in three areas: STEM education, mission-aligned programs, and community development. Despite the pandemic, our employees volunteered 105,000 hours this year — far exceeding our enterprise goal.

The thoughtfulness of our exceptional employees during work and off-work hours is a testament to our vibrant L3Harris culture of solidarity. We strive for true diversity of thought by hiring efficiently, managing differently, and advancing with a purpose. We also invest key time and resources to empower diverse, equitable and inclusive choices for our people at every level within the organization.

Maintaining our success while remaining accountable to all stakeholders are top drivers for our Board of Directors — leaders who were long-serving military officers, senior business executives, academic fellows, and a U.S. Ambassador to a crucial national security ally. Together, we aim to cultivate an

ethical, disruptive company that strives for excellence far beyond base policies and standards.

As we consider how long-term national security is defined, we recognize responsible corporate governance is essential to creating sustainable value for all, especially for our customers, our families, and our communities.

I am grateful to our exceptional team at L3Harris as well as our supportive Board. I am confident — as we hold ourselves accountable to transparent, meaningful goals — we will continue to make progress toward a sustainable future for all.

Sincerely,

CHRISTOPHER E. KUBASIK
Vice Chair and Chief Executive Officer

ABOUT L3HARRIS

L3Harris Technologies (L3Harris) is an agile global aerospace and defense technology innovator, delivering end-to-end solutions that meet customers’ mission-critical needs. The company provides advanced defense and commercial technologies across space, air, land, sea and cyber domains. L3Harris has more than \$17 billion in annual revenue and 47,000 employees, with customers in more than 100 countries.

<p>➤ \$17B annual revenue</p>	<p>➤ ~47K L3Harris employees</p>	<p>➤ ~19K scientists & engineers</p>	<p>➤ >100 countries supported</p>
--	---	---	---

L3Harris customers include departments and agencies of the United States (U.S.) government, foreign governments, and other large defense contractors. The company’s products, systems and services have defense and civil government applications, as well as commercial applications.

L3Harris’ operations are structured primarily around the products, systems and services it sells and the

markets it serves. The company’s organizational structure features three operating business segments. Headquartered in Melbourne, Florida, the company is publicly traded on the New York Stock Exchange (Symbol: LHX).

TRANSPARENCY APPROACH

The L3Harris Sustainability Report provides information to stakeholders about the company’s environmental, social and governance (ESG) program.

This report aligns with frameworks provided by the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB) for Aerospace & Defense standards.

This year’s report initiates support of the Task Force for Climate-Related Financial Disclosures (TCFD) and United Nations Sustainable Development Goals (UN SDGs). See the [GRI/SASB/TCFD/UN SDG Index](#) for our 2021 disclosures.

INTEGRATED MISSION SYSTEMS



Multi-mission intelligence, surveillance and reconnaissance systems; integrated electrical and electronic systems for maritime platforms; advanced electro-optical and infrared solutions; defense aviation; commercial aviation products; and commercial pilot training operations.

SPACE AND AIRBORNE SYSTEMS



Image courtesy of U.S. Air Force

Space payloads, sensors and full-mission solutions; classified intelligence and cyber defense; avionics; electronic warfare; and mission networks for air traffic management operations.

COMMUNICATION SYSTEMS



Tactical communications with global communications solutions; broadband communications; integrated vision solutions; and public safety radios, system applications and equipment.

NOTE: L3Harris reorganized the core businesses on Jan. 1, 2022 by moving from four to three segments. The Aviation Systems teams were aligned under Integrated Mission Systems and Space and Airborne Systems.



HIGHLIGHTS OF 2021

ENVIRONMENTAL



78,763
metric ton carbon dioxide equivalent in GHG emissions reduced since 2019



100 MW
of renewable energy to be provided annually from the Elm Branch Solar Farm virtual power purchase agreement



A-
CDP Water score



73
energy efficiency programs identified for a projected annual savings of approximately 19,500,000 kWh



23%
reduction in water use since 2019



48%
solid waste diversion rate

SOCIAL



105,000
volunteer hours completed in 2021, exceeding company goal of 65,000



2021
Fortune 100 best companies to work for recognition



39
social impact grants awarded to organizations affected by COVID-19, reaching more than 217k people across the U.S.



840
new graduate hires, meeting goal of >10% of annual hiring



4%
decrease in Total Recordable Injury Rate from 2020 to 2021



100%
of suppliers participated in a supplier screening process

GOVERNANCE



BRC
Business Resiliency Council established for Environmental Risk Management process



100%
score on the Human Rights Campaign Corporate Equality Index 2021



100%
of employees trained in anti-corruption policies and procedures



100%
of employees trained on Global Trade Compliance Policy



100%
of employees trained on Human Trafficking Policy



STAKEHOLDER ENGAGEMENT

L3Harris takes a holistic view of its business and its role in society. The company is committed to serving all stakeholders – employees, customers, shareholders, suppliers and community partners, among others.

The company’s 2020 materiality assessment incorporated perspectives from key stakeholders to help develop and implement the ESG strategy. L3Harris continues to strengthen stakeholder engagement on an on-going basis. The company plans to complete an updated materiality assessment in 2023 with direct stakeholder engagement.

STAKEHOLDER GROUP	EXAMPLES OF ENGAGEMENT CHANNELS	KEY TOPICS
Employees	Comprehensive employee surveys, working groups, Employee Resource Groups (ERGs), intranet, emails, e-newsletters	Corporate governance
		Human capital
		Diversity, equity and inclusion
		Workplace health and safety
Customers	Meetings, virtual and in-person trade shows, regular interaction with government officials and regulators, customer service feedback	Data privacy and cybersecurity
		Business ethics
		Anti-corruption
Suppliers	Sales meetings, conferences, forums	Sustainable products/services and packaging materials
		Supply chain
		Business ethics
		Human rights
Community	Meetings with community partners, volunteer events	Conflict minerals
		All environmental topics
		Community engagement
Investors	Earnings calls, meetings with shareholders and analysts, publications of financial results and presentations, participation in ESG ratings	Diversity, equity and inclusion
Industry Peers	Involvement in industry associations	All topics
		Supply chain
		All environmental topics
		Diversity, equity and inclusion

NOTE: The table above provides examples of key engagement methods with main stakeholder groups, but is not an exhaustive list.



FOCUS AREAS

As L3Harris implements its ESG strategy and reports on progress, the company will continue to engage broader stakeholder groups to enhance its approach, strengthen initiatives and maintain a focus of continuous improvement on the ESG program.

As an aerospace and defense company, L3Harris manages and addresses a broad range of ESG issues. This Sustainability Report focuses on key topics and ESG impacts and opportunities relevant to the business and stakeholders. Understanding and prioritizing the ESG topics on which the business has the biggest impact allows the company to focus and report on the key issues.

In 2020, L3Harris conducted a formal materiality assessment to establish the ESG program. Through key stakeholder input and information collected from various sources and activities, the company identified the material issues shown in the matrix. These material topics have not changed as there has been no significant event or shift within L3Harris in regard to ESG. The next formal materiality assessment is scheduled to take place in 2023, unless the need arises beforehand.

The company’s sustainability initiatives focus on areas that most impact the business based on a global materiality assessment.

MATERIAL TOPIC IMPACTS			
	HIGH	MEDIUM	LOW
GOVERNANCE 	<ul style="list-style-type: none"> Business ethics Corporate governance Anti-corruption 	<ul style="list-style-type: none"> Lobbying and political advocacy Research, development and innovation 	
SOCIAL 	<ul style="list-style-type: none"> Health and safety Community Data privacy and cybersecurity Diversity, equity and inclusion Supply chain Product safety/quality Human capital 	<ul style="list-style-type: none"> Conflict minerals 	<ul style="list-style-type: none"> Human rights
ENVIRONMENTAL 	<ul style="list-style-type: none"> Energy, climate change 	<ul style="list-style-type: none"> Sustainable products/ services and packaging materials Waste and hazardous waste EHS and sustainability management systems 	<ul style="list-style-type: none"> Water Criteria air pollutants Land, forest, biodiversity

NOTE: Criteria air pollutants does not include GHG emissions.

STORIES



**PRODUCT TECHNOLOGY****TRACKING DATA IN THE TOUGHEST ENVIRONMENTS**

Product technology in numbers:

➤ 70: L3HARRIS

payloads and components have been on board every U.S. GPS satellite — more than 70 missions since the 1970s

➤ 3X: L3HARRIS

next-generation satellites are three times more accurate and have eight times stronger anti-jamming capabilities

➤ 800+ YEARS

of cumulative on-orbit operations

L3HARRIS engineering teams have been creating solutions to collect data and support environmental sustainability — from space to Earth.

Since the 1950s, the company's Global Positioning System (GPS) technology has been key to tracking weather patterns. The National Oceanic and Atmospheric Administration (NOAA) partnered with L3Harris to equip Geostationary Operation Environmental Satellites (GOES) with our Advanced Baseline Imager (ABI) instruments to collect weather data; a task that becomes more crucial as the intensity of severe weather events increases.

“Resiliency is the name of the game as we move forward.”

— Todd Rimbey, Vice President & General Manager, Advanced Systems & Technologies, L3Harris

L3Harris GPS satellites also play a critical role in tracking GHG emissions. Data collected from the ground can

be incomplete, but the view from 12,600 miles up is clear. L3Harris' thermal and near infrared sensor on the Greenhouse Gases Observing Satellite-2 (GOSAT-2) measures carbon dioxide, methane and carbon monoxide, accurately differentiating between natural and man-made emissions.

Another critical data collection technology is the FVR-90 (Fixed wing, Vertical takeoff and landing, and Rotator), unmanned aerial system equipped with Hybrid Quadrotor technology, which excels at collecting data from tough environments while keeping operators safe. Without human crews, this aircraft can tolerate extreme conditions for extended periods, allowing fewer and longer flights while saving fuel. FVR-90 has been instrumental in tracking the seasonal break up of Arctic Sea ice and shifting seal and fish populations. The flights can capture more complete data going low and slow, which cannot be done safely with a manned aircraft.



ENERGY/CLIMATE CHANGE

INVESTING IN RENEWABLE ENERGY
CREATES CASCADING BENEFITS

Elm Branch Solar Farm in numbers:

➤ **~25%
REDUCTION**

in company Scope 2 GHG emissions from purchased electricity

➤ **250
CONSTRUCTION**

jobs were created

➤ **50
VETERANS**

gained new skills through an apprenticeship program

L3HARRIS is committed to fighting climate change by reducing GHG emissions and energy consumption. We are investing in various solutions to meet our long-term GHG reduction target including investing in renewable energy. In June 2020, L3Harris signed a virtual power purchase agreement with Lightsource bp that resulted in a new solar farm project, Elm Branch. L3Harris committed to a

had created approximately 250 construction jobs and, through an apprenticeship program, 50 veterans gained new skills and were introduced to career paths in renewable energy.

L3Harris’ investment in the solar farm project created benefits beyond contributing to our progress towards reducing our GHG emissions by 30% by 2026.

“ This solar project reinforces our commitment to sustainability and reducing our environmental footprint. It serves as a model of the benefits that shared goals among several organizations can create to support our community and the environment. ”

— Byron Green, Vice President, Global Operations, L3Harris

perennial purchase of 100 megawatts of capacity and the environmental attributes. The total project is comprised of more than 360,000 solar panels across approximately 1,350 acres of land.

The Elm Branch Solar Farm broke ground at the end of 2020. By its completion in late 2021, project partners McCarthy Building Companies and Adaptive Construction Services

The solar farm provided veterans and others valuable job opportunities while strengthening local economies with projected revenue for local landowners through long-term land leases. The project also helped foster a healthier environment and grew the renewable energy pipeline that enables other businesses to lower their carbon footprints all while increasing U.S. energy security and independence.

DIVERSITY, EQUITY & INCLUSION (DE&I)

SUPPORTING EQUITY AND EQUALITY

DE&I in numbers:

➤ 9 ERGS

with 70+ chapters worldwide, engaging 7,800 unique members

➤ HALF OF OUR

U.S. workforce will be women and at least a third will be persons of color

➤ 26%

of overall workforce currently persons of color

L3HARRIS prioritizes and invests significant resources in cultivating a diverse workforce and creating an inclusive work environment as described in the [2021 Diversity, Equity and Inclusion \(DE&I\) Annual Report](#). The company's values of integrity, excellence and respect, along with the Code of Conduct, align with the DE&I efforts, and L3Harris works hard to embed these tenets into every level of the organization.

In 2021, L3Harris joined the Human Rights Campaign Business Coalition for the Equality Act along with more than 500 other U.S. companies. L3Harris leadership and the PRIDE Employee Resource Group also launched the LGBTQ+ Allyship Program. More than 1,000 employees in 10 countries have taken the Allyship Program Pledge to Advocate, Learn, Listen and say "Yes" to being an ally. Program materials are available for all employees to learn about LGBTQ+ concerns and how to help create a safe and respectful workplace.

Another example of our commitment to DE&I in 2021 was our virtual Women in Leadership Conference, which hosted more than 600 women and allies. Topics included the advancement of women in the workplace, the role of DE&I in fostering an empowering culture, and allyship as an important tool for achieving gender equity. L3Harris women leaders discussed how simple actions by male allies can have a big impact, such as advocating for opportunities for women colleagues and publicly praising accomplishments.

“To be a trusted disruptor and deliver innovative solutions for our customers, we need to leverage the ideas of all our employees. To drive that innovation, we continue to actively engage with our employees.”

— Christopher E. Kubasik,
Vice Chair and CEO, L3Harris



COMMUNITY

LIFT VOLUNTEERS
ROCKET PAST GOAL

Community in numbers:

➤ **1,169**completed projects
surpassed the previous
record by roughly 50%➤ **+1,000**projects completed in
2021 for the first time➤ **105,000**total volunteer hours in
2021 beat the previous
record by nearly 50,000
hours

L3HARRIS has always known that community building is essential to success. L3Harris Investing for Tomorrow (LIFT) is the signature program underwritten by the L3Harris Foundation and facilitated by the company; but powered by the passion and dedication of employees.

L3Harris Employee Resource Group (ERG) members are some of the most enthusiastic volunteers. LIFT's 2021 competition challenged our ERGs to post the most volunteer hours and highest member participation between June 1–August 31. The two winning groups in 2021 reached 3,524 hours and 8.5% participation. In that short time, ERGs made a big impact with their efforts. Throughout 2021, L3Harris completed more than 40,000 volunteer hours beyond our goal of 65,000 hours, reaching 105,000 by year end. We also

completed more projects under each volunteer pillar than ever before, for a total of 1,169 projects: 478 STEM (education); 148 Mission Aligned (first responders & military); and 543 Community (local initiatives).

Many volunteers across eight states participated in the annual Read Across America Day. Company volunteers introduced a variety of literature to second graders using books with diverse characters to emphasize there are scientists, heroes and leaders from all walks of life.

L3Harris employees also signed up to mentor students on 47 robotics teams across 15 states for the 2021/2022 school year. Employees have been guiding the teams' engineering efforts and take part in competitions nationwide.

“L3Harris volunteers will help students learn real-world problem-solving skills through team collaborations and hands-on competitions — an approach that has led to some of today's greatest innovations. We are proud to support programs that help increase interest in STEM and foster much-needed talent.”

— Michelle L. Turner, Senior Vice President and Chief Financial Officer, L3Harris



GOVERNANCE

MAINTAINING STRICT
TRADE COMPLIANCE

L3Harris sells advanced and capable products, technology and services globally. The company is committed to conducting business ethically, with trusted partners while following all applicable domestic and international regulations related to these transactions. L3Harris also maintains stringent internal processes to ensure that all company technologies are provided to approved buyers and end-users.

“Trade compliance requires the cooperation and shared responsibility of all L3Harris employees. Every employee is required to take annual trade education and must do his or her part to ensure no transaction occurs that is contrary to the trade regulations. Any questions or knowledge of an actual or suspected compliance issue or violation must be immediately reported to Global Trade Compliance Professionals, who are likewise certified on an annual basis.”

— Bill Wade, Vice President, Global Trade Compliance, L3Harris

OUR products and sales are controlled by the International Traffic in Arms Regulations (ITAR) and the Export Administration (EAR). Additionally, L3Harris’ membership in U.S. Customs and Border Protection’s Customs Trade Partnership (CTPAT) program augments the existing Trade Compliance program.

L3Harris codified strategic licensing in a specific corporate procedure. Moreover, L3Harris maintains a thorough restricted party screening process across the enterprise to check for prohibited business partners and transactions.

L3Harris has established comprehensive training materials ensuring that all employees receive Trade Compliance training relating to their function. The company’s approach to strategic licensing ensures L3Harris knows the product, the end use and the end users involved in the sale.

We complete jurisdiction and classifications via a robust process to determine applicable regulatory controls of our products. Additionally, the Trade Compliance function reports to our legal department ensuring proper legal controls and compliance protocols are followed.

➤ GOVERNANCE GRI/SASB DISCLOSURES

L3Harris technology undergoes extensive testing to ensure operations in even the harshest environments.



CORPORATE GOVERNANCE

- GRI 102-18** Governance structure of the organization
- GRI 102-22** Composition of the board and its committees
- GRI 102-23** Chair of the highest governance body
- GRI 102-26** Role of highest governance body in setting purpose, values, and strategy
- GRI 102-31** Review of economic, environmental, and social topics

MANAGEMENT APPROACH

L3Harris is focused on and committed to responsible and effective corporate governance in order to enhance the creation of sustainable long-term shareholder value and to be accountable and responsive to all our shareholders. Shareholders elect the L3Harris Board, which is comprised of thirteen directors. All are independent except for two employee directors, our Vice Chair and Chief Executive Officer (CEO) and our Executive Chair. The Board represents our highest governance body responsible for ESG oversight, including climate-related risks and opportunities.

Our Board engages on a regular basis on ESG matters, including maintaining an effective governance structure, determining appropriate board composition, planning for board succession, and overseeing our ethics and compliance program, as well as our activities related to environmental sustainability; diversity, equity and inclusion (DE&I); and corporate citizenship. The Board and relevant committees monitor our progress against our ESG and climate-related targets and goals, and oversee related aspects of our corporate strategy, plans of action, management policies, and performance objectives.

See our [2022 Proxy Statement](#) page 22 for details on our current Board leadership structure, including our Executive Chair, Vice Chair and CEO and Lead Independent Director roles, and page 25 for details on our Board Committees and Nominating and Governance Committee, featuring diversity criteria included in Board nominations and selection.

- GRI 102-19** Delegation of responsibility
- GRI 102-20** High-level accountability for sustainability topics
- GRI 102-29** Identifying and managing economic, environmental, and social impacts
- GRI 102-32** Highest governance body's role in sustainability reporting

Our CEO and Chair are regularly briefed by the Vice President (VP) of Global Operations on ESG-related issues and are responsible for providing direction on the implementation of our ESG strategy throughout the company. The ESG Steering committee updates our Board on a regular basis on ESG-related risks and opportunities. As seen in the ESG Management Structure to the right, we also have committees and groups across the organization to ensure effective management of, and drive performance across our material ESG topics.

- GRI 102-24** Nominating and selecting the highest governance body
- GRI 102-25** Conflict of interest

Our Board is responsible for approving nominees to stand for director elections. The Board

ESG MANAGEMENT STRUCTURE

NOMINATING & GOVERNANCE COMMITTEE	BOARD OF DIRECTORS
<ul style="list-style-type: none"> ■ Ultimate responsibility for ESG strategy ■ Annual oversight of ESG / Sustainability disclosures 	

ESG STEERING COMMITTEE
<ul style="list-style-type: none"> ■ Accountable for ESG goals <p>KEY EXECUTIVES INCLUDING:</p> <ul style="list-style-type: none"> ■ CEO: Provides Board of Directors updates on ESG-related risks and opportunities ■ CHIEF FINANCIAL OFFICER ■ CHIEF HUMAN RESOURCES OFFICER ■ GENERAL COUNSEL ■ VP, GLOBAL OPERATIONS: Briefs CEO

ESG WORKING GROUP
<ul style="list-style-type: none"> ■ Management and executive-level members representing various departments ■ Harmonizes ESG programs ■ Operational responsibility for implementation and tracking of board decisions and day-to-day management of enterprise-wide ESG issues

Nominating and Governance Committee assists by identifying and recommending qualified individuals for election and re-election to the Board based on professional experience and personal criteria in the L3Harris [Corporate Governance Guidelines](#). Shareholders also may recommend or make director nominations following the processes described in the [2022 Proxy Statement](#) on page 16.

Our Board assesses the independence of our directors and examines the nature and extent of any relationships between the company and our directors, their families, and their affiliates. The Board is guided in this assessment by our Director Independence Standards and our Corporate Governance Guidelines, available on the Corporate Governance section of our [ESG](#) webpage.

We value the diversity of viewpoints, background, experience and personal characteristics, including age, gender and racial and ethnic minority status, and similar demographics in our leadership, including the Board ([2022 Proxy Statement](#) on page 3). To learn more about our DE&I strategies, policies and accomplishments see our most recent [Diversity, Equity and Inclusion Report](#), the DE&I story on [page 13](#), and the DE&I disclosure on [page 37](#).

GRI 102-30 Effectiveness of risk management processes

L3Harris' enterprise risk management (ERM) process, which is guided by the Committee of Sponsoring Organizations (COSO) framework, identifies and assesses our top material enterprise risks, which includes climate-related and other ESG risks. The process is Board-approved and is overseen by the CEO and Senior Executives. Additionally, the Audit Committee performs an annual review of the risk identification process to assist in the identification of additional risks. The ERM Committee is chaired by the Chief Ethics & Compliance Officer and includes senior corporate leaders along with representation from each segment. Top material risks along with existing mitigation plans are reviewed annually by the CEO, Senior Executives and the Board.

We improved our ERM process in 2021 through:

- Increased leader input and consultation on risk identification to address emerging issues;
- Realigned survey timing to allow results to be considered during the enterprise strategic planning process;
- Expanded our assessment criteria to provide greater insight into risk considerations; and
- Assigning “risk champions” at the segment leadership level to respond to the level of risk identified in the ERM process.

In late spring 2021, we established the Business Resilience Council. It includes L3Harris functional and segment leaders serving as delegates and is an active partner in the ERM process. The Business Resilience Council reports to the Business Resilience Management Team (BRM)/L3Harris senior leadership and is chartered to oversee the Business Resilience Policy. The Business Resilience Policy drives governance and assists segments in the design, implementation, and continuous improvement of business continuity processes and procedures, as well as promotes synergy across the organization. The policy outlines the requirements for Business Continuity Plans (BCPs) that will be developed for all sites to follow mission-critical business processes, including the development of threat and vulnerability assessments and Business Impact Analyses (BIAs). The Business Resilience Council also ranked all active L3Harris sites by criticality in 2021. Segment and function business continuity leads will be conducting BIAs for identified critical sites in early 2022. Additionally, BCPs and planned exercises for identified critical sites will be conducted later in the year.

GRI 102-33 Board communication (Communicating Critical Concerns)

Shareholders and other persons who wish to communicate with members of our Board may send an email to the intended recipient(s) c/o our Corporate Secretary at corporate.secretary@l3harris.com, or may write to the intended recipient(s) c/o Corporate Secretary, L3Harris Technologies, Inc., 1025 West NASA Boulevard, Melbourne, Florida 32919.

- GRI 102-35** Remuneration policies
- GRI 102-36** Process for determining remuneration
- GRI 102-37** Stakeholders' involvement in remuneration

For information on our remuneration policies for Board members and senior executives, see our [2022 Proxy Statement](#) page 42.

- GRI 102-38** Annual total compensation ratio
- GRI 102-39** Percentage increase in annual total compensation ratio

For more information on our CEO pay ratio, see our [2022 Proxy Statement](#) page 90.

BUSINESS ETHICS

- GRI 102-16** Values, principles, standards, and norms of behavior
- GRI 102-17** Mechanisms for advice and concerns about ethics

SASB RT-AE-510a.3 Business ethics

L3Harris ensures an ethical workplace by going beyond policies and procedures, to embody ethical principles and norms that permeate within and outside the company. Our business ethics atmosphere begins at the top with the Board and executive leadership, and includes all employees, suppliers, and customers. L3Harris is an active member of the Defense Industry Initiative (DII), whose mission is the continued promotion and advancement of a culture of ethical conduct in every company that provides products and services through government contracting.

VALUES AND GOVERNANCE

L3Harris' continued success centers on a commitment to the highest ethical standards. Processes for implementing ethical standards are integrated into every level of the organization as shown in the pyramid diagram on the next page.

EMPLOYEES

To instill the highest standards of performance and behavior, all employees sign an annual pledge that they will never compromise the L3Harris values to achieve business objectives. We also require all L3Harris employees, managers, officers and directors to abide by the company's [Code of Conduct](#) and to complete various Ethics & Compliance training, such as Code of Conduct, trade compliance, anti-corruption and sexual harassment. All new hires and new managers are also required to take live Ethics & Compliance training within 90 days of their appointments. Ethics & Compliance related training is administered quarterly for all employees and translated into the core L3Harris languages including English, French Canadian,

L3HARRIS' VALUES:

INTEGRITY

Accountable, ethical, honest

EXCELLENCE

Flawless execution, customer-focused, innovative

RESPECT

Safe & sustainable, community-minded, inclusive



Italian, German, Iberian Portuguese and Thai. We achieved a 100% on-time completion rate for all required 2021 Ethics & Compliance training.

In 2021, we refreshed our [Code of Conduct](#) with emphasis on our commitment to ethics, which also included specific commitments to respect our environment by reducing greenhouse gas (GHG) emissions, water consumption, diverting waste from landfills, and complying with applicable environmental laws and regulations.

SUPPLIERS

Our supply chain partners uphold the highest principles and standards in economic, human rights and environmental guidelines and practices. Consistent with DII’s mission, all new and existing suppliers are screened against specific performance and ethics criteria prior to contract award and are required to adhere to the values and business standards outlined in the L3Harris Supplier Code of Conduct, including compliance with laws, expectations of their ethics programs and meeting appropriate human rights and employment practice obligations. Suppliers must also execute the



L3Harris Provisions of Purchase, which includes a legal obligation to conduct business fairly, impartially and in an ethical manner. After joining the L3Harris supply chain community, supply chain partners certify annually and represent continued compliance with standards of ethical conduct as well as specific contractual requirements. Additionally, all suppliers are contacted each year to reinforce our expectations that they operate in an ethical and compliant manner. These notifications were made in both English and French Canadian. See our [Supplier Code of Conduct](#) and [Supply Chain Management](#) sections for more information.

REPORTING

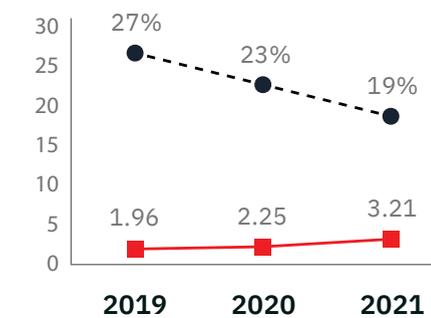
Employees are encouraged to report any conduct they believe violates our Code of Conduct, policies, or the law via several avenues, including their supervisor, Ethics Advisor, Human Resources, Legal or subject matter experts. Alternatively, employees may communicate their concerns on a confidential or anonymous basis using our third-party-hosted Helpline website or toll-free phone number, which is available for each jurisdiction in which we operate. In 2021, L3Harris had a total of 1,521 total reports, averaging 3.21 reports per 100 employees as seen below:

ETHICS REPORTS

Number of Reports



■ Inquiries
■ Allegations



● --- Anonymous reporting rate (per 100 employees)
■ — Reporting rate (per 100 employees)

Notably, 81% of individuals, who reported ethical concerns willingly identified themselves. This value is significantly higher than the industry recognized benchmark of 44%, indicating that L3Harris employees are less fearful of retaliation when reporting ethical concerns and feel comfortable speaking up. All reports are investigated by trained ethics professionals, and as a result of the investigations, there were various corrective actions taken including 76 dismissals, 82 disciplines, 119 coaching/counseling/training sessions, and 137 other actions such as process/policy improvements and third-party reconciliations. During 2021, a higher number of complaints were received due to the COVID-19 pandemic and our new centralized Conflict of Interest disclosure process.

ETHICS SURVEY

Based on the results of the 2020 ethics survey for all employees, L3Harris worked to continuously improve our workplace culture through various activities, including targeted focus groups, leadership engagement, implementation of a new reporter experience process, hosting over 100 learning sessions for employees, and increasing/enhancing internal communications. These efforts specifically helped raise awareness of expected behavior, measure employee satisfaction with the reporting process, detect retaliation, and increase employee participation in the reporting process.

CORPORATE POLICIES & PROCEDURES

All corporate policies are developed, reviewed, and implemented through a cross-functional governance body known as the Policy Review Board (PRB). The PRB is responsible for conducting a biannual review of all existing policies to ensure accuracy. As a result of this control, numerous policies were reviewed and updated as needed. L3Harris then notified employees of these policy changes through the website, emails, posters and training.

ANTI-CORRUPTION

MANAGEMENT APPROACH

L3Harris is committed to conducting business in an ethical and transparent manner, including complying with anti-corruption laws in countries where we operate, such as the U.S. Foreign Corrupt Practices Act, the UK Bribery Act and the Canadian Corruption of Foreign Public Officials Act.

Our Anti-Corruption Program has oversight from the Board's Nominating and Governance Committee, is regularly reviewed to promote continual improvement, and is implemented and monitored for compliance by trained professionals throughout all business segments. Our [Global Anti-Corruption Policies](#) describe the key components of our program, which include our Business Courtesies Policy that prohibits giving or receiving business courtesies, sponsorships and charitable contributions as a means to improperly influence business decisions.

We conduct risk-based due diligence on third-party business partners for potential corruption risk under our Anti-Corruption Third Party Policy. Any third parties that are identified as potentially higher risk undergo extensive enhanced vetting processes prior to engagement and are periodically reviewed throughout the course of the relationship. L3Harris also conducts an annual enterprise-wide anti-corruption compliance assessment to identify risks and control gaps.

All L3Harris employees are trained annually on the L3Harris Anti-Corruption Program and Policies. Our international sales intermediaries ("Business Partners") receive additional targeted training in anti-corruption compliance due to their higher risk of incidents of corruption.



GRI 205-1 Operations assessed for risks related to corruption
GRI 205-2 Communications and training about anti-corruption policies and procedures

	NUMBER	PERCENTAGE
Business segments assessed for corruption risks	4	100%
Employees that received policies & procedures	47,000	100%
Business Partners ¹ that received policies & procedures	192	100%
Employees trained ²	47,000	100%
Business Partners ¹ trained	192	100%

¹ Includes new and renewed Business Partners with agreements executed in 2021. All Business Partners are re-trained and notified of policies and procedures every three years or upon changes.

² Anti-Corruption training is provided to all employees on a rotational schedule, with targeted role-based anti-corruption training provided in intervening years.

LOBBYING AND POLITICAL ADVOCACY

MANAGEMENT APPROACH

L3Harris is an active participant in the political and public policy process in the U.S., focusing on educating policy makers about our core values and solutions to meet our customer’s mission-critical

needs across space, air, land, sea and cyber domains. All political activities follow our policy to conduct business ethically, transparently and in compliance with the laws in all countries where we operate. Political lobbying and contributions by or on behalf of L3Harris are managed by the L3Harris Government Relations team, led by the VP of Government Relations, who reports directly to the Chief Executive Officer. The company’s CEO and Senior Executives also receive frequent briefings on lobbying efforts, as warranted by legislation or other lobbying updates.

GRI 415-1 Political contributions

Following all federal laws, we have established an employee political action committee (PAC). It is governed by the L3Harris PAC Board, whose members are appointed by the CEO and include executives representing each business segment. The L3Harris PAC is funded entirely from the voluntary personal contributions it receives from eligible employees. All L3Harris PAC contributions are made on a nonpartisan basis based on a candidate’s positions on issues in support of L3Harris, its employees and its shareholders.

In accordance with federal and state laws governing political contributions, all PAC contributions are fully disclosed in reports filed with the [Federal Election Commission \(FEC\)](#) and, where applicable, state reporting portals. A listing of L3Harris PAC contributions made in 2019–2020 is [available here](#). L3Harris PAC contributions made in 2021–2022 will be available in the 2022 Sustainability Report.

» ENVIRONMENTAL GRI/SASB DISCLOSURES

The L3Harris-supported Elm Branch solar project will eliminate about 110,000 metric tons of CO2 per year.



ENVIRONMENTAL, HEALTH AND SAFETY AND SUSTAINABILITY MANAGEMENT SYSTEM

Our commitment to environmental sustainability includes measurable objectives and target dates for their achievement.

MANAGEMENT APPROACH

L3Harris is committed to the protection of health and safety of its employees, its customers, and the environment in the global communities in which it operates. By leveraging science and technology, we continually improve the company practices to drive excellence for environmental, health and safety and environmental sustainability (EHS&S). L3Harris employees actively participate in L3Harris EHS and environmental sustainability programs as the company drives toward a sustainable culture focused on caring for each other and the environment.

Our current environmental sustainability program 2026 goals include:

30%
reduction of GHG emissions over baseline year 2019

20%
reduction of water use over a baseline year of 2019

75%
solid waste diversion rate from landfill

Our EHS&S Management System follows recognized external management system standards (ISO 14001:2015, ISO 45001:2018 and ANSI Z10). These systems establish policies and procedures, provide risk assessment tools, and lead enterprise initiatives to reduce operational EHS&S impacts. We are ISO 14001:2015 certified at seven of our global sites including:

- ④ 3 United Kingdom (UK) sites (Crawley; Farnborough; Tewkesbury)
- ④ 3 U.S. sites (Rochester, NY; Fort Wayne, IN; Clifton, NJ)
- ④ 1 Canadian site (Quebec)

In accordance with our Environmental Compliance Policy, all L3Harris operations must comply, at minimum, with applicable national or federal, state and local laws, regulations, directives and corporate policies and procedures. All major L3Harris locations conduct a detailed annual risk assessment to review legal and other requirements, changes to regulations, process changes and environmental risks, which are ranked, prioritized with corresponding action plans and managed as part of each location's objectives and targets. This assessment checks for the site's compliance, but also against the broader EHS&S Management System to measure maturity of the overall program.

Internal audits allow L3Harris to better understand site-specific risks and opportunities, improve productivity, avoid fines, and save costs. In 2021, L3Harris enhanced its internal audit processes and identified critical sites to audit in 2022. Criteria for site selection included information related to overall site risk, injuries, Action Tracking System (ATS) item closure and completion of compliance self-assessment. Corporate EHS and a diverse set of L3Harris subject matter experts will conduct the audits over a series of 90 days, starting with the completion of the location's self-assessment leading up to the audit week and including an opening and closing meeting. Following the audit, Corporate EHS&S will meet with the location's team members to review audit findings and upload the results in our EHS&S Management Software.

In accordance with our Environmental Sustainability Policy, L3Harris locations must monitor and track consumption of natural resources, develop and implement strategies to minimize and optimize their use and report all relevant environmental sustainability data to Corporate EHS&S. Our robust EHS&S Management Software enables employees to report EHS&S concerns, track incidents,

compliance and analyze environmental sustainability data such as energy use, GHG emissions, water use and solid waste generation from company locations.

GRI 307-1 Non-compliance with environmental laws and regulations

All regulatory events, onsite visits, inspections, interactions and other potential risks for non-compliance are logged and tracked in our incidents and measures (I&Ms) module, where a root cause analysis can be completed depending on the level of the issue. If fines are issued, they are tracked in I&Ms. Any actions associated with the entries are then entered into our ATS, which is interlinked with the I&Ms module. Our refined internal audit process requires follow up on these risks in detail.

L3Harris

has not had any major non-compliance issues with environmental laws and regulations or paid any related fines >\$10,000 during 2020–2021.

SUSTAINABLE PRODUCTS/SERVICES AND PACKAGING

MANAGEMENT APPROACH (MATERIALS, PRODUCTS & PACKAGING)

We monitor the materials we use in our diverse products via processes and toolsets across all business segments and geographies where we operate, including the use of recycled materials and any products we reclaim as an organization, whether the product is at the end of useful life or for other reasons. We also actively look for ways to reuse or recycle materials, to prevent the generation of waste and avoid the use of hazardous materials in our products. We are committed to compliance with all rules and regulations related to our existing and future electronics and other products sold worldwide.

MANAGEMENT APPROACH (SUSTAINABLE PRODUCTS & SERVICES)

Several of our products and technologies can be used by our customers to improve the sustainability of their own operations and manage climate-related and other environmental challenges. Some examples of our product technology being used to advance climate science include:

- Advanced Baseline Imagery (ABI) which has revolutionized meteorologists' ability to collect weather, climate, ocean, and environmental data.
- Thermal and Near Infrared Sensor for Carbon Observation-Fourier Transform Spectrometer-2 (TANSO-FTS-2), which measures natural versus man-made emissions.

In 2021, we developed a Program Management Gate Process and Frontload Process which both help us monitor our products, carbon content and the full life cycle of their materials.

Read more about these technologies in our [Product Technology](#) story.

In support of its commitment to sound ESG practices, L3Harris will end work on a program related to the testing of cluster munitions. L3Harris will wind down the Wind Corrected Munitions Dispenser Telemetry kit program and has executed an agreement to transition the contract to a small business. The transition is expected to be completed no later than fiscal year-end 2022. As a result, the Company will have exited all cluster munition-related programs.

ENERGY AND CLIMATE CHANGE

MANAGEMENT APPROACH

L3Harris' business operations and production processes depend on energy and raw materials. Continually reducing GHG emissions is one of the three key focus areas of our EHS&S Management System. L3Harris continues to manage its energy usage and GHG emissions through a GHG Reporting Procedure that applies to all company locations worldwide. It describes the management process governing reduction activities and the reporting progress towards our 30% GHG emissions reduction goal. Our corporate targets and objectives, as outlined in our environmental sustainability program, facilitate collaboration across EHS&S, business segments and leadership.

L3Harris is committed to evaluating a path forward to determine if it is feasible to achieve a net-zero carbon emission commitment enterprise-wide by 2050. To assist with this evaluation, L3Harris is proceeding with a comprehensive Scope 3 GHG inventory analysis.

UK NET-ZERO COMMITMENT

As part of the UK Climate Change Act, the UK made a commitment to achieve net-zero carbon emissions by 2050. To support this commitment, L3Harris UK locations have pledged their commitment to achieving net-zero emissions by 2050 and disclosed required Scope 1, 2, and 3 emissions and reduction goals as part of their Carbon Reduction Plan. This plan details how net-zero will be achieved for our facilities in the UK by 2050.

GRI 302-4 Reduction of energy consumption

Our Corporate EHS and Environmental Sustainability Team partners with Facilities and Contract Management in energy management efforts to advance our commitment to reduce energy consumption and achieve our long-term GHG emissions reduction target. L3Harris completed a renewable energy and energy management feasibility study at the end of 2018 which resulted in the commitment to pursue a large-scale renewable energy project. This project was finalized with the Elm Branch Solar Farm achieving commercial operation. To expand our commitment to sourcing renewable energy, L3Harris kicked off Phase II of this initiative in 2021 which resulted in the identification of 26 opportunities across our locations, ranging from renegotiating retail contracts, installing onsite renewable energy and investing in community solar opportunities. Some of these projects will materialize in 2022.

As L3Harris modernizes its facilities, we look for opportunities that also reduce our energy consumption. Our Environmental Sustainability Calculators are used to evaluate environmental impacts and understand both the positive and negative impacts real estate and infrastructure projects have on accomplishing our environmental sustainability goals. The calculators provide a standardized methodology for estimating project impacts across the company for various types of projects such as lighting, roof replacements, or other equipment upgrades using standard emissions factors and cost estimates. In 2021, we identified 73 additional energy efficiency projects with projected annual savings of approximately 19,500,000 kWh.



GRI 302-1	Energy consumption within the organization
SASB 130a.1	Energy management
GRI 305-1	Direct (Scope 1) GHG emissions
GRI 305-2	Energy indirect (Scope 2) GHG emissions
GRI 305-4	GHG emissions intensity

	2019 ENERGY (TERAJOULES)	2019 GHG EMISSIONS (MT CO ₂ e)	2020 ENERGY (TERAJOULES)	2020 GHG EMISSIONS (MT CO ₂ e)	2021 ENERGY (TERAJOULES)	2021 GHG EMISSIONS (MT CO ₂ e)
Fuel: diesel, propane, gasoline, jet fuel (Scope 1)	866	—	634	—	816	—
Fuel: natural gas (Scope 1)	1,063	—	836	—	692	—
Total Fuel (Scope 1)	1,929	77,489	1,470	61,418	1,508	47,803
Process and Fugitive (Scope 1)	—	53	—	48	—	46
GHG Emissions— Total Scope 1	—	77,542	—	61,467	—	47,849
Electricity 100% Grid (Scope 2)	2,477	260,680	2,373	246,922	2,199	227,381
Other Direct Line Energy (Scope 2)	121	10,233	102	8,646	101	8,575
Reductions— RECs (Scope 2)	—	0	—	0	—	-14,113
GHG Emissions— Total Scope 2	—	270,913	—	255,568	—	221,843
TOTAL ENERGY AND GHG EMISSIONS	4,526	348,455	3,945	317,034	3,808	269,692
GHG Intensity (MT CO ₂ e/\$ Total Revenue); <i>includes Scopes 1 and 2</i>	—	0.000019	—	0.000017	—	0.000015

CO₂e (carbon dioxide [CO₂] equivalent) = all 7 gases of the GHG Protocol (CO₂, methane [CH₄], nitrous oxide [N₂O], hydrofluorocarbons [HFCs], perfluorocarbons [PFCs], sulfur hexafluoride [SF₆], nitrogen trifluoride [NF₃]) calculated as a common unit (metric tons [MT]) to determine equivalent global warming impact. We develop our GHG emissions inventories in accordance with the [WRI GHG Protocol Corporate Standard](#) and the [International Aerospace Environmental Group \(IAEG\) Greenhouse Gas Reporting Guidance](#).

We monitor GHG emissions from the wholly owned and/or operated properties over which L3Harris has complete operational control in alignment with the criteria provided in the IAEG GHG reporting guidance. L3Harris undergoes a change management process to identify and correct data entry errors from past years. In 2019 and 2020, several sites identified errors in their data entries that corresponded to a minor decrease in enterprise-level GHG emissions for both years. Therefore, the 2019 and 2020 totals presented in this report will not necessarily match past reports due to the corrections made during the change management process. All actual emissions are as reported in respective years in the past, and the figures have not been recalculated due to any 2021 divestitures at this time. Other divestitures are still being evaluated for exclusion in the 2022 report as a part of our change management process.

Scope 1: All direct GHG emissions including stationary combustion of fuel by L3Harris locations, mobile combustion of fuels in L3Harris operated vehicles and process and fugitive emissions, releases from stationary air conditioning units containing HFC refrigerants, and SF₆ from semiconductor and/or electrical equipment at L3Harris properties.

Scope 2: Market-based indirect GHG emissions resulting from the generation of purchased electricity or other direct line energy purchases (e.g., steam). Both location-based and market-based emissions are reported in our annual CDP report.

2019 is our base year as it represents the first full year of data post-merger between L3 Technologies and Harris Corporation.



GRI 305-5 Reduction of GHG emissions

GOAL: 30%

Reduction in Scope 1 and 2 GHG emissions by 2026 against a 2019 baseline.
Progress: 23%

Between 2020 to 2021, we reduced our year-over-year Scope 1 and 2 emissions by 78,763 metric tons of CO₂e, which totals a 23 percent decrease from our 2019 baseline due to our continued focus on energy efficiency, an increased use of renewable electricity, and lower building occupancy due to the COVID-19 pandemic. We took steps in 2021 to source more renewable energy and reduce the GHG emissions associated with the electricity we purchase to power our operations. In 2021, construction was completed for the Elm Branch Solar Farm project as a part of our long-term virtual power purchase agreement (VPPA) for renewable energy. This will help us make progress toward our GHG emissions reduction target in future years.

Read more about the Elm Branch Solar project in our [Climate Change](#) story.

GRI 305-3 Other indirect (Scope 3) GHG emissions

Scope 3 emissions are a result of the activities of a company, but occur from sources not owned or controlled by the company. Scope 3 emissions often account for a much greater portion of a company’s emissions. L3Harris currently tracks upstream Scope 3 emissions from fuel- and energy-related activities, employee business travel and employee commuting for the enterprise and due to regulatory requirements, upstream and downstream transportation and distribution and waste

generated in operations for UK-based locations. We are committed to conducting a comprehensive Scope 3 assessment and will be releasing more detailed information in 2023 through the Sustainability Report and CDP Climate submission.

GHG EMISSIONS	2019 / MT CO ₂ e	2020 / MT CO ₂ e	2021 / MT CO ₂ e
Scope 3 Fuel- and energy-related activities (not included in Scope 1 or 2)	13,034	12,346	11,369
Scope 3 Business travel	17,174	15,528	25,818
Scope 3 Employee commuting	112,437	74,208	61,301

CLIMATE RISK

In addition to our GHG reduction efforts, L3Harris identifies, assesses and manages climate-related risks and opportunities through numerous controls and processes embedded in our operations. In 2021, we developed a Climate and Water Risk Management Plan (CWRMP) to update and expand upon the 2019 Climate Risk Management Plan that evaluated the potential impacts of climate change on operations-critical resources for major L3Harris locations and operations.

The CWRMP covers a portion of L3Harris’ larger global portfolio in the U.S., Canada, England and Australia, and brings climate and water risk considerations together to provide a more holistic risk assessment. The CWRMP includes an analysis of climate science projected trends and potential associated risks for climate variables such as average annual temperature and precipitation, sea level rise, extreme weather events (i.e., extreme temperatures and precipitation, hurricanes/tropical storms, severe storms, wildfires), water stress and drought. This assessment used datasets on current and projected climate parameters from the World Bank Climate Knowledge Portal, the U.S. Global Change Research Program’s Fourth National Climate Assessment, Canada’s Changing Climate Report, the UK’s Climate Projections Report and Australia’s State of the Climate Report. The CWRMP

focuses on a high emissions (or business-as-usual) scenario, but also includes discussion of climate science under 2°Celsius or lower emission scenarios, where applicable. The scope of the CWRMP analysis is determined based on the most critical locations to L3Harris operations, as identified through the [ERM process](#). The report is updated every two years, and was coupled with a separate Supply Chain Climate Risk Assessment (SCCRA) in 2021 to assess the primary climate risks to L3Harris' supply chain (see [Supply Chain Management](#)).

L3Harris has identified extreme weather events and increasing average temperatures as key risks to our assets and operations. These climate risks can cause direct damage or chronic stress to our facilities and infrastructure, leading to equipment failures and location closures. L3Harris has taken measures to build adaptive capacity to mitigate these risks, including upgrading infrastructure, improving structural integrity of facilities, ensuring appropriate backup power is available, and implementing more renewable energy within our portfolio. For more information on our risks associated with climate change, please see our [CDP Climate Questionnaire](#) response.

The CWRMP is made available for L3Harris personnel and facilities to support development of location-level emergency management and risk reduction plans. Additionally, in 2021 the CWRMP was briefed at the Business Resilience Council and provided to the ERM to further integrate climate-related risks into our process. As a part of business continuity planning, the CEO and Senior Executives discuss the potential financial impact to operations as a result of climate-related risks and other possible disruptions. L3Harris has also incorporated climate risk into the BIA template for consideration of potential climate-related impacts relevant to individual locations and future climate science projections.

WATER

MANAGEMENT APPROACH

While L3Harris' dependence on and impact to water quality is not substantial, we do require sustainable access to limited amounts of water to keep our operations running and for general use

at our locations. 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.

We kicked off a more impactful water strategy initiative in 2021 to identify large-scale water conservation and efficiency projects across our portfolio and we work with facilities to evaluate and implement these projects. In addition, we continue to focus on including irrigation controls, low-flow toilets/faucets, reuse of wastewater and cooling tower efficiencies, as well as new technologies and processes to minimize the amount of onsite water use.

Our Water Reporting Procedure governing our company-wide management of water-related issues was updated in 2021. It defines our approach and methodology for calculating the company-wide water inventory, describes the management process governing reduction activities and outlines the process for reporting progress towards our 20% water use reduction goal.

GRI 303-1 Interactions with water as a shared resource

In 2021, L3Harris updated its previous Water Risk Assessment (WRA) to identify potential water-related impacts to our business operations on a global scale. This assessment used datasets on current and projected water parameters from the World Bank Climate Knowledge Portal, the World Resources Institute's (WRI) Aqueduct Water Risk Atlas, and the Water Risk Filter developed by World Wildlife Fund for Nature (WWF) in collaboration with Deutsche Entwicklungsgesellschaft (DEG). The assessment covered critical L3Harris facilities in the U.S., Canada, England, and Australia. The WRA was combined with the Climate Risk Management Plan to create the CWRMP in 2021, and is updated every two years.

L3Harris has identified water availability and reliability as key risks to our assets and operations, especially those located in the western U.S. and Australia, where they are expected to experience the largest increase in frequency and intensity of droughts. These water risks could create health and safety concerns for our employees, as well as disruptions in our operations. L3Harris has



taken measures to mitigate these risks, including upgrading our facilities to use less water for daily operations.

For more information on our risks associated with water, please see our [CDP Water Security questionnaire](#) response.

GRI 303-2 Management of water discharge-related impacts

L3Harris follows water discharge requirements determined by federal, state and local regulations.

GRI 303-3 Water withdrawal
GRI 303-5 Water consumption

	2019 MEGALITERS	2020 MEGALITERS	2021 MEGALITERS
Potable water	1,883	1,753	1,447
Groundwater	0.35	0.51	1.92
TOTAL WATER	1,883	1,754	1,449

We monitor water use data from the wholly owned and/or operated properties over which L3Harris has complete operational control in alignment with the criteria provided in the IAEG GHG reporting guidance. L3Harris undergoes a change management process to identify and correct data entry errors from past years. In 2019 and 2020, several sites

identified errors in their data entries that corresponded to a minor decrease in enterprise-level water use data for both years. Therefore, the 2019 and 2020 totals presented in this report will not necessarily match past reports due to the corrections made during the change management process. All actual water use data is as reported in respective previous years, and the figures have not been recalculated due to any 2021 divestitures at this time. Other divestitures are still being evaluated for exclusion in the 2022 report as a part of our change management process.

Potable water includes municipal water, surface water, and other potable water sources.

GOAL: 20%

reduction in water use by 2026 against a 2019 baseline.
2021 Progress: 23%

In 2021, we reduced our year-over-year water use by 434 Megaliters which is a 23% reduction from the 2019 baseline. During this time period, L3Harris implemented water efficiency projects identified by conducting eco-treasure hunts and through our enterprise facilities and real estate improvement process. The reduced water use is also reflective of reduced occupancy at many of our locations due to COVID-19.

For example, our Tempe, AZ location recently completed a 6-month pilot study to soften the cooling towers makeup water to increase the Cycles of Concentration (CoC) and reduce blowdown. Given these changes, the location’s projected annual water savings is 10 million gallons of water or ~30% of overall facility water consumption.

For more information on our water stewardship, please see our [CDP Water Security questionnaire](#) response.

WASTE AND HAZARDOUS WASTE

MANAGEMENT APPROACH

L3Harris' emphasis on solid waste management includes a comprehensive evaluation of all operations to fully understand the processes that generate waste and identify reduction initiatives, reuse options, and diversion from landfill opportunities. The waste and recycling streams generated by L3Harris across all locations and operations include solid and non-hazardous, special, universal and other hazardous (including, rarely, radioactive) wastes.

SOLID WASTE

L3Harris continues to manage its solid waste generation through a Solid Waste & Recycling Procedure that applies to all company locations worldwide. This procedure defines our approach and methodology for waste generation, minimization and diversion and to facilitate reporting progress on our long-term solid waste diversion rate from landfill goal of 75% by 2026. This procedure acts as a guide for establishing location requirements to effectively implement a solid waste diversion program, which includes outlining requirements for aligning with the Green Business Certification, Inc. (GBCI) Total Resource Use and Efficiency (TRUE) program for zero waste certification if a location decides to pursue greater than 90% diversion from landfill. L3Harris strives toward continuous improvement; therefore, any location that wants to exceed our goal of achieving at least 75% diversion rate from landfill is encouraged to do so.

We also expect our suppliers to operate in a manner that actively manages risk, minimizes waste and protects the environment (see our [Code of Conduct](#) and [Supplier Code of Conduct](#)).

HAZARDOUS WASTE

Hazardous and radioactive waste is managed specifically through our Environmental Compliance Policy. L3Harris requires hazardous waste to be tracked from "cradle to grave", meeting all federal,

state and local regulatory requirements, and be documented in line with our Policy for large-quantity generators (LQGs) within our EHS&S Management System.

- GRI 306-1** Waste generation and significant waste-related impacts
- GRI 306-2** Management of significant waste-related impacts

SOLID WASTE

Each L3Harris location that produces solid waste through manufacturing processes, engineering and design processes, office operations, cafeterias, or other operational processes is responsible for developing and maintaining a Solid Waste Management Program which includes:

- **GENERAL WASTE HANDLING BY WASTE TYPE**, including trash, compost, food waste, green waste, metals, plastics, glass, cardboard, etc.
- **ONSITE WASTE MANAGEMENT INFRASTRUCTURE** to enable efficient waste and recycling collection.
- **ONSITE WASTE INVENTORY AND WASTE CHARACTERIZATION ASSESSMENTS** to understand and evaluate the processes by which solid waste is generated and disposed of onsite, and identify potential upstream/downstream impacts and reduction and diversion strategies.
- **PROCEDURES FOR IDENTIFYING AND MANAGING WASTE VENDORS** to optimize waste reduction and recycling efforts and to reduce costs.

Solid waste generation is tracked in the EHS&S Management Software.



SOLID WASTE DIVERSION GOAL AND CONTINUOUS IMPROVEMENT PRINCIPLES

➤ GOAL: 75%

solid waste diversion rate from landfill by 2026.
2021 Progress: 48%

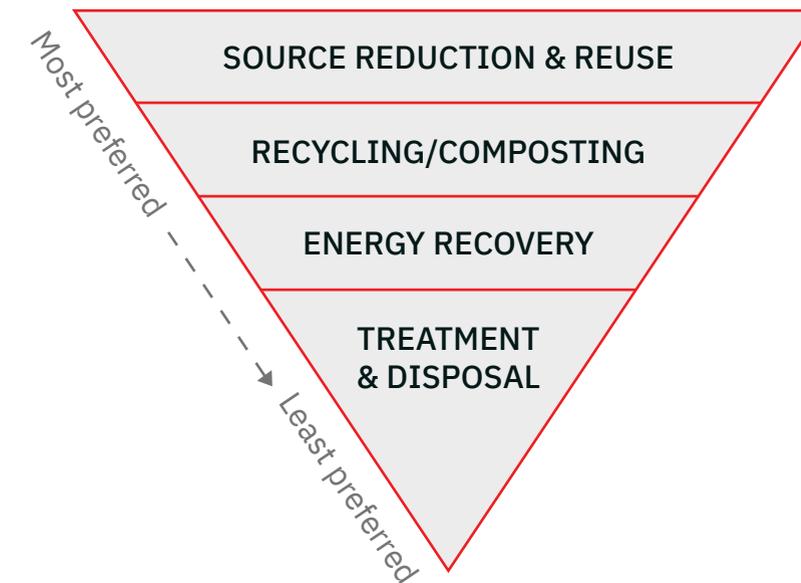
L3Harris has committed to a 75% solid waste diversion rate from landfill by 2026, and has a common operating philosophy of continuous improvement and operational excellence. L3Harris’ approach to managing solid waste generation is realized by optimizing resources, rather than managing discards. Priority is given to source reduction, reuse, recycling, composting and energy recovery before landfill disposal. This approach encourages the elimination of solid waste before it is created and is achieved by:

- Redesigning products to maximize material usage,
- Changing manufacturing processes,
- Purchasing more durable goods,
- Conserving commodities through upstream waste prevention,
- Reusing/donating materials and products, and
- Initiating progressive supply chain-oriented practices.

Such practices avoid waste generation prior to point of disposal. By implementing these changes onsite in processes, materials, equipment and behavior that surpass traditional approaches to solid waste minimization, we are optimistic that we will achieve our enterprise goal of 75% solid waste diversion rate at an enterprise level.

L3Harris is continually working to identify opportunities across our locations for circularity measures that retain the value of products, materials and resources, and redirect them back to use. Our Tempe, AZ location utilizes programs that take various materials typically difficult to recycle, such as chemicals and personal protective equipment (PPE), and sends them to specialized recycling facilities. These programs help to divert waste from landfills and minimizes overall waste generated by L3Harris.

WASTE MANAGEMENT HIERARCHY



HAZARDOUS WASTE

Our facilities and operations are subject to numerous domestic and international waste laws and regulations designed to protect the environment. In 2021, L3Harris focused on improving the auditing process at LQG facilities, including audits of the Treatment, Storage and Disposal Facilities (TSDFs) that manage our waste. The internal audit process will encompass most of L3Harris’ sites including all 11 LQGs. We also performed ongoing compliance audits of 10 TSDFs with which we contract. A risk matrix was built into our procedures for assessing compliance requirements against location waste generation. To further improve the process, we plan to also assess small quantity generators in 2022.

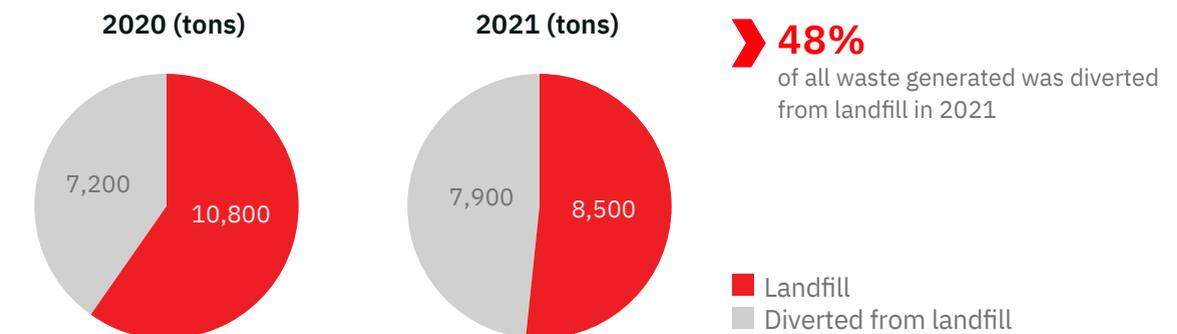


- GRI 306-3** Waste generated
- GRI 306-4** Waste diverted from disposal
- GRI 306-5** Waste directed to disposal
- (SASB) RT-AE-150a.1** Amount of hazardous waste generated, percentage recycled

L3Harris follows the Resource Conservation and Recovery Act (RCRA) regulatory framework for the proper management of hazardous and non-hazardous solid waste at our U.S. locations. The RCRA framework includes regulations, guidance and policies to facilitate the safe management of hazardous and non-hazardous waste materials, while also encouraging source reduction and beneficial reuse. The framework is also integrated into our audit processes at our LQs and TSDFs with which we contract. We compile our waste generation data using the procedures and methods as described in the Management Approach and GRI disclosures 306-1 and 306-2.

	2019 (TONS)	2020 (TONS)	2021 (TONS)
Landfill	11,600	10,800	8,500
Diverted from landfill	7,000	7,200	7,900

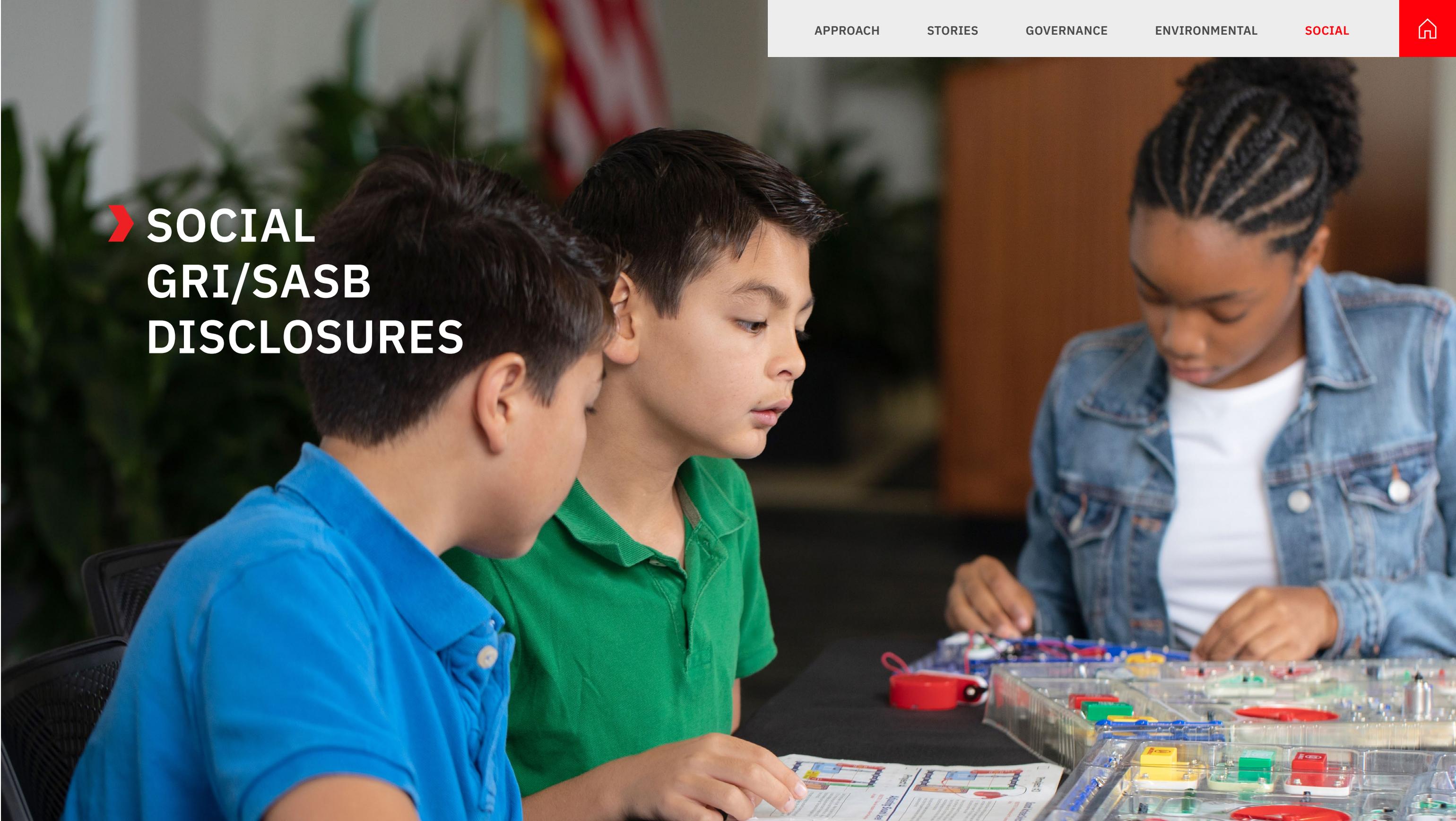
WASTE GENERATION AND DISPOSAL



We monitor solid waste data from the wholly owned and/or operated properties over which L3Harris has complete operational control in alignment with the criteria provided in the IAEG GHG reporting guidance. L3Harris undergoes a change management process to identify and correct data entry errors from past years. In 2019 and 2020, several sites identified errors in their data entries that corresponded to minor changes for both years. Therefore, the 2019 and 2020 totals presented in this report will not necessarily match past reports due to the corrections made during the change management process. All actual solid waste data is as reported in respective previous years, and the figures have not been recalculated due to any 2021 divestitures at this time. Other divestitures are still being evaluated for exclusion in the 2022 report as a part of our change management process.

2020 RECOVERY/DISPOSAL OPERATIONS	HAZARDOUS
Total Hazardous Waste Generated (TONS)	691
Landfill	62%
Recycling/Recovery	7%
Incineration	27%
Other	5%

➤ SOCIAL GRI/SASB DISCLOSURES





HUMAN CAPITAL

MANAGEMENT APPROACH

Our employees are the key to our business success. Therefore, we offer a stimulating work environment with opportunities for growth, while delivering mission-critical solutions. Fostering inclusion and rewarding talent are central to our recruitment and development strategy. To measure our progress for creating an engaging and innovative workplace, we track our retention, hiring and performance, and evaluate our metrics and goals annually.

OUR PERFORMANCE GOALS & 2021 RESULTS INCLUDE:

RETENTION

Maintain a voluntary attrition rate lower than industry average.
2021 Results: rate of 9%, lower than industry average

HIRING

Maintain strong focus on university hiring. New college graduate hiring > 10% of annual hiring.
2021 Results: 840 new-graduate hires, meeting goal of >10% of annual hiring

Achieve an intern conversion rate of at least 65%.
2021 Results: 88%

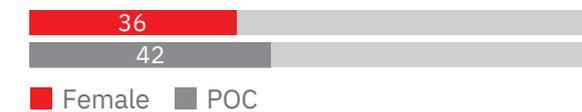
TALENT

Helping our employees develop and improve skills through mentoring programs and career growth opportunities.
2021 Results: average 22 annual training hours per employee

GRI 401-1 New hires and turnover

2021 HIRING

New college graduates (%)



2021 TURNOVER

Employee turnover, by gender (%)



New hires, by gender (%); Total hires: 8,087



GRI 401-2 Benefits provided to full-time employees

Full-time L3Harris employees receive world-class benefits that support their health, finances and families.

L3HARRIS' BENEFITS:

HEALTH BENEFITS: In the U.S., L3Harris provides comprehensive benefit coverage including medical, dental and vision insurance, as well as a host of voluntary offerings. Internationally, we offer access to various medical, dental and vision programs in lieu of, or in coordination with, country-sponsored plans.

RETIREMENT BENEFITS: To assist employees in building wealth for their retirement, L3Harris provides access to various statutory and non-statutory retirement programs, such as 401(k) and supplemental savings plans with employer match in the U.S., as well as stakeholder savings plans with company contributions in the UK.



WORK/LIFE BALANCE: L3Harris offers various programs and benefits that address employee assistance and counseling, parental support, and in some countries, back-up childcare and eldercare. This includes a parental leave policy to allow employees to focus on their families at key moments in life. Additionally, our total rewards offerings include many resources to integrate an employee's work and life, from managing their day-to-day duties to unexpected events.

MENTAL HEALTH & WELL-BEING: L3Harris' Employee Assistance Program (EAP) is available to all employees and their family members at no cost. It offers confidential counseling and other services to help employees and their families cope with and address a variety of everyday and extraordinary stressors/challenges. Providing a comprehensive suite of solutions for our employees helps equip them with the support they need to bring their best self to work every day. Our U.S. exempt employees receive discretionary paid time off (PTO), which provides them freedom to take time off as needed without the boundaries of a traditional, accrual-based PTO plan. Additionally, our Dress for Your Day policy is a benefit that allows employees more discretion in selecting appropriate clothing for the business of each workday.

GRI 404-1 Average hours of employee training

Our employees can develop and improve their skills through our mentoring program and several career growth opportunities. These offerings are central to supporting engaged employees who contribute to the success of our organizational goals. We provide ongoing training and career development focused on compliance with our [Code of Conduct](#), ethics and laws applicable to our businesses; skills and competencies directly related to employees' positions; and responsibility for personal safety and the safety of fellow employees, others and the environment.

22

Employees average 22 hours of annual training.

GRI 404-2 Programs for upgrading employee skills and transition assistance programs

EARLY CAREER DEVELOPMENT

We offer rotational assignments to our early-career professionals so they can build a broad knowledge base and accelerate leadership growth in Engineering, Finance and Information Technology. These rotations span different segments, disciplines and geographies, allowing diverse experiences through mentorship, training and networking.

PROFESSIONAL AND TECHNICAL DEVELOPMENT

L3Harris' Frontline Leadership training program equips leaders to maximize team performance by improving communication, coaching and delegation skills. This training has been especially helpful in the changing working environment during the pandemic.

We also recognize that continuous learning is essential for employee technical growth. Therefore, L3Harris provides employees financial assistance to obtain additional education through not-for-profit, regionally accredited college or university degree programs and credit-bearing certificate programs. In addition, we have developed functional excellence academies in Business Development, Program Management and Supply Chain to develop functional expertise and drive best-in-class performance. These programs are taught by L3Harris technical experts in interactive sessions that allow for technical development, networking and cross-segment collaboration.

OUR EMPLOYEES HAVE SEVERAL OPPORTUNITIES TO ENHANCE THEIR SKILLS INCLUDING:

- **TRAINING**, rotation, and career development opportunities.
- **TUITION ASSISTANCE.** In 2021, >1,900 employees received assistance.
- **OUTPLACEMENT SERVICES** provided to displaced employees.

LEADERSHIP & EXECUTIVE DEVELOPMENT

L3Harris has partnered with The Wharton School of the University of Pennsylvania to design and provide two distinct offerings for executives and high-potential leaders. Our Executive Program (EP) is a five-day program conducted twice annually for experienced and newly promoted executives, as well as high-potential leaders from our Emerging Leaders Program (ELP).

MENTORING

The relationship between a mentor (trusted guide) and mentee (learner) provides a mechanism to unlock knowledge and experience that is beneficial for both. Our Mentoring Resource Kit is a self-directed site for employees consisting of information, resources and tools that support a formal or informal mentoring relationship and learning experience. We also offer iMentor, an online tool that allows employees to pursue personal growth through mentorships. To get a mentor or become a mentor, employees simply select the skill or skills they are interested in and complete the short form to get paired with someone.

ENGINEERS WEEK

Out of our approximately 47,000 employees, we have about 19,000 engineers and scientists. To celebrate their accomplishments and inspire early career professionals, we annually celebrate National Engineers Week (EWeek) company wide.

GRI 404-3 Percentage of employees receiving regular performance reviews

We continue to ensure that 100% of eligible employees receive annual performance reviews and guidance on career development opportunities.

DIVERSITY, EQUITY AND INCLUSION

MANAGEMENT APPROACH

We value a diverse employee base that contributes multiple points of view across race, ethnicity, gender, sexual orientation, age, ability and education. We actively embed our commitments to DE&I into our workforce, governance bodies and overall culture activities. Some of our key initiatives include:

- **BOARD COMPOSITION:** Integrating DE&I criteria into the Board nominating and selection process.
- **DIVERSITY COUNCIL SUPPORT:** Co-chaired by our CEO and Vice President of Talent & Inclusion and comprised of Employee Resource Group (ERG) leaders and executives from across the enterprise, the Council is in its second full year of operations. It influences and drives company strategies designed to advance DE&I, engagement and leadership to build a high-performance, diverse workforce.
- **PROMOTING AND GROWING OUR ERGS:** These high-energy groups are a great way to network and meet new people, support our communities and foster professional development. More information on our ERGs can be found on pages 17-26 of our [2021 Diversity, Equity and Inclusion Annual Report](#).
- **COMMITMENTS FOLLOW-THROUGH.** Our new Vice Chair and CEO recommitted to the CEO Action for Diversity and Inclusion and the Catalyst CEO Champions for Change in 2021, emphasizing our company's commitment to advance diversity, build inclusion, empower employees, mitigate bias, advance understanding, and drive accountability.

Our ERG footprint continues to grow with more than 70 local chapters established and approximately 7,800 members worldwide.



“ We want to create sustainable, long-term value for all our customers and employees, which requires a workforce with a broad range of abilities, skills and experiences. Embracing diversity, equity and inclusion at every level is important to us because we want long-term success for our employees and L3Harris. ”

— Jim Girard, Vice President and Chief Human Resources Officer, L3Harris

Our efforts to create a welcoming, engaging and inclusive workplace have been externally recognized.



GRI 405-1 Diversity of governance bodies and employees

DIVERSITY METRICS¹

METRIC		2021 %
Generation of workforce	Baby Boomers	26
	Gen X	35
	Millennial	34
	Gen Z	5
Board of Directors		
Diversity	Female	15
	People Of Color	23
Generation	Traditionalists	15
	Baby Boomers	85
Executives	Female	34
	People Of Color	18
Total Workforce	Female	25
	People Of Color	26

¹ For further information on employee diversity, please refer to our [2021 Diversity, Equity and Inclusion Annual Report on page 32](#).

HEALTH AND SAFETY

MANAGEMENT APPROACH

Protecting the health and safety of our employees, our customers, and the communities in which we operate is vital to L3Harris. Everyone is responsible for health and safety excellence and improving our practices through best-practice science and technology. We employ a learning philosophy focused on risk reduction to improve the efficiency of our operations and processes.

“ACCEPT ONLY ZERO” starts with each employee. With our entire workforce focused on reporting EHS&S concerns, we can make progress towards our goal of a zero-injury workplace.

- GRI 403-1** Occupational health and safety management system
- GRI 403-2** Hazard identification, risk assessment, and incident investigation
- GRI 403-3** Occupational health services
- GRI 403-4** Worker participation, consultation, and communication on occupational health and safety
- GRI 403-5** Worker training on occupational health and safety

L3Harris has implemented a robust EHS&S Management System to establish policies and procedures, risk assessment tools, and enterprise initiatives that help reduce or eliminate exposure to daily hazards and promote our “Accept Only Zero” mindset. In 2021 we designed a new program, “My Safety Starts with Me”, which will be rolled out in 2022. This management system follows the guidelines and principles outlined in recognized external management system standards (ISO 14001, ISO 45001 and ANSI Z10). EHS&S Management System policies apply to all L3Harris employees, contractors and visitors at L3Harris owned and leased locations.

IN ACCORDANCE WITH OUR EHS&S POLICY PROCEDURES, EACH LOCATION DEVELOPS AN EHS&S PROGRAM THAT INCLUDES, AT A MINIMUM, THE FOLLOWING ELEMENTS:

- Processes for worksite analysis, hazard recognition, evaluation and correction or control;
- A process for establishing and communicating responsibilities;
- Safe working and procedures to recognize, control and anticipate location-specific hazards, along with a process for implementing each standard;
- Processes to ensure that workers have the competence to safely undertake assigned tasks through appropriate supervision, instruction and training. The training program is focused on compliance and risk;
- Procedures to identify and report imminent danger to life, health conditions or practices including “stop work” authority;
- Indicators to measure performance, with targets that drive continuous improvement;
- Emergency Action Plans and Emergency Response Plans, as applicable;
- A return-to-work process with clear criteria for bringing injured workers back to work; and
- An effective management of change process.

There are EHS&S committees, working groups and teams at many different levels within L3Harris that enable employees to participate in the occupational health and safety program. For example, the Executive EHS&S Steering Committees give strategic direction to site level committees to working groups and teams that execute initiatives or are focused on eliminating a specific hazard or type of injury.

Risk/hazard assessments and incident investigations are managed in our EHS&S Management Software, and the Corporate EHS&S team periodically conducts audits to verify performance and to share best practices. Employees have the ability to report hazards directly to their supervisor or manager under our “stop work” authority program as well as through our EHS&S Management Software. Reporting may be completed anonymously to protect against reprisals, and L3Harris maintains an ethics and compliance advisory board that would intervene if a retaliation was suspected.

All near-miss and incident reports are investigated to determine their cause, significance and corrective actions. This is essential for us to continually improve and learn from any injury or illness in the workplace.

All employees receive global EHS&S training through our learning management system. The EHS&S training program further assesses employee training needs based on specific work-related hazards. Examples of hazard-specific training include, but are not limited to, confined space, lockout tagout, injury investigation, laser safety, radiation safety and fall protection. All job-related training is provided free of charge and conducted within work hours, or employees are otherwise compensated for the training received.

GRI 403-6 Promotion of worker health

The health and safety of our employees is always our top priority. Throughout the COVID-19 pandemic, we have continued to follow recommendations and guidelines provided by federal agencies, such as the U.S. Centers for Disease Control and Prevention, to keep our employees safe. This included providing required PPE and establishing safe work practices, including social distancing and face covering requirements.

For information on our medical and benefits programs and other non-occupational healthcare initiatives, see [Human Capital](#).

GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

For information on management of health and safety impacts in our supply chain, see [Supply Chain Management](#) and our [Supplier Code of Conduct](#).

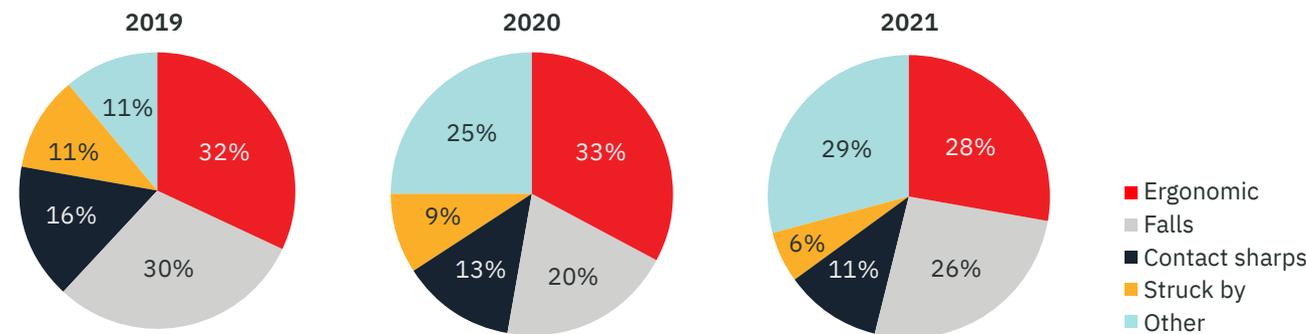
GRI 403-9 Work related injuries

As a safe workplace is a top priority for L3Harris, our ultimate goal is to achieve zero injuries and incidents. In 2021, there were 249 injuries reported across the entire enterprise.

With the focus on building robust EHS&S programs and systems while increasing employee awareness and engagement, between 2020 and 2021 we saw a decrease of the Total Recordable Injury Rate (TRIR) by 4% and the Lost Day Injury Rate (LDIR) remained the same as 2020. In 2021, the TRIR was 0.54 and the LDIR was 0.17, with 249 total injuries and 2,806 lost work days reported. There were zero fatalities with a fatality rate of 0.0 recorded in 2021.



WORK-RELATED INJURY TYPES



WORK RELATED INJURY RATES

TYPE OF INJURY	2020		2021	
	TRIR	0.56 [-34% Δ]	Total 258	0.54 [-4%Δ]
LDIR	0.17 [-43% Δ]	Total 80	0.17 [0%Δ]	Total 79
Fatality Rate	0%	Total 0	0%	Total 0

HUMAN RIGHTS

MANAGEMENT APPROACH

L3Harris continues to conduct business in a way that protects our society and human rights throughout our value chain. We have developed and implemented policies and compliance plans to support this commitment including the L3Harris [Code of Conduct](#) (pg. 35) and our [Human Trafficking Policy](#).

IN SUPPORT OF HUMAN RIGHTS

- We do not engage in human trafficking within our operations and do not willingly or knowingly assist in any human trafficking committed by any other party, including suppliers or business partners. Our employees and suppliers are annually reminded of our commitment to human rights and our expectations via our Code of Conduct training and annual supplier letter. More information can be found in our [Human Trafficking Policy](#) and our [Supplier Code of Conduct](#).
- L3Harris is committed to sourcing components and materials from companies that share our values of respect for human rights, integrity and environmental responsibility. We annually disclose our due diligence efforts in accordance with SEC regulations in our [Conflict Minerals Disclosure and Report](#). The most recent Conflict Minerals Disclosure and Report is due May 2022 and will become available at that time.
- As a Tier 3 member of the U.S. Customs Trade Partnership Against Terrorism (CTPAT) program, L3Harris has established a multi-layered security program and corporate policy applicable to all operations worldwide. The policy protects our organization and supply chain from any illegal or illicit activities, including human trafficking, and assists in the worldwide campaign to eliminate these activities.

All employees, suppliers, customers and other stakeholders have access to the [L3Harris Helpline](#), where any violations or concerns related to human rights or human trafficking can be reported anonymously.



GRI 412-2 Employee training on human rights policies or procedures

All L3Harris employees, regardless of position, completed L3Harris Code of Conduct training. In 2021, this included a section dedicated to awareness, identification expectations and reporting methods for Human Rights violations such as human trafficking.

100%

of employees have been trained on L3Harris' Human Trafficking Policy.

COMMUNITY

MANAGEMENT APPROACH

L3Harris continues to demonstrate that community is a fundamental pillar of our culture and business strategy. By partnering with a wide range of non-profits and philanthropies to create internal outreach programs, L3Harris has built a diverse portfolio of community outreach efforts. We set an annual goal of 65,000 employee volunteer hours, which was achieved by August of 2021. This goal was accomplished through over 1,000 different projects sponsored by the L3Harris Investing for Tomorrow (LIFT) program. The LIFT program encourages employees to engage their communities by funding employee-led philanthropy projects that closely align with our three pillars.

- **SCIENCE, TECHNOLOGY, ENGINEERING AND MATH (STEM):** We provide funding and volunteers to STEM initiatives from K-12, as well as university programs to encourage STEM at an early age, while promoting access to STEM for all.
- **MISSION ALIGNED:** We prioritize the wellbeing, development, and prosperity of active-duty military, veterans, first responders and their families by supporting organizations including Operation Gratitude, Army Historical Foundation, Special Operations Warrior Foundation and Homes For Our Troops.

- **COMMUNITY:** We support organizations that are committed to uplifting our communities and improving lives through social contributions, such as Read Across America.

GRI 413-1 Operations with local community engagement, impact assessment, and development programs

GOAL: 40%

of employees volunteer by 2023

L3Harris remains committed to its communities during the pandemic and has adopted certain practices to ensure safety while volunteering, including a mix of virtual and in-person events.

We continued our Social Impact Grant Program in 2021 to help non-profit organizations around the country address populations affected by the educational, economic and healthcare impacts and disparities exacerbated by the COVID-19 pandemic. Organizations were chosen based on DE&I metrics, as well as geographic diversity. In 2021, L3Harris served over 217,000 individuals including racial and ethnic minorities, individuals with disabilities, women and children, veterans and the LGBTQ+ community.

Read more about L3Harris' community efforts and volunteering in our [Community](#) story.

	2019	2020	2021
Charitable giving dollars	2.6M	6.4M	5.3M
# of volunteers (% of total employees)	4,295 (9%)	2,615 (5%)	4,544 (10%)
TOTAL VOLUNTEER HOURS (PER EMPLOYEE)	55,594 (1.13)	35,538 (0.74)	105,141 (2.24)

SUPPLY CHAIN MANAGEMENT

42.5%

Since 2015 L3Harris has awarded over 42.5% of its procurements on Department of Defense (DoD) programs to small businesses, exceeding the DoD's goal each year.

MANAGEMENT APPROACH

L3Harris is committed to working with our over 7,500 supply chain partners to uphold the highest principles and standards in all economic, human rights and environmental guidelines and practices. We are an active member of the Defense Industry Initiative, whose mission is the continued promotion and advancement of a culture of ethical conduct in every company that provides products and services through government contracting.

We are continually striving to deliver unmatched performance in our supply chain. We aim to select supply partners that innovate to create value, continuously strive to reduce total costs, consistently deliver excellent service, meet or exceed our quality and responsiveness requirements and meet our standards of corporate citizenship.

As part of the supplier selection process, L3Harris conducts detailed supplier eligibility reviews to ensure compliance with our [Supplier Code of Conduct](#). This policy requires all suppliers to encompass best practices related to compliance with laws, human rights, employment practices, anti-corruption, conflict of interest, information protection, EHS, global trade compliance, quality and ethical conduct. Supply chain partners are required to certify annually and represent continued compliance with procedures of ethical conduct and specific contractual requirements. L3Harris utilizes internal supply chain center of excellence teams to optimize supply chain performance and compliance and to ensure suppliers are aligned with our objectives and values.

We expect our suppliers to have management systems in place to support compliance with laws, regulations and the expectations related to or addressed expressly within the Supplier Code of Conduct, contractual agreements, or as part of the annual certification process. L3Harris is working

to partner with analytics suppliers to automate and to further enhance our supply chain monitoring process, increasing supply chain visibility and improving monthly monitoring of key compliance and performance risk areas.

L3Harris is committed to sourcing responsibly and considers mining activities that fuel armed conflict as unacceptable. To support that effort L3harris complies with the [U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act](#), Article 1502, and reports annually to the Securities and Exchange Commission (SEC) on the source of tin, tantalum, tungsten and gold (3TG) that are used in our products.

L3Harris provides resources to suppliers, including many small businesses, to help mitigate supply chain risks and support the development of new technologies. Throughout 2021, many small businesses experienced staffing, resource and material constraints as a result of the COVID-19 pandemic. We supported them by accelerating payments and sharing best practices, and they responded by delivering the products and services we required to operate. L3Harris has also successfully collaborated with small businesses on innovation projects that include Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) efforts, which allows subcontractors to evaluate Department of Defense (DoD) SBIR topics and express an interest in partnering. Through our mentor-protege program, we also provide developmental assistance focused on technical and business acumen. We have received three Nunn Perry Awards from the U.S. Department of Defense (DoD) in recognition of our mentoring efforts.

As a part of our ongoing sustainability and climate resilience efforts during 2021, L3Harris completed a Supply Chain Climate Risk Assessment (SCCRA) to identify and better understand the potential climate change risks present throughout the supply chain. The SCCRA focused on global supply chain operations and assessed the primary climate risks to key categories of L3Harris' supply chain, including Freight and Logistics, Facilities and Operations, HR and Administration and IT/Telecom. The SCCRA also informs L3Harris' ESG efforts to publicly disclose relevant environmental and physical climate-related risks and opportunities.

For this Sustainability Report, we are unable to provide the GRI 204-1 and 308-2 disclosures associated with this supply chain management section, as this information is currently unavailable.



We are enhancing our current enterprise supply chain management systems to ensure this information is sufficiently tracked and can be disclosed in subsequent Sustainability Reports.

DATA PRIVACY AND CYBERSECURITY

MANAGEMENT APPROACH (DATA PRIVACY)

The L3Harris Privacy Team oversees data privacy and makes final determinations on all data privacy matters, providing company-wide guidance to functional leaders and the L3Harris Global Privacy Steering Committee. This committee includes leaders throughout L3Harris functions who work closely with the Privacy Team to ensure compliance.

The company-wide Data Privacy Compliance Program covers all matters related to the processing and security of personal information within L3Harris. As implemented by the Privacy Team, the Data Privacy Compliance Program satisfies all the applicable regulatory standards and meets the company's needs from a governance perspective. Consistent with best practices and all applicable laws and regulations, employees and third parties may have the right to request access to their accounts to erase, rectify, complete or amend their information.

MANAGEMENT APPROACH (CYBERSECURITY)

SASB 230a.2 Data Security

The security of our clients' data is critically important due to the nature of our products and services and their applications. The company-wide program is fully certified under the ISO 27001 standard—Information Security Management System, and comprised of a cybersecurity organization of nearly 100 full-time employees, headed by our Chief Information Security Officer.

The Security Operations Center (SOC) continuously monitors activity and L3Harris teams continuously scan applications and systems for vulnerabilities to identify risk. Action plans are created to address risks identified during the scans and are tracked until remedied.

All L3Harris employees are required to take annual cybersecurity training and receive weekly awareness updates, including notices regarding changes to policies and procedures. Users are regularly tested to assess the effectiveness of the training.

CYBERSECURITY EDUCATION FOR OUR SUPPLY CHAIN

L3Harris is a leader and active participant in the National Defense Information Sharing and Analysis Center (ND-ISAC). ND-ISAC gives defense industry entities and suppliers the ability to use the best security data, tools, services and best practices available in a high-trust, collaborative industry environment. Through ND-ISAC, members share intelligence on cyber and physical security, insider threats, vulnerabilities and associated threat remediation. L3Harris is also a member of Defense Industrial Base Cybersecurity (DIB CS), facilitated by the DoD Chief Information Officer (CIO) Office, and participates in other industry partnerships between the public and private sectors.

L3Harris developed and implemented a Cybersecurity Maturity Model Certification (CMMC) education program designed to prepare DoD subcontractors and suppliers for implementation of the security controls found in the National Institute of Standards and Technology (NIST) Special Publication 800-171, Protecting Unclassified Information in Nonfederal Information Systems and Organizations. The portal developed by L3Harris has been accessed by over 4,800 suppliers to gain information on CMMC, access to self-assessment and readiness tools and access to L3Harris-developed training webinars.

GRI 418-1 Substantiated complaints regarding breaches of customer privacy and losses of customer data

SASB 230a.1 Data security

In 2021, there were no breaches of customer privacy data, nor have we received any complaints in regard to our data management and protection practices.

PRODUCT SAFETY AND QUALITY

MANAGEMENT APPROACH

L3Harris remains committed to providing safe and quality end-to-end solutions to meet our customers' needs. We continue to use our Quality Management System (QMS) that is based on ISO 9001 and/or AS9100 standards which enables us to stay focused on our customers and continuously improve our processes. In 2021, we began formalizing all corporate quality management activities into one system that will work alongside our internal Manufacturing Execution and Engineering Systems. Our QMS is applied enterprise wide to efficiently identify, monitor and mitigate product safety and quality issues. This helps us to consistently meet our customer requirements and subsequently improve customer satisfaction.

Growth within L3Harris's Corporate quality team throughout 2021 has allowed us to place several new comprehensive strategies and processes into practice. This includes our new Counterfeit Parts (CP) Risk Mitigation Policy which outlines avoidance, risk identification, mitigation, disposition, detection and reporting of suspect and confirmed counterfeit parts and materials.

L3Harris has both a bottom-up and top-down approach to addressing incident investigations and corrective actions for product safety and quality. Sites are responsible for reporting individual non-conformances, and are then moved up to the business segment level if the issue appears at several

sites. Corporate is engaged if the issue reaches across several business segments. Our Counterfeit Parts Council was established in 2020 and met monthly in 2021 to monitor processes and discuss quality findings. L3Harris locations are responsible for following protocols and reporting non-compliance at their own facility, while the Counterfeit Parts Council is responsible for monitoring and ensuring compliance at an enterprise level.

We recently developed a supplier and inter-company enterprise escape management process, which actively manages potential product and/or process related defects across all business segments. This program will be formalized in 2022. Quality remains everyone's responsibility, both internally for the company and for our suppliers with common quality standards.

In 2022, we are on a journey to overhaul and revise our Zero Defect Plan (ZDP), a system which outlines how L3Harris will prevent any defects from occurring and/or from reaching our customers. Each business unit and/or site will be engaged on this topic during monthly operation reviews, as well as quarterly ZDP-specific reviews. In 2022, the Counterfeit Parts Council will also perform an evaluation of persistent issues or gaps in the quality system.

SASB 250a.2 Number of counterfeit parts detected

The Counterfeit Parts Council has identified 0 non-compliance findings in 2021.



L3HARRIS TECHNOLOGIES

1025 WEST NASA BOULEVARD
MELBOURNE, FLORIDA, 32919-0001
WWW.L3HARRIS.COM/CONTACT-US



This report contains forward-looking statements that are based on the views of management regarding future events at the time of publication of this report. These forward-looking statements, which include, but are not limited to: our plans, strategies and objectives for future operations; new products, services or developments; future economic conditions; outlook; the effect of our acquisitions on our business; our growth potential; and the potential of the industries and markets we serve, are subject to known and unknown risks, uncertainties and other factors that may cause our actual results to be materially different from those expressed in or implied by each forward-looking statement. These risks, uncertainties and other factors are discussed in our Form 10-K for the fiscal year ended December 31, 2021.

