L3Harris Technologies INC - Water Security 2022

W0. Introduction

W0.1

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

L3Harris Technologies, Inc., (L3Harris) headquartered in Melbourne, Florida, is an agile global aerospace and defense (A&D) technology innovator, delivering end-to-end solutions that meet customers' mission-critical needs. We provide advanced defense and commercial technologies across air, land, sea, space and cyber domains. We support government and commercial customers in 100 countries, with our largest customers being various departments and agencies of the United States (U.S.) Government and their prime contractors. Our products, systems and services have defense and civil government applications, as well as commercial applications.

We structure our operations primarily around the products, systems and services we sell and the markets we serve. L3Harris organizational structure consists of four business segments that are referred to as:

· **Aviation Systems (AS)**, including defense aviation products; other commercial aviation products; commercial pilot training; and mission networks for air traffic management. As of 2022 this segment was realigned and some locations were divested.

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

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

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

Our operational excellence program, e3 (excellence everywhere every day) is a Business Operating System committed to excellence, innovation, customer satisfaction and continuous improvement. e3 provides a common language, processes, and metrics across the enterprise and includes regular reviews and performance metrics to drive continuous improvement as a foundation for innovation. A key element of our e3 program is environmental sustainability, which includes water-related sustainability metrics and goals. We are committed to advancing environmental sustainability and compliance. The Company's robust environmental, health and safety (EHS) management system provides the framework for policies and standards, as well as enterprise initiatives to reduce solid waste, water usage and greenhouse gas (GHG) emissions.

W0.2

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

	Start date	End date
Reporting year	January 1 2021	December 31 2021

W0.3

(W0.3) Select the countries/areas in which you operate.

Australia
Canada
Germany
India
Italy
Portugal
United Kingdom of Great Britain and Northern Ireland
United States of America

W0.4

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

USD

W0.5

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

Companies, entities or groups over which operational control is exercised

W0.6

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

No

W0.7

(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, a Ticker symbol	L3Harris Technologies, Inc.'s Ticker symbol: LHX

W1. Current state

W1.1

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

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Not very important	Not very important	L3Harris operations do not rely on substantial water volume and water quality for our day-to-day operations. Facility level water consumption is tracked corporate-wide on a quarterly basis. L3Harris has limited water consumption at some sites (manufacturing facilities), however, activities at the majority of L3Harris sites involve electronic and software programming, with primary water consumption generally related to sanitary use by employees, landscape irrigation, and heating and cooling. Based on this operational activity and tracked water consumption, reliance and use of significant volumes of process water is limited. As such, water use and potential water risks would not be deemed as substantive. For these reasons, our importance rating is not very important. The availability of sufficient qualities of good quality freshwater is anticipated to remain as not very important in the future. Our diverse well-established supply chain has 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 which could otherwise disrupt the value chain. 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. Water availability was ranked as a low risk across 3 of the 4 assessed categories. Therefore, our indirect use importance rating is not very important. Risks and findings from these assessments are evaluated during our enterprise risk management process and help inform our path forward.
Sufficient amounts of recycled, brackish and/or produced water available for use	Not very important	Not very important	L3Harris operations do not rely on substantial water volume of recycled water for our day to day operations. Facility level water consumption is tracked corporate-wide on a quarterly basis. L3Harris has limited water consumption at some sites (manufacturing facilities), however, activities at the majority of L3Harris sites involve electronic and software programming, with primary water consumption generally related to sanitary use by employees (restrooms, hand washing, etc.), landscape irrigation, and heating and cooling. Based on this operational activity and tracked water consumption, reliance and use of significant volumes of process water is limited. As such, water use and potential water risks are not deemed as substantive. For these reasons, our importance rating for sufficient quantities of recycled water is rated as not very important. Our diverse, well-established supply chain has 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 which could otherwise disrupt the value chain. 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 (including water related) 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. Water availability was ranked as a low risk across 3 of the 4 assessed categories. Therefore, our indirect use importance rating is not very important. Risks and findings from these assessments are evaluated during our enterprise risk management process and help inform our path forward.

W1.3

(W1.3) Provide a figure for your organization's total water withdrawal efficiency.

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	17814000000	1449	12293995.8592132	L3Harris expects total water withdrawal efficiency to go up in the future. L3Harris has a publicly stated goal to achieve a 20% reduction in water use by 2026 over a baseline year of 2019. Therefore, water use is expected to decrease in future years.

W2. Business impacts

W2.1

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

No

W2.2

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

No

W3. Procedures

W3.3

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

Yes, water-related risks are assessed

W3.3a

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

Value chain stage
Direct operations
Supply chain

Coverage
Full

Risk assessment procedure
Water risks are assessed as part of an established enterprise risk management framework

Frequency of assessment
Annually

How far into the future are risks considered?
More than 6 years

Type of tools and methods used
Tools on the market
Enterprise risk management
Databases
Other

Tools and methods used
WRI Aqueduct
WWF Water Risk Filter
Enterprise Risk Management
FAO/AQUASTAT
Internal company methods
External consultants
Nation specific databases, tools, or standards
Scenario analysis

Contextual issues considered
Water availability at a basin/catchment level
Water quality at a basin/catchment level
Water regulatory frameworks
Status of ecosystems and habitats
Access to fully-functioning, safely managed WASH services for all employees

Stakeholders considered
Customers
Employees
Investors
Local communities
Regulators
Water utilities at a local level

Comment
L3Harris has a process in place for conducting a Water Risk Assessment (WRA) that evaluates potential water related risks including water scarcity, flooding, poor water quality, etc. on operationally-critical water, energy resources for major L3Harris facilities and operations. The WRA is updated every two years. In 2021, we developed a Climate and Water Risk Management Plan (CWRMP) to update and expand upon the 2019 Climate Risk Management Plan and previous Water Risk Assessment (WRA) that evaluated the potential impacts of climate change and water related impacts on operations-critical resources for major L3Harris locations and operations.

Internally, L3Harris has established an EHS management system to collect water use data. Additionally, L3Harris conducts a detailed aspect and impacts risk assessment on an annual basis. All sites with greater than 75 employees are responsible for completing the assessment and other sites complete the assessment based on segment discretion. It includes reviewing legal and other requirements, changes to regulations, process changes, and environmental risk including water-related risks. The opportunities are risk-ranked and prioritized. These risks could be internal to operations, external to stakeholders and the communities in which we operate. Selected risks & corresponding action plans are tracked & managed as part of the facilities' objectives and targets.
In addition, our Board uses an enterprise risk management (ERM) process, administered by management, and considers risks and related mitigation identified through the ERM process or raised in the context of a range of matters on which management reports to our Board or one of its committees. The risks and opportunities identified through this process may include elements such as water-related issues.

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 (including water related) 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.

W3.3b

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

L3Harris has a process for conducting a Water Risk Assessment (WRA) that evaluates potential water related risks on operationally critical water resources for major L3Harris facilities and operations. Subject matter experts assist with the development of the WRA and update it every two years. Additionally, we conduct a detailed Aspects/Impacts Risk Assessment that focuses on a variety of risks, including water. The process occurs annually at major locations, is separate from the WRA, reviews legal and other changes to regulations, process changes, and environmental risks. The opportunities are risk-ranked and prioritized. These risks could be internal to L3Harris or external to stakeholders and the local communities. Selected risks and corresponding action plans are tracked and managed as part of the location's objectives and targets which are reviewed annually. Both exercises identify similar risks and impacts, and action items may be similar.

In 2021, we developed a Climate and Water Risk Management Plan (CWRMP) to update and expand upon the 2019 Climate Risk Management Plan and previous WRA that evaluated the potential impacts of climate change and water related impacts on operations-critical resources for major locations and operations. The CWRMP covers a portion of our larger portfolio in the U.S., Canada, England and Australia, and brings climate and water risk considerations together to provide a more holistic risk assessment. This assessment used datasets on current and projected water parameters from the World Bank Climate Knowledge Portal, WRI Aqueduct Water Risk Atlas, and the Water Risk Filter developed by WWF in collaboration with DEG. The CWRMP 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.

As a part of our ongoing sustainability and climate resilience efforts during 2021, we completed the SCCRA to identify and better understand the potential climate change (and water related) risks present throughout the supply chain. The SCCRA focused on global supply chain operations and assessed the primary climate risks to key categories of our supply chain, including Freight and Logistics, Facilities and Operations, HR and Administration and IT/Telecom. Water availability was considered a low risk for the enterprise across 3 of the 4 categories. The SCCRA also informs L3Harris' ESG efforts to publicly disclose relevant environmental and physical climate-related risks and opportunities.

L3Harris leverages our Enterprise Risk Management (ERM) assessments to identify water risks. This process identifies material risks across sites with input from each business segment and function. Internally, we also use an established EHS management system to collect and analyze data around water use.

Each of the following water related issues are included in our risk assessment for the following reasons:

· L3Harris operations do not rely on substantial water volume and water quality for our day-to-day operations. Facility level water consumption is tracked corporate-wide on a quarterly basis. L3Harris has limited water consumption at some sites(manufacturing facilities), however, activities at the majority of our sites involve electronic and software programming, water consumption related to sanitary use by employees and heating and cooling. For the reasons above, water availability and quality at a local level is relevant to our operations.

· Water-related regulatory frameworks are relevant to L3Harris because some of our sites hold wastewater discharge permits and are subject to local regulatory frameworks.

· Generally, our operations are in developed areas and do not impact ecosystems and habitats, therefore issues regarding ecosystems and habits have limited relevance to our operations. However, any biodiversity impacts (ecosystems and habitat impacts)related to new construction and tenant improvements are evaluated through the local regulatory planning and permitting processes

· A sanitary working environment is essential to employee health and safety, therefore assessing access to fully functioning, safely managed WASH services for all employees is relevant to our operations

The water related risk and opportunity assessment also considered the following stakeholders:

· To ensure customer expectations & requirements are met, water risk impacts are considered for customers, based on contract, regulatory requirements, etc.

· Employee water and sanitation needs are an essential part of employee health and safety and are therefore included in the aspect and impact assessment.

· Investors are considered in water risk assessments to make sure investor expectations are met over time and to ensure we provide the information that investors and stakeholders require.

· Regulators are relevant to L3Harris because some of our sites hold wastewater discharge permits and are subject to local regulatory frameworks

W4. Risks and opportunities

W4.1

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

No

W4.1a

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

Our Enterprise Risk Management (ERM) process is used to survey our senior leaders and subject matter experts to determine and prioritize substantive/material financial impacts. Our company-wide risks are assessed regularly on potential impact, likelihood to occur, trends, and current mitigation, and specifically include risks associated with business continuity/natural disasters (e.g., floods, fires, hurricanes, etc.), supply chain and environmental compliance. An overall financial impact assessment is made ranging from under $10M (not significant/substantive) to greater than $500M (catastrophic), which corresponds to the overall size of the company. The ERM process engages senior leadership to focus company resources to mitigate the risks that could have the most significant impact to the business.

W4.2b

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

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	L3Harris operations do not rely on substantial water volume or water quality for our day-to-day operations. L3Harris recognizes water is an important issue and important to stakeholders but L3Harris operations do not rely on substantial water volume, nor impact water quality from our day-to-day operations therefore L3Harris' impact on water is considered low and exposure to water-related risk is not considered to be material. Facility level water consumption is tracked corporate-wide on a quarterly basis. L3Harris has limited water consumption at some sites (manufacturing facilities). However, activities at the majority of L3Harris sites involve electronic and software programming, and water consumption is related to sanitary use by employees (restrooms, etc.), landscape irrigation and heating & cooling. Based on this operational activity and tracked water consumption, reliance and use of significant volumes of process water is limited. As such, water use and potential water risks are not deemed as substantive. Sites representing the largest water usage and that were deemed most critical to operations based on facility size and their role as manufacturing facilities and material production were evaluated in the WRA. While the WRA revealed some water-related risk, no substantive impact is anticipated. We continue to track and work to reduce our water use, particularly at sites where risks were identified, to meet our goals. We complete regular WRA every two years and broaden the scope to cover our operations. In addition, project-based reviews & eco-treasures hunts are completed, which include an evaluation of projects that would help decrease our overall water use & other impacts (e.g., energy use, GHG emissions). Environmental Sustainability Calculators & project review checklists are used to integrate environmental sustainability into capital projects and review the projects for environmental sustainability risks and opportunities. The tools were designed to: • Provide support during the planning & scoping process of capital projects • Help determine technology & equipment options with lower environmental impacts while maintaining program and/or functional requirements • Standardize how project impacts are calculated across the company • The Environmental Sustainability Calculators are used to evaluate impacts and cost to gauge financial investment required & to understand the positive/negative impact projects have on accomplishing our goals.

W4.2c

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

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	L3Harris has a diverse well-established supply chain with suppliers located across the world, which limits our exposure to water risks in our value chain and provides a level of risk mitigation for potential climate-related impacts such as shifts in precipitation patterns, increase in frequency and/or intensity of extreme weather events such as hurricanes, droughts, and floods, which could otherwise disrupt the value chain. A formal assessment of water-related risk in our supply chain was completed in 2021. Water availability was ranked as a low risk across 3 of the 4 assessed categories and no substantive water-related impacts were identified. Water risks in our value chain are therefore not highly ranked in the Enterprise Risk Management process.

W4.3

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

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

W4.3a

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

Type of opportunity
Efficiency

Primary water-related opportunity
Improved water efficiency in operations

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

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

Water reduction of 737,000 gallons

$6,200 dollars savings

47.8% Year-over-year reduction – helping the facility work toward achieving its water reduction target and the overall corporate water goals.

The water and cost savings demonstrate that this opportunity was strategic for L3Harris.

Estimated timeframe for realization
1 to 3 years

Magnitude of potential financial impact
Low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
6200

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact
Environmental Sustainability Calculators and project review checklists are used in the business to integrate environmental sustainability into capital projects and review the projects for environmental sustainability risks and opportunities. The tools were designed to:

Provide support during the planning and scoping process of capital projects;

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

Standardize how project impacts are calculated across the company; and

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

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

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

$6,200 dollars savings

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?
Yes, we have a documented water policy, but it is not publicly available

W6.1a

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

	Scope	Content	Please explain
Row 1	Company-wide	Description of business dependency on water Description of business impact on water Company water targets and goals Commitments beyond regulatory compliance Commitment to water-related innovation Commitment to water stewardship and/or collective action	We have a Corporate (CHQ) Environmental Compliance Policy and a CHQ Sustainability Policy. These policies apply to all L3Harris locations and reflect a commitment to consistency in our approach to water security. If local regulations are more stringent, the Location must comply with/exceed the higher standard. Our CHQ Environmental Compliance Policy includes water-related regulatory compliance obligations. All locations must comply with applicable national/federal, state & local laws, regulations, directives & CHQ policies. Our CHQ Sustainability Policy includes water-related policy and our commitment to conducting business responsibly (e.g. water use reduction targets & goals) & commitment to business practices that support a sustainable global environment by effectively managing our footprint through the careful use of energy & natural resources including water. It includes language around understanding our business dependency & business impacts on natural resources & the related potential climate, water & use/disposal of materials. Based on operational activities & usage, operations do not rely on a substantive water volume/quality for operations. However, we rely on sustainable access to limited amounts of water to keep operations running & for general consumption at facilities. It also includes commitment to continuously strive for a more efficient & sustainable environment through: Resource conservation, pollution prevention, waste reduction, & diversion; Minimize environmental impacts in the areas of GHG emissions, water, & waste; Give back to communities by volunteering & donating resources; Create innovative approaches to minimize environmental impacts & improve economic bottom lines. The policy provides a framework for implementation where CHQ EHS representatives are responsible for developing & managing the environmental sustainability strategy for the corporation in collaboration with business segments & functions. EHS & functional representatives work with CHQ, business segment & local leadership to develop environmental sustainability initiatives & projects that align with the CHQ strategy including monitoring & tracking consumption of resources at designated locations & develop/implement strategies to minimize & optimize their use; Communicating responsibilities, projects & objectives; Facilitating data collection; Facilitating the creation of Green Teams to drive efforts; Providing assistance to assess sustainability aspects in purchasing.

W6.2

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

Yes

W6.2a

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

Position of individual	Please explain
Board-level committee	Board level responsibility for overseeing our ethics and compliance programs and our activities related to corporate citizenship and responsibility and environmental sustainability including water-related issues is carried out through our Board's Nominating and Governance Committee. This committee assists the L3Harris Board of Directors (our Board) in overseeing our ethics and business conduct program, our EHS programs and our charitable, civic, educational and philanthropic activities, and also monitors and takes appropriate action regarding strategic issues and trends relating to environmental, social and governance (ESG) efforts and corporate citizenship and responsibility. Through the Board's Nominating and Governance Committee, the Board monitors progress against targets and goals related to water-related risks at the board level and provides oversight of our corporate strategy, plans of action, management policies, and performance objectives. Our Board plays an active role in overseeing the formulation and implementation of our overall business strategy. A specific example of the Board Nominating and Governance Committee's active role in strategy and decisions around water-related issues includes the approval to publicly announce our goal in 2020 to reduce water consumption. If water-related issues are identified, the Board would be notified during either the quarterly or annual review .

W6.2b

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

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

W6.2d

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues	Primary reason for no board-level competence on water-related issues	Explain why your organization does not have at least one board member with competence on water-related issues and any plans to address board-level competence in the future
Row 1	No, but we plan to address this within the next two years	<Not Applicable>	Important but not an immediate priority	Under our Corporate Governance Guidelines, our Board selects director nominees based on the recommendation of our Nominating and Governance Committee and criteria including: • Current knowledge and contacts in the markets in which we do business and in our industry or other relevant industries; • Compatibility of the individual's experience, qualifications, attributes or skills and personality with those of other directors and potential directors in building a Board that is effective, collegial and responsive to the needs of L3Harris and the interests of our shareholders. The Board annually performs a Self-Evaluation of its overall effectiveness, including utilization of a skills matrix. Board members then take appropriate training in line with their assessment. These trainings are tracked by the Corporate Governance Committee. Currently this process does not explicitly address skills and experience regarding sustainability related issues including water but we plan to address this within the next two years.

W6.3

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

Name of the position(s) and/or committee(s)
Chief Executive Officer (CEO)

Responsibility
Assessing water-related risks and opportunities
Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues
Quarterly

Please explain
For the first half of 2021 the CEO and COO provided joint leadership on water-related issues. They were briefed by the Corporate VP of Global Operations on water-related issues at least quarterly where they provided leadership and direction on the implementation of water-related strategy. They provided the Board at least annual updates on water-related risks and opportunities. Mid-2021 our previous CEO transitioned out and the COO became CEO; the COO position was eliminated.
Corporate Environmental Sustainability is led by the VP of EHS with a dedicated Sustainability Director and reports to the VP of Global Operations who reports to our CEO. This group is directly responsible for assessing and managing water-related risks and opportunities. Corporate Environmental Sustainability establishes environmental baselines, targets and roadmaps; deploying our sustainability plan and targeting improvements; and developing long-term sustainability goals and ESG strategy.

Name of the position(s) and/or committee(s)
Chief Operating Officer (COO)

Responsibility
Assessing water-related risks and opportunities
Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues
Quarterly

Please explain
For the first half of 2021 the CEO and COO provided joint leadership on water-related issues. They were briefed by the Corporate VP of Global Operations on water-related issues at least quarterly where they provided leadership and direction on the implementation of water-related strategy. They provided the Board at least annual updates on water-related risks and opportunities. Mid-2021 our previous CEO transitioned out and the COO became CEO; the COO position was eliminated.
Corporate Environmental Sustainability is led by the VP of EHS with a dedicated Sustainability Director and reports to the VP of Global Operations who reports to our CEO. This group is directly responsible for assessing and managing water-related risks and opportunities. Corporate Environmental Sustainability establishes environmental baselines, targets and roadmaps; deploying our sustainability plan and targeting improvements; and developing long-term sustainability goals and ESG strategy.

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

Responsibility
Assessing water-related risks and opportunities
Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues
More frequently than quarterly

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

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

W6.4

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

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	Monetary and non-monetary incentives are provided to the Corporate executive team and to all employees for management of water-related issues or advancement of water-related opportunities.

W6.4a

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

	Role(s) entitled to incentive	Performance indicator	Please explain
Monetary reward	Board/Executive board Corporate executive team	Other, please specify (Pre-determined objectives related to ESG focus areas)	The overall objective of our executive compensation program is to encourage and reward the creation of sustainable, long-term shareholder value. Our guiding principles provide a framework for our executive compensation program to meet this objective. The compensation program for our executive officers includes base salary, annual cash incentive award compensation and equity-based long-term incentive compensation. For annual cash incentive awards, our Annual Incentive Plan is based on formulaic calculations of our financial results against pre-determined financial performance measure targets, as well as performance reviews relative to pre-determined objectives for the fiscal year. Pre-determined objectives generally emphasize ethics; compliance and safety; operational excellence; talent; engagement; diversity and inclusion; and ESG focus areas, which include water-related issues.
Non-monetary reward	Corporate executive team	Reduction of water withdrawals Reduction in consumption volumes Improvements in efficiency - direct operations Improvements in efficiency - supply chain Improvements in efficiency - product-use Improvements in waste water quality - direct operations Improvements in waste water quality - supply chain Improvements in waste water quality - product-use Implementation of employee awareness campaign or training program Supply chain engagement Implementation of water-related community project	Employees who demonstrate extraordinary achievement to customer or operational excellence, including environmental initiatives to reduce reliance on natural resources, are eligible for recognition through the company-wide recognition program. Recognizing Inspiring Sharing Engaging (R.I.S.E) is L3Harris' rewards and recognition program, designed to provide a method of recognizing individual employees or team contributions to furthering the goals and objectives of L3Harris, as well as to celebrate the achievements that make L3Harris successful. The levels of awards can be a non-monetary or monetary way of showing recognition for contributions through Boost, Launch, Ascend, Elevate and service milestone awards. These recognitions may additionally be celebrated through news articles posted to internal company communications. Work on Green Teams or other sustainability efforts could also receive this type of incentive.

W6.5

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

No

W6.6

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

No, and we have no plans to do so

W7. Business strategy

W7.1

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

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	5-10	Objectives related to water use and water discharge are evaluated on an annual basis as part of the overall environmental sustainability program. Annually, L3Harris sets targets, goals and objectives as part of our strategic growth planning (SGP) process. In 2020 L3Harris announced our long-term goals, which included a water use reduction target of 20% by 2026 over a baseline year of 2019. The corporate goals are used to guide Segment and site level reduction initiatives and projects for the year. Annually, we collect water data to track to our target and analyze the data to re-evaluate our annual goals.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	5-10	Objectives related to water use and water discharge are evaluated on an annual basis as part of the overall environmental sustainability program. The strategy for achieving long-term objectives involves identifying water-related opportunities through our annual corporate Strategic Growth Planning (SGP) process, our facilities infrastructure and real estate planning process, and through facility eco-treasure hunts. Water efficiency projects are identified through the Facilities Infrastructure Planning process (e3 continuous improvement projects) and our eco treasure hunt process. Eco-treasure hunts are conducted annually to discover and realize energy efficiency and water conservation risks and opportunities while enabling employees to build a culture of continuous improvement. Other location-based projects are also reviewed for water-related conservation or efficiencies on an ad hoc basis.
Financial planning	Yes, water-related issues are integrated	5-10	Financial planning for water-related projects is evaluated and integrated into our facilities infrastructure and real estate planning process and through facility eco-treasure hunts. Water efficiency projects are identified through the Facilities Infrastructure Planning process (e3 continuous improvement projects) and our eco treasure hunt process. Environmental Sustainability Calculators are used to estimate costs and the potential savings of the opportunities identified to align key metrics and standardize cost and savings calculations. These estimates are integrated into corporate, segment, and facility financial planning as appropriate. Other location-based projects are also reviewed for technology-related energy improvements and efficiencies on an ad hoc basis and financial planning for these projects is done at the local level.

W7.2

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

Row 1

Water-related CAPEX (+/- % change)

0

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

0

Water-related OPEX (+/- % change)

0

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

0

Please explain

From 2020 to 2021, CAPEX and OPEX remained relatively flat due to continued identification and implementation of various water conservation projects throughout the organization and no significant changes to our business impacting OPEX. The water-related Capital expenditures include water conservation and efficiency projects that are identified through the Facilities Infrastructure Planning process (e3 continuous improvement projects) and our eco treasure hunt process. The water related operational expenditures include costs of municipal water supply and wastewater disposal. No major operational changes are expected that will impact our OPEX water costs. Currently, we expect both CAPEX and OPEX to remain flat in 2022 given the continued identification and implementation of water reduction/efficiency projects.

W7.3

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

	Use of scenario analysis	Comment
Row 1	Yes	In 2021, L3Harris updated its previous Water Risk Assessment (WRA) to identify potential water related impacts to our business operations on a global scale. We developed a Climate and Water Risk Management Plan (CWRMP) which brings climate and water risk considerations together to provide a more holistic risk assessment.

W7.3a

(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization's business strategy.

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy
Row 1	Water-related Climate-related	In 2021, L3Harris updated its previous Water Risk Assessment (WRA) to identify potential water related impacts to our business operations on a global scale. We developed a Climate and Water Risk Management Plan (CWRMP) which brings climate and water risk considerations together to provide a more holistic risk assessment. This assessment used datasets on climate science projected trends as well as 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). Key parameters included average annual precipitation, sea level rise, extreme weather events (extreme temperatures and precipitation, severe storms, wildfires), streamflow, water demand/stress, and drought. 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.	The scenario analysis 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.	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 water use reduction goal.

W7.4

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

Row 1

Does your company use an internal price on water?

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

Please explain

L3Harris recognizes water is an important issue and important to stakeholders; however, L3Harris operations do not rely on a substantial water volume in our day-to-day operations. Therefore, L3Harris impact on water is considered low.

W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

	Products and/or services classified as low water impact	Definition used to classify low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	No, and we do not plan to address this within the next two years	<Not Applicable>	Important but not an immediate business priority	The water impact of our products is not substantial during both the production and use phases and our products do not directly consume or discharge water during their use. Therefore we do not consider it applicable to our business that our products and services could be considered as having a lower impact on water resources than the market norm or than the company's previous products.

W8. Targets

W8.1

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

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Company-wide targets and goals Business level specific targets and/or goals Site/facility specific targets and/or goals	Targets are monitored at the corporate level Goals are monitored at the corporate level	Annually, L3Harris sets targets, goals and objectives as part of our strategic growth planning (SGP) process. In 2020 L3Harris announced our long-term goals, which included a water use reduction target of 20% by 2026 over a baseline year of 2019. The corporate goals are used to guide Segment and site level reduction initiatives and projects for the year. Annually, we collect water data to track to our target and analyze the data to re-evaluate our annual goals.

W8.1a

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

Target reference number
Target 1

Category of target
Water withdrawals

Level
Company-wide

Primary motivation
Reduced environmental impact

Description of target
L3Harris has set a company-wide target of 20% reduction of water use by 2026 over a baseline year of 2019.

Quantitative metric
% reduction in total water withdrawals

Baseline year
2019

Start year
2020

Target year
2026

% of target achieved
100

Please explain
L3Harris established our water use reduction target and adjusted our baseline year and period of performance to more properly represent when business operations and representative water use began for the Company.

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.

W8.1b

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

Goal
Promotion of water data transparency

Level
Company-wide

Motivation
Corporate social responsibility

Description of goal
Disclosure of water-related data on a quarterly basis internally and on an annual basis externally in L3Harris' annual Sustainability Report. This goal allows for an increase in transparency for internal and external stakeholders. In addition, accurate and reliable data makes it easier to track progress towards annual and long-term goals. The promotion of water data transparency is implemented throughout the organization by reporting out quarterly on progress, providing trainings on how to properly enter water data and establishing data verification processes within our environmental management systems (EMS) to address potential errors or data trends both positive or negative. L3Harris has dedicated resources (e.g., employees) committed to entering data on a quarterly basis within our EMS system and funding for our EMS system is provided at the corporate level.

Baseline year
2019

Start year
2019

End year
2026

Progress
Data has been leveraged to announce L3Harris' long-term water use reduction goal and track our reduction efforts against our baseline year of 2019 on a quarterly basis internally and on an annual basis externally. In addition, we integrated water-related issues into our operations, identify, implement, and track water related efficiency projects as part of our facilities infrastructure capital and expense budget and e3 (also known as continuous improvement) program. L3Harris was successful in disclosing this water-related data and information and described how we integrate water-related issues into our long-term strategic business plan in our first Sustainability Report. Water usage data, goal reduction tracking and disclosure are important to L3Harris for the sake of evaluating our progress towards our long-term goal and providing transparency to our internal and external stakeholders.

Goal
Other, please specify (Increase water conservation efforts: Identification and implementation of eco-treasure hunt/e3 projects annually)

Level
Company-wide

Motivation
Reduced environmental impact

Description of goal
Conduct eco-treasure hunts and implement water efficiency projects. As part of our environmental sustainability strategy, (and to support our company wide target to reduce water consumption by 20%) in 2020 we expanded our goal to complete both Segment level and Corporate sponsored eco-treasure hunts annually to identify water-related efficiency projects. Establishing eco-treasure hunt goals creates a process for discovering and realizing energy efficiency and water conservation opportunities while minimizing potential risks associated with aging facilities infrastructure equipment and/or inefficient business operations. The eco-treasure hunts also build upon L3Harris' culture of continuous improvement and empowers employees to positively contribute to L3Harris' long-term water use reduction goal.

Baseline year
2019

Start year
2019

End year
2026

Progress
L3Harris' e3 continuous improvement program provides a common language, processes, and metrics across the enterprise and includes regular reviews and performance metrics to drive continuous improvement as a foundation for innovation. A key element of our e3 program is environmental sustainability including water-related goals. Through our e3 program, we identify, implement, and track water-related efficiency projects. Water efficiency projects are identified and implemented as part of the annual Facilities Infrastructure Planning process (e3 projects). The indicator used to assess progress against the goal is the number of eco-treasure hunts conducted, including corporate sponsored and Segment sponsored eco-treasure hunts . Eco-treasure hunts across many facilities are ongoing and will continue throughout our water use goal performance period. It is our goal to continue annual identification of water efficiency projects through the Facilities Infrastructure Planning process (e3 projects) and continue annual Segment level and Corporate sponsored eco-treasure hunts and track the opportunities identified from these processed and the associated reduced environmental impact realized from implementation of the identified projects.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?
No, but we are actively considering verifying within the next two years

W10. Sign off

W-FI

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

In the first half of 2021, the VP of Global Operations, reported directly to our Vice Chair, President and COO. In mid-2021, our previous CEO stepped down and the COO became CEO; the COO position was then eliminated. The VP of Global Operations is a peer of our Segment Presidents and is the functional leader for global operations. He has five functions under his purview including: Continuous Improvement (also known as e3), Manufacturing Engineering, Environmental, Health and Safety (EHS), Supply Chain, and Quality. As part of the EHS organization, the corporate environmental sustainability function reports to the VP of EHS who reports to the VP of Global Operations, and the Board's Nominating and Governance Committee oversees EHS water-related issues.

W10.1

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

	Job title	Corresponding job category
Row 1	Vice President, Global Operations	Other C-Suite Officer

W10.2

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

Yes

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms