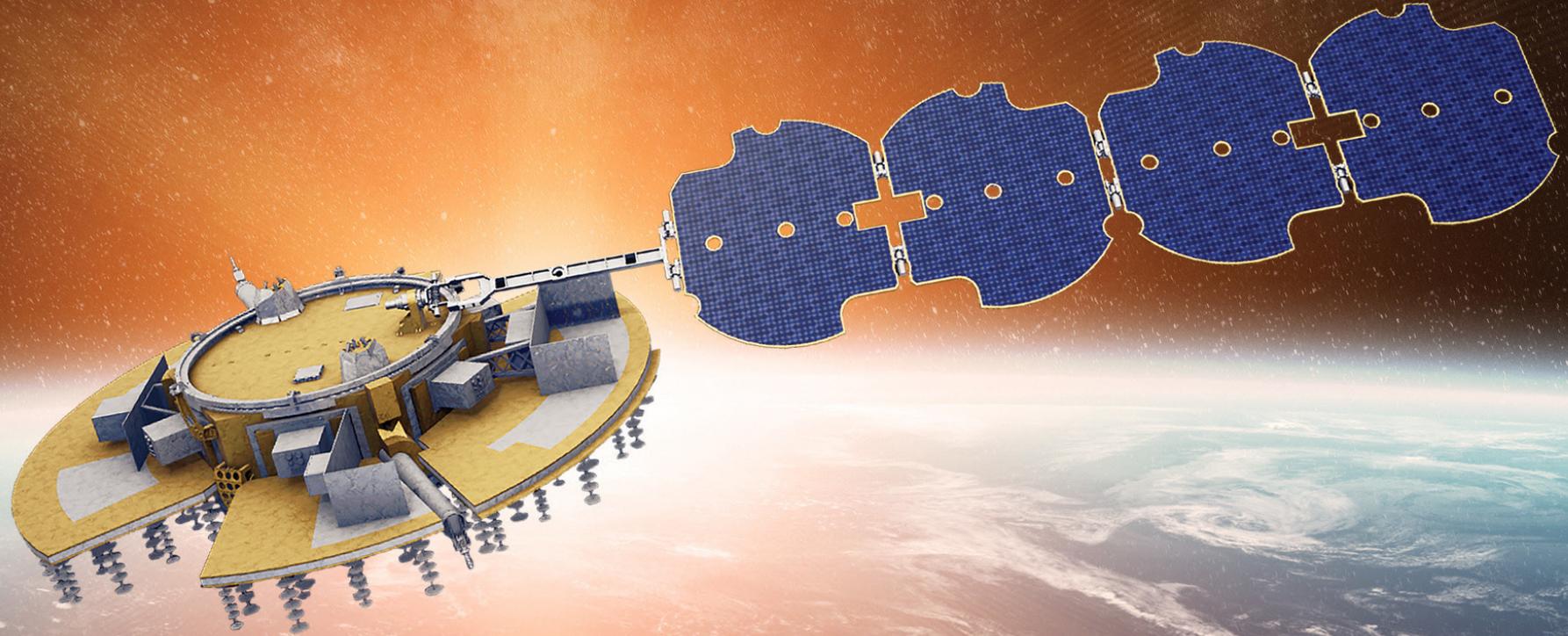




# SUSTAINABILITY REPORT 2022



**➤ 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.**



Navigation Technology Satellite-3 is modernizing the nation's positioning, navigation and timing capabilities to meet 21st-century customer needs, defeat adversaries, augment GPS and defend national security.





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.



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**COVER:** L3Harris is helping the National Oceanic and Atmospheric Administration (NOAA) create a more weather-resilient nation by providing cutting-edge technology for the GOES-R Series of geostationary environmental satellites.

**HERE:** L3Harris is embracing disruptive approaches to identify some of the most promising technologies.

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# APPROACH

- > A MESSAGE FROM THE CEO
- > ABOUT L3HARRIS
- > 2022 HIGHLIGHTS
- > STAKEHOLDER ENGAGEMENT
- > FOCUS AREAS

STORIES

GOVERNANCE

ENVIRONMENTAL

SOCIAL





## A MESSAGE FROM THE CEO

The past year was an unrelenting one for L3Harris. We continued to challenge the status quo within the aerospace and defense industry by remaining agile and responsive to the needs of all our stakeholders.

Our employees, leadership team and Board of Directors remained focused on the tasks we could control in a year when all industries saw new challenges from geopolitical events, supply chain constraints, inflation and a continuation of COVID's impact.

Key to our company's resilience and success continues to be the emphasis placed on strong, transparent governance at the forefront of all crucial decisions. Equally as important is our culture of innovation and operational excellence that is supported by decisions and actions based on ethical, honest and accountable practices.

Driving long-term growth and success also meant keeping our workforce top of mind. We did this by making significant financial and cultural investments in our employees. We doubled our spend on base salary increases, held employee contributions to their healthcare flat, expanded mental health and wellness benefits and made

every other Friday an off day. Our 46,000 employees make our company a key mission solutions provider for U.S. and allied national security endeavors and their wellness and engagement remain a priority.

A company is stronger when it values diverse ideas. We remained committed to Diversity, Equity and Inclusion at all levels and continued to focus on our goals that half the workforce will be women and at least one-third of employees will be people of color, reflective of communities where we operate. Women currently comprise 25% of our global workforce and people of color make up 28% of our U.S.-based workforce.

We also made great strides in environmental sustainability. We committed to reducing greenhouse gas emissions by 30% by 2026 and surpassed that goal with contributions from our Elm Branch Solar Farm. The solar farm's success encouraged us to continue identifying renewable energy opportunities. We are in the early negotiation phase of two additional renewable projects.

We also made progress toward our two other 2026 goals—reducing water use by 20% and solid waste diversion from landfill by 75%.

Our environmental goals and efforts are driven and influenced by regulations, industry standards, benchmarking, data and other elements our team takes into consideration. I am proud that we continued to take meaningful action derived from analyzing important sources—all guided by a robust program within our global operations strategy.

Our value of excellence extends to the communities where we live and work—domestic and international. Since 2019, the L3Harris Foundation has supported numerous organizations with contributions totaling nearly \$17 million.

L3Harris employees also continued to give back significantly in the form of more than 122,000 volunteer hours on 1,400 projects last year. Activities ranged from supporting veteran-related organizations and schools with STEM initiatives to other mission aligned community opportunities. We also helped communities in need with financial support.

Following Hurricane Ian, we activated the L3Harris Cares Fund with an immediate response plan to support impacted employees. Further away, the conflict in Ukraine motivated many of our employees to donate. Between gift donations and our gift matching program, the company provided nearly three quarters of a million dollars in support.

**We live in an unpredictable world, but I am grateful for the virtue of optimism and the resiliency of our exceptional team at L3Harris. What we do matters. We protect everyday life, support employees and their families and help to preserve our planet.**

**CHRISTOPHER E. KUBASIK**

Chair and Chief Executive Officer

# ABOUT L3HARRIS

L3Harris Technologies is a Trusted Disruptor for the global aerospace and defense industry. With customers’ mission-critical needs always in mind, our 46,000 employees deliver end-to-end technology solutions connecting the space, air, land, sea and cyber domains.

L3Harris supports U.S. allies and partners in national security endeavors to secure freedom and extend peace around the globe—in every domain, protecting everyday life. Our customers include departments and agencies of the United States (U.S.) government, foreign governments and other large defense contractors. L3Harris’ capabilities support the defense, commercial and civil industries.

Headquartered in Melbourne, Fla. and publicly traded on the New York Stock Exchange (Symbol: LHX), L3Harris has an organizational structure that operates within three business segments: Integrated Mission Systems, Space and Airborne Systems and Communication Systems. These segments are structured primarily around the products, systems and services they sell and the markets they serve.

## Transparency Approach

The L3Harris Sustainability Report provides information to internal and external stakeholders about the company’s Environmental, Social and Governance (ESG) program. This report aligns with frameworks provided by the Global Reporting Initiative (GRI), the Aerospace & Defense standards for the Sustainability Accounting Standards Board (SASB) and the Task Force for Climate Related Financial Disclosures (TCFD). The report also aligns L3Harris initiatives, programs and business strategies with the United Nations Sustainable Development Goals (UN SDGs).

See the [GRI/SASB/TCFD/UN SDG Index](#) for our 2022 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

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.

**17B**

Annual Revenue

**~46K**

L3Harris Employees

**~20K**

Scientists and Engineers

**>100**

Countries Supported



# 2022 HIGHLIGHTS

## ENVIRONMENTAL

**52%** 

exceeding GHG target by 22%



completed GHG third party verification for Scope 1 and 2 emissions

**20%** 

met water use reduction target



completed preliminary Scope 3 screening assessment

## SOCIAL

**36%** 

of executives globally are women, a 2% increase since 2021

**44%** 

of new college graduates are people of color, a 2% increase since 2021

**\$5.4M** 

dollars in charitable giving

**67** 

zero injury sites

## GOVERNANCE



development and release of our Political Lobbying Policy

**100%** 

of employees trained in anti-corruption policies and procedures



development and release of our Human Rights Policy



enhanced our Enterprise Risk Management approach

# STAKEHOLDER ENGAGEMENT

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

In 2020, L3Harris completed a formal materiality assessment involving extensive stakeholder engagement and input that continues to steer the ESG program and strategy. The company plans to complete another materiality assessment in 2023 with internal and external stakeholders to reexamine key topics and enhance L3Harris’ long-term ESG program and strategy.



STAKEHOLDER GROUP	EXAMPLES OF ENGAGEMENT CHANNELS	KEY TOPICS
<b>Employees</b>	Comprehensive employee surveys, working groups, Employee Resource Groups (ERGs), intranet, emails, e-newsletters	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Human capital</li> <li>Diversity, equity and inclusion</li> <li>Workplace health and safety</li> <li>Data privacy and cybersecurity</li> </ul>
<b>Customers</b>	Meetings, virtual and in-person trade shows, regular interaction with government officials and regulators, contractor meetings, customer service feedback	<ul style="list-style-type: none"> <li>Business ethics</li> <li>Anti-corruption</li> <li>Sustainable products/services and packaging materials</li> </ul>
<b>Suppliers</b>	Sales meetings, conferences, forums	<ul style="list-style-type: none"> <li>Supply chain</li> <li>Business ethics</li> <li>Human rights</li> <li>Conflict minerals</li> <li>All environmental topics</li> </ul>
<b>Community</b>	Meetings with community partners, volunteer events	<ul style="list-style-type: none"> <li>All environmental topics</li> <li>Community engagement</li> <li>Diversity, equity and inclusion</li> </ul>
<b>Investors</b>	Earnings calls, shareholder and analyst meetings, publications of financial results and presentations, participation in ESG ratings	<ul style="list-style-type: none"> <li>All topics</li> </ul>
<b>Industry Peers</b>	Involvement in industry associations	<ul style="list-style-type: none"> <li>Supply chain</li> <li>All environmental topics</li> <li>Diversity, equity and inclusion</li> </ul>

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

# FOCUS AREAS

L3Harris continues to strive for excellence and transparency throughout our ESG journey. The dedication to broaden stakeholder engagement has driven the company’s approach, initiatives and focus on continuous improvement regarding the ESG strategy, reporting and programs.

As an aerospace and defense company, L3Harris manages and addresses a broad range of ESG issues. This Sustainability Report focuses on key ESG topics, 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 key issues.

L3Harris’ 2020 materiality assessment influenced the establishment of the ESG program. To determine material issues and their impacts, the company leveraged multiple sources and activities involving shareholder engagement, industry peers and surveys, as well as review from ESG agencies such as Sustainalytics and International Shareholder Services (ISS), employee workshops and established ESG frameworks from GRI and SASB. L3Harris continued to align with TCFD and the UN SDGs to remain up to date on ESG disclosures and best practices. There have been no changes in material topics or shifts regarding ESG at L3Harris since this assessment.



## Material Topic Impacts

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

■ Criteria Air Pollutants and Land, Forest, Biodiversity are non-material.

	HIGH	MEDIUM	LOW
 <b>GOVERNANCE</b>	<ul style="list-style-type: none"> <li>Business Ethics</li> <li>Corporate Governance</li> <li>Anti-Corruption</li> </ul>	<ul style="list-style-type: none"> <li>Lobbying and Political Advocacy</li> <li>Research, Development and Innovation</li> </ul>	
 <b>SOCIAL</b>	<ul style="list-style-type: none"> <li>Health and Safety</li> <li>Community</li> <li>Data Privacy and Cybersecurity</li> <li>Diversity, Equity and Inclusion</li> <li>Supply Chain</li> <li>Product Safety/Quality</li> <li>Human Capital</li> </ul>	<ul style="list-style-type: none"> <li>Conflict Minerals</li> </ul>	<ul style="list-style-type: none"> <li>Human Rights</li> </ul>
 <b>ENVIRONMENTAL</b>	<ul style="list-style-type: none"> <li>Energy</li> <li>Climate Change</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable Products/ Services and Packaging Materials</li> <li>Waste and Hazardous Waste</li> <li>EHS and Sustainability Management Systems</li> </ul>	<ul style="list-style-type: none"> <li>Water</li> <li>Criteria Air Pollutants</li> <li>Land, Forest, Biodiversity</li> </ul>

**NOTE:** Criteria air pollutants does not include greenhouse gas emissions

APPROACH

# STORIES

- > PRODUCT TECHNOLOGY
- > ENVIRONMENTAL
- > DIVERSITY, EQUITY AND INCLUSION
- > COMMUNITY
- > BUSINESS TRANSFORMATION

GOVERNANCE

ENVIRONMENTAL

SOCIAL



# PRODUCT TECHNOLOGY

## NOAA Partnership Continues

L3Harris' third high-resolution weather instrument, the Advanced Baseline Imager (ABI), launched onboard a National Oceanic and Atmospheric Administration (NOAA) satellite March 1, 2022, with a mission to strengthen the nation's ability to monitor the environment and rapidly detect severe weather.

The ABI provides high-resolution video of weather and environmental systems using 16 spectral bands that deliver three times the amount of spectral coverage, with four times the resolution and are five times faster than the previous generation of Geostationary Operational Environmental Satellites (GOES). The ABIs

on NOAA's two current satellites, GOES-East and GOES-West, enable more accurate meteorological forecasts, provide a greater ability to study and monitor climate change and allow experts to provide early warnings of severe weather conditions such as tornadoes, wildfires and hurricanes.

L3Harris also delivered a fourth imager to NASA that was integrated into the GOES-U satellite in January 2022 and is slated to launch in 2024. GOES-U will complete NOAA's series of advanced geostationary weather sensors and provide the groundwork for future imager programs. L3Harris is underway with the next generation geostationary imager concept design.

“ L3Harris' ABI has helped NOAA improve detection of wildfires, tornadoes and other extreme events that threaten lives. We have been pioneers in space-based weather monitoring for more than 60 years and continue to set a high standard of capability with our Advanced Baseline Imager. We look forward to driving further forecasting advancements as we continue our collaborative partnership with NOAA into the future. ”

**Rob Mitrevski, Vice President and General Manager, Spectral Solutions, Space and Airborne Systems, L3Harris**

L3Harris is helping NOAA to strengthen its ability to monitor the environment and rapidly detect severe weather.

# ENVIRONMENTAL

## Operation Splashdown

Water is a critical resource for L3Harris and the communities in which we operate. In addition to potable uses (consumption and hygiene), L3Harris uses water to cool buildings and in our manufacturing processes.

Potable water resources are also increasingly scarce as global demand surges and the impacts of climate change become more pronounced. To address this risk and help protect the global and local environment, L3Harris has set meaningful water use reduction goals. As a part of our continued efforts to reduce water usage, L3Harris is in the process of implementing Operation Splashdown, a stormwater reuse project at one of our larger Florida sites.

The Florida site utilizes evaporative cooling towers in the HVAC system, which facilitates cooling in the chilled water system, and then pumps the chilled water across campus. The HVAC system accounts for 60–70% of all water

consumed at the facility. Historically, the cooling towers relied on potable water from the local municipality, but L3Harris will partner with a project developer to take advantage of an alternative water source: an onsite stormwater pond. By using filtered stormwater, the site is estimated to save approximately 20 million gallons of potable water per year. The filtered stormwater is expected to cost less than the municipal potable water, making Operation Splashdown both environmentally and financially beneficial. The project also increases L3Harris' operational resiliency by adding an additional water source for critical HVAC equipment. This built-in redundancy reduces reliance on external infrastructure and potential downtime in the event of utility service interruptions.

In 2022, L3Harris and our partners completed initial design and the team is currently overseeing site testing. Construction is set to begin in 2023, and the project is expected to be operational in 2024 at the latest. L3Harris plans to accelerate reduction projects across the company to continue to minimize our water footprint.

“ Our commitment to support the communities in which we operate extends to finding ways to reduce our use of the world's natural resources. ”

**Byron Green, Vice President, Global Operations, L3Harris**



# DIVERSITY, EQUITY AND INCLUSION (DE&I)

## Forward. Together. Connecting Through I.D.E.A.S. (Inclusion, Diversity, Equity, Allyship and Social Advocacy)

L3Harris emphasizes that Diversity, Equity and Inclusion (DE&I) is a main contributor to business success and drives the key values of integrity, excellence and respect. Creating a diverse, equitable and inclusive work environment is not just a choice, it is a requirement. As described in the [2022 Diversity, Equity and Inclusion Annual Report](#), L3Harris is constantly striving to be a leader in the DE&I space by cultivating change and constructing an enterprise in which employees feel welcome and maintain a sense of belonging. L3Harris has

two enterprise goals: that half of the workforce will be women and at least one third will be people of color. The company is applying goals, missions and values at every level, across every business segment and to all domains.

One of the most impactful DE&I achievements this year occurred in September 2022. L3Harris had the honor of hosting the first inaugural Inclusion Conference that included more than 320 leaders and employees across the enterprise. *Forward. Together. Connecting Through I.D.E.A.S. (Inclusion, Diversity, Equity, Allyship and Social Advocacy)* was the theme of the conference. Attendees viewed and participated in presentations and open discussions for three days and left with the knowledge and skills needed to create and empower inclusive environments.

Although this conference focused on inclusive and equitable leadership, every employee at L3Harris is empowered to lead and advance DE&I. The Inclusion Conference created enterprise-wide momentum to promote five key take-aways to help employees incorporate DE&I into their day-to-day activities and become inclusive leaders:

- Our lived experiences and identities can build bridges of empathy.
- Inclusive leaders demonstrate six signature traits: cognizance, curiosity, cultural intelligence, collaboration, commitment and courage.
- We continue to challenge the notion that seeking equity is only an effort to meet representation goals.
- Social relationships, built upon conversations, provide a portal for learning and growth.
- Raising awareness is only the first step toward a more equitable workplace—our voice and actions matter.

The feedback from this event was extremely positive, resulting in an overall rating of 4.6/5.0. This conference equipped L3Harris with precise actions to help transform our culture of inclusion.

We aim to constantly improve, build on and promote DE&I initiatives and goals throughout our business strategies.

“ I appreciated hearing everyone’s perspective and life history. It is one thing to read about or personally experience some of the issues discussed. But it is entirely different to hear directly from our peers rather than from ethereal voices. ”

**Luis Alvarez, Senior Manager,  
Operational Excellence, L3Harris**



## 9 ERGS



with 100+ chapters worldwide,  
engaging 18,000 total members

## 36%



of executives globally  
are women

## 28%



of overall U.S.-based  
workforce are people of color

# COMMUNITY

## Connecting Our People to Our Values and Community

L3Harris has a profound impact on the communities where we operate, in large part because of employee engagement. In an effort to support what employees value and give back to causes they are dedicated to, the company established the L3Harris Investing for Tomorrow (LIFT) program to encourage community volunteer opportunities for them and their families. The L3Harris Foundation serves as the underwriter.

L3Harris has created and participated in many initiatives within the LIFT program that encourage volunteerism and community involvement by engaging the Employee Resource Groups (ERGs). One initiative

was the ERG Competition which entailed a friendly competition between ERGs around the world to determine which gave back to their communities the most. The summertime competition concluded with the Supporting Emergency Responders and Veterans Engagement (SERVE) group in the lead with more than 4,000 volunteer hours.

L3Harris also partnered with and presented a grant to the organization Homes For Our Troops (HFOT). The grant promotes the HFOT mission to build and donate specially adapted custom homes to severely injured post-9/11 Veterans to help them rebuild their lives. HFOT homes are built in the communities of the veteran's choosing—often near L3Harris locations. Company employees are given opportunities to engage with HFOT during community kickoff events, volunteer days and key ceremonies.



L3Harris understands the importance of educating today's youth and aims to inspire and build up young minds through employee volunteer activities and funding for STEM resources. In 2022, the L3Harris Foundation provided elementary, middle and high school robotics teams with \$120,000 in grants for their 2022–2023 robotics season. The company has supported robotics, rocketry and other student technology challenges for many years. 2022 marked the first year that L3Harris funded

an international robotics team. The initiative helped increase the number of international volunteer hours from 543 hours to 4,536 hours in one year.

L3Harris also promotes an Employee Volunteer of the Month recognition. The global recognition seeks to highlight an employee's volunteering impact while celebrating the person's above and beyond community support.

“ We believe these young innovators can change the world, and we'd also like to show them that someday they can have a direct impact on keeping their communities and nation safe through their ingenuity and creativity. ”

Elizabeth Brienza, Vice President, Communications, L3Harris

# 16%



volunteer hours increased by 16% over previous record

# 1<sup>ST</sup>



L3Harris funded the first international robotics team in Canada

# 4,536



international volunteer hours increased from 543 to 4,536 in 2022

# BUSINESS TRANSFORMATION

## Manufacturing Innovations Drive Business Transformation

As a Trusted Disruptor, L3Harris seeks out innovative solutions to meet ever-changing business demands and to achieve the organization's goal of long-term strategic growth. L3Harris' Jefferson Road Operations Center (JROC) has worked to drive faster reaction speeds to deliver high quality products in shorter lead times through the development of the Smart Manufacturing Cell project.

JROC is a key site for the company, manufacturing tactical radios in a high-mix, high-volume production system. In 2020, the JROC team kicked off several workshops focused on two key questions: "What is Transformation?" and "How does that differ from incremental improvement?" During 2021, the team defined how the business would transform through investment in new technologies, key initiatives that minimized waste and engineering projects focused on a sustainable, safe and efficient employee workplace. These transformation drivers collectively became the key components of the

"smart cell" concept, which was further refined through several workshops and submitted for approval in January 2022.

The Smart Manufacturing Cell project is a fully controlled, paced production line capable of building 45 radio variants in six handheld product families. The smart cell compresses three separate work cells for these products into one mixed-model continuous flow line that embodies one-piece flow, automation, real-time monitoring and part traceability. Each workstation incorporates new technologies such as augmented reality and integrated control systems to drive quality at the source, significantly increase build standardization during unit assembly and to deliver higher throughput with reduced footprint and energy usage. The smart cell has been designed to scale to other products within the same family and will act as a beacon for future transformation projects at JROC and across the enterprise. The operations and manufacturing engineering teams at JROC are working to launch the smart cell in production in the second quarter in 2023.

“ Automation and digital technologies working in harmony with lean principles power our new approach to manufacturing. It is an essential evolution to meet our commitments on employee safety, product quality and generating shareholder value. ”

Balaji Suresh, Vice President, Operations, Communication Systems, L3Harris

L3Harris has invested in the "Smart Manufacturing Cell" concept to help transform operations.

APPROACH

STORIES

# GOVERNANCE

- > CORPORATE GOVERNANCE
- > BUSINESS ETHICS
- > ANTI-CORRUPTION
- > LOBBYING AND POLITICAL ADVOCACY

ENVIRONMENTAL

SOCIAL



# CORPORATE GOVERNANCE

## Management Approach

GRI 2-9, GRI 2-11, GRI 2-12

L3Harris is committed to responsible and effective corporate governance that will enhance the creation of sustainable long-term shareholder value and be accountable and responsive to all our stakeholders. The L3Harris Board represents our highest governance body and is elected by our shareholders. It is comprised of fourteen directors as of 2022 that represent a diverse mix of backgrounds, tenure, skills, experience and personal characteristics. Of our three newest directors, two are women. All directors are independent except for our Chair and Chief Executive Officer (CEO).

Our Board and the Nominating and Governance Committee of the Board engage on a regular basis on ESG matters, including maintaining an effective risk and 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 [2023 Proxy Statement page 17](#) for details on our current Board leadership structure, including our Chair and CEO and Lead Independent Director roles. See [page 19](#) for details on our Board Committees and Nominating and Governance Committee, featuring diversity criteria included in Board nominations and selection.

GRI 2-13, GRI 2-14, GRI 2-17

Our CEO and Chair is regularly briefed by the Vice President (VP) of Global Operations on ESG-related issues and is 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 established committees and groups across the organization to ensure effective management and drive performance across our material ESG topics.

GRI 2-10, GRI 2-15

Our Board is responsible for approving nominees to stand for director elections. The Board Nominating and Governance Committee helps approve nominees by identifying and recommending qualified individuals for election and re-election to the Board based on professional experience and the personal criteria documented in the L3Harris [Corporate Governance Guidelines](#). Shareholders also may recommend or make director nominations following the processes described in the [2023 Proxy Statement on page 8](#).

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 of Directors, acting through its Nominating and Governance Committee, and each of its committees, conducts a self-evaluation annually. The Board is guided by our Director Independence Standards and our Corporate Governance Guidelines, available in 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 ([2023 Proxy Statement on page 8](#)). To learn more about our DE&I strategies, policies and accomplishments see our [2022 Diversity, Equity and Inclusion Annual Report](#).

## ESG Management Structure

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

ESG STEERING COMMITTEE
<ul style="list-style-type: none"> <li>Accountable for ESG goals</li> </ul> <p><b>Key Executives Including:</b></p> <ul style="list-style-type: none"> <li><b>CEO:</b> Provides Board of Directors updates on ESG-related risks and opportunities</li> <li><b>Chief Financial Officer</b></li> <li><b>Chief Human Resources Officer</b></li> <li><b>General Counsel</b></li> <li><b>VP, Global Operations:</b> Briefs CEO</li> </ul>

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





## Enterprise Risk Management

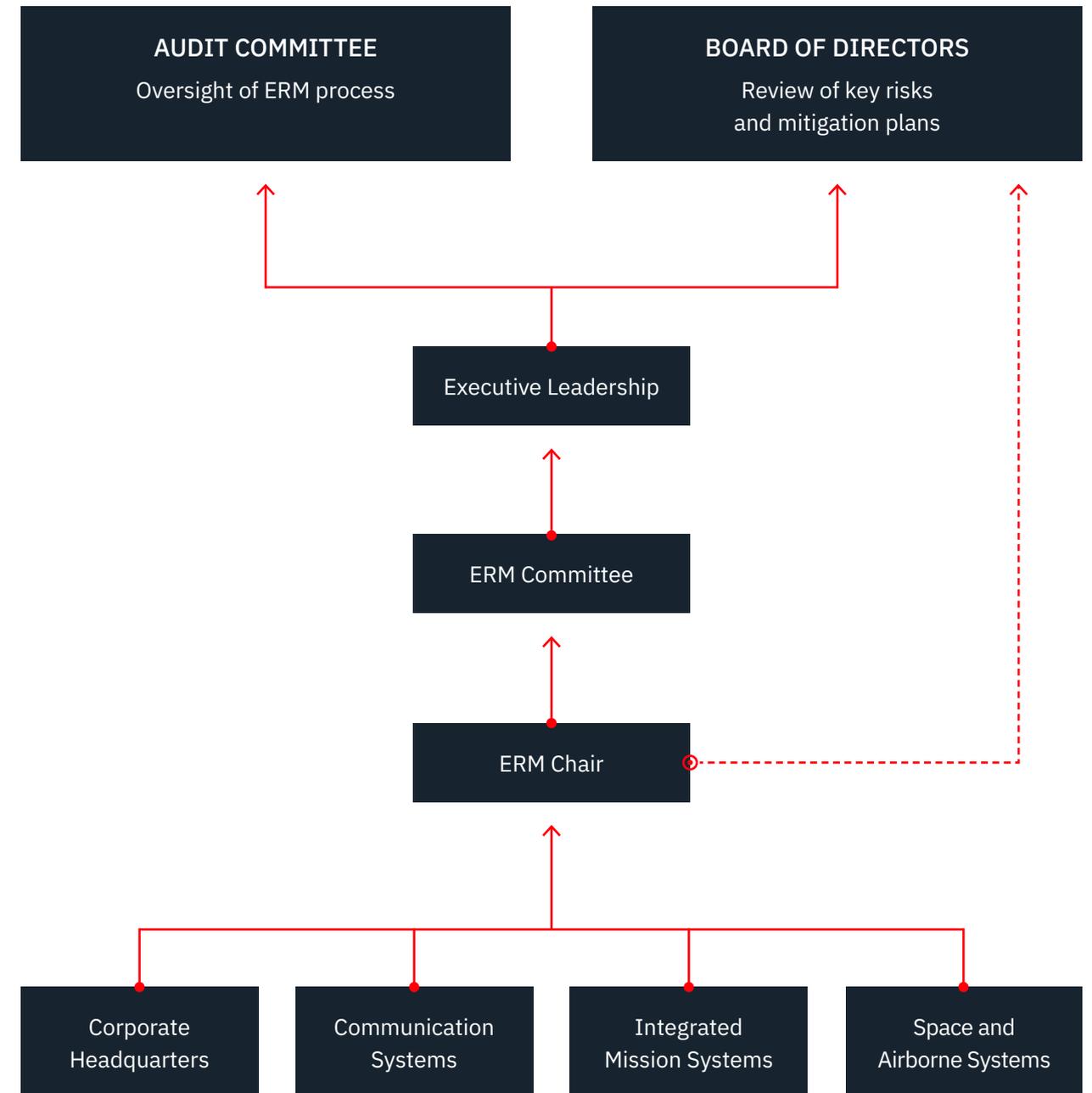
L3Harris’ enterprise risk management (ERM) process, which is guided by the Committee of Sponsoring Organizations (COSO) framework, identifies and assesses our top material enterprise risks, which include climate related and other ESG risks. The process is Board-approved and is overseen by the CEO and Senior Executives. Additionally, the Audit Committee reviews the ERM process to ensure appropriate handling and assists in identifying additional risks. The ERM Committee is chaired by the Chief Ethics & Compliance Officer and includes senior corporate leaders along with representation from each segment. Including segment leadership ensures that we identify top segment specific risks. These risks are reviewed and ranked using a scoring method to identify the top enterprise risks, which are then incorporated into strategic planning by the CEO and executive leadership. The top material risks for the next year along

with existing mitigation plans are approved by the CEO and executive leadership before being sent to the Board for review.

We regularly assess our ERM approach and make necessary improvements. In 2022, our changes included:

- Update of ERM Committee membership, which included a Business Resiliency leader to ensure that operational risks, including sustainability and ESG related risks, are considered.
- Update of risk identification process by conducting risk interviews.
- Addition of a second review of risks by Segment and Leadership each year to ensure risks are considered throughout the year (in compliance with COSO).
- Expanded our risk assessment criteria.

## ERM Governance and Risk Oversight



To enhance L3Harris' risk management practices and become more proactive, the Business Resilience Program was established in 2021. It includes L3Harris functional and segment leaders serving as delegates on the Business Resilience Council (BR Council). The BR 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 functions and segments in the design, implementation and continuous improvement of business continuity processes and procedures, as well as promoting synergy across the organization. The policy outlines the requirements for Business Continuity Plans (BCPs) that will be developed for all sites to allow mission-critical business processes to continue, the development of threat and vulnerability assessments and Business Impact Analyses (BIAs). The BR Council also ranked all active L3Harris sites into three tiers of criticality. In 2021, L3Harris function business continuity leads prepared BIAs and in accordance with the Business Resilience Policy (2-year review) will update the BIAs in 2023. In 2022, segment/site business continuity leads prepared BIAs for Tier 1 critical sites. Top site-specific risks were identified and then fed back into each site's BCP. In addition to the BIAs, planned exercises covering a range of issues such as natural hazard events, production line disruption and IT emergencies were compiled. Additional exercises are planned for 2023. Actions/gaps became action plans and were noted and

communicated to multiple levels of leadership to include the BR Council. Site criticality rankings will be updated regularly to maintain vigilance against emerging risks.

#### GRI 2-16

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](mailto: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 2-18

For information about our Board and Committee Self Evaluations, see our [2023 Proxy Statement page 18](#).

#### GRI 2-19, GRI 2-20

For information about our remuneration policies for Board members and senior executives, see our [2023 Proxy Statement page 36](#).

#### GRI 2-21

For more information about our CEO pay ratio, see our [2023 Proxy Statement page 74](#).



# BUSINESS ETHICS

## Management Approach

GRI 2-23, GRI 2-24, GRI 2-26, GRI 406,  
SASB RT-AE-510A.3

Processes for implementing ethical standards start with Board of Directors' oversight over the Ethics & Compliance (E&C) Program and extend to all levels of the organization. The Board of Directors provides program oversight by reviewing metrics and ongoing program efforts not less than twice annually. This approach drives accountability and promotes a strong culture of Ethics & Compliance in all our business dealings. Most notably, as shown in the pyramid to the right, L3Harris maintains Ethics & Compliance Review Boards (ECRBs) at each segment of the business. ECRBs are cross-functional governance committees comprised of senior leaders in various functions that review all allegations to ensure that they are thoroughly addressed and corrective actions are consistently applied with company policy in a timely manner.

L3Harris is an active member of the Defense Industry Initiative (DII) on Business Ethics and Conduct, 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.

“ Beyond compliance with the law, we strive to live our values with all of our stakeholders. ”

**Rachel Semanchik, Vice President, Assoc. General Counsel, Chief Ethics & Compliance Officer, L3Harris**

## Values and Governance

L3Harris' continued success centers on a commitment to the highest ethical standards. Integrity is our first core value, as it sets the foundation to which we are all accountable. Our annual all employee pledge to never compromise our values to achieve business objectives, helps us instill the highest standards of performance and behavior. In 2022, L3Harris voluntarily participated in a third-party assessment conducted over four months to review our ethics program and validate its structure, design and overall effectiveness. The results confirmed that we have a strong program that meets and often exceeds industry standards. Further, the assessment provided potential enhancements to the program many of which we will implement in 2023 and that will allow our company to continually improve our workplace culture.

### BOARD NOMINATING & GOVERNANCE COMMITTEE

Provides oversight of the E&C program

### CEO/SENIOR EXECUTIVE/CHIEF E&C OFFICER

“Tone from Top”—inspires ethical behavior

### CHQ E&C OFFICE

Maintains and continuously improves E&C program

### ETHICS & COMPLIANCE REVIEW BOARDS (ECRB)

Addresses and resolves allegations of misconduct at both corporate and segment levels

### WORKING GROUPS

Augments the ECRBs to address less egregious allegations

### SEGMENT E&C STAFF

Implements E&C program including investigations

### ETHICS ADVISORS (EAS)—DUAL HATTED EMPLOYEES

Assist employees and raise concerns to leadership

## Ethics Advisors

L3Harris has approximately 115 dual-hatted employees positioned across the globe known as Ethics Advisors. Ethics Advisors are employees trained to help employees navigate the resources available to them when faced with an ethical dilemma and further foster a values-based approach at their local facilities. Designed to further the reach of the Ethics program, the role of Ethics Advisors holds a critical role in the overall L3Harris culture.



By hosting the bi-annual Ethics Advisor Conference, L3Harris provides support and training to all our Ethics Advisors to enable them to represent the Ethics & Compliance program at the local level. In May 2022, nearly all Ethics Advisors traveled to our Corporate Headquarters from around the US and several countries for a 2-day event that included senior leadership (Board Member, CEO, CFO, General Counsel and many more) as well as outside speakers, to discuss various topics such as financial compliance, trends in reporting, governance process, power of integrity, Trade Compliance, Security and more. The conference emphasized the importance of always maintaining an ethical culture and provided the Ethics Advisors with the tools to share that message with their co-workers daily.

## Leaders

In 2022, L3Harris focused on setting expectations and better equipping our leaders to carry out their core responsibilities, including setting the tone from the top, modeling ethical behavior and fostering an ethical culture. This was accomplished through the development of an Ethical Leadership Resource HUB and, starting in 2023, the inclusion of ethical requirements in each leader’s goals, to ensure that leaders are emphasizing the importance of doing the right thing. In support, in 2023, the Resource HUB will contain communication materials and tools to aid all leaders in acting and leading ethically.

To raise awareness and promote the company’s commitment to values and ethics, in 2022, L3Harris continued our annual “Ethics Week.” The weeklong activities included executive-led virtual learning sessions, leadership messages and online and local promotions across the organization that resulted in a high level of employee participation.



## Employees

L3Harris requires that all L3Harris employees, leaders, officers and directors abide by the company’s [Code of Conduct](#) and complete various Ethics & Compliance training sessions on topics such as Code of Conduct, trade compliance and sexual harassment. Ethics & Compliance related training is administered quarterly for all employees and translated into the core L3Harris languages. We achieved a 100% on-time completion rate for all required 2022 Ethics & Compliance training. All new hires and new managers are also required to take live Ethics & Compliance training within 90 days of their employment.

“ Our success depends on everyone leading and working toward a higher ethical standard. ”

Scott T. Mikuen, Senior Vice President,  
General Counsel and Secretary, L3Harris

### L3HARRIS VALUES

## INTEGRITY

Accountable, ethical, honest

## EXCELLENCE

Flawless execution, customer-focused, innovative

## RESPECT

Safe and sustainable, community-minded, inclusive

## Suppliers

In alignment with L3Harris values, we expect our Supply Chain partners to uphold the highest principles and standards of economic, human rights and environmental guidelines and practices. Our Supply Chain team screens potential suppliers by specific performance and ethics criteria before determining they are approved suppliers and re-assesses existing suppliers at least annually. To maintain approval status, suppliers must adhere to the values and business standards outlined in the L3Harris [Supplier Code of Conduct](#), including complying with laws and regulations, maintaining and following an adequate internal ethics program and meeting appropriate human rights and employment practice obligations. Suppliers must also agree to the L3Harris General Provisions of Purchase, which include contractual obligations to conduct business fairly, impartially, responsibly and ethically. After joining the L3Harris Supply Chain community, suppliers certify annually that they continue to comply with standards of ethical conduct as well as specific contractual requirements. Additionally, L3Harris reaches out annually to all suppliers in multiple languages to reinforce our expectations that they operate in an ethical and compliant manner. 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 are available in each jurisdiction in which we operate. The Helpline website and toll-free phone number are also available to external entities and provided to suppliers. In 2022, there were 1,492 total reports, with a reporting rate of 3.2 per 100 employees.

## Ethics Reports

In 2022, 28% of individuals who reported ethical allegations did so anonymously, which is significantly better than the globally recognized benchmark of 50%. This indicates that L3Harris employees are less fearful of retaliation when reporting ethical concerns and feel comfortable speaking up. All ethical allegations are investigated by trained Ethics & Compliance professionals. Primary corrective actions taken for the substantiated investigations included 85 dismissals, 66 disciplines, 71 coaching, counseling or trainings sessions and 26 other actions such as process or policy improvements and third-party reconciliations. The company

has a strict non-retaliation policy for any report that was submitted in good faith. To support this policy after the investigation is complete, the company contacts all reporters through a Reporter Experience Survey to determine if anyone has experienced retaliation as a result of filing a report.

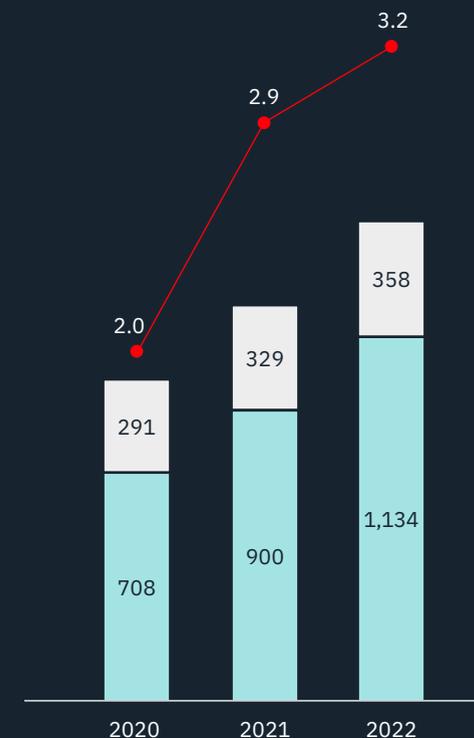
## Corporate Policies and Procedures

All corporate policies are developed, reviewed and implemented through a cross-functional governance body known as the Policy Review Board (PRB) to ensure that every policy is thorough, accurate, appropriate and designed to ensure awareness amongst employees. The PRB is responsible for conducting a biannual review of all existing policies to ensure they are up to date. As a result of this practice, hundreds of policies and procedures were reviewed, updated and implemented by notifying employees through website, emails, posters and training. All policies are approved by the functional leader or committee.

In addition to its Code of Conduct, L3Harris has a dedicated internal policy to outline our commitment to ethical business practices and compliance.

## ETHICS REPORTS

■ INQUIRIES ■ ALLEGATIONS ● REPORTING RATE (PER 100 EMPLOYEES)



Updated years 2020/2021 from last year's ESG report to remove Conflict of Interest disclosures to more accurately reflect reporting.



# ANTI-CORRUPTION

## Management Approach

L3Harris is committed to conducting business in an ethical and transparent manner, including complying with anti-corruption laws in countries in which 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 in 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 that would improperly influence business decisions.

We conduct risk-based due diligence on third-party business partners to determine potential corruption risk under our Anti-Corruption Third Party Policy. Any third parties that are identified as potentially posing a 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.

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, GRI 205-2

STAKEHOLDER GROUP	PERCENTAGE
Business Segments Assessed for Corruption Risks	100%
Employees That Received Policies and Procedures	100%
Business Partners <sup>[1]</sup> That Received Policies and Procedures	100%
Employees Trained <sup>[2]</sup>	100%
Business Partners <sup>[1]</sup> Trained	100%

[1] Includes new and renewed Business Partners with agreements executed in 2022. All Business Partners are re-trained and notified of policies and procedures every three years or upon changes.

[2] Anti-Corruption training is provided in multiple formats. Annual training is provided as part of the Code of Conduct training to all employees. Anti-Corruption focused training is also provided every three years, 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 in which we operate. Political lobbying and contributions by or on behalf of L3Harris are overseen by the Nominating and Governance Committee of the Board and managed by the L3Harris Government Relations team, led by the VP of Government Relations, who reports directly to the Chief Executive Officer. Political activities are governed by our Political Advocacy Policy, which is available on our website. 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

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, our employees and our 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 and information about our lobbying activity is posted on our [website](#), including details of our lobbying expenses and those of trade associations to which we belong.



APPROACH

STORIES

GOVERNANCE

# ENVIRONMENTAL

- > EHS AND SUSTAINABILITY MANAGEMENT SYSTEM
- > SUSTAINABLE PRODUCTS/SERVICES AND PACKAGING MATERIALS
- > ENERGY AND CLIMATE CHANGE
- > WATER
- > WASTE AND HAZARDOUS WASTE

SOCIAL



# EHS AND SUSTAINABILITY MANAGEMENT SYSTEM

## Management Approach

As L3Harris strives to create a sustainable culture across the enterprise, environmental excellence and health and safety remain at the forefront of our mission. Through Environmental Health and Safety (EHS) and Environmental Sustainability programs (EHS&S), L3Harris employees engage in practices driven by excellence and transparency to improve the world around them for future generations. The interests and values of L3Harris are naturally aligned with the implementation of our EHS “Accept Only Zero” initiative and environmental sustainability goals because we aim to meet and exceed regulatory expectations. This is done by evaluating and updating policies

and procedures to align with everchanging requirements and best practices, implementing cross-functional teams to diversify viewpoints and expand EHS and environmental sustainability knowledge across the enterprise and aligning our efforts with the L3Harris e3 (Excellence, Everywhere, Every day) business operating system.

These 2026 environmental sustainability goals have guided the business of L3Harris and allowed employees, sites and executives to maintain environmental sustainability as a priority in their work.

Ten L3Harris global sites have received environmental management system certification throughout their operations.



The L3Harris Environmental Sustainability Policy requires all locations to report relevant environmental sustainability data and the strategies they are implementing to reduce greenhouse gas (GHG) emissions and water use and increase waste diversion. GHG, water and waste data are tracked in the EHS&S Management System.

L3Harris uses a EHS&S Management System to guide our operations through our policies and standards, risk assessment tools and detailed compliance assurance programs to reduce EHS&S impacts. This system promotes efficient reporting of EHS&S concerns from employees, accurate incident tracking and compliance with all applicable regulations and laws. Many external management systems such as ISO 14001:2015 and ISO 45001:2018 have provided the frameworks and key components of our EHS management system. Ten of our global sites have incorporated an ISO 14001:2015 certified management system throughout their operations.

## OUR ISO 14001:2015 CERTIFIED SITES

- **4 United Kingdom (UK) sites** in Crawley, Farnborough, Tewkesbury, Victoria Gardens
- **3 U.S. sites** in Rochester, NY; Fort Wayne, IN; Clifton, NJ
- **1 Canadian site** in Quebec
- **1 Australian site** in Brisbane
- **1 Italian site** in Bologna

**30%** 

reduction of GHG emissions  
(2019 baseline)

**20%** 

reduction of water use  
(2019 baseline)

**75%** 

solid waste diversion rate  
from landfill

Our high compliance standards, robust frameworks and extensive assessment processes and policies allow L3Harris to inform, track, report and respond to violations efficiently and with company-wide transparency.

All L3Harris locations must, at a minimum, comply with applicable national, federal, state and local regulations, directives and laws per our Environmental Compliance Policy. Sites self-assess compliance risks and gaps regarding health and safety and environmental compliance annually.

We maintain an internal audit process that tracks critical sites and identifies their corresponding compliance and physical risks. These audits begin with the facility self-assessments and meetings conducted by a corporate EHS team and multiple subject matter experts. Once the audits are complete, the results are communicated to the corporate EHS team and site-specific team members and uploaded to our EHS&S Management Software to ensure accurate data collection and full understanding of the management process. L3Harris continues to monitor the internal audit process to increase efficiency and decrease EHS&S risks.

#### GRI 2-27

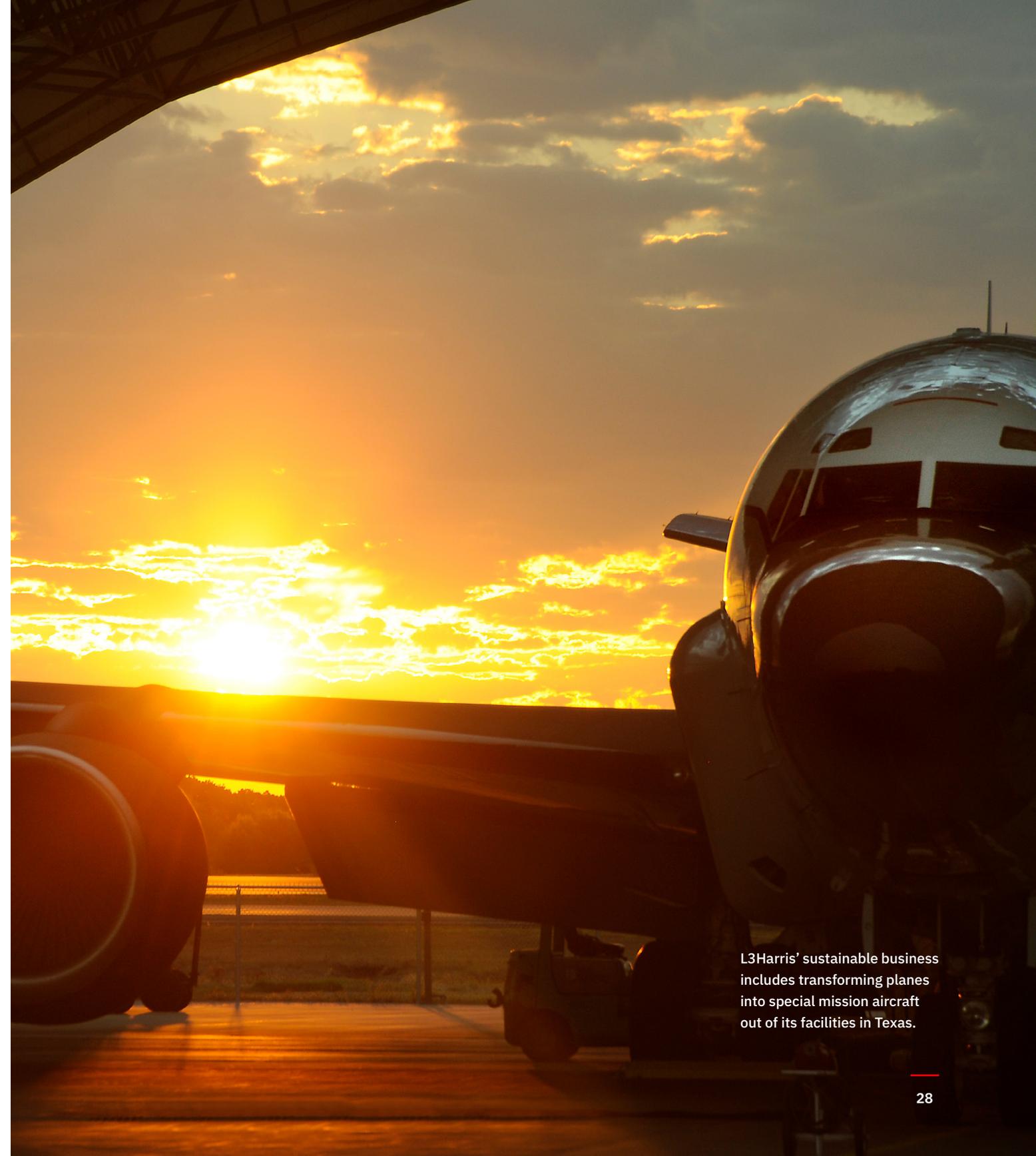
In the L3Harris incidents and measures (I&M) module, we track and log instances, potential risks and fines issued for non-compliance from regulatory events, onsite visits, inspections and interactions. Once data is available in the I&M module and depending on the severity of the issue, a root cause analysis is conducted to establish the next steps to be taken. Our internal audit process requires a follow-up on these risks in detail. All actions are entered into the L3Harris Action Tracking System (ATS) and interlinked with the I&Ms module.

L3Harris had zero significant instances of non-compliance with environmental laws and regulations or paid any related fines greater than \$10,000 during the 2022 reporting year.

“ The success of our environmental, health, safety and sustainability program is due to our belief that sustained excellence is only achieved through continuous improvement. ”

**Haskell Allen, Vice President, Environmental, Health, Safety & Sustainability, L3Harris**

L3Harris' sustainable business includes transforming planes into special mission aircraft out of its facilities in Texas.



# SUSTAINABLE PRODUCTS/ SERVICES AND PACKAGING MATERIALS

## Management Approach Materials, Products and Packaging

L3Harris remains committed to prioritizing the safety and protection of our employees, customers and surrounding communities around the world. We uphold this commitment through the processes and toolkits we use to monitor the products and materials we create and use across all business segments and geographies in which we operate. To ensure compliance with rules

and regulations related to our existing and future electronics and other products sold worldwide, all operational sites adhere to a robust site inspection process for the safety and mitigation of hazards and risks.

L3Harris is also committed to mitigating any potential sustainability impacts our materials, products or packaging may have. As L3Harris strives for flawless execution and constant innovation with our products and services, we are continuously evaluating and implementing new ways to decrease our environmental footprint by reducing waste creation, paper use and avoiding hazardous waste in our products.

“ We continuously look for ways to embed environmental sustainability principles in all aspects of our operations. ”

**Michael Loeffler, Vice President, Supply Chain, L3Harris**

## Management Approach Sustainable Products and Services

L3Harris takes pride in our mission to save lives and exceed customer expectations in the toughest situations and challenges. Using proven technologies, customers can make informed decisions while advancing climate science. Here are a couple of product examples:

- Helios Hyperlocal ground information enhances operational efficiencies and decision making that saves lives, property, time and money. The environmental intelligence platform detects impacts of weather on critical ground infrastructure through a robust terrestrial camera network. It involves tens of thousands of globally located cameras that help effectively and accurately raise situational awareness to inform, react and protect.
- Advanced Baseline Imager (ABI) provides high-resolution video of weather and environmental systems using 16 spectral bands delivering three times the amount of spectral coverage, four times the resolution at five times the speed of previous generations of GOES satellites. Read more about this technology in our [Product Technology story](#).



In addition, at L3Harris, we pride ourselves on innovation and developing breakthrough technologies with partners that can lead to a more sustainable future. Here is an example:

- L3Harris' Precision Optics department in Rochester, New York contributed to the development of high-powered lasers to create extreme temperatures and pressures (like the conditions that exist in stars) that produced a net energy gain from a fusion reaction. This was done in partnership with researchers from the Lawrence Livermore National Laboratory.

L3Harris continues to leverage an internal Program Management Gate Process and a Frontloading Process that help us monitor our products, carbon content and the full life cycle of our materials.



# ENERGY AND CLIMATE CHANGE

## Management Approach

Climate change mitigation is essential in creating a more sustainable future. At L3Harris, continually reducing GHG emissions is one of the three key focus areas of our environmental sustainability strategy. GHG emissions and energy use are managed through a GHG Reporting Procedure that applies to all company locations worldwide. It describes the management process governing reduction activities and reporting progress towards our 30% GHG emissions reduction goal, which was developed in alignment with the Science Based Targets initiative (SBTi) leveraging the SBTi Target Setting tool. In 2022, L3Harris initiated third-party verification with an external assurance provider covering our Scope 1 and 2 GHG emissions in line with the ISO 14064-3 standard.

Because of contributions from the Elm Branch Solar Farm, footprint consolidation and energy reduction projects, L3Harris has surpassed our 30% GHG emissions reduction goal but will continue to follow our commitment to emissions reductions throughout our operations. As such, L3Harris will continue aligning with the SBTi 1.5-degree scenario (1.5C) reduction pathway to further reduce emissions until our next long-term GHG reduction target is announced. Our corporate targets and objectives help facilitate collaboration across business functions, business segments and leadership.

L3Harris is continuing to evaluate the feasibility of making an enterprise-wide net-zero commitment. In 2022, L3Harris made progress towards this evaluation. To learn more, see [GRI 305-3, page 4](#).

### GRI 302-4

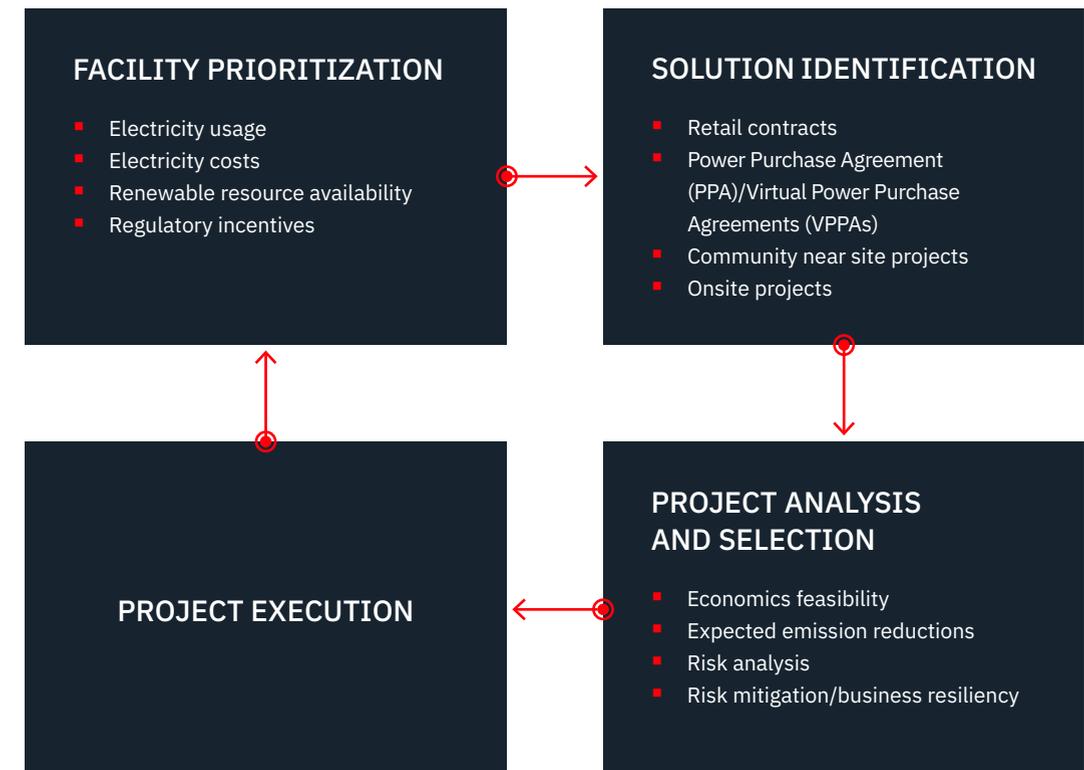
Our Corporate Environmental Sustainability Team partners across segments and various functions, including but not limited to Facilities, EHS and Category Management, to drive energy management initiatives across the organization. To date we have made great strides by completing an initial renewable energy and energy management study that resulted in our partnership with Lightsource bp on the Elm Branch Solar Farm. In 2022, retail contracts were completed across three of our locations to position the sites for renewable energy options, and two renewable energy projects kicked off that were identified within our larger renewable energy strategy (pictured right). These projects include an onsite solar project and a community solar-type project, which are moving forward with contracting and which we expect to be built in 2023–2025.

These types of projects provide an additional benefit in that they serve as a visual reminder of L3Harris' commitment to environmental sustainability, allowing employees and community members to see the physical investments we have made.

In addition to the larger renewable energy strategy, L3Harris continues to actively look for opportunities to reduce our energy consumption through facilities infrastructure and resiliency projects. When these projects are identified, the associated environmental sustainability impacts—negative or positive—are determined by leveraging our Environmental Sustainability Calculators. These tools provide a standard methodology for estimating project impacts and costs associated

with infrastructure upgrades such as boilers, lighting, roof replacements, window upgrades, HVAC, compressed air systems, etc. The integration of these Environmental Sustainability Calculators allows us to roughly model the impact projects may have on meeting our long-term environmental sustainability goals. In 2022, we completed 91 additional energy efficiency projects with projected annual savings of approximately 9,500,000 kWh.

## Renewable Energy Sourcing Strategy



## Energy and Climate Data

GRI 302-1, GRI 305-1, GRI 305-2, GRI 305-4, SASB 130A.1

2020 ENERGY (TERAJOULES)	2020 GHG EMISSIONS (MTCO <sub>2</sub> e)	2021 ENERGY (TERAJOULES)	2021 GHG EMISSIONS (MTCO <sub>2</sub> e)	2022 ENERGY (TERAJOULES)	2022 GHG EMISSIONS (MTCO <sub>2</sub> e)
<b>Fuel: Diesel, Propane, Gasoline, Jet Fuel (Scope 1)</b>					
179	—	104	—	100	—
<b>Fuel: Natural Gas (Scope 1)</b>					
585	—	581	—	605	—
<b>Total Fuel (Scope 1)</b>					
765	43,325	685	37,789	705	39,210
<b>Process and Fugitive (Scope 1)</b>					
—	49,658	—	45,407	—	32,893
<b>GHG Emissions—Total Scope 1</b>					
—	92,983	—	83,196	—	72,103
<b>Electricity 100% Grid (Scope 2)</b>					
2,014	205,679	1,995	203,179	1,937	192,543
<b>Other Direct Line Energy (Scope 2)</b>					
102	8,646	101	8,575	95	6,004
<b>Reductions —RECs (Scope 2)<sup>[1]</sup></b>					
—	0	—	-14,025	—	-108,997

[1] Reductions from RECs reported in this row include those received from the Elm Branch Solar Farm VPPA only.

2020 ENERGY (TERAJOULES)	2020 GHG EMISSIONS (MTCO <sub>2</sub> e)	2021 ENERGY (TERAJOULES)	2021 GHG EMISSIONS (MTCO <sub>2</sub> e)	2022 ENERGY (TERAJOULES)	2022 GHG EMISSIONS (MTCO <sub>2</sub> e)
<b>GHG Emissions—Total Scope 2</b>					
—	214,325	—	197,729	—	89,550
<b>Total Energy and GHG Emissions (Scope 1 and 2)</b>					
2,880	307,308	2,781	280,924	2,737	161,653
<b>GHG Intensity (MTCO<sub>2</sub>e/\$ Total Revenue); Includes Scopes 1 and 2</b>					
—	0.000017	—	0.000016	—	0.000009

CO<sub>2</sub>e (carbon dioxide [CO<sub>2</sub>] equivalent) = all 7 gases of the GHG Protocol (CO<sub>2</sub>, methane [CH<sub>4</sub>], nitrous oxide [N<sub>2</sub>O], hydrofluorocarbons [HFCs], perfluorocarbons [PFCs], sulfur hexafluoride [SF<sub>6</sub>] and nitrogen trifluoride [NF<sub>3</sub>]) calculated as a common unit (metric tons [MT]) to determine equivalent global warming impact. We develop our GHG emission inventories in accordance with the WRI GHG Protocol Corporate Standard and the International Aerospace Environmental Group (IAEG) Greenhouse Gas Reporting Guidance.

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 SF<sub>6</sub> 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.

L3Harris divested the Aviation Systems segment in 2021, which triggered a re-baselining of the GHG inventory consistent with the best practices outlined in the Greenhouse Gas Protocol. The GHG emissions associated with the divested Aviation Systems sites were removed from the baseline and from all subsequent reporting years to reflect the structural change that L3Harris underwent.

L3Harris undergoes a change management process to identify and correct data entry errors from past years. In 2019 through 2021, several sites discovered errors in their data entries that corresponded to minor changes in enterprise-level GHG emissions data for those years. Therefore, the 2019 through 2021 totals presented in this report will not necessarily match past reports due to the corrections made during the change management process, along with changes resulting from the re-baselining.

2019 is our base year, as it represents the first full year of data.

GRI 305-5

L3Harris continues to focus on energy efficiency, management, real estate consolidation and increasing the amount of renewable energy in the electrical grids across the areas in which we conduct business. We are pursuing two renewable energy projects: one onsite solar and one value of distributed energy resource (VDER) project. These projects are expected to achieve commercial operation in 2023–2025. In addition, our focus remains on analyzing the GHG benefits associated with our long-term virtual power purchase agreement (VPPA) with Lightsource bp; since achieving commercial operation the Elm Branch Solar Farm has reduced 123,000 MTCO<sub>2</sub>e. As part of this VPPA commitment, L3Harris was recognized in the Solar Energy Industries Associated (SEIA) annual report as a top 25 corporate solar user. An additional GHG reduction focus included evaluating the use of sulfur hexafluoride (SF<sub>6</sub>) across our locations and working to identify solutions to minimize process emissions associated with it. These key strategies have yielded an annual Scope 1 and 2 emission

reduction of 119,271 MTCO<sub>2</sub>e, contributing to a cumulative impact of a 52% reduction from the 2019 baseline.

In 2022, the Engineering, Manufacturing, EHS, Environmental Sustainability and Quality teams partnered together at our Tempe, Arizona facility to evaluate reduction strategies for SF<sub>6</sub> process emissions. The reduction of SF<sub>6</sub> has a significant impact on our GHG emissions due to its high global warming potential (GWP), which indicates the potency of a gas relative to CO<sub>2</sub> on a 100-year time horizon. The cross functional teams at L3Harris identified an opportunity to reduce SF<sub>6</sub> usage at Tempe, which contributed to the largest emission reduction project at any individual facility across the organization (excluding the impacts of the Elm Branch Solar Farm).

Using a thermal camera, the team ran an analysis of the amount of SF<sub>6</sub> gas released during the manufacturing process and determined that the flow rate of gas was far greater than was needed for the required processes. By lowering the gas flow rate, the site has achieved a 32% reduction

L3Harris installed two solar trees on Florida campuses in 2022 to serve as reminders of the company’s commitment to reducing greenhouse gas emissions.



in SF<sub>6</sub> usage, and additional testing is expected to further reduce usage. The operational efficiency identified in this emission reduction opportunity showcased excellence in environmental sustainability and created a financial benefit by reducing the number of dollars spent on SF<sub>6</sub> gas for Tempe’s operations.

GRI 305-3

Scope 3 emissions are a result of a company’s activities but originate from sources not owned or controlled by the company. Scope 3 emissions often account for a much greater portion of a company’s emissions than Scopes 1 and 2. L3Harris currently reports enterprise-wide upstream Scope 3 emissions from fuel- and energy-related activities, employee business travel and employee commuting.

Due to regulatory requirements, Scope 3 emissions from upstream and downstream transportation and distribution, waste generated in operations, business travel and employee commuting for UK-based locations are reported through our [UK Carbon Reduction Plan \(CRP\)](#).

GOAL

30%

reduction in Scope 1 and 2 GHG emissions by 2026 against a 2019 baseline

2022 Progress: 52%

GHG EMISSIONS	2020 MTCO <sub>2</sub> e	2021 MTCO <sub>2</sub> e	2022 MTCO <sub>2</sub> e
Scope 3 Fuel- and Energy-Related Activities (Not Included in Scope 1 and 2) <sup>[1]</sup>	10,284	10,159	9,627
Scope 3 Business Travel <sup>[2]</sup>	15,528	25,818	36,082
Scope 3 Employee Commuting	74,208	61,301	74,618

[1] Reported Fuel- and Energy-Related Activities emissions only include GHG emissions from transmission & distribution losses.

[2] Reported Business Travel emissions only include GHG emissions from air travel.



# Scope 3 Overview

## UPSTREAM CATEGORIES



## DOWNSTREAM CATEGORIES



**Key**

- Relevant, calculated
- - - Relevant, not calculated
- Not relevant, calculated
- - - Not relevant, not calculated

In 2022, L3Harris reviewed our value chain to better understand the GHG emissions we can influence and developed a preliminary Scope 3 GHG Inventory. In 2023 we plan to work with industry organizations to develop strategies to refine the inventory and close data gaps around Categories 11: Use of Sold Products and 12: End-of-Life Treatment of Sold Products. These categories present challenges because of our wide range of product offerings, the products' complexity and their proprietary nature, as well as a lack of available sector-specific guidance from leading voluntary organizations.

## 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 2022, we continued implementation of the Climate and Water Risk Management Plan (CWRMP) and its integration into the ERM system. The CWRMP is made available to L3Harris personnel and facilities to support development of location-level emergency management and risk reduction plans. See the [ERM section](#) for more details. Currently, the CWRMP is updated every two years; however, we are in the process of evaluating software tools that will use live data from all facilities, allowing for faster and more regular analysis of the potential impacts of climate change on operations-critical resources for major L3Harris locations and operations.

The CWRMP provides a more holistic risk assessment by bringing together climate and water risk considerations of L3Harris' larger

global portfolio in the U.S., Canada, England and Australia. The scope of the CWRMP analysis is determined based on the most critical locations of L3Harris operations, as identified through the ERM process, and 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.<sup>[1]</sup> 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.

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 potential 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 that appropriate backup power is available and implementing more renewable energy within our portfolio. For more information about our risks associated with climate change, please see our [CDP Climate Change questionnaire response](#).

[1] This assessment used datasets of 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.

# WATER

## Management Approach

L3Harris' dependence on and impact to water quality is not substantial; however, we require sustainable access to water to keep our operations running and for general use at our locations. Because of our well-established and diverse supply chain around the globe, our exposure to water risks in our value chain is limited and provides a level of risk mitigation against potential water-related impacts.

In 2022, we continued our water strategy initiative to identify large-scale water conservation and efficiency projects across our portfolio, and we work with facilities to evaluate and implement these projects. Four priority locations were identified based on relatively high water usage and high water costs. The Corporate Environmental Sustainability Team evaluated water usage data from our EHS&S Management System and partnered with Facilities and EHS to review water equipment and processes at these locations. Potential opportunities to reduce onsite water use were considered for each site, including the evaluation of existing water processes and use of alternative water sources to reduce potable water demand. See the [Operation Splashdown story](#) to learn more about what we are doing at one of our Florida locations.

We are planning to focus on the next highest water use facilities and their potential reduction opportunities in 2023 to drive continuous improvements and progress towards our sustainability goals. Our strategy will include replicating successful projects and processing changes, in addition to identifying new unique site-specific opportunities.

The Water Reporting Procedure governing our company-wide management of water-related issues 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

In 2021, we updated our Water Risk Assessment (WRA) to identify potential water-related impacts to business operations on a global scale.<sup>[1]</sup> The assessment covered critical L3Harris facilities in the U.S., Canada, U.K. and Australia. The WRA was combined with the Climate Risk Management

[1] This assessment used datasets of 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).

Plan to create the CWRMP in 2021 and is updated every two years. Additionally, the CWRMP has been integrated into our ERM process, making identified water risks more accessible and visible.

Reliability and water availability were identified as key risks to our assets and operations, especially for locations in Australia and the western U.S. that have the potential for the largest increase in frequency and intensity of droughts. These water risks could disrupt our operations and present health and safety concerns for our employees.

To mitigate these risks, L3Harris is upgrading our facilities to use less water for daily operations, as described previously.

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



In 2022, we reduced our annual water use by 102 megaliters, contributing to a cumulative impact of a 20% reduction from the 2019 baseline. Helping drive this reduction are water efficiency projects identified through eco-treasure hunts and through our enterprise facilities and real estate improvement process. Identified projects such as fixture

replacements, irrigation changes, maintenance, as well as equipment and system upgrades were evaluated with our Environmental Sustainability Calculators to determine anticipated cost savings and reductions in water usage and to prioritize projects that increase resiliency, reduce costs and help us progress towards our water goal.

GRI 303-3, GRI 303-5

WATER	2020 MEGALITERS	2021 MEGALITERS	2022 MEGALITERS
Potable Water	1,381	1,279	1,178
Groundwater	0.44	1.9	1.1
<b>Total Water</b>	<b>1,382</b>	<b>1,281</b>	<b>1,179</b>

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 divested the Aviation Systems segment in 2021, which triggered a re-baselining of the GHG inventory consistent with best practice outlined in the Greenhouse Gas Protocol. In alignment with the GHG inventory, all water use associated with the divested Aviation Systems sites were removed from the baseline and all subsequent reporting years to reflect the structural change that L3Harris underwent.

L3Harris undergoes a change management process to identify and correct data entry errors from past years. From 2019 to 2021, several sites discovered errors in their data entries that corresponded to minor changes in enterprise-level water use data for those years. Therefore, the 2019 to 2021 totals presented in this report will not necessarily match past reports given the corrections made during the change management process, along with changes resulting from the re-baselining.

2019 is our base year, as it represents the first full year of data.

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

L3Harris is investing in landscaping solutions that help reduce water usage. The approach includes adding plants that are drought tolerant species, updating irrigation systems and eliminating water runoff in key locations.



An example of one of these projects is a Xeriscape project at our San Diego, California site in which removing water-intensive landscaping reduced irrigation water usage. Additionally, our Tempe, AZ location implemented multiple water reduction projects resulting in 7 million gallons of water savings, or 20% of overall facility water consumption. Projects included increasing the cycles of concentration in the cooling towers to reduce makeup water, converting a water treatment system from continuous to on-demand operation, adding cooling tower scrubber blowdown conductivity controllers and converting an irrigation-intensive area of lawn to desert landscaping.

GOAL

**20%** 

reduction in water use by 2026 against a 2019 baseline

**2022 Progress: 20%**

# WASTE AND HAZARDOUS WASTE

## 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, non-hazardous and universal wastes.



## Solid Waste

L3Harris continues to manage 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 facilitates the reporting progress on our long-term solid waste diversion rate from landfill goal of 75% by 2026. In addition, this procedure documents the third-party certification, Green Business Certification, Inc. (GBCI) Total Resource Use and Efficiency (TRUE) program with which locations are required to align when pursuing zero waste certification. L3Harris strives toward continuous improvement; therefore, any location that wants to exceed our goal of achieving at least a 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).

L3Harris is committed to diverting solid waste from landfills through recycling programs, waste-to-energy solutions and other waste diversion strategies.



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 that 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.

## GOAL

**75%** 

solid waste diversion rate from landfill by 2026

**2022 Progress: 49%**

L3Harris is committed to achieving 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 to optimize resources rather than manage 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 their 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 long-term solid waste diversion rate from landfill goal.

L3Harris is continually working to identify opportunities across our locations for measures that divert landfill-bound waste, retain the value of products, materials and resources and redirect them back to use. Our Clifton, New Jersey facility has partnered with a waste diversion company to generate energy from waste by rerouting municipal solid waste, traditionally bound for landfills, to a plant that burns the waste and uses the heat of combustion to make steam to generate electricity or to heat buildings. These programs and others help to divert waste generated by L3Harris from landfills.

## Waste Management Approach

**MOST PREFERRED**

**LEAST PREFERRED**



## Total Waste Generation and Disposal

GRI 306-1, GRI 306-2, SASB 150A.1

WASTE	2020 (TONS)	2021 (TONS)	2022 (TONS)
Landfill	8,915	8,046	7,773
Diverted From Landfill	5,867	6,757	7,560

HAZARDOUS WASTE RECOVERY/DISPOSAL OPERATIONS	2021
Total Hazardous Waste Generated (Tons)	1,059
Landfill	73%
Recycling/Recovery	9%
Incineration	14%
Other	4%

### Hazardous Waste Management Approach

Hazardous and radioactive waste is managed specifically through our Environmental Compliance Policy. L3Harris requires that hazardous waste be tracked from “cradle to grave,” meeting all federal, state and local regulatory requirements, and that it be documented in line with our Policy for large-quantity generators (LQGs) within our EHS&S Management System.

Our facilities and operations are subject to numerous domestic and international waste laws and regulations designed to protect the environment. 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.

A risk matrix was built into our procedures for assessing compliance requirements against location waste generation. We are continuing to assess small quantity generators to improve our process moving forward.

The framework is also integrated into our audit processes at our LQGs and Treatment, Storage and Disposal Facilities with which we contract.

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.

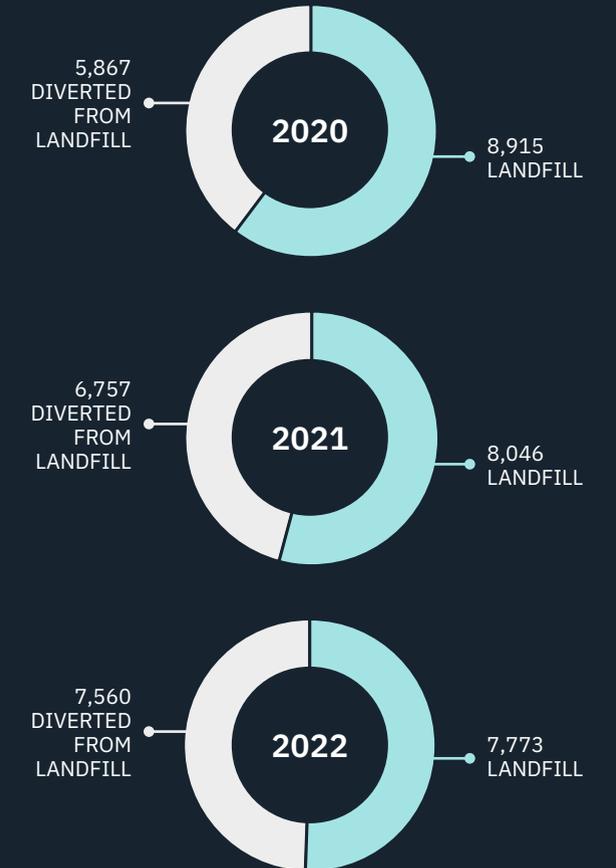
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2019 is our base year, as it represents the first full year of data.

### WASTE GENERATION AND DISPOSAL (TONS)

■ LANDFILL ■ DIVERTED FROM LANDFILL



**49%** 

of all waste generated was diverted from landfill in 2022



APPROACH

STORIES

GOVERNANCE

ENVIRONMENTAL

# SOCIAL

- > HUMAN CAPITAL
- > DIVERSITY, EQUITY AND INCLUSION
- > HEALTH AND SAFETY
- > HUMAN RIGHTS
- > COMMUNITY
- > SUPPLY CHAIN MANAGEMENT
- > DATA PRIVACY AND CYBERSECURITY
- > PRODUCT SAFETY AND QUALITY



# HUMAN CAPITAL

## Management Approach

L3Harris employees play a key role in the success of our business and the surrounding communities. Our strategy to build up our team of agile and innovative problem solvers offers many opportunities for career development, growth and support. Fostering an engaging, inclusive and rewarding work environment remains at the forefront of the L3Harris recruitment and development processes. To monitor our progress towards our goals, we track retention, hiring and performance and annually evaluate our metrics and goals.



GRI 401-2

L3Harris supports the health, finances and families of all full-time employees through our world-class benefits.

## L3Harris' Benefits

- Health Benefits:** In the U.S., L3Harris provides a comprehensive set of benefits 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 benefits offer many resources for employees to take advantage of during their day-to-day duties or when encountering unexpected events.

- Mental Health and Well-Being:** L3Harris takes employee mental health and well-being very seriously. We have incorporated various practices and programs throughout the enterprise to best support all our employees' lives and any stressful/challenging events that may occur. The Employee Assistance Program (EAP) is a free service provided to every employee and family member at L3Harris. Its purpose is to assist and equip them with the support they need to bring their best self to work by administering confidential counseling and other services. We also promote a Dress for Your Day policy that allows employees to choose what they wear based on their workday. This creates a more confident, comfortable and inclusive workplace environment at L3Harris.

To adapt to the ever-changing work environment, we continuously monitor L3Harris benefits to ensure the well-being of all employees. In 2022, we incorporated a new benefit policy called the 9/80 work schedule. This reorganized schedule gives our employees a day off every other Friday and assists in creating a work/life balance throughout the enterprise. With the addition of this policy, L3Harris employees are able to spend more time with friends or family, in their communities or by participating in activities of their choice outside of their work responsibilities.

## OUR PERFORMANCE GOALS AND 2022 RESULTS

### RETENTION

Maintain a voluntary attrition rate lower than industry average

**2022 Results:** 12

### HIRING

Maintain strong focus on university hiring. New college graduate hiring > 10% of annual hiring

**2022 Results:** 917

### TALENT

Helping our employees develop and improve skills through mentoring programs and career growth opportunities

**2022 Results:** 24 average hours of annual training per employee



L3Harris innovates and works on some of the most cutting-edge technologies to help global customers meet their mission.

GRI 404-1

The development and growth of our employees' skills can be attributed to our robust training programs, mentoring and other career growth opportunities. Through these offerings, L3Harris promotes employee engagement in various goals throughout the enterprise. To create our agile and prepared employee workforce, we provide ongoing training and career development focused on compliance with our Code of Conduct, ethics and laws applicable to our businesses; diversity, equity and inclusion; skills and competencies directly related to employees' positions; and responsibility for personal safety and the safety of fellow employees, others and the environment.

GRI 404-2

### Early Career Development

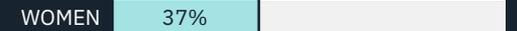
Our early career professionals are offered function-specific rotational assignments that serve to accelerate leadership growth and build a broad knowledge base in Engineering, Finance and Information Technology. These assignments present mentorships, training and networking across different segments, disciplines and geographies that result in diverse experiences for our early career employees.

GRI 401-1

### 2022 HIRING

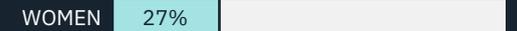
NEW COLLEGE GRADUATES

■ WOMEN ■ PEOPLE OF COLOR



NEW HIRES BY GENDER; TOTAL HIRES: 7,334

■ WOMEN ■ PEOPLE OF COLOR



### 2022 TURNOVER

EMPLOYEE TURNOVER BY GENDER

■ WOMEN ■ MEN



## Professional and Technical Development

As work environments continue to evolve, the L3Harris Frontline Leadership training program promotes and equips leaders with key insights and knowledge to maximize team performance, improve communication and develop coaching and delegation skills.

Employee technical growth and continuous education is essential at L3Harris. We prioritize our employee education by providing financial assistance for not-for-profit, regionally accredited college or university degree programs and credit-bearing certificate programs. L3Harris employees are also encouraged to develop functional expertise and drive best-in-class performance by participating in functional excellence academies in Business Development, Program Management and Supply Chain with additional development opportunities for Engineering. Within these academies, L3Harris technical experts lead interactive sessions that promote technical development, networking and cross-segment collaboration.

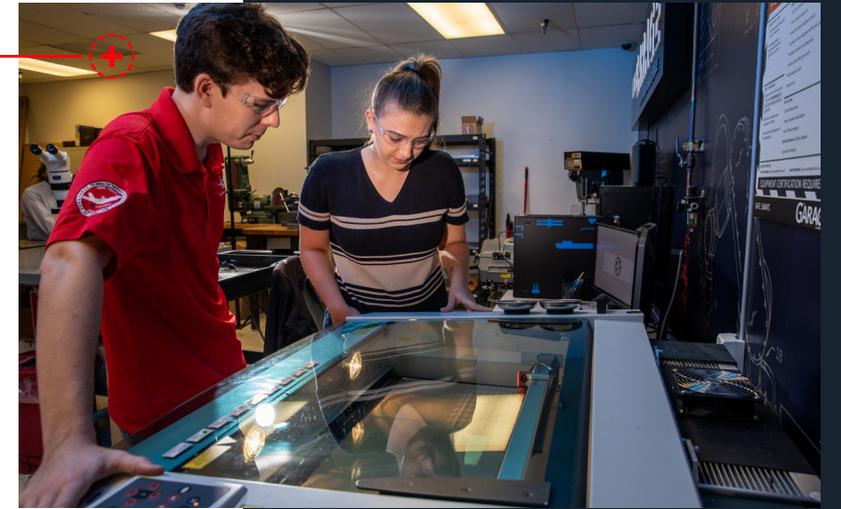
## Leadership and Executive Development

To further develop the L3Harris leadership and executive team as well as the next generation of high-potential leaders, we have partnered with the Wharton School of the University of Pennsylvania. With this partnership, we have provided two distinct programs: the Executive Program (EP), which is a five-day program conducted twice annually for experienced and newly promoted executives, and the Emerging Leaders Program (ELP) for high-potential leaders.

## Mentoring

L3Harris provides a robust, self-directed Mentoring Resource Kit consisting of information, resources and tools for career development and an online tool, iMentor, for individual/personal growth. These resources support a formal or informal mentoring relationship between a mentor (trusted guide) and mentee (learner) and a learning experience for all employees to use and explore. The Mentor Program is simple and efficient for employees to use. The process of getting paired with a mentor or mentee consists of selecting the skill or skills that interest them and completing a short form.

L3Harris supports a culture of innovation and operational excellence and encourages employees to challenge the status quo.



## Engineers Week

Our 20,000 engineers and scientists make up 43% of our total employee population. We believe that their accomplishments and achievements deserve to be celebrated to create a supportive working environment as well as inspire early career professionals. To show appreciation of these employees, L3Harris annually celebrates Engineers Week (EWeek) throughout the enterprise.

### GRI 404-3

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

**WE PROVIDE SEVERAL OPPORTUNITIES TO ENHANCE AND DEVELOP EMPLOYEE SKILLS AND KNOWLEDGE**

## TRAINING

rotation and career development opportunities

## TUITION ASSISTANCE

In 2022, 1,248 employees received assistance

## OUTPLACEMENT SERVICES

provided to displaced employees

# DIVERSITY, EQUITY AND INCLUSION (DE&I)

## Management Approach

Diversity, Equity and Inclusion is a major priority for L3Harris because we value multiple points of view across race, ethnicity, gender and gender identity, sexual orientation, age, ability and education. L3Harris emphasizes the importance of diverse employee experiences in order to create forward-looking solutions for our customers' mission-critical needs and challenges. Our commitments to DE&I are actively embedded into our workforce, governance bodies and overall company culture.



A few of our key initiatives include

- Board Composition:** At L3Harris, we believe that Diversity, Equity and Inclusion starts at the top. The diverse viewpoints, backgrounds, experiences and personal characteristics, including gender, race, ethnicity, age, sexual orientation and other demographics of our Board help elevate and strengthen the decisions we make and how we manage them. To emphasize this importance, L3Harris integrates DE&I criteria into the Board nominating and selection process.
- Diversity Council Support:** This group is comprised of the CEO and VP of Talent and Inclusion acting as co-chairs and the Employee Resource Group (ERG) executive sponsors and chair members. Serving its third year as a communication bridge between ERGs and senior leadership, the Diversity Council inspires and advances leadership, engagement and DE&I company strategies.

- Inclusion Conference:** In 2022, we held our first internal Inclusion Conference with the theme of Forward. Together. Connecting through I.D.E.A.S (Inclusion, Diversity, Equity, Allyship and Social Advocacy). Over 320 leaders came together to advance their DE&I knowledge and skills in order to promote an inclusive workplace at L3Harris. The Inclusion Conference was a massive success and will continue to push L3Harris' growth and leadership in the DE&I space. To learn more about this conference, please see the [2022 Diversity, Equity and Inclusion Annual Report](#) or the story on [page 14](#).

- Promoting and Growing Our ERGs:** ERGs are employee-led, high energy groups that our employees voluntarily participate in depending on their interests and passions, bringing together employees from all backgrounds. They promote inclusion, professional development and local community engagement. In 2022, we exceeded our ERG participation and engagement goal and strive to continuously grow and strengthen this area during 2023. More information on our ERGs can be found on [pages 23–32 of our 2022 Diversity, Equity and Inclusion Annual Report](#).

**Our ERG footprint continues to grow with more than 100 local chapters established and 18,000 total members worldwide.**

“ At L3Harris, we continuously push the boundaries of how we make our workplace equitable and inclusive for all employees. Despite the many challenges we've faced in recent years—a competitive job market, lasting effects of the global pandemic, economic impacts—we remain focused on our goals to create a diverse and safe space where employees can achieve their full potential at work. ”

**Kirsten Wilkers, Vice President,  
Talent and Inclusion, L3Harris**



## GRI 405-1

METRIC	2022
<b>Total Workforce—Diversity</b>	
Women	25%
People of Color (U.S. Only)	28%
<b>Total Workforce—Generation</b>	
Baby Boomers	23%
Generation X	35%
Millennial	35%
Gen Z	7%
<b>Board of Directors—Diversity</b>	
Women	29%
People of Color	21%
<b>Board of Directors—Generation</b>	
Traditionalists	14%
Baby Boomers	72%
Generation X	14%
<b>Executives</b>	
Women	36%
People of Color (U.S. Only)	20%

For further information on employee diversity, please refer to our [2022 Diversity, Equity and Inclusion Annual Report](#).



# HEALTH AND SAFETY

## Management Approach

The health and safety of all employees, communities and stakeholders that surround L3Harris is and will always be a top priority for us. We strive for excellence and perfection by setting aggressive annual injury reduction targets, evaluating hazard and risk plans and actions on a site-level and maintaining full transparency regarding reporting, tracking and educating throughout the enterprise.

L3Harris believes that health and safety is everyone's responsibility, and in 2022, we enforced the following initiatives to drive progress towards mitigating hazards and risks:

- **Zero Injury Plan:** Each operational facility has reviewed work-related injuries and created site-specific actions to eliminate injuries.
- **Stop Work Authority:** Gives ALL employees authority to stop work if they believe a situation threatens safety of personnel or quality of our products without fear of reprisal.
- **"My Safety Starts With Me":** The 2022 launch of our new enterprise safety message emphasizing the importance of individual employee engagement and responsibility when it comes to protecting the health and safety of everyone.
- **Laceration Prevention Initiative:** The goal of this initiative is to eliminate hand injuries by identifying and replacing metal cutting hand tools with safer alternatives.

“ When we say ZERO, it's not a number but a commitment. It means we are committing to working in a manner that protects our own safety and the safety of those who work around us. ”

**Jim Girard, Vice President, Chief Human Resource Officer, L3Harris**



GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-5

At L3Harris, we have implemented an extensive EHS&S Management System that guides all our operations with established policies, procedures and risk assessment tools and promotes initiatives that drive towards a ZERO injury work environment. All employees, contractors and visitors at all L3Harris locations are required to follow and adhere to the EHS&S Management System policies and procedures.

## To Remain in Accordance With Our EHS Policy, Site-Specific Programs Are Developed at Each Operational Location.

Each program must include, but is not limited to, the following:

- 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 programs that are 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.
- An effective management of change process.

L3Harris has incorporated multi-level EHS&S Committees, working groups and teams across the company to promote employee participation in the occupational health and safety program. One example of these committees is the Executive EHS&S Steering Committee. The Steering Committee helps eliminate hazards and injuries by giving strategic and site-specific direction to site-level committees and teams and incorporating health and safety initiatives in facilities.

To drive consistency and accuracy throughout occupational health and safety, the Corporate EHS&S team periodically reviews the EHS&S Management Software data for best practices and to verify operational performance. The EHS&S Management Software contains all risk and hazard assessments and incident investigations. Employees are informed and encouraged to report all hazards to their supervisor or manager through a “stop work” authority program or through the “concern reporting” function of the EHS&S Management Software. To protect against reprisals, reporting can be anonymous.

The L3Harris ethics and compliance advisory board intervenes if retaliation is ever suspected after a report is filed.

L3Harris promotes an education-based health and safety management system. The cause, significance and corrective actions of all near-miss and incident reports are investigated to constantly improve policies and procedures as well as learn from any injuries or illnesses that occur in the workplace.

L3Harris requires all employees to receive global EHS&S training. The training program assesses the needs of all employees and provides free or compensated training depending on their work-related hazards, including confined spaces, injury investigation, laser safety and fall protection. All trainings are free and are conducted during work hours, or employees are compensated for trainings that don't fit these parameters.

## Work-Related Injury Rates

TYPE OF INJURY	2021		2022	
	Rate	Total	Rate	Total
TRIR	0.54 [-4%Δ]	Total: 249	0.45 [-17%Δ]	Total: 202
LDIR	0.17 [0%Δ]	Total: 79	0.14 [-18%Δ]	Total: 63
Fatality Rate	0%Δ	Total: 0	0%Δ	Total: 0

### GRI 403-6

At L3Harris, the health and safety of our employees is always our top priority. L3Harris continues to evaluate COVID-19, to follow recommendations and guidelines provided by federal agencies and to modify our working conditions to best support and keep our employees safe where required.

In 2022, we continue to emphasize free initiatives that employees have access to throughout the year. Some benefits include the L3Harris Employee Assistance Program (EAP) Helpline, which helps employees and families during stressful/challenging times or everyday activities, and company-wide flu vaccinations.

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

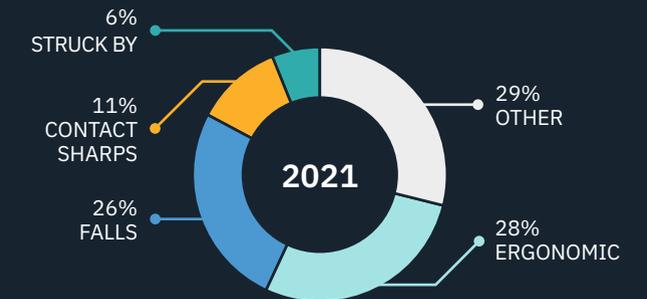
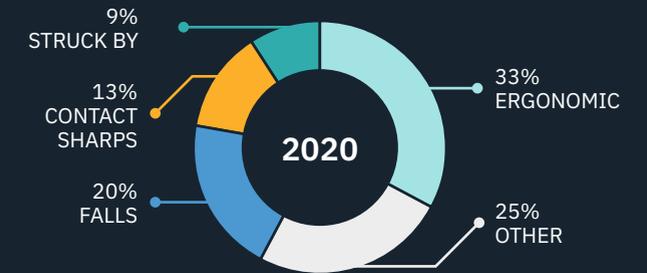
### GRI 403-7

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

### GRI 403-9

As L3Harris continues to prioritize workplace and employee safety, we have established and consistently monitored our robust EHS&S programs and management systems to ensure progress towards our zero injury and incident goal. These procedures, policies and practices have continued to drive a decrease of 17% recordable injuries, the reporting of zero injuries for 67 sites and zero fatalities across the enterprise in 2022.

## WORK-RELATED INJURY TYPES



# HUMAN RIGHTS

## Management Approach

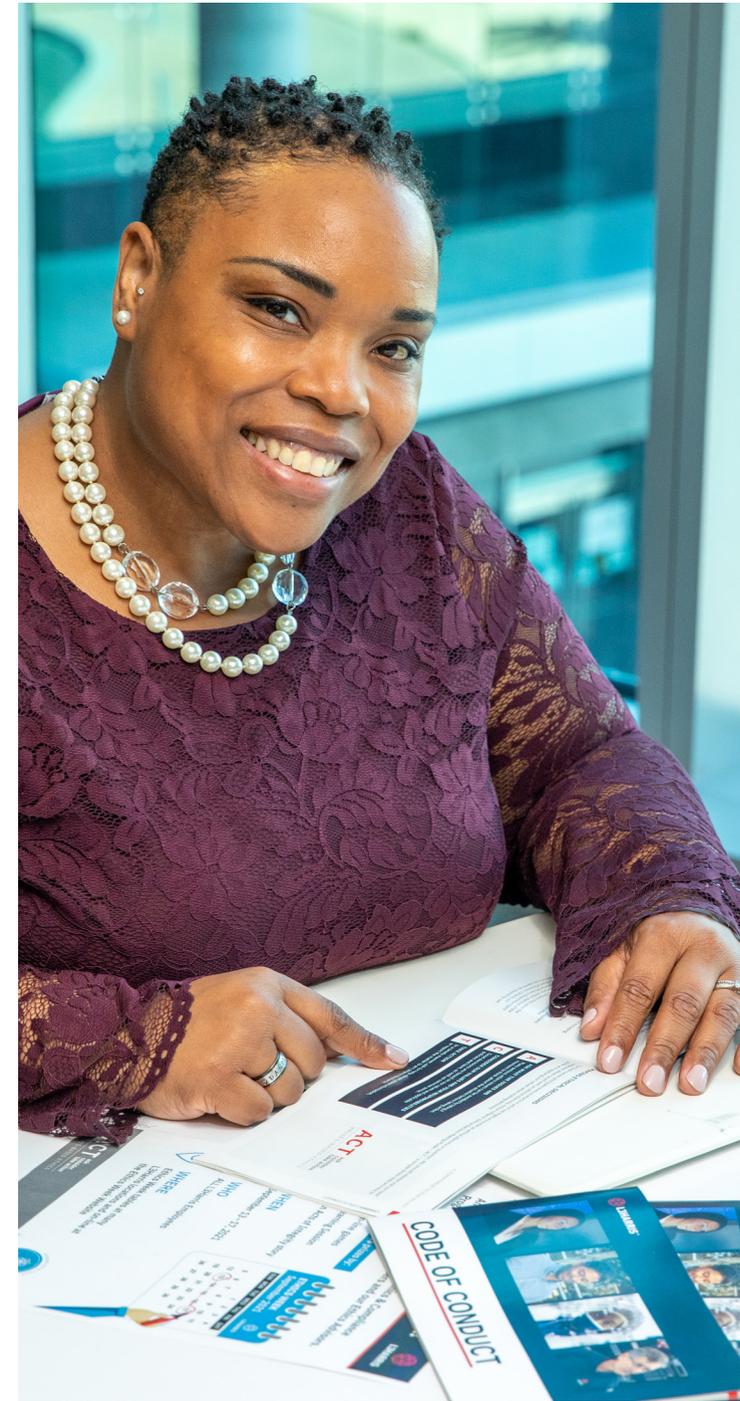
We aim to empower and inspire our employees, suppliers and customers to align with our values by conducting business in a way that protects human rights. In 2022, L3Harris took an additional step to support our Human Rights expectations by developing our [Human Rights Policy](#).

### IN SUPPORT OF HUMAN RIGHTS

- L3Harris promotes and complies with all human rights laws and standards in all our locations and expect the same of everyone who works on our behalf, including our agents, partners and suppliers.
- We conduct business with suppliers who share this commitment and enforce similar policies to refrain from violating the rights of others and appropriately address any adverse human rights impacts. Our suppliers are annually reminded of our expectations via our supplier letter and our [Supplier Code of Conduct](#).
- We maintain a workplace that is free from unlawful discrimination and refuse to tolerate harassment of any type, including physical and emotional, that targets an individual's race, gender, sexual orientation, religion, disability, age or other protected personal characteristics.
- 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 are periodically reminded of our commitment to human rights and our expectations via our Code of Conduct training. More information can be found in our [Human Trafficking Policy](#).
- We avoid misleading or fraudulent recruiting and employment practices, including charging recruiting fees, denying access to an employee's identity or immigration documents and failing to disclose key terms and conditions of employment.
- L3Harris is committed to sourcing components and materials from companies that share our respect for human rights. We annually disclose our due diligence efforts in accordance with SEC regulations in our [Conflict Minerals Disclosure and Report](#).
- In 2022, we expanded our supplier outreach. This expansion will strengthen our understanding of our supply chain and enable the company to strategically mitigate possible risks or threats in the future. The most recent Conflict Minerals Disclosure and Report will be completed by May 2023 and will become available at that time.

- U.S. Customs and Border Protection (CBP) has revalidated L3Harris as a Tier III member of the agency's Customs Trade Partnership Against Terrorism (CTPAT) program, which protects L3Harris' supply chain through the implementation of multi-layered, inter-department security protocols. Supported by corporate policy, applicable to all operations worldwide, L3Harris' CTPAT program protects our organization and supply chain from illegal or illicit activities, including terrorism, drug trafficking, human trafficking, forced labor, money laundering and illegal contraband. Along with other CTPAT members and mutually recognized international programs, we participate in the worldwide campaign to eliminate these harmful activities. As a Tier III member, L3Harris is proud to be recognized by CBP as one of the top companies participating in the program that exceed CTPAT minimum security criteria and implement innovative best practices.

All L3Harris employees, regardless of position, are required to verify their adherence to the L3Harris Code of Conduct, which includes a Human Rights section, through annual training. Everyone is encouraged to report all suspicious activity and any violations regarding human rights and/or human trafficking to the [L3Harris Helpline](#) for which L3Harris institutes a compliance committee responsible for remediation.



# COMMUNITY

## Management Approach

Engaging with and supporting our communities remained a top priority for L3Harris throughout 2022. Through the L3Harris Foundation, we partnered with a wide range of non-profits and philanthropies to create diverse and wide community outreach programs that align with the business of L3Harris and employee values. In 2022, we included multiple initiatives and recognitions to celebrate our employees who dedicated hundreds of hours to building up their communities through volunteering and helped promote our three community pillars. These include the Volunteer of the Month award, which demonstrated a large increase of international volunteer hours from 543 to 4,536 in one year, and the ERG Community Competition, where all ERGs competed against each other to complete the most volunteer hours and have the largest number of members participate in volunteer activities. Our three pillars include:

- **Science, Technology, Engineering and Math (STEM):** To forge pathways for young minds in the STEM field, we provide funding and volunteers for K-12 and university STEM programs. These initiatives also promote access to STEM resources for all. In 2022, L3Harris funded its first international robotics team to promote further STEM education.
- **Mission Aligned:** L3Harris communities highly value the well-being, development and prosperity of active-duty military, veterans, first responders and their families. Our dedication to these groups is represented through our partnerships with Operation Gratitude, Army Historical Foundation, Special Operations Warrior Foundation and Homes for Our Troops.
- **Community:** At L3Harris, we believe that our employees and communities help drive our business and commitments. Because of this, we support other organizations that are committed to uplifting our communities and improving lives through social contributions, such as Read Across America.

VOLUNTEERING	2020	2021	2022
Charitable Giving Dollars	6.4M	5.3M	5.4M
# of Volunteers (% of Total Employees)	2,615 (5%)	4,544 (10%)	5,850 (13%)
Total Volunteer Hours (per Employee)	35,538 (0.74)	105,141 (2.24)	122,485 (2.66)



Community initiatives and programs touch the communities where employees live and work, with a focus on supporting L3Harris employees to react to immediate needs through volunteerism and charitable giving.

### GRI 413-1

L3Harris hosted and participated in a wide range of virtual and in-person community volunteer events in 2022 that helped communities facing political, environmental or economic challenges. Some examples include:

- The L3Harris 2:1 gift matching for organizations supporting the crisis in Ukraine which resulted in \$700,000 donated including employee giving.
- The L3Harris Emergency Assistance Fund, which is funded by voluntary employee contributions.
- The L3Harris Investing for Tomorrow (LIFT) program included nearly 1,412 projects and over 122,485 hours of service completed in underserved and diverse communities around the world.

### GOAL

**40%**   
of employees volunteer by 2023

Read more about L3Harris' community efforts and volunteering in our [Community story](#) or in our [2022 Diversity, Equity and Inclusion Annual Report](#).

# SUPPLY CHAIN MANAGEMENT

## Management Approach

L3Harris is committed to working with more than 10,000 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.

**Since 2015, L3Harris has awarded more than 40% of our procurements from the Department of Defense (DoD) programs to small businesses, exceeding the DoD's goal each year.**

We continually strive to deliver leading performance in our Supply Chain. We aim to select supply partners focused on creating value, reducing total costs and adhering to our key values of integrity, excellence and respect. All suppliers must also meet and aim to exceed our quality and responsiveness requirements as well as our standards of corporate citizenship. L3Harris suppliers must have management systems in place to ensure compliance with laws, regulations and the expectations of our [Supplier Code of Conduct](#), contracts and the annual certification process.

During the supplier selection process, L3Harris reviews supplier eligibility in detail to ensure compliance with our [Supplier Code of Conduct](#). This policy requires all suppliers to incorporate best practices to drive compliance with laws, human rights, employment practices, anti-corruption, conflict of interest rules, information protection, EHS, global trade requirements, quality expectations and ethical conduct. Supply Chain partners are required to certify annually that they continue to comply with ethical and contractual requirements.

Each business segment at L3Harris uses the internal Supply Chain Center of Excellence teams to optimize Supply Chain performance, achieve compliance, ensure suppliers are aligned with our objectives and values and drive standardization of Supply Chain processes across the organization. These excellence teams also provide important Supply Chain functional training and tools to improve efficiency, enhance data collection across different sites and minimize costs.

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 mitigate Supply Chain risks and support the development of new technologies. For example, in 2022, we sponsored two virtual training sessions on understanding the Cybersecurity Maturity Model Certification process, attended by several hundred small businesses. L3Harris has successfully collaborated with small businesses on innovation projects that include Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) efforts, which allow subcontractors to evaluate Department of Defense (DoD) SBIR topics and express an interest in partnering.

At L3Harris, we believe strongly in fostering other businesses in our communities and industry, no matter the size. We have implemented commitments to a wide range of small business categories, such as Disadvantaged, Women-Owned, Historically Underutilized Business Zones, Veteran-Owned and Service-Disabled Veteran-Owned. In the government fiscal year 2022, we conducted nearly 44% of our business with small businesses, exceeding our goal of 40%.

Another initiative that L3Harris has implemented is our Mentor-Protégé Program, which provides developmental assistance focused on technical and business acumen. This program was originally only conducted within the business segments but has since expanded into the corporate level. In 2022, we selected our first corporate protégé, a Florida-based company that is a woman-owned, disadvantaged and service-disabled veteran-owned small business.

As a part of our ongoing sustainability and climate resilience efforts, 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, human resources and administration and information technology and telecommunications. The SCCRA allowed L3Harris to make informed decisions when creating solutions to potential climate change impacts on the supply chain and is part of the CWRMP.



# DATA PRIVACY AND CYBERSECURITY

## Data Privacy Management Approach

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

We have a company-wide Data Privacy Compliance Program that covers all matters related to the processing and security of personal information within L3Harris. This program has been implemented by the Privacy Team and 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 have the right to request access to their accounts to erase, rectify, complete or amend their information.

## Cybersecurity Management Approach

### SASB 230A.2

The nature and applications of our products and services require L3Harris to consider the security of our clients' data as a critical component of our business. The company program uses the fully ISO 27001 certified Information Security Management System and is 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 frequently scan applications and systems for vulnerabilities to risk. Action plans are created to address risks identified during the scans and to track them until they have been 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 provides defense industry entities and suppliers with the best security data, tools, services and best practices available in a collaborative space. 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 U.S. Department of Defense (DoD) Chief Information Officer (CIO) Office, and 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. As the CMMC continues to be modified and developed, L3Harris provides training and informational webinars to all suppliers twice a year to ensure that they remain up to date on all changes. This year, L3Harris has reached out to over 300 suppliers via our virtual webinar series to address the challenges associated with CMMC Level 1 and 2 certifications. In addition to our suppliers, we also conduct continued education of our Supply Chain personnel, addressing CMMC and other Federal cybersecurity requirements.

### GRI 418-1, SASB 230A.1

In 2022, there were no breaches of customer privacy data, nor have we received any complaints regarding our data management and protection practices.



# PRODUCT SAFETY AND QUALITY

## Management Approach

L3Harris remains committed to providing safe and quality solutions and products that meet our customers' needs and save lives. Our Quality Management approach is based on ISO 9001 and/or AS9100 standards with sites certified and/or compliant to either governing standard. This approach ensures that our processes are continuously evaluated and improved while focusing on our customers. L3Harris policies and procedures are applied enterprise-wide to efficiently identify, monitor and mitigate product safety and quality issues. This helps us to consistently meet our customer needs, expectations and requirements.



L3Harris' Corporate quality team has continued their work to implement comprehensive strategies and processes throughout 2022. These strategies include:

- **Reinforcing Stop Work Authority:** Stop Work Authority (SWA) gives ALL employees authority to stop work if they believe a situation threatens safety of personnel or quality of our products without fear of reprisal.
- **Promoting Personal Warranty:** A guarantee to ensure conformance and compliance to requirements. Every individual at L3Harris has Personal Warranty and contributes to the quality of our products, systems and services. This provides assurance to our customer/war fighter that the product or service is of a certain quality and will perform as expected.
- **Understanding the Voice of the Customer:** Working cross functionally with Government Compliance, Contracts, Program Management and directly with our industry peers to receive performance scorecard data for Prime contracts (direct to the federal government and/or allies) and subcontracts. Utilizing our performance data to reduce response times (i.e., DCMA Level 2 CARs) and work systemic improvements to avoid recurrence and support customer mission success.

- **Emphasis on “Quality Matters to the Mission”.** Our Quality Matters to:
  - Our freedom and safety
  - Our work family
  - Our customer's success
  - Our warfighters and first responders
  - Our national security and allies
- We achieve this by:
  - Doing what we say we are going to do
  - Having a culture of employee empowerment
  - Solving problems to drive improvements
  - Driving toward zero defects
  - Delivering trusted products and services
- **Executing the Zero-Defect Plan (ZDP) process:** At L3Harris the performance standard is Zero defects. With this standard in place, L3Harris uses the ZDP as an outline that represents how L3Harris will prevent any defects from occurring or reaching our customers. The Enterprise ZDP process was implemented in 2022, and has resulted in 200+ improvement project initiatives and significant Year-Over-Year (YOY) reductions in Cost of Poor Quality (CoPQ) and Customer Escapes.
- **Maturing and enforcing the Counterfeit Parts (CP) Risk Mitigation policy:** This policy has assisted with risk identification, mitigation and disposition and with reporting of our products and services. This policy is critical for L3Harris to protect our customers' missions and the safety and quality of our products.

GRI 416-1

At L3Harris, 100% of our products and services are assessed for health and safety impacts and are constantly being evaluated to find improvement opportunities.

Every employee and supplier of L3Harris products and materials is responsible for the safety and [quality standard](#) of each item. We follow a bottom-up and top-down approach when managing incidents and evaluating corrective actions to increase problem solving efficiency and company transparency. L3Harris locations are responsible for following protocols and reporting non-compliance at their own facilities, while the Counterfeit Parts Council is responsible for monitoring and ensuring compliance at an enterprise level. After an individual site reports an incident, the report is evaluated to find any similar issues at other sites. If the same incident appears at several other facilities, then the reports are moved up to the business segment level. Further, if the issue reaches across various business segments, then corporate gets involved to help resolve it.

SASB 250A.2

The Counterfeit Parts Council only detected 1 instance of non-compliance in 2022.

# CONSOLIDATED DATA



METRIC	2019	2020	2021	2022	GRI	SASB
<b>Activity</b>						
Annual Revenue (\$)	18,097,000,000	18,194,000,000	17,800,000,000	17,100,000,000	✓	
Total Number of Countries Supported	–	>100	>100	>100	✓	
Total Number of Employees	–	~48,000	~47,000	~46,000		✓
Total Number of Scientists and Engineers	–	~19,000	~19,000	~20,000		
<b>Environment</b>						
Global Sites With ISO 14001 Certification (#)	–	–	7	10		
Major Non-Compliance Issues With Environmental Laws and Regulations (#)	–	–	0	0	✓	
<b>Energy</b>						
Total Energy Consumed (Terajoules)	3,260	2,880	2,781	2,737	✓	✓
Fuel: Diesel, Propane, Gasoline, Jet Fuel (Scope 1) (Terajoules)	256	179	104	100	✓	
Fuel: Natural Gas (Scope 1) (Terajoules)	789	585	581	605	✓	
Total Fuel (Scope 1) (Terajoules)	1,045	765	685	705	✓	



METRIC	2019	2020	2021	2022	GRI	SASB
Electricity 100% Grid (Scope 2) (Terajoules)	2,095	2,014	1,995	1,937	✓	✓
Other Direct Line Energy (Scope 2) (Terajoules)	121	102	101	95	✓	
Energy Intensity (Terajoules/\$ Total Revenue)	1.8E-07	1.6E-07	1.6E-07	1.6E-07	✓	
<b>Emissions</b>						
Total Fuel (Scope 1) (MTCO <sub>2</sub> e)	57,006	43,325	37,789	39,210	✓	
Process and Fugitive (Scope 1) (MTCO <sub>2</sub> e)	52,569	49,658	45,407	32,893	✓	
Total GHG Emissions (Scope 1) (MTCO <sub>2</sub> e)	109,574	92,983	83,196	72,103	✓	
Electricity 100% Grid (Scope 2) (MTCO <sub>2</sub> e)	217,255	205,679	203,179	192,543	✓	
Other Direct Line Energy (Scope 2) (MTCO <sub>2</sub> e)	10,233	8,646	8,575	6,004	✓	
Reductions —RECs (Scope 2) (MTCO <sub>2</sub> e)	0	0	-14,025	-108,997	✓	
Total GHG Emissions (Scope 2) (MTCO <sub>2</sub> e)	227,488	214,325	197,729	89,550	✓	
Total GHG Emissions (Scope 1 & 2) (MTCO <sub>2</sub> e)	337,062	307,308	280,924	161,653	✓	
GHG Intensity (MTCO <sub>2</sub> e/\$ Total Revenue); (Includes Scopes 1 and 2)	0.000019	0.000017	0.000016	0.000009	✓	

METRIC	2019	2020	2021	2022	GRI	SASB
GHG Emissions, Location-Based (Scope 2) (MTCO <sub>2</sub> e)	216,522	206,263	204,532	189,265	✓	
GHG Emissions, Market-Based (Scope 2) (MTCO <sub>2</sub> e)	227,488	214,325	197,729	89,550	✓	
Scope 3 Fuel- and Energy-Related Activities (Not Included in Scope 1 or 2) (MTCO <sub>2</sub> e)	10,863	10,284	10,159	9,627	✓	
Business Travel (Scope 3) (MTCO <sub>2</sub> e)	17,174	15,528	25,818	36,082	✓	
Employee Commuting (Scope 3) (MTCO <sub>2</sub> e)	112,437	74,208	61,301	74,618	✓	
<b>Water</b>						
Total Water Used (Megaliters)	1,474	1,382	1,281	1,179	✓	
Potable Water (Megaliters)	1,474	1,381	1,279	1,178	✓	
Groundwater (Megaliters)	0.35	0.44	1.9	1.1	✓	
<b>Waste</b>						
Total Waste Generated (Tons)	15,525	14,782	14,803	15,333	✓	
Landfill (Tons)	9,710	8,915	8,046	7,773	✓	
Diverted From Landfill (Tons)	5,814	5,867	6,757	7,560	✓	
Percent of Waste Diverted From Landfill	37%	40%	46%	49%	✓	



METRIC	2019	2020	2021	2022	GRI	SASB
Total Hazardous Waste Generated (Tons)	—	691	1,059	—	✓	✓
<i>Landfill (Tons)</i>	—	62%	73%	—	✓	
<i>Recycling/Recovery (Tons)</i>	—	7%	9%	—	✓	✓
<i>Incineration (Tons)</i>	—	27%	14%	—	✓	
<i>Other (Tons)</i>	—	5%	4%	—	✓	
<b>Social</b>						
<b>Workforce Safety</b>						
Total Work Related Injuries (#)	—	258	249	202	✓	
<i>Ergonomic (%)</i>	32	33	28	37	✓	
<i>Falls (%)</i>	30	20	26	28	✓	
<i>Contact Sharps (%)</i>	16	13	11	7	✓	
<i>Struck by (%)</i>	11	9	6	12	✓	
<i>Other (%)</i>	11	25	29	16	✓	
Total Recordable Incident Rate (TRIR) (#)	—	0.56	0.54	0.45	✓	
Lost Time Incident Rate (LTIR) (#)	—	0.17	0.17	0.14	✓	
Total Lost Work Days (#)	—	80	79	63	✓	
Fatality Rate (#)	—	0	0	0	✓	

METRIC	2019	2020	2021	2022	GRI	SASB
<b>Workforce</b>						
Employee Resource Groups (ERGs) (#)	—	—	9	9		
<i>ERG Chapters Worldwide (#)</i>	—	—	—	100+		
<i>ERG Members (Total Members) (#)</i>	—	—	—	18,000		
Total U.S. Workforce (Employees) <sup>[1][2]</sup>	—	—	—	40,000		
<i>Full-time (Employees) (%)</i>	—	—	—	99		
Total Workforce (Employees) (#) <sup>[1][2]</sup>	—	~48,000	~47,000	~46,000	✓	
<i>Full-time (Employees) (%)</i>	—	—	—	99		
<i>% Workforce That Are Women</i>	—	24	25	25	✓	
<i>% Workforce That Are People of Color (U.S. Only)</i>	—	24	26	28	✓	

[1] Excludes casual employees

[2] 0% of our employee population are non-guaranteed hour employees for 2022



METRIC	2019	2020	2021	2022	GRI	SASB
% Workforce That Are Baby Boomers	—	31	26	23	✓	
% Workforce That Are Generation X	—	35	35	35	✓	
% Workforce That Are Millennials	—	32	34	35	✓	
% Workforce That Are Gen z	—	2	5	7	✓	
% of Executives That Are Women	—	31	34	36	✓	
% of Executives That Are People of Color (U.S. Only)	—	17	18	20	✓	
Voluntary Attrition Rate (%)	—	7	9	12		
Total New College Graduate Hires (#)	—	891	840	917	✓	
Women (%)	—	33	36	37	✓	
People of Color (U.S. Only) (%)	—	37	42	44	✓	
Intern Conversion Rate (%)	—	77	88	71		
Employee Turnover (%)	—	—	—	—	✓	
Women (%)	—	6.8	9.6	11.9	✓	
Men (%)	—	7.1	9.1	12.5	✓	

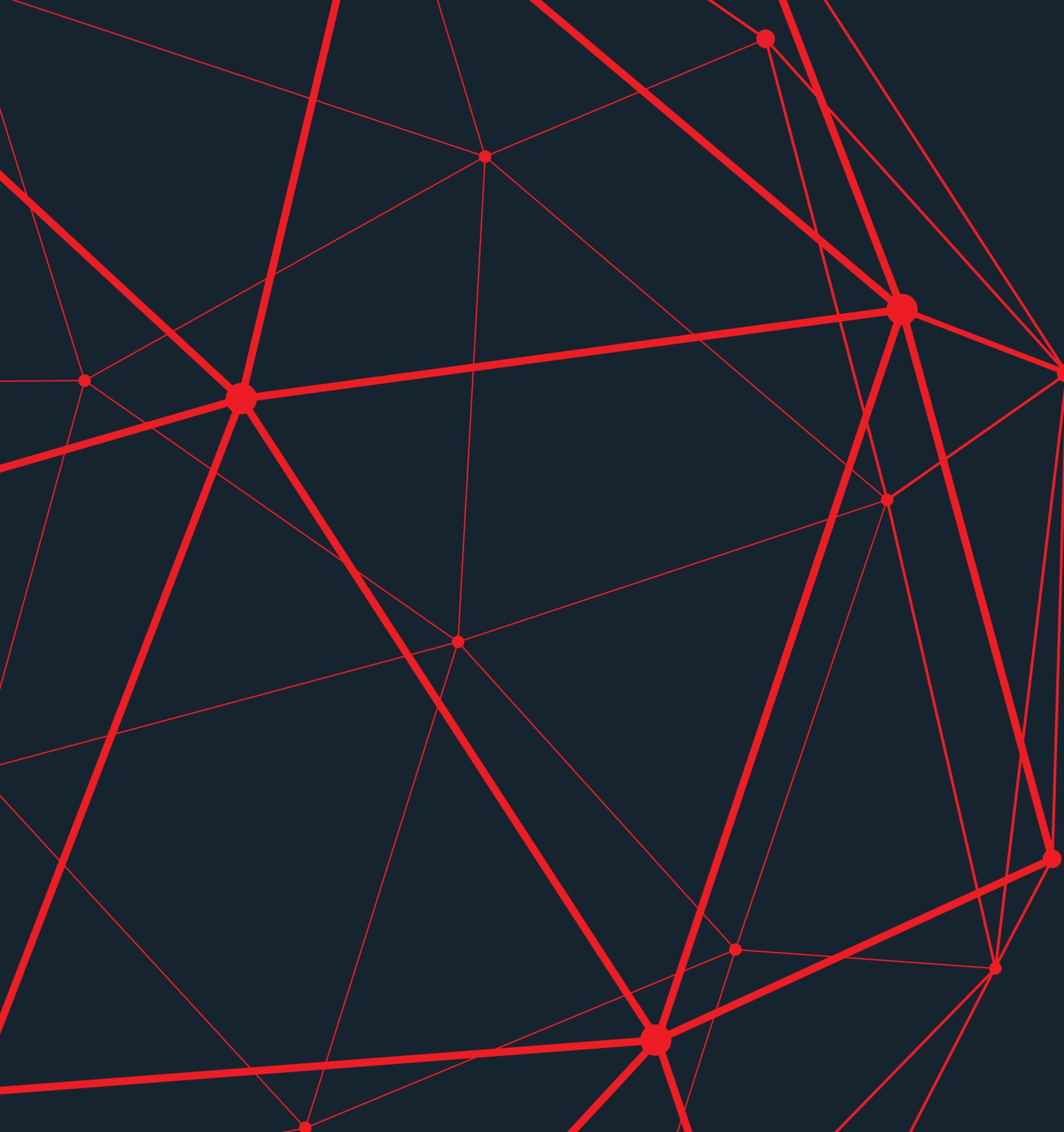
METRIC	2019	2020	2021	2022	GRI	SASB
Total New Hires (#)	—	7,229	8,087	7,334	✓	
Women (%)	—	26	25	27	✓	
Men (%)	—	74	75	73	✓	
People of Color (U.S. Only) (%)	—	—	37	38		
<b>Training/Development</b>						
Employees That Received Education Assistance (#)	—	—	—	1,248		
Average Training Hours (per Employee) (#)	—	20	22	24	✓	
<b>Community</b>						
Total Volunteer Hours (per Employee)	55,594 (1.13)	35,538 (0.74)	105,141 (2.24)	122,485 (2.66)		
Charitable Giving Dollars (Millions)	2.6	6.4	5.3	5.4		
Number of Volunteers	4,295	2,615	4,544	5,850		
% of Total Employees	9	5	10	13		



METRIC	2019	2020	2021	2022	GRI	SASB
<b>Governance</b>						
<b>Board Diversity</b>						
% of Board of Directors That Are Women	—	17	15	29	✓	
% of Board of Directors That Are People of Color	—	17	23	21	✓	
% of Board of Directors That Are Traditionalists	—	—	15	14	✓	
% of Board of Directors That Are Baby Boomers	—	—	85	72	✓	
% of Board of Directors That Are Generation X	—	—	0	14	✓	
<b>Ethics and Compliance</b>						
% of Employees Completing Code of Conduct Training	—	100	100	100		
Total Ethical Misconduct Reports (#)	—	999	1,229	1,492		
Total Misconduct Allegations (#)	—	708	900	1,134		
Total Misconduct Inquiries (#)	—	291	329	358		
Anonymous Reporting Percentage (per 100 Employees)	—	23%	19%	28%		
Non-Anonymous Reporting Rate (per 100 Employees)	—	2.0	2.9	3.2		

METRIC	2019	2020	2021	2022	GRI	SASB
<b>Anti-Corruption</b>						
Percentage of Business Segments Assessed for Corruption Risks	—	100	100	100	✓	
Percentage of Employees That Received Policies and Procedures	—	100	100	100	✓	
Percentage of Business Partners That Received Policies and Procedures	—	100	100	100	✓	
Percentage of Employees Trained	—	100	100	100	✓	
Percentage of Business Partners Trained	—	100	100	100	✓	
<b>Cybersecurity</b>						
Breaches of Customer Privacy and Losses of Customer Data (#)	—	0	0	0	✓	✓
<i>Percentage Involving Confidential Information</i>	—	0%	0%	0%		✓
<b>Products</b>						
<b>Product Safety</b>						
Number of Counterfeit Parts Detected	—	—	0	1		✓
<i>Percentage Avoided</i>	—	—	—	—		✓





➤ **L3HARRIS TECHNOLOGIES**

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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. Such statements are made in reliance on the safe harbor provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements, which include, but are not limited to: our plans, strategies and objectives for future operations; new products, services, initiatives or programs; future goals and targets and anticipated actions to meet goals and targets; our outlook on future economic, business, political, social and climate conditions; our growth potential; allocation of resources; planned, encouraged or anticipated actions; 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, 2022. Actual results could differ materially due to factors which include but are not limited to: the availability of funding for the programs described in this report; our ability to achieve reductions in energy use, water, greenhouse gas emissions and other sustainability goals and objectives; changes in our priorities and changes in the priorities of our customers and suppliers; the amount of our future investments; the accuracy of our estimates and assumptions; the future effect of legislation, rulemaking and changes in policy; the impact of acquisitions or divestitures or other changes in our employee or product and service base; the success of our diversity and inclusion initiatives; the impact of cyber or other security threats; the willingness of suppliers and other third parties to adopt and comply with our programs; and changes in global economic, business, political, social and climate conditions.

