

# Welcome to your CDP Climate Change Questionnaire 2020

### C0. Introduction

#### C<sub>0.1</sub>

#### (C0.1) Give a general description and introduction to your organization.

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

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

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

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

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

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

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



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

#### C<sub>0.2</sub>

#### (C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years
Reporting year	January 1, 2019	December 31, 2019	No

### C<sub>0.3</sub>

(C0.3) Select the countries/areas for which you will be supplying data.

Australia

Canada

China

Costa Rica

Germany

India

Italy

New Zealand

Portugal

Republic of Korea

Singapore

Thailand

United Kingdom of Great Britain and Northern Ireland

United States of America

#### C<sub>0.4</sub>

(C0.4) Select the currency used for all financial information disclosed throughout your response.

**USD** 

#### C<sub>0.5</sub>

(C0.5) Select the option that describes the reporting boundary for which climaterelated impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control



### C1. Governance

### C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

#### C1.1a

## (C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	Board level responsibility for overseeing our ethics and compliance programs, and our activities related to corporate citizenship and responsibility and environmental sustainability including climate-related issues, is carried out through our Board's Nominating and Governance Committee. This committee assists the L3Harris Board of Directors (our Board) in overseeing our ethics and business conduct program, our environmental, health and safety (EHS) programs and our charitable, civic, educational and philanthropic activities, and also monitors and takes appropriate action regarding strategic issues and trends relating to environmental, social and governance (ESG) efforts and corporate citizenship and responsibility. Through the Board's Nominating and Governance Committee, the Board monitors progress against targets and goals related to climate-related risks at the board level and provides oversight of our corporate strategy, plans of action, management policies, and performance objectives  Our Board Nominating and Governance Committee plays an active role in overseeing the formulation and implementation of our overall business strategy, including strategy and decisions around climate-related issues. A specific example is oversight for the completion of an assessment to explore increasing L3Harris' use of renewable energy in order to reduce greenhouse gas (GHG) emissions and climate change risks associated with use of fossil fuel-based energy. As a result of the assessment, the company took steps in 2019 to reduce Scope 2 GHG emissions and support environmental sustainability goals with an investment in energy management and procurement of renewable energy.

### C1.1b

#### (C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with	Governance	Please explain
which climate-	mechanisms into	
related issues are		



a scheduled	which climate-related	
agenda item	issues are integrated	
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues	L3Harris is committed to responsible and effective corporate governance to enhance the creation of sustainable, long-term shareholder value, and to be accountable and responsive to our shareholders. Through the Board's Nominating and Governance Committee, the Board monitors progress against targets and goals related to climate-related risks at the board level and provides oversight of our corporate strategy, plans of action, management policies, and performance objectives. Board meetings occur quarterly, and environmental sustainability performance, including climate-related goals, is reviewed and guidance is given to adjust strategy annually. In addition, at each regularly scheduled Board meeting our Board routinely discusses matters of strategic importance and receives updates on these topics. The Board also holds executive sessions solely for independent directors, and separately with our Chief Executive Officer (CEO) and Chief Operating Officer (COO) to discuss significant business developments including those related to climate-related risks and opportunities.  In fulfilling its responsibility of overseeing the management of our business and other enterprise risks, our Board uses an enterprise risk management (ERM) process administered by management, and considers risks and related mitigation identified through the ERM process or raised in the context of a range of matters on which management reports to our Board or one of its committees. Our ERM process, among other things, is designed to identify material risks across L3Harris with input from each business segment and function. Our Board also considers risks that are raised in the context of various matters that management may bring to the attention of our Board or one of its committees. When a committee considers risks, it provides reports regarding such risks to our full Board. Examples of risks considered by our Board Nominating and Governance Committee include elements of risk such as climate change.



#### C1.2

## (C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	Both assessing and managing climate-related risks and opportunities	Quarterly
Chief Operating Officer (COO)	Both assessing and managing climate-related risks and opportunities	Quarterly
Sustainability committee	Both assessing and managing climate-related risks and opportunities	More frequently than quarterly

#### C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

On June 29, 2019 following completion of the merger, the former Harris Corporation CEO (Chairman, President and CEO) became the L3Harris CEO (Chairman of the Board and CEO), and the former L3 Technologies CEO (Chairman, CEO and President) became the L3Harris COO (Vice Chairman, President and COO). In these roles, the L3Harris CEO and COO provide joint leadership on climate-related issues. They are both briefed by the Corporate Vice President (VP) of Global Operations on climate related issues at a minimum frequency of quarterly during Functional Quarterly Reviews (FQR) where they provide leadership and direction on the implementation of L3Harris' climate-related strategy. As Board members, they also provide the Board updates on and discuss topics of strategic importance and other significant business developments including those related to climate-related risks and opportunities.

The VP of Global Operations reports directly to our COO and has five functions under his purview including: Continuous Improvement, Manufacturing Engineering, EHS, Supply Chain, and Quality. Corporate Environmental Sustainability is part of the EHS function and reports to the VP of Global Operations. This group is directly responsible for both assessing and managing climate-related risks and opportunities day-to-day. This group is led by a Senior Environmental Sustainability Manager and supported by Segment EHS Directors/leads and other subject matter experts. The Corporate Environmental Sustainability function includes establishing environmental baseline, targets and roadmap; deploying environmental sustainability plan and targeting improvements; and developing long-term environmental sustainability goals and ESG strategy. Following the merger, work was done to re-baseline



Company metrics and establish L3Harris' long-term goals. The EHS group, with the primary expertise in climate related issues, reports directly to the VP of Global Operations, who in turn reports to the COO; therefore, it is appropriate that the COO and CEO jointly hold the highest management level position with direct responsibility for climate related issues.

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

- Senior Director, Environmental Health and Safety
- Senior Manager Environmental Sustainability
- Director, Communications
- VP, Global Communications
- Senior Director, Ethics and Compliance
- Senior Manager, Engagement & Inclusion
- Senior Vice President, General Counsel and Secretary
- VP, Associate General Counsel
- Senior Director, Investor Relations
- Director, Risk Management
- VP, Global Operations

A key program focus area of the ESG Working Group is environmental sustainability including risks associated with climate-related issues. The group meets on a monthly basis and is involved in the Company's assessment and management of climate-related risks and opportunities. The members of this committee comprise management and executive level members that have operational responsibility for the implementation and tracking of decisions taken at the board level and day-to-day management of climate-related issues throughout the enterprise.

As an aerospace and defense company, L3Harris leads, manages and monitors a broad range of ESG topics, and focuses on key impacts relevant to our business and to our stakeholders including climate related issues. Responsibility for setting the framework for climate-related issues lies with the personnel and committee referenced above. Through the management processes and organizational structure described above, we are focused on advancing environmental sustainability and compliance. The Company's robust EHS management system provides the framework for establishing policies and standards, as well as enterprise initiatives to reduce solid waste, water usage and greenhouse gas (GHG) emissions. We are focused on continuous improvement in order to further reduce GHG emissions. Strategies to drive continuous improvement include leveraging our EHS management system, identifying and quantifying energy-saving opportunities, installing more energy efficient infrastructure, conducting solid waste characterization assessments, and establishing employee-led Green Teams across the organization.



### C1.3

## (C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

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

### C1.3a

## (C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

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



			engagement; diversity and inclusion; and ESG focus areas, which include climate-related issues.
All employees	Non- monetary reward	Behavior change related indicator	Employees that demonstrate extraordinary achievement to customer or operational excellence, including environmental initiatives to reduce reliance on natural resources, are eligible for recognition through the company-wide recognition program. Our rewards and recognition program, AppreciatingU, is designed to provide a method of recognizing individual employees or teams' contributions to furthering the goals and objectives of the company, as well as the celebrate the achievements that make the company successful. The awards are a non-monetary way of showing recognition for contributions through ThankU, URock and UXcel award certificates. These recognitions may additionally be celebrated through news articles posted to internal company communications. Work on Green Teams or other environmental sustainability efforts could receive this type of incentive. Also, L3Harris offers priority parking for those carpooling and/or driving fuel efficient vehicles like hybrids or electric vehicles to promote and incentivize overall GHG emissions reductions.

## C2. Risks and opportunities

### C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

### C2.1a

## (C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	1	
Medium-term	1	5	
Long-term	5	20	



#### C2.1b

## (C2.1b) How does your organization define substantive financial or strategic impact on your business?

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

#### **C2.2**

(C2.2) Describe your process(es) for identifying, assessing and responding to climaterelated risks and opportunities.

#### Value chain stage(s) covered

Direct operations

#### Risk management process

Integrated into multi-disciplinary company-wide risk management process

#### Frequency of assessment

Annually

#### Time horizon(s) covered

Short-term Medium-term Long-term

#### **Description of process**

L3Harris identifies, assesses, and manages climate-related risks and opportunities through numerous controls and processes embedded in our operations. For climate-related matters in particular, L3Harris has conducted a Climate Risk Management Plan (CRMP) that evaluates potential impacts of climate change on operationally-critical water, energy, communication, and transportation resources for major L3Harris facilities and operations.

The CRMP evaluates and addresses the potential impacts of physical climate related risks on operationally critical water, energy, communication and transportation resources for business-critical facilities and operations looking at past climate-related disruptive events and the potential for future disruption from climate-related events. The CRMP is updated every two-years. Financial analysis regarding operational impacts are



discussed and reviewed as part of the emergency response planning, which includes climate-related risk as well as other possible disruptions.

L3Harris also conducts a detailed aspect and impacts risk assessment on an annual basis. All sites with greater than 75 employees are responsible for completing the assessment and other sites complete the assessment based on segment discretion. For example, the CS segment completes the assessment on all sites. The assessment includes reviewing legal and other requirements, changes to regulations, process changes, and environmental risk including climate-related risks. The opportunities are risk-ranked and prioritized. These risks could be internal to L3Harris operations or external to stakeholders and the communities in which we operate. Selected risks and corresponding action plans are then tracked and managed as part of the facilities' objectives and targets. Objectives and targets are reviewed annually and tracked to completion. The management of risk and opportunities is part of a multi-disciplinary company process.

Our Board approved ERM process administered by management, considers risks and related mitigation identified through the ERM process or raised in the context of a range of matters on which management reports to our Board or one of its committees. Our ERM process, among other things, is designed to identify material risks across L3Harris with input from each business segment and function. This process has been reviewed by our Board and is the subject of oversight and regular review by our Audit Committee. However, the responsibility for the day-to-day management of risk lies with our management, which continually monitors the material risks facing L3Harris, including strategic risk, financial risk, operational risk, and legal and compliance risk. Under our ERM process, which is coordinated through a cross-functional management committee, various material business risks are regularly identified, assessed and prioritized. The top risks to L3Harris, which are reflected in an enterprise risk "heat map," and any mitigation plans associated with those risks, are reported to our Board. In addition, our management ERM committee regularly provides reports to our senior executives to ensure dissemination of information about identified risks to management and throughout L3Harris.

Climate-related opportunities are also identified through our annual Strategic Growth Planning (SGP) process, our facilities infrastructure and real estate planning process and through facility eco-treasure hunts. As part of our SGP process, L3Harris has and will continue to leverage feasibility assessments as a strategy to obtain more information on climate related risks to minimize our environmental impact across our operations. For example, in 2019 we leveraged an energy management and renewable energy feasibility study to advance our commitment to achieve our long-term greenhouse gas emission reduction target by releasing a competitive request for proposal (RFP) for RE power purchase agreement (PPA) projects located throughout the United States. In addition, L3Harris leveraged that same study to provide documentation demonstrating the importance and value of hiring a full-time energy manager to assist with minimizing climate related impacts. In 2019, L3Harris opened a requisition at the Corporate Level



for an Energy Manager and the position was filled by the end of the year.

### C2.2a

## (C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance &	Please explain
	inclusion	
Current regulation	Relevant, always included	Current regulation is always considered in our climate-related risk assessments as regulatory compliance is foundational to our operations. L3Harris conducts a detailed aspect and impacts risk assessment on an annual basis. All sites with greater than 75 employees are responsible for completing the assessment and other sites complete the assessment based on segment discretion. For example, the CS segment completes the assessment on all sites. The assessment includes reviewing legal and other requirements, changes to regulations, process changes, and environmental risk including climate-related risks. The opportunities are risk-ranked and prioritized. These risks could be internal to L3Harris operations or external to stakeholders and the communities in which we operate. Selected risks and corresponding action plans are then tracked and managed as part of the facilities' objectives and targets. Objectives and targets are reviewed annually and tracked to completion. The management of risk and opportunities is part of a multi-disciplinary company process.
Emerging regulation	Relevant, always included	Emerging regulation is always considered in our climate-related risk assessments as regulatory compliance is foundational to our operations. With continuously evolving climate-related policies and regulations, monitoring emerging regulations is critical in helping us proactively address future climate related compliance risks. L3Harris conducts a detailed aspect and impacts risk assessment on an annual basis. All sites with greater than 75 employees are responsible for completing the assessment and other sites complete the assessment based on segment discretion. For example, the CS segment completes the assessment on all sites. The assessment includes reviewing legal and other requirements, changes to regulations, process changes, and environmental risk including climate-related risks. The opportunities are risk-ranked and prioritized. These risks could be internal to L3Harris operations or external to stakeholders and the communities in which we operate. Selected risks and corresponding action plans are then tracked and managed as part of the facilities' objectives and targets. Objectives and targets are reviewed annually and tracked to completion. The management of risk and opportunities is part of a multi-disciplinary company process.



Technology	Relevant,	Our future success depends on our ability to develop new products,
	always	systems, services and technologies that achieve market acceptance in
	included	our current and future markets. We believe that, in order to remain
		competitive in the future, we will need to continue to design, develop,
		manufacture, assemble, test, market and support new products,
		systems, services and technologies. Understanding environmental
		conditions is important to lives, property and economies. At L3Harris,
		we apply our advanced technologies to help preserve our environment
		for generations to come. L3Harris develops space, airborne and
		ground sensors for persistent and direct monitoring. project-based
		reviews to assess environmental sustainability risks and opportunities,
		which include an evaluation of new technologies that would help
		decrease our overall energy use or other environmental impactsIn
		2019, Sustainability Calculators and project review checklists were
		developed and rolled out to the business to integrate environmental
		sustainability into capital projects and review the projects for
		environmental sustainability risks and opportunities. The tools were
		designed to:
		Provide support during the planning and scoping process of capital
		projects
		Help determine technology and equipment options with lower
		environmental sustainability impacts while maintaining program and/or
		functional requirements
		Standardize how project impacts are calculated across the company
		The Sustainability Calculators are used to evaluate impacts & cost to
		gauge financial investment required and to understand the
		positive/negative impact projects have on accomplishing our
		environmental sustainability goals.
		Eco-treasure hunts are conducted annually to discover and realize
		energy efficiency and water conservation risks and opportunities while
		enabling employees to build a culture of continuous improvement. The
		Sustainability Calculators are also used as part of the eco-treasure
		hunts to estimate the potential savings of the opportunities or
		alternative technologies identified during the events to align key
		metrics and standardize savings calculations. Other location-based
		projects are also reviewed for technology-related energy
		improvements and efficiencies on an ad hoc basis.
Legal	Relevant,	Legal matters, including any climate-related litigation claims that could
	always	arise, are always considered in our climate-related risk assessments
	included	as regulatory compliance is foundational to our operations. L3Harris
		conducts a detailed aspect and impacts risk assessment on an annual
		basis. All sites with greater than 75 employees are responsible for
		completing the assessment and other sites complete the assessment



		based on segment discretion. For example, the CS segment completes the assessment on all sites. The assessment includes reviewing legal and other requirements, changes to regulations, process changes, and environmental risk including climate-related risks. The opportunities are risk-ranked and prioritized. These risks could be internal to L3Harris operations or external to stakeholders and the communities in which we operate. Selected risks and corresponding action plans are then tracked and managed as part of the facilities' objectives and targets. Objectives and targets are reviewed annually and tracked to completion. The management of risk and opportunities is part of a multi-disciplinary company process.
Market	Relevant, sometimes included	We acknowledge that market factors could result in changes in customer demand for certain products and services as climate-related risks and opportunities are increasingly taken into account, and we consider climate-change risks and how they may impact our customers and suppliers. However, L3Harris has a diverse well-established supply chain with suppliers located across the globe, which limits our exposure to water climate risks in our value chain and provides a level of risk mitigation for potential climate-related impacts such as shifts in precipitation patterns, increase in frequency and/or intensity of extreme weather events such as hurricanes, droughts, and floods, which could otherwise disrupt the value chain. While supply chain resiliency is evaluated, the scope of our formal risk assessment has not been extended to climate change or water-related risks in the value chain as of this reporting year. For example, supply chain interruption could occur due to severe weather events and damage to local and/or national infrastructure resulting in a late delivery of wireless products to a customer, which could have a monetary penalty in the millions (\$US) based on agreed upon contracts. While a formal assessment of climate-related risk in our supply chain has not yet been completed, climate-related risk will be assessed and incorporated into our overall business strategy as necessary over the next two years using the expertise of members of the ESG Working Group, supported by representatives from Supply Chain. While we recognize market influences related to climate change impact our business and conduct climate related risk assessments with that in mind, we do not currently extend this into an evaluation of climate-related market risks in the upstream supply chain.
Reputation	Relevant, always included	Reputational risks are always considered in our climate-related risk assessments as our stakeholders (customers, employees, shareholders, and other interested parties) perceptions are highly important to our business including perceptions related to our contribution to or detraction from the transition to a lower-carbon economy. We understand the importance of reputation and work to keep up with stakeholder expectations through living our values.



		L3Harris' company values include Integrity (Accountable, Ethical, Honest), Excellence (Flawless Execution, Customer Focused, Innovative) and Respect (Safe & Sustainable, Community-Minded, Inclusive). The company is committed to protecting the health and safety of our workers and customers, and to preserving the environment in the global communities in which we operate. In addition, in November 2019 L3Harris integrated legacy L3 Technologies, Inc.'s and Harris Corporation's employee volunteer initiatives into a single, robust platform called LIFT (L3Harris Investing for Tomorrow). The LIFT platform provides volunteer time and assistance to not-for profit organizations in the areas of Science, Technology, Engineering, and Math (STEM) education, mission aligned activities and programs In July 2019, the L3Harris Brevard County Florida Green Team adopted a local park called Castaways Point Park through Keep Brevard Beautiful. Each quarter, members of the Brevard County Green Team are committed to cleaning up the park to benefit our local community and residents.
Acute physical	Relevant, always included	Acute risks that are event-driven, such as increased severity of extreme weather events, such as cyclones, hurricanes, or floods are relevant and included in our risk assessments. L3Harris' CRMP evaluates and addresses the potential impacts of climate change on operationally critical water, energy, communication and transportation resources for business-critical facilities and operations, in consideration of past climate-related disruptive events and the potential for future disruption from climate-related events. The CRMP is updated every two-years. Financial analysis regarding operational impacts are discussed and reviewed as part of the emergency response planning, which includes climate-related risk as well as other possible disruptions.
Chronic physical	Relevant, always included	Chronic longer-term shifts in climate patterns (e.g. sustained higher temperatures) that may cause sea level rise or chronic heat waves are relevant and included in our risk assessments. L3Harris' CRMP evaluates and addresses the potential impacts of climate change on operationally critical water, energy, communication and transportation resources for business-critical facilities and operations, in consideration of past climate-related disruptive events and the potential for future disruption from climate-related events. The CRMP is updated every two-years. Financial analysis regarding operational impacts are discussed and reviewed as part of the emergency response planning, which includes climate-related risk as well as other possible disruptions.



#### C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

### C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

#### Identifier

Risk 1

#### Where in the value chain does the risk driver occur?

Direct operations

#### Risk type & Primary climate-related risk driver

Chronic physical

Changes in precipitation patterns and extreme variability in weather patterns

#### Primary potential financial impact

Increased capital expenditures

#### Company-specific description

L3Harris has significant operations located in regions (including Florida and California) that may be affected by extreme variations in weather patterns. Changes in precipitation patterns and extreme variability in weather patterns can lead to greater chronic stress and wear and tear on our facilities, equipment components and connections in the long-term resulting in increased and more frequent capital expenditures to repair our facilities and equipment.

To ensure continuity in operations our assets have to function reliably and more efficiently through this extreme variability. For example, changes in humidity may lead to changes in patterns and rates of equipment corrosion. Higher humidity levels may also lead to new requirements to maintain internal environments within system tolerance ranges, as excess condensation can cause short-circuiting or water ingress.

In addition, during periods of extreme weather, the use of our services can dramatically increase, which can be difficult to predict and resource. For data centers, reduction in operational efficiency and increased component failure rates as increases in average temperatures and associated humidity will affect baseline design parameters. For example, the loss of ambient cooling potential.

It is important to look at the entire building envelope when addressing risks associated with the increased variability in weather patterns. This includes but not limited to roofs,



windows, doors, sprinkler & fire alarm systems, and redundancies. For example, in Florida, this would include more frequent capital projects related to improvement of roofs, windows and doors.

#### Time horizon

Long-term

#### Likelihood

Very likely

#### Magnitude of impact

Medium

#### Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

#### Potential financial impact figure (currency)

2.646.500

Potential financial impact figure – minimum (currency)

Potential financial impact figure - maximum (currency)

#### **Explanation of financial impact figure**

The estimated financial impact of \$2,646,500 per year in increased capital expenditures is based on the total estimated and actual capital expenditures related to resiliency projects in 2019 to address risks related to chronic stress on our facilities and equipment components in the long-term as tracked through our e3 projects list.

We work with our property carrier risk engineering lead, Facilities team's, and Corporate real estate on the Property Risk Engineering front on facility resiliency and open recommendations. We look at the entire building envelope.

#### Cost of response to risk

0

#### Description of response and explanation of cost calculation

L3Harris utilizes defensive tools to protect and mitigate risk to L3Harris operational locations from increased wear and tear due to changes in precipitation patterns and extreme variability in weather patterns that can lead to greater chronic stress on our facilities and equipment components and connections in the long-term through investing in facility resiliency.

#### For example:

L3Harris works closely with property insurer regarding property risk engineering. Site visits occur annually for those locations having high total insurable values as well as



quarterly calls with the carrier, the business segments operations and facilities teams, and Risk Management. Recommendations are provided and addressed for those strategic L3Harris operational sites in particular with those sites in areas most impacted by climate/natural hazards. The goal is to identify and address potential issues at locations and mitigate the potential damage to locations through implementation of engineering recommendations. It is important to look at the entire building envelope when addressing risks. This includes but not limited to roofs, windows, doors, sprinkler and fire alarm systems, and redundancies. For example, wind recommendations are engineered to protect L3Harris assets and keep us up an operational through more frequent wind events. This is an important focus of L3Harris and our commitment to our customers. L3Harris key internal stakeholders (facilities, Operations, EHS, Corporate Real Estate and Risk Management) work together with our Property carrier risk engineering lead to ensure the safety and operations of our strategic facilities.

Resiliency projects are also identified through our annual Strategic Growth Planning (SGP) process, our facilities infrastructure and real estate planning process and through facility eco-treasure hunts. As part of our SGP process, L3Harris has and will continue to leverage feasibility assessments as a strategy to obtain more information on climate related risks to minimize our environmental impact across our operations. For example, in 2019 we implemented 7 resiliency projects that include projects such as roof upgrades and equipment upgrades to better handle these long-term risks

The costs to manage this risk is \$0 as this management is integrated into normal business operations.

#### Comment

#### Identifier

Risk 2

#### Where in the value chain does the risk driver occur?

Direct operations

#### Risk type & Primary climate-related risk driver

Chronic physical Rising mean temperatures

#### Primary potential financial impact

Increased indirect (operating) costs

#### Company-specific description

L3Harris has significant operations located in regions (including Florida and California) that may be affected by rising mean temperatures. We anticipate that the rising temperatures associated with climate change could have an increased impact on



operations in the upcoming decades.

Increases in temperature and higher frequency, duration, and intensity of heat waves create an additional burden on keeping equipment cool resulting in increased failure rates and rising operational costs (energy/water) to cool our network and IT infrastructure and office buildings.

#### Time horizon

Medium-term

#### Likelihood

More likely than not

#### Magnitude of impact

Medium

#### Are you able to provide a potential financial impact figure?

Yes, an estimated range

#### Potential financial impact figure (currency)

#### Potential financial impact figure - minimum (currency)

1,200,000

#### Potential financial impact figure - maximum (currency)

1,900,000

#### **Explanation of financial impact figure**

The financial impact due to increased energy costs is estimated at \$1.2Million to \$1.9Million per year.

Financial impact is currently not aggregated at an L3Harris-wide level. However, based on the International Energy Agency World Energy Outlook (WEO) Stated Policies Scenario, global electricity demand is anticipated to grow at 2.1% per year to 2040. Financial impact would be higher energy spend.

Based on the WEO anticipated 2.1% increase and our 2019 energy spend (approximately \$59M), our energy costs would increase by \$1.2M in the first year (2020), and if no efficiency improvements are made, by nearly \$1.9M by 2040. We anticipate increasing energy efficiency and energy conservation projects to hold this increase to \$1.2M annually.

#### Cost of response to risk

0

#### Description of response and explanation of cost calculation

L3Harris has policies, practices, and contingency plans in place to minimize the effects of extreme heat (or cold) events.



Future actions include extension of energy efficiency plans to help reduce demand and lower operating costs.

Energy efficiency projects are identified through our SGP process, our facilities infrastructure and real estate planning process and through facility eco-treasure hunts. For example, in 2019 we implemented 30 efficiency projects.

The costs to manage this risk is \$0 as it is integrated into normal business operations as part of management of our current energy agreements.

#### Comment

#### Identifier

Risk 3

#### Where in the value chain does the risk driver occur?

Direct operations

#### Risk type & Primary climate-related risk driver

Acute physical

Increased severity and frequency of extreme weather events such as cyclones and floods

#### **Primary potential financial impact**

Increased insurance claims liability

#### Company-specific description

L3Harris has operations worldwide, including manufacturing operations located in regions that are at risk for water scarcity and increasing water availability risk due to global climate change. Our greatest risk however is from property and equipment damage resulting from increased severity and frequency of extreme weather events such as cyclones, hurricanes and floods.

Damage to operational equipment and potential loss of data can result from flooding of buildings, whether due to sea-level rise, increased river flood risk, groundwater or increased risk of 'flash' flooding when heavy precipitation overwhelms drainage systems which can increase our insurance claims liability to repair any damage should an event occur.

For example, our locations carry higher insurance deductibles in locations such as Florida associated with increased wind and hurricane risk and in California associated with increased flood and earthquake risk.

#### **Time horizon**



Long-term

#### Likelihood

Very likely

#### Magnitude of impact

Medium-high

#### Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

#### Potential financial impact figure – minimum (currency)

250,000

#### Potential financial impact figure - maximum (currency)

35,000,000

#### **Explanation of financial impact figure**

The estimated financial impact of \$250,000 to \$35,000,000 in increased insurance claims liability / increased insurance deductible is based on the total insurable values by location and business unit that may be impacted and therefore varies by facility.

The type of property damage and how it occurs (trigger) will drive the potential coverage and deductibles we have in place. Examples include perils such as fire, flood, or wind damage.

#### Cost of response to risk

0

#### Description of response and explanation of cost calculation

We utilize defensive tools to protect & mitigate risk to operational locations from extreme natural hazards. We have policies, practices, & contingency plans in place to minimize the effects of these events & ensure that no data is lost & systems operate without interruption. For example, we conduct Business Continuity Planning/ Contingency planning. Business continuity planning includes identifying short term & longer term response plans. Local operations maintain & update these plans. Short term plans include site preparedness, safety protocols & emergency response. Longer term plans include identifying ability to shift protection to another L3Harris location or vendor location, sole source suppliers with long lead time, or specialized equipment with long lead times. We build redundancy into our data services & deploy backup power supply sources at critical facilities. We have state-of-the-art network facilities in multiple locations globally to allow disaster recovery backup. To reduce the impact of flooding, we locate critical hardware above ground level where feasible. We have comprehensive procedures & response plans in place across the company to respond to major weather events including hurricanes & tornadoes. For example, we have hurricane preparation response plans in place for our facilities in Melbourne, FL.



The Director of Emergency Operations within Business Continuity has responsibility for developing these procedures & response plans. Our employees are able to work remotely & can support operations in the event of a severe weather impact. During previous weather events, our systems, platforms, & applications performed without interruption, despite widespread power outages. To minimize the disruption & damage to services & networks from sudden weather events, we are investing in improvements to existing network infrastructure & incorporating such considerations into plans for future networks. Examples include exploration of on-site power generation & solar power systems at manufacturing sites.

Our property insurance also provides balance sheet protection from natural hazards & other perils when steps taken in the facility resiliency fail to protect our locations. This coverage provides physical damage coverage (building & assets in building) & business interruption coverage.

The costs related to business continuity planning & property insurance to manage this risk is \$0 as it is integrated into normal business operations.

#### Comment

#### C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

#### C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

#### Identifier

Opp1

Where in the value chain does the opportunity occur?

**Direct operations** 

#### **Opportunity type**

Resource efficiency

#### Primary climate-related opportunity driver

Move to more efficient buildings

#### Primary potential financial impact



#### Reduced direct costs

#### Company-specific description

Energy efficiency projects are identified through our SGP process, our facilities infrastructure and real estate planning process and through facility eco-treasure hunts. For example, in 2019 we identified 29 electrical efficiency projects that would save in aggregate approximately 2 million kWh annually.

#### Time horizon

Short-term

#### Likelihood

Virtually certain

#### Magnitude of impact

Low

#### Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

#### Potential financial impact figure (currency)

228,109

Potential financial impact figure – minimum (currency)

Potential financial impact figure - maximum (currency)

#### **Explanation of financial impact figure**

Our Sustainability Calculators are used to evaluate impacts and costs to gauge financial investment required and to understand the positive/negative impact efficiency projects have on accomplishing our sustainability goals. The Sustainability calculators provide a standardized methodology for estimating project impacts across the company for various types of projects such as lighting projects, roof replacements, or other equipment upgrades using standard emissions factors and cost estimates relevant to the various project types. The calculators are used to estimate the potential energy, financial and emissions savings. Savings and kWh reduction are calculated for each discrete electrical efficiency project using our Sustainability Calculators. In 2019, we identified 29 electrical efficiency projects. The cost and kWh savings were calculated using our Sustainability Calculators for each individual project and summarized to provide the aggregate annual savings of \$228,109 for 2019.

#### Cost to realize opportunity

4,065,070

#### Strategy to realize opportunity and explanation of cost calculation

As L3Harris modernizes its facilities, we look for opportunities that also reduce our environmental impact. Energy-based savings are identified through lighting upgrades, heating/cooling efficiencies, and fine tuning our systems.



In 2019 we implemented multiple electrical efficiency projects saving in aggregate approximately 2 million kWh annually.

Estimated costs of investments in energy-based savings were calculated as part of our e3 project list and are based off of the full actual or estimated project cost (capital expenditure or expense) for the project managed by the facilities infrastructure and real estate planning process.

#### Comment

Estimated costs of investments in energy based savings.

#### Identifier

Opp2

#### Where in the value chain does the opportunity occur?

Direct operations

#### Opportunity type

Energy source

#### Primary climate-related opportunity driver

Use of lower-emission sources of energy

#### Primary potential financial impact

Reduced direct costs

#### Company-specific description

With the anticipated increase in demand for energy and L3Harris' goal to reduce GHG emissions, the opportunity to explore use of lower-emission sources of energy was identified. Specifically, L3Harris recognized the opportunity to conduct an energy management and conservation study focused on enhancing electrical and natural resource efficiencies across the entire enterprise.

#### Time horizon

Medium-term

#### Likelihood

About as likely as not

#### Magnitude of impact

Medium-low

#### Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

#### Potential financial impact figure (currency)



185,000

#### Potential financial impact figure - minimum (currency)

#### Potential financial impact figure - maximum (currency)

#### **Explanation of financial impact figure**

The Potential financial impact figure of \$185,000 is based on yearly savings by implementing recommendations from energy management and conservation study across the enterprise. Cost is based on third party consulting estimate.

#### Cost to realize opportunity

350,000

#### Strategy to realize opportunity and explanation of cost calculation

L3 Harris conducted an energy management and conservation study focused on enhancing electrical and natural resource efficiencies across the entire enterprise. The goal was to implement the energy management and conservation study across the enterprise to demonstrate operational and energy management efficiencies. the feasibility project reviewed payback period and return on investment.

\$350,000 is an average expense. Cost is based on third party consulting budget.

#### Comment

350,000 is an average expense.

#### Identifier

Opp3

#### Where in the value chain does the opportunity occur?

Direct operations

#### **Opportunity type**

Energy source

#### Primary climate-related opportunity driver

Use of lower-emission sources of energy

#### Primary potential financial impact

Reduced indirect (operating) costs

#### Company-specific description

With the anticipated increase in demand for energy and L3Harris' goal to reduce GHG emissions, the opportunity to explore use of lower-emission sources of energy was identified. Specifically, the opportunity was recognized to evaluate the use of renewable energy in order to reduce GHG emissions and climate change risks associated with use



of fossil fuel-based energy. This opportunity included efforts to pursue strategically impactful, cost-effective renewable energy solutions to reduce Scope 2 GHG emissions and support environmental sustainability goals were initiated in 2019.

#### Time horizon

Medium-term

#### Likelihood

Likely

#### Magnitude of impact

Medium

#### Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

#### Potential financial impact figure (currency)

5,600,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

#### **Explanation of financial impact figure**

\$5.6 - Levelized savings (\$/MWh) Cost is based on third party consulting economic analysis for procurement of renewable energy. Actual estimated savings to be determined once project is selected.

#### Cost to realize opportunity

360,000

#### Strategy to realize opportunity and explanation of cost calculation

L3 Harris conducted a renewable energy (RE) feasibility project focused on evaluating various RE technologies including solar and wind across the entire enterprise We leveraged an energy management and renewable energy feasibility study to advance our commitment to achieve our long-term GHG emission reduction target by releasing a competitive request for proposal (RFP) for RE power purchase agreement (PPA) projects located throughout the United States. In addition, L3Harris leveraged that same study to provide documentation demonstrating the importance and value of hiring a full-time energy manager to assist with minimizing climate related impacts. In 2019, L3Harris opened a requisition at the Corporate Level for an Energy Manager and the position was filled by the end of the year.

#### Comment

Costs associated with project determination and management; additional costs will be evaluated once known.



### C3. Business Strategy

#### C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes

#### C3.1a

## (C3.1a) Does your organization use climate-related scenario analysis to inform its strategy?

No, but we anticipate using qualitative and/or quantitative analysis in the next two years

#### C3.1c

## (C3.1c) Why does your organization not use climate-related scenario analysis to inform its strategy?

L3Harris is working to advance our environmental sustainability efforts. Expertise has been brought in-house to strengthen our environmental sustainability proficiency and grow our strategy. We work to incorporate management of material issues like climate-related risks into how we operate, and better align our efforts and transparency around those efforts with proven and best in class frameworks like GRI and TCFD. While we have not yet completed specific scenario analysis across the business, in 2019 we worked to consolidate the complementary strengths of Harris Corporation and L3 Technologies operations and evaluate environmental sustainability metrics with respect to these frameworks to enable us to do this analysis in the future. In the coming (next two) years, we anticipate using qualitative and/or quantitative analysis to inform our business strategy. For 2020 L3Harris is expanding its environmental sustainability program and investing in resources to progress our programs to the next level.

#### C3.1d

## (C3.1d) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Evaluation in progress	Climate risks could delay delivery of products & services to customers. Damage to products would also have a financial impact. Failure to deliver functioning products to customers on time can have differing levels of financial impact to the organization. For example, a late delivery of wireless



		products to a customer could have a monetary penalty in the millions(\$US) based on agreed upon contracts.
		the minoris(\$66) based on agreed apon contracts.
		Our cross-functional ESG Working Group serves as a
		formal sustainability committee to harmonize ESG programs
		& support development of our overall corporate ESG strategy, including issuance of our first ESG report next
		year. A key program focus area of the ESG Working Group
		is environmental sustainability, including climate-related
		issues. This focus area includes evaluating how our
		products & services are impacted by climate risks as well as
		how our products & services may have climate-related
		impacts externally. With expertise from members of this
		committee, supported by representatives from Facilities,
		Engineering, & Supply Chain, climate-related risks & opportunities related to our products & services will be
		assessed & incorporated into our overall business strategy
		as necessary over the next two years. Our future success
		depends on our ability to develop new products, systems,
		services & technologies that achieve market acceptance in
		current & future markets. In order to remain competitive, we
		continue to design, develop, manufacture, assemble, test,
		market & support new products, systems, services &
		technologies. We apply advanced information & communications technologies to the fields of weather
		forecasting, environmental change monitoring, & GHG
		reduction. We develop space, airborne & ground sensors
		for persistent & direct monitoring. We also work to reduce
		the amount of GHGs that enters the atmosphere in the first
		place. A few examples of our products that demonstrate
		where environmental sustainability meets innovation are:
		Our TANSO-FTS-2 Instrument measures GHGs with high
		accuracy, covering the globe from space via satellite.  • Multi-functional Fiber Laser LiDAR Active Carbon Dioxide
		research measures carbon dioxide (CO2) in the atmosphere
		• GreenLITE™ Ground Remote Sensing ground level GHG
		monitoring provides accurate measuring of local GHGs
		Weather & climate monitoring technologies & data
		solutions to collect weather & climate information
Supply chain	Evaluation in progress	Our ESG Working Group serves as a formal sustainability
and/or value		committee to harmonize ESG programs and support
chain		development of our overall corporate ESG strategy,
		including issuance of our first ESG report next year. A key program focus area of the ESG Working Group and our
		corporate ESG strategy is environmental sustainability,
		,,,,,,



including risks associated with climate-related issues. This focus area includes evaluating how our supply chain is impacted by climate risks as well as how our supply chain may have climate-related impacts externally. L3Harris has a diverse well-established supply chain with suppliers located across the globe, which limits our exposure to climate risks in our value chain and provides a level of risk mitigation for potential climate-related impacts such as shifts in precipitation patterns, increase in frequency and/or intensity of extreme weather events such as hurricanes, droughts, and floods, which could otherwise disrupt the value chain. While supply chain resiliency is evaluated, the scope of our formal risk assessment has not been extended to climate change or water-related risks in the value chain as of this reporting year. For example, supply chain interruption could occur due to severe weather events and damage to local and/or national infrastructure resulting in a late delivery of wireless products to a customer, which could have a monetary penalty in the millions (\$US) based on agreed upon contracts. While a formal assessment of climate-related risk in our supply chain has not yet been completed, climate-related risks and will be assessed and incorporated into our overall business strategy as necessary over the next two years with expertise from members of the ESG Working Group, supported by representatives from Supply Chain. Investment in Evaluation in progress Our cross-functional ESG Working Group serves as a R&D formal sustainability committee to harmonize ESG programs and support development of our overall corporate ESG strategy, including issuance of our first ESG report next year. A key program focus area of the ESG Working Group and our corporate ESG strategy is environmental sustainability, including risks associated with climate-related issues. This focus area includes the importance of our investment in R&D into our business strategy relation to climate risks. With expertise from members of this committee supported by representatives from Engineering, climate-related risks and opportunities related to our investment in R&D will be assessed and incorporated into our overall business strategy as necessary over the next two years. Our future success depends on our ability to develop new products, systems, services and technologies that achieve market acceptance in our current and future

markets. We believe that, in order to remain competitive in



		the future, we will need to continue to design, develop, manufacture, assemble, test, market and support new products, systems, services and technologies. L3Harris works to help create a more sustainable Earth by applying advanced information and communications technologies to the fields of weather forecasting, environmental change monitoring, and greenhouse gas reduction. A catastrophic identified risk would have to occur for our R&D investment to be impacted.
Operations	Yes	Climate-related risks & opportunities have influenced our overall business strategy. Climate risks could delay delivery of products & services to customers. Damage to products would also have a financial impact. Supply chain interruption could occur due to severe weather events & damage to local and/or national infrastructure. For example, a late delivery of wireless products to a customer could have a monetary penalty in the millions (\$US) based on agreed upon contracts. As part of our business strategy, we consider climate-related risk in our operations as it relates to both 1) climate-related impacts on our business & 2) our impact on climate change (GHG emissions). With respect to impacts on our business, we maintain a CRMP that is updated every two-years, which addresses the potential impacts of climate change on operationally critical water, energy, communication, & transportation resources for major facilities & operations looking at past climate-related disruptive events & the potential for future disruption from climate-related events. To help manage potential climate-related impacts on our business, we have an Emergency Management Program for activities to prepare for, respond to & recover from disasters or other crisis. Locations within our Segments have Business Continuity Plans, Site Emergency Management Playbooks, and/or Site Emergency Response Checklists. Locations that have increased risk for hurricanes also maintain Hurricane & Wind Checklists.  With respect to our impact on climate change, we have GHG emission reduction targets, which we work to achieve. These targets are woven into our strategy for improvement throughout our operations. For example, infrastructure projects across the enterprise are evaluated for energy reductions & prioritized based on potential environmental & operational impact. In 2019, we implemented energy efficiency projects to reduce our Scope 1 GHG emissions &



evaluated incorporation of renewable energy to reduce our Scope 2 GHG emissions.  Also, a key program focus area of our ESG Working Group includes evaluating how our operations are impacted by climate risks & may have climate-related impacts externally. With expertise from members of this committee, supported by Facilities, Engineering, & Supply Chain, climate-related risks & opportunities are assessed & incorporated into our
business strategy annually.

### C3.1e

## (C3.1e) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Capital expenditures Acquisitions and divestments Assets Liabilities	Revenues: Costs of projects, both capital and expense will impact revenues depending upon final investment amount.  Direct Costs: Costs of projects, both capital and expense will impact revenues depending upon final investment amount. Additionally, operating costs could be reduced based on the opportunity. For example, re-lamping projects typically have a return on investment around 5 year, meaning each facility will have a reduced operating cost for within 5 years.  Capital Expenditures: Select projects that meet the threshold for capital expenditure will be evaluated for return on investment (ROI) and factored into our Financial Planning and Analysis (FP&A). An example of how project selection for Capital Expenditures is factored into financial planning is through use of our Sustainability Calculators and project review checklists, which were developed and rolled out to the business in 2019 to integrate environmental sustainability into capital projects and evaluate impacts & cost to gauge financial investment required and to understand the positive/negative impact projects have on accomplishing our sustainability goals. The results of the project analysis using the Sustainability Calculators are used to develop our e3 project list and prioritize Capital Expenditure projects annually.  Acquisitions and divestments: Acquisitions and divestitures would impact the Climate Risk Management Plan (CRMP) based on portfolio shaping.



Assets: Risks identified could lead to loss and/or damage to company assets such as manufacturing equipment, process technology, and software data systems.
Liabilities: Climate-based identified risks are reviewed as part of our risk management and risk carrier policies.

#### C3.1f

## (C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

Climate-related risks and opportunities have influenced our overall business strategy and financial planning. As part of our business strategy, we consider climate-related risk in our operations as it relates to both 1) climate-related impacts on our business and 2) our impact on climate change. With respect to climate-related impacts on our business, L3Harris maintains a CRMP that is updated every two-years. The CRMP addresses the projected potential impacts of climate change on operationally critical water, energy, communication, and transportation resources for major L3Harris facilities and operations across the United States (U.S) looking at past climate-related disruptive events and the potential for future disruption from climate-related events. Financial analysis regarding impact to operations is discussed and reviewed as part of the executive committee on business continuity planning, which includes climate-related risks as well as other possible disruptions. With respect to our impact on climate change, in 2019 L3Harris considered legacy Harris short-term and long-term greenhouse gas (GHG) emission reduction goals that are geared towards overall EHS improvement. These targets are woven into our facilities overall EHS strategy for improvement in EHS throughout our operations. In 2019, we implemented infrastructure energy efficiency projects to reduce our facility Scope 1 GHG emissions and evaluated incorporation of renewable energy into our energy use to reduce our facility Scope 2 GHG emissions. The capital required for these projects or other financial implications are determined as part of each project's evaluation and is included overall financial planning. For example, infrastructure projects across the enterprise are evaluated for potential energy reductions and prioritized based on the potential environmental and operational impact as well as financial impact.

### C4. Targets and performance

### C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

#### C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.



#### Target reference number

Abs 1

#### Year target was set

2018

#### **Target coverage**

Company-wide

#### Scope(s) (or Scope 3 category)

Scope 1+2 (location-based)

#### Base year

2017

#### Covered emissions in base year (metric tons CO2e)

154,104

## Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

#### Target year

2025

#### Targeted reduction from base year (%)

21

#### Covered emissions in target year (metric tons CO2e) [auto-calculated]

121,742.16

#### Covered emissions in reporting year (metric tons CO2e)

116,592

#### % of target achieved [auto-calculated]

115.9142990633

#### Target status in reporting year

Replaced

#### Is this a science-based target?

Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative

#### Please explain (including target coverage)

Legacy Harris Long-term goals were finalized in 2018. These goals were approved by our executive leadership team and board and publicly announced in June of 2019. As part of our merger, re-base-lining work conducted in 2019 included collecting combined data for L3 Technologies and Harris Corporation to determine our emissions for a new



baseline year as a combined company. For this report and consistent comparison with the 2017 base year of the legacy Harris GHG target, we have included Harris only emissions in the 'Covered emissions in reporting year' field of this target. With respect to this goal, legacy Harris had a 24% reduction from base year exceeding the 21% target through operational changes, including energy efficiency projects (reduction in electrical consumption), and divestitures related to the merger. Total emissions represented in the Emissions section of this report cover L3Harris, which includes the combined data for L3 Technologies and Harris Corporation for 2019.

#### Target reference number

Abs 2

#### Year target was set

2019

#### **Target coverage**

Company-wide

#### Scope(s) (or Scope 3 category)

Scope 1+2 (location-based)

#### Base year

2019

#### Covered emissions in base year (metric tons CO2e)

349,778

## Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

#### **Target year**

2025

#### Targeted reduction from base year (%)

21

#### Covered emissions in target year (metric tons CO2e) [auto-calculated]

276,324.62

#### Covered emissions in reporting year (metric tons CO2e)

349,778

#### % of target achieved [auto-calculated]

0

#### Target status in reporting year

New



#### Is this a science-based target?

Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative

#### Please explain (including target coverage)

During the transitional period from the merger to the end of calendar year 2019, legacy Harris environmental sustainability goals acted as the interim targets for all L3Harris sites and facilities in 2019. As part of our merger, re-base-lining work conducted in 2019 included collecting combined data for L3 Technologies and Harris Corporation to determine our emissions for a new baseline year as a combined company. This target served as the transitional period target for the combined company. The 'Covered emissions in the 'reporting year' field of this target include total emissions for L3Harris, which includes the combined data for L3 Technologies and Harris Corporation for 2019.

#### C4.2

## (C4.2) Did you have any other climate-related targets that were active in the reporting year?

No other climate-related targets

#### C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

### C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	4	212
Implementation commenced*	16	602
Implemented*	11	652
Not to be implemented	0	0

### C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.



#### Initiative category & Initiative type

Energy efficiency in buildings Lighting

#### Estimated annual CO2e savings (metric tonnes CO2e)

254

#### Scope(s)

Scope 2 (location-based)

#### **Voluntary/Mandatory**

Voluntary

#### Annual monetary savings (unit currency – as specified in C0.4)

12,954

#### Investment required (unit currency – as specified in C0.4)

150,279

#### Payback period

1-3 years

#### Estimated lifetime of the initiative

16-20 years

#### Comment

2019 lighting projects; LED

#### Initiative category & Initiative type

Energy efficiency in production processes Machine/equipment replacement

#### Estimated annual CO2e savings (metric tonnes CO2e)

89

#### Scope(s)

Scope 1

Scope 2 (location-based)

#### **Voluntary/Mandatory**

Voluntary

#### Annual monetary savings (unit currency – as specified in C0.4)

8,812

#### Investment required (unit currency – as specified in C0.4)

400,000



#### Payback period

<1 year

#### Estimated lifetime of the initiative

16-20 years

#### Comment

2019 Energy projects - Chiller upgrade to a more efficient model.

#### Initiative category & Initiative type

Energy efficiency in buildings
Other, please specify
efficiency building improvements

#### Estimated annual CO2e savings (metric tonnes CO2e)

309

#### Scope(s)

Scope 1

Scope 2 (location-based)

#### **Voluntary/Mandatory**

#### Annual monetary savings (unit currency – as specified in C0.4)

83 385

#### Investment required (unit currency - as specified in C0.4)

1,534,500

#### Payback period

11-15 years

#### Estimated lifetime of the initiative

16-20 years

#### Comment

2019 energy efficiency building projects including roofing, HVAC, room energy use limits.

#### C4.3c

## (C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Employee	Employee engagement on corporate environmental sustainability efforts including
engagement	climate-related initiatives and efficiency and emissions-reductions activities is an



important part of our environmental sustainability strategy. We engage with employees through our environmentally-focused signage in our facilities, meetings, organized events such as Earth Day events, and mandatory as well as voluntary EHS and environmental sustainability training. In addition, Green Teams are organized, grassroots and cross-functional groups of employees who voluntarily come together to brainstorm, motivate and empower employees around environmental sustainability. They focus on identifying and implementing environmental sustainability-based projects such as resource conservation, pollution prevention and waste diversion initiatives that will help L3Harris achieve its environmental sustainability goals. Fifteen Green Teams have been rolled out across the company with goals to increase teams and participation. Furthermore, facility employees are engaged in Eco-treasure hunts to discover and realize energy efficiency and water conservation risks and opportunities while enabling employees to build a culture of continuous improvement. Employee engagement in these sustainability initiatives helps L3Harris achieve greater Scope 1, 2 and 3 greenhouse gas reductions.

# Financial optimization calculations

L3Harris invests in projects that promote increased energy efficiency and GHG emissions reductions to support progress towards our environmental sustainability goals. In 2019, legacy Harris Business Excellence (HBX) projects/L3Harris e3 projects were centered around maximizing efficiency and minimizing cost. Project-based reviews are completed to assess environmental sustainability risks and opportunities. In 2019, Sustainability Calculators and project review checklists were developed and rolled out to the business to integrate environmental sustainability into capital projects and review the projects for environmental sustainability risks and opportunities. The tools were designed to:

- Provide support during the planning and scoping process of capital projects
- Help determine technology and equipment options with lower environmental sustainability impacts while maintaining program and/or functional requirements
- Standardize how project impacts are calculated across the company
  The Sustainability Calculators are used to evaluate impacts & cost to gauge
  financial investment required and to understand the positive/negative impact
  projects have on accomplishing our sustainability goals.

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



## C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

#### No

## C5. Emissions methodology

## C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

## Scope 1

## Base year start

January 1, 2019

## Base year end

December 31, 2019

## Base year emissions (metric tons CO2e)

81,336

#### Comment

Scope 1 GHG emissions are calculated following L3Harris' Corporate GHG Standard. Our standard is built on the International Aerospace Environmental Group (IAEG) Aerospace GHG Reporting Guidance and the World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) GHG Protocol Corporate Accounting and Reporting Standard (the GHG Protocol).

As part of our merger, re-base-lining work conducted in 2019 included collecting combined data for L3 Technologies and Harris Corporation to determine our emissions for a new baseline year as a combined company. For this report, Gross global Scope 1 emissions (metric tons CO2e) include total emissions for L3Harris, which includes the combined data for L3 Technologies and Harris Corporation for 2019.

## Scope 2 (location-based)

#### Base year start

January 1, 2019

## Base year end

December 31, 2019

## Base year emissions (metric tons CO2e)

268,442

## Comment



Scope 2 GHG emissions are calculated following L3Harris' Corporate GHG Standard. Our standard is built on International Aerospace Environmental Group (IAEG) Aerospace GHG Reporting Guidance and the World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) GHG Protocol Corporate Accounting and Reporting Standard (the GHG Protocol), using the Scope 2 location-based emission factor methodology guidance.

As part of our merger, re-base-lining work conducted in 2019 included collecting combined data for L3 Technologies and Harris Corporation to determine our emissions for a new baseline year as a combined company. For this report, Gross global Scope 1 emissions (metric tons CO2e) include total emissions for L3Harris, which includes the combined data for L3 Technologies and Harris Corporation for 2019.

## Scope 2 (market-based)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

## C5.2

# (C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

The Greenhouse Gas Protocol: Scope 2 Guidance

US EPA Center for Corporate Climate Leadership: Direct Emissions from Stationary Combustion Sources

US EPA Center for Corporate Climate Leadership: Direct Emissions from Mobile Combustion Sources

US EPA Emissions & Generation Resource Integrated Database (eGRID)

Other, please specify

International Aerospace Environmental Group (IAEG), GHG Reporting Guidance for the Aerospace Industry, A Supplement to the GHG Protocol Corporate Accounting and Reporting Standard

## C5.2a

(C5.2a) Provide details of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.



IAEG, GHG Reporting Guidance for the Aerospace Industry, A Supplement to the GHG Protocol Corporate Accounting and Reporting Standard

## C6. Emissions data

## C<sub>6</sub>.1

# (C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

## Reporting year

## Gross global Scope 1 emissions (metric tons CO2e)

81,336

#### Comment

As part of our merger, re-base-lining work conducted in 2019 included collecting combined data for L3 Technologies and Harris Corporation to determine our emissions for a new baseline year as a combined company. For this report, Gross global Scope 1 emissions (metric tons CO2e) include total emissions for L3Harris, which includes the combined data for L3 Technologies and Harris Corporation for 2019.

## C6.2

## (C6.2) Describe your organization's approach to reporting Scope 2 emissions.

## Row 1

## Scope 2, location-based

We are reporting a Scope 2, location-based figure

## Scope 2, market-based

We have operations where we are able to access electricity supplier emission factors or residual emissions factors, but are unable to report a Scope 2, market-based figure

#### Comment

As part of our merger, re-base-lining work conducted in 2019 included collecting combined data for L3 Technologies and Harris Corporation to determine our emissions for a new baseline year as a combined company. For this report, Gross global Scope 1 emissions (metric tons CO2e) include total emissions for L3Harris, which includes the combined data for L3 Technologies and Harris Corporation for 2019.

## **C6.3**

# (C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

## Reporting year



## Scope 2, location-based

268.442

#### Comment

As part of our merger, re-base-lining work conducted in 2019 included collecting combined data for L3 Technologies and Harris Corporation to determine our emissions for a new baseline year as a combined company. For this report, Scope 2, location-based emissions (metric tons CO2e) include total emissions for L3Harris, which includes the combined data for L3 Technologies and Harris Corporation for 2019.

## C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

## C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

## Source

- · Scope 1 fugitive emissions from fire extinguishers or fire suppressant systems; and
- Scope 1 Fugitive emissions from refrigerant units that are less than 50 lbs.

#### Relevance of Scope 1 emissions from this source

Emissions are not relevant

## Relevance of location-based Scope 2 emissions from this source

No emissions from this source

## Relevance of market-based Scope 2 emissions from this source (if applicable)

No emissions from this source

## Explain why this source is excluded

In line with recognized carbon accounting guidance, the assessment of GHG emissions includes all identified sources anticipated to make a material contribution (more than 5%) to our total GHG inventory.

However, due to the small size of emissions and difficulties in data collection fugitive emissions from fire extinguishers or fire suppressant systems and refrigerant units that are less than 50lbs have been deemed to be de minimis are therefore excluded from the emissions inventory



#### Source

Minor Scope 1 and 2 emissions due to thermal and electrical energy used at some small locations within L3Harris' operational control with less than 25 employees

## Relevance of Scope 1 emissions from this source

Emissions are not relevant

## Relevance of location-based Scope 2 emissions from this source

Emissions are not relevant

## Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions are not relevant

## Explain why this source is excluded

In line with recognized carbon accounting guidance, the assessment of GHG emissions includes all identified sources anticipated to make a material contribution (more than 5%) to our total GHG inventory.

However, minor Scope 1 and 2 emissions due to thermal and electrical energy used at some small locations within L3Harris' operational control with greater than 25 employees are included in the GHG emissions inventory each year. Locations with less than 25 employees are subject to further review and are screened in accordance with the criteria provided in the IAEG's GHG reporting guidance, which recommends reporting locations which meet at least one of the following criteria:

- Number of employees: greater or equal to 50 (industrial activities) or 100 (warehouses/offices etc.)
- Square feet/meters: 50,000ft2 (4,600 m2) or more
- Annual spend (USD\$) on energy: \$100,000 USD or more because in accordance with the IAEG's GHG reporting guidance emissions from these sources are considered de minimis and not relevant.

## C<sub>6.5</sub>

# (C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

## Purchased goods and services

#### **Evaluation status**

Relevant, not yet calculated

## Please explain

Not yet calculated. We do not currently calculate Scope 3 GHG emissions for Purchased goods and services, but plan to do so following the Aerospace GHG Reporting Guidance supplemental Value Chain (Scope 3) guidance, which is in development by IAEG.

## Capital goods

## **Evaluation status**



Relevant, not yet calculated

## Please explain

Not yet calculated

## Fuel-and-energy-related activities (not included in Scope 1 or 2)

## **Evaluation status**

Relevant, calculated

## **Metric tonnes CO2e**

12,634

## **Emissions calculation methodology**

L3Harris calculated metric tonnes of CO2e due to distribution loss per the GHG Protocol Scope 3 Calculation Guidance for T&D losses using the average-data method and distribution loss rate (%). The distribution loss rate (%) used was the average U.S. nation-wide loss provided by the EIA

(https://www.eia.gov/tools/faqs/faq.php?id=105&t=3). The nation-wide loss was approximately 5.0%. Based on L3Harris' purchased electricity for 2019 (703 GWh), we calculated the amount of electricity that would have been needed to deliver those GWh, taking into consideration a 5.0% loss. We estimate the loss of approximately 12,634 metric tons of CO2e due to transmission and distribution loss.

# Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

## Please explain

L3Harris calculated metric tonnes of CO2e due to distribution loss using the average U.S. nation-wide loss provided by the EIA

(https://www.eia.gov/tools/faqs/faq.php?id=105&t=3). The nation-wide loss was approximately 5.0%. Based on L3Harris' purchased

electricity for 2019 (703 GWh), we calculated the amount of electricity that would have been needed to deliver those GWh taking

into consideration a 5.0% loss. We estimate the loss of approximately 12,634 metric tons of CO2e due to transmission and distribution loss.

## **Upstream transportation and distribution**

## **Evaluation status**

Relevant, not yet calculated

#### Please explain

Not yet calculated

## Waste generated in operations

## **Evaluation status**

Not relevant, explanation provided



## Please explain

The International Aerospace Environmental Group (IAEG) has also developed supplementary guidance to the GHG Protocol for GHG reporting specific to the aerospace industry International Aerospace Environmental Group's (IAEG) GHG Reporting Guidance for the Aerospace Industry: A Supplement to the GHG Protocol Corporate (Scope 1 and 2) and Value Chain (Scope 3) Accounting and Reporting Standards A Supplement to the GHG Protocol Corporate (Scope 1 and 2) and Value Chain (Scope 3) Accounting and Reporting Standards,(May 2019 Version 3) http://www.iaeg.com/elements/pdf/IAEG\_GHG\_Reporting\_Guidance\_Version3\_Final.pd f

This guidance includes the results of a materiality assessment conducted for all scope 3 categories to determine the relevancy of each Scope 3 category to the aerospace industry.

We considered relevant scope 3 emissions as those that are in line with what is included in the IAEG guidance as this provided sector specific recommendations for emission sources.

The IAEG has deemed that Scope 3 emissions from waste generated in operations is not relevant to most aerospace companies.

## **Business travel**

## **Evaluation status**

Relevant, calculated

#### **Metric tonnes CO2e**

17,174.004

## **Emissions calculation methodology**

Calculation provided by a third-party travel management software. Flight data is tracked and CO2e calculated using GHG protocol emission factors.

# Percentage of emissions calculated using data obtained from suppliers or value chain partners

## Please explain

Calculation provided by a third-party travel management software. Flight data is tracked and CO2e calculated using GHG protocol emission factors.

## **Employee commuting**

## **Evaluation status**

Relevant, calculated

## **Metric tonnes CO2e**

112,437



## **Emissions calculation methodology**

Using national averages for commute miles to and from work. 50,000 employees averaging 25 miles a day, 250 working days/year and 24.7 miles per gallon average. Used EPA GHG equivalence calculator https://www.epa.gov/energy/greenhousegasequivalencies-calculator.

# Percentage of emissions calculated using data obtained from suppliers or value chain partners

## Please explain

Using national averages for commute miles to and from work. 50,000 employees averaging 25 miles a day, 250 working days/year and 24.7 miles per gallon average. Used EPA GHG equivalence calculator https://www.epa.gov/energy/greenhousegasequivalencie s-calculator. Please note, we did not have 50K employees across the whole of 2019. This number is a pro-forma number based on the employee count after the merger.

## **Upstream leased assets**

## **Evaluation status**

Not relevant, explanation provided

## Please explain

L3Harris takes an operational control based approach to reporting and report all locations where we are present as part of our Scope 1 and 2 footprint and therefore, we do not have any upstream assets that we lease as part of our Scope 3 footprint. The IAEG has also deemed that this category is not relevant to most aerospace companies.

## **Downstream transportation and distribution**

## **Evaluation status**

Relevant, not yet calculated

## Please explain

Not yet calculated

## **Processing of sold products**

## **Evaluation status**

Relevant, not yet calculated

## Please explain

Not yet calculated

## Use of sold products

## **Evaluation status**



Relevant, not yet calculated

## Please explain

Not yet calculated

## End of life treatment of sold products

## **Evaluation status**

Relevant, not yet calculated

## Please explain

Not yet calculated

## **Downstream leased assets**

## **Evaluation status**

Relevant, not yet calculated

## Please explain

Not yet calculated

#### **Franchises**

#### **Evaluation status**

Not relevant, explanation provided

## Please explain

Not Relevant – L3Harris is not a franchisor and does not operate any franchises.

## **Investments**

## **Evaluation status**

Relevant, not yet calculated

## Please explain

Not yet calculated

## Other (upstream)

## **Evaluation status**

Please explain

## Other (downstream)

## **Evaluation status**

## Please explain



## C-CG6.6

# (C-CG6.6) Does your organization assess the life cycle emissions of any of its products or services?

	Assessment of life cycle emissions	
Row 1	No, and we do not plan to start doing so within the next two years	

## **C6.7**

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

## C<sub>6</sub>.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

## Intensity figure

0.000019

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

349,778

#### Metric denominator

unit total revenue

Metric denominator: Unit total

18,074,000,000

## Scope 2 figure used

Location-based

% change from previous year

23

## **Direction of change**

Decreased

## Reason for change

Legacy Harris had a 0.000024999 Intensity figure for CO2e/\$ revenue. Through operational changes, including energy efficiency projects (reduction in electrical consumption etc. as reported in C4.3b), and divestitures and additions related to the merger, this intensity was reduced to 0.000019.



## Intensity figure

0.016

# Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

349,778

### **Metric denominator**

square foot

Metric denominator: Unit total

21,558,492

## Scope 2 figure used

Location-based

## % change from previous year

12

## **Direction of change**

Decreased

## Reason for change

Legacy Harris had a 0.018 intensity figure for CO2e/square foot (this was recalculated based on updated data). Through operational changes, including energy efficiency projects (reduction in electrical consumption), and divestures and additions related to the merger, this intensity was reduced to 0.016.

## C7. Emissions breakdowns

## C7.1

# (C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

No

## C7.2

## (C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)	
United States of America	72,932	
Australia	439	
Canada	2,589	
China	0	



Costa Rica	0
Germany	93
India	22
Italy	432
New Zealand	2,038
Portugal	1,002
Republic of Korea	0
Singapore	0
Thailand	3
United Kingdom of Great Britain and Northern Ireland	1,787

## **C7.3**

# (C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

## C7.3a

## (C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Aviation Systems	28,412
Communication Systems	7,001
Integrated Mission Systems	33,422
Space and Airborne Systems	12,501

## **C7.5**

## (C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location- based (metric tons CO2e)	Scope 2, market- based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
United States of America	257,866		662,137	
Australia	1,224		1,541	
Canada	3,632		20,934	
China	4		7	



Costa Rica	0	718	
Germany	279	726	
India	65	90	
Italy	387	1,183	
New Zealand	0	245	
Portugal	363	1,405	
Republic of Korea	133	247	
Singapore	13	33	
Thailand	2,180	4,568	
United Kingdom of Great Britain and Northern Ireland	2,296	9,297	

## **C7.6**

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

## C7.6a

## (C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Aviation Systems	55,939	
Communication Systems	43,200	
Integrated Mission Systems	84,871	
Space and Airborne Systems	84,431	

## C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

This is our first year of reporting, so we cannot compare to last year

## C-CG7.10

(C-CG7.10) How do your total Scope 3 emissions for the reporting year compare to those of the previous reporting year?

This is our first year of reporting



## C8. Energy

## C8.1

# (C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

## **C8.2**

## (C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy- related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	Yes
Generation of electricity, heat, steam, or cooling	No

## C8.2a

# (C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non- renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	749,149	749,149
Consumption of purchased or acquired electricity		1,432	701,697	703,130



Consumption of purchased or acquired steam	0	15,253	15,253
Consumption of purchased or acquired cooling	0	32	32
Total energy consumption	1,432	1,466,132	1,467,564

## C8.2b

## (C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

## C8.2c

# (C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

## Fuels (excluding feedstocks)

Diesel

## **Heating value**

HHV (higher heating value)

## Total fuel MWh consumed by the organization

30,489

## **Emission factor**

10.21

Unit



kg CO2 per gallon

## **Emissions factor source**

U.S. EPA Emission Factors for Greenhouse Gas Inventories; Last Modified 26 Mar 2020

#### Comment

Diesel fuel used in operations

## **Fuels (excluding feedstocks)**

Propane Gas

## **Heating value**

HHV (higher heating value)

## Total fuel MWh consumed by the organization

179,253

#### **Emission factor**

5.72

## Unit

kg CO2e per gallon

## **Emissions factor source**

U.S. EPA Emission Factors for Greenhouse Gas Inventories; Last Modified 26 Mar 2020

## Comment

Propane gas used in operations and for comfort heat.

## **Fuels (excluding feedstocks)**

Motor Gasoline

## **Heating value**

HHV (higher heating value)

## Total fuel MWh consumed by the organization

180,433

## **Emission factor**

8.78

#### Unit

kg CO2 per gallon

## **Emissions factor source**

U.S. EPA Emission Factors for Greenhouse Gas Inventories; Last Modified 26 Mar 2020

## Comment



## Gasoline used in operations

## **Fuels (excluding feedstocks)**

Jet Kerosene

## **Heating value**

HHV (higher heating value)

## Total fuel MWh consumed by the organization

43,120

## **Emission factor**

9.75

## Unit

kg CO2e per gallon

## **Emissions factor source**

U.S. EPA Emission Factors for Greenhouse Gas Inventories; Last Modified 26 Mar 2020

## Comment

Jet fuel used in operations

## **Fuels (excluding feedstocks)**

**Natural Gas** 

## **Heating value**

HHV (higher heating value)

## Total fuel MWh consumed by the organization

315,854

## **Emission factor**

53.06

## Unit

metric tons CO2 per million Btu

## **Emissions factor source**

U.S. EPA Emission Factors for Greenhouse Gas Inventories; Last Modified 26 Mar 2020

#### Comment

Natural Gas used in operation s and for comfort heat



## C-CG8.5

# (C-CG8.5) Does your organization measure the efficiency of any of its products or services?

		Measurement of product/service efficiency	
F	Row 1	No, and we do not plan to start doing so within the next two years	

## C9. Additional metrics

## C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

# C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment	
Row 1	No		

## C10. Verification

## C10.1

# (C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	No third-party verification or assurance
Scope 2 (location-based or market-based)	No third-party verification or assurance
Scope 3	No third-party verification or assurance

## C<sub>10.2</sub>

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

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



## C11. Carbon pricing

## C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, and we do not anticipate being regulated in the next three years

## C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

## C11.3

(C11.3) Does your organization use an internal price on carbon?

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

## C12. Engagement

## C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our customers

## C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

## Type of engagement

Education/information sharing

## **Details of engagement**

Run an engagement campaign to education customers about your climate change performance and strategy

% of customers by number

3

% of customer - related Scope 3 emissions as reported in C6.5

0



# Please explain the rationale for selecting this group of customers and scope of engagement

Share information on climate change performance and strategy with our customers that request visibility into these metrics. At this time we are unable to allocate scope 3 emissions to specific customers.

## Impact of engagement, including measures of success

The impact of our engagement increases the visibility of our climate change performance and strategy with our customers, primarily the US government, which is striving to increase its focus on environmental sustainability. By providing additional data we are helping our customers increase their environmental sustainability strategy to include their suppliers.

## C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Trade associations

## C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

No

## C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Participation and engagement with trade associations is vetted through the Corporate Environmental, Health & Safety (EHS) group in ensure alignment with the companies' overall environmental sustainability strategy. To ensure a consistent approach maintained to multiple engagement activities at least one member of the Corporate EHS team participates in engagement with all trade associations that are approved.

## C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

#### **Publication**

No publications with information about our response to climate-related issues and GHG emissions performance



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Attach the document

Page/Section reference

**Content elements** 

Comment

## C15. Signoff

## C-FI

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

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

## C15.1

# (C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

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

## SC. Supply chain module

## SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

N/A



## SC0.1

## (SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	18,074,000,000

## SC0.2

(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?

No

## SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

## SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

## SC1.3

# (SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
Diversity of product lines makes	At this time we do not have data segregated by
accurately accounting for each	customer/product. We track greenhouse gas (GHG), water
product/product line cost ineffective	and waste metrics on a strictly facility/location basis.

## SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

Yes

## SC1.4a

## (SC1.4a) Describe how you plan to develop your capabilities.

Our preliminary plan would be to integrate our accounting for customers/products with EHS metrics so we can segregate data associated with customers/product.



## SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

## SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

## No

## SC3.1

(SC3.1) Do you want to enroll in the 2020-2021 CDP Action Exchange initiative?

## SC3.2

(SC3.2) Is your company a participating supplier in CDP's 2019-2020 Action Exchange initiative?

No

## SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

No, I am not providing data

## Submit your response

In which language are you submitting your response?

English

## Please confirm how your response should be handled by CDP

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

## Please confirm below



I have read and accept the applicable Terms