
(W1.4a) What percentage of your c

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

	Rationale for approach to risk assessment	Explanation of contextual issues considered	Explanation of stakeholder considered	

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

Our ERM process follows the COSO framework which is the definitive standard designed to prioritize organizational risks and measures how risks impact business performance. Senior leaders and subject

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

Type of opportunity

Efficiency

Primary water-related opportunity

Improved water efficiency in operations

Company-specific description & strategy to realize opportunity

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

An example is our Arizona location which implemented multiple water reduction projects resulting in 7 million gallons of water savings, or 20% of overall facility water use. Projects included increasing the cycles of concentration in the cooling towers to reduce makeup water, converting a water treatment system from continuous to on-demand operation, adding cooling tower scrubber blowdown conductivity controllers and converting an irrigation-intensive area of lawn to desert landscaping.

Annual Results:

Water reduction of 7,000,000 gallons

\$35,000 dollars savings

20% Year-over-year reduction – helping the facility work toward achieving its water reduction target and the overall corporate water goals.

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

In 2022 we continued our water strategy initiative by identifying four priority facilities based on relatively high water usage and high water costs compared to other L3Harris facilities to implement large-scale water conservation and efficiency projects. Potential opportunities to reduce onsite water use were considered for each site, including the evaluation of existing water processes and use of alternative water sources to reduce potable water demand.

Estimated timeframe for realization

1 to 3 years

Magnitude of potential financial impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

35315

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact

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

- Provide support during the planning and scoping process of capital projects;
- Help determine technology and equipment options with lower environmental sustainability impacts while maintaining program and/or functional requirements;
- Standardize how project impacts are calculated across the company; and

The Environmental Sustainability Calculators are used to evaluate impacts and cost to gauge financial investment required and to understand the positive/negative impact projects have on accomplishing our environmental sustainability goals.

The estimated annual financial impact is based on annual savings achieved from recent projects at the Arizona site. Projects included increasing the cycles of concentration in the cooling towers to reduce makeup water, converting a water treatment system from continuous to on-demand operation, adding cooling tower scrubber blowdown conductivity controllers and converting an irrigation-intensive area of lawn to desert landscaping. A 20% reduction was achieved.

Annual Results:

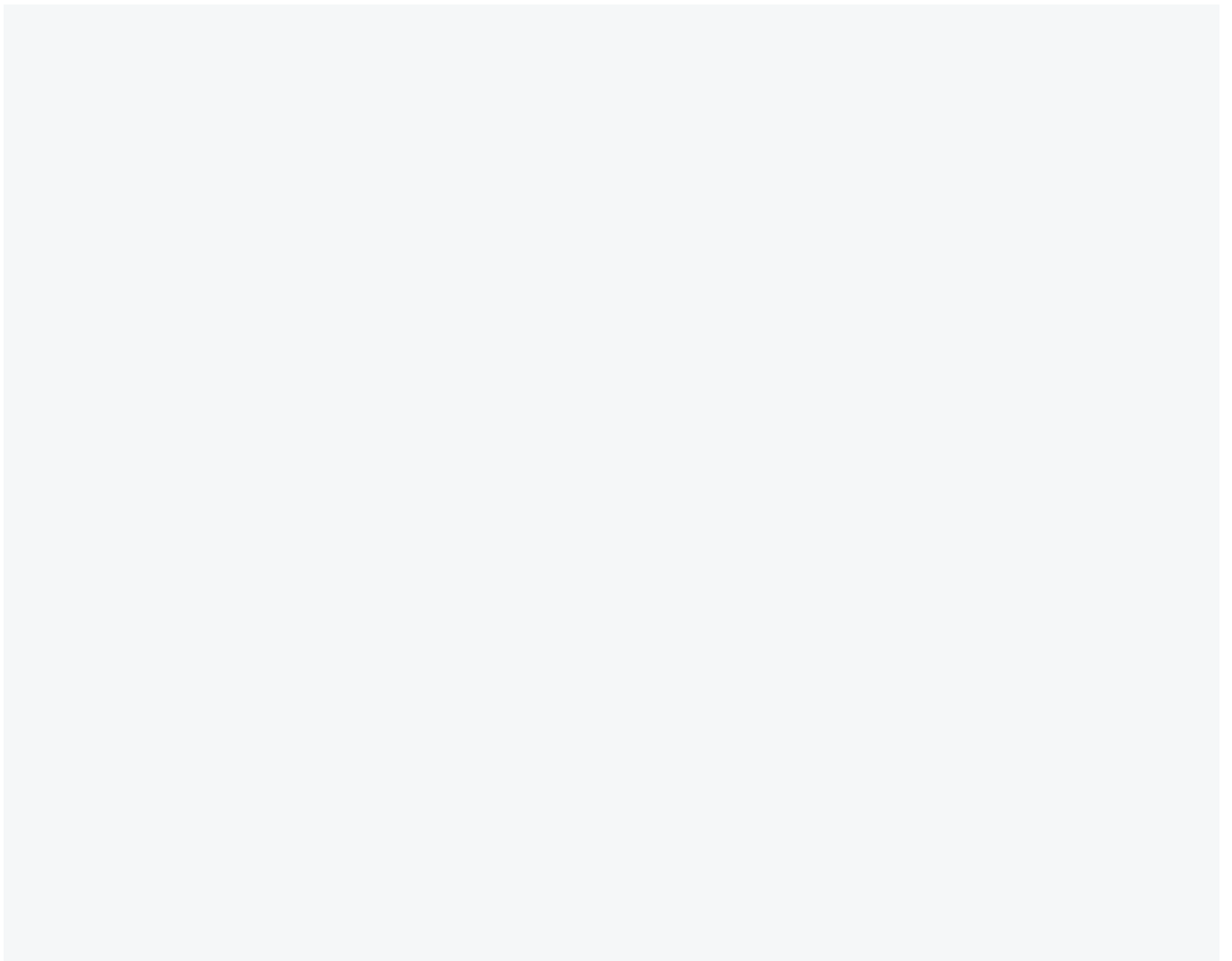
Water reduction of 7,000,000 gallons x water price of \$5.00 per 1000 gallons

\$35,000 dollars savings

W6. Governance

W6.1

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