

# MOTOROLA SOLUTIONS

## 2015 CORPORATE RESPONSIBILITY REPORT

# CONTENTS

<b>INTRODUCTION.....</b>	<b>3</b>
Scope of Report.....	3
Reporting Standards .....	3
Material Issues .....	3
<b>GOVERNANCE AND POLICIES.....</b>	<b>4</b>
Policies .....	4
Business Conduct.....	4
Addressing Concerns .....	5
Government Affairs and Lobbying.....	6
Political Contributions in the United States .....	7
<b>OPERATIONS AND THE ENVIRONMENT.....</b>	<b>8</b>
Environment, Health and Safety Management.....	8
Site Remediation.....	8
Energy and Climate Impact.....	9
Waste and Recycling .....	10
Water Use .....	10
Volatile Organic Materials.....	10
<b>PRODUCT STEWARDSHIP.....</b>	<b>11</b>
Product Design .....	11
Materials Management.....	11
Energy Efficiency.....	11
Packaging.....	11
Product Recycling and Battery Take Back.....	12
<b>SUPPLY CHAIN.....</b>	<b>13</b>
Suppliers.....	13
Risk Assessment.....	13
Auditing and Improving.....	14
Conflict Minerals.....	16
Supplier Diversity.....	17
<b>EMPLOYEES.....</b>	<b>18</b>
Global Workforce.....	18
Inclusion and Diversity.....	18
Total Rewards .....	19
Benefits .....	20
Safety.....	20
<b>COMMUNITY.....</b>	<b>21</b>
<b>GLOBAL REPORTING INITIATIVE (GRI) G4 REFERENCE.....</b>	<b>22</b>
<b>SUSTAINABLE ACCOUNTING STANDARDS BOARD (SASB) .....</b>	<b>22</b>

## OVERVIEW

This new format for our 2015 Corporate Responsibility (CR) Report is designed to meet the needs primarily of investment analysts. We believe it is a more efficient form of reporting, both to produce and to obtain information from.

We present our CR metrics and goals in a simplified format. Case studies and a narrative on our approach are on our [CR site](#). We welcome comments or questions on this report to [corpresponsibility@motorolasolutions.com](mailto:corpresponsibility@motorolasolutions.com).

## INTRODUCTION

### SCOPE OF REPORT

This CR report covers Motorola Solutions' CR strategy and programs for fiscal year 2015 (Jan. 1, 2015, to Dec. 31, 2015), including all of our global operations, unless otherwise noted.

### REPORTING STANDARDS

The Global Reporting Initiative G4 framework and the Sustainability Accounting Standards Board are referenced when relevant (p. 22).

### MATERIAL ISSUES

Our CR management and reporting focuses on the issues most material to our business, which we keep under regular review. Our last materiality assessment was conducted in March 2014.

#### **Most Material Issues**

- Data privacy and cybersecurity
- Employee health and safety
- Ethics, bribery and corruption

#### **Other Significant Issues**

- Community investment
- Conflict minerals sourcing
- Disaster relief
- Employee development
- Employee diversity and inclusion
- Government lobbying
- Greenhouse gas emissions of operations
- Human rights
- Labor relations and workplace restructuring
- Product design
- Product disposal and recycling
- Product energy efficiency
- Raw materials production environmental impacts
- Substances of concern in products
- Supplier environmental impacts
- Supplier labor and health and safety standards
- Waste and recycling in operations

## GOVERNANCE AND POLICIES

### POLICIES

The following policies govern aspects of our CR performance:

- [Complete List of Policies and Codes](#)
- [Code of Business Conduct](#)
- [Corporate Governance](#)
- [Human Rights Policy](#)
- [Political Contributions](#)
- [Principles of Conduct for Members of Board of Directors](#)
- [Privacy Statement](#)
- [Supplier Code of Conduct](#)
- [Wireless Communications and Health](#)

### BUSINESS CONDUCT

We are committed to conducting our business with integrity, which is essential to earning the trust of our stakeholders. We raise awareness of our standards so that employees understand our values and encourage employees and third parties to report ethical concerns. We investigate all allegations of ethical misconduct and take appropriate actions where claims are substantiated.

2015 Goals	Progress
Deliver live ethics training to high-impact audiences including 100 senior leaders	<b>Achieved:</b> Delivered live ethics training to more than 500 employees, including 100 senior leaders
Enhance the online system used for conducting third-party sales representatives due diligence and sponsorship of government travel	<b>Achieved:</b> Strengthened control of the third-party sales representative payment process and implemented enhancements to expedite the review of requests for sponsoring government travel
Strengthen the Conflicts of Interest and Board Memberships policies	<b>Achieved:</b> Enhanced the due diligence process by incorporating more detailed questions and increased policy awareness and use of the online tool through additional training

2016 Goals
Ensure employees are appropriately trained by institutionalizing the use of personalized monthly Core Compliance training progress reports
Perform a comprehensive review of the company’s global anti-corruption compliance plan to ensure alignment with best practices and current government guidance

<b>Communications and Training</b>	2013	2014	2015
New or promoted employees who received ethics communications training	2,272	3,500	2,300
Employees globally who received live ethics and compliance training	1,000	250	500
Percent of new vice presidents who received a one-on-one briefing from Chief Compliance Officer	100%	100%	100%
Online ethics and compliance training course sessions completed by employees	N/A	N/A	30,000

<b>Due Diligence</b>	2013	2014	2015
Number of third-party sales representatives (TPSRs) who received due diligence reviews	1,200	1,000	983
Percent of global partners who received anti-corruption training	100%	100%	100%

## ADDRESSING CONCERNS

We respond to people who contact us with ethical concerns quickly and handle their requests discreetly. Calls received by the EthicsLine are not recorded, and we have no systems or devices to identify the caller or the telephone number from which the call was placed.

Business conduct champions (BCCs) provide guidance to employees on our ethics policy and Code of Business Conduct at a local level. BCCs work with country managers, who are responsible for country governance and compliance.

<b>Reports to Office of Ethics</b>	2013	2014	2015
Reports requiring investigation	54	36	37
Investigations substantiated	22	24	14
Investigations closed	53	64	36
Resulting disciplinary actions	25	35	13

<b>Disciplinary Actions</b>	2013	2014	2015*
Separation	13	26	6
Written Warning	5	5	7

\*Volumes in 2015 reflect a reduced workforce and third-party sales representative population

<b>Reports by Topic*</b>	2013	2014	2015
Human Resources	73	45	45
Products	2	4	3
Allegations of Impropriety	77	49	45
Code of Business Conduct	55	43	20
Audit and Accounting	13	7	2
Other	45	24	9

\*More than one topic may apply to a single report

<b>Reporting Channels Used</b>	2013	2014*	2015*
EthicsLine (telephone and email)	97	59	40
EthicsLine interactive (online)	24	30	18
Business Conduct Champions	29	12	16
Audit Activity	1	0	2
Other	63	49	36

\*Volumes in 2014 and 2015 reflect a reduced workforce and third-party sales representative population

## GOVERNMENT AFFAIRS AND LOBBYING

Motorola Solutions engages with governments and regulators on issues of significance to our company. We work within applicable laws wherever we operate. We promote and advocate for policies that further our business objectives and benefit our customers, including:

- Cybersecurity, data security and privacy
- Funding
- International free trade agreements
- Spectrum allocation

We have policies for the disclosure and oversight of lobbying activities and comply with all laws governing lobbying activities. Employees who seek to engage in lobbying, or retain an independent contractor as a lobbyist on behalf of the company must first consult the government affairs department and obtain written approval. We conduct training on applicable laws and the company's lobbying policies and processes. We require individual lobbyists to file all required reports, registrations and disclosures.

## POLITICAL CONTRIBUTIONS IN THE UNITED STATES

In the United States, where permitted by federal, state and local law, Motorola Solutions and its employees engage in the political process and support those candidates—regardless of party affiliation—who understand and support policy issues that advance our competitive and innovative success in the United States and globally. Legal corporate contributions, as well as legal contributions made by our non-partisan employee political action committee (PAC), are based on the interests of the company without regard to the personal political preferences of our executives.

We have a robust policy and an internal political contribution approval process to ensure compliance with current campaign finance and disclosure laws, as well as with our Code of Business Conduct. A committee within our government affairs department develops a plan identifying the candidates and campaigns that will receive contributions based on a non-partisan effort to advance and protect the interests of our company, our stockholders and our employees. The company's vice president of government affairs reviews the plan, and our legal counsel reviews all political contributions in advance. In addition, the Motorola Solutions board of directors receives an annual report of all political contributions.

Criteria for assessing candidates include:

- Assignments on key legislative committees
- Champions for public safety/mission-critical communications
- Geographic representation of our sites and employee population
- Leadership on important business objectives
- Strong or emerging positions on issues that impact the high-tech industry and the business community

Eligible employees participate voluntarily in our non-partisan PAC, which enables them to pool their voluntary contributions to support federal, state and local candidates, political party committees and PACs. The PAC giving criteria are approved each year by the PAC board of directors. In 2015, the Motorola Solutions PAC distributed \$311,075 in employee contributions. View the Motorola Solutions PAC 2015 contributions.

While U.S. law prohibits corporate contributions to federal political candidates, these contributions may be used in some states for candidates seeking state or local offices. In 2015, we contributed \$424,962 to state and local candidates, party committees and ballot-measure campaigns.

Motorola Solutions is a member of trade associations in the United States that represent the public policy objectives of our industry. We paid annual dues of \$50,000 or more to belong to these associations in 2015:

- Business Roundtable
- Civic Committee of the Commercial Club of Chicago
- Information Technology Industry Council
- Telecommunications Industry Association
- U.S. Chamber of Commerce

## OPERATIONS AND THE ENVIRONMENT

### ENVIRONMENT, HEALTH AND SAFETY MANAGEMENT

Our Environment, Health and Safety (EHS) management system is certified to the international standards ISO 14001 and OHSAS 18001. It covers all of our manufacturing sites and our larger facilities. In addition, eight of our sites are certified to ISO 14001 and six to OHSAS 18001.

We ask our tier-one suppliers (suppliers we buy directly from) to have an environmental management system in accordance with ISO 14001 or an equivalent standard and expect our suppliers to pass on this requirement through their supply chains. We monitor compliance with this requirement through our supplier assessment program.

We conduct EHS audits at our sites to assess compliance with our EHS policy, management system and legal requirements. Our ISO 14001- and OHSAS 18001-certified sites each undergo one of the following audits at least once a year:

- Internal EHS management system audit—every two years by internally qualified auditors
- EHS legal compliance audits—every three years by independent third-party auditors
- ISO 14001 and OHSAS 18001 surveillance audits—approximately every two years by independent third-party auditors

Audits Conducted	2013	2014	2015
EHS Legal Compliance	6	6	1
ISO 14001/OHSAS 18001 Surveillance Audits	3	2	4
ISO 14001/OHSAS 18001 Motorola Solutions Headquarters Audits	1	1	1
Internal EHS Management System Audits	2	2	1

EHS Non-compliances	2013	2014	2015
Environmental*	1	0	0
Safety*	0	1	0
Fines/penalties (USD)**	\$1,555	\$170	\$0

\*Notices of violation, citations, administrative orders or notices of non-compliance

\*\* The fine received in 2013 was in relation to a minor incident of exceeding copper consent limits within our treated wastewater discharge; the fine received in 2014 was due to a minor fire code violation at our facility in Russia

### SITE REMEDIATION

Motorola Solutions is involved in environmental remediation at several current and former manufacturing locations and former waste-disposal facilities. Past activities that were common and accepted practices at the time of operation led to the need for remediation activities to restore these sites to an acceptable condition.

At the end of 2015, we had \$52.3 million reserved to cover environmental liabilities. We share environmental liabilities and remediation expenses with other companies and organizations operating at these sites. For more information on our remediation program, please [click here](#).



## ENERGY AND CLIMATE IMPACT

### Energy

Motorola Solutions used 272 million kilowatt hours of energy, a decrease of 30.5 percent from our 2011 baseline. We measure environmental impacts at our main sites, which accounted for 77 percent of total floor space for our energy data. We extrapolate the measured data to provide an estimate of impacts for the remaining 23 percent of floor space.

Globally, 30 percent of electricity came from renewable sources, including 5 percent of renewable energy available in the power grid and 25 percent from voluntary renewable purchases. Green-e certified renewable energy certificates (RECs) from Greenlight Energy will prevent an estimated 33,933 tonnes of CO<sub>2</sub> emissions.

During the year, we closed and combined some facilities, leading to a decrease in absolute energy use. Some larger facilities are being renovated with efficient heating and cooling systems, insulation, LED lighting and energy-management systems.

### Climate Impact

Our carbon footprint (Scope 1 and 2 emissions from Greenhouse Gas Protocol) totaled 166,202 tonnes of CO<sub>2</sub> equivalent emissions, a decrease of 12 percent compared to 2014 and 16 percent from 2011. This decrease surpassed our 2015 goal by 1 percent.

In 2016, we will establish new goals for 2020 to reduce Scope 1 and 2 emissions, using 2016 as a baseline.

<b>Energy Use: Electricity and Natural Gas (Million kWh)</b>	2013	2014	2015
Measured Energy Use	296	240	209
Total Estimated Energy Use	379	307	272

<b>Renewable Energy Use as a Percent of Total Energy Use</b>	2013	2014	2015
	23%	28%	30%

<b>Carbon Footprint Scope 1,2 and 3 (Business travel) [Tonnes CO<sub>2</sub>e]</b>	2013	2014	2015
	276,366	265,209	184,782

<b>Carbon Footprint Scope 1,2 and 3 (Business travel) [Tonnes CO<sub>2</sub>e per million sales dollars]</b>	2013	2014	2015
	21.5	32.0	29.2

## WASTE AND RECYCLING

### 2015 Progress

We produced 3,973 tonnes of total waste, 18 percent less than in 2014 and 54 percent less compared to our 2011 baseline. Our total waste includes hazardous and non-hazardous wastes. Of this total, 97 percent is non-hazardous, and 3 percent is hazardous (including electronic waste in countries where electronic scrap is regulated as hazardous waste). Of the non-hazardous waste we generated in 2015, 64 percent was recycled, 5 percent was reused, and 2 percent was burned for energy recovery. We sent 29 percent to a landfill.

Our 2015 recycling rate was the highest to date, but we did not meet our 2015 recycling rate goal of 90 percent. In 2016 we will evaluate our performance and set a revised waste-reduction goal for 2020.

Waste and Recycling	2013	2014	2015
Total Waste (tonnes)	5,695	4,868	3,973
Waste Per Employee (tonnes/employee)	0.23	0.24	0.23
Recycling Rate (%)	68%	69%	72%

## WATER USE

Nearly all of the water we use in our own operations is in cafeterias, restrooms or cooling towers. We use very little water in manufacturing. At most sites, we discharge wastewater to public sewer systems for treatment in compliance with regulations.

Our water consumption reporting is independently verified by Bureau Veritas annually. Our 2015 Verification Statements are available on [our website](#), and our 2015 Verification Statement is expected to be published on the website in May 2016. We measure environmental impacts at main sites, accounting for 70 percent of total floor space for our water data. We extrapolate the measured data to provide an estimate of impacts for the remaining 30 percent of the total floor space.

Water Use (1,000 cubic meters)	2013	2014	2015
Measured	649	498	454
Total Estimated	877	701	650

## VOLATILE ORGANIC MATERIALS

The majority of our volatile organic material (VOM) emissions result from our manufacturing lines.

Volatile Organic Materials (Tonnes)	2013	2014	2015
	6	6	6

## PRODUCT STEWARDSHIP

From batteries to logistics systems and software, we look for innovative ways to reduce the direct environmental impacts of our products and help our customers reduce the footprint of their operations.

### PRODUCT DESIGN

We consider environmental impacts in the design of our products and work across all stages of the life cycle to reduce the footprint and increase environmental benefits.

#### Environmental Design Principles

- Comply with laws and regulations
- Use environmentally preferred materials
- Improve energy efficiency and reduce our product carbon footprint
- Reduce material consumption, including packaging
- Increase the recyclable content of our products

### MATERIALS MANAGEMENT

We work to reduce hazardous substances in our products and find environmentally sound alternatives, without compromising performance and quality.

We follow all relevant regulations for substance restrictions, including the European Union (EU) directive on the restriction of hazardous substances, China's Management Methods and the EU's Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) regulation.

We take a precautionary approach to materials selection and have compiled a list of 85 substance categories targeted for exclusion, reduction or reporting. Please see the list of specific substances [here](#).

### ENERGY EFFICIENCY

We are improving energy efficiency across our product range. Evolving regulatory and customer requirements for energy-efficient products align with our drive to reduce carbon impacts across our portfolio.

We also integrate alternative energy into infrastructure deployments, such as base stations that use electricity generated by wind and solar energy and backup energy generated by hydrogen fuel cells.

### PACKAGING

We are optimizing product packaging by:

- Reducing the weight and volume of packaging
- Replacing packaging materials with environmentally preferential alternatives, including increasing use of recycled and recyclable materials
- Reducing in-box printed materials
- Improving shipping densities for freight packaging

All of our new products and many of our existing products use packaging marking and materials that comply with regulations and industry standards. Wherever possible, we aim to reduce environmental impacts from freight packaging by:

- Increasing packaging density, such as including more products per case
- Double stacking pallets on each shipment
- Using cardboard boxes instead of wood crates to reduce weight

## PRODUCT RECYCLING AND BATTERY TAKE BACK

We operate take-back programs on our own and in partnership with customers, retailers, recyclers and governments.

We are legally required to take back and recycle our products in the European Union and the European Economic Area under the Waste Electrical and Electronic Equipment Directive (WEEE) and on a product-by-product basis in various other jurisdictions. Our commitment goes beyond legislation. For example, we currently have take-back programs in place in our North America; Latin America; Asia-Pacific; and Europe, Middle East and Africa regions.

<b>Global Take-Back and Recycling Programs (Tonnes collected)</b>	2013	2014	2015
	620	572	761

We fully comply with the EU battery directive. We also voluntarily publish product data sheets that help our customers manage our three main types of batteries:

- [Nickel Cadmium \(NiCd\)](#)
- [Nickel-Metal Hydride \(NiMH\)](#)
- [Lithium Ion \(Li-ion\)](#)

Please see our [website](#) for more information about recycling batteries.

We run take-back initiatives around the world. Please visit our [recycling website](#). To learn more about how to recycle Motorola Solutions equipment, batteries and all other products. In 2015, our total electronic waste collected for recycling increased by 33 percent from 2014 and 23 percent from 2013.

## SUPPLY CHAIN

### SUPPLIERS

We engage with our tier-one suppliers (suppliers we buy from directly) to assess their performance and to encourage improvement and ownership of the issues. We also expect our tier-one suppliers to pass down social and environmental responsibility requirements to their suppliers.

### RISK ASSESSMENT

We completed 1,434 risk assessments in 2015, including suppliers representing 76 percent of our supply chain spend. Motorola Solutions assesses risk in the supply chain by evaluating the type of supplier and the type of service or product each is providing. Annually, we continue a risk-based supplier-assessment program. The focus is on driving audits for high-risk suppliers selected on the basis of self-assessment questionnaires and reports of issues.

For tier-one direct manufacturing suppliers we use the Electronic Industry Citizenship Coalition (EICC) EICC-ON tool that assesses labor, ethics, health and safety and environmental sustainability risk. The EICC system allows for sharing of monitoring information between members to avoid duplication of effort and presents a consistent set of requirements to electronics industry suppliers. In 2015, 124 suppliers were assessed using EICC-ON. High-risk suppliers are targeted for audits, and medium-risk suppliers are given feedback and invited to engage in dialogue with us to develop plans to address their risks.

Indirect suppliers, or field service suppliers, are risk assessed first through our internal procurement system. Suppliers identified by the system as higher risk are required to complete further assessment through a Pacific Industrial Contractor Screening (PICS) questionnaire, focusing on health, safety and environmental risks. We screened 980 suppliers using our internal procurement system assessment tool and further assessed 330 suppliers through PICS.

2015 Goals	Progress
Ensure suppliers accounting for 80 percent of spend are evaluated for risk at least every two years	<b>Achieved:</b> More than 80 percent of suppliers were evaluated through our preliminary screening process — those not asked to complete a self-assessment questionnaire were deemed to be of insignificant risk. Self-assessment questionnaires were completed by suppliers accounting for 76 percent of spend.
Conduct four supplier training events	<b>Achieved:</b> Five training events were conducted in Asia and Latin America.

2016 Goals
Ensure that suppliers accounting for 80 percent of our spending are evaluated for risk at least every two years
Conduct four supplier training events in Malaysia and other Asian countries
Conduct audits of at least 12 high-risk suppliers according to the risk-based program protocol and using a qualified third-party audit firm
Collaborate with industry partners to provide training to suppliers in their native languages

## AUDITING AND IMPROVING

Supplier risk assessments are backed by our audit program, in which detailed on site audits are conducted by an EICC-approved third-party firm commissioned by Motorola Solutions. We decide which facilities to audit based on information collected through self-assessments, specific reports made to our EthicsLine and other reporting channels, along with risk factors such as activity, location and reputation. We may include new suppliers and periodically audit suppliers with which we have the largest commercial relationships to ensure they remain in compliance with our Supplier Code of Conduct. We conducted audits of 14 sites in 2015 and plan to conduct audits of at least 12 high-risk suppliers in 2016.

Following the audit, we provide feedback to suppliers and work with them to correct the issues identified. We may use a follow-up audit, conducted by a third party or our own supply chain team, to verify that suppliers have made the necessary improvements.

### 2015 Risk Assessments

Reason for Audit		2015
Planned		11
Issue Response		0
New Suppliers		0
Follow-Up		3
Total Sites Audited		14

### Most Common Supplier Audit Findings

Most Common Supplier Audit Findings		2015
Working Hours		23
Emergency Preparedness		33
Occupational Safety		12
Freely Chosen Employment		21
Freedom of Association		11

**2015 Risk Assessments** continued

<b>Number of Issues Identified</b>	<b>2015</b>
<b>Ethics</b>	
Business integrity and no improper advantage	11
Disclosure of information	1
Protection of intellectual property	5
Protection of identity	8
Fair business, advertising and competition	10
Community engagement	0
Non-retaliation	2
Responsible sourcing of minerals	2
<b>Labor</b>	
Freely chosen employment	21
Child labor avoidance	7
Underage workers	0
Protection of workers aged 16 and 17	0
Working hours	23
Wages and benefits	6
Humane treatment	2
Non-discrimination	8
Freedom of association	11
<b>Health and Safety</b>	
Occupational safety	12
Emergency preparedness	33
Occupational injury and illness	10
Industrial hygiene	3
Physically demanding work	1
Machine safeguarding	1
Dormitory and canteen	9
<b>Environment</b>	
Environmental permits and reporting	2
Pollution prevention	1
Hazardous substances	6
Wastewater and solid waste	3
Air emissions	2
Machine safeguarding	0
<b>Management System</b>	
Company commitment	2
Management accountability and responsibility	8

**2015 Risk Assessments** continued

Legal and customer requirements	3	
Risk assessment and risk management	10	
Performance objectives with implementation plan and measures	6	
Training	4	
Communication	4	
Worker feedback and participation	6	
Audits and assessments	7	
Corrective actions process	7	
Documentation and records	7	
Management understanding of EICC code	0	
Supplier responsibility	9	
	Total Issues	273
	Percent of supplier issues closed/resolved	49%

## CONFLICT MATERIALS

Our products contain various metals, including tantalum, tin, tungsten and gold (3TG), originating from mines around the world. Some of this production comes from the Democratic Republic of the Congo (DRC) and neighboring countries, where political instability and lack of security have allowed mines to be exploited by armed groups. We steer clear from any activities that could be associated with financing armed conflict, and we engage extensively across our supply chain to seek solutions to this problem.

### Implementing Due Diligence in Our Supply Chain

We aim to confirm the presence of 3TG metals in products supplied to Motorola Solutions and to identify the smelters or refiners from which our suppliers source these metals.

We use the Conflict-Free Sourcing Initiative (CFSI) Conflict Minerals Reporting Template (CMRT) to engage suppliers. We review responses for completeness and consistency and follow up when appropriate.

Our due diligence program is fully disclosed in our report to the U.S. Securities and Exchange Commission. The 2014 report is available, [here](#). Our 2015 report will be issued in May 2016.

Due Diligence	2013	2014	2015
Responses received from suppliers	174	175	171
Percent of in-scope spend	N/A	90%	93%
Smelters verified by CFSI	200	251	298
Smelters certified as conflict free	70	157	211
Tantalum smelters in supply chain	55	39	45
Percent of tantalum smelters certified as conflict free	58%	100%	100%



## SUPPLIER DIVERSITY

Motorola Solutions ensures that businesses owned by women and minority groups are included in our supplier selection process. In the United States, the government and many of our customers require that we source from diverse suppliers. We believe supplier diversity promotes innovation and creativity and enables us to better meet the needs of our customers.

Supplier Diversity	2013	2014	2015
Diverse suppliers	9%	14%	14%
Small business suppliers	29%	23%	23%

2015 Goals	Progress
Spend 12 percent of our tier-one budget in the United States with diverse suppliers	<b>Achieved:</b> Our tier-one spend with diverse suppliers was 14 percent.
Establish corporate goals to achieve a target percentage of diverse spend	<b>Achieved:</b> Our corporate supplier diversity goal is 10 percent, in line with industry standards. In 2015, we achieved 14 percent spend on diverse suppliers in aggregate.
Commit to achieving the goals of the Federal Government Small Business Subcontracting Program	<b>Achieved:</b> We meet federal supplier diversity goals as stated in each of our individual federal contracts.
Meet customers' diversity and subcontracting goals through Tier 1 and Tier 2 programs	<b>Achieved:</b> We procure goods and services directly from diverse suppliers and through partnerships. By combining direct and indirect spend (Tier 2), we meet our customers' goals.

2016 Goals
Spend more than 14 percent of our tier-one spending in the United States with diverse suppliers
Upgrade diversity spend tools to improve data management and reporting
Update supplier diversity webpages to provide clear direction and information
Build and expand relationships with regional and national diversity councils and organizations

### 2015 National Diversity Council Memberships

- National Minority Supplier Development Council (NMSDC)
- Technology Industry Group (TIG)
- Women's Business Enterprise National Council (WBENC)

## EMPLOYEES

### GLOBAL WORKFORCE

We invest in employees so they can reach their full potential, providing opportunities for professional development at every level. We seek to build an inclusive culture that allows diversity of thought and experience to thrive.

<b>Global Workforce</b>	2013	2014	2015
Employees	21,000	14,000	14,000
Full-time employees (%)	99	99	99
Part-time employees (%)	1	1	1
Investment in learning and development (USD, millions)	\$7.5	\$9.2	\$8

### INCLUSION AND DIVERSITY

We strive to create an inclusive, open environment where employees' diversity of thought, attributes, cultures and experiences are valued and celebrated. The percentage of women in senior management globally was 15 percent compared to 17 percent in 2014 and 2013. The percentage of people of color in U.S. senior management (directors and vice presidents) was 16 percent compared to 13 percent in 2014 and 14 percent in 2013.

#### Business Councils Memberships

- Asian Business Council
- Black Business Council
- Latino Business Council
- Lesbian, Gay, Bisexual and Transgender Business Council
- People with Disabilities Business Council
- Veterans Business Council
- Women's Business Council

Approximately 2,000 employees participated in business council activities in 2015.

#### Partnerships

- Career Opportunities for Students with Disabilities
- Chicago Urban League
- Illinois Commission on Diversity and Human Relations
- National Association of Asian American Professionals
- National Society for Hispanic Professionals
- Society of Women Engineers
- U.S. Business Leadership Network
- Women in Technology International
- YWCA

<b>Workforce Demographics</b>	2013	2014	2015
<b>Global Workforce by Region</b>			
Americas	53%	51%	49%
Asia Pacific and Middle East	26%	26%	27%
Europe and Africa	21%	23%	24%
<b>Senior Management by Region</b>			
Americas	82%	73%	73%
Asia Pacific and Middle East	10%	15%	15%
Europe and Africa	8%	12%	12%
<b>Global Employees by Gender</b>			
Male	70%	70%	71%
Female	30%	30%	29%
<b>Global Senior Management by Gender</b>			
Male	83%	83%	85%
Female	17%	17%	15%
<b>U.S. Employees by Race</b>			
Caucasian	71%	71%	71%
People of Color	29%	29%	29%
<b>U.S. Senior Management by Race</b>			
Caucasian	71%	86%	84%
People of Color	29%	14%	16%
<b>Total Rewards</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>

## TOTAL REWARDS

Our employee rewards programs are designed to attract, retain and motivate employees. Each year, we review our rewards programs to make sure they are competitive with local market practices in the industries and countries where we operate. All Motorola Solutions employees participate in an annual incentive plan or a sales incentive plan.

Forty-five percent of employees in 27 countries participated in our employee stock purchase plan, an increase from 41 percent in 2014.

Amount paid to employees through annual sales and incentive plans (USD, millions)	\$295	\$168	\$99
Number of employees awarded restricted stock units, market stock units and stock options	2,300	2,000	1,000
Restricted stock units, market stock units and stock options awarded to employees (million)	3.2	2.6	3.45
Shares of Motorola Solutions stock employees purchased (million)	1.53	1.39	1.00

## BENEFITS

We provide comprehensive benefits coverage for our U.S. employees such as:

- 401(k) plan
- Commuter benefits
- Flexible work options
- Health insurance and wellness programs
- Life and disability insurance
- Assistance for employees going through life-changing events

We align our benefit offerings to market standards in each country in which we operate.

## SAFETY

The safety of our employees in the workplace is of critical importance to our company. Our approach includes identifying risks to our employees through the use of our comprehensive job hazard and risk-assessment tool.

<b>Recordable Injury and Illness Case Rate Per 100 Employees</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
	0.19	0.23	0.17

## COMMUNITY

Community investment by Motorola Solutions and Motorola Solutions Foundation is focused on:

- Science, technology, engineering and math (STEM) education
- Public safety and disaster relief
- Employee giving and volunteerism

2015 Goals	Progress
Reach 1.5 million students, teachers, first responders and their families with Motorola Solutions Foundation grants	<b>Achieved:</b> We reached 1.5 million students, teachers, first responders and their families through Motorola Solutions Foundation grants.
Provide foundation grants in 60 percent of the countries where Motorola Solutions has facilities	<b>Achieved:</b> We supported programs in 44 countries or 73 percent of the countries where Motorola Solutions has facilities.
Increase employee participation in Motorola Solutions Foundation giving and volunteerism programs to 20 percent of the employee population	<b>Achieved:</b> Employee participation in volunteerism programs was 23 percent.

2016 Goals
Increase number of programs supporting both public safety and STEM education to 16
Increase number of employees on grant selection committees to 200 or more

Motorola Solutions Foundation and Corporate Giving (USD, millions)	2013	2014	2015
Amount in cash and product donations	\$16.4	\$14.5	\$12.6
Employee donations	\$1.3	\$1.3	\$0.9
<b>Giving by Category</b>			
Education	\$5.8	\$6.1	\$4.7
Public safety	\$7.5	\$6.3	\$6.0
Employee matching gifts/volunteerism	\$3.1	\$2.1	\$1.4
Community	N/A	N/A	\$0.5
<b>Giving by Region</b>			
Europe and Africa	\$13.1	\$1.1	\$1.2
Asia-Pacific and Middle East	\$1.4	\$1.1	\$1.1
Americas	\$1.9	\$12.3	\$10.3

Volunteering	2013	2014	2015
Employees volunteered	2,500	2,600	3,200
Team volunteer projects	150	270	80
Hours volunteered	71,000	80,000	40,000

## GLOBAL REPORTING INITIATIVE (GRI) G4 REFERENCE

Section	GRI Reference
Introduction	G4-15, 16, 17, 18, 19, 23, 26, 27, 28, 31
Governance and Policies	Not applicable
Operations and the Environment	G4-EN2, EN3, EN6, EN8, EN18, EN19, EN21, EN22, EN23, EN29, EN30, EN31
Product Stewardship	G4-14, 56 G4-EN27, EN28, EN33 G4-LA14 G4-SO10
Employees	G4-10 G4-LA6, LA12 G4-HR3, HR5, HR6, HR9, HR11 G4-PR1
Communities	G4-EC7, EC8

## SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) REFERENCE

Technology and Communications industry

Relevant sectors: Software IT, Hardware, Telecommunications

Report Section	SASB Code
Introduction	N/A
Policies and Governance	TC0102-04 TC0301-02
Operations and the Environment	TC0102-01, 02 TC0301-08
Product Stewardship	TC0103-06 TC0301-08
Supply Chain	TC0103-08, 09, 10, 11
Employees	TC0102-13 TC0103-02
Communities	N/A