

# MOTOROLA SOLUTIONS

## 2016 CORPORATE RESPONSIBILITY REPORT

# CONTENTS

<b>OVERVIEW.....</b>	<b>3</b>
Introduction .....	3
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
Real Estate .....	8
Site Remediation.....	9
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>REPORTING REFERENCES.....</b>	<b>22</b>
Global Reporting Initiative (GRI) G4 .....	22
Sustainable Accounting Standards Board (SASB).....	22

## OVERVIEW

The format for our 2016 Corporate Responsibility (CR) Report is designed primarily to meet the needs of investment analysts. Our goal is to provide our key CR metrics and goals. More detailed information, in the form of case studies and a narrative on our approach, are available on our [website](#). We welcome comments or questions on this report to [corresponsibility@motorolasolutions.com](mailto:corresponsibility@motorolasolutions.com).

## INTRODUCTION

### SCOPE OF REPORT

This CR report covers Motorola Solutions' CR strategy and programs for fiscal year 2016 (Jan. 1, 2016 to Dec. 31, 2016), 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 (see 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 2015.

#### 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.

2016 Goals	Progress
Ensure employees are appropriately trained by institutionalizing the use of personalized monthly Core Compliance training progress reports	<b>Achieved:</b> Monthly training progress reports sent to all employees resulting in completion of more than 40,000 online training sessions
Perform a comprehensive review of the company’s global anti-corruption compliance plan to ensure alignment with best practices and current government guidance	<b>Achieved:</b> Comprehensive review completed and recommendations published

2017 Goals
Review and enhance portfolio of ten online compliance training courses
Implement recommendations from comprehensive global anti-corruption compliance plan

<b>Communications and Training</b>	2014	2015	2016
New or promoted employees who received ethics communications training	3,500	2,300	3,000
Employees globally who received live ethics and compliance training*	250	500	400
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	30,000	40,000

<b>Due Diligence</b>	2014	2015	2016
Number of third-party sales representatives (TPSRs) who received due diligence reviews	1,000	983	850
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. Additionally, callers to the EthicsLine and individuals utilizing EthicsLine Interactive may remain anonymous.

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>	2014	2015*	2016*
Reports requiring investigation	36	37	19
Investigations substantiated	24	14	7
Investigations closed	64	36	20
Resulting disciplinary actions	35	13	10

<b>Disciplinary Actions</b>	2014	2015*	2016*
Separation	26	6	7
Written warning	5	7	3

\*Volumes in 2015 and 2016 reflect a reduced workforce and third-party sales representative population

<b>Reports by Topic*</b>	2014	2015	2016
Human Resources	45	45	32
Products	4	3	8
Allegations of Impropriety	49	45	22
Code of Business Conduct	43	20	25
Audit and Accounting	7	2	1
Other	24	9	10

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

<b>Reporting Channels Used</b>	2014	2015	2016
EthicsLine (telephone and email)	59	40	39
EthicsLine interactive (online)	30	18	20
Business Conduct Champions	12	16	5
Audit Activity	0	2	0
Other	49	36	38

## 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
- Public safety funding
- Tax reform
- International trade reform and enhanced market access
- 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 shareholders 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
- Support 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 2016, the Motorola Solutions PAC distributed \$360,120 in employee contributions. View the [Motorola Solutions PAC 2016 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 2016, we contributed \$422,500 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 2016:

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

## 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 our manufacturing sites, design centers and larger facilities.

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:

- Internal EHS management system audit — once within the three-year ISO certification period
- EHS legal compliance audit — once every three years by independent third-party auditors
- ISO 14001 and OHSAS 18001 surveillance audits — once every two to three years as scheduled by our ISO registrar. In addition, our headquarters is audited annually by our ISO registrar to include an assessment of our ISO 14001 and OHSAS 18001 global management system and a status review of any non-conformances identified throughout the year.

Audits Conducted	2014	2015	2016
EHS Legal Compliance	6	1	3
ISO 14001/OHSAS 18001 Surveillance Audits	2	4	1
ISO 14001/OHSAS 18001 Motorola Solutions Headquarters Audits	1	1	1
Internal EHS Management System Audits	2	1	1

EHS Non-Compliances	2014	2015	2016
Environmental*	0	0	0
Safety*	1	0	0
Fines/Penalties (USD)**	\$170	\$0	\$0

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

\*\* The fine received in 2014 was due to a minor fire code violation at our facility in Russia

### REAL ESTATE

In 2016, we made strides in energy efficiency, especially at our Illinois facilities. The first phase for our renovated Schaumburg, Illinois building was awarded LEED-CI Silver certification with more than 85 percent of waste being diverted from landfills, 37 percent water use reduction for all new plumbing fixtures and 100 percent of applicable new equipment is now Energy Star certified. Our new headquarters in Chicago is targeting LEED Gold certification based on guidelines for energy and water reduction, including over 38 percent water use reduction for all newly installed plumbing fixtures. Our new manufacturing facility in Elgin, Illinois is implementing a new operational recycling program.

In addition, our electricity usage decreased approximately 28 percent in 2016 due to more efficient use of our office space, including energy-efficient lighting and more options for employees to work remotely.



## 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 2016, we had \$50 million reserved to cover environmental liabilities. We share environmental liabilities and remediation expenses with other companies and organizations operating at these sites. Learn more about our [remediation program](#).

## ENERGY AND CLIMATE IMPACT

### Energy

Motorola Solutions used 197 million kilowatt hours of energy in 2016, a decrease of 28 percent from 2015. We measure environmental impacts at our main sites, which accounted for 79 percent of total floor space for our energy data. We extrapolate the measured data to provide an estimate of impacts for the remaining 21 percent of floor space.

Globally, our renewable energy use was 7 percent and was completely sourced from the power grid.

During the year, we closed and combined some facilities, leading to a decrease in absolute energy use. Some larger facilities are being renovated with more 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 123,500 tonnes of CO<sub>2</sub> equivalent emissions, a decrease of 26 percent compared to 2015.

In 2017, 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>	2014	2015	2016
Measured Energy Use	240	209	151
Total Estimated Energy Use	307	272	197

<b>Renewable Energy Use as a Percent of Total Energy Use</b>	2014	2015	2016
	28%	30%	7%

<b>Carbon Footprint Scope 1, 2 and 3 (Business travel) [Tonnes CO<sub>2</sub>e]</b>	2014	2015	2016
	265,209	184,782	157,618

<b>Carbon Footprint Scope 1 and 2 (Business travel) [Tonnes CO<sub>2</sub>e per million sales dollars]</b>	2014	2015	2016
	32.0	29.2	21

## WASTE AND RECYCLING

### 2016 Progress

We produced 2,767 tonnes of total waste, 30.3 percent less than in 2015. Our total waste includes hazardous and non-hazardous wastes. Of this total, 99.6 percent is non-hazardous, and 0.4 percent is hazardous (including electronic waste in countries where electronic scrap is regulated as hazardous waste). Of the non-hazardous waste we generated in 2016, 41 percent was recycled, 13 percent was reused and 46 percent of waste was sent to a landfill.

Our 2016 recycling rate was lower than last year based on a few potential factors such as a reduced real estate footprint and the inability to track individual waste numbers in leased facilities, which now account for more of our facilities. This year, we have evaluated our performance and set a revised waste-reduction goal for 2020.

Waste and Recycling	2014	2015	2016
Total Waste (Tonnes)	4,868	3,973	2,767
Waste Per Employee (Tonnes/Employee)	0.23	0.23	0.19
Recycling Rate	69%	72%	54%

## WATER USE

Nearly all of the water we use in our 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 2016 verification statements are available on our [website](#). We measure environmental impacts at main sites, accounting for 70 percent of total floor space. 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)	2014	2015	2016
Measured	498	454	289
Total Estimated	701	650	440

## VOLATILE ORGANIC MATERIALS

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

Volatile Organic Materials (Tonnes)	2014	2015	2016
	6	6	3

## 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 79 substance groups 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 each region around the world.

<b>Global Take-Back and Recycling Programs (Tonnes Collected)</b>	2014	2015	2016
	572	761	265

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 \(Li-ion\)](#)

We run take-back initiatives around the world. Our recycling [website](#) includes more information about how to recycle Motorola Solutions equipment, batteries and all other products. In 2016, our total electronic waste collected for recycling decreased by 65 percent from 2015. This is because our enterprise business, sold to Zebra in 2014, continued to use our recycling program through the end of 2015. This resulted in a significant reduction in the amount of waste collected. Removing the impact of the Zebra data from our baseline, the underlying trend was only slightly down in 2016.

## SUPPLY CHAIN

### SUPPLIERS

Supplier monitoring is at the core of our supply chain corporate responsibility efforts. We focus our monitoring program on direct-material suppliers that pose a high risk and those with which we want to establish deeper, longer-term relationships. We use monitoring and training to communicate our requirements to supplier management and to identify practices that do not align with our values specifically our Supplier Code of Conduct. 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.

We've continued to prioritize responsible business practices and were recognized as a top-tier U.S. Customs-Trade Partnership Against Terrorism partner for the 14th consecutive year. This designation recognizes our work with suppliers to not only source materials responsibly, but also ensure they adhere to import, export and supply chain standards.

### RISK ASSESSMENT

In 2016, our supply chain changed with the sale of our Penang manufacturing facility, significantly reducing the number of suppliers overall. We completed 380 risk assessments in 2016, including suppliers representing 85.5 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 auditing 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. Supplier risk is rated from responses to self-assessment questionnaires at the corporate and facility levels. The EICC system also allows for sharing of monitoring information among its members to avoid duplication of effort and presents a consistent set of requirements to electronics industry suppliers. In 2016, 248 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 assessed for risk 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 200 suppliers using our internal procurement system assessment tool and further assessed 132 suppliers through PICS.

2016 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 86 percent of spend.
Conduct four supplier training events	<b>Achieved:</b> Six supplier training events were conducted in Asia

2017 Goals
Ensure that suppliers accounting for 82 percent of our spend are evaluated for risk at least every two years
Conduct six supplier training sessions and collaborate with industry partners to provide training to suppliers in their native languages
Conduct audits of at least 12 high-risk suppliers identified using our risk assessment process
Perform an audit on labor-specific regulations

## 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 15 suppliers in 2016 and plan to conduct audits of at least 12 high-risk suppliers in 2017.

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.

### 2016 Risk Assessments

Reason for Audit	2016
Planned	12
Issue response	0
New suppliers	0
Follow-up	3
Total sites audited	15

### Most Common Supplier Audit Findings

	2016
Working hours	31
Emergency preparedness	23
Freely chosen employment	13
Business integrity and no improper advantage	11
Management accountability and responsibility	9

**2016 Risk Assessments** continued

Number of Issues Identified	2016
<b>Ethics</b>	
Business integrity and no improper advantage	11
Disclosure of information	1
Protection of intellectual property	2
Protection of identity	6
Fair business, advertising and competition	8
Community engagement	0
Non-retaliation	3
Responsible sourcing of minerals	1
<b>Labor</b>	
Freely chosen employment	13
Child labor avoidance	6
Underage workers	0
Protection of workers aged 16 and 17	0
Working hours	31
Wages and benefits	10
Humane treatment	5
Non-discrimination	9
Freedom of association	6
<b>Health and Safety</b>	
Occupational safety	8
Emergency preparedness	23
Occupational injury and illness	5
Industrial hygiene	2
Physically demanding work	12
Machine safeguarding	1
Dormitory and canteen	4
<b>Environment</b>	
Environmental permits and reporting	3
Pollution prevention	4
Hazardous substances	6
Wastewater and solid waste	2
Air emissions	4
Machine safeguarding	0
<b>Management System</b>	
Company commitment	4
Management accountability and responsibility	9
Legal and customer requirements	6
Risk assessment and risk management	6

**2016 Risk Assessments** continued

Performance objectives with implementation plan and measures	8	
Training	4	
Communication	6	
Worker feedback and participation	3	
Audits and assessments	5	
Corrective actions process	2	
Documentation and records	2	
Management understanding of EICC code	0	
Supplier responsibility	4	
	<b>Total issues</b>	235
	<b>Percent of supplier issues closed/resolved</b>	71%

## CONFLICT MINERALS

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 avoid 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 2016 report is available, [here](#).

<b>Due Diligence</b>	2014	2015	2016
Responses received from suppliers	175	171	46
Percent of in-scope spend	90%	93%	92%
Smelters verified by CFSI	251	298	297
Smelters certified as conflict free	157	211	238
Tantalum smelters in supply chain	39	45	45
Percent of tantalum smelters certified as conflict-free	100%	100%	98%



## 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.

### 2016 National Diversity Council Memberships

- Technology Industry Group
- Women's Business Enterprise National Council
- National Minority Supplier Development Council
- United Hispanic Chamber of Commerce
- Small Business Administration

Supplier Diversity	2014	2015	2016
Diverse suppliers	14%	14%	16%
Small business suppliers	23%	23%	25%

2016 Goals	Progress
Spend more than 14 percent of our tier-one spending in the United States with diverse suppliers	<b>Achieved:</b> In 2016, we increased our overall spend by an additional 2 percent with diverse suppliers in the U.S.
Upgrade diversity spend tools to improve data management and reporting	<b>Achieved:</b> We successfully onboarded best-in-class tools to enable us to improve our diversity spend data management and help mitigate potential risk from using non-certified diversity suppliers
Update supplier diversity webpages to provide clear direction and information	<b>Achieved:</b> We updated our external supplier diversity webpage to simplify the search process. Internally, we created a website to quickly and easily access supplier diversity documents and information. .
Build and expand relationships with regional and national diversity councils and organizations	<b>Achieved:</b> We expanded our partnerships with two new diversity councils in 2016. Our Chief Procurement Officer is an active board member for Women's Business Enterprise National Council and our Supplier Diversity Lead is an active board member for Technology Industry Group.

2017 Goals
Drive implementation and compliance to our tier two spend program (our suppliers' outsourced spend) through our top strategically outsourced suppliers
Strategical increase and continue to drive our tier one diversity spend
Continue to increase our support of the Supplier Diversity Network by expanding our relationships with additional councils and organizations

## 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.

Global Workforce	2014	2015	2016
Employees	15,000	14,000	14,000
Full-time employees (%)	99	99	99
Part-time employees (%)	1	1	1
Investment in learning and development (USD, millions)	\$9.2	\$8	\$9.8

### 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 18 percent compared to 15 percent in 2015 and 17 percent 2014. The percentage of people of color in U.S. senior management (directors and vice presidents) was 18 percent compared to 16 percent in 2015 and 14 percent in 2014.

#### Business Councils Memberships

- Multi-Cultural Business Council (comprising of Asian, Black, and Hispanic employees)
- Lesbian, Gay, Bisexual and Transgender Business Council
- People with Disabilities Business Council
- Veterans Business Council
- Women's Business Council
- Young Professionals Group

Our 2017 goal is to empower the business councils to enact programming to increase companywide inclusion and diversity.

#### Partnerships

- Career Opportunities for Students with Disabilities
- 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
- National Association of Black Engineers
- National Coalition of Women in Information Technology

<b>Workforce Demographics</b>	2014	2015	2016
<b>Global Workforce by Region</b>			
Americas	51%	49%	51%
Asia Pacific and Middle East	26%	27%	21%
Europe and Africa	23%	24%	28%
<b>Senior Management by Region</b>			
Americas	73%	73%	73%
Asia Pacific and Middle East	15%	15%	12%
Europe and Africa	12%	12%	15%
<b>Global Employees by Gender</b>			
Male	70%	71%	75%
Female	30%	29%	25%
<b>Global Senior Management by Gender</b>			
Male	83%	85%	82%
Female	17%	15%	18%
<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	86%	84%	82%
People of Color	14%	16%	18%

## 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.

47 percent of employees in 28 countries participated in our employee stock purchase plan, an increase from 45 percent in 2015.

<b>Total Rewards</b>	2014	2015	2016
Amount paid to employees through annual sales and incentive plans (USD, millions)	\$168	\$99	\$158
Number of employees awarded restricted stock units, market stock units and stock options	2,000	1,000	1,326
Restricted stock units, market stock units and stock options awarded to employees (million)	2.6	3.45	1.5
Shares of Motorola Solutions stock employees purchased (million)	1.39	1.00	0.9

## 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. Our recordable injury and illness rate reduced by 18 percent this year.

<b>Recordable Injury and Illness Case Rate Per 100 Employees</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	0.23	0.17	0.14

## 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

<b>Motorola Solutions Foundation and Corporate Giving (USD, millions)</b>	2014	2015	2016
Amount in cash and product donations	\$14.5	\$12.6	\$11.5
Employee donations	\$1.3	\$0.9	\$0.8
<b>Giving by Category</b>			
Education	\$6.1	\$4.7	\$4
Public safety	\$6.3	\$6.0	\$5.4
Employee matching gifts/volunteerism	\$2.1	\$1.4	\$1.4
Community	N/A	\$0.5	\$0.7
<b>Giving by Region</b>			
Europe and Africa	\$1.1	.2	\$0.6
Asia-Pacific and Middle East	\$1.1	\$1.1	\$1.2
Americas	\$12.3	\$10.3	\$9.7

<b>Volunteering</b>	2014	2015	2016
Employees volunteered	2,600	3,200	1,800
Team volunteer projects	270	80	36
Hours volunteered	80,000	40,000	23,000

<b>2016 Goals</b>	<b>Progress</b>
Increase number of programs supporting both public safety and STEM education to 16	<b>Achieved:</b> Motorola Solutions Foundation supported 19 programs that combine public safety awareness with STEM education
Increase number of employees on grant selection committees to 200 or more	<b>Achieved:</b> Over 250 employees helped review requests for support to the Motorola Solutions Foundation

<b>2017 Goals</b>
Reach 3 million students, teachers, first responders, and community members through our education and public safety grants around the world
Increase the number of Motorola Solutions leaders serving on the boards of nonprofit organizations by 30 percent

## REPORTING REFERENCE

### GLOBAL REPORTING INITIATIVE (GRI) G4

Section	GRI Reference
OVERVIEW	G4-31
INTRODUCTION	G4-15, 17, 18, 19, 23, 28
GOVERNANCE AND POLICIES	G4-26, 27, 34, 56, 58 G4-S04, 6
OPERATIONS AND THE ENVIRONMENT	G4-EC2 G4-EN3, 6, 8, 15, 16, 17, 18, 19, 22, 23, 29, 30, 31 G4-S08
PRODUCT STEWARDSHIP	G4-EN27, 28
SUPPLY CHAIN	G4-12, 13 G4-EN32, 33 G4-LA14 G4-HR3, 5, 6, 9, 11 G4-S010
EMPLOYEES	G4-10 G4-LA2, 6, 12 G4-PR1
COMMUNITY	G4-EC7, 8

### SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) REFERENCE

Technology and Communications industry

Relevant sectors: Software IT, Hardware, Telecommunications

Report Section	SASB Code
GOVERNANCE AND POLICIES	TC0102-04 TC0301-02
OPERATIONS AND THE ENVIRONMENT	TC0102-01, 02 TC0301-01, 08 TC0103-06
SUPPLY CHAIN	TC0103-08, 09, 10, 11
EMPLOYEES	TC0102-13 TC0103-02