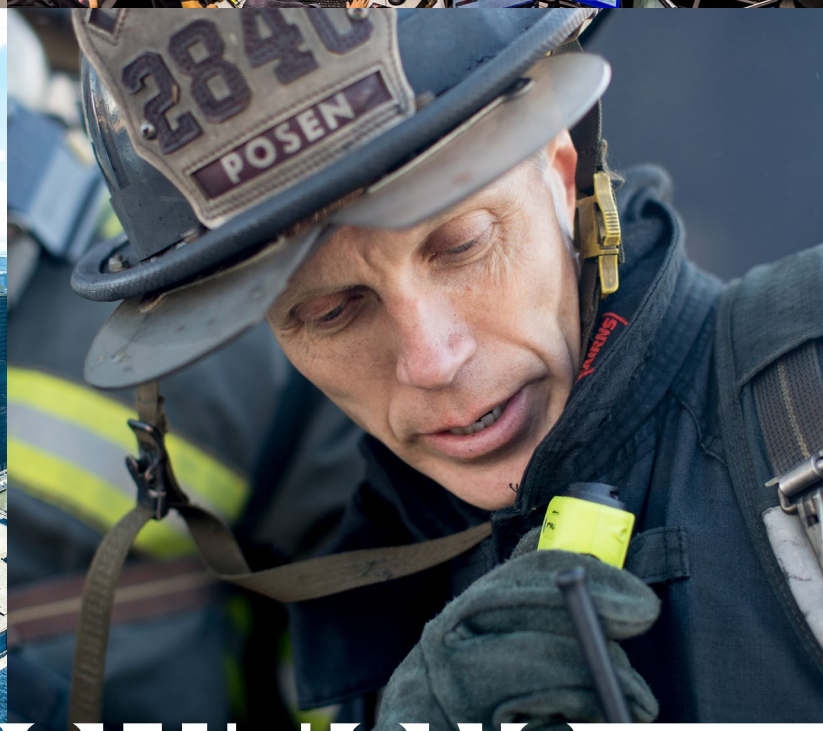

MOTOROLA SOLUTIONS

2017 CORPORATE RESPONSIBILITY REPORT

MOTOROLA SOLUTIONS

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OVERVIEW

Our 2017 corporate responsibility (CR) Report is designed to meet the needs of financial analysts. Our goal is to provide key CR metrics and goals. More detailed information, in the form of case studies and a narrative on our approach, is available on our website. We welcome comments or questions at corpresponsibility@motorolasolutions.com.

INTRODUCTION

SCOPE OF REPORT

This CR report covers Motorola Solutions' CR strategy and programs for fiscal year 2017 (Jan. 1, 2017 to Dec. 31, 2017), 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 page 29).

MATERIAL ISSUES

Our CR management and reporting focuses on the issues most material to our business, which we keep under regular review:

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 inclusion and diversity
- Government lobbying
- Greenhouse gas emissions from 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

GOVERNANCE AND POLICIES

POLICIES

The following policies govern aspects of our CR performance:

- 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.

2017 Goals	Progress
Review and enhance portfolio of 10 online compliance training courses	**Achieved:** Updated multiple online compliance courses to include new content and comply with current legal requirements
Implement recommendations from comprehensive global anti-corruption compliance plan	**Achieved:** Strengthened anti-corruption compliance efforts by improving key components of the program including: reporting, communication, training of third-party representatives, and audit testing. Also performed benchmarking of the enhanced program against the ISO 37001 anti-bribery standard

Communications and Training	2015	2016	2017
New or promoted employees who received ethics communications training	2,300	3,000	3,000
Employees globally who received live ethics and compliance training	500	400	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	30,000	40,000	38,000

Due Diligence	2015	2016	2017
Number of third-party sales representatives (TPSRs) who received due diligence reviews	983	850	900
Percent of global TPSRs 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, our online channel for reporting ethical concerns, may choose to 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.

Reports to Office of Ethics	2015	2016	2017
Reports requiring investigation	37	19	18
Investigations substantiated	15	15	6
Investigations closed	36	20	23
Resulting disciplinary actions	13	10	5

Disciplinary Actions	2015	2016	2017
Separation	9	7	2
Written warning	6	3	3

Reports by Topic*	2015	2016	2017
Human resources	45	32	58
Products	3	8	3
Allegations of impropriety	45	22	21
Code of business conduct	20	25	35
Audit and accounting	2	1	0
Other	9	10	23

*More than one topic may apply to a single report

Reporting Channels Used	2015	2016	2017
EthicsLine (telephone and email)	40	39	60
EthicsLine interactive (online)	18	20	28
Business Conduct Champions	16	5	5
Audit Activity	2	0	0
Other	36	38	46

DATA PRIVACY AND PROTECTION

Data privacy and protection is a global issue, and we are committed to respecting the privacy rights and freedoms of all individuals and applying appropriate technical and organizational measures to protect personal data processed by Motorola Solutions.

In anticipation of the May 25, 2018 effective date for the European Union General Data Protection Regulation (GDPR), in 2017 we began a company-wide campaign to raise awareness, educate and engage our employees on this issue. Efforts included general and targeted GDPR training sessions for functional teams most impacted by GDPR.

In 2018, we appointed a data protection officer to lead the company's Data Protection Office. This new team will work to strengthen our existing culture of data protection across the company and:

- Provide guidance to the company on its GDPR obligations
- Independently monitor all aspects of our GDPR compliance
- Maintain a central repository of all company personal data processing activities
- Consult and advise on data processing matters such as data protection impact assessments (DPIA), responses to data incidents and data subject requests
- Establish points of contact for requests from EU residents and for inquiries and consultation with EU data protection authorities

Additionally, in 2018 all Motorola Solutions employees will be required to take a new mandatory training course on the GDPR requirements.

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:

- Public safety technology funding
- Homeland security policies
- Cybersecurity, data security and privacy
- 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 business 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 technology industry and the business community
- International engagement and reach in key countries

Eligible employees participate voluntarily in our non-partisan PAC, which enables them to pool their voluntary contributions to support federal, state and local candidate committees, political party committees/organizations and PACs. The PAC giving criteria are approved each year by the PAC board of directors. In 2017, the Motorola Solutions PAC distributed $353,200 in employee contributions. View the Motorola Solutions PAC 2017 contributions.

While U.S. law prohibits corporate contributions to federal political candidates, these contributions may be used in many states for candidates seeking state or local offices. In 2017, we contributed $360,425 to state and local candidate committees, party committees/organizations 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. In 2017, we paid annual dues of $50,000 or more to belong to these associations:

- 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

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. Certifications cover our manufacturing sites, design centers and larger facilities.

We ask our tier-one suppliers (suppliers we buy directly from) to implement 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	2015	2016	2017
EHS legal compliance	1	3	3
ISO 14001/OHSAS 18001 surveillance audits	4	1	3
ISO 14001/OHSAS 18001 Motorola Solutions headquarters audits	1	1	1
Internal EHS management system audits	1	1	2

EHS Non-Compliance	2015	2016	2017
Environmental*	0	0	0
Safety*	0	0	0
Fines/penalties (USD)*	$0	$0	$0

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

REAL ESTATE

In 2013, we began implementing an "asset-light" approach to our global real estate footprint to reinvest money back into our business instead of maintaining aging properties and infrastructure. As a result, in 2017 our global real estate portfolio shifted to predominately leased versus owned facilities. The asset-light strategy optimizes our real estate portfolio by maximizing cash flow, monetizing underutilized assets and investing in modern workplace environments to improve energy efficiency and enhance the delivery of products and solutions to our customers.

We continue to make strides in energy efficiency, especially at our facilities located in Illinois. In 2017, our corporate headquarters in Chicago was granted LEED Gold certification based on guidelines for energy and water reduction, including more than 38 percent water use reduction from newly installed plumbing fixtures. Our manufacturing facility in Elgin, Illinois, implemented a new operational recycling program in 2017, and 75 percent or more of the manufacturing waste generated there is now recycled and kept out of landfills. In 2016, a renovated building in Schaumburg, Illinois, was awarded LEED-CI Silver certification with more than 85 percent of construction waste being diverted from landfills, 37 percent water use reduction from new plumbing fixtures and 100 percent compliance for Energy Star-certified equipment.

Globally, our electricity usage decreased approximately 15 percent in 2017 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 2017, we had $45.4 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 160 million kilowatt hours of energy (electricity and heating) in 2017, a decrease of 19 percent from 2016. We measure environmental impacts at our main sites, which account 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 with the balance, 93 percent, from non-renewable sources, all of which 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 98,250 tonnes of Carbon Dioxide (CO_2) equivalent emissions, a decrease of 20 percent compared to 2016. Our emission reporting is independently verified by Bureau Veritas annually. Our 2017 verification statements are available on our website.

In 2018, we will focus on establishing new goals to reduce our Scope 1 and 2 emissions as well as our value chain emissions (Scope 3).

Global Total Energy Use: Electricity and Natural Gas (Normalized in Million kWh)	2015	2016	2017
Measured Energy Use	209	157	127
Measured electricity	167	126	108
Measured natural gas	42	31	19
Total Estimated Energy Use	272	197	160
Estimated electricity	218	159	136
Estimated natural gas	54	38	24

Renewable Energy Use as a Percent of Total Energy Use	2015	2016	2017
	30%	7%	7%

Gross Total Electricity used from Renewable and Non-Renewable	2015	2016	2017
Renewable	67	11	10
Non-renewable	151	148	126

Carbon Footprint Scope 1, 2 and 3 (Business Travel) [Tonnes CO2e]	2015	2016	2017
	184,782	157,618	121,535

Carbon Footprint Scope 1 and 2 (Business Travel) [Tonnes CO2e per million sales dollars]	2015	2016	2017
	29.2	21	12

WASTE AND RECYCLING

2017 Progress

We produced 1,951 tonnes of total waste globally, 29.6 percent less than in 2016. Our total waste includes hazardous and non-hazardous wastes. Of this total, 99.4 percent is non-hazardous, and 0.6 percent is hazardous (including electronic waste in countries where electronic scrap is regulated as hazardous waste). Of the non-hazardous waste we generated in 2017, 54 percent was recycled or reused, and 46 percent of waste was sent to a landfill. No waste was incinerated in 2017. Our total waste includes business, production, consumer products and packaging waste.

Our 2017 recycling rate was unchanged compared to 2016. Our recycling program includes business, production, consumer and packaging materials.

Waste and Recycling	2015	2016	2017
Total waste (tonnes)	3,973	2,767	1,951
Waste per employee (tonnes/employee)	0.23	0.19	0.12
Recycling rate	72%	54%	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 2017 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)	2015	2016	2017
Measured	454	289	206
Total estimated	650	440	329

EMISSIONS

The majority of our volatile organic material (VOM) emissions result from our manufacturing lines. Motorola Solutions does not have operations that would create significant nitrogen oxides (NOx), sulfur oxides (SOx), particulate matter (PM) or hazardous air pollutant (HAP) air emissions.

Volatile Organic Materials (Tonnes)	2015	2016	2017
	6	3	3

PRODUCT STEWARDSHIP

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.

We also are committed to educating our customers and protecting them from today's threats by increasing our focus on cybersecurity. This includes building our products and services in ways that are hardened and secure and keeping our customers operating.

CYBERSECURITY

Cyber threats are growing in number, scale and sophistication. As the worldwide leader in mission-critical communications for public safety and commercial customers, Motorola Solutions builds its products, solutions and services with security in mind from the beginning. To advance our commitment to cybersecurity, in 2017 we hired an accomplished, 23-year military and cyber intelligence expert to lead a dedicated team and governance board focused on cybersecurity strategy, risk assessment, policy and prioritization across our portfolio of software, services, devices and networks.

We also established a Cybersecurity Governance Board to improve communications across our businesses and ensure alignment with our strategic goals around cybersecurity. Our end-to-end approach to keep our customers operational includes training them to stay actively informed of the rapidly changing landscape of security threats and compliance threats, and providing a portfolio of cybersecurity services to enhance operational integrity. Those include:

- Security patch installation to mitigate risks with pre-tested software updates
- Security monitoring to proactively protect networks from cyber attacks
- On-premise security operations centers to monitor customer infrastructure
- Cybersecurity professional services to provide a comprehensive and systematic approach to risk management and protection of critical infrastructure

In 2018, the team's scope is expanding beyond protection of products, services and solutions to be a trusted partner for our customers through awareness and education initiatives including cybersecurity boot camps, customer-specific training sessions, whitepapers and videos. The team is also increasing its investments around threat management, further enhancing Motorola Solutions' situational awareness around the constantly changing cybersecurity threat landscape.

Learn more about our Cybersecurity Services.

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 92 substances or 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 as well as 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.

Global Take-Back and Recycling Programs (Tonnes Collected)	2015	2016	2017
	761	265	323

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 2017, our total electronic waste collected for recycling increased by 22 percent from 2016.

SUPPLY CHAIN

SUPPLY CHAIN

SUPPLIERS

Supplier monitoring is at the core of our supply chain CR efforts. We focus our monitoring program on direct-material suppliers that pose a high risk and those with whom 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 with 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 15th 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

We completed 182 risk assessments in 2017, including suppliers representing 83 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 Responsible Business Alliance (RBA) RBA-ON tool that assesses labor, ethics, health and safety, and environmental sustainability risk. The RBA is the new name for the Electronics Industry Citizenship Coalition (EICC), changed at the end of 2017 to reflect its widening membership to include non-traditional electronics companies.

Supplier risk is rated from responses to self-assessment questionnaires at the corporate and facility levels. The RBA 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 2017, 174 suppliers were assessed using RBA-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 and suppliers identified by our process as higher-risk are required to complete further assessment through a third-party (Browz). The third-party assessment evaluates the supplier based on health, safety and environmental criteria. To date we have screened 500 suppliers using this process.

2017 Goals	Progress
Ensure that suppliers accounting for 82 percent of our spend are evaluated for risk at least every two years	**Achieved:** 83% of total spend reviewed
Conduct six supplier training sessions and collaborate with industry partners to provide training to suppliers in their native languages	**Achieved:** 17 Supplier training sessions taken by suppliers
Conduct audits of at least 12 high-risk suppliers identified using our risk assessment process	**Achieved:** 15 audits conducted
Perform an audit on labor-specific regulations	**Achieved:** Two audits performed of supply chain labor suppliers to the new RBA Labor Supplier audit protocol

AUDITING AND IMPROVING

Supplier risk assessments are backed by our audit program, in which detailed on-site audits are conducted by an RBA-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 2017 and plan to conduct audits of at least 12 high-risk suppliers in 2018.

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.

2017 Risk Assessments	
Reason for Audit	**2017**
Planned	10
Issue response	0
New suppliers	0
Follow-up	5
Total sites audited	15
Most Common Supplier Audit Findings	**2017**
Freely chosen employment	39
Working hours	25
Emergency preparedness	17
Non-discrimination	14
Occupational safety	13
Number of Issues Identified	**2017**
Ethics	
Business integrity and no improper advantage	4
Disclosure of information	4
Protection of intellectual property	3
Privacy	3
Fair business, advertising and competition	3
Community engagement	0
Protection of identity and non-retaliation	7
Responsible sourcing of minerals	1

Number of Issues Identified (continued)	2017
Labor	
Freely chosen employment	39
Child labor avoidance	5
Underage workers	1
Protection of workers aged 16 and 17	0
Working hours	25
Wages and benefits	11
Humane treatment	5
Non-discrimination	14
Freedom of association	7
Health and Safety	
Occupational safety	13
Emergency preparedness	17
Occupational injury and illness	4
Industrial hygiene	6
Physically demanding work	3
Machine safeguarding	1
Dormitory and canteen	8
Health and safety communication	1
Environment	
Environmental permits and reporting	3
Pollution prevention / resource reduction	1
Hazardous substances	8
Wastewater and solid waste	3
Air emissions	1
Materials restrictions	1
Stormwater management	4
Energy consumption / GHG	6
Noise monitoring	1

Number of Issues Identified (continued)	2017
Management System	
Company commitment	3
Management accountability and responsibility	4
Legal and customer requirements	7
Risk assessment and risk management	2
Performance objectives with implementation plan and measures	4
Training	4
Communication	7
Worker feedback and participation	4
Audits and assessments	2
Corrective action process	4
Documentation and records	3
Management understanding of RBA code	0
Supplier responsibility	7
Total issues	**264**
Percent of supplier issues closed/resolved	**60%**

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 Responsible Minerals Initiative (RMI) Conflict Minerals Reporting Template (CMRT) to engage suppliers. We review responses for completeness and consistency, and we follow up when appropriate.

Our due diligence program is fully disclosed in our report to the U.S. Securities and Exchange Commission. The 2017 report is available, here. Summary data for our 2014-2016 Conflict Minerals due diligence programs can be found in our 2016 Corporate Responsibility Report.

RMI Due Diligence Summary	2017
Responses received from suppliers	133
Percent of in-scope spend	90%
Smelters verified by RMI	303
Smelters audited and found conformant with the relevant RMAP standard	83%
Tantalum smelters in supply chain	40
Tantalum smelters audited and found conformant with the relevant RMAP standard	100%

SUPPLIER DIVERSITY

Motorola Solutions ensures that businesses, large and small, owned by diversity 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.

2017 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	2015	2016	2017
Diverse suppliers	14%	16%	16%
Small business suppliers	23%	25%	25%

2017 Goals	Progress
Drive implementation and compliance to our tier-two spend program (our suppliers' outsourced spend) through our top strategically outsourced suppliers	**Achieved:** In 2017, we partnered with a best-in-class supplier to help us progress our goal of onboarding our top 50 suppliers to drive our tier-two program. We have completed multiple training sessions and are continuing our efforts of supplier compliance in 2018
Increase and continue to drive our tier-one supplier diversity spend	**Achieved:** Working closely with our field and project teams, we reviewed and selected multiple tier-one diverse suppliers to help us provide products and services on many of our key supplier projects
Continue to increase our support of the Supplier Diversity Network by expanding our relationships with additional councils and organizations	**Achieved:** In 2017, increased its financial support of various diversity organizations, including sponsorship of TIGs Technology HUB

EMPLOYEES

EMPLOYEES

GLOBAL WORKFORCE

We invest in employees so they can reach their full potential and provide 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	2015	2016	2017
Employees	14,000	14,000	15,000
Full-time employees (%)	99	99	99
Part-time employees (%)	1	1	1
Investment in learning and development (USD, millions)	$8	$9.8	$7.6

INCLUSION AND DIVERSITY

For Motorola Solutions, inclusion is a mindset, and diversity is an outcome. We view diversity as an innovation-driver that helps us deliver technology that serves as a lifeline for our customers. We take a broad view of diversity, seeking different cultures, opinions and abilities to help us continue building on our 90-year heritage of innovation.

A new video, "Innovation Through a Diverse Workforce," was created to bring that concept to life. It features a cross-section of employees sharing their thoughts on the importance of creating an inclusive workplace and fostering diversity of thought.

In 2016 and 2017, the percentage of women in senior management (vice presidents and directors) globally was 18 percent, compared to 15 percent in 2015. In 2017, the percentage of people of color in U.S. senior management was 21 percent, compared to 18 percent in 2016 and 16 percent in 2015.

Business Councils

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

Our overall goal is to empower the business councils to enact programming to increase company wide inclusion and diversity.

Partnerships

- Career Opportunities for Students with Disabilities
- Hispanic Alliance for Career Enhancement
- Illinois Commission on Diversity and Human Relations
- Illinois Diversity Council
- National Association of Black Engineers
- National Coalition of Women in Information Technology
- Society of Women Engineers
- U.S. Business Leadership Network

WORKFORCE DEMOGRAPHICS

Global Workforce by Region	2015	2016	2017
Americas	49%	51%	52%
Asia Pacific and Middle East	27%	21%	20%
Europe and Africa	24%	28%	28%

Senior Management* by Region	2015	2016	2017
Americas	73%	73%	76%
Asia Pacific and Middle East	15%	12%	8%
Europe and Africa	12%	15%	16%

*Directors and Vice Presidents

Global Employees by Gender	2015	2016	2017
Male	71%	75%	75%
Female	29%	25%	25%

Global Senior Management* by Gender	2015	2016	2017
Male	85%	82%	82%
Female	15%	18%	18%

*Directors and Vice Presidents

U.S. Employees by Race	2015	2016	2017
Caucasian	71%	71%	69%
People of Color	29%	29%	31%

U.S. Senior Management* by Race	2015	2016	2017
Caucasian	84%	82%	79%
People of Color	16%	18%	21%

*Directors and Vice Presidents

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.

In 2017, 45 percent of employees in 27 countries participated in our discounted employee stock purchase plan, a decrease from 47 percent in 2016.

Total Rewards	2015	2016	2017
Amount paid to employees through annual sales and incentive plans (USD, millions)	$99	$158	$120
Number of employees awarded restricted stock units, market stock units and stock options	1,000	1,326	1,445
Restricted stock units, market stock units and stock options awarded to employees (million)	3.45	1.50	1.70
Shares of Motorola Solutions stock employees purchased (million)	1.00	0.90	0.79

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 global recordable injury and illness rate reduced by 15 percent in 2017 from the 2016 rate.

Global Recordable Injury and Illness Case Rate Per 100 Employees	2015	2016	2017
	0.17	0.14	0.12

COMMUNITY

COMMUNITY

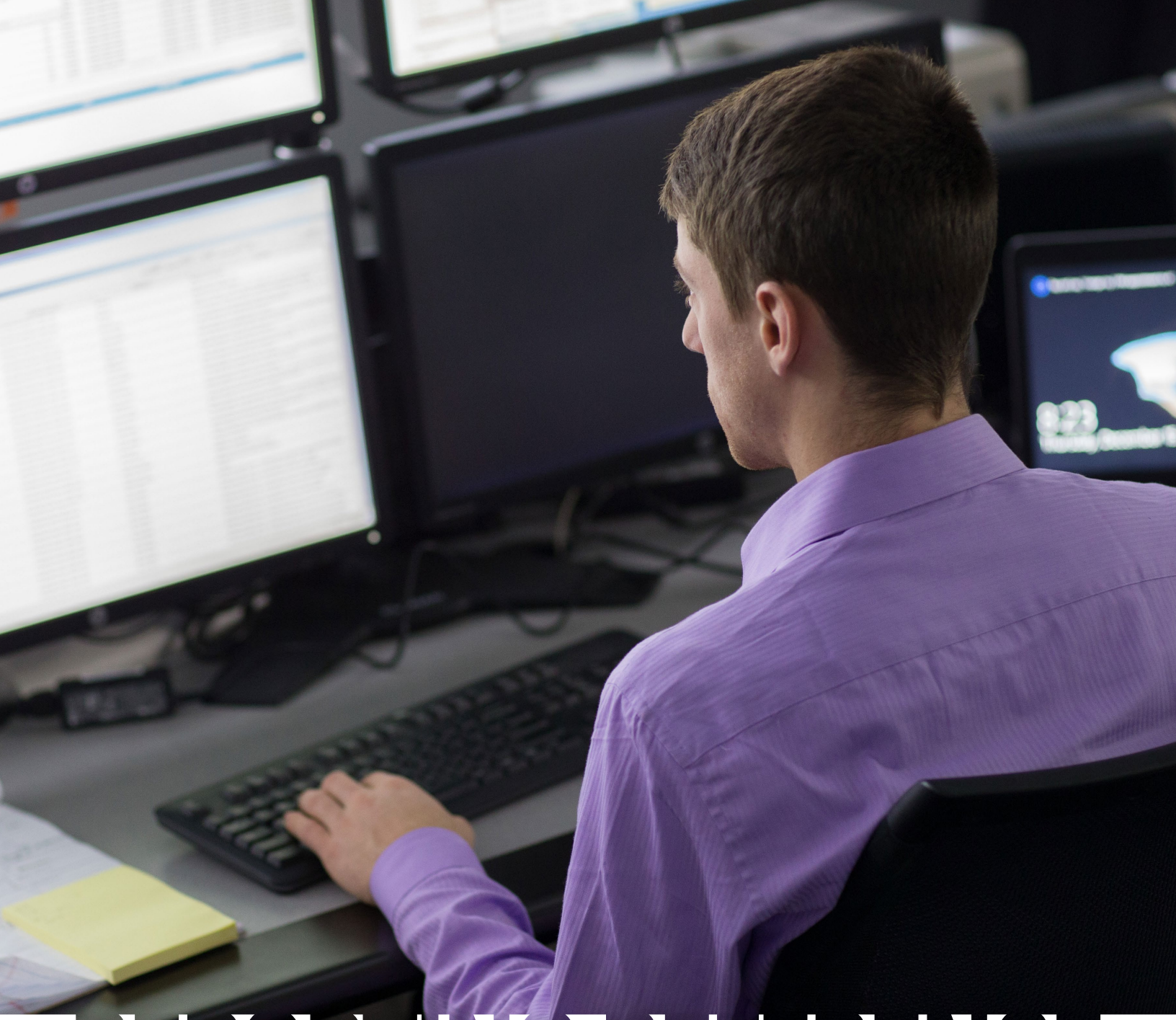
Community investment by Motorola Solutions and Motorola Solutions Foundation is focused on:

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

Motorola Solutions Foundation and Corporate Giving (USD, millions)	2015	2016	2017
Amount in cash and product donations	$12.6	$11.5	$11.8
Employee donations	$0.9	$0.8	$0.9
Giving by Category			
Education	$4.7	$4.0	$4.7
Public Safety	$6.0	$5.4	$5.5
Employee matching gifts/volunteerism	$1.4	$1.4	$1.0
Community	$0.5	$0.7	$0.6
Giving by Region			
Europe and Africa	$0.2	$0.6	$1.8
Asia-Pacific and Middle East	$1.1	$1.2	$.8
Americas	$10.3	$9.7	$9.2

Volunteering	2015	2016	2017
Employees volunteered	3,200	1,800	3,900
Team volunteer projects	80	36	70
Hours volunteered	40,000	23,000	36,000

2017 Goals	Progress
Reach 3 million students, teachers, first responders and community members through our education and public safety grants around the world	**Achieved:** Motorola Solutions grants in 37 countries supported 3.5 million students, teachers, first responders and community members
Increase number of employees on grant selection committees to 200 or more	**Achieved:** 270 Motorola Solutions employees reviewed requests and made recommendations on Foundation grants



REPORTING REFERENCE

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GLOBAL REPORTING INITIATIVE (GRI) STANDARDS

Section	GRI Reference
Overview and Introduction	102-1, 45, 46, 47, 49*, 50, 52, 53
Governance and Policies	102-12*, 13, 16, 17, 43*, 44* 205-2* 415-1
Operations and the Environment	102-10* 201-2* 302-1, 4* 303-1* 305-1*, 2*, 3*, 4*, 5* 306-1, 2* 307-1 419-1*
Product Stewardship	102-11 301-3* 416-1*
Supply Chain	102-9* 308-1*, 2* 406-1* 407-1* 408-1* 409-1* 412-1* 414-2*
Employees	102-8* 401-2* 403-2* 405-1*
Community	203-1*, 2*
Reporting Reference	102-55*

*Partial

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) REFERENCE

Technology and Communications industry

Relevant sectors: Software and IT Services, Hardware, Telecommunications

Report Section	SASB Code
Governance and Policies	TC0102-04, 10* TC0301-02, 07
Operations and the Environment	TC0102-01, 02* TC0301-01
Supply Chain	TC0103-08, 09, 10, 11
Employees	TC0102-13 TC0103-02
Product Stewardship	TC0103-01, 06* TC0301-08*

*Partial

MOTOROLA SOLUTIONS

Motorola Solutions, Inc. 500 West Monroe Street, Chicago, IL 60661 U.S.A. **motorolasolutions.com**

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