



INNOVATING FOR A SUSTAINABLE FUTURE

2010 MOTOROLA MOBILITY CORPORATE RESPONSIBILITY SUMMARY REPORT



COMMITMENT TO CORPORATE RESPONSIBILITY

Motorola Mobility is committed to operating responsibly in all aspects of our business. This includes conducting our business with integrity, reducing the environmental impacts of our products and operations, supporting our communities, striving for improved conditions in our supply chain and creating an inclusive, safe and healthy workplace.

Corporate responsibility is not just the right thing to do; it is an essential part of good management. It helps us to:

- Identify new business opportunities to meet emerging social needs
- Reduce costs by becoming more efficient in our use of energy and other resources
- Avoid business risks and protect our reputation
- Anticipate and prepare for future regulation
- Maintain good relationships with our stakeholders
- Maintain the safety and quality of our products by ensuring high standards in our supply chain
- Protect the trust of our consumers and customers
- Attract and retain the best employees, including increasingly environmentally and socially conscious graduates

We have established metrics in several areas of corporate responsibility and we continue to strengthen these metrics. To determine the appropriate metrics, we refer to the Global Reporting Initiative guidelines, other company reports, the findings of stakeholder engagement and best-practice reporting.

ABOUT MOTOROLA MOBILITY

Motorola Mobility fuses innovative technology with human insights to create experiences that simplify, connect and enrich people's lives. Our portfolio includes converged mobile devices such as smartphones and tablets; wireless accessories; end-to-end video and data delivery; and management solutions, including set-tops and data-access devices.

MOTOROLA MOBILITY LARGER FACILITIES

Jaguariuna, Brazil
Beijing, China
Nanjing, China
Tianjin, China
Bangalore, India
Chennai, India
Monterrey, Mexico
Seoul, South Korea

Hsin Tien, Taiwan
San Diego, Calif., U.S.
Sunnyvale, Calif., U.S.
Plantation, Fla., U.S.
Libertyville, Ill., U.S.
Horsham, Pa., U.S.
Lowell, Mass., U.S.

MOTOROLA SEPARATES INTO TWO COMPANIES

On 4 January 2011, Motorola separated into two independent publicly traded companies, Motorola Mobility (NYSE: MMI) and Motorola Solutions (NYSE: MSI). This summary report was produced by Motorola Mobility.

All data in this report, unless otherwise stated, relates to Motorola Inc., our former parent company.

TABLE OF CONTENTS

1	A Message from Our Chairman and CEO
2	Greener Operations
3	Greener Products
4	Eco-Innovation
6	Responsible Supply Chain
8	Supporting Communities
9	Data Summary



A MESSAGE FROM OUR CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Building on our long history of innovation, Motorola Mobility as a new company is committed to helping create a more sustainable world and business marketplace. While continually striving to reduce our environmental footprint, Motorola Mobility's employees are fusing innovative technology and human insight to help simplify, connect and enrich people's lives with less environmental impact.

In our operations, we have reduced our carbon footprint by 45 percent since 2005 and 27 percent of our global electricity comes from renewable sources. Our goal is to increase our purchase of electricity from renewable sources to 30 percent by 2020. For the second consecutive year, we received a Green Power Leadership Award from the U.S. Environmental Protection Agency (EPA) for our commitment to renewable energy and were one of four organizations selected nationwide as Green Power Partner of the year.

Maintaining our focus on environmental excellence, Motorola Mobility has set challenging goals for our first five years as a new company. By 2016, we aim to reduce from 2011 levels, the environmental footprint of our operations, including greenhouse gas emissions, water use and waste generation.

Faced with dual challenges of climate change and resource scarcity, finding ways to reuse and recycle more materials and products is an imperative. Our mobile phone portfolio is at least 65 percent recyclable and we offer take-back programs in 70 countries, covering more than 90 percent of our global mobile phone unit sales. Our set-tops and modems are built to last and can be redistributed after being refurbished and fitted with the latest software.

Improving product energy efficiency continues to be the greatest contribution we can make to tackling climate change. Since 2000, we have reduced standby energy use of our mobile phone chargers by 70 percent and our latest models have standby power rates 90 percent better than the current EPA ENERGY STAR standard. We are designing our new digital and IP set-tops to meet key energy efficiency standards.

We remain committed to driving ethical standards through our supply chain to play a central role in improving social and environmental conditions in the electronics industry, while maintaining the superior quality of our products. Through ongoing collaboration with our industry peers, Motorola Mobility continues to provide opportunities for suppliers to build sustainable businesses and to support the communities they serve.

As our company ushers in a new era of technology firsts, we will continue to unleash the power of corporate responsibility to help fuel our business goals and create tangible value for our customers, employees, business partners and the world around us. We invite you to learn more about Motorola Mobility's insightful journey as we innovate for a sustainable future.



Sanjay Jha

chairman and chief executive officer
Motorola Mobility



GREENER OPERATIONS

Building on decades of environmental excellence, Motorola Mobility strives to make our business more sustainable.

We continually look for ways to reduce the amount of resources we use and to cut emissions and waste. Our rigorous environment, health and safety (EHS) management system ensures that we set objectives, monitor progress and continuously improve our performance. All our manufacturing sites are certified to the international environmental standard ISO 14001 and international health and safety standard OHSAS 18001. We require that our tier-one suppliers also have an environmental management system in accordance with ISO 14001, or an equivalent standard.

STRIVING FOR A LOW-CARBON FUTURE

Avoiding the worst consequences of climate change requires action from all parts of society. We recognize that business has a significant role to play, and since 2005 we have reduced our carbon footprint by 45 percent and energy use by 33 percent.

Our strategy is to use energy as efficiently as possible and increase our use of renewable energy. Around 27 percent of our global electricity comes from renewable sources and we have committed to increase this to 30 percent by 2020.

64% drop in volatile organic material emissions since 2005, by changing cleaning and soldering processes

84% of non-hazardous waste recycled in 2010

POWERING AHEAD

For the second consecutive year, Motorola received a Green Power Leadership Award from the U.S. Environmental Protection Agency (EPA) for our commitment to renewable energy and for the first time we were one of only four organizations nationwide to be chosen as Green Power Partner of the year. In addition, we qualified for the EPA's Green Power Leadership Club for purchasing 30 percent of our U.S. electricity from renewable sources. This distinction is given to organizations that have significantly exceeded the EPA's minimum purchase requirements. In the U.S., our renewable energy purchases support Native American, farmer-owned, community-based renewable energy projects helping create social, economic and environmental benefits.

GREEN BUILDINGS

Our site in Chennai, India is Leadership in Energy and Environmental Design (LEED) Silver certified for new construction, which recognizes environmental excellence in buildings. The building was designed with energy-efficient features and uses treated waste water to irrigate plants.

We are rolling out global guidelines to further align our property portfolio with LEED-Existing Buildings Operations & Maintenance (LEED-EB), the international standard for sustainable property management. In 2010, we integrated LEED-EB standards into green procurement and cleaning guidelines. These build on solid sustainability practices already in place. For example we operate a global reuse and recycling program for electronics and furniture and almost 60 percent of cleaning products purchased in the U.S. meet LEED-EB criteria.

March 2011

Motorola named No. 50 on *Corporate Responsibility Magazine's* 100 Best Corporate Citizens List.

January 2011

Motorola ranked No. 30 on the EPA's National Top 50 List highlighting companies making the largest green power purchases in the U.S.

November 2010

Motorola selected as a member of the Dow Jones Sustainability Indexes for the seventh straight year.

October 2010

Newsweek ranked Motorola No. 43 on its Green Ranking of the 500 largest U.S. companies, based on each company's environmental footprint, policies and practices, and reputation among its peers.



GREENER PRODUCTS

Using long-established green design principles, Motorola Mobility is reducing impacts at each stage of the product lifecycle – design, manufacture, distribution, use and end-of-life.

This helps our customers reduce their environmental footprints and energy costs. Our take-back programs provide channels for obsolete equipment to be reused and recycled.

MORE CONNECTED, LESS CO₂

With energy consumption from electronics making up a growing proportion of household carbon footprints, we recognize the importance of making our devices as efficient as possible.

Since 2000, we have reduced the average standby power of our chargers by at least 70 percent and our latest wall chargers have standby power rates of just 0.03 watts. That's 90 percent better than the current U.S. Environmental Protection Agency's ENERGY STAR standard.

We ship our phones with energy-saving settings enabled. A significant amount of energy is wasted when the charger is left on standby (plugged in, but not in use). Our charger unplug message reminds consumers to save energy by unplugging their charger when not in use. Increased talk time also conserves energy by reducing charging frequency.

We require all new designs of set-tops to meet either the latest U.S. EPA's ENERGY STAR standard or the Voluntary Industry Agreement to improve the energy efficiency of complex set-tops in Europe. Many of our set-tops already meet these challenging standards.

ALTERNATIVE MATERIALS

In 2010, we launched six new mobile phones and five accessories that are free of brominated-flame retardants, polyvinyl chloride and phthalates. We are also innovating in the use of recycled plastic to cut lifecycle impacts (see pages 4 and 5).

REUSE AND RECYCLING

Reusing and recycling electronic equipment reduces lifecycle CO₂ emissions, saves resources and prevents waste.

Going beyond legislative requirements, we offer programs for mobile phones and accessories in 70 countries, covering more than 90 percent of our global mobile phone unit sales. In the

U.S., consumers can also return other devices such as cordless phones, modems and routers.

In 2010, we collected more than 3,904 tonnes of electronic equipment waste for recycling.

Our set-tops and modems are built to last and can be used by more than one customer after being refurbished and fitted with the latest software.

All our mobile phones meet or exceed the recyclability target of 65 percent set by the European Union.

PACKAGING INNOVATION

We are reducing the weight and volume of our product packaging, improving recyclability and expanding our use of recycled materials.

We now use 100 percent paper-based and at least 60 percent post-consumer recycled material for our standard mobile phone packaging and have halved the average weight of packaging since 2003. Our set-top packaging is 100 percent recyclable and we have replaced paper manuals with online instructions to save resources and reduce weight which cuts energy consumption during transportation.

A GREENER FUTURE FOR BROADBAND

Using our optical network terminals and service platforms, cable operators are beginning to install all-fiber optic networks, bringing almost unlimited broadband capacity and significant energy and cost savings.

It takes 60 percent less energy to supply 20,000 homes with an all-fiber network, compared with standard hybrid fiber coax networks which use coaxial copper cable as well as fiber optic cable.

“Motorola Mobility is expanding the boundaries of eco-innovation to find ways to make our operations and products more sustainable. Our goal is to make people more connected and more mobile, with less environmental impact.”

Gloria Van der Heiden
corporate vice president
Strategic Services and Risk Management



ECO-INNOVATION FROM SMARTPHONES TO SET-TOPS

Motorola Mobility has a long history of eco-innovation because we believe it is an integral part of making better products. Our expertise in this area, developed over decades of research, means we are well placed to meet market demands for greener products.

We have a straight-forward approach to green design: look for ways to make every product greener, right across its lifecycle. That means analyzing impacts from manufacturing through to end-of-life, and then working out the changes that will make the most difference. For example, our analysis shows that over 90 percent of the carbon footprint of one of our set-tops occurs when it is used, so we focus our efforts on improving energy efficiency and meeting ENERGY STAR and other challenging standards.

Using this approach, we are expanding the boundaries with key products to find eco-innovations that can be replicated across our portfolio - from smartphones and chargers to modems and set-tops.

BIG STEPS, SMALLER FOOTPRINTS

Decades of research have brought significant progress in reducing energy use and product-related carbon emissions.

Our average phone charger consumes at least 70 percent less energy in standby compared to one made in 2000 and our latest models use just 0.03 watts, which is 90 percent better than the U.S. Environmental Protection Agency's current Energy Star standard.

Our latest set-top lines – DCX, QIP, VIP – meet ENERGY STAR standards for U.S. markets and the Voluntary Industry Agreement energy standards for European markets. For three of the VIP set-tops, we reduced energy use by more than 30 percent compared with the previous generation. Reduced energy consumption means fewer carbon emissions. Based on an independent lifecycle assessment, the Motorola QIP set-top range has a carbon footprint of 12 to 20 percent less than the previous generation.

MATERIAL INNOVATION

We know that most of the carbon footprint of our mobile phones is from manufacturing so by using less energy-intensive materials, such as recycled plastic, lifecycle impacts can be reduced.

We worked with one of our key plastic vendors to formulate a new recycled plastic that takes 20 percent less energy to make than standard plastic, saves thousands of water bottles from going to landfill and creates a market for waste materials. Our focus on quality meant that introducing a new material was no small undertaking. We spent four years in our labs, testing and reformulating the material until we were certain that it could



MOTOROLA SPICE™

MOTOROLA CITRUS™

MOTOROLA P793
Universal Portable
Power Pack



MOTOROLA DCX3501-M
HD/DVR Set-top



meet the same tough quality standards we apply to virgin plastic. In 2009, this new material was used in the MOTO™ W233 Renew, the world's first mobile phone made of plastic from recycled water bottles.

Since then, we have launched an additional six products containing the material, including the Motorola CITRUS™ and SPICE™ in 2010, our first green smartphones with the latest in eco-design. The phones are also CarbonFree® Certified through an alliance with Carbonfund.org™. Based on an independent, third-party lifecycle assessment, we offset the carbon dioxide generated to manufacture, distribute and operate the phones through investments in renewable energy, energy efficiency and reforestation projects. In addition, the devices are energy efficient and PVC- and BFR-free. These attributes were replicated in our P793 universal portable charging device, the world's first power accessory that contains post-consumer recycled plastic and is CarbonFree® Certified.

Drawing on the knowledge gained through using recycled plastic in our mobile phones and accessories, we are beginning to introduce the material into our products for the home. For example, the DCX3501-M is the first set-top to use post-consumer recycled plastic. The set-top is also a third lighter than previous models, and requires less material to make.

CONSUMER EDUCATION

Smartphones, with their advanced software capabilities, offer new possibilities for empowering people to make green choices. For example, our Motorola CITRUS™ and SPICE™ smartphones are preloaded with a software app that provides access to leading sustainable lifestyle magazine *Tree Hugger*, wherever you are. We also participated in the development of Light Bulb Finder – an app that helps people to save energy and money by ordering energy-efficient lighting for their home or office. Light Bulb Finder can be downloaded for free from the Android Market.

THE ROAD AHEAD

With more and more environmentally aware consumers desiring cutting-edge products with green credentials, we will continue to innovate and build on our long history of green design.



RESPONSIBLE SUPPLY CHAIN

Supporting high labor and environmental standards in our supply chain strengthens both Motorola Mobility and the suppliers we work with. These efforts are essential to maintaining the quality of our products and the success of our business.

We set strong requirements for our suppliers and systematically monitors performance. Collaboration with our industry peers is central to our approach. Our participation in the Global e-Sustainability Initiative (GeSI) industry organization, and our co-leadership of its supply chain working group, has helped us advance our supply chain management, while simultaneously building the capabilities of our suppliers to better their environmental and social performance.

These efforts benefit all parties. We benefit from the high performance of efficient, responsible suppliers. And they provide a much-needed boost to local economies by providing communities with jobs and opportunities to provide services to profitable, sustainable businesses.

A RISK-BASED APPROACH

While our program encompasses all suppliers, we focus our monitoring activities on higher-risk suppliers identified using criteria such as supplier location, type of operation and spend. Our engagement model is consistent with the GeSI/Electronics Industry Citizenship Coalition (EICC) approach and includes self-assessment questionnaires used to help us identify risk and target on-site audits. Since 2006, we have conducted 255 detailed on-site supplier audits using third-party assessors. Through our supplier agreements, we require our direct suppliers (suppliers from which we buy directly) to monitor the corporate responsibility performance of their suppliers.

We want our suppliers to succeed. This is why we provide feedback on their performance and work with them to resolve issues identified through our monitoring process. In 2010, we held four training sessions in China, Korea and Taiwan. The training went beyond raising awareness of our supplier code to provide guidance on how suppliers can establish internal corporate responsibility and monitoring programs for their own supply chains. Representatives from more than 80 companies attended.

COMMON INDUSTRY TOOLS

We continue to use e-TASC, the self-assessment tool developed by GeSI and the EICC. Participating companies in the future will be able to view their suppliers' on-site audit results and corrective actions. Suppliers control which of their customers can view their information.

Overall, there are approximately 800 companies with more than 1,400 facilities represented in e-TASC. The system has successfully improved efficiency for a number of suppliers and customers. For example, one supplier shares data with 10 different customers through e-TASC and many others share data with two or more customers.

SOURCING OF METALS

We are extremely concerned about the social and environmental conditions in some mines that supply metals to the electronics industry. Mining activities that fuel conflict are unacceptable. Together with our peers, we are working to support the development and implementation of a tracking and validation system to ensure these raw materials come from responsible sources.

Our products contain various metals, including tantalum, tin, tungsten and gold, which originate in mines around the world. Some mining operations have been linked to poor labor and environmental practices, and there is evidence that some mining and transportation of minerals in the Eastern provinces of the Democratic Republic of Congo (DRC) are fueling conflict in the country by funding illegally armed groups.

We do not procure these materials directly; however, we are working to effect positive change. We support the development of regulations and standards that help companies determine whether the sources of the materials they use are associated with conflict. We are very concerned that currently a credible, independent system that enables companies to verify the source of the metals in their products does not exist.

Motorola Mobility is collaborating with others in the industry to tackle the challenges of traceability/tracking and other issues through the GeSI and EICC extractives workgroup. We believe this effort will drive greater transparency in the electronics industry supply chain and provide opportunities for individual companies to make greater impacts.



“Working to improve social and environmental performance is more than just reputation management – it is a key part of our supply chain process and our rigorous approach to product quality.”

Mike Fleming

senior vice president, chief supply chain officer

SUPPORTING DIVERSITY SUPPLIERS

Our supplier diversity team works to help women-owned and minority-owned businesses access Motorola Mobility procurement opportunities. Working with diversity suppliers gives us greater access to creative and innovative companies. In 2010, 9.6 percent of Motorola’s U.S. tier-one supplier spend was with diversity suppliers.

We participate in the Telecommunications Industry Group (TIG) with other supplier diversity professionals from U.S.-based telecommunications companies. Through the TIG, we advocate the expansion of supplier diversity initiatives among our customers, our peer companies and our suppliers.

Through our mentoring program we help key diverse suppliers to do more business with us. Our procurement professionals conduct one-to-one business reviews with the suppliers to identify issues that might prevent them from expanding their businesses and to provide training and advice to help overcome these barriers. We also introduce the companies to different parts of our business to enable them to form new relationships. The program has been a significant success and our analysis shows that in 2010 we spent a third more with these suppliers than in 2009.

Our supplier diversity program went global in 2003 and we now source from diversity suppliers in China, India, Malaysia, Singapore and South Africa. We work with local diversity organizations to identify minority categories and to contact diversity suppliers. In 2008, we became a founding member and provided seed funding to Minority Supplier Development (MSD)-China, which aims to certify ethnic minority-owned businesses in China.

**OUR SUPPLIER
CODE OF CONDUCT
IN SUMMARY**

Suppliers are expected to:

- Comply with the law
- Reject corruption
- Not engage in unfair business practices
- Not discriminate
- Prohibit harsh or inhumane treatment
- Not use forced labor or child labor
- Allow workers to choose to join an association or bargain collectively
- Avoid excessive overtime
- Pay workers wages and benefits that meet basic needs
- Operate a safe and healthy work environment
- Operate an environmental management system
- Disclose materials contained in the products they supply
- Adopt or establish a management system that supports this code



SUPPORTING COMMUNITIES

Motorola Mobility focuses our investment on supporting: education programs that prepare students for the 21st century; local community initiatives and communities affected by disaster; and projects that promote health and wellness.

In 2010, Motorola, the Motorola Foundation and our employees supported community programs in more than 40 countries.

EDUCATION

Motorola helped to launch *FIRST* Robotics Competitions in 1989 and has supported it each year since. The competition involves students working in teams to create robots and then testing them in regional and national *FIRST* Robotics Competitions.

Our employees lead and mentor *FIRST* LEGO League and robotics clubs in California, Illinois and Pennsylvania. *FIRST* participants are seven times more likely to study engineering at college than the U.S. average and twice as likely to choose computer science.

DISASTER RELIEF

We join humanitarian organizations to address critical needs of communities around the world. In 2010, Motorola, the Motorola Foundation and our employees provided support to relief efforts after the earthquake in Chile, massive landslides in China, the earthquake in Haiti, the floods in Mexico and Texas, the floods in Pakistan, the floods and rockslide on the Portuguese island of Madeira and the wildfires in Russia.

ENVIRONMENTAL PROTECTION

During 2010, Motorola and the Motorola Foundation also supported environmental education and conservation programs. Projects supported ranged from a program to inspire the next generation of sustainability leaders by installing solar-power

generation and monitoring equipment in Chicago public schools, to a project run by the engineering institute SUPELEC where professors work with university level students to research new green technologies for wireless communications in France.

VOLUNTEERISM

Beyond grant making, we support communities through the dedication of our employees. Hundreds of our engineers and scientists use their knowledge and skills to inspire the next generation of inventors as volunteer robotics club mentors, science fair judges and math tutors.

For the fifth year in a row, our employees around the world took a half-day off to volunteer in their communities on our Global Day of Service. Themed Green & Global, the 2010 event engaged our employees in more than 35 countries to work with hundreds of non-profits and included volunteer projects focused on sustainable solutions for improved education and the environment.

“Motorola Mobility’s responsibilities as a global business extend well beyond our primary mission to simplify, connect and enrich people’s lives. Together with the new Motorola Mobility Foundation we support our communities by donating money, time and equipment.”

Carol Forsyte

corporate vice president
Motorola Mobility Foundation

Stay Connected

FOLLOW THE MOTOROLA MOBILITY FOUNDATION

FACEBOOK: [facebook.com/EmpowerMoto](https://www.facebook.com/EmpowerMoto)



DATA SUMMARY

	2005	2006	2007	2008	2009	2010
EMPLOYEES*						
Recordable injury and illness case rate (per 100 employees)	0.39	0.30	0.21	0.20	0.18	0.15
ENVIRONMENT: OPERATIONS						
Scope one: Direct greenhouse gas emissions from Motorola-owned stationary and mobile sources (tonnes CO ₂ equivalent)	9,364	9,650	9,058	9,486	8,112	8,864
Scope two: Indirect greenhouse gas emissions from electricity use (tonnes CO ₂ equivalent)	240,911	232,179	221,154	187,775	152,446	128,196
Scope three: Business travel (tonnes CO ₂ equivalent)	–	–	–	54,199	42,597	46,409
Energy use: Electricity and natural gas (million kilowatt hours)	394	380	360	309	279	262
Renewable energy use as a percent of total energy use (percent)	–	7%	7%	13%	20%	27%
Hazardous waste (tonnes)	158	111	333	253	228	225
Non-hazardous waste recycling rate (percent)	79%	79%	80%	79%	75%	84%
Water use (thousands cubic meters)	1,440	1,292	1,233	1,099	940	950
Volatile organic material emissions (tonnes)	33	54	45	29	17	16
ENVIRONMENT: PRODUCTS*						
Electronic equipment received through take-back programs (tonnes)	1,513	2,282	2,534	2,560	5,162	3,904
COMMUNITY INVESTMENT*						
Motorola/Motorola Foundation charitable giving (millions)	\$13.0	\$13.8	\$30.5	\$23.7	\$18.4	\$23.9
Employee donations (millions)	\$4.3	\$3.2	\$3.1	\$4.3	\$3.1	\$3.6
SUPPLY CHAIN*						
Number of in-depth supplier corporate responsibility audits	–	20	75	80	40	40
Percent of supplier spend with tier-one diversity suppliers (percent)	5.7%	8.3%	10.4%	9.3%	9.9%	9.6%

*Data relates to Motorola Inc., our former parent company

LIFE.  **POWERED.**



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We welcome your comments and feedback
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