2025 TCFD Report

Motorola Solutions, Inc.



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About this report

This report, published in May 2025, is intended to align with the recommendations of the Task Force on Climate-Related Financial Disclosure (TCFD), an international, multi-industry-led initiative launched to develop recommendations for voluntary disclosure of climate-related risk. This report follows the framework outlined in the TCFD recommendations and includes the core elements, including governance, strategy, risk management, metrics and targets, while addressing each of the 11 TCFD disclosure recommendations.

This report was prepared in alignment with TCFD guidance in effect as of March 2025. Updates to TCFD guidance after that date will be evaluated for future reports. We retained a third-party consultant to facilitate our TCFD process, conduct the scenario analysis included herein and support the alignment of our disclosures with the TCFD framework.

Statements in this report which are not historical in nature are forward-looking statements, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, as amended, and generally include words such as "expect," "may," "could," "believe," "would," "might," "anticipates" or similar words. The principal forward-looking statements in this report include: (1) our goals, commitments and programs; (2) our business plans, strategies, initiatives and objectives; (3) our assumptions and expectations; (4) the scope and impact of our climate risks and opportunities; and (5) standards and expectations of third parties. Although we believe there is a reasonable basis for the forward-looking statements, our actual results could be materially different. The most important factors that could cause our actual results to differ from our forward-looking statements are set forth in our description of risk factors included in Part I, Item 1A, "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2024, which should be read in conjunction with the forward-looking statements in this report and is accessible on the SEC's website at www.sec.gov and on our website at https://investors.motorolasolutions.com. Forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update any forward-looking statement.

In addition, historical, current and forward-looking climate-related statements, including non-financial climate-related metrics presented herein, may be based on standards measuring progress that are still developing, internal controls and processes that continue to evolve, assumptions that are subject to change in the future and measurements that contain uncertainties resulting from limitations inherent in the nature and methods used for determining such data. We reserve the right to update our measurement techniques and methodologies in the future.



Governance

At Motorola Solutions Inc., we're committed to responsible and effective corporate governance to promote the integrity and efficiency of our business and to maximize shareholder value. The Governance and Compliance pillar of our Corporate Responsibility Framework enables us to comply with applicable regulatory requirements and act ethically as we provide value to our customers, communities and the world at large.

One of our core principles is to evaluate and mitigate our environmental impact. We actively uphold this commitment by addressing climate-related risks and opportunities (ROs). As part of this, and to sustain our stakeholders' trust, we have reported on climate metrics (such as our Scope 1, 2 and 3 greenhouse gas (GHG) emissions) in our corporate responsibility reports since 2016. We have also implemented changes and improvements to continue working toward our Scope 1 and 2 reduction targets and continued to strengthen governance practices around climate ROs. These efforts include the implementation of our TCFD analysis process in 2022 and this refresh of the most pertinent climate-related ROs relevant to our business model and operations. To ensure oversight and management of these initiatives, we have established comprehensive governance practices.

Corporate responsibility, governance and management overview

Our Board of Directors (the "board") and management team play an active role in our oversight and management of enterprise ROs. Our governance practices for corporate responsibility, including climate-related ROs, are:

- Board oversight of Environmental, Social, and Governance related risks
- Executive-level management
- An executive management governance team ("Governance Team"), which includes two members of our executive committee, to develop and implement our Corporate Responsibility strategies and programs across our global organization
- Centralized corporate data collection for greenhouse gas management
- Corporate environmental, health
 and safety (EHS) leadership
- Active supplier engagement

Board oversight

At the highest level, our board oversees ESG-related matters and their related risks. The board's governance and nominating committee is responsible for reviewing our ESG strategy, initiatives and policies and receiving updates on significant ESG activities. This committee is updated at least semi-annually on ESG-related matters, including significant climate issues such as our greenhouse gas emissions targets. These climate-related updates are available to all board members. To carry out its enterprise risk oversight role, the board's audit committee receives updates on ESG-related risks, including climate-related ROs. The audit committee receives these updates on ESG-related risks at least semi-annually. The governance and nominating committee and the audit committee also review our corporate responsibility report each year (along with the full board).

Executive leadership

At the executive level, the 2020 formation of the Governance Team significantly enhanced senior-level management engagement in Corporate Responsibility and climate-related issues at Motorola Solutions. Our Governance Team is co-chaired by two members of our executive committee. The team drives decision-making on strategies and initiatives to responsibly shape our corporate impact, including our climate impact strategy. The Governance Team is led by our senior vice president, general counsel, as well as our executive vice president and chief financial officer, and includes other vice presidents with oversight and responsibility for corporate governance and ESG-related areas. A key member of the Governance Team is our vice president of Legal, who leads the alignment of our corporate social responsibility



efforts within a number of reporting frameworks. The Governance Team meets regularly throughout the year to discuss various reporting strategies, including the review and progress on metrics and reporting of our climate-related goals. The Governance Team is also charged with driving the strategies, goals and programs that align to various reporting frameworks.

Discussions about climate change extend beyond our scheduled board and committee meetings. For example, our EHS Director and chief ethics and compliance officer regularly briefs the senior vice president, general counsel, the executive vice president and chief financial officer, the rest of the Governance Team, and other senior company leaders on climate change activities and issues. Climate-related engagements with investors and other external stakeholders are tracked to help ensure we're communicating clearly about our strategy to address the relevant ROs. Climate change and sustainability-related risks are assessed every year during the annual enterprise risk management (ERM) assessment.



Strategy

TCFD climate-related risks and opportunities overview

The TCFD framework identifies two types of climate risks and opportunities — physical and transition. Physical risks include extreme weather events, such as drought or storms, and the longer-term impact of increasing average global mean temperatures. Transition risks relate to considerations such as the costs of the global transition to a low-carbon economy, the impact of new regulations and implementation of new energy-efficient technologies. Climate-related opportunities refer to the positive outcomes of actions taken to mitigate and adapt to climate change, encompassing efforts such as adoption of low-emission energy sources and development of new products and services.

We view scenario analysis as a critical tool to evaluate climate-related risks and uncertainties and understand how they can impact our performance in different hypothetical futures. We take a proactive approach to engaging our critical global suppliers and have robust business continuity plans and programs.

Our physical risk scenario analysis of our two priority physical climate risks (described below) covered all our facilities. We utilized three reference scenarios from the Intergovernmental Panel on Climate Change (IPCC) to conduct our physical scenario analysis:

- IPCC SSP1-2.6 (Aggressive climate action scenario)
- IPCC SSP2-4.5 (Moderate climate action scenario)
- IPCC SSP5-8.5 (Insufficient climate action scenario)

We conducted a qualitative assessment of our priority transition risks and climate-related ROs, leveraging the same climate scenarios, time horizons and assumptions as in the physical risk scenario analysis. See <u>Scenario Analysis</u> for more information.

We identified two physical risks, two transition risks and two climate-related opportunities, with varying potential financial impacts across the short-term (today-2029), medium-term (2030-2035) and long-term (2036-2050). These time horizons take into consideration the useful life of our assets and infrastructure, and the fact that climate-related issues often manifest themselves over the medium- and long-term. These ROs are described below:

Physical climate-related risks:

Physical Risk (Acute): Business disruptions due to acute physical climate risks

Risk description: Like many companies, Motorola Solutions must consider notable risks from business disruptions due to acute physical climate risks, as the increasing frequency and intensity of extreme weather events like hurricanes, floods, wildfires and storms can lead to operational interruptions, elevated costs and infrastructure damage. These event-driven hazards necessitate robust contingency planning and resilient infrastructure investments to mitigate potential impact to our operations and supply chain.

Financial impacts: Acute physical climate events may lead to higher costs associated with damaged infrastructure and recovery efforts, revenue losses due to product delivery delays and increased insurance premiums, with most impacts likely to occur in the long-term as severe weather events become more frequent. Motorola Solutions identified that acute climate risks may also lead to operational disruptions including production downtime from facility damage or power outages, as well as supply chain disruptions. Further, acute climate risks to our company may cause strategic impacts, including the need for significant investment into resilience projects for infrastructure and contingency plans, as well as reputational damage and loss of customer trust if more frequent disruptions and delays occur.



Physical Risk (Chronic): Business disruptions due to chronic physical climate risks

Risk description: Motorola Solutions faces risks from chronic physical climate changes, such as sustained higher temperatures, rising sea levels and persistent water stress, which can disrupt supply chains, increase operational costs and necessitate significant infrastructure investments. Additionally, higher temperatures may increase energy consumption for cooling at Motorola Solutions' facilities, further raising operational costs and demanding proactive adaptation strategies to ensure resilience.

Financial impacts: Motorola Solutions may experience significant financial and operational impacts from chronic physical climate risks, including increased operational costs to cool facilities and investment in infrastructure upgrades, such as improved cooling and water-efficient technologies to adapt to climate conditions. Motorola Solutions may also see reduced revenue due to persistent operational disruptions. Motorola Solutions may experience supply chain disruptions due to variability in the availability and cost of raw materials, as well as difficulties managing facilities and maintaining operational efficiency as more manufacturing is under direct control of suppliers. We anticipate that chronic physical climate events will most significantly impact the company in the long-term, as climate patterns continue to worsen.

Transition risks:

Transition Risk (Market): Reduced demand and market share from failure to adapt to customer requirements and meet market demand for new products and services with a reduced environmental footprint

Risk description: Motorola Solutions faces risks related to meeting consumer demands for sustainable products and services. This includes costs to integrate circularity principles in product design, reduce raw materials use and increase product recovery and recycling rates, as well as investing in low-carbon and minimalistic packaging, transport and distribution strategies. Failure to meet these expectations can result in lost market share and revenue.

Financial impacts: The most pertinent financial impact Motorola Solutions may experience by failing to meet market expectations is reduced revenue, both from reduced sales and losing access to certain markets. Further, increased requirements to conduct supplier audits and certifications may lead to additional disruptions and costs across our value chain. Penalties imposed by governments and regulatory bodies may affect demand dynamics, as well as creating more opportunity for fines. We believe that failure to innovate and meet market demand will significantly affect Motorola Solutions' strategy as well, creating competitive disadvantage and worsening brand perception.

Transition risk (Policy): Increased stakeholder demand for ESG and climate disclosure, transparency and compliance

Risk description: Motorola Solutions faces risks related to the accuracy and transparency of sustainability reporting and disclosures, as well as litigation and legal claims related to climate impacts and regulatory compliance. This includes the potential for legal challenges, litigation and reputational and financial impacts from increased scrutiny from stakeholders. This also includes the potential for substantive fines and reputational damage.

Financial impacts: Increased costs to comply with reporting requirements and climate regulations may impact Motorola Solutions. The company may also experience increased capital expenditure on investments in low-emissions technology and alternatives, increased operating expenses to procure compliant materials and R&D investments to develop compliant products. Motorola Solutions may see an increased operational burden to comply with emerging regulations, especially in the medium- and long-term. Our reputation may also be harmed if we fail to effectively comply with current and emerging regulations in a timely fashion.



Climate-related opportunities:

Opportunity (markets, products & services): Increased demand for products and services which support climate change adaptation through resilience to changing climate conditions and enablement of disaster preparedness and response

Opportunity description: Motorola Solutions will be presented with opportunities for increased demand and competitive advantage from sales of products which support customer needs during extreme weather events, enhance disaster resilience and fortify emergency response capabilities.

Financial impacts: We believe we have the opportunity to realize numerous financial and strategic benefits from developing products which support customers over the short-, medium- and long-term when responding to extreme weather events, especially in insufficient and moderate climate scenarios. As extreme weather events become more frequent and severe, we anticipate that Motorola Solutions' work to deliver resilient products and disaster response solutions will enable the company to continue to garner customer trust and loyalty. Potential financial benefits include increased revenue from both existing and future innovative climate solutions may also acquire new customers, as stakeholders such as the government, nonprofits and the private sector become more attuned to the need for climate-resilient products and solutions. We believe that the company will reap benefits if it takes advantage of these opportunities and that early adoption of climate-resilient products will establish Motorola Solutions as a preferred provider for current customers. As we work to leverage our strengths in disaster preparedness as a response to climate change adaptation, we believe our potentially resulting enhanced reputation will also attract new customers.

Opportunity (energy source and resource efficiency): Implementation of lower-emission, energy-efficient and resourceefficient facility systems and operations (e.g., LED lighting, smart building controls and reduced water usage)

Opportunity description: Opportunities to reduce greenhouse gas emissions, realize cost savings and promote business resilience in mitigating climate change risks by adopting renewable energy sources, as well as reducing energy and resource consumption through technological upgrades, infrastructure improvements and energy-saving projects.

Financial impacts: By continuously evolving our systems and operations to become more resource- and energy-efficient, Motorola Solutions may benefit from numerous direct financial benefits, including reduced operational and maintenance costs, lower utility bills and the realization of incentives and rebates associated with energy efficiency program sponsorships and programs. We also may realize numerous operational improvements, such as improved production reliability and performance, improved employee health and safety and reduced waste and emissions outputs. We expect that the transition to more energy-efficient operations will in tandem support our GHG decarbonization goals. Motorola Solutions may also benefit from increased stakeholder investment and trust through this transition, demonstrating to customers and investors that Motorola Solutions is committed to a successful climate transition.

Our approach to climate risk mitigation

Our strategy is evolving to address the impacts of priority climate-related ROs as well as considering the impacts of the climate-related issues on our financial performance and positions. Upon reviewing both the transition and physical risks to our business using climate scenario analyses, we expect to continue addressing both categories of risk while continuously striving to improve processes, systems and structures that support long-term resilience.

As of the date of this report, we have not incorporated climate-related scenarios, environmental risks or opportunities into financial planning as it is not part of our short-term strategy. However, we have implemented high-level strategic policies in an effort to decrease our exposure to environmental risk and have taken proactive steps to manage environmental risk. Our strategy for managing business continuity risk directly supports the mitigation of physical climate risks, including our ongoing phased implementation of the ISO 22301 Business Continuity Management (BCM) standard and the employment of advanced analytics across the company.



Supply chain

Effective supply chain management is one of our highest priorities, and our ability to manage our supply chain ties directly to our ability to mitigate climate-related risks. We operate our supply chain by focusing on four critical elements: people, processes, systems and structures. We have identified that higher frequency and severity of weather events may increase the probability of extended periods of upstream supply chain disruption that could affect manufacturing plants and transportation lanes. The potential impact of supply chain disruption on our business is increased because we engage with global contract manufacturers who manufacture the majority of our products across a diverse network of manufacturing locations worldwide. One potential impact of physical climate-related risks on the company may be an increased cost of operations. We attempt to mitigate this risk by encouraging our key suppliers to adopt risk management best practices, implementing a business continuity management system and continuously evaluating our supply chain strategy.

We approach supply chain management as business risk management, with redundancy and resiliency at the heart of our philosophy. We continuously assess our supply chain footprint for a single point of failure in supply, manufacturing, transportation and distribution to proactively mitigate risk and minimize the impact of disruptive events. We do not currently calculate costs associated specifically with climate risk mitigation in our supply chain. Our Business Continuity Plan (BCP) program, which uses the industry-standard ISO 22301, is currently being rolled out in phases at our facilities across the world. As part of this program, certified sites assess threat risks, including potential climate change-related chronic and acute physical risks. We develop strategies and plans to mitigate the identified risks to reduce their likelihood and impact. We take a proactively engage our suppliers to assess their business continuity plans, identify gaps and work closely with them to help elevate their plans to standard and help ensure that they are mitigating risks in their operations. We periodically evaluate opportunities to optimize our manufacturing locations to bring them closer to our key markets, as reducing our own carbon footprint is another way to mitigate this risk.

Direct operations

Our direct operations may experience impacts related to water, as changes in water quality and availability due to climate change could result in higher water prices and thus higher operating costs for our organization. To minimize water use, we regularly install water-saving devices. An example is our implementation of motion sensor faucets within washrooms. In 2016 we began reducing our real estate footprint and renovating our workspaces, including installing water-efficient fixtures in bathrooms, break rooms and cafeterias. In 2022, our real estate team worked with a landlord in Plantation, Florida to replace existing toilet flush valves with more efficient units, resulting in 122,500 gallons of water savings annually. And in 2020, we transitioned to a hybrid in-office and remote work model for a large portion of our office workers, thereby further reducing the amount of water used in our facilities.

Our direct operations may also be affected by fluctuations in energy costs as prices become more volatile. Climate events impacting the grid can lead to electricity price fluctuations, which we cannot always control due to our reliance on property management for our facilities' power.

Products and services

We manage our business organizationally through two segments: Products & Systems Integration and Software & Services. Within these segments, we are building and connecting an ecosystem of security and safety technologies to help protect people, property and places, which includes Land Mobile Radio Communications, Video Security & Access Control and Command Center. Our customers may expect us to offer products and services to help reduce energy consumption, improve efficiency and minimize greenhouse gas footprints. If we are unable to meet our customers' expectations, it could reduce demand for our products and adversely affect our business. To help mitigate this risk, we are implementing Design to Value (DTV), a cross-functional, data-driven approach to product development that uses advanced analytics to better understand market trends and customer willingness to pay, thereby improving product design decisions. We are in the process of rolling out DTV across our business. Additionally, we use financial scenario planning to assess potential external impacts and expect to continue to leverage this tool going forward.



Regarding climate adaptation, we do not expect a significant negative impact on the customer demand for our products and services under future climate scenarios, especially those related to emergency response and security. On the contrary, we expect our offerings to remain integral in helping our customers address various climate adaptation needs. Our goal to meet the increasing expectations from our customers and stakeholders for our products and services to continue to become more environmentally sustainable also informs our efforts to mitigate transition risks. We expect to continue to monitor transition risks, with an eye toward enhancing coordination across geographies.

Policy and our greenhouse gas emissions reduction commitments

Existing regulatory requirements and future legislative proposals addressing climate change issues may introduce measures that could increase compliance costs and materially impact our financial condition. Such measures may include pricing and regulatory limits on greenhouse gas emissions, renewable energy use requirements and product energy efficiency standards. Investing in projects to ensure compliance with possible new regulations may increase our operational and manufacturing costs, impacting our financial condition. To help mitigate this risk, we continuously monitor current and proposed regulations, often through participation in industry associations, to help stay informed of any applicable pending legislation.

We understand that reducing our carbon footprint is crucial for mitigating both physical and transition risks. Our goal is to reduce global absolute greenhouse gas emissions (Scopes 1 and 2) to 3.4 kT CO2e by 2031, representing a 95% reduction from our 2021 baseline. At this time, we do not have a finalized climate transition plan. Please see the <u>Metrics and Targets</u> section for more.

We also approach transition risk by focusing on energy demand management and energy efficiency. We set goals for our energy use, emission reductions, recycling and waste reduction to help minimize our environmental footprint and mitigate regulatory and policy risks. Most of our operations rely on electricity, with a significant portion generated from fossil fuels. To reduce greenhouse gas emissions from our electricity use, we are procuring renewable energy and improving energy efficiency in our operations through a range of methods.

In 2023, we used about 1.72 million kilowatt hours of power for our environmental remediation work, all sourced from renewable energy. Regarding reduction of our real estate footprint and business travel, our corporate real estate department has made several renovations across our portfolio, including the installation of energy-efficient technology, which has reduced energy consumption, associated emissions and operating costs. Additionally, we've reduced our real estate footprint and business travel due to the increased work-from-home arrangements initiated in 2020. Since 2018, our facility management partner has employed an energy manager to explore and lead various projects aimed at reducing energy use and increasing energy efficiency in our operations, such as correcting HVAC inefficiencies and replacing aging equipment.

Scenario analysis

In line with the TCFD recommendations, we view scenario analysis as a critical tool to evaluate climate-related risks, opportunities and uncertainties and understand how they can impact our performance in different hypothetical futures. The TCFD recommends that companies "describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2C degree or lower scenario." Companies are recommended to use a range of scenarios when conducting risk assessments and evaluating how possible risks can impact business and operational performance.

Our scenario selection was informed by standard and industry leading practice, as well as the best available science.

Physical scenario analysis: assumptions and methodology

For the physical scenario analysis, we leveraged the most current publicly available scenarios – the Shared Socioeconomic Pathways (SSPs) developed by the Intergovernmental Panel on Climate Change (IPCC) – to evaluate the implications of physical climate-related risks. We utilized three reference scenarios from the IPCC to conduct the physical scenario analysis:

- IPCC SSP1-2.6 (Aggressive climate action scenario)
- IPCC SSP2-4.5 (Moderate climate action scenario)
- IPCC SSP5-8.5 (Insufficient climate action scenario)



We applied the IPCC pathways to evaluate hypothetical uncertainties and alternative future implications of different speeds and magnitudes of climate change and associated physical risks. IPCC SSP1-2.6, SSP2-4.5, and SSP5-8.5 scenarios were used to quantitatively analyze potential physical climate-related impacts on our future operations, including access to raw materials, supply chain, manufacturing sites, product delivery and logistics.

To conduct the assessment, a subset of data from the CMIP6 global climate model (from the World Climate Research Programme's Coupled Model Intercomparison Projects Phase 6) was analyzed and enhanced via model selection, downscaling and bias correction. Physical climate data was then extracted for our facilities across time horizons, scenario and priority climate risks. The assessment covered the three-time horizons of short-term (Today-2029), medium-term (2030-2035) and long-term (2036-2050).

20 high-priority Motorola Solutions-owned and operated facilities were selected to be included within the scope of the physical risk scenario analysis. This evaluation involved conducting a physical risk assessment at both the facility and portfolio levels.

Seven priority physical risks were identified as relevant to our company across these facilities.

- Acute risks:
- Extreme precipitation
- Flood
- Extreme wind (including tropical cyclone)
- Severe convective storms

Chronic risks:

- Drought
- Chronic heat
- Chronic precipitation

Physical scenario analysis: climate scenario narratives

In the 2013 Fifth IPCC Assessment Report, four Representative Concentration Pathways (RCPs) were used to simulate future climate change. However, the 2021 Sixth IPCC Assessment Report uses Shared Socio-Economic Pathways (SSPs) which explore a much broader range of options and scenarios. The SSPs in the IPCC Sixth Assessment Report (AR6) scenarios are scenarios that describe different socio-economic futures and their potential impacts on greenhouse gas emissions and climate change, ranging from sustainability-focused pathways to those characterized by high challenges to mitigation and adaptation. For our physical scenario analysis, we leverage three SSPs from the IPCC AR6:

SSP5-8.5 (physical and transition)

- This scenario assumes an average global temperature rise of 2.4°C between 2041 2060 and 4.4°C between 2081 2100 compared to the preindustrial age. This scenario may likely see emissions continue to increase with little to no changes in current climate- or environmental-related policies.
- This scenario is characterized by less ambitious emissions reductions and a wide range of climate-related laws and
 provisions across the globe that do not aggressively address climate-change or emissions reduction. The lack of action
 is expected to result in the slowest pace of emissions reductions and highest frequency and intensity of physical risks
 and severe ecosystem and biodiversity loss. In restructuring our networks and operations in this scenario, Motorola
 Solutions may face high challenges to mitigate impacts of climate change and low challenges to adapt to impacts
 of changes to climate-related policies.



SSP2-4.5 (physical and transition)

- This scenario assumes an average global temperature rise of 2°C between 2041 2060 and 2.7°C between 2081 2100 compared to the preindustrial age, somewhat driven by the aim to achieve global commitments to meet Nationally Determined Contributions.
- This scenario is characterized by moderate emissions reductions and consistent application of laws and provisions among governments. The moderate pace of action may result in a slower pace of emissions reductions and higher frequency and intensity of physical risks and severe ecosystem and biodiversity loss. There are moderate challenges to mitigate and adapt to climate change.

SSP1-2.6 (physical) and SSP1-1.9 (transition)

- This scenario assumes limited warming to 1.5°C and very low GHG emissions, driven by the aim of the goals of the Paris Agreement. Average global temperatures rise 1.0 to 1.8 °C (SSP1-1.9) and 1.3 to 2.4 °C (SSP1-2.6) between 2081 2100 compared to the preindustrial age. In these scenarios, CO2 emissions decline to net zero around 2050 and 2070, respectively.
- This scenario is characterized by ambitious global collaboration by governments, society and industry towards climaterelated commitments, laws and regulations to reduce GHG emissions and negative environmental impacts. These measures could intensify transitional changes, such as an increased number of new regulations for Motorola Solutions. The rapid reduction of GHG emissions is expected to lead to fewer climate-related events or physical risks in the long-term.

Physical scenario analysis - results

PHYSICAL RISK SCENARIO ANALYSIS: SSP1-2.6		
Acute and Chronic Physical Risks	In the baseline (present-day), the greatest potential physical risk exposure across Motorola Solutions facilities is to extreme precipitation, severe convective storms, chronic heat and chronic precipitation. In-scope facilities have a very low exposure rating to flood, and a few locations have a high exposure to extreme wind. Across considered risks and scenarios, projected changes in the short-term are not as large in magnitude compared to longer time horizons.	
PHYSICAL RISK SCENARIO ANALYSIS: SSP2-4.5		
Acute and Chronic Physical Risks	Across considered time horizons, the highest physical risk exposures are to extreme precipitation, severe convective storms, chronic heat and chronic precipitation, with increased exposure to drought compared to the baseline.	
PHYSICAL RISK SCENARIO ANALYSIS: SSP5-8.5		
Acute and Chronic Physical Risks	The long-term time horizon has the greatest increase in the magnitude of physical risk across our facility portfolio, particularly for the hazards of extreme precipitation, chronic heat and drought.	
- 	Compared to other considered scenarios, the insufficient climate action scenario is expected to have the greatest increase in physical risk across the portfolio of physical risks assessed.	

The result of the scenario analysis assessment helps us to evaluate the resilience of our supply chain to help ensure preparedness for future extreme weather events. See Climate-Related Risks and Opportunities section for more information.

Transition scenario analysis: methodology and assumptions

We further conducted a qualitative scenario assessment of transition risks and climate-related opportunities across the same time horizons. We considered insufficient (IPCC SSP5-8.5), moderate (IPCC SSP2-4.5) and aggressive (IPCC SSP1-1.9) climate action scenarios to assess transition risks and opportunities, incorporating state-of-the-art climate science and scenario analysis leading practices. IPCC SSP1-1.9 was used as the aggressive climate action scenario for the transition risk scenario analysis, representing the upper bound of transition risks. This scenario was chosen over the IPCC SSP1-2.6 scenario from the physical risk scenario analysis, as SSP1-1.9 aims to achieve the Paris Agreement's goal of limiting global warming to 1.5°C. SSP1-1.9 is characterized by ambitious global collaboration among governments, society, and industry towards climate-related commitments, laws and regulations to reduce GHG emissions and negative environmental impacts. These measures may heighten transition risks, such as the introduction of numerous new regulations applicable to Motorola Solutions. However, we anticipate that the rapid reduction of global GHG emissions under this scenario will result in fewer climate-related physical risks in the long-term.

Numerous sources were utilized to assess transition risks and climate-related opportunities. Industry reports, rater and ranker analysis, desktop research and findings from internal stakeholder interviews were utilized to evaluate the potential financial effects of climate ROs across each scenario and time horizon. Please see <u>Strategy</u> for a description of transition risks and climate-related opportunities assessed, as well as findings of the transition scenario analysis for anticipated financial effects across scenarios and time horizons.

AGGRESSIVE CLIMATE ACTION SCENARIO

Market risk	An aggressive climate action scenario is characterized by socioeconomic developments, such as increased educational attainment and income per-capita, which is generally correlated with increased eco-literacy and eco-conscious consumption. In the short-, medium-, and long-term, Motorola Solutions may see an increased focus and preference from customers to source from companies working to reduce emissions and engage in more sustainable supply chains to enable them to meet their own net-zero or environmental goals/requirements.
	may experience decreased revenue over the short-, medium-, and long-term as consumers are more likely to be willing to pay for and consume products and services that have a lower carbon intensity.
Policy & legal risk	Under an aggressive climate action scenario, Motorola Solutions could experience moderate financial impact and burden in the short-, medium- and long-term, due to more stringent regulatory requirements and increased costs associated with compliance. For example, cost increases for raw materials, due to the implementation of the EU and U.K. regulations, have the potential to raise costs of all commodities in scope. These additional regulatory requirements may cause Motorola Solutions to experience an increase in costs, due to increased reporting and restrictions on the use of in-scope materials.
Market opportunity	In the short-term, Motorola Solutions may see moderately increased demand for our communications, safety and command center solutions. Across the medium- and long-term, we anticipate this demand to increase with commensurate increases in public funding for – and private interest in – futureproofing for climate resilience as part of aggressive climate action planning.
	We anticipate that Motorola Solutions' ability to capture new markets is likely to increase in the short- and medium-terms as demand for climate-resilient products increases across both the private and public sectors.
	As the market for climate adaptation expands, investor confidence and Motorola Solutions' access to capital may increase.
Energy source/ resource efficiency opportunity	In the short-term, Motorola Solutions may see increased costs to implement energy and resource savings from a pressure from landlords to transition to lower-emission, energy-efficient and resource-efficient facility systems. However, in the medium- and long-term, we expect Motorola Solutions will see cost savings from reduced energy and resource consumption, as well as operational efficiency.
	If Motorola Solutions succeeds in capturing this opportunity, in the short-, medium- and long-term, we expect to experience increased insulation to volatility in energy prices and fluctuations in raw material costs.
	If Motorola Solutions is able to demonstrate progress towards energy- and resource-related commitments, the company may experience reputational benefits among stakeholders (e.g. consumers, investors) and subsequent increases in revenue and access to capital.

MODERATE CLIMATE ACTION SCENARIO

Market risk	Under a moderate climate action scenario, consumers may increasingly consider low-emissions products in the medium- to long-term due to slower adoption of climate policies and action. Motorola Solutions may face a subsequent slight decrease in revenue in the short-term.
	If Motorola Solutions' competitors are more proactive in investing in sustainability-oriented R&D in the short-term, they may gain a competitive advantage over Motorola Solutions in securing eco-conscious consumers in the medium- and long-term. We have an opportunity in the short-term to invest in sustainability innovations to preserve – and potentially – expand market share beyond the short-term.
Policy & legal risk	If exemptions are not granted or regulations continue to intensify, Motorola Solutions may experience an increase in product R&D costs in efforts to meet new and upcoming regulations associated with key materials use and operational efficiency.
	In addition to climate-related disclosures, Motorola Solutions may experience increased pressure to invest in technology for better data quality and timely disclosure, while facing challenges such as data quality, documentation, and evolving reporting standards.
Market opportunity	Under a moderate climate action scenario, demand for Motorola Solutions products supporting resilience may remain constant in the short-term and increase in the medium- and long-term as companies, governments, and NGOs implement and mobilize climate resilience plans.
	As a result, we anticipate that Motorola Solutions is likely to experience increased access to capital, increased revenue, and increased brand value over the short-, medium-, and long-term.
	Simultaneously, as frequency and intensity of climate-related events continue to rise in a moderate climate action scenario, we expect that demand for practical solutions will increase alongside demand driven by climate resilience planning initiatives.
Energy source/ resource efficiency opportunity	Under a moderate climate action scenario, Motorola Solutions may see moderately increased costs in the short term to increase operational efficiencies. However, we expect that Motorola Solutions is also likely to realize benefits across the short-, medium-, and long-term in the form of cost savings and other operational and strategic benefits from the transition.
	If Motorola Solutions successfully moves toward progress on their resource use and energy efficiency, it may experience increased operational resilience to fluctuations in energy prices.

INSUFFICIENT CLIMATE ACTION SCENARIO		
Market risk	As an insufficient climate action scenario is characterized by inertia in quality of governance, rate of educational attainment and innovation capacity, policy drivers may remain minimal, and customer demand for sustainable products may be limited to well-resourced customers and educated consumers. Market pressures from competitors may also stagnate as drivers of innovation stall. Therefore, across time horizons, we expect that drivers of demand for sustainable products are likely to remain stagnant. Motorola Solutions may experience minimal impact on revenue due to stability in current customer demand for low emissions products and services in the medium- to long-term. This may have limited to no effect on current strategy and product mix.	
Policy & legal risk	In the short-, medium-, and long-term, Motorola Solutions may experience little to no additional costs, due to limited regulations for emissions reductions or achievement of Nationally Determined Contributions at a global scale. Motorola Solutions may experience continued impacts from existing regulations such as increased disclosure requirements and pressure from customers: however these impacts may be minimal to the organization	
Market opportunity	With insufficient climate action, climate-related events necessitating resilience solutions are likely to increase in frequency and severity across the short-, medium-, and long-term. High demand for Motorola Solutions products is expected across markets and geographies, driven by a demonstrable and global trend towards frequent natural disasters. Uptake of climate resilience solutions may be slow in the immediate short-term, but we anticipate that climate-related disasters will be likely to create natural pressures, escalating demand for Motorola Solutions products in the medium- and long-term.	
Energy source/ resource efficiency opportunity	In the short-term, Motorola Solutions may experience pressure to implement more energy-efficient systems into its operations due to regulation. However, this demand may not be fulfilled by landlords facing minimal incentive to collaborate, leading to an inability to influence key stakeholder behavior (e.g., landlords and effectively transition to more energy-efficient processes). Motorola Solutions may experience minimal impact to capital costs in the short- and medium-term due to limited pressure to improve energy efficiency of operations. However, as extreme weather events become more frequent, our operations may become more volatile to disruption from events and operating costs to maintain current energy systems and operations may increase.	

Risk management

We have a mature multi-disciplinary enterprise risk management (ERM) process to identify, assess, prioritize, mitigate and monitor our principal risks. Management is responsible for day-to-day risk management activities, with informed risk oversight from the Board and its committees. Each of the board committees reviews significant risks related to the committee's area of responsibility with management and reports on these risks to the full board. The governance and nominating committee has oversight responsibility for ESG matters, including climate-related actions such as greenhouse gas reduction commitments.

On our management team, our chief ethics and compliance officer is responsible for assessing climate-related ROs that are identified internally through our EHS organization and the governance team, and externally through investor and other stakeholder engagements. The vice president of Legal briefs both the Audit and Governance and Nominating committees of our Board. While the Governance and Nominating committee is chartered with ESG oversight for the company, the Audit committee is also briefed on and/or reviews ESG-related matters as part of our ERM process. These matters include, but are not limited to, privacy, cybersecurity and climate.

During the ERM process, top enterprise risks are identified by our management team based on risk impact and likelihood. Risk impact and likelihood are qualitatively and quantitatively defined to assist management in determining materiality of a potential risk event. Risk ownership is assigned, and business owners document completed and planned mitigation activities, which are reported to Motorola Solutions' chief executive officer and Audit Committee. The ERM team identifies overall emerging risks initially through review of external sources or through the risk interview process. New risks may be added to the master risk registry and are assigned to a relevant risk expert. Climate-related risks have already been identified and included in our risk register.

We integrate ESG and climate-related topics into our ERM process by conducting a refreshed climate risk and opportunity (RO) assessment and a climate scenario analysis.

In order to identify potential climate-related ROs to Motorola Solutions, we conducted stakeholder interviews and analyzed relevant industry and market risks and opportunities. To prioritize preliminary identified climate-related ROs, we adapted our ERM framework for the assessment of climate-related ROs across two pillars: financial impact and likelihood. We considered our direct operations, as well as our upstream and downstream value chain in our assessment, as well as short-, medium-, and long-term time horizons. The prioritization exercise resulted in a list of six priority ROs – two priority physical risks, two transition risks and two opportunities – for further assessment through the scenario analysis process. See Scenario Analysis for more information. We plan to continue to monitor climate-related ROs that were not noted as priority or included in the scope for further assessment via scenario analysis. Should their potential impact or likelihood change over time, they may be considered in future iterations of our scenario analysis.

Emerging ESG and climate disclosure requirements were identified as notable climate-related risks in our risk assessment. We recognize that regulatory requirements, including the EU Corporate Sustainability Reporting Directive (EU CSRD), EU Corporate Sustainability Due Diligence Directive (EU CSDDD), , and California Senate Bill 219 (CA SB 219) may impact or will impact Motorola Solutions. Please see Strategy for more information.

TCFD terminology and taxonomy were leveraged in defining and classifying identified physical and transition risks, as well as climate-related opportunities. See <u>Appendix</u> for TCFD risk and opportunity classifications.

We consider implementing new policies and procedures, targets and other improvement activities to mitigate risks with potentially significant impacts. One example of a mitigation activity is investment in a risk management tool to monitor global supply chain events, including climate- and weather-related events that could impact the delivery of our supplies or products. In addition, Motorola Solutions sites across the globe are in the process of earning certification to ISO 22301, the recognized international standard for business continuity management systems, published by the International Organization for Standardization (ISO).



Metrics and targets

We are continuously monitoring the factors contributing to our carbon footprint and overall emissions trends, encompassing Scope 1, 2, and 3 emissions. In 2021, we implemented a new greenhouse gas data management tool to enhance the quality of our data. We're in the process of integrating a new digital environmental measurement tool to further automate data collection, improve data quality and help us set actionable goals. Additionally, we continue to expand our supply chain environmental performance evaluations through tools developed by the Responsible Business Alliance (RBA), of which we are a member. We also track metrics for our water consumption, waste production and emissions of volatile organic materials (VOM).

The Greenhouse Gas protocol methodology was utilized to calculate our Scope 1, Scope 2 and Scope 3 emissions. An operational control boundary was set to conduct the calculations.

2023 SCOPE 1 & 2 EMISSIONS (METRIC TONS CO2E)			
TYPE OF EMISSIONS	2023 EMISSIONS	2022 EMISSIONS	2021 EMISSIONS
Scope 1	15,015	11,362	7,028
Scope 2 (Location-based)	62,324	60,257	59,883
Scope 1 + Scope 2 (Location-based)	77,339	71,619	66,911

Scope 3 emissions data reporting has now reached its sixth year. As our company grows and Motorola Solutions' business practices evolve, we are focusing on continuing to improve the capture of Scope 3 data.

2023 SCOPE 3 EMISSIONS (METRIC TONS CO2E)			
SCOPE 3 CATEGORY	2023 EMISSIONS	2022 EMISSIONS	2021 EMISSIONS
Category 1	332,005	407,693	395,693
Category 2	29,000	39,511	18,905
Category 3	4,841	4,591	3,092
Category 4	69,508	89,473	56,449
Category 5	614	556	530
Category 6	30,745	19,913	11,064
Category 7	5,791	5,540	2,055
Category 11:	531,423	473,137	906,693
Category 15:	110	213	-
Total Scope 3:	1,004,037	1,040,627	1,394,481

Verification of emissions was conducted against the following criteria:

- World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocol, Corporate Accounting and Reporting Standard, Revised Edition (Scope 1 and 2) and the Greenhouse Gas Protocol Scope 2 Guidance, an amendment to the Greenhouse Gas Protocol Corporate Standard
- WRI/WBCSD Corporate Value Chain (Scope 3) Accounting and Reporting Standard

Motorola Solutions' greenhouse gas emissions teduction targets

Motorola Solutions acknowledges our shared responsibility in minimizing climate impact and have set goals to help limit our contribution to global temperature increases. Our goal is to reduce global absolute greenhouse gas emissions (Scopes 1 and 2) to 3.4 kT CO2e by 2031, representing a 95% reduction from our 2021 baseline.

This target aims to align our Scope 1 and 2 emissions, which are under our direct control, with the Science Based Targets initiative (SBTi) framework. It includes global Scope 1 and 2 emissions for our entire organization but does not cover Scope 3 emissions. While Motorola Solutions considers this to be in alignment with the Science Based Targets initiative (SBTi) framework, we have not yet committed to seek validation of this target by the SBTi within the next two years. We plan to reevaluate our current greenhouse gas reduction goals and baseline in 2025 to take into consideration updated guidance from the SBTi organization and changes to our business through acquisitions and outsourcing. Additionally, Motorola Solutions U.K. Ltd and Airwave Solutions Ltd, our U.K. subsidiaries, are committed to achieving Net Zero emissions by 2050 for such entities' UK operations for scope 1, 2, and five scope 3 categories (upstream transportation and distribution, downstream transportation and distribution, waste generated in operations, business travel and employee commuting) as selected by the U.K. government.

Motorola Solutions has also set other relevant climate targets regarding emissions and resource use. We set a 2024 goal to maintain VOM emissions at less than 1 ton annually. We have set a target for 2024 to increase our recycling rate to 50%. We also have an annual target to reduce water withdrawals from municipal supplies or other third-party sources, using 2022 as the base year. Currently, we do not provide monetary compensation for achieving climate change targets, as it is not part of our strategy. Furthermore, we do not use internal pricing of environmental externalities (e.g., internal carbon prices) or climate-related opportunity metrics at this time.



Appendix: TCFD risk and opportunity classifications

RISKS		
TYPE	CATEGORY	DESCRIPTION
Physical	Acute	Acute physical risks refer to those that are event-driven, including increased severity of extreme weather events, such as cyclones, hurricanes or floods.
	Chronic	Chronic physical risks refer to longer-term shifts in climate patterns (e.g., sustained higher temperatures) that may cause sea level rise or chronic heat waves.
Transition	Policy and legal	Policy actions around climate change continue to evolve. Their objectives generally fall into two categories — policy actions that attempt to constrain actions that contribute to the adverse effects of climate change or policy actions that seek to promote adaptation to climate change. Some examples include implementing carbon-pricing mechanisms to reduce greenhouse gas emissions, shifting energy use toward lower emission sources, adopting energy-efficiency solutions, encouraging greater water efficiency measures and promoting more sustainable land-use practices. The risk associated with, and financial impact of policy changes depends on the nature and timing of the policy change. Another important risk is litigation or legal risk. Recent years have seen an increase in climate-related litigation claims being brought before the courts by property owners, municipalities, states, insurers, shareholders and public interest organizations. Reasons for such litigation include the failure of organizations to mitigate impacts of climate change, failure to adapt to climate change and the insufficiency of disclosure around material financial risks. As the value of loss and damage arising from climate change grows, litigation risk is also likely to increase.
	Technology	Technological improvements or innovations that support the transition to a lower-carbon, energy efficient economic system can have a significant impact on organizations. For example, the development and use of emerging technologies such as renewable energy, battery storage, energy efficiency and carbon capture and storage may affect the competitiveness of certain organizations, their production and distribution costs, and ultimately the demand for their products and services from end users. To the extent that new technology displaces old systems and disrupts some parts of the existing economic system, winners and losers may emerge from this "creative destruction" process. The timing of technology development and deployment, however, is a key uncertainty in assessing technology risk.
	Market	While the ways in which markets could be affected by climate change are varied and complex, one of the major ways is through shifts in supply and demand for certain commodities, products, and services as climate-related risks and opportunities are increasingly taken into account.
	Reputation	Climate change has been identified as a potential source of reputational risk tied to changing customer or community perceptions of an organization's contribution to or detraction from the transition to a lower-carbon economy.

OPPORTUNITIES		
TYPE	CATEGORY	DESCRIPTION
Transition	Resource efficiency	There is growing evidence and examples of organizations that have successfully reduced operating costs by improving efficiency across their production and distribution processes, buildings, machinery/appliances and transport/mobility — in relation to energy efficiency but also including broader materials, water and waste management. Such actions can result in direct cost savings to organizations' operations over the medium to long term and contribute to the global efforts to curb emissions. Innovation in technology is assisting this transition; such innovation includes developing efficient heating solutions and circular economy solutions, making advances in LED lighting technology and industrial motor technology, retrofitting buildings, employing geothermal power, offering water usage and treatment solutions and developing electric vehicles.
	Energy Source	According to the International Energy Agency (IEA), to meet global emission-reduction goals, countries will need to transition a major percentage of their energy generation to low emission alternatives such as wind, solar, wave, tidal, hydro, geothermal, nuclear, biofuels, and carbon capture and storage. For the fifth year in a row, investments in renewable energy capacity have exceeded investments in fossil fuel generation. The trends toward decentralized clean energy sources, rapidly declining costs, improved storage capabilities and subsequent global adoption of these technologies are significant. Organizations that shift their energy usage toward low emission energy sources could potentially save on annual energy costs.
	Products and Services	Organizations that innovate and develop new low-emission products and services may improve their competitive position and capitalize on shifting consumer and producer preferences. Some examples include consumer goods and services that place greater emphasis on a product's carbon footprint in its marketing and labeling (e.g., travel, food, beverage and consumer staples, mobility, printing, fashion, and recycling services) and producer goods that place emphasis on reducing emissions (e.g., adoption of energy-efficiency measures along the supply chain).
	Markets	Organizations that proactively seek opportunities in new markets or types of assets may be able to diversify their activities and better position themselves for the transition to a lower-carbon economy. Opportunities exist for organizations to access new markets through collaborating with governments, development banks, small-scale local entrepreneurs, and community groups in developed and developing countries as they work to shift to a lower-carbon economy. New opportunities can also be captured through underwriting or financing green bonds and infrastructure (e.g., low-emission energy production, energy efficiency, grid connectivity, or transport networks).
	Resilience	The concept of climate resilience involves organizations developing adaptive capacity to respond to climate change to better manage the associated risks and seize opportunities, including the ability to respond to transition risks and physical risks. Opportunities include improving efficiency, designing new production processes, and developing new products. Opportunities related to resilience may be especially relevant for organizations with long-lived fixed assets or extensive supply or distribution networks; those that depend critically on utility and infrastructure networks or natural resources in their value chain; and those that may require longer-term financing and investment.

Source: Taskforce for Climate-Related Disclosures, "Climate-Related Risks, Opportunities, and Financial Impacts."

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