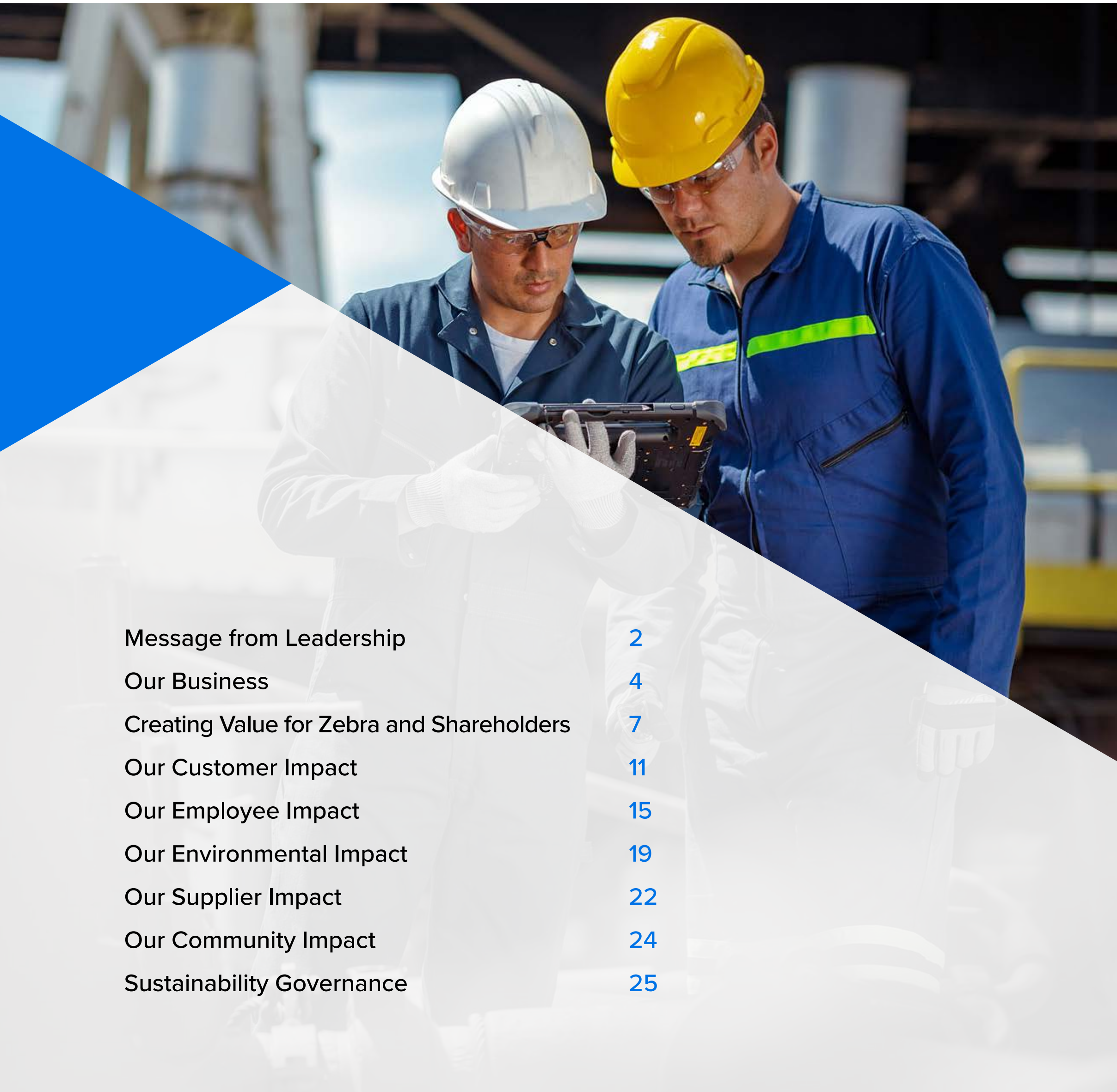




# SUSTAINABILITY REPORT

An integrated view of financial and sustainability performance





Message from Leadership	2
Our Business	4
Creating Value for Zebra and Shareholders	7
Our Customer Impact	11
Our Employee Impact	15
Our Environmental Impact	19
Our Supplier Impact	22
Our Community Impact	24
Sustainability Governance	25

## About this report

This report demonstrates how Zebra integrates sustainability into its business model – to support long-term value creation and an overall positive impact. We recognize that the concept of integrated thinking is important both to Zebra and our stakeholders.

Metrics in this report relate to the 2022 fiscal year. ESG goals presented in “Looking ahead”

sections are aspirational targets that should be understood as forward-looking statements. ESG metrics and targets presented in this report are non-GAAP and are not subject to third-party audit.

Through the report, we use “sustainability” and “ESG” interchangeably to refer to our management of, and performance against, important nonfinancial considerations.

**Safe harbor statement:** Statements made in this report which are not statements of historical fact are forward-looking statements and are subject to the safe harbor provisions created by the Private Securities Litigation Reform Act of 1995. Actual results may differ from those expressed or implied in the company’s forward-looking statements. Zebra may elect to update forward-looking statements but expressly disclaims any obligation to do so, even if the company’s estimates change. These forward-looking statements are based on current expectations, forecasts and assumptions and are subject to the risks and uncertainties inherent in Zebra’s industry, market conditions, general domestic and international economic conditions, and other factors beyond Zebra’s control, and actual results may differ materially from those expressed or implied in such forward-looking statements. In addition, such forward-looking statements are subject to Zebra’s ability to execute on its strategic road map and meet its long-term goals. Descriptions of the risks, uncertainties and other factors that could affect the company’s future operations and results can be found in Zebra’s filings with the Securities and Exchange Commission. In particular, please refer to Zebra’s latest filing of its Form 10-K and Form 10-Q.



## Message from Leadership

### To our stakeholders

Zebra exists to create new ways of working that make everyday life better for organizations, their employees and those they serve. Zebra's value proposition and impact are underpinned by our Enterprise Asset Intelligence vision – every asset and worker on the edge is visible, connected, and fully optimized. By digitizing and automating workflows we give businesses a performance edge and enable more dynamic supply chains. We're proud that our technology solutions support the advancement of industries such as retail & e-commerce, transportation & logistics, manufacturing, and healthcare.

It's an exciting time for Zebra as we build on our market-leading position in our core, while capitalizing on compelling opportunities that advance our vision into complementary areas. Proof points include our strategic investments over the past several years in adjacent and expansion opportunities, including RFID, machine vision, and workflow optimization software.

Our sustainability priorities of human capital management, resource conservation, and climate are foundational to our business. More than ever before, our success relies on integrating sustainability into the way we operate and serve customers. Our customers seek to operate more efficiently and responsibly, and our employees want to work for a company with purpose. Ultimately, our financial success is dependent on driving positive outcomes for our key stakeholders.

At Zebra, we succeed as one with an innovative, inclusive and impactful culture. We are proud of the global talent pool we have, and are determined to remain an employer of choice. Together with our partners, we challenge ourselves to create industry-leading offerings that drive positive impact.

I'm pleased to share our inaugural Sustainability Report with you, which further illustrates how we integrate environmental, social, and governance (ESG) factors into our business strategy. We are navigating an evolving landscape and encourage you to engage with us on our journey.

Sincerely,

Bill Burns

Chief Executive Officer



## Our Purpose

Together, we create new ways of working that make everyday life better for organizations, their employees and those they serve.

Create tomorrow, together

### Our Vision

#### Enterprise Asset Intelligence

Every asset and worker on the edge is visible, connected, and fully optimized.

### Who we are

We're a community of innovators and doers who come together to deliver a performance edge to business. We develop new technologies and create new solutions with partners to help organizations act with greater visibility, connectivity, and intelligence.

### Our Values

- Lead through innovation
- Deliver excellence with agility
- Think and act customer first
- Succeed as one
- Make a positive impact

page 17

## Our business model

### Digitize and automate

We create hardware, software, and cloud analytics solutions that help organizations make business-critical decisions and achieve a performance edge.

Our devices and intelligent infrastructures **sense** information about assets, products, and processes – and then **analyze** it to enable employees to **act** in real time to reduce friction and improve productivity.

### Pioneer industry solutions

We are a technology thought leader and strategic business partner, collaborating with customers to address their emerging challenges and drive industry innovation.

### ESG integration

Through our priorities of human capital management, climate, and resource conservation, we integrate ESG into our business model to support long-term value creation and create a positive impact on society.

## Creating value for our stakeholders



### Zebra and Shareholders

- Long-term organic sales growth through our Enterprise Asset Intelligence vision
- Capitalizing on our culture of innovation

page 7



### Customers

- >80% of the Fortune 500 use Zebra's solutions
- Zebra's solutions enhance customer productivity, efficiency, and service
- Partner with customers on their sustainability objectives

page 11



### Employees

- Highly engaged workforce with above benchmark engagement scores
- Numerous professional development opportunities
- Focus on inclusive culture with clear diversity aspirations

page 15



### Environment

- Committed to science-based emissions reduction targets across scope 1, 2, and 3 emissions
- Award-winning circular economy and resource conservation programs

page 19



### Suppliers

- Comprehensive approach to integrating ESG into supplier engagement
- A majority of our outsourced manufacturing suppliers (or Tier 1s) are committed to science-based emissions reduction targets

page 22



### Communities

- Over 18,000 volunteer hours in 2022
- Focus on innovation in STEM and helping close the digital productivity gap between nonprofits and other businesses

page 24



# Our Business

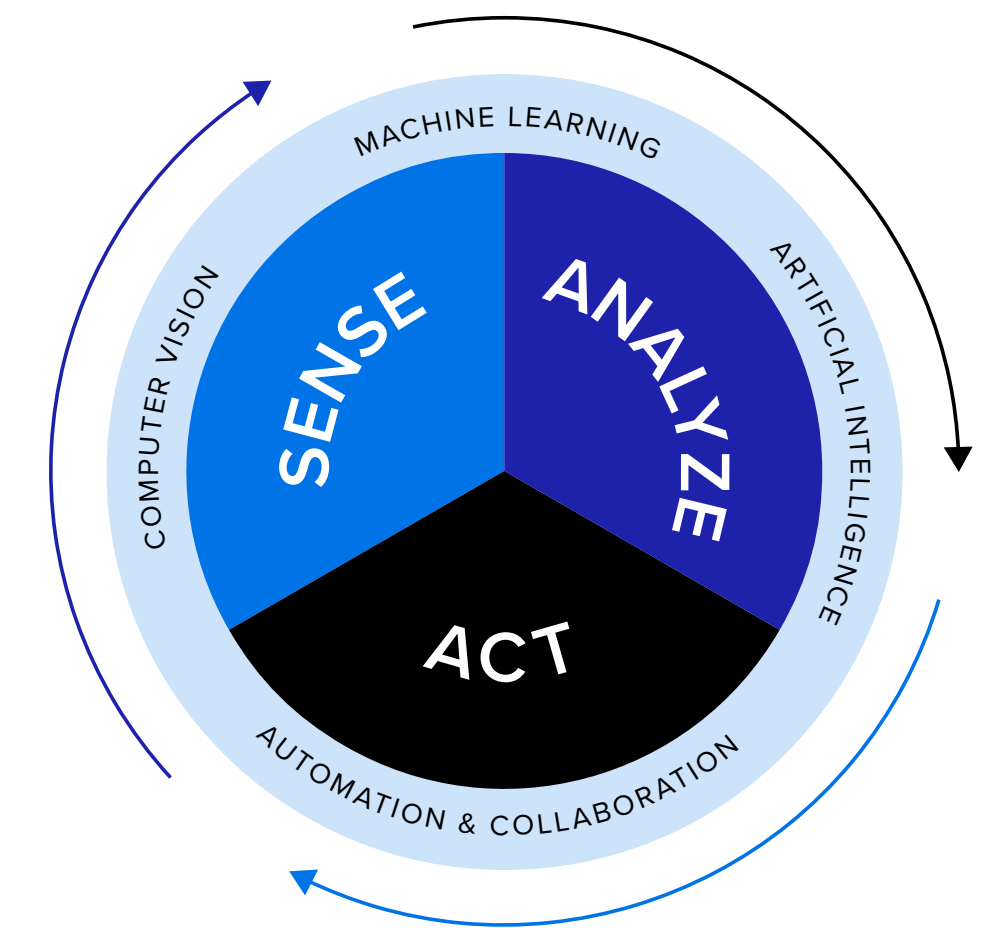
We move society forward by reinventing how businesses run. Our innovative technologies and solutions intelligently connect people, assets, and data to help organizations make business-critical decisions and achieve a performance edge. We empower the front line of business in key industries such as retail, manufacturing, transportation and logistics, and healthcare – partnering with our customers to understand their challenges and achieve their goals.

## OUR BUSINESS

# Digitize and automate

Our solutions help organizations digitize and automate their operations. Our devices and integrated ecosystem sense information about assets, products, and processes – which is then analyzed to enable employees to act in real time to reduce friction and improve productivity.

## Real-Time Actionable Insights



### Purpose-Built Solutions

Zebra’s solutions underpin the success of some of the world’s biggest brands and local community enterprises. For example, our scanners are used at supermarket checkouts, in industrial warehouses, and to facilitate patient management at local hospitals. Our mobile computing products help keep commerce running in the warehouse and in the field – in applications such as inventory management, post and parcel, and e-commerce. Our printers produce the labels, tickets, and receipts necessary for routing and tracking, patient safety, and transaction processing – enabling improved customer service and productivity outcomes.

### Hardware and Software

Hardware is complemented by leading-edge software to deliver a performance edge to customers. We ensure our solutions are easy to integrate and intuitive to manage.

We also offer software applications and tools that improve automated data collection and analysis, maximize device security, and enhance ease of use. Our software-based solutions include workforce optimization, enterprise collaboration, inventory optimization, and demand intelligence. By analyzing labor, inventory, transactional and real-time situational data, these solutions are able to forecast demand, prescribe actions, schedule workers, and enhance collaboration.

### Cloud analytics

Zebra’s cloud data platform enables the integration of our hardware and software solutions. Savanna leverages big data, artificial intelligence, and mobile and web applications to provide customers with real-time visibility and actionable insights about their business.

A complete description of Zebra’s solutions is available on our [website](#).

# OUR BUSINESS Pioneer industry solutions



**Our strategy goes beyond simply developing products and services. We also act as a technology thought leadership partner for customers across our key industries.**

These partnerships involve collaborating to address emerging challenges and drive industry innovation – keeping our customers at the forefront of technology and increasing our overall impact. Zebra was recognized as a Leader in the 2023 Gartner® Magic Quadrant™ for Indoor Location Services for the fourth consecutive year.

## Retail

Zebra’s solutions optimize retail and e-commerce operations from the point of sale to the back of warehouse. Key applications include:

- Mobile technology and automation to support omnichannel growth
- Prescriptive analytics and task management software solutions to optimize workflows

## Manufacturing

Zebra’s solutions help keep manufacturing efficient, accurate, and safe. Key applications include:

- Supporting traceability by tracking products from supply chain to production
- Reducing defects through machine vision solutions for product inspection
- Autonomous mobile robots for materials conveyance

Zebra’s solutions are used to help customers digitize and automate in other end markets as well, including Government & Public Safety, Education, and Hospitality. Page 12 provides case studies of our impact across industry verticals.

## Transportation & Logistics

Zebra’s solutions help transportation and logistics customers as e-commerce adoption continues to drive exponential growth in parcel volumes, putting pressure on supply chains. Key applications include:

- Fleet and delivery solutions maximize visibility into every leg of the journey, including last-mile fulfillment
- Enable smart warehouses and increase inventory accuracy
- Autonomous mobile robots for warehouse fulfillment

## Healthcare

Zebra’s solutions improve the patient journey and the productivity of healthcare providers. Key applications include:

- Enhanced caregiving by addressing patient demands through automated workflows and connecting assets, patients, and staff
- Supporting telehealth through specialized tablets and the locationing of equipment and supplies

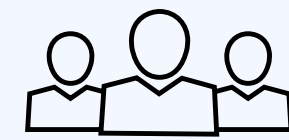
OUR BUSINESS  
ESG integration



To keep giving businesses a leading edge and moving society forward in a sustainable way, we need to have an eye to changes on the horizon.

Zebra's ESG approach focuses on identifying environmental, social, and governance issues facing Zebra and our stakeholders – and integrating these issues into our operations and customer offerings. Our approach ensures that we meet expectations today, while preparing for success tomorrow.

Our ESG efforts are focused around our priorities of human capital management, climate, and resource conservation.



Human capital management

- Be the **employer of choice** in the communities where we work and live
- Drive a high-performance, **inclusive and diverse culture**

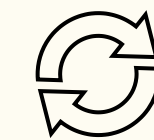
- Set aspirational **diversity goals**, with goals for all people leaders and employees (page 16)
- Launched **inclusion learning tools and resources** (page 16)
- Continued support of **Employee Resource Groups** (page 16)
- Published our **EEO-1 Report**
- Employee engagement above industry benchmark (page 17)



Climate

- **Reduce carbon emissions** and pursue clean energy projects and energy reduction initiatives
- Collaborate with suppliers and customers to reduce emissions

- Published **SASB** and **CDP** reports
- Set **Science-Based Targets** for 2030 (page 20)
- Partnered with **U.S. Department of Energy Better Climate Challenge**
- **Published** climate-related **physical risk** characterization with the DOE, aligned with Task Force on Climate-related Financial Disclosures (TCFD) (page 20)



Resource conservation

- Focus on **sustainable product design, eco-packaging, and waste reduction**
- Support **circular economy** product innovation

- Advanced initiatives to address **landfill reduction** and **sustainable products and packaging** leveraging a cross-functional Green Product Council
- Evolved our **circular economy offerings** with certified refurbished products for reuse and rental (page 21)
- Continued improvement of **manufacturing processes** with our suppliers (page 23)

Our sustainability governance approach includes board and management committee oversight, described further on page 25.

# Creating Value for Zebra and Shareholders

## Our financial performance

As we continue to advance our Enterprise Asset Intelligence vision, we create more value for our shareholders. Growth in adoption of Zebra's solutions across key industries such as retail, transportation and logistics, manufacturing, and healthcare has driven value for our investors over time.

In 2022, we grew our organic net sales by 3.2%. From a profitability perspective, our adjusted EBITDA margin was 21.4% and our non-GAAP diluted EPS was \$17.47. Our team drove a strong finish to a challenging year. We faced various headwinds that impacted our business, including the war in Eastern Europe, continued global sourcing and supply chain issues, China covid lockdowns, rising interest rates, and extreme FX volatility, among others. We took bold mitigating actions with the supply chain including product redesigns to address shortages, safety stock, and utilizing alternate modes of transport to satisfy demand.

We are encouraged by supply chain improvements while we continue to navigate a challenging macro environment. We continue to win new customers such as a large postal customer in Asia who expects to improve efficiency and productivity by equipping 70,000 mail carriers with our mobile computing solutions, and a British grocery company that plans to improve shopper experience and drive store efficiencies by deploying 80,000 Zebra-powered personal shopper devices.

## Looking ahead

### We expect to achieve:

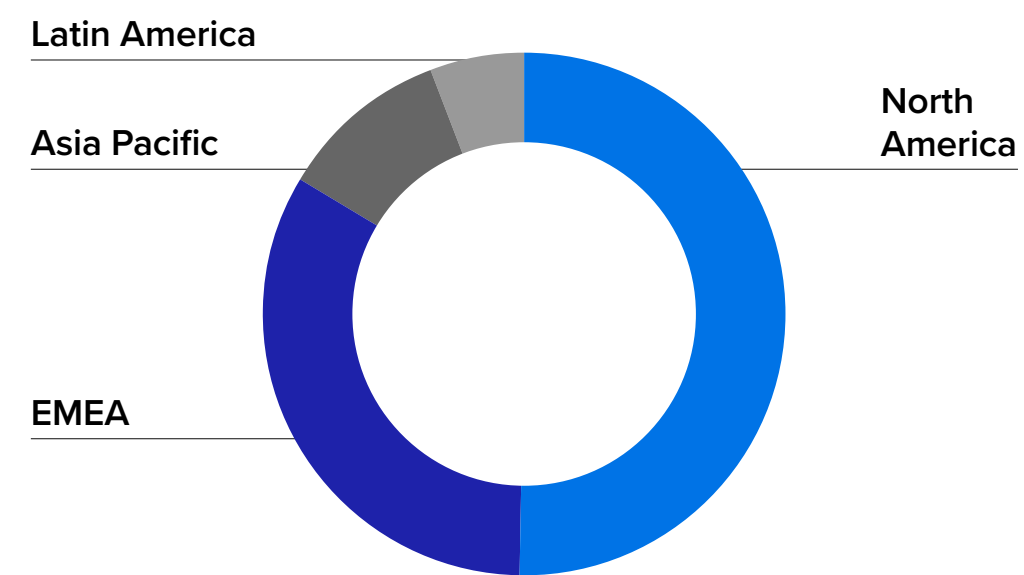
- 5-7% annualized organic sales growth
- Double-digit earnings per share growth
- 100% free cash flow conversion over a cycle
- Reinvest approximately 10% of sales into research and development



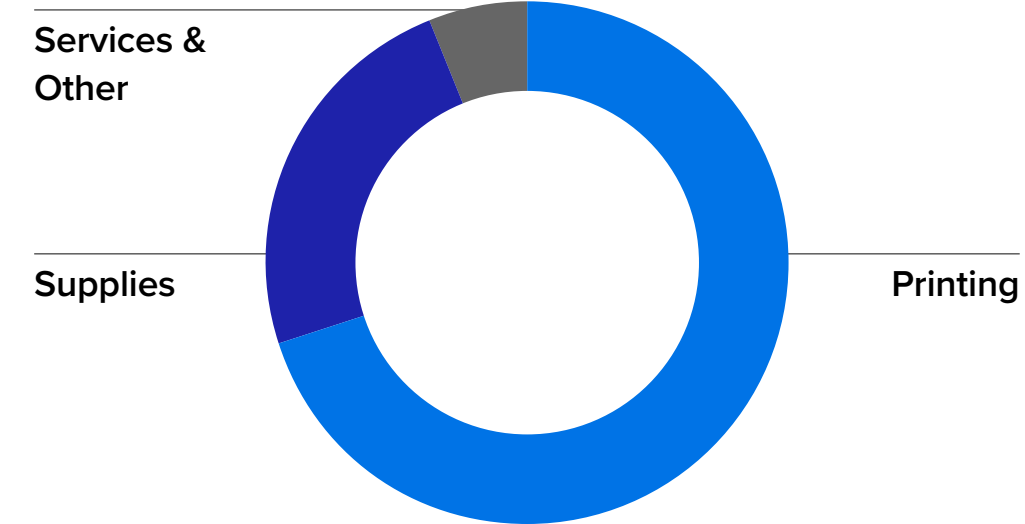
OUR FINANCIAL PERFORMANCE  
Sales and market leadership

**\$5.8B**  
Global sales in 2022

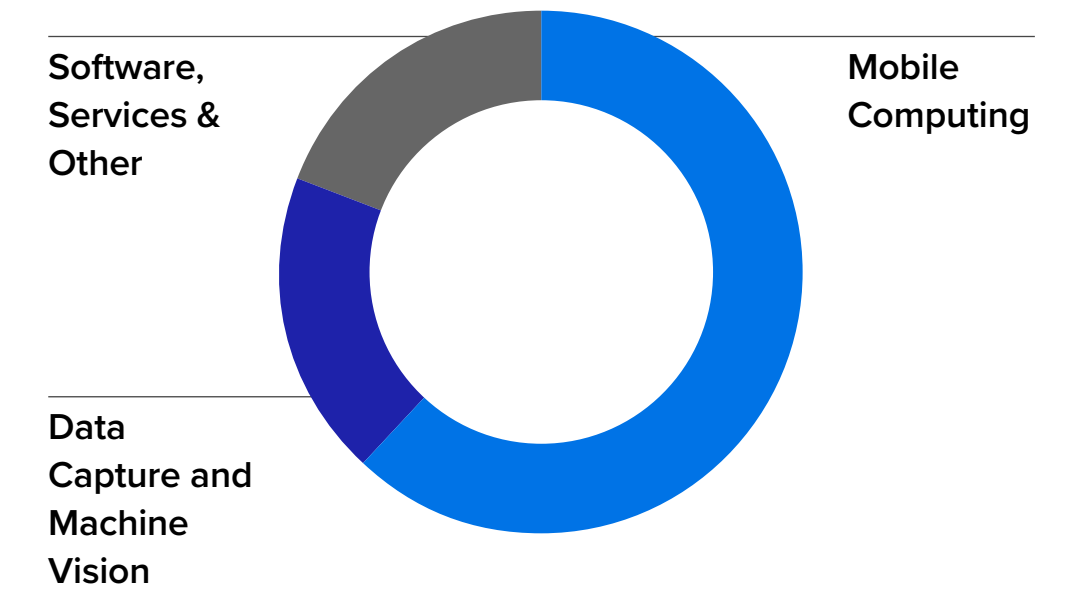
Sales by Geography



Asset Intelligence & Tracking Segment Sales  
\$1.84B (FY22)



Enterprise Visibility & Mobility Segment Sales  
\$3.94B (FY22)



NON-GAAP FINANCIAL SUMMARY RESULTS <sup>1</sup>	FY19	FY20	FY21	FY22
Organic Net Sales Growth/(Decline) <sup>2</sup>	+5.5%	(-0.9)%	+23.2%	+3.2%
Adjusted EBITDA Margin	21.6%	20.5%	23.0%	21.4%
Non-GAAP Diluted EPS Growth/(Decline)	+18%	(-1)%	+44%	(-5)%
Free Cash Flow	\$624M	\$895M	\$1,010M	\$413M
Free Cash Flow Conversion <sup>3</sup>	88%	129%	102%	45%

<sup>1</sup> Refer to Zebra’s Investor Relations [website](#) for reconciliations of GAAP to non-GAAP financial results

<sup>2</sup> Assumes constant FX to prior-year period

<sup>3</sup> Free Cash Flow Conversion equals Free Cash Flow divided by Non-GAAP Net Income; refer to Zebra’s Investor Relations [website](#) for reconciliations of GAAP to non-GAAP financial results

## ZEBRA AND SHAREHOLDERS

# Advancing our vision



## Advancing our Enterprise Asset Intelligence vision

Our Enterprise Asset Intelligence vision is for every asset and worker on the edge to be connected, visible, and fully optimized leading to enhanced productivity, efficiency and safety, as demonstrated through case studies in this report.

Zebra is at the forefront of technology trends, particularly in the internet of things (IoT), cloud computing, automation, and artificial intelligence. These trends are transforming our customers' businesses and the industry as a whole. Through our Enterprise Asset Intelligence vision, we seek to leverage our competitive advantages to capitalize on these trends – creating value for our customers and for Zebra.

Examples of how we implement our Enterprise Asset Intelligence vision include:

- End-to-end solutions that integrate smart connected sensors and devices with cloud-based workflows and analytics applications
- Technologies that enable automation solutions, providing increased visibility into the enterprise and improved customer experiences
- Advanced features, functions, and user experiences that drive competitive differentiation

Additional information on our Enterprise Asset Intelligence vision is available on our [website](#) and our [YouTube channel](#).

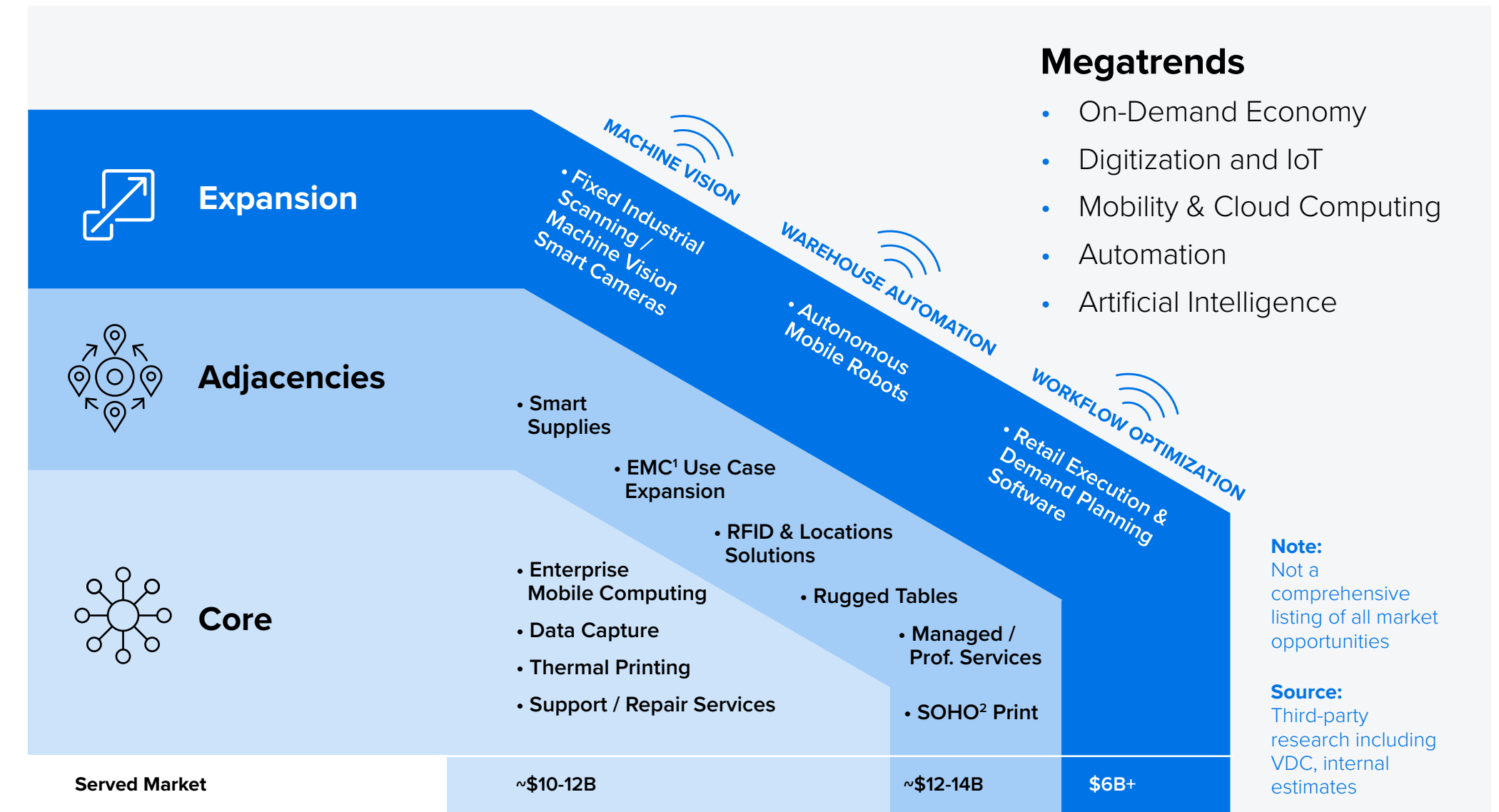
## Growing our core and expanding our opportunity

During the past year, we have maintained our position as a market leader in our core business, comprised of our mobile computing and data capture products, printing products, as well as support and repair services. We expect to continue to grow revenue in these businesses through our broad portfolio of solutions, continued innovation, and strategic partnerships. We also expect to capitalize on technology transitions occurring in the industry and accelerate growth in complementary adjacent offerings such as services, supplies, accessories, and RFID.

We are also expanding in markets where our products and solutions, workflow expertise, and relationships elevate us as an end-to-end solutions provider.

We have made nine strategic acquisitions over the past five years in attractive markets including machine vision, autonomous mobile robots, workflow optimization software, prescriptive analytics, time temperature monitoring, and demand sensing through artificial intelligence.

Our past performance and future success are underpinned by our strong balance sheet and continued focus on business process improvement, cost management, and working capital efficiency.



<sup>1</sup> Enterprise Mobile Computer  
<sup>2</sup> Small Office Home Office

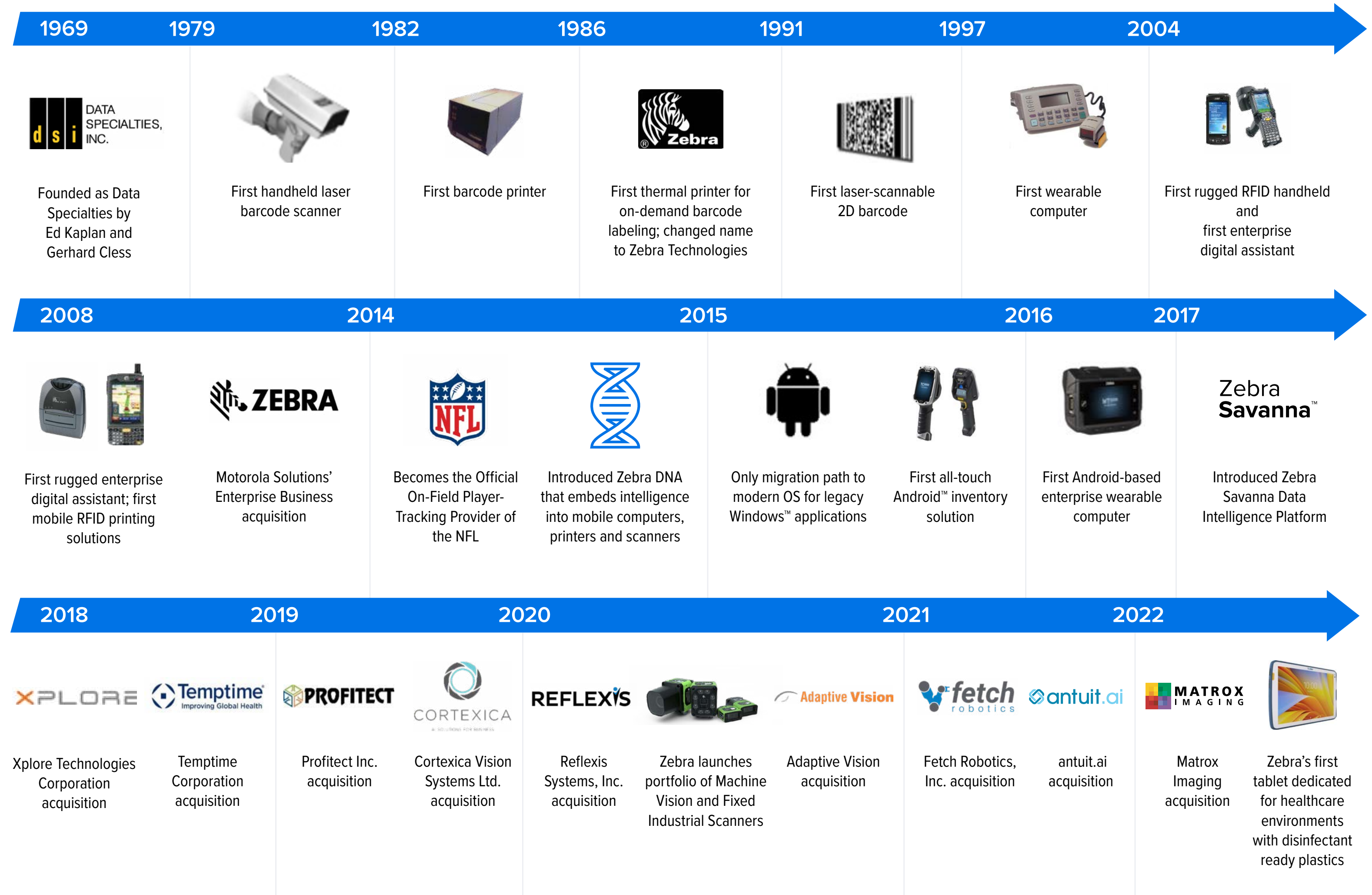
# Advancing through innovation

Our focus on innovation drives long-term value creation by ensuring that our solutions remain at the forefront of change. Our talented employees and their capabilities (pages 15-19) deliver the innovation that drives customer outcomes (pages 11-14).

Zebra Ventures is our corporate venture capital arm, enabling us to keep apprised of emerging technology trends. We invest in early-stage technology companies in artificial intelligence, computer vision, analytics, and automation. Working closely with our portfolio companies, we provide venture capital to sustain a business through the startup, growth, and expansion phases. More importantly, we bring deep domain expertise, unique access to our engineering resources, and a vast distribution network to help portfolio companies meet and exceed their growth plans.

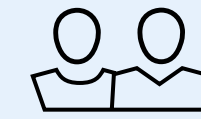
Recognizing the increased importance of sustainability to customer success – and to Zebra’s success – we seek to incorporate ESG into our innovation investments. For example, one of Zebra’s venture funds is a software startup that provides returns and reverse logistics services for retail and e-commerce. The software simplifies the return experience for the customer and supports the circular economy through managing returned items for reselling, recycling, or donating.

**~6,500**  
patents issued and pending



# Our Customer Impact

Zebra's Enterprise Asset Intelligence vision helps our customers achieve a performance edge in their business and sustainability aspirations.



## Our customers

**>80%**

of the Fortune 500 use Zebra's products and solutions

Many of Zebra's customers are committed to science-based emissions reduction targets



## Looking ahead

- Further integrate customer ambitions on emissions reductions and circular economy into our product development
- Enhance our sales processes to engage customers on ESG aspirations

### CASE STUDY

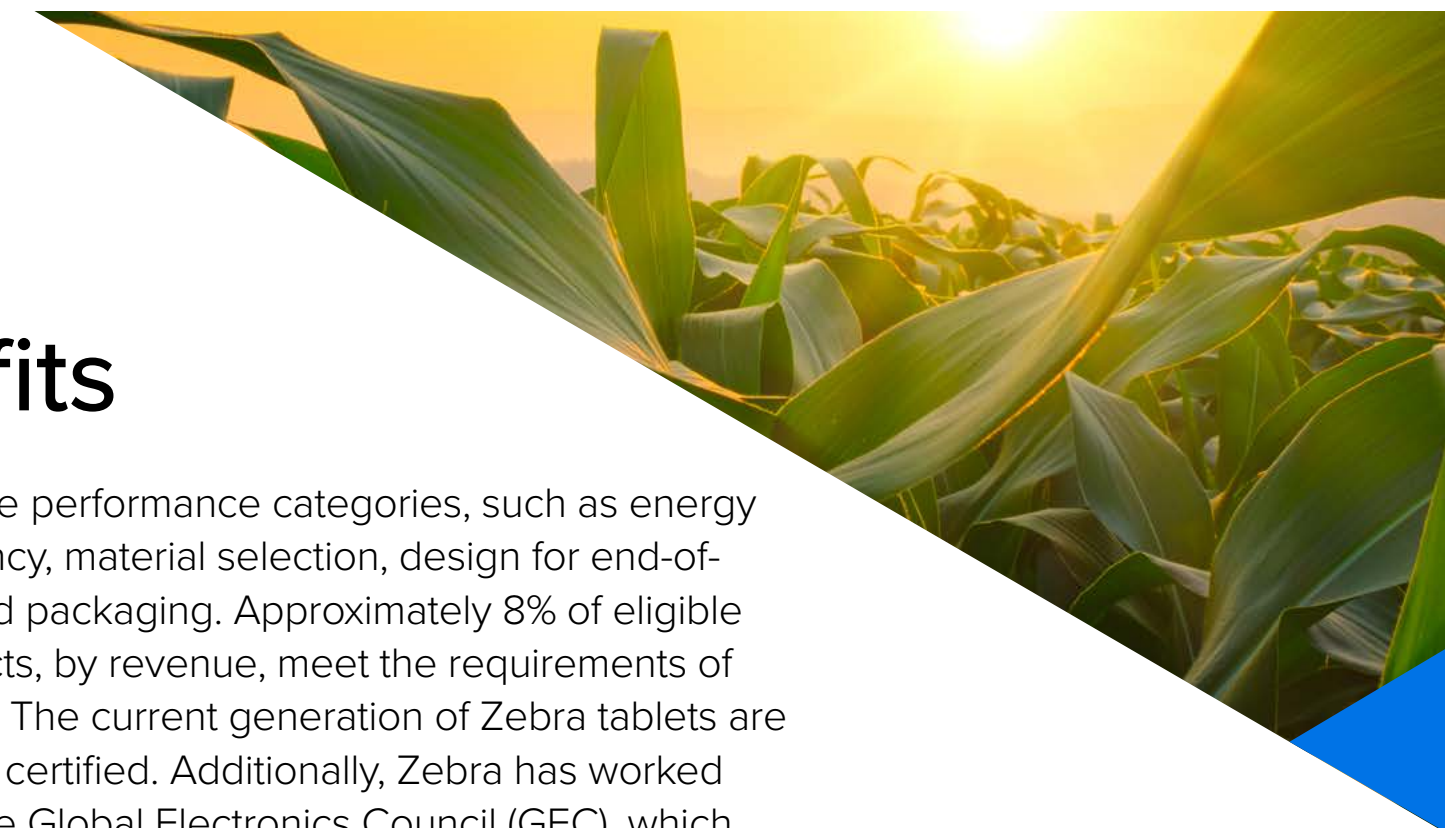
## Product certification validates customer benefits

Not all products claiming to have a sustainability benefit are created equal.

Over 95% of eligible products, by revenue, meet the requirements of Energy Star. By meeting Energy Star requirements, our customers can trust that Zebra products will support their energy efficiency and emissions reduction objectives.

Zebra's solutions go beyond energy efficiency benefits. The current generation of Zebra tablets are also "EPEAT registered", which is a comprehensive voluntary sustainability ecolabel that helps purchasers identify sustainable technology products and services. EPEAT-registered products must meet criteria in

multiple performance categories, such as energy efficiency, material selection, design for end-of-life, and packaging. Approximately 8% of eligible products, by revenue, meet the requirements of EPEAT. The current generation of Zebra tablets are EPEAT certified. Additionally, Zebra has worked with the Global Electronics Council (GEC), which manages the EPEAT ecolabel, to include mobile touch computers with Wide Area Network (WAN) capabilities in the scope of EPEAT's Mobile Phone product category. Zebra is certifying its mobile touch computers under the EPEAT standard in 2023. Currently, thermal printers (i.e., printers made by Zebra) are out of scope for EPEAT registration.



OUR CUSTOMER IMPACT

# Our solutions in action



Zebra works with our customers to understand their businesses and jointly develops solutions that help them digitize and automate their operations.

The case studies below show how our solutions enable our customers' productivity, efficiency, and service.

### Retail

Vera Bradley needed to optimize its inventory management and distribution center activities, as well as improve support for task and workforce management operations.



Vera Bradley leverages Zebra's store operations and inventory management platforms to improve workforce scheduling and task management in stores, as well as inventory management in its distribution center. Ultimately, the time and effort Vera Bradley saves in simplified execution, optimized scheduling, modernized appointments, and streamlined inventory management enables on-site managers and front-line associates to better support the customer experience.

### Transportation and Logistics

Saddle Creek Logistics Services needed to meet the changing needs of its customers and support its growing omnichannel supply chain operations.



Saddle Creek has deployed more than 1,500 data capture, barcode printing, mobile computing and tablet solutions to increase productivity, improve operational efficiency and enhance customer service. Results include increased volumes for receiving, put-away, picking and shipping of inventory, even with expanding product SKU counts, increased service volume without increasing full-time headcount, and reduced warehouse associates' training time.

### Manufacturing

Toyota Material Handling needed to ensure products flowed from Point A to Point Z without disruption or delay to meet production quotas and customer demands.



Toyota Material Handling installed the Zebra MotionWorks solution, UWB tags and RFID sensors, and is now able to automate analysis of product flow distributions and improve excursion response times to avoid disruptions or delays in production and delivery. The real-time monitoring of product movements has also helped the company increase employee productivity, streamline workflows, and meet customer expectations.

### Healthcare

The Royal Children's Hospital (RCH) needed to increase efficiency to administer lifesaving transfusions quickly and safely, while reducing human errors.



RCH deployed Zebra's customized handheld scanning solution to successfully automate its blood scanning process, enhancing its blood transfusion workflow efficiency by 50% and reducing human errors. The customized solution of Zebra data capture solutions and 123SCAN software enabled the hospital to instantly scan multiple barcodes on a blood bag sequentially at the same time.

# Partnering on sustainability to increase our impact

Zebra’s solutions enable environmental and social outcomes including increased efficiency and increased safety. We’re proud to partner with our customers on their sustainability journey as they continue to set ambitious ESG targets – around half of the Fortune 100 companies that we work with have committed to science-based emissions reduction targets.

In addition to mitigating the environmental impact of our own operations (page 19), we focus on developing solutions that help our customers achieve their sustainability objectives. The diagram below illustrates the many ways that we enable customer impact – and we continue to integrate sustainability into our customer engagement and new product development process.

## How we deliver a competitive edge for our customers



### Productivity

- Efficient operations
- Address labor shortages
- Enable carbon reduction



### Quality and waste

- AI demand sensing
- Machine vision product inspection
- Vaccine efficacy



### Environmental performance

- Circular economy innovation for maximizing product lifecycle
- Eco-design, including liner-less labels, compostable cartridges



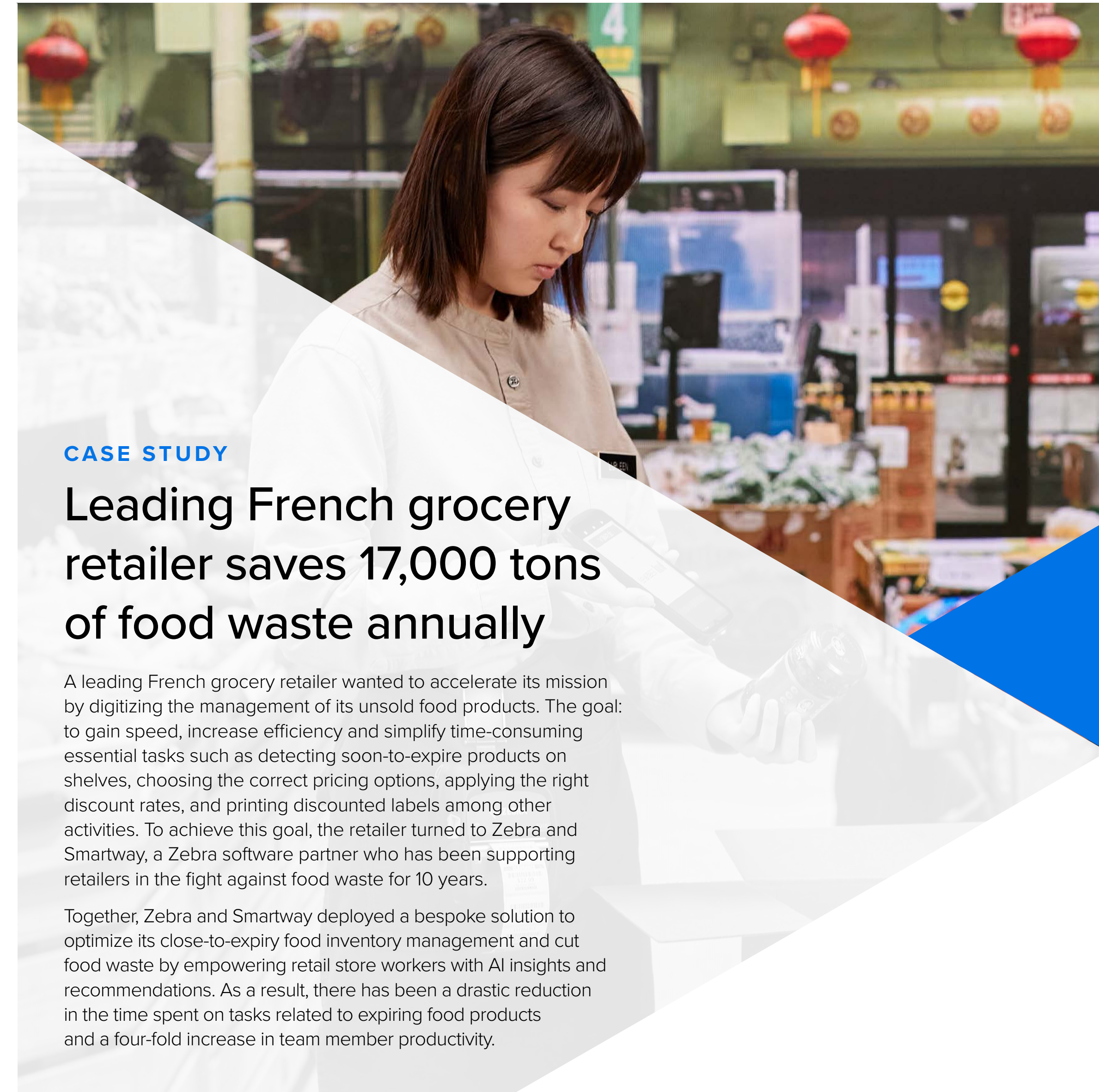
### Safety and security

- Data security
- Track and trace



### Empower workers

- Real-time actionable data for servicing customers
- Automate repetitive tasks



## CASE STUDY

# Leading French grocery retailer saves 17,000 tons of food waste annually

A leading French grocery retailer wanted to accelerate its mission by digitizing the management of its unsold food products. The goal: to gain speed, increase efficiency and simplify time-consuming essential tasks such as detecting soon-to-expire products on shelves, choosing the correct pricing options, applying the right discount rates, and printing discounted labels among other activities. To achieve this goal, the retailer turned to Zebra and Smartway, a Zebra software partner who has been supporting retailers in the fight against food waste for 10 years.

Together, Zebra and Smartway deployed a bespoke solution to optimize its close-to-expiry food inventory management and cut food waste by empowering retail store workers with AI insights and recommendations. As a result, there has been a drastic reduction in the time spent on tasks related to expiring food products and a four-fold increase in team member productivity.

## OUR CUSTOMER IMPACT

# Innovating for customer sustainability



## Low-Carbon Products

### Zebra's science-based targets (SBT) lower carbon emissions

- Targeting 50% absolute carbon emissions reduction at Zebra sites (i.e., scope 1 and 2) by 2030 against the 2020 baseline
- Aiming for 15% absolute carbon emissions reduction in supplier manufacturing and customer product use (i.e., scope 3) by 2030 against the 2020 baseline
- Prioritizing reductions using data from Product Life Cycle Assessments

Read more on Zebra's commitment to emissions reductions across its own operations and value chain on page 20.



## Product Life Cycle

### Longer life with ruggedized design, software security, and proactive battery replacement maximizes return on investment; while circular economy end-of-life reuse maximizes impact

- Encouraging reuse with interchangeable designs, such as shared charging cradles across devices, proactive battery replacement, and software security to extend the life cycle and enable a circular economy
- Targeting 1 million circular economy devices by year end 2024 through buy-back, certified refurbished sales/rentals, and recycling



## Packaging

### Multipack and eco-packaging help customers meet their zero-landfill targets

- Increasing customer adoption of multipacks and returnable containers
- Simplifying packaging (e.g., the new generation mobile computer packaging is 17% slimmer)
- Shifting to fully recyclable corrugated designs for high-runner products



## Energy Use

### Helping customers reduce electricity use and the green premium associated with renewable energy procurement

- 95+% of eligible products (by revenue) meet Energy Star requirements (see our [FY 2022 SASB Report](#))
- Up to 60% less power consumption (lowest in the industry) for MP7000 scanner
- Reducing energy use with LED and integrated ASIC design (specialization and miniaturization leading to increased efficiencies) on Data Capture products
- Surpassing international requirements with Level VI efficiency rating for Zebra's external power supply



## Purpose-Driven Design

### Delivering on performance and positive impact

- Accessible designs and ergonomic form factors promote broader adoption
- Leveraging our solution ecosystem to drive sustainability objectives



## Print Supplies

### Innovations to reduce waste that often ends in landfill

- Industry's 1<sup>st</sup> compostable print cartridges (from potato starch) for small office home office market
- Plastic-free RFID inlay and label offerings
- Linerless and dissolvable label offerings

# Our Employee Impact

Zebra employees are innovators and doers who come together to deliver a performance edge to business. The ingenuity of our people is behind innovative technologies, new solutions, and lasting partnerships that help organizations act with great visibility, connectivity, and intelligence.



## Our people

~10,500 employees globally (fiscal year end 2022)

across 56 countries with a majority outside of the U.S.

## Looking ahead

- Maintain employee engagement above relevant benchmarks
- Maintain annual inclusion survey score above 80%
- Aspire to file 175 new patents annually

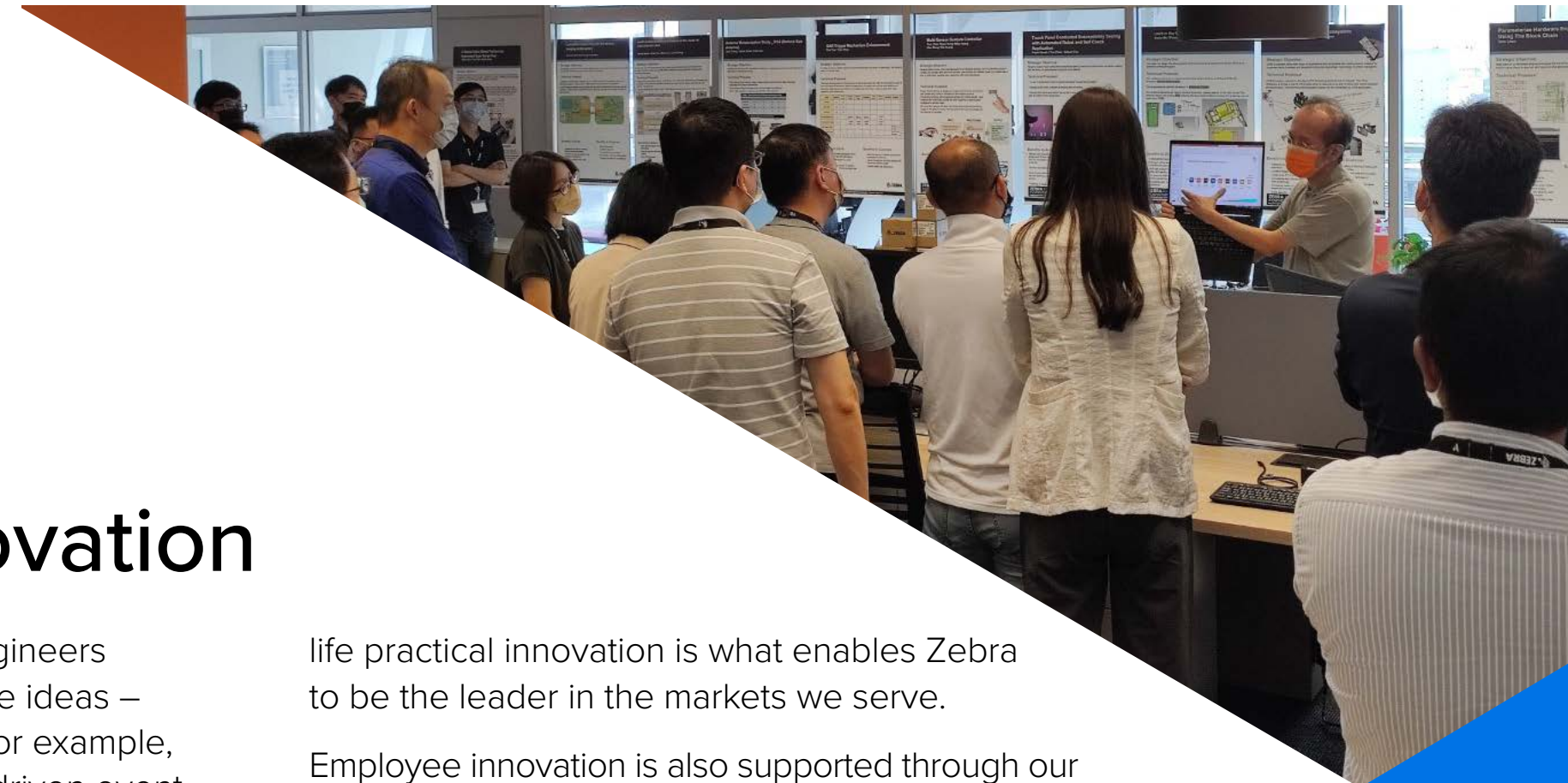
### CASE STUDY

## Encouraging employee innovation

Zebra hosts innovation events for engineers and technologists to submit innovative ideas – including the latest in sustainability. For example, our Innovation Expo is an employee-driven event dedicated to creative thinking and bold ideas. The Expo is an important platform for collaboration and highlights an array of talent across our products and solutions. Exploring, investing, and bringing to

life practical innovation is what enables Zebra to be the leader in the markets we serve.

Employee innovation is also supported through our focus on intellectual property development and bringing new ideas to market. Supporting innovation underpins our employee value proposition – as our people see their ideas come to fruition.





## OUR EMPLOYEE IMPACT

## Inclusion and diversity

Diversity helps bring the breadth of perspectives and experiences necessary to drive innovation and engage with the wide variety of Zebra customers.

An inclusive and innovative culture ensures that our employees are empowered to bring their whole selves to work each and every day. We survey employees on our culture of inclusion and are proud to have exceeded our annual target of 80%.

### Zebra's inclusion and diversity program objectives

Build a **culture** of inclusion, belonging and engagement

Drive **diversity** outreach partnerships to expand our pool of qualified candidates

Deepen the impact we have on the **communities** we serve

### Zebra's inclusion and diversity program governance

Our Inclusion and Diversity Advisory Council comprises executive leadership team members and others across the organization.

Our Inclusion Champions support Inclusion and Diversity Advisory Council leads within their respective function or region.

### Zebra's key inclusion and diversity initiatives

#### Employee Resource Groups

We have a number of Employee Resource Groups including:

- Women's Inclusion Network (WIN)
- Zebra Equality Alliance (ZEAL), for LGBTQ+ inclusion
- Veterans Inclusion Network at Zebra (VETZ)
- Hispanic Inclusion Network (UNIDOZ)
- Zebras of African Descent (ZAD)
- Zebras of All Abilities (ZoAA)
- Asians and Allies (A2Z)
- Empowering Dynamic Generational Employees (EDGE), for our early career professionals
- Zebra Parents and Caregivers (ZPAC)

Each group is sponsored by one or more members of our Executive Leadership Team. We have collaborated with some of our inclusion groups to offer structured mentorship programs to focus on developing diverse talent.

#### Inclusion training

We provide a variety of training including unconscious bias awareness training for all employees, interviewing bias awareness training for hiring managers, and a mandatory Inclusive Leadership workshop for all people leaders. Additionally, our Employee Resource Groups host a wide variety of events focused on increasing cultural awareness. We've launched additional diversity and inclusion learning tools and resources, including discussion forums and on-demand learning geared specifically on allyship.

### External outreach

To increase diversity at all levels of our organization, Zebra focuses on inclusive talent recruitment and development. We have established partnerships to forge meaningful relationships within the communities Zebra operates, expanding our reach to historically underrepresented groups with organizations including Disability IN, Hispanic Alliance for Career Enhancement (HACE) and Hiring our Heroes (HOH). These partnerships will continue to expand through additional education and community relationships, deepening our connections with diverse talent.

## Looking ahead

To support our culture of inclusion, belonging and engagement, we have set aspirational goals to:

- Increase the representation of women across the total organization by 5 percentage points by the end of 2025 (vs. 2020 baseline)
- Increase the representation of ethnic racial minority groups across the U.S. based organization by 5 percentage points by the end of 2025 (vs. 2020 baseline)
- Achieve 25% representation of women at leadership roles (director level and above) by the end of 2025 (vs. 2020 baseline)

## Employee engagement

At Zebra, we recognize that everything we do relies on the dedication and motivation of our employees. We're proud to have achieved consistently high employee engagement scores, above relevant benchmarks for technology companies. Our employee value proposition encourages our people to innovate with purpose as their talents help our customers achieve a performance edge and move society forward. For more information check out our [Careers](#) page.

### Engaging our people on sustainability

Our engaged workforce is also critical for achieving our and our customers sustainability aspirations. Our employee-led sustainability network, The Green Herd, exists to support Zebra's environmental, social, and philanthropy efforts. Our Chief Legal Officer is its executive sponsor. The Green Herd's objectives are to:

- Support grassroots sustainability efforts
- Inspire a conservation-minded culture at each Zebra location
- Support and develop focus areas for active employee engagement by region



## Employee development

We provide ample employee development opportunities, starting with our robust onboarding process that includes a focus on our ethics, vision, and values. The Zebra Education Network, an online learning platform, offers a wide variety of learning and development resources, such as formal learning courses, cross-functional development experiences, as well as tools for mentoring and career shadowing. We also offer quarterly sessions with management to ensure we make progress on our critical talent development efforts throughout the year.

We continue to focus on ensuring equity throughout our talent process and provide structured development programs and resources for people leaders and employees to ensure we develop and retain the top talent we have here at Zebra. As part of this focus, we collaborated with some of our Employee Resource Groups to offer structured mentorship programs.

## Our Values

### Lead through innovation

We reimagine the future and bring a challenger mindset to push the boundaries of what's next, drawing from the diverse perspectives of our people to continuously innovate as a market leader.

### Deliver excellence with agility

We take pride in delivering quality in everything we do, and we continuously experiment and improve with agility.

### Think and act customer first

Together with our partners, we deeply understand our customers to anticipate their needs and solve their challenges— enabling outcomes that create competitive advantage.

### Succeed as one

United by curiosity, care, and inclusivity, we are empowered and accountable to succeed as a team and grow as individuals.

### Make a positive impact

We bring integrity to each decision and commit our time, resources, and practices to positively impact those around us and our global environment.



## OUR EMPLOYEE IMPACT

# Employee data



All employee data relates to the 2022 fiscal year unless otherwise stated.

### Gender Representation (Global)

EMPLOYEE CATEGORY <sup>1</sup>	FEMALE	MALE
Management <sup>2</sup>	20%	80%
Technical Staff <sup>3</sup>	20%	80%
All Other Employees	40%	60%
Global Total	33%	67%

### Racial / Ethnic Group Representation (U.S. Only)<sup>4</sup>

EMPLOYEE CATEGORY <sup>1</sup>	ASIAN	BLACK OR AFRICAN AMERICAN	HISPANIC OR LATINO	OTHER <sup>5</sup>	TWO OR MORE RACES	WHITE
Management <sup>2</sup>	17%	1%	5%	0%	1%	76%
Technical Staff <sup>3</sup>	32%	3%	6%	0%	2%	57%
All Other Employees	13%	4%	17%	0%	2%	64%
U.S. Total	18%	4%	13%	0%	2%	63%

### Safety Metrics and Targets

SAFETY METRIC	ZEBRA 2022	ZEBRA TARGET	OSHA BENCHMARK
Global injury & illness rate	0.11	<1.2	2.1
Global DART <sup>6</sup> rate	0.06	<1.3	2.2

<sup>1</sup> Temporary employees were included in the population.

<sup>2</sup> Zebra defines Management as leaders at the director level and above to ensure consistency with our internal reporting.

<sup>3</sup> Zebra defines Technical Staff as professional employees below a director level who are categorized in our internal job codes as responsible for technical development, science, or engineering to ensure consistency with our internal reporting.

<sup>4</sup> Totals may not add to 100% because of rounding.

<sup>5</sup> Other includes American Indian or Alaska Native and Native Hawaiian or other Pacific Islander.

<sup>6</sup> Days Away/Restricted or Transfer Rate.

# Our Environmental Impact

Zebra seeks to lead by example, and we have set ambitious objectives for climate and resource conservation across our operations. By focusing on reducing our emissions, limiting our waste, and supporting the circular economy, we enhance our operational efficiency and prepare our business for a low-carbon future.



## Key achievements

- Business Intelligence Group recognized the Zebra Circular Economy Program with a Sustainability Service of the Year award
- Achieved science-based certification of our emissions reduction ambitions from the Science Based Targets initiative
- Listed as a Top 10 Solution of 2022 by the U.S. Department of Energy for our climate-related physical risk characterization and analysis



## Looking ahead

- Science-based emission reduction targets, aligned with 1.5°C future (page 20)
- Achieve a 25% energy intensity reduction by 2030 (2020 baseline) in partnership with the U.S. Department of Energy's Better Plants Initiative
- Reach a milestone of 1 million circular economy devices by the end of 2024 through buy-back, certified refurbished sales/rentals, and recycling. We will be partnering with Ellen MacArthur Foundation to advance our circular economy efforts
- Achieve 50% reduction in landfill waste by 2025 from Zebra sites vs. 2021 baseline

### CASE STUDY

## Decreasing waste, increasing productivity

Many small business owners need to run efficient, sustainable operations. Zebra's first wireless label printing solution designed for the small office home office (SOHO) market, features easy to load, eco-friendly label cartridges along with a modern label designer and mobile app software experiences. Understanding that cartridges have short lifespans and often end up in landfills, Zebra engineers designed an innovative solution for customers to reduce, reuse and recycle.

In alignment with Zebra's commitment to protect the environment, the cartridges are composed of an injection-molded biodegradable material that can be disposed in the garden or the recycling bin. The label cartridges are also easy to load and virtually un-jammable. The SOHO printer enables entrepreneurs and small business owners to effortlessly design, create and print labels. The biodegradable label cartridges help eliminate waste destined for landfills while also reducing wasted time and frustration from paper jams.



OUR ENVIRONMENTAL IMPACT

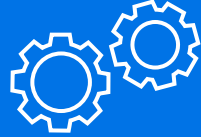
# Combatting climate change

Zebra is decarbonizing its own operations and its value chain.

In 2022, the Science Based Targets initiative validated that our decarbonization targets align with the emissions reductions required to keep warming below 1.5°C – the most ambitious goal of the Paris Agreement. Our value chain (scope 3) targets also met the criteria for ambitious value chain goals, in line with current best practices. For information about Zebra’s 2022 greenhouse gas emissions, see the [external verification statement](#) on our website.

### What we plan to do

### How we plan to do it

 <p><b>Zebra operations</b></p>	<p><b>50% absolute reduction in scope 1 and 2 emissions by 2030 (2020 baseline)</b></p>	<p><b>Key initiatives</b></p> <ul style="list-style-type: none"> <li>• Adopting hydrogen fuel cells</li> <li>• Investing in energy efficiency retrofits</li> <li>• Increasing renewable energy purchases</li> </ul>	<p><b>Key partnerships</b></p> <ul style="list-style-type: none"> <li>• Partnership with U.S. Department of Energy Better Climate Initiative for technical assistance on SBT, climate risk scenario analysis, and new technology adoption</li> </ul>
--	---	---	--

 <p><b>Zebra value chain</b></p>	<p><b>15% absolute reduction in scope 3 GHG emissions from purchased goods/ services and the customer use of sold products by 2030 (2020 baseline)</b></p>	<p><b>Key initiatives</b></p> <ul style="list-style-type: none"> <li>• Supplier engagement to reduce emissions related to purchased goods</li> <li>• Product innovation to reduce energy during customer use of products</li> <li>• Circular economy initiatives</li> </ul>	<p><b>Key partnerships</b></p> <ul style="list-style-type: none"> <li>• Customer and channel partnerships to leverage digital solutions to achieve sustainability objectives</li> <li>• Partnership with U.S. EPA SmartWay Transport Partnership to benchmark and drive best practices in transportation-related emissions</li> </ul>
---	--	---	---

### CASE STUDY

## Understanding climate risk across Zebra

Although Zebra views decarbonization as an opportunity for itself and its value chain, it is also an important component of our wider efforts to adapt to climate-related risks. We conducted a climate scenario analysis based on Intergovernmental Panel on Climate Change guidance and in collaboration with the U.S. Department of Energy Better Climate Initiative and Argonne National Labs. The analysis looked at best- and worst-case scenarios to identify climate-related risks across our operations, supply chain and customer segments.

Zebra considers itself less exposed to the direct impacts of emerging carbon tax policies because our scope 1 and 2 emissions account for less than 1% of our total emissions footprint. Similarly, scope 3 emissions related to our own transportation and distribution account for less than 10% of our total emissions footprint. The analysis also helped us gain better insights into climate-related physical risk preparedness at both tactical and strategic levels.

Detailed climate risk characterizations and insights are available on the U.S. Department of Energy Better Buildings Solutions website. Zebra’s climate-related physical risk characterization and analysis was ranked in the Better Buildings Solutions top 10 partner solutions in 2022. We also provide detailed disclosure on climate-related risks and governance via the CDP Climate Change questionnaire, which is aligned with the recommendations of the TCFD.

OUR ENVIRONMENTAL IMPACT  
**Resource conservation**

Zebra’s focus on resource conservation is another example of how we have turned a sustainability challenge into a business opportunity. We’re focused on reducing waste, supporting the circular economy, and sustainability in product design.

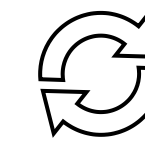


**Reducing waste**

Our goal is a 50% reduction in waste going to landfill by 2025 (from the 2021 baseline of roughly 2,000 tons)

Our in-house manufacturing is limited to supplies and consumables such as labels, wristbands, and autonomous mobile robots. We use Lean Six Sigma tools to jointly develop manufacturing processes with our suppliers and drive continual improvement through smart digitization to reduce waste and cost. We continue to explore zero-landfill opportunities by targeting major waste-contributing sites.

**50%**  
 reduction in waste  
 to landfill by 2025  
 (vs. 2021 baseline)



**Circular economy**

We launched a circular economy program in 2020 for mobile computers – our largest product category. The program supports the circular economy through:

- Buy-back of select Zebra-branded mobile computing and mobile print devices
- Sale or rental of Zebra-certified refurbished devices
- Recycling services for devices no longer in use

Our circular economy program was recognized with a Sustainability Service of the Year award by the Business Intelligence Group in 2021. The award honors people, teams, and organizations that have made sustainability an integral part of business practices or overall mission.

2021 Winner  
 Zebra Circular Economy



**Sustainability in product design**

We regularly engage our customers on sustainability and integrate their aspirations into our product development process.

Through detailed product life cycle assessments, we can understand the environmental impacts of our solutions from supplier sourcing through to production and customer use.

We also:

- Use full product formulation disclosure data to ensure compliance
- Proactively restrict substances of future concern
- Drive material substitutions to further product differentiation and eco-labeling opportunities

Our holistic approach to product design led to the industry’s first compostable print cartridges from potato starch for the small and home office market. Refer to the Customer section of this report (pages 11-14) for further information on how Zebra’s products support customer sustainability aspirations.

# Our Supplier Impact

Zebra's success depends on the capabilities and commitment of our many suppliers, with whom we partner on sustainability to enhance our overall impact.



## Key achievements

- CDP recognized Zebra in 2023 as being in the top 8% of companies that lead supplier engagement on climate change
- A majority of our Tier 1 suppliers are committed to science-based emission reduction targets



## Looking ahead

- >80% of Tier 1 suppliers, by spend, to have science-based targets by 2030
- >80% of Tier 1 suppliers, by spend, to achieve Responsible Business Alliance (RBA) highest honor for supply chain sustainability stewardship (or equivalent) by 2030
- Our aspirational target is 100% onsite audits of all our Tier 1 manufacturing facilities once every two years under normal operating conditions
- On track to double the spend with diverse suppliers to \$80 million in three years (from \$40 million in 2020)
- Ensure packaging is optimized in terms of dimensions, material use, and recyclability across all top-runner products by 2025

Zebra's supply chain extends to many areas of the globe, with key supplier functions including manufacturing, distribution, and repair services. We understand the importance of partnering with our suppliers to understand and manage ESG-related risks in our supply chain. Our strategic supply chain objectives include resilience, sustainability, cost, quality, and delivery.

Zebra works with suppliers to develop more sustainable products and packaging. Zebra uses the full product formulation disclosure data to ensure compliance, proactively restrict substances of future concern, and drive

material substitutions to further product differentiation and eco-labeling opportunities across the board. Other supplier engagement mechanisms include social audits, online presence, joint development of manufacturing processes, Lean Six Sigma deployment, smart factory digitization, quarterly business reviews, supplier sustainability scorecards, and contract management. We use RBA tools, EcoVadis software and supply chain mapping, monitoring and resiliency tools to assess, prioritize, and monitor supply chain ESG performance.

OUR SUPPLIER IMPACT

# Integrating ESG into supplier engagement

We partner with suppliers who share our commitment to sustainability. Our approach integrates ESG into supplier engagement across all stages of the supplier lifecycle.



### Audit program

We perform onsite audits of our Tier 1 suppliers on a routine basis and Tier 2 suppliers on an ad hoc basis.

Zebra is a member of the RBA industry coalition dedicated to advancing corporate social responsibility in global supply chains. In addition to RBA VAP or equivalent audits, we perform risk-based physical surveillance audits of our Tier 1 suppliers to ensure compliance with our Code of Conduct and to verify the resolution of any corrective actions. Our Corporate Internal Audit team also conducts onsite contract compliance reviews of our strategic suppliers using the COSO Controls Framework.<sup>1</sup>



### Responsible sourcing

We focus on responsible sourcing through supplier engagement, training, awareness, human capital management, and conflict minerals due diligence compliance programs.

As a Responsible Minerals Initiative member, we support the industry initiatives around the due diligence of smelters and refiners that improve regulatory compliance and support responsible sourcing from conflict-affected and high-risk areas.

Our 2022 Conflict Minerals Disclosure is available on our [website](#).



### Climate engagement

Zebra has integrated climate considerations into our Tier 1 supplier engagement strategy to reduce (a) our carbon emissions related to purchased goods, and (b) our vulnerability to physical climate risks.

Key climate-related supplier engagement actions include:

- Collecting energy, emissions, water, and waste information for the last four years from all of our Tier 1 suppliers
- Assessing opportunities for emissions reductions
- Encouraging suppliers to adopt science-based targets
- Evaluating climate-related physical risk management practices



### Looking ahead

Our future priorities for supplier engagement on climate include:

- Extending our climate engagement approach to our strategic Tier 2 suppliers
- Enhancing our focus on key suppliers in Southeast Asia to understand their climate-related risk management practices
- Leveraging product life cycle data to identify carbon hotspots across our supply chain and prioritize supplier engagements accordingly

<sup>1</sup> COSO refers to the Committee of Sponsoring Organizations of the Treadway Commission. For more information please visit [Zebra's CSR website](#) to view our [SASB report](#).



# Our Community Impact

Zebra seeks to use its resources, generosity, and expertise to make a meaningful difference to the local communities where we operate.



## Key statistics

- Over 18,000 hours volunteered in 2022 (up 35% from 13,600 in 2019 pre-pandemic)

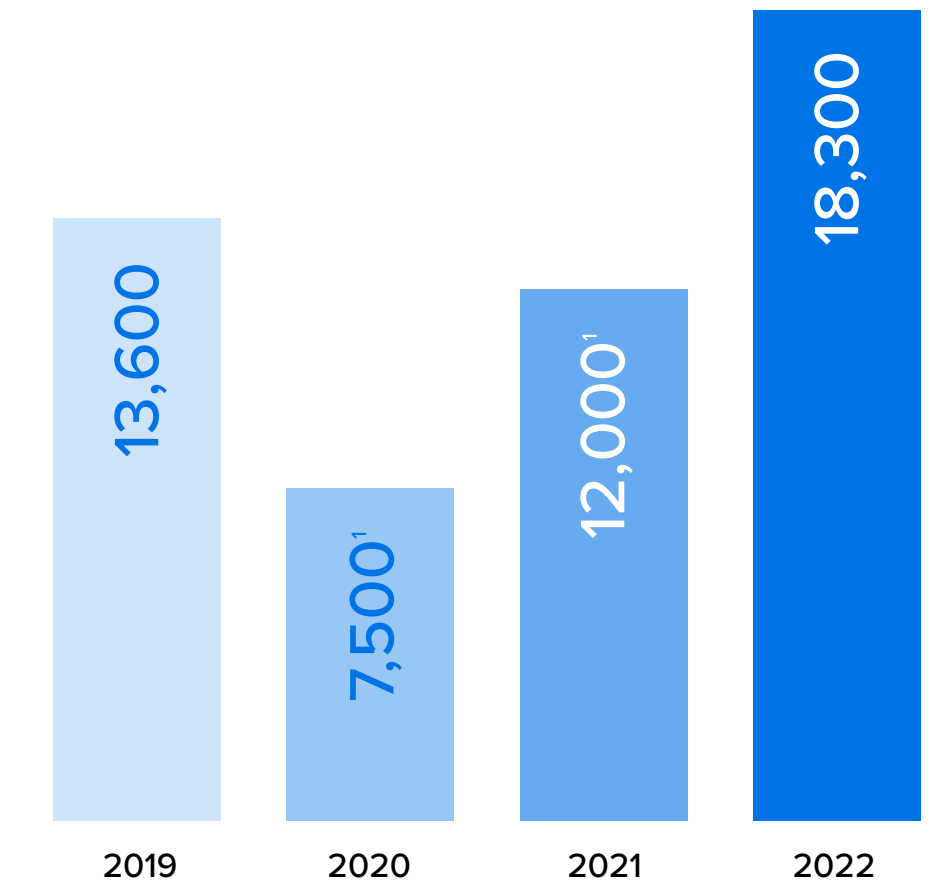
## Looking ahead

- On track to increase volunteering by over 10% by 2023 (2019 baseline)
- Focus on impact through innovation in the areas of STEM Education, Healthcare, and Disaster Relief
- Support nonprofit partners to enhance their digital infrastructure and productivity

Zebra’s philanthropy and volunteerism mission is doing well by doing good. Our approach focuses on improving our local communities through volunteering, strategic partnerships with nonprofits, and targeted charitable giving.

Corporate community contribution efforts have the biggest impact when companies focus on issues and causes close to their business models. To maximize our impact and coordinate our efforts, we focus on STEM education, healthcare, and disaster relief. In 2022, we included climate and resource conservation into our community efforts. Zebra believes in “doing well by doing good,” advancing our business by improving the personal, social, environmental and economic health of the local communities where our employees live and work.

## Employee volunteering (hours)



<sup>1</sup> The COVID-19 pandemic negatively affected employee volunteering in 2020 and 2021.

## CASE STUDY

# Getting students engaged in STEM

Through our community partnerships, Zebras can leverage their talents to have a positive impact on important community causes. Our people are genuine tech experts, which is why we focus on STEM education as part of our community impact strategy. Zebra has worked with *FIRST*<sup>®</sup> – a global student robotics community – in the U.S. for over 20 years and globally since 2019, including the implementation of our location technology. We’ve sponsored tournaments, mentored teams, volunteered at championships and given tours of our facilities to *FIRST*<sup>®</sup> students.

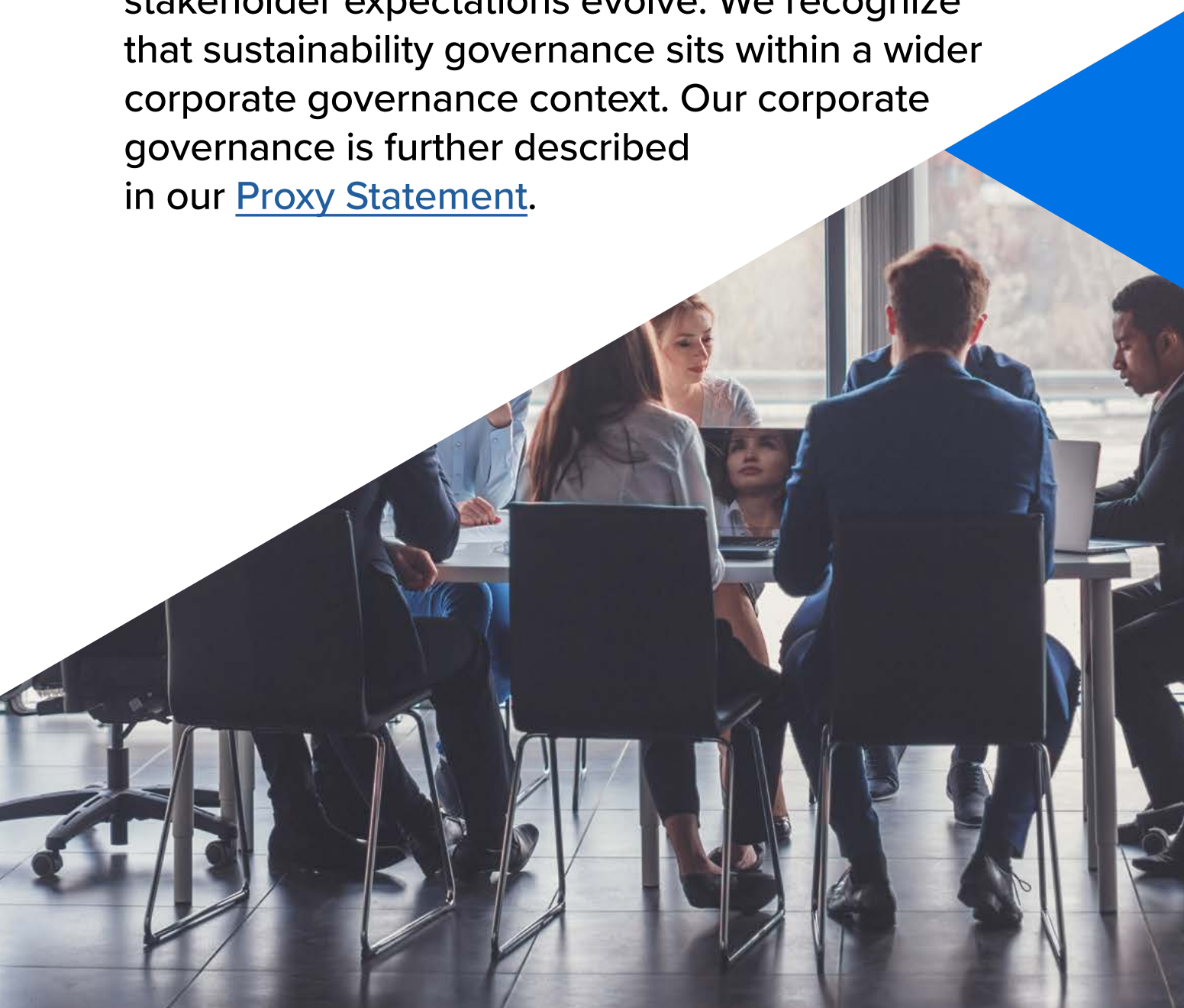
Tom Boehm, a Zebra software engineer and *FIRST*<sup>®</sup> mentor for more than 15 years, identified an opportunity to use Zebra RFID technology to optimize gameplay and enhance the spectator experience of *FIRST*<sup>®</sup> Robotics Competition. The opportunity involved using Zebra’s location solutions – the same ones used to help capture the data behind Next Gen Stats, the NFL’s player and football tracking platform – to generate insights for *FIRST*<sup>®</sup> students during their competition. Through the use of RFID tags affixed to robots and sensors around the field, student robotics teams gain access to information about location, kinetic energy, acceleration and robot velocity.

This data can be used to enhance robot design and driver training, and to predict match performance. Post-match, trajectory models and heatmaps derived from the data help make it clear to spectators how fast or slow a robot moved throughout a match, how much time it spent in a given area of the field, and how it achieved the most points.

Our work with *FIRST*<sup>®</sup> is one of the many ways we seek to extend our positive impact beyond our business – engaging our people, our solutions, and wider communities in the process.

# Sustainability Governance

Zebra has integrated oversight and implementation responsibilities for sustainability across its board and management levels. We continue to develop our sustainability governance as the sustainability landscape changes and stakeholder expectations evolve. We recognize that sustainability governance sits within a wider corporate governance context. Our corporate governance is further described in our [Proxy Statement](#).



## Zebra Board of Directors and Board Committees

Responsible for oversight, reviewing, and guiding strategy and risk management policies. The Zebra Board receives a quarterly ESG update from the Sustainability Council, and Board feedback is communicated to the Sustainability Council and applicable business functions.

## Executive Leadership Team (ELT)

The ELT oversees Zebra's ESG program through the Sustainability Council and its operating responsibilities (i.e. reviewing strategy, setting goals, allocating capital, integrating ESG in the business strategy, and reviewing progress against targets). Our ELT has Management by Objectives related to ESG goals.

The ELT receives a quarterly presentation on ESG from the Sustainability Council, which leads to collaboration between ELT and Sustainability Council members as appropriate.

## Sustainability Council

Zebra's cross-functional Sustainability Council drives innovation and collaboration in reducing carbon emissions, assessing climate-related risks and opportunities, and accelerating circular economy products and services, among other environmental initiatives. It also focuses on our social outcomes, such as employee-related initiatives, community contribution, and supply chain responsibility.

## Business Functions

Business functions own the operational responsibility for ESG initiatives and report back results to the Sustainability Council.

## Spotlight on data privacy and cybersecurity

As a technology company, we take data privacy and cybersecurity risks seriously. Our Audit Committee is responsible for risk oversight related to cybersecurity. The Audit Committee monitors the quality and effectiveness of Zebra's cybersecurity program, which covers security of its internal information technology systems and its products and solutions as well as Zebra's cyber incident response plan and resources. Management briefs the Audit Committee on cybersecurity matters quarterly and the full Board as necessary.

Zebra has a robust information security management system supported by a comprehensive set of policies that directly align with ISO27001. Part of our cybersecurity program involves periodic training about cybersecurity with employees and the Board. This training includes annual mandatory training on general cybersecurity concepts, along with educational opportunities that include real-life simulation and similar exercises. We conduct an annual privacy and security summit with key internal stakeholders that involves training and information sessions conducted by employees and by third parties. Additionally, cybersecurity and privacy considerations are a key part of our product design, and we regularly stress-test for security vulnerabilities leveraging internal and external resources.



**ZEBRA**

[www.zebra.com](http://www.zebra.com)