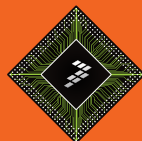


2014

Corporate Social Responsibility



freescale.com



Table of Contents

Introduction	3	Community Engagement	31
Message from President and CEO, Gregg Lowe	4	Employees in Action	32
Sustainability at a Glance	5	Focus on Science, Technology, Engineering and Math (STEM)	34
Corporate Governance	6	Freescale Foundation	35
Company Overview	8	Environment, Health and Safety Policy	36
Research and Development	9	Manufacturing Responsibility	37
Quality	10	E-Scrap Reclamation	41
Manufacturing	11	Environment Matters—Remediation Activities	42
Electronics Industry Citizenship Coalition (EICC)	14	Beyond EHS Compliance	43
Customers, Sales and Products	15	Recognized for Our EHS Excellence	44
Product Responsibility	22	How to Reach Us	45
Our Team	25		
Inclusion: Leveraging the Power of One	26		
Our Anti-Discrimination Policy	27		
Our Commitment to Being a Great Place to Work	28		
Our Commitment to University Recruiting	29		
Employee Leadership and Development	30		

About This Report

This corporate social responsibility report provides an integrated overview of the economic, environmental and social aspects of Freescale Semiconductor's (Freescale) business activities and products. Our corporate social responsibility report describes Freescale's commitment to the communities in which we live and work, our employees and the environment and reflects the standards of the Freescale Code of Business Conduct and Ethics. Our commitment is to act with integrity, communicate openly and honestly and treat everyone with respect and fairness, including:

- In the workplace, by placing a high value on diversity and inclusion, taking action against all forms of harassment or improper labor practices and promoting the health and well-being of our employees;
- In the environment, with stewardship and continuing; improvement in compliance and sustainability programs;
- In the community, by supporting quality of life and educational opportunities; and
- In the marketplace, by encouraging our business partners to act consistently with our values.

We have emphasized in this report the relationship between our corporate social responsibility program and the communities where our employees live and work. We hope that this report will encourage communication between Freescale and our stakeholders (e.g., financial, governmental and non-governmental



entities, customers, suppliers, employees and other business partners) about our corporate social responsibility progress and initiatives.

Readers are encouraged to offer comments and suggestions so that we may continue to improve our reporting process. For more information, please contact us at FSLCSR@freescale.com.

SCOPE OF THIS REPORT

Reporting of employment information is limited to information from 2013 and 2014. Environment, health and safety (EHS) performance indicators include information from 2010 through 2014. The report includes all Freescale operations. Environmental performance indicators are measures of our manufacturing facilities. Visit freescale.com/investor to view the latest financial information.

Message from President and CEO, Gregg Lowe

Our commitment to corporate social responsibility is at the heart of our ethical standards, policies and business practices. To help guide a global team of approximately 17,300 Freescale employees, we developed these programs around these key elements:

- Business ethics and transparency;
- Workplace practices and employee relations;
- Community engagement and development;
- Environmental health and safety;
- Human rights;
- Integration of corporate social responsibility into our supply chain; and
- Applicant membership in the Electronics Industry Citizenship Coalition (EICC) in 2014.

Freescale fosters an inclusive workplace, and our local hiring efforts are aimed at hiring and developing employees from the countries and communities in which we operate.

Freescale is committed to giving back to the communities in which we live and work. We support the active engagement of our employees in activities that raise funds for approved charitable causes. In 2014, we were able to uphold this commitment via corporate sponsorships and the active participation of our employee volunteer teams around the globe.

We have made the development of products that are free of hazardous substances a priority for Freescale. Working together with our customers, we have the opportunity to create more efficient electronic systems that make the world a smarter, safer and more connected place.

We are committed to expanding our understanding of social and environmental issues that affect our businesses and our communities. We will continue to evolve our efforts and integrate that knowledge to continually improve our performance in this important area.

We appreciate your interest in Freescale and hope you find this information useful.

Sincerely,



Gregg Lowe
President and CEO



*Click image to review
Gregg Lowe's biography.*

Sustainability at a Glance

	2013	2014
EMPLOYEES		
Employees	16,700	17,300
Contingent workers	1,400	1,400
% women all employees	34%	34%
% women executives	9%	9%
% women U.S. employees	24%	23%
% diversity U.S. employees		
The U.S. Diversity total includes the following self-identified designations: American Indian, Alaskan, Asian, Black/African American, Hawaiian/Pacific Islander and Hispanic/Latino.	36%	38%
Visit freescale.com/investor to view the latest financial information.		

	2013	2014
MANUFACTURING AND FACILITIES		
Wafer-manufacturing facilities	3	3
Assembly and test facilities	2	2
ISO 9001 and ISO 14001	Yes	Yes
OHSAS 18001	Yes	Yes
ISO/TS 16949	Yes	Yes
Number of minority- and diversity-owned U.S. suppliers	51	56
ENVIRONMENT, HEALTH AND SAFETY		
Recycling rate	76%	82%
Carbon footprint (MMTCO2e) (Normalized for production)	0.79	0.78
Water consumption (Normalized for production) (Billions of gallons)	1.46	1.38
Recordable workplace injury and illness per 100 employees (Global)	0.19	0.15
Recordable workplace injury and illness per 100 employees (U.S.)	0.42	0.35
Electrical consumption (Normalized for production)	729 million kWh	663 million kWh

Corporate Governance

Our integrity is one of our most important assets.

We take pride in our corporate governance, transparency and stakeholder relations. Our Board of Directors has chartered an Audit and Legal Committee, Compensation and Leadership Committee, Nominating and Corporate Governance Committee and a Finance Committee.

As part of its duties, the Audit and Legal Committee reviews our business ethics and compliance policies and programs.

CODE OF BUSINESS CONDUCT AND ETHICS

Freescall has adopted a Code of Business Conduct and Ethics (the Code) that applies to all Freescall employees and directors. The Code complies with the requirement of the Sarbanes-Oxley Act of 2002 and honors our commitment to comply with the laws in countries in which we conduct operations and to the standards outlined in the U.S. Federal Sentencing Guidelines.

The Code also integrates the values we share as employees and directors of Freescall. Freescall has a global mandatory training program regarding our Code to ensure that our employees are aware of our ethics and business conduct standards. Each employee across the company at all levels and in all locations, is required to comply with the Code and be ready to do the right thing and, if something isn't right, to take action.

Freescall's Office of Business Conduct and Ethics assists Freescall employees and other parties with tools to make tough decisions and ensure that our global regulations and Freescall values, principles and ethical expectations are clearly understood.

The Freescall Code of Business Conduct and Ethics is available for download at freescall.com/ethics.

THE FREESCALE CODE

The Freescall Code of Business Conduct and Ethics guides the activities of all employees. In summary, we expect employees to always:

- Act with integrity
- Communicate openly and honestly
- Treat everyone with respect and fairness

ETHICS HELPLINE

Our Ethics Helpline is a means for employees, business partners and others to be transparent and raise concerns or ask questions to Freescale's Office of Business Conduct and Ethics about compliance with the Code or the laws, regulation and contract provisions that govern our business. The Ethics Helpline provides an option for anonymous reporting and is operated by a third party to ensure confidentiality. The Ethics Helpline is accessible worldwide by phone or email. Reports can be translated from any language used in countries where Freescale operates.

We do not tolerate retaliation against anyone who uses the Ethics Helpline in good faith, and we maintain the confidentiality of report to the extent permitted by law. Each matter raised through the Ethics Helpline is investigated promptly. In addition, the Ethics Helpline provides access for any party with a concern about our accounting, internal controls or audit matters to notify the Audit and Legal Committee.

Contact the Ethics Helpline at 877-575-5777 or ethicshelpline@freescale.com.

KNOW RIGHT. DO RIGHT.

Together, we've earned the trust of partners and customers by maintaining the highest standards of conduct and ethics. It's a proud tradition that defines not only how we do business, but who we are as people.

- Be aware of ethics and business conduct standards—both inside the company and out.
- Be transparent—ask questions and listen; maintain open two-way communications.
- Be ready to do the right thing— if something isn't right, take action.

Freescale has received multiple awards recognizing the quality of its ethics and compliance program, including:

- Corporate Secretary Corporate Governance Award: 2014
- World's Most Ethical Company: 2008, 2009, 2010, 2011, 2012

Company Overview

Freescale enables secure, embedded processing solutions for the Internet of Tomorrow. Freescale's solutions drive a more innovative and connected world, simplifying our lives and making us safer. Freescale is also committed to supporting STEM education, enabling the next generation of innovators.

Global leadership positions in microcontrollers and digital networking processors help Freescale anticipate market needs and develop products that enable the latest innovations in automobiles, communication networks, industrial applications and smart electronic accessories. We generated \$4.6 billion in revenue for the year ending December 31, 2014.

Our business is organized around five principal product groups: Microcontrollers, Digital Networking, Automotive MCUs, Analog and Sensors, and RF. We provide our customers embedded processing solutions along with complementary devices for the automotive, networking, industrial and consumer markets. A number of trends are driving growth in our end markets, including advances in automotive safety and electronics, the expansion of cloud computing, the build out of next-generation communications infrastructure and the Internet of Things (IoT)—an emerging network of smart devices designed to help make our lives safer and more productive. Our product and strategic focus is to serve the need for increased connectivity and enhanced intelligence critical to these fastgrowing semiconductor while keeping the connection secure.

We have a heritage of innovation and product leadership spanning over 50 years that has resulted in an extensive intellectual property portfolio. We leverage our intellectual property portfolio, deep customer relationships built over many years of close collaboration, extensive suite of software and design tools and technical expertise to introduce innovative new products and platform-level solutions for our target markets.

We believe our ability to leverage our intellectual property across product lines and target markets enables us to be early to market with many of our products. As a result, we have established leadership positions in many of our core markets. In 2014, we derived over 80% of our net sales from products where we held the #1 or #2 market positions.



Research and Development

Our research and development activities are comprised of both product and technology development. Our technology development programs, including software, packaging and process technology, support our product design engineering efforts. With regard to the design function, development of our key intellectual property, combined with third-party intellectual property, form the basic building blocks that are integrated together in the form of a system-on-a-chip (SoC) that defines our product attributes. Package technology development is focused on meeting performance requirements in the extreme environmental conditions of the automotive market, achieving the high-performance requirements of the networking market and the high-power requirements of the RF market, the affordability required to compete in the consumer market. Specialty process technologies are also designed to provide differentiation and competitive advantage, such as embedded memories (particularly non-volatile), smart power, RF and mixed-signal technologies. We believe that this approach allows us to apply our investments in design and packaging and process technologies across a broad portfolio of products.

We have a research and development staff of approximately 5,300 employees focusing on embedded processing, system-level solutions engineering and software solutions, including over 1,000 software engineers who work with our partners to develop robust design ecosystems for our solutions. Our research and development locations include facilities in Brazil, Canada, China, Czech Republic, France, Germany, India, Israel, Malaysia, Mexico, Romania, Russia, United Kingdom and the United States.



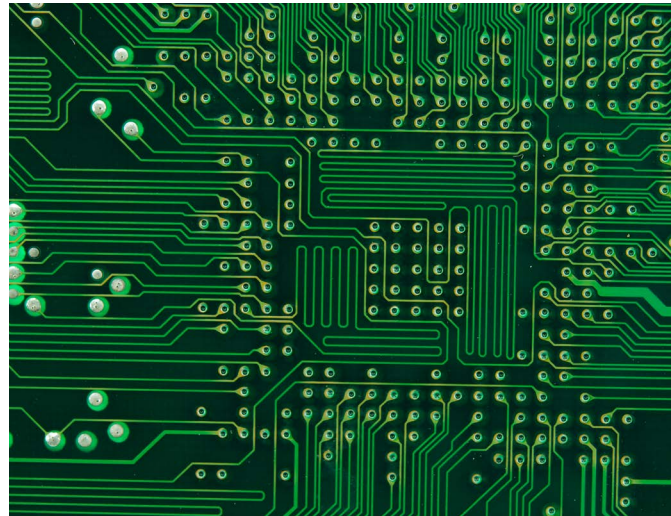
Quality

Quality also contributes to our corporate citizenship objectives by improving the efficiency of our overall processes, thus reducing the time and energy needed to resolve our internal and/or external quality issues. In 2014, our focus continued to be on driving an instinctive quality culture through our implementation of the **Freescale Way** aimed at improving internal and external customer satisfaction in everything we do.

To this end, we:

- Increased awareness of our company-wide business framework, including our vision, guiding principles and strategy for improved quality;
- Drove employee engagement through effective communications;
- Continued to improve our new technology/product introduction and change management processes;
- Renewed our ISO 9001 and ISO/TS 16949 Quality System certifications by Lloyd's Register of Quality Assurance after a successful round of audits worldwide;
- Ensured our product analysis labs were capable of supporting customer and Freescale requirements in a cost-effective fashion; and
- Continued to significantly expand and leverage our key strengths in both Six Sigma and Lean methodologies worldwide.

Continuous improvement and root-cause problem solving are part of what we do every day at Freescale. Whether it is a large project with vast amounts of detailed data analysis or simply one employee realizing that a particular production tool is not running as it should, continuous improvement is part of our culture and everyone's responsibility.



Manufacturing

We manufacture our products either at our own facilities or obtain manufacturing services from contract manufacturers. We currently manufacture a substantial portion of our products at our own facilities. We also utilize a balance of internal capabilities and contract manufacturing services for standard complementary metal oxide semiconductor (CMOS) processes and high-volume products. This is intended to allow us to efficiently manage both our supply competitiveness and factory utilization to minimize the risk associated with market fluctuations and maximize cash flow. Our internal manufacturing capabilities scale to 200-millimeter wafers and down to 90-nanometer technologies. Due to the increasing costs associated with the development and production of advanced technologies, we outsource the manufacturing of all of our technologies smaller than 90-nanometers. In addition, we have relationships with several wafer foundries and assembly and test subcontractors to provide flexibility and enhance cost-effectiveness in meeting our manufacturing needs. The capabilities of our partners span 200-millimeter and 300-millimeter wafer sizes and scale down to 14-nanometer technologies.

Semiconductor manufacturing is comprised of two broad stages: wafer manufacturing, or “front end,” and assembly and test, or “back end.” Based on total units produced in 2014, approximately 36% of our front-end manufacturing was outsourced to wafer foundries and approximately 35% of our back-end manufacturing was outsourced to assembly and test subcontractors. Wafer-foundry outsourcing will increase as our business requires more asset intensive process technologies and further reductions in geometry.

Our manufacturing operations include our fabrication facilities, assembly and test operations, planning, logistics, quality and

Manufacturing Facilities

WATER FABRS

Location	Representative Products	Technologies Employed
Oak Hill Austin, Texas	Power management devices Sensors Drivers RF laterally diffused metal oxide semiconductor (LDMOS) devices RF transceivers /transistors	200 mm wafers CMOS Bipolar CMOS Sensors LDMOS Power CMOS HDTMOS 0.25 micron
Chandler, Arizona	Microcontrollers (MCUs) Power management devices	200 mm wafers CMOS, embedded NVM, power CMOS 0.25 micron 0.50 micron
Austin Technology and Manufacturing Center (ATMC), Austin, Texas	Microprocessors (MPUs) MCUs Power management devices	200 mm wafers Advanced CMOS System-on-chip (SoC) Embedded NVM Power CMOS 90-nm 0.18 micron

ASSEMBLY AND TEST

Location	Representative Products
Kuala Lumpur, Malaysia	MPUs, MCUs, power management devices, analog and mixed-signal devices, RF devices, sensors
Tianjin, China	MPUs, MCUs, power management devices, analog and mixed-signal devices, baseband processors

See SEC Filings at freescale.com/investor for more information.

technology organizations. We continually evaluate our manufacturing model in order to improve our supply competitiveness, gross margin and cash flows.

We own and operate five manufacturing facilities, of which three are wafer-manufacturing facilities and two are assembly and test facilities. These facilities are certified to the ISO/TS 16949:2009 international quality standards. This technical specification aligns existing U.S., German, French and Italian automotive quality system standards within the global automotive industry. These operations are also certified to ISO 9001:2008. Our ISO 14001 management systems are designed to meet and exceed regulatory requirements. All of our manufacturing operations are ISO 14001 and OHSAS 18001 certified.

Our manufacturing processes require many raw materials, such as silicon wafers, mold compound, packaging substrates and various chemicals and gases, and the necessary equipment for manufacturing. We obtain these materials and equipment from a large number of suppliers located throughout the world.

Our technology approach is to leverage multifunctional technical capabilities and innovation to create unique and differentiated products meeting customer requirements for systems and solutions. For our digital products such as digital signal processors (DSPs), single and multicore MPUs, digital signal controllers (DSCs) and MCUs, we use both industry-standard processes and standard processes enhanced by us and our partners. To develop sensors, analog power and RF devices, we use specialized, differentiated internal processes.

Like many global companies, we maintain plans to respond to external developments that may affect our employees, facilities or business operations. Business continuity is very important to us as we strive to ensure reliability of supply to our customers.

TS 16949 quality standards and our internal quality standards all require a business continuity plan to effectively return critical business functions to normal in the case of an unplanned event, and our operations are certified to all of these standards. We require our major foundries, assembly and test providers and other suppliers to have a business continuity plan as well. However, in the event that our manufacturing capacity, either internal or through contract manufacturers, is disrupted, we could experience difficulty fulfilling customer orders.

Our business continuity plan covers issues related to continuing operations (e.g., continuity of manufacturing and supply to customers), crisis management of our business sites (for example, prevention and recovery from computer, data, hardware and software loss) and information protection. We perform annual risk assessments at each site, reviewing activities, scenarios, risks and actual events and conducting annual test drills. Generally, we maintain multiple sources of supply of high-running qualified technologies.

FACILITIES

Our principal executive offices are at 6501 William Cannon Drive West, in Austin, Texas. We also operate manufacturing facilities, design centers and sales offices throughout the world. As of December 31, 2014, we owned nine facilities and leased 70 facilities. The total square footage of our facilities worldwide consists of approximately eight million square feet, of which approximately 6.2 million square feet is owned and approximately 1.4 million square feet is leased.



Facilities

AMERICAS

Description

3 owned facilities
18 leased facilities

Total Owned Square Footage 3.8 million

Total Leased Square Footage 0.7 million

ASIA

Description

4 owned facilities
30 leased facilities

Total Owned Square Footage 1.5 million

Total Leased Square Footage 0.4 million

EUROPE, MIDDLE EAST, AFRICA

Description

2 owned facilities
22 leased facilities

Total Owned Square Footage 0.9 million

Total Leased Square Footage 0.3 million

SUPPLY CHAIN

Freescale's Supply Chain Organization (SCO) leverages a dynamic system of people, technology and processes to exceed customer expectations. The global team, whose vision is to be a world-class, customer-centric supply chain, includes Customer Service, Capacity and Production Planning, External Manufacturing and Logistics. Our Information Management team provides innovative solutions that enable us to focus on our primary objectives of cost management, efficiency, utilization and speed of execution. SCO drives continuous improvement to provide the most value to our customers deploying an environmentally sound and efficient system of operations.

We are committed to a sustainable supply chain. The Supply Chain team partners with customers, colleagues and suppliers to protect the environment by delivering environmentally conscious products. We hold ourselves and our suppliers to the highest operational excellence standards.

Electronics Industry Citizenship



Freescall is committed to integrating our corporate social responsibility into our supply chain. To facilitate progress towards a supply chain that consistently operates with social and environmental responsibility, Freescall has joined the EICC, a coalition of electronics companies that support the rights and well-being of workers and communities affected by the global electronics supply chain.

Freescall is committed to integrating our corporate social responsibility into our supply chain. To facilitate progress towards a supply chain that consistently operates with social and environmental responsibility, Freescall has joined the EICC, a coalition of electronics companies that support the rights and well-being of workers and communities affected by the global electronics supply chain.

We believe that the collaborative efforts and shared tools and practices that membership in EICC provides will be the most efficient way for Freescall and each of our suppliers to make progress on this important initiative.

As part of Freescall's supplier management process, we are assessing our key suppliers to evaluate their conformance to the EICC Code of Conduct. This approach includes detailed supplier self-assessment questionnaires to identify high-risk suppliers. High-risk suppliers identified through the self-assessment questionnaire are subject to EICC audits to identify opportunities for improvement.



Customers, Sales and Products

We sell our products to original equipment manufacturers (OEMs), distributors, original design manufacturers and contract manufacturers through our global sales force.

Greater than 80% of our products are sold into countries other than the United States.

OUR TARGET MARKETS

Our product groups are focused on four primary markets that we believe are characterized by long-term, attractive growth opportunities and where we enjoy sustained, competitive differentiation through our technology leadership:

Automotive	Networking	Industrial	Consumer
KEY APPLICATIONS			
Driver information systems	Cloud computing and data centers	Building and factory automation	Smart mobile devices
Safety and chassis	Wired and wireless service-provider infrastructure	Motor control robotics	Electronic gaming
Vehicle automation	Enterprise network and security	Portable medical devices	Phone and game sensors
Powertrain and engine management	Residential networking and consumer data storage	Consumer appliances and home energy control	Consumer wearables
Body and security		Smart grid and smart energy meters	Human-machine interface (HMI)
Radar and vision systems			
Vehicle networking			
GROWTH DRIVERS			
Increasing unit sales of automobiles worldwide	Rapid growth of smart mobile devices, mobile data	Increasing secure connectivity	Efficient and secure digital content creation, distribution and consumption
Vehicle electrification and automation	Increasing demand for bandwidth, cloud computing	Energy efficiency	Rapid growth of smart mobile devices
Government requirements and consumer demands for increased safety, reliability, comfort and efficiency	Efficient secure digital content creation, distribution and consumption	Predictive maintenance automation	Gaming
	IoT	IoT	IoT



Automotive Market

Growth in semiconductor sales to the global automotive market relies on global economic trends and growth in semiconductor content per vehicle that is being driven by the proliferation of electronic features throughout the vehicle. Among the highest growth applications are advanced driver assistance systems (ADAS), infotainment (information, convenience and connectivity) and electrified powertrain (hybrid and electric vehicles). Due to the high degree of regulatory scrutiny and safety requirements, the automotive semiconductor market is characterized by stringent qualification processes, zero defect quality processes, functionally safe design architecture, high reliability, extensive design-in timeframes and long product life cycles which results in significant barriers to entry.

Semiconductor content per vehicle continues to increase due to government regulation of safety and emissions, standardization of higher-end options across a greater number of vehicle classes, as well as consumer demand for greater fuel efficiency, advanced safety and multimedia applications. Automotive safety features are evolving from passive safety systems to active safety systems with ADAS such as radar and vision systems. Regulatory actions and consumer demand in developed markets and China drive the

increase in applications such as tire pressure monitoring, electronic stability control and ADAS. Semiconductor content is also increasing in engine management and fuel economy applications, comfort and convenience systems and user interface applications. In addition, the use of networking in automotive applications continues to increase as various subsystems communicate within the automobile and with external devices and networks. Data integrity and security hardware features for safeguarding memory, communication and system data are also increasing in importance.

Networking Market

Growth in the networking market is driven by strong demand for digital content, ubiquitous access, security, increased enterprise adoption of advanced video communications and the trend towards an increasingly global and mobile workforce.

These factors have driven greater adoption of both mobile and fixed Internet services and smart devices, cloud computing environments, Internet Protocol television and online gaming. With the trend toward increasingly media-rich applications such as video-sharing sites, social networks, high-definition (HD) movie downloads, video conferencing, wireless connectivity and enterprise access, Internet traffic is increasing continuously. We expect growth in network traffic to continue, particularly as more people and devices are being connected with trends like IoT, Internet delivery of video to television and mobile devices and as cost-effective, HD interactive video communications proliferate.

The growth in data traffic is resulting in service providers, enterprises and consumers demanding an increase in the amount of wireless infrastructure, networking and electronic equipment. Providers of

wireless infrastructure, networking and storage equipment are introducing new technologies and products with enhanced performance and functionality while reducing design and manufacturing costs. For example, in the wireless infrastructure market, equipment manufacturers are currently supplying carriers with wireless infrastructure equipment based on Long Term Evolution for cellular, or LTE, a specification generally being marketed as “4G” that provides downlink peak rates of at least 100 Mb/s and uplink peak rates of at least 50 Mb/s, substantially faster than previous 3G networks. These transitions highlight the need for networking semiconductor providers to deliver higher performance, higher reliability, lower power multicore products along with enabling software, tools and reference designs to accommodate the increase in network usage. Additionally, the rise in business models, such as IT-as-a-Service, rapidly changing software applications and massive scale data centers, drive the need for more networking equipment flexibility and scalability. This increased flexibility and scalability can be more cost-effectively achieved through the adoption of technologies such as Software Defined Networking (SDN) and Network Function Virtualization (NFV).

Industrial Market

The industrial market is comprised of a wide variety of diverse submarkets such as IoT connectivity, portable medical devices, home and building automation, smart energy, smart meters, robotics and consumer white goods. Secure IoT connectivity allows a device, such as a sensor or a meter, to capture an event and turn it into meaningful information or action.

For example, in a commercial environment a wirelessly connected device can read a low inventory level and communicate that an item needs restocking or it can sense motor vibration that automatically sends a message that a device needs maintenance.

The market for medical imaging, diagnostics, therapy and portable remote monitoring equipment is expected to benefit from aging populations in developed economies and the need for portability in emerging markets, which creates demand for precision analog, connectivity and ultra-low-power components. In the white goods market, consumer appliances require more sophisticated electronic control systems to reduce resource consumption, such as electricity, water and gas, and to provide a richer user interface through connectivity to other devices and touch or motion controls. The demand for energy efficiency, including the increased adoption of electronic utility metering, also commonly known as smart meters, is driving increased semiconductor demand. These smart meters incorporate semiconductors to enable precision measurement and connectivity with the power grid and home networks. Security and tamper-detection capabilities are also becoming essential features of these IoT solutions.

Consumer Market

Growth in the consumer market is driven by the demand for an assortment of rich media content that is consumed on a variety of mobile devices, gaming equipment and consumer wearables, such as cameras and fitness devices. MCUs address the needs of these consumer devices as they continue to get smaller, more networked and more power efficient. In addition, the application of sensors in consumer devices such as smart watches, fitness bands and sports gear has expanded in support of an increasing demand for active lifestyles. In the gaming market, sensors, MCUs and analog devices are enabling new and innovative experiences through controllers that sense and communicate the player’s movements and commands at low energy consumption while increasing accuracy.



To address and further stimulate consumer demand, electronics manufacturers have continued to drive advances in the security, performance, cost, quality and power consumption of their products and are continuously implementing advanced semiconductor technologies in new generations of electronic devices including application processors, power management and sensors.

PRODUCTS AND APPLICATIONS

Our key products are embedded processors, which include MCUs, single- and multicore MPUs, DSCs, applications processors and wireless-infrastructure processors. We also offer customers a broad portfolio of differentiated semiconductor products that complement our embedded processors, including RF, power management, motor drivers, high-voltage actuators, analog, mixed-signal devices and precision sensors. A key element of our strategy is to combine our embedded processors, complementary semiconductor devices and open architecture software to offer highly integrated and secure solutions that are increasingly sought by our customers to simplify their development efforts and shorten their time to market. We have over 1,000 software engineers who work in conjunction with our partners to develop robust design ecosystems for our solutions.

These solutions can take various forms, including devices which encompass a high level of integration within a single piece of silicon, the combination of several semiconductor devices into a single package or the highly integrated combination of multiple semiconductor devices and software into a subsystem.

PRINCIPAL PRODUCTS

MCUs

Kinetis MCUs based on ARM® Cortex®-M cores, auto MCUs based on Power Architecture® cores and proprietary 8-, 16- and 32-bit MCUs and DSCs

Communications Processors

QorIQ, PowerQUICC single- and multi-core 32- and 64-bit processors built on Power Architecture, StarCore, and ARM® technologies

RF Devices

Next-generation Airfast power transistors, power transistors, transistors, receivers, and tuners

Applications Processors

i.MX and Vybrid 32-bit single- and multicore processors built on the ARM architecture

Analog and Mixed-Signal Products

System basis chips, auto engine control, stability and braking solutions, battery management, power management and motor control devices, CAN/LIN interface solutions, radar solutions and signal conditioners

Sensors

Inertial, pressure, proximity, touch, magnetic

Wireless-Infrastructure Processors

Processors for small cell and macro base stations, including our QorIQ Qonverge products

Wireless Connectivity

IEEE 802.15.4/ZigBee® low-power, sub-1 GHz wireless technology

KEY APPLICATIONS

IoT
Automotive powertrain & engine management
Automotive body and security
Automotive safety and chassis
Automotive radar, vision & advanced driver assistance
Automotive driver information systems
Vehicle networking
Building and factory automation
Smart grid & smart energy appliances
Portable medical devices
HMI
Consumer appliances and home energy control
Smart mobile devices
Electronic gaming
Phone and game sensors
Wired and wireless infrastructure (base stations)
Enterprise network and security
Wireless small cell base stations
Cloud computing and data centers
Industrial transportation and aerospace
Point of sale equipment

Microcontrollers

We have been a provider of MCU solutions for more than 35 years. MCUs integrate all the major components of a computing system onto a single semiconductor device. Typically, this includes a programmable processor core, memory, interface circuitry and other components. MCUs provide the digital logic, or intelligence, for electronic applications, controlling electronic equipment or analyzing sensor inputs. We are a trusted, long-term supplier of MCUs to many of our customers, especially in the automotive and industrial markets. Our products provide the intelligence for many systems, ranging from engine management systems that reduce emissions, improve fuel efficiency and enhance driver performance to consumer appliance control systems that utilize resources such as water and energy more efficiently while increasing cleaning capability. Our portfolio is highly scalable, and coupled with our extensive software and design tools, enables our customers to design-in our products and use our MCUs in the same software environment as their systems change over time, become more complex and demand greater processing capabilities. Our MCU product portfolio ranges from 8-bit products to higher performance 16-bit and 32-bit products with onboard flash memory. In the automotive market, our microcontroller line, based on Power Architecture technology, is one of the industry's most powerful MCUs developed utilizing 55-nanometer process technology. In the industrial market, we launched our 32-bit Kinetis and Vybrid products for the industrial market and many multimedia applications. We introduced the Kinetis family of 90-nanometer 32-bit MCUs based on the new Cortex®-M0+ and Cortex-M4 cores for the industrial and consumer markets to complement our existing ColdFire solutions. The Kinetis family is one of the most scalable portfolios of MCUs

in the industry, featuring hardware- and software-compatible MCU families that offer exceptional low-power performance, security, mixed signal and memory scalability. Our 16-bit DSCs are primarily used in the consumer appliance market where they manage motor control and enable quieter and more energy-efficient consumer appliances. Additionally, our highly integrated, mixed-signal S12 MagniV, enables further system-level integration for a wide range of automotive applications, such as window lifts, wipers, instrument clusters and fuel pumps.

Wireless Connectivity

Our wireless connectivity products provide low-power wireless communications functionality for the industrial and consumer markets, focused on devices and applications that utilize a low data rate and require long battery life and secure networking. Our wireless products utilize and support multiple standards and frequencies, including the IEEE standard 802.15.4, which is also the basis for the ZigBee wireless specification technology and sub-1 GHz solutions. We offer or integrate this technology with our embedded processors in solutions for medical devices, smart meters and smart energy, consumer appliances, RF remote controls and home automation.

Applications Processors

Applications processors consist of a computing core with embedded memory and special purpose hardware and software for secure multimedia applications such as graphics and video. Our products focus on mobile and home consumer devices, automotive driver information systems and industrial applications that require processing and multimedia capabilities. We provide highly integrated ARM-based i.MX applications processors with integrated audio, video and graphics capability that are optimized



for low-power and high-performance applications. Our i.MX family of applications processors is designed in conjunction with a broad suite of additional products, including power management solutions, audio codecs, touch sensors and accelerometers to provide full systems solutions across a wide range of operating systems and applications. Our i.MX 6 family of applications processors integrates one, two or four Cortex-A9 cores running up to 1.2 GHz and includes five devices: the single-core i.MX 6Solo and i.MX 6SoloLite, dual-core i.MX 6Dual and i.MX 6DualLite, and quad-core i.MX 6Quad processors. Together, these products provide a family of applications processors, featuring software, power and pin compatibility across single-, dual- and quad-core implementations. Software support includes Linux® and Android™ implementations.

Communications Processors

Communications processors are programmable semiconductors that perform tasks related to control and management of digital data, as well as network interfaces. They are designed to handle tasks related to data transmission between nodes within a network, the manipulation of that data upon arrival at its destination and protocol conversion. Our product portfolio includes 32-bit and 64-bit offerings ranging from a single core to 28- and 45-nanometer multicore QorIQ communications processors.

For more than 25 years, our communications processors have powered communication networks around the world. Our multicore QorIQ platforms use one or more high-performance 32-bit or 64-bit cores integrated with specific network accelerators, and support a wide range of networking equipment for cloud, enterprise, service provider and residential use.

They are also used in various high-performance, general-purpose applications, including enterprise, industrial, military and aerospace systems. Our newest QorIQ LS product family, (utilizing ARM- and Power Architecture technology-based microprocessors cores), delivers greater efficiency and scale and targets both conventional network systems as well as newer virtualized networking designs.

A key component to our solutions utilizing communications processors is our ability to offer optimized silicon software that decreases the customer's burden of semiconductor integration into complex systems and allows customization of our products for individual applications. Our historical software acquisitions have provided the foundation for the VortiQa software suite. We continue to invest in the tools, applications and partnerships to create a suite of products built around standard platforms with the flexibility to be configured for specific vertical solutions. These resources are intended to allow us to create simpler, more integrated embedded software development environments to help our customers manage the growing complexity of multicore processors and the tools required to assimilate them into their end products.

Digital Signal Controllers

DSCs are a hybrid that combines the functionality of MCUs and the processing power of DSPs, often with an added set of peripherals. Our DSC families offer optimized solutions for digital power conversion, motor control and many other applications across consumer, industrial and healthcare markets requiring high speed and high-resolution capability.

Wireless-Infrastructure Processors

Wireless-infrastructure processors combine communications processors with digital signal processors and specific wireless acceleration technology. DSPs are MPUs that can perform advanced calculations very rapidly on a real-time basis and excel at baseband modem processing. Our portfolio of secure wireless-infrastructure processors targets small cells and macro base stations. These products perform baseband processing and support multiple cellular-network air-interfaces such as LTE Advanced, TD-LTE, LTE, HSPA+, TD-SCDMA and CDMA2000K. Used by leading wireless infrastructure OEMS worldwide, our broad portfolio of wireless-infrastructure and communications processors satisfy wireless infrastructure requirements.

Analog and Mixed-Signal Products

Our analog and mixed-signal products enable embedded systems with more reliable performance for bridging real-world signals to the digital intelligence of embedded processors. Our portfolio features a variety of differentiated products for driving actuators (such as in motors, valves, and lights), switching large currents, regulating power to electronic components in a system, charging and cell balancing batteries, providing power efficient functional safety (self monitoring and redundant fail-safe backup) for safety-critical applications, and providing precision sense and control interfaces for complex analog systems. The product portfolio includes an array of system-on-chip solutions, integrating significant amounts of digital processing logic in conjunction with sophisticated analog functionality and power analog outputs for system automation and control. The support of high voltage and high current coupled with low power and high-accuracy measurement is a unique value that Freescale brings our customers. An example of how our analog and mixed-signal

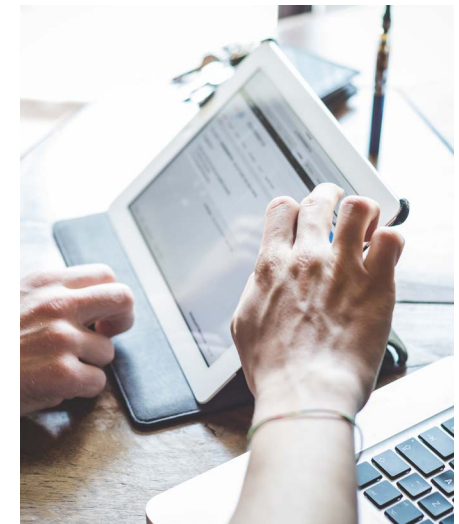
semiconductors play a differentiating role in key applications includes the highly efficient and safe battery management for hybrid and all-electric vehicles.

We introduced the first integrated 77 GHz radar products that enable the convergence of active and passive safety systems in automobiles. Our system basis chip family of processors combines comprehensive functional safety features with efficient power management and low spurious emissions communication transceivers to enable highly integrated safe systems for mission-critical automotive and industrial applications. Our precision direct fuel injection drivers improve combustion engine performance and efficiency while reducing fuel emissions. These products are sold into all of our markets, frequently as part of our embedded systems solutions bundled with microcontrollers, as well as specialized components.

Radio Frequency Devices

We have an extensive portfolio of high-power RF transistors, serving the wireless infrastructure market, which has experienced rapid growth as increased mobile data traffic has led to the build-out of next-generation wireless basestations in China and other emerging markets. The wireless infrastructure products utilize our latest Airfast RF power solutions portfolio and are designed to increase performance, while decreasing costs.

The entire RF power portfolio includes solutions from 1 W to more than 1 kW. Our low-power portfolio provides a broad mix of RF small-signal and low-power products, ranging from general-purpose transistors, gain blocks and signal-control products to feature-rich, low-noise transistors and high-performance RF integrated circuits.



Product Responsibility

Freescall designs and produces semiconductor products to minimize hazardous substance content. Freescall also works to enhance the social responsibility of its supply chain.

PRODUCING ENVIRONMENTALLY PREFERRED PRODUCTS

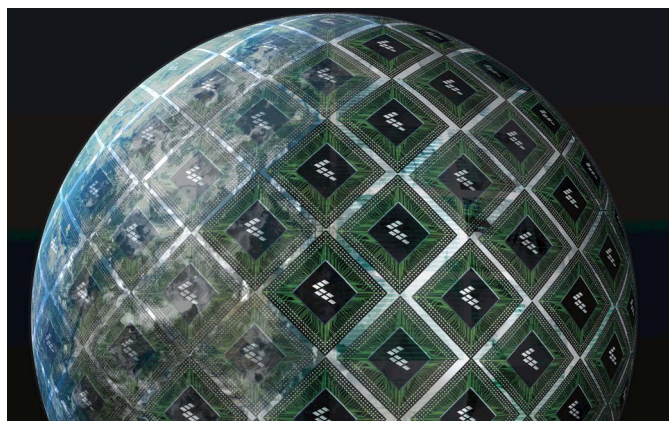
The Freescall Environmentally Preferred Products (EPP) Program guides and monitors product content compliance with global regulations and customer specifications. The EPP program also participates in new product introduction efforts and in development activities for industry standards. These efforts allow us to stay abreast of changes to hazardous substance restrictions, understand how they affect our products, incorporate essential changes into our material specifications and communicate the changes through our supply chain.

Product content regulations are evolving and becoming more complex. To enable compliance, the EPP program evaluates regulations across the globe that may apply to Freescall products.

Europe has been at the vanguard of product content regulations for over a decade with its End of Life Vehicles (ELV) and the Restriction of Hazardous Substances (RoHS) Directives, as well as its Registration, Evaluation and Authorization of Chemicals (REACH) regulation. Other countries either have implemented or will soon implement similar laws.

DESIGNING FOR GLOBAL MARKET ACCESS

To ensure our customers are able to sell their products around the world, Freescall designs and manufactures products to comply with the most demanding regulations. Lead content



restrictions have been the most challenging regulatory change for electronic components. Fully lead-free products represented over 75% of Freescall sales in 2014.

Some Freescall products contain lead for high melting temperature solders, flip chip die solders, frit glass on die, or (when dictated by customer applications) lead plating and solder balls for telecom or automotive products. The lead used in these materials provides special thermal, electrical and mechanical properties. These lead uses are permissible under applicable regulations.

Nevertheless, Freescall is actively involved in research and development activities to find lead-free alternatives. While the research has identified potential alternatives, more work is needed to ensure the reliability and manufacturability of the alternatives. As a result, Freescall is involved in electronics industry efforts to renew the relevant exemptions until reliable, readily available alternatives are qualified.

Not all EPP requirements are driven by regulations. The EPP program has incorporated customer expectations and industry trends into our products. For example, Freescale is migrating new products and packages toward bromine-free and chlorine-free materials. This supports customer expectations and improves recyclability.

Freescale is constantly evaluating opportunities to reduce the environmental impact of its products.

MANAGING OUR SUPPLY CHAIN

The EPP program incorporates customer and industry product content standards into Freescale product content requirements. Then we partner with our suppliers and monitor their adherence to these requirements.

- Suppliers are required to provide material composition reports identifying the substances in items they sell and to provide annual certificates of analysis to verify that RoHS substances are not present above allowable thresholds.
- Freescale's EPP master chemical list identifies substances that are restricted from its products. It is updated as requirements change. Updates are shared with suppliers annually and immediate actions are taken when a change directly impacts the compliance of a supplier's material. Suppliers are required to accept and acknowledge the changes in writing.
- Internal factories, subcontract manufacturers and material suppliers are required to maintain procedures to ensure compliance with Freescale EPP requirements. Supplier capabilities are reassessed annually.

MANAGING PRODUCT CONVERSIONS

Freescale understands the tension between market demands for process stability and for rapid transition to greener materials. One way we address these concerns is by ensuring EPP program requirements are integrated in new product introductions so the need for future changes is minimized.

We also link environmentally preferred material conversions with changes that otherwise require Freescale product requalification. For all changes, new products are introduced and qualified with environmentally preferred materials. When regulatory changes require immediate action, product modifications and customer notifications follow the Freescale change control procedures for release to market.

And we have included lead-free product transitions into our portfolio management activity. As products with tin-lead terminations phase out, Freescale offers customers a lifetime buy opportunity to minimize supply chain disruptions. Freescale encourages customers to rapidly convert to packages that meet global requirements for the reduction of lead in electronic equipment.

EVALUATING CONFLICT MINERALS

The Conflict Minerals regulation in the United States applies to companies that must report to the Security and Exchange Commission (SEC). These companies are required to review their products and determine whether tin, tungsten, tantalum and gold (3T&G) are necessary for their functionality or production. If necessary, companies are required to evaluate their supply chain to determine whether 3T&G originate in or around the Democratic Republic of the Congo from sources that finance human rights abuses.



Recognizing that 3T&G are necessary for the production of Freescale products, we have a policy and process to identify and eliminate the use of 3T&G from conflict sources. Our process cascades the Conflict Minerals policy onto our supply chain.

We are engaged in activities to fulfill our policy objectives and the SEC reporting requirements. Company procedures are designed to conform to the five-step framework in the Organisation for Economic Co-operation and Development Due Diligence Guidance for Responsible Supply Chain of Minerals from Conflict-Affected and High-Risk Areas: Second Edition, including the related supplements on gold, tin, tantalum and tungsten. Also, as an EICC member Freescale actively participates in the Conflict Free Smelter Initiative's efforts to promote conflict-free sourcing.

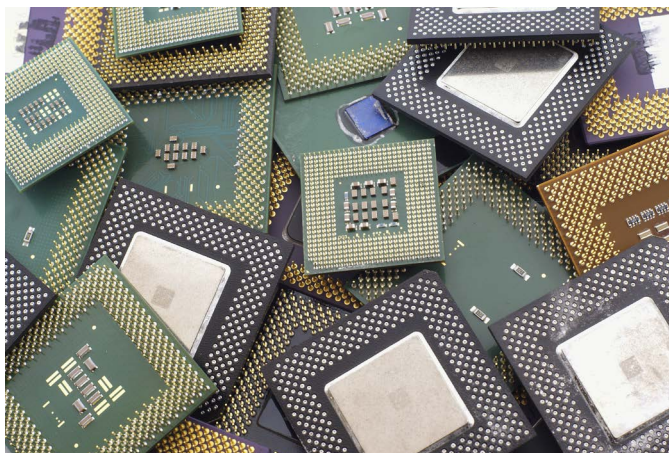
Freescale continues to monitor regulatory efforts in other jurisdictions to ensure our procedures meet or exceed requirements of the legislation and other supply chain transparency requirements.

DECLARING PRODUCT CONTENT

The Freescale EPP Program is responsible for customer communications relating to product content and regulatory requirements. Environmental product content regulations pose unique reporting challenges with the growing list of reportable, restricted and banned substances. The EPP program has implemented procedures to identify REACH substances in our products and procedures to notify customers upon learning a product or shipping material contains a REACH substance in excess of a REACH threshold.

Freescale provides a variety of Environmental Certifications on its website at **freescale.com/epp**. These include Material Composition Declarations for RoHS, ELV and REACH; China RoHS reports; and Conflict Mineral declarations. The website also offers direct customer access to RoHS analytical test reports from third-party laboratories. This information is available for most standard product part numbers.

Direct assistance for product responsibility documentation is available at **EPPanlst@freescale.com**.



Our Team

Our goal is to create a rich, unique culture, one where our employees can reach their full potential, where they are energized and fulfilled by their work and contribute to building a world-class company. Freescale leaders have high expectations for our employees and they have the same high expectations for Freescale.

This spirit resonates throughout the company and in the many countries and cultures where we do business. Approximately 17,300 employees around the world bring our innovation, insight and inspiration into global markets. Their valuable knowledge and experience ultimately serves the best interests of our stakeholders: employees, customers, partners and communities. Recruiting, developing and retaining the best talent is vital to the success of Freescale and its stakeholders.

Human Resources Strategic Focus



Recognizing this, we pay particular attention to attraction strategies and the well-being of our employees through focused efforts on development, benefits, employee engagement and inclusion, work-life balance and a safe and healthy work environment.

Our talented and creative workforce give us a great competitive advantage. Our culture recognizes this and allows every individual to flourish by defining how leaders and employees should act in support of our company goals and in shaping our aspired culture. We drive for these results by:

- Aligning everything our employees do to our strategy and vision for the future, our drive for innovation combined with a desire to meet the needs of our customers, and our belief in building strong, stable communities.
- Continuing to build a flexible, connected and intelligent environment that inspires our people to do their best work, attracts the best talent, enables professional development and growth, and challenges the status quo.
- Empowering our employees to strive for results with integrity, strength of conviction, personal accountability and ownership, speed of execution, smarter risk taking and a focus on not just getting the work done, but getting it done right.

The creativity and effectiveness of our workforce is our only long-term, sustainable, competitive advantage.

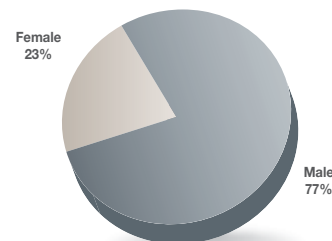
Inclusion: Leveraging the Power of One

Freescalerecognizes that each and every employee brings something unique to the company. We are comprised of thousands of unique individuals, each with their own viewpoints, histories, experiences and paths of discovery.

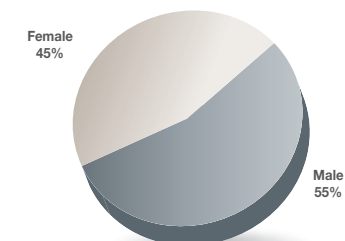
We welcome and embrace our employees' diversity by fostering respect for everyone's differences and promoting a collaborative work environment. We invite every Freescale employee to bring their whole self to work, without exception. Our mission is to continue championing an inclusive work environment to attract the best talent and to ensure diversity of thought in everything we do.

The result is a stronger organization that produces innovative services, products and strong business results. At the end of 2014, our global workforce was comprised of 17,300 employees and 1,400 contingent workers.

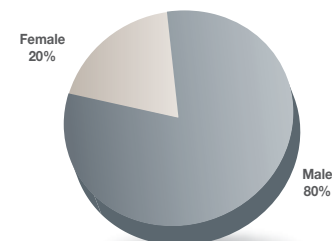
AMERICAS



ASIA PACIFIC



EMEA

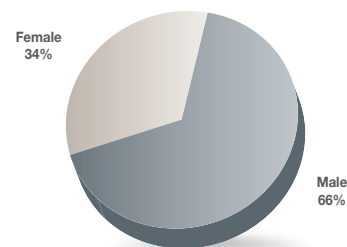


Our Anti-Discrimination Policy

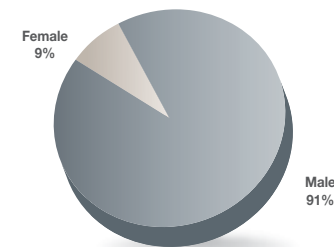
At Freescale, we treat each other with respect and fairness at all times—just as we wish to be treated ourselves. We value diversity and inclusion, and respect the culture and customs of our fellow employees, business partners and customers around the world.

- When working together, we value each other's unique experiences, backgrounds, diverse cultures and ideas. We never allow unlawful discrimination or harassment into our workplace. (Unlawful discrimination means treating others differently or making employment-related decisions on the basis of a legally protected trait.)
- Freescale never hires, fires, promotes, transfers, or makes any other employment related decision based on a person's:
 - Race
 - Color
 - Religion
 - Gender
 - Gender identity
 - Age
 - Mental or physical disability
 - Veteran status
 - National origin
 - Sexual orientation
 - Any other characteristic protected by applicable law

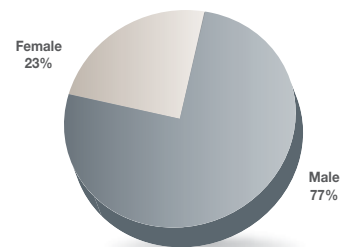
EMPLOYEES BY GENDER



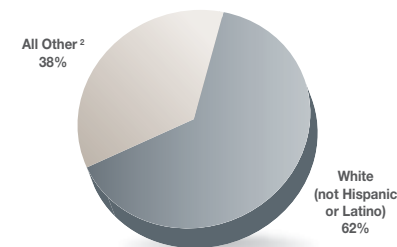
EXECUTIVE¹ EMPLOYEE BY GENDER



U.S. EMPLOYEES BY GENDER



U.S. EMPLOYEES BY ETHNIC ORIGIN



¹ Freescale executive totals include directors, vice presidents, senior vice presidents and CEO as well as technical fellows and senior technical fellows.

² Includes the following self-identified designations: American Indian, Alaskan, Asian, Black/African American, Hawaiian/Pacific Islander and Hispanic/Latino.

Our Commitment to Being a Great Place to Work

Freescall prides itself on providing competitive employee benefits such as comprehensive health and welfare benefits, including medical and dental benefits.

Freescall also provides work-life benefits to all eligible dependents and spouses, including same-sex domestic partners.

Globally, Freescall provides benefit programs to our employees based on the legal requirements and competitive practices in each country in which we operate.

Benefits available to employees in the U.S. include:

- Employee Share Purchase Plan, allowing employees to purchase shares of the company's stock at a 15% discount
- Comprehensive medical, pharmacy, dental and vision plans
- Personalized tools and resources to help make informed healthcare decisions
- Healthcare premium incentives for completion of wellness screening
- Paid time off
- 401(k) plan designed to help employees build wealth through long-term savings
- Child care and elder care referral services
- Wellness programs, including onsite activity centers, onsite wellness screenings and reimbursement for healthy activities
- Tuition reimbursement
- Adoption assistance
- Assistance with will preparation
- Financial investment advice
- Employee Assistance Program
- Employee discounts for a broad array of products and services, including exclusive offers for products and services with Freescall partners
- Career development, education and training
- Travel assistance, including emergency assistance if traveling for work or personal reasons
- Onsite café with healthy food options
- Group employee and dependent life insurance, including business travel accident, disability and long-term care insurance
- Tobacco-cessation programs
- Flexible spending accounts in addition to a health-savings account option for medical insurance
- Discounts on auto and home insurance
- Access to a Teladoc physician anytime, anywhere via phone or online video consult for minor medical needs through the Freescall medical plan
- 24-hour nurse line
- Claim and nurse advocates to assist families navigating complicated healthcare diagnosis, billing issues and claim questions.

Our Commitment to University Recruiting

Inherent in Freescale's desire to be a great place to work lies our commitment to recruit from colleges and universities around the world. The success of our company as a pioneer of the global semiconductor industry was built, in part, on a unique combination of having team members who are experts in the field and those who are completing their studies and entering the workforce.

At Freescale, we aspire for consistent levels of student engagement that begins with internships and continues through entry-level roles and our signature Engineering Rotation Program, that attracts high-performing Master of Science and Bachelor of Science graduates in Electrical, Computer Science Engineering or Computer Engineering. Freescale partners with colleges and universities across the globe, working to build long-term relationships that include consistent on-campus presence, faculty involvement and a commitment to engage entry-level and intern team members in the company's quest to make the world a smarter place.

University hires looking for a great job with a great boss and great rewards need look no further than Freescale.

To search for positions at Freescale, please visit **freescale.com/careers**.



Freescale College Hire Orientation—Austin, Texas (top) and Suzhou, China (bottom)

Employee Leadership and Development

At Freescale, we work hard to create an environment that enables all of our employees to learn, grow in their careers and reach their full potential. We believe development is a mutually beneficial partnership between the company, our employees and their managers that results in higher levels of employee engagement, contribution and satisfaction.

Our approach is simple and based on the following principles:

- Development is most successful when it is planned and intentional.
- Development can look different for each of us, based on our unique job needs and goals.
- Development comes through multiple channels—formal and informal, through experience, education, feedback, coaching and even through shared learning and community.
- Development is dynamic. Our needs and plans are ever changing as we continuously evolve our skills and capabilities.

Whether you are a new grad just starting in your career, or a seasoned professional joining Freescale from somewhere else, you'll be sure to find a wide array of resources and opportunities to support your development needs and career aspirations.

Our development portfolio is designed to meet the needs of our international, multigenerational workforce and includes:

- Formal classroom programs
- Targeted management and leadership development

- Professional skills and capabilities curriculum
- Robust online learning resources
- Virtual communities
- Job-specific training
- Health, safety and compliance trainings
- Education assistance.

Employees also receive regular feedback and coaching from their managers to ensure they are positioned to succeed. In 2014, we continued our focus on internal career growth and progression. When leveraged alongside our regular offerings for development, this gives employees a full range of educational and experiential opportunities to build successful careers at Freescale.

TECHNICAL TALENT PIPELINE

The Technical Talent Pipeline framework provides defined attributes and expectations for technical employees, both individual contributors and managers. Criteria include business and financial impact, technical innovation, job scope and complexity, internal impact and external recognition and influence. The program defines development of our technical community from entry-level engineers to the executive level.

Employees in the technical community who maintain significant technical contributions over time will have the opportunity to be appointed to the positions of senior member of technical staff, distinguished member of technical staff, managing member of technical staff, fellow and senior fellow.

Community Engagement

COMMITTED TO THE COMMUNITY

Giving back to the community is part of our corporate DNA; it's who we are.

We believe in making a positive difference in the communities where we live and work. Through corporate sponsorships, employee volunteerism and employee giving, we are committed to supporting our communities in the following three focus areas:

1. **STEM Education:** Promoting educational endeavors that encourage students to learn about science, technology, engineering and math to help advance the workforce of the future.
2. **Health and Wellness:** Supporting employee and community health and wellness programs focused on increasing physical activity and promoting a healthy lifestyle.
3. **The Environment:** Fostering the sustainable use of the earth's resources and promoting a clean, healthy environment.

GLOBAL IMPACT

Freescale employees play a critical role in our commitment to corporate citizenship. In 2014, more than 2,000 employees participated in nearly 75 volunteer projects around the globe. Additionally, Freescale encouraged its U.S. employees to support their favorite charities through the Freescale Employee Giving Campaign, which makes giving easy, convenient and meaningful for everyone who chooses to participate.

EMPLOYEE VOLUNTEER TEAMS

We also encourage our employees to create and lead volunteer teams that support any of our three focus areas:

STEM education, health and wellness, and the environment. In these cases, our company makes financial contributions to cover the cost of employee participation and/or we support the overall fundraising efforts associated with these events. We also provide Freescale orange volunteer shirts for employees to wear while volunteering to create a "sea of orange," demonstrating our commitment to the community.

SPONSORSHIPS AND FUNDING REQUESTS

Freescale considers a limited number of local organizations to support via corporate sponsorships. Organizations with causes that align with our charter and support employee volunteerism that would like to be considered for a grant can find details on the community involvement application process online at freescale.com/CommunityInvolvement.

THE AUSTIN MARATHON AND HALF MARATHON PRESENTED BY FREESCALE

In 2013, Freescale announced that it would return as presenting sponsor for the Austin Marathon and Half Marathon, a global running event that has close to 16,000 runners from more than 28 countries. The 2014 race was a huge success, and Freescale sponsored nearly 300 employee runners, including employees from around the world representing 11 countries. We also had nearly 550 Freescale employees and family members volunteering for the marathon, and we leveraged our sponsorship to help raise awareness for STEM education, donating all fundraising proceeds to the Freescale Foundation. Details can be found at freescale.com/austinmarathon.



Austin Marathon and Half Marathon

Employees in Action

Our employees are at the heart of our community engagement efforts, and they volunteer around the world for many worthy causes and organizations, including the following:

AMERICAN HEART ASSOCIATION

Freescale employees in Texas and Arizona fought heart disease and stroke by participating in the annual Heart Walk, where employees walked, donated and volunteered to help raise money for the American Heart Association.

CAPITAL AREA FOOD BANK (AUSTIN) AND UNITED FOOD BANK (PHOENIX)

To help fight hunger throughout the year, scores of Freescale team members in Texas and Arizona helped sort food donations for distribution to those in need.

CAPITOL BEST ROBOTICS COMPETITION

Freescale sponsored the Capitol BEST (Boosting Engineering Science and Technology) Robotics competition, which is a yearly engineering contest in Austin, designed to inspire students toward further studies in the fields of science and engineering. Starting from a box of raw materials, teams of middle school and high school students are given six weeks to design, build, and demonstrate a remote-controlled machine that will perform a given task. Freescale employees volunteered at the launch event, held at Freescale, as well as at practice sessions and during the contest itself.

INTER NGO SPORTS DAY

Freescale India sponsored a team of 40 children from Nai Disha (a school for underprivileged children where the employees from

Freescale India volunteer for the weekend classes). The volunteers also contributed by training the team and managing the children on the day of the event.

GAZELLE FOUNDATION

More than 350 Freescale employees, friends and family members participated in the Gazelle Foundation's Run for the Water. For every registrant in the race, the Gazelle Foundation provides clean water to one additional person in the African country of Burundi.

HABITAT FOR HUMANITY

Freescale Austin employees once again joined forces with other local technology companies to help build a home for a family in need as part of the "House that High Tech Built."

KEEP AUSTIN BEAUTIFUL

Nearly 80 Freescale employees, family members and friends in Austin volunteered at the Keep Austin Beautiful (KAB) Clean Sweep event to remove trash from the city of Austin and preserve the local environment for the community and future generations. Dozens more volunteered with KAB throughout the year to pick up litter and beautify the city.

LYMPHOMA RESEARCH FOUNDATION

Freescale's official 36-member walk team finished 8th out of 91 registered teams in terms of donations collected during the 9th annual Arizona Lymphomathon, that was hosted by the Arizona Chapter of the Lymphoma Research Foundation (LRF). Lymphoma is the most common blood cancer in the U.S. and the third most common childhood cancer.



UNITED WAY FOR GREATER AUSTIN'S SPRING AND FALL DAYS OF CARING

In 2014, over 180 Freescale employees volunteered at eight Day of Caring projects, a contribution valued at over \$21,000 in community service time in support of the following local nonprofit organizations:



- Capital Area Food Bank
- Communities in Schools
- Girlstart
- Girl Scouts
- Garza High School
- Texas CASA
- United Way for Greater Austin

Freescale has sponsored the United Way Days of Caring since their inception (for more than 20 years!).

SUSAN G. KOMEN RACE FOR THE CURE

Freescale employees participated in the Race for the Cure 5K events in Texas and Arizona to raise funds for breast cancer research and education in hopes of creating a world without breast cancer.

THE TRAIL FOUNDATION

Freescale supported The Trail Foundation's environmental protection and restoration initiatives by sponsoring the annual 5K Moonlight Margarita Run in Austin. Approximately 245 Freescale walkers, runners and volunteers took part in the 2014 run.

"GO FSL" SCHOOL VISIT PROGRAM IN SHANGHAI

Freescale employees mentored students (age 16–17) at local schools and discussed college planning, high-tech career options and keys to career achievement.

JUNIOR ACHIEVEMENT YOUNG ENTERPRISE PROGRAM

Freescale Malaysia sponsored and volunteered at a secondary school, SMK Taman Sri Muda Shah Alam. The program was introduced to the Malaysian secondary school to give the students an opportunity to learn about business through hands-on experience.

A CAR OF THE FUTURE COMPETITION

East Kilbride employees volunteered at a local high school, promoting STEM as well as enhancing communication, presentation and project management skills for pupils.

DISASTER RELIEF

In addition to our employee volunteer efforts, Freescale employees donated funds to the families of our employees on board Flight MH370. A Remembrance Garden was created in recognition of the Freescale employees reported missing on 8 March 2014.



Focus on Science, Technology, Engineering and Math (STEM)

Freescall has a long history of supporting science, technology, engineering and math education through community engagement, university programs and volunteerism and financial and in-kind donations.

Why is STEM education important to Freescall? We live in a technology-driven world, where virtually every aspect of our lives can be made safer and more productive through modern electronics. To ensure we don't have a shortage of engineering talent and expertise, we must encourage more students to study in the STEM fields that will drive tomorrow's economy.

We will continue to support initiatives that will help to improve diversity in STEM, with a special focus on women and those from underrepresented groups.

Freescall and the Freescall Foundation continue to support STEM education at all levels of educational system.

At the K-12 level, we focus our efforts primarily on teacher excellence, after-school programs, summer learning and enrichment efforts.

For example, Freescall piloted a series of summer camps in Austin and Phoenix during the summer of 2014 to ignite student interest in STEM careers. Student campers experienced hands-on learning, learned how to work in teams, and developed presentation skills and relationship building with their peers.

Another example of Freescall's STEM education effort, was an electric car competition at Freescall's East Kilbride location in Scotland. The event took place in conjunction with Freescall's technical enrichment matrix and TV celebrity and electric car proponent, Robert Llewellyn, was present to help spark interest and observe the competition. Freescall engineers devised a challenging course, that students had to overcome using STEM-based problem solving and creativity.

At the university level, Freescall supports teaching, research and STEM student engagement through a variety of programs:

- Graduate and undergraduate research sponsorships in collaboration with Semiconductor Research Corporation (SRC)
- Support of teaching labs, courses-of-study and student design projects through donations and discounts of Freescall development tools, courseware and training programs
- The Freescall Cup, an autonomous model car racing challenge, engaging and inspiring over 30,000 students/year worldwide
- Sponsorships and support for nonprofit organizations and events, including American Society for Engineering Education (ASEE), Electrical and Computer Engineering Department-Heads Association (ECEDHA), and EcoCAR3

We believe that by working together, communities everywhere can sustain and improve excellence in STEM fields, and help build an even brighter future.



Freescall East Kilbride employees embrace STEM activities with local students building rocket car.

Freescal Foundation

The Freescal Foundation is a nonprofit, 501(c)(3) organization dedicated to promoting STEM education for K-12 students in the communities where Freescal employees live and work. Whether it is unveiling the fun science behind model rockets, the engineering that enables robots or the technology that drives automotive advancement, the foundation aims to empower the innovators of tomorrow.

Our goal is to ignite the curiosity of students and encourage them to pursue degrees in STEM-related fields to help advance the technical workforce of the future. As the demand for technological innovation continues to grow, the pressure on the global workforce to respond is intensifying. Policymakers, educators, school administrators and corporations report a disconcerting shortage of engineers, doctors, scientists and technologists. With the Freescal Foundation, we are helping to train the great minds of tomorrow to achieve the technology breakthroughs needed for our future.

Our vision is to empower students at the earliest age possible with the belief that they can be a catalyst for innovation. The Freescal Foundation provides critical funds for STEM educational resources, that will help unleash students' imagination and inspire creativity. Whether it is unveiling the science behind the fun of model rockets, the engineering that enables robots or the technology that drives automotive innovation, we want to help encourage the development of the next generation of technical talent.

To learn more about the Freescal Foundation, visit **FreescalFoundation.org**.



Environment, Health and Safety Policy

It is the policy of Freescale to conduct all business activities in a responsible manner, free from recognized hazards, and to respect the environment, health and safety of our employees, customers, suppliers, partners and the community.

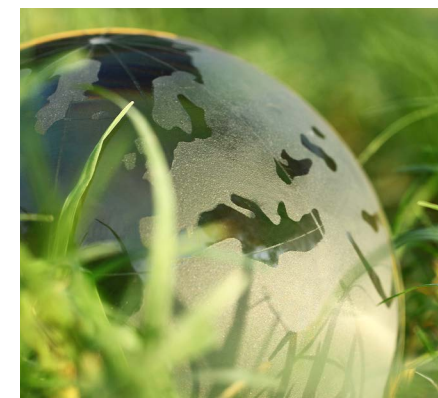
We will comply with all applicable EHS legal requirements and with other requirements to which we subscribe, related to EHS aspects and risks. We will implement programs to achieve greater protection, where appropriate. We expect employees to report EHS concerns, to continuously maintain a safe work environment and to actively participate in helping Freescale to achieve our EHS goals.

We are committed to the prevention of pollution and will strive to conserve the earth's natural resources through the development of sustainable products and manufacturing processes. We are working to be an industry leader in reducing, reusing and recycling wastes.

We are committed to the implementation, maintenance and continuous improvement of our EHS Management Systems.

In working toward this policy, we have developed key strategies in the following six areas:

- **Employee Protection:** Commit to the prevention of work-related injuries and illnesses and to maintain a safe and healthy workplace to support our employees' work-life balance.
- **Risk Minimization:** Assess the environmental aspects and safety and health risks of our operations, activities and services and incorporate the practical procedures and controls necessary to prevent adverse impacts.
- **Environmental Stewardship:** Support the reduction, reuse and recycling of waste materials, the elimination of emissions that adversely impact the environment and the conservation of natural resources.
- **Continuous Improvement:** Set and review relevant EHS goals and targets designed to ensure continuous improvement in EHS performance.
- **Sustainable Supply Chain:** Partner with our suppliers and customers to protect the environment by designing environmentally conscious products.
- **Community Connection:** Demonstrate global EHS leadership through participation in the formulation of EHS public policy and apply our resources to improve the communities in which we live.



Manufacturing Responsibility

MEASURABLE PERFORMANCE

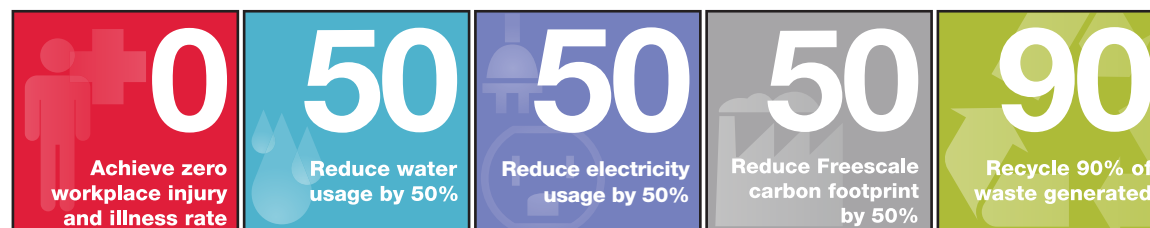
Freescall's EHS Management Systems standards require all manufacturing sites to establish and maintain documented procedures to regularly monitor and measure operations and activities that can have a significant impact on the environment, workplace and the communities where we operate. In addition, Freescall has recently established new five-year 2020 EHS goals. This year begins the first year of reporting progress on these goals as part of an effort to drive continuous improvement.

WASTE

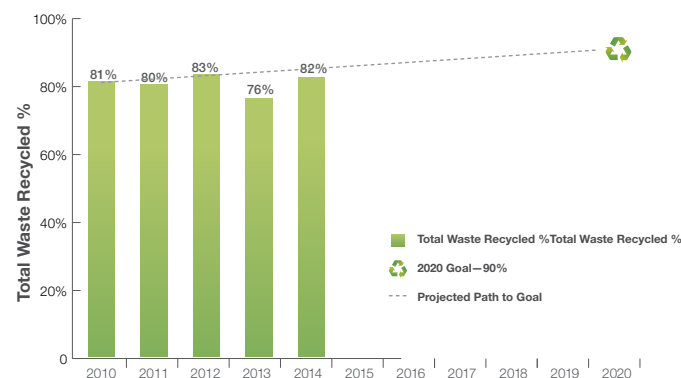
All manufacturing sites have ongoing programs to reduce the amount of waste generated and increase the percentage of waste recycled. We have set a goal to increase our recycle rate of both hazardous and non-hazardous waste to 90% by end of 2020.

We plan to reach that goal by:

- Continuing to recycle/reuse spent materials
- Continuing to identify new opportunities to recycle
- Establishing more recycling vendor possibilities in local regions
- Continuing to compost food waste at most of our facilities



FREESCALE WASTE RECYCLED %



GREENHOUSE GAS EMISSION—CARBON FOOTPRINT

Freescall, as a member of the Semiconductor Industry Association, has been actively pursuing processes and technologies that will enable us to reduce our perfluorocarbon (PFC) emissions, which will subsequently allow us to reduce the impact of our carbon footprint.

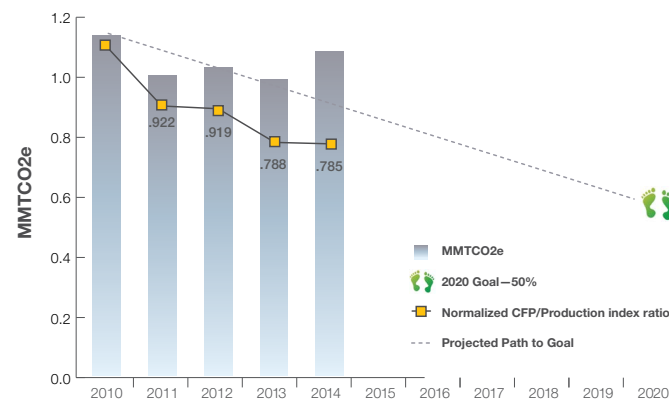
Recently, we established a goal to reduce our carbon footprint by 50% over a 2010 normalized baseline year. Freescall includes direct greenhouse gas emissions (GHG) from all of its manufacturing operations as well as indirect electricity consumption from all Freescall occupied properties in our carbon footprint calculation. Direct greenhouse gas emissions include PFC emissions from semiconductor production, combustion emissions from manufacturing and support processes, combustion emissions from company-provided employee transportation and fugitive emissions.

Freescall's overall carbon footprint increase in 2014 is primarily due to two factors: Significant increase in production over previous years since 2010 baseline and changes to the USEPA GHG Mandatory Reporting Rule that took effect for reporting year 2014. Since most semiconductor companies, including Freescall, are subject to reporting under the EPA Rule, the GHG emissions determinations have been made according to the Rule requirements since it came into effect in 2011.

Natural resource conservation is an integral part of our carbon footprint reduction, including reduction of energy use in our manufacturing operations. In order to achieve this 2020 goal, we plan to continue to:

- Reduce energy consumption via conservation
- Reduce PFC emissions from manufacturing via chemical substitution and use optimization
- Process tool optimization and manufacturing tool upgrades

FREESCALE CARBON FOOTPRINT



WATER AND ENERGY CONSERVATION

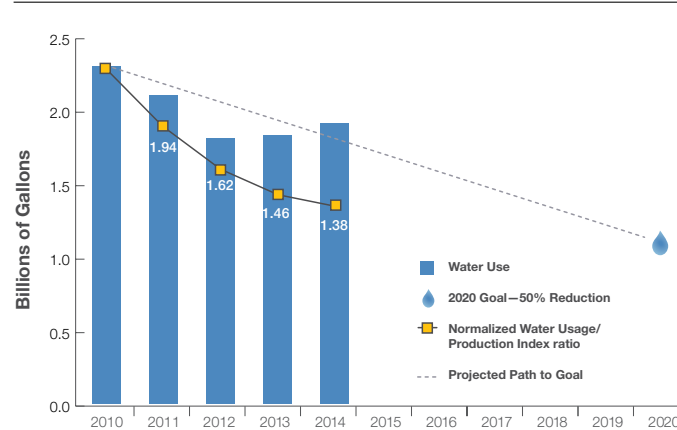
Freescall established a goal to reduce our water consumption by our manufacturing operations by 50% over our 2010 normalized baseline by the year 2020. Even with a significant increase in manufacturing production in 2014 that increased absolute water consumption, our production normalized metric still shows progress towards the goal. In order to achieve this 2020 goal, we plan to continue to:

- Reduce water consumption in manufacturing
- Increase onsite water reuse/recycle
- Pursue additional water reduction projects

In addition, Freescall has crafted a goal to reduce our electricity consumption by our manufacturing operations by 50% over our 2010 normalized baseline by the year 2020. In order to achieve this 2020 goal, we plan to continue to:

- Continue capital projects that target energy consumption reduction
- Conduct energy surveys to identify additional opportunities
- Continue purchasing energy-efficient equipment where feasible

FREESCALE WATER CONSUMPTION



2014 CONSERVATION PROJECT HIGHLIGHTS

In 2014, Freescall implemented conservation projects that saved more than 48.7 million gallons of water and 7.1 million kWh per year, including but not limited to the following:

(Oak Hill, Texas-941,000 kWh reduction) Added variable frequency drives (VFDs) for improved efficiencies in air handlers and ultra-pure water purifier regeneration system

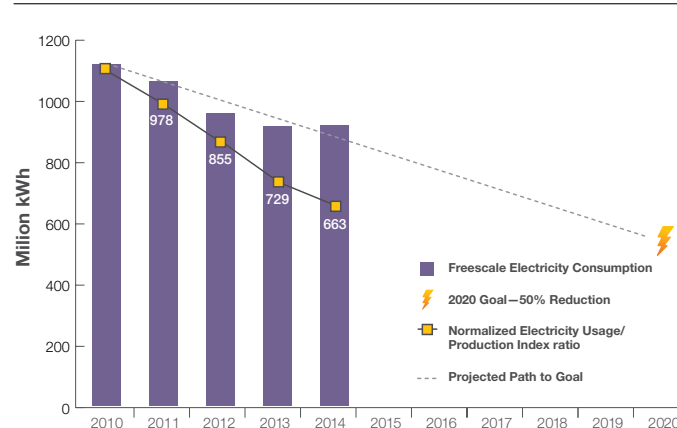
(Chandler, Arizona-785,000 kWh reduction) Reduced building general exhaust and makeup air

(Chandler, Arizona-683,000 kWh reduction) Implemented continuous optimization of chiller condenser water temperature to increase chilled water system efficiency

(Kuala Lumpur, Malaysia-438,000 kWh reduction) Replaced process cooling water system chiller with more efficient unit

(Chandler Arizona-45,000 gallon reduction) Recover rinse water for re-use from part of manufacturing

FREESCALE ELECTRICITY CONSUMPTION



WORKPLACE INJURY AND ILLNESS RATE

At Freescale, we consider our workforce to be our most valuable asset. Our policy is to provide a work environment that promotes the health and safety of our employees, contractors, visitors and the local community. Freescale's vision is that our global sites will be injury-free. To accomplish this ambitious objective, we conduct risk assessments, audits and inspections, accident investigations, root cause analysis and trend reports on workplace injuries and illnesses worldwide. Significant incidents and findings are shared among sites to identify and prioritize opportunities for work related injury and illness prevention and reduction programs. In addition, health and safety awareness campaigns, program improvements and training enhancements are implemented based on the trends and identified risks.

In 2014, our worldwide OSHA recordable rate (a measure of the number of workplace injuries and illnesses that occur each year) was 0.15. This represents a 46% decrease since 2010. Our U.S. OSHA recordable rate was 0.35.

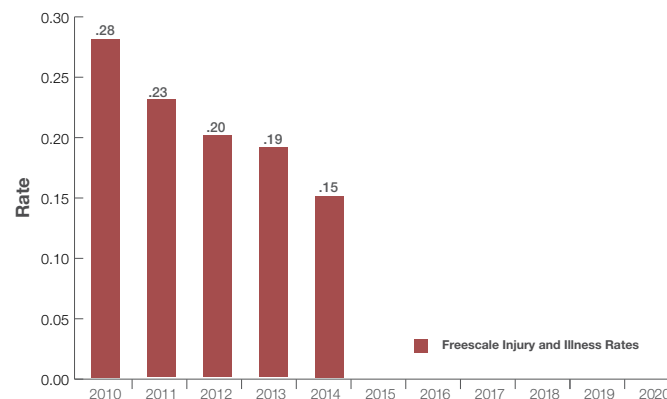
These incidence rates are below the Semiconductor Industry Association average, and our performance is far better than the 1.2 Total Case Incident Rate for semiconductor manufacturing, according to the 2013 data from the U.S. Bureau of Labor Statistics.

While our results are encouraging, our global workforce remains committed to health and safety excellence and to the prevention of workplace injuries and illnesses to achieve the vision of being an injury-free workplace.

We will continue to:

- Continue to increase employee awareness
- Provide more frequent training and encourage 100% participation
- Continue to reduce workplace hazards through employee participation

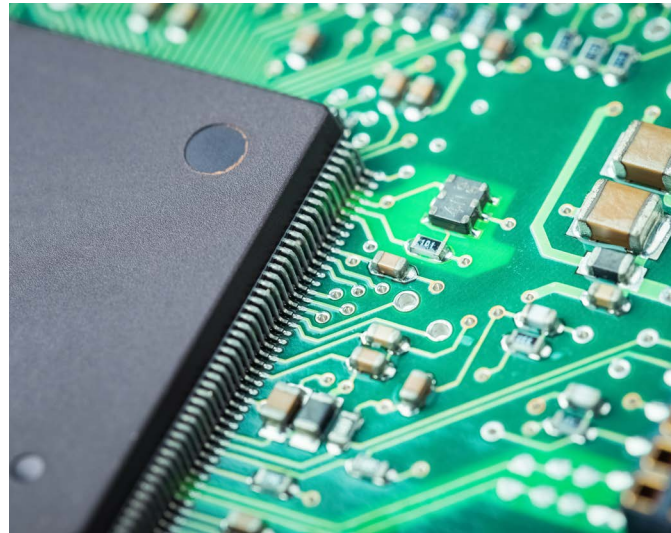
FREESCALE INJURY AND ILLNESS RATES



E-Scrap Reclamation

RECLAIM FACTS

Freescap has a very proactive “reclaim” program and uses the best available demonstrated technology to manage e-scrap. E-scrap is collected from factories, test centers and subcontractors around the world. The materials collected include process metallic scrap pieces, parts and fixtures, failed test devices and ICs, engineering materials, test architecture boards, chemicals, silicon in all forms and manufacturing process byproducts containing metallic components. Freescap processes these materials not only to recover the value of metals and silicon, but to do so in the most environmentally sound method available with absolute minimal waste going to landfill. A state-of-the-art integrated copper smelter is used to recover metals from the majority of materials processed in the U.S., including material brought to the U.S. from overseas. The smelter captures nearly 100% of the material available for recovery, including lead, mercury, tin and other elements. The smelter also utilizes the plastics and resins in e-scrap as a direct offset to carbon fuels required to run the smelter, captures all emissions and produces large volumes of clean, saleable sulfuric acid to the worldwide chemical industry. In 2014, Freescap processed nearly 800,000 kilograms of semiconductor process and assembly e-scrap.



Environmental Matters—Remediation Activities

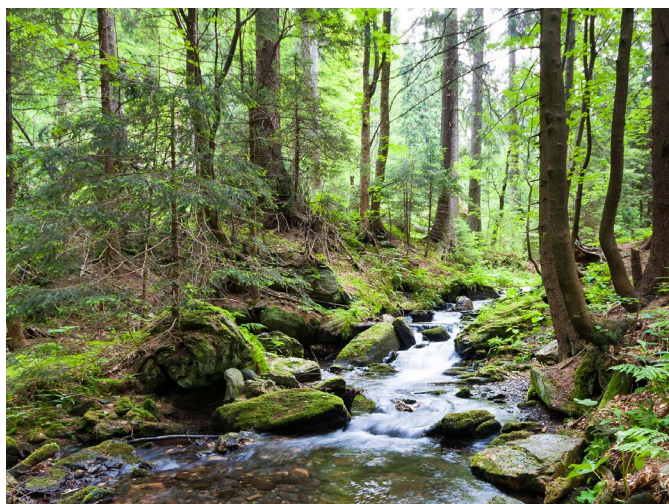
Freescall separated from Motorola in 2004 and, as part of the separation, took on responsibility for certain environmental cleanup on behalf of Motorola. The cleanup sites involve former manufacturing plants where historical practices, although legal and in compliance with industrial standards at the time, resulted in the release of chlorinated solvents into the environment. When the environmental impact was identified, Motorola (now Freescale), took action to resolve the issue.

Freescale no longer uses chlorinated solvents in its operations. Freescale is currently involved with environmental cleanups at four sites, including three former manufacturing plants and one former gas station whose land was acquired by Motorola. The sites are managed through various programs, including the Federal Superfund program and the Arizona Superfund, underground storage tank and voluntary remediation programs.

We work closely with state and federal regulators and, at some sites, other companies to identify and implement the necessary measures to clean up the historical releases. We have moved forward aggressively to identify and contain or remove all potential sources of contamination and have completed soil cleanups at several sites.

Additionally, groundwater investigations and cleanup projects are underway at each of the sites to address offsite contamination.

Over the years, we have invested significantly in recognized research institutions and national laboratories to identify new technologies for site cleanups. We use the best technologies available to ensure that the cleanups are conducted safely and effectively. For additional information, see our SEC filings at freescale.com/investor.



Beyond EHS Compliance

Freescall does not use any Class 1 or Class 2 ozone-depleting substances in manufacturing processes within Freescall where such substances could come into contact with Freescall manufactured products. This has been Freescall's policy since before 1994. It is also our policy to eliminate any suppliers' components used in Freescall products that contain, or that are manufactured with a process that uses, any Class 1 ozone-depleting substances.

For Freescall, one key aspect of global corporate citizenship continues to be our constant respect for the environment and continuous improvement in health and safety programs. An integral part of our compliance activities includes seeking external validation of our facility and EHS programs. At our manufacturing sites, Freescall has successfully maintained the ISO 14001 (Environmental Management Systems) certification since 2000, and certification under the OHSAS (Occupational Health and Safety Assessment Series) 18001, since 2010. These certifications are a demonstration of our outstanding EHS commitment to our employees and our communities.

In 2013, Freescall completed a more than decade-long effort to eliminate Perfluorooctane Sulfonate (PFOS)—a persistent, bio-accumulative toxin—from our manufacturing process.

A key proprietary ingredient in many photo resists, cleaning agents and surface-leveling chemicals used in the semiconductor industry, PFOS became restricted in the United States by the EPA under a TSCA Significant New Use Rule (SNUR) provision issued in 2002. At the time of the SNUR, most photo resist companies did not have an alternative to the PFOS material and requested an exemption based on the small amount of material



used by the semiconductor industry relative to the worldwide commercial distribution. U.S. EPA agreed with strict requirements ensuring no discharge to the environment.

Concerns about PFOS restrictions spread from the United States to Europe and finally Asia with similar restrictions and bans proposed by their regulatory bodies. However, Freescall decided to work with our suppliers to create non-PFOS solutions for all of our products. Major resist suppliers continued R&D to eliminate PFOS and had a technological breakthrough in 2008 where they could now manufacture leading-edge products that were PFOS-free.

The conversion to the non-PFOS products crossed nearly a decade, many technologies, product families, factories and continents with thousands of engineering hours spent on redevelopment, re-integrations, new reticle designs with optical proximity corrections along with close participation in the development process with our suppliers—always with safety, quality customer delivery and optimal manufacturing costs in mind.



Recognized for Our EHS Excellence

Freescale is often recognized for our EHS excellence by external agencies and organizations. Below are examples of some of the honors and recognition received.

KUALA LUMPUR, MALAYSIA

Malaysian Society for Occupational Safety and Health OSH Gold Award (Class II)

Malaysian Society for Occupational Safety and Health (MSOSH) has awarded Freescale Semiconductor Malaysia the "MSOSH OSH GOLD AWARD (Class II) 2013 for Occupational Safety & Health Performance. This is the 17th time KLM has won the GOLD AWARD which signifies KLM's commitment towards continued high levels of safety and health standards and practices in the workplace.

AUSTIN, TEXAS

City of Austin Pre-Treatment Compliance Award—Oak Hill

The Oak Hill Site received the award for pretreatment compliance for the 3rd consecutive year. The site received the award in 2014 for the 2013 reporting year.

PHOENIX, ARIZONA

2014 Clean Air Campaign Award—Nomination for Freescale EPM Carpool Team

Freescale employees Diane Reyes, Rudy Milosevich and Dan O'Brien work on a compressed night schedule 3–4 times a week. They all carpool every work day from Gold Canyon-Apache Junction-East Mesa to Chandler. Their trip reduction efforts consisting of triple carpool and compressed work schedule reduce the number of trips by 1,150 (≈ 35 miles each) per year. That's 40,250 miles/year reduced. Congrats to this team who have been carpooling together for over nine years.

2014 Compliance Snapshot Award from Maricopa County Air Quality Department

The Maricopa County Air Quality Department presented the 2014 Compliance Snapshot Award to FSL Chandler site for reaching a level of compliance that is exemplary and above and beyond what might be normally expected. The Compliance Snapshot Award is presented to a facility that has been nominated by one of the department inspectors during a permit compliance inspection. FSL Chandler met this standard in 2014.

INTERNAL CEO EHS EXCELLENCE AWARD

In addition to the external awards, each year, our CEO presents an internal EHS Excellence Award for a site project that promotes awareness and aligns with our EHS goals. In 2014, there were two first-place awards presented for projects done in 2013:

KLM Energy and Water Conservation Projects

Improvement opportunities across multiple facilities areas resulted in 11 million kWh electricity reductions per year and 23 million gals of water reductions, with approximate savings of \$900,000 per year.

ATMC PFOS Use Elimination

Elimination of the use of a biotoxin from manufacturing. The elimination and conversion to the non-PFOS products crossed nearly a decade (beginning in 2002, ending in 2013) many technologies, product families, factories and continents with many engineering hours spent on redevelopment, re-integrations, new reticle designs with optical proximity corrections along with close participation in the development process with suppliers—always with safety, quality customer delivery and optimal manufacturing costs in mind.



How to Reach Us

INFORMATION SOURCES

freescale.com

Freescale Semiconductor, Ltd.
Freescale Communications Department
6501 William Cannon Drive West
Austin, Texas 78735 USA
512-895-2000

FSLCSR@freescale.com

Freescale, the Freescale logo, ColdFire, Kinetis, MagniV, PowerQUICC, QorIQ, QorIQ Qonverge, Qorivva, StarCore and VortiQa are trademarks of Freescale Semiconductor, Inc., Reg. U.S. Pat. & Tm. Off. Airfast and Vybrid are trademarks of Freescale Semiconductor, Inc. All other product or service names are the property of their respective owners. ARM and Cortex are registered trademarks of ARM Limited (or its subsidiaries) in the EU and/or elsewhere. All rights reserved. The Power Architecture and Power.org word marks and the Power and Power.org logos and related marks are trademarks and service marks licensed by Power.org. Android is a trademark of Google Inc. Linux is the registered trademark of Linus Torvalds. © 2015 Freescale Semiconductor, Inc.

Document Number: BRCORPSOCRESP REV 9

