



Company Engagement Questions:

KnowTheChain Information and Communications Technology Sector benchmark

Companies can use these questions to provide additional information relevant to KnowTheChain's benchmarking of companies commitments and programs targeted at addressing human trafficking and forced labor in the supply chain.

Please note that answers to these questions will be made publicly available on the [website of Business & Human Rights Resource Centre \(BHRRC\)](#), one of the partners in KnowTheChain. The project will maintain a strict standard of only including information provided via a company's public website or BHRRC's website in the evaluation.

Please send your answers to Annabel Short, Program Director, Business & Human Rights Resource Centre: short@business-humanrights.org, with a cc to Megan Wallingford, Senior Advisor, Advisory Services, Sustainalytics: megan.wallingford@sustainalytics.com.

We encourage companies to answer as many of the questions as possible. You may wish to focus particularly on those for which your company currently does not have information available on its website.

Name of company: Qualcomm Incorporated

Name of respondent: Molly Gavin

Position of respondent: Vice President of Government Affairs and Sustainability

Respondent's contact information (email): humanrights@qualcomm.com ; mgavin@qualcomm.com

Documents

1. Please share links to any policy statements, reports, or other documents that you would like to be taken into account in a review of your company's approach to managing forced labor risks in the supply chain.

The Qualcomm Way: Our Code of Business Conduct:

<https://www.qualcomm.com/documents/qualcomm-way-code-business-conduct>

Our Commitment to Human Rights: <https://www.qualcomm.com/documents/qualcomms-commitment-human-rights>

EICC Code of Conduct: <http://www.eiccoalition.org/standards/code-of-conduct/>

EICC Membership Requirements: <http://www.eiccoalition.org/join-us/>

United Nations Global Compact Communication on Progress:

https://www.unglobalcompact.org/system/attachments/cop_2015/158841/original/Qualcomm_Communication_on_Progress_May_2015.pdf?1431099021

Qualcomm Sustainability Report: <https://www.qualcomm.com/documents/2015-qualcomm-sustainability-report>

Qualcomm Sustainability Website: <https://www.qualcomm.com/company/sustainability>

Qualcomm Sustainability Governance Website:
<https://www.qualcomm.com/company/sustainability/governance/sustainability-governance>

Qualcomm 2030 Sustainability Vision (detailed here):
<https://www.qualcomm.com/news/ong/2016/02/29/2015-qualcomm-sustainability-report-connecting-world-through-innovation-and>

Qualcomm Our Products Website: <https://www.qualcomm.com/company/sustainability/products>

Qualcomm Supply Chain Management Website:
<https://www.qualcomm.com/company/sustainability/products/supply-chain-management>

Qualcomm Ethical Employment Website:
<https://www.qualcomm.com/company/sustainability/workplace/ethical-employment>

Business and Human Rights Resource Center Survey: <http://business-humanrights.org/en/qualcomm-0>

Conflict Free Minerals Website:
<https://www.qualcomm.com/company/sustainability/products/conflict-free-minerals>

Conflict Minerals Report: <https://www.qualcomm.com/documents/2014-conflict-minerals-report>

Conflict Minerals White Paper: <https://www.qualcomm.com/documents/2014-conflict-minerals-white-paper>

Qualcomm Procurement Terms & Conditions: <https://www.qualcomm.com/procurement>

Qualcomm Manufacturing Supplier Procurement Terms & conditions:
<https://www.qualcomm.com/documents/qualcomm-global-trading-pteltd-qgt-standard-purchase-order-terms-and-conditions>

Commitment and governance

Awareness and commitment

2. Has your company made a formal commitment (e.g. adopted a policy) to address human trafficking and forced labor? Please include a link to the commitment.

Yes – please see Our Commitment to Human Rights:
<https://www.qualcomm.com/documents/qualcomms-commitment-human-rights>. Human trafficking and forced labor are addressed in [The Qualcomm Way: Our Code of Business Conduct](#).

Qualcomm has also adopted the Electronic Industry Citizenship Coalition (EICC) Code of Conduct in our own operations and as our supplier code of conduct, as detailed on our supply chain management website:

<https://www.qualcomm.com/company/sustainability/products/supply-chain-management>,
<http://www.eiccoalition.org/standards/code-of-conduct/>.

3. Does your company have a supply chain standard that requires suppliers to uphold workers' fundamental rights and freedoms, including the elimination of forced labor? Please include a link to the standard, and provide information on how frequently the standard is updated.

Note on EICC membership: Many ICT companies are members of the Electronics Industry Citizenship Coalition, EICC. If your company is a member and provides a link from its own website to the latest version of the EICC Code (i.e. version 5.1 effective January 1, 2016), then that code will be considered by KnowTheChain in reviewing the company's supply chain standards.

Yes: Qualcomm is a full member of EICC, and EICC membership requirements include the requirement that a senior executive agrees to adopt the Code of Conduct for a company's own operations and supply chains and accept the EICC mission, vision and bylaws. Please see our Supply Chain Management website for a direct link to the latest version of the EICC Code: <https://www.qualcomm.com/company/sustainability/products/supply-chain-management>.

Qualcomm has adopted the EICC Code of Conduct in our own operations and as our supplier code of conduct. The EICC Code of Conduct is reviewed every three years to ensure its relevance to international norms and issues members may face in their supply chains. EICC Code of Conduct review processes are extensive (typically one year in duration) and follow an extensive consultation process with members and stakeholders.

The EICC Code of Conduct includes the following requirements: Forced, bonded (including debt bondage) or indentured labor, involuntary prison labor, slavery or trafficking of persons shall not be used. This includes transporting, harboring, recruiting, transferring or receiving persons by means of threat, force, coercion, abduction or fraud for labor or services. There shall be no unreasonable restrictions on workers' freedom of movement in the facility in addition to unreasonable restrictions on entering or exiting company-provided facilities. As part of the hiring process, workers must be provided with a written employment agreement in their native language that contains a description of terms and conditions of employment prior to the worker departing from his or her country of origin. All work must be voluntary and workers shall be free to leave work at any time or terminate their employment. Employers and agents may not hold or otherwise destroy, conceal, confiscate or deny access by employees to their identity or immigration documents, such as government-issued identification, passports or work permits, unless such holdings are required by law. Workers shall not be required to pay employers' or agents' recruitment fees or other related fees for their employment. If any such fees are found to have been paid by workers, such fees shall be repaid to the worker.

Management

4. Who within your company is responsible for the implementation of your company's supply chain policies and standards relevant to human trafficking and forced labor? Please indicate the committee, team or officer, and describe their scope of responsibility.

The Supply Chain Management, Corporate Source2Pay, Corporate Regulatory and Quality Engineering teams are jointly responsible for implementation of our company's supply chain policies and standards relevant to human trafficking and forced labor.

Human rights at Qualcomm is managed by a cross-divisional team of experts from our human resources, government affairs, global social responsibility, investor relations, finance, legal, ethics and compliance and supplier management teams. Qualcomm's annual risk assessment of our operations includes the consideration, review and prioritization of various company risks

by a cross-functional group of key representatives from compliance, legal, finance, human resources and internal audit.

Guidance from the Qualcomm Sustainability and Reporting Leadership Committee helps shape our sustainable supply chain efforts.

Training

5. Does your company conduct training programs for internal decision-makers and suppliers on risks, policies and standards related to human trafficking and forced labor? Please describe.

Our employees are required to review and acknowledge The Qualcomm Way: Our Code of Business Conduct. The Qualcomm Way includes the following language on our commitment to human rights:

- Qualcomm is committed to respecting human rights and avoiding complicity in any human rights abuse, throughout our Company, our operations and our communities. Our values and approach to these issues are guided by the Universal Declaration of Human Rights (<http://www.un.org/en/documents/udhr/index.shtml>) and the United Nations Guiding Principles on Business and Human Rights (<http://www.businesshumanrights.org/media/documents/ruggie/ruggie-guiding-principles-21-mar-2011.pdf>). Forced, bonded or indentured labor is prohibited, and we are always free to leave our employment upon reasonable notice. We also prohibit the use of child labor, although legitimate workplace apprenticeship or intern programs, which comply with all laws and regulations, are permitted and supported. Qualcomm respects the rights of employees to associate freely, join or not join labor unions, collectively bargain under local law, seek representation and join workers' councils in accordance with local laws.
- Qualcomm has made a commitment to uphold our rights as employees, as well as to comply with all applicable wage and hour laws in all of our operations. In addition, we support our business partners who treat their employees with dignity and respect, and follow local employment laws. We will never knowingly use any suppliers who engage in child, forced or slave labor, nor will we condone such practices. For more information see our Human Rights statement at <https://www.qualcomm.com/documents/qualcomms-commitmenthuman-rights>.

Achieving true sustainability requires us to extend our efforts beyond our direct operations to our suppliers. As a fabless semiconductor company, we work particularly closely with the semiconductor foundry and assembly suppliers that manufacture our products. We monitor their processes and materials and continually work to make our products as sustainable as economically and technically possible. Beyond the manufacture of our products, we also work with suppliers to meet our other sustainability expectations: respect for human rights; responsible sourcing of minerals; water, energy and other resource conservation; and more.

In 2014 and 2015, members of our conflict minerals team visited gold refiners and tungsten smelters in South Korea and tin smelters in Bolivia and Indonesia as part of an effort to encourage their participation in the Conflict-Free Smelter Program. We also presented at an educational workshop on conflict free minerals for Korean smelters and members of the Korean Electronics Association in 2013.

Stakeholder engagement

6. In the last three years, has your company engaged a) with local stakeholders such as NGOs, trade unions or policy makers or b) in multi-stakeholder initiatives on human trafficking and

forced labor, especially as it relates to the supply chain? Please describe with whom your company has engaged, the purpose of the engagement, and your company's role.

Yes, Qualcomm has engaged with stakeholders through our participation in the BSR Human Rights Working Group and our participation in the EICC Business and Human Rights Task Force. We also participate in the United Nations Global Compact, the Public Private Alliance for Responsible Minerals Trade, the Conflict-Free Sourcing Initiative, the Conflict-Free Smelter Program and Responsible Sourcing Network Minerals Multi-Stakeholder Network.

Through the BSR Human Rights Working Group, we have engaged with representatives from the following organizations:

- Oxfam America
- University of Washington Law School
- International Corporate Accountability Roundtable
- Business and Human Rights Resource Center
- US State Department
- UK Human Rights and Democracy Directorate at Foreign and Commonwealth Office
- Verite
- NYU Stern

We have also previously engaged with KnowtheChain regarding the California Transparency in Supply Chains Act. We responded to the Business and Human Rights Resource Center Survey in January 2015: <http://business-humanrights.org/en/qualcomm-0>.

Traceability and risk assessment

Traceability and risk assessment

7. Please describe your company's supply chain tracing and risk assessment processes. Include any specific examples of when your company has conducted forced labor risk or impact assessments focused on a particular commodity, region or group.

Qualcomm is a full member of the EICC. EICC members are required to adhere to a core set of requirements and are held accountable to them. The [EICC Code of Conduct](#) is at the core of member requirements. Members are required to commit to the Code of Conduct, spread that commitment to their supply chains, and must undertake a range of [assessment activities](#) to ensure they are accountable to their commitment to the Code. For a complete explanation of EICC member requirements, [please view the member compliance document](#).

We maintain a conflict minerals risk management plan that sets forth direct supplier-risk management strategies ranging from continued procurement to disengagement. Our conflict minerals due diligence is described in our Conflict Minerals Report:

<https://www.qualcomm.com/company/sustainability/products/conflict-free-minerals>.

We are mindful of the impacts that the global electronics supply chain can bring to both society and the environment. Thus, we see making appropriate supplier selections, assessing our suppliers for risks, and monitoring their adherence to our Supplier Code of Conduct as integral parts of achieving a sustainable supply chain.

We assess our semiconductor manufacturing suppliers annually using the EICC Self-Assessment Questionnaire (SAQ) to help identify some of the greatest potential social, ethical and environmental risks. All our semiconductor suppliers that account for the top 90% of total product-related spend are identified as being low risk, according to the EICC SAQ results.

Nevertheless, we intend to conduct more thorough on-site audits of selected primary suppliers in coming years for their adherence to our Supplier Code of Conduct. In addition, as part of our quality monitoring program, our semiconductor manufacturing suppliers are assessed and monitored periodically for compliance on various sustainability topics, including product environmental governance and conflict minerals.

Transparency

8. Does your company disclose a) identified forced labor risks b) the names and locations of first-tier suppliers, and c) some information on suppliers beyond the first tier? If yes, please provide a URL.

A) As we report in the GRI Content Index G4-HR6 (operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor) of the 2015 Qualcomm Sustainability Report, Qualcomm is unaware of any operations in which there is a significant risk for incidents of forced or compulsory labor: <https://www.qualcomm.com/documents/2015-qualcomm-sustainability-report>.

B) Please see our Supply Chain Management page (<https://www.qualcomm.com/company/sustainability/products/supply-chain-management>) and our Form 10-K (<http://investor.qualcomm.com/common/download/download.cfm?companyid=QCOM&fileid=860844&filekey=DA72C9BD-8639-4A11-A15F-4C1CC42BAF0D&filename>) for information about our first-tier suppliers and locations.

C) Additional information on suppliers beyond our first tier can be found in our Conflict Minerals Report: (<https://www.qualcomm.com/company/sustainability/products/conflict-free-minerals>). Our CMR provides information on our company's conflict minerals due diligence efforts to trace the tin, tungsten, tantalum and gold in our products to processing facilities, which are multiple tiers beyond our direct supply chain.

Purchasing practices

Purchasing practices

9. Does your company make an effort to avoid purchasing practices that increase the risk of human trafficking and forced labor in the supply chain (e.g. short-term contracts, excessive downward pressure on pricing, sudden changes of workload?) Please elaborate.

We are mindful of the impacts that the global electronics supply chain can bring to both society and the environment. Thus, we see making appropriate supplier selections, assessing our suppliers for risks, and monitoring their adherence to our Supplier Code of Conduct as integral parts of achieving a sustainable supply chain.

We assess our semiconductor manufacturing suppliers annually using the EICC Self-Assessment Questionnaire (SAQ) to help identify some of the greatest potential social, ethical and environmental risks. All our semiconductor suppliers that account for the top 90% of total product-related spend are identified as being low risk, according to the EICC SAQ results. Nevertheless, we intend to conduct more thorough on-site audits of selected primary suppliers in coming years for their adherence to our Supplier Code of Conduct. In addition, as part of our quality monitoring program, our semiconductor manufacturing suppliers are assessed and monitored periodically for compliance on various sustainability topics, including product environmental governance and conflict minerals.

Semiconductor manufacturing requires extensive capital investments and expenditure, as well as a highly specialized skillset. Furthermore, workload is carefully planned and executed to optimize production flow. Our semiconductor manufacturing suppliers include some of the leading global semiconductor foundries and assemblies with billions of dollars in assets and revenues. The nature of our business does not support short term contracts, excessive downward pressure on pricing or sudden changes of workload.

10. Does your company assess risks of forced labor at potential suppliers prior to entering into contracts with them? Please describe.

We have a program to assess potential suppliers for their technical abilities and sustainability. Our suppliers' abilities to adhere to our Supplier Code of Conduct (EICC Code of Conduct), environmental requirements, and requirements related to the responsible sourcing of conflict minerals are measured.

11. How does your company take into consideration the capacity of suppliers to meet fluctuating demands?

The capacity of our suppliers to meet demand is a key consideration when we select our suppliers. As we state above, the nature of our business does not support short term contracts.

Our suppliers' capacity is driven more by capital expenditure than by headcount. We do not allow sub-contracting of the production of our products without approval. Please see additional information about our requirements in our terms and conditions:

<https://www.qualcomm.com/procurement>.

12. Does your company integrate its supply chain standards addressing forced labor and human trafficking into supplier contracts?

Yes, we do integrate our supply chain standards addressing forced labor and human rights into our supplier contracts. We require our suppliers to adopt the EICC Code of Conduct and cooperate with audits, if necessary.

Please see <https://www.qualcomm.com/procurement> for additional information about our terms and conditions, which apply to our major semiconductor suppliers: As a member of the Electronic Industry Citizenship Coalition ("EICC"), the Buyer requires Seller's adoption of the EICC Code of Conduct and cooperation with audits, if necessary.

Cascading standards

13. Does your company have a process to cascade standards on forced labor down the supply chain (e.g. requiring first-tier suppliers to ensure that their own suppliers implement standards that are in line with the company's standards)? Please describe.

Qualcomm has adopted the EICC Code of Conduct in our own operations and as our supplier code of conduct. We require our supplier's adoption of the EICC Code of Conduct; and the EICC Code requires a process to communicate Code requirements to suppliers and to monitor supplier compliance to the Code (thus cascading standards down the supply chain).

Recruitment

Recruitment approach

14. Please describe your company's recruitment approach, including whether your company requires recruitment agencies in its supply chain to uphold workers' rights, whether it has a policy on direct employment, and whether it requires suppliers to disclose to the company the recruiters that they use.

The EICC Code of Conduct, which we have adopted as our supplier code of conduct, includes the following requirements: Forced, bonded (including debt bondage) or indentured labor, involuntary prison labor, slavery or trafficking of persons shall not be used. This includes transporting, harboring, recruiting, transferring or receiving persons by means of threat, force, coercion, abduction or fraud for labor or services. There shall be no unreasonable restrictions on workers' freedom of movement in the facility in addition to unreasonable restrictions on entering or exiting company-provided facilities. As part of the hiring process, workers must be provided with a written employment agreement in their native language that contains a description of terms and conditions of employment prior to the worker departing from his or her country of origin. All work must be voluntary and workers shall be free to leave work at any time or terminate their employment. Employers and agents may not hold or otherwise destroy, conceal, confiscate or deny access by employees to their identity or immigration documents, such as government-issued identification, passports or work permits, unless such holdings are required by law. Workers shall not be required to pay employers' or agents' recruitment fees or other related fees for their employment. If any such fees are found to have been paid by workers, such fees shall be repaid to the worker.

Recruitment fees

15. Please describe your company's approach to recruitment fees, including whether your company requires that no fees be charged during recruitment processes, and whether and how it ensures that fees paid are reimbursed.

The EICC Code of Conduct, which we have adopted as our supplier code of conduct, includes the following requirement: Workers shall not be required to pay employers' or agents' recruitment fees or other related fees for their employment. If any such fees are found to have been paid by workers, such fees shall be repaid to the worker.

We also do not permit our own recruitment agencies to charge fees to recruits.

Recruitment audits

16. Does your company audit recruiters to assess risks of forced labor and human trafficking?

As a fabless semiconductor company, we predominantly hire directly. The majority of our employees are not hired through recruiters, so this is not directly relevant to our business. When we use recruiters, it is typically for higher level professional roles in which the risks of forced labor and human trafficking are minimal.

As we report in the GRI Content Index G4-HR6 (operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor) of the 2015 Qualcomm Sustainability Report, Qualcomm is unaware of any operations in which there is a significant risk for incidents of forced or compulsory labor: <https://www.qualcomm.com/documents/2015-qualcomm-sustainability-report>.

Worker voice

Communication of policies to workers

17. Please describe how your company communicates its human trafficking and forced labor related policies and standards to workers in its supply chain.

As a member of the Electronic Industry Citizenship Coalition (EICC), we have adopted the EICC Code of Conduct as our supply chain code of conduct and expect all of our suppliers to act in accordance with this Code. The EICC Code promotes safe working conditions, freely chosen labor, responsible environmental operations and ethical business practices, among other important principles. It is available in the following languages: English, Canadian French, Chinese – Simplified, Chinese – Traditional, Czech, Dutch, French, German, Japanese, Korean, Malay, Russian, Spanish, Thai, Vietnamese.

The EICC Code requires corporate social and environmental responsibility policy statements affirming the participant's commitment to compliance and continual improvement, endorsed by executive management and posted in the facility in the local language. The Code also requires programs for training managers and workers to implement Participant's policies, procedures and improvement objectives and to meet applicable legal and regulatory requirements.

Our semiconductor suppliers receive our Supplier Code of Conduct, which is the EICC Code of Conduct in Qualcomm document format, and are required to acknowledge it.

Worker voice

18. Please describe how your company engages with workers outside of the context of the factories in which they work (whether directly or in partnership with stakeholders).

Qualcomm Incorporated, through its Qualcomm Wireless Reach™ initiative, and BSR, a nonprofit global business network and consultancy focused on sustainability, have been collaborating since 2014 on a 3G mobile health program to empower women factory workers along the global supply chain to better manage and improve their reproductive health. The Mobilizing HERhealth project, a mobile version of BSR's HERhealth initiative, will aim to demonstrate how mobile broadband technology can improve the women's ability to access health care information and services, leading to reduced health risks and enhanced well-being. More information is available here: <https://www.qualcomm.com/documents/press-notes-qualcomm-and-bsr-herproject-team-improve-women-factory-workers-health>.

Today, nearly two million people in Africa's Great Lakes region depend on the mining and sale of tantalum, tin, tungsten and gold to provide for themselves and their families. In recognition of this, we have supported the efforts of Pact, a global international development organization, to develop an occupational health and safety training program that will educate miners about occupational dangers like cave-ins, tunnel collapses, landslides and health issues like lung disease. We believe that through initiatives like these, we can help the region create a safe, conflict free and economically viable mining industry. Please see this joint op ed for additional information: <https://www.devex.com/news/partnering-for-better-health-and-safety-of-africa-s-artisanal-miners-86971>.

Worker empowerment

19. Please elaborate on whether and how your company encourages its suppliers to ensure workplace environments where workers are able to organize, including through alternative forms of organizing where there are regulatory constraints on freedom of association.

We respect the rights of employees to form and join trade unions of their own choosing, to bargain collectively and to engage in peaceful assembly in conformance with local law, as well as respect the right of workers to refrain from such activities. We are compliant with all collective agreements regarding significant operational changes as required by country laws and regulations. This language is included in both the EICC Code of Conduct, which we have

adopted as our supplier code of conduct, and Our Commitment to Human Rights:
<https://www.qualcomm.com/documents/qualcomms-commitment-human-rights>.

As we report in the GRI Content Index G4-HR4 (Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights) of the Qualcomm Sustainability Report, Qualcomm is unaware of any operations in which the right to exercise freedom of association and/or collective bargaining are at significant risk:

<https://www.qualcomm.com/documents/2015-qualcomm-sustainability-report>.

Grievance mechanism

20. Please describe your company's grievance mechanism, including whether it is available to suppliers' workers, and how it is communicated to suppliers' workers.

Our grievance mechanism is publicly available on our website and in The Qualcomm Way: Our Code of Business Conduct: <https://secure.ethicspoint.com/domain/media/en/gui/33575/index.html>.

Part of our responsibility is to alert the Company when we know or suspect that one of our employees, agents or suppliers is not acting in a manner consistent with these values. The Business Conduct Hotline is one way that you can raise concerns, ask questions or seek guidance anonymously, to the extent permitted by local law.

We also have a direct email address listed in Our Commitment to Human Rights, humanrights@qualcomm.com, and contact forms on our website for questions regarding our human rights, supply chain management, ethics and conflict free minerals programs:

<https://www.qualcomm.com/company/sustainability/workplace/ethical-employment>

<https://www.qualcomm.com/company/sustainability/products/supply-chain-management>

<https://www.qualcomm.com/company/sustainability/governance/ethical-behavior>

<https://www.qualcomm.com/company/sustainability/products/conflict-free-minerals>

Inquiries received are reviewed by the appropriate team and responded to in a timely manner.

Monitoring

Auditing process

21. Please describe your companies auditing process including whether the process includes a) scheduled and non-scheduled visits, b) a review of relevant documents, and c) interviews with workers.

As a fabless semiconductor company, we work particularly closely with the semiconductor foundry and assembly suppliers that manufacture our products. We share our knowledge with our suppliers through on-site visits, business meetings, emails and other collaborative efforts.

We are mindful of the impacts that the global electronics supply chain can bring to both society and the environment. Thus, we see making appropriate supplier selections, assessing our suppliers for risks, and monitoring their adherence to our Supplier Code of Conduct as integral parts of achieving a sustainable supply chain.

We assess our semiconductor manufacturing suppliers annually using the EICC Self-Assessment Questionnaire (SAQ) to help identify some of the greatest potential social, ethical and environmental risks. All our semiconductor suppliers that account for the top 90% of total product-related spend are identified as being low risk, according to the EICC SAQ results.

The EICC Validated Audit Process (VAP) is the EICC's standard for effective, shareable audits. You can learn more about the EICC VAP audit program here: <http://www.eiccoalition.org/standards/validated-audit-process/>.

In 2014, two of our employees became certified as lead labor and ethics auditors by the International Register of Certificated Auditors (IRCA). Our new auditors are using their skill set to help suppliers meet EICC standards.

We intend to conduct more thorough on-site audits of selected primary suppliers in coming years for their adherence to our Supplier Code of Conduct. In addition, as part of our quality monitoring program, our semiconductor manufacturing suppliers are assessed and monitored periodically for compliance on various sustainability topics, including product environmental governance and conflict minerals.

Our semiconductor manufacturing suppliers have shown effectiveness in many areas of sustainability, especially in product environmental governance. Nonetheless, we have designed corrective action processes that include potential removal of deficient suppliers from Qualcomm's supply chain.

Audit disclosure

22. Does your company disclose a) the percentage of suppliers audited annually b) the percentage of unannounced audits c) information on who carried out the audits, and d) a summary of findings, including details of any violations revealed? Please provide a URL.

We assess our semiconductor manufacturing suppliers annually using the EICC Self-Assessment Questionnaire (SAQ) to help identify some of the greatest potential social, ethical and environmental risks. All our semiconductor suppliers that account for the top 90% of total product-related spend are identified as being low risk, according to the EICC SAQ results. We report on this in the Performance Summary of our annual Qualcomm Sustainability Report: <https://www.qualcomm.com/documents/2015-qualcomm-sustainability-report>.

Nevertheless, we intend to conduct more thorough on-site audits of selected primary suppliers in coming years for their adherence to our Supplier Code of Conduct. In addition, as part of our quality monitoring program, our semiconductor manufacturing suppliers are assessed and monitored periodically for compliance on various sustainability topics, including product environmental governance and conflict minerals.

Remedy

Corrective action plans

23. Does your company have a process for creating corrective action plans? Please describe this process and the elements of a corrective action plan.

Yes. Any findings or deficiencies will trigger the creation of a corrective action plan; please see our Supply Chain Management website for additional detail: <https://www.qualcomm.com/company/sustainability/products/supply-chain-management>. Our corrective action process is designed to help identify system deficiencies and root causes, so that recurrence of a non-conformance can be prevented.

Remedy

24. Does your company have a process to provide remedy to workers in its supply chain, including for responding to instances of forced labor and human trafficking? If yes, please provide examples of outcomes of this program.

Our ethics hotline is publicly available at <https://secure.ethicspoint.com/domain/media/en/gui/33575/index.html>. Should we receive a complaint through this hotline regarding our supply chain, we would work directly with our supplier to address it.

Human trafficking and forced labor in the supply chain are priority issues for the EICC, and we are working with our peers to take a collaborative approach to this topic.