

Qualcomm Inc.

TICKER

NasdaqGS:QCOM

MARKET CAPITALIZATION

US\$101 billion

HEADQUARTERS

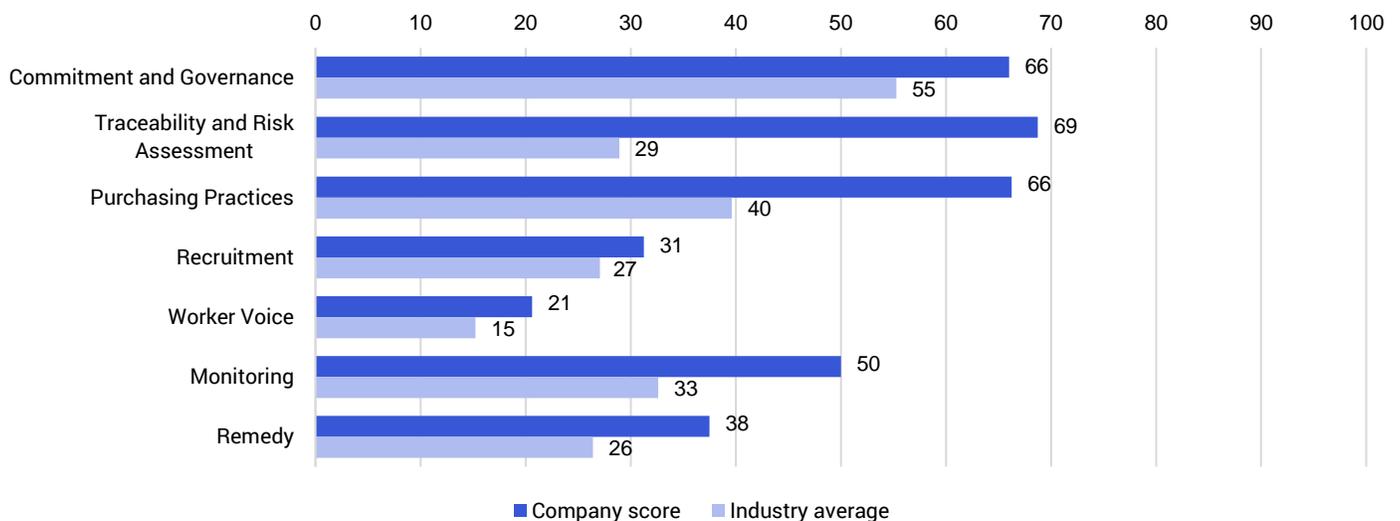
United States

COMPLIANCE
UK Modern Slavery Act: [Yes](#)
California Transparency in Supply Chains Act: [None available](#)
COMMITMENTS
[None](#)
OVERALL RANKING
10 out of 40

(2016: 11 out of 20)

OVERALL SCORE
49 out of 100
SUMMARY

Qualcomm Inc. (Qualcomm) ranks 10th out of 40 companies disclosing more information on its forced labor policies and practices than its peers across all themes. It has improved its rank since 2016 by disclosing internal and supplier training, risk assessments that include forced labor in its supply chains, the percentage of suppliers audited, and information on the quality of auditors used. As a result, it now ranks in the top quartile. Additional steps the company could take to address forced labor risks in its supply chains include strengthening its disclosure and practices on the themes of recruitment, worker voice, and remedy.

THEME LEVEL SCORES


LEADING PRACTICES

None

NOTABLE FINDINGS

Traceability and Risk Assessment: Qualcomm discloses the names of its primary manufacturing suppliers. It also publishes the names and countries of its smelters and refiners of gold, tantalum, tin and tungsten, differentiating between those that are compliant with the Conflict Free Sourcing Program and those that are not. Qualcomm states that through Responsible Business Alliance (RBA) instruments such as Validated Audit Process (VAP) audits and self-assessment questionnaires, as well as its own audit checklists, it assesses its manufacturing suppliers' workforces taking into account information on gender, age, migrant workers, student workers, and apprentices. In addition, Qualcomm discloses that it engaged the consulting firm Article One Advisors to carry out a six-month human rights impact assessment which included internal and external stakeholder interviews, research, analysis of industry trends and a detailed review of policies and programs. The assessment revealed three areas for improvement, one of which was supply chain working conditions.

Purchasing Practices: Qualcomm states that its workload is carefully planned and that the nature of its business does not support short-term contracts, excessive downward pressure on pricing, or sudden changes in workload. Qualcomm states that it has a program for assessing potential suppliers for "various risks", which involves measuring their ability to adhere to the RBA code (which includes forced labor) through "RBA online, RBA self-assessment questionnaire, Qualcomm audit checklists, and/or on-site audit". Further, the company discloses its purchase order terms and conditions, a document which requires compliance with the company's Supplier Code of Conduct. The company also requires its suppliers to cascade standards to their suppliers.

Monitoring: Qualcomm discloses that its auditors are trained to identify potential incidents of forced labor, using indicators such as excessive working hours and migrant workers. It notes that suppliers in countries known to have higher risks are prioritized for audit. The company discloses that 67% of its primary semiconductor manufacturing suppliers have undergone the VAP in the last two years. The VAP includes a review of relevant documents, such as working hour records and payroll, formal and informal interviews with workers which are conducted privately, and visits to production facilities and workers' housing.

OPPORTUNITIES FOR IMPROVEMENT

Recruitment: The company may consider requiring employment recruitment agencies — and where relevant employment agencies — in its supply chains to uphold workers' fundamental rights and freedoms, and to disclose information on the recruitment agencies used by its suppliers. To avoid the exploitation of migrant workers in its supply chains, the company is encouraged to ensure that employment and/or recruitment agencies used in its supply chains are monitored, and to provide details of how it supports ethical recruitment in its supply chains (for example, by using ethical recruitment agencies or supporting the development of ethical recruitment schemes).

Worker Voice: To prevent and address forced labor and human trafficking risks in its supply chains, the company is encouraged to take steps to ensure that workers in its supply chains are educated on their rights and are able to exercise their right to freedom of association. Further, the company may consider ensuring that its Business Conduct Hotline or another formal grievance mechanism is communicated to, and trusted and used by suppliers' workers.

Remedy: The company may consider establishing a process to ensure remedy is provided to workers in its supply chains in cases of human trafficking and forced labor, and disclosing details on this process, such as timeframes, engagement with affected stakeholders, responsible parties, or approval procedures. To demonstrate to stakeholders that it has an effective remedy process in place, the company is encouraged to disclose examples of remedy provided to suppliers' workers.

COMPANY PROVIDED ADDITIONAL DISCLOSURE

[Yes](#)