

## KnowTheChain 2022 ICT Benchmark

### Additional Disclosure

Company Name: Qualcomm

Date: September 7, 2022

Guidance:

- Please add any additional information you wish to provide under the relevant indicator elements below.
- We welcome examples of leading practices.
- Unless you are sharing leading practices, please limit the information to indicators for which KnowTheChain could not yet identify sufficient information on your website.
- Note KnowTheChain has already undertaken a review of your website. Should you wish to include links to existing disclosure, please specify the page number / section you are referring to.

#### INDICATOR 1: SUPPLIER CODE OF CONDUCT AND CAPACITY BUILDING

**1.1 has a supplier code of conduct that requires suppliers to respect the ILO core labour standards, which include the elimination of forced labour; and requires suppliers to cascade/implement standards that are in line with the company's supplier code of conduct; and**

Please see excerpt from the Qualcomm [Human Rights Statement](#) (p.3):

***“Right to exercise freedom of association; collective bargaining agreements and trade unions***

*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. In locations where the right to freedom of association is restricted by law, we support the development of alternative means to facilitate the representation of employees' interests. We are compliant with all collective agreements regarding significant operational changes as required by country laws and regulations.”*

**1.2 engages in capacity building to enable its suppliers to cascade its supply chain policies that address forced labour to their own supply chains and/or trains suppliers below the first tier on such policies, and measures the effectiveness of capacity building.**

#### INDICATOR 2: MANAGEMENT AND ACCOUNTABILITY

**2.1 has a committee, team, program, or officer responsible for the implementation of its supply chain policies that address forced labour; and discloses how incentives for staff (e.g. bonuses, part of employee performance reviews) are tied to improvements in working conditions in supply chains;**

We have added more clarity around the types of ESG issues that the respective committees review, including supply-chain forced-labour risks. This is available on our website at <https://www.qualcomm.com/company/corporate-responsibility>.

***Who's responsible for corporate responsibility at Qualcomm? Everyone.***

*We've integrated corporate responsibility throughout our Company, from our daily operations to our executive leadership and our Board of Directors. Our governance structure exists to facilitate accountability, transparency and the ongoing improvement of our programs.*

*The Governance Committee of the Board provides oversight on corporate responsibility matters, including environmental, social, and governance (ESG) issues. Our ESG Leadership Committee reports at least annually on the Company's corporate responsibility and ESG policies, programs, initiatives to the Governance Committee of the Board.*

*Our ESG Leadership Committee is composed of executives and senior management from across the Company, including human resources, legal, government affairs, supply chain, ethics and compliance, investor relations, operations and finance. It provides guidance on global corporate responsibility issues that are most important to Qualcomm and our key stakeholders so that corporate responsibility remains a central component of our business strategy.*

*Our ESG Governance Committee implements directives from the Leadership Committee into companywide programs, measures progress on achieving our goals, reports accomplishments and challenges. This Committee includes managers and other subject-matter experts from across our Company such as investor relations, supply chain management, diversity and inclusion, STEM education, environmental sustainability, health and safety and legal, amongst others.*

*The ESG issues overseen by these committees include, among others: climate-change mitigation and adaptation; STEM education; diversity, equity and inclusion; supply-chain sustainability, including forced-labor risks; social impact programs; human rights; health and safety; sustainability reporting; policy and regulation; and resource management.*

**2.2 discloses how it trains relevant decision-makers within the company on risks and policies that address forced labour; and**

**2.3 has tasked a board member or board committee with oversight of its supply chain policies that address forced labour, and describes how the experiences of affected workers or relevant stakeholders (such as civil society, unions, and workers or their representatives) informed board discussions.**

[FY21 Corporate Responsibility Report](#) (p.7)

*Everyone is responsible for Corporate Responsibility at Qualcomm. We've integrated corporate responsibility throughout our Company, from our daily operations to our executive leadership and our Board of Directors (the "Board"). Our governance structure exists to facilitate accountability, transparency and the ongoing improvement of our programs. The Governance Committee of the Board provides oversight on corporate responsibility matters, including ESG topics. Also, the HR and*

*Compensation Committee of the Board provides guidance to management on policies, programs and initiatives focusing on diversity and inclusion.*

We have added more clarity around the wide range of ESG topics that the respective committees review, including supply-chain forced-labour risks. This is available on our website at <https://www.qualcomm.com/company/corporate-responsibility>.

***Who's responsible for corporate responsibility at Qualcomm? Everyone.***

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*The Governance Committee of the Board provides oversight on corporate responsibility matters, including environmental, social, and governance (ESG) issues. Our ESG Leadership Committee reports at least annually on the Company's corporate responsibility and ESG policies, programs, initiatives to the Governance Committee of the Board.*

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**INDICATOR 3: TRACEABILITY AND SUPPLY CHAIN TRANSPARENCY**

**3.1 the names and addresses of first-tier suppliers;**

The list of first-tier semiconductor manufacturing suppliers on our website represent the top 90% of total product-related semiconductor manufacturing spend. This is already disclosed on our website and in our [FY21 Corporate Responsibility Report](#) (p. 22, 40, 59, 60).

We have updated our website to include links to the contact information of these suppliers:

<https://www.qualcomm.com/company/corporate-responsibility/responsible-business/sustainable-product-design/supply-chain>

**3.2 the names and locations of below-first-tier suppliers (this does not include raw material suppliers); and**

**3.3 the sourcing countries of at least three raw materials at high risk of forced labour.**

#### INDICATOR 4: RISK ASSESSMENT

**4.1 details on how it conducts human rights supply chain risk or impact assessments that include forced labour risks or assessments that focus specifically on forced labour risks, including through engaging with relevant stakeholders (such as civil society, unions, and workers or their representatives) in countries in which its suppliers operate;**

We have further clarified that human rights impact assessments at Qualcomm do include supply chain considerations.

<https://www.qualcomm.com/company/corporate-responsibility/responsible-business/human-rights>

*As part of our human right's due diligence efforts, we conduct regular human rights impact assessments, including company-wide and within certain regions. These assess potential risks across our value chain, including those related to employees, operators, supply chain and communities. We also conduct regular materiality assessments to identify and prioritize relevant corporate responsibility issues, including human rights. Through these assessments, we have identified the following salient human rights risks: working conditions in our supply chain, equal opportunity and pay, and product misuse.*

*Our efforts to prevent, mitigate and remediate our human rights risks and impacts include annual assessments of our own operations in accordance with the Responsible Business Alliance (RBA) Self-Assessment Questionnaire (SAQ), engaging with suppliers to ensure conformance with our expectations, annual risk-based onsite audits, and participation in multi-stakeholder initiatives.*

*We require all our top suppliers to complete the RBA SAQ, which includes human rights risks such as working hours, child labor, freedom of association and more, annually. All our top suppliers comply with this requirement and all have low risk manufacturing facilities according to the SAQ. In addition, we ensure the majority of our top suppliers have completed an RBA Validated Assessment Process (VAP) in the last two years.*

*Through VAP audits, certified auditors conduct record reviews, manager interviews, and worker interviews to review compliance with all standards of the RBA Code of Conduct covering labor, health and safety, environment, ethics and management systems. For more information on the VAP, please see the RBA [VAP guidance documents](#).*

*For more information on our supply chain management, see [Responsible Product Design](#) and [Environmental Responsibility](#).*

**4.2 details on forced labour risks identified in different tiers of its supply chains; and**

**4.3 how it has consulted with relevant stakeholders (such as civil society, unions, and workers or their representatives) in steps taken to address the risks identified.**

#### INDICATOR 5: DATA ON SUPPLY CHAIN RISKS

**5.1 the percentage or number of supply chain workers who are women;**

**5.2 the percentage or number of supply chain workers who are migrant workers' and**

**5.3 the percentage or number of supply chain workers that are being paid a living wage.**

#### INDICATOR 6: PURCHASING PRACTICES

**6.1 commits to responsible buying practices in its contracts with suppliers;**

Please see Qualcomm's [General Terms and Conditions of Purchase](#), Section 25.

**6.2 describes how it has adopted responsible purchasing practices in the first tier of its supply chains, which includes planning and forecasting, and how it ring-fences labour costs; and**

**6.3 discloses two quantitative data points demonstrating that it has responsible purchasing practices in place that address the risk of forced labour.**

#### INDICATOR 7: RECRUITMENT-RELATED FEES

**7.1 requires that no worker in its supply chains should pay for a job—the costs of recruitment-related fees should be borne not by the worker but by the employer ("Employer Pays Principle");**

We have added further clarification on how this is addressed through the VAP audit process and provided a link to the detailed interpretation of the RBA Code of Conduct and VAP process, which addresses recruitment-related fees.

<https://www.qualcomm.com/company/corporate-responsibility/responsible-business/human-rights>

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**7.2 provides detail on the implementation of the Employer Pays Principle in its supply chains by demonstrating how it works to prevent the charging of fees to supply chain workers in different supply chain contexts; and**

**7.3 in the event that it discovers that fees have been paid by workers in its supply chains, provides evidence of re-payment of recruitment-related fees to workers. The company describes how it engages with affected workers in the remediation process.**

#### INDICATOR 8: RESPONSIBLE RECRUITMENT

**8.1 discloses information on the recruitment agencies used by its suppliers; and**

**8.2 provides details of how it supports responsible recruitment in its supply chains (e.g. by collaborating with relevant stakeholders to engage policy makers to strengthen recruitment standards).**

#### INDICATOR 9: FREEDOM OF ASSOCIATION

**9.1 works with independent local or global trade unions and/or other legitimate worker representatives to improve freedom of association in its supply chains;**

**9.2 discloses that it is party to a global framework agreement that covers its supply chains and/or an enforceable supply chain labour rights agreement with trade unions or worker organisations; and**

**9.3 discloses the percentage of supply chains covered by collective bargaining agreements.**

#### INDICATOR 10: GRIEVANCE MECHANISM

**10.1 takes steps to ensure a formal mechanism to report a grievance to an impartial entity regarding labour conditions in the company's supply chains is available to its suppliers' workers and their legitimate representatives across supply chain tiers; and**

**10.2 discloses data about the practical operation of the mechanism, such as the number of grievances filed, addressed, and resolved; and**

**10.3 takes steps to ensure that its suppliers' workers or their legitimate representatives are involved in the design and/or performance of the mechanism, to ensure that the workers trust the mechanism.**

## INDICATOR 11: MONITORING

**11.1 its methodology for monitoring the implementation of its supply chain policies addressing forced labour;**

**11.2 the findings of monitoring reports, including details regarding any violations revealed in relation to forced labour and indicators of forced labour, across supply chain tiers; and**

**11.3 the use of worker-driven monitoring (i.e., monitoring undertaken by independent organisations that includes worker participation and is guided by workers' rights and priorities).**

## INDICATOR 12: REMEDY AND RESPONSE TO ALLEGATIONS

**A(1) a process for responding to potential complaints and/or reported violations of policies that address forced labour and how it engages affected stakeholders as part of this process; and**

**A(2) at least two examples of outcomes of its remedy process in practice, covering different supply chain contexts, for its suppliers' workers.**

**In addition, where an allegation is identified in a company's supply chains:**

**B.1.1 that it engages in a dialogue with the stakeholders reportedly affected in the allegation(s)**

**B.1.2 outcomes of the remedy process in the case of the allegation(s); and**

**B.1.3 evidence that remedy(ies) are satisfactory to the victims or groups representing the victims.**

**Where an allegation is identified in the company's supply chains, but is denied by the company:**

**B.2.1 a description of what actions it would take to prevent and remediate the alleged impacts; and**

**B.2.2 as part of this process, it would engage with affected stakeholders and their representatives.**

## NON-SCORED RESEARCH

### Reporting Legislations

**UK Modern Slavery Act: Where applicable, the company discloses at least one statement under the UK Modern Slavery Act.**

Yes.

Qualcomm (March 2022), "Qualcomm Anti-slavery and Human Trafficking Statement," [https://www.qualcomm.com/content/dam/qcomm-martech/dmassets/documents/uk\\_modern\\_slavery\\_act\\_-\\_fy21.pdf](https://www.qualcomm.com/content/dam/qcomm-martech/dmassets/documents/uk_modern_slavery_act_-_fy21.pdf).

**California Transparency in Supply Chains Act: Where applicable, the company has a disclosure under the California Transparency in Supply Chains Act.**

Not applicable.

**Australia Modern Slavery Act: Where applicable, the company discloses at least one statement under the Australia Modern Slavery Act.**

Not applicable.

### **High Risk Sourcing**

**Please indicate whether your company sources from China or Malaysia. Note where a company does not provide this information, KnowTheChain will review the company's website as well as third party sources to identify relevant information.**