

Conflict Minerals White Paper

Contributing to the Development of a Conflict Free Supply Chain



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Qualcomm Incorporated

Qualcomm Incorporated is a world leader in 3G, 4G and next-generation wireless technologies. Qualcomm Incorporated includes our licensing business and the vast majority of our patent portfolio. Qualcomm Technologies, Inc., a wholly-owned subsidiary of Qualcomm Incorporated, operates, along with its subsidiaries, substantially all of our products and services businesses, including our semiconductor businesses and substantially all of our engineering, research and development functions. In this document, the words “we,” “our” and “us” refer only to Qualcomm Incorporated, Qualcomm Technologies, Inc. and/or their subsidiaries.

This document contains forward-looking statements regarding our business, products and conflict minerals efforts, including steps we have taken or intend to take to mitigate the risk that conflict minerals in our products directly or indirectly finance or benefit armed groups (identified as a perpetrator of serious human rights abuses) in the Democratic Republic of the Congo (DRC) or an adjoining country (a country that shares an internationally recognized border with the DRC, collectively with the DRC the “Covered Countries”). Words such as “expects,” “intends,” “believes,” “strives” and similar expressions or variations of such words are intended to identify forward-looking statements, but are not the exclusive means of identifying forward-looking statements in this document. Additionally, statements concerning future matters that are not historical are forward-looking statements.

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Introduction

We share international concerns about the conflict in the Democratic Republic of the Congo (DRC) and adjoining countries, and we are working to ensure that the mining of the minerals that are in our products does not contribute to human rights violations in the region (DRC conflict free). For that reason, Qualcomm is active in multi-stakeholder efforts to improve the responsible sourcing of tantalum, tin, tungsten and gold (conflict minerals). We are making progress: assessment of our integrated circuit products and other products indicates that our tantalum supply chain is DRC conflict free and has been since 2013.

Our Conflict Free Minerals Policy

Our Conflict Free Minerals Policy communicates the expectation that our direct suppliers obtain materials from environmentally and socially responsible sources, including conflict-free sources within the Covered Countries:



Qualcomm is aware of concerns that minerals mined in conflict areas in the DRC and adjoining countries may be making their way into the electronics industry supply chain and may be fueling human rights violations and environmental degradation in the DRC region.

Qualcomm strives to provide DRC conflict free products by supporting industry-wide efforts to drive transparency in the supply chain and by expecting that our suppliers obtain materials from environmentally and socially responsible sources, including conflict free sources within the DRC and adjoining countries.

Our Program

Qualcomm first published a Conflict Free Minerals Policy in 2010. Our Conflict Free Minerals Policy has been integrated into our business practices and communicates our intent to achieve a responsibly sourced supply chain. We have established an internal cross divisional and cross functional conflict minerals management team to implement our program that regularly reports on our program activities to executive management and the Audit Committee of our Board of Directors.

In the design of our conflict minerals program, we implemented the due diligence framework described in the Organisation for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, and we expect our suppliers to do the same.



Additionally, we expect all our manufacturing suppliers to become DRC conflict free. We regularly communicate our conflict minerals supplier requirements to our direct suppliers: these requirements have been a regular topic in our business reviews with suppliers and are addressed during supplier visits.

Our Multi-Stakeholder Efforts

Qualcomm is a full member of the Electronic Industry Citizenship Coalition (EICC). Kevin Caffey, Vice President of Quality and Reliability, has served on the EICC Board since 2014 and was elected Treasurer in 2015. We have been an active participant in the Conflict Free Smelter Initiative (CFSI) since 2010, when it was the EICC-GeSI¹ Extractives Working Group. We support the CFSI's responsible extractives initiatives, participate regularly in CFSI work groups, have adopted the EICC's Code of Conduct as our Supplier Code of Conduct and work to integrate responsible sourcing into our business operations. We, along with many other companies, rely on the CFSI's Conflict Free Smelter Program (CFSP) to verify the processing facilities are not directly or indirectly financing or benefiting armed groups in the Covered Countries (meaning that they are CFSP-compliant). The CFSI also recognizes responsible sourcing practices of processing facilities that have been accredited by the London Bullion Market Association (LBMA) or certified by the Responsible Jewellery Council (RJC).

We support and advocate on-the-ground, in-region responsible sourcing efforts. We joined the Public Private Alliance for Responsible Minerals Trade (PPA), having signed the Memorandum of Understanding with the initial supporters in November 2011, and we regularly participate in the In-Region Working Group of the PPA. The PPA provides funding and coordination support to organizations working within the DRC and adjoining countries to:

- Develop verifiable conflict free supply chains,
- Align chain-of-custody programs and practices,
- Encourage responsible sourcing from the region,
- Promote transparency and
- Bolster in-region civil society and governmental capacity.



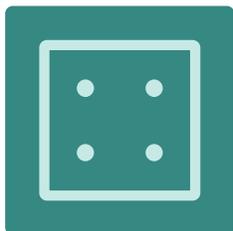
We also participate in the Responsible Minerals Multi-Stakeholder Network (Minerals MSN) efforts to support responsible sourcing from the region. The Minerals MSN is a network of investors, human rights groups, industry associations and companies that shares the concern about conflict minerals in the DRC and adjoining countries. The Minerals MSN coordinates consensus efforts to stop mineral revenues from funding militia groups, to develop responsible mining practices that contribute to local economic development and to bring an end to the conflict in the DRC.

We are an associate member of iTSCi, the tin industry's sustainable tin initiative. iTSCi is a joint initiative that assists upstream companies (from mine to the smelter) to institute the actions, controls and processes necessary to conform with the OECD Due Diligence Guidance at an operational level, including small and medium size enterprises, co-operatives and artisanal mine sites. iTSCi offers mineral chain of custody information in keeping with the requirements of the CFSP.

Finally, we have supported the efforts of Pact, a global international development organization, to develop an occupational health and safety training program that is designed to 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.

¹ Global eSustainability Initiative

Our Supply Chain



We utilize a fabless production model in the manufacturing of our integrated circuits, which means that we do not own or operate foundries for the production of silicon wafers from which our integrated circuits are made. Integrated circuits are die cut from silicon wafers that have completed the package assembly and test manufacturing processes. We employ both turnkey and two-stage manufacturing models to purchase our integrated circuits. Turnkey is when our foundry suppliers are responsible for delivering fully assembled and tested integrated circuits. Under the two-stage manufacturing model, we purchase die

in singular or wafer form from semiconductor manufacturing foundries and contract with separate third-party suppliers for manufacturing services, such as wafer bump, probe, assembly and final test. We rely on our direct suppliers to perform the manufacturing and assembly, and most of the testing, of our integrated circuits based primarily on our proprietary designs and test programs. Our direct suppliers and, in turn, their suppliers, are responsible for the procurement of most of the raw materials used in the production of our integrated circuits. Certain materials purchased by our direct suppliers may come directly or indirectly from processing facilities that treat ores, concentrates, slags or secondary materials. Because we do not purchase any materials directly from these processing facilities, we must rely on the information provided by our direct suppliers and the CFSI or other industry organizations in order to prepare this Report.

Our other products are primarily contracted to be manufactured as finished goods with the contract manufacturer responsible for the procurement of the materials and components that comprise these products.

Our Due Diligence

We conduct due diligence on the conflict minerals in our supply chain – further outlined in our Conflict Minerals Report (CMR) – designed to determine whether any of the necessary conflict minerals in our products originate in the DRC or an adjoining country, or are from recycled or scrap sources.

We ensure our suppliers are aware of and expect them to conform to our Conflict Free Minerals Policy, and we conduct our due diligence using the EICC-GeSI Conflict Minerals Reporting Template (CMRT), which provides us with information about the source and chain-of-custody of conflict minerals in our supply chain. We require our suppliers of products that contain necessary conflict minerals to provide us with a complete list of processing facilities as reported by their own suppliers.

Suppliers are evaluated on the completeness and accuracy of their responses, including whether they have a conflict minerals policy, conduct due diligence and provide a processing facilities list.

In 2015, we conducted due diligence with 100 percent of our direct suppliers that provided us with products that contain necessary conflict minerals to determine whether any of these minerals originated in the DRC or an adjoining country, or were from recycled or scrap sources. We received responses from 100 percent of the direct suppliers of our integrated circuit products and from 98 percent of the direct suppliers of our other products.

We strongly encourage and promote processing facilities' participation in the CFSP and have visited processing facilities to advocate for the CFSP program. We expect our integrated circuit direct suppliers use the CFSP certified processing facilities and encourage non-compliant processing facilities to participate in the CFSP. Our direct suppliers have engaged with processing facilities directly and/or indirectly via their suppliers to ask for participation in the CFSP. As more processing facilities become validated through the CFSP, we, along with the entire electronics industry supply chain, will move closer to achieving conflict free status.

We provide training and support to our suppliers to encourage the collection of supply chain data and seek improvements in data quality over time. We conduct outreach to our direct suppliers and to downstream processing facilities to improve the quality of processing facility data provided by our direct suppliers.

Our Processing Facility Data

In 2015, our due diligence determined the following with respect to the countries of origin of the necessary conflict minerals in our supply chain:

- Approximately 6 percent (18) of processing facilities reported by our direct suppliers were confirmed as sourcing conflict minerals from the Covered Countries. Each of these processing facilities has been validated as CFSP-compliant, and we have not identified any instances in which our sourcing of necessary conflict minerals directly or indirectly financed or benefitted armed groups in the Covered Countries.
- From calendar year 2014 to 2015, CFSP-compliant processing facilities in our integrated circuit products supply chain increased from 76 to 142 (Figure 1).

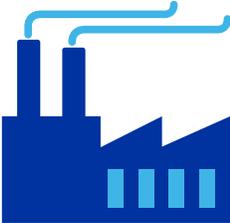
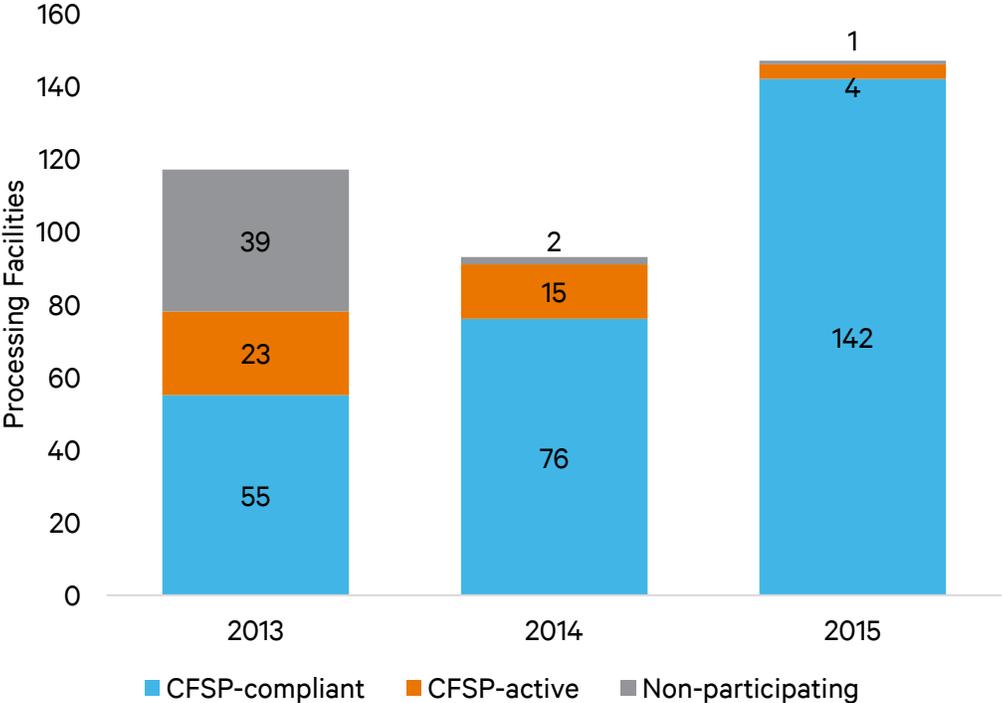


Figure 1: 2013-2015 Processing Facilities by CFSP Status for Integrated Circuit Products



Note: CFSP-compliant processing facilities are compliant with the CFSP audit protocols and include processing facilities currently undergoing a re-audit or processing facilities certified by the LBMA or RJC. CFSP-active processing facilities have committed to undergo a CFSP audit. Non-participating processing facilities meet the definition of a smelter or refiner under the CFSP protocols but are not participating in the CFSP.

Our Progress Toward a Conflict Free Supply Chain

Our goal is to achieve DRC conflict free sourcing of materials used in our products. Working towards that goal in 2015, we took the following steps [, among others]:

- We conducted our supply chain survey on 100 percent of our direct suppliers that may use necessary conflict minerals in our products to determine whether any of these minerals originated in the Covered Countries or were from recycled or scrap sources.
- We utilized a conflict minerals data management tool that we designed to track communications with direct suppliers, automate the identification of quality issues (e.g., incomplete CMRTs, inconsistent responses and red flags based on criteria defined internally) and aggregate CMRT responses for analysis and reporting.
- We determined if the processing facilities reported to us by our direct suppliers adhere to responsible sourcing practices by verifying whether they are included on the list of CFSP-compliant processing facilities.
- We communicated discrepancies identified in the CMRT with direct suppliers who answered that they are not sourcing from the Covered Countries, but whose reported processing facilities are known to source from the Covered Countries.
- We participated in eight CFSP site visits to processing facilities in Asia to encourage participation in the CFSP.
- We attended the Indonesian Tin Conference and Exhibition and presented at the CFSI-Korean Electronics Association conference to encourage processing facility participation in the CFSP.
- We provided funding to non-profit and industry initiatives including the Public Private Alliance for Responsible Minerals Trade, the Responsible Minerals Multi-Stakeholder Network and the CFSI Initial Audit Fund.
- We reported on program activities to members of executive management three times and the Audit Committee of our Board of Directors two times in 2015.

Our Implementation of OECD Due Diligence

OECD Step 1: Establish Strong Company Management Systems

- We publicly communicate our conflict free minerals policy.
- We maintain a conflict minerals working group with representation from our finance, government affairs, internal audit, legal, regulatory, quality and supply chain departments, which report on program activities to executive management and the Audit Committee of our Board of Directors.
- We include conflict-free minerals requirements in purchasing documents to direct suppliers.
- We maintain a public contact form on our website for general inquiries and grievances regarding our conflict minerals program, available [here](#).

OECD Step 2: Identify and Assess Risk in the Supply Chain

- We use the CMRT to review our direct suppliers' due diligence activities, such as whether they have a conflict minerals policy, require their own suppliers to source from processing facilities validated by an independent audit program like CFSP and have implemented a review process that includes corrective action management.
- We use the CMRT to identify conflict minerals processing facilities when reported in our supply chain by our direct suppliers.

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- We obtain countries of origin (when available) for CFSP-compliant processing facilities by relying on information provided by our direct suppliers and the CFSI.
 - We participate in CFSP site visits to processing facilities to encourage participation in the CFSP.

OECD Step 3: Design and Implement a Strategy to Respond to Risk

- We maintain a conflict minerals risk management plan that sets forth direct supplier risk management strategies ranging from continued procurement to disengagement at the discretion of management.
- We support the development of due diligence practices through participation in CFSI working groups.
- We report information on the source and chain of custody of conflict minerals in our supply chain to our conflict minerals working group, executive management and the Audit Committee of our Board of Directors.

OECD Step 4: Third-Party Audit of Processing Facilities' Due Diligence Practices

- We use the publicly available results of the CFSP, LBMA and RJC third-party audits to validate the responsible sourcing practices of processing facilities in our supply chain.
- We support independent third-party audits of processing facilities through our CFSI membership.

OECD Step 5: Report Annually on Supply Chain Due Diligence

- We file a Form SD and Conflict Minerals Report with the SEC on an annual basis. Our Form SD and Conflict Minerals Report are also available on our website.
- We provide information regarding our conflict minerals program in the Qualcomm Sustainability Report, in our Conflict Minerals White Paper "Supporting a Conflict Free Supply Chain" and on our conflict minerals website.