



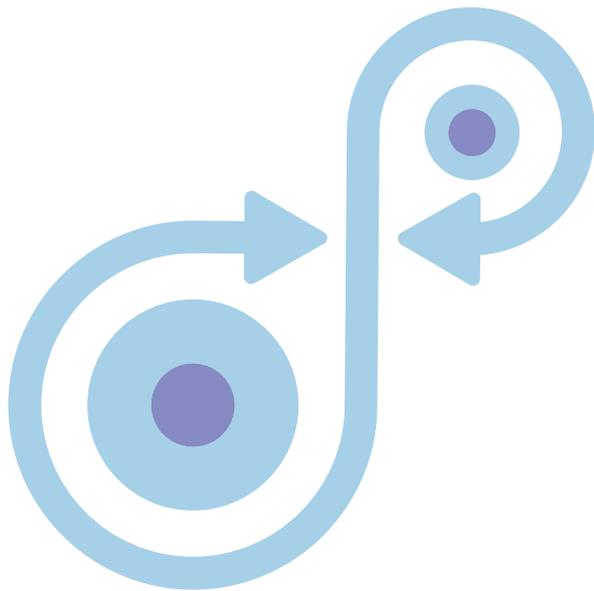
**2015 Qualcomm  
China Spotlight on  
Sustainability  
Report**



# CONNECTING THE WORLD

## Through Innovation and Collaboration

Who is Qualcomm and what do we do? We often do what many thought was impossible. We've been called dreamers, inventors, rebels, risk takers, pioneers and geeks. We embrace those labels because in many ways, we are all those people and more. Our employees come from more than 100 countries, speak 67 different languages and contribute a wide range of perspectives based on diverse backgrounds, identities and cultures, yet we are all focused on a single goal: creating mobile technology breakthroughs.



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# LETTER FROM OUR CHAIRMAN IN CHINA

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China is helping to define our connected future. It's a new paradigm for life where tens of billions of devices, machines and things are being connected wirelessly to the cloud and to each other. This future will see us even more connected with our devices, and also with each other. Bringing people, organizations and economies around the world closer together promises to stimulate even greater progress and prosperity through innovation, collaboration and mutual understanding.

With this in mind, I am delighted now to present our second "China Spotlight on Sustainability Report," which highlights various aspects of how we worked toward this vision together with China in 2015.

With 4G users in China now 386 million strong and active in a flourishing e-commerce ecosystem, China is inspiring the world with its rapid growth and transformative innovations. The potential of mobile to drive economic and social development is clear. Great efforts are being made to develop and leverage the innovative capacities of Chinese industries, organizations and people to deliver on the promise of a connected future for all. China's "Mass Entrepreneurship and Innovation" policy, for instance, is focusing on creating the conditions for waves of wireless innovations that will make an impact on China and on the world.

At Qualcomm, this spirit of collaboration is in our DNA. Through our relationships with foundries, mobile operators, mobile device manufacturers and software developers, we are developing products and technologies that will grow existing and enable new high-value industries in the mobile ecosystem. And with 5G just around the corner, we can expect to open up endless possibilities, some of which haven't even been dreamed of yet.

We are very pleased to note the ways in which the wireless revolution has already made a positive social impact in China. At the end of 2015, approximately 620 million Chinese people were accessing the Internet via mobile phones, which accounts for almost 90 percent of the Chinese netizen population.<sup>1</sup> Through our [Qualcomm® Wireless Reach™](#) initiative, we are working with stakeholders in China to equip rural teachers with 21<sup>st</sup> century computing and teaching skills, improve healthcare access in rural areas and provide public safety knowledge to families.

Qualcomm turned 30 in 2015. Three decades ago, seven visionaries got together in the den of Dr. Irwin Jacobs' home, and Qualcomm was born. From the early days when we pioneered machine-to-machine communications and logistics with OmniTRACS, to our movement to gain acceptance for CDMA and connect the world, to our relentless pursuit of innovations that

continue to drive the mobile revolution, one thing has remained the same. We are a company dedicated to inventing the future and pushing forward our transformative technologies at unprecedented speed and scale. Creativity and new ideas are spurring the innovative evolution that will transform lives in China and other countries around the world. Unprecedented connectivity is the new paradigm, and we will continue to accelerate innovation and share the benefits of mobile technologies with all of China's citizens.

Best,



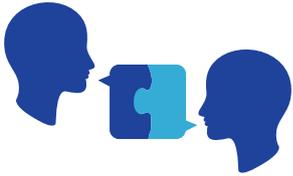
**Frank Meng**  
Chairman,  
Qualcomm China



<sup>1</sup> The China Internet Network Information Center, Jan.' 16

# MILESTONES: INNOVATION IN THE MOBILE ECOSYSTEM

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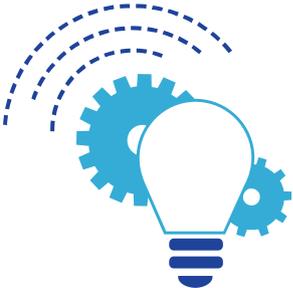
## With Our Partners

- **Semiconductor Manufacturing International Corporation**

- ⇒ SMIC achieved a historic manufacturing milestone as one of the first foundries in the region to produce high-performance, low-power mobile chipsets at 28nm
- ⇒ SMIC, Huawei, IMEC and Qualcomm Global Trading Pte. Ltd, a subsidiary of Qualcomm Incorporated, formed an equity joint venture, SMIC Advanced Technology Research & Development (Shanghai) Corporation
- ⇒ SMIC, National IC Industry Investment Fund Ltd. and Qualcomm Incorporated announced an investment letter of intent, with a total investment of \$280 million, to help SMIC China Yangtze Power to accelerate the progress of its first production line. This will advance manufacturing capabilities and improve China's overall chip processing industrial chain

- **Guizhou Province**

- ⇒ Qualcomm Technologies, Inc. and China's Guizhou province explored opportunities to jointly develop and market ARM-based server technology-based chipsets in China



## For Entrepreneurship and Innovation

- **Qualcomm Ventures**

- ⇒ Qualcomm committed to invest \$40 million into several promising Chinese companies
- ⇒ Qualcomm Ventures launched the fifth annual QPrize™ competition and doubled the funding for its investment prizes



## With Our Sustainability Priorities

### • Qualcomm Wireless Reach

- ⇒ In 2015, Wireless Reach had four ongoing programs in China, where the initiative has benefited approximately 850,000 people since 2006
- ⇒ Wireless Reach launched the China Center for mHealth Innovation in Beijing in the first quarter of FY 2015
- ⇒ Wireless Reach launched Sesame Street Mobile Road Safety First! to support the government's priority to enhance road safety among parents and children
- ⇒ Wireless Reach and the China Children and Teenagers' Fund collaborated on a mobile broadband learning program to help modernize education and alleviate poverty in China

### • STEM (Science, Technology, Engineering and Math)

- ⇒ Qualcomm donated \$300,000 in scholarship funds to leading Chinese universities
- ⇒ Qualcomm sponsored the *FIRST*® Tech Challenge (FTC) competition in Beijing, Shanghai and Shenzhen and funded the participation of 30 teams
- ⇒ Activities inspired by the *Qualcomm*® Thinkabit Lab™ took place in Beijing and Shanghai and helped children from diverse socio-economic backgrounds learn how to code and how to make their own robo-crafts

### • Sustainable Product Design

- ⇒ Qualcomm eliminated toxic lead from IC products used for telecommunications infrastructure equipment
- ⇒ 20 percent of "CFSP compliant" smelters and refiners that contributed to Qualcomm's 2015 IC production were located in China



#### NEWS UPDATE

In January 2016, Qualcomm announced a strategic cooperation agreement and joint venture formation with the People's Government of Guizhou province that features Qualcomm server chip technology and R&D processes.

In February 2016, Qualcomm entered into an equity JV with Thundersoft, called "Thundercomm," to help accelerate development and innovation in the Internet of Things (IoT) segment in China. Thundercomm intends to provide support to IoT customers with "one-stop-shop" products and services across various IoT segments, including the next generation of drones, VR devices, wearables and robots.

# OUR SUSTAINABILITY STRATEGY

## Creating a Framework for Long-term Thinking

At Qualcomm, we define sustainability as a strategy that drives long-term growth and profitability by including environmental, social and corporate governance issues in our business decisions as they relate to our key spheres of influence: our workplace, our supply chain, local communities, our industry and the public policy realm.

The mobile technology industry is dynamic and the conversation on the role of business across a range of issues is continuously evolving; therefore, it is essential that our sustainability strategy reflects the world around us and anticipates our future business objectives. We are committed to inventing the future and pushing the boundaries of what is possible. It is important to us that our sustainability strategy helps inform our ingenuity and innovations for years to come.

In this regard, our 2030 Sustainability Vision clearly sets the direction for our sustainability programs for the next 15 years, guiding our thinking and providing a benchmark by which we can measure our progress. Our 2030 Sustainability Vision is our roadmap to inform big-picture thinking on sustainability issues that are most important to our Company and our stakeholders. It helps us identify where we can collaborate with employees, industry peers, suppliers, business associates, customers, governments and civil society to create solutions. There is a high degree of alignment with China's national development goals and strategies – as outlined for example in China's "Vision 2020."

### Our 2030 Sustainability Vision:

- Develop transformative mobile technologies that are widely adopted in support of a sustainable world.
- Employ a workforce that more closely reflects the demographics of the communities in which we do business.
- Be recognized as a global leader in business conduct and ethics.
- Maintain adherence to our Supplier Code of Conduct in our extended supply chain.
- Ensure that respect for human rights is integrated into all key business decisions.
- Ensure sustainable and transparent management of climate and water impacts across our value chain.
- Actively engage employees in our sustainability programs.

### Our Sustainability Mission:

- Develop technology that positively transforms the world.
- Operate with the highest ethical standards.
- Be a great place to work.
- Be good corporate citizens wherever we conduct business.
- Continue to drive value for our stockholders.

Our 2030 Sustainability Vision is accompanied by our new [Sustainability Policy](#), which articulates our sustainability mission and overarching commitments to innovate responsibly.

We are revising our [sustainability goals](#) to align with our new strategy and to ensure that we are on track to attain our 2030 Sustainability Vision while contributing to the achievement of national development goals in China and other countries. We will continue to share our milestones and progress in our annual sustainability report and through our [website](#), [blogs](#) and other communication channels.





# OUR SUSTAINABILITY PRIORITIES

## Focusing Our Resources, Programs and Reporting

At Qualcomm, we believe that innovation and collaboration are fundamental to sustainable human progress, as breakthroughs in technology lead to improvements in the ways we live and work. We are committed to supporting sustainable progress in these through our core business activities, which involve innovation and collaboration in myriad dimensions.

Our global sustainability priorities are integral to our ability to create shared value with our stakeholders. We aim to focus our resources, programs and reporting efforts around these priorities. In China, we are collaborating across the mobile and innovation ecosystems to create opportunities to make a positive impact in support of China's sustainable development.

### Our Sustainability Priorities



**Transformative Technology:** Solutions for a sustainable world. Our innovations are helping empower people and enhance quality of life around the globe.



**Sustainable Product Design:** Protecting people and the planet. We're focused on creating products in ways that don't harm individuals, communities or the environment and sustainably procuring rare and precious materials and minerals.



**Privacy and Security:** Promoting data protection across the mobile ecosystem. In our Company, in our products and in the mobile industry, we're working to process personal data responsibly and to make data more secure.



**STEM Education:** Cultivating tomorrow's workforce. We're working to promote and improve STEM education at all levels and to expand opportunities for underrepresented students.



**Inclusion and Diversity:** Creating a Company that reflects the world. We celebrate diversity among our employees and recognize that our varied backgrounds, experiences and ideas are critical to our success.



**Ethical Governance:** Doing business "The Qualcomm Way." We're committed to doing business with the highest level of integrity, respecting our customers, business partners and each other.



# TRANSFORMATIVE TECHNOLOGIES

Around the world, our technologies empower people and enhance quality of life. They are enabling economic development, “smart” urban infrastructure, efficient transportation, cost-efficient healthcare and more. Our Wireless Reach initiative demonstrates how our transformative technologies are improving lives in China. By working with our stakeholders, we are using mobile technologies in innovative ways for social good, ultimately driving social and economic progress, specifically in resource-scarce areas.

*Our diverse programs have benefited nearly one million people in China.*

## Spotlight: CCmHI

We believe that advanced wireless technologies can enhance the delivery of health care for people in resource-scarce communities. With the rapid expansion of mobile Internet connectivity across China, the potential exists to provide access to information, help lower costs, facilitate remote care, increase efficiencies and connect people to their healthcare providers.

In November 2014, Wireless Reach and The George Institute for Global Health launched the China Center for mHealth Innovation (CCmHI), a groundbreaking new center that strives to change the landscape of mobile health care (mHealth) in China. CCmHI is a place where medical and engineering researchers work side-by-side and in collaboration with representatives from government ministries, academic institutions and private-sector businesses to develop advanced wireless solutions targeting the 10 leading causes of premature death and disability in China.



## Our Ongoing Projects are in 19 Provinces and 3 Cities



- Qualcomm 21<sup>st</sup> Century Classroom (2015 – Present)
- China Center for mHealth Innovation (2014 – Present)
- Mobilizing HERHealth (2014 – Present)
- Wireless Heart Health (2011 – Present)
- Let's Get Ready (2013 - 2015)

As the world's most populous country, China's size and its vibrant research community make it an ideal place to locate a world-class research institute that will develop innovative mHealth tools and field-test those solutions. We support the central government's deepened commitment to healthcare reform, which prioritizes the development of affordable, high-quality and accessible health care for the entire population.

We believe CCmHI's research will have global impact. With 860 million people worldwide estimated to have at least one chronic disease, governments around the globe are grappling with not only decreased quality of life, but also increased costs for many health care systems. Our goal is that the achievements of CCmHI will provide opportunities to reduce costs, improve health outcomes and ultimately enable many more people to lead healthier lives.



# Wireless Reach Program Updates

## Sesame Street Mobile Road Safety First!

**The Challenge:** In a study of more than 3,700 primary and middle school children in Guangzhou, 10.8 percent of students reported having at least one road traffic injury during the previous 12 months.

**Our Solution:** To help enhance road safety education in schools and increase road safety awareness and behaviors among parents and children, we collaborated on a 3G mobile website and an application with content featuring Sesame Street characters to create an interactive and engaging experience that educates families in China with young children about practical road safety procedures, such as seatbelt wearing and safe street-crossing practices, that may reduce their risk of sustaining a road traffic injury. The mobile tools are now available, free of charge, to families across China.



## Mobilizing HERHealth

**The Challenge:** In China, women comprise approximately 45 percent of the overall workforce in the manufacturing sector. A Business for Social Responsibility (BSR) report found that the majority of women in the sector are 18- to 25-years-old, undereducated migrants who moved from rural areas to cities for jobs. Many face challenges of poor hygiene, inadequate pre- and post-natal care, sexual violence and exposure to infections and illness, including sexually transmitted and other preventable diseases.

**Our Solution:** Together with BSR, we developed a user-friendly, HTML 5-based application for 3G-enabled mobile devices that provides peer health educators and the women they are educating with comprehensive, reproductive health training and access to interactive health-related content.

As of the end of 2015, the mobile application was active in five factories, reaching approximately 2,000 women aged 18 to 25. Flextronics, a supply chain solutions company in Guangdong, is one of these factories. Since successfully piloting the program, Flextronics now seeks to expand the program even further.

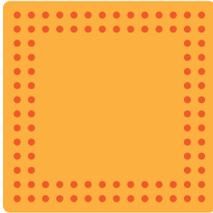


## Qualcomm 21<sup>st</sup> Century Classroom

**The Challenge:** Education is a key driver for growth and economic prosperity. Chinese experts and Qualcomm believe that mobile devices can bring high-quality education to all communities, regardless of their income or location. Mobile devices can bring digital and interactive content to all students, whether they live in a city or a rural village.

**Our Solution:** Wireless Reach and China Children and Teenagers Fund (CCTF) collaborated to deploy advanced Information and Communication Technologies (ICT) to improve teaching and learning to classrooms in schools located in government-designated poverty-stricken areas. Selected classrooms were provided with broadband Internet connectivity, electronic smartboards and 3G/4G-enabled mobile tablets for teachers and students to access educational materials. In its first year, the program already benefited 200 teachers and 4,000 students ages 7 to 15.





# SUSTAINABLE PRODUCT DESIGN

## Protecting People and the Planet

Qualcomm stands for quality communications. We strive to create sustainable products that make a positive impact without harming individuals, communities or the environment. Inventing products sustainably requires robust design and operational activities inside Qualcomm, engagement with our supply chain and collaboration with organizations and communities outside the Company.

In China and around the world, we are developing technologies that work to curb CO<sub>2</sub> emissions, such as our [Qualcomm Halo™ Wireless Charging Technology \(WEVC\)](#)<sup>2</sup> for cars. Due to the government's support and vision of integrating green and sustainable technologies, China is rapidly becoming a central testing ground for these and other smart city technologies to meet pressing urban challenges. At Qualcomm, we are committed to building sustainable products and supply chains. We believe it is our responsibility as a company to operate sustainable facilities and take steps to reduce emissions of all kinds.

### Spotlight:

### Formula for the Future

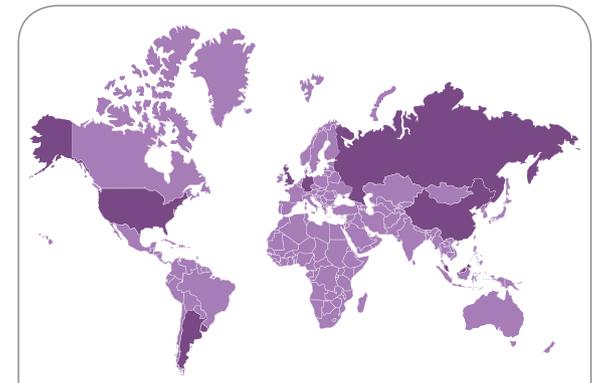
Considering the growth of the automobile industry and the growing number of car owners in countries like China, electric vehicles (EVs) could be a key solution to reducing global greenhouse gas emissions, especially if they are charged on power grids that leverage renewable energies like solar and wind power. We share this vision, and thus Qualcomm Technologies, Inc. is an official Founding and Technology Partner of the Fédération Internationale de l'Automobile (FIA) [Formula E Championship](#), the world's first fully-electric auto racing series. Qualcomm believes that Formula E is the perfect showcase for the public to see cars that are not only environmentally friendly, but also attractive, fast and able to perform at the highest levels and, in turn, spur awareness and interest in EVs.

As part of our work with Formula E, the Qualcomm Safety Cars and the two Medical/Extraction Cars that provide safety and emergency support at the races rely on Qualcomm Halo WEVC technology to stay ready and moving. To charge a safety or medical/extraction



car, an Official FIA Formula E driver simply has to park over the Qualcomm Halo pads—there are no cables to untangle or plug in. Wireless charging ensures that when cars are needed on the track to perform their official duties, they are fully charged so race officials can immediately dispatch them without any delays.

Keeping these important cars charged is just the first test for Qualcomm Halo in Formula E. Our vision is to work with Formula E, the FIA and race teams to use the wireless charging technology to charge the potent open-wheel race cars on race day.



### 2014–15 Formula E Season

- + The inaugural season began September 13, 2014 in Beijing, China
- + It concluded June 28, 2015 in London after eleven races
- + Races were held in Monaco, China, Malaysia, Russia, the U.S., Uruguay, Argentina, the UK and Germany

<sup>2</sup> *Qualcomm Halo WEVC technology is licensed by Qualcomm Incorporated. Qualcomm Halo prototype charging pads are products of Qualcomm Technologies, Inc.*





## Connected Smart Cities<sup>3</sup> for a Sustainable Future

By 2050, 70 percent of the world's population is expected to live in urban environments. Moreover, China's government has set a goal to reach 60 percent urbanization by 2020. That large number has sparked even bigger thinking at Qualcomm. By reimagining the role of technology and connectivity in today's cities, we are not only addressing current challenges, but we are also creating countless smart and sustainable solutions for the future.

From reducing energy consumption, to cutting operational costs, to enhancing public safety, Qualcomm is using its wireless expertise to transform infrastructure and address the complex challenges that cities are facing.

With a focus on developing wireless technologies, Qualcomm is committed to creating superior mobile experiences for consumers through the Internet of Things, connectivity and cognitive technology. Qualcomm's wireless technology will connect billions of devices from all aspects of life, such as automobiles, homes, health care, education and smart cities. Qualcomm continues to innovate and invest in new technologies that will improve people's lives.



<sup>3</sup> *Qualcomm Smart Cities* products and services are offered by Qualcomm Technologies, Inc. and/or its subsidiaries.



## Commitments to Sustainable Products and Supply Chains

### Water Conservation in Our Supply Chain

Water may not be the first thing you think of when you consider a high-tech company like ours. But water is essential to our business—both in the operation of our facilities and in our semiconductor supply chain facilities. Because semiconductor processing is water-intensive, we consider the long-term water challenges that our primary foundry suppliers for semiconductors may face.

Qualcomm Technologies, Inc. encourages and supports water efficiency, conservation and disclosure efforts at all of its semiconductor manufacturing suppliers. To that end, we are communicating our expectations to our suppliers and assisting them in their efforts related to water conservation and reporting. In China, our primary foundry supplier for our various digital, analog/mixed-signal, RF and PM integrated circuits is Semiconductor Manufacturing International Corporation (SMIC). SMIC makes disclosures related to water on its website or sustainability reports.





## Our Environmental Goals:



### Getting the lead out

We have been proactive in removing lead from our products since 1999. Following our successful introduction of lead-free flip-chips in 2010, we now incorporate lead-free design in all new integrated-circuit products, whenever technically and economically feasible



### Eliminating bromine and chlorine

Although regulations do not prohibit the use of all brominated and chlorinated compounds in our products, we have been proactive in eliminating them because of the potential hazards they pose.



### Our chipset products comply with Phase 1 of China RoHS

China's policy on the Restriction of Hazardous Substances (RoHS) recognizes the six hazardous substances caused by electronic information products and defines the maximum concentration levels and requirements for product labeling and hazardous substance level disclosure.

## Our Operations

We have earned U.S. Green Building Council Leadership in Energy & Environmental Design (LEED) certifications for many of our facilities. Since 2012, we have maintained a LEED Silver certification for Commercial Interiors for our 9,300 square-foot expansion space in Shenzhen, China.

### Qualcomm's Global Greenhouse Gas (GHG) Emissions\*

	Units	2015	2014	2013
CO2e per Gross Square Foot of Facilities Space (Scope 1 and 2)	CO2e Metric Tons	0.02007	0.02066	0.02276
Total Scope 1 - Direct GHG Emissions by Weight	CO2e Metric Tons	75,349	67,793	65,935
Total Scope 2 - Indirect GHG Emissions by Weight	CO2e Metric Tons	155,288	114,811	121,098
Total Scope 3 - Other Indirect GHG Emissions by Weight**	CO2e Metric Tons	38,845	N/A	N/A

\* Amounts for 2015 represent prior-year calendar year data for 100% of Qualcomm's global facilities. Amounts for 2014 and 2013 represent prior-year calendar year data for all of our North American facilities plus our owned international facilities in India and Taiwan, covering approximately 80% of Qualcomm's global square footage during that time period.

\*\* Employee business air travel and business car rental.





# PRIVACY AND SECURITY

## Promoting Data Protection Across the Mobile Ecosystem

A strong foundation of privacy and security is critical to the success of the wireless industry. It supports user trust and the adoption of new and exciting mobile technologies, and it makes more personalized wireless offerings possible. We have made significant progress in incorporating privacy and security measures across our company, our products and services and the broader mobile industry. Our work is informed by our [Privacy Guiding Principles](#), which we have integrated throughout our engineering and production processes.

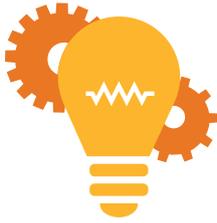
At Qualcomm, we have more than 500 people dedicated to privacy and data security. They specialize in product security, privacy, information security, risk management, application security, third-party security assessments, investigations and counter-threat analysis, security operations, physical security, privacy law and more. The team is advised by a steering committee that meets regularly and addresses privacy from the multiple perspectives that characterize our diverse Company.

To identify, evaluate and mitigate potential issues before they become problems, we consider the privacy and security implications of our products from the earliest stages of design. Our privacy and security by design process is most recently exemplified by our [Qualcomm® Snapdragon™ Smart Protect](#),<sup>4</sup> which supports robust, real-time detection of “zero-day” (previously unknown) malware threats to mobile security and personal privacy.

We share responsibility for protecting user privacy with our customers—companies that make wireless devices and applications—in China and around the world. Beyond our own operations and products, we work with our industry peers to raise awareness about the importance of privacy and security across the mobile industry and to promote solutions. In China, we are a committed advocate for responsible information-privacy and data-security practices, including transparency and meaningful choices in the collection, use and sharing of personal information.

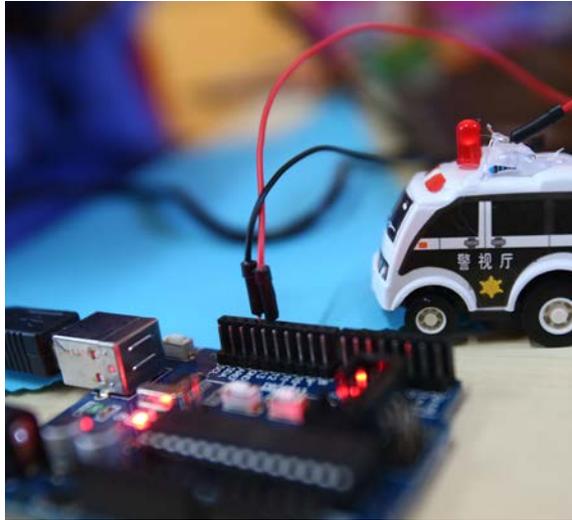


<sup>4</sup> Qualcomm Snapdragon Smart Protect is a product of Qualcomm Technologies, Inc.



# STEM EDUCATION

## Cultivating Tomorrow's Workforce



Qualcomm believes innovation is critical, not just for our business to thrive but also for the advancement of our industry and society as a whole. STEM (Science, Technology, Engineering and Math) education supports the brainpower behind the inventions that we bring to life.

We dream of a day where children from diverse cultures and backgrounds spend their days inventing ways to engineer solutions to the world's most pressing problems. When they become adults, we want to hire them to do just that. We are cultivating tomorrow's workforce by increasing access to STEM education, through offering and supporting programs that reach students at all levels, from grade school through graduate school. Our STEM activities are also aimed at inspiring greater diversity in STEM fields and expanding opportunities for underrepresented

students. We are supporting the next generation of inventors and technologists—ultimately helping people around the globe address future challenges.

We know that STEM is not just about school and studies. It is also about fun and hands-on experiences that create lasting connections between theory and creativity. We strive to create these experiences around the world. In China this year, we opened Thinkabit Lab activities in Beijing and Shanghai, helping more underrepresented schools give their students opportunities to learn to code. Moreover, we sponsored three *FIRST* (For Inspiration and Recognition of Science and Technology) Tech Challenge events across China. Here's a look at some of our STEM programs and how they are helping build a pipeline of future innovators by giving them exciting, real experiences in the world of work and beyond.

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*Created in 1989 by Dean Kamen, FIRST® is a nonprofit organization that “engages students in kindergarten through high school in exciting, mentor-based, research and robotics programs that help them become science and technology leaders, as well as well-rounded contributors to society.” Qualcomm is a strategic partner of FIRST® and supports its robotics programs.*

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## Spotlight:

### Thinkabit Lab

China has 15 megacities with populations of over 10 million, fueled by a migrant labor force that is willing to uproot their families for their jobs. Children of migrant workers attend schools designated for non-locals, which often lack resources and facilities compared to their permanent resident counterparts.

We strongly support the idea that every child in today's world should have a chance to learn more about and embrace STEM and have the opportunity to realize a career in any STEM-related field. That's why we started the Thinkabit Lab in 2014.

First launched at our San Diego headquarters, the Thinkabit Lab is a combination of a lab, makerspace and classroom where middle school students from all cultural and socioeconomic backgrounds can have a hands-on experience with STEM activities.

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*Since opening in September 2014, Thinkabit Lab has hosted and taught more than 5,800 students, and Qualcomm has already held a third Thinkabit session in China in 2016.*

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Working with Qualcomm educators on circuit boards, coding, robotics and more, students gain exposure to different types of engineering and non-engineering careers—such as finance, marketing and human resources—that are needed to support technology companies.

In 2015, we brought the Lab to China, where we held Thinkabit experiences in both Shanghai and Beijing. In Shanghai, we worked with a local nongovernmental organization, Shanghai Adream Charitable Foundation, and invited students from 12 schools to participate. In Beijing, we held a Lab for students from Dandelion Middle School, which serves children of migrant workers. At both locations, Qualcomm employees volunteered to serve as instructors. Students spent five hours learning from the instructors, practicing coding and creating their own robotic crafts. After their

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*“Once I wanted to become a teacher when I grew up. After Thinkabit Lab, I have interest in becoming a software engineer.”*

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Thinkabit Lab experience, many students expressed interest in the possibility of pursuing engineering careers.

Over the long term, we hope to expand the Lab to serve more students in different regions, and we are developing an online component to give kids who attended the Thinkabit Lab a chance to access resources and reconnect with their Lab experience to inspire their ongoing interest in STEM education.

**Qualcomm**<sup>®</sup>  
Thinkabit Lab<sup>™</sup>



## FIRST in China: Where STEM Begins

China is now working to shift its economy to one that is driven by innovation and services. Key to this goal is encouraging entrepreneurship and innovation in China's young minds. We support the development of STEM education opportunities for all students to provide them with hands-on experiences that can broaden their career choices in fields that will drive the future growth of society.



Qualcomm is a strategic partner of *FIRST*<sup>®</sup> and supports its robotics programs. Created in 1989 by Dean Kamen, *FIRST*<sup>®</sup> is a nonprofit organization that “engages students in kindergarten through high school in exciting, mentor-based, research and robotics programs that help them become science and technology leaders, as well as well-rounded contributors to society.” We sponsor *FIRST* by providing monetary donations as well as thousands of volunteer hours to support the organization and student teams worldwide. Our senior management team serves as advisors and judges, and our employees volunteer as mentors and judges at regional competitions.

### FIRST: Global Reach

(the 2015-16 season, projected)

- 400k+ students
- 37k+ robots created
- 2,200+ events worldwide
- 40k+ participants attend annual *FIRST* Championship

In addition, our latest innovations are included in the *FIRST* Tech Challenge competition to give students hands-on experience with cutting-edge mobile technology. For the 2015-2016 season, all *FIRST* Tech Challenge teams competed using two Qualcomm<sup>®</sup> Snapdragon<sup>™</sup> 410 powered devices as the control system for their robots. Integrating Snapdragon technology into the robots enabled them to be faster and more responsive. We also work to ensure that *FIRST*'s major competitions have quality wireless communications environments.



In China, Qualcomm was a co-lead sponsor at three *FIRST* Tech Challenge events in Beijing, Shanghai and Shenzhen. At the 2015 North China Contest held at Tsinghua University on February 1, more than 40 teams from high schools across north and northeast China demonstrated their robots. As a strategic partner of *FIRST*, Qualcomm supported this event with sponsorship and QCares volunteers. In parallel, Qualcomm held the Student Reporter Competition (SRC). Run Zhang, of North Jiaotong University's middle school, won the competition with her clear and confident presentation, passion for invention and strong bilingual language ability.

### Scholarships for STEM at Chinese Universities

Qualcomm Incorporated donated \$300,000 in scholarships to Peking University, Tsinghua University and Beijing University of Posts and Telecommunications. Scholarships are awarded to outstanding undergraduate and postgraduate students majoring in engineering and computer science and to students demonstrating strength in innovation.



<sup>5</sup> Qualcomm Snapdragon is a product of Qualcomm Technologies, Inc.



# INCLUSION AND DIVERSITY

As a company of inventors, we know that breakthroughs are born from a range of perspectives. We know the potential for innovation is exponentially greater when the ideas are coming from a community of people with diverse backgrounds, insights and experiences. We celebrate diversity, value a variety of perspectives and emphasize fairness.

That's why we're focused on increasing diversity among our employees and emphasizing the links between inclusion, diversity and our business success. We're working to recruit, retain and provide career development for women, minorities, people with disabilities and veterans entering the civilian workforce. Our vision is a workforce that embraces our values and those of the customers and communities we serve.

The relatively low numbers of women and minorities in technology-related fields is a challenging issue—not only for us, but also for our industry. We're addressing gaps in our talent pipeline so that we can increase diversity in our technical roles and in leadership positions companywide and around the world. In China and elsewhere, we proactively work with organizations that promote employment initiatives specifically to women and invest in our own direct outreach efforts.

## Spotlight: WeTech

In addition to encouraging young people from diverse socioeconomic backgrounds to experience STEM, we are also devoted to empowering women through STEM education to access STEM careers. One of the ways we do this is through our work with the Institute of International Education on the Women Enhancing Technology (WeTech) program, a Clinton Global Initiative commitment that supports network-building and training opportunities for girls and women in China, India and the United States. WeTech links girls and women to technology-related competitions and scholarships, leadership and technical-skills training and mentorships.



As part of our commitment to WeTech, we offer a virtual mentoring program for female college students in India and China who are involved in our global scholars program. This is a collaboration between the Institute of International Education (IIE) and Qualcomm that invests in young women and future leaders in ICT in China. In September 2015, the initiative's scholarship program began accepting applications. Eighteen scholarships will be awarded to university students at eligible universities in China for the 2015–2016 school year. The scholarship recipients will also complete a six-month virtual WeTech mentorship with experienced mentors from Qualcomm from February through July 2016.





# ETHICAL GOVERNANCE

## Doing Business “The Qualcomm Way”

Our technology may always be evolving, but one thing that remains the same is our commitment to doing business with the highest level of integrity and respect. “[The Qualcomm Way: Our Code of Business Conduct](#)” guides how we responsibly conduct ourselves every day. It sets standards of conduct for intellectual property protection, conflicts of interest, anticorruption practices, harassment, discrimination and much more. It describes our responsibilities to customers, business partners, stockholders, communities and each other—which is essential for a company whose success is based on collaboration with others.

Our commitment to doing business the right way extends into our supply chain. As a member of the EICC, we have adopted the [EICC Code of Conduct](#) for our operations and as our supplier code of conduct. Our adherence to both “The Qualcomm Way” and the EICC Code makes it clear that we are committed to upholding the highest ethical standards throughout our value chain.

Our open-door culture means anyone with concerns about our company—whether inside or outside the Company—can voice them anonymously through our [Business Conduct Hotline](#), a dedicated phone line and website that is available 24 hours a day. We respond to reports of misconduct as quickly and as confidentially as possible.

Promoting innovation and protecting our business interests often means engaging in constructive and responsible participation in the political process. We abide by all applicable laws and regulations regarding political contributions and expenditures.





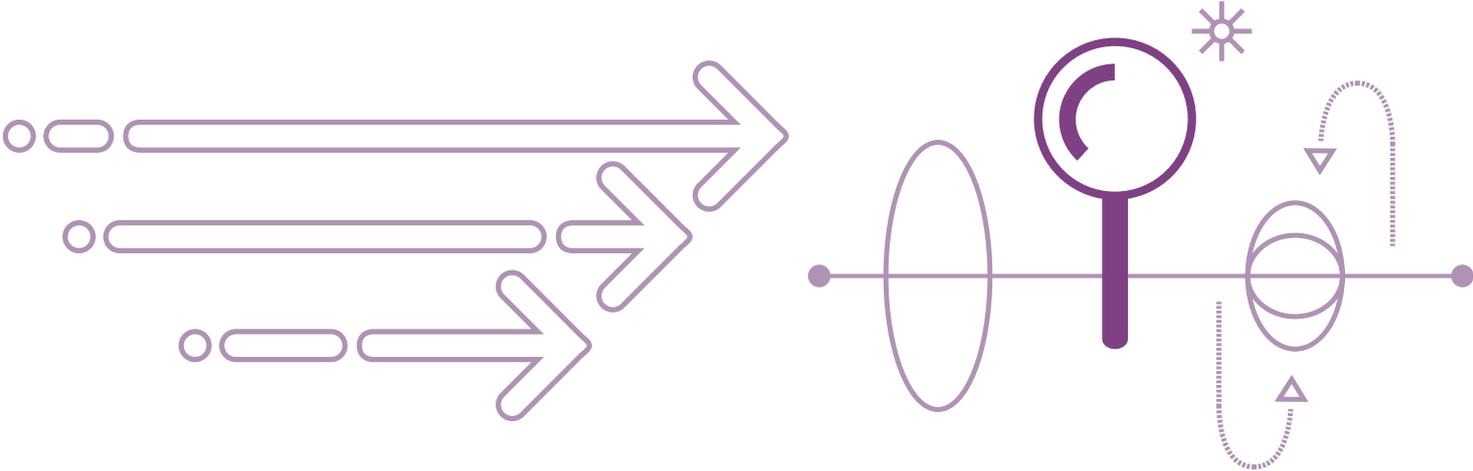


# CONNECTING AND COLLABORATING FOR SUSTAINABILITY

China has a long history of producing innovations that have driven human progress, and we are excited to be a part of the continuing story of great minds daring to imagine and achieve what many consider impossible. In the information age, connectivity is a driving force of sustainable development, and continuing this progress is only possible when people passionate about technology are able to connect with each other and with the right resources to turn their imaginative ideas into reality.

Breakthroughs don't occur in isolation, so we collaborate with our employees, industry peers, suppliers, customers, governments and communities. After all, we've made it our business to help others build amazing things. Factoring the future into every idea is more than just responsible—it is the essence of invention.

Qualcomm's collaborations across China's advancing mobile ecosystem help tech companies here make the next leaps in mobile connectivity. This also helps stimulate China's vibrant and thriving tech and other industries to innovate and create shared value, in alignment with China's overall innovation strategy and Internet Plus and Manufacturing 2025 agendas.





# TECHNOLOGY AT THE FRONTIER

The Internet is entering a new phase of growth in which billions of objects will be connected via wireless technology, mobilizing areas of our lives in unparalleled ways. In China, people are already experiencing the benefits of mobile technologies in the ways they connect, shop, take taxis and make payments (just to name a few). The growing and increasingly seamless integration of technology in our daily interactions is reshaping our lives at a remarkable pace. China's vision is to build a thriving innovation-driven economy, and Qualcomm is committed to helping. We are pushing along advances in 4G LTE and 5G, driving connections in the Internet of Things (IoT) industry, advancing cognitive technologies in robotics, drones, and machine learning, and improving the overall mobile experience to make the world a smarter place.

## Connectivity: 5G and 4G+ LTE

Expanding universal broadband access and China's network coverage to meet the growing demand for broadband connectivity and speed is a key priority for China. Some predict that by 2020, China will have 1.3 billion 4G and 3G users. Since the 1990s, Qualcomm has worked closely with the Chinese government and China's mobile operators to help ensure the highest quality communications possible—voice and data—for Chinese citizens. The company has driven the development and adoption of first CDMA, then WCDMA, and now, LTE, across this immense and diverse country.

This past year, we've been working with our collaborators in China to extend the reach of 4G with 4G+, and investing in LTE to extend it into unlicensed spectrums and 5G advanced connections. In 2014, over 1 billion Android phones powered by Qualcomm processors shipped cumulatively around the world. And 2014 was also the first year of widespread 4G adoption in China. Qualcomm Technologies, Inc. has fully supported Chinese handset makers and operators with its advanced products and technologies, allowing hundreds of millions of users to enjoy the advanced mobile experience of 4G LTE ahead of users in other markets.

We are dedicated to driving transformation of LTE technology with mobile operators and OEMs and other Chinese partners. In July 2015, Qualcomm announced jointly with China Mobile's Guangzhou Branch (Guangzhou Mobile) and ZTE Corporation that the three companies will carry out a technical trial test of three-carrier aggregation (CA) on 4G LTE-A Cat. 9. The field demo showed a downlink speed reaching 292Mbps (peaking at 330Mbps), which is nearly three times that of the current 4G network. The increase means that the 4G network speed in Guangzhou has reached almost the same level as Japan and South Korea.

Qualcomm has also worked with China Mobile and China Telecom in planning "4G+". China Telecom's Tianyi 4G+ service is supported by several high-end smartphone models equipped with Qualcomm's Snapdragon 810 processor, such as such as Mi Note, LeTV's Le 1 Pro, Nubia Z9 and Nubia Z9 Max.

Qualcomm is also looking ahead to help bring China 5G, a new kind of network that will expand the value of mobile technology and the mobile ecosystem with much lower latency, improved costs and energy efficiency.



### NEWS UPDATE

In early 2016, China rolled out its fifth generation communication (5G) experiment, marking a new era in the country's 5G research and development. Qualcomm has been conducting research on 5G since 2006. In parallel with China, we've been investing in 5G in our mission to advance the latest wireless techniques. Last year, we began contributing to the standards process, conducting simulations and developing advanced prototypes. We believe 5G is not just a new generation of technology, but a new kind of network that will greatly enhance our mobile experience.

## 5G: Enabling, Connecting and Empowering

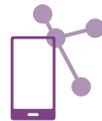
Mobile is already the biggest technology platform in history, and 5G technology has the opportunity to expand it even further by transforming people, societies and industries in 2020 and beyond. Much more than higher peak rates, Qualcomm envisions 5G as a way to enable new services, connect new industries and devices and empower new user experiences. 5G networks will play a key part in creating the Connectivity Fabric for Everything.



## Unlicensed Spectrum: Serving Always-growing Data Demands

The number of smart phones in use in China is expected to more than double from 2013 to 2017, which will require finding solutions to address the increasing demand for mobile data bandwidth.<sup>6</sup> We believe that part of our job is to help the industry make the best use of all available spectrum, using both LTE and Wi-Fi technologies. By extending LTE Advanced to unlicensed spectrum to create LTE-U/LAA and MulteFire, we're developing new ways to intelligently increase capacity and performance while connecting new industries, services and devices (such as connected cars)—ultimately continuing the evolution of wireless technologies.

At the Mobile World Congress (MWC) in 2015, we demonstrated that we had successfully completed over-the-air testing to prove co-existence between multiple LTE-U and Wi-Fi access points in the unlicensed spectrum under extreme load conditions, and also its evolution to Licensed Assisted Access (LAA). The demonstrations concluded that LTE-U and LAA can not only provide better performance than either LTE or Wi-Fi used individually, but can also coexist well with Wi-Fi. In many cases, shifting traffic from a Wi-Fi access point to an LTE-U/LAA small cell can actually improve performance for Wi-Fi users, due to LTE's efficient use of the unlicensed spectrum.



China Mobile-Guangzhou Branch with Qualcomm Technologies and ZTE Launched 4G LTE Advanced Cat 9 Technology Trial



China Mobile-Jiangsu Branch Joins with Qualcomm Technologies to Deploy "4G+"

### Enhanced mobile broadband

- Multi-Gbps data rates
- Extreme capacity
- Uniformity
- Deep awareness



Mobile devices



Networking

### Mission-critical services

- Ultra-low latency
- High reliability
- High availability
- Strong security



Automotive



Robotics



Health

### Massive Internet of Things

- Low cost
- Ultra-low energy
- Deep coverage
- High density



Wearables



Smart cities



Smart homes

← Unified design for all spectrum types and bands from below 1GHz to mmWave →

<sup>6</sup> China State Council, May '15

## Our Connected Future: IoT

Imagine a world where devices, places and people become so inter-connected that daily life changes forever. Now stop imagining and start believing. This transformation is called the Internet of Things (IoT), and for 30 years we've been using our wireless expertise to make this amazingly connected world a reality.

As the world's industries evolve, so do the connections we create through our wireless solutions. By helping homes, cars, wearables, cities, educational institutions, and healthcare providers interact more and share data across a variety of networks, we're weaving the fabric of IoT so that entire industries can redefine what is possible.

The Asia-Pacific region is set to be the largest market for IoT and holds great growth potential. At the Mobile World Congress 2015 in Shanghai, we explained how we are pushing the boundaries of the Internet through our efforts in IoT. Together with our Chinese collaborators we are accelerating the journey to a world of personalized retail, smart homes, intelligent energy, better health management and advanced robotics technology.

## Advancing Cognitive Technology: Robotics, Drones and Machine Learning

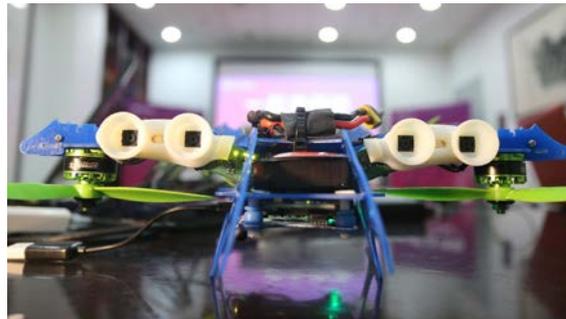
Qualcomm continues to innovate and invest in breakthrough technologies, products and services, accelerating the user experience by upgrading to the next-generation. Here are some of the technologies we are working on that will transform people's lives and the way they work.

<sup>7</sup> Qualcomm Zeroth is a product of Qualcomm Technologies, Inc.

<sup>8</sup> Qualcomm Snapdragon Rover and Qualcomm Snapdragon Cargo are products of Qualcomm Technologies, Inc.

<sup>9</sup> Qualcomm Snapdragon Flight is a product of Qualcomm Technologies, Inc.

**Qualcomm® Zeroth™<sup>7</sup>** is a new class of processor that mimics human perception and cognition. It makes mobile devices smarter and better able to anticipate people's needs and share perceptions, so that people can interact with them more naturally. Qualcomm Technologies, Inc. also unveiled robotics powered by Snapdragon. One of the robots that uses Zeroth, the **Qualcomm® Snapdragon™ Rover<sup>8</sup>**, has learned to classify objects that it sees with its depth-sensing camera.



Until now, drones were made from multiple component vendors providing separate solutions for photography, navigation and communications, adding to the cost and bulk of consumer drones. Qualcomm Technologies, Inc., introduced **Qualcomm® Snapdragon Flight™<sup>9</sup>**, a highly optimized 58x40mm board targeted specifically for

**Qualcomm® Snapdragon™ Cargo** is a flying and rolling robot with an integrated flight controller powered by a Snapdragon processor. Inside Snapdragon Cargo is a multi-functional computing platform. This hardware and software platform is built around the Snapdragon System-on-Chip (SoC) to provide a low-power solution that integrates multi-core processing, wireless communications, sensor integration, positioning and real-time I/O for multiple robotics applications.

consumer drones and robotics applications. **Snapdragon Flight** is based on a Snapdragon 801 processor, and along with robust connectivity, advanced drone software and development tools, brings together cutting-edge mobile technologies to create a new class of consumer drones. The **Snapdragon Flight** is designed to enable the advanced features that drone consumers want most, including 4K video, advanced communications and navigation, robust camera and sensor support and **Quick Charge** technology.

Yuneec, a leading developer of consumer and professional drones with a long history of innovation in electric aviation, will be one of the first companies to embrace the **Snapdragon Flight**. Yuneec plans to release a drone based on the platform in 2016.

## Mobile Experience with Snapdragon

Today, mobile devices have become remote controls of our lives, and we now depend on these devices more than ever. That's why we are inventing several technological solutions that put more power, capability, entertainment and usability into devices that remain stubbornly light, small and power-efficient.

With Snapdragon processors and our multi-media solutions, mobile devices have become integral to our lives. From **cameras** that have professional level performance, to **audio** that supports multi-channel surround sound for mobile streaming, to console-quality graphics for **mobile gaming** and augmented reality, we are advancing the future of mobile experiences in unprecedented ways.





# EMPOWERING LOCAL INNOVATION

Collaboration is key to the invention of a sustainable future. We collaborate with customers, scientists and technologists to develop products that enable economic development, efficient transportation, cost-efficient health care and much more. From reducing energy consumption, to cutting operational costs, to enhancing public safety, Qualcomm Technologies, Inc. is using our wireless expertise to transform infrastructure and address the complex challenges that people, businesses and cities are facing. As a key player in next-generation chipsets and server technology development, we're helping accelerate the development and adoption of the fastest, most reliable technologies to sustain China's booming IT ecosystem.

## Spotlight: SMIC

As one of the world's largest fabless semiconductor vendors and a world leader in 3G, 4G and next-generation wireless technologies, we work closely with chipset providers. Qualcomm Technologies, Inc. has worked with Semiconductor Manufacturing International Corporation (SMIC), the largest and most advanced China-based semiconductor foundry, for over 10 years. We have invested and will continue to invest engineering resources in collaborating with SMIC to advance technically, grow its product portfolio and expand its operations in China. Qualcomm Technologies, Inc. also helped SMIC manage their manufacturing chain. The synergistic and constructive Qualcomm Technologies, Inc.-SMIC relationship supports the Chinese government's priority of accelerating the development of the semiconductor



industry.

In 2015, SMIC became one of the first foundries in the region to produce high-performance, low-power mobile chipsets at 28nm (one of the industry's most advanced process nodes), successfully fabricating Snapdragon 410 processors. These 28nm process-based chips represent a dramatic improvement over the previous generation of 40nm chips, doubling processor logic density, increasing speed by 20 to 30 percent and reducing power consumption by 30 to 50 percent. Working with SMIC helps Qualcomm Technologies Inc. address the growing need for high-performance and

low-power mobile devices with customers in China, throughout the region and around the world.

## Improving Processor Technology with China

By strategically prioritizing semiconductor industry development in support of its growing mobile industry, China's efforts to establish a state-of-the-art semiconductor industry are already bearing fruit, with tremendous growth in the past few years driven by the success of mobile. We are pleased to play a role in helping China reach this goal. In 2015, we engaged in new alliances with Chinese businesses that will lead to more advanced, efficient and responsive technologies that pursue and push the boundaries of market demands. Our efforts to innovate new models for technology development and deployment with



Chinese partners reinforce Qualcomm's commitment to the continued growth of the vibrant semiconductor ecosystem in China.

## SMIC New Research & Development Company (Shanghai) Co., Ltd.

In June 2015, Qualcomm Global Trading Pte. Ltd., a subsidiary of Qualcomm Technologies, Inc.; SMIC; Huawei, a leading global ICT solutions provider; and imec, one of the world-leading nanoelectronics R&D centers, jointly announced the formation of SMIC Advanced Technology Research & Development (Shanghai) Corporation. The joint venture company will focus on R&D for next-generation Complementary Metal-Oxide Semiconductor (CMOS) logic technology and building China's most advanced integrated circuit (IC) R&D platform.

The project will facilitate closer cooperation between upstream and downstream companies, using leading-edge R&D and realizing other synergies in the industry's global eco-system. The goal is to more quickly and efficiently address the demands of the

industry through R&D and manufacturing resources, while also shortening product development cycles.

## Next Generation CMOS Logic

The first phase of the SMIC Advanced Technology Research & Development (Shanghai) Corporation collaborations will focus on developing 14nm CMOS technology for mass production, which will be based on imec's state-of-the-art know how in advanced semiconductor processing technology and will use SMIC's production line.

SMIC will have the rights to license the intellectual property rights of the mass production technologies developed by the joint venture for application in SMIC's current and future range of products and in service of SMIC's business with other companies. This can improve the overall level of China's IC technologies, which is one of the goals set by the government's National IC Industry Development Outline. In the future, Chinese IC manufacturing companies, universities

and research institutions will all continue working together on this platform to further enhance the core competitiveness of the industry.

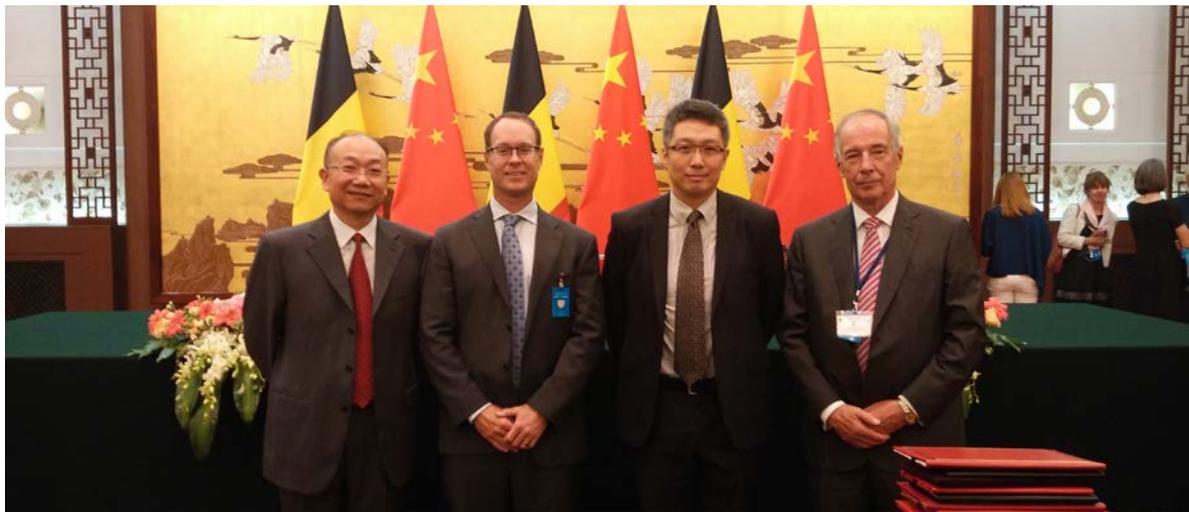
## Accelerating Adoption of Server Technology in China

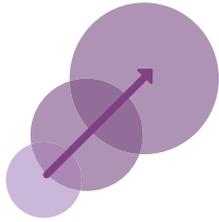
The rapid spread of mobile technologies and the proliferation of the connected, digital lifestyle in China present tremendous opportunities for data servers. Qualcomm Technologies, Inc. is excited to be working with Chinese partners to establish a strong foundation for advanced technology-based growth and innovation in this area.

## Reshaping China's Big Data Landscape

Renowned for its natural beauty and precious resources, Guizhou province has carefully followed guidance from the Chinese government on sustainable development and on taking local conditions into consideration when planning for its industrial growth. This is part of what motivated the provincial government to pursue cloud computing as a way to stimulate growth of the electronics and information industries based on big data. Guizhou was among the first provinces to receive central government approval to build big data industry development clusters in China in 2014.

In January 2016, Qualcomm Technologies, Inc. and Guizhou province established a joint venture to develop and distribute server chips in China. By defining a shared vision based on investing in industry-leading technology, local collaborations and regional talent, Qualcomm Technologies, Inc. will help re-shape the Chinese data center landscape. This new entity will attract the participation of strategic business partners to accelerate the adoption of these products in China.





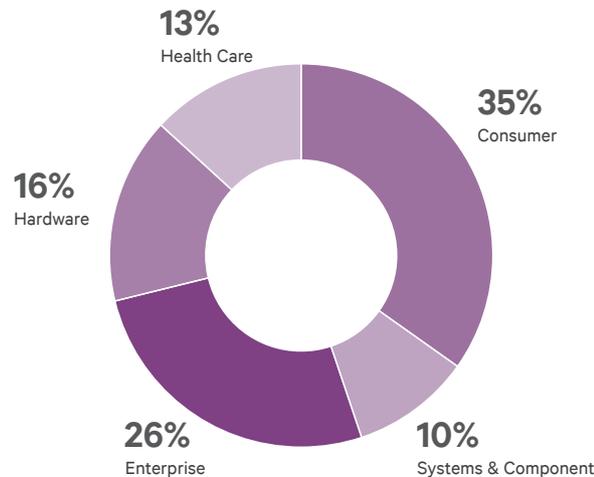
# INCUBATING INNOVATION

Good ideas sometimes need help getting off the ground. Qualcomm has been helping entrepreneurs in China and around the world make their ideas reality through Qualcomm Ventures and our QPrize initiative. And we are very excited to see the Chinese government's renewed support for building the country's innovation capacities and inspiring the thinkers and inventors of tomorrow with new support, such as the Internet Plus initiative, which seeks to upgrade conventional industries by applying innovations in mobile, cloud computing, big data and the Internet of Things.

## Qualcomm Ventures: Encouraging China's Entrepreneurs

At Qualcomm we support big, world-changing ideas. As the investment arm of Qualcomm Incorporated, Qualcomm Ventures (QCV) is an active corporate venture capital fund that works with pioneering companies across the wireless ecosystem. We cherish the entrepreneurial spirit currently thriving in China, and are excited to be supporting the ideas that we feel promise to change the world. This is because we remember when we too were an unknown startup in San Diego, facing the same challenges, daring to dream big and pouring our energy into our efforts. Helping our portfolio companies create real value gives us a tremendous amount of satisfaction as we actively work together to overcome obstacles, sharing our resources that help them grow and stepping aside when the time is right. After all, we only succeed when they do.

Qualcomm Ventures Investments by Sector



Chinese companies receiving investments from Qualcomm can benefit from Qualcomm's insights on mobile technologies and leverage Qualcomm's relationships throughout the industry. Qualcomm Ventures currently has a portfolio of more than 120 active companies across the globe and also invests in seed stage companies through its QPrize Mobile Internet Startup Competition, which evaluates and awards seed funding for promising early stage Chinese entrepreneurs.



## Qualcomm Ventures FY 2015 China Commitments

In FY 2015, Qualcomm Ventures chose to support four new companies with an investment firm in China. We were inspired by these promising groups and their potential to make the world a better place through their work in wireless and mobile technologies:

In December 2014, we and our subsidiaries announced that \$40 million of our July 2014 \$150 million commitment would go to four Chinese companies in partnership with the China Walden Venture Investments L.P. fund, which is primarily focused on investing in semiconductor or semiconductor-related companies with business in China. We invested in 7Invensun, an eye-tracking solution provider; Chukong Technologies, a mobile entertainment platform provider; inPlug, a smart home device/platform solution provider; and Unisound, a voice recognition and processing technology provider.



## QPrize 2015

QPrize is Qualcomm Ventures' seed investment competition. It is designed to provide entrepreneurs their first level of funding so they can launch their idea into a successful startup business. We look for bright, energetic and resourceful entrepreneurs who have a passion for bringing new technologies and services to market. Our goal is to have QPrize act as a catalyst for our winners, providing them the initial capital to launch their great ideas and support the company until its first institutional funding round.

The QPrize 2015 competition kicked off on July 24, 2015, at the "mobile Internet" session of the Demo China Startup Competition 2015. The entire competition lasted two months, generated 348 entries and spanned seven major cities, including Shanghai, Beijing, Shenzhen, Guangzhou, Chengdu, Changsha and Hangzhou, as well as some overseas projects.

QPrize China 2015 had four winners: Blue Farming, Vitamin Garden, FDog and Sweet Lovers. Vitamin Garden, a company which develops a fridge-like in-house organic vegetable planting box, with fully automatic control of lights, temperature, and humidity, allowing users to grow organic vegetables from seed in three to six weeks, took first place. The team went on to the QPrize Grand Finals in San Diego, where teams from Australia, China, Europe, India, Israel, Korea, Latin America and North America gathered in September to compete. The competition provides all teams with the invaluable opportunity to meet with Qualcomm executives and investment managers and to connect with other innovators from around the world.



# FINAL REMARKS

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In 2015, Qualcomm shared great success with China, collaborating on advanced mobile technologies and making important contributions to China's sustainable development. Just as mobile technologies enhance our connectivity with the outside world, they also help inspire companies and organizations to come together to combine core strengths and innovate new solutions. Our experiences in China reinforce our belief in a connected future marked by these sorts of partnerships.

At the heart of today's breakthroughs are innovative and creative people. Qualcomm shares China's ambition for investing in talent. We seek to nurture tomorrow's technology visionaries and disruptors through a range of approaches: by collaborating within industry, sharing our technologies, investing in the ideas of entrepreneurs, fostering academic research and inspiring children to immerse themselves in STEM education. When governments, companies, public institutions and individuals work together to stoke China's innovation engine, we all share the rewards.

At Qualcomm, we are committed to helping China spur sustainable development through innovation. We are passionate believers in the power of mobile technologies to shape our world for the better. We envision a connected future for all created through the innovative spirit and talent of the Chinese people and through collaborations and partnerships. Together with our partners, we look forward to working together to develop transformative technologies that advance and connect virtually everything in new and intelligent ways, empowering new types of services and driving convergence across the mobile ecosystem and the wider economy for the benefit of society.

# ABOUT QUALCOMM

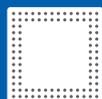
Qualcomm Incorporated (NASDAQ: QCOM) is a world leader in 3G, 4G and next-generation wireless technologies. For more than 30 years, our ideas and inventions have driven the evolution of digital communications, linking people everywhere more closely to information, entertainment and each other. Qualcomm Incorporated includes Qualcomm's licensing business, QTL, and the vast majority of its patent portfolio. Qualcomm Technologies, Inc., a subsidiary of Qualcomm Incorporated, operates, along with its subsidiaries, substantially all of Qualcomm's engineering, research and development functions, and substantially all of its products and services businesses, including its semiconductor business, QCT.

## We conduct business primarily through three reportable segments:

<b>\$25.3b Revenue in 2015</b>	<b>QCT \$17.1b</b>	QCT (Qualcomm CDMA Technologies) is a leading developer and supplier of integrated circuits (also known as chips or chipsets) and system software for use in mobile devices and in wireless networks.
	<b>QTL \$7.9b</b>	QTL (Qualcomm Technology Licensing) grants licenses and provides rights to use portions of our intellectual property portfolio.
	<b>QSI \$4m</b>	QSI (Qualcomm Strategic Initiatives) makes strategic investments that are focused on opening new or expanding opportunities for our technologies and supporting the design and introduction of new products and services for voice and data communications.



**We employ two different manufacturing models to purchase our integrated circuits:**



### Turnkey manufacturing model

Our foundry suppliers are responsible for delivering fully assembled and tested integrated circuits.



### 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.

# QUALCOMM CHINA

We began our first technology licensing and product initiatives in China in the 1990s. Since then we have worked to support a vigorous and robust mobile industry by enabling and collaborating with Chinese operators, device and infrastructure manufacturers and application developers. As China increasingly takes center stage in the development of the IC industry, we work with our partners to advance innovation in the mobile ecosystem, nurture high-value business activities, mobilize traditional industries and services and align with China's policy initiatives to achieve sustainable social and economic development.

Moreover, our QCT business utilizes a fabless production model, with many of our foundry and semiconductor assembly and test suppliers located in the Asia-Pacific region. This means we do not own or operate foundries for the production of the silicon wafers from which our integrated circuits are made. We rely on independent third-party suppliers to perform the manufacturing and assembly, and most of the testing, of our integrated circuits. We encourage and support our supply chain partners to take preventative measures to protect the environments of the communities in which they operate.

## Awards in China



Wireless Reach's Wireless Heart Health initiative recognized on the 2014 list of CSR Outstanding Case Studies by foreign enterprises in China, given by WTO & CAEFI



Best CSR Case of the Year Award - 2015  
China Corporate Social Responsibility (CSR) Summit



Top U.S. Green Companies - Newsweek Green Rankings 2015



### NEWS UPDATE

Qualcomm was awarded the "2015 Beijing Top 10 Enterprise Volunteer Organization" award by the Beijing Volunteer Service Guide Center and The Communist Youth League Committee of Beijing.



# ABOUT THE REPORT

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Since our founding in 1985, Qualcomm has been committed to bettering the societies where we live and work. We have been producing an annual sustainability report since 2006. Our global report can be downloaded [here](#).

This is the second iteration of our China Spotlight on Sustainability report. Our report details the activities we conduct in China as they pertain to our global sustainability priorities and our efforts contributing to the sustainable development of China's mobile ecosystem.

The scope of this report includes the 2015 fiscal year—October 2014 to September 2015. Information, facts and figures that fall outside the reporting frame are marked as a “2016 News Update.” Financial data is reported in USD.





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## Qualcomm China

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[www.qualcomm.cn/company/sustainability](http://www.qualcomm.cn/company/sustainability)

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Qualcomm Incorporated includes Qualcomm’s licensing business, QTL, and the vast majority of its patent portfolio. Qualcomm Technologies, Inc., a wholly-owned subsidiary of Qualcomm Incorporated, operates, along with its subsidiaries, substantially all of Qualcomm’s engineering, research and development functions, and substantially all of its product and services businesses, including its semiconductor business, QCT.

