Innovation, Sharing and Cooperation

Who is Qualcomm, and what do we do? We are engineers, scientists and business strategists. We are from many different countries and speak many different languages. We come from diverse cultures and have unique perspectives. We’ve been called dreamers, inventors, rebels, risk takers, pioneers and geeks. We embrace those labels because in many ways, they’re true. We dream big. We invent bigger. We share, we cooperate, and we innovate. We focus on a single goal – invent mobile technology breakthroughs. And, by working together, we often do what many had thought was impossible.
Letter From Our Chairman in China

The world is moving rapidly into a more connected future and China is at the forefront of this transformation. Tens of billions of devices connect us and connect with each other, nurturing innovation and socioeconomic development. The pace of this transformation is accelerating, and its increasing impact can be felt around the globe. China is an amazing crucible for this connectivity revolution; as of December 2016, over 695 million Chinese people use mobile devices to access the internet.1

As China continues to be transformed by innovative technologies, a new sustainability paradigm has emerged. China’s people, businesses, and institutions have readily adopted a virtuous cycle of innovation that leads to ever more creative, efficient, and sustainable development. And there will be no slowdown in the amount of innovation that will take place going forward, nor in the ways that wireless technology will continue to enhance the world as we know it.

With China playing a very important role in shaping this new paradigm, it gives me great pleasure to introduce our 2016 China Spotlight on Sustainability Report. This marks the third year we have taken stock of our efforts to collaborate with China as it works toward a more sustainable future – it has been truly inspiring to see the wonderful progress we have made together.

This year, China continued to blaze a new trail into the connected future of the world, with 3G and 4G users in China now numbering over 1.1 billion, and with efforts to roll out 5G accelerating every day. The thriving e-commerce ecosystem here continues to evolve and impress the world with its creativity and prosperity. This economic boom has been supported by the mobile sector, with Chinese industries, organizations, and people making tremendous efforts to make the connected future a reality for all. China’s “Internet Plus” initiative, for example, is stimulating greater integration of technology, big data, and cloud computing that is inspiring new collaborations and new industries. As this fertile ecosystem of connectivity and collaboration continues to flourish, innovations from China will continue to transform society domestically and around the world.

With innovation as our core trait, we treat future development as our responsibility, and we make considerable investments into the research and development of new technologies to accelerate the development of the whole ecosystem. Qualcomm’s technologies power the smartphone revolution and connect billions of people, allowing for robust competition and innovation to flourish in the mobile phone market. We pioneered 3G and 4G – and now we are leading the way to 5G and a new era of intelligent, connected devices. Our technology is transforming industries, including automotive, computing, Internet of Things (IoT), healthcare and data centers. We are enabling millions of devices to connect with each other in new and exciting ways.

The ongoing wireless revolution continues to bring positive social impacts to China. The thriving mobile industry has yielded enormous socioeconomic benefits here, as Chinese companies work constantly to launch new businesses, services and products that have added $90 billion to national GDP and generated two million jobs. And among the world’s top 10 3G and 4G mobile enterprises, seven are from China.

We are committed to collaborating with Chinese operators, device manufacturers and application developers as China evolves through the next generation of wireless technology. We are delighted to participate in this growth with a range of initiatives in China, not only by helping industries emerge and grow, but also by using mobile technologies in new and innovative ways for social good. Through our strategic corporate social responsibility initiative, Qualcomm® Wireless Reach™, we are working with stakeholders in China to equip rural teachers with 21st century computing and teaching skills, improve access to health care in rural areas, and address the challenges faced by the blind and visually impaired. Over the last decade, Wireless Reach has cooperated with over 75 domestic partners, implementing 17 programs across China, benefiting nearly one million people.

For over 30 years, Qualcomm has been dedicated to inventing the future and improving lives around the world through mobile technology. We are proud to be playing a part in the latest chapter in China’s long history of innovation, as the new paradigm of sustainability is nurtured and transformed by growing connectivity. Moving forward, we are committed to accelerating the global expansion of the Chinese mobile ecosystem, fostering growth of the Chinese semiconductor industry and helping China build an innovation-driven economy through continued and new collaborations that will aim to improve the lives of China’s citizens.

Frank Meng
Chairman, Qualcomm China

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1 The China Internet Network Information Center, Dec ’16
About Qualcomm

Qualcomm Incorporated includes our patent licensing business, QTL, and the vast majority of our patent portfolio. Qualcomm Technologies, Inc., a subsidiary of Qualcomm Incorporated, operates, along with its subsidiaries, all of our engineering, research and development functions, and all of our products and services businesses, including our QCT semiconductor business. Neither Qualcomm Technologies, Inc. nor any of its subsidiaries has any right, power or authority to grant any licenses or other rights under or to any patents owned by Qualcomm Incorporated.

References in this Report to “Qualcomm” are for ease of reference, and may mean Qualcomm Incorporated, Qualcomm Technologies, Inc. and/or their Chinese or other subsidiaries or business units, as applicable.
About 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 integrated circuit 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. 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

Qualcomm received the “2015 YuLong Strategic Supplier Award” at the YuLong Coolpad Suppliers Conference in Shenzhen

Qualcomm Wireless Reach received the “2015 China Social Responsibility Outstanding Case Award” and Qualcomm 21st Century Classroom received the "2015 China Social Responsibility Science and Technology Innovation Award" at the Xinhuanet CSR Award Ceremony

Qualcomm was awarded the “2015 Outstanding Contribution Award for Foreign Invested Enterprises in China” at the Global Business, China Impact - Forum on the development of foreign funded enterprises in China
Milestones: Technology Transforms Lives

Transforming Semiconductor Technology

- Qualcomm opened Qualcomm Communication Technologies (Shanghai) Co. Ltd., a semiconductor test facility located in the Waigaoqiao free-trade zone in Shanghai; this is Qualcomm’s first foray into providing manufacturing services for semiconductors.

- Qualcomm increased its investment in SJ Semiconductor Corporation, a joint venture between SMIC and Jiangsu Changjiang Electronics Technology Co., Ltd. that will work toward expediting the establishment of China’s first 12” bumping production line.

Transforming the Mobile User Experience

- Qualcomm launched Snapdragon All-Mode² to support customers’ mobile experience in a 4G+ era in China.

- Qualcomm announced the official launch of Snapdragon 820, which now powers Xiaomi’s three Mi 5 smartphones, the vivo Xplay5 and the OnePlus 3.

- Qualcomm and Jingdong launched “JD Snapdragon Express” in Beijing.

Transforming Technology Through Collaboration

- Qualcomm, jointly with China Mobile, Ericsson, Huawei, Nokia, ZTE, Datang, Intel, Haier, Hisense and Shougang, officially launched the 5G Joint Innovation Center.

- China Mobile cooperated with Qualcomm and Huawei to carry out the LTE DDD uplink carrier scale field test.

- Qualcomm, Huawei, Ericsson and China Mobile Sichuan branch launched the “4G+ uplink carrier aggregation and 64-QAM technology” pilot network in Chengdu and Ziyang.

² Qualcomm Snapdragon is a product of Qualcomm Technologies, Inc.
Transforming the World Sustainably and Responsibly

Qualcomm Wireless Reach

- The Qualcomm’s 21st Century Classroom program developed a cutting-edge learning environment at three schools in Sichuan Province. Classrooms were outfitted with broadband internet connectivity, tablets and interactive teaching boards, and have access to state-of-the-art digital educational materials to boost learning.

- Our Wireless Heart Health program is deploying mobile broadband-enabled ECG-sensing smartphones in rural areas to conduct heart screenings that connect community health care providers with heart specialists who provide consultations.

- In collaboration with Business for Social Responsibility and Baoyi, a Chinese social enterprise, Wireless Reach launched the “See4me” mobile app to help address the challenges that the blind and visually impaired face in their daily lives.

STEM (Science, Technology, Engineering & Math)

- Qualcomm was an integral player in expanding the FIRST® Tech Challenge (FTC), a STEM robotics program, providing financial support for 30 teams, sponsoring three regional competitions and contributing a total of 1,300 employee volunteer hours during the 2015-2016 season.

- Qualcomm is now cooperating with 10 universities and institutions in China.

- Qualcomm’s Education Society provided funding to 25 programs in 25 universities to support R&D initiatives and activities, teaching and course system reforms and infrastructure improvements.

Inclusion and Diversity

- Qualcomm worked with the Institute of International Education (IIE) to launch our WeTech Qualcomm Global Scholars program in China.

Guizhou Province

In January 2016, Qualcomm and officials from the People’s Government of Guizhou Province signed a strategic cooperation agreement and unveiled a joint venture – Guizhou Huaxintong Semi-Conductor Technology Co., Ltd. By doing so, the two sides aim to collaborate to speed up the innovation of the Guizhou big data center, as well as drive the strategic development of the “Internet Plus” policy and big data center policy. The joint venture will also focus on developing itself as a world-leading server chipset provider that designs, develops and sells in the domestic server chipset market. In November 2016, Guizhou Huaxintong Semi-Conductor Technology Co., Ltd. announced the opening of its R&D center, as well as its wholly-owned subsidiary Beijing HXT Semiconductor Technology Co., Ltd. in Beijing.
Our Sustainability Strategy

Committed to Responsible Innovation

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.

Our Sustainability Policy articulates our sustainability mission and overarching commitments to innovate responsibly:

- 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 do business.
- Continue to drive value to our stakeholders.

Simply put, sustainability is part of everything we do. From our daily operations to our stakeholder engagements, our commitment to sustainability allows us to set goals that go beyond the bottom line.

Adopted in 2015, our 2030 Sustainability Vision is our roadmap to inform big-picture thinking on sustainability issues that are most important to Qualcomm, and it will help us identify where we can collaborate with key stakeholders to create sustainable solutions. There is a high degree of alignment with China’s national goals and strategies, such as the 13th Five-Year Plan’s goal to pursue innovative, coordinated and green development.

We are also proud to announce our newly adopted 2020 global sustainability goals this year – the milestones that will enable us to focus on key outcomes and stay on track to achieve our 2030 Sustainability Vision. These new goals also contribute to the achievement of national development goals in China and other countries. We will continue to share our milestones and progress toward our goals in our annual sustainability report and through our website, blogs and other communication channels.

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 our climate and water impacts across our value chain.
- Actively engage stakeholders in our sustainability programs.
Our 2020 Sustainability Goals:

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<tr>
<th>Goal</th>
<th>Description</th>
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<tr>
<td>We will have a comprehensive understanding of the sustainability impacts and opportunities arising from the application of our technology.</td>
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<tr>
<td>Our comprehensive programs for recruiting, retaining and promoting an inclusive and diverse workforce will result in increased representation of women and underrepresented minorities across our workforce including technical and business leadership roles.</td>
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<tr>
<td>We will have a comprehensive understanding of our carbon and water footprints across our value chain.</td>
<td></td>
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<tr>
<td>We will have a comprehensive understanding of the sustainability impacts in our supply chain.</td>
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<tr>
<td>We will enhance and expand the talent pipeline in the technology industry by engaging students and other key stakeholders in our scalable STEM education initiatives.</td>
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<tr>
<td>Our key stakeholders will have a thorough understanding of our sustainability programs and priorities.</td>
<td></td>
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<tr>
<td>We will have a comprehensive understanding of our human rights impacts and opportunities.</td>
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<tr>
<td>Our ethics and compliance standards will continue to be fully integrated into our global business operations where we have a controlling interest.</td>
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Our Sustainability Priorities

Focusing Our Resources, Programs and Reporting to Make a Positive Impact

In 2015, we worked with consultants from Business for Social Responsibility (BSR), a global nonprofit business network and consultancy dedicated to sustainability, to conduct our second global materiality assessment – we conducted our first in 2013. Our materiality assessment included both research and interviews with key leaders from across the company and helped us prioritize the sustainability issues that are most important to our business and to our key stakeholders. By identifying our top sustainability priorities, we can focus our resources, programs and reporting on these core topics. These priorities are integral to our ability to create shared value with our stakeholders. 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 prevent harm to individuals, communities and the environment, and sustainably procuring 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 science, technology, engineering and mathematics (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

Qualcomm takes pride in innovating for the greater good. Our products are helping to empower people and enhance the quality of life in China and around the globe. They're enabling economic development, “smart” urban infrastructure, efficient transportation, cost-efficient health care and more.

Our Wireless Reach initiative is one of the ways that we leverage mobile breakthroughs for positive change and impact. Programs help connect a diverse group of stakeholders to bring wireless technology to underserved communities around the world. Wireless Reach invests in programs that foster entrepreneurship, aid public safety, enhance health care delivery, enrich teaching and learning, and improve environmental sustainability.

In 2016, Wireless Reach focused on integrating mobile into Chinese classrooms, enhancing preventive health care and improving quality of life for the visually impaired. We are helping local communities use information and communication technologies to modernize education and reduce poverty. Together with local health care providers and heart specialists, our technology is helping to reduce cardiovascular morbidity and mortality in rural areas, while our new app “See4me” is connecting thousands of people who are blind and visually impaired to volunteers. We’re proud that Wireless Reach won the “2015 China Social Responsibility Outstanding Case Award” at the Xinhuanet CSR Award Ceremony. Our 21st Century Classroom program was also honored with the “2015 China Social Responsibility Science and Technology Innovation Award”.

Qualcomm 21st Century Classroom

To meet the priorities of the Chinese government’s national “Three Connections, Two Platforms” plan, the Qualcomm 21st Century Classroom program is a collaboration with China Children and Teenagers’ Fund (CCTF). We support local communities’ use of information and communications technologies (ICT) to modernize education and reduce poverty.

In 2016, the program implemented a cutting-edge, 21st century learning environment in selected classrooms at GuangAn Second Middle School in GuangAn District, and Meng Ya Primary School and Wen Xing Middle School in Yilong County in Sichuan Province. All classrooms in the participating schools were provided with broadband internet connectivity and electronic smart boards. 200 teachers and 360 students received tablets with Qualcomm® Snapdragon™ processors to learn ICT skills, access state-of-the-art digital educational materials and better communicate with one another.

Since the program implementation began in late 2015, 200 teachers and 4,000 students aged 7 to 15 have benefited. 80 percent of teachers who participate in the trainings report that their teaching skills and ICT knowledge have improved since the program began. Based upon the program results achieved in Sichuan Province, Wireless Reach is collaborating with CCTF to expand the program to three new schools in the Jiangxi Province.

Wireless Reach Projects and Locations

Qualcomm Wireless Reach Programs in China

Benefiting nearly one million people
Wireless Heart Health

In China, our Wireless Heart Health (WHH) program is deploying mobile broadband-enabled electrocardiogram (ECG)-sensing smartphones to conduct quick and accurate heart screenings that connect community health care providers with heart specialists for consultation. In collaboration with Life Care Networks, WHH aims to decrease cardiovascular morbidity and mortality in rural, at-risk areas in China. Since the program’s launch, 2,288 care providers have used the ECG-sensing smartphone system to conduct almost 340,000 readings.

To help ensure the program’s sustainability and develop a strategy for scaling the business model, we designed and implemented a use and satisfaction survey in collaboration with Vital Wave, Inc. in the fall of 2015. To commemorate World Heart Day, in October 2016, we released a white paper that summarized the survey results and highlighted the program’s success in supporting rural health providers to address the rising health burden of cardiovascular disease (CVD).

The results showed that health care providers are very satisfied with the ECG-sensing smartphones and believe they are providing improved care and services to patients with CVD. With the ECG-sensing smartphones, costs are decreasing significantly, quality and reach of care is increasing, and satisfaction is high among patients and practitioners.

See4me

There are an estimated 12 million people who are blind and visually impaired (BVI) in China. Some information technology products exist to help them overcome navigation and information recognition challenges, but these technologies are not holistic and do not meet the unique needs of China’s BVI community. To address the most pressing needs of this community, Wireless Reach, BSR, Beijing Baoyi Interaction Scientific and Technological Company (Baoyi) and China Academy of Information and Communication Technology (CAICT) jointly launched “See4me”, a free technology and volunteer services mobile application.

The program features a free mobile application that combines remote, manual assistance from volunteers through picture and text message support, audio and visual support, and accompanying services to help the BVI overcome challenges.

People who are blind or visually impaired can use the “See4me” app’s audio-visual, picture and text message support functions to communicate with volunteers remotely and receive remote voice-guided assistance for difficult-to-see information, such as the expiration date on a milk carton, instructions on a medicine bottle, or a CAPTCHA online verification code. Combining the existing built-in technologies of smartphones with remote manual assistance, volunteers can vocally guide BVI users, step-by-step, to navigate in public spaces such as supermarkets, malls, parks and transportation hubs. If planning to navigate a particularly complicated outside environment, the user can book a volunteer in advance to accompany them. These volunteers can assist the BVI user with activities such as going to the hospital or catching a train.

To date, there are over 10,000 registered BVI and volunteer users. Volunteers have responded to over 2,700 picture and text support requests, and successfully maintained an average usage rate of over 70 percent.
Sustainable Product Design

Innovation that Protects People and the Planet

Qualcomm believes that the best breakthroughs are sustainable, which is why we want our products to be distinguished not only by their intelligence, but also by the care and attention we take in designing them.

We are focused on creating products in ways that prevent harm to individuals, communities and the environment, and sustainably procuring materials and minerals. We are committed to sustainable practices in our products and supply chain – to make our products as sustainable as technically and commercially feasible. This requires robust design and operational activities inside Qualcomm, and collaboration with external organizations, communities, and our supply chain.

In China and around the world, we are developing technologies that work to curb CO₂ emissions, such as our Qualcomm Halo™ 7.2kW wireless charging system for cars. 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. It is also important that we ensure that our sustainability strategy and programs not only meet the needs of our business but also the expectations of our employees. Employees are key stakeholders in our sustainability efforts, so we ensure that they have a thorough understanding of our sustainability priorities and have the opportunity to participate in various initiatives.

We are a strong proponent of environmental sustainability, and we believe electric vehicles (EVs) are the future – they’re efficient and better for the environment. The Fédération Internationale de l’Automobile (FIA) Formula E Championship, the world’s first fully-electric auto racing series, can help elevate EVs in public opinion. As an official Founding and Technology Partner, we believe that Formula E has the potential to make EVs “sexy” not just for those “on the fence” about purchasing an EV but also for the next generation of car owners. We believe in the trickle-down effect of auto racing – that the breakthroughs you see used in competition will one day trickle down into the cars you buy and drive. If we can do that, the demand for EVs should increase, the auto industry and its manufacturers will be incentivized to accelerate development and improve the design of EVs, and we’ll be better off by contributing to the earth’s wellbeing.

This year, we launched the new Official Qualcomm Safety Car for season two of the Formula E Championship. The new Official Qualcomm Safety Car is the BMW i8 but with a twist – the i8 will be charged wirelessly with an advanced Qualcomm Halo 7.2kW wireless charging system. The Qualcomm Halo 7.2kW wireless charging system delivers twice the amount of energy to the BMW i8’s batteries per hour as compared to last year’s 3.6kW system. This approximately halves the full charge time, enabling the vehicle to fully charge in one hour. Our new technology supports the goal of the Formula E Championship to advance the development of new technologies for EVs and to bring those technologies, vital to sustainable mobility, to the attention of millions of people around the globe.
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.

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.

We ensure that we comply with China’s Administrative Measure on the control of Pollution Caused by Electrical and Electronic Products (also known as “China RoHS2”) which requires the marking and labeling of products for the presence of six hazardous substances in electrical and electronic products.

In our “CO₂+U QChallenge,” employees learned about our goal to reduce absolute Scope 1 and Scope 2 Greenhouse Gas (GHG) emissions from our global operations by 30 percent by 2025, compared to a 2014 baseline, and the progress we’ve made in achieving it, thus far. They also learned how our products are built with sustainability in mind and how they can be leveraged to enhance quality of life worldwide. More than 1,800 employees from over 120 offices worldwide, including China, India, the United Kingdom and the United States, joined the campaign.

More than 2,000 employees championed water stewardship through our “Take the Water Pledge” campaign. They committed to at least one of 10 water-saving actions to reduce their water footprints for 30 consecutive days.

Qualcomm’s goal is to reduce absolute Scope 1 and Scope 2 greenhouse gas emissions from our global operations by 30 percent, compared to a 2014 baseline, by 2025.

Qualcomm's Global Greenhouse Gas (GHG) Emissions*

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<th>Units</th>
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<td>2016</td>
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<tr>
<td>2015</td>
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<tr>
<td>2014</td>
<td>0.02066</td>
<td>67,793</td>
<td>114,811</td>
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</table>

* Amounts for 2016 and 2015 represent prior-year calendar year data for 100% of Qualcomm’s global facilities. Amounts for 2014 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.

** Amount for 2016 represents employee business air travel, business car rental and employee commuting. Amount for 2015 represents employee business air travel and business car rental only.
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 employees 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® Malware Detection$, 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.

In 2016, we conducted a global training and certification program (CIPP-E) for privacy and data protection for key employees involved in our Privacy Steering Committee efforts, addressing compliance and risk mitigation practices. We also updated our Privacy Guiding Principles and increased our reporting on privacy metrics.

$ Qualcomm Malware Detection is a product of Qualcomm Technologies, Inc.
Science, technology, engineering and mathematics, known collectively as STEM, are essential to the inventions that we bring to life. It’s easy to imagine that technology will always get better, faster and cheaper – but without disruptors, scientists and engineers, our culture of creative innovation would not exist. We must inspire the next generation of great thinkers and inventors by showing them the possibilities that lay before them in areas such as robotics, connected cars, the Internet of Things (IoT) and 5G. Our STEM efforts are helping to do just that and more. We support STEM experiences for students of all ages, and we are expanding opportunities for greater diversity within the STEM workforce, both now and in the future.

Through our Qualcomm® Thinkabit Lab™, we expose students from all cultural and socioeconomic backgrounds to STEM concepts and careers that are essential to tomorrow’s workforce, not only at Qualcomm but in every aspect of building the wireless IoT and 5G ecosystems. We also collaborate in public-private partnerships and work with outstanding organizations like FIRST® to help inspire students worldwide to pursue STEM degrees and careers. By joining together, we have a much larger impact on improving the talent pipeline. In addition, through our University Relations program, we foster stronger partnerships with universities, focusing on research collaboration, as well as further recruitment of talented graduates.

The Thinkabit Lab: What Dreams are Made Of

At Qualcomm, we are focused on building the wireless world of the future, and we want to show students that they can be a part of building that future. That’s why we started the Thinkabit Lab in 2014.

First launched at our San Diego headquarters, the Thinkabit Lab is a combination engineering lab, makerspace and classroom for students from all cultural and socioeconomic backgrounds. The lab provides students ranging from ages 10-13 and their teachers with a unique, hands-on engineering and career exploration experience. Many students walk into the lab not knowing what an engineer is or does, and by the time they leave, they want to become one.

In the long term, we hope to expand the Thinkabit Lab to serve more students in different regions. As part of this effort, we are developing a toolkit component to give schools, libraries and other organizations who want to build their own Thinkabit Lab a chance to access resources, reconnect with their lab experience and inspire their ongoing interest in STEM.

Last year, we made a donation to Shanghai Adream Charitable Foundation to establish three Qualcomm Dream Centers in three primary schools, including two in Beijing and one in Shenzhen. The Dream Centers are multimedia classrooms equipped with computers and internet access. They aim to provide a competency-based curriculum focused on innovative learning and personal growth for students in rural areas. In March 2016, Qualcomm Dream Center was launched in one of the three schools mentioned above, Beijing Mayu Primary School.

At the launch ceremony, we organized activities inspired by the Thinkabit Lab to help children expand their horizons and to experience writing code and making robotic crafts. This is the first time Qualcomm held a Thinkabit Lab activity in China at a school for children of migrant workers.
FIRST: The First Step to STEM

Since 2006, we have been a proud supporter of FIRST (For Inspiration and Recognition of Science and Technology), a nonprofit organization with a vision to create a world where science and technology are celebrated and where young people dream of becoming science and technology leaders. Expanding access to STEM programs worldwide is a top priority for both Qualcomm and FIRST.

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. In addition, our latest innovations are included in the FIRST Tech Challenge (FTC) competition in order to give students hands-on experience with cutting-edge mobile technology.

In China, we have been an integral player in expanding the FTC program – providing financial support for 30 teams, three Qualcomm sponsored regional competitions, 1,300 employee volunteer hours, reaching more than 4,000 spectators during the 2015-2016 season. Following the FTC regional competition in Beijing and Shenzhen in March 2015, the FIRST China Open was held at the Shanghai Science & Technology Museum in June. This was the first time all four FIRST competitions were held simultaneously in China. 38 teams attended the FTC competition, including two that were invited from the US and one that was invited from Russia. Snapdragon processor-powered smartphones were used to remotely control the robots used in the FTC.

In November 2015, teams from FIRST went to Beijing to participate in the World Adolescent Robot Contest (WARC). This international contest, organized by the Children and Youth Science Center of CAST, is designed for students 8 to 15 years old. As part of the World Robot Conference 2015, the WARC worked with Qualcomm engineers to ensure that the competitors were provided with a range of support, such as hardware testing and site recovery.

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"This is my second time joining FTC as a volunteer – it’s a fantastic platform. During the competition, I’m able to use my technology expertise and also watch the amazing robotics made by the students." - Xiaoyi Zhu

Xiaoyi Zhu
Engineer, Senior Staff,
QUALCOMM Wireless
Communication Technologies
(China) Limited

"This is my second time supporting FTC as a volunteer. I am a huge fan of robotics and it was my major at university. The FTC competition provides young students with a hands-on opportunity to build robots and encourages them to proactively work with industry to get funding support." - Bingzhe Cai

Bingzhe Cai
Staff Engineer, 
QUALCOMM Wireless
Communication Technologies
(China) Limited
Qcamp™ for Girls in STEM

As part of Qualcomm’s commitment to target younger female students for STEM, Qualcomm has hosted a Qcamp™ in STEM (Qcamp) program at the Thinkabit Lab at Qualcomm’s San Diego headquarters campus since 2014. The one to two-week, free-of-charge, intensive summer camp is designed to introduce and solidify middle school girls’ interest in STEM. In the summer of 2016, in collaboration with the China Association for Science and Technology, we held our first Qcamp for girls in China. 40 girls from middle schools in the provinces of Guizhou, Yunnan, Qinghai, Gansu and Henan were invited to Beijing for an eight-day summer camp that was filled with fun activities such as field trips, visits from inspiring tech executives, coding and robo-crafting. Like our original Qcampers in the U.S., these new Qcampers concluded their experience on a strong note - excited about engineering and asking to be invited back.

University Collaboration

As the world evolves and technologies continue to advance, the traditional boundaries of mobile technology get redefined. That makes the collaborations we’ve fostered with universities even more important, since our university partners are, and will continue to be, key contributors to our success in emerging research areas.

Qualcomm is now cooperating with a number of universities and institutions in China including: Peking University, Tsinghua University, Beijing University of Posts and Telecommunications, Zhejiang University, the Institute of Computing Technology Chinese Academy of Sciences, Hong Kong University of Science and Technology, National Tsing Hua University, National Taiwan University and National Sun Yat-Sen University.

In 2016, Qualcomm applauded China’s strong support for STEM by collaborating with China Association of Higher Education to provide funding to 25 programs in 25 universities to support R&D initiatives and activities, teaching and course system reforms, and infrastructure improvements. As of December 20, 2016, we’ve received applications from more than 40 universities. The final list of the 25 programs was announced by the Ministry of Education in January 2017.

In addition, to help students find employment and support them in their personal growth as well as their career development, Qualcomm welcomes the most promising new Chinese college graduates to its internship program every year. Around 50 to 60 percent of our interns are hired as formal employees upon completion of their internships.

Qcamp is a trademark of Qualcomm Incorporated.
Inclusion and Diversity

We are committed to a diverse and inclusive work environment that provides equal opportunities for all employees. We embrace diversity and inclusion throughout our workplace and recognize the important business benefits they bring to our company, including the exchange of unique ideas and perspectives, a connection for our employees to their work and our ability to attract top-notch talent from around the world. Over the years, we have implemented a robust framework of programs to support our diversity and inclusion efforts and have established strong collaborations with various external stakeholders to help embed those values throughout our industry and beyond. While we have a strong, vibrant culture at Qualcomm that celebrates diversity in all forms, we still have work to do to achieve our goals, and we will continue to focus on making meaningful enhancements to our current initiatives. Our open door policy encourages employees to address any questions or concerns regarding their compensation through multiple channels.

Spotlight: Yu Zhujun, WeTech Qualcomm Global Scholar

Yu Zhujun, from Jiangsu Province, China, is a student at the Department of Electrical Engineering at Tsinghua University and a WeTech Qualcomm Global Scholar. She has had a strong passion for STEM since she was young. She is now in her third year at college and will continue pursuing her Ph.D. at Tsinghua after graduation, focusing on power electronics, including electric vehicles and wireless charging technology.

The interactions with my mentor were very helpful. It was through my mentor that I discovered that I was truly interested in engineering, and it determined my research direction for my Ph.D. The program has a very well-developed system in terms of career training. From self-assessment to resume drafting, to networking skills, I was truly inspired to pursue a career in STEM. The program gives not just financial support, but also confidence to girls who choose to study and pursue a career in science and engineering. The program provides a great opportunity to learn and grow.

Spotlight: Beijing Light and Love School

Beijing Light and Love School is a non-profit school providing primary education, accommodation, medical assistance, professional training and psychological guidance for orphaned, severely underprivileged and homeless children in China. The school is currently under the supervision of China Foundation of Culture and Arts for Children.

In 2016, we initiated grant programs for students at the Light and Love School. Among the 87 students, six of them were provided funding to take vocational training, which will give them the professional skills they need to find a job so that they can live independently.

Spotlight: World of Art Brut Culture (WABC)

World of Art Brut Culture (WABC) is a Shanghai-based nongovernmental organization (NGO) dedicated to helping those with special needs to achieve their value through art in society. WABC established the Brut Art Therapy Workshop to provide art classes for their students.

We provided funding support to WABC for the purchase of art supplies and art studio decorations. The funding will also be used to cover some utilities expenses and staff salaries.

WeTech

The Women Enhancing Technology (WeTech) program is a collaboration with the Institute of International Education (IIE). This program aims to build the pipeline of girls and women in STEM fields by linking them to opportunities, including university scholarships, leadership and technical-skills training and mentorships.

In 2016, we worked with IIE to launch our WeTech Qualcomm Global Scholars program in China. We provided scholarship funding to 18 Chinese undergraduate female students pursuing STEM degrees and paired them with our employees who served as their mentors. The mentoring component provided the students with an opportunity to gain academic experiences and access to a network of industry professionals.
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. We push the boundaries of what’s possible in mobile technology, but we don’t push the boundaries on ethics. We consider ethical governance and conduct to be a core requirement to doing business, a competitive business advantage and the right thing to do. By exercising ethical leadership, we inspire and generate confidence in our company’s future, as well as create a safe and supportive work environment for our employees. In a dynamic global industry where innovation can create new ethical questions, we find clear guidance in our high standards, values-based culture and The Qualcomm Way: Our Code of Business Conduct.

Our commitment to doing business the right way extends into our supply chain as well. As a member of the Electronic Industry Citizenship Coalition (EICC), we have adopted the EICC Code of Conduct for our operations and as our supplier code of conduct. Our adherence to both our Code of Business Conduct and the EICC Code of Conduct demonstrates that we are committed to upholding the highest ethical standards throughout our value chain.

We actively engaged our employees in our ethical governance programs to ensure they had a thorough understanding of what was expected of them. We conducted 35 in-person FCPA and Anti-Corruption compliance training sessions for employees located in China. We also provide a general overview of our ethics and compliance programs at 29 new employee orientation events throughout the year.
Inventing and Innovating for Tomorrow

We are inventors at Qualcomm; always pushing the boundaries of what’s possible with the goal of making a positive difference for people and communities worldwide. China has a long history of invention and we want to continue being a part of this story of innovation. Since first introducing our technologies and products here over 20 years ago, Qualcomm has been dedicated to helping grow China’s wireless industry by investing significantly in research and development, licensing our advanced technologies (which are the primary drivers of value in mobile devices), providing the most advanced chipsets to our Chinese partners, and collaborating across the Chinese mobile ecosystem. Qualcomm’s business model has encouraged new entrants and competition in the global handset industry and Chinese companies have grown significantly as a result.

We know that sharing makes innovation possible, which is why we are committed to collaborating with employees, industry peers, suppliers, business associates, customers, governments and civil society to create sustainability solutions. We are collaborating across the ecosystem to help build an innovative and technology-driven Chinese economy – whether through 5G R&D based in China; improvements to our groundbreaking Snapdragon platform; or incubating the newest talent and ideas within China to invest and invent technologies that will advance the mobile industry and help make the vision of building an innovation-driven economy a reality.
Technology at the Frontier

As we did with 3G and 4G, Qualcomm is leading the world to 5G. We are designing a unified, more capable 5G platform – pioneering many new technologies to meet 5G’s expanded and radically diverse connectivity requirements. We are driving 5G New Radio (NR) from standardization to commercialization – contributing to 3GPP standard activities and collaborating with industry leaders on impactful 5G demonstrations and trials to prepare for commercial network launches. At the same time, we are leading the evolution of 4G LTE to its full potential, pioneering 5G technologies and use cases today with LTE advancements such as unlicensed spectrum, narrowband Internet of Things (IoT), and more. Finally, we are supporting early 5G deployments and field trials with our first 5G modem solution – the Snapdragon X50 5G Modem – to gain real-world experience in commercializing mmWave technology that will be utilized to accelerate the 5G NR standard.

5G and a New Era of Intelligent, Connected Devices

It’s an exhilarating moment, not just for the technology industry, but for everyone. 5G isn’t an incremental improvement in connectivity, or even just a new generation of mobile. 5G will be a new kind of network, supporting a vast diversity of devices with unprecedented scale, speed and complexity. To support the expanded connectivity needs for the next decade, 5G will take on a much bigger role than previous generations. Our vision for 5G is a unifying connectivity fabric that will expand the value of mobile networks to connect new industries and devices, empower new services, enable new employments, utilize new spectrum bands and types, open up new business models, and bring new levels of cost and energy efficiency.

This year at Mobile World Congress (MWC) Shanghai, we first introduced our 5G NR sub-6 GHz prototype system and trial platform, and the standardization of 5G NR – the global 5G standard. At the World Internet Conference 2016 in Hangzhou, we demonstrated our 5G NR, which was recognized as one of the top 15 technologies at the conference.

The 5G Economy

In early 2017, Qualcomm commissioned and released a landmark study, The 5G Economy, examining the potential economic and social impact of 5G around the world. The 5G Economy includes an economic impact study conducted by IHS Markit, as well as opinion research about the expectations for 5G among business and technology leaders carried out by PSB. The combined findings of the study show how 5G will profoundly affect the global economy and that business decision makers in technology and other industries overwhelmingly believe in the transformational nature of 5G. According to the study, in 2035, when 5G’s full economic benefit should be realized across the globe, a broad range of industries – from retail to education, transportation to entertainment, and everything in between – could produce up to $12.3 trillion worth of goods and services enabled by 5G. The 5G value chain itself could generate up to $3.5 trillion in revenue in 2035, supporting as many as 22 million jobs globally – in China specifically, this translates to $984 billion in revenue and 9.5 million jobs. Over time, 5G will boost real global GDP growth by $3 trillion dollars cumulatively from 2020 to 2035, roughly the equivalent of adding an economy the size of India to the world in today’s dollars.
Our Connected Future: IoT

Qualcomm is accelerating the creation of a new and enormous ecosystem – IoT – where connected places and things work in concert: what we drive, what we wear, the homes we live in and the cities in which we live. A world where devices are safer, smarter, deliver dynamic experiences, and work seamlessly together, regardless of platform, standard or manufacturer, to improve our lives.

We are well positioned with our scale and expertise in connectivity and computing to invent and deliver the technologies needed in IoT, today and in the future – helping customers commercialize their products faster and more cost-effectively using our optimized platforms in the areas of Smart Bodies, Smart Home and Smart Cities. This year we hosted our third Qualcomm IoE (Internet of Everything) Day in Shenzhen, showcasing our latest technologies and solutions supporting the development of IoT.

This year’s highlights include:

- We launched our Snapdragon All-Mode to support customers’ mobile experience in a 4G+ era in China. We also announced the official launch of the Snapdragon 820, which now powers the vivo Xplay5, the OnePlus 3 and Xiaomi’s three Mi 5 smartphones.

- At CES 2016, Qualcomm, Tencent and ZEROTECH announced and demonstrated a commercial drone based on the Qualcomm® Snapdragon Flight™ platform.

- We announced a multidimensional strategic cooperation program with JD.com, which included launching a new website to sell products powered by Snapdragon.

- Together Qualcomm, Huawei, Ericsson and China Mobile Sichuan branch launched the “4G+ uplink carrier aggregation and 64-QAM technology” pilot network in Chengdu and Ziyang. For this pilot they used Le Max2 phone enabled by Snapdragon 820 processor with integrated X12 LTE modem.

7 Qualcomm Snapdragon Flight is a product of Qualcomm Technologies, Inc.
Empowering Local Innovation

Collaboration is key to the invention of a sustainable future. Our efforts in driving growth for the China mobile ecosystem have helped transform many from contract manufacturers to technology and product developers. Apart from continuing the cooperation with the Chinese wireless industry, Qualcomm has begun seeking new cooperation direction, deepening and enlarging its investment in China.

Guizhou: Pursuing the Data Center Opportunity in China

Qualcomm formed a joint venture (JV) with the People’s Government of Guizhou Province to focus on the design, development and sale of advanced server chipset technology in China, the second largest country in the world for server technology sales. The strategic cooperation agreement and JV will feature Qualcomm server chipset technology and R&D processes to potentially serve a growing appetite for next generation technology—specifically linked to big data—in China. The JV aims to speed up the innovation of the Guizhou big data center, as well as drive the strategic development of “Internet Plus” policy and build the big data center policy. The JV will also focus on building a world leading server chipset provider that designs, develops and sells in the domestic server chipset market.

Qualcomm is not only providing investment capital, but also licensing our server technology to the JV and assisting with the R&D process and implementation expertise. Qualcomm will also establish an investment company in Guizhou that will serve as the vehicle for future investments and business transactions in China.

Thundercomm: Accelerating the Development of China’s IoT

The Internet of Things (IoT) is another important pillar of the “Internet Plus” policy. In February 2016, Thundersoft and Qualcomm announced an equity JV, Thundercomm Technology Co., Ltd. (Thundercomm) in Chongqing, to boost the development and innovation of the Chinese IoT industry. Qualcomm provided IoT solutions based on Snapdragon processors. This new JV has launched technical cooperations with several drone and virtual reality (VR) manufacturers, and provided production support.

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8 Qualcomm server chipsets are products of Qualcomm Datacenter Technologies, Inc.
Qualcomm Communication Technologies: Exploring New Frontiers

Qualcomm announced the establishment of Qualcomm Communication Technologies (Shanghai) Co. Ltd. Working with the world’s leading provider of semiconductor packaging and testing services, Amkor Technologies Inc., the new company will combine Amkor’s industry-leading testing service experience and sophisticated cleanroom facilities with Qualcomm’s advanced product engineering expertise. This marks Qualcomm’s first entry into the semiconductor manufacturing test services market.

SMIC: Sharing for Success

Semiconductor Manufacturing International Corporation (SMIC) is a world-leading semiconductor foundry, and the largest and most advanced foundry in Mainland China. Qualcomm has worked closely with SMIC for more than a decade, sharing our technological expertise and experience. Qualcomm is committed to helping SMIC build the capacity and expertise necessary to develop and manufacture the most advanced wireless chipsets in China and the world. SMIC recently started mass production of Snapdragon 425 and MDM9x07 on 28nm production line – marking a new height for SMIC and the Chinese semiconductor industry. It has enabled SMIC to develop and run stable manufacturing processes, and ensured that SMIC’s fabrication facility has sufficient scale to attract new business opportunities and succeed.

Qualcomm Builds Innovation Center in Shenzhen

We set up our first innovation center in China in October 2016 in Shenzhen, southern Guangdong province, to provide technological support to Chinese enterprises with a focus on IoT. The Innovation Center is equipped with the world’s top laboratories and is committed to fostering world-leading wireless technology innovation in China, and providing sophisticated technology and services to China’s partners.
Qualcomm is an invention company – our founding principle has been to invest and invent technologies that will advance the mobile industry. Qualcomm has established a number of initiatives to make this vision a reality. We are collaborating across the mobile ecosystem to help build an innovative and technology-driven Chinese economy. Since 2004, Qualcomm has supported many Chinese startup companies through venture investments, in industries ranging from mobile technology and frontier technology products to applications and services.

Qualcomm Ventures

Qualcomm Ventures (QCV) is the venture capital (VC) arm of Qualcomm Incorporated, and although QCV is a corporate VC, it approaches each investment opportunity much like a traditional financial VC. That means entrepreneurs can expect a quick and transparent process, an ability to see QCV bet big and early and a commitment to stay focused on helping you reach a desirable exit.

<table>
<thead>
<tr>
<th>In FY 2016, Qualcomm Ventures invested in the following companies:</th>
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<tr>
<td><strong>YunMake</strong>&lt;br&gt;Yunmake was established in 2013 and was incubated in the Zhejiang University Innovation Center. It defines itself as an innovation company that is focused on smart transportation.</td>
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<td><strong>Ximmerse</strong>&lt;br&gt;Ximmerse is a Chinese startup that plans to push virtual reality (VR) applications to the masses by delivering dedicated controllers and sensors as accessories for smartphones and VR headsets.</td>
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<td><strong>Vitamin Garden</strong>&lt;br&gt;Vitamin Garden provides smart gardening solutions to families which enable them to plant vegetables in their homes and enjoy healthy vegetables.</td>
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<tr>
<td><strong>ThunderComm</strong>&lt;br&gt;Thundercomm intends to provide support to Internet of Things (IoT) customers with “one-stop” products and services across various IoT segments.</td>
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<tr>
<td><strong>Farmeasy</strong>&lt;br&gt;Farameasy is one of the leading Agricultural Internet companies in China, aiming to utilize a smart farm management platform to improve the productivity of land.</td>
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<td><strong>Bell Robotics</strong>&lt;br&gt;Bel Education Group operates an online-to-offline business that lets students play educational games after class, and parents can track their children’s progress online.</td>
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<td><strong>ZeroTech</strong>&lt;br&gt;Founded in 2007 and headquartered in China, ZEROTECH is a provider of smart drones and smart unmanned aerial vehicles (UAV), with expertise in UAV technologies such as flight controllers, gimbals, HD video transmission, CV, binoculars, and electronic image stabilization.</td>
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<tr>
<td><strong>MagicVR</strong>&lt;br&gt;Founded in 2016, MagicMe is a company that is focused on providing VR technology, hardware products and VR applications. It has a number of patents on VR content production and interactive editing technology.</td>
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Spotlight: Ximmerse

Ximmerse is a Chinese startup that plans to push virtual reality (VR) applications to a mass audience by producing dedicated controller and sensor accessories for smartphones and VR headsets. Ximmerse’s aim is to provide a better VR user experience and explore new modes of human-computer interaction.

"Ximmerse is dedicated to making changes in how people work and live in the future by transforming the way we interact with virtual and augmented reality. We have forged a close partnership with Qualcomm Ventures since we received investment in June 2016. Qualcomm Ventures has provided support in PR, marketing, financing, R&D resources as well as commercial resources outside of the company. At the same time, Ximmerse is helping Qualcomm Ventures enter the emerging VR and AR market. We have accelerated our commercialization process and have laid a foundation to jointly define future technical standards."

Davy He, CEO, Ximmerse

Spotlight: ThunderComm

ThunderComm is an equity joint venture between ThunderSoft and Qualcomm that provides customers with end-to-end smart device solutions for technology such as drones, VR, robots and smart cameras.

"Qualcomm Ventures invested in ThunderSoft in 2011, and in 2016 ThunderSoft and Qualcomm founded ThunderComm together. The mission of ThunderComm is to facilitate innovation in the smart device industry and to create a rich and varied intelligent world. We combine Qualcomm’s world leading chip technology with ThunderSoft’s powerful operating system and localized service. Qualcomm provides support in terms of capital, global resources, chip technology and advanced technologies. Based on Qualcomm’s high-performance chips, ThunderComm is able to produce integrated solutions consisting of chips, core plates, operating systems, core algorithms and SDKs for smart devices. This has not only led to increased access to new customer resources, but also made ThunderComm more competitive in the global market."

Larry Geng, CEO, Thunder Software Technology Co., Ltd.

QPrize™ Competition China 2016

QPrize is Qualcomm Ventures’ seed investment competition. It is designed to provide entrepreneurs with their first level of funding so they can launch their ideas 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.

QPrize China 2016 (a.k.a. Qualcomm Sequoia Frontier TechStartup Competition) was held in September 2016 in Hangzhou. Different from the previous Qprize competitions, this year the focus was positioned on “Frontier Tech” which means early stage companies in frontier tech field only (AR, VR, drones, robotics, AI and IoT) are eligible to sign up to the competition. Within two months, we received 183 applications in total. 11 companies were selected to join the final competition. Top tier VCs from Sequoia, Northern Light VC, JD Ventures, Zhen Fund, Lenovo VC, Samsung Ventures and ARM VC attended the event as competition judges.
Final Remarks

2016 was a groundbreaking year for Qualcomm in China. Whether through our business model, innovations like 5G, or direct engagement with communities, we have aimed to use our technology to improve quality of life and have made marked contributions to China’s sustainable development.

As a global leader in 3G, 4G, and next-generation wireless technologies such as 5G, we have a duty to use our technologies to empower people. That means creating products in an environmentally friendly manner. It means promoting data protection across the mobile ecosystem. It means nurturing creative young business leaders and workers to power tomorrow’s workforce, by promoting and improving STEM for underrepresented students, and by providing promising people with the tools and support they need to turn their dreams into reality. In sum, it means leveraging mobile breakthroughs for positive change and impact.

The key to this is sharing. Working with governments, companies, public institutions and individuals, we are able to help China advance sustainable development via innovation: cooperation makes tomorrow’s innovation possible.

Over the past thirty years, China has seen rapid change and progress. We are confident that China will continue to connect, grow and develop in innovative and sustainable new ways. Qualcomm is both excited and committed to working with Chinese industries, companies, and people during this period of exciting transformation to deliver the benefits of mobile connectivity to all. Together, we can harness the power of mobile technology to shape our world for the better and build a truly connected future.
Our Global Business Updates

Qualcomm’s technologies powered the smartphone revolution and connected billions of people. We pioneered 3G and 4G—and now we are leading the way to 5G and a new era of intelligent, connected devices. Our products are revolutionizing industries, including automotive, computing, the Internet of Things, healthcare and data center, and are allowing millions of devices to connect with each other in ways never before imagined. Qualcomm Incorporated includes our licensing business, QTL, and the vast majority of our patent portfolio. Qualcomm Technologies, Inc., a subsidiary of Qualcomm Incorporated, operates, along with its subsidiaries, all of our engineering, research and development functions, and all of our products and services businesses, including, our QCT semiconductor business.

We conduct business primarily through these segments:

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<th>Segment</th>
<th>Revenue 2016</th>
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<tr>
<td>QCT</td>
<td>$15.4b</td>
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<tr>
<td>QTL</td>
<td>$7.7b</td>
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<tr>
<td>QSI</td>
<td>$47m</td>
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<tr>
<td>Other</td>
<td>$0.4b</td>
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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.

QTL (Qualcomm Technology Licensing) grants licenses and provides rights to use portions of our intellectual property portfolio.

Other businesses include our mobile health, data center, small cell and other wireless technology and service initiatives.

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.

Our QCT Supply Chain

QCT currently utilizes a fabless production model, which means that we do not own or operate foundries for the production of silicon wafers from which our integrated circuits are made. Rather, we rely on independent third-party suppliers to perform the manufacturing and assembly, and most of the testing, of our integrated circuits. Integrated circuits are die cut from silicon wafers that have completed the package assembly and test manufacturing processes. Our suppliers are responsible for the procurement of most of the raw materials used in the production of our integrated circuits. The majority of our foundry and semiconductor assembly and test suppliers are located in the Asia-Pacific region.

We employ two different manufacturing models to purchase our 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.

Turnkey manufacturing model

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

$43b+

Invested in R&D since 1985

$23.6b Revenue in 2016
About this Report

Since our founding in 1985, Qualcomm has been committed to improving 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 our third annual “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 2016 fiscal year—October 2015 to September 2016. Information, facts and figures that fall outside of the reporting frame are marked in a “What’s Next” box. Financial data is reported in USD.
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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.