

# Qualcomm Canada ULC

This report is made in compliance with Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act") by Qualcomm Canada ULC ("Qualcomm Canada").

Qualcomm Canada is a subsidiary of QUALCOMM Incorporated (collectively with its consolidated subsidiaries, including Qualcomm Canada, "Qualcomm," the "Company" or "we").

## Qualcomm

Qualcomm is a global leader in the development and commercialization of foundational technologies for the wireless industry, including 3G (third generation), 4G (fourth generation) and 5G (fifth generation) wireless connectivity, and high-performance and low-power computing including on-device artificial intelligence. Our technologies and products deliver intelligent computing and advanced connectivity in mobile devices and other products. Our inventions have helped power the growth in smartphones and other connected devices.

We are scaling our innovations across industries and applications beyond handsets, including automotive and the internet of things (IoT). In automotive, our connectivity, digital cockpit and advanced driver assistance and automated driving platforms are helping to connect the car to its environment and the cloud, creating unique in-cabin experiences and enabling a comprehensive assisted and automated driving solution. In IoT, our inventions have helped power growth in industries and applications such as consumer (including computing, voice and music and extended reality), edge networking (including mobile broadband and wireless access points) and industrial (including handhelds, retail, tracking and logistics and utilities). We derive revenues principally from sales of integrated circuit products, including our Snapdragon® family of highly-integrated, system-based solutions, and licensing of our intellectual property, including patents and other rights.

The foundational technologies we invent help power the modern mobile experience, impacting how the world connects, computes and communicates. We share these inventions broadly through our licensing programs enabling wide ecosystem access to technologies at the core of mobile innovation, and through the sale of our integrated circuit platforms (also known as integrated circuit products, chips, chipsets or modules) and other products.

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, substantially all of our engineering, research and development functions, and substantially all of our products and services businesses, including our QCT semiconductor business. Snapdragon and Qualcomm branded products are products of Qualcomm Technologies, Inc. and/or its subsidiaries. Qualcomm patented technologies are licensed by Qualcomm Incorporated.

For additional information on our business and operations, please see our website, [www.qualcomm.com/company](http://www.qualcomm.com/company).

## **Qualcomm Canada**

Qualcomm Canada had approximately 750 employees in 2023. The entity is primarily focused on research and development (R&D), for which over 90% of revenue generated was from R&D services provided to other Qualcomm entities. Qualcomm Canada does not sell goods into the Canadian market, but rather exports a relatively small amount of goods to other Qualcomm entities. In 2023, Qualcomm Canada also imported goods into Canada, such as test tools, from other Qualcomm entities to support its R&D activities.

This report sets out the steps that Qualcomm (inclusive of Qualcomm Canada) has taken as we strive to ensure that there is no forced labour or child labour in our supply chains or in any part of our operations. While the steps below are managed at the Qualcomm Incorporated and/or Qualcomm Technologies, Inc. level, the steps and corresponding analyses cover the operations and supply chain of the entire Qualcomm enterprise. As such, we do not believe that the risks of forced labour or child labour at Qualcomm Canada, its operations or any part of its supply chain, are significantly different than for Qualcomm as a whole.

## **Our Supply Chains**

Qualcomm 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. Other than the facilities we own that manufacture certain of our radio frequency front-end (RFFE) modules and RF filter products, we rely on third-party suppliers to perform the manufacturing and assembly, and most of the testing, of our integrated circuits based primarily on our proprietary designs and test programs.

Our suppliers also are responsible for the procurement of most of the raw materials used in the production of our integrated circuits. Integrated circuits are die cut from silicon wafers that have completed the package assembly and test manufacturing processes. The semiconductor package supports the electrical contacts that connect the integrated circuit to a circuit board. Die cut from silicon wafers are the essential components of all of our integrated circuits and a significant portion of the total integrated circuit cost. We employ both turnkey and two-stage manufacturing models to purchase our integrated circuits. Under the turnkey model, our foundry suppliers are responsible for delivering fully assembled and tested integrated circuits. Under the two-stage manufacturing model, we purchase die in singular or wafer form from semiconductor manufacturing foundries and contract with separate third parties for manufacturing services such as wafer bump, probe, assembly and the majority of our final test requirements.

The majority of our foundry and semiconductor assembly and test suppliers are located in the Asia-Pacific region. The primary foundry suppliers for our various digital, analog/mixed-signal, RF and PM integrated circuits are Global Foundries, Samsung Electronics, Semiconductor Manufacturing International Corporation (SMIC) and Taiwan Semiconductor Manufacturing Company (TSMC). Our primary semiconductor assembly and test suppliers are Advanced Semiconductor Engineering, Amkor Technology, Siliconware Precision Industries and STATSChipPAC.

## **Risks of Forced Labour or Child Labour Use in Global Supply Chains**

We are committed to promoting and respecting all internationally recognized human rights and avoiding complicity in any human rights abuse throughout our Company, our operations and our business relationships, including our subsidiaries, partners, customers and supply chain.

Forced, bonded (including debt bondage) or indentured labour, involuntary prison labour, slavery or trafficking of persons (collectively, “forced labour”) and child labour is prohibited, and our employees and contractors are always free to terminate employment. Neither forced labour nor child labour is to be used in our operations or in any stage of our product manufacture at our manufacturing suppliers and subsidiaries. We have a zero-tolerance approach for the use of forced labour and the use of child labour. We will never knowingly use any suppliers who engage in forced labour or child labour, nor will we ever condone such practices.

We conduct risk analyses and human rights impact assessments (HRIAs) to assess potential risks across our operations and/or value chain, including the risk of forced labour and child labour in our own business area and among direct suppliers. Any potential risks we identify are evaluated and prioritized. Our risk response is then determined by several factors: the type and scope of our business activities, our ability to influence the direct cause of a given risk or violation, the expected severity, reversibility and likelihood of a violation, and our causal contribution to risk or violation of our obligation.

Because Qualcomm primarily relies on third parties to perform the manufacturing, assembly, and most of the testing of our integrated circuits, our direct operations are extremely low risk for forced labour or child labour issues. We have never encountered forced labour or child labour in our operations.

## **How We Work to Ensure Our Supply Chains Are Free of Forced Labour and Child Labour**

The highest potential risk of forced labour or child labour in our supply chains stems from purchase of goods and services from outside Canada. In the Information and Communications Technology (ICT) sector at large, salient human rights risks may include forced labour, child labour, working hours, women’s rights, health and safety, freedom of association and collective bargaining, and

responsible sourcing of minerals. Because of our reliance on suppliers, we have placed emphasis on and taken specific steps to address potential forced labour and child labour risks in our global supply chain as outlined below.

As part of our risk-based approach, we require our primary semiconductor manufacturing suppliers to complete the Responsible Business Alliance (RBA)<sup>1</sup> Self-Assessment Questionnaire (SAQ) annually. The SAQ is a risk-assessment tool that enables companies to evaluate specific supply chain risk in areas such as labour, health and safety, environment and ethics. The SAQ results from our suppliers have indicated that 100 percent of our primary semiconductor manufacturing suppliers all have low-risk manufacturing facilities according to the SAQ ratings.

### *Our policies*

The following are Qualcomm Incorporated group-wide policies, which apply equally to Qualcomm Canada.

#### [The Qualcomm Way: Our Code of Business Conduct \(CoBC\)](#)

Our CoBC, which Qualcomm provides to all of our employees worldwide, emphasizes the Company's commitment to ethics, integrity and electing to work with only those businesses and individuals who share our values. Our CoBC is the foundational policy which defines our commitment to operating with the highest level of ethical conduct and our dedication to human rights, in our own operations and in our supply chain.

Our CoBC includes a section specifically on upholding human rights, including the prohibition of forced labour and child labour in our operations and at our suppliers. Through the CoBC, we provide all employees with information on the Universal Declaration of Human Rights and UN Guiding Principles on Business and Human Rights. Employees must review, acknowledge, and confirm that they will comply with the policies set forth in our CoBC upon hire and biennially thereafter.

#### [The Qualcomm Human Rights Statement](#)

The Qualcomm Human Rights Statement sets out the human rights-related standards to which we hold ourselves and those with whom we do business. The Statement provides detail on our principles and approach, our commitments, our risks, our due diligence practices, our processes related to grievance and remedy, and our management of specific human rights risks, such as eliminating forced labour and child labour.

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<sup>1</sup> Founded in 2004, the Responsible Business Alliance (RBA), formerly the Electronic Industry Citizenship Coalition (EICC), is a nonprofit comprised of electronics, retail, auto and toy companies committed to supporting the rights and well-being of workers and communities worldwide affected by global supply chains.

## [Qualcomm Supplier Code of Conduct \(RBA Code of Conduct\)](#)

We have adopted the RBA Code of Conduct, version 8.0, in our own operations and as our Supplier Code of Conduct (SCoC). The RBA Code of Conduct sets forth the standards to which we hold ourselves and our suppliers and is based on international norms, principles and standards, including those that prohibit forced labour and child labour. Our suppliers are contractually obligated to adhere to our SCoC.

The SCoC includes the following standards on the Prohibition of Forced Labour:

*“Forced labour in any form, including but not limited to, bonded (including debt bondage) or indentured labour, involuntary or exploitative prison labour, slavery or trafficking of persons is not permitted. This includes transporting, harboring, recruiting, transferring, or receiving persons by means of threat, force, coercion, abduction or fraud for labour or services. There shall be no unreasonable restrictions on workers’ freedom of movement in the facility in addition to unreasonable restrictions on entering or exiting company- provided facilities including, if applicable, workers’ dormitories or living quarters. As part of the hiring process, all workers must be provided with a written employment agreement in their native language, or in a language the worker can understand, that contains a description of terms and conditions of employment. Foreign migrant workers must receive the employment agreement prior to the worker departing from his or her country of origin and there shall be no substitution or change(s) allowed in the employment agreement upon arrival in the receiving country unless these changes are made to meet local law and provide equal or better terms. All work shall be voluntary, and workers shall be free to leave work at any time or terminate their employment without penalty if reasonable notice is given, which shall be clearly stated in workers’ contracts. Participants shall maintain documentation on all leaving workers. Employers, agents, and sub-agents’ may not hold or otherwise destroy, conceal, or confiscate identity or immigration documents, such as government-issued identification, passports, or work permits. Notwithstanding the foregoing, employers can only hold documentation if necessary to comply with the local law. In this case, at no time shall workers be denied access to their documents. Workers shall not be required to pay employers’ agents or sub-agents’ recruitment fees or other related fees for their employment. If any such fees are found to have been paid by workers, such fees shall be repaid to the worker.”*

The SCoC includes the following standards on Young Workers:

*“Child labour shall not be used in any stage of manufacturing. The term “child” refers to any person under the age of 15, or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. Workers under the age of 18 (Young Workers) shall not perform work that is likely to jeopardize their health or safety, including night shifts and overtime. Participants shall ensure proper management of student workers through proper maintenance of student records, rigorous due diligence of educational partners, and protection of students’ rights in accordance with applicable laws and regulations. Participants shall implement an appropriate mechanism to verify the age of workers. The use of legitimate workplace*

*learning programs, which comply with all laws and regulations, is supported. Participants shall provide appropriate support and training to all student workers. In the absence of local law, the wage rate for student workers, interns, and apprentices shall be at least the same wage rate as other entry-level workers performing equal or similar tasks. If child labour is identified, assistance/remediation shall be provided.”*

Our supply chain management [website](#) provides more information, including links to our CoBC, Human Rights Statement, SCoC, general purchase order terms and conditions, and other relevant supply chain policies.

### [Policy on Responsible Sourcing of Minerals](#)

Our Policy on Responsible Sourcing of Minerals highlights our commitment to working with our suppliers to ensure responsible sourcing of certain metals present in our products, especially those “conflict minerals” from the Democratic Republic of Congo and adjoining countries. We strive to provide DRC conflict free products and support industry-wide efforts to drive transparency in the supply chain. We expect our suppliers to obtain materials from environmentally and socially responsible sources, including conflict free sources within conflict-affected and high-risk areas.

For more information about our due diligence processes and to read our latest Conflict Minerals Report, please see our webpage on [Conflict Free Minerals](#).

### *Our due diligence processes*

In addition to due diligence conducted on our own operations, we work closely with the semiconductor foundry and assembly suppliers that manufacture our products as part of our due diligence efforts and to implement our policies related to forced labour and child labour, as described above.

Qualcomm is a full member of the RBA. The RBA’s purpose is to create and implement industry-wide standards for social, environmental, and ethical responsibility in the supply chain. Our membership and engagement in the RBA provides access to relevant training, third-party expertise, and tools to support our risk analysis and due diligence practices. By leveraging RBA tools and resources in our supply chain management program, we can focus on driving our suppliers to conform to high standards, including in their own supply chain management, lowering the risk of the use of forced labour or child labour.

### *Training on forced labour and child labour*

All Qualcomm Canada employees are required to complete training on *The Qualcomm Way: Our Code of Business Conduct* upon hire and regularly thereafter. This training, mandatory for all Qualcomm employees in all countries where we operate, includes sections specifically on supplier

selection, upholding human rights, and how we operationalize our Human Rights Statement in our day-to-day business and supply chain. As part of the training, employees must pass an exam demonstrating their understanding of our CoBC. Certain employees at our manufacturing sites receive additional training that delves deeper into our Company policies around human rights, upholding human rights in our operations, and engaging our supply chain on human rights issues.

Furthermore, we ensure that our suppliers have access to information and training regarding our SCoC conformance expectations, human rights (including forced labour and child labour), and other related topics through RBA offerings, capability activities, and individual supplier engagement.

### *How we monitor ourselves and our suppliers*

Depending on the results of risk assessments, Qualcomm may require on-site or remote audits of semiconductor manufacturing suppliers to evaluate their conformance to the SCoC and applicable laws and regulations, including those related to preventing forced labour and child labour. We review supplier audit results, engage suppliers directly, and support the correction of noncompliances at supplier sites when necessary.

Regularly assessing and monitoring suppliers for compliance with the SCoC allows us, among other things, to minimize potential harm as well as to create more resilient supply chains. In addition to completing the SAQ, our direct suppliers are subject to RBA Validated Assessment Program (VAP) audits and/or customer managed audits. We also conduct sustainability audits of selected non-primary manufacturing suppliers and/or suppliers that are new to our supply chain for conformance to our requirements.

RBA VAP audits are conducted by our supply chain management team and include RBA Lead Auditor trained personnel who conduct on-site audits of selected suppliers for their adherence to our SCoC and other corporate responsibility requirements. Auditors conduct record reviews, manager interviews and worker interviews for conformance to all standards of the RBA Code of Conduct covering labour, health and safety, environment, ethics and management systems. Corrective Action Plans and closure audits are put in place to resolve non-compliance as part of the RBA VAP audit process. We engage directly with suppliers to support effective correction of any audit findings, including those related to labour, human rights, and supply chain management.

We conduct regular business reviews with our semiconductor manufacturing suppliers, and SCoC conformance is often discussed during those reviews. These supplier business reviews provide an optimal venue for accountability with respect to responsible business conduct, including labour standards, because of participation from Qualcomm's senior management and potential business contract impact.

## **Governance of Our Efforts to Prevent Forced Labour and Child Labour**

The governance of our efforts to prevent forced labour and child labour is done at the Qualcomm Incorporated level and flows down to subsidiaries, including Qualcomm Canada. Oversight of our human rights program is led by the Board of Directors of Qualcomm Incorporated (the “Board”) and supported by our Environmental, Social and Governance (ESG) Leadership Committee and ESG Working Group. The Governance Committee of the Board provides oversight on ESG matters not delegated to other Board committees, including ESG policies, programs and initiatives, including human rights. The HR and Compensation Committee of the Board provides oversight on our human capital initiatives and our workforce diversity, equity and inclusion (DEI) policies, programs and initiatives. The Audit Committee of the Board provides oversight of our ESG disclosure controls and procedures.

The ESG Leadership Committee, chaired by our Chief Sustainability Officer (CSO), provides guidance on global corporate responsibility issues, reviews progress on our goals, discusses risks and corresponding mitigation activities and provides oversight of external reporting. The CSO, on behalf of the Committee, reports to the Governance Committee of the Board at least two times a year.

Our ESG Working Group is a cross-functional committee made up of business and functional leads who are responsible for the execution and coordination of activities, goals and key ESG issue areas. It integrates directives from the ESG Leadership Committee into company-wide programs, measures progress on achieving our goals and reports accomplishments and challenges. The issues overseen by the ESG Leadership Committee and ESG Working Group include climate change mitigation and adaptation, STEM education, DEI, supply chain sustainability including forced labour and child labour risks, social impact programs, human rights, health and safety, sustainability reporting, policy and regulation and resource management, among others.

## **How We Have Addressed Reported Risks or Remediated Forced Labour or Child Labour in our Supply Chains**

We are committed to providing remedies for individuals or communities in the event that Qualcomm, or third parties acting on our behalf, have caused or contributed to adverse human rights impacts, including forced labour or child labour. As such, we have a formal, third-party operated grievance and remedy mechanism, our [Business Conduct Hotline](#).

The hotline is a comprehensive and confidential reporting tool available for anyone, external or internal, to raise concerns, ask questions or seek guidance anonymously, to the extent permitted by local law. All stakeholders can raise concerns via either the toll-free hotline or the Internet, and we strive to respond to all reports in one to two business days. Qualcomm will not tolerate retaliation against anyone for raising concerns in good faith regarding an actual or suspected violation of our CoBC, Company policy, or the law.



Qualcomm did not encounter situations of forced labour or child labour during the year under review. We continue to exercise due diligence through our grievance mechanism, audits of our own operations, supplier engagement, and supply chain audit program. If we determine that forced labour or child labour has occurred or is imminent in our own business or at a supplier, we will take appropriate remedial measures to prevent or minimize the extent of the harm and provide remedy to those impacted.

**In Conclusion**

Qualcomm strongly believes in the necessity of ending the use of forced labour and child labour in global supply chains and has put in place policies, risk analyses, due diligence practices, a grievance mechanism and access to remedy in efforts to address human rights issues, including forced labour and child labour.

To learn more about Qualcomm’s approach to human rights, please visit our [website](#) and download our most recent Corporate Responsibility Report.

Please note that neither our website, nor any of our policies, reports or other documents or materials contained on our website or referenced herein, are incorporated herein by reference.

This Report covers the financial year ending September 24, 2023, and has been approved by the Directors of Qualcomm Canada on May 31, 2024.

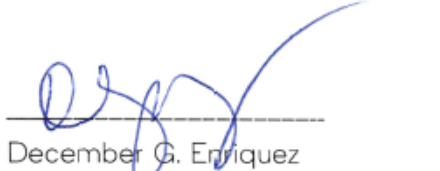
**Attestation**

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I have the authority to bind Qualcomm Canada.

  
James Taylor Cabaniss  
Director, Qualcomm Canada ULC

Date: May 31, 2024

  
December G. Enriquez  
Director, Qualcomm Canada ULC

Date: May 31, 2024